

X **OVERSIGHT HEARINGS ON FEDERAL  
DRUG STRATEGY—1979**

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**HEARINGS**  
BEFORE THE  
**SELECT COMMITTEE ON  
NARCOTICS ABUSE AND CONTROL**  
NINETY-SIXTH CONGRESS  
FIRST SESSION

—  
MAY 31, JUNE 7, 12, 14, 21, AND JULY 10, 1979  
—

Printed for the use of the  
Select Committee on Narcotics Abuse and Control

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SCNAC-96-1-4



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## OVERSIGHT HEARINGS ON FEDERAL DRUG STRATEGY—1979

THURSDAY, MAY 31, 1979

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON NARCOTICS  
ABUSE AND CONTROL,  
*Washington, D.C.*

The Select Committee met, pursuant to notice, at 9:37 a.m., in room 2212, Rayburn House Office Building, Hon. Lester L. Wolff (chairman of the committee) presiding.

Present: Representatives E (Kika) de la Garza, Leo C. Zeferetti, Stephen L. Neal, James H. Scheuer, Robin L. Beard, Benjamin A. Gilman, Tennyson Guyer, and Henry Hyde.

Staff present: Robert Hundley, chief of staff—demand; Roscoe Starek, minority counsel; James Marotta, staff counsel; Richard Carro, staff counsel; Laura Sherman, professional staff member; and Elliott Brown, professional staff member.

Mr. WOLFF. The committee will come to order.

As usual here in the House there are a great number of meetings occurring at the same time and members of the committee will be coming in a little bit later on. But in view of the very heavy witness list that we do have this morning, the ranking member and I decided that we would proceed, and as the other members came in they would have an opportunity of reviewing the statements.

This morning's hearing on prevention is the first of a series designed to examine the Federal strategy in an effort to respond to the ever-growing amount of drug abuse in this country. During the 95th Congress, this committee focused on the supply aspect of the problem, including the effectiveness of law enforcement efforts and investigations into drug trafficking. We will continue to exercise oversight in this area of the overall problem. However, for the next 1½ years, the committee intends to concentrate on ways to decrease the demand for drugs and to examine what is being done about it.

Thus, we are leading off with the Federal strategy for drug abuse prevention and finding out how the various agencies of Government are following the recommendations that have been made in the Federal strategy. We do this in the belief that even small increases in moneys and resources directed toward prevention lead to disproportionate savings in law enforcement efforts. Reaching those people who have not yet begun to abuse drugs or who abuse drugs for lack of information is one of the truly hopeful, long-range solutions to this country's pandemic drug abuse problem.

Americans spent, according to the estimates we have received from various intelligence sources, an estimated \$40 to \$50 billion last year on illicit substances. Of the nearly \$1 billion the Federal Government spent last year to combat this influx which primarily comes in from overseas, prevention activities received less than \$20 million. NIDA, the lead agency in the field, allocates a bare 2 percent of its budget to prevention, and the amount of money it spends is declining. From a high of \$7.2 million in fiscal year 1978, the prevention budget decreased to \$5.2 million in fiscal year 1979 and an estimated \$4.7 million in fiscal year 1980. Similarly, DEA proposes to spend only \$600,000 on prevention out of a total requested fiscal year 1980 budget of \$193 million. Why does prevention remain such a neglected area?

Previous testimony before this committee has given us an understanding, we believe, of the overall ideas and programs of prevention that we are utilizing. We have learned of local school and community programs which attempt to instill in children the personal skills necessary to avoid drug dependence. But there are many unanswered questions: How do we measure the success of prevention programs? Can the responsible Federal agencies provide guidelines for evaluating prevention programs and, even more important, do they know what works in prevention? Do we really have an idea of where we are at in the area of prevention itself?

Unfortunately, the various Federal agencies, engaged in what can only be considered cursory effects in the prevention field, do not always coordinate their efforts. It is an understatement to say that Federal prevention efforts are fragmented. The Government must work in close liaison with local communities interested in prevention by providing them with information on program models, available funding sources, and a certain amount of technical assistance.

We hope to determine how those agencies in the Federal Government are implementing and coordinating the expressed Federal concern for prevention and the ways in which their programs relate to other social problems, such as alcoholism, delinquency, and crime. In addition, we will be asking our witnesses to respond to four basic issues:

1. What is the Federal Government doing now in the prevention area?
2. Is the Federal Strategy 1979, as prepared by the President's Strategy Council on Drug Abuse, a viable outline for Federal activities?
3. What is entailed in a holistic approach to drug abuse prevention, and how and by whom can such an approach be implemented?
4. Are Federal agencies responsible for prevention providing the necessary resources to local communities to enable them to carry out their prevention programs?

We don't hope to answer all of these questions here today, and I'm sure we don't expect that of our witnesses, but the committee would like to find some specific areas for further exploration.

I point to the Federal strategy that has been outlined on prevention and will read some of the various elements that are in that overall recommendation. I feel very strongly that there are certain areas in

here that require some sort of exposition by witnesses today and our witnesses to come.

Included in that is a statement that:

Drug abuse, like juvenile delinquency, does not occur in a vacuum; it occurs within a general behavioral context. When we talk about prevention we must think in terms of promoting healthy alternatives to replace a wide variety of undesirable behaviors—which may include drug abuse.

Are we today providing the alternatives or just providing rhetoric?

Because the onset of inappropriate drug use usually occurs early in life and because new learning skills are most easily developed at this stage, the young are the primary target of prevention strategies.

Is that right? Are the agencies of Government engaged in targeting this group? From elements we have seen, that seems to be the focus of our prevention efforts. But outside of focusing on this, what are we actually doing?

Key elements of prevention are:

A focus on rewarding a positive non-drug-using lifestyle, rather than an emphasis on punishing drug use.

How are you rewarding the lifestyle? Where is the money? I know there have been various attempts made by the agencies to set up a program, but are you funding any programs in that area, or are most of the funds going for preparing the programs and then the follow-up leaves it to the local community to act upon their own?

I found that in the area of enforcement, when it came to the overall objectives of trying to bring about a greater emphasis upon enforcement, we were told:

Well, for the most part this is a local problem and the local government must provide the funds.

Where are all the funds going that the Federal Government provides? What is happening to the local community?

An evaluation component included as part of every prevention effort.

I am happy to see that there has been a real concerted effort in evaluating programs, which did not exist prior to these hearings.

The Federal role in prevention is necessarily limited, because each community must develop prevention programs which are relevant and appropriate for its own unique conditions. The Federal Government, however, will support state and local efforts to find effective drug abuse prevention programs within the broad conceptual framework of providing positive alternatives and effective programs for youth.

I think that is something we have to look at and try to determine whether that strategy is being met.

The goal of the Federal involvement in drug abuse prevention has been, and will continue to be, to help local community groups learn how to utilize local resources.

One thing we heard last year was that there was little communication with the local groups. What has been done to implement the line of communication with these local groups so they can take advantage of that which we learn at the Federal level?

The Strategy will emphasize prevention coordination among the involved Federal agencies, and evaluation and research.

I am really waiting for that because I think one of the major efforts in coordination is the getting together of the various agencies of

Government who have to appear and coordinate their testimony before this committee.

The last element that I'd like to bring to the attention of the witnesses today and followup witnesses is the part of the strategy which says:

Research on possible causes of drug abuse and on the differential characteristics of users and non-users will be encouraged.

I for one—and I'm sure I share the opinion of the committee—would like to see how some of these efforts are being encouraged. I think that it is the responsibility of the Government to issue a strong statement on how we are encouraging these efforts, and make that information available to those localities and communities who are working in this area.

Before bringing our witnesses to the table, I would like to ask Mr. Beard for his statement.

Mr. BEARD. Thank you, Mr. Chairman. And I will give this very short statement on behalf of Mr. Railsback, the ranking minority member who is flying in from Illinois at this time.

I would like to join with you in welcoming our witnesses to the Select Committee this morning. I am pleased that we have assembled such a distinguished group of executive agency program coordinators to help us better understand the Federal Government's drug abuse prevention strategy.

As you noted, Mr. Chairman, today the Select Committee is beginning a series of five oversight hearings to examine the Federal Strategy for Drug Abuse and Traffic Prevention.

The approach which the Select Committee is taking during this initial series of hearings is most commendable and, in my opinion, right on target.

The Federal strategy recognizes that the Federal role in prevention of drug abuse must be limited since the most effective programs must be developed and operated by local and community organizations.

Yet, this does not explain the lack of coordination among the Federal agencies which is a major tenet of the strategy. Nor does it explain the lack of funding and assistance to school and other community-based groups. In fact, about \$2 million is budgeted for the Office of Education's drug abuse education program in our schools. This is where the Federal money could be most beneficial.

I hope our witnesses today will be able to help us better understand just exactly how their specific programs are implementing the Federal strategy.

Let me also say, Mr. Chairman, as a personal observation: First of all, I am excited and encouraged that the House did give this committee an extended period of time to look into the drug program because I must say I have been extremely disappointed and disillusioned about the lack of a coordinated drug program.

I commend Mr. Califano's major national program to eliminate smoking—the public service advertisements that we see every day on television regarding the dangers of smoking. Yet, it horrifies and befuddles me that we have yet to really place as much emphasis directed at our young people, through public service advertisements, on the dangers and the problems involved in the use of drugs such as marihuana as we have on smoking.

I would like as a result of the hearings for us to study and maybe come out with a strong stand against decriminalization of marihuana which at one time the administration supported. I would hope they would change their support.

I would also hope that this committee, while studying the probable causes and psychological aspects, as to why young people feel a need

to use drugs, will come up with some concrete recommendations in our judicial process to make it extremely unattractive for those people who are investing money and making a profit by selling drugs to the young people of this country.

It just tears me up when I see in the newspaper 10 or 11 young people lost their lives in Maryland in a car wreck as a result of having used drugs.

It kills my soul to see the tremendous increase in seventh and eighth graders who are now using drugs.

This is a major national problem, probably one of the most critical problems facing this country today. Yet I have seen no emotion, I have seen no excitement, no real exaggerated concern by anyone to start coming down hard on those people who are pushing these weapons. We talk about gun control, but to me drugs are some of the biggest killers in this country. I would hope that this committee would be out-and-out tough as to our recommendations and present some of our recommendations on how to give the law enforcement agencies, drug enforcement agencies, the tools to work with in cracking down in a heavy manner on the drug pushers of this country.

Mr. WOLFF. Thank you very much, Mr. Beard.

Mr. Neal.

Mr. NEAL. I don't have a statement, Mr. Chairman.

Mr. WOLFF. Mr. Scheuer.

Mr. SCHEUER. I don't have a statement.

Mr. WOLFF. Mr. de la Garza.

Mr. DE LA GARZA. I don't, either.

Mr. WOLFF. I want the ranking member present to be aware that, unfortunately, the efforts in smoking have had very little effect upon me. But you see I'm not smoking cigarettes at the moment.

Mr. BEARD. I've smelled some of your pipe tobacco at various times and wish you were smoking cigarettes. [Laughter.]

Mr. WOLFF. Our panel for today is a very distinguished panel. I'd like to welcome our prominent witnesses. Our first panel includes Dr. Gerald Klerman, Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

We welcome Dr. Pollin. This is his first appearance before the committee.

Dr. POLLIN. Thank you, Mr. Chairman.

Mr. WOLFF. Mr. John DeLuca, Director of the National Institute of Alcohol Abuse and Alcoholism. And this is Mr. DeLuca's first appearance before the committee as well. Dr. Klerman is an old hand at this and knows how difficult we can be.

And in addition, Dr. Helen Nowlis, Director of the alcohol and drug abuse education program of the Office of Education.

Dr. Nowlis, we welcome you back to the committee.

We normally give an oath to our witnesses. However, all of you took an oath to perform the duties of your job to the best of your ability when you came on the job, so I think it is unnecessary and redundant for us to do that, and I'm sure that anything you say will be the whole truth and nothing but the truth.

Dr. Klerman, would you proceed first, please.



TESTIMONY OF DR. GERALD L. KLERMAN, DIRECTOR, ALCOHOL,  
DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION, HEW

Dr. KLERMAN. Mr. Chairman, it is a pleasure to be here again with you and your committee. These hearings on prevention come at a propitious time inasmuch as HEW has agreed to increase the focus on prevention in general for health matters overall and particularly for drugs and alcohol and other addictive substances. I am pleased to appear before you in my dual capacity as the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, and also as the joint drug abuse policy coordinator for the Department.

Accompanying me today, as you have indicated, are Dr. Pollin, Mr. DeLuca, and Dr. Nowlis. We will be joined later by Dr. Michael McGinnis, who is the Deputy Assistant Secretary for Health, responsible in the office of Dr. Richmond for coordination of all prevention and health promotion programs. He has prepared a statement and will be available later in the morning.

I would like to make a few brief comments and then the other members of the panel can speak in detail about their respective activities.

Historically, Federal initiatives to address alcoholism, alcohol abuse, and drug abuse have focused on the development of a national capacity to enhance treatment, rehabilitation, and research. Although these activities continue to serve as vital components of the total effort, prevention has been accorded an increased priority in recent years. There is increasing support for the belief and hope that prevention efforts will aid in the reduction of incidence of these behaviors which are detrimental to the individual and to the community, and that we shall increase our knowledge and assist those individuals who wish to modify their lifestyles and thus improve their own health.

There are a number of coordinating efforts within the executive branch and within HEW which are underway.

With regard to the total Federal effort on drug abuse, the primary focus is within the White House, and Mr. Dogoloff provides overall coordination for the Federal executive departments, particularly HEW, Justice, the Department of State, and the Veterans' Administration. And it is his office that has prepared the Federal strategy within which the HEW program has operated in a policy context.

In addition, with regard to alcohol, there is by statute mandated a Federal Interagency Council on Alcoholism which is chaired by Mr. DeLuca in his capacity as Director of the National Institute on Alcohol Abuse and Alcoholism, and that includes representatives of a wide range of Federal agencies and provides an important forum for the exchange of information. Included in its activities is a sub-group working on alcoholism prevention.

Within HEW there is an overall prevention initiative that the Secretary and Dr. Richmond have accorded a high priority.

Specifically with regard to drug abuse prevention, I, along with a member of the Secretary's staff, have for the past 2 years been responsible for overall coordination among HEW agencies, and in addition, we serve as liaison with the White House. For example, the White House strategy document has encouraged a positive approach

to provide alternatives to drug use on the part of youth. And both NIDA and the Office of Education have developed innovative research and demonstration projects to develop curricula for schools and community programs. They also provide information to the general public.

The Federal strategy calls for a diversification of attention, commenting that in the past the efforts have been primarily focused on heroin. There are now efforts to focus on barbiturates and other drugs which are the subject of use by the aged and older people and contribute to mortality either through ingestion or attempts at suicide.

Secretary Califano and Dr. Richmond, the Assistant Secretary for Health and Surgeon General, have accorded prevention a high priority in the initiatives and emerging health policies of the Department. And within ADAMHA, the agency for which I am responsible, we have established prevention as a major agency priority, along with other priorities in treatment, research, and manpower development and training. And I have added to the staff of my office one individual who will become the focal point for planning and evaluation, Mr. Sid Wolverton, who has devoted increasing amounts of his effort to working with the various Institute programs in alcohol, mental health, and drug abuse for possible joint programing.

We believe there are some areas of hope that reflect a degree of progress. Dr. Richmond has pointed out that the health of the Nation has never been better, and with respect to the behavior of adults there are hopeful results. The death rate from cardiac disease is down, the death rate from overdose of heroin is down, the death rate from barbiturates is down, and the death rate from cirrhosis of the liver is also down.

This indicates significant changes in lifestyle behavior. The adults of this country are exercising more, smoking less, have moderated their ingestion of alcoholic beverages, and cut down on high-caloric foods in the diet. These have contributed to the decrease in cirrhosis of the liver and heart disease. And we believe that prevention programs have contributed to these national trends.

We are not, however, that optimistic about the progress with regard to young people and teenagers. Here we have found some alarming trends. While the heroin situation has improved greatly, with about a 15-percent decrease in the number of people coming in for heroin addiction and a marked decrease in the deaths due to overdose, with respect to other drugs the situation with regard to teenagers, adolescents, and young adults is still a matter of great concern. This indicates a need for a more focused effort in this age group, Mr. Chairman, as your opening statement indicates.

The percentage of young people using marihuana is increasing. Approximately 10 percent of young people in the high school seniors group acknowledge the use of marihuana at least daily. The percentage of young people using alcohol has also increased, and this is reflected in the alarming concern about automobile fatalities in this group. At least half of the fatalities are associated with the use of alcoholic beverages, particularly beer.

And there are other indexes that indicate that when considering young people our efforts at prevention are not proving as successful

in modifying their lifestyles and behavior as the evidence reflects with regard to adults.

For this reason, our efforts with regard to prevention directed at young persons have been increased and hopefully more focused. We will describe that in greater detail with regard to the activities of NIDA, NIAAA, and the Office of Education.

In your letter to Dr. Richmond, inviting participation by HEW at this hearing, you raised some questions as to what was being done to combine and coordinate various kinds of prevention programs. A number of joint programing initiatives are under consideration, and some of them have already been implemented.

I want to describe two programs which will soon be implemented. They indicate our joint efforts to focus preventive activities on barbiturates and sedative hypnotic drugs.

Dr. Richmond, the Surgeon General, will shortly announce an initiative on sleep and hypnotic drugs. This follows upon the recommendations from the special report conducted by the Institute of Medicine of the National Academy of Sciences. The report stemmed from concern initially expressed by Dr. Bourne in the White House about the alarming number of deaths due to the use of barbiturates. We are searching for opportunities to influence medical practice and to educate the public on this issue.

The report of the National Academy of Sciences recommended that HEW and the Public Health Service take steps to improve medical practice and to educate the public.

Dr. Richmond, in his capacity as the Assistant Secretary for Health and Surgeon General, has developed an initiative which involves a two-pronged approach, one directed at physicians to improve their capacity to recognize and diagnose sleep disorders and to use hypnotic drugs within the context of improved treatment of the widespread conditions of insomnia and sleep disorders that afflict millions of adults.

There will be an increase of funds for research and for the dissemination of educational material for physicians. We will, in concert with the FDA, develop educational programs to increase the knowledge of patients suffering from these conditions for the use of hypnotic drugs.

With regard to another activity, Secretary Califano, in his address before the National Council on Alcoholism Forum, announced a number of initiatives with regard to alcoholism and took note of the serious health hazards which occur when people who use alcohol in excess ingest certain drugs that influence the central nervous system, such as Darvon and the minor tranquilizers.

The Surgeon General will soon issue an advisory to physicians and other health personnel on the dangers of prescribing central nervous system drugs, including narcotics and sedatives, to individuals who use alcohol in excess. The FDA will issue a special bulletin detailing the medical and pharmacologic complications.

This is precisely the type of interagency cooperation that the Federal Strategy for Drug Abuse and Drug Traffic Prevention has encouraged. It represents, we believe, increasing interagency cooperation within the Public Health Service, and it also directs attention

to the areas of drug abuse that are involved with prescription drugs, in this case the barbiturates and sedative hypnotics and minor tranquilizers.

It is our intent to continue to search for areas where there should be further joint programing and increased effort.

Obviously, it is in the area of young people, high school and college students, and that age group, where we are not as successful as we would hope to be. The indices with regard to the numbers of young people using marihuana and alcohol and various other substances with health consequences is of concern to the Secretary and to all of us responsible for the health programs and educational programs of HEW.

I am here to assure the committee that prevention will become an increasing part of the future policy directions of the Department. We wish to commend the committee for its various activities to focus attention on drug abuse and now on prevention, and look forward to a productive and fruitful exchange as to new ways in which we can work together.

Mr. WOLFF. Thank you very much, Dr. Klerman. I am going to ask our panel to give their statements first, and then we will ask questions of the entire panel.

And I should like to ask if the witnesses can summarize their statements, as you have done, Dr. Klerman, and we will include the entire statement, without objection, in the record at this point.

[Dr. Klerman's prepared statement appears on p. 49.]

Mr. WOLFF. Before continuing, I would like to ask one question. How do you account for the fact that you say there is going to be a greater effort in prevention, and yet your requests for budget are decreasing? Have the figures been altered by OMB or some other agency that sits on high? How do you account for the fact that you had \$7.2 million in fiscal 1978 for prevention, then in 1979 the budget decreased to \$5.2 million, and now the request is for \$4.7 million in 1980?

Dr. KLERMAN. That is the specific budget with respect to the NIDA prevention program. Overall, the HEW prevention effort has had a significant increase. I think it is on the order of \$100 million overall. It is true that the earmarked money for prevention within NIDA has shown a decrease. There are, however, significant funds that go to the States through the formula grants and through the statewide services contract which the States use for prevention.

Dr. Pollin can give more details. Were the financial budgetary situation different, we would be prepared to augment our activities in this area, but the President, as you know, has indicated that this is a time of budgetary stringency and certain high priority areas have had to be put aside temporarily. I think Dr. Pollin can describe in greater detail how NIDA uses its limited funds in a focused way and what some of its plans are for the future.

Mr. WOLFF. Thank you.

Dr. Pollin, would you proceed, please.

TESTIMONY OF DR. WILLIAM POLLIN, DIRECTOR, NATIONAL  
INSTITUTE ON DRUG ABUSE, HEW

Dr. POLLIN. Thank you, Mr. Chairman.

Mr. Chairman and members of the Select Committee, I am pleased to appear before you today to discuss drug abuse prevention.

In my statement today I will describe current National Institute on Drug Abuse prevention initiatives and policy consideration. Since I am still familiarizing myself with this area of Institute program, you will hear some uncertainties and questions from me. After some months, I expect to speak with greater knowledge and firmer conviction.

As I understand the history of drug abuse prevention activities conducted by the Federal Government, a significant amount of energy has been spent in achieving a consensus definition of the concept of prevention itself, and then in determining what governmental activities are appropriate and feasible. If I could attempt to characterize the dialog that has occurred, many within the research community have found the goals of prevention programs, while admirable, to be unmeasurable. Some have recommended that NIDA not support any prevention programs. Others, while acknowledging the evaluative weaknesses of the prevention field, have urged that the Federal Government make a substantial investment in direct services delivery programs in the prevention area, arguing that any effort that can be made would somehow be helpful. This committee has shared in this debate over appropriate policy, and I think shares my own sense that it might be timely to again think through the current nature of Federal activities in drug abuse prevention.

Successful examples in the field of medicine may yield a model for our consideration. Traditional medicine, using a basic biological framework for disease prevention, has employed varied techniques ranging from vaccines, in the case of polio, to instituting public health measures attacking overcrowding and unsanitary living conditions to prevent the spread of communicable diseases, such as cholera and tuberculosis.

Medicine has also successfully used behavioral models of disease prevention. One reason many more people retain their teeth to older age is our success in getting the public to brush their teeth and take greater care of dental problems.

Are there comparable approaches in drug abuse? The vaccine or biological approach can now be conceptualized as a distinct but distant possibility based on recent dramatic new knowledge that has emerged from research in the area. For the present, we must rely on behavioral and public health principles.

Two other approaches work very well in the prevention area which we do not usually include in drug abuse prevention concepts: One is the testing of abuse liability at the Addiction Research Center, and preventing drugs from coming on the market with high abuse potential; the other is our current legal and regulatory control system for psychoactive drugs. Of the 500,000 deaths annually in the United States due to the addictive disorders, over 95 percent are related to those drugs that are not scheduled or regulated; nicotine and alcohol.

It is estimated that 90 million Americans drink regularly; 60 million are regular cigarette smokers.

If one assumed a comparable prevalence of the use of those drugs which are currently controlled, as with alcohol and cigarettes, we could predict much higher morbidity and mortality without the present system of regulatory controls. Since these drugs under control are probably more reinforcing and probably as addictive, as are alcohol and tobacco, presumably there would be much wider use.

I urge the committee to review the preventive results of these regulatory and legal approaches. The fact that we do not take note of this success may be yet another example of our widespread failure in this country to recognize our successes and build on them.

This leaves for consideration the large, more conventionally recognized area currently thought of as prevention: information, education, alternatives, and early intervention. Realistically, we must note the limitations of educational and exhortation approaches. The inability to get more than a minority of drivers to use seatbelts is one example. We must also take into account those basic social factors, the widespread public opinion, which is, if not supportive, at least frequently neutral about the harm of drug abuse. The recent introduction of an expensive perfume, entitled Opium, exemplifies this type of public indifference. Recognizing these constraints, I am nonetheless convinced that we should mount a major public effort of drug abuse prevention, and that NIDA has a key role to play. The substantial decrease in per capita cigarette smoking during the 4-year period in the mid-1960's when the FCC-mandated, antismoking commercials on the media equivalent to cigarette commercials, gives us one example of how successful just one widely used prevention effort—media use—can be. The figures about the decrease in per capita consumption during those 4 years and the reversal of that trend within 6 months after all smoking commercials, both antismoking and prosmoking, were removed from the air, is very clear indeed.

One part of NIDA's prevention program is a strategy of primary prevention. It is designed to delay or prevent the development of drug abuse by strengthening individual development, family, and social bonds, by providing usable behavioral alternatives. In a sense we attempt to psychologically immunize the individual against the likelihood of problem use of drugs. Multiple approaches are used which include information, education, alternatives, and intervention, especially for high-risk groups.

One of the current priorities is an effort to order these multiple approaches suggested or attempted by prevention workers and different community groups, to develop a rational system of relating the different alternatives to the various subgroups of different age, different demographics, and at different risk, and attempt to evaluate them in terms of relative effectiveness.

Throughout the country there are thousands of community efforts along these lines. We are attempting to develop a rational system which can help coordinate these efforts and control them, to add community resources where possible, and to share knowledge and technical assistance regarding program effectiveness. Focusing on such system

development, NIDA supports projects with a substantial evaluative research component.

In this current fiscal year, NIDA expects to support 14 direct community program prevention grants at a cost of \$1,923,000; 9 evaluative and technical assistance contracts for \$1,759,000; and 50 contracts to single-State agencies to establish State prevention specialists for \$1,408,000; totaling \$5,090,000. If one includes other primary prevention activities within the Institute, which don't come within the prevention branch per se, but activities such as the testing of abuse liability at the Addiction Research Center whose goal is to elucidate prevention options and prevention knowledge, then the total NIDA expenditure for prevention in fiscal year 1978 was \$8,385,000.

Mr. WOLFF. Dr. Pollin, I would like to intervene for a moment. Since you are new at the job perhaps you might not want to venture an opinion on this matter: Do you consider the amount of money that you have available adequate?

Dr. POLLIN. In the best of all possible worlds, Mr. Chairman—

Mr. WOLFF. Well, we are not in the best of all possible worlds.

Dr. POLLIN. We do think we can, within the constraints of the present budget, by appropriate modification of some current programs, mount a meaningful and strong prevention program.

Mr. BEARD. Would the gentleman yield?

Mr. WOLFF. Yes.

Mr. BEARD. It is that kind of attitude—and I know you are new—that I find totally unacceptable. Because every year we see more and more young people getting hooked on drugs. I think it is time people like yourself forget the politics. If OMB and so on doesn't support you, say, "I am going to quit the job because I can't do it with what you're giving me. I won't compromise my professional integrity."

The fact is they are not giving you enough and you can't get to these kids, and it's extreme and the problem is getting worse. That is a fact of life. You know it and everybody here knows they aren't giving you the support. I would like to hear somebody say that one time rather than saying, "Within the restraints of the budget we can do a fairly good job."

I think it's time that we stopped saying that. I think it's time we start placing a little bit greater priority on the future of these young kids' lives.

I know it's easy for me to say. I am not attacking you or anyone there, but it is a frustration I'm feeling because the only way we will get Members of Congress emotional about it is not by saying you've got enough money and you can make it work. It is going to be by you coming to us and saying, "The monkey is on your back. This is the problem. We can't accomplish it with what we've got, and this is what we need to accomplish something."

Dr. POLLIN. Mr. Beard, I share entirely the feeling and the thoughts that you expressed in your original statement. I do consider this to be one of our major national problems.

If I felt today that there was an approach, that there was a mechanism, which I was convinced would effectively and with certainty turn around the use of these drugs by ever-younger children and by ever-larger numbers of children, I would make the type of statement that you suggested would be appropriate.

I think our need at this point is to develop new techniques, new approaches, to give ourselves the conviction that we have a mechanism that works; to recognize the severity of the problem. But to approach it in the absence of a technology where there is some reasonable expectation of effectiveness sometimes, I think, can be counter-productive.

One of the inquiries we have begun is to reanalyze precisely what did happen during those 4 years of antismoking commercials during the 1960's, and to attempt to see what would be the legislative and financial requirements to recommend a similar program today, addressed at the addictive disorders as a group of disorders, and to try to analyze the cost effectiveness of such a program.

If we come up with that and it would suggest that this has a meaningful likelihood of working, then we will make that recommendation within the Department and make it very strongly indeed.

Mr. WOLFF. Please proceed with your statement. I'm sorry to interrupt you. As you can see, we are faced with the same frustrations that you are, and we want you to understand that we are not at all in an adversary position. Our objectives are to attempt to help you perform the services that you are engaged in to the best of your ability and to the best of this country's ability to support them. I think that is one of the major factors that we have here.

The gentleman spoke about the fact that we don't have people coming before us and making a request for money. This places us in a difficult situation because we provide the money. If we don't provide the money, you can't do the job. But if we don't have the request from you, we can't provide the money.

I think that's basically where it's at.

Mr. NEAL. Mr. Chairman.

Mr. WOLFF. Yes.

Mr. NEAL. Although I'd like to hear you finish your statement, I'd personally like to say at this point that I think your approach is eminently sensible. There is no point in appropriating a lot of money if we don't know what it's going to be used for, or if it's going to be effective. I don't think we know why people are using all sorts of different drugs and what would be effective in preventing them. That's what I'm sitting here this morning to hear, and I haven't heard it.

Mr. BEARD. My statement was not that we should go out and appropriate a lot of money. For the past several years we have had people come before us and say within the constraints of the budget they can accomplish what they have set out to accomplish, and yet the problem keeps getting worse.

Mr. NEAL. I think that is because we don't understand the nature of the problem.

Mr. BEARD. I think in a couple of years, if this committee continues, you may be guilty, as I am, of an outburst ever so often.

Mr. ZEFERETTI. Mr. Chairman, I happen to agree with Mr. Beard to some degree. We have been sitting up here for a couple of years, and I haven't heard any testimony on the positive side. I think it's about time there's some knowledge here and we should address ourselves to the evaluation of what has been tried before and, if it works, then get the expenditures to meet that need. But if we just keep listening to the same thing year in and year out, and not addressing



that problem, not finding the cause or not finding the program that is positive and works and does reduce it—you can say we have reduced deaths on heroin. That's fine. But what is the replacement for heroin? Are the addicts using something else? Are they switching to methadone? Is the suicide rate on the rise?

And that's what I think we are talking about. After sitting here for a few years, we are saying let's get some positive aspects out of this testimony and not just the same thing over and over again that, "We are going to evaluate this and that, and look at the books and look at the films, and if they work maybe we'll try."

We've reached the point now where we'd better find something pretty soon because there's a lot of young people—not only young people but, as has been indicated, adults—that need assistance.

I think we should be emphasizing positive remarks rather than repetitive evaluations.

I agree with my colleague. The testimony is fine on the subject that you are dealing with, but, by God, I'd like to hear you attack something and say, "Hey, this has been positive. This is where we think we can do something."

Mr. WOLFF. If the gentleman will yield, further on in Dr. Pollin's testimony are some examples of positive results.

But you see where we are at, ladies and gentlemen. I find these hearings to be too confining, very frankly, because you read a long statement. We sit here and listen to a long statement.

Now, basically, we can read, you know. That's one attribute that Members of Congress have. We may not have many more, but we can read.

We are constrained because of time to be able to elicit from you some of the answers that we are looking for.

Dr. Klerman, do you want to comment?

Dr. KLERMAN. I'd like to say it was very useful, Mr. Chairman, when you came out to meet with the National Advisory Council on Drug Abuse and you and I had lunch together. I'd like to extend an invitation to you and the committee to join with the staff and Council of NIDA for a spontaneous give and take in a less confining environment. That was a very fruitful opportunity we had to meet with you and some of the staff people.

I'd like to amplify what my colleague, Dr. Pollin, said and make clear what it is we can and cannot do within the budgetary constraints.

With the moneys available we can continue to explore possible ways of aiding young people. Mr. Beard is absolutely right. There's been an alarming increase in the use of marihuana and other substances by young people. This is of enormous concern to us. We cannot say to you, however, "These are the approaches that are guaranteed to work the way the polio vaccine is guaranteed to work."

Dr. Nowlis will describe some efforts in the school system that have yielded positive results.

We have moderate amounts of money to continue those demonstration projects. We do not have money to fund community efforts on prevention and education.

I'm trying to indicate our current status and what we can do and what we cannot do.

Mr. WOLFF. I understand that, Dr. Klerman, but, you see, there is a basic thrust that we are looking for. We are looking for what is behind your thinking. Are you directing your attention or the assets of your agency at this particular area of the problem?

I read a paper of yours recently, the International Journal of Addiction, which troubled me. You say, for one thing, "The magnitude of the emotion is out of proportion to the pharmacological situation."

I think you indicated in this article that we are out of step, that we have not recognized the changing society. You seem to accept the existing chemical society as part of a changing lifestyle. This is hard for me to accept.

You are certainly more learned in this field than I, but by the same token it is hard for me to accept that basic thesis because it is contrary to what we have been told by other people and by other authorities.

It concerns me that perhaps there is a greater acceptance of the status quo on the part of your agency, and that we really can't do too much about this problem because it's a changing society.

Am I correct in my interpretation of this article that you wrote?

Dr. KLERMAN. Today, I would today modify my position. At the time I wrote that article, which I think was some 5 or more years ago—

Mr. WOLFF. It was 1970, 9 years ago.

Dr. KLERMAN. There has been research on marihuana, mostly conducted by NIDA, which indicates that marihuana has far more significant health hazards than were apparent in 1970. And I would therefore modify my position as I just stated.

Mr. WOLFF. I'm very happy to hear that because I had some very serious questions.

Mr. NEAL. Mr. Chairman.

Mr. WOLFF. Yes.

Mr. NEAL. From what I read, see, and hear I would imagine that over 90 percent of the people in this country use some kind of foreign substance or other—caffeine, nicotine, alcohol, sleeping pills, tranquilizing pills. And if he's saying that there has been a change in society over the years, that more people are using substances that they didn't use earlier, that is accurate, isn't it? Isn't that a fact of life in this society? I mean, does it do any good to try to deny that that has happened in this society?

Mr. WOLFF. No, I would not say that, but I would like to see something instead of substances used to solve the problems. I would like to find some means of reaching the root causes of the problems and discover why people are using substances as a substitute for the answer to the problems.

Mr. NEAL. Well, I would, too.

Mr. WOLFF. I don't think society has changed that much, that we are going to find gratification out of a substance rather than out of the real thing.

Mr. NEAL. Of course, to me the central question is why.

Mr. WOLFF. That's it.

Mr. NEAL. That's what I would like to know from this panel. Why has this change taken place? Why are 90 percent of the American public using one thing or another?

Mr. WOLFF. Well, we are used to instant solutions. A woman goes to the supermarket and doesn't want to buy peas; she wants to buy peas that have been hulled and frozen. And now she wants peas that are hulled and frozen and in a sauce. And then she wants them in a bag, so you just drop it into the water to heat them.

Mr. NEAL. Mr. Chairman, it seems to me we have to know why to start with, or there's no possible hope for any kind of prevention if we don't understand why people are doing this. Is the panel going to address this, which to me is the very basic question? That is what I would like to understand and I don't.

Mr. WOLFF. Well, now that you have been exposed to some of the difficulties that we face on this side, don't think you are alone in facing the difficulties of coordinating agencies. We face difficulties in coordinating the Congress, too.

Mr. BEARD. Let me ask just one point and then the doctor can continue his statement. We talk about some positive steps and you want to do a little research to find out what exactly would be and would not be effective.

I think I mentioned this in my opening remarks. I am a nonprofessional who sat and watched television and remembered the harassment I received from my children regarding smoking because of those advertisements.

In your statement you say:

I am nonetheless convinced that we should mount a major public effort of drug abuse prevention, and that NIDA has a key role to play. The substantial decrease in per capita cigarette smoking during the four-year period when equal time for antismoking television advertisements was mandatory is but one example of what just one prevention effort, media use, can accomplish.

Is there any money in the budget to have professionals develop public service advertising commitments? Is there money in the budget to start this year or does a great deal of research have to be done to find out if it will work?

Dr. POLLIN. Mr. Beard, there are funds and there are activities along those lines.

One of the significant constraints and differences between the situation in the 1960's and the situation now is the amount of media exposure that was feasible during that period of time. Now, if we were to aspire to a campaign of equal breadth and intensity, it would in all probability require some legislative modification that would enable the Government to go out and purchase time for prime-time exposure. Before we would make any recommendation for such an expensive program, we want to be sure that we can satisfactorily estimate what the probability would be of behavioral change were such a program to be mounted.

With regard to your specific question, there are multiple efforts underway to evaluate the effectiveness of different types of media campaigns targeted to different specific groups and various ethnic minorities, for example.

Mr. WOLFF. If you don't mind, I'd like to proceed.

Mr. BEARD. Sure.

Mr. WOLFF. Since we have a long list of witnesses here today and we don't want to detain them, let us proceed as expeditiously as possible.

Could you summarize the rest of your statement, Dr. Pollin, if you don't mind.

Dr. POLLIN. Yes, Mr. Wolff. With your permission, I thought I'd perhaps just read and select from the following page and then submit the rest for the record.

Mr. WOLFF. Fine.

Dr. POLLIN. To continue with the point that really we have been discussing here, the question of evaluating the effectiveness of prevention programs is of great interest to me, and I suspect a subject of great interest to the members of the committee during these hearings. We are attempting to set up an evaluative process which involves three variables: descriptive, psychological changes, and actual behavior change.

First we want to understand descriptively what the multiple programs underway consist of, what kinds of programs they are attempting with what kinds of individuals, and how much such programs might cost.

Second, we want to try to measure the psychological changes that occur, which in some cases are the consequence of these efforts.

We now know a good deal more than we did 5 years ago—not enough as yet, I'm afraid, to answer Mr. Neal's question. But we do know a good deal about the kind of psychological concomitants of a likelihood to use drugs or to predict greater likelihood to become involved in drugs. And if we feel that a prevention program can change some of those psychological concomitants and change levels of self-esteem and change negative social attitudes, that is some indication that it may have a probability of success.

And finally we are attempting to measure actual behavior change that different prevention initiatives bring about. But that last, I must emphasize, is an extremely complex and lengthy undertaking. We do have individual studies where we begin to be able to show that certain media programs, for example, in controlled situations, intensive media saturation in one city and not in other cities, not only bring about changes in psychological conditions but changes in the use patterns of different drugs. We do not have data yet because there hasn't been time to know yet whether this kind of change is temporary or is permanent and will persist over time.

Nonetheless, as the chairman pointed out from my statement, there are many situations where action before certainty of knowledge is justified and essential. Increased activity in drug abuse prevention, though we are uncertain of the ultimate consequences, is such a necessity, in my view. It communicates our understanding of community concern and involvement, and our awareness of the extent and severity of the problem. We must be prepared, however, to accept the complexity of the problem and to find many approaches simply are not as effective as we had hoped, once we put them into place, and to be prepared to discontinue them when this occurs.

The rest of my statement describes in some detail some of the specific programs underway, and in the interests of time I would make myself available to the committee to answer specific questions about those as you wish.

Mr. WOLFF. Thank you very much, Dr. Pollin.

Without objection, your complete statement will be placed in the record at this point.

[Dr. Pollin's prepared statement appears on p. 52.]

Mr. WOLFF. The committee is frustrated because every time we ask a foreign government to do something about cutting off the drug supply, they say, "Well, if you don't provide the market, then we have nothing to sell." And therefore we come back to a chicken and egg situation. We must do something equally important in the prevention and treatment area as we are doing in the supply area.

Mr. DeLuca?

**TESTIMONY OF JOHN R. DeLUCA, DIRECTOR, NATIONAL INSTITUTE  
ON ALCOHOL ABUSE AND ALCOHOLISM, HEW**

Mr. DeLUCA. Mr. Chairman and members of the Select Committee, I am pleased to be here with you this morning. I will attempt to reduce the amount that I read and try to move along quickly, but there are some very basic facts that I would like to be able to present to you.

One is that alcohol is the most commonly used and abused drug in the United States; more people abuse it than all other drugs combined. The biomedical, behavioral, social, and economic consequences of such abuse are well documented. The problems that arise when alcohol is used in combination with other drugs are an additional and serious concern. Many such combinations can result in severe health consequences, including death. And many of these problems are increasingly common among women and young people and the elderly.

At NIAAA, our approach to prevention of alcohol-related problems is firmly rooted in the public health model. In this model, alcohol problems, like other public health problems, are seen as stemming from complex interaction among three factors: host, agent, and environment. Viewing alcohol problems based on this model, the host is the individual at risk of experiencing alcohol-related problems. The agent is alcohol itself. The environment is the setting or context in which drinking occurs and the community tradition that influences the drinker. Intervention at any one or all of these points can affect or modify the outcome of alcohol-related problems.

In the past, most of our efforts to prevent alcohol-related problems have been directed at the individual or at the environment. At least in part as a result of these efforts, the public is now better informed about alcohol-related problems, the stigma attached to alcoholism is receding, and public receptivity to new prevention efforts is increasing.

In addition, as Dr. Klerman mentioned, the death rate from cirrhosis of the liver has declined over the last 3 years—for the first time in half a century. But we delude ourselves if we believe that, having made some progress in educating the public, we can relax. For example, there are indications that alcohol-related problems may continue to grow. More widespread consumption of alcohol by women and young people is a particularly troubling development.

As I mentioned, we have in the past focused primarily on the individual and environmental aspects of the public health model of prevention. We have paid very little attention to the agent—alcohol. Some investigators believe that a positive correlation exists between per capita consumption levels in a population and the prevalence of cirrhosis of the liver. These areas and others—for example, legal

drinking ages, labeling, and advertising and marketing—are all legitimate areas of interest for study and debate as we further develop this aspect of the model.

While affirming the Federal Government's continuing obligation to inform and educate the public about health hazards, consistent with the public health model of prevention, we intend to devote a larger share of our resources to preventing specific, carefully defined alcohol-related problems rather than alcohol abuse in general.

The President's fiscal year 1980 budget for NIAAA programs clearly reflects an increased attention to the importance of prevention activities. It includes a major increase in funds for prevention—from \$2.5 million in fiscal year 1979 to \$7.9 million in fiscal year 1980—for activities directed largely at women and youth. Among the new tasks we will undertake are development and implementation of five comprehensive alcoholism prevention projects, targeted at 750,000 young people, through grants to national organizations serving youth. This program will train community youth leaders, develop educational materials, and distribute prevention strategies to local organizations of young people. We also plan to award another six grants to local agencies and organizations to develop pilot programs to reduce drinking/driving problems among youth. We anticipate these programs will reach 500,000 young people aged 16-24. In our prevention efforts directed at women, special emphasis will be given to women in the workplace and to women of child-bearing age, since excessive alcohol consumption during pregnancy holds potential harm for the unborn child.

This new approach clearly places a premium on being able to identify and define alcohol-related problems so that Federal resources can be concentrated where the potential "payoff" is greatest. For this reason, NIAAA has established an Alcohol Epidemiologic Data System. This system includes information on alcohol-related health indices, alcohol-specific casualties—for example, domestic violence and accidents—criminal justice problems, highway traffic accidents, alcohol consumption patterns, legal data, and demographic patterns.

Current analytic efforts include examining rates of cirrhosis mortality among different population subgroups—for example, blacks, whites, Native Americans—and for different geographic locations—for example, major metropolitan areas. Preliminary findings indicate high cirrhosis mortality rates among American Indian women and among blacks. For the latter group, the data show cirrhosis mortality to be especially high in major U.S. metropolitan areas. Through our research findings, then, we are beginning to have the capability to identify the nature and magnitude of specific alcohol-related problems in such a way that we can take specific and effective action to prevent them.

NIAAA prevention programs: From fiscal 1972 through the end of fiscal 1979, the National Institute on Alcohol Abuse and Alcoholism will have obligated \$39 million for prevention grants and contracts and an additional \$22 million for the National Clearinghouse for Alcohol Information. These funds have supported such activities as the development of model programs for prevention of alcohol abuse among youth, projects to increase public awareness of the dangers of

alcohol abuse and alcoholism, and development of prevention efforts at State and community levels.

**State capacity building:** The Institute has supported various activities directed to building the capacity of States to develop, distribute, and evaluate activities related to alcohol abuse prevention.

In November 1978, NIAAA joined NIDA in an effort to pilot test a national prevention evaluation resource network. Together we are financing a contract to provide States with prevention evaluation information, technical assistance, and prevention evaluation capability they need to assess their alcohol and drug abuse prevention programs. NIAAA, in conjunction with NIDA, is supporting a contract to train State alcohol and drug abuse personnel in prevention planning.

In addition, NIAAA's volunteer resources development programs provides assistance to State-level organizations to encourage growth and development of volunteer activities in the prevention and treatment of alcoholism.

**NCALI:** The National Clearinghouse for Alcohol Information provides information on alcoholism treatment, prevention, and research to the professional community and the general public. In contrast to many such efforts, which are primarily reactive, NCALI works directly with selected organizations in a vigorous information dissemination program, placing strong emphasis on encouraging voluntary associations and groups to establish prevention programs using their own resources. These efforts have been focused on organizations serving three target audiences—women, young people, and blacks.

**Replication of prevention models:** Over the years, NIAAA has supported a number of model programs for prevention of alcohol abuse among youth.

As the committee is keenly aware, efforts to prevent and reduce alcohol-related problems require coordination and collaboration with many Federal agencies. In fact, we have been moving toward greater collaboration with other agencies over the last few years, and anticipate that our efforts to target prevention activities and to carefully define problems and high-risk population groups will accelerate this development.

The Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism, mandated by Public Law 93-282 and chaired by the Director of NIAAA, is becoming a valuable medium for exchange of information and for policy coordination. Work groups have been formed in several areas of special interest and are now meeting regularly. The Office of Education and NIDA are represented on the prevention work group, as are other relevant Federal agencies and departments. This work group serves as a forum for assessing the direction and emphasis of all federally supported alcohol prevention programs. On its recommendation, the Department of Transportation; the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms; the Federal Trade Commission; and NIAAA last year jointly funded a contract to study the effects of alcohol advertising on perceptions about alcoholic beverages and attitudes toward consumption of alcohol, particularly among young people. We look forward to receiving the results of the study and hope this joint effort will serve as a model for other activities with these agencies in the future.

Many of our collaborative activities are the result of Secretary Califano's keen interest in alcohol-related problems and are part of the series of alcohol initiatives he announced early this month. Let me note just a few of them:

The Health Care Financing Administration will be devoting \$1 million in fiscal year 1980 to demonstration projects to provide alcoholism services in new, less expensive, and more effective ways.

The Health Resources Administration will be devoting \$2 million in fiscal year 1980 to 15 special new programs in medical schools for teaching future doctors how to treat alcoholism.

We have ongoing collaborative efforts with the Bureau of Alcohol, Tobacco, and Firearms and the Food and Drug Administration regarding the fetal alcohol syndrome and related issues such as labeling and public education.

We continue to work closely with the Veterans' Administration and the Department of Transportation.

I should also mention that we are undertaking efforts with groups and organizations outside the Federal Government; these include the alcohol beverage industry, corporations, labor unions, and State and local governments. Our involvement with all of these organizations underscores, I think, the complexity and pervasiveness of alcohol-related problems in our society.

I will be happy now to answer any questions you may have, and I thank you for the opportunity of submitting this.

Mr. WOLFF. I want to ask one question before we pass to Dr. Nowlis.

What is your estimate of the overall cost figure of alcoholism to the American people? I'm talking about lost worktime, accidents, generally the overall parameters of the problem.

Mr. DELUCA. Mr. Chairman, we are estimating in our "Third Special Report to Congress on Alcohol and Health" that that total cost figure is probably \$43 billion.

Mr. WOLFF. \$43 billion a year?

Mr. DELUCA. In 1975, that includes alcohol-related problems, such as additional health care costs, criminal justice costs, productivity, and consequences of the disease itself.

Mr. WOLFF. On that basis, how do you indicate that you have been allocated about \$61 million from 1972 to 1979? In those 9 years, if you just took the cumulative value, perhaps it wouldn't be \$43 billion because you have to take inflation into account, but you'd have about \$300 billion that probably was the cost to this Nation. And in that same period \$61 million was spent on prevention.

Do you think that is adequate?

Mr. DELUCA. No; it is obviously not adequate. I think one of the important changes is our design to move now toward prevention programs which are targeted to specific high-risk populations, and because we are doing that, there was a substantial request in the 1980 budget moving our percentage of the dollar amounts of prevention to 10 percent. I think we will also begin to have experience with focused prevention programs, and I would hope that we would be coming in future years for additional requests.

Mr. NEAL. Mr. Chairman, may I ask one brief question?

Mr. WOLFF. Yes.



Mr. NEAL. Could you tell me about a prevention program that works and give me just one example of someone that you have prevented from becoming an alcoholic through these programs?

Mr. DELUCA. Well, let me try to go back to what I think is a very important theme of what we are trying to do now, and that is to reach people at points where they are likely to be listening.

I think one of the problems is to get people to hear health promotion messages.

That is why we are now designing a program to put material out, educational materials, to women of childbearing age and women who are pregnant. They are likely to be highly motivated to have a healthy child. They are at that point going to hear better about the consequences of excessive alcohol consumption.

A similar example would be introduction of programs within the school curriculum, but at a point where young people are highly motivated within the driver education programs. You know, they are in their teenage years searching for that ticket to adulthood, the automobile driver's license. We feel we should be talking to them at that highly motivated point in time about the consequences of alcohol abuse and highway safety.

I think that our projected prevention program efforts are trying to not do broad-based public education, but to reach people who are either at very high risk or who are at points in time in their life where they will be more ready to listen to the messages that we would like them to hear.

Mr. NEAL. That makes sense to me also, but I just wonder: Do you have any empirical data to indicate that that, in fact, works? And can you point to any kind of specific success? Can you say, "This is a person" or "this little group of people would probably have become alcoholics if we hadn't done this specific thing"?

Mr. DELUCA. We have overall statistics on per capita consumption and cirrhosis deaths which suggest very strongly that the general prevention efforts have had some positive effect.

What we do have, though, at the same time—we have leveling off in these two very critical indicators—probably an increasing consumption curve with young people and we have increasing consumption curves among various alcoholic beverages, but overall we seem to have provided at least a steadying influence on the consumption of alcoholic beverages in this country.

Mr. GILMAN. Mr. Chairman, may I be permitted to question the witness?

Mr. WOLFF. Yes, you may, as we all do take one question. This is not the question period. [Laughter.]

Mr. GILMAN. Mr. DeLuca, do you find a similarity between the need for alcohol and the need for drugs? Is there a similarity between the relevant factors that lead to alcohol abuse as compared to drug abuse?

Mr. DELUCA. I would think that there are a number of very similar motivating factors, when any individual uses a substance in an excessive way.

Mr. GILMAN. You have mentioned that your agency is working cooperatively with the other agencies to discuss drug and alcohol

abuse. Have your joint meetings discussed a model for prevention that takes into account all the experience of the appropriate agencies and that tries to adopt one uniform model that would work for drug abuse and alcohol abuse?

Has there been some coordinated effort to try to seek the best model to prevent alcohol and drug abuse?

Mr. DELUCA. I'd like to turn that to others. I have only been here for 5 weeks and it is premature of me to comment on just how extensive that coordination is.

There are differentiations, sir, and I'd like to comment on those.

You know there's a significant difference between the legal and illegal drugs, and alcohol obviously being the legal drug.

Mr. GILMAN. I am not talking about that but about the use and the demand for drugs and alcohol. Has there been an attempt by the various agencies to sit down and develop what is the best model to prevent both drug and alcohol abuse?

Mr. DELUCA. There has been that attempt. I don't think we have been successful from my understanding and review of what the Institute has done.

Mr. GILMAN. Can you tell us how you go about doing that?

Mr. DELUCA. We are working with an Interagency Committee on Alcohol Abuse and Alcoholism, and the three Institutes, with Dr. Klerman, are now beginning to work in a more coordinated way.

Mr. GILMAN. What I am asking is: Does the Interagency Committee coordinate with the drug abuse effort?

Mr. DELUCA. Yes.

Mr. GILMAN. And has that Interagency Committee tried to adopt a uniform model for preventing both narcotic abuse and alcohol abuse?

Mr. DELUCA. I'd like to say from my review we have not adopted a uniform model today.

Dr. KLERMAN. We are looking for common features, for a model, particularly to aid in our effort among young people. But we do not have at this moment a single model that we are prepared to say is the model that everybody should adopt. A number of different approaches are being tried which are of considerable interest. Dr. Nowlis can describe particularly those in the school system that look for commonalities among drugs and alcohol. But while we are involved in a coordinated effort, we do not believe we have reached the point that we have a single model that we are prepared to market through all of the 50 States.

Mr. GILMAN. Is there a joint effort to find this common model? You have four or five agencies spending millions of dollars each year, and this has been going on, I would venture to say, for at least a 10-year period. What have you come up with as the most effective approach to reduce the demand for both narcotic abuse and alcohol abuse?

Dr. KLERMAN. In some respects we believe we have been successful. As I indicated in my remarks, there is indication that the population above 30 is modifying its use of alcohol and tobacco. With young people we have not been so successful overall. The heroin situation has been improved.

Mr. GILMAN. You are not answering my question. I am asking: Is there a joint effort to try to develop the most effective remedy?

Dr. KLERMAN. Yes.

Mr. GILMAN. Where is that joint effort?

Dr. KLERMAN. Some of it is at the White House level through the Strategy Council.

Mr. GILMAN. Is the Strategy Council working up a joint effort in prevention?

Dr. KLERMAN. One of the recommendations of the Federal 1979 strategy is to emphasize prevention coordination among Federal agencies.

Mr. WOLFF. Mr. Gilman, could you withhold until the panel has completed testimony because I think your one question is completed now.

Mr. GILMAN. I don't think the response has been completed, but I certainly will abide by the chairman's instructions.

Mr. WOLFF. Mr. DeLuca, without objection, your complete statement and a description of NIAAA prevention activities will be placed in the record.

[Mr. DeLuca's prepared statement and the description of NIAAA prevention activities appear on p. 58.]

Mr. WOLFF. We do have a time constraint here.

Dr. Nowlis, would you please proceed.

**TESTIMONY OF DR. HELEN H. NOWLIS, DIRECTOR, ALCOHOL AND DRUG ABUSE EDUCATION PROGRAMS, OFFICE OF EDUCATION, HEW**

Dr. Nowlis. Thank you, Mr. Chairman. It is a pleasure to appear again before the select committee. I hope I am not going to be repeating myself too much with things you have already heard.

As part of an educational agency with strong ties to State and local education agencies, the Office of Education program sees its unique role and its opportunity as supporting, through training and technical assistance, local school districts and their communities in their search for effective alcohol and drug abuse prevention programs within the framework outlined in the 1979 strategy of providing skills, experiences, and opportunities that support healthy learning and growth.

It should be pointed out that our efforts in the Office of Education are truly primary prevention, although we do, where appropriate, get involved in early prevention.

Primary prevention means intervening before the behavior occurs so that you reduce the probability of that behavior occurring. I think you have to keep this in mind as I talk about our program.

From its inception, we at the Office of Education have defined prevention in positive terms. The program does not equate education with information or with classroom instruction alone, but defines education as the process of facilitating learning and growth. This means that, although our emphasis is on the school, it goes beyond the classroom to the total school as a social institution and beyond the school to parents and the community.

The school is the single institution that has access to most children. In spite of itself, it plays a key role in the development of young people during an important phase of their development. Schools must therefore accept a major responsibility in meeting the legitimate developmental needs of young people. But schools alone cannot and should not

accept the total responsibility. Parents and the community bear a heavy responsibility. Recognizing this, we have helped schools to serve a catalytic role with parents and with community agencies to sensitize them to what the schools are doing and to their potential contribution to the effort.

The model that we have developed is a training-on-site assistance model. Teams of five people from a school or from a cluster of four schools in a school district receive 10 days of intensive residential training. The teams are made up of representatives of all parts of the school: Principals, teachers, counselors, psychologists or social workers, nurses, school board members where possible. Most of them are professionals in their own right, but not alcohol and drug abuse professionals.

The training provides a basic understanding of alcohol and drugs, and what they do, but, more important, an understanding of young people and how they learn and develop. Teams learn to assess the needs and expectations of the youth population to be served, formulate realistic objectives for meeting those needs, and identify human and financial resources in their school and community for supporting programs and practices that do indeed enhance positive growth and development before problems arise. They are given many of the skills necessary to work effectively with colleagues and students—listening skills, program planning skills. They become a team dedicated to solving a problem, and they leave training with an action plan and strategies for implementing the plan.

The Office of Education does not support the projects the teams develop at the local level except with technical assistance. It does train them to get local support. Annually the teams generate more funds locally than are appropriate for the program at the national level.

Since 1972, a network of training-resource centers have trained and provided followup assistance to teams from 3,200 schools and school communities.

Mr. BEARD. Mr. Chairman, may I say this. The doctor's statement is probably the shortest statement of the group. I think everyone has probably skimmed through it. I know we are short of time. Your statement is a very good and very interesting statement, but I know the members are anxious we are on a very tight schedule. I wonder if we could proceed.

Dr. NOWLIS. I would be very happy to get to the meat of the thing, the interchange.

Mr. WOLFF. Very good.

I'll tell you what I would like to do, Mr. Beard. I'd like to let Dr. Nowlis finish her summary. Then we will ask Dr. McGinnis to come forward, and we will treat the whole group as a panel. We will attempt to reschedule the second panel at a later date. We know Dr. McGinnis must leave as well, but we would like to give the committee the opportunity of questioning the witnesses.

So the procedure I recommend, if it is agreeable to the committee, would be to have Dr. Nowlis continue her statement and summarize it, then ask Dr. McGinnis to come before us, and then we will bring back the panel and question them all at that time.

Is that agreeable to the committee?

Mr. ZEFERETTI. I guess so, if that's going to expedite it.

Mr. WOLFF. If you would proceed. I don't mean to deprecate the contents, but it is a question of time.

I am the prime guilty party for interjecting questions in the testimony. But we had asked the witnesses to bring a statement in of 5 minutes. Unfortunately, it is very difficult to try to summarize the activities of a bureau within 5 minutes. But in the future I think it should be a question of the committee that the statements be limited and that the statements be provided well enough in advance so that we can present our questions. This is a problem we have had with other witnesses.

Mr. GUYER. Mr. Chairman, along that line, I think in fairness to the witnesses, and also due to the fact that most of us, I think—our interest travels faster than the words. If we could have the prepared statement like a week in advance, and then let the witness give just a summary, we could better utilize their time. Because the counseling time is the part we don't often get, the interchange.

For example, had I had this statement a week ago, I would have compared it to our hearings on New York City school students and had some things I would have liked to have asked you because of the correlations. The time element to read them through is sometimes greater than our entire committee time.

Mr. WOLFF. I intend to take advantage of Dr. Klerman's offer to come visit you and invite any committee member as well. Perhaps we will have a seminar together. In that way we can engage in an interchange. But we are taking the witnesses' time.

Dr. Nowlis, if you will proceed.

Dr. NOWLIS. What do the teams do? Their activities are myriad. By and large, they are designed to address those factors which NIDA research and other research has indicated increase the probability of destructive behavior of all kinds, such as boredom or negative self-concept, feelings of failure and alienation, and to intervene as early as possible in promoting positive self-concept, preventing alienation, developing respect for self and others, and developing the coping skills that will enable young people to resist the pressures from peer group and other factors that do lead to destructive behavior.

In all of the programs the youth themselves, as well as parents and community groups, are involved, and we feel this is very important.

What is the impact of team activities? While we have not had the resources to do an adequate research evaluation—it would cost more than our budget—school after school reports improved school climate; happier students, teachers, and parents; decreases in truancy and dropouts, disruptive behavior, vandalism, and alcohol and drug abuse. And in many instances, schools document increases in academic achievement as well.

Since 1978, the program has concentrated on developing local training capacity in 75 large school districts that will enable trained and experienced clusters to train other teams throughout the district, with special emphasis on elementary schools so they will develop their capability to expand beyond the four-school cluster to other schools in the district.

We have had a number of instances where this has been true. For instance, in Dallas there is a team in all the schools in the system. In

Reno, Nev., there is a team in all 41 schools in the district. It does take time but it does look like a very promising model.

One thing I would point out because it is relevant to some of the concerns of the committee is that a unique aspect of the alcohol and drug abuse education system and strategies has been its adaptation to the prevention of school crime and disruptive behavior under a 3-year interagency agreement with the Office of Juvenile Justice and Delinquency Prevention. Two hundred and twenty teams have been trained and provided technical assistance. One hundred and forty of these have represented clusters of schools from 35 large urban school districts.

Fortunately, OJJDP has had the resources to fund a contract to evaluate the school crime and disruptive behavior segment of our program, a real research evaluation that any of the scientists that come before you will at least accept the design.

Although the evaluation will not be complete until mid-1980, it is of interest to note that preliminary results indicate teams trained to prevent school crime and violence also reduce alcohol and drug abuse. This supports the view that alcohol and drug abuse, like other self or socially destructive behaviors, have their roots in the same basic problems, that alcohol and drug abuse do not occur in a vacuum.

Thank you, Mr. Chairman.

Mr. WOLFF. Thank you, Dr. Nowlis. Without objection, your complete statement will appear in the record at this point.

[Dr. Nowlis' prepared statement appears on p. 66.]

Mr. WOLFF. It would be helpful if you would make way for Dr. McGinnis to come forward. We will ask you to stand by while we hear from Dr. McGinnis, until the question period.

**TESTIMONY OF DR. J. MICHAEL MCGINNIS, DEPUTY ASSISTANT SECRETARY FOR HEALTH, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE**

Dr. MCGINNIS. Thank you very much, Mr. Chairman and members of the committee. I apologize for having earlier commitments on the Senate side which delayed my arrival.

I want to thank you very much for the opportunity to be with you today to talk about how the alcohol and drug abuse prevention activities fit into the larger context of our overall departmental prevention efforts. I think it is very important to solidify the relationship between them.

With your permission, I will submit my remarks for the record and speak less formally from notes.

Mr. WOLFF. Without objection, your entire statement will be included in the record at this point.

[Dr. McGinnis' prepared statement appears on p. 68.]

Dr. MCGINNIS. Thank you very much. I'd like, if I can, to emphasize three things in the course of my remarks, and I'll try to make them quite brief.

First, many of our health problems are preventable.

Second, we are going to have to see some shifts in roles of various professional groups if we are to realize the potential to prevent these problems.

And, third, the Department is working quite hard to facilitate those changes at the present time.

Turning to the first point, many health problems are preventable. I don't think I need to review exhaustively the litany of health problems that are confronting this country but I will run through a few of the more dramatic. Please bear in mind these are the broader health problems—not solely those related to alcohol or drug abuse.

First, the infant mortality rate is 14 per 1,000 live births, the best we have ever had in the country, and yet 50 percent higher than that of Sweden, an indication that we can improve our record considerably with a concerted effort.

Second, last year chronic diseases caused 75 percent of all of the deaths which occurred in this country. And I think it is important to emphasize that many of these deaths did not need to occur, that chronic disease need not be an inevitable consequence of the aging process. That is a key point—heart disease, cancer, and stroke, in many instances need not occur at all. We can prevent a fair share of them.

Let's look at the deaths related to substance abuse alone. An estimated 200,000 deaths last year were related to alcohol abuse. An estimated 300,000 deaths were related to smoking. That is 500,000 deaths, a half-million deaths out of a total of 1.9 million deaths which occurred last year are related to substance abuse problems. And that doesn't address the number of other deaths which are caused by drug abuse.

Clearly substance abuse as related to causes of death is a major problem and preventable problem.

Sixty percent of all alcohol-related traffic fatalities occurred in our youth, pointing out the fact that the youth are a particularly susceptible group, and in addition we are losing a large number of potential years of productivity with every death among youth that occurs. A staggering number of productive years, in fact, are lost, and this is a burden on our economy.

These are preventable problems that we can do something about.

Second, we are going to have to see a shift in the roles of certain professionals if we are to be successful in reducing preventable health problems. People who don't have an M.D. or R.N. or some other academic title related to the health professions are going to have to acknowledge that health problems are not just health problems. You have heard a number of the problems already. You have been told by Mr. DeLuca that alcohol costs the country \$43 billion on an annual basis. It is important to recognize a large percentage of that has nothing to do with health costs whatsoever but with lost productivity, loss of potential productivity at the work site. It is a problem for business.

Third, the education community, as Dr. Nowlis has pointed out, is one of the communities which suffers considerably from problems which have too frequently been thought of as health-related problems. The commissioner of education notes that the greatest disgrace in our educational endeavors is that of secondary education. And it is no coincidence, I think, that the problems which are occurring in secondary education, and increasing in recent years, are occurring simultaneously with the increasing use of alcohol and drugs by the youth in that category. These are educational problems.

The key issue here is that educators and employers are going to have to mainstream what have been traditionally thought of as health-related activities. They are going to have to change their view of their roles if we are going to see successful programs implemented.

It is happening, in some cases, with encouraging results. It is not happening widely enough, but it is happening. Let me just give a few examples if I can.

Let's take high blood pressure, for example. The worksite appears to be, as a result of studies that have occurred recently, one of the most effective sites for implementing blood pressure control programs.

Mr. GILMAN. Mr. Chairman, if I may interrupt. Could we concentrate on the drug abuse and alcohol abuse? We seem to be in a general area. For example, the Secretary touched on all the deaths. I didn't hear of any deaths from drug abuse. I was wondering if we could concentrate on the drug abuse and alcohol abuse area. It is interesting to hear about the heart and lung problems, but I think we have a serious problem here to address.

Mr. WOLFF. But are there no attendant problems? I think that is the basic thrust of what Dr. McGinnis is trying to say. One factor that we are generally overlooking here is the holistic approach of how we are fighting drug abuses. I think he is attempting to illustrate that many of the problems we face today are preventable problems, and I hope he is going to end up saying that a good portion of drug abuse is preventable as well.

Dr. MCGINNIS. I think you have spoken quite well on my behalf, Mr. Chairman, and I appreciate that. I was asked to come to address the broader aspects of health in the Department and indicate how drug and alcohol abuse are an integral part of our preventive health program.

I noted to you that blood pressure control programs at the worksite have been shown to be particularly effective, and I think that the prevention potential of many of these problems is shown quite dramatically in the effectiveness that we have had in reducing high blood pressure in the country. As I think most of you know, there has been an average annual decrease per year in the incidence of stroke deaths as a result of better control, at least in part, of high blood pressure. And again the worksite is the most effective location for these programs.

Similarly, the worksite has been an effective place for control programs related to alcohol abuse. To give one example of a worksite-related program, Firestone Tire & Rubber Co. implemented an alcohol abuse control and prevention program, targeted at 723 individuals, and they noted in 1 year's time they were able to save \$1.7 million in returns in productivity, which was over \$2,000 per employee for that investment.

Similarly, in the school health area, we are beginning to see a change in the view of roles that individuals who are involved in education have, and an increased emphasis on school health education in the curriculum. And we are beginning to see that programs that develop comprehensive school health education and programs which develop efforts directed at expanding peer group interaction to resist some of the problems attendant to abusive behavior of one sort or another, specifically smoking behavior, are giving us indications that they can be successful.



It is not only, though, a change in the roles as perceived by people who don't have those M.D.'s and R.N.'s and so forth after their names, but it is also important that people who do have those particular initials after their names also change their roles. It is important that people who are providing primary care to individuals, physicians especially, emphasize in the course of their practices counseling individuals related to smoking and alcohol abuse, exercise, and nutrition, that they, in effect, take a better and more thorough history and provide an expanded emphasis on these particular items.

While it may seem commonsense, surveys indicate that people are responsive to what their physicians prescribe for them, and yet all too few physicians take the time to focus on these important issues in the course of their practices.

Another problem that physicians need to change is one that I am sure has been referenced earlier; that is, the more responsible prescription of barbiturates and amphetamines and similar drugs.

The third point that I mentioned I would touch on—and I will do this again quite quickly—is that the Department is working hard to facilitate some of these changes. We have undertaken in the last 18 months a number of task-oriented exercises. They include the work of the departmental Task Force on Disease Prevention and Health Promotion which took a broad inventory of all prevention-related activities in the Department and identified a number of the gaps. Drawing from that analysis, we proposed in the fiscal year 1980 budget a number of the items that you have heard described today that relate to prevention of alcohol and drug abuse problems among other problems that are preventable.

In addition, we have been working on a Surgeon General's Report on Health Promotion and Disease Prevention. We anticipate that report will be released later on this summer.

And finally, in an effort to ratchet down even more specifically on these problems, to give people at the local level a better perspective about the problems they ought to be focusing on, we have undertaken an effort to devise specific measurable objectives for improvements related to a broad range of prevention problems, including those of alcohol and drug abuse. And we are targeting those improvements to occur over the next 10 years. In effect, what we are setting about is a process to set objectives for the 1980's.

Additionally, there are a number of individual items that we have undertaken over the last 18 months in addition to those that you have heard related to alcohol and drug abuse, the more holistic approach that the chairman mentioned, if you will. We have had a National Conference on Health Promotion Programs in Occupational Settings in January, which examined how employers might be more diligent or might more effectively use their resources to provide alcohol and drug abuse prevention programs as well as nutrition and exercise programs at the work site.

We also petitioned the President's Council on Wage and Price Stability—successfully, I might add—to add incentives to corporate groups to expand their range of activities in this area by exempting them from the 7-percent wage guidelines. Because they have done this, we anticipate expansion of the programs in future years.

We have also undertaken a series of regional forums around the country to determine how various community resources can be pulled together to develop a more positive approach to people's daily living habits.

And we have offered forth a series of technical assistance activities around the country to evaluate community-based health-promotion programs.

The key here is that it seems there needs to be a series of messages developed targeted toward a number of different problems—alcohol and drug abuse, but also nutrition and smoking and so forth—a number of positive steps people can take to be effective. And those have to come from a variety of sectors—not just the health sector—but the education sector, worksite, and media as well.

Finally, a series of ongoing activities have been initiated recently. We have established a coordinating group for the Department in which we have a number of representatives sitting on a committee that meets on a bimonthly basis to share information on activities related to the broad scheme of problems. We have also formed a formal inter-agency consortium on health promotion which pulls together various agencies to discuss their collective interests in mobilizing community resources at the local level. These include agencies such as CSA, ACTION, HUD, DOT, Interior, as well as HEW.

That is the extent of my preliminary comments. I want to thank you again for the opportunity. I think there is ample opportunity, if you will, to have our broader prevention efforts reinforce each other in a number of settings.

Thank you.

Mr. WOLFF. Thank you, Dr. McGinnis.

We are going to operate here under the 5-minute rule so far as our committee members are concerned. I will ask Mr. Beard to lead off.

Mr. BEARD. Thank you. I would like to ask quickly: Whether it is the administration's policy or program now to support decriminalization of marihuana? Is this still the administration's attitude?

Dr. KLERMAN. The predominant laws regarding criminal prosecution for the use of marihuana rest with the States. The President in 1977, in a special message on drug abuse, lent his support to further decriminalization.

Mr. BEARD. So one of the President's positive approaches to the solution of the marihuana problem is to support further decriminalization of the use marihuana?

Dr. KLERMAN. Yes. I think it is important to note that decriminalization is not the same as legalization.

Mr. BEARD. Dr. Nowlis, since you are in the secondary education field, do you feel this could present a potential problem to the young people if the administration comes out pushing for decriminalization of marihuana? What type of message do you think that sends to young people?

Dr. NOWLIS. I think we have to be very discriminative and always look at the unintended consequences of intended acts.

Mr. BEARD. But I am operating under the 5-minute rule. [Laughter.]

In other words, just in summary, what is your gut reaction as to what the young people's response or perception of that might be?

Dr. NOWLIS. I think their perception of it would be a move in the direction of fairness.

Mr. BEARD. Of fairness? In other words, you don't think it would have anything to do with increased use or acceptance?

Dr. NOWLIS. I don't think so. We have some experience where it has been decriminalized, and by and large there were not increases.

Mr. BEARD. Would you like to discuss the State of Oregon? Are you familiar with their figures?

Dr. NOWLIS. Oregon, Michigan.

Mr. BEARD. Would you like to give me the State of Oregon's figures as to the increase in marihuana use as a result of decriminalization? I'm sure you are familiar with them or you wouldn't be saying what you're saying.

Dr. NOWLIS. I don't have them in front of me right now. There has been an increase but it depends on how you count the increase.

Mr. BEARD. Let's break it down to the young people.

Dr. NOWLIS. It depends on how you measure it.

Mr. BEARD. This is what you are dealing with, though, young people, secondary education. So let's deal with the young people.

Dr. NOWLIS. But I'm saying you have to look at what you are measuring. If you ask the question, "Have you ever tried it?" there was an increase. But as far as I know—and I may be mistaken—there was not an increase in regular use.

Mr. BEARD. Well, I'm really shocked, and I'm really disappointed that someone who is involved in this area is not familiar with the Oregon figures as to the effects on the young people of this country by increased usage of marihuana as a result of decriminalization. And it just infuriates me, to be very honest with you, when we talk about positive steps, and the only major program I have seen or the only real word I have heard come out from President Carter or the administration is the talk of decriminalization.

Has anyone explored the citation diversion program that has been implemented in a somewhat more successful program? It happens to be a bill that the chairman and I cosponsored. It was not an original bill. It is a plan that has been used in Sacramento and in Minnesota and elsewhere. Is any one of the professionals here familiar with the citation diversion program?

Dr. POLLIN. I am aware of the program, Mr. Beard. I have discussed it in the past with Mr. Martin and others on the staff of other congressional committees. We would like to be able to more precisely compare its results with the detailed breakdown of the effect in different States of the decriminalization.

We do have an active study underway which we hope will, within coming months, enable us to much more precisely describe the consequences of these two different approaches.

Mr. BEARD. It seems to me, then, the President or the administration or individuals such as yourselves should have shown the same consideration by studying citation diversion before allowing this administration to come out supporting decriminalization. I can't understand it. I would hope that we as a government would start coming out a little bit stronger in expressing to the young people of this country that there are more problems associated with the use of mari-

huana than we have thought. When we talked to Peter Bourne, several of his first speeches were to the group "NORML." I think he should have been spending more of his time with the young people in educational facilities, saying there are critical problems.

Let me just ask quickly: Are there schools that do not cooperate in presenting drug preventive courses? Do you have problems getting the schools to follow your suggestions or to come out with preventive programs?

Dr. NOWLIS. No.

Mr. BEARD. In other words, you have total cooperation throughout the States?

Dr. NOWLIS. Well, with a program the size of ours, you can't talk about total cooperation throughout the States. Certainly we have no resistance where we have been. And that now is in some 3,000 communities.

Mr. WOLFF. The gentleman's time has expired.

Mr. ZEFERETTI?

Mr. ZEFERETTI. Thank you, Mr. Chairman. Let us further pursue what was being discussed because I see that Dr. Klerman would like to continue.

In one of your previous responses to the chairman you said—and correct me if I'm wrong—that since the time that you made that statement, you have found that marihuana has been found to be more injurious to the body than previously thought.

Have these conclusions been disseminated? Have we used it as a deterrent in any manner?

Dr. KLERMAN. The Congress has mandated each year that NIDA present a report to the Congress on marihuana and health. The Secretary released the most recent report within the past 2 months and took note in that release of increasing evidence about the effects of marihuana on coordination related to the skills necessary for automobile driving, and the possible effects on the respiratory system. The Secretary has also directed us to consider a 5-year research plan accelerating studies on the possible and actual health hazards of marihuana.

There is more information. A report was sent to Congress at the end of April, along with a special message and press release by Secretary Califano.

Mr. ZEFERETTI. Doctor, have we done anything to relay this message to the public? Have we done anything to educate the public about the hazards of marihuana? We have been very successful with smoking. As your figures indicate, we seem to be making progress with heart and lung disease. Where have we gone wrong with marihuana? Why haven't we educated our young and our old that this other drug is wrong and that alcohol is wrong? We seem to have had some success with alcohol, but we have had no real success when you get down to the drugs that are being used.

Where has our communication broken down?

If we can be that successful with an anticigarette smoking campaign, why can't we do so with drugs? Is it a question of dollars? Is it a different kind of information that we have to get across? What are the necessary tools?

And that is what I'd like to ask everybody who comes into this room. Where have we been neglecting our responsibility?

As Mr. Beard asked earlier: Is it dollars, hard dollars, that we have to go out and do a number with? It seems to me that we have a responsibility to educate not only our young but society in general.

And if we are doing something that is not effective, please tell us, because if there is a way either legislatively or through funding a program that works, then let us know. Your expertise along those lines is essential.

Dr. KLERMAN. I would say two things very quickly, and Dr. Pollin may also wish to comment.

One, there is increasing evidence of a possible health hazard in the use of marihuana. It is not a benign substance.

Second, the policy of the administration is not to encourage the use of marihuana. The President was very explicit in his statement of 1977, that while he was in favor of decriminalization he believed it was the Federal Government's responsibility to discourage the use of marihuana through various publication efforts as well as to encourage research on possible health hazards.

Part of the issue is fairness. The youth of the country, to a certain extent, are alienated from health leaders. And the results of some studies indicate that youth do not listen to the message. In part, this is because drugs that adults have access to, such as alcohol, are legal, whereas marihuana has been subject to heavy penalties, and criminal penalties are counterproductive in many instances.

Mr. ZEFERETTI. Is it also because there is a profit in marihuana dealing? It's something you can make a dollar on, whereas cigarettes are not?

Dr. KLERMAN. Well, there is an illegal traffic in marihuana that is quite profitable for the traffickers.

Dr. ZEFERETTI. That's what I am saying.

Dr. KLERMAN. I think Dr. Pollin can tell you more of the plans NIDA has to inform school administrators and parents about marihuana in particular.

Mr. ZEFERETTI. I'm not particularly interested in marihuana per se but in getting the message across as to its hazards. We still have the problem of getting educational programs generated in our communities, whether it be drug or alcohol programs. Society as a whole doesn't even want to accept a program in the community. You still have the problem of trying to educate people and convince them that you are trying to do something good.

That's the gong, by the way.

Mr. WOLFF. Are you inferring this is the Gong Show? [Laughter.]

Dr. Pollin, do you want to answer Mr. Zeferetti?

Dr. POLLIN. If I might comment briefly, I think we have to recognize several factors about where we stand at present with regard to what we are able to communicate about marihuana.

We have known about alcohol and its problems for at least 800 years. We have known about nicotine for 80 years. We have only known what the active substance is in marihuana for about 8 or 10 years.

At this point we can say that there are some 300,000 to 350,000 excess deaths per year that are attributable to nicotine. But 20 or 30 years ago we couldn't say that. Twenty or 30 years ago there was a general consensus that if you smoked, maybe it could cause chronic

bronchitis. At this point, there is the widespread public perception that we know about the lethality of cigarettes. We haven't as yet demonstrated the comparable morbidity, and certainly nothing like a comparable lethality for marihuana.

Thus, those of us who are involved in research with marihuana are very concerned about its possible long-range health consequences. But if we are to state precisely and carefully and in a way that doesn't become counterproductive what it is that we actually know for certain at this point in time, we have to state that there is a greater lethality and a greater health hazard attributable to these other legal substances.

And that makes it very, very difficult to get across the message in an effective way to our young people. It is one, nonetheless, that we are committed to getting across. And we think that though we have only begun to turn the corner, that whereas 3 or 4 years ago there was a widespread picture that marihuana had been demonstrated to be a totally safe and benign substance, at least now the question is much more an immediate one and one of concern, and we think that that is the beginning of a tendency that has grown from the accelerated program of research and communication that is coming out of NIDA programs, among others. It is one we intend to continue.

Mr. ZEFERETTI. You are dealing with the fact that parents are beginning to accept the fact that smoking marihuana is perfectly OK because they do not fully understand this drug.

Dr. POLLIN. I think that was more true 3 or 4 years ago than it is today. We are certainly more aware of a much wider expression of parental concern. There are more groups that come to us asking for help in terms of what kind of message can they communicate.

And as I think Mr. Dogoloff will summarize in his presentation, we, along with other Government agencies, are actively involved in developing new materials which we think will be simultaneously accurate but effective in communicating the questions and hazards that we now know about concerning marihuana; messages addressed both to parents and the young people.

Mr. ZEFERETTI. Thank you.

Mr. WOLFF. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

I would like to address this question to the entire panel. Most of us on the Narcotics Select Committee were pleased to see the "Federal Strategy for Drug Abuse and Drug Traffic Prevention" published this year. All of us are involved to some extent in drug prevention programs. Dr. Pollin, what input did you have in the formulation of the 1979 Federal drug strategy? Were you consulted in the formulation and preparation of the 1979 Federal strategy? I see Dr. Klerman and our education assistant acknowledging that they were consulted, and I assume NIDA was consulted.

Dr. POLLIN. Yes.

Mr. GILMAN. Was the Alcohol Office consulted, too?

Mr. DeLUCA. I am not aware of whether we were.

Mr. GILMAN. Was the Health Secretary consulted?

Dr. MCGINNIS. Yes.

Mr. GILMAN. Then you all worked together on this Federal strategy, which emphasizes the need for coordination. Tell us how you are

working together in a coordinated manner. One of you is spending \$2 million, another is complaining that they have been reduced to \$600,000, and another has \$3 million or \$4 million. How are you working together on a coordinated program? Can you tell us that, please?

Dr. KLERMAN. Well, coordination takes place in a number of different points. The No. 1 point is the White House and Mr. Dogoloff—

Mr. GILMAN. I am talking about prevention now. I am not talking about strategy. When you talk about Mr. Dogoloff's office, I think you are getting into the strategy areas. They have come up with the strategy, but I am asking you what you are doing in the field to coordinate your efforts?

Dr. KLERMAN. Within HEW, Dr. McGinnis is responsible for coordinated efforts within which alcohol and drug abuse are high priorities.

Mr. GILMAN. Dr. McGinnis, can you answer the question, then?

Dr. MCGINNIS. As Dr. Klerman mentioned, there are a number of vehicles we employ for coordination.

Mr. GILMAN. I have been hearing several task forces, various departments, and fragmented efforts. What are you doing to tie all this together, to utilize all the funds in one effective manner?

Dr. MCGINNIS. I think things, in fact, tie together to a more considerable extent than you might realize.

For example, I chaired the Task Force on Disease Prevention and Health Promotion. We had a special focus in that effort on alcohol abuse and drug abuse and made a series of recommendations.

There was, in addition, another task force in the Department specifically focused on alcoholism, the broader problems of alcohol. I chaired the prevention work group of that—

Mr. GILMAN. Did it come up with a series of recommendations that would provide an effective national program?

Dr. MCGINNIS. Yes.

Mr. GILMAN. How long ago was that?

Dr. MCGINNIS. Our recommendations were forwarded to Dr. Klerman, who was heading the overall—

Mr. GILMAN. When was that done?

Dr. MCGINNIS. Late summer or early fall.

Mr. GILMAN. Of last year?

Dr. MCGINNIS. Last year. And we provided the core set activities that were announced by the Secretary this year as part of the alcoholism initiative.

Mr. GILMAN. Any drug initiatives?

Dr. MCGINNIS. The drug abuse efforts are under continual examination.

Mr. GILMAN. Has your task force come up with a drug prevention program?

Dr. MCGINNIS. Let me focus on this element.

Mr. GILMAN. Could you please answer the question? My time is limited, and I would appreciate if you could answer whether your task force came up with a drug prevention program?

Dr. MCGINNIS. Yes; we had a series of recommendations in our departmental task force directed specifically to the drug abuse area.

Mr. GILMAN. For a national drug prevention program?

Dr. MCGINNIS. That is correct.

Mr. GILMAN. Could you provide us with a copy of that?

Dr. MCGINNIS. That report will be released along with the Surgeon General's report in the late summer. It has not yet been cleared by the Secretary. It is going to be released as a component of the comprehensive efforts.

Mr. GILMAN. Then that report is not completed yet; is that right?

Dr. MCGINNIS. It is still undergoing review within the Department.

Mr. GILMAN. Will that be a national drug prevention program?

Dr. MCGINNIS. Drug abuse will be one component of the broader disease prevention-health promotion activities. Let me reemphasize one point I made earlier that I think is a very important one, and that is that activities directed toward developing positive approaches to health ought not to be entirely individualistic. There are underlying behavioral patterns that are crosscutting in this area.

Mr. GILMAN. Mr. Chairman, with your permission I would like 1 additional minute. Dr. McGinnis, my time is limited and I would like to ask one thing. Each agency spends millions of dollars and apparently you are the coordinator. How much are you recommending for your coordinated program on drug abuse?

Dr. MCGINNIS. For the specific budgetary items I will have to ask Dr. Pollin what is in the fiscal year 1980 budget for the prevention components.

Mr. GILMAN. Can somebody tell us what we are spending today? With all the fragmented efforts, no one seems to be able to come up with an accurate figure on what we are spending today on drug abuse prevention in the Federal Government. What are you recommending for next year?

Mr. MCGINNIS. I can only address the departmental activities.

Mr. GILMAN. I thought you were in charge of the coordinated program.

Dr. MCGINNIS. Only for the Department. Mr. Dogoloff can address the governmentwide activities.

Mr. GILMAN. Dr. McGinnis, could you clarify for us. I thought you were in charge of the coordinated task force effort. Is that coordination only for your Department?

Dr. MCGINNIS. For the Department of Health, Education, and Welfare.

Mr. GILMAN. Then who is coordinating the other departments?

Mr. MCGINNIS. Mr. Dogoloff is responsible for coordinating the activities across the agencies.

Mr. GILMAN. Don't the other agencies work with you? Doesn't NIDA or DEA work with you in a drug prevention effort?

Dr. MCGINNIS. Mr. Gilman, NIDA is part of the Department of Health, Education, and Welfare, so we do coordinate.

Mr. GILMAN. Which agency is outside the scope of your agency that is working on drug abuse prevention? I am sorry to rush you with these questions. Our time is limited.

Dr. MCGINNIS. DEA. The Department of Housing and Urban Development also has grants.

Mr. GILMAN. HUD?

Dr. MCGINNIS. Yes, there are a number of programs with agencies that impact on drug and alcohol abuse. CSA and ACTION, as well.

Mr. GILMAN. Do you meet with any of them?



Dr. MCGINNIS. Yes, I mentioned in my testimony that we have an informal interagency consortium in which we exchange information, but it is related to the broader aspects of community health, not specifically drug abuse.

Mr. GILMAN. Is there any interagency group working specifically on drug abuse prevention?

Dr. MCGINNIS. Mr. Dogoloff?

Mr. GILMAN. Could you tell us what the name of that agency is?

Dr. KLERMAN. It is the White House. [Laughter.]

Mr. GILMAN. I am pleased to hear that somebody is in charge.

Thank you.

Dr. POLLIN. If you would want the precise figures, Mr. Chairman, in fiscal year 1978 NIDA specifically spent \$8,395,000.

Mr. GILMAN. Just on drug abuse?

Dr. POLLIN. On drug abuse prevention. At a meeting of the Strategy Council yesterday, chaired by Mr. Dogoloff, which specifically focused on the prevention issues, figures were provided for the total Federal expenditure. In fiscal year 1978 the outlays were \$28.63 million for drug abuse prevention activities.

Mr. GILMAN. Is that the entire Federal Government drug abuse prevention program?

Dr. POLLIN. Yes.

Mr. GILMAN. And what are you recommending for the coming year?

Dr. POLLIN. Our recommendation does not go beyond NIDA. Perhaps Mr. Dogoloff or Dr. McGinnis could speak to that point.

Mr. GILMAN. I guess my time is up.

Mr. WOLFF. Mr. Gilman, I would suggest that any further questions that you might have on this score be submitted in writing, and we will ask the witnesses to answer in writing, if they will.

Mr. GILMAN. I welcome that opportunity, Mr. Chairman.

Mr. WOLFF. Before I pass to Mr. Guyer, I would like to indicate one important aspect of this. When we zero in on the figure of \$28 million, we are really not talking about the prevention effort. This is what I have tried to elicit from this entire panel.

When we talk about prevention, I want to know how much is going into the overall HUD budget to provide housing for the people of this country. We do know that improper housing provides us with a culture that breeds alcohol abuse, drug abuse, and all other social problems that we have in this country.

When you talk about the amount of money that the Federal Government is spending on prevention, you are talking about the specific money you are spending either on administration or testing. The reason we are looking at this prevention problem, is to investigate the root causes of why people are into the drug scene and what we can do to prevent them from becoming involved.

I appreciate the statement you made. It is not just a health problem. What we are faced with is a social problem in this country. It goes far beyond just the question of health. It goes into the areas of housing, employment or unemployment. It goes into the questions of education—not just the education of drugs but the whole educational process that we provide for our children of this country? Are they getting the type of education that is necessary?

That is why we are focusing on the coordination effort. We do not see, in the operation of the Federal establishment, a coordinated attempt at providing these alternatives to drug abuse.

Some one up here said that we are providing substance; we are not really providing substance. We are providing substances that are the substitute for the answers that face our country in terms of social problems. That's why we want to attack the social problems that will eliminate the need for people to take a substitute for an answer to that problem. We wonder how you are attacking that, and not just saying, "Drugs are bad for you as a young person," or, "They are going to make problems for you in later life." Why is that kid a problem now? Why does he have absenteeism? Why is he dropping out? What are all the problems of these young people that we are not addressing as a Nation. That is what we are here to find out.

Dr. MCGINNIS. May I make a few comments in that regard. That was a very nicely stated summary of the essential problems we are facing.

And the two points I'd like to make are: One, our coordination is far from perfect. There is no question about that. But I think that it is beginning to improve considerably over what it was in previous years. I think that a number of measures that have been taken in recent years, some of which have been noted today, are helping to keep people better informed and to help people work together in a little more concerted way.

But the second point I want to make relates to the fundamental nature of the problems that you pointed out so nicely. The problems that we are dealing with are not just problems that are unique to alcohol abuse or unique to drug abuse or unique to smoking. They are crosscutting, and it is important to address them in a crosscutting way. It is important to address them in a comprehensive way in the education establishment, and in a comprehensive way when we mount programs at the community level through housing activities and so forth.

It, therefore, is frequently difficult—the more we integrate these activities, the more difficult it is—to identify specifically how much is going for prevention of drug abuse and how much for prevention of alcohol abuse and how much for other specific problem-oriented activities, because it is so important that we integrate some of our prevention approaches and associate them much more closely with one another.

Mr. WOLFF. Thank you.

Mr. Guyer?

Mr. GUYER. Thank you, Mr. Chairman. I have never won a battle yet with a dinner bell.

Dr. McGinnis, you mentioned several times the Surgeon General of the United States. Could you tell me who he is?

Dr. MCGINNIS. The Surgeon General is Dr. Julius B. Richmond, also the Assistant Secretary of Health.

Mr. GUYER. I want to write this down because we made four phone calls to your office and none of them knew. [Laughter.]

They gave us the Army and Navy who have different ones, and then they gave us one who was on leave. We never got the right one.

You mentioned some of the preventable areas. I think they are very commendable. You mentioned heart disease, stroke, cancer, and diabetes comprise 75 percent of all deaths, and I guess you do have numbers because one out of one die of something.

But you also mentioned that infant mortality we weren't so good at, and you mentioned Sweden doing a better job. Can you tell me: Is that due to their better system of socialized medicine? Because I'll give you a fact in just a minute. But why was Sweden chosen?

Dr. McGinnis. Sweden wasn't chosen. It happens to have the best infant mortality rate in the world. The reasons for that are not entirely clear, but they relate to a considerable extent to the fact that they have a lower incidence of infants who are of low birth weight when they are born. And there are a number of factors that go into low birth weight, including the adequacy of prenatal care, counseling for maternal nutrition, maternal smoking habits, and so forth and so on.

We have tremendous disparities in this country by population group. Lower socioeconomic groups have a much higher infant mortality rate than those of other groups.

Mr. GUYER. I recently attended a medical convention where they reported that Sweden also leads Europe in abortion. That might be one of the reasons they have a lower mortality. Sweden as a group leads Europe in alcoholism, abortion, drug addiction, venereal disease, and suicide. And I will give you the page in the journal. I will be happy to give you these figures.

Let me just have a minute with Dr. Nowlis.

You are in a very, very sensitive area because of education and we are interested because education has to be the beginning of any wisdom we have. Our judgment is no better than our information.

And I'd like for you to sometime give me a ratio of the relativity to the report—let's take the NEA report, behavioral report of students of the last year of record, and give me the relativity of its relation to either alcohol or drugs or both.

And when I say that, for example, the vandalism cost last year was over \$500 million, assaults on teachers were \$225,000, and you can go on from there. And 8 million homes have no father in the household. And I'd like to know some of the relative impacts in these areas. And I can get you the full figure if you want it, but it's on record, the NEA report of the last year on record.

And also in our study of New York City, the truancy went up to 50 percent.

I think there is some relationship there between what we are talking about in this committee and the actual figures as they come out in the school.

Would you agree to that or try to find it for me?

Dr. NOWLIS. I'll try to find it on a national level. In terms of our own experience with schools with which we have been working, there is a dramatic decrease in dropouts, vandalism, and truancy.

Mr. GUYER. They must have been horrible 5 years ago.

Dr. NOWLIS. National statistics are very, very misleading. In many instances school insurance costs have gone down because of the degree to which they have been able to reduce vandalism.

Mr. GUYER. Incidentally, the fear of assault was not fear of assault. The reason they were resigning was they had no discipline or supportive discipline by parents or the school.

Dr. NOWLIS. Well, teachers in our program are happy. They say they are happier than they have ever been teaching before, that they have some support, they have some techniques.

Mr. GUYER. That's good.

Dr. NOWLIS. They have an ability to develop mutual respect, teacher to principal, teacher to student, teacher to parent. And that is one of the key factors.

Mr. GUYER. Thank you very much.

Mr. WOLFF. Mr. Neal?

Mr. NEAL. Thank you, Mr. Chairman.

I want to get back to this earlier question if I can. Could any of you tell me what the national figures would be for people that use some substance or another to alter their state of mind? I said earlier that it had been my observation that some 90 percent probably used nicotine or caffeine or sleeping pills or relaxing pills or alcohol or marihuana or heroin or something. Do you have any figures?

Dr. KLERMAN. I can tell you some overall figures. In any 1 year, approximately 60 percent of adults will ingest alcohol at least once. Twenty-five percent of adults will have some prescription drug such as Valium or Librium.

Mr. NEAL. It could be the same people.

Dr. KLERMAN. About 30 percent of the population acknowledges use of marihuana. I think it was higher among young people and falls off by age. If a person uses marihuana, he or she is also likely to smoke tobacco and use alcohol.

Mr. NEAL. Would the cumulative percentage be in the neighborhood that I suggested?

Dr. KLERMAN. I think 90 percent is high. If you include caffeine you may get up to 90 percent. But it is true that the population as a whole uses a variety of substances, legal and illegal, to enhance performance or make us feel better.

Mr. NEAL. Or sometimes make us feel worse. From what I can tell from the literature about PCP, it makes people feel bad. Or I have seen people who overindulge in alcohol and obviously it is making them feel bad. So it is not just a matter of making them feel better but altering the state.

Dr. KLERMAN. That is right.

Mr. NEAL. I am not questioning the precision of that figure, although it seems to me to be very, very high. It does seem to me if we are to do something about prevention, which appears to be the major concern of every member of this subcommittee who has spoken, we have to understand somehow why people want to alter their states of mind.

Could you all explain to me? Does anyone have a pretty good feel for that?

Dr. KLERMAN. I don't think there is consensus about how to answer that question. Almost every society known to anthropologists have used some substance to aid people to cope or to feel better or to change their feelings. The most commonly used substance has been alcohol. In recent years in Western society we have added tobacco and caffeine.

It does appear that under stress or under periods of change, a fair proportion of the adults and adolescent population believes it cannot cope with the vicissitudes of life without some external assistance.

Mr. NEAL. So it would seem to me from what you have just said that any prevention effort must of necessity include something to substitute for this perceived solution to a problem; right? Several of you have indicated that that would be the case. The chairman mentioned better housing, better social conditions, and so on. And that makes sense.

Dr. KLERMAN. One of the initiatives we are undertaking in response to the White House activity is to look at sleep disturbance. A moderate percentage of the population, mostly adults, use hypnotics to make them sleep. Some people use alcohol. Dr. Richmond, the Surgeon General, has asked for the beginning of a program for a way to disseminate knowledge and help people cope with sleep difficulties.

Mr. NEAL. And stress and mental problems would be part of it.

Dr. KLERMAN. That is right. The most common cause of sleep disturbance is probably depression.

To partially answer your question and also the chairman's, my personal view with regard to youth is that our society has only one meaningful role for young people, and that is the student role. The age of entrance into the labor force has been progressively increased, and for minority youth the probability of their finding a job is somewhat bleak in certain areas of the country. My feeling is that one of the main determinants of the continued problem of drug use and alcohol use among youth is that we don't have a meaningful alternative to the school system and access to the labor market which is the main source of self-esteem in our society. It is very difficult for young people to find jobs, particularly black and other minority groups.

I would commend to the committee what I believe is an excellent report by Professor Coleman, a sociologist from Hopkins University, on the place of youth in our society. In the report he tries to deal with some of the questions of a complex nature that you and the chairman have addressed to us. And my comments about the difficulties that young people have in making the transition to adulthood stem from the ideas of Professor Coleman.

Mr. BEARD. If the gentleman will yield on that point, I'd like a followup question just quickly. This is what befuddles my mind to a certain degree. And I'd like to see if you have gone to bat for Dr. Nowlis' program which seems to be one of the few real effective programs. While we debate and psychoanalyze the needs and the transitional period of the kid and their emotional problems, Dr. Nowlis has a program out there which train the teachers. Yet it seems to be everybody for themselves, as far as funding. Yet you say your teachers are happy, relating to the kids, and solving some of the problems.

As a matter of fact, in 1974 I think the education aspect received \$12 million. It is now down to \$2 million.

Dr. NOWLIS. In 1973 it was \$12 million.

Mr. BEARD. All right, so I missed it by a year. And it is down to \$2 million now; is that right?

Dr. NOWLIS. Yes.

Mr. BEARD. I don't understand that. We talk about several gran-diose programs, but here's one that is down to the grassroots. What is your response to that?

Dr. MCGINNIS. My response really is one of concurrence. I think it is important that we do expand and see a stronger health focus in the education community. And, in fact, Dr. Nowlis can tell you, I think, in great detail the extent to which we have worked with her over the last year in order to create an expanded focus. And included in the President's fiscal year 1980 budget are additional moneys for school health educational activities.

Mr. BEARD. How much?

Dr. NOWLIS. The 1980 request for my program is a 50-percent increase, from \$2 million to \$3 million.

Mr. BEARD. And the problem is greater.

Dr. NOWLIS. The major concern for it, I regret to say, does not seem to be greater. However, we will have \$2 million for a new comprehensive school health program, which will incorporate and deal with some aspects.

Mr. GILMAN. Would the gentleman yield? Dr. Nowlis, you say you have reached only 3,000 schools. How many schools are there?

Dr. NOWLIS. Sixteen thousand districts.

Mr. WOLFF. Districts, not schools.

Mr. GILMAN. How many schools would that be? Or how many additional schools would you be able to reach with the additional money that Mr. Beard is talking about?

Dr. NOWLIS. That is difficult to say. We would certainly reach a great many more than we are now.

Mr. GILMAN. So you are really just scratching the surface at the moment; isn't that true?

Dr. NOWLIS. Don't forget that during this period we have been developing and testing and honing this whole approach.

Mr. GILMAN. How long have you been doing that?

Dr. NOWLIS. Seven years.

Mr. GILMAN. How long do you need to test and hone?

Dr. NOWLIS. I think we are about ready to move.

Mr. GILMAN. Thank you.

Mr. WOLFF. Mr. Hyde.

Mr. HYDE. Thank you, Mr. Chairman.

I didn't hear most of the testimony but I am delighted at the turn the questioning has taken, the overriding question, "Why?"

Dr. Klerman mentioned the denial of the labor market to minority youth. I think that is most important and most significant. I wonder what the role of the labor unions has been, in closing the door. I saw on television last night kids waiting in line for days to get a card to the electricians union.

The upgrading of the minimum wage and denial of the wage differential, an action of the administration, was a direct slap to minority youth. I hope the hearings go into this and we get somebody from the ACLU in to talk about the permissive society, "do your own thing," the family, eroding its authority, or the courts which deny the status of locus parentis to high schools so there can be underground papers.

And there are these young kids who have a purposeless life. We live in a society that is devoid of moral values. Religion is illegal as

a public manifestation. And they are bored to death and they are going to do their own thing.

These are profound questions, really, and there is no simple pill that is going to cure the problem. We might have to change some of our thinking on the great permissive society and "do your own thing." I don't expect to live to see it, but it will be interesting to watch it develop.

Thank you.

Mr. WOLFF. Thank you, Mr. Hyde.

I want to take about 2 minutes to ask a question.

What contact has HEW had, and with what regularity do you meet with other agencies of the Government?

Dr. MCGINNIS. I think there ought to be several answers to this because I can only represent one segment.

I think I ought to note that we have only recently initiated a regular series of meetings. We have them for a number of activities but directed to this broader set of community health promotion efforts. We will be meeting every month with key agencies.

Mr. WOLFF. What other agencies?

Dr. MCGINNIS. The other agencies include the Department of Housing and Urban Development, Department of Transportation, Department of Interior, Department of Agriculture, Community Services Administration, and ACTION, as a core, with others brought in, depending upon the problem that is on the agenda for the moment.

Now, there is the formal interagency task force directed to drug abuse that Dr. Klerman may want to address.

Mr. GILMAN. Will the gentleman yield?

Mr. WOLFF. Yes.

Mr. NEAL. Is that a drug abuse meeting?

Dr. MCGINNIS. This is community health in the broader context, activities which are competing for resources, competing for school time, competing for media time, and competing for resources of the chamber of commerce to develop positive approaches to health with relation not only to drug abuse and alcohol abuse but also to nutrition, exercise, and smoking.

Mr. NEAL. You will be taking up the drug abuse problem in these meetings?

Dr. MCGINNIS. Oh, absolutely.

Mr. WOLFF. Dr. McGinnis, we formed this committee because there was a lack of coordination within the Congress in addressing this problem. We are hoping to transfer that interest and coordination to the executive.

We haven't paid the rent on this room, you see, and we are only using it at the military's approval. Therefore, we shall have to ask Mr. Dogoloff to come to us at another time, which he has agreed to do.

But we do not see in Government, on an overall basis, the type of cooperation and coordination that is necessary. We still see the effort very fragmented. Each agency of Government is doing its own thing. There may be consultation among the various departments, but there is little in the way of a coordinated effort. If we ever conducted our warfare the way that we are engaged in this fight against drug abuse

in the country, we would have gone down the drain a long, long time ago. Furthermore, the casualties that have come out of this are as many as we have had in any war that we have been engaged in.

Now, on that basis, we are going to look to HEW and to you who are the lead agencies to provide the leadership that is necessary in order to bring this entire situation about. We are, as a body here, tired of the rhetoric. We have had rhetoric for years, going back into past administrations, both Democratic or Republican. Yet, we have found that the drug agencies have been a parking place for political appointees at times. They have been a device to draw attention away from more serious problems. But this is perhaps one of the most serious problems this Nation faces today. It is destructive to the entire society.

When we talked before about some points—or someone questioned you about prevention programs on an overall basis, you know, it's not just the fact of lack of employment or lack of opportunity, but rather in a kid's bedroom, leading to something to find a way out. And unless we reach that, we are not going to do anything here. There is going to be a transference.

We don't have the same number of heroin addicts but we have the same number of people who are abusing substances in this country—and I'm not talking now about caffeine or even about alcohol but about other substances of abuse that have recently come into our society in a big way. We didn't have a big problem with marihuana before the war. The problem was in different areas, with different substances. But we cannot afford the transfer from one substance to another, in the multidrug society we live in today. It is too destructive of society in general.

We could balance the budget if we obliterated the \$43 million spent on alcohol abuse and the \$40 billion for other substance abuse. We could forget about the other budgetary problems we have if we could solve this problem. If people took the same interest economically, we'd find a great difficulty in the administration looking at this as an economic problem and taking \$9 million from a program here because we have Federal budgetary problems. That \$9 million that is coming out of that budget is costing us more in the way of the end product than if you spent a 200-percent increase in that category and at the same time frittering money away in other parts of our activity in the Federal Government.

Maybe we do have to cut down on some of the bureaucracy which is where most of the money is being spent. We are spending more money today on evaluation, which has become the end-all of everything. Now most of your money is spent in evaluation of the programing.

Therefore, I think we have to join you in helping to solve this problem.

Mr. NEAL. Will the gentleman yield?

Mr. WOLFF. Yes.

Mr. NEAL. Listening to the panel this morning, it seemed to me that you all agree that the most effective tool for prevention that we know about at this time is an educational-type program. Did I hear you correctly?



Dr. POLLIN. No.

Mr. NEAL. Do you all agree on the most effective technique for prevention?

Dr. POLLIN. I don't think there is one technique that can be said to be successful for all groups. It depends on the specific age you are trying to reach and the specific substance you are concerned with. So in some cases it's education; in some cases media.

Mr. NEAL. Isn't media education?

Dr. POLLIN. I'm trying to distinguish between what Dr. Nowlis was speaking of and—

Dr. KLERMAN. In some cases it would be regulation. The change in the approved use of amphetamines and barbiturates by the FDA was associated with a marked decline in the use of those drugs. In the case of heroin, I think it has been law enforcement efforts, and so on. I think it varies from situation to situation, and the problem of marihuana in youth may be approached in the school system, but I don't think there is unanimity, at least at this table.

Mr. NEAL. You mentioned earlier, I think, that there are 30 million Americans that use marihuana.

Dr. KLERMAN. Yes, within a year.

Mr. NEAL. And haven't the laws against marihuana been extremely severe in the last 30-year period or so?

Dr. KLERMAN. In the case of marihuana, criminalization does not seem to have been a successful deterrent.

Mr. NEAL. Is marihuana qualitatively—

Mr. WOLFF. Let me ask one question: Would legalization be the answer?

Dr. KLERMAN. I don't have a judgment on that.

Mr. BEARD. You don't have a judgment on that? In other words, you don't have a judgment on whether legalization would be an alternative?

Dr. KLERMAN. I am not in favor of legalization of marihuana, no.

Mr. BEARD. But you are in favor of decriminalization?

Dr. KLERMAN. Yes. I think there is a very important issue as to how the world is viewed by young people. There is a significant difference in the attitude toward marihuana that divides at the age of 30. They see us as having access to tobacco and alcohol, which are far more lethal.

Mr. WOLFF. You are inconsistent because alcohol is not legal in an automobile when somebody is driving the automobile. It is use and abuse. I think a statement coming from you on the fact that marihuana is less lethal than tobacco will be headlined in the papers and will provide a tremendous increase in the acceptance of a substance such as marihuana.

Dr. KLERMAN. As I said earlier, Mr. Chairman, we have good evidence that marihuana has health hazards.

Mr. WOLFF. Yet it cannot be restricted only to health hazards. You can smoke a cigarette and drive a car and maybe get an ash in your eye. But try driving a car stoned and what happens? It is lethal.

Dr. KLERMAN. That is true. As I said earlier, marihuana does impair reaction time and coordination and is significantly associated

with automobile accidents, but not to the same extent as alcohol. About 13 percent of automobile accidents—

Mr. WOLFF. Can you really tell me that's true?

Dr. KLERMAN. Can I really tell you it's true?

Mr. WOLFF. Yes. Because do you know how many people driving cars have been considered to be alcoholic; where the accident was considered to be due to alcoholism and wasn't due to being stoned on some other substance?

Dr. KLERMAN. The quality of our evidence with regard to marihuana is not as good as with alcohol.

Mr. BEARD. As a matter of fact, the statistics show the young people combine both alcohol and marihuana. Dr. Nowlis said the young people would perceive it as fairness if we were to decriminalize, and there would be no increased usage. But go ask the States who are now reconsidering the 18-year-old drinking limit. Go ask those States now as to what has happened as to the increased alcoholic rate of young people as a direct result of the lowered drinking age. How anybody can sit here and say the same thing would not happen with marihuana. I am really shocked at some of the attitudes, I must say.

Mr. GILMAN. Mr. Chairman, would you yield for one more question?

Mr. WOLFF. One final question.

Mr. GILMAN. Lady and gentlemen of the panel, we have said over and over again that what we are looking for is a more coordinated effort with regard to the prevention program. We are hearing the fragmented effort again as we have heard the fragmented efforts in enforcement and in policy. It finally looks as though we are getting some uniform policy from the administration through the Strategy Council. What we are seeking from you \* \* \* the people on the front line \* \* \* is the hope that you will start working together to develop a coordinated effort in obtaining the most effective prevention program. Each of you has a little task force, each one of you has separate budgeting, and all of you have favorite programs that may or may not be working. We are hoping that you will all sit together and try to develop the most effective program that will utilize these dollars to the best appropriate method of trying to seek the goals we are all seeking, and that is to reduce narcotics abuse and traffic.

Dr. KLERMAN. I see the chairman is anxious to stop. I would welcome a chance to respond because I think there is within HEW more coordination perhaps than we have been—

Mr. GILMAN. But that is within your own department. We have five or six departments or agencies all working on prevention and abuse, and we are looking for some overall coordination.

Dr. KLERMAN. As we tried to indicate, the overall responsibility for coordination rests with the executive branch, with the White House, and I submit there is an overall policy.

Mr. GILMAN. It seems to me that if you have a Federal responsibility for drug abuse prevention, you do not have to wait for the White House to get you together with other agencies. We are not dealing with foreign governments.

Dr. KLERMAN. The evidence will show, and I think Mr. Dogoloff is the best person to elaborate on this point, that there is very good inter-agency cooperation on drug abuse.

Mr. GILMAN. But you people are testifying today that you very rarely meet with each other to work out prevention programs.

Dr. KLERMAN. No, no, that is not true.

Mr. GILMAN. When was the last time you met with DEA on a prevention program? When was the last time you met with HUD on a prevention program? When was the last time you met with ACTION to develop a uniform prevention program?

Dr. KLERMAN. I think Mr. Dogoloff can answer your questions. However, we met yesterday.

Mr. GILMAN. You are in charge of prevention. When did you last meet?

Mr. WOLFF. He said yesterday.

Dr. KLERMAN. Mr. Dogoloff had a meeting yesterday at the White House.

Mr. WOLFF. It couldn't have been that you had a meeting yesterday because you were testifying today? [Laughter.]

Mr. GILMAN. I hope you meet more frequently than when we hold hearings.

Mr. WOLFF. We thank you very much. We are going to follow up on this both on a formal and informal basis, whichever you prefer. But we do want you to know there is a very strong interest in this area and we are going to continue to monitor the activities. Although we have no legislative authority, we do have sitting on this committee various members of other legislative committees, and we intend to pursue this basic situation through the various constituted committees.

I just might say in closing that we have set up a series of task forces in this committee because the problem goes beyond those of a political nature. There are members of this committee who are minority members who are going to serve as chairpersons of the committees. This is kind of a departure. This is an unorthodox committee, you see. We are going to have Republicans chair task forces. That is very unusual—until the next election; is that right? [Laughter.]

[Whereupon, Mr. Wolff read the list of task forces and the chairmen of each.]

[The information referred to follows:]

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Task Force on HEW (including ADAMHA, OE, and NIAAA).	Hon. Charles B. Rangel, Chairman
Task Force on NIDA-----	(Vacant)
Task Force on Institutions (including Bureau of Prisons and Mental Health Institutions).	(Vacant)
Task Force on IRS and the Comptroller of the Currency.	Hon. Morgan F. Murphy, Chairman
Task Force on U.S. Customs Service and ATF.	Hon. Robert L. Livingston, Chairman

Task Force on International Narcotics Prevention and Control (including Oversight on the Department of State and CIA).	Hon. Benjamin A. Gilman, Co-Chairman Hon. James H. Scheuer, Co-Chairman
Task Force on the Department of Defense, Veterans' Administration, Coast Guard, and FAA.	Hon. Glenn English, Chairman
Task Force on Department of Justice (including LEAA, INS, Criminal Division).	Hon. Lawrence Coughlin, Chairman
Task Force on the Drug Enforcement Administration.	Hon. Billy L. Evans, Chairman
Task Force on Treatment and Rehabilitation.	(Vacant)
Task Force on Prevention and Education.	Hon. Fortney H. (Pete) Stark, Co-Chairman Hon. Earl Hutto, Co-Chairman
Special Task Force on Women-----	Hon. Cardiss Collins, Co-Chairman Hon. Robert K. Dornan, Co-Chairman
Special Task Force on the Elderly----	Hon. Mario Biaggi, Co-Chairman Hon. Robert T. Matsui, Co-Chairman
Special Task Force on Single State Agencies.	(Vacant)
Special Task Force on Cocaine-----	Hon. Tennyson Guyer, Chairman
Special Task Force on Marihuana-----	Hon. Stephen L. Neal, Chairman
Special Task Force on Polydrug Abuse.	(Vacant)

Mr. WOLFF. You can see we have divided the activity of this committee so it doesn't have to sit as a full committee but can interact with you and can provide you with necessary support.

I want to apologize to the head of ACTION, Mr. Sam Brown, and Dr. John Langer of DEA. Because of the constraints of time, we have asked them if they wouldn't put their testimony over until later. We ask the same of Mr. Dogoloff, who I hope has learned some of the questions that we have on the overall strategy so that he will be prepared to answer those questions when he returns.

Mr. BEARD. He was afraid to leave. [Laughter.]

Mr. WOLFF. The committee stands adjourned.

[Whereupon, at 12:40 p.m., the hearing was adjourned.]

PREPARED STATEMENT OF GERALD L. KLERMAN, M.D., ADMINISTRATOR, ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION, HEW

Mr. Chairman and members of the committee: I am pleased to appear before you today to discuss my coordinating role in the Department's drug prevention activities, and to share my thinking with you as the Department's focal point and coordinator of drug abuse policy. Accompanying me today from the Department are Dr. Michael McGinnis, Deputy Assistant Secretary for Health, Dr. William Pollin, Director of the National Institute on Drug Abuse (NIDA), John DeLuca, Director of the National Institute on Alcohol Abuse and Alcoholism (NIAAA), and Dr. Helen Nowlis, Director of the Alcohol and Drug Abuse Education Program of the Bureau of Elementary and Secondary Education. We each have brief statements which we shall deliver for the record, after which we shall be pleased to answer the questions you might have.

Historically, Federal initiatives to address alcoholism, alcohol abuse, and drug abuse have focused on the development of a national capacity to enhance treat-

ment, rehabilitation, and research. Although these activities continue to serve as vital components of the total effort, prevention has been accorded an increased priority in recent years. This is true principally because there is growing evidence that treatment alone, however beneficial and supportive, will not solve the complicated problems associated with the abuse of alcohol and other drugs. There is also increasing support for the belief that prevention programs of quality will aid those who seek to modify their lifestyles and improve their health.

Granted, defining prevention is a difficult but not an impossible task. The term usually engenders a measure of controversy as to its general definition, how it is best accomplished, and how to evaluate its activities. Although prevention has been given many definitions, it is usually categorized in the public health field in the following areas—primary, secondary, and tertiary.

ADAMHA defines primary prevention as follows:

"Primary prevention is directed at reducing the occurrence or incidence of alcohol, drug abuse, and mental health disorders. This goal is achieved through the promotion of physical, mental and social growth toward full human potential. Prevention activities are directed towards specifically identified high risk groups within the community who can be helped to avoid the onset of mental and emotional dysfunctioning and to inhibit the use of alcohol and drugs."

As stated, primary prevention generally refers to the attempts to reduce incidence, that is to prevent the occurrence of new cases. Secondary prevention includes attempts to reduce prevalence, that is existing cases. Efforts include early detection and referral for treatment, treatment to prevent death, to reduce the period of morbidity, and to enhance a return to social function. For example in the field of alcoholism and alcohol abuse, most of the public education efforts have been focused on secondary prevention, primarily educating the public—particularly family members, friends, and fellow employees about the warning signs and early symptoms of alcohol disturbance and facilitating referral to treatment. I think, as I have stated on a number of occasions, that this particular activity has been highly successful and merits continuation. Tertiary prevention is another name for rehabilitation. The goal here is to reduce the complications and disability associated with protracted disease.

Secretary Califano and Dr. Richmond, the Assistant Secretary for Health and Surgeon General, have accorded prevention a high priority in the initiatives and emerging health policies of the Department. In ADAMHA, I also have established prevention as a major Agency priority, along with other priorities in treatment research, and manpower development and training. Although the Directors will discuss, in detail, the prevention initiatives and activities of their respective Institutes, I think several positive points are worth noting.

In regard to alcohol abuse and alcoholism:

Public awareness of alcoholism has increased, and the stigma of admitting to alcoholism is being reduced. The courage of many well-known figures who have publicly acknowledged their own struggles with alcoholism has been important in this development.

Total per capita consumption of alcohol has stabilized. Since there is a relationship between overall consumption per capita and the health status of the Nation, this is a hopeful sign for the future.

The death rate from cirrhosis of the liver in this country has declined over the past three years—for the first time in half a century. There is some indication that prevention, early intervention, treatment, and increased public understanding have influenced this outcome of the late stage of alcoholism.

In regard to drug abuse:

NIDA estimates a significant drop of 20 percent in heroin addiction since 1975. This represents a decrease from 540,000 to just under 440,000.

Heroin deaths have declined from 1,823 in 1976 to 778 in 1977. The reduction in heroin addicts and heroin-related deaths has been attributed to the success of drug abuse treatment, the opium poppy eradication policy of Mexico—a major source of the drug—and increased enforcement which decreased the incidence of heroin smuggling in the United States.

Heightened public awareness of drug abuse has made us sensitive to the adverse effects of the nonmedical use of drugs. Consequently, broader segments of the population are seeking treatment and professional assistance.

The number of prescriptions for short-acting barbiturates has declined by 77 percent since 1971.

These signs of progress cannot be attributed solely to the prevention activities of the Agency. Some reflect, to a degree, the enhancement of inter-departmental cooperation, law enforcement activity, and treatment of patients, as well as our increased focus on prevention. And although we have achieved an element of success in certain adult populations, our efforts generally with women, youth, young adults, and racial and ethnic minorities indicate quite mixed results. Unfortunately, the techniques which have been successfully employed for adults have not produced similar results for youth. We must, therefore, review our prevention activities, particularly those activities for special populations, and improve them, where appropriate.

A number of significant problems still must be addressed. In regard to alcoholism and alcohol abuse:

3.3 million young people have problems with the use of alcohol.

There is evidence of an increase in alcohol consumption among women and among youth.

Current research indicates that young drinkers usually drink infrequently, although a substantial proportion drink large amounts per drinking occasion. The percent getting intoxicated more than doubled from 1957 to 1974—from 19 percent to 45 percent for those having been intoxicated at least once, from five percent to 12 percent once a month, and from two percent to five percent once a week.

In regard to drug abuse:

There is a startling and continuing growth in use of marijuana by youth, particularly the lower end of the age group 12-17 and by young girls, nearly closing the gap in use rates with boys.

More than 7 million Americans have used PCP. Last year the drug was associated with over 2,795 emergency room visits and at least 85 deaths.

The use of cocaine is increasing, especially in the group aged 18-25 years. Our last National Survey (1977) reported that 19.1 percent of this age group have used cocaine.

The nonmedical use of available psychoactive drugs—the sedatives, stimulants, and tranquilizers—whether for euphoria, in suicide attempts, or for self-medication—is increasing, particularly among young adults aged 18-25 years.

Racial and ethnic minorities are over-represented in the drug abuse treatment system as compared to their percent in the total population. According to 1977 statistics, 48 percent of admissions to NIDA-funded treatment programs were racial or ethnic minorities.

A 1977 survey confirmed increased drug use among female adolescents. Female use of cigarettes, tranquilizers, and stimulants nearly equaled that of males.

These are areas that still require attention and in my dual role as Administrator of ADAMHA and coordinator of the Department's drug abuse policy, I am mindful of the increased need and focus of prevention in our activities. We shall continue to stress the close collaboration of the principals involved in this vital undertaking. However, the combining of prevention resources of the three Institutes and the Office of Education would not prove a wise decision. First, there are statutory problems. Beyond this is my strong belief that more can be accomplished through the development of cooperative prevention initiatives, but only in those instances where they further or enhance the Department's or the Agency's policies and activities.

As a matter of policy, ADAMHA will pursue joint programming initiatives where they can be shown to improve performance or better utilize existing resources of the Department and the Agency. A number of joint programming initiatives are under consideration in the Agency, including programs to improve parental competence in dealing with drug and alcohol problems in youth, reducing emotional and behavioral consequences of children of the severely disordered mentally ill or alcoholic parents, and developing joint evaluation capabilities.

The Surgeon General will shortly announce an Initiative on Sleep and Hypnotic Drugs. This Initiative will involve a two-pronged approach to the problem of improving and upgrading current therapeutic practice and consumption patterns related to hypnotic drugs and sleep-related disorders: the acceleration and targeting of funds for research and the dissemination of educational activities aimed at physicians and patients. Thus, targeted research will be directed at answering pressing public health problems that are of immediate clinical significance. Second, these research findings as well as others will be disseminated promptly to physicians and patients alike. In carrying out its primary mission, the Public

Health Service Initiative will coordinate efforts with professional societies, industry, researchers and volunteer organizations to educate both the public and practitioners on new advances in diagnosis and treatment of sleep disorders. Although ADAMHA is the lead Agency, there is active participation from other PHS agencies, especially the Food and Drug Administration (FDA).

Finally, there is a soon to be released Surgeon General's Advisory to physicians and other health-related personnel on the use of alcohol in combination with other drugs. We shall once again have the assistance and cooperation of FDA. It is precisely this type of inter-agency cooperation that the Federal Strategy (1979) for Drug Abuse and Drug Traffic Prevention has sought to encourage. The Strategy emphasizes prevention coordination among the involved Federal agencies, and ADAMHA will continue to participate in cooperative initiatives, where appropriate.

In my efforts to coordinate drug abuse policy in HEW and in my role as Administrator of ADAMHA, I wish to assure the Committee that prevention will remain a relevant part of future policy directions. I also wish to commend the Committee for its various activities to focus attention on drug abuse, and look forward to our productive and fruitful exchanges on these issues of national importance.

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PREPARED STATEMENT OF WILLIAM POLLIN, M.D., DIRECTOR, NATIONAL INSTITUTE ON DRUG ABUSE, HEW

Mr. Chairman and members of the select committee, I am pleased to appear before you today to discuss drug abuse prevention.

In my statement today, I will describe current National Institute on Drug Abuse (NIDA) prevention initiatives and policy consideration. Since I am still familiarizing myself with this area of Institute program, you will hear some uncertainties and questions from me. After some months, I expect to speak with greater knowledge and firmer conviction.

As I understand the history of drug abuse prevention activities conducted by the Federal Government, a significant amount of energy has been spent in achieving a consensus definition of the concept of prevention itself, and then in determining what governmental activities are appropriate and feasible. If I could attempt to characterize the dialogue that has occurred, many within the research community have found the goals of prevention programs, while admirable, to be unmeasurable. Some have recommended that NIDA not support any prevention programs. Others, while acknowledging the evaluative weaknesses of the prevention field, have urged that the Federal Government make a substantial investment in direct services delivery programs in the prevention area, arguing that any effort that can be made would somehow be helpful. This Committee has shared in this debate over appropriate policy, and I think shares my own sense that it might be timely to again think through the current nature of Federal activities in drug abuse prevention.

Successful examples in the field of medicine may yield a model for our consideration. Traditional medicine, using a basic biological framework for disease prevention, has employed varied techniques ranging from vaccines, in the case of polio, to instituting public health measures attacking over-crowding and unsanitary living conditions to prevent the spread of communicable diseases, such as cholera and tuberculosis.

Medicine has also successfully used behavioral models of disease prevention. One reason many more people retain their teeth to older age is our success in getting the public to brush their teeth.

Are there comparable approaches in drug abuse? The vaccine approach can now be conceptualized as a distinct but distant possibility based on recent dramatic new knowledge. For the present, we must rely on behavioral and public health principles.

Two other approaches work very well which we do not usually include in drug abuse prevention concepts: one is the testing of abuse liability at the Addiction Research Center, and preventing drugs from coming on the market with high abuse potential. The other is our current legal and regulatory control system for psychoactive drugs. Of the 500,000 deaths annually in the United States due to the addictive disorders, over 95 percent are related to those drugs that are not scheduled or regulated; nicotine and alcohol. It is estimated that 90,000,000 Americans drink regularly; 60,000,000 are cigarette smokers.

If one assumed a comparable prevalence of the use of those drugs which are currently controlled, as with alcohol and cigarettes, we could predict much higher morbidity and mortality without the present system of regulatory controls. Since these drugs are probably more reinforcing and probably as addictive, presumably there would be much wider use.

I urge the Committee to review the preventive results of these regulatory and legal approaches. It may be yet another example of our widespread failure in this country to recognize our successes and build on them.

This leaves for consideration the large, more conventionally recognized, area currently thought of as prevention: information, education, alternatives and early intervention. Realistically, we must note the limitations of educational and exhortation approaches. The inability to get more than a minority of drivers to use seatbelts is one example. We must also take into account those basic social factors, the widespread public opinion, which is, if not supportive, at least neutral about the harm of drug abuse. The recent introduction of an expensive perfume, entitled, "OPTUM" raises these issues. Recognizing these constraints, I am nonetheless convinced that we should mount a major public effort of drug abuse prevention, and that NIDA has a key role to play. The substantial decrease in per capita cigarette smoking during the 4-year period when equal time for anti-smoking television advertisements was mandatory is but one example of what just one prevention effort, media use, can accomplish.

One part of NIDA's prevention program is a strategy of primary prevention. It is designed to delay or prevent the development of drug abuse by strengthening individual development, family and social bonds, by providing usable behavioral alternatives. In a sense we attempt to psychologically immunize the individual against the likelihood of problem use of drugs. Multiple approaches are used which include information, education, alternatives and intervention, especially for high-risk groups.

One of our current priorities is an effort to order the approaches suggested or attempted by multiple prevention workers and community groups, to develop a rational system of relating the different such alternatives to different subgroups of different age demographics, and at different risk, and attempt to evaluate them in terms of relative effectiveness.

Throughout the country there are thousands of community efforts along these lines. We are attempting to develop a rational system which can help coordinate these efforts and control them, to add community resources where possible and to share knowledge and technical assistance regarding program effectiveness. Focusing on such system development, NIDA supports projects with a substantial evaluative research component. In this current fiscal year, NIDA expects to support 14 direct community program prevention grants at a cost of \$1,923,000; 9 evaluative and technical assistance contracts for \$1,759,000; and 50 contracts to Single State Agencies to establish State prevention specialists for \$1,408,000; totalling \$5,090,000. If one includes other primary prevention activities within the Institute, the overall NIDA total expenditure for prevention in fiscal year 1978 was \$8,385,000. It is estimated that total fiscal year 1979 expenditure will be \$6,377,000. The fiscal year 1980 request currently before the Congress proposes \$4,705,000 for community prevention projects and includes \$3,813,000 for other NIDA prevention activities, making the overall NIDA total for the budget year \$8,518,000.

The question of evaluating the effectiveness of prevention programs is of great interest to me, and I suspect a subject of great interest to the members of the Committee during these hearings. We are attempting to set up an evaluative process which involves three variables: descriptive; psychological changes; and actual behavior change. The descriptive catalogues what different programs are actually doing, what services are provided to how many people and at what cost. Psychological evaluations measure changes in those psychological states and attitudes, such as negative self-esteem and anti-social attitudes, which correlate significantly, and often predict, patterns of significant drug use. Finally, changes in actual behavior in drug use and abuse are the most significant questions, the most difficult to measure and the most uncertain. One recent study in three California cities to test the effectiveness of an approach to prevention—an 8-week multimedia drug abuse campaign directed primarily at a female audience found significant decreases in the use of barbiturates and amphetamines among women in the most "media saturated" city. Women in that city reported significantly greater efforts to obtain information from family physicians regarding



drugs that were prescribed. Other types of prevention programs are not so easily validated.

Nevertheless, there are many situations where action before certainty of knowledge is justified and essential. Increased activity in drug abuse prevention, though we are uncertain of the ultimate consequences, is such a necessity, in my view. It communicates our understanding of community concern and involvement, and our awareness of the extent and severity of the problem. We must be prepared, however, to accept the complexity of the problem and to find many approaches simply are not as effective as we had hoped.

#### NATIONAL INSTITUTE ON DRUG ABUSE PREVENTION PROGRAM DESCRIPTION

The earliest efforts in the drug abuse prevention field undertaken by the Federal Government were supported by the National Institute of Mental Health, the Office of Education, the Bureau of Narcotics and Dangerous Drugs, the predecessor to the Drug Enforcement Administration, and the Special Action Office for Drug Abuse Prevention. By the mid-1970's, there was considerable agreement that drug abuse prevention was a desirable activity on the part of the Federal Government, but there existed little consensus about what was really effective. One of the first lessons learned about drug abuse prevention was that simply presenting young people with factual information about drugs could be counterproductive, stimulate curiosity and subsequent experimentation with drugs.

When NIDA was established in April of 1974, the prevention staff convened a Task Force to establish a common definition for drug abuse prevention and set priorities for Federal, State, and local prevention activities. Our program expanded to support a number of local prevention service efforts. We soon recognized, however, that with limited funds, our major investment should be in search of the most effective prevention techniques. Therefore, several years ago we began to support, as demonstrations only, those prevention programs from which we expected concrete results which could be shared with communities across the nation.

Out of the work of our task force and subsequent discussion, drug abuse prevention has been defined to include four major activities; providing information, education, developing alternatives to drug use, and finally, intervention.

Information programs include the development of materials such as pamphlets, posters, brochures, films, and television and radio spots that present a drug abuse prevention message. Education might include courses in values clarification, communication skills, techniques for problem solving, and decisionmaking skills. Alternative programs include work or recreational activities that offer young people positive options to drug use, these strategies focus on enhancing an individual's personal and social development as a way of preventing drug use. Early intervention activities, unlike the other techniques, are directed at individuals who are already involved in drug use or who are at high risk of becoming involved. Specific intervention approaches include counseling, hotlines, tutoring, and peer group involvement. All of these activities are aimed both at stopping the initial use of drugs and reducing current levels of use.

Although not limited to young people, the primary target of our prevention efforts are youth currently not using drugs but in jeopardy of initiating their use; young people who experiment with drugs; occasional users, and youth just beginning sustained use. Many feel that the most critical decisions about drug use occur between the ages of 12 and 15—this age group is the most susceptible to initial involvement with drugs.

In general, the basic goal of drug abuse prevention programs is the promotion of positive development by establishing or enhancing an individual's personal skills. This involves increasing an individual's ability to cope with stress and to make reasoned decisions about daily problems. In addition, the process requires strengthening of family and community ties so that young people have the resources to deal with crisis situations that could precipitate drug use or other disruptive social behavior.

Our prevention grants program seeks to determine which strategies best influence drug-taking behavior and drug attitudes of youth. I would like to share with you three programs which have been determined to be successful and which we are encouraging other communities to try. The first two programs are examples of school-based prevention programs; the second of these two involves

family members as well as the students. The third program is an example of a program which involves various community agencies. The programs are:

1. *The Ombudsman Program (North Carolina)*.—This program involves students in a semester-long class where they learn about themselves, develop skills in communication and decision making, and establish helping relationships with others.

Students in these classes are encouraged to become "Ombudsmen" in their schools and communities. Ombudsman instructors work closely with principals, guidance counselors, homeroom teachers, and other health teachers.

An evaluation of the project indicates that program participants evidenced positive changes in six areas believed to relate to drug use: self-acceptance, sense of well being, self-understanding, coping ability, parent/child relationships, and positive social attitudes.

2. *Project SPARK (New York)*.—Project SPARK is the Nation's largest school-based drug abuse prevention program. It includes drug education, intervention through group and individual counseling, training of a peer leadership cadre, home visits, parent workshops, parent/child group sessions, community involvement, curriculum development, alternative activities, and in-service training for teachers.

An evaluation of this program found that in comparison to a control group, students in the SPARK program had fewer school absences, fewer drug-related referrals and disciplinary actions, and better grades.

3. *Gloucester Drug Abuse Prevention Program (Massachusetts)*.—This program involved using youth in renovation of an historic site in Gloucester, Massachusetts. A 1977 study found that this prevention program mobilized community interest and support for youth through the involvement of key representatives of the educational system, law enforcement agencies, social service programs, and local craftsmen. Youth participating in the program developed more positive attitudes toward themselves and their communities and reduced their use of drugs.

The Prudential Insurance Company became aware of the Gloucester Experiment and has joined with NIDA to replicate this project in other parts of the country. The company has provided the services of its district managers who are familiar with their local communities and its public affairs capability to create visibility for local activities. This combined effort, known as Channel One, is a significant model of productive partnership between government and the business community. A letter from Speaker "Tip" O'Neill, Jr., and Representative Nicholas Mavroules in support of this effort is attached to this testimony for your information.

In addition to direct project grants, NIDA provides special services to prevention programs across the country. These include:

(1) *The PYRAMID Project* which offers technical assistance to local, State, and Federal prevention programs. Over the last two years, PYRAMID has responded to more than 5,700 requests for information and assistance; has provided over 2,300 days of on-site consultations and technical assistance to prevention programs located in every State; has compiled over 3,000 information items, such as technical papers, reports, prevention curricula, and test instruments; and, has prepared numerous technical papers on topics relevant to the field of prevention.

(2) *The Center for Multicultural Awareness* provides specialized technical assistance and produces materials and resources tailored to the Nation's major ethnic populations: Black, Asian Americans, American Indians, Mexican-Americans and Puerto Ricans. The Center has produced a number of publications including a multicultural prevention film catalog and booklets targeted on specific ethnic groups.

(3) *State Prevention Coordinators Program*, establishes a prevention specialist within all State government drug abuse agencies. Thirty-one States were funded under this program in fiscal year 1978, and the program will be expanded to all interested States in fiscal year 1979.

(4) *The National Prevention Evaluation Research Network (NPERN)*, is a national network designed to assist States and local communities assess the effectiveness of their prevention activities, through dissemination of evaluation information, technical assistance, and the sponsorship of epidemiological studies.

Currently, the three States awarded contracts to begin in this effort—New

Jersey, Wisconsin, and Pennsylvania—are working to identify the prevention evaluation needs of States and to design the service components of an operational evaluation system. This phase will be completed in early 1980.

(5) *The Catalyst Project* has sought to increase the involvement of national youth-oriented voluntary organizations in drug abuse prevention and in doing so has uncovered a tremendous resource for prevention. The program has involved such organizations as Parents Without Partners; B'nai B'rith; Girls Clubs and YMCAs.

In addition to these activities, NIDA produces a number of educational materials. One example is the Elder Education Project which has addressed the problem of drug misuse among the elderly. Films and brochures are designed to help older Americans manage their medications wisely. A book on drug abuse prevention for families is currently being developed, as is a prevention strategy manual for service providers who work with low income youth and their families.

The National Clearinghouse for Drug Abuse Information disseminates these materials to a variety of organizations and individuals. Primarily materials are distributed through the State agencies for drug abuse prevention, at a number of national meetings, through various mailing lists, and by individual requests. In 1978, the Clearinghouse received 79,095 inquiries and distributed 1,379,646 publications.

Beginning on June 15, 1979, publications will be distributed nationally through "Good Neighbor Bulletin Boards" already available within supermarkets and other retail outlets. These brightly colored boards display consumer publications for shoppers to pick up. For the first year, we will display publications in approximately 500 supermarkets and discount stores. If this effort is successful, we will consider expanding the service to reach more consumers. This service also allows selective dissemination of Spanish materials to supermarkets in Hispanic neighborhoods.

The brochure, "Want Some Straight Talk on Drugs?" will be the first to be featured on the bulletin board. The brochure advertises the materials and services available from the Institute and includes an order blank for additional information. Brochures on the inhalants and PCP, as well as the general information consumer booklet, "Let's Talk About Drug Abuse": Some Questions and Answers, will also be placed on the display racks.

#### RESEARCH ACTIVITIES

NIDA's substantial drug abuse research program also contributes to the mission of prevention. Information provided in our annual marijuana report and through the Research Monograph and Research Issues series, help make public current findings about the effects of drug use. Recent publications for example have included a report on cocaine and health, a monograph on drugs and driving, and several chapters on the addictive nature of cigarette smoking which were included in the Secretary's Report on Smoking and Health.

In addition to publication of our investigator-initiated research, the Addiction Research Center, NIDA's intramural research program located currently in Lexington, Kentucky, has played a significant role in prevention through its abuse liability studies of various drugs. This work has kept potentially harmful drugs from the market and has provided data necessary to validate the usefulness of others. Later on this year it is planned to move this facility to the grounds of the Baltimore City Hospital in Baltimore, Maryland. It is then planned that the ARC will be able to continue its important studies in this area.

#### FUTURE DIRECTIONS

In the future, the Institute will continue to emphasize a prevention research program that will assure that service programs in prevention are solidly grounded in research findings. Prevention strategies will be studied as will the "gateway" drug use phenomenon, community and peer supports for early drug experimentation and smoking, the adaptive role played by drugs for preteens and teenagers; positive images of drug using, the impact of parental smoking and drug-taking, and the effects of mass media messages on prevention.

Institute supported research will be exploring the growing indications that there are significant biological and psychosocial patterns common to all types of compulsive addictive behaviors. In the biological area, further study of the endorphins and enkephalins, the recently identified morphine-like substances man-

ufactured in the brain, may play a role in gaining greater understanding of various compulsive behaviors such as narcotic addiction and overeating. This research might help identify key points for prevention efforts.

The Public Health Service Initiative on Sleep and Hypnotic Drugs—based on NIDA's study of the sedative hypnotic drugs used for sleep and the review conducted by the Institute of Medicine of this data—is also a new Departmental prevention effort. This educational campaign should improve the understanding and treatment of insomnia and related disorders. In addition, as part of the Public Health Service's emphasis on disease prevention and health promotion, individuals from within and outside of the Federal Government have been working to set measurable objectives for prevention activities with specific targets for 1985 and 1990. Alcohol and drug abuse is one of the major areas for which target objectives are being established.

We plan to closely coordinate our prevention efforts with those of other programs within the Department including those of the Office of Health Promotion and Disease Prevention within the Office of the Assistant Secretary for Health and the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Mental Health. Prevention activities focused on drug abuse, alcohol abuse, and mental health share many commonalities. Many of the reasons for drug abuse are similar to those underlying alcohol abuse and certain behavioral disorders. The use of alcohol often serves as a "gateway" to the use of drugs, and alcohol and drugs often serve as alternative substances of abuse. The broad health concept of promoting positive growth and development which underlies our approach to drug abuse prevention is compatible with the approaches in mental health and alcohol abuse.

NIDA and NIAAA have already worked together on some prevention projects, including the National Prevention Evaluation Research Network and a Prevention Needs Assessment Workbook which will assist State alcohol and drug abuse agencies assess State needs for prevention services and we have specific plans for several new collaborative activities. I look forward to developing further this working relationship with NIMH.

In summary, findings from the evaluation of prevention programs appear to be encouraging, other needed research is being initiated, and an effective system for building the capacity of States and local communities through technical assistance and the development of new knowledge is in place. We look forward to the refinement of our prevention effort as our knowledge is expanded. I welcome this Committee's continuing interest in drug abuse prevention and await your thoughts and recommendations in this area.

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CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., May 23, 1979.

DR. WILLIAM POLLIN,  
*Director, National Institute on Drug Abuse,*  
*Rockville, Md.*

DEAR DR. POLLIN: We are writing to indicate to you our strong interest in and support of the successful work accomplished by the Channel One Program. This innovative approach to adolescent drug and alcohol abuse was initiated in our home state of Massachusetts, in the city of Gloucester. Quite literally, "under our eyes", we have seen the positive impact of this program on individual young people as well as on entire communities.

Of particular interest to both of us has been the role played by the Prudential Insurance Company. Throughout New England, Prudential managers have launched successful Channel One Programs in their individual communities. This wedding of the private sector with the public sector has been a primary objective of us both, as well as of the Administration, in recent years. We are anxious to cement that relationship. The participation of the Prudential Company has been essential, not only in this instance, but will serve as a model to other corporations and private interests.

We have now learned that the Prudential Company's corporate office in Newark is on the verge of announcing a major expansion of Channel One throughout the country. Managers in their seven regional home offices will be utilized. Needless to say, the funding provided by your agency made the first phase of Channel One a possibility. The ongoing support of NIDA continues to be invaluable.

As long time supporters of this program, we are vitally interested in its future. We are seeking your assurance that the necessary support for the expansion proposed by the Prudential Company has been clearly established.

We understand that the company's support is in place and the Channel One contractor is prepared for the expansion. It has been indicated, however, that additional planning and development for the state agencies may be required in order for Channel One to go forward at the level which the Prudential Company is willing to undertake.

This expansion was originally scheduled to occur over a three-year period. The initiative taken by the Prudential to involve all of the regional offices during the coming months effectively telescopes the three-year plan into a two-year period. This opportunity to expand provides us with the chance to reach as many needy individuals as possible, to conserve both time and money and to further meld the private sector with the public sector. It should not be neglected. We urge you to do everything possible to assure that the proposed expansion takes place as soon as possible.

We would be grateful if you would carefully consider these remarks. Please keep us abreast of the progress of this situation. With warm regards.

Sincerely,

THOMAS P. O'NEILL, Jr.  
*Speaker, House of Representatives.*  
 NICHOLAS MAVROULES  
*Member of Congress.*

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PREPARED STATEMENT OF JOHN R. DELUCA, DIRECTOR, NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM, HEW

Mr. Chairman and members of the Select Committee, I am pleased to be here with you this morning to discuss our intense mutual interest in the prevention of alcohol and drug abuse and to describe for you the activities of the National Institute on Alcohol Abuse and Alcoholism (NIAAA) in this area.

As you are aware, alcohol is the most commonly used and abused drug in the United States; more people abuse it than all other drugs combined. The biomedical, behavioral, social, and economic consequences of such abuse are well documented. The problems that arise when alcohol is used in combination with other drugs are an additional concern. Many such combinations can result in severe health consequences, including death. And many of these problems are increasingly common among women and young people.

At NIAAA, our approach to prevention of alcohol-related problems is firmly rooted in the public health model. In this model, alcohol problems (like other public health problems) are seen as stemming from complex interaction among three factors: host, agent, and environment. Viewing alcohol problems based on this model, the host is the individual at risk of experiencing alcohol-related problems. The agent is alcohol itself. The environment is the setting or context in which drinking occurs and the community tradition that influences the drinker. Intervention at any one or all of these points can affect or modify the outcome of alcohol-related problems.

In the past, most of our efforts to prevent alcohol-related problems have been directed at the individual or at the environment; their underlying theme has been education. At least in part as a result of these efforts, the public is now better informed about alcohol-related problems, the stigma attached to alcoholism is receding, and public receptivity to new prevention efforts is increasing. In addition, the death rate from cirrhosis of the liver has declined over the last three years—for the first time in half a century. But we delude ourselves if we believe that, having made some progress in educating the public, we can relax. For example, there are indications that alcohol-related problems may continue to grow. More widespread consumption of alcohol by women and young people is a particularly troubling development.

We have in the past focused primarily on the individual and environmental aspects of the public health model of prevention. We have paid very little attention to the agent—alcohol. Some investigators believe that a positive correlation exists between per capita consumption levels in a population and the prevalence of cirrhosis of the liver. These areas and others (for example, legal drinking ages,

labeling, and advertising and marketing) are all legitimate areas of interest for study and debate as we further develop this aspect of the model.

#### NEW FOCUS ON ALCOHOL-RELATED PROBLEMS

While affirming the Federal government's continuing obligation to inform and educate the public about health hazards (consistent with the public health model of prevention), we intend to devote a larger share of our resources to preventing specific, carefully defined alcohol-related problems rather than alcohol abuse in general.

The President's fiscal year 1980 budget for NIAAA programs clearly reflects an increased attention to the importance of prevention activities. It includes a major increase in funds for prevention—from \$2.5 million in fiscal year 1979 to \$7.9 million in fiscal year 1980—for activities directed largely at women and youth. Among the new tasks we will undertake are development and implementation of five comprehensive alcoholism prevention projects, targeted at 750,000 young people, through grants to national organizations serving youth. This program will train community youth leaders, develop education materials, and distribute prevention strategies to local organizations of young people. We also plan to award another six or seven grants to local agencies and organizations to develop pilot programs to reduce drinking/driving problems among youth. We anticipate these programs will reach 500,000 young people aged 16-24. In our prevention efforts directed at women, special emphasis will be given to women in the workplace and to women of child-bearing age, since alcohol consumption during pregnancy holds potential harm for the unborn fetus.

This new approach clearly places a premium on being able to identify and define alcohol-related problems so that Federal resources can be concentrated where the potential "payoff" is greatest. For this reason, NIAAA has established an Alcohol Epidemiologic Data System. This system includes information on alcohol-related health indices, alcohol-specific casualties (e.g., domestic violence and accidents), criminal justice problems, highway traffic accidents, alcohol consumption patterns, legal data, and demographic patterns. Current analytic efforts include examining rates of cirrhosis mortality among different population subgroups (e.g., Blacks, Whites, Native Americans) and for different geographic locations (e.g., major metropolitan areas). Preliminary findings indicate high cirrhosis mortality rates among American Indian women and among Blacks. For the latter group, the data show cirrhosis mortality to be especially high in major U.S. metropolitan areas. Through our research findings, then, we are beginning to have the capability to identify the nature and magnitude of specific alcohol-related problems in such a way that we can take specific and effective action to prevent them.

With your permission, I would like now to describe a few of the Institute's prevention efforts in greater detail and provide for the record a brief description of the prevention programs currently receiving grant support.

#### NIAAA PREVENTION PROBLEMS

From fiscal 1972 through the end of fiscal 1979, the National Institute on Alcohol Abuse and Alcoholism will have obligated \$39 million for prevention grants and contracts and an additional \$22 million for the National Clearinghouse for Alcohol Information. These funds have supported such activities as the development of model programs for prevention of alcohol abuse among youth, projects to increase public awareness of the dangers of alcohol abuse and alcoholism, and development of prevention efforts at State and community levels.

*State capacity building.*—The Institute has supported various activities directed to building the capacity of States to develop, distribute, and evaluate activities related to alcohol abuse prevention.

From 1974 to 1977, the Institute provided financial support and training for a "prevention coordinator" on the staff of 48 State alcoholism agencies. These coordinators were trained to assist communities in developing public education and discussion programs, studying community drinking patterns, and developing strategies to prevent drinking problems. When NIAAA support for this capacity-building program terminated in 1977, 47 State alcohol agencies maintained a prevention coordinator on their staff and continued to offer their skills in prevention programming to interested communities. And the National Drug Abuse

Institute (NIDA) built on this experience in developing its own program of funding for State drug abuse prevention coordinators.

In November 1978, NIAAA joined NIDA in an effort to pilot-test a National Prevention Evaluation Resource Network (NPERN). Together, we are financing a contract to provide States with prevention evaluation information, technical assistance, and prevention evaluation capability they need to assess their alcohol and drug abuse prevention programs. NIAAA, in conjunction with NIDA is supporting a contract to train State alcohol and drug abuse personnel in prevention planning.

In addition, NIAAA's Volunteer Resources Development Program provides assistance to State-level organizations to encourage growth and development of volunteer activities in the prevention and treatment of alcoholism.

*NCALI.*—The National Clearinghouse for Alcohol Information (NCALI) provides information on alcoholism treatment, prevention, and research to the professional community and the general public. In contrast to many such efforts, which are primarily reactive, NCALI works directly with selected organizations in a vigorous information dissemination program, placing strong emphasis on encouraging voluntary associations and groups to establish prevention programs using their own resources. These efforts have been focused on organizations serving three target audiences—women, young people, and Blacks.

*Replication of prevention models.*—Over the years, NIAAA has supported a number of model programs for prevention of alcohol abuse among youth. We evaluated these models and selected three of the most promising (as determined by quality of evaluation, ability to document significant program events, and the potential of the project for generalization) for replication at a limited number of sites and if these prove successful, for dissemination nationally.

A workbook describing the essential elements of each program was prepared, and last year all State alcohol agencies were contacted to determine their interest in replicating and field-testing the models in communities within their State. A number of States expressed interest in this effort; eight were selected. A ninth State has decided to replicate one of the models with State funds. We look to this program to answer urgent questions about what works in preventing alcohol-related problems among young people.

#### RELATED NIAAA ACTIVITIES

In addition, of course, NIAAA supports prevention activities through its formula grant, research, and training programs.

In fiscal year 1979, approximately six percent of Federal alcohol formula grant funds will be used by the States for prevention efforts. This amounts to nearly \$3.5 million.

Alcohol research funds support the development of basic techniques and principles for use in prevention programs. The President's budget includes \$1.6 million for this purpose in fiscal year 1980. Research in this area will include the exploration of fundamental principles of learning and motivation that can be applied to prevention programs, the development of sobering agents which can be used as a tool to prevent driving and other accidents, the development of procedures to assist in the early identification of fetuses which have been adversely affected by maternal alcohol use, and exploration of economic and regulatory techniques and incentives (for example, in the workplace) as well as familial and peer pressure as mechanisms in prevention programs.

NIAAA and NIDA jointly support an important training program with significant potential for preventing alcohol and drug abuse by improving medical practice. The purpose of this joint effort—known as the career teacher program—is to provide support to medical schools and schools of public health for advanced training of a faculty member who will educate students about addictions as well as develop a curriculum for the school in this area. Nearly one-half of the medical schools in the nation now receive such awards. We believe this program will have positive, long-run impact on physicians' diagnostic skills and prescribing practices and thus on the incidence of alcohol and drug abuse.

#### COORDINATION WITH OTHER FEDERAL AGENCIES

As the Committee is keenly aware, efforts to prevent and reduce alcohol-related problems require coordination and collaboration with many Federal

agencies. In fact, we have been moving toward greater collaboration with other agencies over the last few years, and anticipate that our efforts to target prevention activities and to carefully define problems and high-risk population groups will accelerate this development.

The Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism, mandated by Public Law 93-282 and chaired by the Director of NIAAA, is becoming a valuable medium for exchange of information and for policy coordination. Work groups have been formed in several areas of special interest and are now meeting regularly. The Office of Education and NIDA are represented on the prevention work group, as are other relevant Federal agencies and departments. This work group serves as a forum for assessing the direction and emphasis of all Federally supported alcohol prevention programs. On its recommendation, the Department of Transportation, the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms, the Federal Trade Commission and NIAAA last year jointly funded a contract to study the effects of alcohol advertising on perceptions about alcoholic beverages and attitudes toward consumption of alcohol, particularly among young people. We look forward to receiving the results of the study and hope this joint effort will serve as a model for other activities with these agencies in the future.

As you are aware, the Surgeon General has undertaken a major review of prevention activities in all health and health-related fields. This review, in which NIAAA actively participated, has been underway since the beginning of 1978. A report is expected shortly.

Mr. Chairman, I mentioned earlier that NIAAA is moving toward even greater collaboration with other Federal agencies. Many of these activities are the result of the Secretary's keen interest in alcohol-related problems and are part of the series of alcohol initiatives he announced early this month. Let me note just a few of them:

The Health Care Financing Administration will be devoting \$1 million to demonstration projects to provide alcoholism services in new, less expensive and more effective ways.

The Health Resources Administration will be devoting \$2 million to 15 special new programs in medical schools for teaching future doctors how to treat alcoholism.

We have ongoing collaborative efforts with the Bureau of Alcohol, Tobacco, and Firearms and the Food and Drug Administration regarding the Fetal Alcohol Syndrome and related issues such as labeling and public education.

We continue to work with the Veterans Administration and the Department of Transportation.

I should also mention that we are undertaking efforts with groups and organizations outside the Federal government; these include the alcohol beverage industry, corporations, labor unions, and State and local governments. Our involvement with all of these organizations underscores the complexity and pervasiveness of alcohol-related problems in our society.

I will be happy now to answer any questions you may have.

#### ALCOHOL ABUSE PREVENTION DEMONSTRATION GRANTS

##### AN ANNOTATED LIST OF CURRENTLY FUNDED PREVENTION DEMONSTRATION GRANTS

2 H84 AA01242—Diccio, Lena; CASPAR, Inc., 226 Highland Avenue, Somerville, Mass. Youth and Alcohol: Program Strategies—July 1, 1974 to September 30, 1979.

The objective of this program is to design, implement, and evaluate an alcohol education program which will mobilize community support for an in-school effort. The project involves training of Board of Education members, school administrators, principals, parents, teachers, and junior and senior high school students. The overall goal of the program is to teach youth to make responsible decisions in relation to alcohol and drug use. The program is based on the hypothesis that this can be effectively accomplished with the support of parents, students, school committee members, school administrators, and teachers.

2 H84 AA01370—North, Robert, D.D.S.; Boys Harbor, Inc., 19 E. 94th Street, New York, N.Y. Teenage Alcohol Abuse Prevention Program—October 4, 1974 to February 28, 1980.



The Teenage Alcohol Abuse Prevention Program (TAAPP) in New York City seeks to educate young people to develop responsibility in their drinking-related behavior. The core of the program is the use of peer educators to reach other inner-city youth through affective education and group process techniques. The program attempts to help youngsters grow into whole persons who are confident, productive, aware, and capable of realizing their full human potential. The target group consists of 3,000 fourteen to eighteen year olds in junior and senior high schools in East Harlem and Harlem.

2 H84 AA01842—Roberts, Clay; Educational Service District No. 121, 1410 S. 200th Street, Seattle, Wash. Alcohol Education Curriculum Project—February 1, 1975 to June 30, 1980.

During the past three years, this project has developed a K-12 alcohol education curriculum with special activities for various grade levels; developed a teacher instructional manual and accompanying its of classroom aids; designed and tested a teacher training manual; and developed a design for utilizing trained teachers to educate other teachers in their schools. Current program efforts are aimed at increasing penetration into schools via continued teacher training and circulation of materials. A new emphasis is aimed at gaining support of school administrators for the project. Longitudinal evaluation of the project's impact on students is being conducted by Washington State University.

2 H84 AA02126—Breed, Warren, Ph.D.; Institute for Scientific Analysis, 2408 Lombard Street, San Francisco, Calif. Alcohol, Mass Media and Public Education—August 1, 1975 to July 31, 1980.

This project adds an additional two years to an initial three-year project begun to research how the media are portraying alcohol and drinking in the United States in order to influence American drinking norms. Baseline data has been gathered from television and written material on themes and patterns of drinking. The project expects to continue surveying soap operas and talk shows, the top sitcoms and dramas, and do case study follow-ups on daily newspaper casualty news reporting and on high alcohol-relevant magazines. The project plans intervention efforts among the television industry with the assistance of a television industry advisory group which would offer advice and attempt to formulate concrete industry guidelines on the portrayal of alcohol. In essence, the project would seek to change the way the media portray alcohol and drinking by the gathering of data on how alcohol is portrayed, and working with media personnel toward change.

2 H84 AA02331—Kraft, David P., M.D.; University of Massachusetts, University Health Services, Amherst, Mass. A University Demonstration Alcohol Education Project—September 1, 1975 to August 31, 1980.

This program has developed an alcohol education demonstration project which fosters increased individual and collective responsibility in alcohol use among 23,500 students and their families. The education program augments efforts which already existed on campus to assist persons who use alcohol irresponsibly. The program involves widespread efforts in community development, utilizing both extensive and intensive approaches. Extensive approaches include such techniques as development of posters, radio spots, print ads, etc. Intensive approaches include working with resident hall advisors, conducting peer education, and working to modify the drinking environment on campus.

1 H84 AA02484—Miller, Dorothy L., D.S.W.; Institute for Scientific Analysis, 2408 Lombard Street, San Francisco, Calif. California Indian Youth Alcohol Education Project—October 1, 1978 to September 30, 1981.

This alcoholism preventive education research and development program will support, inform and assist current efforts of the California Coalition of Indian Controlled Education to make Indian youth aware of the dangers of alcohol abuse. It will provide cultural and recreational alternatives to "Oppressive Reality drinking" over a three year period. Principal research interests include systematic analysis of the simultaneous application of alternative modalities in two communities (Tule River and Rincon) to establish which components are effective, and the development of culturally-relevant alcoholism preventive education materials for Indian youth. The project will be tracked by the Institute for Scientific Analysis, which provides a major part of the research/evaluation component and will explore a hypothesis of its own for prevention activities. The hypothesis is that a drinking style (abusive or not) "communicates the social identity of those people who participate in it, demarcating them from other so-

cial groups." Drinking becomes emblematic of membership in a particular social group, a membership determined in part by the social and cultural context in which drinking is practiced. By working through the drinker's social and cultural identities and allegiances, it may be possible to alter drinking practices to provide positive, rather than destructive, experiences. Exploration of these issues will be done through the use of discussion groups based on video tapes of the experiences in this project and audiovisual material from other sources.

1 HS4 AA02536—Blane, Howard T., Ph.D.; University of Pittsburgh, School of Education, 230 S. Bouquet St., Pittsburgh, Pa. Minimizing Alcohol Problems by a Focus on Youth—October 1, 1977 to September 30, 1980.

Through education and interventive programs, the project aims to minimize alcohol abuse and facilitate healthy attitudes about alcohol in three adolescent target groups: functional dropouts, actual dropouts, and young people who desire individual instruction about alcohol and its effects. Specific techniques of intervention include individual instruction, student-initiated peer group instruction, peer modeling, alternative education, tutoring, vocational counseling and placement, and use of existing community resources as required. The program will be globally evaluated by data gathered in four annual surveys of the entire student body about drinking-related behavior and opinions, conducted in an experimental and control schools. Specific evaluations of each program component involve separate designs and measures for each target group.

1 HS4 AA02823—Moffitt, Robert C.; Partners, Inc., 1260 West Bayaud Ave., Denver, Colo. Prevention of Alcohol Problems in Pre-Delinquent Youth—October 1, 1977 to September 30, 1980.

The Partners program recruits, trains, and matches adult volunteers one-to-one with youth referred from the police or juvenile court. This project introduces an alcohol-oriented module to the volunteer training sessions and provides program staff with intensive training around issues related to adolescent alcohol problems. A Partners conducted compensatory school is developing an alcohol education component. The central objective of this project is to evaluate the effectiveness of an established volunteer program, as well as the effectiveness of a prevention effort against pre-adolescent and teenage alcohol abuse.

1 HS4 AA3153—Hernandez, James Z.; California Commission on Alcoholism for the Spanish-Speaking, Inc., 731 "J" Street, Sacramento, Calif. Prevention Program for Reducing Excessive Drinking in Spanish-Speaking Communities—October 1, 1977 to September 30, 1979.

This program will take place among the Spanish-speaking population of two counties in California. It will supplement a general community prevention program funded by the State. In the State-funded program, one county or portion of a county is to be subjected to a combined mass-media and community organizing approach; one county or portion to a mass-media approach only; and one county or portion as a control. There will be measurements of effects by survey and observational methods prior to, and subsequent to, the prevention program. The program's goals are to increase community awareness of and change attitudes toward alcohol, and, eventually to alter drinking behavior and impact on the cirrhosis mortality, arrests, traffic fatalities, etc. This grant will involve the Spanish-speaking target community in producing bilingual and bicultural educational materials. It will provide technical assistance to the broader State program on approaches, outreach, and education for the Spanish-speaking population. By being able to compare data, activities, and outcomes in an important subpopulation, this project may lead to a greater knowledge of needs and facilities in the Mexican-American population.

1 HS4 AA03156—Jones, Dorothy M., D.S.W.; Institute of Social, Economic, and Government Research, University of Alaska, Fairbanks, Alaska. Alcohol as a Community Response and Problem in Alaska—October 1, 1978 to September 30, 1980.

The central interest of this prevention research project is to understand the interplay among community drinking patterns, community social structures and processes, and community alcohol prevention systems. It will study the alcohol prevention programs and policies within the social setting of four Alaskan villages. These sites were selected because of the severity of the alcohol problem in rural Alaska. The small size and relatively simple social structure of the villages offer the opportunity for familiarity with the range of institutions, organizations, cultural systems, processes, and policies that influence community drinking patterns and alcohol prevention policies and programs. Each village selected has

made recent changes in its approach to alcohol prevention, one going "dry," one converting a private liquor outlet to community ownership, one constructing a recreation hall, and one beginning a school alcohol education program. It will study what kind of prevention programs communities develop, why these attempts vary, and what the outcomes are. It is expected to yield valuable data which should be applicable in other contexts. The research is essentially exploratory with some guidance from social systems theory. Data will be derived principally from structured and open-ended interviews, systematic field observations, local records, historical material, and selected community case studies. Methods of analysis are built upon the grounded theory of Glaser and Strauss which emphasizes discovery as contrasted to deductive modes.

1 H84 AA03187—Cahoon, Stuart N.; Department of Health and Rehabilitation Services, Mental Health Program Office, 1309 Winewood Boulevard, Tallahassee, Fla. Impact of Two Approaches to Primary Alcohol Prevention—February 1, 1978 to January 31, 1981.

The Department of Health and Rehabilitation Services proposes to compare the impact of a media-only alcoholism prevention approach with a combined media and community task force approach in various locations. The program will compare the effectiveness of the approaches by means of a number of direct and indirect evaluation measures in varying types of communities, and also compare both approaches to a community where no special prevention efforts were instituted. The hypothesis is that the combined media and task force approach will be more effective in developing primary prevention of alcohol abuse than the media-only approach and that both approaches will be more effective in promoting some change than the use of no approach in the control community. In addition, the combined media and task force approach will be attempted in three different types of communities: rural, semi-rural, and largely urban counties in Florida. The media-only county will be a mixture of rural and urban communities, geographically distant from the other three experimental counties, as will the control county. The approach is based on a pilot program in one Florida county. By comparing two different strategies in a controlled fashion, useful data will be generated regarding approaches in primary prevention programming.

1 H84 AA03396—Foley, Douglas E., Ph.D.; Department of Anthropology, University of Texas, Austin, Tex. Community "Culture": A Means of Primary Prevention—October 1, 1978 to September 30, 1978.

The Department of Anthropology proposes the use of community "culture" as a means of primary prevention of alcohol abuse. Its thesis is that in order to produce the desired changes in a target population, the stimulus or message must be locally generated and reflect the significant and shared expectations of those community members who successfully manage their drinking. The program will be implemented in two impoverished communities of Austin, Texas—one Black and one Mexican-American. In each community the primary objective will be to clarify and reinforce cultural norms of acceptable alcohol use, using existing community resources and culturally meaningful communication channels. Four major phases are planned including: a) interviews with persons who exemplify normative patterns of alcohol use; b) ethnosemantic elicitation procedures with these persons to map out "semantic domains" related to alcohol use and its meaning within the community; c) using community coordinators to design a diverse primary prevention program to reinforce the shared cultural beliefs and attitudes elicited in phase one; d) implementation of the prevention program under the direction of "teams" in order to build a long-term community self-help structure of professionals and volunteers; and e) program evaluation. Semantic differential responses will be compared across ethnic groups to determine differences between Blacks and Mexican-Americans in cultural attitudes toward alcohol. The importance of this project lies in its constructing a methodology for systematically developing culturally-relevant materials. Such a program fusing research with action could have both theoretical and methodological significance with regard to ethnic differences in alcohol use and for community prevention in general.

1 H84 AA03397—Black, Rebecca, Ph.D.; Washingtonian Center for Addictions, 41 Morton Street, Boston Mass. Alcohol Abuse Prevention: Facilities for the Elderly—October 1, 1978 to September 30, 1980.

This proposal will study practices related to alcohol use in a sample of nursing homes in the Boston area, both to expand knowledge about elderly

persons who live in such semi-protected settings and to determine ways such settings can be changed, if necessary, to include more humane policies and practices. The activities include: (a) surveying 40 various kinds of nursing homes to examine alcohol use and abuse among residents; assessing attitudes, practices, and policies of staff regarding alcohol use, abuse, and alcoholism; (b) examining policies, practices, and attitudes of 30 representatives of private, state, and Federal agencies concerning alcohol use, abuse, and alcoholism in nursing homes; (c) conducting and evaluating the effectiveness of an intervention program in 12 nursing homes in order to assist nursing home residents, staff, and administrators in becoming more comfortable with non-abusive drinking practices, to accept residents with prior alcohol problems, and to encourage primary and secondary intervention efforts with problem behavior. The program design involves small group discussion with staff only at four nursing homes, patients only at another four, and both staff and patients at the final four; (d) assessing the effectiveness of the intervention program in nursing homes with ambulatory patients; and (e) developing guidelines regarding policies and practices of alcohol use and the elderly. The project will provide new data on alcohol use and abuse among elderly persons confined to nursing homes, and on how to modify policies and practices in such settings where necessary.

1 H84 AA03540—Lantz, Alma E.; University of Denver, Denver Research Institute, University Park, Denver, Colo. Alcoholism Prevention in Small Rural Communities—October 1, 1978 to September 30, 1981.

This project will study the naturally occurring mechanisms for preventing alcohol problems in small rural western communities experiencing rapid growth and change due to the search for new energy sources. The program hypothesis is that stable rural communities have mechanisms that protect the heavy drinker from consequences of his/her behavior and thus minimize socially defined alcohol problems. According to specific criteria, DRI will select two towns expected to "boom". Advisory committees will assist in a process of data collection (records and observations) regarding drinking-related problems, patterns, and sequences of alcohol problems for individuals and families, per capita consumption, and liquor licenses and revenues. Information on the extent of various alcohol problems and projected social and economic costs will be presented and motivation and assistance provided to persuade the communities to develop and evaluate various prevention strategies and policies. Two control boom towns will be utilized for purposes of comparing levels of certain alcohol problems before and after program intervention. The grant will also examine community development process as it impacts the programs. The project will provide an opportunity for a unique natural experiment with prevention policy.

1 H84 AA03734—Mauss, Armand L., Ph.D.; Washington State University, Department of Sociology, Pullman, Wash. 5-Year Evaluation of a Model Alcohol Education Project—July 1, 1978 to June 30, 1981.

This project will measure the immediate and long term effects of an alcohol education program developed and implemented over the past three years in the Seattle, Washington Education Service District No. 121. The evaluators will collect and analyze questionnaire data from an estimated 15,000-16,000 students and 1500 high school graduates per year, for each of three years. At each grade level subjects will be tested on knowledge about alcohol and one other factor (self-concept, attitudes, decision-making, or coping skills) that is emphasized in the curriculum for that grade level. In addition, self-reported drinking behavior will be collected from junior and senior high subjects. A coding system will be used to protect confidentiality while also permitting longitudinal follow-up of students as they progress through their schooling.

1 H84 AA03922—Baxter, Ann M.; California Women's Commission on Alcoholism, 239 E. Manchester Blvd., Inglewood, Calif. Fetal Alcohol Syndrome Prevention Program—October 1, 1978 to September 30, 1981.

The California Women's Commission proposes to reduce the occurrence of the Fetal Alcohol Syndrome by a public education campaign in Los Angeles County. The main targets are 1.5 million women of childbearing age (15-44); over 300,000 females about to enter childbearing age (10-14); and physicians and other health care providers. For outcome objectives include increasing knowledge, changing beliefs, decreasing intentions to drink when pregnant, and reducing actual heavy drinking of persons at risk. To achieve these objectives, a combined mass media, community outreach, and medical education program will be conducted. Evaluation will be in the form of an interrupted time series design.

The project is expected to provide an excellent test of methods to educate a large community about a specific high priority alcohol-related problem.

DAO 1693-02—Whiterow, Jay C.; Tulsa Indian Council on Alcoholism and Drug Abuse, Inc., 304 S. Trenton Street, Tulsa, Okla. Theater Drug Prevention Program—September 1, 1978 to December 31, 1980.

The TICADA Theater Drug Prevention program is jointly funded with the National Institute on Drug Abuse. The purpose of this project is to offer a performing arts program (ballet, drama, photography, guitar, Indian flute, Indian and traditional music) for Native American young persons which will enable participants to improve their interactional ability, obtain approval from peer and family members and increase self-esteem and awareness. Family members are encouraged to participate in production and staging, and in alcohol/drug community education events. Counseling is offered to certain families through TICADA's counseling program. An aggressive outreach program to local school personnel disseminates information about the program and attempts to obtain their cooperation. Evaluation will measure both attitudinal and behavioral changes.

#### PREVENTION MODEL REPLICATION PROGRAM

NIAAA has supported a number of model programs for prevention of alcohol abuse among youth. It evaluated these models and selected three of the most promising (as determined by quality of evaluation, ability to document significant program events, and the potential of the project for generalization) for replication at a limited number of sites and, if these prove successful, for dissemination nationally. The three models chosen to be replicated are: CASPAR Alcohol Abuse Prevention Program; ESD No. 121 Alcohol Education Curriculum Project, and UMass Demonstration Alcohol Education Project.

Eight State Alcoholism Authorities were selected and have received grants to replace one model at pre-selected locations in their States.

1 HS4 AA03855—Benson, Faith; Mass. Dept. of Public Health, 600 Washington Street, Room 214, Boston, Mass. Prevention Replication Program to Replicate ESD No. 121 Model.

1 H48 AA03847—Courtney, Robert, Utah Dept. of Social Services, 150 West North Temple, Room 310, Salt Lake City, Utah. Prevention Replication Program to Replicate ESD No. 121 Model.

1 HS4 AA3888—Campaign, Lois; Connecticut Alcohol & Drug Abuse Agency, 900 Washington Street, Hartford, Conn. Prevention Replication Program to Replicate CASPAR Model.

1 HS4 AA03849—Shumway, Grant; Dept. of Mental Health and Mental Retardation, P.O. Box 1797, James Madison Building, 109 Governor Street, Richmond, Va. Prevention Replication Program to Replicate CASPAR Model.

1 HS4 AA03860—Weil, Maury; Division of Mental Health and Mental Retardation, Alcohol & Drug Section, 618 Ponce de Leon Avenue, N.E., Atlanta, Ga. Prevention Replication Program to Replicate CASPAR Model.

1 HS4 AA03891—Steinberg, Mark; Office of Substance Abuse Services, 3500 North Lagon Street, P.O. Box 30035, Lansing, Mich. Prevention Replication Program to Replicate UMass Model.

1 HS4 AA03845—Gibson, Jesse; N.C. Dept. of Human Resources, Suite 613, 325 North Salisbury Street, Raleigh, N.C. Prevention Replication Program to Replicate UMass Model.

1 H48 AA03866—Lewis, Ruth; Bureau of Alcohol & Drug Abuse, State Capitol Complex, 505 East King Street, Carson City, Nev. Prevention Replication Program to Replicate UMass Model.

#### PREPARED STATEMENT OF DR. HELEN H. NOWLIS, DIRECTOR, ALCOHOL AND DRUG ABUSE EDUCATION PROGRAMS, OFFICE OF EDUCATION, HEW

Mr. Chairman and members of the select committee: It is a pleasure to appear before your select committee this morning to discuss Office of Education activities under the Alcohol and Drug Abuse Education Act and our role in the Strategy for Prevention 1979.

As part of an educational agency with strong ties to State and local education agencies, the Office of Education program sees its unique role and its opportunity as supporting, through training and technical assistance, local school districts and their communities in their search for effective alcohol and drug abuse

prevention programs within the framework of providing skills, experiences, and opportunities that support healthy learning and growth.

As I know some of you are already aware, the Office of Education Alcohol and Drug Abuse Education Program has, from its inception, defined prevention in positive terms, as promoting healthy physical, mental, and social development as a method for preventing destructive behavior. The Program does not equate education with information but defines education as the process of facilitating learning and growth. This means that, although our emphasis is on the school, it goes beyond the classroom to the total school as a social institution and beyond the school to parents and the community.

The school is the single institution that has access to most children. In spite of itself, it plays a key role in the development of young people during an important phase of their development. Schools must therefore accept a major responsibility in meeting the legitimate developmental needs of young people. But schools alone cannot and should not accept the total responsibility. Parents and the community bear a heavy responsibility. Recognizing this, we have helped schools to serve a catalytic role with parents and with community agencies to sensitize them to what the schools are doing and to their potential contribution to the effort.

The model that we have developed is a training on-site assistance model. Teams of five people from a school or from a cluster of four schools in a school district receive 10 days of intensive residential training. The teams are made up of principals, teachers, counselors, psychologists or social workers, nurses, school board members where possible. Most of them are professionals in their own right, but not alcohol and drug abuse professionals.

The training provides a basic understanding of alcohol and drugs and what they do but, more important, an understanding of young people and how they learn and develop. Teams learn to assess the needs and expectations of the youth population to be served, formulate realistic objectives for meeting those needs, and identify human and financial resources in their school and community for supporting programs and practices that enhance positive growth and development before problems arise. They are given many of the skills necessary to work effectively with colleagues and students—listening skills, problem-solving skills, negotiating skills, program planning skills. They become a team dedicated to solving a problem, and they leave training with an action plan and strategies for implementing the plan.

The Office of Education does not support the projects the teams develop at the local level except with technical assistance. It does train them to get local support. Annually the teams generate more funds locally than are appropriated for the program at the national level.

Since 1972, a network of training-resource centers have trained and provided follow-up assistance to teams from 3,200 schools and school communities. These teams have involved approximately 20,000 school and community personnel. Many of these have enlisted colleagues as team members and have expanded their program to all of the schools in the district. Although we do not have the resources to track teams for more than two or three years, we do know that a majority of them are still active and growing. The teams are keenly aware of the tremendous mobility within and among school systems and consciously make provisions for team continuity and expansion. In some instances teams grow from five to 300 members involving all segments of the community, and from one to 100 schools in a district.

What do teams do? Their activities are myriad, each one selected because it contributes to a carefully designed action plan. Plans include several or many strategies such as training teachers for positive classroom discipline, alternatives to suspension, alternate schools, parent education, professional and peer counseling, rap rooms, work-study programs, curriculum development, family programs, outdoor and recreational programs, training senior citizens as teacher aides, arts, music and drama programs, school beautification projects, to mention only the most frequent. Many programs attest to a degree of creativity and sensitivity seldom devoted to youth and their needs. And in all of them, youth themselves are involved along with parents and community groups.

What is the impact of team activities? While we have not had the resources to do an adequate research evaluation, it would cost more than our budget-school after school reports improved school climate; happier students, teachers and parents; decreases in truancy and drop-outs, disruptive behavior, vandalism and alcohol and drug abuse. In many instances, schools document increases in academic achievement as well.

It must be emphasized that the Office of Education program is, in essence, a primary prevention program and only incidentally an early intervention program. This means that, in many instances the ultimate impact on alcohol and drug abuse cannot be evaluated for several years.

Since 1978, the program has concentrated on developing local training capacity in 75 large school districts that will enable trained and experienced clusters to train other teams throughout the district, with special emphasis on elementary schools. As a result of this elementary school initiative, 18 clusters, with assistance from the centers, have trained 794 educational personnel and 200 parents in 138 schools. Programs implemented by these teams have affected 21,000 students. We will continue to place special emphasis on elementary schools, since many of the problems that occur at the junior and senior level can be averted with proper attention early to the developmental needs of young people.

The Program plans to continue to train and to provide technical assistance to teams and to develop local training capacity to the extent its resources will allow.

Because each team designs and implements a program for its own problems in its own schools, the program is tailored to the ethnic and demographic needs of its own community. For example, a cluster in Chicago, whose students are 95% black and live in the largest housing development in the country, works closely with the parents and human services agencies in the development. Many of the cluster planning meetings are held in the development rather than the schools. Their program is thus tailored to the needs of predominantly black, lower income students living in a densely populated area and articulates with other individuals and agencies that influence the students.

A unique aspect of the Alcohol and Drug Abuse education system and strategies has been its adaptation to the prevention of school crime and disruptive behavior under a three-year inter-agency agreement with the Office of Juvenile Justice and Delinquency Prevention (OJJDP). Two hundred twenty teams have been trained and provided technical assistance. One hundred forty of these have represented clusters of schools from 35 large urban school districts.

Fortunately, OJJDP has had the resources to fund a contract to evaluate the School Crime and Disruptive Behavior segment of our program. Although the evaluation will not be complete until mid-1980, it is of interest to note that preliminary results indicate teams trained to prevent school crime and violence also reduce alcohol and drug abuse. This supports the view that alcohol and drug abuse, like other self or socially destructive behaviors, have their roots in the same basic problems, that alcohol and drug abuse "do not occur in a vacuum."

Thank you, Mr. Chairman, for this opportunity to present the Office of Education Alcohol and Drug Abuse Education Program. I will be happy to answer any questions you may have at this time.

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PREPARED STATEMENT OF J. MICHAEL MCGINNIS, M.D., DEPUTY ASSISTANT SECRETARY FOR HEALTH, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Thank you for the opportunity to appear before you today. I am here to discuss with you briefly the Administration's overall program in disease prevention and health promotion, and thereby to provide some of the context within which the drug and alcohol abuse prevention programs fit. The importance of disease prevention and health promotion is a theme which the Administration has emphasized consistently. Not only are successful prevention programs important to reducing problems of alcohol and drug abuse in this country, but also to reducing a great deal of unnecessary mortality.

A quick analysis of the leading causes of death and disability in the United States will give the committee some perspective on what we mean by prevention. Last year, among Americans over one year of age, degenerative diseases—heart disease, stroke, cancer, and diabetes—accounted for over 75 percent of all deaths. And, many of these deaths were preventable. For example, 25 percent of all heart disease deaths and 80 percent of all lung cancer deaths are smoking-related and 20 percent of all cancer deaths are occupationally related.

Focusing specifically on problems attendant to alcohol and drug use, we can see that our younger citizens are especially victimized. Motor vehicle accidents are the leading cause of death among teenagers and young adults 15-24 years of age. Over half of these fatalities involved alcohol. Young people also place themselves at greater risk by driving under the influence of marijuana or other drugs. Such risk-taking by adolescents is evident in their approach to drugs and

alcohol use, cigarette smoking, driving patterns, and a host of other behaviors. Recognition of the tremendous burden of preventable illness and the potential for avoiding many of the problems that confront our youth have led to the growing awareness that effective measures in prevention need to be supported in this country. Some of the lessons gained from community programs designed to reduce risk of heart disease and stroke may provide insights for changing behaviors through drug and alcohol abuse prevention programs.

I would like to highlight briefly a series of activities we have undertaken to establish goals and strategies to reduce the incidence of preventable death and disability and to enhance the quality of life through better health.

#### PREVENTION ACTIVITIES

In December 1977, the Department convened a Task Force on Disease Prevention and Health Promotion, composed of representatives of each of the Public Health Service agencies, the Office of Education, the Office of Human Development Services, and the Health Care Financing Administration. The Task Force undertook the first inventory ever compiled of all of HEW's prevention activities, reviewed activities of other Federal departments, and assessed the state of the art in prevention in order to develop general health status goals and recommend actions needed. Representatives of each of ADAMHA's institutes participated in the Task Force, and drug abuse, alcohol abuse, and mental health were among the fifteen areas identified as priorities by the Task Force. The work of the Task Force provided the backbone for two larger efforts that we also began last year.

The first major task was the development of a budgetary initiative for prevention as part of the President's Budget for fiscal year 1980. The Administration demonstrated its commitment to prevention by proposing an increase of \$137 million over the FY 1979 budget for new activities in prevention. This represents an additional \$44 million for information and education to promote healthy lifestyles, \$66 million for preventive health services, and \$27 million to protect consumers and persons in the workplace. We feel that among the most important activities being developed as part of this Prevention Initiative are those directed toward improving lifestyles and strengthening comprehensive health education programs for children and youth. Comprehensive school health education programs are designed to help students make decisions about their health—whether to use alcohol or drugs as well as decisions about smoking, nutrition, and other health habits.

The second major effort in prevention this past year has been the Surgeon General's Report on Health Promotion and Disease Prevention, which will be released later this summer. Building on the work of the Task Force and a series of commissioned background papers by the Institute of Medicine, the report describes the principal health problems of the American people at each stage of life, and the actions that can be taken to prevent some of these problems. We organized the action areas into three groups: health promotion, health protection, and preventive health services. Health promotion strategies include: smoking cessation, reducing misuse of alcohol and drugs, improved nutrition, exercise, and stress control. Health protection strategies include: environmental protection, occupational safety and health, accident control, fluoridation of community water supplies, and infectious agent control. Preventive health services strategies are: family planning, pregnancy and infant care, immunizations, sexually transmissible diseases, and hypertension control. In addition, the Department is now in the process of working with a wide range of groups and individuals to set quantifiable objectives to be achieved by 1985 and 1990 for each of these important areas.

To maintain communication about prevention activities among PHS agencies and other components of the Department, we have recently organized a Prevention Coordinating Group. The purposes of the bimonthly meetings are to provide a more systematic approach to coordinating current programs, to develop a mechanism for tracking our progress in 1980, and to establish a forum for exchanging information about new prevention activities. We are also beginning a series of meetings with other Federal departments that have programs related to health promotion—including the Department of Transportation, the Department of the Interior, the Department of Housing and Urban Development, ACTION, the Community Services Administration and the Department of Agriculture.



## OHIHP ACTIVITIES

In addition to our efforts to provide both more attention for prevention and new perspectives, my office includes the Office of Health Information and Health Promotion (OHIHP) which has several activities touching on drug abuse prevention. One of OHIHP's top priorities is to foster the development of health promotion programs in five key settings: communities, schools, the worksite, the medical treatment setting, and the home. Through a series of Regional Forums on Community Health Promotion and a project providing technical assistance to communities wishing to initiate health promotion programs, we are encouraging communities to identify both public and private resources and to organize them for community health promotion programs. Our comprehensive approach to community programs includes alcohol and drug abuse prevention as well as smoking cessation, improved nutrition, physical fitness, and hypertension control programs. To organize a comprehensive program, community leaders can take the opportunity to include the State drug abuse agency as well as the health department, education agency, and county extension agency.

The Office is also committed to the importance of effective school health education programs. To develop a comprehensive and coordinated school health program, we continue to work with the Office of Education, and the Bureau of Health Education, Center for Disease Control, in their efforts to develop school health curricula and strengthen school health education programs and health services delivered in the schools.

OHIHP is also the focal point for health information functions through the National Health Promotion Program. This program is a coordinated series of activities designed to help individuals learn about ways to improve their health through community programs, the communications media, and an information network. OHIHP will be developing media materials to increase public awareness of health practices through public service announcements, public service programming, and strengthening communications between the Office and broadcasting representatives. In addition, the Office is establishing the National Health Information Clearinghouse which will build a network to facilitate access to both the public and program planners to health information. The ultimate goal of the clearinghouse is to provide one-stop shopping to health information that exists in the various Departmental agencies and clearinghouses.

The programs and activities that I have described represent just a few of the efforts we have undertaken to coordinate prevention activities, conceptualize problem areas and strategies, and stimulate community action for health promotion programs. Considerable progress has been made over the last two years in improving the focus on key prevention activities, and we are hopeful that with careful coordination of efforts which are mutually reinforcing, impressive health gains will be returned to Americans.

I would be pleased to answer any questions.

## OVERSIGHT HEARINGS ON FEDERAL DRUG STRATEGY—1979

THURSDAY, JUNE 7, 1979

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,  
*Washington, D.C.*

The Select Committee met, pursuant to notice, at 10:10 a.m., in room 2212, Rayburn House Office Building, Hon. Tom Railsback (acting chairman of the committee) presiding.

Present: Representatives Lester L. Wolff, E de la Garza, Billy L. Evans, Benjamin A. Gilman, Earl Hutto, and Robert L. Livingston.

Staff present: Robert Hundley, chief of staff—demand; Roscoe Starek, minority counsel; Richard Carro, staff counsel; Toni Biaggi and Elliott Brown, professional staff members.

Mr. RAILSBACK. If we could proceed—the chairman of the Select Committee, Mr. Wolff, will be here very shortly. We would like to get going.

I would like to begin by reading the statement of the chairman:

Today, the Select Committee continues its current series of oversight hearings with its third annual overview of the Federal treatment and rehabilitation effort. This committee is dedicated to maintaining a constant vigil over the hundreds of millions of dollars spent by the Federal Government to provide various forms of treatment, training, education, and rehabilitation to substance abusers all across the country.

The National Institute on Drug Abuse and the Veterans' Administration alone spend about \$200 million each year solely on treatment services. We are committed to seeking a more thorough understanding of how this treatment money is utilized and what steps are taken by the executive branch to evaluate the effectiveness of a funding approach that appears to be inherently fragmented.

The Presidents' Strategy Council on Drug Abuse has prepared its annual *Federal Strategy for Drug Abuse and Drug Traffic Prevention*. Strategy 1979 contains many laudable, but broad goals for integrating the federal treatment framework, such as "Drug Abuse Programs should work aggressively on behalf of their clients to obtain needed services which are available in the community, such as family services, vocational rehabilitation, and emergency housing."

Further, the Federal Strategy underlines the importance of service linkages among Federal health and social service programs, and reinforces the psychological and economic importance of employment in the rehabilitation of drug abusers, thereby advocating permanent and workable linkages of involved agencies with the Department of Labor.

Invariably, however, there is a gap between the council's worthy ideals and actual program implementation by the agencies in question. Our goal today is to explore that gap, and to determine what efforts have progressed to mold the Federal treatment community into a network that will systematically provide the integrated treatment and rehabilitation services delivery mechanisms that have been so long in coming.

Without implementation, the Federal Strategy 1979 will never be policy; only words.

Today, we are very pleased to have appearing before the committee, Dr. William Pollin, the Director of the National Institute on Drug Abuse; Dr. Jack Ewalt, the Director of the Mental Health and Behavioral Sciences of the Veterans Administration; Dr. John Russell, the Associate Chief, Alcohol and Drug Dependence, Mental Health and Behavioral Sciences, of the Veterans Administration; Mr. Robert Anderson, Administrator, of the Office of Comprehensive Employment Development, the Department of Labor.

We welcome you. And if you would come forward.

Dr. Pollin, why don't you begin, and we can proceed in order.

**TESTIMONY OF WILLIAM POLLIN, M.D., DIRECTOR, NATIONAL INSTITUTE ON DRUG ABUSE, DEPARTMENT OF HEW**

Dr. POLLIN. Fine. Thank you very much, Mr. Railsback.

Mr. Railsback, members of the Select Committee, I am pleased to appear before you to discuss drug abuse treatment this morning. Drs. Richmond and Klerman have asked me to convey their regrets at not being able to attend this meeting and have requested that I represent the interests of the Department of Health, Education, and Welfare here today.

In my formal testimony, I discuss in detail a number of issues, including responses to the questions contained in the chairman's letter of invitation.

With your permission, Mr. Railsback, I will present a summary of that formal statement of approximately 10 minutes' duration after reading the first two pages of the testimony.

Mr. RAILSBACK. That will be all right.

Dr. POLLIN. It has been identified by the White House Office of Drug Policy that in fiscal year 1978, the HEW outlay was over \$204 million for drug abuse treatment and rehabilitation. The bulk of that was spent by NIDA—\$185.8 million—and the Office of Human Development—\$13.4 million.

Other major outlays, other than HEW, were \$40 million by the Veterans Administration, \$13.8 million by Department of Defense, and \$13.4 million by the Law Enforcement Assistance Administration. The total Federal funds equaled \$277.96 million.

Coordination of Federal drug abuse demand reduction activities is the responsibility of drug policy staff of the domestic policy staff, headed by Dr. Lee Dogoloff.

Within HEW, there is frequent coordination among program staffs. At the formal level, the Secretary has asked Dr. Gerald Klerman to serve as a focal point for coordination within the Department along with the new special assistant to the Secretary for drug abuse matters.

This, of course, is the first working month when the new, top management team in ADAMHA is in place, including the three new Institute Directors, and the new agency Deputy Administrator.

One of our top priorities is to carefully evaluate and increase coordination and collaboration between the Institutes. A 1-day meeting with this item high on the agenda is scheduled for next week. Shortly thereafter, I would anticipate increased activity across both Institute and agency lines.

The Strategy Council on Drug Abuse's 1979 Federal strategy for drug abuse and drug traffic prevention characterizes treatment as follows:

Drug abuse treatment provides services to those people whose health and social functioning is seriously impaired by drugs. The programs include basic health services to allow the client to overcome the physical problems of addiction or serious drug abuse, and psychological and social counseling services to promote mental well-being and an ability to cope without drugs.

NIDA supports a nationwide network of treatment services which provides a variety of treatment approaches in different settings to substance abusers. Two-thirds of federally funded drug abuse treatment is provided in the drug-free treatment modality.

The majority of treatment approaches do not focus upon a specific drug, but instead seek to understand the whole individual and help the individual with the complex social and/or emotional problems which may have led to the drug-abusing behavior and which may be continuing to perpetuate this behavior.

Now, I would like to highlight five points about this treatment system.

First, its explosive growth; second, some of its strengths; third, some of its problems; fourth, the fact that we have been aware of these problems, and some of the measures that we are taking in an attempt to resolve them; and fifth, the effectiveness of this treatment system and some of the pertinent evidence in this regard.

First, with regard to its explosive growth, our entire national treatment system has evolved from—

Mr. RAILSBACK. Dr. Pollin, may I interrupt? We have a second bell of a vote, and I think what we ought to do is go over and vote and return. So there will be about a 10-minute recess.

[Whereupon, a recess was taken.]

Mr. WOLFF. The committee will come to order.

First, let me apologize for being late. I apologize to our witnesses. The problems of chairing two committees are a bit difficult.

As you know, I chair the Asian Subcommittee, and there was a meeting called over at the State Department this morning for us. Therefore, I had the responsibility of being over there and trying to be two places at one time is a problem.

I understand that the ranking member of this committee did admirably.

I am happy to welcome you gentlemen.

I believe, Dr. Pollin, that you were in the midst of your statement. Would you please proceed?

Dr. POLLIN. Yes, thank you, Mr. Chairman.

I had indicated that I would like to summarize my prepared statement and that I wanted to describe, quite briefly, five aspects of the nationwide treatment system that has been established with the aid of NIDA—its growth, its strengths, some of its problems, what we are doing about the problems, and some of the evidence and data regarding its effectiveness.

First, with regard to its explosive growth, our entire system has sprung up from two inpatient prison hospitals and a handful of clinics to a total national network of 3,200 treatment units across the country.

In 1969, the Federal Government spent only a little over \$10 million in community-based treatment programs. The fiscal year 1980 budget currently before Congress calls for \$152 million plus for NIDA. Last year, more than 250,000 persons were served in over 1,500 NIDA-supported treatment programs across the country.

With regard to some of its strengths, the NIDA treatment network compares favorably with other federally established service delivery systems, in terms of administrative practices, management control, the allocation of funds, and our ability to contain costs in an age when the costs of all other Government and private health systems are increasing dramatically.

I have outlined in the statement some of the mechanisms whereby we operate the system. I think in the interests of time, I will skip over those descriptions of the organization and management of the system until such time as you might wish to raise questions about them.

In addition to the strengths of the system as we see it and the procedures which are available for monitoring, we are aware of two basic problems with the treatment system.

One of these is the fact that the same system which has led to what we think of as management success, use of the treatment slot concept, brings certain problems with it. It has thus far obscured our knowledge of some important aspects of the nature and cost of the specific treatment services rendered.

We have been aware of this problem. We have a major study underway to evaluate alternative treatment concepts as compared to the slot concept and have some initial responses from that study.

A more basic problem is our limited understanding of the nature of drug abuse. I will not take time at this point to expand on this issue, but hope that in the dialog, I would be able to share my thoughts with the Select Committee.

Despite these problems, however, we believe that we have recently obtained important and solid evidence as to the effectiveness of treatment system, and I would like to review that with you briefly.

I think the simplest and briefest way to do so is to call your attention to appendix 4 which is attached to my statement, specifically to the third page of that appendix, the one which is headed, "Drug Abuse Reporting Program." This is one among many sets of data available to us which we ourselves have analyzed from the study conducted at Texas Christian University.

It represents the result of a 4-year followup of a sample of 3,121 patients who entered treatment during the years 1969-72; 70 percent of these were males, 44 percent black, 11 percent Hispanic.

There are several key figures which I would call your attention to on this chart. First, you will notice that during the 2 months prior to entering treatment, 74 percent of these patients were using opioids daily.

During the 2 months prior to their 4-year followup, only 6 percent were showing daily opioid use.

Similarly, with regard to nonopioid use, whereas 56 percent were showing such use 2 months prior to treatment, that had fallen to 24 percent at the 4-year followup. Employment went up from 37 percent to 63 percent and illegal means of support decreased from 47 to 18 percent.

I remind you again that this is obtained on a very large sample. It is data which we feel is reliable and quite meaningful.

Let me say a word now about the relationship between the NIDA treatment system and the criminal justice system. Many NIDA treatment programs provide treatment services to community-based clients who are involved in criminal justice system diversion programs.

NIDA specifically directs the programs which it funds to give priority to individuals referred to treatment either through the Narcotic Addict Rehabilitation Act (NARA) or through programs operated by the Bureau of Prisons, Treatment Alternatives to Street Crime, and other Federal and State criminal justice-related programs.

In summary, in fiscal 1978, approximately \$135 million was distributed by NIDA for drug abuse treatment services, \$94 million through the statewide services contracts, the remainder by direct grant or contract. And approximately \$20 million additional of 1978 formula grant awards were dedicated for treatment services.

A complete summary of NIDA expenditures for treatment is attached to the statement as appendix 1.

I would next like briefly to describe the characteristics of the persons in the NIDA-funded drug abuse treatment system. Detailed information on these clients is displayed in the charts comprising appendix 2 of this testimony.

Briefly, if we summarized the profile from 1975, the majority of clients admitted each year were male. Over half of the client admissions in each year were white; during this period, the percentage of blacks admitted to treatment declined from 34.7 to 29 percent. The majority were between the ages of 21 and 30.

The majority were unemployed. Forty percent had completed high school.

Clients citing heroin as their primary drug of abuse represented the largest single drug category in each year, although a portion of this category has dropped significantly during the duration of this 3-year review.

Following heroin, 13 percent of the treatment admissions were for marihuana and nearly 7 percent each were for amphetamines and alcohol. There have been slight increases in other drugs, particularly other opiate drugs, sedatives, amphetamines, and hallucinogens.

As these statistics indicate, there is no typical drug abuser. The drug abuse treatment field not only experiences change over time, but there is also a great variation in client population, drugs of abuse and patterns of abuse between programs and areas of the nationwide treatment network.

Our mechanism of funding allows States and local treatment programs to respond to changing patterns of substance abuse. Our single statewide agency contractors or grantees identify the need for services and may reallocate treatment slots among the approved treatment contractors or may fund new treatment contractors, new modalities or new environments.

I would like to speak briefly to two special issues in service delivery which were of concern to the committee and included in your questions—the one having to do with employment, the other having to do with our dealing with special populations.

The 1979 Federal strategy strongly supports the notion that effective rehabilitation goes hand in hand with treatment, and NIDA strongly supports the interrelationship of treatment and rehabilitation services.

However, we recognize that the treatment programs which we fund may not be able to directly, due to financial, personnel, or other considerations, provide the desired rehabilitation services. We do require, however, the programs use community resources, to the maximum extent possible, in order to insure that clients receive necessary rehabilitation services, and the Institute has continually worked to assist in increasing these opportunities.

Employment is viewed by many as a major treatment goal and a significant measure of rehabilitation success. Unfortunately, it remains one of the most difficult goals to achieve. The most recent data available revealed that approximately one-third of clients admitted to treatment were employed at admission.

During that same quarter, only 9 percent of those discharged who had been unemployed at admission had secured employment by the time they were discharged. An additional 12 percent of clients at discharge were engaged in educational or skilled development activities. Three percent had completed such a program.

NIDA has undertaken many program activities to assist treatment programs in securing skills training and employment for their clients and to test their effectiveness. Four manuals and monographs—a training course, a large pilot-supported work program, which has been expanded into a national demonstration program in 16 sites by a consortium of Federal agencies, varied vocational rehabilitation models, and 6 other demonstration models, have been or are being tested.

Specific examples of NIDA program activities in this area are detailed and included in appendix 3.

With regard to special populations, approximately 44 percent of NIDA's treatment resources are directed toward ethnic minorities. NIDA has been working actively to address their needs more adequately.

In the planning and delivery of treatment services, provisions must be made for the treatment needs of American Indians, women, youth, Hispanic American, blacks and Asian Americans.

NIDA also requires the State drug abuse agencies to provide program emphasis on the needs of special population groups.

To increase the responsiveness of the single State agencies to the needs of special populations, we have established a minority internship program in January of this year to assist the States in tracing the number of ethnic minority staff in decisionmaking positions. Under this program, 30 interns have thus far been assigned to 21 single State agencies to receive on-the-job training in a single State agency.

A variety of other activities which help us to obtain ethnic minority input into the Federal drug abuse planning policy and program development are detailed in the statement. I will await your questions concerning these matters and go on to comment briefly about the special needs of women.

Early findings of NIDA's work to evaluate the treatment needs of women suggest that there are various subcategories of female drug

abusers with differing treatment needs and have pointed out that the drug programs treating significant numbers of female addicts need to be more sensitive to women and develop or enhance program components for attracting more women into treatment and attending their particular needs. We have been active in this area.

Our most positive accomplishment in the area has been the development over the last year of new program opportunities for women from reallocations of underutilized treatment slots. Indeed, during the past 3 years, there has been an increase in the percentage of women clients served in the NIDA treatment system.

The committee has also been concerned about the effectiveness or ineffectiveness of the treatment system. I have already summarized one of the more significant studies in this area.

Let me briefly add that this study (the DARP study) is just an example of quite a wide spectrum of studies which we actively pursue in the ongoing effort to evaluate effectiveness.

There are two fundamentally different types of studies in this area. One is the controlled clinical trial. That is the type of study which attempts to evaluate the efficacy of a single modality, a single drug, and involves very tight experimental control.

A clinical trial can be positive and suggest that a given agent is effective, but when put into the field, that agent may present great difficulties, and so it is necessary to have a second type of evaluation, large-scale field evaluations of the treatment system to determine the effectiveness of the treatment as it is actually being delivered.

The DARP study which I referred to is an example of such a large-scale field evaluation. We now have another similar study beginning which instead of being a retrospective study however, will be a large-scale prospective study of some 6,000 patients. That is the treatment outcome prospective study or TOPS.

We have had and continue to conduct numerous major clinical trials which have given evidence supporting the efficacy of maintenance therapy for chronic heroin dependency, the efficacy of specific narcotic antagonists and other drugs which we are in the process of developing and applying.

We also have several major clinical trials studying the effectiveness of psychotherapy added to drug treatment programs, and tests which demonstrate a large number of addicts who are clinically depressed, and the significance of separately treating the clinical depression with antidepressive agents and the success in this ancillary treatment in increasing retention in treatment programs and the success of treatment programs addressed to drug-using behavior.

Finally, Mr. Chairman, I would like to speak briefly to the issue of interagency collaboration.

The Federal strategy not only sets out the responsibilities of the Federal agencies involved in drug abuse treatment, but it also recommends individual and joint inter- and intra-agencies initiatives.

ADAMHA, within HEW, maintains primary responsibility for drug abuse prevention. While NIDA is the lead ADAMHA Institute in these efforts, other agencies within the Department become involved in drug abuse prevention or drug-related activities in the



course of fulfilling their mission. These collaborative activities are summarized in detail in appendix 5.

I will just make a few brief comments about them at this point and then conclude.

While NIDA by mandate does not directly fund mental health or alcohol treatment services, we do cooperate with the other two Institutes of ADAMHA in activities that impact upon treatment, including the development of treatment models to determine the nature and extent of mixed substance abuse and to assess the effectiveness of combined treatment and rehabilitation services; guidelines for alcohol, drug abuse, and mental health State plans; collaboration on development of "core" Joint Commission on Accreditation of Hospitals accreditation standards for programs providing both substance abuse and mental health services, joint client-oriented data systems, and the like.

Most of our collaborative activity outside the Health, Education, and Welfare Department has been with the Department of Labor. In response to the President's drug abuse message of August, 1977, NIDA has worked with DOL and the Office of Drug Abuse Policy in the planning and preparation of a program of model dissemination, training and technical assistance for CETA prime sponsors and the drug abuse treatment communities on the techniques for providing skills training and employment to ex-addicts.

Mr. Chairman and members of the committee, these are among the activities that NIDA plans to continue to place its emphasis on in the coming year. I look forward to meeting the challenges we have before us, in working with the members of this committee, and assuring effective drug abuse treatment and rehabilitation services.

I welcome your support and assistance in this endeavor and I am available to answer whatever questions you have about the matters under discussion.

Mr. WOLFF. Thank you, Dr. Pollin.

I am going to follow a procedure here and turn the chair back to Mr. Railsback.

On page 10 in your statement, you indicate that 13 percent of the treatment admissions were for marihuana as a primary drug of abuse.

Does that indicate that you are treating marihuana abuse now as such?

Dr. POLLIN. Yes, Mr. Chairman.

Mr. WOLFF. Well, we thought that statements had come out before there was no such thing as an addictive quality to marihuana. How do you treat something like marihuana abuse?

Dr. POLLIN. Mr. Chairman, though the question of the physiological dependence upon marihuana is still, I would say, an open one with there being considerable controversy, it is becoming increasingly clear that individuals do become habituated or psychologically dependent upon marihuana in the same way as happens with other drugs which present major problems such as amphetamine.

As the use of marihuana has increased, and as the age at which marihuana use first commences in a serious way has declined, as the strength of marihuana within the country has increased, we are seeing an increasing number of individuals who exhibit a variety of dysfunctional behaviors and a problem with dependence.

We are not yet certain, and we are taking steps to explore this, what percentage of that 13 percent who are listed as being treated primarily for marihuana represents that type of individual who presents with a legitimate problem derived from the use of marihuana, moreover, what percent may be referred to the treatment system for reasons ancillary to a primary clinical need.

But the fact that there are growing numbers of individuals who do have that type of clinical problem is clear.

Mr. WOLFF. Well, from some of the statements that are coming out here, referring to comparison of marihuana, we have heard of the effects of tobacco being greater than marihuana. The physiological effects of tobacco being greater, we certainly know that so far as the psychological effects, HEW has been very strong in its denicotinization of tobacco.

Do you have any slots here for tobacco abuse?

Dr. POLLIN. No, not as yet, Mr. Chairman.

Mr. WOLFF. Mr. Railsback?

Mr. RAILSBACK. Thank you, Mr. Chairman.

[Dr. Pollin's prepared statement appears on p. 109.]

Mr. RAILSBACK. Dr. Ewalt, please proceed.

**TESTIMONY OF DR. JACK EWALT, DIRECTOR, MENTAL HEALTH AND BEHAVIORAL SCIENCES, VETERANS' ADMINISTRATION, ACCOMPANIED BY JOHN RUSSELL, ASSOCIATE CHIEF, ALCOHOL AND DRUG DEPENDENCE, MENTAL HEALTH AND BEHAVIORAL SCIENCES, VETERANS' ADMINISTRATION**

Dr. EWALT. Thank you.

Last July, the chairman was indulgent and let us present the Veterans' Administration program. And I appreciate your allowing us to return.

My remarks are written, and I would like to present them for the record and give you a very brief precis of what is in here.

Mr. RAILSBACK. We would appreciate that.

Mr. BEARD. May I ask one question, Mr. Chairman?

I would like to ask the chief of the staff a question. In the last statement by Dr. Pollin, it was mentioned that Dr. Gerald Klerman was on our witness list. And I have been informed he canceled out at the last minute. Is there anyone that can answer as to why this cancellation came out at the last minute?

I think he would be a very key witness, he is a focal point for coordination within the Department.

Mr. RAILSBACK. Dr. Pollin, do you have any ideas?

Dr. POLLIN. Mr. Beard, it is my understanding that word of Dr. Klerman's inability to be present at this hearing and the fact that I would be speaking on his behalf had been communicated somewhat earlier.

Mr. HUNDLEY. It was my understanding Dr. Klerman had been called to the White House for a meeting on mental health issues on very short notice and that Dr. Pollin would be representing the agency.

Mr. BEARD. Well, I would hope that we would have the opportunity to have Dr. Klerman back since he is one of the supposedly focal points

for coordination. And I would certainly like to have him before this committee.

Mr. WOLFF. With the Chair's permission—

Mr. RAILSBACK. Yes.

Mr. WOLFF. I have every intention of requesting Dr. Klerman to return.

Mr. BEARD. Thank you.

Mr. RAILSBACK. Dr. Ewalt?

Dr. EWALT. You will recall, last year, the record will show that I mentioned the use of drugs seemed to be leveling off insofar as the patients coming to our clinics were concerned. That trend has continued. And this year, we admitted approximately 11 percent fewer patients to our in-patient services. And we gave 6.8 percent less hospital days of care.

The outpatient visits dropped off from over 1 million to just under a million, a decrease of about 12 percent. So there is a decline.

We spent, as Dr. Pollin has said, just over \$40 million. About a half a million dollars of that was in contract services. The rest, the Budget Office says, is what we spent inside.

We have just received from the two Houses, and I hope it will be signed, authorization to start halfway houses for both alcohol and drug or other substance abuse patients. We feel this would do a great deal to expedite discharge for a number of these patients. We estimate around 8 to 10 percent of our patients would benefit from this new program.

We think this will help prevent relapse, and we believe it will aid in the rehabilitation. That was in Senate 7 and House 1608. It is right after the readjustment counseling provision.

The Vietnam veteran was of special interest to the committee last year. It is interesting that in 1977, about 39 percent of our admissions to the drug dependence inpatient services were Vietnam veterans. The figures stayed the same for 1978.

However, the proportion in the outpatient clinic—that is, new admissions—patients that are detoxed in the clinic or elsewhere and come to us—has dropped from 55 percent of the patients being Vietnam veterans to 38 percent which get very close to the number of Vietnam veterans in the whole population which is approximately 28 percent of the total number of veterans.

During the past year, we have moved our services around a bit. We found that two of the programs were being underutilized and were closed. The personnel there were transferred to San Juan where we felt there was a great need for patient care, and we now are operating there.

We haven't been underway very long. In Puerto Rico the portion of Vietnam veterans is a bit higher. We can count, I think, and I believe the Puerto Rico staff so testified before this committee, just over 600 patients in treatment so far; 65 percent of these are Vietnam-era veterans.

We have collaborated with various units of other agencies. Dr. Baker mostly, and I to a lesser extent, are involved in these various advisory committees to Dr. Pollin's unit, to the National Institute of Alcohol Abuse and Alcoholism, National Institute of Mental Health, et cetera. We have spent, it seems to me, quite a bit of time on inter-agency meetings. I think our cooperation with the various private

and government agencies at the staff level, and the community levels, is quite good.

There is a tremendous variance in local communities and local needs. But I think it runs forward fairly well.

The Veterans' Administration has been particularly concerned with adjustment problems of Vietnam-era veterans, not only the use of drugs which if you will recall was apparently very high in Vietnam, but most of those veterans have resorted to about their level of drug use that they had before the war.

But as I said earlier, that is a substantial number, even so. But it is not the large number we had in Vietnam.

The problem concerns me particularly and our service particularly, is that while the use of so-called hard drugs and other drugs is decreasing, the use of alcohol is increasing, and the number of multiple drug abusers is increasing. We have patients coming in on a variety of things—PCP, amphetamines, and cocaine. Marihuana is very commonly used, in our experience not often as the only drug of abuse, at least of those who come to us. It is usually mixed in with something else.

We are still attempting to treat as many patients as possible on a drug-free regime. In the inpatient unit, only about 61 percent are kept on methadone maintenance, although almost all of them are withdrawn on methadone, but that is just a matter of a few days or couple of weeks.

In the outpatient clinic, because we accumulate them over the years, there is about 50 percent, a little over 50 percent, still on methadone maintenance. We give a variety of treatments to these patients—individual therapy, group therapy, counseling, whatever we feel the particular veteran will require for his rehabilitation.

We don't have an exact count on the frequency of use of each treatment, but I am pleased to report that perhaps by next year, I can give you a better figure on individual treatments because we have been permitted to put in a trial run of an automated data processing system under which where we can break down our treatment pattern and plan for each of the patients.

Dr. EWALT. We have it going in 23 places, and I would be pleased if you will invite me back next year to give you more exact data.

We use a lot of exact treatments, individually planned, but not countable at this moment by our data processing, but it is an important question, and we are striving for an answer.

The question of Valium comes up; about how much of that we use. Valium is used practically not at all in the drug dependence treatment programs other than alcohol. It is used for detoxification of alcoholism.

As you will recall, about 3 years ago, the Comptroller's Office of the VA made a survey of polydrug use. We have had that survey repeated. And while they have completed the survey, the data isn't in. But I managed to extract one little piece of data they had ready on a census day. That is on the day they surveyed all the patients in the various VA facilities.

And on that day, of all the patients in the alcohol dependency treatment program, 2 percent were on Valium. It is not bad, I think.

Mr. WOLFF. Excuse me, Mr. Chairman.

Mr. RAILSBACK. Yes.

Mr. WOLFF. If the chairman would yield, that is really contrary to information that this committee learned when we were in Puerto Rico. There was heavy abuse of Valium, very heavy abuse of Valium, and very heavy prescriptions of Valium and other tranquilizers in the prescriptions that were being mailed out to the outpatients.

Dr. EWALT. Mr. Chairman, let me repeat my words. I am talking about the patients in the alcohol dependence treatment programs. There is otherwise a heavy use of Valium. I think we are cutting down on it.

Mr. WOLFF. I am talking about abuse of Valium. At least half of the people who were in treatment in Puerto Rico were there because of abuse of tranquilizers.

Dr. EWALT. I think, sir, there is no question among our polydrug abusers, Valium is a very popular drug.

John, do you have the exact figures?

I am talking about the fact that in the alcohol dependency treatment program, we are taking the patients off of Valium. And this has been a question that has been raised. Aren't you addicting them in the alcohol program? And our data, the Comptroller's Office data, is it runs just about 2 percent.

We, too, have done a followup, a 44-month followup, on our programs. The sample was a randomly selected sample of about 1,470 from a pool of 4,000 admissions; 75 percent at followup, 44 months later, were not on any drugs that had not been prescribed.

This excludes periodic or occasional use of alcohol. Sixty-five percent were self-supporting. Ninety-one percent expressed satisfaction that they found ways of finding satisfaction in life without a drug. And 76 percent had not been arrested for 6 months for any reason whatsoever.

So the feeling we have is that the program, while difficult to run and expensive, is really effective. I think this is about as effective as we probably will become—while we strive to do better, that is not a bad rate.

I think I will close my formal remarks and be prepared for questions.

Mr. RAILSBACK. Thank you very much.

Dr. EWALT. Mr. Railsback, if I may, I brought Dr. Russell with me. He does not propose to offer direct testimony, but I brought him to answer questions, particularly if they are more detailed than I can answer.

Mr. RAILSBACK. All right, then, you do not have a prepared statement, Dr. Russell?

Dr. RUSSELL. No, sir.

[Dr. Ewalt's prepared statement appears on p. 126.]

Mr. RAILSBACK. All right, Mr. Robert Anderson.

#### TESTIMONY OF ROBERT ANDERSON, ADMINISTRATOR, OFFICE OF COMPREHENSIVE EMPLOYMENT DEVELOPMENT, DEPARTMENT OF LABOR

Mr. ANDERSON. Thank you, Mr. Railsback.

Mr. Chairman and members of the committee, I am pleased to be here today to participate in these oversight hearings on the Federal drug treatment effort.

And consistent with the committee's request, I will just briefly summarize my statement and submit the statement for the record.

Mr. RAILSBACK. That would be fine.

Without objection, both Dr. Ewalt's statement and Mr. Anderson's statement will be included in full in the record.

Mr. ANDERSON. The Department of Labor is actively participating with the Strategy Council on Drug Abuse to achieve the objectives set forth in the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention.

Within the Department of Labor, the Employment and Training Administration is working to establish linkages of our employment and training programs which are funded under the Comprehensive Employment and Training Act with those contained in the 1979 Federal Strategy.

The principal responsibility for the planning and operation of programs under CETA rests with the State and local governments designated as prime sponsors.

Funds are provided via block grants to prime sponsors who, because of their sensitivity to local conditions, have the capacity to minimize duplication and overlap and achieve greater coordination with other employment and training resources in the community.

Within the Employment and Training Administration (ETA) programs relating to drug addicted individuals are concentrated in two offices: The Office of Community Development and the Office of Youth Programs.

The Office of Community Employment Development allocated \$184,000 for a special effort for drug abusers in 1979. This effort includes developing a videotape and a technical assistance guide.

Funds appropriated for CETA are allocated, among the State and local units of government which under the CETA Act are CETA prime sponsors, according to formulas mandated in the act.

As amended in 1978, CETA authorizes new investigatory powers and new criminal penalties for willfully and knowingly hiring ineligible or obstructing CETA investigations.

Through the CETA plan review and approval process and through periodic onsite visits, the regional office field representatives are involved in a continuous process of monitoring the activities of the prime sponsors.

Also, prime sponsors are required by CETA to establish independent monitoring units to conduct similar oversight of their own programs and those of the subcontractors.

To deal with mismanagement, which is generally caused by inexperience or oversight, the Department is creating, pursuant to statutory requirements, a new Office of Management Assistance which will offer technical assistance to prime sponsors.

The technical assistance, monitoring, and evaluation activities conducted by the program offices of ETA will be coordinated with the Office of the Inspector General.

There is an ongoing drug abuse effort in the administration coordinated by a steering committee comprised of staff from the Employment and Training Administration of the Department of Labor, the National Institute on Drug Abuse, and the Domestic Policy Council

of the White House. Funds for this effort are provided by the Department of Labor.

The Department emphasizes linkages with other agencies for the employment of drug abusers. This will be accomplished by identifying CETA prime sponsors having programs serving drug abusers and making a listing of these CETA prime sponsors available in a technical assistance guide. This guide will serve as a major information resource to CETA prime sponsors and drug treatment centers.

CETA prime sponsors, drug treatment centers and other interested groups will also have available early this fall a videotape produced to dramatize important facts and information about drug abuse and to suggest ways in which drug abusers can have greater access to employment and training opportunities.

Last year, an ETA survey showed coordination among approximately 139 prime sponsors and local drug treatment programs. The survey data showed in general terms that many former drug abusers are in fact enrolled as CETA participants, but are not identified as such. In fact, at intake, many conceal such background information.

In addition to the general CETA program, there is a demonstration project that got underway in March 1975 to test the effectiveness of a transitional work program on four target groups of traditionally hard-to-employ individuals: ex-drug abusers; ex-offenders; long-term female AFDC recipients and young school dropouts, many of whom have records of delinquency.

The primary objective of this major and unique research and demonstration effort has been to increase the employability of these individuals by offering them a job for a limited period of time in a structured and supportive work environment characterized by graduated stress, peer support, intensive supervision and crew work.

From 1975 through the end of fiscal year 1978, the demonstration was sponsored by a consortium of five Federal agencies, led by the Employment and Training Administration of the Department of Labor. The other agencies included: the Law Enforcement Assistance Administration, Department of Justice; the Office of Planning and Evaluation, Department of Health, Education, and Welfare; the National Institute on Drug Abuse, Department of Health, Education, and Welfare; and the Office of Policy Development and Research, Department of Housing and Urban Development. The Ford Foundation was also involved in that activity.

The demonstration has expanded from the original 13 local program sites to a current total of 21 across the country. Nonprofit corporations employing an average of 120 supported workers have been established locally to engage in work projects.

Funding sources include local CETA moneys, revenues generated by the sale of worksite goods or services, and other Federal funds.

CETA support of the national supported work demonstration project, consisting of both research and development funds and local prime sponsor contributions, totaled \$9 million in fiscal years 1977 and 1978 and \$15 million in fiscal 1979.

They will conclude my brief summary of the statement representing the Department of Labor. And I will conclude now. And I will be pleased to answer or respond to any additional questions that the committee might have.

[Mr. Anderson's prepared statement appears on p. 129.]

Mr. RAILSBACK. The chair would like to recognize the gentleman from Georgia, Mr. Evans, for questions.

Mr. EVANS. Dr. Pollin, I would like to touch on the responsibility of NIDA for just a moment. I would first like to ask what are the responsibilities of NIDA, if any, for providing information on harmfulness of drugs to the general public.

Dr. POLLIN. We are mandated to report each year to the Congress specifically upon the health consequences of marihuana and each year for the past 7 years have produced such a marihuana health report.

In addition, we have begun this past year to be requested to provide an annual summary of the state of affairs with regard to drugs in general. Beyond these legislatively mandated reports to the Congress, we do maintain a very active program of communicating to the public in terms of the current status of knowledge and new and important recent findings with regard to drug effects.

Mr. EVANS. What form of communication do you use as far as the general public is concerned?

Dr. POLLIN. A wide variety of forms, Mr. Evans. Our National Clearinghouse has innumerable materials—some for the general public, some for the scientific community—which are available to provide information, as requested.

We are taking additional initiatives in that area. For example, we have recently initiated a contract to test the feasibility of putting these types of public messages, concerning drug effects and consequences, in supermarket chains.

There are additional initiatives if you would like for me to proceed.

Mr. RAILSBACK. Would the gentleman yield?

Mr. EVANS. Yes.

Mr. RAILSBACK. I have something along the same lines.

In reading your statement very hurriedly, I don't see anywhere where NIDA may be, for instance, either investigating or trying to acquaint itself to what extent doctors may be excessively prescribing licit drugs.

In other words, we know from our hearings on women and drug abuse that apparently there are many women who are being prescribed drugs which, when used either with or without alcohol, are developing serious dependence problems.

I wonder if anybody is investigating the medical community or seeing if there is excessive prescribing of licit drugs. That's not in your statement, and I wonder why you haven't gotten into that.

Dr. POLLIN. We tried to focus, Mr. Railsback, more explicitly on treatment issues and had difficulties in editing the statement to its present length. However, that is an area of active concern for us.

Mr. RAILSBACK. But is anything being done? Who has been assigned to look into that?

Dr. POLLIN. Our Office of Medical and Professional Affairs does maintain an active program which checks periodically and quite regularly the level of prescriptions, the level of production and sales, of the whole spectrum of licit drugs. On the basis of analyses of patterns, which go back over many years, the Office monitors to



ascertain whether projected levels of sales and prescriptions are being exceeded, maintained, or diminished.

Mr. RAILSBACK. I didn't mean to impinge on my colleague's time, but when it gets to my time, I am going to pursue that a little bit more.

Mr. Evans?

Mr. EVANS. I might follow up, Doctor. Especially when the general public or an individual requests information, say, for instance, on marihuana, let me give you an example—an individual contacted my office because the child was found to be using marihuana. He wanted information as to harmful effects of marihuana. He was told by someone in your Department—and, of course, I know that you don't stand over every person—but that there was nothing that the agency had on the question of marihuana.

Now, we followed up with our office. And several days later, we did get some information on marihuana.

But according to the statement that you have made, marihuana certainly has a potential for great harm and 13 percent of the people you are treating are primarily marihuana users. And they are having psychological side effects or there is psychological dependency.

This needs to be known by the general public, I would think.

One of the ironies of our time is that any child will tell you that tobacco smoking is harmful, but that marihuana smoking is not harmful. And I don't believe that. I don't think that anyone who has ever studied the issue believes that marihuana smoking is not harmful.

And yet, this is widespread throughout the general public. And if NIDA doesn't have that responsibility, somebody should have it. And we should know who has it and who should be doing something about letting the public know.

For instance, this year, I understood you were supposed to have a prevention campaign and that a lot of money was spent on this campaign. And yet, this program has never gotten off the ground. Can you give me any information on that?

Dr. POLLIN. Yes, I can, Mr. Evans.

I might, though, before specifically addressing the issue of the prevention program, like to speak to the general thrust of your comments and your concern about the dangers of marihuana and the public perception or lack thereof. I share your concern. I do believe that that is a situation which, however, is changing.

It is my impression that some 2 or 3 years ago, the general public's perception, with certain notable exceptions, was one which tended to see marihuana as much more of a benign drug than is the case today.

I think that NIDA has played a role in the slowly changing public awareness of this fact, which is still quite uneven. Although we can say that we know quite definitely that nicotine and tobacco causes some 325,000 excess deaths a year, we can't make that kind of statement about marihuana.

However, we haven't been studying marihuana for nearly as many years as we have been studying nicotine and tobacco. We have only known what the active principal in marihuana is for some 10 years.

It has become increasingly clear that there is serious cause for concern about this drug, not only because of the fact that as compared to

all other illicit drugs, its use pattern is so high and so much higher than that of all other drugs, but also because of what we are beginning to learn about its biological potentials.

Now, with regard specifically to the prevention campaign, a major national drug abuse prevention campaign effort was planned. Questions were raised as to whether the materials which had been developed would or would not effectively convey the desired message.

The desired message and the materials were focusing on two specific groups—young women and young adolescents. Some who viewed the materials were concerned that quite inadvertently, they might be actually counterproductive. There was a difference of professional opinion on this point.

The materials are now receiving further audience testing. We anticipate that the first results of this very large program of audience testing will be available by mid-July.

Should that audience testing yield the kind of results which I hope that it will yield—namely, showing the spots will prove effective—then, we are hopeful that the campaign can be keyed to the beginning of the new school year and can go forward.

Mr. EVANS. Dr. Pollin, of course, there is not much that can be done now at this stage, but isn't there some way that NIDA can be more in touch with those who have the veto authority in HEW to prevent the great expenditure of funds which occurred in this particular instance and to come up at the last minute after the development and have a difference of professional opinion which delays the use of this campaign? Isn't there a better way to do it?

Isn't there a way to keep more in contact with those people that have the authority to veto this or stop it for the time being?

Dr. POLLIN. The very brief and salient answer to your question, Mr. Evans, is yes. And we think we have corrected—

Mr. EVANS. I hope that you have, sir.

Dr. POLLIN [continuing]. That problem.

Mr. EVANS. Because, again, it just makes no sense to me that every kid in the world knows that cigarette smoking is harmful, but very few of them think that marihuana smoking is harmful.

I don't know; am I out of time? I would like to come back at a later time.

Mr. RAILSBACK. All right, we can do that.

The gentleman from Tennessee.

Mr. BEARD. Well, to pursue that line of questioning very quickly, I would like to see—could you submit to the committee or myself—I would like to see a copy of some of that material that is now being audience tested. Could I get some of that material this week?

Dr. POLLIN. Mr. Beard, I will see where that material now rests and attempt to make it available.

Mr. BEARD. What do you mean you will see where it is? It is being audience tested. You said it is being audience tested before a large audience.

Dr. POLLIN. Yes.

Mr. BEARD. Where is it?

Dr. POLLIN. The material consists of six TV spots and associated print materials and booklet materials.

Mr. BEARD. Where is it now?

Dr. POLLIN. We do not have physical possession.

Mr. BEARD. Who does?

Dr. POLLIN. I will look into that.

Mr. BEARD. Who has it, though?

Dr. POLLIN. I am not certain.

Mr. BEARD. Isn't that your program?

Dr. POLLIN. It is the program of the Institute. It is being prepared for this audience testing.

Mr. BEARD. But where is it? Who has got it? Does the PR firm have it? If it is your program, who has got it? Where is it being shown?

Dr. POLLIN. Mr. Beard, the preparations are being made for it to be shown later this month.

Mr. BEARD. Is there anybody in this room or on your staff—you have staff members here—who in this room knows where that prevention program is now? That is our big program that is going to help educate the young people of this country. Is there anybody?

Do you have anybody here that knows where this big prevention program is? I can't believe it.

Dr. POLLIN. Mr. Beard—

Mr. BEARD. I understand you do not, but I cannot believe this is going to be one of our big programs and a big audience, and we don't know where it is. Is it being tested now? Are they taking surveys before TV audiences now or not?

Dr. POLLIN. My understanding is that the surveys and the materials are to be shown before selected randomized sample audiences in different parts of the country.

Mr. BEARD. By whom?

Dr. POLLIN. At the very end of this month—either by the very end of this month or beginning of next month.

Mr. BEARD. Who does it?

Dr. POLLIN. By a firm which has done similar audience testing.

Mr. BEARD. Who is the firm?

Dr. POLLIN. Other Institutes of the National Institutes have held—

Mr. BEARD. Who is the firm?

Dr. POLLIN. I believe that the firm is McCullum Spielman.

Mr. BEARD. How much have you met with them in the development of these?

Dr. POLLIN. I have had no contact with them.

Mr. BEARD. I'm sorry, you are a Director of the National Institute on Drug Abuse?

Dr. POLLIN. That's right.

Mr. BEARD. That is your title. And you have never met with the people who are preparing the material, or are going to do the survey, have had no communications with them on a prevention program for this country?

Who are your staff here? Because I think this is one of the most serious issues. Who in your staff here has met with them? Is there anybody here?

Dr. POLLIN. There is no one who is here today who has directly dealt with this program.

I might say that the arrangements for the audience testing of this particular program have been made through the Department rather than through NIDA.

Mr. BEARD. I would like to see a copy within—by the first of next week of the written material.

And I would also like to see—and I think it would be interesting for this committee to go down into the Rayburn studio and maybe see the videotapes of the ads or of the program.

So if we could arrange that for next week, I would appreciate that. Could staff? Would that be acceptable?

Mr. RAILSBACK. Would that be all right with you? I think it would be a good idea, too.

Dr. POLLIN. Yes. I would see no problem with that. I will need to make, since the Department has taken over the audience testing, inquiries at the level of the Department and will get back to you sometime later today or tomorrow.

Mr. BEARD. Fine. Because there should be no problem. I'm sure they will get it over here as quick as possible for the committee. I would see no problem there. I would appreciate that.

Let me ask, Dr. Ewalt, the Veterans' Administration pharmacies filled 32.166 million outpatient prescriptions during fiscal year 1978 of which 13 million were mailed to the veterans; 13 million were mailed. How large quantities would they be mailed in?

Dr. EWALT. That would vary with the number that the doctor prescribes. It might be a month's supply. It might be a lesser amount.

Mr. BEARD. Could it be up to 6 months' supply?

Dr. EWALT. I have Mr. Harding who is Director of Pharmacy Service here. I will defer that question to him.

Mr. HARDING. A 30 days' supply.

Mr. BEARD. Never over a 30 days' supply?

Mr. HARDING. There are times when maintenance medication may be mailed in up to 90-day quantity, however, with narcotics or any of the controlled substances, a 30-day quantity is mailed, maybe less.

Mr. BEARD. What does it mean reports are not maintained to reflect totals of individual drugs mailed?

Mr. HARDING. When they are talking about the individual type of drug—in other words, we don't have records on how much Valium is mailed to patients throughout the VA. In general, we don't keep a record by the type of drug. We do keep a patient profile and know how much each particular patient is receiving. We keep all the prescriptions for a particular patient in that particular profile so we can refer back and find out what that patient has received.

Mr. BEARD. Dr. Ewalt, you say 27,825 veterans were provided with specialized treatment for drug dependence in 1978.

Dr. EWALT. Yes, sir.

Mr. BEARD. Could you give us a breakdown of this? Could you tell us how many were treated for alcoholism, how many for opiate addiction, how many for cocaine dependence, how many for cannabis dependence, and how many for other drugs?

Dr. EWALT. Yes, sir. Do you want us to send it for the record or would you want Dr. Russell—

Mr. BEARD. Do you have that breakdown?

Dr. RUSSELL. Yes, sir.

Dr. EWALT. Let me correct you, however. It does not include those for alcohol. The alcohol thing this year runs 135,000.

Mr. BEARD. So the 27,000 is strictly drugs?

Dr. EWALT. What we call hard drugs, the heroin, category I drugs, or some in category II.

Mr. BEARD. Would you provide us for the record, then, the breakdown of these figures, let's say, for the last 5 years? I think it might be interesting to just see if there is any trend there.

[The information referred to follows:]

Detailed breakdown of both inpatient and outpatient data together are available beginning with fiscal year 1975. Data for fiscal year 1979 are not yet available. The following chart includes the last 4 years of complete data.

DIAGNOSES OF PATIENTS ADMITTED [BY ICDA CODE]

Code	Fiscal year 1975		Fiscal year 1976		Fiscal year 1977		Fiscal year 1978	
	Patients	Percent of total	Patients	Percent of total	Patients	Percent of total	Patients	Percent of total
<b>INPATIENT</b>								
304.0	Opium—Opium derivatives.....							
304.1	Synthetic analgesics.....	9,860	64.9	11,079	64.9	8,459	58.1	6,396
304.2	Barbiturates.....	804	5.3	680	4.0	651	4.5	625
304.3	Other hypnotics—Sedatives— tr tranquilizers.....	372	2.4	535	2.6	337	2.3	433
304.4	Cocaine.....	167	1.1	197	1.2	128	.9	138
304.5	Marijuana-hashish.....	473	3.1	346	2.0	188	1.3	295
304.6	Other psycho-stimulants.....	591	3.9	536	3.1	486	3.3	593
304.7	Hallucinogens.....	255	1.7	190	1.1	142	1.0	234
304.8	Other.....	525	3.5	531	3.1	368	2.5	594
	Alcohol dependent patients admitted to DDTP.....	2,138	14.1	3,064	18.0	3,808	26.1	3,736
	Patients admitted with polydrug abuse <sup>1</sup> .....	4,671	30.8	4,915	28.0	3,683	25.3	3,740
<b>OUTPATIENT</b>								
304.0	Opium—Opium derivatives.....							
304.1	Synthetic analgesics.....	7,780	78.7	8,324	76.2	5,879	67.2	4,685
304.2	Barbiturates.....	369	3.7	316	2.9	229	2.6	194
304.3	Other hypnotics—Sedatives— tr tranquilizers.....	242	2.4	258	2.4	242	2.8	142
304.4	Cocaine.....	86	.9	168	1.7	57	.7	66
304.5	Marijuana-hashish.....	285	2.9	202	1.8	144	1.6	139
304.6	Other psycho-stimulants.....	295	3.0	260	2.4	224	2.6	199
304.7	Hallucinogens.....	120	1.2	75	.7	51	.6	72
304.8	Other.....	73	.7	85	.8	75	.9	127
	Alcohol dependent patients admitted to DDTP.....	634	6.4	1,218	11.1	1,862	21.1	1,917
	Patients admitted with multiple drug use <sup>1</sup> .....	2,477	24.9	2,584	23.6	2,117	24.3	2,128

<sup>1</sup> This line identifies patients already included in the specific substance abuse categories above, and represents those veterans who had, in addition to the primary drug problem causing referral for treatment, at least 1 additional drug of importance for treatment.

Dr. EWALT. This is not as accurate, but since Valium has come up, Mr. Harding's office has supplied us before we came over here with the drugs prescribed and delivered by our pharmacies. This would not include those that were filled privately outside. I have no figures on those.

But for Librium, Valium, and Librax, there has been a 22-percent decrease in the number of tablets prescribed between 1976 and 1978.

I can't speak for the other services, although I believe it is true that in our mental health services, we have had a series of teaching seminars with our chiefs of service. We bring them together, and

emphasize this. And as I mentioned earlier, we are just now having a survey made by the Comptroller's Office to see.

They go in and take a sample of the stations, go in and actually look at the prescription practices and the drugs ordered on the wards where the patients are. And as I told you, the only figure I could get out of them is that Valium has gone down in our alcohol dependency units to about 2.6 percent.

Mr. BEARD. You mentioned LAAM. Was it LAAM?

Dr. EWALT. LAAM—levo-alpha acetylmethadol—a synthetic opiate and a narcotic analgesic.

Mr. BEARD. That is something about that being a longer acting substitute for methadone which would possibly eliminate the take-home.

Dr. EWALT. Yes; you see, we have a very strict system so that the ordinary methadone patient comes in and drinks his methadone liquid in front of a nurse, and they are randomly pulled out of the line. So once a week, each of them gets a urine test, but he doesn't know which day he is going to get it.

But on the other hand, for a weekend, some of our clinics run 6 days, some only 5 days. They all run extra hours so a person can work and either come in before or after regular working hours. But on Sundays or if there is a 3-day holiday, they are given supplies to take home. That is the only possible leak that we would have.

Now, with LAAM, they only have to take that about every 3 days. So we are watching that LAAM, and the veteran will get no take-home.

Now, methadone will still be used for detox, but detox only lasts a few days, 5 to 6 or 7 days because it is the best drug for detoxification. And then they will be taken off of it.

Mr. BEARD. When the veteran gets out, does the Army have a program or counseling session with the individual to give them drug material on the hazards of drug problems?

Dr. EWALT. I am not aware of that, but if they have one that is identified as having drug problems within the last 30 days of his enlistment or his term, he is supposedly referred to us. This number has dropped off in the last couple of years.

Mr. BEARD. That gets to the hard angle, the guy that has a problem that is so obvious. I understand what they do.

And my time is up.

Here we have a controlled situation. It could be automatic to take information such as you have talked about or pamphlets that have been approved, and distributing them. This would seem to me to be a very easy way for distribution.

Dr. EWALT. Sir, I would not like to have to run the Department of Defense's business. I have enough trouble with my own. I would agree though, in our programs we provide all the information we can.

Mr. BEARD. But do you not think that would be something that should be looked at?

Dr. EWALT. Yes. And we are concerned that the number of referrals by the military has dropped off. And I don't know why entirely. Dr. Baker, who is really the chief of my alcohol program, Dr. Russell's immediate superior, has had meetings and meets often with General Johns about this. And we are trying to improve the situation.

**CONTINUED**

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But that is about all I can say about it at this time.

Mr. BEARD. Real quickly—

Mr. RAILSBACK. I think your time has expired.

Mr. BEARD. I think I just heard the bell.

That's all right. I have got some more questions I will ask later.

Mr. RAILSBACK. Can I quickly follow up with Dr. Ewalt? My recollection is that at one time, servicemen who had been drug abusers were being given either undesirable or even dishonorable discharges. Now, I understand, that policy has changed. Can you go into that a little bit? Has it changed and has there been in fact any adjustments of some of those discharges the servicemen were awarded?

Dr. EWALT. I don't know the answer to that. Dr. Russell?

Dr. RUSSELL. No.

Dr. EWALT. We will have to get that for you. I don't know.

Mr. RAILSBACK. Will you do that?

Dr. EWALT. Yes; I will. I'm sure General Johns will give it to us. It is outside my bailiwick.

[The information referred to follows:]

As the Committee is aware, military discharges are a function of the individual military departments. For example, the implications of alcohol or other drug abuse problems which might affect the character of an Army discharge is determined by Chapter 9 of Army Regulation 635-200, which has been in effect since January 1, 1978. The experiences of the military services with regard to upgrading or any other adjustment of military discharges per se would be available only from the Department of Defense.

The Veterans Administration's activities in this area involve reviews of military discharges for eligibility for veteran benefits, including eligibility for treatment. In the event a veteran's claim for benefits or request for treatment are associated with an honorable or general discharge, he is regularly found eligible. If the request is associated with a grey area, such as a bad conduct discharge or an administrative discharge, each case is reviewed on its own merits by the Veterans Administration Regional Office. Under provisions of Chapter 17, Title 38, the review may, in some cases, consider the veteran eligible for treatment services only.

Mr. RAILSBACK. Dr. Pollin, I am not an expert on marihuana, and I think a lot of us in my generation are kind of groping for knowledge about marihuana. I know that NIDA periodically puts out a report. It is my understanding that the last report was the 1977 report. Is that correct, sir?

Dr. POLLIN. I believe that it was delayed and that was the last one.

Mr. WOLFF. Would the chairman yield at that point?

Mr. RAILSBACK. Yes.

Mr. WOLFF. I think there was a report recently issued based upon 1977 data, however.

Mr. RAILSBACK. Yes. That is my next question.

I'm curious as to why the 1977 report was not released any earlier than it was. It was finally released about 2 months ago. Why was that report not released earlier?

Dr. POLLIN. I am not entirely certain of all the factors that went into the delay, Mr. Railsback.

First, with regard to the coverage of the data, we, for example, in preparation for the report which will be issued next year—

Mr. RAILSBACK. Is there a requirement they be issued every year, every other year? What is the mandate? Is there a mandate?

Dr. POLLIN. There is a mandate that there be an annual report.



Mr. RAILSBACK. Then, let me ask as one member of the select committee—I will say that in trying to get a handle on that, I am very much aware that there have been periods when there has not been an annual report. I don't understand that. Maybe if you are not responsible, and you are the Director of NIDA, please, please convey that one member's feelings to Joe Califano.

The American people, I am convinced, want to know more about both physiological and emotional consequences of marihuana use. And I think that if NIDA were given that responsibility, we ought to have an annual report. And it has not been.

Is that correct?

Dr. POLLIN. I think for the most part, Mr. Railsback, it has been an annual report. I think that there was an unusual degree of delay in releasing the last one. However, I would call to your attention that when its release was accomplished, it was accompanied by a statement by the Secretary which strongly affirmed his concern, which I think expresses the concern you are expressing about the increasing use of the drug, the potential for harm.

Additionally, in order to deal with the very problem of public information that Mr. Evans and you are raising, the Secretary mandated that an additional new study be undertaken this summer to review all the current knowledge.

Mr. RAILSBACK. I am not going to belabor that because all of our time is limited, but I agree with the thrust of Congressman Evans' questions as to why we really have not embarked on finding some answers to the questions that have troubled the American public.

I want to say that I certainly commend the Department of Labor for whatever action it has taken in trying to help find employment for, as I understand it, three rather problem groups—drug abusers, alcohol abusers, and sex offenders.

I happen to be involved in oversight of corrections. It is my understanding that 69 percent of the people that participate in treatment programs, NIDA backed programs, are unemployed when they enter the treatment.

And I am advised that 67 percent when they leave the treatment programs are also unemployed. And I am just wondering No. 1, if that is true. And second, what can we do to try to help find them jobs once they have received their treatment?

Dr. POLLIN. Mr. Railsback, if I could once again refer to the same data which I spoke of during my formal presentation, the best data we currently have available in terms of the long-term consequences of treatment with respect to its effect upon employment results from this very large-scale study, a randomized sample of over 3,000 patients and that shows that during the 2 months before entering treatment, which is the baseline, only 37 percent were employed; that at a 4-year followup, during the 2 months prior to that 4-year followup, 63 percent were employed.

Mr. RAILSBACK. That is after 4 years from the beginning, or before treatment?

Dr. POLLIN. That was 4 years after they completed treatment. So it might be on an average as long as 5 years after they entered treatment.

Mr. RAILSBACK. Thirty-seven percent are still unemployed after that?

Dr. POLLIN. Yes. Although the figures immediately upon completion of treatment are quite discouraging as I read them before, these figures in terms of long-term effects upon employability, are encouraging to us.

Mr. RAILSBACK. Substantially better, anyway.

Dr. POLLIN. I would summarize our overview of the situation at this point to say that there seems to be a third of the patients who enter our system who were employed prior to getting treatment and who maintain employment.

There are another third despite multiple separate approaches and projects—and in one of the appendices, we list 16 different demonstration projects we have been unable to help and there is a middle third.

Mr. RAILSBACK. Even after 4 years?

But let me—and I am going to ring the buzzer on myself—

Mr. GILMAN. Good.

Mr. RAILSBACK. But you can do this for me. I am very curious, and Mr. Anderson, you can help in respect to this question by supplying information. Is there any cooperation from the State employment agencies?

[The information referred to follows:]

#### USE OF STATE EMPLOYMENT AGENCIES

In all demonstration projects currently being funded by the National Institute on Drug Abuse (NIDA) that are developing jobs for drug abusers, the full array of state and community employment and training services are being used. This, of course, includes the state employment agencies. In addition, the publications issued encourage treatment programs to use all available state and local employment services.

At this time, NIDA supports three demonstration programs currently using state employment agencies:

(1) "A Labor/Management Vocational Rehabilitation Model for Drug Abusers," Central Labor Rehabilitation Council of New York, Inc., New York, N.Y.

(2) "Increasing Employment in Ex-Heroin Addicts," University of California, San Francisco, Calif.

(3) "Employment Support Services Project," Philadelphia Alternatives for Rehabilitation, Philadelphia, Pa.

Mr. RAILSBACK. I imagine there is from some, but not from others. In other words, are they doing anything to help find useful employment for drug abusers. Is there any cooperation at all? And, if so, what is it?

I am going to yield or recognize the gentleman from New York, Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Gentlemen, I note that in the Federal strategy document, there is an item that says that the Veterans' Administration is in the process of establishing a formal agreement with the Department of Labor which will identify and provide mechanisms for effecting program linkages for employment services for drug-dependent veterans.

What is the status and the implementation of that formal agreement?

Dr. EWALT. I don't know the details of it because that is a policy-level thing and would not come out of my office.

I do know that Dr. Stewart Baker and I are invited to meet—Dr. Baker goes regularly to those meetings—to try and promote further services. I would say—

Mr. GILMAN. To what meetings are you referring?

Dr. EWALT. What is it called?

It is under Mr. Dogoloff's committee—Federal Interagency Committee.

Mr. GILMAN. Federal Interagency Committee?

Dr. EWALT. Lee Dogoloff is the Chairman. We call it his committee.

Mr. GILMAN. Is that the same steering committee that Mr. Anderson referred to in which the Department of Labor underwrites and arranges joint meetings?

Dr. EWALT. I don't think so, but I don't know.

Do you know?

Mr. GILMAN. Mr. Anderson, is that the same committee?

Mr. ANDERSON. I don't believe it is, Mr. Gilman.

Dr. EWALT. I think this is where Defense, HEW, I am not sure about Labor, and Veterans' Administration get together to try and help collect data, plot the research strategy, promote interagency cooperation and treatment, and what not. At least, the meetings I have been to are involved with that. But I don't go to them all.

Mr. GILMAN. Is Department of Labor involved in that?

Mr. ANDERSON. I don't believe so. The committee I referred to in the Department's statement is a committee that is also chaired by Mr. Dogoloff, but it has a specific mandate and mission.

Mr. GILMAN. How many steering committees do we have?

Mr. ANDERSON. I have no idea.

Mr. GILMAN. Are they both steering in the same direction?

Mr. ANDERSON. I would hope so.

Mr. GILMAN. I hope so, too. But it seems to me that we do not need two steering committees.

Do we really have two steering committees on drug abuse and rehabilitation?

Dr. EWALT. I can't answer that, sir.

Mr. GILMAN. Can you answer it, Mr. Anderson?

Mr. ANDERSON. The steering committee I referred to is a specific steering committee that does have a specific mission which includes the preparation of some very definitive items to be employed in linking drug abuse programs with the CETA system.

Mr. GILMAN. Is that all that your steering committee does?

Mr. ANDERSON. That is right.

Mr. GILMAN. Just linkage for employment?

Mr. ANDERSON. That is right.

Mr. GILMAN. So the steering committee that you are talking about is really not a drug abuse effort, is that correct?

Mr. ANDERSON. To the extent that hopefully by providing employment opportunities, we do in fact reduce dependency on drugs.

Mr. GILMAN. You do not get involved in training or rehabilitation except for providing employment; is that correct?

Mr. ANDERSON. That's right.

Mr. GILMAN. So that your steering committee is just to try to tie in some employment opportunities to the whole drug effort?

Mr. ANDERSON. Well, there are some linkages which I referred to as a multiplier effect.

Mr. GILMAN. But the linkage is only in employment, right?

Mr. ANDERSON. Not necessarily.

Mr. GILMAN. Can you tell us what else besides employment are you talking about?

Mr. ANDERSON. Certainly. Through the use of our title 2 and title 6 of the CETA Act which is basically our public service employment activity, CETA prime sponsors can supply drug abuse agencies, drug rehab agencies, with employees to be paid for out of CETA funds.

Mr. GILMAN. Are we not talking again about employment and manpower?

Mr. ANDERSON. We are talking about service to the drug-user population. Because those individuals who occupy public service employment slots may be social workers, counselors, former drug abusers, who will be utilized in some capacity in providing service.

Mr. GILMAN. Who decides the policy on how many people in CETA are going to be used for drug abuse and rehabilitation?

Mr. ANDERSON. That would be decided locally based upon an agreement between the drug abuse agency and the CETA prime sponsor.

Mr. GILMAN. I am talking about Federal policy in Washington. Who decides that policy?

Mr. ANDERSON. That is not decided at the Washington level.

Mr. GILMAN. Is it not decided by any steering committee?

Mr. ANDERSON. No.

Mr. GILMAN. Then, what is the purpose of the steering committee?

Mr. ANDERSON. The steering committee is to provide support to that linkage system. The steering committee is working to provide for a technical assistance guide to be produced by the end of the fiscal year.

Technical assistance to provide for better information to the prime sponsor community on how best to serve the drug-abuser population.

Mr. GILMAN. By providing manpower?

Mr. ANDERSON. By providing additional employment opportunities, yes.

Mr. GILMAN. Then, essentially, your entire drug abuse effort is either in manpower or in providing jobs; is that correct?

Mr. ANDERSON. Essentially, yes.

Mr. GILMAN. You do not get into treatment or any other programs?

Mr. ANDERSON. No.

Mr. GILMAN. How much of your funds are expended on trying to decide how many people go to the various drug areas in CETA? How much money does the Department of Labor allocate for drug employment and drug manpower?

Mr. ANDERSON. There are no specific sums categorized solely for drug abusers.

Mr. GILMAN. You stated in your statement that there is an ongoing drug abuse effort in the administration that is coordinated by a steering committee comprised of staff from the Employment and Training Administration of the Department of Labor, the National Institute on Drug Abuse, and the Domestic Policy Council of the White House. Funds for this effort are provided by the Department of Labor.

How much are those funds?

Mr. ANDERSON. That is \$184,000.

Mr. GILMAN. That is your total effort?

Mr. ANDERSON. That's right.

Mr. GILMAN. Nationwide?

Mr. ANDERSON. That's right.

Mr. GILMAN. With regard to the Veterans' Administration, you talk now about another steering committee. What does that steering committee do?

Dr. EWALT. Well, my colleague here says it is called, "Interagency Committee." I am not good at titles or names. Mr. Dogoloff's committee. And it is the one where, as I said earlier, we map strategy for working together on services in the community.

Mr. GILMAN. And the Department of Labor is not on that committee?

Dr. EWALT. Not that I know of, sir, but I don't go to all the meetings. I can check that.

Mr. GILMAN. How much money is expended for that steering committee?

Dr. EWALT. I have no idea. I think very little though, because the agencies have their own funding. Anything we agree to do would come out of our own appropriation as would the NIDA appropriation and so forth.

Mr. GILMAN. What is the total amount allocated for drug rehabilitation and drug training?

Dr. EWALT. Well, it would be covered in the \$40 million. I don't have a breakout of that. I could get it for you.

Mr. GILMAN. Within the \$40 million, are you including medical services?

Dr. EWALT. That's what I am saying, but I don't have a breakdown on it.

Mr. GILMAN. How much is allocated for drug abuse prevention?

Dr. EWALT. I think very little, sir.

Mr. GILMAN. Like what? Any idea? Can you give us an estimate?

Dr. EWALT. Only in trying to get people in off the street, an outreach program to bring them in. We do not plan on usurping the Public Health Departments, the public information and education. I believe our mission is mostly to treat people, but we try to get them in as early as we can. And we do have an outreach—

Mr. GILMAN. Dr. Ewalt, how much do you spend on that effort?

Dr. EWALT. I will have to get that for you. I am not sure I can break that down.

Mr. GILMAN. Mr. Chairman, I would like to make that information part of the record.

Dr. Ewalt, we would welcome if you would provide the committee with information pertaining to the amount spent on actual drug abuse prevention and the amount spent on training for drug rehabilitation.

Dr. EWALT. The latter, I think we will have a figure for. I am not sure we have a figure for the former. I will try to find out if we have it.

[The information referred to follows:]

The Veterans Administration's Congressional mandates have not, until recently, provided a specific focus on prevention activities. However, the recent enactment of Public Law 96-22 provided for a Preventive Health-Care Services Pilot Program, which addresses those veterans who are service-connected at a 50 percent or higher level of disability. The health-care services authorized include maintenance of drug use profiles, patient drug monitoring, drug utilization education,

and substance abuse prevention measures. We are drafting guidelines for implementing this portion of the legislation, for utilization beginning in fiscal year 1980. Early case finding and effective referral to treatment is one of the treatment program activities which also acts to prevent chronicity in drug dependence disorders. Thirty-seven of the fifty-two drug dependence treatment programs have been authorized and funded for specialized outreach technicians. These employees, all former addicts, work in the community areas, such as the street corners, the courts and jails, and provide facilitation of referrals to VA programs and information on veterans rights and associated benefits. Cost of this program is projected to be \$491,000 for fiscal year 1979.

The cost of training for rehabilitation of drug dependent veterans is difficult to measure precisely, since the Department of Veterans Benefits provides such supports but does not currently develop breakouts of those veterans whose training for rehabilitation is associated with VA or other program treatment for a substance abuse problem. The VA's projection of the cost of readjustment benefits, as projected for vocational rehabilitation for fiscal year 1979, anticipates \$3,400 per veteran served per year of such services. If one utilizes the estimate of a 36 months average length of rehabilitation for those veterans served, and accepts the findings of a recently completed 44 months followup study on VA treatment of drug dependence, which found 7 percent of those veterans had utilized vocational rehabilitation services, it would be possible to hazard a projection of \$18,900,000 in vocational rehabilitation services provided for the approximately 27,000 veterans treated for drug dependence. More precise data will be available within the next several years, with the use of client-oriented, automated data processable clinical forms which will include such information on rehabilitation activities.

Mr. GILMAN. We would welcome if you would break the figures down for us.

Dr. EWALT. We are not in the prevention area, really.

Mr. GILMAN. Dr. Pollin, you talked about different treatment modes and different programs you are working on. What treatment modalities have you found that are effective and are working?

Dr. POLLIN. There are several, Mr. Gilman. The major followup study to which I referred has demonstrated that methadone maintenance and the drug-free therapeutic community are both significantly effective.

Mr. GILMAN. I have been informed that methadone treatment leaves much to be desired. The States were beginning to turn their backs on methadone a few years ago because they found a great deal of abuse in the use of methadone. They found that there was a great deal of dependency on methadone and that it was not as effective as they thought it to be.

Have you found any problems in the methadone program?

Dr. POLLIN. There are definite problems in the methadone program, Mr. Gilman. I think there are very few medications for any conditions without problems. Penicillin has serious problems among a small minority of people who use it.

Mr. GILMAN. Do we still consider methadone treatment to be a worthwhile program that should be continued?

Dr. POLLIN. We very much consider it a worthwhile program. The followup studies show the level of positive response in terms of effects on drug-taking behavior and the other outcome variables I mentioned with methadone programs.

Mr. GILMAN. Are we still recommending it as a nationwide treatment modality?

Dr. POLLIN. Yes.

Mr. GILMAN. What is the second effective treatment modality that you mentioned?

Dr. POLLIN. Drug-free outpatient treatment. That is a treatment program which uses a variety of counseling and therapeutic approaches. The basic goal is to enable the individual to better understand why he may have turned to drugs, to strengthen his abilities, his sense of self-esteem, to deal with his life situation.

Mr. GILMAN. What is the third effective treatment modality that you mentioned?

Dr. POLLIN. The third was the residential therapeutic community which is the type of program characterized by Daytop and other well-known programs of that sort.

Dr. GILMAN. What are you doing to try to help expand this program in a nationwide effort?

Dr. POLLIN. If by "expand the program" you have in mind the development of new techniques—

Mr. GILMAN. Either new techniques or utilizing the existing techniques that work. What are we doing to help get the techniques and the programs out in the field?

Dr. POLLIN. Well, I think if one looks at the growth of the federally supported effort over the past 10 years, the growth has really been quite remarkable from a program which 10 or 15 years ago primarily consisted of two prison hospital inpatient settings and a mere handful of—

Mr. GILMAN. Dr. Pollin, my time is running, so forgive me for interrupting. How much are we spending for drug training and for disseminating information on the drug rehabilitation programs so that we can expand it nationwide?

Dr. POLLIN. I will have to provide the figures for the committee.

Mr. GILMAN. Could you provide that for us?

Dr. POLLIN. I will be glad to.

[The information referred to follows:]

#### THE DISSEMINATION OF TRAINING AND VOCATIONAL REHABILITATION MODELS

Findings from studies designed to test techniques for providing skills training and vocational rehabilitation services to ex-drug abusers are routinely shared with all federally funded treatment programs, all drug abuse associations, single State agencies, and other interested groups. In addition, we encourage grantees to present their findings at relevant conferences. Over the last 3 years, the following publications have been disseminated nationwide:

*Developing and Using a Vocational Training and Education Resource Manual* (ADM 77-516)

*Employment Discrimination and How to Deal with It: A Manual for People Concerned With Helping Former Drug Abusers* (ADM 77-532)

*Securing Employment for Drug Abusers: An Overview of Jobs* (ADM 77-467)  
A report on the effectiveness of a centralized job development/job placement unit.

*A Vocational Component for the Drug Abuse and Correctional Agency* (HEW-1977)

*The Wildcat Experiment: An Early Test of Supported Work in Drug Abuse Rehabilitation* (ADM 79-782) A report on the supported work model developed in New York City.

*Skills Training and Employment for Ex-Addicts in Washington, D.C.: A Report on TREAT* (ADM 78-694)

In Press: *A Jobseekers Workshop Manual*

In addition, the supported work model which was developed and tested in New York City is being further tested in 15 sites across the country.

Since 1973, expenditures on vocational rehabilitation, employment models, and publications have totalled approximately \$7,400,000.

Mr. GILMAN. Gentlemen, when was the last time this coordinated steering committee of the VA, NIDA, and the other agencies met?

Dr. RUSSELL. I am sure that Dr. Baker has attended it within the last month, sir.

Dr. EWALT. It meets regularly. I cannot give you the exact date.

Mr. GILMAN. How often does it meet?

Dr. EWALT. I have a feeling it meets several times a year, maybe as often as once a month. It is not one of these dead committees; it is active.

Mr. GILMAN. Well, I would like to know how often—

Dr. EWALT. Mr. Gilman, if you would like, I can tell you from Dr. Baker's calendar how often he has been there in the last year.

(Subsequently the Veterans Administration furnished the following information.)

The Strategy Council on Drug Abuse was created by The Drug Abuse Office and Treatment Act of 1972. It is composed of the Attorney General; the Secretaries of State, Defense, Treasury and Health, Education and Welfare; the Administrator of Veterans Affairs; the Director of the Office of Management and Budget; and six members from outside the Federal Government. President Carter announced the revitalization of the Strategy Council in his Message to the Congress on Drug Abuse of August 1977. The Council has been meeting on an ad hoc basis during the past 18 months. With leadership by the Associate Director for Drug Policy, of the Domestic Policy Staff in the Executive Office of the President, the Council has focused on increasing the linkages among Federal health and social service programs, and on improved coordination of program initiatives between the Federal Agencies. A number of working groups have been developed within the Strategy Council, with special focus on particular tasks. One of these, the Sedative-Hypnotics Working Group, includes the VA member, and addresses the prescribing behaviors of physicians and the utilization of sedative-hypnotics medications. The official minutes of the Council meetings are of course, available from the Executive Office of the President. Recent meetings of the Strategy Council were attended on April 3, 1979, and on May 30, 1979. Recent meetings of the Sedative-Hypnotics Working Group were attended on April 11, 1979, and on May 22, 1979.

Mr. GILMAN. We would like to know how frequently the steering committee meets, what is on the agenda and what the steering committee does. This committee essentially is looking for a more coordinated effort throughout the Federal Government. We hope we can encourage that effort.

We certainly would welcome hearing about the steering committee's work. I would also welcome a list of the members of the steering committee.

I know that my time is running out. With the chairman's permission, just one more question, if you would.

I note in the VA that there is an expenditure of some 32 million outpatient prescriptions. How do you monitor those prescriptions? How do you keep those patients from becoming drug abusers?

Dr. EWALT. Well, we went through that a little bit ago.

Each prescription, of course, is written by a physician. And then, if it is a long-term type of case like a diabetic or a long-term schizophrenic, that is on rather permanent medication, the doctor may allow for one or two refills.

Mr. GILMAN. I realize that, but who is monitoring that for drug abuse and for fraud?

Dr. EWALT. Well, the pharmacy keeps a profile on each patient. I don't know that we follow him around to see that he doesn't give it



away. On the other hand, at least for the patients in my bailiwick, if they get off medications, they relapse. Some of them fail to take it. And when they come back in, they will have a briefcase full of prescriptions they have gotten filled and done nothing with.

Mr. GILMAN. Does the VA have its own prescription service of these pharmaceutical prescriptions?

Dr. EWALT. I am not sure how you mean. We have an inspector general who monitors all kinds of things. And each patient has an individual record called "A Drug Profile" that Mr. Harding's unit keeps. And so we know what every patient is getting, how much he has gotten, when he got it last, which doctor ordered it. But we don't have anyone that follows him around to see if he takes it.

Our only input—

Mr. GILMAN. I am not asking that. I am asking if we have some monitoring system to prevent fraud and abuse in the 32 million prescriptions. It would seem to me that it would be worth policing.

I believe that my time has run.

Dr. EWALT. Mr. Harding, the director of our pharmacies—I brought him for questions like that.

Mr. HARDING. What we do, we fill a prescription the first time. A doctor might write a prescription for one 30-day supply and up to five refills. In 6 months, the prescription is absolutely outlawed. We won't use it after 6 months.

But we will fill it the first time, send him a form which he can reorder. We will not send him any more medication until he reorders it. When he reorders it, we open his profile, look to see when he got it last, and what has happened.

At the same time, if we have the opportunity, we counsel the patients on the use of the medication and so forth. And if we notice a patient, for instance, has reordered his medication 10 days after he got a 30-day supply, we won't send it to him. We will contact him.

Mr. RAILSBACK. The gentleman's—

Mr. GILMAN. We know that over half of the prescriptions or 13 million, were mailed.

Mr. HARDING. This is true, but they were only mailed, in fact, because the patients live so far away from the hospital they can't come back and get it.

Mr. RAILSBACK. The chairman of the full committee has been waiting very patiently for all of us.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. RAILSBACK. The Chair would like to recognize Mr. Wolff.

Mr. WOLFF. Thank you, Mr. Chairman.

There are a number of questions I have, but I would first like to address myself to Dr. Ewalt. Sitting on this committee, I have a variety of reasons to direct the questions to you, Dr. Ewalt.

No. 1, being on the Veterans' Affairs Committee. No. 2, being on the Hospitals Committee of the Veterans' Affairs Committee. No. 3, being on the Investigative Committee of the Veterans' Affairs Committee.

And as a result of the visit that this committee made to Puerto Rico, as chairman of this committee I am going to refer over to the Veterans' Affairs Investigative Committee the recommendation that a full-scale

investigation be made of the operation in Puerto Rico. If the operation of the Veterans' Administration and their method of handling prescriptions in Puerto Rico is indicative of how it is being handled in the rest of the country, I think we have a major problem on our hands. I think, that in certain areas, you might be the biggest drug supplier that there is in the country.

Therefore, I think we have got to really make a determination as to this whole method of handling prescriptions by mail. We have just heard that VA hospital patients can order, for themselves, a renewal of prescription. I don't know of any other patients that can order renewals from a service.

In New York State prescriptions are time limited and we cannot get a renewal on a tranquilizer unless another prescription is obtained from the doctor. Here you are, sending these things out on a regular basis.

How do you know whether or not that same veteran is not going to another doctor and not getting other medication?

Dr. EWALT. If you are talking about, "does he go to a private physician—"

Mr. WOLFF. No.

Dr. EWALT. Then, we would not know unless he told us.

Mr. WOLFF. Then, how can you send out prescriptions without knowing what his other medication is?

Dr. EWALT. I think Mr. Harding can answer.

Mr. HARDING. May I answer it?

Mr. WOLFF. Please.

Mr. HARDING. I used to run a drugstore. I have no way of knowing what a man got at his neighborhood drugstore.

Anything that a doctor writes in the VA, we keep the record in the VA. And we will not fill a prescription again unless we check to see that the doctor has authorized it.

Mr. WOLFF. But do you ask the patient whether or not he has gotten another prescription?

Mr. HARDING. Yes. If we can get hold of him, we do. As a matter of fact, if he got a prescription that the VA paid for, we get a copy of that. That also goes in his folder. We know whether it is anything the Government paid for.

Mr. WOLFF. Is there a requirement that he periodically report any other prescriptions, any other medication, that he is taking?

Mr. HARDING. No, that isn't required anywhere. Not only it isn't in the VA, but it isn't required anywhere. The State of New York doesn't do that either.

Mr. WOLFF. Under private circumstances, and it is entirely different than a Government-sponsored program, we have greater controls. At least I hope you have greater controls.

Mr. HARDING. We have greater controls than anywhere outside, and I can vouch for that. I know both sides of this. And I can tell you very definitely. And we are talking about any prescription.

A DEA controlled type medication does not have a refill. We do not refill any controlled substance that cannot be refilled by DEA regulations. We do not refill schedule II drugs. We do not refill schedule II narcotics in any way. It has to have a new prescription.

Mr. WOLFF. But you do reschedule tranquilizers?

Mr. HARDING. Not controlled drugs unless the doctor has ordered them on a new prescription.

Mr. WOLFF. Do you reschedule Valium?

Mr. HARDING. Very seldom. As a matter of fact, our rules are different.

Mr. WOLFF. Do you reschedule Valium?

Mr. HARDING. We have in the past, but we are getting now to the point where—

Mr. WOLFF. The point has been made here before that you are using Valium in the treatment of alcoholics.

Dr. EWALT. Only for detoxification, sir. It is used for only a few days.

Mr. HARDING. That is a one-time prescription, no refills.

Dr. EWALT. That would not be a prescription that would be given—

Mr. WOLFF. He would be an outside patient, however, or wouldn't he be?

Dr. EWALT. If he is an outpatient—we give practically none to outpatients.

Mr. WOLFF. I do think that there has to be tightening up and very serious tightening up of some of the situations that exist.

The VA system is being used in Puerto Rico for the major portion of the people who are in treatment in Puerto Rico in the mental health area. Are you aware of that?

Dr. EWALT. Yes, sir. I have surveyed the hospital in Puerto Rico very thoroughly. We have major problems in Puerto Rico, problems of inadequate facilities there. We have today probably 600 patients out on contract in private hospitals in Puerto Rico.

And I don't know how to express it kindly, but the services are not what we would like.

Mr. WOLFF. Then, why don't you cut them off?

Dr. EWALT. Sir, what would we do with the patients?

Mr. WOLFF. You provide some other services then.

Dr. EWALT. We don't have other services. The hospital is full. Patients line up with their families to try and get in. If we don't have space in the hospital—and in our 5-year plan, we have requested a large number of additional beds—we have no alternative except refuse care or put them in a contract hospital.

Mr. WOLFF. Has the agency ever been in contact with the Governor of Puerto Rico to work directly with their people or do you work independently?

Dr. EWALT. I could not answer that; that would be at a policy level outside of my service.

Mr. WOLFF. I would like to request for the record—

Dr. EWALT. I can find out for you.

Mr. WOLFF [continuing]. If we have had any consultations with the local authorities there in order to help them solve that problem.

[The information referred to follows:]

The VA has been working actively with the Department of Addiction Services of the Commonwealth of Puerto Rico (Single State Agency for Drug and Alcohol Abuse) since the Department's activation on May 30, 1973.

Both agencies coordinate their program planning directly with each other. Several years ago each agency designated a coordinator for liaison and coordination of professional and administrative matters pertaining to drug abuse treatment. A site visit from VA Central Office to the San Juan VA Medical Center August, 1975, identified an active liaison between the Department of Addiction Services and the VA Medical Center.

VA Medical Center personnel have met with the Directors of many non-VA programs and have communicated their readiness for joint planning and for providing consultation and liaison support for treatment of drug dependent patients, and for the problems of drug abuse in Puerto Rico in general.

Recently, VA Center staff met with Department of Addiction Services to explore the possible establishment of agreements which would be of mutual benefit to the agencies and most particularly the drug dependent clients of Puerto Rico.

VA Medical Center personnel have developed several informal agreements to coordinate services with the CREA Program of Park Gardens in Rio Piedras, Puerto Rico.

The VA Medical Center staff is currently scheduled for an early meeting with the Auxiliary Secretary of the Department of Addiction Services for the purpose of continued coordination and future planning. In that connection, a community Advisory Group is in process of being developed. Representatives of the various veteran organizations have been contacted and requested to participate in this project.

The VA and the Commonwealth Department of Addiction Services have collaborated in provision of specific services for drug dependent clients since 1975 when the San Juan VA Medical Center announced, by a memorandum, that existing non-VA community facilities would be used for follow-up and the treatment and rehabilitation of VA drug dependent patients in their respective communities. Presently, VA and Commonwealth facilities refer across and transfer those veterans who would benefit from the several types of specialized care and treatment opportunities. For example, Commonwealth patients in drug dependence treatment who require psychiatric care are admitted to the VA Medical Center and VA patients ready for discharge may continue their care in community-based Commonwealth facilities.

Currently the VA is coordinating its community role relative to the Drug Abuse Prevention Plan of Puerto Rico, which is a product of the Department of Addiction Services. The Secretary of the Department of Addiction Services has provided assurance of continued exchange of information and coordination of program planning.

Dr. EWALT. We have worked with the people in the Commonwealth at a staff level. You ask about the Governor. At the staff level, we work with the people in the drug program there.

Mr. WOLFF. You are talking about the VA staff level or—

Dr. EWALT. The VA staff level has worked with the Commonwealth of Puerto Rico, staff people.

Mr. WOLFF. Single-State agency there?

Dr. EWALT. I don't know the exact title of it, but, for example, we don't run methadone maintenance in Puerto Rico in our new clinic there. It is called a clean clinic. The Puerto Rican people run it. And there are a certain number of veterans on methadone in the Commonwealth clinic. I don't know the exact number, but we could get that for you because we pay for it.

Mr. WOLFF. I have just been informed by counsel that you don't use methadone in your program, but these clinics or the outpatient groups, are using methadone.

Dr. EWALT. Some of the Commonwealth ones are. And while you were talking to him, I mentioned we have some veterans on methadone in those Commonwealth clinics. I don't know right now the exact number, but we have it in our office. I could get it.

Mr. WOLFF. I believe, Dr. Ewalt, and I feel certain that the VA will cooperate with us in any way that is possible in order to get to the bottom of this very serious problem.

Dr. EWALT. Sure. I regret to tell you the drug problem isn't the only one we have there. There are not adequate facilities there.

Mr. WOLFF. Then, I think that it is our responsibility to provide those.

Dr. EWALT. Well, the VA actually has underway right now—has got a group making a very thorough study—not my unit; it is out of the Medical Director's Office—making a thorough study of the health needs of the Puerto Rican veterans right at this moment. The study is underway. Dr. Watt is running it.

Mr. WOLFF. Congressman Corrado, the Puerto Rican Representative in the House, is very much concerned about this problem. He brought it to the attention of this committee. We are concerned with following up the situation as best we can.

Dr. EWALT. We greatly appreciate your interest there because it can't help but help us give better service there.

Mr. WOLFF. Fine.

One of the points that was brought out by the gentleman from New York, Mr. Gilman, on the question of these various councils, I am interested in what is happening at the lower levels. What type of inter-agency activity is going on at the lower levels?

I refer to you for a moment, Dr. Pollin. We have a problem on an international basis with the question of prevention and treatment. When we attempt to get cooperation of foreign nations, they tell us that we have the problem. But then when they start to get the problem, we don't do too much in order to help them.

I would like to know what the status is of your people working with the State Department in providing help to them. I understand there is a problem that exists now between NIDA and the State Department. Am I correct in that?

Dr. POLLIN. Yes, there is, Mr. Wolff. We have been in contact with the State Department and we have been attempting to identify knowledgeable and experienced individuals who might come under an Intergovernmental Personal Act (IPA) agreement and act as liaison between State and NIDA.

Mr. WOLFF. I understood there was somebody from your staff supposed to be put into their office to work with them. Am I correct in that?

Dr. POLLIN. There had been someone from our staff who was there on a limited detail. He has returned. At this point, Mr. Wolff, we are just beginning a very intensive analysis of the organizational mission, in goals and staffing patterns of NIDA, which was requested by the Secretary which shall be completed and a report prepared by the middle of July.

One of the items high on that agenda is to review the whole nature and thrust of the international program, to see how we can best use our resources which are limited and where we have problems in a sense similar to those that Dr. Ewalt has referred to in another context.

We are very eager to reestablish and to amplify our relationship with the State Department. How we can best do that within our

limited resources is one of the answers that this study, I hope, will provide us with.

Mr. WOLFF. We don't mean to come down hard upon you, Dr. Pollin. We know you are new to the job. Mr. Railsback and I have been just discussing that. But we hope that you get the type cooperation that is necessary within HEW for you to be able to pursue the thrust that you have indicated to me that you are prepared to exert.

I do find, however, that we have an awful lot of rhetoric and I have a lot of reports. This table here is covered with paper. I think that paper is covering a lot of the problems that exist within the agencies.

I think that the situation that we have found in the past is continuing. I don't like to see just that heads of the various agencies get together at a table to meet Congressmen's questions. I think it is more important that there be an interchange of personnel within various agencies of the Government to adopt this holistic approach to drug abuse.

That does not exist today. Whether it is parochial interests or otherwise, there is no coordinated effort that exists today in the overall drug program. I hate to see it fragmented where I am critical of the VA for not having available facilities.

When we had ODAP, we at least had someplace to go. Now, we don't have ODAP. Now, we have the Domestic Council. The Domestic Council is a little bit too broad to really direct its attention to the overall problem.

If we are strong in our comments to you, it is only indicative of the fact that we don't see the type of movement in the agencies that is necessary to produce the desired results.

Mr. Anderson's agency is a key agency. Not only CETA, but the Labor Department generally is a key agency, in answering some of the problems of drug abuse. We know that unemployment creates a culture and a climate for abuse.

And, therefore, merely to say that we have got \$187,000 put into drug programs is not an answer to this committee and not an answer to the American people. We have to improve the lot of people in this country on an overall basis whether it be in employment, whether it be in housing, whatever it happens to be. We must provide opportunities for people.

Otherwise, we are going to continue to have this 37 percent. Are we going to be fully and continually and eternally faced with the 37-percent unemployment of a hard-core group of unemployed who will constantly be on drugs and constantly cause this problem and constantly be put into the criminal justice system?

This is not a situation that can continue. If this committee does anything at all, it is going to knock heads together in order to try to find some way and means of providing an overall answer to this problem. It has got to be an overall answer. We cannot come to you individually and ask you whether or not there are treatment programs.

The question was asked, are there treatment programs that can be used as models? I don't know whether the Federal Government feels that treatment is a responsibility of the States or is the responsibility of the Federal Government or is your responsibility just to provide the formats or the models that the States should use.

We don't really know up here. And when we provide funds, are we providing this for just model programs or are we providing it to render treatment to the people who need it?

Mr. ANDERSON. Mr. Chairman, if I might comment, the \$184,000 that I referred to as representing an effort by the Department of Labor to provide for enhancement of the employment opportunities for drug abusers is only to be considered as a lever on the entire CETA appropriations made by the Congress for fiscal year 1979.

The Congress of the United States appropriated something in excess of \$11 billion for training public service employment and a variety of supportive activities for unemployed, underemployed, individuals in the United States. Certainly, the drug-abuse population is included in that overall disadvantaged population.

The \$184,000 that the Department is utilizing in that effort is designed to provide for better information, better linkages, better techniques, to the entire prime sponsor system in order to afford better employment opportunities within the \$11 billion appropriation for drug abusers.

So that the \$184,000 is certainly not by any means the total contribution being made by either Congress or the Department of Labor in support of employment opportunities or enhanced employment opportunities for drug abusers. That \$184,000 is only a device by which we better educate the CETA system with regards to the needs of the drug-abuse population.

In addition, the Department has allocated and is currently making allocations to some 40 to 45 other prime sponsors, providing them with \$50,000 planning grants for ex-offenders. We have determined that within the ex-offender population, there is, of course, a very large number of drug abusers. By making \$50,000 planning grants available to a small portion of the prime sponsor community, we hope also for that device to leverage the CETA prime sponsor community to the extent that it is in a better position to provide services to the ex-offender population which, of course, includes the drug-abuse population.

So that our strategy which I referred to as a multiplier effect does, in fact, provide for a net.

In addition, the Congress in its wisdom last year in providing amendments to the CETA Act targeted the dollars involved in CETA to the economically disadvantaged, to veterans, to welfare recipients, certainly to those economically disadvantaged individuals which would include by large measure the drug abuser population.

Mr. RAILSBACK. May I interrupt to commend you for your efforts with CETA, and I am aware of the efforts of CETA. I am concerned about what is happening as far as permanent employment opportunities for some of these people.

And I know that it is extremely difficult for the Department of Labor to try to provide assistance for permanent jobs. CETA jobs are really temporary. But I would be most interested to learn from you—and I think, Mr. Anderson, you are the one to provide it—what, if anything, are the public employment agencies doing to help people with drug-abuse problems if they are doing anything. I am not sure they are.

Mr. ANDERSON. Well, there are a number of strategies that the Department is employing to try to impact on employment opportunities for drug abusers.

No. 1, we have a contractual relationship with the Civil Service Commission where the Civil Service Commission in all 10 Federal regions, is made available to CETA prime sponsors to help remove barriers to employment, to help identify civil service criteria that would more greatly afford opportunities for drug abusers, ex-offenders, et cetera.

Mr. RAILSBACK. Rather than enumerate all of those now, could you supply that to us in writing?

Mr. ANDERSON. Certainly.

Mr. RAILSBACK. I would like to recognize Mr. Livingston who is with us. And I asked him if he had any questions. And I think he said he does not.

Mr. LIVINGSTON. Thank you very much. I am glad to be here to participate, but I don't have any questions at this time. I look forward to questioning the witnesses when we get into the enforcement aspects and with the members of DEA, LEAA, and other members of the community in my own area.

Mr. RAILSBACK. I have one question, a request from Mr. Beard, to put to Dr. Ewalt and Dr. Pollin. This is a written series, a rather limited series of written, questions. And I would ask leave to do that.

Without objection.

I would like to thank all of you for coming. As you can tell, there is substantial interest in your particular areas and what you are doing.

And, Dr. Pollin, I feel in retrospect I was a little bit tough personally on you, not knowing you had only been in a month. But I think a lot of us are concerned about the direction of NIDA and its responsiveness.

So if there are no further questions, the committee will stand adjourned.

[Whereupon, at 12:24 p.m., the committee was adjourned.]

RESPONSES TO QUESTIONS SUBMITTED BY CONGRESSMAN ROBIN L. BEARD TO DR. JACK EWALT, DIRECTOR, MENTAL HEALTH AND BEHAVIORAL SCIENCES, VETERANS' ADMINISTRATION

*Question.* Is PCP generally consumed with marihuana or hashish?

*Answer.* Yes, a large proportion of drug dependent clients utilize these drugs in some relation with each other. PCP is sprinkled on marihuana and sold that way. This is considered to be a desirable way of extending one's supply of PCP. Some of the VA program locations, particularly in the West, report that PCP is dissolved in water, and then regular cigarettes are immersed in the solution, dried off, and smoked for the combined effect.

*Question.* You spoke about multiple drug use among veterans seeking assistance. Is cannabis with PCP one of the most frequent combinations?

*Answer.* Most of those who use PCP, with or without cannabis, do not seek assistance initially at the drug dependence treatment programs. Usually, they surface as acute admissions to the psychiatric ward, with a toxic psychosis. After several admissions of this type, for crisis management, and some tendency toward a revolving door relationship with the hospital, a large percentage of this group of drug abusers become interested in treatment and respond to our recommendations that they enter the specialized drug dependence treatment program. Cannabis with PCP is one of the more frequent combinations reported in multiple drug use behavior.

*Question.* Is marihuana and alcohol another frequent combination?

*Answer.* Yes, beginning with the now classical multiple drug use of pop wine and marihuana, reported a decade ago as quite common on college campuses, the



combination of marihuana and alcohol is observed often in the patient population we serve. One should note, however, that these drugs, marihuana and alcohol, are not used exclusively. Other drugs are also used in various individual repertoires. In fact, within the drug use experience of any single individual, there is some mobility from one drug use to another across time, reflective of a number of variables, including the availability of cash, the psychological state or need of the individual, which drugs are in popular use by his or her peers, and which drugs are available from the street traffic.

*Question.* Do such drug combinations frequently have a synergistic effect. That is, do they tend to produce far more dramatic and dangerous effects than the drugs used singly?

*Answer.* Yes, the combination of powerful chemicals may produce more dramatic and dangerous effects, even more dramatic than the client anticipates. Often, however, that is the specific purpose behind the drug user's selection of and use of particular combinations of drugs. As an example, the use of Talwin and Pyribenzamine in what the street traffic calls "t's and blues" is quite common. The drug user takes the Pyribenzamine with the Talwin to enhance or prolong the narcotic action of the Talwin.

*Question.* Has much research been done on the most common combination of drugs—for example, marihuana and PCP, and marihuana and alcohol?

*Answer.* Most clinical and laboratory research has been focused on the specific biochemical modes and types of actions (pharmacokinetics) of individual drugs. We are still clarifying, through research, the relationship of specific chemical (drug) stressors and the tissue pathologies which are part of the clinical disease process. Data bases are being developed to correlate behavioral and pharmacokinetic measures for single drugs at various dosages. Only quite recently have special studies been initiated on the effects of specific combinations of drugs in varying dosages. One study with this focus is jointly sponsored by the National Institute on Drug Abuse and the Department of Transportation. It is being carried out by Dr. Herb Moscovitz at the Southern California Research Institute in Los Angeles, and involves measuring the effects, on human subjects, of marihuana and alcohol combinations in various dosages. The research on the action of marihuana and PCP in combination has, thus far, been limited to animal or pre-clinical studies. However, a research monograph on the subject, published in 1977, did express concern about the apparent interaction of these two substances, each of which seemed to enhance the behavioral effects of the other.

PREPARED STATEMENT OF WILLIAM POLLIN, M.D., DIRECTOR, NATIONAL INSTITUTE ON DRUG ABUSE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

INTRODUCTION

Mr. Chairman and members of the Select Committee, I am pleased to appear before you to discuss drug abuse treatment. Drs. Richmond and Klerman have asked me to convey their regrets at not being able to attend this meeting and have requested that I represent the interests of the Department of Health, Education, and Welfare here today. In my formal testimony, I have discussed in detail a number of issues including responses to the questions contained in the Chairman's letter of invitation. There are, however, a number of more general points I would like to make as we begin.

It has been identified by the White House Office of Drug Policy that in fiscal year 1978 the HEW obligated over \$204 million for drug abuse treatment and rehabilitation. The bulk of that was spent by NIDA (\$185.8 million) and the Office of Human Development (\$13.4 million). Other major outlays, outside of HEW, were \$40 million by the Veterans Administration \$13.8 million by Department of Defense, and \$13.4 million by the Law Enforcement Assistance Administration. The total Federal funds—\$277.96 million. Coordination of Federal drug abuse demand reduction activities beyond the Department of Health, Education, and Welfare is the responsibility of Drug Policy staff of the Domestic Council, headed by Mr. Lee Dogoloff.

Within HEW, there is frequent coordination among program staffs. At the formal level the Secretary has asked Dr. Gerald Klerman to serve as a focal point for coordination within the Department along with his new Special Assist-

ant to the Secretary. This, of course, is the first working month when the new permanent top management team in ADAMHA are all in place, including the three new Institute Directors, and the new agency Deputy Administrator. One of our top priorities to carefully evaluate and increase coordination and collaboration between the Institutes; a 1-day meeting with this item high on the agenda is scheduled for next week. Shortly thereafter, I would anticipate increased activity across both Institute and Agency lines.

The Strategy Council on Drug Abuse's "1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention" characterizes treatment as follows: "Drug abuse treatment provides services to those people whose health and social functioning is seriously impaired by drugs. The programs include basic health services to allow the client to overcome the physical problems of addiction or serious drug abuse, and psychological and social counseling services to promote mental well-being and an ability to cope without drugs."

NIDA supports a nationwide network of treatment services which provides a variety of treatment approaches in different settings to substance abusers. Two-thirds of federally-funded drug abuse treatment is provided in the drug free treatment modality. The majority of treatment approaches do not focus upon a specific drug, but instead seek to understand the whole individual and help the individual with the complex social and/or emotional problems which may have led to the drug abusing behavior and which may be continuing to perpetuate this behavior.

The national drug abuse treatment network in place today has developed over the last ten years in a pattern characterized by explosive growth. In 1969, for example, the Federal Government was spending a little over \$10,000,000 on community based treatment programs; the FY 1980 budget currently before the Congress calls for \$152,545,000 for community drug abuse project grants and contracts for NIDA. Last year more than 250,000 persons were served in over 1,500 NIDA supported treatment programs across the country. The states too have grown in their contribution to drug abuse treatment and last year themselves spent \$164,000,000. Our entire system has sprung up from two inpatient prison hospitals and a handful of clinics to a total national network of 3,200 treatment units, employing 35,000 paid staff workers and costing \$518,000,000 in Federal, state, local and third party contributions.

In the face of this explosive program growth the NIDA system has developed with both significant strengths and perhaps recognizable weaknesses, as do most things in life. NIDA's treatment network compares favorably with other Federally established service delivery systems, in terms of administrative practices, management control, the allocation of funds, and our ability to contain costs in an age when the costs of all other government and private health systems are increasing dramatically. Our funding method also assures a relatively high level of reporting about the actual use of Federal dollars.

NIDA achieves cost containment through its established treatment slot dollar ceilings. These define the maximum dollar amounts (on a matching basis) in which the Institute will participate. Institute funded treatment programs must maintain an acceptable utilization rate, and must provide services in accordance with established Federal criteria. This, in turn, must be done within the agreed to cost parameters. Treatment programs are thus held both fiscally and programmatically accountable by NIDA.

As realists we have identified areas in which we would like to improve. Accordingly we have launched a project to identify and evaluate the advantages and disadvantages of the present funding method. This study will design and field test alternate funding methods.

#### *1. The organization and management of the treatment system*

The Statewide Services Contract is the primary means through which treatment services have been funded by NIDA. The contract is a cost-reimbursement/cost-sharing agreement with State government agencies for drug abuse prevention, often referred to as Single State agencies or SSAs, under which local drug treatment programs are subcontracted. The prime contractor has the responsibility for the administration and coordination of those treatment programs. This mechanism has provided for treatment services to be delivered within a State under the authority of the agency responsible for drug abuse planning and coordination and has allowed the prime contractor with considerable flexibility in the management and administration of drug abuse treatment services through-

out the State. However, the prime contractor is subject to all of the monitoring mechanisms established by the Institute for treatment programs funded under Section 410 of P.L. 92-255, the Drug Abuse Office and Treatment Act of 1972, as amended.

NIDA monitors the State agency to determine if it is adequately assessing the treatment programs. This monitoring includes at a minimum annual NIDA site visits to a sampling programs to independently assess the program's administration and client records. In those instances where drug treatment programs are directly funded by NIDA, and currently 87 programs remain directly funded, our Project Officers are themselves responsible for monitoring the programs.

All treatment services grants and contracts are formally reviewed by NIDA staff on a quarterly basis. At a minimum, the quarterly reviews address the treatment services provided, utilization of treatment slots, problems identified through previous reviews or other means. Six specific issue areas have also been identified by our Institute for contractual examination. They are: availability of family counseling, services to special populations, rural drug abuse treatment, evaluation, client records, and contracting procedures. Programs are also subject to intensive program management reviews (PMRs) to determine strengths and weaknesses—particularly in the areas of management, financial control, and utilization. The information may then be used for identifying technical assistance needs and funding adjustments as necessary. Each State is given a thorough and intensive review every three years. Programs are also subject to interim diagnostic assessments of their management systems. These actions are followed up by NIDA staff.

Many NIDA funded treatment programs provide treatment services to community-based clients who are involved in criminal justice system diversion programs. The criminal justice system establishes the screening and referral network while NIDA funded treatment programs provide treatment services, to the extent available, to individuals diverted through these programs. NIDA specifically directs the programs which it funds to give priority to individuals referred to treatment under the terms of the Narcotic Addict Rehabilitation Act, or through programs operated by the Bureau of Prisons, Treatment Alternatives to Street Crime, and other Federal and State criminal justice related programs. This admission preference applies to a maximum of 10 percent of their total NIDA funded treatment capacity.

Since 1966, with the passage of P.L. 89-793, "The Narcotic Addict Rehabilitation Act of 1966," NIDA has funded community-based drug treatment programs to treat individuals in need who reside in the general community. It has not been our mandate to fund the treatment of incarcerated drug abusers—this has been within the purview of the Bureau of Prisons (BOP) and the Law Enforcement Assistance Administration (LEAA). This separation of primary responsibility was initiated by the Special Action Office for Drug Abuse Prevention (SAODAP) and remains consistent with the current Federal strategy. NIDA funded programs may continue to treat a client who has been incarcerated up to 30 days after his/her incarceration and for 60 days prior to his or her release from prison.

In FY 1978, approximately \$135 million was distributed by NIDA for drug abuse treatment services, \$94,955,000 through the statewide services contracts and the remainder by direct grant or contract. Additionally, States earmarked part of the funds which they received under NIDA's formula grant program for the provision of treatment services. Based on a survey of State expenditures of their formula grant funds, approximately \$20 million, or 50 percent of their fiscal year 1978 formula grant awards were dedicated for treatment services. (A summary of NIDA expenditures for treatment services is attached to this statement as Appendix 1.)

## *2. Characteristics of persons in NIDA-funded drug abuse treatment*

The most dramatic and controversial change in data we have available to us on drug abuse in the United States is the reduction in heroin use that has occurred beginning probably before 1976, and continuing to the present time. By reviewing a variety of sources of data related to heroin abuse, overdose deaths, hepatitis cases, hospital emergency room admissions, and data from the criminal justice system, Institute analysts have estimated the number of heroin addicts in the United States to have fallen from 588,000 in 1974 to our most recent estimate of 456,000 in 1978. These trends are corroborated independently by the

similar decline in the percentage of persons admitted to federally-funded drug abuse treatment with heroin as their primary drug of abuse. These figures have dropped to 44 percent of all treatment admissions in the first quarter of 1979.

Information on clients admitted to treatment in NIDA-funded clinics is displayed in the charts comprising Appendix 2 of this testimony. For comparative purposes the data describes clients admitted to treatment from 1975 through 1978. The majority of clients admitted to treatment each year were male, although the percentage of female clients admitted to treatment has been steadily increasing to a high of 30.2 percent in 1978. Consistently over half of the client admissions in each year for which data is provided were white. During this period the percentage of blacks admitted to treatment declined slightly, while the percentage of Hispanics entering treatment has risen slightly in the same time period. The majority of clients entering treatment for all the years displayed were between the ages of 21 and 30 at the time of their admission. However, between 1975 and 1978, the client group has aged slightly, particularly the percentages admitted in the group aged 26-30 and in the over 30 age group.

The majority of clients admitted to treatment each year were unemployed, although it appears that this percentage has been decreasing. Over 40 percent of the clients had completed a high school education at the time of admission to treatment. The proportion of clients with no prior treatment experience decreased slightly from 1975 to 1978 so that currently over half of the clients admitted to treatment have been in treatment before, most commonly with only one prior treatment experience. Clients citing heroin as their primary drug of abuse at admission represented the largest single drug category each year from 1975 to 1978; although the proportion in this category has dropped rather significantly from a high of 62.8 percent in 1976 to a low of 45.6 percent in 1978. Following heroin, 13 percent of the treatment admissions were for marijuana as the primary drug of abuse and nearly 7 percent each for alcohol and amphetamines. There have been slight increases in other drugs presented as primary at admission over the period 1975 to 1978, most particularly other opiate drugs, sedatives, amphetamines, and hallucinogens. Taken alone none of these drugs approached 6 percent of admissions, however. Over half of the clients each year reported they had a problem with more than one drug and most frequently alcohol, marijuana or cocaine. More complete data on these trends can be found in Appendix 2, including information on the frequency of use and prior treatment experiences.

These statistics indicate that there is no typical drug abuser, and we can recognize that the drug abuse treatment field not only experiences change over time, but that there is also great variation in client populations, drugs of abuse, and patterns of abuse between programs and areas of the nationwide treatment network. Our mechanism of funding allows States and local treatment programs to provide drug abuse treatment to populations most in need so that they may respond to changing patterns of substance abuse. For example, our contractors or grantees identify the need for services, they may reallocate treatment slots among approved treatment contractors, or may fund new treatment contractors, new modalities or environments. To the extent possible, NIDA's treatment standards are written so as not to limit the types of treatment provided. This also allows programs the flexibility necessary to treat differing populations of abusers and differing patterns of abuse.

In order to facilitate the ability of program staff to respond to these rapid shifts in drug abuse patterns, the Institute has established programs to train and continue the education of physician and treatment program personnel and to publicize within the field the findings of the services demonstration program and of the biochemical, psychosocial and pharmacologic research grant program. We have also developed a Detoxification Treatment Manual, outlining the procedures for detoxification from a sedative hypnotic, barbiturate, stimulant, alcohol, and opiate drug. Each quarter, the Division of Community Assistance publishes a clinical newsletter, highlighting drugs of recent interest and discussing appropriate treatment for them.

The relative reduction in the incidence of heroin abuse nationwide has been the subject of a Heroin Reduction Task Force established within the Institute. This group is currently examining the implications for policy and seeking to determine what, if any, programmatic decisions should be made in response to these trends. Among the issues being studied in that context are vocational rehabilitation and job training for persons who have and are completing drug

abuse treatment, the aftercare needs of persons leaving treatment in order to remain drug free, and the strengthening of our efforts in providing prevention services within the drug abuse treatment system.

### 3. *Special issues in service delivery*

#### EMPLOYMENT

The 1979 Federal Strategy strongly supports the notion that effective rehabilitation goes hand in hand with treatment, and NIDA strongly supports the interrelationship of treatment and rehabilitation services; however, we recognize that the treatment programs which we fund may not be able to directly, due to financial, personnel, or other considerations, provide the rehabilitation services. We do require, however, that programs use community resources to the maximum extent possible in order to ensure that clients receive necessary rehabilitation services and the Institute has continually worked, both individually and collaboratively, to assist in increasing opportunities for drug abusers to participate in job training and placement programs, and in other rehabilitation services.

Employment is viewed by many as a major treatment goal and a significant measure of rehabilitation success. Unfortunately, it remains one of the most difficult to achieve. However, the most recent data available reveal that not more than over one-third of the clients admitted to treatment were employed at admission.

Twenty-six percent were employed fulltime and 6 percent were employed part-time at admission. Of the remaining two-thirds who were employed, half had unsuccessfully sought employment within the thirty days prior to their admission to treatment. Only 9 percent of those discharged during that quarter had been unemployed at admission and had secured employment by the time they were discharged. Only 12 percent of clients at discharge were actually engaged in educational or skill development activities, and only 3 percent of clients had completed a skill development program during the time they were in treatment.

These statistics may suggest that many employment and rehabilitation programs are unwilling or unenthusiastic about including former drug abusers in their program; that treatment programs staff are not trained in techniques for assessing clients' vocational skills and needs, or are unaware of the availability of other community resources, or that former drug abusers lack skills or adequate work histories.

NIDA has undertaken many program activities to assist treatment programs in securing skills training and employment for their clients and to test their effectiveness. Four manuals and monographs; a training course, a large pilot supported work program (over 4,000) which has been expanded into a national demonstration program in 16 sites; varied vocational rehabilitation models, and 6 other demonstration models are being tested. Some specific examples of NIDA program activities in this area are included in Appendix 3.

#### SPECIAL POPULATIONS

Approximately 44 percent of NIDA's treatment resources are directed to providing services to ethnic minorities and NIDA has been working actively to address their needs more adequately with our supported programs. In the planning and delivery of treatment services, provisions must be made for the treatment needs of American Indians, women, youth, Hispanic American, Blacks and Asian Americans. NIDA also requires the State drug abuse agencies to provide program emphasis on the needs of special population groups.

In addition, State planning guidelines require the States to give program emphasis to the needs of women and youth under 18 and to describe their administrative capability to address these needs.

In response to the needs of special populations, we have established a Minority Internship Program (MIP) in January 1979 to assist the States in increasing the number of ethnic minority staff in decision-making positions. Under this program, 30 interns were assigned to 21 SSAs to receive on-the-job training in a SSA as part of their post-graduate education.

Ethnic minority input into Federal drug abuse planning, policy, and program development is obtained through NIDA's ongoing interaction with organizations

such as the National Coalition of Ethnic Drug Abuse Associations, and the National Indian Board on Alcoholism and Drug Abuse, as well as through the hiring of expert consultants on ethnic minority issues. The Institute is operating under HEW-wide Indian and Hispanic initiatives. The American Indian initiative calls for a 20 percent increase from 1977 to 1980 in American Indian admissions to drug abuse treatment programs. 1978 CODAP data indicates that the Institute will surpass this goal. We currently show a 32 percent increase in American Indian admissions over 1977.

NIDA's Hispanic initiative establishes a goal of 5 percent of the Institute's workforce being of Hispanic origin. Although NIDA currently has bilingual staff employed, the number of ethnically Hispanic staff is not representative of either Hispanics in this country, nor in the treatment system. We have, therefore, established the 5 percent goal as an EEO priority for the Institute. The completion of this initiative is dependent upon Departmental restrictions on hiring and on ceilings placed on overall employment.

Several existing training courses have been especially adapted for drug abuse treatment programs which serve Puerto Rican clients. These courses are being made available to programs serving Puerto Rican clients across the country. Another NIDA project, which involves the Chicano Alliance of Drug Abuse Programs and the Texas Single State Agency, is developing training modules for Chicano drug abuse treatment workers. These materials will be of use to Chicano treatment programs throughout the country. We estimate that approximately 25 percent of our Division of Resource Development's Manpower and Training Branch funds are allocated to the support of ethnic minority programs. These programs are largely related to treatment activities.

NIDA's position on bilingual programming is to support and encourage drug abuse treatment programs and staff to utilize a bilingual approach whenever appropriate. At least one NIDA funded treatment program does produce materials in Chinese, and informs Asian-Americans of other Asian language resources. Although we know that there are some NIDA funded treatment programs that make use of a bilingual approach, we have no data on national patterns.

#### THE SPECIAL NEEDS OF WOMEN

Early findings of NIDA's work to evaluate the treatment needs of women suggest that there are sub-types of female drug abusers with differing treatment needs and have pointed out that drug programs treating significant numbers of female addicts need to be more sensitive to women and develop or enhance program components for attracting more women into treatment and attending their particular needs.

Some of the results of NIDA-supported studies point out particular areas of life functioning difficulty of addicted women and treatment techniques that can be or have been applied to treat these women. Techniques that seem to be appropriate are:

*Assessment techniques* to allow the women to identify *both* the *positive* aspects of her life as well as her problems: these techniques should build on the strengths of these women who are more often than not depressed with very poor self-images when presenting themselves for treatment.

*Problem-oriented approaches*—immediate attention to reality problems that could interfere with actual treatment for drug problems.

*Relationship building*—women entering treatment are often isolated and likely to rebuff early friendship offers from staff and other clients. Client pairing and active coaching by staff at a deliberate pace could be useful to draw the client into "the treatment experience."

*Assertiveness training*—addicted women need to build their self-esteem so that they are better able to defend themselves realistically in confrontation and general life problem situations.

In addition, we recommend that programs include adequate health care, child care, homemaking skills, and education, and employment skills training.

In order to carry out our concern about providing for the special needs of women in treatment, we have established a Program for Women's Concerns within the Office of the Director and have included within our demonstration programs a component to emphasize the treatment needs of women.

Over the last 2 years, we have emphasized the need for the States to provide services for women in treatment and have reviewed their plans in this area through the annual assessment of State drug abuse plans. Our most positive

accomplishment in the area remains, however, the development over the last year of new program opportunities for women from reallocations of underutilized treatment slots.

#### 4. Evaluation

NIDA has developed a comprehensive approach to drug abuse treatment efficacy. This comprises two fundamentally different types of research designed to answer the two aspects of the efficacy question. On the one hand, NIDA conducts controlled clinical trials to answer the question of whether or not a given treatment modality is more effective than no treatment at all, and on the other hand, NIDA has conducted large scale field evaluations of its treatment system to determine the effectiveness of the treatment that is being delivered. For example, a treatment may be efficacious in an experiment, but it may be impractical in the field.

#### CLINICAL TRIALS

There are important clinical trials which give evidence supporting the efficacy of maintenance therapy for chronic heroin dependency, detoxification from methadone maintenance, and the efficacy of narcotic antagonist (naltrexone) therapy. Additionally, NIDA's ongoing clinical trials involve the diagnosis and treatment of psychopathology among heroin addicts in treatment. Specifically, this involves the treatment of patients in methadone maintenance who are also diagnosed as clinically depressed.

Our current evidence indicates that at least one-third of patients in methadone maintenance are moderately to severely depressed. Preliminary data also indicates that treating this depression with antidepressant medication results in significant improvement, not only in the depression but also in patient compliance and success in maintenance therapy. NIDA is also conducting detailed studies of other types of psychopathology which may be prevalent in the treatment population. Hopefully this will suggest other ways of increasing the specificity of treatment offered to each individual patient. We are supporting innovative research into the efficacy of psychotherapy and counseling in methadone maintenance and have ongoing research on the efficacy of 21-day detoxification treatment. Finally, a potentially major innovation in detoxification treatment, the use of the alpha-adrenergic blocker, Clonidine may prove to be an important new adjunct to therapy, and NIDA is planning to fund a clinical trial of this new treatment method.

It is important to emphasize that, even with the establishment of the efficacy of our current or new treatments, research must be conducted on ways in which treatment can be delivered to our patient population. This is the area of demonstration research. For example, if it is shown that the treatment of depression in a methadone maintenance client significantly improves the efficacy of methadone maintenance for such a patient, NIDA will then have to also explore ways in which treatment for depression can be delivered.

#### FIELD EVALUATIONS

The major evaluative program which was developed by NIDA and intended to assess the impact of the varying drug abuse treatment modalities is that organized by Dr. Saul Sells in association with staff of the Institute of Behavioral Research (IBR) at Texas Christian University (TCU), Fort Worth, Texas. That program, the Drug Abuse Report Program (DARP) has now been in operation for a decade.

A sample of clients being admitted to treatment during the years 1969-1972 was developed. This random stratified sample was interviewed during the years 1975-1977, on the average, 4 years after their admission to the DARP treatment experience. These clients had, by and large, long histories of opioid abuse, criminal activities, and lacked employment, and often even basic socialization skills—reading, writing, and simple arithmetic.

Included as Appendix 4 to this statement are the findings from the 3-year post-DARP outcome evaluation by performance criteria. The sample is 2938. The treatment outcome is divided into four outcome levels of performance: favorable, moderately favorable, moderately unfavorable, and unfavorable. Each outcome level is subdivided to be more responsive to inquiries about the relative

level of performance on each of five outcome variables: opioid use, nonopioid use, employment, criminal activity (arrests and time in jail), and readmission to drug abuse treatment. Fifty-three and four-tenths percent of all clients perform in treatment at the favorable and moderately favorable level (Outcome Level I and II).

In addition, we have developed the Treatment Outcome Prospective Study (TOPS) as a sequel to the Drug Abuse Reporting Program (DARP) to meet the need for a prospective study to follow a person's course through treatment, as opposed to the retrospective study which views the client after treatment has been completed. This study will include longer pretreatment data collection periods, and serial time periods during and subsequent to treatment will provide a more meaningful assessment of what it is that occurs prior to treatment that facilitates or impedes a client seeking treatment, and what happens as a result of treatment.

#### *5. Interagency Collaboration—A Summary*

The Federal Strategy not only sets out the responsibilities of the Federal agencies involved in drug abuse treatment, but it also recommends individual and joint inter- and intra-agency initiatives.

The Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) maintains primary responsibility for drug abuse prevention. While NIDA is the lead ADAMHA agency in these efforts, other agencies within the Department become involved in drug abuse prevention or drug-related activities in the course of fulfilling their missions. These collaborative activities are summarized in Appendix 5.

While NIDA by mandate does not directly fund mental health or alcohol treatment services, we cooperate with the other agencies of ADAMHA in the activities that impact upon treatment including the development of treatment models to determine the nature and extent of mixed substance abuse, and to assess the effectiveness of combined treatment and rehabilitation services; guidelines for Alcohol, Drug Abuse, and Mental Health State Plans; collaboration on development of "core" Joint Commission on Accreditation of Hospitals (JCAH) accreditation standards for programs providing both substance abuse (alcohol and drug abuse) and mental health services; joint client-oriented data systems; a Task Force to identify and implement means of providing improved services to drug abusers in Community Mental Health Centers (CMHCs); NIDA and NIAAA collaboration on efforts to enhance services to women; and in the training of primary health care providers.

Most of our collaborative activity outside the Health, Education, and Welfare (HEW) has been with the Department of Labor (DOL). In response to the President's Drug Abuse Message of August 1977, NIDA has worked with DOL and the Office of Drug Abuse Policy in the planning and preparation of a program of model dissemination, training, and technical assistance for the Comprehensive Employment and Training Act (CETA) Prime Sponsors and the drug abuse treatment communities on techniques for providing skills training and employment to ex-addicts. This initiative is being modeled after the DOL campaign for improving employment opportunities for ex-offenders.

Since 1975, NIDA has participated with DOL in the National Supported Work Research Demonstration Program. A consortium of five Federal agencies (DOL, Law Enforcement Assistance Administration, Department of Housing and Urban Development, Department of Commerce, Department of Health, Education, and Welfare) and the Ford Foundation have sponsored employment demonstration projects in 15 sites across the country to test whether the model of supported work is effective in assisting hard to employ individuals make the transition from long-term unemployment to regular full-time work.

Mr. Chairman and Members of the Committee, these are among the many activities that NIDA plans to continue to place its emphasis on in the coming year. I look forward to meeting the challenges we have before us and to working with the Members of this Committee to assure the provision of effective drug abuse treatment and rehabilitation services. I welcome your support and assistance in this endeavor.



## APPENDIX 1

## NATIONAL INSTITUTE ON DRUG ABUSE OBLIGATIONS FISCAL YEARS 1976-80

[Dollars in thousands; fiscal years]

	1976 actual		1977 actual		1978 actual		1979 estimate		1980 estimate	
	Num-ber	Amount	Num-ber	Amount	Num-ber	Amount	Num-ber	Amount	Num-ber	Amount
<b>BUDGET ACTIVITY</b>										
Research extramural:										
Grants.....	290	\$22,802	296	\$24,680	315	\$27,344	351	\$28,958	438	\$36,833
Contracts.....	83	8,396	65	6,811	44	3,794	53	10,000	53	10,000
Subtotal.....	373	31,198	361	31,491	359	31,138	404	38,958	491	46,833
Intramural.....		2,562		2,503		2,848		3,615		3,471
Total research.....	373	33,760	361	33,994	359	33,986	404	42,573	491	50,304
Training clinical:										
Grants.....	34	3,311	32	3,442	26	2,772	30	2,879	17	1,478
Contracts.....	61	6,105	64	6,052	70	6,509	63	6,500	62	6,500
Subtotal.....	95	9,416	96	9,494	96	9,281	93	9,379	79	7,978
Research:										
Grants.....			4	212	6	364	6	454	6	454
Fellowships.....	40	409	32	293	33	352	17	167	23	248
Subtotal.....	40	409	36	505	39	716	23	621	29	702
Total training.....	135	9,825	132	9,999	135	9,997	116	10,000	108	8,680
Community Programs										
Project grants and contracts										
Treatment related project										
Service:										
Grants.....	132	56,578	82	38,888	80	27,868	69	25,463	8	4,117
Contracts.....	44	63,333	79	96,053	76	104,815	69	116,780	67	143,268
Subtotal.....	176	119,911	161	134,941	156	132,683	138	142,243	75	147,385
Research treatment grants			3	874	8	1,522	8	1,500		
Support contracts.....	9	2,988	17	6,814	13	9,510	9	5,160	9	5,160
Subtotal.....	185	122,899	181	142,629	177	143,715	155	148,903	84	152,545
Demonstrations:										
Grants.....	33	9,854	36	8,211	36	7,481	35	6,337	20	3,750
Contracts.....	21	2,627	38	4,447	26	2,576	7	670		
Subtotal.....	54	12,481	74	12,658	62	10,057	42	7,007	20	3,750
Prevention/education:										
Grants.....	25	2,378	14	1,809	15	2,130	13	1,915	11	1,655
Contracts.....	5	1,280	11	2,897	49	5,079	35	3,175	33	3,050
Subtotal.....	30	3,658	25	4,706	64	7,209	48	5,090	44	4,705
Subtotal project grants and										
contracts.....	269	139,038	280	159,993	303	160,981	245	161,000	148	161,000
Formula grants.....	56	35,000	55	40,000	55	40,000	55	40,000		
Total community programs.....	325	174,038	335	199,993	358	200,981	300	201,000	148	161,000
Program support:										
Personal services and other										
objects.....		9,891		10,938		13,000		14,327		13,152
Contracts.....	52	4,616	52	4,823	39	4,030	22	4,142	35	5,418
Subtotal.....	52	14,507	52	15,761	39	17,030	22	18,469	35	18,570
Total NIDA.....	885	232,130	880	259,747	891	261,994	842	272,042	782	238,554

## NATIONAL INSTITUTE ON DRUG ABUSE ACTUAL OBLIGATIONS

	1969	1970	1971	1972	1973	1974	1975
<b>Research:</b>							
Research grants.....	\$2,614	\$3,650	\$5,505	\$12,206	\$16,355	\$18,267	\$22,007
Research contracts.....	600	956	1,119	5,035	3,776	9,230	9,568
Lexington CRC.....	6,010	6,310	6,650	7,396	7,531	3,967	---
Addiction research center.....	752	769	855	1,775	1,698	2,365	2,272
Intramural research.....	---	---	---	450	205	185	199
Fort Worth CRC.....	4,175	4,590	4,731	---	---	---	---
<b>Total research.....</b>	<b>14,151</b>	<b>16,275</b>	<b>18,860</b>	<b>26,862</b>	<b>29,565</b>	<b>34,014</b>	<b>34,046</b>
<b>Training:</b>							
Training grants.....	204	312	1,364	3,823	6,838	7,324	5,937
Fellowships.....	87	175	200	155	43	213	449
Training contracts.....	---	989	938	5,745	3,905	7,600	7,649
<b>Total training.....</b>	<b>291</b>	<b>1,476</b>	<b>2,502</b>	<b>9,723</b>	<b>10,786</b>	<b>15,137</b>	<b>14,035</b>
<b>Community programs:</b>							
NARA contracts.....	2,233	4,295	6,591	7,347	4,097	1,522	1,103
Project grants and contracts.....	8,000	3,057	20,693	61,637	110,633	181,143	120,892
Grants to States.....	---	---	---	---	15,000	25,000	35,000
<b>Total community programs.....</b>	<b>10,233</b>	<b>7,352</b>	<b>27,284</b>	<b>68,984</b>	<b>129,730</b>	<b>207,665</b>	<b>156,995</b>
Management and information.....	2,278	3,930	5,734	11,106	11,307	16,084	14,737
<b>Total National Institute on Drug Abuse.....</b>	<b>26,953</b>	<b>29,033</b>	<b>54,380</b>	<b>116,675</b>	<b>181,388</b>	<b>272,900</b>	<b>219,813</b>

<sup>1</sup> Includes 1973-74 carry over funds as follows: \$21,874,000 for drug abuse project grants and contracts and \$10,000,000 for drug abuse formula grants.

## APPENDIX 2

TABLE 1.—PERCENT DISTRIBUTION OF ALL CLIENTS ADMITTED TO TREATMENT IN CLINICS RECEIVING ANY NIDA FUNDING BY SEX, RACE/ETHNICITY, AND AGE AT ADMISSION, 1975-78

	Year of admission			
	1975	1976	1977	1978 <sup>1</sup>
<b>Sex:</b>				
Male.....	71.4	70.9	70.3	69.8
Female.....	28.6	29.1	29.7	30.2
<b>Total.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Number of clients.....</b>	<b>177,866</b>	<b>179,726</b>	<b>173,887</b>	<b>180,016</b>
<b>Race/ethnicity:</b>				
White.....	52.4	51.4	52.5	55.4
Black.....	34.5	34.7	32.9	29.0
Hispanic.....	11.6	12.4	13.3	14.1
Other.....	1.5	1.5	1.3	1.5
<b>Total.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Number of clients.....</b>	<b>177,690</b>	<b>179,531</b>	<b>173,364</b>	<b>179,906</b>
<b>Age at admission:</b>				
Under 18.....	14.0	10.5	11.2	12.4
18 to 20.....	14.0	12.1	11.9	12.2
21 to 25.....	32.8	32.8	30.1	27.7
26 to 30.....	20.7	24.4	25.3	24.9
31 to 44.....	15.0	16.6	17.6	18.8
Over 44.....	3.5	3.7	3.8	4.0
<b>Total.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Number of clients.....</b>	<b>177,665</b>	<b>179,640</b>	<b>173,567</b>	<b>179,658</b>

<sup>1</sup> Data for 1978 are provisional.

Note: Transfer admissions from CODAP clinics are excluded from this table.

Source: CODAP.

TABLE 2.—PERCENT DISTRIBUTION OF ALL CLIENTS ADMITTED TO TREATMENT IN CLINICS RECEIVING ANY NIDA FUNDING BY EMPLOYMENT STATUS, LAST FORMAL SCHOOL YEAR COMPLETED, AND NUMBER OF PRIOR TREATMENT EXPERIENCES AT ADMISSION, 1975-78

	Year of admission			
	1975	1976	1977	1978 <sup>1</sup>
<b>Employment status:</b>				
Unemployed.....	77.6	77.1	73.0	69.9
Employed part time.....	5.1	5.0	6.2	6.8
Employed full time.....	17.3	17.9	20.8	23.3
Total.....	100.0	100.0	100.0	100.0
<b>Number of clients.....</b>	<b>178,314</b>	<b>179,538</b>	<b>171,888</b>	<b>178,240</b>
<b>Last formal school year completed:</b>				
0 to 9.....	24.3	22.2	22.5	23.4
10 to 11.....	31.9	31.9	31.3	30.7
12.....	31.3	32.4	31.8	31.1
Greater than 12.....	12.4	13.6	14.4	14.8
Total.....	100.0	100.0	100.0	100.0
<b>Number of clients.....</b>	<b>176,252</b>	<b>178,762</b>	<b>172,313</b>	<b>178,452</b>
<b>Number of prior treatment experiences:</b>				
None.....	52.1	47.4	46.9	47.9
1.....	24.7	25.3	23.4	21.9
2.....	11.3	12.7	12.3	11.7
3.....	5.6	6.7	7.1	6.9
4.....	2.7	3.4	3.9	4.0
5 or more.....	3.7	4.6	6.5	7.6
Total.....	100.0	100.0	100.0	100.0
<b>Number of clients.....</b>	<b>169,660</b>	<b>175,510</b>	<b>170,890</b>	<b>176,799</b>

<sup>1</sup> Data for 1978 are provisional.

Note: Transfer admissions from CODAP clinics are excluded from this table.

Source: CODAP.

TABLE 3.—PERCENT DISTRIBUTION OF CLIENTS ADMITTED TO TREATMENT IN CLINICS RECEIVING ANY NIDA FUNDING BY PRIMARY DRUG AT ADMISSION, 1975-78

Primary drug problem at admission	Year of admission			
	1975	1976	1977	1978 <sup>1</sup>
Heroin.....	56.5	62.8	55.1	45.6
Non-Rx methadone.....	.7	.6	1.3	1.8
Other opiates.....	2.2	2.2	3.7	5.2
Alcohol.....	7.5	6.2	6.3	6.8
Barbiturates.....	5.2	5.2	5.4	4.9
Other sedatives <sup>2</sup> .....	2.4	3.2	4.5	5.2
Amphetamines.....	4.6	5.1	5.6	6.6
Cocaine.....	1.0	1.3	1.9	2.8
Marijuana.....	15.3	8.8	10.0	13.0
Hallucinogens.....	2.9	2.8	4.1	5.6
Inhalants.....	1.2	1.3	1.5	1.7
Over-the-counter.....	.2	.2	.2	.3
Other.....	.5	.5	.5	.6
Total.....	100.0	100.0	100.0	100.0
<b>Number of clients.....</b>	<b>171,713</b>	<b>176,486</b>	<b>165,659</b>	<b>172,759</b>

<sup>1</sup> Data for 1978 are provisional.

<sup>2</sup> Includes other sedatives or hypnotics and tranquilizers.

Note: Transfer admissions from CODAP clinics are excluded from this table.

Source: CODAP.

TABLE 4.—PERCENT DISTRIBUTION OF CLIENTS ADMITTED TO TREATMENT IN CLINICS RECEIVING ANY NIDA FUNDING BY SECONDARY DRUG PROBLEM AT ADMISSION, 1975-78.

Secondary drug problem at admission	Year of admission			
	1975	1976	1977	1978 <sup>1</sup>
None.....	47.9	49.0	43.6	40.2
Heroin.....	2.4	2.1	2.6	3.0
Non-Rx methadone.....	1.9	2.0	2.7	2.3
Other opiates.....	3.1	2.9	3.1	3.7
Alcohol.....	7.9	7.6	9.9	11.9
Barbiturates.....	6.8	6.4	5.7	4.9
Other sedatives <sup>2</sup> .....	2.3	2.8	3.9	4.5
Amphetamines.....	4.8	4.7	4.5	4.7
Cocaine.....	6.1	6.5	8.1	8.4
Marijuana.....	12.7	12.6	12.5	12.4
Hallucinogens.....	3.2	2.5	2.4	2.9
Inhalants.....	.3	.3	.3	.3
Over-the-counter.....	.3	.2	.2	.2
Other.....	.2	.3	.4	.5
Total.....	100.0	100.0	100.0	100.0
Number of clients.....	178, 157	179, 711	169, 026	174, 748

<sup>1</sup> Data for 1978 are provisional.

<sup>2</sup> Includes other sedatives or hypnotics and tranquilizers.

Note: Transfer admissions from CODAP clinic are excluded from this table.

Source: CODAP.

### APPENDIX 3

#### NIDA ACTIVITIES IN THE AREA OF EMPLOYMENT AND VOCATIONAL REHABILITATION

To help maximize treatment program staff skills, a manual has been prepared for paraprofessional counselors on vocational counseling techniques. (*A Vocational Component for the Drug Abuse and Correctional Agency*)

A manual for counselors on how to identify and assess existing community training and employment resources has also been prepared and distributed. (*Developing and Using a Vocational Training and Education Resource Manual*)

A monograph on the findings from a study of centralized job placement demonstration projects in Boston, Chicago, Detroit and Philadelphia has been prepared and circulated (*Securing Employment for Ex-Drug Abusers: An Overview of Jobs*)

A training course on vocational rehabilitation for paraprofessional counselors is being offered by the NIDA regional training centers.

A model has been developed in New York City by the Vera Institute of Justice for providing supported work to ex-addicts as a transition from drug abuse treatment to regular employment. Supported work is characterized by the placement of marginally employable individuals in low stress jobs and gradually increasing both performance demands and performance related rewards as the individuals are prepared for the regular job market. Over almost four years, the Vera Wildcat Program employed 4,000 ex-addict and ex-offender men and women. The findings from the study and the significant elements of the model are reported in a monograph entitled: *The Wildcat Experiment: An Early Test of Supported Work in Drug Abuse Rehabilitation*.

In addition, as a result of the pilot study, a national research demonstration project is underway in 16 sites across the country supported by several Federal agencies, private foundations and State and local sponsors to test the effectiveness of the model for other disadvantaged groups, including drug abusers.

To remove artificial employment barriers, the Legal Action Center in New York City, with NIDA support, has prepared a guide for treatment programs and their clients on ways to challenge unjustified employment and license rejections (*Employment Discrimination and How to Deal With It—A Manual for People Concerned With Helping Former Drug Abusers*.)

A model is being tested for providing vocational rehabilitation services to youthful drug abusers over a 16-week period using systematic behavior modification techniques. The short term program will make use of assertiveness and need achievement training, behavioral contracting, role modeling, a token work economy, and an eight week off-site work experience for all clients.

Another study tested the effectiveness of providing skills training and job placement to ex-addicts through differing approaches commonly in use in rehabilitation: traditional vocational rehabilitation services, manpower training and regular treatment program efforts. Clients were provided jobs to accompany the training by three employment providers. A report was prepared and circulated (*Skills Training and Employment for Ex-Addicts in Washington, D.C.: A Report on TREAT*)

A 2-year controlled study in testing the impact in 3 sites in Illinois, Michigan and New Jersey, of the adding of professional employment specialists to the staff of treatment programs, as measured by changes in clinic functioning and clients' employment.

A program with the AFL-CIO Central Labor Committee in New York City is underway to test the effectiveness of a centralized labor sponsored job development/job placement unit.

A program to test a model for assisting ex-drug abusers to establish their own small business is underway in Philadelphia.

A model for providing counseling to ex-drug abusers on how to interview for jobs, with video-tape play back, is being developed in San Francisco.

A model for providing support to employed ex-drug abusers is being developed in Philadelphia.

#### COLLABORATING ACTIVITIES BETWEEN NIDA AND OTHER HEW AGENCIES

*The Interagency Committee on New Therapies for Pain and Discomfort* of the National Institutes of Health has as its main responsibility, assessment of the therapeutic value of Schedule I type drugs such as marijuana and heroin. The National Eye Institute of the NIH is funding studies on the potential usefulness of THC (tetrahydrocannabinol), the active ingredient in marijuana, and marijuana itself in the treatment of nausea and glaucoma.

Drug Abuse counseling is an integral part of total health services offered to Federal employees through 49 units serving approximately 255,000 Federal employees. A collaborative effort with the three Institutes of ADAMHA has been undertaken to train primary health care providers.

In fiscal year 1978 the Health Resources Administration (HRA) worked with NIDA to produce *Drug Abuse—A Technical Assistance Manual for Health Systems Agencies*. This manual develops models for local health planning agencies to use in assessing need and evaluating drug abuse programs. A second HRA effort with NIDA and NIAAA is the development of a curriculum model and curriculum manual on drug and alcohol abuse for Family Practice Residents.

*The Center for Disease Control* is (1) evaluating the human health effects of exposure to paraquat contaminated marijuana, (2) is conducting a survey of the prevalence of hepatitis A (HAV) and hepatitis B (HBV) infection in drug abusers, and (3) is evaluating programs of laboratories which offer a drug detection service to Federally funded drug treatment centers and methadone programs.

*The Food and Drug Administration* (FDA) is responsible for all drug regulation in the United States and works in conjunction with NIDA on the establishment and maintenance of professional standards which regulate the conduct of narcotic treatment programs. FDA also insists the Drug Enforcement Administration (DEA) concerning the legitimate medical and scientific needs of Schedule II Controlled Substance and to develop recommendations for the Secretary of HEW. Interagency cooperation from NIDA is often sought in gathering data necessary for scheduling decisions.

On an international basis, the FDA and NIDA cooperate in formulating HEW positions with respect to the international control of drugs by the World Health Organization (WHO) and the United Nations.

In 1978 the *Office of Human Development Services* (OHDS) created an interagency workgroup in substance abuse to investigate and initiate collaborative activities and to expand and improve services to drug abusers. The activities of each of the agencies of OHDS in drug abuse include:

Title XX of the Social Security Act funds to States to provide social services to eligible clients will include drug abuse prevention and treatment.

In FY 1977, the State rehabilitation agencies served an estimated 12,700 persons whose primary disability was drug abuse. Of these, 3,740 completed the program, representing 1.3 percent of all rehabilitations in that year. Rehabilitation Services Administration (RSA) staff participation in this new program has resulted in a review of NIDA studies for relevance to their program.

New youth initiatives are being planned across Departmental lines including collaborate activity relating to drug abuse and child abuse.

The Administration on Aging assisted in the preparation of our "Elder Ed" prevention package.

Two largely overlooked sources of funding for drug abuse treatment within HEW are the *Social Security Administration* (SSA) which administers a program for drug addicts (and alcoholics) who qualify for disability payments under the supplemental security income provisions (SSI) of Title XVI of the Social Security Act. This program provides treatment for "medically determined" drug addicts and alcoholics with the objective of restoring their capacity for substantial gainful work. Approximately \$14.6 million in SSI benefits was paid out of general Federal revenues to these individuals during FY 1978. (This does not include State supplementation payments which may vary in amount from State to State. Secondly, *United States Office of Education* (USOE) has conducted an Alcohol and Drug Abuse Education Program since 1971 to help schools and communities assess and respond to alcohol and drug abuse by becoming aware of the complex nature of the problems, and to prepare them for developing strategies for action.

TABLE A.—DISTRIBUTION OF PRIMARY OPIATE CLIENTS BY YEARS BETWEEN FIRST USE OF OPIATES AND ADMISSION: 1976, 1977, AND JANUARY TO SEPTEMBER 1978

Years between first use and admission	Percent			Cumulative percent		
	1976	1977	January to September 1978 <sup>1</sup>	1976	1977	January to September 1978 <sup>1</sup>
Under 1.....	3.6	3.2	2.5	3.6	3.2	2.5
1.....	10.1	8.9	8.1	13.7	12.1	10.6
2.....	10.9	11.1	9.9	24.6	23.2	20.5
3.....	10.6	10.0	10.5	35.2	33.2	31.0
4.....	9.1	8.8	8.7	44.3	42.0	39.7
5.....	8.8	8.5	7.7	53.1	50.5	47.4
6.....	9.9	7.3	7.5	63.0	57.8	54.9
7.....	9.3	8.7	6.4	72.3	66.5	61.3
8.....	7.4	8.6	7.6	79.7	75.1	68.9
Over 8.....	20.4	24.8	31.0	100.0	100.0	100.0
Total N.....	49,289	36,004	22,616	49,289	36,004	22,616

<sup>1</sup> Data for 1978 are provisional.

Note: This table includes only clients who were admitted to treatment for the first time during the specified year. Transfer admissions from CODAP were excluded from this table.

Source: CODAP.

TABLE 2-7.—PERCENT DISTRIBUTION OF ALL CLIENTS BY NUMBER OF PRIOR TREATMENT EXPERIENCES AT ADMISSION, JANUARY 1975 TO SEPTEMBER 1978

Number of prior treatment experiences	Quarters														
	1975				1976				1977				1978 <sup>1</sup>		
	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September
None.....	52.2	51.4	50.1	48.6	48.2	47.2	44.9	46.0	47.4	45.5	44.6	46.2	47.1	46.9	45.6
1.....	24.5	24.7	25.3	25.4	25.3	25.0	25.6	25.1	24.4	23.3	23.4	22.7	22.3	22.0	22.5
2.....	11.2	11.3	11.6	12.2	12.6	12.5	13.4	13.0	12.4	12.6	12.8	11.9	11.6	11.7	12.2
3.....	5.5	5.8	6.0	6.4	6.3	7.1	7.1	7.0	6.9	7.3	7.5	7.3	7.1	7.0	7.2
4.....	2.7	2.8	2.9	3.1	3.3	3.4	3.8	3.6	3.6	4.2	4.3	4.2	4.0	4.2	4.2
5 or more.....	3.8	4.0	4.1	4.4	4.4	4.8	5.2	5.2	5.4	7.1	7.4	7.7	7.8	8.2	8.3
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of clients.....	46,782	46,970	50,273	53,911	56,913	54,248	53,958	50,656	46,700	50,088	50,595	53,224	54,470	52,442	44,950

<sup>1</sup> Data for 1978 are provisional.

Note: Clients for whom no primary drug was reported and transfer admissions from CODAP clinics were excluded from this table.

Source: National Institute on Drug Abuse, admission data from the Client Oriented Data Acquisition Process.

TABLE 2-8.—PERCENT DISTRIBUTION OF ALL CLIENTS BY FREQUENCY OF USE OF PRIMARY DRUG AT ADMISSION, JANUARY 1975 TO SEPTEMBER 1978

Frequency of use	Quarters														
	1975				1976				1977				1978 <sup>1</sup>		
	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September
Daily.....	54.7	56.2	57.7	58.4	57.8	59.4	60.3	56.3	53.6	59.9	59.7	57.3	55.1	56.0	55.7
Several times per week.....	14.4	13.3	12.5	12.2	11.8	11.2	10.2	11.5	16.3	14.6	14.5	16.2	16.1	15.7	15.6
Once per week.....	5.8	5.4	4.9	5.4	5.3	4.4	4.3	4.7	6.7	5.5	5.4	6.2	6.6	6.2	5.9
Less than once per week.....	25.0	25.1	24.8	24.0	25.1	25.0	25.1	27.5	23.4	20.2	20.4	20.3	22.1	22.1	22.8
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of clients.....	48,776	48,716	51,332	55,051	58,031	55,159	54,833	51,450	43,503	50,665	51,068	53,848	55,144	53,123	45,503

<sup>1</sup> Data for 1978 are provisional.

Note: Clients for whom no primary drug was reported and transfer admissions from CODAP clinics were excluded from this table.

Source: National Institute on Drug Abuse, admission data from the Client Oriented Data Acquisition Process.

TABLE 3-7.—PERCENT DISTRIBUTION OF PRIMARY OPIATE CLIENTS BY NUMBER OF PRIOR TREATMENT EXPERIENCES AT ADMISSION, JANUARY 1975 TO SEPTEMBER 1978

Number of prior treatment experiences	Quarters														
	1975				1976				1977				1978 <sup>1</sup>		
	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September
None.....	37.1	36.7	37.1	35.8	35.5	35.7	34.9	34.2	32.9	30.5	29.6	28.2	28.8	28.5	27.8
1.....	30.2	29.9	29.9	29.7	29.5	28.7	28.5	28.6	28.9	26.8	26.5	26.4	26.2	25.7	25.5
2.....	15.4	15.6	15.3	16.0	16.4	15.8	16.5	16.2	16.5	16.6	17.1	16.8	16.3	16.2	16.6
3.....	8.0	8.2	8.1	8.6	8.5	9.2	8.9	9.3	9.4	10.2	10.5	11.0	10.8	10.5	10.9
4.....	4.0	4.0	4.1	4.2	4.4	4.4	4.8	4.8	4.9	5.9	6.1	6.4	6.3	6.6	6.5
5 or more.....	5.4	5.6	5.4	5.7	5.7	6.2	6.4	6.8	7.3	10.0	10.2	11.3	11.7	12.4	12.7
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of clients.....	26,760	27,690	30,698	33,528	36,185	35,808	36,445	32,835	28,503	30,966	30,443	29,731	28,945	27,802	23,262

<sup>1</sup> Data for 1978 are provisional.

Source: National Institute on Drug Abuse, admission data from the Client Oriented Data Acquisition Process.

Note: Transfer admissions from CODAP clinics were excluded from this table.

TABLE 3-8.—PERCENT DISTRIBUTION OF PRIMARY OPIATE CLIENTS BY FREQUENCY OF USE OF PRIMARY DRUG AT ADMISSION, JANUARY 1975 TO SEPTEMBER 1978

Frequency of use	Quarters														
	1975				1976				1977				1978 <sup>1</sup>		
	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December	January to March	April to June	July to September
Daily.....	71.2	72.8	73.7	74.3	73.2	73.6	73.6	69.9	67.0	72.0	71.7	71.5	68.9	69.2	68.9
Several times per week.....	5.0	4.6	4.6	4.4	4.3	4.3	4.2	4.7	7.8	7.2	6.7	7.1	7.4	7.1	7.7
Once per week.....	1.5	1.4	1.3	1.4	1.5	1.3	1.6	1.6	2.6	2.3	2.2	2.4	2.5	2.3	2.3
Less than once per week.....	22.3	21.2	20.4	19.9	21.0	20.7	20.6	23.8	22.5	18.5	19.4	19.0	21.1	21.4	21.4
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of clients.....	27,826	28,578	31,324	34,178	36,755	36,302	36,961	33,216	26,401	31,221	30,630	29,946	29,185	28,046	23,479

<sup>1</sup> Data for 1978 are provisional.

Source: National Institute on Drug Abuse, admission data from the Client Oriented Data Acquisition Process.

Note: Transfer admissions from CODAP clinics were excluded from this table.



TABLE B.—PERCENT OF CLIENTS WITH A PRIMARY HEROIN PROBLEM FOR ALL ADMISSIONS, ADMISSIONS WITH NO PRIOR TREATMENT EXPERIENCES, AND ADMISSIONS WITH 1 OR MORE PRIOR TREATMENT EXPERIENCES, 1976 AND 1978

	1976				1978 <sup>1</sup>			
	January to March	April to June	July to September	October to December	January to March	April to June	July to September	October to December
All admissions, percent heroin <sup>2</sup> .....	60.4	63.2	64.8	61.6	46.9	46.1	44.3	42.8
Total N.....	58,282	55,367	55,029	51,635	55,352	53,328	45,636	49,735
Admissions with no prior treatment experiences, percent heroin.....	44.5	47.6	50.2	45.3	27.9	27.6	26.3	23.2
Total N.....	27,434	25,610	24,211	23,357	25,219	24,472	23,322	23,070
Admissions with one or more prior treatment experiences, percent heroin.....	75.8	77.6	77.0	75.8	64.2	63.2	60.9	60.6
Total N.....	29,501	28,641	29,750	27,389	28,512	27,886	27,823	25,940

<sup>1</sup> Data for 1978 are provisional.

<sup>2</sup> Figures from Trend Report.

Note: Transfer admissions from CODAP clinics were excluded from this table. The "Total N" for all admissions included clients with an unknown number of prior treatment experiences; therefore, the "Total N's" for the subpopulations of admissions with no prior treatment experiences and admissions with 1 or more prior treatment experiences, respectively, do not add to the total for all admissions.

Source: CODAP.

TABLE C.—PERCENT OF CLIENTS WITH A PRIMARY HEROIN PROBLEM FOR ALL ADMISSIONS, ADMISSIONS WITH NO PRIOR TREATMENT EXPERIENCES, AND ADMISSIONS WITH 1 OR MORE TREATMENT EXPERIENCES: 1976, 1977, AND 1978

	1976	1977	<sup>1</sup> 1978	Difference 1976-78	Percent change
All admissions, percent heroin.....	62.5	54.7	45.3	17.2	-27.5
Total N.....	220,336	203,250	209,606		
Admissions with no prior treatment experiences, percent heroin.....	46.8	35.4	26.3	20.5	-43.8
Total N.....	100,612	91,608	95,074		
Admissions with one or more treatment experiences, percent heroin.....	76.6	71.5	62.3	14.3	-18.7
Total N.....	115,281	104,092	110,161		

<sup>1</sup> Data for 1978 are provisional.

Note: Transfer admissions from CODAP clinics were excluded from this table. The "Total N" for all admissions includes clients with an unknown number of prior treatment experiences; therefore, the "Total N's" for the subpopulations of admissions with no prior treatment experiences and admissions with 1 or more prior treatment experiences, respectively, do not add to the total for all admissions.

Source: CODAP.

TABLE D.—TOTAL TREATMENT CAPACITY, CLIENTS IN TREATMENT, AND UTILIZATION RATES: MAR. 31, 1976; APR. 30, 1977; AND APR. 30, 1978

	Mar. 31, 1976	Apr. 30, 1977	Apr. 30, 1978
Budgeted slots.....	261,810	258,542	240,019
Clients in treatment.....	241,169	234,610	213,433
Utilization rate (percent).....	92	91	89
Number of clinics.....	3,107	3,147	3,248

Source: National Drug Abuse Treatment Utilization Survey.

PREPARED STATEMENT OF JACK R. EWALT, M.D., DIRECTOR, MENTAL HEALTH AND  
BEHAVIORAL SCIENCES SERVICE, VETERANS ADMINISTRATION

Mr. Chairman and Members of the Select Committee on Narcotics Abuse and Control:

I would like, at the outset, to express my appreciation for the opportunity of reporting to the Select Committee on the activities of the Veterans Administration which pertain to treatment, rehabilitation and related responsibilities concerning veterans suffering from problems of drug abuse.

During FY 1978 the Veterans Administration drug dependence treatment programs treated 16,774 veterans in the specialized inpatient units, and a large proportion of these veterans continued outpatient treatment thereafter. In addition, 11,051 veterans were admitted directly to VA drug dependence outpatient clinics for treatment. Altogether, 27,825 veterans were provided specialized treatment for drug dependence during FY 1978. By comparison with FY 1977, there has been a 11% decrease in the number of hospital admissions during FY 1978 for drug dependence. During FY 1977, we provided 525,000 days of hospital care. During FY 1978, we provided 489,000 days of hospital care, a 6.8% decrease. Outpatient visits for drug dependence treatment have also decreased, with 1,120,000 visits during FY 1977, and 985,000 visits during FY 1978, a 12% decrease.

Budget allocations supporting drug dependence treatment programs included \$39,447,000 for direct care services provided by VA programs, and \$589,000 for treatment provided by non-VA sources, for a total of \$40,036,000 during FY 1978.

We have been asked to comment on the budgetary impact of new outside contracting authorizations on drug dependence programs. It has been estimated that approximately 8 percent of veterans being treated in inpatient drug dependence programs need continued residential care such as that provided by therapeutic halfway houses, at the time of discharge from inpatient status. Authority to contract with non-VA halfway houses, therapeutic communities and/or psychiatric residential centers, such as proposed in legislation and passed by both the House and Senate in recent days, would tend to shorten the length of hospital stay, by providing the added option of non-hospital facilities so that earliest possible discharge might occur. This would tend to minimize early relapse in this high risk group of recovering veterans, through provision of residential support during the transition between hospital care and a stabilized adjustment in the community. As directed by the legislation, we would provide the Congress with an evaluation of the pilot program, demonstrating any medical advantages and cost effectiveness which might result.

During FY 1977 Vietnam veterans accounted for 39% of the admissions to the inpatient components of the VA's drug dependence programs. During FY 1978, Vietnam veterans again accounted for 39% of admissions to the inpatient units. However, during FY 1977, Vietnam veterans accounted for 55% of new admissions to the outpatient programs for drug dependence. During FY 1978, Vietnam veterans accounted for 38% of new outpatient admissions, more comparable to the proportion of inpatient admissions, and approaching their 28% proportion of the total veterans population.

In October 1978, the Veterans Administration activated a specialized drug dependence treatment program in San Juan, Puerto Rico. This new program responded to numerous indicators of the prevalence and high incidence rate of drug abuse there. We now provide specialized drug dependence treatment for veterans in 52 locations.

As noted in the Federal Strategy 1979, we are actively concerned for the development of improved job skilling and job placement opportunities for veterans who have shown they are sufficiently rehabilitated from their drug dependence condition. We believe significant benefits would be realized in this area of need, through a consultative relationship between the Administrator, the Secretary of Labor, and the Director of the Office of Personnel Management, whereby the Administrator would be assisted in urging all Federal agencies and appropriate private and public firms and organizations, to provide appropriate employment and training opportunities for veterans who have been provided treatment and rehabilitative services for drug and alcohol dependence. At the direct services level, a number of VA treatment programs have developed strong liaison with the local comprehensive Employment and Training Act (CETA) programs. The Help Through Industry Retraining and Employment

program has provided opportunities for Vietnam era veterans to receive on-the-job training. Numerous other CETA programs provide important resources during drug abuse rehabilitation. We are pursuing the potential for development of VA-operated demonstration-training programs which would be supported from the Secretary of Labor's discretionary fund.

We believe there are a significant number of Vietnam Era veterans who continue to have difficult readjustment problems. These are related to a wide array of factors including the lack of public awareness of the sacrifices of those in service, and frequent experiences of being scapegoated for having served in a "wrong cause" or losing the war rather than having honorably served our country. Many Vietnam veterans have felt stigmatized as unreliable and unpredictable. Some show psychological residuals of traumatic combat experience, and have been only modestly effective in reentry into communities undergoing rapid economic, social, and technological change. As a result large numbers of Vietnam veterans have experienced alienation, bewilderment, resentment, guilt, pessimism, restlessness, tension and other symptoms of readjustment difficulties more extreme and varied than those faced by veterans returning from previous wartime periods. These feelings of estrangement accounted for a portion of the increased drug abuse behaviors reported in Vietnam, as well as post-Vietnam.

The VA has taken many steps to assure that Vietnam veterans who come to the VA will be treated in sensitive and responsive ways. Many training programs have been set up to provide orientation and increase sensitivity and appreciation of these veterans.

However, since many Vietnam veterans who need services have not come to VA because of the alienation, lack of trust, and other such feelings, the Administrator has sought to obtain legislative support for a special readjustment counseling program for Vietnam Era veterans. Provisions in S. 7 now on the President's desk will permit an outreach effort by the VA health care system to both provide readjustment counseling, and to facilitate use of existing VA benefits for these veterans.

The VA has measured a continuing decrease in the number of opiate-addicted veterans entering treatment, both in numbers of patients admitted and in their percentage of the total number of patients admitted during the last two fiscal years. Both FY 1977, and FY 1978, showed 24 percent decrease in patients admitted with opium, opium derivative, and synthetic analgesics, by comparisons with the previous year.

We have recently experienced the emergence of a large group of patients whose drug misuse is multiple substance abuse, between the traditional poles of alcohol and opiate addiction. Treatment modalities have been modified, to emphasize drug-free treatment techniques. We are developing a client-oriented, automated, clinical assessment instrument which will be utilized by VA programs. Follow-up studies will provide analyses of pre-post comparisons of substance misuse, employment, medical and emotional health, legal problems, and other related indicators of movement toward reaffiliation with community standards of behaviors.

During FY 1978 there was a 5.5 percent decrease in the proportion of drug dependent patients involved with a methadone maintenance modality, with 53 percent of opiate dependent veterans receiving methadone substitution for the opiate used earlier.

There is no currently operating clinical reporting system which would provide breakdown data on the percent of veterans being treated by each of the particular treatment options. The clinical assessment instrument in process of distribution and field trial, described above, will provide such on line data in the future. Each veteran admitted to a drug dependence inpatient program receives a comprehensive medical, psychosocial and vocational evaluation. As the examination identifies the individual strengths and weaknesses, an individualized treatment plan is developed, in active collaboration with the patient. The majority of patients subsequently receive group therapy and physical conditioning or activity therapy. A large proportion of patients participate in family therapy, authorized vocational services, occupational therapy, and a number of individual therapy sessions. All patients receive a legal assessment, and many are referred for legal counseling. Several of the VA programs specialize in therapeutic community techniques. The multiple therapies address the multiplicity of problems identified in patients through the comprehensive assessment. There are many different causes for drug dependence; therefore, treatment of these several generic problems often requires more than one type of treatment modality.

In response to the Committee's interest in the VA's practices regarding dispensing prescription drugs, the following comments pertain.

Prescriptions may be mailed to any geographical area of the United States unless limited by individual station policy. Veterans must have proper authorization from the prescriber and must request medications each time before mailing. All Schedule II and all narcotics Schedule III Controlled Substances will be sent by registered mail, return receipt requested. All other medications are sent by nonregistered mail. Upon notification that medications were not received, the pharmacy will immediately notify local postal authorities and the concerned physician or alternate. Duplicate medications will be mailed if authorized by the physician. The veteran's prescription profile folder or a 5 x 8 card placed in the folder will note the date and name of the missing medication. Thereafter, all medications, including controlled, legend and nonlegend drugs, will be sent by registered mail, return receipt requested for a minimum period of three months. There are no drugs for which mail prescriptions are not allowed.

There is a six months limit on the length of time over which prescriptions by mail are permitted before a client must again report in person. Exceptions may be made by individual medical centers for long term maintenance medications not to exceed twelve months. Prescriptions for controlled substances are processed in accordance with current DEA regulations.

Veterans Administration pharmacies filled 32,166,386 outpatient prescriptions during FY 1978 of which 13,424,860 were mailed to the veteran. Exact records are maintained by each facility showing all medications and supplies picked up and/or mailed to each veteran. Records are not maintained to reflect totals of individual drugs mailed. Therefore, in the absence of a special system-side study, we are unable to provide current data on mailed prescriptions by drug name.

In response to the Committee's question on the utilization of Valium in alcoholism, we would note that Valium has a well established value for decreasing both patient discomfort and the risk of seizures during the withdrawal period. That is, Valium may be useful in medical detoxification of the alcoholic patient admitted in crisis. However, Valium has palpable risks for developing cross tolerance problems with the alcoholic patient and Valium dependence has been identified in a number of clinical studies. Therefore, Valium's use in detoxification is viewed conservatively. Its use after detoxification of the alcoholic veteran is actively discouraged. In general, as well, the entire group of sedative-hypnotic drugs, including Vallum, which have their own abuse potential, are targeted for special VA focus, including physician training. A professional services letter, circulated over one year ago to every VA physician, provided detailed data on the sedative hypnotics and identified the need for increased concern about prescribing practices. Each medical center's Chief of Staff has been advised to provide specific training to hospital physicians on the subject of the sedative hypnotic drugs.

Current plans for improving the VA treatment procedures include training for program managers to address the benefits of short hospital stays and increased outreach initiatives toward the courts and in such specific program areas as Treatment Alternatives to Street Crimes (TASC). Also targeted are increased focus on vocational counseling and rehabilitation and on the earliest possible utilization of levo-alpha-acetyl-methadone (LAAM), the longer acting substitute for methadone (which would largely eliminate take-home medication) and on the utilization of Naltrexone, the specific narcotic antagonist. Naltrexone would be highly useful in new admissions from controlled environments such as the prison, when there is a high risk of relapse into opiate abuse. One additional special focus relates to the development of improved consultation and liaison services for medical, surgical and other clinical services, in support of the treatment of those drug abuse problems which are identified on the other wards of the medical center.

With reference to the VA's evaluation of the efficacy of civilian clinics prior to contracting for those services, I would note that such a non-VA clinic would have to, first, meet all local community standards. A team of professional and technical administrative staff visits such a clinic and develops a site visit report, with data on quality assurance activities. This is analyzed and reviewed by the Central Office program monitor and approval is provided if indicated. Periodic reassessment is obtained on the contracting clinic and submitted for information and review.

The Supreme Court decision in the *Beazer vs New York City Transit Authority* has had no effect thus far on VA methadone maintenance policy. We believe

a recovering opiate-dependent veteran is quite capable of the general range of employment placements, so long as the methadone is taken as prescribed, and other drug misuse does not occur. The Supreme Court's decision did not address such a policy question.

As we have noted earlier, the VA is an active member of the Federal inter-agency drug abuse strategy. We maintain liaison with the National Institute on Drug Abuse through membership on NIDA's research grant review process. In the research areas we require that every funded and unfunded research and development project conducted on VA premises be reported for inclusion in the Smithsonian Science Information Exchange (SSIE). These reports are updated each quarter, so as to provide full information on VA research activities, including drug abuse research.

Our goals for the coming year include full implementation of the constructive options for contracting with non-VA halfway houses and similar residential treatment settings, development of upgraded skills by drug dependence program staff in the areas of outreach and cross-service consultation including family counseling, with increased emphasis on job placement services in conjunction with the Secretary of Labor for veterans who are not competitive in today's limited job market. We believe each of these program goals will result in increased psychosocial and economic stability for veterans in treatment. Perhaps most significantly we plan to field test and position the automatable clinical assessment and follow-up records, so as to provide on-line data on patient profiles and workload characteristics at each program location, and to utilize such information for improved management support.

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PREPARED STATEMENT OF ROBERT ANDERSON, ADMINISTRATOR, OFFICE OF COMPREHENSIVE EMPLOYMENT DEVELOPMENT, EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR

Mr. Chairman and Members of the Committee:

I am pleased to be here today to participate in these oversight hearings on the Federal drug treatment effort.

The Department of Labor is actively participating with the Strategy Council on Drug Abuse to achieve the objectives set forth in the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention. Within the Department of Labor, the Employment and Training Administration is working to establish linkages of our employment and training programs, which are funded under the Comprehensive Employment and Training Act (CETA), with those contained in the 1979 Federal Strategy.

In my remarks today, I will first give a brief overview of CETA and then address the other specific issues raised in your letter of invitation.

The principal responsibility for the planning and operation of programs under CETA rests with the State and local governments designated as prime sponsors. This concept reflects the underlying assumption that local government officials, who are closer and more immediately accountable to the people requiring employment and training services, can best plan programs and set priorities geared to the needs of their particular areas.

Funds are provided via block grants to prime sponsors who, because of their sensitivity to local conditions, have the capacity to minimize duplication and overlap and achieve greater coordination with other employment and training resources in the community.

Noncategorized funding under CETA encourages localized, flexible responses to current or anticipated employment and training needs. The individual prime sponsor may develop a full range of activities, including classroom training, on-the-job training, work experience, public service employment, and such supportive services as counseling, direct placement, and child care, or may restrict the spectrum of program offerings in order to intensify services in response to local requirements.

Within the Employment and Training Administration (ETA) programs relating to drug addicted individuals are concentrated in two offices: The Office of Community Employment Development and the Office of Youth Programs.

The Office of Community Employment Development allocated \$184,000 for a special effort for drug abusers in 1979. This effort includes developing a videotape and a technical assistance guide; these will be described in greater detail later

in this statement. In addition, The Office of Youth Programs, operating through the Multnomah-Washington Counties Consortium in Oregon, will conduct a summer program for 80-100 youth with alcoholism problems. The program with an estimated cost of \$100,000 for 1979, will emphasize career preparation.

Funds appropriated for CETA are allocated, among the 460 State and local units of government which are CETA prime sponsors, according to formulas mandated in the Act. While the formulas vary from title to title, they are based on factors such as: previous allocation, national and local unemployment rates, the relative number of unemployed persons in both State and local jurisdictions, the relative number of low income adults, the relative number of low income families, and the relative number of unemployed persons in areas of substantial unemployment. A small proportion of the funding is also reserved for discretionary programs as determined by the Secretary.

As amended in 1978, CETA authorizes new investigatory powers and new criminal penalties for willfully and knowingly hiring ineligible or obstructing CETA investigations. The new regulations strengthen requirements for prime sponsor recordkeeping systems, and strengthen requirements for prime sponsor monitoring and auditing of subrecipients. The new regulations also strengthen the rules governing such areas of potential abuse as nepotism, conflicts of interest, political patronage, lobbying, the commingling of funds, inadequate records and the charging of a fee to place a participant in a CETA program. To support this system, DOL has adopted an integrated audit system employing resources available in the Department, the private sector, and among State and local governments. Under audit guidelines CETA prime sponsors are responsible for auditing their subrecipients, and the Department is responsible for auditing the prime sponsors. The appropriate program office is to respond within 60 days of issuance of the final report on all reported deficiencies.

Through the CETA plan review and approval process and through periodic on-site visits, the regional office field representatives are involved in a continuous process of monitoring the activities of the prime sponsors. Prime sponsors are required by CETA to establish independent monitoring units to conduct similar oversight of their own programs and those of the subcontractors. As a result of these monitoring activities early identification of problems is possible. When mismanagement does occur, corrective action is taken.

To deal with mismanagement, which is generally caused by inexperience or oversight, the Department is creating, pursuant to statutory requirements, a new Office of Management Assistance which will offer technical assistance to prime sponsors. We are also improving our ability to detect difficulties by developing a new management information system which includes transmittal of Questionable Activity and Incident reports to top management. In addition, the 1978 CETA amendments require new accounting and financial reporting, eligibility verification, and bonding. The technical assistance, monitoring and evaluation activities conducted by the program offices of ETA will be coordinated with the Office of the Inspector General. Coordination of our activities with the Inspector General's office will assure that our programs are serving those who need help, and are being managed effectively and efficiently.

With this overview of CETA as a background, I would now like to turn to some of the other issues you raised in your letter of invitation.

There is an ongoing drug abuse effort in the Administration coordinated by a steering committee comprised of staff from the Employment and Training Administration of the Department of Labor, the National Institute on Drug Abuse (NIDA), and the Domestic Policy Council of the White House. Funds for this effort are provided by the Department of Labor.

The Department will emphasize linkages with other agencies for the employment of drug abusers. This will be accomplished by identifying CETA prime sponsors having programs serving drug abusers and making a listing of these CETA prime sponsors available in a technical assistance guide. This guide will serve as a major information resource to CETA prime sponsors and Drug Treatment Centers (funded by HEW).

The technical assistance guide, which should be available by early fall, will also contain examples of exemplary programs and demonstrate methods and approaches through which CETA prime sponsors and drug treatment centers can develop linkages to successfully provide employment and training services to drug abusers.

CETA prime sponsors, drug treatment centers and other interested groups will also have available to them by this fall, a videotape produced to dramatize impor-

tant facts and information about drug abuse and to suggest ways in which drug abusers can have greater access to employment and training opportunities. The videotape will be used as a training tool separately and in conjunction with the technical assistance guide.

Last year, an ETA survey showed coordination among approximately 139 prime sponsors and local drug treatment programs. The survey data showed in general terms that many former drug abusers are enrolled as CETA participants, but are not identified as such. In fact, at intake many conceal such background information.

Effective coordination between CETA prime sponsors and drug treatment centers will lead to greater access to employment and training opportunities for former drug abusers. As a result of these linkages, CETA prime sponsors provide drug abuse program staff through the public service employment program. Also through these linkages, drug abusers may be referred to CETA programs for training and job placement.

The successful readjustment of drug dependent and other veterans into civilian life is a mutual responsibility and concern of the Veterans Administration and the Department of Labor (in particular the Deputy Assistant Secretary of Labor for Veterans' Employment, the Veterans Employment Service and the Job Service offices). To this end, those agencies have prepared an agreement committing them to active cooperation and coordination in the implementation of programs serving veterans. The agreement provides guidelines for an action program, particularly at the local level, where personnel of the agencies are expected to work together on behalf of veterans so as to maximize the services they receive. The ultimate goals are successful vocational rehabilitation adjustment and job placement for drug dependent and other veterans without duplication, fragmentation or delay. The agreement is in the process of being formalized.

We are also working to eliminate drug abuse as a barrier to employment. CETA requires that programs, to the maximum extent feasible, contribute to the elimination of artificial barriers to employment. Working with the prime sponsors and, as appropriate with the Office of Personnel Management, the Department of Labor has made available technical assistance and training, and related materials, to identify and alleviate such barriers in merit systems.

I would now like to discuss in some detail, the National Supported Work Demonstration project.

The National Supported Work Demonstration project got underway in March of 1975 to test the effectiveness of a transitional work program on four target groups of traditionally hard-to-employ individuals: ex-drug abusers; ex-offenders; long-term female AFDC recipients; and young school dropouts, many of whom have records of delinquency. The primary objective of this major and unique research and demonstration effort has been to increase the employability of these individuals by offering them a job for a limited period of time in a structured and supportive work environment characterized by graduated stress, peer support, intensive supervision and crew work. Through periodic interviews with applicants, who were assigned on a random basis to either the experimental (given a job) or control (not given a job) group, the research will determine whether supported work results in improved earnings and employability and reduced drug use, criminal activity and welfare dependency.

From 1975 through the end of Fiscal Year 1978 the demonstration was sponsored by a consortium of five Federal agencies, led by the Employment and Training Administration of the Department of Labor. The other agencies included: the Law Enforcement Assistance Administration, Department of Justice; the Office of Planning and Evaluation, Department of Health, Education and Welfare; the National Institute on Drug Abuse, Department of Health, Education and Welfare; and the Office of Policy Development and Research, Department of Housing and Urban Development. The Ford Foundation was also involved. The program has been managed by the Manpower Demonstration Research Corporation, a nonprofit organization which was established to design and supervise large-scale demonstration and research projects.

The client population of the Supported Work program can be characterized generally as follows: average age at entry—27 years; male—71.3 percent; Black—63 percent; Hispanic—12 percent; high school graduate—30 percent; average annual earnings—\$671; average number of arrests for ex-drug abusers, ex-offenders, and youth—7; and drug users—43 percent. Clearly, the program has reached its intended population—the very hard to employ.

The demonstration has expanded from the original 13 local program sites to a current total of 21 across the country. Nonprofit corporations employing an average of 120 supported workers have been established locally to engage in work projects such as day care center operations, home weatherization, and painting and building rehabilitation. Each program offers a variety of distinctly different kinds of work opportunities for its participants. The average annual operating cost per site is \$1.5 million. Funding sources include local CETA monies, revenues generated by the sale of worksite goods or services, and other Federal funds. CETA support of the National Supported Work Demonstration project, consisting of both research and development funds and local prime sponsor contributions, totaled \$9 million in Fiscal Years 1977 and 1978 and \$15 million in Fiscal 1979. The total participant cost per year is approximately \$10,500, \$6,700 of which is publicly subsidized. Maximum participation in the supported work program is 18 months. The rate of successful transition of supported work entrants to regular public or private nonsubsidized employment is currently about 35 percent.

The research demonstration phase officially concluded at the end of last year. Although the final research results will not be available until early next year, we would like to share with you some of the preliminary and tentative findings of a recent evaluation report. It is stressed that these are preliminary and very tentative findings. Additional data are being collected and will be subject to further and more intensive analyses. These findings are based on interviews conducted with a relatively small sample of 2,830 individuals, in both the control and experimental groups, at the time of application to the program, and at nine and 18 months later. Data on the post-program experience are therefore, in this analysis, necessarily limited.

First, the findings indicate that the supported work program is successful in attracting and retaining members of all target groups. Over the longer-term (post-program), the AFDC group shows the most positive results. More will be known on this aspect of the study when 36 months of data are in on individuals enrolled in the sample.

Participation in supported work has resulted in significant reductions in welfare benefits and reduced criminal activities by ex-addicts (but not by ex-offenders and youth).

Further, among the ex-drug abuser group, a significantly lower percentage of experimentals (25 percent) than controls (36 percent) reported having been arrested during the 18-month period, with specific decreases in percentages of arrests of individuals in the experimental group for robbery or drug-related offenses. This was accompanied by significantly fewer convictions and incarcerations.

Overall, supported work seems to have a favorable impact on ex-addicts, especially older participants.

On the basis of these preliminary findings the Department is continuing the supported work program beyond the demonstration phase and considering how supported work could best be incorporated into the mainstream of CETA employment and training programs.

This concludes my statement. I will be pleased to respond to any additional questions you may have.



## OVERSIGHT HEARINGS ON FEDERAL DRUG STRATEGY—1979

TUESDAY, JUNE 12, 1979

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,  
*Washington, D.C.*

The Select Committee met, pursuant to notice, at 9:30 a.m., in room 2212, Rayburn House Office Building, Hon. Lester L. Wolff (chairman of the committee) presiding.

Present: Representatives Morgan F. Murphy, Charles B. Rangel, Fortney H. Stark, Stephen L. Neal, Tom Railsback, Robin L. Beard, and Benjamin A. Gilman.

Staff present: Robert M. Hundley, chief of staff—demand; Roscoe Starek, minority counsel; Richard Carro, staff counsel; Laura B. Sherman, professional staff member, and Elliott Brown, professional staff member.

Chairman WOLFF. The committee will come to order.

This morning we are continuing our Federal oversight of the prevention strategy. Previously we heard from professionals in the health field. Our present witnesses bring additional perspective to prevention. We are pleased that our White House representative, Lee Dogoloff is here. We are happy to welcome you this morning.

Research on health consequences has a vital role to play as does drug education. However, prevention of drug abuse requires more than that. It requires what we refer to as a holistic approach, better housing, more job opportunities, more secure streets, and more adequate schools.

Testifying before us today are representatives from Federal agencies which help local communities create all these alternatives to drug abuse. We hope to learn what role these agencies will play in carrying out the Federal strategy's call for a comprehensive prevention program.

I hope, Mr. Dogoloff, you will address yourself to this this morning in your testimony. Can ACTION, through VISTA and the Peace Corps, provide the expertise needed by local communities to organize drug prevention education programs and alternative activities for youth? Can HUD through providing better housing, create a climate that will not be conducive to the abuse of drugs as a substitute for inadequate housing? Can DEA foster cooperation in the fight against drug abuse between law enforcement authorities and local communities?

We will have as our first witness this morning Mr. Dogoloff, Associate Director of Domestic Policy of the White House. Later this

morning Rev. Jesse Jackson, founder and national president of PUSH will give his testimony, and then a panel composed of Mary King, Deputy Director of ACTION, Lynn Curtis, director of the anticrime program of the Department of Housing and Urban Development, and Dr. John Langer, chief, Preventive Programs Section, Office of Public Affairs, Drug Enforcement Administration.

Before we take this morning's witnesses, let the record indicate that I have asked Congressman Pete Stark of California, who is chairman of our task force on prevention, to chair this meeting this morning.

I am sure that with the expertise that he has acquired over the years, he will provide excellent spokespersonship for the Congress on this question and leadership of the task force in its mission to ascertain how we can utilize prevention activities to counter the chemical society and drug culture that has come into our midst.

Therefore, I turn the chair over to you, Congressman Stark.

Mr. STARK. Thank you. I want to congratulate Chairman Wolf for his support of this task force and new direction taken by the Select Committee. I want to ask his indulgence in putting my prepared opening remarks in the record and I will just summarize them briefly so we can get to Mr. Dogoloff.

I guess the whole idea of prevention is that we can do something before somebody gets hooked or begins to abuse their mind or body. I don't know whether we really know much about this area. We know how to arrest people and cage them, and probably how to dry them out and detoxify them and a whole host of other things but that's locking the barn door after the horse has gone.

I want to cite a series in the Washington Post done on drug abuse at the Bethesda-Chevy Chase High School—a white, upper-middle-class, suburban school in an area suffering from neither poverty nor bad housing. A kid starts at 10 to drink, swiping out of the parent's liquor cabinet and soon he is pushing and dealing drugs to support habits and has screwed up his life.

At age 12 he is getting drunk on a six-pack regularly. How do you prevent that? That isn't the housing. The kids parents are well to do. Is there a program or are there programs that help us get the guy when he is 9, or are there things in our society built into the culture that are pushing them that way? These are the type of issues we must address.

I am sure Mr. Dogoloff has all the answers for us. It's a scary, complex problem and I appreciate the chairman's letting us push the focus of the committee this way for a while.

Thank you, Mr. Dogoloff, for being here.

[Mr. Stark's complete opening statement appears on p. 176.]

[Witness sworn.]

**TESTIMONY OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR, DOMESTIC  
POLICY STAFF, THE WHITE HOUSE**

Mr. STARK. Please proceed.

Without objection, we will make your entire prepared remarks part of the record. You can proceed in any fashion your desire.

Mr. DOGOLOFF. Thank you, Mr. Chairman, and members of the Select Committee. It's a please to be here today to discuss the promising field

of drug abuse prevention. I am strongly convinced that, as you suggest in both your opening statements, many of our answers to the drug abuse problem, as well as other unhealthy behavior, rest in the area of prevention.

It's an area where we have been and must continue to give increasing emphasis. We are particularly indebted to members of this committee for drawing attention to the area of prevention early last year and for maintaining your commitment to this important field.

We have reviewed that testimony that you took last year and it was very helpful as we thought about prevention and what might be done from a Federal perspective over the last year.

Mr. Chairman, last April you stated that before we try to prevent something we should know the motivations of why people are abusing these substances. That is just one example of a concept you raised last year which is a central focus of the 1979 strategy; that is looking at behavior rather than specific drugs.

I will just briefly summarize my prepared statement so we can move on to questions and discussion. The White House drug policy staff, as the public spokesman in the area of prevention, uses this position to motivate not only the executive branch but also and perhaps more important because of the sheer number, the private sector as well. The formulation of prevention policy is an integral part of our discussions with the agency and department representatives, particularly within our principals' group.

We have set forth a framework for the 1978 strategy in our March 1978 policy review entitled "Drug Use Patterns and Consequences, a Federal Response", and in the 1979 Federal strategy. However, our key focus has been to offer support, leadership and visibility to communities, State and local prevention efforts across the country.

The vast majority of Federal drug abuse prevention programs rest within the Department of HEW. Secretary Califano has advised us Dr. Gerald Klerman is the focal point of all drug abuse efforts within the Department and that includes prevention. We look to him to keep us informed and raise all issues which may require interagency coordination.

Outside of HEW, we must insure the activities of other agencies such as the Department of Defense, Drug Enforcement Administration, ACTION, and the VA are coordinated and consistent with the administration policy. When I think about prevention, my mind first turns to the 85 percent of children under 14 who have not yet experimented with drugs. I think that they are a critical group upon which we must focus.

For a long time Federal prevention efforts have aimed at trying to get some sort of message out to kids. I have grave questions about that being our primary objective. I am sure that there are not many kids who have a close personal relationship with the Federal Government and will accept what we have to say. So in the last year we have tried to aim our message a little differently, at least from our perspective, and attempt to inform parents.

We think parents of the 85 percent of the population under 14 who haven't used drugs are a prime and critical target and need to have two things. First, they need to have a better understanding of the

health consequences of drugs, particularly marihuana, which is unfortunately greatly misunderstood; and second, they must be equipped to deal effectively with that information relative to their kids.

How do they answer questions like, "you drink, why can't I smoke?" Another problem is that most parents understand their own children based upon their own behavior and experiences as a child. For most parents today the drug use, marihuana particularly, is foreign to their experience. It makes them confused. It makes them feel intimidated and they have difficulty dealing with the issue.

Oftentimes parents will turn aside when they see the marihuana cigarette in the pockets of the kid's jeans they let it go and don't deal with it at all.

I think we in the Federal Government have an obligation to give parents accurate information and give them the kind of support and help that they need in dealing effectively with the information with their kids.

We are doing a number of things in that regard. Not only through our office but reaching out to the broad network that really touches so many parents and children across the country.

I have met with the national president of the PTA and they are getting involved with this issue. The same is true of the White House Conference on the Family with whom we will work to get a clear message on discouraging drug use.

The National Football League in their spots this fall, as a result of our meeting with them, will include spots both encouraging better relationships, more interaction, closer interaction in families as well as specific drug spots. Lots of folks watch football games in the fall. I think that is a parent audience we need to aim at and we are very pleased that the National Football League agreed to help.

We are coordinating development of a film along with NIDA and the Drug Enforcement Administration specifically aimed at parents. That film will do two things: No. 1, to give clear health information about marihuana and, No. 2, how do you deal with that information with kids? Not only are we doing a film but along with it will go a discussion guide so that as it's shown to groups of parents, people can handle questions, lead a discussion without having to bring in an expert from somewhere.

Just having parents getting together, looking at the film and talking about the issues in a concerted way, I think, will be helpful.

We put together an advisory group to help us work out that film including staff of the committee and representatives from the National PTA, National Education Association, the Boy Scouts, Girl Scouts, just a whole host of organizations, all of whom have impact and contact with kids and parents.

That will also prove, it seems to me, a national and natural distribution network for the film once it's read in the fall.

There are things happening, and I am particularly pleased that the focus of the committee is on prevention. This kind of focus and emphasis goes a long way in helping to get a message out to parents and to kids.

Thank you.

[Mr. Dogoloff's prepared statement appears on p. 176.]

Mr. STARK. Thank you.

I would like to recognize Congressman Railsback, who might have a comment to discuss this with the witness. Please proceed.

Mr. RAILSBACK. I really don't have a prepared statement. I do want to commend the chairman of the committee and I think that these last two hearings really represent a kind of a change in emphasis on the part of our committee, which I think is most important. I am glad to be a part of it.

I look forward to hearing all of the witnesses today.

Mr. STARK. Thank you.

Mr. Chairman?

Chairman WOLFF. Thank you.

Initially Mr. Dogoloff, we are very pleased with the cooperation we have been getting from you and from your staff. I think it's important that there be a close liaison between the White House, at least between the Executive on an overall basis and the committee. We are concerned, however, about the focus and thrust of the activities of the executive departments of Government. We are concerned as to whether or not they share your belief in the performance or prevention activities.

One of the most difficult parts of this concept of prevention is the fact that there are really no standards, no numbers that you can come up with to prove that you have prevented a number of people from getting involved in the drug scene in the first place. People have indicated that in the overall problem of drug abuse, they feel we are not making any great progress.

I believe progress must be measured not by the numbers of people that we have in the addict population, but by the number of people we don't have. A great number of people said that if you legalize drugs, you will solve the entire problem. That is not acceptable. We don't solve the problem of new people coming into the drug scene by legalizing drugs. It might solve a part of the problem which is the crime that is attendant with trafficking in drugs, but it doesn't solve the problem of inhibiting those people not yet in the drug scene from entering it.

Therefore, perhaps one of the most important goals we have, as the work of this committee progress, is the emphasis that we can generate from you and your people on the question of prevention. That is the basic question. You are the "honcho" of our drug effort today. Do you think we are doing enough in the way of prevention? Do you think the prevention effort itself is successful? What is your overall evaluation of prevention?

I am not talking now in the way of \$186,000 that CETA is putting into prevention activities or the fact that we have the head of one particular branch of Government responsible for prevention activities.

What we want to know is are we really devoting the resources necessary to do this job?

Mr. DOGOLOFF. I would agree with much of what you say. It's very difficult to measure prevention because of the other variables that come into the equation, not the least of which is availability of drugs, which obviously has a negative impact and goes against what we are trying to do in prevention.

I would also agree that legalizing drugs would not solve the problem. In fact, I would suggest that it would increase the health consequences and increase use and not diminish problems at all.

The committee has generated increased emphasis. As a result of your hearings last week, Dr. Klerman informed me last Friday that he is chairing a group within HEW, to look at prevention efforts, to do further evaluation and take a closer look at the work of Dr. Nowlis in the Office of Education. I think a lot of that has been encouraged by the hearings of last week and I am very encouraged to see that. It's something that we too have suggested in terms of increased focus on lots of efforts the Federal Government performs relative to encouraging healthy behavior in kids.

I think that there are limits to what the Federal Government can do, particularly if we are talking about kids. When we are talking about elderly people, prescribing practices, inadvertent mixing of prescriptions and so forth, that is one thing. But when we are talking about kids, it seems to me if we are talking about trying to prevent children from using drugs, that message must be gotten across in a different way.

We need to really involve parents. For a long time parents have looked to the Federal Government to solve the drug problem to deal with prevention. I suggest the Federal Government can't do it alone. The primary emphasis must go on within the home, within the family. Parents need to take a more active role in understanding who their kids are playing with, who their friends are, making sure they have sufficient activities and being a part of those activities.

Those are the kind of things that really make a difference in impacting on drug abuse.

Chairman WOLFE. I agree with you that possibly a greater family participation is needed. However, we had this family participation and we had the same conditions, I take it, that existed before the 1960's, and yet you didn't have that sort of endemic activity that has taken place since the 1960's. There is a problem that is an overall one; it was the major focus of this committee. I recommend that there be greater coordination between the agencies of Government. In other words, when we talk to the CETA people, the Labor Department, they told us they had a drug program within the Labor Department in CETA. That their drug program was furnishing people to various other programs. They furnished bodies to other programs for training and the like. But what about those people who are just part of the overall CETA program itself? What about providing jobs for some of the people under treatment?

What about the idea of providing opportunities for people who have never had a real job opportunity? They indicated themselves that 50 percent of the people in drug programs today were never really employable? What are we doing about situations like that? That is where we are at.

Mr. DOGLOFF. I am glad you brought that up. In followup to the President's message to the Congress on drug abuse in August 1977 we pulled together an interagency group primarily composed of NIDA and CETA, Department of Labor, and the focus is to get a message across the CETA prime sponsors through seminars and a film that

was developed in each major city about drug abuse, about what happens to patients in treatment, and to encourage CETA programs to provide jobs and not discriminate against drug patients.

Chairman WOLFF. What about the idea of having a certain number of job slots available for people who are in treatment so we know with certainty that these people, when they have completed their treatment program, will have a job and will not go back to drugs, rationalizing that the lack of a job opportunity was the cause of their recidivism.

Mr. DOGOLOFF. My understanding is that current law precludes that because the way the law is written, the prime sponsor, which is the local program, has full discretion on who to admit and what their criteria are. We are trying to work within that law to assure there is no discrimination against patients in drug programs.

Chairman WOLFF. Unless you have an active program, whatever you want to call it, that will provide some sort of work for these people when they have completed their treatment or while they are in treatment, you are going to continue a climate for reversion and recidivism in the drug area. I think we have to take—do you want to call it affirmative action? Put affirmative action here for some of these people. I think this must be done.

I believe my time has expired.

Mr. STARK. I think the timer gets stuck when it's your turn. [Laughter.]

Our colleague from Florida, Mr. Hutto, would you like to inquire of the witness?

Mr. HUTTO. Mr. Chairman, I apologize for being late. You know how these meetings are. I am not familiar with Mr. Dogoloff's testimony. I know we are concerned with prevention of this terrible problem. I would like to ask one question, which you or the witness would answer. The thing that strikes me as I was reading over some of this is: Do we have statistics, or have we made a study of why people participate in the drug culture? The root cause. What are we doing to find out why young people get involved in the drug scene?

Mr. DOGOLOFF. I think what you are asking is a very complex question and there are many ways to answer that question. There is some specific research, for example, looking at the personality types, trying to understand the similarity between different kinds of addictive behavior like drinking, smoking, and other drug abuse.

At one level we can suggest that one reason people use drugs today more than they did 20 years ago has to do strictly with availability.

As we are talking about adolescents, there are lots of types of behavior that adolescents have experimented with for a very long time. They experiment sexually, experiment with drinking, smoking, all kinds of behavior as part of the transition between childhood and adulthood.

Drugs have become a part, unfortunately, of that experimental behavior for many children and drugs become an easy out for them when they are bored, when they are unhappy, it insulates them from their unhappiness. Unfortunately it provides an opportunity for them to get stuck, if you will, on that behavior in a way that is ultimately very destructive to them and their families, their ability to learn, and their ability to function.

That is a fairly simplistic view of what you are asking but I think that from that, if you think about what the response ought to be, it obviously needs to be severalfold. One, to deal with the availability so we can make it less and less convenient for children to get access to drugs. Second, to promote healthy behavior. To give them ability to make better judgments about their behavior. And for those who are going to experiment, to not have it lead to more damaging and harmful drug use.

I think the way to do that relates to parents primarily and families where they can deal with the child's problems in an effective way, in a warm, loving, caring way, and also in teachers and school programs and helping the children to make better judgments about their own behavior, and even as they experiment to come back to a solid base.

It also suggests that that solid base does not occur at age 14 or 15 but starts quite young and is a base that families need to build on from the time the child is quite young so then adolescents are prepared with a solid base from which to react.

Mr. HURRO. I certainly agree with you, it's a complex question; but I think we ought to pursue and find out more and more why they do become involved, and try to nip the thing in the bud as early as possible. I agree with you also that we need to cut off the source of drugs. In my State of Florida, they have in the last month or two passed some very stringent drug laws to get at the problem. Florida, being surrounded by water, is a major importation area for drugs into the United States.

One point that I couldn't agree with you more on is emphasis on the family. If we do emphasize family togetherness, we could solve one of the great problems of our society, the deterioration of the family unit. I agree with you that we need to work there, but do you have any specific proposals on how we can do that?

Mr. DOGOLOFF. Yes. Some of them, I suggested in my testimony. We are working with the White House Conference on the Family, which hopefully will focus that concern and bring drugs in as part of that.

We are working on some specific media films, discussion guides, aimed at parents to try to give them that information, working with the national PTA and several other organizations that really do touch parents.

We don't think it's appropriate to create a whole new special delivery system for drug abusing families. We want to tack on to those systems that already exist and include a drug component and do what we can to strengthen the family.

Parents express concern and anxiety about drug use, and if that is what we need to trigger their interest, so be it. Give parents accurate information and the kind of help they need to understand how to use that information with their kids.

Mr. HURRO. Thank you.

Mr. STARK. Mr. Railsback?

Mr. RAILSBACK. I would like to ask what, if anything, is being done with special populations, for instance, juvenile delinquents, or prisoners. Do we have any direction to those particular populations at all? Would you care to comment about that?

Mr. DOGOLOFF. One of the things we believe very firmly is that drug abuse and drug use in adolescents does not occur in a vacuum.



It occurs as part of the package, if you will, of adolescent behavior. So that as we favorably impact on drug abuse, studies have shown we also favorably impact on delinquency and vandalism and drinking and lots of other things as well.

What we need to focus on and are focusing on is behavior rather than the specific substance. That reaches out to lots of different populations and in different ways.

What works for the population that Mr. Stark was talking about in Bethesda-Chevy Chase may be very different from what works in another population. There are specific spots, specific programs that have been developed within HEW to target at specific populations.

You do things with different people, different ethnic groups, different age groups.

Mr. RAILSBACK. Let me be a little bit more specific, and even suggest some testimony that we would ask you to comment about generally. We know that many young people start out, initially maybe their first offense may be smoking pot. Then they become a part of a juvenile court system. Usually we find they are slapped on the wrist. They may commit a minor offense. It may be drug-related.

Then the next thing we know, again they are slapped on the wrist. Finally, after a series of incidents, the law has to deal very harshly.

I guess my concern is when we know that they are involved in something drug-related, I just wonder if either the Federal Government or the State government or local governments are doing any meaningful counseling when they commit those first minor offenses which predictably are going to lead to something much more serious.

Mr. DOGOLOFF. There is a program funded within the Law Enforcement Assistance Agency called TASC, Treatment Alternatives to Street Crime.

When a person coming into the criminal justice system is identified as a drug user, someone with a drug problem, he gets referred to special drug counseling and treatment relative to the drug problem. If we can deal effectively with his drug problem, we are more likely to impact on his criminality, particularly if we get him when he is first coming into the system.

I will be happy to contact LEAA for you and get you specific information as to what evaluations have been done, where that program exists for juveniles and what the current status is.

Mr. RAILSBACK. I guess what troubles me about that is the No. 2; it has only been conducted in two jurisdictions. As far as Federal or State prisons, I am absolutely convinced that a large number of the offenders that are incarcerated have drug problems. There really are not adequate drug treatment or even future prevention programs.

I wonder if your office has any idea of trying to do something about that.

Mr. DOGOLOFF. I think that there are specific programs within the Federal Bureau of Prisons where people who are identified as having drug problems are put into a special program, a special facility, with special counseling efforts.

That does not go on, unfortunately, in many States and localities. There are pilot projects funded by LEAA to do that kind of thing within State prisons. I will get that information as well.

Mr. RAILSBACK. My time expired. Thank you.

Mr. STARK. Mr. Beard, would you like to comment or inquire of the witness?

Mr. BEARD. Yes. Thank you, Mr. Chairman.

I would like to welcome the witness here. I would like to just ask one thing, and maybe it was already covered. I know you have been in your position a very short time, I know you are sensitive toward the problems about which we are extremely frustrated.

Has your office made any recommendation for tightening up the laws governing drug trafficking or removing the restrictions on law enforcement agencies which now make it more difficult for them to cope with drug traffickers? Have you gotten involved in that area?

Mr. DOGOLOFF. Yes. There are several laws passed in the last session of Congress, one aimed at PCP, one at the Criminal Forfeiture Act, which we were involved in.

There is one we are currently involved in with Congressman Biaggi, with closing up some of the loopholes in the Coast Guard's jurisdiction over Americans on American-flag vessels on the high seas in possession of drugs. So we have been involved in virtually all the legislation that has gone through.

In fact, we coordinated the administration response on the current piece of legislation on the possession on the high seas and we think that is absolutely critical and a source of great frustration to the Coast Guard.

The Forfeiture Act, we have encouraged investigations looking at continuing criminal enterprises and I have written a letter both to the head of the FBI as well as head of the Drug Enforcement Administration trying to build on our experience in Miami where 14 indictments have been handed down on the basis of that financial investigation. There are lots of things going on. We are very much interested in pursuing that.

Mr. BEARD. Have you all studied or have you had any opinions or presented any opinions regarding the consideration of minimum mandatory sentences directed against drug traffickers?

Mr. DOGOLOFF. I have looked at and had an interagency meeting in response to the proposed legislation that was drafted by Congressman Evans from Georgia recently on mandatory minimums and the basic informal feeling was that we would be in favor of some increased penalties but not necessarily mandatory minimums. Right now the penalties available under current law are not being used by judges as much as we would like.

We also look forward to learning from the experience in Florida with mandatory minimums and seeing what impact that has. What we would like to do is go more after the money that is involved in drug trafficking, where the available penalties are quite severe, including life imprisonment for the continuing criminal enterprise. We think that is where we have to immobilize trafficking networks and not so much concentrate on a person bringing in a small amount, but concentrate on people who may never even touch the drugs, but are making the money.

The penalties for those people are very, very harsh. But we look forward to continuing to work together to work out a mutually acceptable position on the legislation that may be presented.

Mr. BEARD. Thank you, Mr. Chairman.

Mr. STARK. Mr. Dogoloff, I hope you will be able to rejoin us if your schedule permits when we have the panel from HUD, ACTION, and DEA.

I have a couple of questions. I would appreciate very much if you could respond with a letter to those which are technical in nature so we can make it part of the record. It is my understanding that there are as many as 17 different agencies involved in different prevention programs. I would like a list of those agencies and a very short summary of their programs. Is it your understanding that there are that many agencies involved?

Mr. DOGOLOFF. Yes. It depends upon how you define prevention.

Mr. STARK. I recognize you could have a LEAA program with juveniles that is only peripherally related to drugs, but my question is, am I in the ball park, give or take four to five agencies?

Mr. DOGOLOFF. Fifty percent one way or the other, depending on definition.

Mr. STARK. Would you also spell out for me how much we are spending on these programs? It seems to me we are probably spending through these agencies a very small percentage on prevention. We spend about \$1 billion in our college program but less than \$20 million of that gets into prevention. To the extent you can quantify that \$1 billion for me and the \$20 million, it would give us some indication of the priorities that our budget evidences and help this committee.

Are you responsible to see that these various agencies coordinate whatever prevention programs—is that your job?

Mr. DOGOLOFF. We do two things: One, we set forth the policy.

Mr. STARK. You are the person who does that?

Mr. DOGOLOFF. Yes. And make sure the policy is implemented.

Mr. STARK. My question is, do you have an ongoing review? None of us can read all the reports generated under our own jurisdiction, I am sensitive to that, but is there an in-place mechanism to articulate the Federal strategy, such as it is, to these agencies and get some kind of response? Is there that kind of machinery?

Mr. DOGOLOFF. There are several mechanisms. One is known as the Principals' Group. On a regular scheduled basis, I meet with the head of NIDA, the special assistant to the Secretary of HEW, all the principal people involved in the program.

Mr. STARK. That is the overall program?

Mr. DOGOLOFF. Yes.

Mr. STARK. Prevention is so diffused and I am concerned is that your meetings, if you will, follow the dollars. You will talk about 90 percent law enforcement and smuggling and organized crime, and 2 percent prevention, is that fair?

Mr. DOGOLOFF. We do talk about prevention and we have isolated some specific efforts to bring in both people from the outside as well as the government people to think through prevention and the development of prevention policy.

That is a consensus building exercise, and is critical for laying the basis and foundation for what the Federal Government does with prevention.

Then it is up to each of the programs to follow this. We will monitor it to make sure that is current.

Mr. STARK. I am concerned also, for instance, that half of the budget in one agency is going to research and part of that research has to do with a biomedical pattern that leads to addiction. I happen to believe in the sunspot, earth power, birthsign theory of addiction, and I think it is equally relevant.

Seriously, is that really true, that you are spending about \$4 or \$5 billion a year on some medical model type research?

Mr. DOGOLOFF. I am not familiar with all research, but I can find out.

Mr. STARK. I don't want to set up Senator Proxmire for another Golden Fleece Award, but it seems that could be appropriate. I am going to ask you to come back, if I can. We have Reverend Jackson with us—

Mr. HUTTO. Could I ask one further question, very quickly?

Mr. STARK. I wonder if you could—

Mr. HUTTO. Just one last question. I note in your testimony you said the Department of Defense has recently completed 13 TV spots on alcohol, drug abuse, and the role of the family. Could you supply me with the scripts for this? I would hope maybe we could have a chance to look at these.

Mr. DOGOLOFF. I understand that a viewing of it, is scheduled for tomorrow afternoon at 3:30.

Mr. STARK. Thank you very much.

I would like to call the Rev. Jesse Jackson and welcome him to the committee. With regard to the distinguished work that Reverend Jackson has done over the years in this field, it is only appropriate the chairman of the full committee introduce you to the committee, and I would like to yield to our distinguished chairman for that purpose.

Chairman WOLFF. Thank you, Mr. Chairman.

Reverend Jackson, I want to particularly welcome you to our committee.

Perhaps as much as anyone in America today, Reverend Jackson and the PUSH program represents what we on the Select Committee really mean by prevention.

You have demonstrated to us what is possible. That cooperative Federal and local efforts can create change in the individual, home, school, and in the community.

Prevention itself is what we are concentrating on at the present time, not only in health issues, but on an all-encompassing set of social issues.

It seems incredulous to me when we come up with a statistic that indicates 75 percent of people in prison today are in some way either dealing or dosing. Something is basically wrong. We spend hundreds of millions of dollars in incarceration of people. It seems incredulous that we can't spend those funds on programs designed to prevent people from getting into the drug scene in the first place by providing the social conditions conducive to a healthy life rather than one dependent upon drug abuse.

It is with that in mind that we asked you to speak to us this morning. We seek the benefit of your experience and advice in providing this committee with further depth into the area of what can be considered an innovative approach to the drug abuse problem.

We have too often heard that what we need are more stringent laws, putting more people in jail, that we have to see to it that people don't become dependent upon society. In working with the committee this year and next, we are trying to probe the Federal agencies of Government to ascertain why we have not provided for the people of this Nation the housing that is necessary to their well-being, the education, jobs and the like in order to provide a healthy climate for all Americans.

We talk about prevention programs. We talked a few moments ago about the question of how much \$20 million spent on prevention could attain. Well, are we spending enough money on housing in this country? Are we operating under that syndrome of cutting back to balance a budget and unbalance the population? Where is it all at today?

I think this is the major reason why we have asked you to come before us. I would like to pass on to Mr. Railsback, the ranking member of this committee, who is the one who recommended we invite you to appear.

Mr. Railsback.

Mr. RAILSBACK. Thank you, Mr. Chairman. I have already welcomed Reverend Jackson. I must say, as a fellow Illinoisan, I have had a chance to follow your career and I am aware of the shift in emphasis of Operation PUSH to education.

I have watched the membership of the organization grow. You have over 100,000 dues-paying members. I guess I should say a lot of us are impressed that the solutions you seem to be calling for don't always involve throwing money at the problems, but rather an appeal to the individuals themselves to try to lift themselves, try to meet their challenges to do the best they can to achieve. I have been around the Federal Government long enough, even though I supported many big spending programs, I have come to the reluctant conclusion that spending big sums of money doesn't always get the job done.

What we are looking for are answers, for a direction in which we should be proceeding. How can we best help local people try to solve these complex, frustrating problems.

I am delighted to welcome you here. We are proud that you are from Illinois and that your contribution has been national.

#### **TESTIMONY OF REV. JESSE JACKSON, FOUNDER AND PRESIDENT OF PUSH**

Reverend JACKSON. Thank you very much.

Mr. Wolff, Mr. Railsback, distinguished members of this Select Committee, Congressman Rangel, with whom I worked on this problem over a number of years trying to wrestle with it and look at some angles.

At the outset I want to say I am not an expert on this. I have some observations that I would like to make. I am anxious to continue any kind of dialog I can and share with you some of my own personal conclusions working considerably in the schools and, of course, I now see elementary school children pushing drugs and on drugs.

Many of our high schools are engulfed in an epidemic, pandemic and, of course, the teenage pregnancy epidemic.

Somehow all of this is connected, as I see it, to certain—a certain cast of characters, a certain level of spirituality or lack of it.

There are some givens we need deal with :

The first is that the problem of drug usage among teenagers—I will focus on youth—is not an ethnic issue. It is an ethical issue and a spiritual issue. Some people try to reduce it to a certain side of town, oftentimes the movies try to glorify Harlem as the center of drug distribution or South or West Side Chicago, Watts, or something.

In some sense they have done the rest of the community a disservice because they give people the impression that drugs come from one ethnic group when, in fact, in the inner city there are people without housing and jobs where I found the most blatant use of drugs in suburban high schools where the people have nice houses and green lawns and two cars and a garage and the whole bit.

The crisis is not ethnic. In a sense it is ethical. It is spiritual, fundamentally. Oftentimes it is very difficult to build a legal cage to hem up a spiritual wind. That is, the prevailing wisdom that drugs are all right. We have to be aware of the fact that drugs are not all right. Drugs are killers.

There is in the broader society a spiral of meaninglessness in the American culture. Some studies are beginning to reveal the level of cynicism and pessimism in this country is perhaps the greatest of any nation in the industrialized world.

The feeling that we are losing a grip on life has created tremendous anxiety and despair and hopelessness, and many people who don't find meaning in their desperation are reaching out for something to close the gap in their character or in their lives.

So to some extent, one might measure the sickness by the extent to which one tries to use drugs or any other kind of artificial bridge to close the gap in our lives.

To my knowledge, I have a very hard-line position on separating the pusher from the pushed, or the pusher from the user. By and large, pushers, those I have seen, are not on drugs. They are cold, calculating, premeditating killers. They are bad people. They betray public trust, drug pushers do. They ought to be dealt with like they are the killers that they are.

Now when they shoot people with pistols, it is a less acceptable form of murder and, therefore, we talk about capital punishment and all the kind of horrendous solutions even to that problem.

But drug pushers contribute to a slower process of killing. They are really killers.

On the other hand, by and large, people using drugs are sick people. I am not sure that one deals with sick people by intensifying laws as much as trying to get at the causes and the effect of that sickness.

Now I found many teenagers now trying to use drugs as a measure of their manhood or womanhood, which becomes a question of drugs where somehow we think if we can, as it were, move from smoking a cigarette to smoking a joint, we have hit a new level of manhood or womanhood, a new level of independence.

The reason I never supported a drive to legalize marijuana is because we are simply extending the sickness. If everybody does it, it is still sick. It is just a popular form of sickness.

When the storms of life rage in our lives and we have to search for an aircastle rather than a house that has foundations, something is

missing from our lives. There is a vacuum there. We can't deal with it just with money, even though money is needed to spread the word. We can't deal with it just with new laws, even though we have to deal with the way the drugs are transmitted and who is profiting from it.

At root if a person is insulated because of a feeling of fulfillment or meaningfulness, if a person is insulated rather than isolated, I could be in this room and everybody here could have a needle in the arm and I could look at all of you like you were crazy, because I am insulated. Everybody can be smoking a joint and I could walk out in the hall because of insulation.

There is no isolation solution. It is an insulation problem. A number of our kids would be bowled over because they have been so isolated from the real world that when problems come—and problems do come—we use appeal power to cop out because we don't have will power to copy with it.

I was meeting with people in Los Angeles last Sunday, and this lady had an interesting observation. It was a group of people, most of whom were very wealthy. She said, "I don't think it will happen in the country until we change Presidents." I said that might be a good observation, but the issue is the President and also the Presidency, given the whole decentralization of power in the world today, and just to change personalities without changing other forces that interact might be another problem.

She said, "I was involved in the politics back when Kennedy was President, and after he died, we figured it didn't matter any more."

I said, "You are a very spoiled person, rich notwithstanding, to think in a 15-round fight, you can fight 1 round and then you have the right to drop out. I mean, you are a sick woman."

"My son is a new generation. He feels much the same way. He doesn't vote for any politicians because they are corrupt and not perfect." I said, "If you taught your imperfect son he has a right to imperfect solutions, you extend the sickness. He is being spoiled."

I am concerned we have to deal with this. We need people who can go down to the very superficiality of our character which comes out of being so spoiled, how that makes us avoid lives suffering, and reality. Superficial people reach for superficial answers real quick. People who have a sense of struggle don't have the willingness to cope with life and its adversity because maybe someone told them that success is in a straight line as opposed to a road that has curves in it and potholes and blind spots and where storms occur.

So I would hope that once we deal with as much law as we can to stop the free transmission of drugs, and once we impose the severest penalties we can on pushers, which is another dimension, and once we deal with the values where some adults begin to talk about drugs are not as bad as—I talked with a kid from a high school in a Chicago suburb. He said he spends all his time talking about drugs. What about liquor? More people use liquor. He gave a lot of statistics on liquor against marihuana and heroin and cocaine and the like.

I said if you walk down the street and someone is coming down the road 60 miles an hour with their eyes glazed from Seagram's or marihuana, which one would you want coming at you?

He said neither. I said I don't mean to put forth an unfair question, but my real concern is your argument is liquor or marihuana as opposed to the third option of being sober.

The issue of being sober was not even a life option in his mind. It was which drug shall I use? To that extent, one has to raise a question fundamentally of what is it that is breeding the appetite for drugs to escape? What is it that is robbing us of the strength to face adversity without capitulating? What is it that makes us have two legs and still need a crutch? Why do we need three legs?

I would like to think that there are people who kind of specialize in mind and spirituality that must be brought in at the level of dialog on drug prevention that have not been brought in before. I think about people in your district like Dr. Sam Price up in New York. Some other people who really dealt with the dilemma in life of emptiness versus meaninglessness.

When I hear people talk of drugs at the legal level, punishment level, more money level, I get the impression they have not dealt with what is it in our character that makes drugs flourish. I would like to think the mass media, the glorification of drugs and sex, the self-gratification syndrome, the me syndrome rather than the we syndrome has a lot to do with it. I would like to think that the absence of leaders who have respect equivocating on the drug question are ignoring it because right now it appears to be a popular trend.

I don't think that leadership has spoken out clearly enough. I also think many of our high visibility athletes who I call impact educators, if they were involved at the level where they argue against drug usage, much the way Bill Walton has, they impact upon children's minds.

When you get the story that coaches are pumping drugs to get people to play one more game, they are killers. When athletes rebel against that, they are the leaders of the Nation and should be rewarded as such.

Many of our doctors must be brought to task on how willing they are to substitute drugs for any form of counseling. Just a widespread distribution of Valium and other forms of drugs. We convince people that pain is not a part of getting well.

I have seen as many people who developed addiction from going to the doctor, the idea of getting from an illegal pusher on the corner—to that extent, both medical ethics and maturity and commitment to this problem must come forth to the level where in fact the prime drug distributors are doctors. The prime drug distributors are doctors.

Many people can't get unhooked once they have been attached 7 to 10 days to the kind of drugs in widespread use.

Many of our youth have access to these because they first came from some medication. So that is essentially what I see. The legal, I am very concerned about it.

Punishment for the criminal, I am concerned about it. But the appetite itself is starting very early in our children.

Mr. STARK. Thank you very much, Reverend Jackson.

I would like to recognize our other distinguished gentleman from Illinois today, Mr. Murphy.

Mr. MURPHY. Thank you very much, Mr. Stark.

Reverend Jackson, it is good to see you here. We represent the same city of Chicago. I believe we live in the same district. I know your



children attend the same school my children do, Martin Park Academy, and I am encouraged by what you say here today, because most people think that the drug abuse we deal with at the international level, where it is grown, and how to prevent it, and what has come late into the scene is this treatment by society as a whole.

We have messages every day on TV, if you want to go to sleep, take this. Peppy in the morning, take this. The drug culture today is ever-pervasive among our youngsters. I congratulate you on your work in the schools with this program.

I also congratulate the task force, which I am not a member of, but the fact that you are beginning to undertake this other aspect of the whole drug program, which I think has been left unattended to, is very important.

I was glad that you made the observation that it is the very wealthy affluent schools in our area that really have a serious drug problem. It goes to show that drug problems are not only contained in the west and south side of Chicago or Harlem, but also in the very affluent societies of our country today.

Again, I think it comes back to the point you made that doctors, TV commercials, our whole way of life has been centered around the peddling of drugs, as the panacea for our mental ills and physical ills.

I am encouraged by your statement that in order to get well, one has to suffer a little pain. I think those are ideas today that are good old fashioned ideas, but they lost some currency in today's dialog.

Reverend JACKSON. I remember so well, Congressman Murphy, that—some of it goes back to the sparing feelings about the state of the Nation and its leadership.

In the early 1960's, I almost see a trend where we had this rash of assassinations, the Kennedys and King and Malcolm X, that was a very buoyant generation of young activists who were sober and sane and sensitive.

They were about serious social change. Before we could adjust to that, there was the Vietnam war and before we got adjusted to that, there was Watergate, where we developed this cast of crooks who were rewarded after having been found to be criminals to sumptuous idols making millions describing their activities.

One interesting development of that which is Woodstock, which was a kind of wholesale rebellion where society went to a kind of Sodom and Gomorrah situation with a wholesale distribution of drug usage and nakedness equating shack-up with marriage, a kind of ethical collapse.

The death of ethics is the sabotage of excellence. Woodstock was glorified as a legitimate expression of social rebellion. It was almost a beginning of the "me" generation, the self-gratification. We operated prior to that time on a value system that said we must endure short-term pain for long-term pleasure as opposed to short-term pleasure for long-term pain, and that we must be sacrificial rather than superficial, and we develop ourselves by helping our people.

It was a reaching-out kind of philosophical ethical thrust. But from that point we made a decided move in another direction.

Now the reason why the media people, the Norman Lear and Bud Yorkins and the other people who reach so many people so quickly,

they must be brought into a part of the cure of the situation because they can tilt the scale and prevent and direct the wind toward new prevailing values.

In Harlem, if manhood is shooting a basketball a certain kind of way, next season we will shoot the ball a certain way because we re-define it. If manhood or womanhood becomes being sober and socially activated, we pursue that.

There are prevailing winds that blow that you don't control. I think when the Nation develops what I call a kind of psychological welfare state, a kind of tendency syndrome thinking this problem will be solved in the White House and Big House rather than your house or my house, then we are looking for the cure in the wrong place where it happens at that level.

The cure can't come from the top down. It must come from the bottom up.

Therefore, moving toward mass media figures and culture heroes and the people who speak to us, they must be involved. When you look at some of the same people sitting on night shows talking about the experiences with drugs and how it is the cool thing to do, they corrupt people. You look at them and talk about the meaninglessness of it and how the Janis Joplin's are wiped out by it. They are the healers. This kind of power, the power of which way shall the prevailing wind blow, is in hands other than the hands that are here.

So some kind of mass educational commitment that involved mass leaders must be involved, as I see it.

Mr. MURPHY. Mr. Chairman, I want to thank you. It is good to see Reverend Jackson up again. He was in the hospital recently and the reason was from complete exhaustion from going to schools around the country carrying his message.

I am glad to see him back again looking so good.

Thank you.

Reverend JACKSON. Thank you. Of course, I wouldn't let them give me any drugs. [Laughter.]

Mr. STARK. I will break with tradition.

~~Congressman Rangel has to save the country from the oil companies and I will ask the rest of the committee to bear with me and let him inquire for 5 minutes.~~

Mr. RANGEL. It is very kind of you.

Another national crisis is the national health insurance bill, but it is kind of the committee to allow me this luxury.

There is nothing I can add to the importance of creating an atmosphere to prevent the epidemic from spreading or to avoid our youngsters from getting involved. Yet somehow as you talk about that, the attitude, if we start to look at society as we know it, we can readily see, as we find more people checking out and those that are checking in, if you look at the people that refuse to participate in the system, and if we take a look, as Chairman Wolff pointed out, how ultimately we find them locked into a jailing situation and we know that what happens in those jails, that we improve the quality of the criminal as opposed to creating someone that has been rehabilitated, then again we might take a look at the whole society to see what are the alternatives and what happens to our lifestyle if we don't get a hold on it.

Because it is not just a question of self-destruction. When it was that, then the Congress and the Nation ignored it. It was only when it started bubbling over and spreading into other lifestyles—I was in the New York State Legislature where people thought that those that smoked marihuana were drug fiends until their children were busted and then all of a sudden, their children were different from the children I was representing. They were going to jail for marihuana every day.

But in order to show the difference in the last distinctions, permissiveness prevailed. So I see a danger not only to the destruction of the generation, but when people find it so easy to check out, it could very well be that some of us would be out of business, too.

I want to congratulate you because your voice has been a lonely voice many times, and people that have the ability to get attention have not joined in with you, but I am convinced after your articulate testimony before this committee, and this committee is in the forefront, whatever little is being done, all of us feel we are part of that little bit.

It won't be just your testimony today, but our working together to see whether we can all make our contributions in trying to turn this epidemic around.

I thank you for your efforts.

Reverend JACKSON. Thank you.

Again, I repeat, you have been working on this as long as anybody I know. I think the whole issue of drugs as a national attitude runs a little deeper than how many programs relate and correlate and overlap and the amount of dollars—if we are going to spend substantial money on shifting the prevailing wind—~~that is the only way I can~~ size it up—shifting attitude, we may hit at it. But we have kids now who are measuring their person by drug usage. Who are measuring their manhood and womanhood by the whole drug syndrome.

Because it has become so prevalent, we have many officials at high levels—legislators and the like—who bow in the face of it as opposed to taking strong positions on drugs as a killer, they deal with them as a thriller, because it is popular.

I think there is no worse a position than an elected official to go to a point where he needs a gas mask to make a speech and doesn't have the guts to cut it as he sees it.

In Chicago not long ago, an artist came on stage with a refrain like this, six or seven cigarettes in his mouth, giving the impression they were marihuana. The refrain went like, "If you don't want to get on down, don't stick around"; 4,000 kids responded.

The next refrain was, "Get off your ass and smoke some grass."

Now 6,000 kids operating and this kind of hypnotic atmosphere sent back to home, school, church, recreation, they have been sent as a result of a certain cultural syndrome.

To say you don't know that is happening means that you don't know what is happening. To listen to some of that stuff come across the radio, and much of the message is coming even through music. That is the pornographic music syndrome has to be seen in perspective.

Mick Jagger comes out with the glorification of drugs and sells 3 million records, and ends up with a line saying black girls want to be "f'd" all night, the pornification of drugs as a juvenile lifestyle,

the politicians arguing it ought to be legalized because it is popular, all that drift is part of what you are trying to fight.

Chairman WOLFF. Would the gentleman yield?

I know that the gentleman from New York has to return to the Ways and Means Committee where he is heading the Health Subcommittee, but I wonder in consideration of the new health legislation, whether there will be adequate consideration given to addiction problems and treatment.

Mr. RANGEL. There is no question that it has to be on the agenda.

Actually Reverend Jackson was at a unveiling of the preliminary plan this morning. It has its shortfalls, but I am confident the subcommittee will attempt to correct it.

Mr. STARK. Reverend Jackson, I agree and am inspired by what you say. It brings mostly a sense of frustration for those of us who toil here that it may not yield much, but we still have to come back and say what we can do?

We are at a Federal level helping Organization PUSH. We are not doing enough, in my opinion. I have just three questions:

The first one would deal with the Federal Government's role. Where do you see areas where we could possibly help either because we can bring to focus our tremendous resources and what prevention programs have you seen that are already successful that we might expand on? Those are the first two questions.

Should the Federal Government prohibit liquor and cigarette advertising in certain hours, for instance?

I would like you to explore that with us a bit.

Reverend JACKSON. First of all, I am impressed with the way Turkey handles pushers. [Laughter.]

I am impressed because the price you pay—

Mr. STARK. They put them in jail and—

Reverend JACKSON. You have to determine a short-term thrill as against a long-term thrill. I am not convinced we deal with drugs as a serious matter. There is profit and fun in it, and it is cheap. So that the whole border crossing of drugs and drug rings, I think that is a very significant part of it.

Right now you can do it and get off real cheap. I think there is no correlation between the seriousness and how we basically educate the public on the matter. If you get caught killing somebody in cold blood somewhere between capital punishment and a lot of time in jail and reputation destroyed, from losing your medical license, legal license, it is a heavy notion. But since shooting ourselves in the arm or up in the nose is a slower process of killing, we kind of have a different position.

My position is very hard line on people who premeditate.

Mr. STARK. Does that include liquor?

Reverend JACKSON. Absolutely. Who premeditate the killing of people. Obviously some of us in high positions—for example, the whole liquor syndrome, I must admit I have had a fairly sociable attitude toward liquor as a product of our culture, but when I look at just the mind destruction that liquor is having on people's lives, it becomes less sociable and less funny to me every day.

You don't need to go to two or three car wrecks where somebody leaped a rail or killed a family under the influence of liquor and you start altering your notions about how wonderful it is.

Or look at people you know who, when they are sober are some of the best people you know, and when the liquor knocks out that part of their brain and the schizo takes over, how self-destructive and family-destructive they are, it begins to alter your values about what is important. So that is important.

I think that the liquor situation is such that we are kind of like some of the people who stand to—some of the people who stand to—who get the thrill out of it and who get the profit out of it are also the people in charge of major portions of our country. How far up are we willing to go to deal with the distribution of the sickness?

On the other hand, I think many of our children just need to be products of a mass education program. Many of them don't know what they are getting into. They have not really been shown on TV and on radio and the forums of the dangers of the first step.

I think many of them in schools—I watch children who become pregnant who have never been taught 1 day about the power of their bodies because we have left sex to mysticism and taboo, and those who have babies at 13 and 14 tend to have another by 15 because even the having of the baby has not contributed to sex education.

In many schools I see a lot of pure ignorance about one step leading to another and the whole dependency syndrome.

When people try to ultimately separate marihuana from cocaine, from heroin, from other drugs, they are not dealing with the fundamental issue of, shall we become independent, self-determining people who can operate on two legs and no crutch, or shall we develop a dependency syndrome to operate on two legs and crutches, crutches, crutches.

The dependency syndrome that the drug situation establishes. Therefore, we have to go to the root of that syndrome. That is why I am arguing it is at one level medical, psychological, and values, as well as on the other hand something legal and militarily.

Mr. STARK. Thank you very much.

Mr. Railsback.

Mr. RAILSBACK. Thank you, Mr. Chairman.

I would like to concur with that part of your statement that suggested we look into the medical aspect to try to determine whether doctors are in fact prescribing too many drugs.

I don't know whether you knew this or not, but about a year ago or a few months ago, we held hearings about women and drug abuse. I thought it was very forceful testimony—some of it coming as a result of the Betty Ford incident, that without a doubt particularly women are very vulnerable to excessive prescriptions of drugs which eventuates in them becoming very drug dependent, particularly if they use alcohol in conjunction with the drugs.

This committee has the courage to actually get some of the representatives of the AMA or whomever before us to ask them if they are doing anything about that particular problem.

The other thing I wanted to mention: What do you think should be the role of schools? You mentioned the mass media. I agree with

you on that. What can be the role of schools in trying to educate and trying to do something about the attitude about which you spoke? Also, what should be the role of churches?

Reverend JACKSON. First, schools must in my judgment distribute the information. Any child coming out of an American school should be well aware of the kind of drugs that exist, the effects of drugs that exist, drug abuse. Be aware of drugs. But we have to go beyond simply exposing kids. We must teach with a kind of conviction that finally concludes a point of view.

We must also, in my judgment, conclude not—throw the stuff up in the van, but conclude that drugs are both wrong, which is a value question, and harmful, which is a medical question.

If you are trying to teach in a moral vacuum, you don't have the conviction to therefore begin to impart it. You simply put the medicine on somebody's lip or the food, but you have not gotten them to digest it.

A school can do that.

Churches must become much more visible and aware of the fact that drugs are not just the black or brown side of town or the poor side of town. Many of the members are sitting in church awake on a drug.

Mr. RAILSBACK. Thank you.

Reverend JACKSON. Awake on a drug. The primary distributors of drugs are doctors. They are not pushers on corners. They are legal distributors of drugs. People become hooked starting from cough sirup on around—some you might know are drinking shaving cream.

The extent to which we developed that need for a spark to come from some place other than our gut sole is prevailing. At one level you become disgusted and drop out, but I think the wind can be shifted. We know it is attitudinal. We can affect attitudes if we understand that is the issue. We can affect values if we know values are the issue.

We shirk facing the attitudinal problem and simply deal with the effect, we will miss it. If we shirk the issue of values because we have to hem and haw and equivocate, we will miss it.

If we equivocate with drugs coming across the border as a threat to internal security, if we shirk dealing with that in the kind of language we use for serious matters, that is another forfeit of our obligation.

Mr. RAILSBACK. Thank you.

Mr. STARK. The Chair would announce that there is a vote to approve yesterday's journal and I will continue the questioning in the interest of Mr. Jackson's time through the vote.

If anybody wants to leave, I will see if we can protect their time.

Mr. Beard?

Mr. BEARD. Let me first of all say I am very inspired by your remarks. So much of what you are saying expresses the feelings I have tried to express, though you do it much better than I.

I am not an attorney and I guess I am very simplistic in my approach to trying to search out some of the solutions to the problems. What you state regarding the drug pushers of this country being calculated killers makes sense. I don't understand why our judicial sys-

tem and why the members of the Judiciary Committee have not come to this conclusion, that these people are killing our young people.

Go to Maryland and look at those 12 young people who were high on drugs and died in that pickup truck. They are starting them in the fifth grade and fourth grade. Yet there is no emotion about it. It must be frustrating for you to be out there talking with these young kids, and yet you don't hear the leaders of the government getting emotional. I feel emotional. I feel terrified about the future. Yet I don't see that emotion by our own leaders.

So how do we expect our own children to get emotional?

Go into a classroom today and ask the kids about the harms of smoking cigarettes, and they can tell you because of all the advertising that was done by HEW. My wife was humiliated out of smoking by our children because they saw the ads and they would make the points about it. Ask a kid about the dangers of marihuana and they say that there is really no problem. There is something wrong when they can tell you more about cigarettes than marihuana.

I feel we have dropped the ball by not putting out the same number of ads regarding drugs on public television as we have on cigarettes. I think "Reading, Writing and Reefer," the NBC documentary should be shown to every young kid in the country. The Members of Congress should watch it. Maybe that would help them get more emotional about the issue.

I am just with you so totally as to, if a man makes that decision to push drugs, by gosh, he better be prepared to know what is waiting for him if he gets caught. And I mean put him away and none of this sensitivity about, oh, he made a mistake. Because he is making a decision to foul our kids' lives up. I have been screaming this, and I just thank you for coming and helping reinforce my conviction.

Reverend JACKSON. I was apologetic for a long time, reading about people saved by the foolishness of preaching, but I believe that. At one level those who got convictions betray other people by silence if they don't preach their convictions. If you go to college to do a commencement, if you shirk the issue, you know if you say something about drugs, they might hiss or boo, but if you don't have the courage to call that shot where it needs to be called and try to save some, if not all, then you are not really in the Patrick Henry tradition of the courage of your convictions.

I look at a lot of politicians who pacify the drug thing. A certain Governor, whose name I will not call now because it is irrelevant in the sense, he had a press conference with a group of youth and there were six cans of beer on the table and they lowered the drinking age to 18.

Now, needless to say, that kind of character himself needs to be put away. [Laughter.]

I mean he had press conferences with six cans of beer and the liquor age of 18 because there were votes there. We will eventually pay the price for this vacuum of character in high levels of government.

Mr. BEARD. It is time we move out and get people like you some support. Do you feel it would help you in your fight to have ads on TV, such as public service educational spots regarding drugs, as we did on cigarette smoking just to start reinforcing—

Reverend JACKSON. If the three networks and educational TV—frankly, I wouldn't be interested in the money for us on the matter for our organization because it might appear to be self-serving, but I think the three networks and the people like Norman Lear and Bud Yorkin, people who know how to produce the staff, should be pulled together to have a serious campaign and then a crusade.

Because the reason why I don't become discouraged is because I have gone to some of the druggiest situations, and once I argued the case, people come up, willing to change. Some of them have never had the case argued before. Some of the weakness in character is the result of our not coming forth with convictions, those of us with platforms and access to them.

I have gone to many drug situations where my first statement was booed and jeered, but I figured I could swim the water. I got to the other side every trip. And the students came forward en masse looking for a way out.

Now I think we have to go that route. I think we have to face this. I don't think there is any way around confronting the issue in the high school and in our own children's lives.

The fact that our children smoke drugs doesn't make it any better. The fact that one of our kids get caught pushing it doesn't make it better, either.

Mr. BEARD. Very good.

Reverend JACKSON. I can be so firm about it. A lot of things, I try to be open on. I am less open on drugs than before.

A friend of mine in Detroit was a funeral director. "How is business going?"

"Unfortunately, too good.

"What is your point?"

"I have 25 bodies in the mortuary, 18 of them under 18 years old."

When you face some of this, it takes you out of their "maybe it is all right" position. It is not all right. It is not all right. It undercuts everything else we are talking about in this country.

Mr. BEARD. I wish you would take some of the people in this administration out to the country with you and let some of them see first hand what is going on and what some of the problems are. Maybe we could get on to some action rather than continuously spending millions of dollars for future studies.

I think it is time for action now, and I think we have enough commonsense to figure out what to do or at least what steps to take and what direction to go in.

Maybe if some of the people from Washington would get out in the real world they would become emotional about it and we could start something.

Reverend JACKSON. The funeral directors and coroners can give you major research.

Mr. BEARD. Thank you, sir.

Mr. STARK. Reverend Jackson, I know you can't, in your effort to not be self-serving, suggest to us that we increase the Federal funds that are invested in PUSH, but I wonder if you could describe for us a few of the programs that are organizational.



You are being very modest and very gracious to identify some of us as people who can speak out with anywhere near the impact you can. You are a role model for a lot of young people and, indeed, a lot of adults. Members of Congress these days don't often enjoy that kind of high popularity or the confidence. I mean that seriously.

Look at the polls, but I don't know what we are below, but we are not very high in the eyes of the public and often in the eyes of young people. But it is very difficult. We only have so many super stars and we only have so many adults that can be instantly recognized on television.

To the extent that people like yourself who are identified as a leader can extend your reach through an organization, I think we should continue to support that effort.

Now what are some of the things that pushers do that doesn't take your presence on the scene, if you will, that we could expand?

It is my understanding that only 3,000 schools out of 300,000 in the country have any kind of narcotics or drug program. That is pretty small. Maybe other types of organizations could help. Could you discuss this?

Reverend JACKSON. Too few people are wrestling with a solution to the problem, and too many people are victims. Those victims, whether they are the parents who end up spending thousands and thousands trying to get their child well, they are victims, too. And the church is a victim. The community is a victim where this hits.

I would think we need to move toward every school. If we declare the state of emergency that it is, we could justify that, and every school has to begin to teach the options and the values relative to drugs.

Secondly, the mass media involvement—our immediate network in this country is so strong, it is the most advanced in the world. It can play a significant role in the whole process.

I would further like to think that if we begin to—one of the things we have done that was most meaningful, we asked parents to do four things:

One, meet your child's teacher and exchange home numbers. Teachers respond to children differently when they know the parents, and children respond differently when they are known by both parties. Many parents don't know until May their child hasn't been in school since December.

Parents should monitor their children's study hours 2 hours a night, nobody is too poor to turn off the television 2 hours a night and nobody better be too busy to do so, because you will deal with the consequences of having confused priorities, as we see it.

Third, to pick up your child's test scores. We shouldn't find out in the 12th grade the child reads at a 7th grade level.

The significance is simply this: when we live up to the security from achieving during our formative years, there is less need to escape. People who will feel unfulfilled or otherwise threatened by the past begin to try to jump the rail to get them a shortcut to get to the top.

So much of the drug situation comes out of a profound sense of failure. A feeling that I can't make it and must do something be meaningful. If I can't be superior in physics or chemistry, I can be superior in smoking pot. I can be superior in something.

We found underachievers in many instances find themselves resorting to some form of crutch. So there is a real relationship between mental and spiritual development and use of drugs.

Mr. STARK. I would come back for a minute, if I can, in terms of your experience, your organization's experience. Can that be expanded? Maybe there are only so many people who can be directed that way. This is where we talk about learning. How can we get learning from yourself or other athletes or entertainers who feel as you do, without relying on just their limited time?

Reverend JACKSON. I would be interested in further discussing that in detail with your staff or a group of you and your staff about it, but as I said, today I am prepared to cut it as I see it as straight as I can, and I would not like to have my position weakened by the notion of setting up an organization—

Mr. STARK. I know you are sensitive to that.

Reverend JACKSON. I would participate in an advisory capacity.

Mr. STARK. Our committee has been building a citizens' advisory committee, and the chairman did ask me to extend to you a sincere invitation to give us what time you can in helping this committee in that role. We would certainly appreciate it if you would consider that.

Reverend JACKSON. I am interested in advising, but I don't want—even though I know we need—there is too little money on prevention. We need more money on prevention. We may need more money in different areas. I don't want to confuse increased money with decreased drug usage, as a direct correlation. There is some relation, but it's not half as direct as oftentimes we want to think it is. It's that direct. Because so often again I represent the legal drug uses, the people who legally get you hooked are the ones who set you up for the illicit market. The ethics of doctors and their judgment have to be called to account, because it's the drug plants that are making it.

Most people that are real junkers in the country walk around with great social acceptance and fingers full of rings and three or four bottles of pills in their purse, between cigarettes, taking drugs and coffee.

Mr. STARK. Congressman Neal?

Mr. NEAL. Nothing, thank you.

Mr. STARK. I know that Congressmen Gilman and Hutto had some questions, but we kept you here—if you can stay with us 1 minute—Congressman Hutto is back. Would you like to inquire?

Mr. HURRO. Yes, sir. Thank you, Mr. Chairman. Reverend Jackson, I want to congratulate you on your testimony. You have given a very good testimony, and I thank you for being one of the few who doesn't "sugarcoat" the issue. I think you hit on the big issue, and that is, we live in a society that is sick in many ways; it needs leadership. This leadership would bring about more changes than our passing a lot of laws, though we want to be as helpful as possible. You hit the nail on the head when you talked about the emptiness of people, particularly young people, when they see this superficiality that you spoke about.

I think it's very difficult for our young people when they see the example and pattern that is being given to them by their parents and the adult population. You spoke about the tragedy of a family being

wiped out by someone who is drinking or on drugs. We have so much permissiveness. It's expected on television or before any meeting, to have a social hour where someone participates and doesn't exactly stay himself after a few drinks.

We deal with a very powerful industry, the liquor lobby. I wondered if you have any particular thoughts on how we can inspire more people to set the example that you are talking about. Young people do look up to the hero who shoots the basketball in a certain way and who demands their respect.

Reverend JACKSON. Again, as hard as my line is, I confess that our attitude must be redemptive rather than punitive. I think it's almost a mistake thinking you can lock up a drug culture. That will not work. Children are more likely to be redirected once they are pulled in. You are trying to fill up the gaps in their lives with some artificial bridge. So there is a loss of love. There is some relationship between family deterioration where they are driven by lack of money and substance or driven as a result of values.

But so often children try to fill up these gaps with drugs. We might at one level have to love our way out of this rather than fight our way out, in many levels particularly involving relatively young children. A kid down the street from me 3 weeks ago—twins—one son, his father chastized him, and he put a pistol to his head and blew his brains out. What a tragedy.

We are very close with the Sodom and Gomorrah conduct. That foolishness going on in San Francisco and the like.

As I look at the SALT talks and all that, there is a steady deteriorating flow.

A protracted civilization crisis here. Without any values, we will lose value. Just the value of human lives. If we lose the value of human lives, you will lose the value of property and everything else.

I would like to serve in a meaningful capacity with something to go to another level, as I would put it, and try to be as divorced myself as possible from any remunerative situation, because I think sometimes we can contain many things with money. Particularly, the people who must serve as observer helpmates in a situation.

I would think, however low we may think the popularity is of some elected officials, they are popular enough to get elected.

You are speaking to who you are speaking to. The people who are electing you themselves are often victims of the legal or illicit part of it. They are part of the culture.

When we say "drug culture," that in and of itself lets us know how pervasive it is.

I am convinced that mass media may be the way to struggle. We are fighting a mass media phenomenon in many ways. The phenomenon itself is a mass media phenomenon. The superficiality is a mass media phenomenon. The quick thrill and self-gratification. Sex is a way to overcome lonesomeness. It's a way to solve problems. Drugs is a way to fill yourself and be apart from pain. That is a mass media phenomenon. You might have to mount a campaign that is just as strong timewise using people, men and women of substance, to help fight it. You can't take invisible people and fight a fight against very visible opposition.

The people making the drug scene are popular to our children. They are heroes and very popular people.

Mr. STARK. Thank you very much, Reverend Jackson.

The committee will recess for a few minutes—excuse me, Mr. Livingston.

Mr. LIVINGSTON. If I could just make a comment. Reverend Jackson, I followed what you were saying a few minutes ago. You yourself have served this country very well as an outstanding example of what a young person can do to help himself. You continue to inspire throughout the country.

I congratulate you on what you are doing.

This is not a legislative committee. We cannot legislate enforcement provisions. Even if we could, it wouldn't be possible to legislate new values for children. You are helping to provide those new values, but if you could just take one step further. Don't you think that those values for young people in this country will have to come not necessarily from the political leaders, not necessarily from the legislative process, but perhaps from within the people themselves and perhaps even a little bit higher through religious institutions or even noninstitutional religious processes?

Reverend JACKSON. I think it's a combination. I think all of us who have been blessed to have a platform, political associates, mass media associates, people who have been given the privilege and power over other people's minds, must make a choice. That is that at times it seems to me when leaders must necessarily choose to be popular. All people desire that at some level. There are times when you have politics. Times when you are right no matter how it cuts. I think there is a level of urgency about the drug situation. Everybody with a voice needs to raise it.

I think, as I recommend, some legislative dimensions in terms of people pushing it, thinking it's a good way to make a living, because it's so profitable, that is a legislative question. Investing more in prevention is a doable thing. But I think to just shift from one program to another personality is still the dependency syndrome. Who can save us? Us can save us. Nobody can save us but us. So to either look at somebody as the final solution, President, Congressman, judge, or look at someone as the problem is to miss the point of the pervasiveness of it all.

Mr. LIVINGSTON. We should do as much as we can. If that means spending more money on drug prevention and drug rehabilitation, that is where we have to go.

Reverend JACKSON. You have to do that. That is where the schools come in. At some levels you educate people out of the ignorance of it, but where drugs are not taken as casual. Everybody wants to be a 6-foot athlete convinced that cigarettes stunt your growth. Maybe you shouldn't smoke. But if smoking is associated with his being sexy, then you know, smoking cigarettes. You can be educating them to the knowledge that it's bad on your heart. It stunts your growth, makes your teeth yellow and your breath stink and your lungs get cancer—you can convince them to turn it loose, maybe. You educate people out of ignorance. The school has a definite function. I am not convinced that social service agencies—I know they don't have as much access to children as schools.

Schools, it seems to me, are a place where we distribute critical information to children during their formative years.

Mr. LIVINGSTON. Thank you, sir.

Mr. STARK. Mr. Gilman.

Mr. GILMAN. Reverend Jackson, I certainly want to commend you for all your efforts in the metropolitan areas across our land in trying to do something about motivating young people. The Narcotics Select Committee struggles continually to find some solid answers and sound propositions for effectively combating drug abuse. We hear numerous general propositions, but when it comes to finding modalities and specifics, we find that they are sadly lacking. If you were placed in charge of our national drug abuse and prevention program, where would you place the emphasis?

I heard your comments this morning about the need for education, but we have been educating, and we have tried to send people into schools. We have distributed material and the material we are sending, the things we are doing in the schools have not been very effective.

Reverend JACKSON. The first move I would make would be to convene the network heads and key producers. I mention Norm Lear and Bud Yorkin and others, because they are the best at it. My first would be a media move. We are fighting something that is culturewide, and you have to have a fighter that is culturewide in strength. That is the media level.

My second move probably would be to convene the health people who can give us the substance in terms of the effects of the drug thing. A lot of prevailing wisdom is that drugs are really not harmful. Then we have to argue they are harmful.

The third level would be to convene the chief school officer and get a serious commitment out of them to relate at that level to this mass media situation and these medical people so that at every school level around the country, I am convinced you could get doctors to go in the schools and argue the case.

When we look at television—I was coming down the street and a very popular group—I don't want to indict them at this time—with a very popular group like 19 to 21 years of age, that early element, they were advertising about. You know they are being exploited to make kids make that first leap. You know what is next. Alcohol. You know what is next. You know what the next step is. So that these people, the advertising people know who makes an impact on mind. They go after them. That is the road you would take.

Mr. GILMAN. It sounds like a worthwhile procedure. I am concerned about what happens to the person you send into the hard-core schools in the ghetto areas in our metropolitan regions where there is a great deal of drug abuse presently.

Some of our school people tell us as much as 90 percent of the youngsters in some of these schools have either experimented or are using drugs of one form or another.

What happens when they send a doctor into a situation like that? Will the kids be receptive to that? Will we really make a dent or will we get the usual cynicism?

Reverend JACKSON. If you start from the doctor up, who is not very popular, not held in that much esteem, that is the opposite way that I

recommended. The doctor can serve as the medical interpreter, as the enforcer, but not as the attention-getter.

The first step to effect any mind process is to get attention. Get people's attention and you can get their attendance and if you get their attendance you can impact upon their attitude and if you do that you can achieve. You have to use a procedure that is systematic, as I see it.

First, who has the children's attention? Mass media has the attention. This is the first generation of children by age 15 who watched 18,000 hours of TV, compared to 11,000 hours of school and less than 3,000 hours of church and listened to more radio on that.

Clearly the element with the quantitative share of our children's minds is mass media. They are an educational media. The primary transmitter of mores and values is mass media. Not the schoolmarm and reverend or even mom and dad.

This is not to indict them. They have a power that must be creatively used. Right now it's not being so used, because they are not challenged to use it creatively.

Mr. GILMAN. In your movement have you personally experimented with this approach to the problem, and, in your opinion how effective is it?

Reverend JACKSON. It was tremendous, because during our formative years, our impressionable years, we are very vulnerable to heroes and sheroes.

Mr. GILMAN. What age categories are you referring to?

Reverend JACKSON. Five through 15. During the years when we wear people's pictures on T-shirts who impress us. During our formative years. That is why children live together, across racial lines during their formative years, so as to overcome all kind of foolish mysticism about each other. During their formative years.

We should not have shock about drug effects at age 18. We shouldn't have color shock at age 18. During our formative years.

Mr. GILMAN. How do you get the youngsters to resist peer pressure?

Reverend JACKSON. Well, you know, if the process is spread broad enough the peer pressure will be to stay sober. By and large, the majority is not on drugs. It's the "mincricity" on drugs. The schools I have gone to —

Mr. STARK. I hate to interrupt. Reverend and Mr. Gilman, but the Chair will have to recess at this point. We have kept Reverend Jackson far beyond the time he expected.

We will recess and reconvene the committee at 10 minutes of 12, at which time we will have the final three witnesses as a panel.

Thank you very much.

[Recess.]

Mr. STARK. The committee will resume.

Ms. Mary King, Deputy Director of ACTION, Mr. Lynn Curtis, Director of the Anti-Crime Program, Department of Housing and Urban Development, and Dr. John Langer, Chief of Preventive Programs Section, Office of Public Affairs, in the Drug Enforcement Agency, will testify as a panel, which was proposed by the chairman. That was not necessarily their choice. to be a panel.

I guess I would ask Ms. King and then Mr. Curtis and Dr. Langer in that order to present or summarize their prepared statement, and

then you can proceed to discuss their testimony. It's the intention of the Chair to finish at least by 1:00 o'clock, because we lose the room. We might also lose our audience and quorum at that point.

Would you like to proceed?

### TESTIMONY OF MARY KING, DEPUTY DIRECTOR, ACTION

Ms. KING. Thank you, very much.

There is a cliché that pertains to the way I feel now. It's a very hard act to follow Jesse Jackson, who is no slouch at the media himself.

As you know, Sam Brown had intended to testify before the committee last week. I have his testimony to be inserted in the record. Mr. STARK. Without objection, that will be done.

Ms. KING. In addition, there is testimony of my own to be submitted as well. I would like to briefly highlight some of the major points that were made.

In the VISTA volunteer program right now we have 800 VISTA projects across the country; 24 of those projects are specifically related to alcohol and drug abuse. In our Older American Volunteer projects we have three particular programs that I would like to highlight for your attention. The RSVP program—Retired Senior Volunteer program—has 800 volunteers across the country who are involved in treatment, counseling, and rehabilitation programs. Our Foster Grandparent programs has volunteers at work in this area.

For example, there are 20 Foster Grandparents in San Francisco who work on detoxifying babies born addicted.

In the Senior Companion program, virtually all our 3,000 senior companions across the country are specifically trained in helping the clients they serve, to make sure there is not stockpiling of drugs or abuse of medication. I would like to highlight the main point that I make in my own testimony, which is that insofar as the young people of America by everyone's agreement—and Jesse Jackson's testimony has been eloquent—insofar as there is the problem of disbelief, of alienation, of a lack of purpose, we see a national voluntary youth service as the best hope for our Nation in the future as a way of counteracting that problem on a broad scale.

In my testimony, I speak to that in general terms. We hope it would be voluntary, community based and open to all men and women regardless of background.

Public opinion survey research has corroborated the fact that many, many young people would indeed be willing to serve.

George Gallup in March did a statistical extrapolation and found perhaps 10 million American young people would be interested in national voluntary service. I would like to commend for your attention this broad policy issue for your debate in this session and in sessions to come.

Mr. STARK. Can I interrupt for a matter that is of some importance in discussion at this time?

Do you think that you can deliver the kind of service you want to deliver to the communities, if the young people were conscripted, rather than volunteering?

Ms. KING. We don't in our agency.

Mr. STARK. Thank you.

Ms. KING. We believe it must be voluntary to be successful. I personally am against anything that is coercive, insofar as the quality of the work to be done.

Mr. STARK. That is just an aside.

Thank you.

Ms. KING. Thank you.

[The prepared statements of Mary King and Sam Brown appear on pp. 180; 182.]

Mr. STARK. Mr. Curtis?

**TESTIMONY OF LYNN CURTIS, DIRECTOR, ANTICRIME PROGRAM,  
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Mr. CURTIS. Thank you, Mr. Stark. I appreciate this opportunity to speak with you this morning. I share Mary King's dilemma that it's difficult to follow Jesse Jackson. I will just try to summarize a few of the prepared comments I have submitted for the record.

I met Patricia Roberts Harris when she was commissioner on the 1968 Violence Commission and the program I will describe very briefly this morning ultimately goes back to that time.

The Secretary believes that HUD ought to have a comprehensive approach to crime prevention in public housing. As a result of that, she announced the urban initiatives public housing anticrime program on May 10 of this year. It's a \$30 million effort. It's not designed to completely reconstruct society but it's designed to target in places where disproportionate numbers of percentages of poor people live, in public housing projects.

The program involves HUD as a lead agency along with the Department of Labor, which is transferring to us jobs money for youth who live in the projects. Once HUD and the Labor Department select the sites, and this will be done before the end of the fiscal year, we will be working with a number of other Federal agencies which will cotarget additional funds to these 20 to 50 places where we will be focusing. Those other agencies include: LEAA, ACTION, the Agency on Aging, ADAMHA, the Agency on Children, Youth and Families, the Community Services Agency, the Economic Development Agency, the U.S. Fire Agency, and the Interior Department through its urban park program. To illustrate the kind of role that these other agencies will be playing, I would like to simply read to you what ADAMHA has agreed in the notice it announced for its program.

ADAMHA may consider funding professional staff and technical assistance for ongoing new and innovative treatment and prevention programs. They would be directed at alcohol abuse and mental illness and targeted on the special needs of persons living in public housing. Such services may be physically located in or near public housing projects receiving anticrime awards. Applicants are encouraged to provide descriptions of program needs for alcohol abuse, drug abuse and mental health perhaps as part of their overall anticrime applications. In considering these descriptions applicants are encouraged to discuss their needs with state and local drug abuse and mental health agencies and professionals.

The applicants in this program need to be comprehensive. I can't emphasize that enough. We are taking a broad-base approach to prevention here. By being comprehensive we specifically mean that seven



program areas have to be addressed. I will tick them off for you very briefly.

First, we need improved management of anticrime programs beginning with coordinator for this at the site who can create, we hope, the kind of chemistry in part that people like Jesse Jackson can create. So many of these programs is the complicated areas of crime and drug abuse involve a figure who can relate to many politicians, who understands the substance, and who can rally tenants as well as managers to the kind of program he or she is directing.

Second, we are emphasizing rehabilitation of public housing facilities which would then be used for services.

Third, we are looking for tenants organized against crime. Here we are emphasizing that the people who live in public housing ought to have a stake in the programs there. We think this is very important.

Fourth, we are employing youth in public housing and we are stating there is a relationship between unemployment and crime.

Fifth, we are looking for more services in public housing, services which could include drug abuse treatment and prevention, which could include youth programs, which could include assistance to victims.

Six, we are looking for more city police in the projects as well as more sensitively trained officers.

Seventh, and finally, we are looking for more linkage with city hall. We are requiring a local match. We are asking programs be targeted not only on the projects, but the surrounding neighborhoods.

That is the substance of the program. These strategies, I think, cover symptoms as well as causes, inner motivations as well as environmental factors, the community and criminal justice perspectives, prevention as well as control and structural as well as incremental change. From the point of view of this committee, the public housing agencies can include programs for youth and against narcotic abuse as part of improved social services in housing projects.

We have a background review of what has and hasn't worked in the past and it emphasizes providing alternatives as part of the drug abuse program. The underlying assumption here is that drug abuse becomes a less attractive outlet for individuals who are involved with constructive activities of their own choosing. We then go on to discuss more alternatives in terms of this kind of approach. And I would interject at this point that the background review of what we have seen works in public housing includes PUSH, itself, and we are attempting with Reverend Jackson to link up public housing projects in districts that embrace the schools in which he is working, because the creation of change in values that he is trying to effect in the schools certainly moves over into the public housing projects. So we are trying to make that linkage.

Mr. STARK. I'm going to interrupt you, Mr. Curtis, to vote. As soon as Mr. Hutto arrives, you can continue and I will catch up with you and we will go right through in the interest of some semblance of obeying the rules. I will be right back. When Mr. Hutto comes in, proceed and I will catch up.

[Recess.]

Mr. HURTO. The committee will please come to order. Mr. Curtis, would you continue with your statement, please?

Mr. CURTIS. Thank you kindly. I'm just about finished. I will go through and explain some of the substance of our new program and explain how it related to alcohol and drug abuse in reference to ADAMHA and Reverend Jackson's new program. I want to finish by emphasizing strongly that we don't see this just as an anticrime program or drug abuse program but one that addresses the quality of life in public housing projects and attempts to turn around some of the most deteriorating areas in the country both physically and psychologically.

One of the great commissions of the 1960's concluded that warring on poverty, inadequate housing, and unemployment is warring on crime. A civil rights law is a law against crime. Money for schools is money against crime. Medical, psychiatric, and family counseling services are against crime. Most importantly, every effort to improve life in America's inner cities is an effort against crime.

I think the direction of much of what the committee is doing is this and HUD wishes to applaud your efforts in seeing prevention in a broad-based way. We also agree with the conclusions of the Crime Commission and in conclusion propose a course of action in which social reform balanced with criminal justice is viewed as the most humane, but also most cost-effective, long-run strategy.

Thank you.

Mr. HURRO. Thank you. I believe it's the chairman's desire that we have all the statements before questioning. With that, I would like to introduce Dr. John Langer, who is Chief of the Prevention Programs Section of the Office of Public Affairs of the Drug Enforcement Administration. We welcome you. If you will give your statement.

**TESTIMONY OF JOHN LANGER, CHIEF, PREVENTIVE PROGRAM SECTION, OFFICE OF PUBLIC AFFAIRS, DRUG ENFORCEMENT ADMINISTRATION**

Dr. LANGER. Thank you. It's a pleasure to be here to represent DEA at this hearing. My statement is already prepared for the record, but I would like to add a few remarks.

First of all, I agree with Reverend Jackson on the need to address the moral, ethical issues that are involved when you talk about drug abuse. Without addressing those as a basis for decisions we make, we can get caught up in problems that really don't address our fundamental concerns with the drug problem.

DEA has a small prevention program. It provides publication and films, free loan of films, and some publications through its regional and district offices. We also sponsor a demonstration project which we call the school policy development program. That is elaborated on slightly in the testimony. Another aspect of what DEA does in its prevention program in coordination with the Federal agencies through Mr. Dogoloff's office to assure that what we do is consistent with the entire Federal strategy.

One of the needs of State and local law enforcement is leadership. State and local agencies look to DEA for some guidance in how to handle drug abuse problems, not only in the enforcement area, but also in terms of dealing with the community and the public. Equally im-

portant is the need for credible materials that provide a rationale for drug laws and also that demonstrate the need for control over dangerous drugs. The role of law enforcement is not only to arrest offenders, but it's also prevention and deterrence. Enforcement agencies have been criticized, frequently unjustly, for merely doing their jobs. We think that some support DEA provides on a rationale for dealing with the various kinds of drug offenders involved with drug abuse is important.

We think the local police need to be able to distinguish between the drug trafficker and the drug offender who is merely in possession of small amounts. We also think when the offender is a juvenile that the law enforcement agency understands these distinctions. We have made great progress in that area. DEA, as Mr. Dogoloff indicated and as I indicated, coordinates its programs closely with NIDA, Department of Defense, Office of Education, and other agencies.

I would like to make a couple of other brief points.

DEA has been in the coordination business through a variety of agencies such as the former Special Action Office for Drug Abuse Prevention (SAODAP) and the Office of Drug Abuse Policy, and we provide materials that are accurate and factual. We participated in the development of interagency guidelines for drug abuse education materials in 1971 and 1972 and we still adhere to those. Our programs, I should point out, are not competitive with other agencies' programs, we try to complement them. We focus on the role of the criminal justice system and its interfaces in the community.

Over the years, DEA's community-based programs have emphasized the need for cooperation and consistency in dealing with the drug problem. That includes where the community is involved with the entire criminal justice system, not only law enforcement. We distribute our materials primarily through our regional offices to law enforcement agencies and to other agencies which request them. Our message to schools and other groups is that controls on some drugs are necessary. Control begins in the home and in our health establishments. Law enforcement is a last resort.

In the long run, we believe that good educational programs on health that include drug-abuse-prevention education are the answer to the drug problem. Short-run rescue efforts are still needed; but, a good educational program with prevention components that makes not only young children, but also their parents and the rest of the community aware of the drug problem and provides ways of effectively dealing with it is the ultimate answer.

I have some other things to mention briefly.

DEA produces "Drugs of Abuse," which is the definitive publication on controlled substances in the Controlled Substances Act of 1970. We have a magazine called Drug Enforcement provided to agencies worldwide. We try to respond to specific needs and requests. That concludes my remarks.

[Dr. Langer's prepared statement appears on p. 184.]

Mr. Hurto. Thank you very much, Dr. Langer. We will now ask questions of each of you. Since you have just concluded your testimony, I noted that DEA has a prevention tool called Katy's Coloring Book. There seems to be unanimity in the feeling among all who testified today that we need to have education and prevention. If we can

begin to educate people and try to prevent this problem, we wouldn't have the magnitude of drug abuse today.

Specifically, I haven't seen Katy's Coloring Book or Soozie. Can you tell us about it?

Dr. LANGER. I will deliver a copy to you after the session is over. Soozie's is the second of two publications of this type. The first we published about 8 years ago is called Katy's Coloring Book. Katy's has been distributed to over 4 million people. It's for kindergarten through perhaps second grade. Soozie is aimed at a little older audience, perhaps first grade through third. It's not a coloring book, but an activities book. We feel it's useful because parents and teachers can use it without a great deal of advanced preparation. It's an active rather than passive activity and it makes the point without frightening youngsters.

There is some involvement and, as Reverend Jackson said in his testimony, it reaches the youngster before he is confronted with the decision about dealing with drug abuse. He will then have something in his head already about health, safety, and respect for drugs. We think it's very useful and it gets a good deal of acceptance. The National Institute on Drug Abuse has a testing program which reviewed this material and they found it to be very effective.

Mr. HUTTO. It looks very good thumbing through it. What kind of distribution do you have? How do you distribute these?

Dr. LANGER. We have about 100 regional and district offices around the country. Headquarters' distribution is a little different. When a teacher writes for materials, we will provide up to classroom quantity if she writes on letterhead. We also supply it to the National Clearinghouse for Drug Abuse Information, NIDA, in quantity so they may respond to requests and we intend to use it with the film for parents that Mr. Dogoloff mentioned in his testimony. We have printed 500,000 in this first printing and expect to have to renew our supplies sometime in the summer or fall.

Mr. HUTTO. Thank you, Mr. Chairman, I turn the chair back to you.

Mr. STARK. Thank you, Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman. Mr. Langer, what is the total budget in DEA for drug prevention programs?

Dr. LANGER. Our operational budget is \$400,000 this year. We have \$0.6 million total, which includes salaries for staff.

Mr. GILMAN. About \$400,000 is actually used for drug prevention?

Dr. LANGER. Mostly publications and a few programs.

Mr. GILMAN. Who within DEA decides the type of program you are going to adopt?

Dr. LANGER. Well, we check through the Administrator, of course, for all of our programs and over the years we have coordinated with Mr. Dogoloff's office and his predecessor agencies. We tend to focus on what the other agency doesn't do, but to be perfectly frank, my immediate supervisor, Director of the Office of Public Affairs, Mr. Feldkamp, makes the decision, after clearing it with Mr. Bensinger.

Mr. GILMAN. The Director of Public Affairs is in charge of the programs for drug abuse prevention?

Dr. LANGER. He is my boss. I am in charge of the program.

Mr. GILMAN. I take it that you are actively engaged in the program.

Dr. LANGER. Right.

Mr. GILMAN. Have you met with other agencies with regard to their drug abuse prevention programs?

Dr. LANGER. Over the years, DEA has been involved in almost every major interagency prevention committee or ad hoc committee.

Mr. GILMAN. Do you meet regularly with the other agencies on drug abuse prevention?

Dr. LANGER. Yes.

Mr. GILMAN. Where was the last meeting?

Dr. LANGER. It was at NIDA, I believe, Friday.

Mr. GILMAN. Who attended that meeting?

Dr. LANGER. Mary Carol Kelly, public information officer at—

Mr. GILMAN. Just NIDA and DEA?

Dr. LANGER. No. As a matter of fact, I met with Mary Kelly in the morning. In the afternoon, I was on a program sponsored by NIDA on prevention needs assessment. The Office of Education was represented there, NIAAA, the NIDA Multicultural Center, and also several NIDA officials. That was Friday afternoon.

Mr. GILMAN. Was it a forum?

Dr. LANGER. Yes. A panel.

Mr. GILMAN. With regard to interagency policy meetings, when was the last time you sat down with an interagency task force?

Dr. LANGER. I believe we had a series of meetings about a year ago.

Mr. GILMAN. About a year ago. Is that the last time you participated in any task force meeting?

Dr. LANGER. That's correct.

Mr. GILMAN. Do you know if there is a formal task force on drug abuse prevention?

Dr. LANGER. Specifically for drug abuse prevention, our activities are coordinated through Mr. Dogoloff's office. It's an ongoing process. We talk to them weekly. There really is regular communication among the people in the Federal Establishment, anyone who deals with prevention.

Mr. GILMAN. I am familiar with the work of Mr. Dogoloff's office. Of course, that office is trying to do a good job to help coordinate the Federal drug strategy. What I am seeking to learn is what task forces are available where interagency people get together and try to develop an effective strategy, an effective program, and try to exchange information.

You mentioned that you met about a year ago. Do you know of any other task forces that are specifically working on this problem?

Dr. LANGER. No. I guess we are all old hands in prevention. Dr. Nowlis, Karst Besteman, Mr. Dogoloff. We have all been involved in this for the last 8 or 9 years.

Mr. GILMAN. I do not question your expertise. I am trying to seek what sort of coordination that you have. How did you select Soozie?

Dr. LANGER. The Administrator, our staff and our people. This was actually kind of a substitute for Katy's Coloring Book.

Mr. GILMAN. Is this being distributed for the first time this year?

Dr. LANGER. This has been in print for about 3½ months.

Mr. GILMAN. How many copies have you actually distributed? You mentioned 500,000.

Dr. LANGER. I would guess that we reserved 200,000 for the film, so I would think about 150,000.

**Mr. GILMAN.** 150,000 copies were distributed in the last year?

**Dr. LANGER.** In the last 4 months or so.

**Mr. GILMAN.** How many children of that age are in the country?

**Dr. LANGER.** I would guess of the ages between kindergarten and third grade, 10 million? That's a guess, perhaps 15 million.

**Mr. GILMAN.** About 15 million?

**Dr. LANGER.** 10 to 12 million?

**Mr. GILMAN.** At the rate we are going, they will all be mature adults by the time you complete distribution; is that right?

**Dr. LANGER.** We could send them to—we are trying to reach the youngsters through the schools.

**Mr. GILMAN.** Frankly, it is a mere scraping of the surface when you distribute 150,000 to a potential 15 million youngsters, isn't that correct?

**Dr. LANGER.** That's true.

**Mr. GILMAN.** We spend \$300,000 in trying to reach young people. That is not the kind of massive program we are looking for, is it?

**Dr. LANGER.** Well, it's not the only one either. But you're right, we need to do more in reaching young people, especially young people of that age.

**Mr. GILMAN.** I wanted to ask Ms. King some questions but my time has run out, I believe. Thank you, Mr. Chairman.

**Mr. HUTTO.** May I ask a question on this point? I think you made a very valid point, Mr. Gilman, about being able to reach only a fraction of the impressionable age that we are trying to reach. It occurred to me, going back to Mr. Jackson's testimony, that we need to make greater use of the media. Youngsters get up on Saturday morning when they won't get up during the week to go to school, or do so with difficulty. Saturday morning they wake up to watch cartoons. I wonder if you have any thoughts on why we can't get this type of advertising on the major media. I would ask that of anybody on the panel who can answer. Have you worked with the media? Do you have any relationship with the mass media?

**Dr. LANGER.** Yes, we do. My agency worked with NIDA on the 1979 mass media campaign which this year is aimed at young women 18 to 24 and youth 12 through 14.

To respond to your specific question about reaching the young very impressionable age, we find it very expensive to buy time on the media to get free air time at prime time is very difficult. However, we get a good deal of cooperation. Over the last 10 years we have probably gotten \$2- or \$300 million of air time from the media.

**Mr. HUTTO.** If I may continue, Mr. Chairman?

**Mr. STARK.** Please.

**Mr. HUTTO.** The networks, as well as local stations, need programs to fill time. Of course, most of them are commercially sponsored because it brings revenue to the stations. But if these people could be talked to and consulted with, I believe there should be a concerted effort made to get the media people together and say, "Look, the Drug Enforcement Administration believes that we have a good program here, but we can't get it out to these youngsters. We need your help. Will you help us?" It seems we could do this without the ex-

penditure of taxpayers' money if only you could get some people who would work with you in the media.

Dr. LANGER. Yes, sir. If I may talk about NIDA's 1979 campaign very briefly, it focuses on the Single-State Agency people in every State. NIDA will provide materials to each State agency who will then do almost what you said with the local media to try to get this kind of information on the air at appropriate times. We think it's a very useful approach because it uses local resources and it's not very expensive.

Mr. HURTO. Mr. Chairman, it came as somewhat of a surprise to me that Drug Enforcement Administration would be involved in this type of educational program. I'm not knocking it because it seems to me they have done good work here, but the name Drug Enforcement Agency indicates to me that this is an agency that is involved in the enforcement of drug laws. I'm just wondering why you are in this aspect of the drug problem.

Dr. LANGER. Well, it's traditional. When we did Katy's Coloring Book 8 or 9 years ago that was because J. Edgar Hoover handed out a coloring page on "don't take candy from strangers" 30 years ago. When the Bureau of Narcotics and Dangerous Drugs began we were responsible for not only law enforcement but also education. It's a holdover from that. Our budget can stand it. The other agencies didn't have it. We had the talent in our graphic shop, so we did it.

Law enforcement agencies at the local level find it very useful to get into primary grades and work with young people. It also helps our credibility.

Mr. HURTO. If this gets into something between the agencies, how many other Federal agencies are involved in this type of thing that you know of?

Dr. LANGER. National Institute on Drug Abuse.

Mr. HURTO. Thank you.

Mr. STARK. I want to say to the panelists that I come away a bit with a feeling not so much from the dedication of the panelists at the witness table, but from reviewing the literature of the agencies, that DEA as basically an enforcement agency. I don't say that critically. You are doing as good a job as you can. In essence, I feel their activities are mainly directed toward enforcement and not prevention.

You indicated earlier Jesse Jackson was a tough act to follow. You suggested we crack down. It's about as effective, really, as saying you ought to have the police athletic league as a place for a really good recreational program in the city.

Secretary Harris' program basically as it's outlined, you have read, as I did, many pages to find a reference to narcotics. As a matter of fact, in the applications it suggests that the agencies that they will coordinate with were all the Federal agencies but they don't mention narcotics.

I think the idea of community involvement is making it safe. But it hardly does enough. It's tertiary at best and almost in another orbit to suggest that this program could be considered a drug prevention program. It may help if public housing is a better place to live. But there is so much more to be corrected besides just cleaning up the hallways and improving the peepholes. That's not to demean the program.

It is my distinct impression that the only one here who really offers something that is unique, or could be, is ACTION in the sense that in the others, prevention merely gets tacked on. It's not the focus really of DEA as an agency. It's certainly not the focus of HUD. I helped to write the bill under which HUD is struggling at this point and its early development housing.

We get evidence of a whole lot of programs. We get evidence of legislators here not knowing which way to go. We heard testimony to the effect that the spiritual condition of our country is the cause, and heaven help us if legislators start to legislate spiritual guidelines. But I do suspect that if we don't demand coherence, we are guilty of allowing 20 programs to exist through haphazard coordination and spending money inefficiently, if not wastefully. Somehow it doesn't seem that attempts at drug education should come out of DEA. Nor does the idea behind the HUD program—the idea of community pride and involvement in a neighborhood, constitute drug prevention. It makes the world for poor people a little bit better but it sure is hard to go back and say we are doing all we can do.

It is in ACTION, which has a fly-speck-size budget item, that I see a ray of hope. I would like to ask you to give this committee some ideas of what we could do to expand some of the ACTION's role in doing this. Maybe you have some ideas that were not covered.

Ms. KING. Well, I thank you very much for the opportunity to speak. There is one mention in my testimony of a model that we are testing in Syracuse which I would encourage you, if you are really serious about this, to actually visit.

We now have 1,000 young people between 16 and 21 experiencing a year of voluntary service. Many of them are working in drug abuse treatment programs, runaway youth programs, with teenage mothers. There is a great deal of peer involvement. This is an opportunity that has been made possible through the generosity of Secretary Marshall, who has delegated roughly \$8 million to our agency.

So one thing you might do is encourage other agencies to give us money, even if we ourselves are not appearing before you for large appropriations. We can, effectively, use the money of other agencies that perhaps lack grassroots knowledge.

Second, I would say that all of the programs that we have are powerful demonstrations that can be adopted by State and local governments. I was in Kalamazoo, Mich., last week. We have nine Foster Grandparent programs we fund in that State. The State of Michigan funds eight of its own. Too few States have realized the immense value of ordinary people rolling up their sleeves and getting involved with other people. This is something you can't always pay people to do. The element of human caring and concern often has to come from someone because they want to do it. Very little money will go very far in sponsoring such programs.

I would strongly encourage a closer look at all our programs for their replicability. They are all very good grist for your mill.

Mr. GILMAN. Would the gentleman yield?

Mr. STARK. Yes, in just a second. I want to follow up. Another thing. This is a terribly harsh statement and it sounds like "triage" but when we talk about HUD projects, I suspect a large number of



public housing units are occupied by senior citizens. They aren't as costly to our society in terms of drug abuse. It's a tragedy in this country we don't provide housing and food and medical care for our senior citizens but that solution is solved quickly because they die. Youngsters don't. If we don't provide them some kind of prevention programs, it will be very costly.

Ms. KING. I couldn't agree with you more that one of the fundamental issues that must be looked at, and it's a very different question, is the overloading of expenses that are not observable. We pay very, very highly for detention centers for all kinds of punitive measures, for curative approaches across the board, when we are talking about health care or criminal justice. Our approach is one that comes after the fact.

Mr. STARK. Once they are in there, Dr. Langer's agency gets them for the next 40 years.

Ms. KING. We bear as a society the substantial cost. The one element I would like to commend to your attention is the value of intragenerational contact. Many of our young people don't experience older people who care deeply about them. One of the richest experiences for me has been seeing RSVP volunteers and Foster Grandparents caring for younger people just as human beings. The strength of that bond is very, very powerful.

Mr. STARK. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I would like to address a question to Mary King. I mentioned how effective your work has been with young people working in the drug community. How many people do you have working in the drug community?

Ms. KING. The number of people at work in the drug abuse community that are requested through local projects—we work through roughly 1,600 sponsoring agencies across the country. These are non-governmental—

Mr. GILMAN. How many of your employees are working in the drug community?

Ms. KING. We have 28 projects of the VISTA program that are specifically devoted to alcohol and drug abuse. This program is done from the bottom up. It is what is requested by communities of our State offices. If that request level increased, we would respond appropriately. In our Older Americans programs we have many more people involved—800 RSVP volunteers across the country, for example. I realize that this is even less than a scratch on the surface.

Mr. GILMAN. How many employees are actually involved in drug programs?

Ms. KING. I am not sure—we have 2,000 employees for our agency as a whole that run all our programs.

Mr. GILMAN. How many of these employees are involved in the drug community?

Ms. KING. Our employees are not sectorial employees. None of them work with specific sectors. They work with programing across the board.

Mr. GILMAN. How many people—volunteers and paid employees—are involved in drug programs in ACTION?

Ms. KING. All 3,000 Senior Companions are involved in prevention of drug abuse among the elderly. 800 RSVP volunteers. Perhaps

roughly 100 Foster Grandparents. And 40 VISTA volunteers who work full-time in the area.

Mr. GILMAN. How much money does your agency spend in this area?

Ms. KING. We are not a categorical program, so I would have to do some computations to give you an answer to that.

Mr. GILMAN. Approximately what would you estimate? You mentioned one agency gave you money, and you needed money in other agencies. What are you spending on drug prevention and drug abuse?

Ms. KING. In VISTA, for example, we would be spending roughly \$240,000 to sustain the work of the volunteers working explicitly in drug abuse.

Mr. GILMAN. \$240,000.

Ms. KING. Roughly.

Mr. GILMAN. Have you made a recommendation to the administration for additional funds and an expanded program?

Ms. KING. Not per se, because the programing comes from the local community. It's right in step with the Federal strategy in that sense. It all bubbles up.

Mr. GILMAN. With regard to the Federal strategy, have you been involved in any task force on planning how to best utilize your personnel in conjunction with other agencies? Do you meet on a regular basis with other agencies to help develop a national program?

Ms. KING. No, sir, we have not, but I want to take this opportunity to say that I agree with it completely. The discussion of prevention, that each community must develop prevention programs which are relevant and appropriate for its own unique conditions is the basic operating philosophy for our agency. So there is a basic affinity there. There could be closer contact.

Mr. STARK. If I could interrupt, once the global community developed their strategy, what does the Federal Government do? We have great strategies, but that strategy may be over here and Mr. Curtis is coming at us to work on some of our housing, and Dr. Langer's guys may be training over at the police department, while Oakland's strategy is the satellite up there with nobody beaming through it.

I am intruding on my colleague's time but—

Mr. GILMAN. I appreciate you underscoring the problem.

Mr. STARK. I want to get one other thing in, if you would yield. One of the figures I suspect is accurate plus or minus a few points is that we have about 450,000 heroin addicts in the country and we have about 400,000 Federal people working in the narcotic area and drug effort. That is one-to-one. And we have 70 or 80 million kids. It's too late for most of the heroin addicts. There is nothing DEA or HUD or VISTA can do. Maybe something the medical community can do. Maybe the spiritual community.

But we can reach the kids and we better be sure that effort gets coordinated.

Ms. KING. I think in the scale that you are addressing, this definitely is a part of what needs to be looked at for a national volunteer youth service in those numbers.

Mr. STARK. I will reclaim the last 5 minutes of the time for Mr. Curtis and Dr. Langer, who suffered through what I hope they won't

take as personal criticism to close the session with their comments and observations.

Mr. CURTIS. Thank you.

I would like to defend us a little without being defensive and state first of all that clearly the program I put together is a crime prevention program. We never claimed it to be primarily a drug abuse prevention program. It's more than an urban development program, something involving sweeping laws. We do have \$8 million of jobs for kids in the project. We do have a greater variety of social services involved. We do have community action through our own dollars and offers of neighborhood and hopefully through interagency agreements with ACTION for VISTA volunteers and CSA which would embrace many of the kinds of programs we talked about with Deputy Administrator King. We have law enforcement programs through LEAA, and we are looking for more police officer projects.

We are taking a comprehensive approach by asking people what they thought was best. A wide variety of people. In the process of concluding agreements, that has taken a while. It's like 10 treaties between Israel and Egypt. We are just emerging.

In terms of our specific concern about drug abuse, we are leaving this to the localities, because this is a grass roots program and people can put together what they want. In part it's up to ADAMHA in terms of how much they want to come into the program. In part it's up to the mayor as to how much he wants to participate.

In part it's up to Members of Congress, whether they want to try to get on board and encourage the partnerships we are looking for.

I think in summary, though, I want to emphasize that this is a comprehensive approach which is directed at crime prevention and includes drug abuse, perhaps in a marginal way, but there is potential for including it in a more dramatic way and certainly which focuses on the areas that are the most deteriorated and of the most human programs.

Mr. STARK. I think this might be a fair statement. Is one of the systems that has developed in our Federal programs that if we identify a mother ship or Canadian connection or a new leak in one of the trails of narcotics into the country or a person everybody knows, the White House knows, Dr. Langer's agency knows, overnight or in a matter of minutes the Army and Navy and Air Force knows and there are undercover agents and wire taps, and it just happens. It's a reflection. If we could somehow develop that same instinct when a kid comes back to school and says, "Hey, I think Johnny will shoot up some heroin tonight," and that word gets out, if there was some reflection that hit where somebody got to Johnny before he tried that or to Mary before she got pregnant or something and counseled with them, but we haven't developed that response mechanism, whatever it is, in the bureaucracy that moves with the traditional law enforcement thing.

I don't know if we can, but I think that is what comes through as a sense of frustration.

Dr. LANGER. I have some defensive remarks, but what you just said is so important that I would like to end by saying that we in our prevention effort at DEA support that wholeheartedly. Our school policy development program focuses exactly on that.

If each individual in the school staff or student, and the community understands his or her role in reporting that Johnny's experimenting with drugs, then the role of the criminal justice system would be minimized. If we can get that done in the long range we can deal with international trafficking without the ambiguities of having young children involved.

Mr. STARK. Thank you.

I think the committee would share your feelings, and it's in that spirit that we are trying to bring some focus or additional focus to see what we can do.

Thank you. I apologize for keeping you beyond the lunch hour.

The committee stands adjourned.

[Whereupon, at 1 p.m., the hearing was adjourned.]

OPENING REMARKS BY THE HON. FORTNEY H. (PETE) STARK, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF CALIFORNIA

I would like to congratulate the chairman of the Select Committee, Congressman Wolff, on his excellent prevention hearing and to express my appreciation for his support of the task force on prevention.

The importance of health research to drug prevention has already been established. Drug taking is not without consequences and it is a vital part of prevention to tell the American people the full and honest story on the potential for harm in various substances—from coffee, alcohol, and tobacco to marihuana, cocaine, and Valium.

Today, I would like to discuss the definition of prevention relative to the Federal Government's role. The Federal Government, like the medical profession, is one of those institutions which often has unrealistic assumptions about how much it can affect people's lives. Actually, in terms of drug abuse, both the medical solution and the legal solution occur after the fact. Clearly, prevention efforts must take place much earlier. Instead of waiting for bad education, poverty, and eventual unemployment to destroy every alternative for a child except getting high or dealing drugs, an effective prevention program can do a great deal. Before an adult ends up with a Valium and alcohol problem, we can identify alternatives. Before even more kids end up going to class stoned, we can support efforts like PUSH to see that parents, kids, and communities are committed to the very highest quality education.

For too long we have ducked our responsibility for prevention in favor of non-existent legal solutions or after-the-fact treatment programs. Too often prevention, which should be the most basic component of any Federal drug strategy, gets overlooked. This myopic orientation must change. Drug abuse, like juvenile delinquency and nuclear accidents, can be prevented. We are anxious to hear from these witnesses about what the Federal Government can do to effectively prevent drug problems before they occur.

PREPARED STATEMENT OF LEE I. DUGOLOFF, ASSOCIATE DIRECTOR, DOMESTIC POLICY  
STAFF, THE WHITE HOUSE

Mr. Chairman and Members of the Select Committee, it is a pleasure to be here today to discuss the promising field of drug abuse prevention for I am strongly convinced that many of our answers to the drug abuse problem as well as other unhealthy behavior rest in the area of prevention. I would like to particularly thank you as Members of the Committee for drawing attention to the area of prevention early last year and for maintaining your commitment to this important field. We have relied heavily on the Committee's Hearings Report for a comprehensive overview of prevention as well as many sound recommendations upon which we have built our 1979 Federal Strategy. When I look upon the prevention field and those dedicated individuals who are committed to its future and expansion, I am reminded of a short poem entitled, "Table of the Dangerous Cliff." It's a story of a group of citizens who came together to protect the townspeople from slipping off a dangerous cliff. Some said, "put a fence

around the edge of the cliff" while others preferred an ambulance down in the valley. As you may have guessed, the cry for the ambulance was louder and for years, whenever a townsman fell off the cliff, an ambulance was quick forth to the rescue. Until a young man said, "it's a marvel to me that you'd give so much greater attention to repairing results than to curing the cause; you had much better aim at prevention for the mischief of course should be stopped at its source. So, build the fence and let us dispense with the ambulance down in the valley."

So, with this rather light but earnest introduction, let me briefly touch upon the Administration's focus and activities in the area of prevention.

Before I give any historical overview of our involvement in the prevention field, let me say that the White House Drug Policy Staff within the Domestic Policy Staff serves as a public spokesman in the area of prevention using the position to motivate not only the Executive Branch, but also, and perhaps more important, because of the sheer number, the private sector. The formulation of prevention policy is an integral part of our discussions with the agency and department representatives, particularly within the "Principal's Group." However, our key focus has been to offer support, leadership and visibility to community, State and local prevention efforts across the country.

The vast majority of the Federal drug abuse prevention programs rests in the Department of Health, Education, and Welfare. As I will discuss later, have through our policy review and the 1979 Federal Strategy set the framework and the direction of the Federal drug abuse prevention effort. Secretary Califano has advised us that Dr. Gerald Klerman of ADAMHA is the focal point for all drug abuse efforts within the Department of HEW, which involves prevention. We look to him to keep us informed and to raise all issues which may require interagency coordination.

Drug abuse prevention has been fraught with controversy since it was initially thrust into the national limelight during the late 1960's. The field has been subject to criticism from both outsiders and insiders. Legislators, for example, want evidence that prevention makes a difference. Prevention professionals differ over the ways of demonstrating this difference or over the lack of adequate differentiation among prevention, intervention and treatment. All of these differences are the normal, healthy results of any new developing and challenging field. As we progress into the 1980's, these differences will become less polarized and the directions in which we should proceed shall become far more obvious.

As a step in this direction, the White House, through the former Office of Drug Abuse Policy, convened a group of prevention professionals in December 1977 to develop a new approach to prevention which was later incorporated into the March 1978 Policy Review entitled "Drug Use Patterns, Consequences, and the Federal Response." The participants readily acknowledge the difficulty inherent in defining prevention as it relates to drug abuse alone. Drug abuse, like juvenile delinquency or other similar behavior, does not occur in a vacuum nor can it be singled out from the general behavioral context.

The group of professionals then defined prevention as that which focuses on groups of individuals before observable health or behavior problems come to the attention of parents, peers, educators or employers. In the drug abuse field, therefore, prevention is concerned most with non-users, experimenters and recreational users. Because the onset of inappropriate drug use usually occurs early in life, the young are the primary target of our drug prevention strategies.

Unlike treatment or early intervention which tend to focus on very specific problems and identifiable social groups, prevention must focus on all groups that may be vulnerable to drug abuse, and the most vulnerable are our youth. This is indeed a formidable task for there are over 71.8 million children under 18 in this country today, almost 33 percent of our population. Most of these youths will at one time during their pre-teen and teenage years be confronted with a decision of whether to abuse drugs or not.

Based on these elementary assumptions, the group developed a conceptual framework for prevention which could serve to guide policymakers, program planners, and concerned citizens in communities throughout the country. The concepts of the strategy were not all new nor only applicable to drug abuse. What is new, however, is the notion that every community has, or can develop, the capacity to influence the extent of youthful drug use. A community can, in fact, effectively teach its younger members that they can have equally rewarding and satisfying experiences without drugs.

The concept of "positive prevention" has been reinforced in the 1979 *Federal Strategy for Drug Abuse and Drug Traffic Prevention* which lists seven key elements of prevention:

1. A focus on rewarding a positive non-drug-using lifestyle, rather than an emphasis on punishing drug use.
2. The provision of healthier and more attractive alternatives to drug use.
3. Programs to develop an individual's ability to rely on his own inner resources, skills, and experiences; the individual's constructive relationship with his parents or family; and his relationship with his peers, school and community.
4. Reliance on peers, parents, schools and the community as the most effective channel for informing and guiding young people.
5. The provision of clear, factual, honest and relevant information about drugs, with special materials developed for parents, for teachers, and young adults.
6. Planning and developing material for the special challenges facing women, ethnic minorities, the poor, the elderly, those in rural areas, and other special populations.
7. An evaluation component included as part of every prevention effort.

Following this strategy, our responsibility toward our youth is two-fold—the first, to provide parents, teachers and community leaders with the information they will need to help their children make decisions about drug abuse, and the second, to develop sound prevention programs which will enhance an individual's own personal experiences, his family experiences, his peer relationships and his institutional experiences.

The role of the Federal Government in meeting this strategy is to articulate national policy, coordinate Federal agency programs, undertake research, provide technical assistance and factual material and support demonstration projects.

Under this broad mandate, let me just give you some idea of what the Executive Branch has been doing in the area of prevention to accomplish these objectives:

Within the Departments and Agencies:

The Bureau of Health Education of the Center for Disease Control initiated an evaluated program of school health curricula during fiscal year 1979 based on the model Seattle and Berkeley comprehensive school education curricula.

NIDA and the Office of Education anticipate completing a "state-of-the-art" paper on the results of all evaluations to date of drug and alcohol abuse prevention.

Programs aimed at young people by the end of 1979. Approaches which have been found successful will be quickly distributed to program planners and interested members of the public.

NIDA and the Office of Education's Division of Education Replication are working on an interagency agreement to permit replication of valid drug abuse education programs through OE's National Diffusion Network.

NIDA has initiated a contract with four States to design and develop a National Prevention Evaluation Resource Network which would act as an information and technical assistance resource for State and local drug abuse prevention programs.

HEW has reorganized the Office of Education's drug abuse, alcohol and other school health programs into its new Health Education Office to provide a greater emphasis on school health curricula and evaluation as well as a more integrated approach to the problem.

NIDA has recently published a catalog of drug abuse prevention programs entitled *Alternatives for Young Americans*, 1979, for local communities.

DEA has published a workbook entitled "Soozie Says 'Only Sick People Need Drugs'" and intended to provide a basis for classroom and home discussion about drugs and medicines. By dealing with basic concepts of health and well-being, children learn about the safety precautions necessary to avoid the problems of drug abuse.

The Department of Defense has recently completed 13 TV spots which focus on alcohol and drug abuse prevention and the role of the family. The spots will be aired on the Armed Forces Television Networks overseas.

Within the White House, we are coordinating a four-part adolescent drug abuse prevention campaign to provide accurate information about adolescent drug abuse to parents, teachers and other key leaders so that they will be prepared to firmly discourage drug abuse among adolescents with whom they come

in contact and also be prepared to offer alternative activities to our nation's youth.

The first part of the campaign focuses on a marihuana education effort. The Federal Government is currently sponsoring a definitive study on the health consequences of marihuana use which should be completed by the fall of this year. The findings will be distributed simultaneously with a marihuana film and fact book for parents which are currently being coordinated by our office and prepared by NIDA and DEA. To ensure that the film and the accompanying fact book cover the appropriate areas and accurately convey information about marihuana, we have convened a panel of experts to discuss the content and distribution of the film so that it reaches its proposed audiences. The membership of the panel includes representatives from various organizations such as the National PTA, the White House Conference on Families, the Boy Scouts of America, as well as representatives from the Executive Branch and the House Select Committee on Narcotics.

We also plan to expand on NIDA's prevention campaign which is comprised of materials, books, TV and radio public service announcements aimed at 12-14 year olds and which should be released this fall.

We have also asked for private sector support to assist us in not only focusing attention on the problem but to encourage alternatives to drug abuse. The National Football League, for instance, has offered to become involved and possibly include TV spots during the 1979 season which focus on the family and the role it plays in promoting alternatives to such behavior as drug abuse or juvenile delinquency.

Perhaps the most important is to identify and promote model programs which offer alternative behaviors to our youths, for ultimately our success in curbing this problem does not depend on the Federal Government nor on respected scientists. It depends on parents and concerned citizens who take an active role in giving their children a balanced and accurate understanding of the drug problem; on parents and concerned citizens who take the responsibility to become involved in their children's activities and who ultimately enable their children to pursue satisfying lives without drugs.

In every public appearance I have made during the past eight months, I have focused on our adolescent effort for I believe it is the central key to our drug abuse problem. In drawing high level attention to some community efforts in this area, we have been able to maintain the momentum of several local initiatives and at the same time bring a greater number of individuals to bear on the problem. Let me give you an example.

On March 7th, an Essex County Grand Jury returned a 60 page presentment on drug abuse in the county school systems. Since then, we have been in contact with Judge Blake, the Presentment Judge, Donald Coburn, the Essex County Prosecutor, the Assistant Prosecutor Richard Roberts, and Governor Brendan Byrne who has recently requested a detailed report on the matter.

The responses from the citizens of Essex County and the county officials to the Grand Jury Report have been outstanding and reflect a true commitment to following up on the recommendations of the Grand Jury. As a direct result of the Grand Jury's work, bills have been introduced into the legislature mandating drug education from kindergarten through 12th grade, and outlawing the sale of drug paraphernalia.

The towns of Glen Ridge, Bloomfield, Livingston and Milburn have already held public hearings on the problem and school superintendents have become very receptive to appropriate drug abuse prevention programs in their schools to solve the problem.

We strongly believe that community initiatives such as those taken by Essex County will be the answer to easing the drug problem in the country today.

In addition to the above campaign, we have held a meeting of the Strategy Council on Drug Abuse on May 30th which focused particularly on adolescent drug abuse. As stated earlier, the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention proposed seven specific objectives.

We have begun to meet some of these challenges. The Strategy Council on Drug Abuse has proposed additional means of accomplishing these objectives. Together and with the help of the U.S. Congress we can work towards meeting all of the challenges proposed by the 1979 Federal Strategy for Prevention.

## PREPARED STATEMENT OF MARY KING, DEPUTY DIRECTOR, ACTION

Mr. Chairman, members of the committee, I am here today representing Sam Brown, the Director of ACTION, who was unable to testify as he hoped because of a scheduling conflict. I am submitting for the record remarks prepared by Mr. Brown for last week when he was originally scheduled to appear before the committee.

Let me begin my remarks by elaborating on a theme outlined in his testimony—the need to view the problem of drug abuse in the broader context of whether the social institutions and systems we have established, particularly those for young people, foster dependency or self-reliance. The use of drugs by young people is, I know, of special concern to the members of this Committee in this the Year of the Child. So it is appropriate that I focus my remarks on how I believe we can help young people become less dependent on drugs, and for that how they can become less all together.

I come here today as an advocate for young people. I have spent the better part of the last two years working with VISTA and Peace Corps volunteers, most of whom are young. I have come to appreciate and admire their ability to help others become self-reliant. I do not believe that the young VISTA and Peace Corps volunteers with whom I have worked are non-representative of their generation. I believe, however, that we have unintentionally stifled the spirit of generosity and idealism which is so much a part of being a young adult by ridiculing self-help as “backward and unscientific”.

As Americans we like to think of ourselves as individuals who subscribe to and practice the Jeffersonian philosophy of self-reliance. Unfortunately quite the opposite is true. To a large extent we are a dependent people. One of the underlying themes of the current anger against Big Government and Big Business is the concern of many people that they have lost control over their own destiny and no longer believe that they can help themselves.

The medical profession focuses on disease related curative treatment with high technology demands for professional help rather than on preventive care and self-care. Lawyers have a vested interest in litigious conflict resolution rather than mediation by citizens. Bureaucrats believe that they only have the expertise to understand governance and demand that the average citizen depend on their goodwill to guide them through the maze that they have created. Parents rely on teachers to teach ethics and values and are disappointed when their children do not accept what is taught them.

At every step we lose the capacity to understand our own problems and resolve them. Is dependency becoming our hallmark? I am dependent to a large degree on my staff to prepare this testimony just as you are dependent on your staff for the questions you will ask me and other witnesses who will testify today.

Those who argue that the world is comprehensible and that the skills to carry on life are accessible to ordinary people are castigated as hopeless relics of a simpler age. Yet we dote on the stories of those Americans who remain stubbornly independent that Charles Kuralt brings us every Sunday night on “Sixty Minutes” as he travels about America in his van capturing for posterity what we believe to be a life that no longer exists in America even though we wish it could. I have often thought that Charles Kuralt’s efforts can be equated to the biologists who go about the world “tagging” this or that animal which is the last of its species to survive.

I say this in an attempt to put the issue of dependency in the broader context. Members of this Committee have a desire to look at the drug abuse problem in a holistic manner. I believe that this can only be done if we are willing to recognize just how dependent we have ideally become as a society.

In the last forty years we have created many federal programs—some large and national in scale such as Medicaid and Medicare—others like the Peace Corps and VISTA, small people-to-people programs. Much has been accomplished. We are in many ways better off because of these programs. But it is unfortunately also true that government programs can make people dependent: both the welfare mother who uses food stamps and the insatiable aerospace industry. Despite our best interests, government programs frequently emphasize dependency and social control rather than self-help and social justice. Too often they lower people’s self-esteem.

Those social institutions that young people most come into contact with, our public schools and the criminal justice system, have similar flaws. They have



not been adequately designed to help young people onto their own feet. By default, our criminal justice system, a system which is deliberately designed to control, comes in frequent contact with young people, not because young people are evil but because we have not designed programs that are challenging enough to satisfy young people's natural desire to demonstrate their independence and self-authority. Charles Silberman has noted in his recent book, *Criminal Violence, Criminal Justice* that in 1976 only 75,000 or 3.8 percent of the 2,000,000 young people under eighteen who were arrested were arrested for committing one of the "four violent crimes in the FBI Crime Index". Yet all 2 million of those arrested are stigmatized.

The basic message we send young people is that they are a nuisance and not a resource. A problem, not the answer for the future. We have created and continue to reinforce a negative stereotype which prevents young people from forming their identities in the most positive way. Our message is to stay in school not to be educated but to stay out of trouble. Yet more and more public schools are a holding pen for young people we can not employ. It is little wonder that the high school drop-out rate is approximately 25 percent.

The same is true of our efforts to find them meaningful work. We tell them in so many words—we are giving you this summer job not so you can make a contribution to society but to keep you off the streets. You may consider it make work but we will pay you so long as you do not make trouble. It does not take a cynic to realize that our efforts to employ young people could be viewed as a sophisticated form of riot control and not a tangible commitment to the development needs of young people.

The recent efforts of the Department of Labor under Secretary Ray Marshall to experiment with different programs to help young people make the transition from school to work are a fresh and welcomed departure from what we have done in the past. But even these programs may be too narrowly focused; they will not meet the developmental needs of young people.

Demographics indicate that the youth unemployment problem which concerns all of us will in twenty or thirty years no longer be a problem because of the declining birth rate. If we were callous enough we could quite properly do nothing and the problem would resolve itself. The same cannot be said for the deepening alienation and disbelief of young people. We may not be reading the signs as sensitively as we should that suggest that young people growing up today are in trouble with a capital T.

The suicide rate of young people continues to rise; it has tripled in the last twenty some years;

The drop out rate for our public schools as I have said before is now approximately 25 percent;

Over one million teenage girls are becoming pregnant each year out of wedlock in an effort to achieve what the late Margaret Mead called "pseudo-adult" status.

Young people do not vote despite the fact that they have recently received the right to vote.

Vernon Jordan has called today's black unemployed teenagers the "endangered generation" because they have no future.

Our response to this deepening alienation, which cuts across both race and economic lines, should not be to impose more social control but rather to develop new ways of thinking, new institutions and social systems that will reward young people and allow them to become more self-reliant. I know that this is one of the goals of the Federal Strategy and those of us at ACTION strongly support it.

Moreover, it is our belief that the best way that young people can become less dependent is to create a National Youth Service, one which is voluntary, community based, open to all men and women regardless of race or class. Paul Weisberg, the current President of the American Association of Adolescent Psychiatry has written:

"Adolescence, as a system, has entered the same eroding phase in this country as have so many of our other systems, with loss of consensual validation stemming from the lessening of the social needs that adolescence filled. It is an idea whose time has passed \* \* \* while the economic advantages of adolescence are in decline, the social ones of increased interpersonal skill development remain, and in many ways become more important \* \* \* the delay in autonomy imposed by traditional adolescence has diminished in some ways and intensified in others. Adolescents are less and less considered by adult society as a national resource to be protected. On the other hand, models of adult autonomy are harder for adolescents to find than formerly \* \* \*

"Adolescents must be utilized. The common adolescent perception that they are being warehoused, held back from the labor force, educated instead to put to work, must be overcome through local, state and federal programs in which adolescent idealism can be directed and used to the advantage of the whole society. Such programs would be more than pay back their costs . . ."

We agree with Doctor Weisberg. We believe that young people can be motivated, can be less dependent on drugs, and can help our society if we are willing to redefine adolescence and redesign the social systems that touch the lives of the young people in our society.

A recent Gallup Poll (April, 1979) indicates that over 77 percent of all young people who might be eligible for national service believe they should be given the opportunity to serve. Gallup has estimated based in this poll that four million young people are definitely interested in serving and another six million might be interested in volunteering their time.

ACTION currently is testing the concept of a National Youth Service. The project is entitled Youth Community Service (YCS) and is located in Syracuse, New York. The program is directed by a local board of residents, representatives of the city government, business, and voluntary agencies currently has over 1,000 stipend volunteers serving their community. Volunteers in this program select and negotiate a contract with a local sponsor which is often a local non-profit community agency.

We all believe that discipline, self-control, and concern for ones neighbors are necessary values that should be imparted to every youngster. But those values can not be inculcated by imposing them. Our task should be to instill these important values in young people from within.

ACTION's programs, the Peace Corps and VISTA have a long history of demonstrating the potential of young people to help others. The President has looked to us to continue to strengthen the Administration's commitment to voluntary service and self-help activities. We intend to do so.

If we indict young people today for being too dependent on drugs, for not caring enough about others, and in general not being good citizens, it may well be that it is our unwillingness to view them as a resource and not a problem that is the real heart of the problem. Until we overcome that mindset I do not believe we will truly be capable of helping them overcome their dependency on drugs and become self-reliant individuals.

Thank you.

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#### PREPARED STATEMENT OF SAM BROWN, DIRECTOR, ACTION

Mr. Chairman, members of the committee, I am pleased to appear before you as the representative of over 273,000 Americans who are now volunteering to help the poor help themselves to become more self-reliant through ACTION's programs—the Peace Corps, VISTA, the Retired Senior Volunteer program (RSVP), the Senior Companion program (SCP) and our Foster Grandparent program (FGP).

I use the phrase self-reliant in my opening sentence because it is all important to understanding what ACTION is all about. All of our programs represent a philosophical, policy, and programmatic commitment to "bottom up" development. This philosophy of development is rooted in the belief that the individual working with his or her neighbors can only become self-reliant, and be part of the solution to the many problems of our society through their own voluntary effort.

Our programs are unique in that they provide people with a process rather than a set of services; a process through which individuals, both the volunteers and the people they serve, can recognize that they do not have to depend on either government services, the helping professions, or drugs, for that matter, to lead productive, healthy, and fulfilled lives. Our programs are in many ways old fashioned. We emphasize basic values: individual responsibility; self-reliance; moral discipline; and the helping of one's neighbor.

ACTION's various programs complement the larger programs of other departments. They are, however, community based and reflect our belief that the needs of a community are not captured by a particular administrative mechanism or service system administered in Washington. Poverty has many faces; correspondingly our programs have many facets. They are multi-dimensional. Our volunteers address the problems that members of the community believe to be of most concern whether it is drug abuse, the need for better health care, or the creation of a neighborhood organization to give the community cohesion.

Our programs are preventive in nature. They seek to address those elements of an individual's social environment that lead them to become dependent. In that way our programs have a shared philosophy with the new Federal Strategy to lessen the dependency so many Americans now have on all forms of drugs.

One of the unrecognized yet most important accomplishments of the Carter Administration has been its determination to develop programs that are preventive in nature. This is most clearly reflected in the Administration's health care programs. Put in historical context, this underlying shift in attitude and policy may well be the most important that has occurred since the New Deal. It portends a major redirection of Federal government programs in the future.

Let me turn briefly to what ACTION is doing in terms of drug abuse prevention. Here again, I want to emphasize that our programs focus on the causes of dependency rather than the symptoms, and reflect the needs of the community as perceived by the community.

At present there are approximately eight hundred VISTA projects in the nation. Twenty-four of the projects are related to alcohol and drug abuse. The total number of volunteers involved is approximately forty. Some of these volunteers are former alcoholics and addicts. These VISTA projects range from two volunteers working at a detoxification center at the Eight Northern Indian Pueblos in New Mexico to three volunteers working in Jonesboro, Arkansas who work with young people in the area of drug and alcohol prevention.

Greater involvement in drug abuse and prevention by our volunteers takes place through ACTION's Older American programs. Approximately 800 of our RSVP volunteers are involved in treatment, counseling, and rehabilitation programs. For example, in Kennewick, Washington, the Benton-Franklin Juvenile Court refers young first offenders who have received citations for driving while drunk to the RSVP center. These youngsters are given the opportunity to perform community service such as working with RSVP volunteers on a Meals on Wheels program rather than be incarcerated.

Our Foster Grandparent program, as committee members may know, allows low income volunteers the opportunity to work with children who are handicapped, mentally retarded, and have other special problems. For example, twenty Foster Grandparents in San Francisco care for babies who are born addicted to drugs and then suffer from withdrawal. These same Foster Grandparents act as advocates for children of parents who have been arrested for alcohol and drug abuse.

Our Senior Companion program probably has the most immediate impact on the drug abuse problem. In this program our volunteers who work with the homebound elderly monitor the medication of the people they are helping become more self-reliant. Our volunteers receive in their training information on substance abuse and in some cases volunteers are assigned to known substance abusers in an effort to help them break their dependency.

I cite these examples only to illustrate to the committee members that ACTION volunteers are in some cases directly involved in drug abuse prevention. I would go on to say that I could have just as easily cited other examples of ACTION's volunteers working in sweat-equity housing projects or co-op development initiatives. In each case I would make the argument that these same volunteers are doing their part to prevent drug abuse in what ever form. They are changing people's attitudes. They are making people less dependent.

The crux of the issue is not drug abuse per se but rather the acceptability of dependency as a way of living. If we are to indict our children for their use of marijuana and other drugs we deem illegal or unhealthy we ought to look searchingly and critically at the culture in which we are raising them. If we are at all honest we will have to indict ourselves. We are a dependent people. We live in a culture that encourages dependency, and though we hold tightly to the myth of America being a nation of self-reliant people we really aren't. It is in fact a myth. We hold more tightly to that myth precisely because deep in our hearts we recognize just how dependent we are on doctors to cure our ills, lawyers to solve our disputes, teachers to teach our children, and government specialists to protect the environment that we carelessly despoil.

All Americans are concerned about inflation. One of the chief causes of that inflation is rising health care costs. We condemn doctors and hospital administrators for the rising costs. The President and Congress are required to develop health care containment legislation. Yet the real way to contain health care costs is not through legislation but by changing our bad habits. John Knowles M.D., the

former President of the Rockefeller Foundation, wrote an essay entitled, *The Responsibility of the Individual*. It is worth quoting,

"Central to the culture is faith in progress through science, technology, and industrial growth; increasingly peripheral to is the idea, vis-a-vis health, that over 99% of us are born healthy and made sick as a result of personal misbehavior and environmental conditions. The solution to the problem of ill health in modern American society involves individual responsibility, in the first instance, and social responsibility through public legislative and private voluntary efforts, in the second instance.

Prevention of disease means the forsaking of bad habits which many people enjoy—overeating, too much drinking, taking pills, staying up at night, engaging in promiscuous sex, driving too fast, and smoking cigarettes \* \* \* the idea of individual responsibility flies in the face of American history which has seen a people steadfastly sanctifying individual freedom while progressively narrowing it through the development of the beneficent state \* \* \* the cost of sloth, gluttony, alcoholic intemperance, reckless driving, sexual frenzy, and smoking is now a national, and not an individual responsibility \* \* \*

More and more the artificer of the possible is "society"—not the individual; he thereby becomes more dependent on things external and less on his own inner resources.

\* \* \* The individual has the power—indeed the moral responsibility—to maintain his own health by the observance of simple, prudent rules of behavior relating to sleep, exercise, diet and weight, alcohol, and smoking. In addition, he should avoid where possible the long term use of drugs \* \* \* These simple rules can be understood and observed by the majority of Americans, namely white, well educated and affluent middle class. But how do individuals in minority groups follow these rules, when their numbers include disproportionately large numbers of the impoverished and illiterate \* \* \* Here we must rely on social policy *first*, in order to improve education, employment, civil rights, and economic levels."

John Knowles was not a lone voice crying in the wilderness. His prescription can and should be applied to other sectors of our society. His critique has been carried on by Christopher Lasch, the noted historian, in his most recent work, *The Culture of Narcissism*. Lasch has asserted that we have created a "therapeutic society" and that, here again I quote,

"In order to break the existing pattern of dependence and put an end to the erosion of competence, citizens will have to take the solution of their own problems into their own hands. They will have to create their own "communities of competence."

It seems to me that creating what Christopher Lasch has called "communities of competence" and fostering what John Knowles called "individual responsibility, in the first instance" is the real work of our volunteers, and the best way that they can be helpful in any effort to lessen the dependency so many Americans now have on drugs. I will be happy to answer any questions the committee members may have at this time.

PREPARED STATEMENT OF JOHN LANGER, CHIEF, PREVENTIVE PROGRAM SECTION,  
OFFICE OF PUBLIC AFFAIRS, DRUG ENFORCEMENT ADMINISTRATION

Chairman Wolff, Members of the Select Committee, I am delighted to be here today, representing the Drug Enforcement Administration at this hearing on Federal Strategy Prevention for 1979.

It is well-known that DEA is actively involved in domestic drug law enforcement and international narcotics control, two of three programs described in the 1979 Federal Strategy to reduce the negative effects of drugs. What is not as well-known, however, is that DEA also participates in a portion of the important third component—prevention.

Within this large realm of prevention activities, DEA is charged with the responsibility for administering title II of Public Law 91-513, the Controlled Substances Act of 1970. As part of this mandate, as defined in Sections 502 and 503, DEA provides information to law enforcement as well as other local, State and Federal personnel regarding drugs, drug abuse and the drug problem. Specifically, the DEA Office of Public Affairs is charged with this task.

The Strategy focuses on the key elements of prevention programs and characterizes the Federal role as a limited one, that is, one which provides the foundation for and supports local programs. Within that context, DEA encompasses several of the key Strategy components in its prevention efforts.

For example, "the provision of clear, factual, honest, relevant information about drugs, with special materials developed for parents, teachers and young adults" is highlighted in the Strategy. A DEA-sponsored project dealing with such information has just been completed. This three-year program was contracted to a Boston-based non-profit agency in order to work with 30 agencies, primarily school districts and State education agencies, to initiate effective drug abuse prevention policy development that recognizes the roles of police, treatment agencies, and the entire community in dealing with drug abusers.

Materials developed through this school project will be incorporated into a "technical assistance kit" which will be loaned to requesting school and community groups. Two 15-minute slide/sound presentations entitled, "The Need for a School Drug Policy" and "How to Develop a School Drug Abuse Policy" are part of the kit.

Additionally, in an enterprise with the National Institute on Drug Abuse (NIDA), which was initiated by the Domestic Policy Staff, DEA has co-funded a 30-minute film on the subject of how parents can communicate effectively with their children about marijuana.

DEA's philosophy regarding the provision of accurate information about drugs is very much in consonance with elements described in the Federal Strategy. It has been DEA's posture that education about drugs and health must be an integral part of school health curricula and should begin with elementary school-age children. This aspect of our youth's education cannot be isolated from other information on health and safety, citizenship, and law and responsibility. DEA has prepared two publications for use at the elementary school level. They are Katy's Coloring Book and Soozie, an activity book for young children. These publications are in great demand by law enforcement and health education professionals for use in working with such children.

The Preventive Programs Section of the DEA Office of Public Affairs is responsible to the need for information about drug abuse. In order to better assist their varied needs, DEA publishes a broad spectrum of materials to reach different audiences. Specifically, DEA's role in drug law enforcement is explained in several "Factsheet" publications, each one discussing a different aspect of our operations. DEA's quarterly publication, Drug Enforcement, addresses the domestic and international scope and significance of the drug problem. Drug Enforcement is considered by many to be the definitive publication in its field worldwide. Drugs of Abuse, which describes the drugs controlled under the Controlled Substances Act of 1970, is used extensively by police, educators and health professionals.

DEA exhibits and distributes its publications at major conferences of law enforcement officials, educator and other associations. In response to general public inquiries, DEA field offices distribute approximately three-quarters of the publications that are disseminated by DEA. Our field offices also loan, without charge, films on drug abuse and the drug problems to law enforcement agencies, schools and the general public. Additionally, bulk quantities of publications are sent to Congressional Offices, other enforcement agencies, as well as to the NIDA's National Clearinghouse on Drug Abuse Information.

As in the above instances, DEA coordinates its programs with the other agencies involved in prevention and training. DEA and other agencies, such as the National Institute on Drug Abuse, the Office of Education, Department of Defense and State and local agencies, exchange information on their respective programs and activities through a variety of formal and informal working groups, ad hoc committees and similar programs.

Drug abuse prevention is one of the many topics addressed by the "Principal's Group," an informal working group in which Mr. Bensinger, the DEA Administrator, actively meets with other agency heads to discuss the development and coordination of Federal drug policy.

DEA is committed to interagency cooperative ventures as we believe that the law enforcement perspective and recognition of the need for control and deterrence is important in any consideration of demand reduction strategies.

Drug abuse is a complex problem, one which now appears to be endemic in our society. Communication with the public about the appropriate roles of law enforcement in drug abuse prevention, involving both supply and demand reduction, is a unique and necessary aspect of the Federal prevention effort. The Select Committee's acknowledgement of DEA's role in the prevention effort is an important sign that the Federal system is, at last, recognizing that the broad spectrum approach to drug abuse prevention is the most appropriate one.

## OVERSIGHT HEARINGS ON FEDERAL DRUG STRATEGY—1979

THURSDAY, JUNE 14, 1979

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,  
*Washington, D.C.*

The Select Committee met pursuant to notice, at 10:08 a.m., in room 2212 Rayburn House Office Building, Hon. Lester L. Wolff (chairman of the committee) presiding.

Present: Representatives E de la Garza, Billy L. Evans, Stephen L. Neal, James H. Scheuer, Tom Railsback, Robin L. Beard, Benjamin A. Gilman, Lawrence Coughlin, Robert K. Dornan, and Robert L. Livingston.

Staff present: David Pickens, chief of staff—supply; Robert M. Hundley, chief of staff—demand; Roscoe Starek, minority counsel; Alma Bachrach, investigator; and Elliott Brown, professional staff member.

Mr. WOLFF. The committee will come to order.

Today's hearing, which I hope will not be interrupted as we were yesterday by legislative business which called us to the floor virtually every 15 minutes—I hope that we will have adequate time to explore, in depth, the statements of our witnesses. Today's hearing will review the 1979 Federal strategy, and how it is being implemented by our domestic law enforcement agencies to suppress the trafficking of narcotics.

Inasmuch as the Drug Enforcement Administration has been designated the lead agency for the enforcement of Federal drug laws, DEA is intricately involved in the overall initiatives. Since the time of our last oversight hearings, the agencies represented here today—DEA, FBI, Customs, IRS, and the Domestic Policy Staff—have been working to find successful programs to disrupt the narcotics traffickers' operations.

It has been said that the business of narcotics could rank high on the list of Fortune's 500. In fact, I think it could outrank the entire 500 if we put all of the trafficking operations together.

I am sure you will agree that the common denominator between traffickers and the government is finances. For the traffickers, this means profit; and for the government, it means using very limited funds to the best advantage that we have.

The Federal strategy clearly states that major emphasis will be placed on disrupting the flow of profits to traffickers. In this connection, the Attorney General formed three formal DEA/FBI task forces in the cities of New York, Chicago, and Los Angeles to target major organized crime figures.

Unfortunately, these task forces have met with rather little success. However, this is not true of a DEA/FBI task force formed on an ad hoc basis in the Miami area.

Again, dealing with the financial aspects, we will learn of the progress made by IRS in targeting major narcotics dealers. It is the understanding of this committee, that although thousands of dollars, even millions of dollars, have been assessed against narcotics-related tax violators, only a minimal amount has been collected from these people. The question is why?

Those closely associated with the narcotics business recognize that the most effective method of suppression takes place at the source—eradicating and interdicting the traffic before it crosses our National borders.

Unfortunately, there continues to be an overabundance of drugs which pass through. During the latter part of 1977, the Office of Drug Abuse Policy completed a study which stressed the overlap and duplication of effort by Customs and INS in carrying out their border responsibilities.

At the same time, the General Accounting Office completed one of many studies conducted over the past decade which arrived at basically the same conclusions. The recommendation a year and a half ago was that a single border management agency be formed.

The committee would like to know why, after considerable time was allotted by various departments to study the border interdiction issue, and why after widespread agreement that there is duplication and overlap by the Customs Service and the INS, we have not implemented the single border management concept.

Are these strategies just more of the rhetoric and words that we have heard now for so these many years? This is not a problem of this administration alone. It is a problem of many past administrations coupled with this administration in what is a steady flow of words with not too much to show in result.

Another issue which has created a great deal of consternation is the administration's confusing policies with regard to marihuana. The combination of social acceptance by millions of Americans; the reduction in penalties for its personal use in 11 States now; the President's endorsement of Federal decriminalization of marihuana; the statement by the Secretary of HEW supporting the continued placement of marihuana under schedule I of the Controlled Substances Act; the unwritten policy by the Justice Department in some regions of declining prosecution for less than a ton of marihuana, most certainly leaves no doubt that domestic law enforcement agencies find themselves in an untenable position in their attempts to carry out their duties in a responsible manner.

We are getting a lot of statistics on marihuana interdiction. I haven't seen too much in the way of cocaine interdiction. Are you going to permit cocaine to follow the pattern of social acceptance in the same fashion as marihuana and then come here before the Congress and say, "Well, we can't do anything about cocaine because cocaine is socially accepted by a majority of the American people and, therefore, there is little that we can do about this"?

I know that you as the law enforcement people are operating under severe strictures, strictures that come to my mind in that we in this

committee did not get your statements until about sometime early yesterday afternoon or late yesterday afternoon. Perhaps this is because of a unified policy that the administration is attempting to put forth before the committees of the Congress.

We called you individually. I could have called Lee Dogoloff and gotten all the information from him if he is going to make the policy for each one of your agencies. However, what I wanted to do is get individual pieces of information from you individually so that we could appraise the results of your efforts.

I feel very strongly that the law enforcement agencies of our Government are doing an outstanding job. And you, individually, are doing your work to the best of your ability.

I feel very strongly, however, that you are not provided with the resources that are necessary to do the job that needs to be done. It is at this point where we part company with administration sources. It is this area where we find our greatest difficulty in matching up the rhetoric with the action.

I understand a statement is going to be coming through very shortly on the question of paraquat that will jeopardize the successful program that we now have with the Mexican Government in heroin spray.

This committee visited Mexico. When we visited Mexico, the Mexican Government said that if they can't spray marihuana, which is their principal problem. Why should they spray heroin?

That is a dichotomy in itself, but by the same token, it is going to reflect very heavily upon us because perhaps there will be a switch back from Colombia gold to Acapulco gold once again, and we will find both competing for the marihuana market in the United States.

I think that it is about time that we understood that the health hazards of something like marihuana outweigh the health hazards of paraquat. And I am at a loss to understand how we can indicate to people who are abusing what is today an illegal substance, what the health hazards are. And remember, until we change the law and declare it a legal substance, it is an illegal substance.

How we can say that the health hazards that are posed by contamination with paraquat outweigh the health hazards to the American people who are abusing a substance that is outlawed is beyond my understanding. Furthermore, until we reach some sort of a consensus within government, I don't know how you are supposed to do your job as law enforcement people.

I get a little bit emotional in this because I am as frustrated as I think many of you and your people in the field are concerned. Therefore, I am delighted to be able to have you appear here.

I am unhappy with the fact you might be under restraints not to disclose your true feelings. The reason for this "outburst" is my obvious concern. However, we have met the same situation with other witnesses, government witnesses, who have been appearing before us in the matter of the treatment and prevention programs.

I hope that the administration will change its policy and let you tell it like it is because the American people are entitled to know.

Mr. Railsback.

MR. RAILSBACK. I do not have any formal statement, Mr. Chairman. But I do agree with your outburst.



**CONTINUED**

**2 OF 6**

Mr. WOLFF. Our witnesses today yes, I'm sorry—

Mr. DE LA GARZA. Mr. Chairman, I would like to echo your sentiments in your statement. I just want to add one further word. You mention how important eradication is and our success or lack of success domestically, I think, is going to be a major factor into what extent we get cooperation from other countries in eradication.

Recently, when we were in Colombia—and the chairman will attest to this—the Speaker of their House, the President of their Assembly, told us that, “Your country can direct a missile and probably aim it right at the inkwell of this desk and hit it, and yet, you tell me you can't do anything about stopping the traffic of illicit drugs into your country.”

In Mexico last week, their President of their Assembly in a public forum regrettably mentioned the fact that we are doing all we can, but if there was no demand in your country and if you could stop what we can't stop, then it would be a different situation.

So it is getting to be embarrassing for those of us that are dealing with the other countries, insisting on massive programs of eradication and interdiction before it reaches our borders; that it appears to them that we are relying solely on resources beyond our country to control the illicit traffic of drugs. We know this isn't so.

But again, it goes to the outburst of the chairman, and it is going to affect very definitely to what degree the other countries cooperate with us if we can't prove that we are more successful in the demand in the use and in the interdiction as it attempts to reach our borders.

Thank you, Mr. Chairman.

Mr. WOLFF. Thank you, Mr. de la Garza.

Mr. Livingston?

Mr. LIVINGSTON. Mr. Chairman, I simply want to congratulate you and commend you on your remarks and tell you that I agree. I think that our ability to apprehend narcotic smuggling into this United States is only as good as the efficiency of our law enforcement agencies who are charged with that duty and with apprehending those people and bringing them to justice.

I am concerned that there is a lack of cooperation between some agencies. And I look forward to proceeding with these hearings and listening to these gentlemen to determine what we can do to try to eliminate that lack of cooperation.

Mr. WOLFF. You have had wide-ranging experience in the law enforcement area. We are happy to have you on the committee.

Mr. LIVINGSTON. Thank you, sir.

Mr. WOLFF. Mr. Coughlin.

Mr. COUGHLIN. Thank you, sir.

Mr. Chairman, I just want to echo the chairman's frustrations concerning paraquat being condemned as injurious to health, but no similar condemnation of the product it is being used to eliminate, which are drug products.

And when you see effort made overseas, while perhaps an effort domestically is lacking, where prosecutions aren't being made except for very, very substantial amounts of illicit drugs, all this leaves a deep sense of frustration which I share.

Mr. WOLFF. Thank you, Mr. Coughlin.

We will call our first witness this morning.

Mr. Francis Mullen, Jr., assistant director of the Criminal Investigative Division of the FBI. Will you step forward, please?

And Mr. Peter Bensinger, administrator of the Drug Enforcement Administration.

We will ask you to be sworn once again.

[Mr. Mullen and Mr. Bensinger were sworn by the chairman.]

Mr. WOLFF. Please proceed, Mr. Mullen. We ask you to proceed first, or whichever one you want.

Mr. Bensinger, would you prefer?

Mr. BENSINGER. Either way, Mr. Chairman; we are at your disposal.

Mr. WOLFF. Since you are the lead agency, maybe you better lead off.

**TESTIMONY OF PETER B. BENSINGER, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION; ACCOMPANIED BY W. GORDON FINK, ASSISTANT ADMINISTRATOR FOR INTELLIGENCE AND MARION HAMBRICK, DEPUTY ASSISTANT ADMINISTRATOR FOR ENFORCEMENT**

Mr. BENSINGER. Chairman Wolff, let me assure you at the outset, my comments will reflect my views. And I look forward to sharing them candidly with you on the domestic drug enforcement scene.

I want you to know that I think you would be well advised to know that the law enforcement agencies in this country, not just DEA, and their officers also look for significant increases in demand reduction, better public information on the health hazards of drugs, and particularly in the area of marihuana, which is undergoing quite an in depth survey both from a health and enforcement standpoint, a more consistent policy

I would also add at the outset that while today's remarks—and I will confine them to domestic law enforcement efforts—relate to investigative priorities, prosecutorial discretion, interagency cooperation, which Congressman Livingston would like us to comment on, the key to reducing availability still depends on a two-pincer movement.

One, domestic targeted investigations; and

Two, and most essential, stopping narcotics at the source.

And you and other Congressmen appropriately referred to that level of international cooperation and commitment. I think you should know I feel that the interagency relationships between Federal investigative agencies is good. In my opinion, it is the best it has been since I have been here in the last 3½ years.

I think we are focusing on dismantling and immobilizing major trafficking organizations through utilizing financial investigations: the Controlled Substances Act, the conspiracy laws, the RICO and Continuing Criminal Enterprise statutes, the Federal Income Tax Code.

I don't think we have used the financial investigative tools sufficiently in the past. In fact, in the first 4 months of this year, we have made more forfeiture in continuing criminal enterprise cases through DEA investigations than we made last year all together.

We have, as an agency, had a specific interest in drawing upon the resources of other Federal agencies like the FBI and U.S. Customs Service, Coast Guard, Immigration and Naturalization Service, IRS, ATF, FAA and others.

In terms of DEA/FBI task forces, I think Attorney General Bell wisely, in the fall of 1977, directed simultaneous operations in three key cities. The DEA committed seven agents each to these task forces and the FBI detailed eight each to New York and Chicago and five to Los Angeles.

The results of these three specific investigative efforts have been mixed. We have seen, and I can report to you, the number of indictments in New York. There have been seven with seven convictions, two class I violators identified. And in Chicago, 14 indictments, 14 convictions, 20 class I violators identified. And in Los Angeles, 6 indictments, 4 convictions and 12 class I violators identified.

I think perhaps of as much significance as anything is the important increased information that our agencies have had as a result of working together, particularly in these three cities and the FBI and DEA headquarters. The task force program is not limited, however, to these three locations.

We have embarked upon special task forces in a number of cities, including Miami, where it appears that our respective agencies either independently or jointly can usefully combine resources to effect the immobilization of major criminal organizations dealing in drugs and which are involved in other criminal activity.

There are a half a dozen such special efforts going on at this time, and they are added to daily.

I am not going to get into anticipated future investigations, but as an example, within the last 12 hours, a very major investigation was brought to a conclusion in San Francisco. A Federal grand jury unsealed an indictment of 32 persons in connection with the investigation of the Hell's Angels motorcycle club. The charges include violations of the RICO statute, 18 U.S.C. 1976, 1962C and 1962D, as well as this four-count RICO indictment of the manufacture and distribution of drugs and narcotics, homicide, attempted homicide of police officers, and kidnapping.

The illicit money was used to invest in and maintain San Rafael Auto Body and Repair, formerly located in San Rafael, Calif.

Additional charges include drug sales within California State prisons. The offenses span a 10-year period.

We have arrested 25 defendants as of 25 minutes ago. This investigation was participated in by the FBI, the Bureau of Alcohol, Tobacco, and Firearms, the Oakland Police Department, the Alameda County Sheriff's Office, IRS, U.S. Marshal Service and Coast Guard.

The investigation is important, Mr. Chairman, because elements of this gang have been subject to BNDD and DEA investigations in the past. It has been our purpose this time, in concert with these other major Federal agencies and the U.S. Attorney's Office, to immobilize the Hell's Angels by arresting and convicting its key organizers and leaders, to put an end to its well-organized network of illicit drug manufacture and distribution.

This particular case uncovered at least 13 methamphetamine labs in California and other States and has linked the Hell's Angels chapter in Oakland, the hub of the activities, to a variety of other criminal acts which have been spelled out in this detailed indictment.

The effort of our office in concert with these other agencies, very simply, has been to put Mr. Sonny Barker, Jr., in jail. He is the inter-

national president of Hell's Angels, and he has been arrested with his wife. We are to proceed with the investigation, dismembering these laboratories.

And, I might add, a number of weapons, automatic silencers, and methamphetamine precursors, were found on the premises as these raids were made this morning.

To give you an idea of the scope of this operation, there were some 65 agents from the DEA, 65 FBI agents, 65 ATF agents, SWAT teams from the FBI and the Oakland Police Department kept in reserve, all of whom participated in this major impact investigation in northern California.

I mention that to illustrate that in San Francisco, we didn't have a formal FBI/DEA task force or ATF task force. But as our information tied in with the U.S. attorney and the other Federal agencies that we were in touch with, we developed a team approach on this investigation that led us to the very highest figures in this particular group.

And I believe that the bonds that will be requested will range up to \$2 million for the four major conspirators.

The BANCO operation in Miami, which also was a DEA/FBI joint effort, targeted on illicit drug activity and money laundering that has resulted, as you and your committee is well aware, in the indictment, 40 different counts I might add, of 14 significant violators charged with bringing over 500 tons of Colombian marihuana into the United States.

These charges included 12 different Federal statutes, including engaging in a pattern of racketeering activity, conducting a continuing criminal enterprise, and forfeiture of assets was sought.

I might add, Mr. Chairman, further indictments are anticipated, and this particular team will continue to work.

We have recognized that in certain areas, particularly with the FBI—and Mr. Mullen can speak to this issue—we have seen opportunities not limited to Chicago, Los Angeles, or New York or Miami or San Francisco where the resources of our joint agencies can have a major impact where the statutory jurisdiction can impact more than just using the Controlled Substances Act.

It is still in the early stages, Mr. Chairman, of our work together. But Director Webster and I have discussed this regularly. We are committed to seizing opportunities where mutual investigation will provide additional impact.

We are also not necessarily going to presume that we have to have formalized structures working day in and day out on just preselected targets to have an impact from our respective agencies.

I could additionally refer to cooperation and relationships between the U.S. Customs Service, the IRS, the Coast Guard, and other domestic State and local as well as Federal agencies, but I perhaps could defer at this time to Mr. Mullen or the committee for any questions on this matter.

Mr. WOLFF. Thank you, Mr. Bensinger.

Before we pass to Mr. Mullen, I would like to ask whether or not you think that your agency is living up to the requirements laid down by the Federal strategy or if there are any limitations that you find that do not permit you to live up to the statements that have been issued in the Federal statute.

Mr. BENSINGER. The question is a broad one, sir. I would say that our agency would benefit in discharging the domestic strategy with increased resources on an international basis.

We would comment also that in the area of our relationships with IRS, there may be an opportunity for a review of the requirements of the Speedy Trial Act and the disclosure under ex parte agreement or arrangement for some tax information of a criminal nature, and I think greater improvement in that liaison will take place.

I also want to make clear, Mr. Chairman, I don't think this is IRS's fault and I am not pointing a finger at them. I think our agency itself has not gone to the Internal Revenue Service a large number of times for these ex parte disclosures.

Mr. WOLFF. We understand you only went once.

Mr. BENSINGER. We went on the *Nickey Barnes* case and with considerable success.

The problem in that issue is that probable cause is required for us to get an ex parte disclosure, and we are working with the Department guidelines so that that disclosure shall be made and still enable us to meet the requirements of the Speedy Trial Act.

Sometimes, these procedures in the development of that type of information does take more than four months.

Mr. WOLFF. We are going to depend upon our co-chairman here, Mr. Railsback, to find some solution, as being a member of the Judiciary Committee, to part of this problem.

[Mr. Bensinger's prepared statement appears on p. 258.]

Mr. WOLFF. I now call upon Mr. Mullen to proceed. We are going to withhold questions generally until such time as both statements have been completed.

**TESTIMONY OF FRANCIS M. MULLEN, JR., DEPUTY ASSISTANT DIRECTOR, CRIMINAL INVESTIGATIVE DIVISION, FEDERAL BUREAU OF INVESTIGATION**

Mr. MULLEN. Thank you, Mr. Chairman.

On behalf of Director Webster, I thank you for inviting the FBI to testify before you today.

As Mr. Bensinger indicated, the FBI has a supportive role while DEA has the primary investigative jurisdiction under the Federal law to investigate violations relating to the sale and distribution of illicit narcotics.

I will not go into my entire statement, but I would like to stress the areas of cooperation and then respond to any questions you may have.

Mr. WOLFF. Without objection, both statements will be included in the record in entirety.

Mr. MULLEN. Thank you.

With regard to the FBI's role in support of the DEA, we have a narcotics coordinator in each of our 59 FBI field offices. And it is the assignment of that coordinator to gather any information coming to the attention of the FBI and make it available to DEA and arrange for the exchange of information with DEA and other agencies.

Our supportive role is provided in three major areas:

1. The debriefing of FBI sources, subjects, and informants and dissemination of this information to appropriate Federal, State, and local agencies;

2. Investigative support (for example, selected joint operations and the location of DEA fugitives); and

3. Making available to the appropriate Federal, State, and local agencies certain of the FBI's centralized services, such as fingerprint identification, arrest records, laboratory services, name checks, and access to the National Crime Information Center on-line files.

On May 8, 1979, DEA, at the request of the FBI, made available to FBI Headquarters the identities of 2,348 class I violators in the United States. DEA, in turn, requested any information on these traffickers contained in Bureau files or generated by investigative efforts be furnished to DEA. And this was done.

As a result of the FBI's narcotics dissemination program, based on the debriefing of informants, subjects, and suspects, during fiscal year 1978, the Bureau has disseminated over 10,000 items of narcotics intelligence information to other agencies, resulting in 155 Federal arrests, 163 local arrests, and 45 State arrests, as well as the confiscation of \$188 million of narcotics-related items by Federal authorities, also \$2 million by local authorities, and \$980,000 by State authorities.

I agree with Mr. Bensinger also on the task force concept. I feel it has been successful. I do feel it is not a situation where you can tell a group of men "go work together." We must have a purpose. And in many areas, we do have a purpose.

Prior to my assignment here at FBI Headquarters, I was special agent in charge of the Tampa, Fla., FBI office, and the New Orleans FBI office. And at both of these locations, we had joint FBI/DEA task forces. And in both areas, we have been fairly successful.

Mr. Chairman, I will conclude my statement at this point. Mr. Bensinger has gone over the operation BANCO and also the general task forces now in place. And my comments will be repetitious.

I will answer any questions that the committee may have at this time.

[Mr. Mullen's prepared statement appears on p. 262.]

Mr. WOLFF. We will hold to the 5-minute rule so that each member can have an opportunity of questioning. And that goes for me as well.

Mr. Mullen, what priority does the FBI have so far as narcotics are concerned? Is this one of your major activities or is this kind of an ancillary activity of the FBI?

Mr. MULLEN. No, sir, it is a major priority. We have three priority-one areas in the FBI, these being organized crime, white-collar crime, and foreign counterintelligence.

The narcotics program is placed directly under our organized crime program, a priority-one area. It is a top priority item within the FBI.

Mr. WOLFF. I am going to ask two questions of both of you. We do not seem to be getting satisfactory answers from either of your agencies or other agencies of Government relative to the tie-in that exists between terrorist organizations and organizations who are engaged in the trafficking of weapons in and out of this country.

We seem to get very prefunctory answers when we ask either of your agencies whether or not you have any records or files of either orga-

nized terrorist groups or in the trafficking of weapons for drugs. We got replies that said, "We do not have anything in our files on this."

Since we have from other agencies of Government and other intelligence sources, some very direct information of the tie-in between certain groups, perhaps we have not asked the right question. Maybe we should ask you about local terrorist organizations or indigenous terrorist organizations rather than international terrorist organizations. Maybe that is the reason why we have not gotten the information from you.

But it seems to me if you don't have that information, then either you are not getting an interchange of information from other intelligence agencies or this information is deliberately not being furnished to the Congress.

Do you have any information on any organizations that are engaged in either terrorism, insurgency, trafficking in weapons that are in your files? We have not been able to get this from your agency.

Mr. MULLEN. Mr. Chairman, with regard to the trafficking in weapons, of course, the primary jurisdiction here would lie with the Alcohol, Tobacco and Firearms Unit of the Treasury Department.

Mr. WOLFF. Wouldn't that have something to do with foreign intelligence operations?

Mr. MULLEN. Yes, sir, and terrorism also. I know myself of no tie-in between narcotics and terrorist groups. I have no information that has come to my attention in this regard or with groups importing weapons being involved in narcotics trafficking.

Mr. WOLFF. Maybe the committee should share with the FBI some of the information that it has. I would be glad to do that.

Mr. Bensinger?

Mr. BENSINGER. We have, I believe, made available to the Congress a Guns-For-Drugs survey which was done by the El Paso Intelligence Center a year or more ago. It documented a number of instances in which information was reported to the Immigration Service, ATF, DEA, other border agencies, U.S. Customs, in which such exchanges were alleged to have taken place.

Regarding international terrorism, this is not a jurisdiction of our agency. Where we do have this information, however, Mr. Chairman—and we have had it—on a number of occasions, there are active cases that I am aware of personally, two of them ongoing now, which cannot be reported at this time, but in confidence, I would consult with Deputy Attorney General and at his direction make that information available to you.

Mr. WOLFF. One of my problems is the fact that this type of thing seems to fall between the cracks somewhere among the agencies. It is of serious concern to us. We cannot seem to get a handle on the various terrorist organizations that exist. I am seriously concerned. We have been very fortunate in the past. But I fear we are very prone to some type of terrorist activity in the future.

I ask unanimous consent to proceed for an additional 2 minutes at this point.

Mr. MULLEN. Mr. Chairman, I am informed that we did consult with each of our 59 field offices regarding this very question—a tie-in between narcotics trafficking and weapons groups and terrorist groups.



Each office came back with a negative reply, not having any information in this regard.

And if the committee does have some information, I would be happy to meet with them and investigate any leads.

Mr. WOLFF. I come to one other point. This committee was the subject of an attack by an insurgent terrorist organization overseas. I am wondering what the responsibility of either the FBI or the DEA is to the protection of Congress. Who is responsible?

Would you know who is responsible to protect Congressmen? I know that we go overseas, and we go over with executive agency people, they have an entourage of people who travel with them.

In fact, one of the ex officio members of this committee told of the time that he went overseas with one of the Cabinet Officers. He went into Teheran, and they had a tremendous amount of Secret Service and I guess FBI people with them.

Well, I don't know who was attached—I think maybe Secret Service. When the Secretary left the group, all of the protection went with him. And the ex officio member of the committee was left standing alone.

I think it is about time that we in the Congress knew who is protecting us. There are laws that are existent that protect mailmen; how about the Congress?

Mr. BENSINGER. Chairman Wolff, I think you and the members of this committee would agree that any trip that you have made related to narcotics enforcement, agents of the Drug Enforcement Administration, not only have been available to accompany you, special agents, but to meet you and to be with you at all times during your travels overseas.

I consider your safety personally very important to this country, to me, and to this agency. And the safety of the Members of the Congress and their staffs as well.

Any information we ever have that would reflect upon your security, we will share with you, have shared with you and with the Missions in the countries in which you visit.

Mr. WOLFF. I want to say one thing at this point. I am saying this because I think it is a very serious problem. I hope that my committee members will bear with me because this matter has not been aired, and I think it should be. My own office was violated. I called the FBI to look into the situation. And I believe that people—I know that people—from the FBI came over.

However, I was told unless I knew that any classified information was removed from my files that the FBI couldn't do anything about it. That was long before this attack was made upon this committee.

I am just wondering, why are you not charged with the protection of the Congress?

Mr. MULLEN. Not specifically. You mean physical protection? No, Mr. Chairman. And I agree, it is a critical area.

Now, each executive agency such as HEW by executive order is entitled to protection by security men from their own agency. This is true also of the Department of Justice.

With regard to personal physical protection of Congressmen, I know of no area of coverage. But should there be a crime such as an assault—

Mr. WOLFF. In other words, if one of us is killed—

Mr. MULLEN. Murder of a Congressman, FBI has investigative—

Mr. WOLFF. That gives me great confidence.

Mr. MULLEN. Mr. Congressman, if I may continue, should any information ever come to our attention indicating a possible threat to a Congressman, we certainly do make that available to the Congress and to local police agencies, to the Secret Service.

But to provide the physical protection, no, we do not have the authority to do that, sir.

[The following information was furnished to clarify the record:]

U. S. DEPARTMENT OF JUSTICE,  
ASSISTANT ATTORNEY GENERAL, LEGISLATIVE AFFAIRS,  
Washington, D. C., September 17, 1979.

HON. LESTER L. WOLFF,  
Chairman, Select Committee on Narcotics Abuse and Control,  
U. S. House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: During the Select Committee's June 14, 1979 hearing concerning domestic narcotics enforcement, you raised the question of whether the executive branch is responsible for providing security for Members of Congress. The DEA and FBI representatives in attendance were unable to respond to the question fully. Accordingly, I am forwarding for your information the attached memorandum discussing the applicable statutes and case law in this area. Please let us know if we can be of any further assistance in this matter.

Sincerely,

ALAN A. PARKER,  
Assistant Attorney General.

Attachment.

#### PROTECTION OF MEMBERS OF CONGRESS

Title 18, United States Code, section 351 prohibits attempts to murder or kidnap, conspiracies to murder or kidnap, murders, kidnappings, and assaults against Members of Congress or Members of Congress-elect. Investigative jurisdiction is statutorily vested in the Federal Bureau of Investigation with an express provision authorizing assistance from the military and local government agencies. Section 351 has extraterritorial application. (*United States Attorneys' Manual* 9-65.712). The proposed Title 18, U.S.C. § 204 (a) in S. 1437 which was supported by the Criminal Division would expressly provide extraterritorial jurisdiction for this offense. The Department of Justice Appropriation Authorization Act, for fiscal year 1979, requires that the FBI provide to a threatened Member of Congress a written report regarding the title 18, U.S.C. § 351 investigation of a threat upon the life of that Member. Public Law 95-624 (§ 19), 92 Stat. 3459 (1978).

Title 18, United States Code, Section 875 prohibits, *inter alia*, the transmission in interstate commerce, to any person, of a threat to injure any person. Title 18, United States Code, section 876 prohibits, *inter alia*, the deposit in the United States Postal System of a threat to injure any person. In addition to permitting Federal criminal proceedings against persons responsible for threats sent in interstate commerce or through the mails, the statutes create a basis for Federal investigative jurisdiction immediately upon the occurrence of an apparently violative threat.

Title 18, United States Code, section 372 as a basis for investigative jurisdiction over conspiracies to impede or injure Federal officers, by use of force, intimidation, or threat, even if no additional substantive offense has been committed. Title 18, United States Code, section 371 prohibits any conspiracy to commit a criminal offense against the United States. Investigations pursuant to both of the above statutes involving Congressmen as victims are conducted by the Federal Bureau of Investigation.

Title 18, United States Code, section 245 (b) (1) (C) prohibits, *inter alia*, intimidation or attempted intimidation of, or interference or attempted interference with, Federal employees by force or threat of force.

Title 18, United States Code, section 641, which prohibits, *inter alia*, the theft of government property, applies to property belonging to the United States which is in congressional offices or which is in the possession of a Member of Congress. The prohibitions included in Title 18, United States Code, section 1361 against

willful damage to U.S. Government property create Federal investigative jurisdiction over acts of vandalism or other willful destruction of property belonging to the U.S. Congress as well as to any other component of the U.S. Government.

The Capitol is not included within the territorial jurisdiction of the United States as defined in title 18, United States Code, section 7. *Johnson v. United States*, 225 U.S. 405 (1912). Consequently, Federal investigative jurisdiction for a crime against a Member of Congress on Capitol Hill must be based upon a violation of a Federal criminal statute, such as title 18, United States Code, §§ 351, 875, 876, 372, 371, 245, 641, and 1361, rather than upon the mere Federal ownership of the *locus criminis*.

All of the Federal offenses discussed above are investigated by the Federal Bureau of Investigation. Obviously, local criminal statutes also apply to crimes against Members of Congress. Criminal violations occurring on the grounds of the Capitol fall within the provisions of title 22 of the District of Columbia Code.

Beyond the responsibility of the FBI to investigate violations of Federal criminal statutes (after they occur), there is virtually no Federal statutory responsibility vested in any Federal law enforcement agency for the physical protection of Members of Congress. The Capitol Police are charged with the full range of law enforcement functions on the Capitol grounds. That agency performs protective functions for all Members of Congress, as well as all other persons, on the Capitol enclave.

Capitol police officers are authorized by Federal law to carry firearms throughout the United States. Although their statutory enforcement jurisdiction is geographically very limited (Title 40, U.S.C. § 175, *et seq.*), Capitol police officers have the status of lawfully-armed private citizens elsewhere in the country.

Capitol police officers are occasionally used as escorts for Members of Congress during domestic travel outside of the District of Columbia. Such protection is by direction of the Capitol Police Board and is usually in response to a threat or other indication of a risk of attack. Officers may also be assigned to protective details for Members of Congress when those members travel in a group, since group travel may increase the risk of attack. Officers must rely upon authority existing under common law, as modified by state and local statutes, when they are outside of the Capitol area. Since there are common law powers of arrest and of defense of the life or property of another, proper action by a Capitol police officer serving a protective function for a Member of Congress will probably not violate local or state laws. The Federal Aviation Administration has recognized the Capitol Police as a Federal law enforcement agency for the purpose of carrying firearms on domestic commercial aircraft.

Capitol police officers have never been officially used in a protective capacity outside of the United States. It is noted, however, that they could lawfully provide such a service, subject to the same treaties and agreements with host countries which other Federal law enforcement agencies rely upon for official activities abroad.

The Department of State serves no official domestic protective function for Members of Congress. "[O]fficial representatives of the United States Government, and members of immediate families of any such persons, both in the United States and abroad" may be protected by security officers of the Department of State and the Foreign Service pursuant to Title 22, United States Code, Section 2666. The Department of State interprets the language "officials of the United States Government" in section 2666 as limiting Congressional eligibility for such protection to members of official delegations traveling abroad. Section 2666 also permits the carrying of firearms by those security officers for the purpose of providing a protective function.

The Federal Bureau of Investigation provides no protective function for Members of Congress in the United States or abroad. FBI involvement is limited to the investigation of Federal criminal violations which have already been committed. FBI agents possess statutory arrest powers for all Federal offenses pursuant to Title 18, U.S.C. § 3052.

The United States Marine Corps provides no domestic protective function, beyond on-base escorts, to Members of Congress. Important United States officials traveling abroad, including all Members of Congress, are given formal escorts by United States Marines while on United States Government-operated property. Additionally, informal escort or protective functions are often provided, at the direction of the United States Ambassador stationed in the host country. The United States Marine Corps provides such protective services without Congressional request.

The United States Marshals Service has provided protection to Members of Congress on several occasions in the United States. Protection has been provided in response to requests by a committee of Congress. Requests for this service are often in response to a risk of attack upon Members of Congress participating in committee hearings being held outside of the District of Columbia. The United States Marshals Service provides no foreign protective services. Marshals and Deputy Marshals have statutory arrest powers for all Federal offenses pursuant to Title 18 U.S.C. § 3053.

The United States Secret Service is empowered by Title 18, United States Code, Section 3056 to provide protection at the direction of the President to "official representatives of the United States performing special missions abroad. . . ." This provision is almost never utilized since Presidents have customarily refused to direct the Secret Service to protect such representatives. Secret Service protection is provided to a Member of Congress if he or she is "a major Presidential or Vice Presidential" candidate (P.L. 90-331, 82 Stat. 170 (1968)) or "next in the order of succession to the office of the President . . ." (18 U.S.C. § 3056). Incidental protection may be provided domestically and abroad if a Member of Congress is traveling with a protectee of the Secret Service.

The Central Intelligence Agency provides no domestic protection for Members of Congress. On rare occasions, the CIA may assist in arranging local law enforcement protection, from a host country, for a Member of Congress who is traveling abroad.

The Drug Enforcement Administration provides informal escort services to Members of Congress on official narcotics-related business both domestically and abroad. The DEA escorts are primarily present to arrange schedules and to attend meetings with the Members of Congress although they are often sworn officers who could reasonably be expected to serve a protective function if an attack occurred in their presence. Personnel of other Federal enforcement agencies are also believed to occasionally serve as "guides" or "escorts" for Members of Congress involved in activities related to their area of jurisdiction. Such personnel are often enforcement officers and serve an inherent protective function when accompanying a Member of Congress.

Each of the above-discussed agencies is limited by narrow jurisdictional authority formed by agency charters, enabling legislation, and the scope of funded activities described in appropriations bills. As a result, most protective functions are unofficial and incidental to some authorized agency function. Though most enforcement agencies are authorized to carry firearms in the United States, all are subject to host country agreements with the United States when abroad.

Mr. RAILSBACK. May I ask one followup about that quickly?

Mr. WOLFF. Yes.

Mr. RAILSBACK. What about where there is a break-in of a congressional office or something other than a threat against the body of the Congressman, but where an office has been rifled or where there has been—what can the FBI do in that kind of a case? I am just curious.

Mr. MULLEN. And I am not certain. But it would appear to me to be a crime on a Government reservation, and we would look into the burglary as we did, Mr. Chairman, in your case.

We would investigate that. I have had no reports of this. This is the first news I have had of this particular case.

Mr. RAILSBACK. What about a threat on a Congressman?

Mr. MULLEN. We will investigate that, yes, sir. We will investigate it immediately.

Mr. WOLFF. Well, Mr. Mullen, this committee is going to look into the question of the security for Members of Congress. There are some people that don't believe that Congress should be secure.

Mr. MULLEN. I do. I believe there is potential danger there and Congress deserves protection.

Mr. WOLFF. I think one of the aspects of this is the point I tried to bring up before, the tie-in between terrorists and narcotics.

The two bells have rung, and unfortunately, we have got to go to answer the bells. We will be back shortly.

The committee will stand in recess.

[Whereupon, a recess was taken.]

Mr. WOLFF. I know we were in an interesting area. We will discuss this further.

Mr. Bensinger, I want you to know that I appreciate the efforts of your agency in assisting us with overseas security. And we are indebted to you.

I just want you to know that we have now provided for our own security on this committee, but that doesn't take care of the 400-some other Members who are not members of this committee.

Mr. de la Garza.

Mr. DE LA GARZA. Mr. Chairman, I have just a few brief questions.

This one is to Mr. Mullen. You say you have turned over 10,000 items of narcotics intelligence, 155 Federal arrests, 163 local arrests, 45 State arrests. But then, in the other part of your statement, I assume related to the task force, you say 14 indictments or a total of 27 indictments.

Are those two entirely separate items?

Mr. MULLEN. Those are separate items, yes, sir. The task force is something separate. And that would be joint DEA/FBI effort. And these statistics would be reported by DEA.

Mr. DE LA GARZA. Now, you say "arrests." Are these prior to indictment or postindictment, the 155 Federal arrests?

Mr. MULLEN. They would be prior to indictment. Some could involve indictment.

Mr. DE LA GARZA. How many indictments out of those?

Mr. MULLEN. Of the 155?

Mr. DE LA GARZA. Yes.

Mr. MULLEN. I do not have that information, Congressman. I could make that available to you.

Mr. DE LA GARZA. And local and State.

Mr. MULLEN. How many were eventually convicted? No, I don't have that, but I will attempt to obtain that and make it available to you.

Mr. DE LA GARZA. You may not have this information either, but I might say that I have some personal problems with the Conspiracy Act from my very conservative viewpoint about Government's intercession in the affairs of the citizens. But, nonetheless, that is the law.

How many of your cases or your indictments stem from conspiracy statutes rather than actual violation?

Mr. MULLEN. I do not have the answer to that, Mr. Congressman.

Mr. DE LA GARZA. Could you get that for us?

Mr. MULLEN. I will attempt to get that for you if it is retrievable. I believe it should be. And if it is, I will get it.

Mr. DE LA GARZA. The reason I ask that is because I think that probably in spite of my personal reservations, this is the biggest tool you have.

Mr. MULLEN. Are you talking about the racketeer-influenced statute? Is this what you are referring to?

Mr. DE LA GARZA. No; the general conspiracy statute.

Mr. MULLEN. Statistics aren't broken down in that manner, but I will attempt to obtain the information for you.

Mr. DE LA GARZA. I recently read a statement that even if the act isn't committed and even if you have never seen the other person, even if you spoke to someone here, you are a party to a conspiracy.

Mr. MULLEN. In an actual conspiracy, you have to have an involvement and commit an overt act, but it is often preferable to make an arrest under conspiracy, especially under narcotics, to prevent the transactions from taking place and prevent the narcotics from getting out in the street.

Mr. DE LA GARZA. The overt act doesn't have to be the overt act mentioned in the conspiracy? The violation is that you conspired?

Mr. MULLEN. That's correct.

Mr. DE LA GARZA. Another question I had was—and that is in relation to the question of the chairman about weapons—have either of you gentlemen any information on the relation to stolen vehicles involved in the narcotics trade, exchanging stolen vehicles in Mexico, for example, for narcotics and/or to the narcotics trade?

Mr. MULLEN. I have no information relating to this. The exchange of narcotics for stolen vehicles, vehicles stolen in the United States, taken to Mexico?

Mr. DE LA GARZA. Or in some way connected to the trafficking.

Mr. MULLEN. No, sir.

Mr. DE LA GARZA. Mr. Bensinger?

Mr. BENSINGER. Congressman de la Garza, I think perhaps Bill Archey, the Deputy Commissioner of U.S. Customs, would be able to respond to that. I know there has been considerable concern on the part of the Mexican Government in particular to the theft of vehicles and the smuggling of those vehicles and the reselling of them in Mexico.

And perhaps he could enlighten you further when he appears on this subject.

Mr. DE LA GARZA. Thank you very much.

Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Railsback?

Mr. RAILSBACK. Thank you, Mr. Chairman.

I would like to say at the outset that Congressman Hyde and I took a trip to Europe, Mr. Chairman, and we did ask DEA for some assistance while we were in Europe as part of our trip was related to drugs, and particularly drug trafficking. Mr. Bensinger and the DEA did, in my opinion, a tremendous job seeing that wherever we were, we had DEA people with us who I would say took pretty good care of us.

Let me ask both of you, if you were sitting up here, what legislation do you think is needed to strengthen law enforcement? In other words, do either of you have any ideas as to any specific legislative recommendations, say, for the Judiciary Committee or for any of the standing committees?

Mr. MULLEN. In relation to narcotics?

Mr. RAILSBACK. Yes.

Mr. MULLEN. I would defer to Mr. Bensinger on that question. However, I would like to thank the Congress for making the racketeer-influenced and corrupt organizations statute available to law enforcement. We have found it within the FBI, to be the most effective jurisdictional tool with which to proceed in narcotic and organized-crime-related investigations.

Mr. BENSINGER. Congressman Railsback, I welcome the opportunity to share with you my thoughts on this matter.

Were I in your shoes, I would triple the penalties for large-scale distribution of marihuana. I would review very carefully the Bail Reform Act.

The Senate last year passed legislation which would give judges the right to deny bail, as part of the overall Criminal Code, for major narcotic traffickers of heroin and cocaine who had been previously convicted on a narcotic offense. It would provide a hearing opportunity for the defendant to explain his activity, for the judge to assess whether there would (A) be a danger to the community if this person remained free on bond, and (B) whether that person also would flee the jurisdiction of the court.

We have more fugitives than we have agents.

Mr. RAILSBACK. Can I ask do you still hold the view that you once held that too many judges are handing out very light sentences; that there are too many people who are lost even though they have been convicted of trafficking?

Mr. BENSINGER. My views may not be shared unanimously by all members within our Department. I support wholeheartedly, Judge Bell's recommendation. He has recommended sentencing guidelines. And I think that is a very good idea in which to take a look.

Do we consider selling 10 tons of marihuana a serious crime or not, or 10 kilos of heroin or 10 kilos of coke? If it is, let's give some general signals, and let's agree between the prosecutors, investigators, and the judges will make their own decisions regardless of what we say. And that is appropriate.

But I think the sentencing guideline approach is needed. I would like to see the Attorney General's recommendations on that implemented.

Mr. RAILSBACK. All right, what else?

Mr. BENSINGER. I would like to see consideration of the Tax Reform Act pertaining to 1040 information allowing a free flow of criminal investigative information to be made available to agencies such as ours. This is a complex issue, and I think the Congress has to appropriately weigh, on the one hand, the issues which it has wrestled with on the right of privacy with, on the other hand, the information which criminal investigative agencies can make excellent use of when they have organizations making millions, large amounts of money, subject perhaps to tax investigations, also violating criminal law.

We don't want information off the tax return; but, there may be some criminal investigative information which could be shared apart from the 1040 materials.

Singleton Wolfe is an excellent representative of the Internal Revenue Service and has cooperated with us; and Gordon Fink, our head of Intelligence, have spent a great deal of time trying to develop means of addressing this problem.

And I don't have a specific legislative proposal for you on this issue. I think both of them could address the problem.

Mr. RAILSBACK. Let me ask you one more. I think my time is about to expire.

Mr. WOLFF. Proceed.

Mr. RAILSBACK. Could I ask one more question? What about informants? Is it true that informants are more difficult to recruit, and if so, why?

Mr. BENSINGER. I think the Freedom of Information Act has had a chilling effect, and I share the view of Director Webster on this matter, that we need to assess whether it is, in fact, in some way or other reducing the interest on the part of informants, both domestically and internationally, in providing information.

Mr. MULLEN. I concur in that statement. And I believe the requests on the FOIA, Freedom of Information Act are now in the area of 13 or 14 percent being from prisoners asking for information.

And there is no question that there is a concerted effort to identify sources and informants of the FBI. So I concur with Mr. Bensinger's statement.

Mr. BENSINGER. In our agency, the figure for felons is 40 percent, 40 percent of all of our requests.

Mr. RAILSBACK. Convicted felons?

Mr. BENSINGER. Individuals convicted.

Mr. MULLEN. I am referring to individuals in prison.

Mr. WOLFE. Mr. Evans?

Mr. EVANS. Thank you, Mr. Chairman.

Mr. BENSINGER. Our figure would be those in prison as well.

Mr. EVANS. I would like to associate myself with the remarks of the chairman at the opening of this hearing, especially in the areas of marihuana and the need for clearcut Federal policy.

Mr. Bensinger, in view of the fact that there are a number of conflicts in the emphasis placed on marihuana at a national level, do you have any difficulty formulating the policy of your agency as a result of this conflict?

Mr. BENSINGER. I feel that there is a move within the administration now, Congressman Evans, to do two very important things. And that is to clarify the health consequences of marihuana itself.

Secretary Califano came out recently in a memorandum to me recommending that marihuana stay as a schedule I drug. That has been the result of exhaustive survey by the personnel within HEW, NIDA, others.

What has not, I think, followed from that assessment is a clear understanding in the mind of the public, the parents and teachers, as well as of some of the law enforcement prosecutors and perhaps the Congress as to just how serious this drug hazard is.

I am not a physician or a medical expert on this subject; but, I can report to you that the studies I have seen on this subject would indicate that health hazards from marihuana, rather than state that it is not a harmful drug substance, indicate that it is increasingly harmful in adolescence.

I would say further, in the area of sentencing and enforcement priority, this varies by geographic location, by judicial district, and that we are not seeing, in many cases, large penalties assessed from the standpoint of imprisonment of major organized crime, marihuana traffickers.

We, in fact, are saying to our agents, you have got to go after the financial assets of these marihuana traffickers to have any impact. And we wouldn't be able to do that in each and every situation.



Finally, I would say that the results of the efforts of the U.S. Government on heroin have been dramatic, and they have been successful. That is the overdose death rate. It has gone from 150 a month to 30 in 2 years.

The number of injuries have decreased from 5,000 to less than 2,000 a quarter. And the reason is because we had an integrated policy on heroin. I haven't had a question today on heroin. The reason is because I think it is working well; and the reason I think it is working well is the foreign government is destroying the product at the source in Mexico, and we are targeting the major traffickers and putting them in prison for a long period of time—for life sentences, for 45-year sentences, fines, major penalties.

The traffickers know they have increased the risk. And they have also dried up the supply.

On marihuana, we haven't done either.

Mr. EVANS. Isn't it true we have had a very confused policy?

Second, we have seen that we can do something with heroin. We can do something if we formulate a unified policy. And yet, we are still getting statements from, I think it was, Mr. Civiletti who said we would be better off with decriminalization of marihuana than a generation of hoodlums, or something to that effect.

Mr. BENSINGER. Let me say, Congressman Evans—and I talked with Deputy Attorney General Civiletti on Monday, and he made it very clear to me and other members of that Department—he was not in favor of the legalization of marihuana. He is in favor of strong penalties against marihuana traffickers.

And his remarks, as reported, did not reflect his views.

Mr. EVANS. Well, Mr. BENSINGER, the point I am trying to make is if we continue to have conflicting statements coming out of our Federal agencies, NIDA, the Attorney General's Office, and other places, how in the world is the public going to ever understand that marihuana is a harmful drug? And how are we going to get unified, strong policy against marihuana if that continues to happen.

And let me talk about one other thing. And that is the—if I may, Mr. Chairman, pursue this one more minute—paraquat. There are statements made that paraquat has proved harmful to the health. And yet, it is the only place you find it—on illegal drugs. Why are we so concerned about the people who are breaking the laws of this country and using illegal drugs when we need this to destroy the crops?

We will never interdict all the marihuana and other illegal drugs that can be produced in other countries. Are we going to stop drugs? Are we going to keep fooling around and coming up with all this concern about different people that are breaking the law? What is our policy?

Mr. BENSINGER. Congressman Evens, you sound like the Mexican Attorney General. And he very rightly says, you know, "what are you telling me to use on the crops that are illegal in my country?"

And, I think, he will probably continue to use paraquat regardless of what we find.

In terms of our policy, I think the present administration and the White House has directed a very important survey be made by the Institute of Medicine in cooperation with HEW Secretary Califano and Lee Dogoloff of the Domestic Policy Staff, to assess the scientific

information available on marijuana and to produce a report in September.

I hope when that report comes out, it gets the most wide distribution possible.

I also am aware of the fact that Mr. Dogoloff will testify subsequently that, anticipated this year, are film distributions on a wider basis domestically on prevention than of the limited spots that Commissioner Rosell, who I have talked to and Mr. Dogoloff has talked to, to include in the mass media communication.

But I think in many respects, your comments, I would associate with in the sense that we don't seem to have a clear voice on the marijuana issue.

I also want to say that our agency doesn't want to put all the users in jail. In fact, we don't go after users of any drug, marijuana included. And I think there can be a very legitimate, appropriate, rationale addressed at the difference between users and the traffickers.

Mr. WOLFF. Thank you.

The gentleman's time has expired.

Mr. Coughlin.

Mr. COUGHLIN. Thank you very much, Mr. Chairman.

Mr. Bensinger, in your statement, you indicated that your task force, in the period from October 1977, to May 1979, obtained 27 indictments, and identified 34 class I violators. Do you consider that a good record?

Mr. BENSINGER. I'd say it is mixed. I think it depends on the violators and what is going to happen after they have been indicted or arrested, whether they are going to flip, whether we are going to get lab sources of supply thereafter.

I think in a couple of instances, we have good reason to keep these formalized task groups going. I think we will continue to make some major cases in those areas.

Mr. COUGHLIN. Do you know the cost of maintaining those task force groups during the period?

Mr. BENSINGER. I know exactly the cost to the DEA and FBI in terms of assigning eight or seven agents that would have been working separate and apart from that in terms of expenditure of operating funds.

Mr. COUGHLIN. What was the cost during that period?

Mr. BENSINGER. For all three task forces, including the salaries of the agents or exclusive?

Mr. COUGHLIN. Including, please.

Mr. BENSINGER. I will write you formally, but I'd estimate it would be in the neighborhood of perhaps \$750,000.

[The information referred to follows:]

The estimated funding for the DEA/FBI Task Forces for fiscal year 1978 and through May 31, 1979, is as follows:

[Dollars in thousands]

	1978	1979	Total
Salaries and benefits.....	\$667	\$449	\$1,116
Operating.....	100	69	169
PE/PI.....	80	32	112
Total.....	847	550	1,397

Mr. COUGHLIN. That is to obtain 27 indictments and 34 violators identified?

Mr. BENSINGER. I think the task forces were worthwhile, Mr. Coughlin. I think it was an effort that was needed. I think the resources and the additional prosecutorial opportunities made available through FBI agents who have over 50 statutes which they can, in fact, investigate was an excellent decision Attorney General Bell made. It helped us; it has helped this country.

Mr. WOLFF. Would the gentleman yield for a moment?

Mr. COUGHLIN. Don't use up all my time.

Mr. WOLFF. Does that mean that the task force idea is over?

Mr. BENSINGER. No, it does not.

Mr. WOLFF. I thought you said it was worthwhile and effective.

Mr. BENSINGER. No. He was asking me up to now, and I think we will continue them, Mr. Chairman.

Mr. WOLFF. OK, go ahead.

Mr. COUGHLIN. You indicated you will recommend tripling the penalties of large-scale use of or trafficking in marihuana. Yet, as I understand it, it is a policy of the Department, in some regions, not to prosecute unless 1 ton of marihuana is involved. Is that the case?

Mr. BENSINGER. It varies. In some cases, it may be 500 pounds. In some cases, it can be 100 pounds, or you might have a case which could be referred to the State jurisdiction for up to a ton.

But I would say penalties for tonnage quantities of marihuana should be tripled.

Mr. COUGHLIN. You are talking about tripling the penalties, but you don't prosecute trafficking in cases under a ton or 500 pounds or something like that. You are really not doing much good, are you?

Mr. BENSINGER. In many cases like in Florida now, the State of Florida has passed a law in which tonnage quantities of marihuana receive a 15-year sentence and a \$250,000 fine.

The State jurisdictions in Texas and Florida and several other States will in the case of marihuana have more severe penalties than the Federal jurisdictions.

So, it isn't simply that a U.S. attorney and assistant U.S. attorney want to move away from work. The local jurisdiction may well, in fact, have a better penalty or investigative case.

Mr. COUGHLIN. One final question. You indicated the FBI indicated there were 10,000 items of narcotics intelligence turned over to various agencies resulting in 155 arrests federally, 163 local, and 45 State arrests. Out of 10,000 items, is that a good record?

Mr. MULLEN. I think it is a good record; yes, sir. It could be items of information. Some may not check out, may not be followed up on investigatively because they just don't develop. So I think it is a good record.

Mr. COUGHLIN. Looking at the scope of the drug traffic in the country, it seems to me at least that just what we are accomplishing is minuscule.

Mr. MULLEN. Some could be a situation such as a local group using narcotics and furnished to local authorities. And perhaps it could be a school situation where it is handled administratively. Some of it could be very serious and very specific narcotic violations.

Mr. COUGHLIN. In terms of the number, we are just scratching the surface if you look at the scope of narcotic sales as I see it.

Mr. DE LA GARZA. Would the gentleman yield? It is related to a question I asked, but not in defense.

The numbers shouldn't mean all that much, if you get one that is the kingpin. My question wasn't related to that aspect. So if they get one in Chicago, that is the important one. That may be a lot more important than 2,000.

Thank you very much, but I wanted to bring that out.

Mr. WOLFF. We will give Mr. Coughlin some extra time.

Mr. BENSINGER. We, in fact, the DEA, indicated in our appropriations hearing and before this committee, we are no longer going after numbers of arrests; we are more concerned with the type of violator. Our arrests have decreased about 2,000 in the last few years but they are better, more important violators and we have had a greater impact.

What we are looking for is not a total numbers game, but getting the major traffickers in jail. And I think the results rather than being minuscule have been very, very significant, particularly on heroin and barbiturates.

Having a decrease in purity of 6.6 to 3.5 percent is, in my opinion, remarkable. And it is reflected in the fact that there are probably 100,000 fewer addicts in the United States today.

Mr. MULLEN. Congressman Coughlin, I cite these figures just to show the level of cooperation that is going on, that there is a lot of interchange and activity between the FBI, DEA and other agencies.

Mr. COUGHLIN. Let me just conclude by saying if you combine the comparatively small number of arrests or indictments or convictions with the policy of not prosecuting cases of less than 500 pounds of marihuana, it seems to me, at least in the marihuana area, we haven't touched the thing.

Mr. BENSINGER. I think in the marihuana area we have not made a significant impact on the distribution and availability of marihuana in the United States. In fact, I think it is increasing.

Mr. COUGHLIN. I think it is increasing, too.

Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Scheuer?

Mr. SCHEUER. Yes. Just following on what you are saying, if all of our law enforcements in the field of marihuana seem to be totally unavailing—and I think all of us probably read the front page article either yesterday or the day before in the Washington Post on the increasing use of marihuana out at Bethesda/Chevy Chase High School—doesn't that suggest that simply intensified law enforcement arresting kingpins, and so forth, is an exercise in futility, and some other national policy ought to be evolved?

Mr. BENSINGER. Congressman Scheuer, I think the record actually reflects that the number of arrests have not had an impact. My question would be what if the foreign governments addressed the issue of marihuana as they have addressed the issue of opium, both of which are illegal? And if, in fact, destruction of that substance was decided upon by the foreign governments.

I was interested that the President of Colombia, President Turbay, just recently left Mexico and upon departure announced on Mexican

television, that he was very impressed with the Mexican eradication program and might be considering it for Colombia itself.

I think, then, you would have a shrinkage in supply.

Mr. SCHEUER. I have been on this committee for a long time with a 1-year interval. And you have been making extensive efforts with the Mexicans for a number of years. And yet, you, yourself, have just said that our law enforcement efforts have simply been totally unavailing as to marihuana.

Now, you are saying that a little more is going to help. And the Mexicans would try a little harder, the Colombians would try a little harder—

Mr. BENSINGER. The Mexicans have reduced the amount of marihuana coming from their country from approximately 75 percent to less than 20 percent in the matter of 2 years.

Mr. SCHEUER. Where is it coming from?

Mr. BENSINGER. Colombia. More than 70 percent of all the marihuana distributed is coming from Colombia, from the Guajira Peninsula, the North Coast. They have probably over 100,000 acres in cultivation.

Mr. SCHEUER. About 20 percent coming from Colombia and about 20 percent from Mexico?

Mr. BENSINGER. Seventy percent from Colombia, about 20 from Mexico. The balance from Jamaica and probably less than 10 percent domestically.

Mr. SCHEUER. Can you give us a summary as to the state of the art in terms of our knowledge of the health implications of occasional marihuana use?

Mr. BENSINGER. Congressman Scheuer, I could do that. I am not a health expert. And I would report to you basically what the people at the National Institute on Drug Abuse have told me. I am willing to do that, although I would prefer—

Mr. SCHEUER. Who is that?

Mr. BENSINGER. Perhaps a health expert could give that information. But this is what I think the 1977 marihuana report and the National Institute on Drug Abuse would reveal. And they would reveal not only statistically the information which you have as to the number of users, but also that marihuana used occasionally, regularly, can contribute to pulmonary pathology, some lung deterioration; that it can have adverse effects during the adolescent years; that additional research, particularly on adolescents, needs to be done because of potential chromosomal defects.

I am not comfortable, Mr. Scheuer, Mr. Chairman, reporting to you on the health consequences because I think this is really a health issue. But the information I have from Secretary Califano is that it should remain in schedule I. That says to me it isn't a medically approved drug. It can't be used like an over-the-counter pill. It has health consequences.

That in itself is a signal that marihuana seems to have a harm potential—that the Secretary of HEW feels is best kept out of the hands of all members of the public. And I would be happy to have the information from the National Institute on Drug Abuse, the surveys they have had made, and I am sure the Institute of Medicine study, made available to you subsequently.

Mr. SCHEUER. I am sure we would all appreciate that.

It seems to me we have a national challenge in terms of policymaking we haven't faced up to. Undoubtedly, there are some health threats connected with marihuana. Has that information been given to our committee?

Mr. WOLFF. The information has been furnished to our committee from a variety of sources. We have a task force now that is particularly considering its activities on the overall effects, physiological, psychological, effects of both marihuana and cocaine.

And, in fact, Mr. Neal, who was here a short time ago, is chairing one of those task forces. Mr. Guyer is chairing another one.

Mr. SCHEUER. Very good. Well, that certainly will be interesting information. I'm sure we would all be interested in getting the information that you adduce.

I still think, and I will just take one second, Mr. Chairman, we haven't really come to a national policy that makes sense on marihuana. Surely, it is nowhere nearly as lethal as either alcohol or tobacco, and those are permitted. People die of alcohol and die of tobacco. Nobody has ever died of marihuana use that I know of. It is used.

Mr. WOLFF. If the gentleman will yield, there are some questions as to whether or not there have been aborted situations. There is a strong body of evidence that we have been able to make available to the committee. If you haven't received it as yet, it will be sent to your office.

But so far as the health hazards are concerned, I would like to try to confine this particular hearing to the enforcement side. We will have adequate opportunity to explore the—

Mr. SCHEUER. Let me just say I would have to say on the question of paraquat that whatever health hazards there may be in marihuana—and all of us are concerned about this—it seems to me that you are increasing the order of magnitude of the health hazards to millions of ten of millions of Americans who are using marihuana willy-nilly, enormously.

You are enormously increasing the order of magnitude of the health hazard of an occasional use of marihuana to tens of millions of Americans for whom this apparently has become a part of their life style.

And it does seem to me where the enforcement effort in cutting off the supply of that drug has been as totally ineffectual as it is now and where a drug like marihuana has been as freely available to any kid in school as it is now, that we ought to think very seriously about a substantial increase in the order of magnitude of that health hazard when we know when we can predict with almost mathematical certainty that that marihuana that is produced in Mexico and produced in Colombia is going to end up in use by tens and tens of millions of Americans.

And it seems to me that we have an aberrational policy, knowing that we can't interdict that drug, knowing that years and years of effort of interdiction have totally failed, when we in effect permit, stimulate and encourage, fund, the injection into that drug that we know is going to end up in America being used by American kids of a far more health-threatening element than the drug itself contains.

This, to me, is going mouse hunting with an elephant rifle. And I really think there ought to be a painful evaluation on the subject of

the use of paraquat and the health implications that the paraquat use itself has to tens of millions of Americans.

Mr. BENSINGER. I would add, if I could, Mr. Chairman, two clarifying comments. One, the U.S. Government does not fund or encourage utilization of paraquat. Paraquat is purchased by the Mexican Government from Imperial Chemicals Industries in Great Britain.

I want you to know our agency has nothing to do with that funding or the development of that herbicide nor does the State Department.

As far as encouraging it, this is a decision the Mexican Government has made because they consider marihuana more worrisome to their population than heroin. That is their view. It is not your view, but it is theirs.

Unless there is a recognition on the part of the source country, which in this case could be Mexico or Colombia, that those crops ought to be destroyed locally—and I don't know in what way they should do that, whether they should use a herbicide or manual destruction or a big threshing machine—that is a determination those governments would make. That is a consideration that they ought to look at, because when they used a destruction program on opium, over 70,000 fields were destroyed, and it had a tremendous impact.

Finally, I would say there has not been one case reported to me through NIDA or from the Atlanta Center for Disease Control of an illness as a result of someone smoking marihuana contaminated with paraquat.

Secretary Califano is studying this issue and is going to make a report to the Secretary of State on paraquat in terms of its health hazards. I won't presume to speak on that issue or to presume on how much more dangerous marihuana with paraquat is than marihuana without it.

But I do want to make clear, sir, that we don't fund the paraquat program, nor do we purchase it either by our agency or State.

And two, that where there have been crop destruction programs on opium and the pincer movement which Chairman Wolff was involved in, in getting the Turkish Government and others to stop the raw material from going into the labs, there have been dramatic results.

Mr. WOLFF. The gentleman's time has expired.

Mr. Beard.

Mr. BEARD. Thank you.

Let me clarify one point. I think paraquat has been shown to only have a minimum increase in health hazards and only to those who are major users of marihuana. I think the tragedy of it—and I know HEW is coming out with a study showing research on the medical hazards of paraquat. The young people today are more concerned about the health hazards of paraquat than they are of the health hazards of marihuana because there has been more publicity associated with it.

I think that is a tragic commentary on the whole drug policy of this country. We talk about law enforcement, and I know this is what this deals with, but you have to work at it from both ends, the supply aspect and demand aspect.

And we have done no educating of our young people in our schools as to the potential hazards. They can sit there, you can ask a sixth grader tomorrow the hazards of cigarette smoking, and they can spend 20 minutes telling you about it.

You ask them about marihuana, and they say, "Oh, no real big problem." I think that is a tragic commentary and has to make life of the law enforcement authority somewhat more difficult.

Let me just point out something on the Civiletti statement. Apparently, he was somewhat misquoted, and it was taken out of context.

I was concerned about that, but I have been assured, and I feel a little bit more comfortable about it, that that was the case.

But by the same token, it does concern me that he has not come out and rebutted that with a hard, heavy-hitting statement that it is time we quit playing with kid gloves with the drug pushers of this country, who are destroying young people's lives, and reinforce the commitment that we are going to start putting some people in jail for a long time and ask for cooperation of law authorities and the courts.

You mentioned several things that you would recommend as to reinforcing or strengthening the penalties. Would this come under Congressman Drinan's subcommittee?

Mr. BENSINGER. Presumably, it would be House Judiciary.

Mr. BEARD. I have not seen any activity along the lines nor have I seen that much concern as to Congressman Drinan's subcommittee activities. Have they or have you been called upon? Have they taken any of the proposed plans to relieve some of your frustrations as to enforcing the law? Have you had active hearings along these lines?

Mr. BENSINGER. The hearings we have had, Congressman Beard, have been with Congressman Waxman in the Subcommittee under Interstate Commerce which did have, does have, jurisdiction under the compliance and regulatory aspects of our agency.

I did make the same recommendation in a hearing earlier this year. I also made this recommendation during our appropriation hearings in the House and in the Senate. And I made these same recommendations earlier on the sentencing.

I have not had an opportunity nor have we been called before Congressman Drinan's committee.

Mr. BEARD. The Judiciary Committee has not called you before their subcommittee?

Mr. BENSINGER. It has not.

Mr. BEARD. I think that is a tragic commentary. And I would hope this committee would possibly request or initiate hearings with Congressman Drinan.

Mr. WOLFF. I must say for Congressman Railsback who is a member of the Judiciary Committee, that he has indicated that he is pursuing this matter.

Mr. BENSINGER. I also am advised by staff we have had communication with Congressman Drinan's office on this matter. And, I would add to that Deputy Attorney General Civiletti would I am convinced and I talked with him prior to appearing today, state that he does favor putting drug traffickers, large-scale marihuana traffickers and others in jail for a long period of time.

Mr. EVANS. Why didn't he say that?

Mr. BEARD. I think it is time that there be a major press conference by the President, by the law enforcement officers, by the Attorney General looking straight in the camera and saying we are fed up seeing the young people of this country destroyed by greedy drug pushers, and we are coming after you.



I mean, there has been no sense of emotion or urgency on this. And of course, you can't answer for him but you are the best thing we have got going, sitting before us right now.

Mr. BENSINGER. I do feel this, Congressman Beard, that there has been backing from the Attorney General very specifically on this issue. I know very much where he stands, and we have seen no reluctance on the part of the President to have in his message of August of 1977 a request to have the Congress pass increased forfeiture laws, doubling the penalty for PCP, increased reporting requirements for peperidine, and mandating the Coast Guard to participate in our interdiction effort.

Those have passed and that has happened.

But I share with you the need to get the message out on marihuana because I don't think the parents know that THC can stay in your bloodstream for over 30 days. I think when the kid does say to the parents, "It is like a martini, like a drink," that they accept that as fact.

But I think the National Highway Safety Council, if you look at their statistics, will indicate a disproportionate number of traffic accidents are found with people with marihuana and THC in their bloodstream.

Mr. BEARD. I don't just refer to President Carter's administration, but I include the administrations preceding his. I think they participated in a major copout to the young people in this country by not placing enough emphasis and by not giving the full power of their office to change some laws and to give some tools to work with to our law enforcement officers.

And I think they all stand to be indicted by the people of this country as to the failure of our drug programs.

Mr. WOLFF. I think the gentleman's time has expired.

Mr. BEARD. I knew you were going to say that; that's the reason why I showed a great deal of reserve and quit talking.

Mr. WOLFF. I think one of the major factors that is involved in all of this—and I assume this from the general tenor of the conversation here—is, again, the frustration of the members of the committee. I think that the members of the law enforcement agency share our frustration because they do not have the direction that is necessary for them to be able to perform their function.

They have a function. When we ask them about the properties of marihuana, I think we are doing a disservice to them. Their job is not to find out what the properties are. Their job is to enforce the law. The law that they are given, I think it is our responsibility to provide that vehicle of law and a body of law that they can act with and they can work with.

The other point is, I don't want this committee to sound like it is harking back to the old days when people talked about the use of marihuana, and the legend was that if you smoked a joint, your fingernail was going to fall off and all your hair was going to fall out.

I think the pendulum has swung in the opposite direction. Now it is so permissive that the true facts are not being told to the kids of our country. I think that's where it is all at. I think we have got to level with the people of this country. I think we have got to tell them the exact problem as it exists.

There are harmful effects. It is not a harmless substance. They are harmful substances, and the kids should be aware of the harm that could occur over a long period of time in abuse of a substance like this.

Smoking a single joint is not going to cause them to die, and they are not going to overdose themselves with smoking five joints a day, but they are going to cause serious harm to themselves physiologically. There is a body of evidence that supports this.

There are people in this country who are attempting to prove it is a harmless substance; they say that no harm is going to come to you, you are getting more harm from the use of booze than from these things.

But what about the question of pills in this country? What about all the other factors that are involved, the interaction of one substance with another, and the dangers to which the people are exposed? It is really too bad that we have a situation today where people say, "Well, marihuana is not addictive." And yet, why is it that the marihuana user is continuing to go to stronger THC content?

They get a bigger jolt out of the stuff that they are using. Why is it that the age bracket of the "substance abusers" among the young people of this country is being reduced year by year?

Actually, I don't think we are going to be able to do very much with those people who are into marihuana today. They are abusing the substance; not using it, but abusing it. I think what we should be looking at is giving out the information to the young people who have not gone into it yet.

Congressman Scheuer talked about 40 million people. We have over 200 million people in this country. There are 160 million who haven't used it. Our objective should be to try not only to give information to those people who are abusing the substance, but stop those nonusing people from getting into it.

Mr. Livingston?

Mr. LIVINGSTON. Thank you very much, Mr. Chairman.

Gentlemen, I appreciate your comments, particularly those of Mr. Bensinger, when I made my opening remarks. And I appreciate the cooperation between your two agencies.

I have no doubt that the FBI and DEA work very well together. And I congratulate you on your bust last night, but I am concerned about the supply of narcotics whether it is marihuana or hard narcotics in this country.

I would suppose that the majority of it comes in across our borders by ship, automobile, plane, or what have you. We have a number of agencies that have jurisdiction over those ports of entry, particularly the INS, the Coast Guard, the Border Patrol, and Customs.

I am concerned that perhaps there is not enough, sufficient cooperation between your agencies. And I guess, Mr. Bensinger, I am particularly referring to the DEA and some or all of those agencies because it seems that nobody knows who is on the first line on the borders.

I understand there is some dispute as to which agency actually has jurisdiction. In my own Port of New Orleans in which I live, I understand there are some problems among the rank and file agencies as to the powers granted to their individual agents. I would like to hear from you your comments on the degree to which you share intelligence, both of you, with these other agencies, the degree to which you share in joint operations, the degree to which you share performance and

intelligence, and how much you actually provide their agents with a free hand in narcotics busts.

And please feel free within the confines of my time which is probably almost used up to elaborate on it.

Mr. BENSINGER. I will try to be brief, and if I could, with the permission of the Chair, ask Gordon Fink, the Assistant Administrator for Intelligence, who works directly with other Federal agencies and who is in charge of our El Paso Intelligence Center, to provide you with some of the specifics.

Congressman Livingston, I think our cooperation with other Federal agencies, as I said at the outset, is the best it has been since I have been here. I can document that in a number of methods, one in terms of exchange of information.

The El Paso Intelligence Center, which is located in the city of its name, has increased its presence of Federal personnel from some 37 to 40 several years ago to over 100. The U.S. Customs Service has 12 full-time employees there instead of two. Also, ATF has several officials, the Immigration/Naturalization Service has 25, FAA, DEA, U.S. Coast Guard, all participate in a watch.

Out of 211 major vessels seized at sea, 39 percent of them were seized on the basis of prior intelligence—lookouts, information—coming from both Bogota, Colombia, where we may have some agents and informants and visual and other type of communications.

We do have employees from the Internal Revenue Service and Customs Service full time in our headquarters for the first time. And they have also sent 1,700 pieces of intelligence to Customs in 1979—so far this year.

There has been a team effort in Colombia in which U.S. Customs Service agents in fact are serving under the direction of the DEA country agent in charge which would have been unthinkable 2 or 3 years ago as I think members of this committee would have attested to.

Mr. LIVINGSTON. Are they in uniform?

Mr. BENSINGER. No, they would not be in uniform.

Mr. Fink, perhaps you could join us and comment further on specifics.

Mr. FINK. Sir, I think the Administrator has given you some of the statistics, and I think in addition to that, we have several programs where the Customs representatives have liaison, often full time, in our field offices. We make all our information available to them.

They have different needs; they may perceive things differently. And by giving them our information in its raw form, they can go through it and sort out what they need.

And as was earlier mentioned, it is not so much the statistics, but the importance of the information that they extract from our data base and put it into their system. EPIC has published many, many reports and, again, going to statistics, why the number of hits in TECS interdictions may be low, there is a very valuable output. And that is the indirect value of our reporting.

The courier profiles, for instance, to the inspectors' pictures of how things are concealed, that doesn't come through as a statistic, as a hit, but the inspector has more information to operate on as the masses of people are coming through. And that's where we are putting our emphasis, not only with our own people, collecting it, but using their

people as part of the team to analyze it and get it back to the man on the line.

Mr. LIVINGSTON. Are you telling me you share your intelligence? Say you are investigating a ring or a particular person. Do you actually turn that information over to the Customs Service or other agencies?

Mr. FINK. Sir, they have access to that information in our offices. We have Privacy Act problems in turning it over in bulk to them. So what we have done is invite them into our office under our supervision which then makes it permissible as far as the Privacy Act. They can have access to any information they want and generally see it as it flows through.

Mr. LIVINGSTON. If I may have a couple of additional minutes, Mr. Chairman, could you relate that joint cooperation with respect to handling of informants? Are you not very restricted in your handling of informants, both within your own agency and with other agencies?

Mr. FINK. Sir, without further amplification, I can only cite an instance where Customs has provided us informants as well as the FBI, very key informants, I might mention, in some of our cases.

And I don't know whether there has been anything to restrict the access to that limits our ability to work with informants either those provided to us from other Federal agencies or State and local enforcement agencies.

Mr. LIVINGSTON. I have already noted the Freedom of Information Act does tie your hands to a great degree.

Mr. BENSINGER. I would add, Mr. Livingston, we are not here to tell you there are no problems in the field in interagency cooperation, but I do want you to know where they have surfaced with Customs in particular. The Commissioner, Bob Chasen, who is not here today, but in my opinion an outstanding appointee and a tremendous leader of that agency, has got on the phone with me. We have called the individuals from that particular jurisdiction down to Washington, said, "We don't want to see friction, we don't need a lot of letter writing, get together and make the case."

We have seen some significant improvement in cooperation.

I would also add that the Coast Guard participates now this year with the principles meeting on a monthly basis and has been a very major factor which was not the case a couple of years ago.

Mr. LIVINGSTON. Mr. Chairman, I have one last question.

Gentlemen, you have said that the degree of cooperation is the best ever. Mr. Bensinger, I think you have said that you have been there. Can it be improved upon? And if so, how?

Mr. BENSINGER. I think it can, and I think in a couple of areas, we could provide, I think, increased results. In the financial area, DEA is putting a great deal of emphasis on financial investigations. We brought our supervisors in, got them refamiliarized with the new law that I made reference to.

I think in the area, Customs has responsibility for the Bank Secrecy Act. We expect to have closer impact on the investigative operations of both Customs and DEA next year where people are taking large amounts of money overseas. That is a violation of the Customs laws, \$5,000 and over has to be reported, bringing it in and going unreported.

Joining in these kind of leads together, and with their financial investigative task force, we are getting some of their people to come participate in training programs with us.

IRS has done the same. I think we are in a way making up for some lost time, but I think we will see the results of that this year and the years to come.

So I would expect, particularly in the financial area to see a greater impact as a result of the different jurisdictions.

Mr. WOLFF. Mr. Mullen?

Mr. MULLEN. Congressman, I know of no area of difficulty in the entire country with regard to interagency relationships. There will be problem areas, jurisdictional disputes, but they are resolved quickly, and especially with DEA and ATF and the Coast Guard, there has never been turned down a request of the FBI for assistance that I have been aware of.

Mr. BEARD. Internal Revenue?

Mr. MULLEN. There have been some difficulties in that area, and I have experienced that, not in the area of narcotics investigations, but while serving as a Special Agent in Charge in New Orleans in a white-collar crime type of case, there was some difficulty. By going through national headquarters, there is a delay, but we are usually able to obtain the information we need.

Mr. WOLFF. Mr. Mullen, we are going to excuse you. We are going to ask Mr. Bensinger to stay on.

We are about an hour behind here. I guess I am contributory to that, but we want to see to it that all of our members have an opportunity of questioning you.

I am going to request that in the event that any of our members have some questions that are unanswered that we submit those questions to you in writing. I take it you will answer them.

Mr. MULLEN. We will be pleased to do so. Thank you, Mr. Chairman.

Mr. GILMAN. Mr. Chairman, before Mr. Mullen goes, will we have another opportunity to question him?

Mr. WOLFF. Well, Mr. Gilman, we have been in session here now for about 2 hours, and we will give you the first questions after Mr. Wolfe, who is no relation, comes before us. But unless we do that, we are going to be in great difficulty.

And if there are questions you have, we will submit them in writing to Mr. Mullen. However, you will be first in questioning the next witness.

Thank you very much.

Mr. Wolfe, would you step forward please.

(Mr. Wolfe, Mr. Fink and Mr. Hambrick were sworn by the chairman.)

**TESTIMONY OF SINGLETON B. WOLFE, ASSISTANT COMMISSIONER,  
(COMPLIANCE), INTERNAL REVENUE SERVICE, ACCOMPANIED  
BY THOMAS CLANCY, DIRECTOR, CRIMINAL INVESTIGATION  
DIVISION, AND LESTER STEIN, ACTING CHIEF COUNSEL**

Mr. WOLFE. Mr. Chairman, I would also like to have two people here with me sworn because they may have to answer some of the questions.

To my left, Mr. Thomas Clancy, Director of our Criminal Investigation Division.

And Mr. Stein, Acting Chief Counsel of our agency.

(Mr. Clancy and Mr. Stein were sworn by the chairman.)

Mr. WOLFF. I tell you one of the reasons why this committee swears witnesses. From time to time, I know in all of your work, you do the same thing with witnesses that appear before you.

Mr. WOLFF. No problem.

Mr. WOLFF. We know you are sworn to do your duty and job. We are asking you to be sworn in, because we would just like to have this on the record and not make this a practice that is specifically limited to any single witness.

So if you will please proceed.

Mr. WOLFF. Mr. Chairman, I am pleased to appear before you this morning to discuss the Internal Revenue Service's High-Level Drug Leaders Tax Enforcement Project.

I have submitted to the committee a detailed statement as well as a brief summary of the detailed statement. With your permission, I would like to limit my opening statement to the brief one this morning, and file the other one with the committee as a complete statement.

Mr. WOLFF. Without objection, the entire statement will be included in the record.

[Mr. Wolfe's prepared statement appears on p. 263; several documents and publications furnished by the Internal Revenue Service have been placed in the committee files as they are too voluminous to print.]

Mr. WOLFF. Thank you, sir.

The mission of the Internal Revenue Service is to achieve the highest possible compliance with our tax laws. It is, therefore, appropriate for the Internal Revenue Service to participate in a concerted Federal anti-narcotics campaign, since those who profit from this illegal traffic are likely to have received substantial income from those activities on which no tax has been paid.

The Internal Revenue Service initiated the High-Level Drug Leaders Tax Enforcement Project in mid-1976. On July 27, 1976, the Internal Revenue Service and the DEA entered into a Memorandum of Understanding providing for a coordinated enforcement effort aimed at high-level drug traffickers.

Focusing IRS efforts on these individuals is appropriate for a number of reasons. These individuals frequently do not come into direct contact with drugs; rather, they can be linked to drug trafficking only through an analysis of financial transactions, and Internal Revenue Service personnel have considerable experience in this area. Equally important, these individuals are likely to be guilty of substantial noncompliance with the tax laws.

National Office guidelines clearly indicate that the High-Level Drug Leaders Tax Enforcement Project is to receive high priority. The yearly compliance program guidelines list the project as an activity requiring special emphasis. Moreover, the Manual Supplement implementing the project indicates that IRS field officials are to investigate, examine and expeditiously process cases meeting general Internal

Revenue Service criminal investigation, examination or collection criteria; it also indicates that project cases meeting IRS criminal investigation criteria are not to be closed due to insufficient resources without the approval of the Assistant Regional Commissioner (Criminal Investigation) and the Director of the National Office Criminal Investigation Division. To date, no such approval has been granted.

Since the execution of the Memorandum of Understanding with DEA, DEA has provided us with three lists containing information on 868 class I violators.

Information on DEA class I violators is furnished by the DEA headquarters office to the Internal Revenue Service National Office. The Internal Revenue Service National Office in turn sends the DEA class I information items to the Criminal Investigation Branches in our 10 service centers for processing and in each instance for forwarding to the district offices that are responsible for the investigations.

District Criminal Investigation personnel evaluate these information items for criminal potential. Items lacking criminal potential are referred to the district examination and collection personnel for their consideration.

These procedures assure that each DEA class I item is evaluated by our district criminal investigation people. Information concerning the disposition of these class I referrals has been provided to the subcommittee in my letter of June 1.

We also develop narcotics cases from other informational sources. Narcotics cases developed by Internal Revenue Service personnel are classified within the High-Level Drug Leaders Tax Enforcement Project if the subject individuals meet one of two criteria. First, all cases meeting DEA's class I criteria are considered for the project. Second, a case may also be included in the project if the subject is identified as occupying a significant operational or financial position in the narcotics distribution system.

These cases also result in civil deficiencies and penalties. During the period beginning July 1, 1976, and ending March 31, 1979, our Examination Division proposed deficiencies and penalties totaling approximately \$48.5 million in cases classified under this project.

A close and effective liaison with DEA has been achieved through the assignments of Special Agents or our Criminal Investigation Division to the DEA. Since September, 1977, eight special agents have been assigned to DEA Central Tactical Units and provided their financial expertise to major drug investigations. Another similar assignment was recently made to a DEA task force. Liaison assignments to DEA headquarters and field offices have included presenting in-service training schools of financial investigative techniques to DEA personnel.

In my prepared statement, Mr. Chairman, I have presented as the committee requested certain budget and staffing information. That information shows an increase in projected expenditures in the current fiscal year over fiscal year 1978.

The committee has also asked that we comment on the information gathering and dissemination guidelines. The Memorandum of Understanding between DEA and the Internal Revenue Service indicates DEA has primary responsibility for gathering information in the

Federal anti-narcotics effort. Our efforts are focused principally on supplementing information gathered by DEA and on independently developing tax-related information.

Mr. Chairman, there are some areas that I commented on in my statement on section 6103, but rather than get into a detailed discussion of it here, I will answer any questions.

In concluding my portion of the testimony this morning, Mr. Chairman, I want to point out that under the Bank Secrecy Act of 1970, we are joining with Customs and other bureaus of the Treasury Department in getting information on bank deposits made by individuals in excess of \$10,000. This information will be put into one communications system which will be shared by Treasury law enforcement personnel. We think this will greatly assist us in this area.

Mr. Chairman, my colleagues and I are now available to answer any questions you might have.

Mr. WOLFF. Thank you, Mr. Wolfe.

Has your office been involved in the investigation in Florida, the overall investigation in Florida?

Mr. WOLFE. Yes sir, we are involved in that project.

Mr. WOLFF. Now, there are several investigations taking place in Florida. One is the so-called BANCO investigation. Are you in that?

Mr. WOLFE. I will ask Mr. Clancy, who is in charge of the investigation on that. I am not familiar with it.

Mr. WOLFF. Is there a reason you are not involved in the BANCO investigation?

Mr. FINK. Mr. Chairman, could I define what BANCO means? Because BANCO is not a specific target, but a joint effort dealing principally with the information available in the financial area in the Miami area which then has led us to investigations and subsequent violations of the Controlled Substances Act.

There are several targets in that investigation. And those targets are referred as part of a program with IRS as other targets are that are developed in the Miami area.

Mr. WOLFF. Why is the IRS not a part of the task force that is involved in something that deals with financial transactions?

Mr. FINK. I think the U.S. attorney who really makes a determination of that type would respond by saying that if we referred the information to them, that is satisfactory.

As you know, when they enter an investigation, there are certain additional limitations that are placed as far as notification to taxpayers, et cetera. And I believe the U.S. attorney was a part of the decision that was made to refer the names to the Internal Revenue Service, as well as make available all the information from the investigation to them, but not make them part of the joint task force.

Mr. HAMBRICK. Mr. Chairman, I would like to add one point of clarification. The majority of the defendants that were under investigation in the so-called operation BANCO umbrella were not citizens of the United States. Thus, the IRS would not have information that would apply directly to the investigation.

That is not to say that we did not work with IRS during the investigation, but that was one of the main reasons they were not assigned as a part of the active investigation.



Mr. WOLFF. One factor that I have noticed in a number of the investigations is that IRS is not part of the investigating team. Now, is it to protect the investigation so that you can operate without restraint or is it because the IRS does not inject itself or has not been injected into the investigative procedure?

Mr. HAMBRICK. No, sir, I think as Mr. Wolfe just testified, under our CENTAC investigations which are considered our most important investigations within the agency, we now have an IRS agent assigned to each one of those active investigations.

We were negligent in not doing it earlier, but some months back, we realized the benefits. And on all our major CENTAC investigations, we do have an IRS agent assigned.

Mr. WOLFF. One of the basic thrusts of our activity in this Congress is to attempt to deal with the financial aspects of the narcotics trafficking. I know of no better agency which has more available to it than the IRS. I would consider them one of the lead agencies.

One factor that troubles me however, is that in 1975, the NTTTP—I don't know what that acronym means—was integrated into the overall special enforcement program. When there was a change of organization, the number of prosecutions was reduced—1970 to 1975—from 652 down to 163.

I am wondering, in view of the success that the IRS had in the old bootlegging days, the old, old days of alcohol prosecution, why is it that the IRS is not in a lead position so far as narcotics trafficking is concerned? We just think that your intelligence and your abilities far exceed the priority that is given to this very important activity.

We do know that the major activity in the war on the trafficking in alcoholic beverages during the days of prohibition and in the days where organized crime ran rampant in this country was in your hands.

I just would like to see a greater participation by the IRS.

Mr. WOLFE. Mr. Chairman, we are willing and able to participate in these cases. I would like to add something to what Peter Bensinger said earlier—we are not in the numbers game. I think in 1975, and previous to 1975, we were making a lot of street arrests on tax cases. We were not going to the large distributors.

I think the way we are heading today is to try to get the financiers and the large distributors. This is the best way to stop it. And I think we are. And we have not put in constraints at all on the cases we will investigate. We investigate every Class I case that is referred to us.

Mr. WOLFF. How about your referring to them?

Mr. WOLFE. Well, Mr. Chairman, we do that to the extent that the law permits us to do that. We do have a disclosure law, section 6103, with which you are familiar, that Congress passed. There are limits to what we can disclose.

Mr. BEARD. Is that the Tax Reform Act of 1976?

Mr. WOLFE. That is the Tax Reform of 1976.

Mr. WOLFF. My time has expired. I am going to ask Mr. Evans to take the chair, and Mr. Gilman who was denied the opportunity to question before will be the first to question.

Mr. EVANS. Go ahead, Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Wolfe, I am a bit confused by the staff hours when you refer to the number of employees and the amount of time that IRS spends. Can you tell us what staff hours? Can you define that for us?

Mr. WOLFE. Yes, Mr. Gilman. We have a limited number—

Mr. GILMAN. Then, I think you use staff years.

Mr. WOLFE. We use staff years instead of staff hours. We have a rather highly trained group of special agents that must handle all tax fraud. That includes organized crime, that includes narcotics, that includes the so-called white-collar area, failure to file.

Mr. GILMAN. How many of those highly trained people are assigned to narcotics?

Mr. WOLFE. We assign about 5 percent.

Mr. GILMAN. What does that mean in numbers?

Mr. WOLFE. It is in my statement, at pages 9 and 10.

Mr. GILMAN. You mentioned eight specialized agents assigned to CENTAC units. Is that the number of your specialized people assigned to narcotics?

Mr. WOLFE. No, sir, that is only those we have assigned specially to the CENTAC units. In addition, those agents do not do the investigation.

In addition to those, we have a group of agents who spend their entire time investigating narcotic cases. And let me refer you to page 9 of my detailed statement. There, you will see that fiscal year 1978, we had a total of 2,799 special agents in Internal Revenue Service.

Mr. GILMAN. Are you saying "special agent staff years"?

Mr. WOLFE. We think in terms of budget. You can say in round figures, we have 2,800 special agents on duty.

Mr. GILMAN. Just in narcotics alone?

Mr. WOLFE. No, in total.

Mr. GILMAN. Can you tell us how many special agents are assigned to narcotics?

Mr. WOLFE. OK. We have assigned to narcotics 147 of those 2,799.

Mr. GILMAN. 147 agents are assigned nationwide to narcotics problems?

Mr. WOLFE. That's right.

Mr. GILMAN. And they are assigned when called upon or are given some information from one of the other agencies; is that correct?

Mr. WOLFE. As a general rule. That's why we have to use staff years. We may have as many as 400 special agents working on narcotics, but they don't spend all their time on it because they may spend—

Mr. GILMAN. I am sorry to interrupt you. My time is running. Forgive me for cutting you short a bit.

How much money was expended by IRS last year on narcotics investigations? How much of your agency's funds were expended on narcotics investigations?

Mr. WOLFE. Mr. Gilman, rather than take up your time, may I furnish this for the record? And you can go ahead.

Mr. GILMAN. I would appreciate your doing that.

Mr. Chairman, I would like to ask that that information be made part of the record at this point in the record when it is furnished by the IRS.

Mr. EVANS. Without objection, so ordered.

[The information referred to follows:]

IRS RESOURCES DEVOTED TO HIGH-LEVEL DRUG LEADERS' TAX ENFORCEMENT  
PROJECT

As noted on page 10 of Mr. Wolfe's prepared statement, IRS spent some 305 total staff years and \$8.2 million on the project in fiscal year 1978. In fiscal year 1979, IRS anticipates the expenditure of 350 total staff years and \$9.2 million on the project, an increase of 45 staff years and \$1.0 million over fiscal year 1978.

Mr. GILMAN. You mentioned you had information on 868 Class I violators supplied by DEA. Was that last year?

Mr. WOLFE. That has been since the agreement with DEA in July 1976.

Mr. GILMAN. Since 1976, this 868 list of Class I violators has resulted in some convictions; is that correct?

Mr. WOLFE. That's right, yes, sir.

Mr. GILMAN. How many convictions do you have in that list?

Mr. WOLFE. We have gotten a total of 868. We have accepted for criminal investigation—

Mr. GILMAN. How many convictions?

Mr. WOLFE. I can give you this very quickly. We have in the—

Mr. GILMAN. Could you tell us the number of convictions? How many convictions resulted from the investigations?

Mr. WOLFE. There were six convictions from DEA Class I referrals.

Mr. GILMAN. Why so few out of a list of 868 Class I violators?

Mr. WOLFE. Of those 868, 235 are in prison.

Mr. GILMAN. They may be in prison, but if they have another violation, I would assume you are still pursuing it, are you not?

Mr. WOLFE. As a general rule, we do not if they have already been convicted. We do not go for another conviction on that.

Mr. GILMAN. What rule is that?

Mr. WOLFE. I said as a general rule.

Mr. GILMAN. What prevents you from doing that?

Mr. WOLFE. Mr. Stein, do you want to comment on that?

Mr. STEIN. Generally, this is a consideration about prosecution by the U.S. Attorney. Discretion will be used as to whether to prosecute. Once a defendant has been convicted and given a substantial sentence in a nontax crime, the Department of Justice exercises its judgment as to whether that individual should also be subjected to a tax crime prosecution.

Mr. GILMAN. Are you telling me that the Department of Justice is recommending that you do not pursue these traffickers for any tax violations because they are already in prison for a nontax crime?

Mr. STEIN. No, sir. I gave you a general approach that applies to the tax crimes across the board.

Mr. GILMAN. How many are in prison that you did not prosecute?

Mr. WOLFE. 235.

Mr. STEIN. May I interject, sir, I won't say "not prosecuted." We may not have made criminal tax cases on all the 235.

Mr. GILMAN. I would assume that is the same thing that you did not pursue the cases because they are in jail. Who recommended they should not pursue those cases?

Mr. STEIN. I don't know that anybody recommended, but in view of the general policy, the potential—

Mr. GILMAN. Who has established that policy, Mr. Stein?

Mr. STEIN. This is part of the Department of Justice, part of Internal Revenue policy—

Mr. GILMAN. The Justice Department policy is not to pursue prosecutions of drug traffickers who are in prison and have violations of Internal Revenue regulations? Is that what you are telling us?

Mr. STEIN. Mr. Gilman, I am saying it is broader than just narcotics violators. It is across the board on all tax crimes.

Mr. GILMAN. And is that a general rule that you have been following in your Department?

Mr. STEIN. It is one of the considerations in determining whether criminal prosecution should be instituted. This isn't an absolute approach.

Mr. GILMAN. I yield to the gentleman.

Mr. LIVINGSTON. If the gentleman would yield, I would like to make a point on—as a matter of fact, two points on—this line of questioning

First of all, as a former prosecutor and one who has prosecuted tax cases, I will say it is extremely expensive, and it takes a great deal of time to prosecute tax cases. And in many instances, U.S. Attorneys may make the decision to prosecute some other violation because it takes less trial time, and it is not as difficult to obtain a guilty verdict.

But I might also caution the gentleman on using the numbers game as Mr. de la Garza pointed out earlier. There are certainly matters of degree in the violations in the nature of violations of persons who commit crimes. And I might simply refer to my own experience with respect to the U.S. strike force that prosecuted many years ago organized crime violations and arrested every grocery store clerk, shoeshine boy, and bookie in the city of New Orleans simply to prove that they were satisfying their statistics with respect to organized crime.

Frankly, they weren't getting to the organized criminals at all.

Mr. GILMAN. I thank the gentleman for his comments. And, of course, what we are concerned with here are major violators, Class I violators, not the average run-of-the-mill type of violators or every grocery store clerk and shoeshine boy.

You mention that you have 868 Class I violators, of which 235 are already in prison. So you did not prosecute them. What happened to the other 633 cases?

Mr. EVANS. Mr. Gilman, your time has expired.

Mr. GILMAN. If I might just have a response.

Mr. WOLFE. Mr. Gilman, I can furnish this to the record.

[The information referred to follows:]

*List of Dispositions of DEA Class I Referrals, 1976 to March 31, 1979*

DEA referrals:

August 1976.....	375
April 1977.....	204
June 1978.....	289
Total .....	868

Disposition :	
a. Accepted for criminal investigation.....	99
b. Already under IRS investigation.....	47
c. Forwarded to Examination Division.....	293
d. Forwarded to Collection Division.....	85
e. Closed to files.....	170
f. Pending evaluation now.....	174
<b>Total</b> .....	<b>868</b>
548 of the referrals noted above (items c, d, and e) were not accepted for criminal investigation for the following reasons :	
Currently in prison, or under DEA investigation or indictment and likely to receive prison sentences.....	235
Deceased, fugitives, or couldn't be identified from the information furnished .....	58
Unreported income appeared minimal or nonexistent.....	207
Criminal tax prosecution recommendations made prior to receipt of data from DEA.....	6
Prior investigation had been closed for lack of criminal potential.....	18
Under civil examination.....	20
DEA subsequently requested suspension of case development activities.....	4
<b>Total</b> .....	<b>548</b>

Mr. GILMAN. Can you just tell us briefly why there were only six convictions out of 868 class I violators?

Mr. WOLFE. Fifty-eight were deceased, fugitives, or couldn't be identified. In 207, after we investigated, there was not enough unreported income to proceed on the prosecution. In six cases, we had already recommended criminal tax prosecutions. In 18, we had had prior investigations closed for lack of criminal potential. Twenty cases were under civil examination at the time; and in 4 other cases, DEA subsequently requested suspension of case development activity.

Mr. GILMAN. It seems to me that your conviction record is relatively minimal compared with the number of class I violators that were turned over to your Bureau. Thank you.

Mr. WOLFE. We still have 174, by the way, pending evaluation.

Mr. STEIN. I would like to offer this statement, Congressman. There is a substantial difference in the time required to develop a narcotics violation and a tax violation, particularly where the narcotics violator from a tax standpoint deals in currency, maintains no books and records, has hidden transactions. These are probably the most difficult cases to investigate, and they take a long period of time.

Mr. GILMAN. Mr. Stein, that is substantially why the IRS work is so important.

Mr. STEIN. We agree with you.

Mr. EVANS. Gentlemen, let's pursue this after the others get their chance to do the questioning.

Mr. RAILSBACK, do you have some questions?

Mr. RAILSBACK. I thank you, Mr. Chairman.

I want to pursue to a limited extent the question raised by Mr. Gilman. Is an individual who is either incarcerated or indicated automatically not selected for criminal investigation?

Mr. WOLFE. No, sir, he is not automatically "not selected". I think we weigh, them, as Congressman Livingston pointed out, the most efficient use of our resources. What are the probabilities of getting another conviction?

And if in your opinion it is not much, it is a low probability then we will not.

Mr. STEIN. In addition to that——

Mr. RAILSBACK. Let me ask the question.

Mr. STEIN. Sorry.

Mr. RAILSBACK. Approximately how many are either incarcerated or indicted who have been criminally investigated for tax violations? Just a rough idea.

Mr. CLANCY. We don't maintain that type of statistic, Mr. Congressman. The issue is this: If we receive an information item on a trafficker who is already serving 20 years in prison on a substantive narcotics charge, and we know it is going to take us an average of 200 staff-days to investigate that item judgment tells us not to, we just simply——

Mr. RAILSBACK. I understand that. But at the same time, if we have a major trafficker that may be either under indictment or incarcerated, but we can make a pretty good tax case against him, we want to do that. So what I am asking you is, can you find out for us how many cases, whether they are either under indictment or incarcerated, have been investigated when they have been turned over for possible tax violations?

Mr. WOLFE. We will try to get that for the record, but let me add one footnote. This does not mean we will not proceed on a civil examination and collect tax liability if there are assets against which we can go.

[The information referred to follows:]

CASES WHERE IRS PURSUED CRIMINAL INVESTIGATIONS ON INDIVIDUALS ALREADY INDICTED OR INCARCERATED

The IRS has not maintained any statistics on such cases.

Mr. RAILSBACK. What I am really asking you refers to the criminal side because we want to put them away for as long as we can. It is my hope when we add to the confinement of a major trafficker, we may be performing a tremendous public service.

I think we met before in Chicago when Congressman Murphy held hearings there. Have there been any tax investigations concerning the Herrera family in Chicago?

Mr. WOLFE. Mr. Railsback, under section 6103 of the Code, I cannot in open session disclose any tax investigation we have on any taxpayer.

Mr. RAILSBACK. It was my understanding that some of the Herrera family people or their supporters had been turned over to you for possible criminal tax violation. These are the heroin traffickers, which I am sure you are very much aware.

At some point, I am going to want to know whether there has been any kind of criminal tax investigation for the reason since there have been allegations that a lot of them are American citizens and dealing in very large numbers. Some of them post their bonds and skip the country.

But I think it seemed both to me and to Mr. Murphy at the time that it would be very fruitful to investigate some of those major traffickers. Maybe we can get that at a later time.

Mr. FINK. Mr. Railsback, I think an important point with respect to your question on Chicago, we do have a member of IRS assigned to that investigation. So the information is being made available to them. It is a function of what decisions they make which Mr. Wolfe can't respond to. But they are being provided the raw data by being a member of that particular operation.

Mr. RAILSBACK. Thank you.

Mr. EVANS. Mr. de la Garza?

Mr. DE LA GARZA. No questions.

Mr. EVANS. Mr. Beard?

Mr. BEARD. I know you have enforcement capabilities, but wouldn't it be better if you were somewhat relieved of the limitations placed on you by all the different pieces of legislation that have been passed by the Congress? Isn't the best asset you could provide to the enforcement agencies such as DEA or FBI would be more flexibility in providing information in allowing them to use this information in their investigation?

I mean wouldn't this be where you could best contribute in the drug enforcement area?

Mr. WOLFE. Congressman Beard; it is always a tough thing to handle. From a tax administrator's point of view, my answer is that it has not adversely affected us.

From a broader law enforcement point of view, I think Congress has to carefully weigh the needs of law enforcement against the privacy of its citizens. And I hate to take a lot of time, but let me use an example.

Let's assume that I, for reasons that were not for the best motive, should decide to classify you in a certain area, let's say, in narcotics. So I disclose information about you to a law enforcement agency. You have got to be very careful in this type of situation because you do get into the privacy of individuals.

This is also important because we have a tax system which requires you disclose to me more information than you do to any other agency in the Federal Government. And in order to encourage taxpayers to report their income, we have to be very careful that we don't also violate their rights.

Mr. BEARD. There is not a whole lot of information I can provide to you on that short form I send you every year. Maybe I shouldn't have said that.

That was Ed Beard of Rhode Island.

For example, in the GAO report, pointing out some of the problems, it says:

During an FBI investigation in a western city under the racketeer influenced and corrupt organizations statute, information developed on a subject was provided to an IRS agent. The IRS agent advised that due to the Privacy Act, the IRS could accept information valuable to them, but could not provide any information that would aid in FBI-related case.

This is in the GAO report.

Mr. SWERN. Congressman, the statute does provide an avenue for nontax criminal investigators to obtain information from the IRS. It depends on the nature of the information. The Department of Justice through the Attorney General, Deputy or Assistant Attorney Gen-

eral or the head of an agency can ask the IRS for information that IRS has uncovered on its own resources. There is no prohibition on furnishing that information.

Mr. BEARD. What if you haven't uncovered anything great? What if they come to you and say, "We have a strong suspicion that a target is heavily involved, and we need to seize"—I mean he is just a man in the files, you haven't really developed a case or had any kind of a case going against this individual.

Mr. STEIN. We cannot turn over his tax return or any information that has come from his mouth or his books or his representative unless the Government agency seeks a court order.

Mr. BEARD. I see.

Mr. STEIN. And there are certain standards that must be established to the satisfaction of the court. They are set out in the statute.

Mr. BEARD. Let me ask the DEA if this has been a problem?

Mr. HAMBRICK. Thus far, Congressman Beard, we haven't utilized the particular exception to know whether we have a problem or not. We have utilized it in one case thus far.

The main reason that we haven't utilized it more as was just mentioned, we have to have sufficient probable cause to believe that the information on the tax return form or supporting documentation will indicate a violation of law.

Once we apply to the court for a court order to then get the document, we have a time period as was mentioned earlier to where the information may not be timely enough under the Speedy Trial Act to be of assistance in the investigation.

It has been a major problem, yes.

Mr. BEARD. A major problem.

Thank you, Mr. Chairman.

Mr. EVANS. Are you ready?

Mr. COUGHLIN. I have no questions at this time.

Mr. EVANS. Mr. Dornan.

Mr. DORNAN. Thank you, Mr. Chairman.

Mr Wolfe, if I could follow up on one of your charts, I am undergoing an audit myself right now, so now it is my turn.

Regarding your chart on the High-Level Drug Leaders Tax Enforcement project statistics, I am very well aware from having seen many prosecuting attorneys on television shows that I was fortunate enough to host over a decade, of the problems that they have in bringing all manner of felons to justice. I know how far, for example, book-making goes down to the lowest street level, as my distinguished colleague, Mr. Livingston said, right down to the shoeshine man.

But your chart here talks about high-level leaders. And I don't know what category you use to use that adjective, "high-level". And the word "leader." But I assume these are really prime, heavy-weight dealers.

Now, this chart covers a 2-year, 3-month period. If we take DEA figures, for example, from 1977 which began to pick up over the first year, bicentennial year, I see they recommended nine prosecutions of high-level drug leaders and came up with three indictments. And that's 66 $\frac{2}{3}$ -percent conviction record out of the indictments, but less than 1/3 of the prosecutions recommended.



Then, the next year, if I may make a judgment here, the statistics get worse in the favor of the law-abiding citizen. Twenty prosecutions recommended, and six indictments. Again, you are getting two out of three here, with the convictions four out of six. Then, you come down to a total average that looks as bad as most crimes in the country as far as putting people in jail is concerned with the exception of rape, which still is such an unbelievable disgrace that I can hardly accept the statistics on rape.

This isn't all that much better. What is it about these high-level drug leaders that once you, DEA, has selected someone and recommended them for prosecution, there is such a low indictment rate?

I am not worried about your conviction rate; that is pretty impressive. What is the problem? Do they have high-powered lawyers? Is DEA being a little lost in their selection or targeting process of the bad guys? What is the problem?

Mr. WOLFE. Congressman, it is the nature of the tax case itself. It is one that is very difficult to develop. We have found that most of these high-level drug leaders do not maintain books and records, and tend to do business in cash. It means that we have to use secondary evidence to develop income. And then, on top of that, we have to prove that this income was left off the returns, or that no return was filed in an attempt to evade the payment of tax.

So we have both burdens to carry. We have to define the income, and then we must also carry that burden of proof as to the intent.

Also, every income tax case—and it doesn't make any difference whether it is a drug leader or a white collar criminal—it goes through an intense review within the Service. And then it must be referred to the Department of Justice, where it goes to the Tax Division. There, it must be reviewed again. It is sent from the Tax Division of the Department of Justice to the U.S. Attorney, who must review it again before it is presented for indictment. So, some of these cases you see here are in this "pipeline". And it takes us—

Mr. DORNAN. These aren't dismissed prosecutions?

Mr. WOLFE. No, some of them are still in the pipeline. They may be with U.S. Attorney, they may still be with Justice Department being reviewed.

Mr. DORNAN. Then, if I can make one observation, the average American citizen who keeps books on his own for preparation of his 1040 is more in jeopardy in percentages of auditing, at least, and maybe even some criminal prosecution if he is playing with his figures than the organized crime figure who keeps double books. And the organized crime figure with a double set of books is in more jeopardy than the flatout billionaire drug runner who keeps no books whatsoever and is purely part of the subterranean culture of the world of narcotics.

Mr. WOLFE. Congressman, very quickly, I will try to answer that. That is not always so. If a narcotics dealer or any other individual wants to hide all of his or her assets in a foreign country, for example, and we have no way of tracing that, sure. But think of the penalties if a person does and we do catch him. Not only must this individual pay the tax involved, but also an interest on top of that, and a 50-percent penalty on top of that, plus the threat of imprisonment.

So, you see, the good American citizen who keeps his or her records and reports properly should not have that feeling.

Mr. STEIN. May I add one word, sir?

Mr. EVANS. All right, sir.

Mr. STEIN. The failure to keep books and records is a very significant bit of evidence to show that there was intention to cheat.

Mr. EVANS. If we can sort of stick on schedule; I think we are running about an hour and 15 minutes behind time. So we will not take a break.

Mr. Livingston.

Mr. LIVINGSTON. Thank you, Mr. Chairman.

I take it you also simply meant the net worth theory where a guy multiplies his wealth over a 2-year period by 100 times, you figure something is wrong.

Mr. WOLFE. Absolutely.

Mr. LIVINGSTON. Mr. Hambrick, little bit ago Mr. Wolfe replied to Mr. Beard that from his standpoint, he could not recommend any changes in the law at this point. He has two hats to wear, and I understand his position. But from a law enforcement point of view and from the point of view of an agency sitting on the outside, which might be assisted in their investigations if they had access to IRS information or limited IRS information, what recommendations would you make to us as a committee to try to change the law to make the information a little bit more accessible, a little bit more helpful to you to make successful drug convictions?

Mr. HAMBRICK. Congressman Livingston, I don't feel we have sufficient data in which to judge the problem to make a recommendation at this time. As was mentioned by Mr. Bensinger earlier, before this hearing, we have obtained the information one time under the ex parte court order. We have 5 requests pending at this time, but we haven't been able to utilize the provision enough to have a data base on which to make a judgment.

Mr. LIVINGSTON. So you haven't struck out enough times; is that what you are saying?

Mr. HAMBRICK. We don't have a list, yes, sir.

Mr. FRNK. I think, Mr. Livingston, if I can expand on that, we tendered to the committee an interagency report on the amount of the retail value of the drug abuse problem in the United States. That figure for 1977 was upwards of \$45 billion a year. Cocaine and marijuana have been recent additions so far as the magnitude in that retail figure.

We are just learning. The BANCO investigation is only a few months old, and we have had a lot of lessons learned. If we continue to benefit from this, we will build information with the IRS.

I think that is the point Mr. Hambrick was making. I think we are now at the point of trying to apply some of these procedures against the sophisticated dealers, not just heroin, but cocaine and marijuana, which represent three-fourths of that \$45 billion figure. Heroin is a smaller dollar percentage. And those are the ones we would like to further our partnership with IRS to go after the financial assets including the way they have reemployed their money in legitimate business.

Mr. LIVINGSTON. Thank you.

Mr. Chairman, I am going to surprise you and yield back the balance of my time.

Mr. EVANS. Thank you, sir.

Mr. de la Garza?

Mr. DE LA GARZA. No. Thank you.

Mr. EVANS. Mr. Coughlin?

Mr. COUGHLIN. I am just a little confused. You mean neither the agency nor the IRS has any suggestion as to how things can be improved after all this to provide better coordination between the two or better usage of IRS dollars?

Mr. HAMBRICK. Congressman Coughlin, I believe the liaison between IRS and DEA is continuing daily. We have the assignment—I am not sure whether you heard this earlier, sir—of IRS agents on all of major investigations now. The information flow between the two agencies is just now starting to really develop and have some meaningful purpose with respect to the provisions of the Code limiting the form in which we can obtain information as a result of the 1976 act.

We don't feel that we have sufficient information to recommend changes in that at this time. We haven't utilized all of the provisions enough to know whether there is a change needed.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. EVANS. Mr. Wolfe, in 1977, Mr. Bensinger indicated that with respect to the financial tracking of drug violators, we expanded from a pilot program our Financial Intelligence Unit, the purpose of which is to report on the fiscal aspects of the drug traffic and to use this type of information to support our investigations.

Does the Financial Intelligence Unit remain operational at the present time? And to what extent? And how has this unit been used to support the investigations?

Mr. WOLFE. Mr. Fink, I think, can answer that since we are working with him.

Mr. FINK. I think the Administrator has made very clear as a matter for policy for all of our investigations that if there are financial aspects, they should be included as an integral part of the investigation. That policy is out, and there was reference made earlier to the fact we are now training our agents, our supervisors, in the tools that they need so that they can employ the financial investigative aspect as they do the criminal statutes that are being violated.

And I must commend the Internal Revenue Service because they have helped us immensely by not only providing training material, but instructors for some of these courses. And that now is just beginning to pay off, as the Administrator made reference earlier to the RICO statute, the number of RICO violations that have been pursued this year versus last year.

And I think you will see the momentum begin to build based on this emphasis and the fact that the area has priority. And within our headquarters, this intelligence unit which is now retitled an Investigative Unit under the Office of Enforcement is really beginning to pay dividends.

Mr. EVANS. Thank you.

Mr. Wolfe, during the period beginning July 1, 1976, and ending March 3, 1979, you stated that the Examination Division proposed

deficiency and penalties totaling approximately \$48.5 million classified under the project. Can you tell me what amount of that money has been collected?

I believe the word used was the proposed or assessed. I wonder how much money has been collected.

Mr. WOLFE. Mr. Chairman, I can only tell you how much has been collected as a result of either a jeopardy assessment or termination. And let me explain why we can't give you the rest.

When a case is completed and the taxes ready to collect, we do not show on the forms that go to our Collection Division what the occupation is of the individual against whom we made an assessment. So we have no way to follow through on narcotics cases, although as of this week, I have ordered our Collection Division, which does report to me, to start tracking that. And our Examination Division is going to have to note on each case whether it is a narcotic violator or not.

So we will start tracking that, but I do not have data now. The only figures I have available are those where we have made jeopardy assessments. And that is on quite a few of the larger ones. I do have that information available, and I will be happy to put it in the record to save you some time.

Mr. EVANS. Would you do that?

Mr. WOLFE. I would be happy to do it.

[The information referred to follows:]

IRS COLLECTIONS BASED ON JEOPARDY AND TERMINATION ASSESSMENTS RELATED TO THE HIGH-LEVEL DRUG LEADERS TAX ENFORCEMENT PROJECT

Between October 1, 1977, when the Collection Division began tabulating data from the Project, and March 31, 1979, over \$1.7 million has been collected.

Mr. EVANS. Thank you.

One other question. Could you define what the Internal Revenue considers to be a class I case?

Mr. WOLFE. Mr. Chairman, I am going to ask Mr. Clancy, Director of our Criminal Investigation Division, if he will give you that classification.

Mr. EVANS. In dealing with that, would you state whether or not there is any difference between the definition by the DEA as to what a class I case is?

Mr. CLANCY. Any narcotics case will meet the criteria of our high-level traffickers project if it is a class I referral from DEA. That is automatic. Those cases automatically go into our project.

You probably noted in that the attachments to Mr. Wolfe's opening statement, we talked about DEA I cases, and we also talked about the other cases. These are cases that our field people identify through other contacts. We would also include DEA in the field.

The only DEA class I cases we track are the ones that we receive through headquarters. So we do identify a good many, and approximately 20 percent of our cases are identified through DEA class I referrals.

So what are the other 80 percent? By our own definition—again, it is attached to Mr. Wolfe's opening statement—we use the special enforcement program that we have historically had in the Revenue Service in dealing with organized crime and racketeers. And we build

in the kind of language that we use in the special enforcement program to define what type of cases, what type of an individual, what level, will meet the criteria of our high-level drug leader traffickers project.

I could quote it, or if you would like to refer to it, I believe it is attachment C to the statement. It is in our procedures, and we issue it to our field people.

Mr. EVANS. All right, that will be fine.

Gentlemen, Mr. Wolfe—

Mr. COUGHLIN. Mr. Chairman, could I ask one very brief question of Mr. Hambrick? Since many of us were under the impression there were problems for DEA in obtaining information from the Internal Revenue Service?

I would like to ask has the Justice Department done anything to inhibit you from acknowledging that type of a problem?

Mr. HAMBRICK. No, sir. Our problems have been more in procedure, Congressman Coughlin, and in the point of the investigation where you would want to secure the information.

As was mentioned, to get the 1040 information or supporting documentation from the taxpayer himself or that information which he has furnished, we need a court order to get it.

Mr. LIVINGSTON. Will he get notice that you are requesting it?

Excuse me.

Mr. STEIN. No, sir. That is an *ex parte* proceeding.

Mr. HAMBRICK. And in the majority of our investigations, it is towards the end of the investigation before you have sufficient information to feel that the tax information would give additional probable cause to lead to the violation of law. So, by the time we are at a point in the investigation to request the information, we are already getting into the Speedy Trial problem with the courts.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. EVANS. Thank you, gentlemen. We appreciate the effort that you have given us this morning.

We will ask the next panel to come up at this time and excuse you.

If there are additional questions that any of the panel have, I am sure you will submit them in writing, and they will be made a part of the record.

Mr. WOLFE. Be happy to do it.

Mr. EVANS. We will take about a 2-minute recess.

(Whereupon, a recess was taken.)

Mr. DE LA GARZA. The committee will be in order.

The next task force will involve Mr. Bensinger or his representative, Mr. Fink, and William T. Archey, Deputy Commissioner of Customs.

And Mr. Dogoloff is listed on this panel, but he will appear after the panel.

Those who haven't been sworn, if you will kindly stand?

(Mr. Archey and Mr. Hann were sworn.)

Thank you very much, gentlemen.

Mr. Archey, we welcome you to this committee, and we welcome you to the Customs Service. And I hope your first month has been a very rewarding experience. We would be happy to hear from you.

**TESTIMONY OF WILLIAM T. ARCHEY, DEPUTY COMMISSIONER OF  
CUSTOMS, U.S. CUSTOMS SERVICE, ACCOMPANIED BY VERNON  
HANN, ASSISTANT COMMISSIONER FOR OPERATIONS**

Mr. ARCHEY. Before I begin, I would like to introduce Mr. Vernon Hann, who is Assistant Commissioner for Operations for the U.S. Customs Service.

Also, Mr. Chairman, I have provided the committee with a complete written statement, and I ask your permission to provide a synopsis of that statement at this time.

Mr. DE LA GARZA. Without objection, your full statement will appear in the record. And you can summarize as you see fit.

Mr. ARCHEY. Thank you, Mr. Chairman.

[Mr. Archey's prepared statement appears on p. 322.]

Mr. Chairman, members of the committee, I am pleased to have the opportunity to appear before you today to report on the efforts of the U.S. Customs Service to prevent the importation of dangerous drugs into the United States.

As you have just noted, Mr. Chairman, I have held the position of Deputy Commissioner for exactly 1 month. However, I don't think I should use that as a copout because since 1970, I have been involved rather heavily in the problems of drug abuse here in the United States, involved in doing academic research, and also doing some consultation in the drug abuse area with State and local enforcement officials and community officials.

Also, in 1972, I was a member of the staff of the Special Action Office of Drug Abuse Policy out of the Executive Office of the President.

I was also involved in development of a drug education program for the National Institute of Mental Health, that program which later became entitled "The Social Seminar."

Therefore, I am well aware of the dangers our Nation faces with respect to abuse of narcotics and other dangerous drugs.

I also pledge I will direct my best efforts and those of the Customs Service to solving these very serious problems.

The Strategy Council on Drug Abuse has recently reviewed the entire Federal Drug Enforcement effort and developed a series of recommendations which are aimed at coalescing the various elements of our national effort. These recommendations, called "Strategy 1979," focus on drug abuse treatment, rehabilitation, and prevention; the international program; and domestic drug law enforcement.

As the agency charged with the mission of interdicting contraband at our borders, the Customs Service has an important role to play in the implementation of Strategy 1979 recommendations relating to border interdiction and with an emphasis based on prior information, the role of technology in detection and emphasizing the financial base of drug trafficking.

We are taking positive steps to unify our own border enforcement team, and we will be taking these steps within the next 2 months—namely, that we will be experiencing major reorganization of our headquarter's enforcement effort by which we will be combining under a single Assistant Commissioner who happens to be Mr. Hann, all of the inspection and control activities of the Customs Service, the headquarters patrol and the office of investigations.

As unified as one agency may be and as competent as other agencies are at performing their special functions, we must all work together to share our information and resources. The smuggling of narcotics is a very lucrative business primarily because the smugglers have the advantage. They know where, when and how. Often, we do not.

Therefore, the more prior information each agency of the Federal Government can acquire and disseminate, the greater chance we have to diminish the smugglers' inherent advantages.

In this regard, we have begun to work much more closely with DEA, the agency primarily charged with collecting and disseminating information concerning narcotics. Customs has expanded its role in EPIC since its inception and now provides two managers, four analysts and six watch officers to the total EPIC complement.

Customs is also beginning to work with DEA in foreign source countries to develop intelligence at this strategic point. In addition to these formal channels of exchange, there is an ongoing exchange of narcotics intelligence at field levels. In other words, in emergency situations, DEA may contact Customs field offices directly to transmit urgent intelligence or enforcement information.

Both the Commissioner of Customs, Mr. Chasen, and the Administrator of DEA, Mr. Bensinger, have worked very hard to iron out our previous problems. Cooperation with DEA has improved at all operating levels. The agency heads meet on a regular basis to discuss outstanding problems, new enforcement measures, and joint policy direction.

Similar meetings are regular occurrences among field operational staffs. Customs and DEA, for example, are currently conducting a joint training program for improving the cooperation and overall enforcement effectiveness at several major airports.

In addition, we have a program called "The Narcotics Intelligence Priority," which is meant to be a twofold effort as, one, targeting cocaine, particularly coming from Colombia, and, two, to start to begin to target particular types of cargo and merchandise.

Their effort is also in a program called, "The Vessels Violation Profile System," which seeks to target suspect vessels which is out of the EPIC program and which gives all of the agencies the information needed to know whether or not a particular vessel is indeed engaging in trafficking.

I might as an aside say to you that that is a great advantage also to the Customs Service because if a ship comes into port, for example, in New York, and it receives an intensive inspection as a result of the intelligence received under the vessel profile system, then if that ship then goes on to Baltimore, there is no need, then, for Baltimore inspectors to have to take the time to do another intensive inspection. So it saves us some time and better enables us to target our resources.

Also, DEA is involved with our customs air unit. For example, they are operating out of our Customs air unit in El Paso. When we cannot get timely information, we then must work blind. In this situation, our strategy is to deploy an interdiction force between ports—air, land, and sea—of sufficient capability to force the smugglers into ports where Customs has greatest control.

It is physically impossible for the Customs Service to screen, inspect and search each of the millions of vehicles, tons of cargo, and

mountains of mail which arrive in the United States annually. For example, in fiscal year 1978, over 270 million people came through the ports of entry. We must, therefore, try various types of simple techniques and various types of intensive cargo inspections.

We are also along with Strategy 1979 trying to improve drastically our technology in terms of detection devices that can detect narcotics in bags on the person, in tires, at land borders and various other devices that are presently tested for use of mail.

We anticipate as in the past, the smuggler will again shift to the path of least resistance.

Therefore, we have begun to open new Customs patrol offices in those areas of the country where we believe the action requires them, particularly the Gulf and northeastern coasts and southeastern coast. We have augmented our Customs air patrol with several new air-planes, such as turbo prop King Airs, T-39's and Cessna Citations.

We find aircraft to be readily adaptable to responding to all types of smuggling operations since they can be used to spot vessels at sea, pinpoint staging operations on land, and intercept the smuggler's aircraft as they penetrate our air space.

The Customs Service also is active in the international arena as we train foreign customs officers on border inspection and interdiction techniques.

We have been also fortunate and able to foster our historically strong international customs relationships through organizations such as the Customs Cooperation Council. One direct result of these relationships has been the implementation of several bilateral mutual assistance agreements which have increased the flow of information and particularly with Mexico.

In addition to drug interdiction, the Customs Service is actively engaged in the enforcement of Title II of the Bank Secrecy Act—The Currency and Foreign Transactions Reporting Act. We have instituted a Reports Analysis system which examines the reports required by the act and disseminates an analysis of them to interested law enforcement agencies such as DEA and IRS.

We have also tried to familiarize virtually every domestic and foreign law enforcement organization with our responsibilities under this act. These efforts have resulted in a growing awareness of the Currency Act with a commensurate increase in narcotic-related currency seizures and arrests by Customs officers.

We are also participating in task force operations initiated and conducted by DEA for the purpose of targeting and immobilizing specific high-level drug trafficking organizations. Our currency programs potential is somewhat hampered because of limited outgoing search authorities and court decisions which have recognized the absence of an "attempt" provisions in the Act and, therefore, made convictions difficult.

Nonetheless, the Currency Reporting Act has proved to be a useful tool.

The Customs Service is firmly committed to doing whatever it can to make the Federal drug law enforcement effort successful. We stand willing to foster cooperation among the Federal and State agencies, to assist foreign nationals in their efforts to control dangerous drugs, and to work with the Congress to pass any necessary legislation.



We have all been working on this problem too long. We are now starting to work together to reach a solution.

Thank you for the time, and I will be more than willing and happy to answer your questions.

MR. DE LA GARZA. Thank you very much, Mr. Archey.

Mr. Fink, did you have anything further to add in behalf of DEA?

**TESTIMONY OF W. GORDON FINK, ASSISTANT ADMINISTRATOR  
FOR INTELLIGENCE, DRUG ENFORCEMENT ADMINISTRATION,  
ACCOMPANIED BY MARION HAMBRICK, DEPUTY ASSISTANT  
ADMINISTRATOR FOR ENFORCEMENT**

MR. FINK. Sir, I will make a very brief opening statement and proceed to the question and answer period.

I did, in response to a question Mr. Livingston asked, state that statistics are not the only measure of the success in the field of intelligence. We support many customers. Bill Archey has mentioned the kind of support we provide to them, but also Coast Guard, Immigration, in clarification for interdiction.

I would like to give you a couple of examples. Through one lookout placed by one of our offices, Customs at Texas border point, detected 28 pounds of heroin concealed in an automobile. That is the type of quality that we stress.

And we have a list of those types of lookout results which are generally the only statistics we follow through on. We get a lot of queries and provide a lot of intelligence in response, but we generally don't follow up on what that intelligence contributed because it is a laborious process, and we try to concentrate our efforts on the information. It is not the statistics that follow it.

Another example, we published this document which I will tender to the committee which is a vessel identification guide. This came out in the fall of this year. And it shows all the types of vessels—this came out of the El Paso Intelligence Center—used by the drug smugglers. And I will give it to you so you can pass it around.

Customs found this so valuable, they have requested we print 5,000 copies in a pocket version so their patrol and field personnel can have this available.

We have a similar guide for aviation. We provide as part of the EPIC publication a bulletin to every Federal inspection point. This is as an example of what we are trying to do—include pictures so that the inspectors can see the method of concealment.

I have extracted from what is a DEA sensitive document because it has Privacy Act information a page which I can tender to the committee which shows an example of the type of thing that goes weekly to these inspectors. And it is part of a program we have to try to improve the support. We have made great strides in the last couple of years.

We have still got a lot of work ahead of us to do. There is still a lot of room for improvement, but I will echo Bill Archey's comments, very important is the process that exists in Washington to debug or work a problem that comes up in the field. And both Commissioner Chasen and Administrator Bensinger are very sensitive to this. I have witnessed several occasions where these incidents which will occur and

will continue to occur are worked in a constructive manner to try to figure out how to solve the problem, not just the specific, but how can we eliminate it from occurring again?

This is something I have observed in the last couple of years, especially under the leadership of Mr. Chasen and Mr. Bensinger.

That concludes my opening statement.

Mr. DE LA GARZA. Thank you very much, Mr. Fink.

Mr. EVANS?

Mr. EVANS. Thank you, Mr. Chairman.

Mr. Archey, one of the things that concerned me is information we have gotten from time to time from Customs that indicate that 97 percent of the seizures that you have are nonintelligence related. Here, they are just the normal procedures you follow when someone is coming into the United States or in the close proximity.

Can you explain whether or not that 97-percent figure means the number of seizures or the amount of contraband that is seized?

Mr. ARCHHEY. That would be, I believe, number of seizures.

Mr. EVANS. Is the amount of money that we are spending on DEA intelligence and Customs intelligence and other intelligence gathering organizations justified if only 3 percent of your seizures result from the intelligence that you get?

Mr. ARCHHEY. I think that what Mr. Fink was saying and what I alluded to in my opening remarks, I think that it is that problem that I think about 6 months ago, we have started to target and focus on. That is one of the reasons that generated this narcotics intelligence priority program directly with DEA. And that is to start beginning to target a particular drug commodity, in this instance cocaine.

A second area is to get the kind of prior information regarding the type of cargo where DEA is beginning to get information of a particular type of cargo, may be indeed involved or be the method for conveyance of illegal drugs.

I would have to say that there is no question that we can improve the intelligence-gathering capability. I think it would be folly for me to suggest that we can't. And it needs to be. But I do think, and alluding to Mr. Wolfe's remarks earlier, this is clearly a view that I firmly believe in as does the Customs Service. And that is that we are starting to make some serious improvements and changes in the focusing of the intelligence activity to benefit the Customs Service.

And DEA has been more than cooperative with that. And I think it is going to improve more and more as the time goes on.

Mr. EVANS. You are satisfied that efforts in the past have been misdirected or inadequate to deal with the problem?

Mr. ARCHHEY. I would say I guess the term I would use is they haven't been focused enough in terms of especially means of conveyance as opposed to—because I think with DEA being involved very much in the conspiracy side, they haven't been able to focus as much on the type of interdiction intelligence we have needed, but I think that is clearly starting to happen.

Mr. EVANS. You mentioned the T-39 in Florida as a part of your effort, no. In fact, those are not in operation now, are they?

Mr. ARCHHEY. We have taken delivery and are right now testing the T-39 at our San Diego Air base. That is the first one. The other three have also been conveyed to Customs.

Mr. EVANS. How soon will they be in operation as far as the Customs is concerned?

Mr. ARCHEY. We expect that the other three are right now being refitted with radar, and we expect by the fall of this year, all four of the T-39's will be in operation.

Mr. EVANS. And it will be sooner than 12 months, then?

Mr. ARCHEY. Yes, sir. And also, we are just taking delivery of the new Cessna Citation which is right now going through its test mode. And as soon as it is over the test mode which we expect to be a month, 2 months at the most, that will be transferred and fully operational in Miami.

Mr. EVANS. Do you have any estimates of what percentage of contraband, especially dangerous drugs, that you do interdict that are coming through your check points?

Mr. ARCHEY. In terms of whether the seizures are taking place actually at the border?

Mr. EVANS. No, I am talking about as far as the areas that Customs has jurisdiction of. You have a number that you interdict. How much is getting through? Do you have any idea of what percentage you are stopping at the border areas?

Mr. ARCHEY. I think what I have been reading—and it is the same material, I think, you have been reading, Congressman Evans—is that the estimate seems to be 5 to 10 percent we are getting of what is coming through.

Mr. EVANS. Do you think that is valid? You are getting 5 or 10 percent of what is coming through, is that a valid estimate or not?

Mr. ARCHEY. I don't think we have a yardstick to be able to make that determination.

Mr. EVANS. I yield back the rest of my time, Mr. Chairman.

Mr. DE LA GARZA. Mr. Beard.

Mr. BEARD. Thank you, Mr. Chairman.

What you are saying, Mr. Fink, is, it is an open or welcome policy by the Customs to work with DEA in the drug enforcement area?

Mr. FINK. Yes, sir.

Mr. BEARD. You have had no communication problems in any way, shape, or form?

Mr. FINK. I am not going to say we don't have communications problems. We are encouraging policy at the field level that exchange take place and requiring that our field activities report back how they are implementing the exchange, not only with Customs, but the other Federal agencies. There is a discipline in operation that when a problem is surfaced we have some mechanisms to constructively find a resolution.

Mr. BEARD. At any time on the Mexican border which is one of the major areas of concern, if a DEA agent goes and wants to fly in a Customs plane, that is no problem?

Mr. FINK. I would presume there is nothing in it policywise that inhibits that.

I would also mention that we have teamed up formally at six of the major airports where particularly a lot of the heroin and cocaine is coming in. We have not only joint investigative programs, but training for one another in other areas.

Mr. BEARD. Mr. Archey, you feel there is a need for emphasis to be placed on criminal intelligence. Do you think that is an area that could be—

Mr. ARCHHEY. I am not sure if the term, Congressman Beard, is criminal intelligence. I think what we are saying is we need to focus more on the kind of intelligence that is tactical and interdiction oriented; that is, means of conveying things along those lines and targeting particular drugs and how they are getting in.

And as I alluded to under this intelligence priority program which has only been in existence about 6 months, that is the area we are getting into which is that type of intelligence.

Mr. BEARD. In other words, you don't see the need or it would not be within your guidance to get involved in the criminal intelligence field?

Mr. ARCHHEY. No, sir.

Mr. BEARD. You feel that is someone else's responsibility?

Mr. ARCHHEY. That is.

Mr. BEARD. You react to what criminal intelligence on people they may provide to you and coordinate efforts to try to catch them when they come across?

Mr. ARCHHEY. I think clearly, if DEA has the names of people and they know that they are involved with it, we would like to know that. And we do get that information. There is no problem with our getting that information.

Mr. FINK. Every month, we provide for their system a list of class I and II violators. It goes into their TEC system.

Mr. ARCHHEY. And by virtue of that, Mr. Beard, we put that on a TEC system which automatically then goes to all our ports of entry, and we have over 1,000 TEC terminals where that information would be available.

Mr. BEARD. You think your agents are equipped with sufficient airplanes and weapons to carry out their mission?

Do you feel that there is a void which could be improved through the legislative appropriations approach?

Mr. ARCHHEY. Well, I think that Commissioner of Customs has a kind of an operative slogan these days which is, "We have got to work smarter rather than harder because everybody is working hard, but we have to focus better."

I think one area where we might have had some problems in the past, but I think we are right now reaching a maturity point, is in the air program. I think we had serious problems with our equipment. We are now in a position where I think that we are going to be able to have the kind of equipment we have needed and to be able to deploy it accordingly. I think that in the communications area, I think those are a problem. And I think that we are constantly seeking to improve the communications capability to get the word out.

Our lookout program where we can immediately have our people, our inspectors, out in the line access the information, that, we are improving. And we have the resources to do that.

Mr. BEARD. We have heard some agents that have complained or felt it might not have been in the best judgment to, in accomplishing their mission, have painted all the Customs planes. This is just something

that all Customs planes being painted a certain Customs blue and white with the big seal, and they felt this is somewhat—

Mr. ARCHEY. That is actually not true because most of our turbo props are not painted with the Customs colors. The Citation is, but indeed a number of our planes are not, do not have the Customs seal on them.

Mr. BEARD. Thank you.

Mr. DE LA GARZA. Mr. Dornan?

Mr. DORNAN. Thank you, Mr. Chairman.

I may have missed something on your current equipment problems, Mr. Archey, because I had to take a phone call. Two years ago, I went over to the Treasury Department, and I saw the wings that had recently been designed with the Treasury crest that you gave to your pilots. And all of the people that I spoke to and later the pilots that I spoke to in the field felt that they were really getting shortchanged on equipment intercept and interdiction equipment. And they gave me a figure, if I recall correctly—this would be mid-1977—of 110 or 20 aircraft coming in of all sizes, smuggling narcotics, you would be lucky if you got one.

At that time, you were operating Robert Vesco's confiscated Learjet. You had taken delivery of the Citation, and the rest of the aircraft you were flying were pretty ancient. And you were hoping to get some surplus Navy T-39's.

Could you give me roughly—and I ask for apologies if I am causing you to be redundant.

Mr. ARCHEY. I had mentioned that earlier. We had already received delivery of the four T-39's, one of which is being presently tested in the field. The other three are being fitted with the new radar equipment. We expected all four of the T-39's to be in operation for Customs purposes no later than the early fall, probably sooner.

Mr. DORNAN. Are they replacing older aircraft like Grumman?

Mr. ARCHEY. No, not really, but I think what we are doing is we are paring down our fleet. We have now 68 operating planes. We had many more than that before, but I question whether or not the number really meant anything because some of them weren't very worthwhile.

One of the activities that the T-39 plane is going to perform is in support of our AWACS program with the Department of Defense, with the Air Force, in which we have already begun participating with them on the surveillance flights of the AWACS plane. And the T-39 will be one of the intercept planes if, and we think when, the AWACS program begins to show where the illegal planes are coming from.

Mr. DORNAN. Just the general question, do you have sufficient aircraft? How do you answer that now as opposed to 2 years ago?

Mr. ARCHEY. What I say, and I think in fact, I was talking to the head of our air base at San Diego last week at headquarters, and his comment to me was "We don't need more planes now." Given the delivery we have of the new Cessna and another one that is being procured, it is a question of now how do we use them the right way?

Mr. DORNAN. Do the Cessnas have this radar that came in second best to the F-16 radar? I think it is Hughes Aircraft radar that is made in my district that was in competition for the new Air Force

F-16. So they bought at a good price the excellent radar equipment that had come in a close second to what the Air Force procured for the F-16. Am I correct—search radar?

Mr. ARCHEY. I am not sure, Mr. Dornan, what that was. All the Citations are equipped with a flare for looking, for infrared radar night detection.

But I am not sure who the contractor was on that. I would have to find out and submit that later.

Mr. DORNAN. I think that working with the Air Force is about the best utilization of Federal pay for manhours I have even seen. The Air Force used to have a squadron of simulatory aggressor bomber, aggressor aircraft, old Canberra 857 high-altitude aircraft. And I notice recently they are disbanding that unit.

If these narcotics smugglers were inadvertently helping to keep our Air Force warning and control systems, new AWACS E-38, up to par, they would be doing their country an inadvertent benefit. And we would be putting them in jail.

Could you comment on this 110 figure? Out of 110 or 20 smuggler aircraft, what percentage do you think you are busting now?

Mr. ARCHEY. I really can't say. I don't know. I think we are right now—I would like to be able to tell you more, and I would like to submit this for the record because sometime next week, we are expecting a final report from a contractor on which we have done an air threat study.

Stanford Research Institute, Menlo Park, Calif., has spent the last about 9 or 10 months in taking a look at the entire problem we have of the possible air threat posed at our borders.

Mr. DORNAN. When will that be ready?

Mr. ARCHEY. We expect a report to be submitted for our review next week. And I would expect that report would be available certainly within about 1 month's time.

Mr. DORNAN. Could you get that to the committee?

Mr. ARCHEY. Be happy to.

Mr. DORNAN. As soon as you are able to release it and please send an advisory to my attention because I can take a look at the flying aspects. I have an interest in that area.

Mr. ARCHEY. I would be happy to, sir.

Mr. DE LA GARZA. Mr. Chairman?

Mr. WOLFF. First, let me apologize for not being here for a while, but say that Mr. de la Garza, we know, is chairman of the task force now on Customs and Border Management Activities.

One factor that troubles me is that if you start to concentrate in one area, what is happening to the resources that you have in other areas of the country?

I am talking particularly of south Florida and the like.

Mr. ARCHEY. I think in terms of southeast Florida, for example, we in the past year provided 32 additional inspector positions to Miami. Those were all new allocations. They did not come from anywhere else.

We also allocated some new patrol positions for Miami. We did take some positions from other parts of the country.

However, I think that the decision was clearly based on what was the nature of the enforcement, especially narcotics enforcement prob-

lem in other areas, especially in the northern border and places where we are fairly certain the problem was not nearly so severe.

I would say, Mr. Chairman, we have not diffused or undermined the enforcement capability of other elements or other areas within the Customs Service as a result of helping out southeast Florida, where as all of you know, and we know, the action really is.

Mr. WOLFF. Is that true? We had two vessels, as I understand it, that came right up here close to the capitol just recently. Hasn't there been a shift of trafficking patterns out of the Florida area to the east coast?

Mr. ARCHY. Absolutely. And we are also dealing with that because we have just opened new patrol stations in New Jersey and along the Chesapeake Bay. We are also opening shortly in the Jacksonville, Fla., Brunswick, Ga., new patrol operations.

We are also going to be providing new aircraft in Tampa, Fla., and Wilmington, N.C., and New Orleans.

Mr. FINK. The gulf coast is another area.

Mr. ARCHY. The gulf coast is another area of considerable concern. And so you are absolutely correct, Mr. Chairman.

As you know, it was in the papers a few weeks ago, there was a major seizure in the Chesapeake Bay. The problem is, indeed, heading further north along the east coast.

Mr. WOLFF. I am particularly interested in my own area which I understand is getting some heavy trafficking now, the area of Long Island. In fact, it's very similar to what is happening in certain areas of Florida. Coastal residences are being purchased now with the objective—I notice Mr. Fink shaking his head.

Mr. FINK. That's correct.

Mr. WOLFF. Purchased now as a transit point or safe haven. Could you give us any information on that?

Mr. FINK. You are very correct, and we have several investigations that are in progress that are confirming that point. Some of the major organizations trafficking in marihuana and also cocaine across the United States are shifting. And as you can appreciate when you are dealing with the tonnage of marihuana, you don't do that overnight.

As the enforcement pressure has been put on, not only in Florida, but at the straits that the vessels come through, they have shifted, and they have to buy the property, they have to move their trucking and marihuana movement systems. And we see that in——

Mr. WOLFF. Now, in the buying of property, much of this purchase of property is in cash, as I understand it.

Mr. FINK. Yes, sir.

Mr. WOLFF. Do you have intelligence on that? Is that shared with Internal Revenue Service, for example, large transactions, large cash transactions?

Mr. FINK. That is one source that we are developing very successfully, especially on the Atlantic seaboard with informants who would have access to those people buying real estate, knowing that it is cash, knowing that there is no negotiation, just go in and pay the list price for the house.

We generally then start the investigation based on that. And then, as it progresses and we find we are into a network, if we already haven't

established that as a target, that information as it evolves would then be forwarded to the Internal Revenue Service.

Mr. WOLFF. Has there ever been any circularizing of the real estate agents, by any of the agencies of Government that you know of, to alert them to this type of practice?

Mr. FINK. Those are many of the people I just referred to without identifying them specifically, but we have developed a lot of informants within the real estate business.

There is also State and local law enforcement officers who work this area.

Mr. WOLFF. Has there been any effort made by law enforcement agencies to circularize? We have "wanted" posters in post offices. Is there any effort being made on an overall basis to do so?

Mr. FINK. Not organized nationally or either geographically. I think there is a concern we would have maybe even inferred by the statement here we prefer to do it on a localized basis because it is not across the United States. It is just in those coastal areas where—

Mr. WOLFF. I believe that in an effort to launder money, one way of doing it, is to buy large tracts of real estate. We find that with the oil barons who are laundering their American take by buying real estate, why wouldn't that be—

Mr. FINK. I think I misunderstood your question. I thought you were targeted just on the marihuana profit and purchase of coastal property. You are talking about investment of profits across the country?

Mr. WOLFF. That's correct.

Mr. FINK. That has not been done. We will have to look at that.

Mr. WOLFF. Thank you, Mr. Chairman.

Mr. DE LA GARZA. Thank you, Mr. Chairman. Mr. Livingston.

Mr. LIVINGSTON. Mr. Archey, I am looking at your impressive background here. I take it it is mainly related to drug treatment or treatment of drug abuse rather than drug enforcement; is that correct?

Mr. ARCHEY. It is a combination of both. I did a lot of work in the early seventies with the law enforcement community. And I was also with the Law Enforcement Assistance Administration for 3½ years.

Mr. LIVINGSTON. In what capacity, Mr. Archey?

Mr. ARCHEY. Director of Policy Analysis and involved very much in funding of programs to State and local.

Mr. LIVINGSTON. Is it your understanding that the Customs Agency should really be more of an interdiction agency, one which apprehends the criminals across our borders with contraband, whether it is narcotics or the like, rather than concentrating on intelligence, criminal intelligence?

I am speaking of relating to specific individuals, specific targets, who might deal in such commodities.

Mr. ARCHEY. Yes, sir, but what I am really saying, Mr. Livingston, is our role is interdiction, and intelligence plays a role in enhancing that interdiction capability.

Mr. LIVINGSTON. What are the present requirements relating to agents and markings on boats? I want to follow up on Mr. Beard's question regarding airplanes.

In most instances, are your agents not required to wear uniform?



Are your boats not required to be marked? Are your airplanes not required to be marked so that people know that you are law enforcement oriented as soon as they spot you on the horizon?

Mr. ARCHER. I think, and I may be misunderstanding that question, what really you are getting at is less the planes than it is the cars, the blue and whites, as we would call it.

I think some of our patrol officers out in the field have indicated some serious concern about how marked they ought to be because of the fact that if they are really going to uncover information, if they are going to be able to get it, especially from small airport operators, going in in uniform with a blue and white isn't exactly the way to do it.

And I think we are really looking at that right now. I think one of the things that we are doing, as I mentioned in my opening statement, we are going to concentrate our entire policy development and program development efforts at headquarters under a single Assistant Commissioner for Border Operations.

And I think one of the things that is going to come out of that is a lot better definition, both strategically, but especially tactically of how the patrol operates.

Mr. LIVINGSTON. I think you have anticipated my question because by your own admission earlier, you indicated news reports reflect perhaps that only 5 to 10 percent of the drugs which come over our borders—no matter how they come over—are really interdicted or apprehended. And certainly, it would seem that Customs agents and any agents for that matter would be more effective in their apprehension of narcotic smugglers if they weren't required to fly flags and wear uniforms and wave the banner of their agency.

Do you agree with that?

Mr. ARCHER. I agree with it, but with the proviso that our charter under reorganization plan two does not give Customs the investigative authority. And I think we have to be careful about how we draw that line.

But I think the point that you are making has some merit indeed.

Mr. LIVINGSTON. I am aware of the problems of duplication because, as a matter of fact, it seems we still have that. I relate back to my opening remarks. Why haven't we moved along toward the objective as stated by the chairman in his opening remarks? Why haven't we actually developed a single management border agency? Why do we still have interaction perhaps?

We may or may not have conflict, but certainly, we have some duplication. We have some lack of efficiency with the fact we still have a Border Patrol, Immigration/Naturalization Service. We have your agency, the Customs Service, the Coast Guard, each of which are charged with some aspect of drug enforcement down there at the border or around the United States. Why haven't we really merged those?

Mr. ARCHER. Well, I can't answer that because I think that is clearly not within Customs' say as to what happened on that. I think that it still is being entertained, and I would like to make it clear that Customs has been since the idea has been forwarded and since the reorganization project began, very, very supportive of the idea, has remained supportive.

Mr. LIVINGSTON. Mr. Fink, can you elaborate? Why haven't we reached that point?

Mr. FINK. Sir, I think it is proper and appropriate for us to defer to Mr. Dogoloff who will appear as a witness for the executive branch. I have testified before this committee as far as not only providing intelligence support, but investigative interrelationships. It does not make that much difference.

We have no border enforcement responsibility in the DEA, but we have a major intelligence support responsibility. So our position is that of the executive branch when the decision is made. We are not an integral part one way or the other of the decision.

Mr. LIVINGSTON. If only 5 percent are caught at the border, it just seems to me your intelligence capacity doesn't really solve the problem.

Mr. FINK. Well, there are two ways to look at that, Mr. Livingston. The Administrator used the statistics on the vessels which are largely more easily identifiable as a medium of bringing marihuana in. The statistics demonstrated that 40 plus percent of the vessels interdicted were on the basis of prior intelligence. So several hundred vessels have been interdicted.

But if you look at the international picture, the violators do not hesitate to move large quantities internationally. The violator himself often moves the drugs until the point it hits the U.S. border. And it is at that point that the Customs enforcement efforts force him to go to mules to bring it across in small quantities, to employ people that have no affiliation with the trafficking itself. They are paid to make a trip down, bring something back in.

And many of these cases are publicized. The Washington Post recently described this method as a part of a recent DEA case.

To me, that means there is some enforcement effectiveness at our borders.

Now, we are trying in foreign countries, working with those countries' immigration service, to get the information when that U.S. citizen comes into the country, that fits the profile of the courier. And we are now putting these people on lookout when we get the information.

In one particular country, we have a pilot program. Ten percent of those having been entered as EPIC lookouts have been interdicted by Customs at the border. I think one of these cases, Mr. Wolff, made some publicity in New York, 24 that were organized into a ring. And they were hired just to bring the cocaine in. And they were picked up on some of this intelligence collection, specifically geared to support the interdiction of the mules.

But I also hasten to point out we have a lot of interdictions of sizable quantities in Mexico, in Panama, which show that they are not afraid to move the quantity over other international borders.

But the fact that they are moving it in small quantities with the exception of marihuana, to me, indicates there is some success to our border enforcement strategy.

Mr. LIVINGSTON. Thank you.

Thank you, Mr. Chairman.

Mr. DE LA GARZA. Mr. Archey, earlier in the hearing, I asked about stolen cars being smuggled into Mexico and of any relation they might

have in conjunction with narcotics traffic. Do you have any information on that?

Mr. ARCHY. I think our view of it at this point is that we do know that there is a number of stolen cars a year. We have no information that would indicate a connection of that stolen cars with the formal or organized narcotic trafficking. And so at this point, we don't have the information that would indicate that.

I don't think anyone does.

Mr. DE LA GARZA. Thank you.

You mentioned the most recent bilateral agreement with Mexico which contains a provision for the exchange of information. I have two questions.

At what level is that agreement? At what level is the first communication made?

Mr. ARCHY. Well, it is a Customs to Customs agreement with the director general of Mexican Customs and Commissioner of the U.S. Customs.

Mr. DE LA GARZA. Now, the operation of the agreement, down to what level does it operate for joint action?

Mr. ARCHY. It is down to the district level. An example that maybe isn't narcotic related, but we went through a lot of grief on this one, and I was in the Treasury Department when we going through it.

For example, to show you that the kind of reciprocal agreement with it is that we had a problem of smuggling coming from various parts of the border, and from the United States into Mexico. And we were able in some instances to provide information to the Mexicans on that.

I think what we do is that we had a recent session—I think it was in El Paso—of a program of operational people from both sides, getting together, and in ways that we could enhance the flow of information.

Mr. DE LA GARZA. My question is related to this that on the border, individual members will have individual contacts and will work together very closely. My question is this: Is your official agreement, does it shift down to this level or—

Mr. ARCHY. I would like Mr. Hann who was very involved with that negotiation with Mexico to continue on that.

Mr. DE LA GARZA (continuing). I know the personal relationships that an individual makes because of an extra effort. What I want to know is does the agreement reach down to that level?

Mr. HANN. Yes. Right after the agreement was signed, the Mexican Government sent a representative from their Mexico City office. I went to the Mexican border with some of my colleagues. We met and went from district to district along the Mexican border and had meetings with the U.S. District Director of Customs and the administrator of Mexican customs who was involved in that area and told them what the agreement was about and that they should work together on a local level.

However, when they got into policy matters or confidentiality matters, that those should be surfaced up to their respective headquarters. And then it would be between headquarters to make the decision on what information could be passed and what could not.

But on a local basis, any problems that developed, they could handle there. And we encouraged that.

Mr. WOLFF. Mr. Chairman, may I just alert you to the fact that at 2 o'clock, we must vacate this room? We have Mr. Dogoloff who is still sitting in the wings and very well our prime witness for today.

Mr. DE LA GARZA. We will bypass any further questions and thank you very much, Mr. Archey and Mr. Fink and Mr. Hambrick.

Mr. ARCHHEY. Thank you.

Mr. DE LA GARZA. And we extend our apologies to Mr. Dogoloff. And the chair will call Mr. Dogoloff to the witness table.

Mr. WOLFF. Thank you, Mr. Dogoloff, for being so patient with us, and I thank the members of this committee for their patient and their diligence in continuing this hearing.

Mr. Dogoloff, before I ask you to make your statement, may I ask, since you are the official representative of the White House, is it the policy of your office to clear all statements that are made by the various agencies that appear before us here?

**TESTIMONY OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR, DOMESTIC POLICY STAFF, THE WHITE HOUSE**

Mr. DOGOLOFF. We review all testimony of all agencies, not specific statements in response to questions, but formal, written statements. We provide a function of coordination and provide a function of making certain that the statements that are made are in accordance with Federal policy directives.

Mr. WOLFF. I must swear you in if you don't mind.

[Mr. Dogoloff was sworn by the chairman.]

Mr. Dogoloff, are you aware of the fact that this committee had requested that statements be furnished to the members of this committee at least 48 hours prior to the committee hearing and that all of the witnesses we have had thus far, we have not had that type of cooperation which puts the committee in a very difficult position of not being able to formulate our questions of the witnesses?

Is there a reason for that?

Mr. DOGOLOFF. I am not sure what the specific reason is. I have also asked for testimony a day or two before it is to be submitted here, so I have the leadtime with this particular hearing. All the testimony cleared by departments didn't come to my office until Wednesday morning, so I can assure you that we were not part of the delay. We cleared testimony within an hour after it was received by us. That is normally our process. The minute we get it, we read it and will clear it by telephone with OMB.

Mr. WOLFF. Are you saying to us, as well, that if an agency of the Government which we have requested information from comes up with information that is contrary to your policy, that information will be edited out of the hearing?

Mr. DOGOLOFF. No, sir, I am not saying that. I am not talking about information. I am talking about policy statements.

Mr. WOLFF. Suppose we talk about policy. If the information from the agency involved does not agree with your policy, then do you refuse to permit the agency to make that testimony available?

Mr. DOGOLOFF. I want to stress the fact that it is not my policy, nor specifically the policy of the drug policy staff; it is the policy as ex-

pressed in the "Federal Strategy," a document which is put together in cooperation with all of the Federal agencies that have a responsibility and their Cabinet officers.

Mr. WOLFF. If an agency of Government decides they want to make certain recommendations that are not part of the policy statement or contrary to the policy statement, but they feel will help the effort that we are making in interdiction or in the overall effort at controlling drugs, if it is not within your policy guidelines, will they be permitted to speak to that issue here before the Congress?

Mr. DOGOLOFF. I would have to look at the specific issue. Generally, I would think if it makes sense to the agency, it is going to make sense to you and make sense to us because we are all in this for the same purposes. And policy is not set in concrete; it is something that changes and is dynamic. And I would see us changing the policy and talking together about that.

I would not in any way preclude an agency from making statements if they felt there was something in the "Federal Strategy" that was an impediment to effective drug law enforcement, treatment, international efforts. Then, the policy clearly ought to be reconsidered and changed if appropriate. That is something that we can all work together on as we have in the past.

Mr. WOLFF. We would hope to get greater cooperation in the way of getting material from the agencies involved in adequate time so that this committee has time to examine the testimony so that we can properly prepare our questions.

One of the big problems that we find is that witnesses come before us and at that time issue their statements. The committee has no prior knowledge of their content. I don't know whether it is at the direction of the White House or who, but maybe they have taken a leaf from the press and don't think that most of us in the Congress can read. And by the time their statements are finished, we have very little time for questioning.

Therefore, I ask the cooperation of the Domestic Policy Office to facilitate this for us in the future.

My basic question on what we have heard thus far is, are you satisfied with our overall effort? I just heard a minute ago that we are now down from 10 percent, which used to be the figure we had for interdiction, to 5 percent. Does that mean a loss or does that mean just changing of figures?

Mr. DOGOLOFF. It could be either or both. I am not prepared to comment on that.

In terms of my satisfaction with the overall effort, I am firmly convinced that the cooperation, the coordination, the energy that is being expended on drug abuse law enforcement in this country is today better than it has ever been. Seizures are certainly up. If we look at the heroin indicators which we are both very familiar with, and I won't take time to review here, the picture looks quite bright.

Am I satisfied? I am never satisfied because I think we can always do better, and we are always striving to do better.

Are we doing a good job? Without question, we are doing a very good job. And I think that was reflected in most of the testimony here this morning.

Mr. WOLFF. Why is it we find a great increase in the statistics that are given to us on marihuana seizures and interdiction? We have heard little or nothing about cocaine. Is cocaine a drug of abuse today that you are leveling a heavy effort upon?

I know we have had success in the heroin field, and that is due credit to you and to the people who are involved. I think the job that has been done on heroin has been outstanding. But where is the effort being expended in cocaine which is now recognized as a drug of abuse? And where is the effort into the licit drug market which today, I feel, is a greater problem of abuse than the illicit market? The number of licit abusers of drugs by far outnumber the illicit drug abusers that we have in our society.

Mr. DOGOLOFF. Mr. Chairman, you raised two good points. Although cocaine may not be as newsworthy because it doesn't come in in big amounts, and I am thankful that it doesn't, the seizures of cocaine are similarly up.

However, just 3 weeks ago, I visited both Ecuador and Peru for an update on that situation. And although the Governments are more and more willing and dedicated to cooperation, I must also report to you that production is estimated to be increasing at 10 to 20 percent a year in Peru.

Mr. WOLFF. What is your estimate of the production of cocaine now or cocaine coming into the country?

Mr. DOGOLOFF. It is about 20 tons total, coming into the country.

Mr. WOLFF. Twenty tons?

Mr. DOGOLOFF. Yes, annually.

In terms of licit drug market, that is clearly one of the priorities within our strategy. In my statement, I have listed and outlined some of the specific steps our office in conjunction with some of the other agencies are taking to control the supply of legally manufactured drugs. And it is a clear priority for us and one that is receiving lots of attention.

It is a killer. It is causing great social cost to our society. And it is one that I can assure you is receiving great priority as a major part of our effort.

Mr. WOLFF. Your statement, Mr. Dogoloff, will be included in the record without objection, in toto.

I know that because of the time constraints, my colleagues here have some questions. Mr. de la Garza yielded his time to me, but I have already used it up.

[Mr. Dogoloff's prepared statement appears on p. 328.]

Mr. WOLFF. Mr. Livingston.

Mr. LIVINGSTON. Thank you, Mr. Chairman.

Mr. Dogoloff, thank you for your patience today. I, too, want to congratulate you on your success ratio with heroin because it is certainly something we should play up. We should be proud of that.

With respect to the other drugs, and particularly marihuana, with respect to all drugs, let me broaden that a little bit. And going back to questions we have asked earlier, what are the prospects for this single management group for the borders?

Once again, we have a number of agencies, some with duplicating jurisdictions. And frankly, if in fact those statistics that we have been

talking about, 5 to 10 percent of narcotics come across the border, are correct, then, that is not sufficient. How can we make it more efficient?

Mr. DOGOLOFF. We clearly agree with you in terms of the support for the border management agency. The study that put forth that recommendation emanated from our office, and we then forwarded it on to the Office of Management and Budget, under the President's reorganization project. There were other issues that are not specifically drug related, including immigration and visa issues, that became part of the border management study consideration.

Those are very sticky issues, and they are currently under consideration. There seems to be continued support for the concept of a single border management agency from a drug law enforcement perspective. And the issue is working out some of the difficult, sticky, nondrug law enforcement issues of immigration and visas. And we are hopeful that will in fact be worked out.

I wish to add, however, that as a result of the process of getting people together to think about the issue, that coordination and cooperation at border points has really increased significantly.

Just last week, I was in Puerto Rico and saw an example of the monthly meetings that have been instituted between Agriculture, INS, and Customs. And that goes on, you know, at port after port, following up from this.

So things are better. They could still be better with a border management agency, and we are hopeful that one will come forth.

Mr. LIVINGSTON. Obviously, we are dealing with a problem of immense proportions and immense magnitude to this country. I think the very existence of this committee speaks to that. And I would put to you the same question that Mr. Beard of Tennessee asked earlier.

Why is it that we are not standing up and waiving flags and saying that narcotics is one of the top three or four problems confronting the United States today. Anybody apprehended in narcotics smuggling or narcotics traffic is going to jail and going to jail for a long time? Wouldn't that statement go far to help the children of this Nation realize what they are doing in trading and using; that they are doing something wrong, and the hazards are very great?

Mr. DOGOLOFF. There are a number of us who continue to carry that very message just as fervently as you have stated it. Mr. Bensinger and myself, all the people who have testified this morning have said that and believe that very strongly. And we continually read that message to police groups, to parents, to kids, to everybody who will listen. We are doing a lot more to get that message out.

I agree that the work of this committee in highlighting it is extremely helpful in that regard. We have to do more to get that message out.

Mr. LIVINGSTON. Thank you, sir.

I yield back the balance of my time.

Mr. DORNAN. Thank you, Mr. Livingston.

Mr. Dogoloff, we do want to stay somewhat in the time constraints, and it is closing on us rapidly. I will just ask you one question and then close the meeting for this afternoon.

I am sure the White House is aware that we almost followed the horrible tragedy of a Congressman executed for the first time in the history of this Nation in South America by the assassination, almost

assassination, of four Congressmen from this committee, myself included and the chairman included, in the opium fields of Burma. And it was not a few ugly gunmen from a cult of about 900 people, but an army of 6,000 people with mortars and machine guns and so forth.

And I know that the White House appreciates the efforts that the chairman of this committee has made and the committee in general. And the only thing that I have found where we are not in sync with the White House was on this problem of marihuana. I know that the address of Mr. Bensinger to the FBI graduating class last year was a significant statement and maybe the beginning of a change in direction nationally on whether or not marihuana is, indeed, as dangerous as it appears to be by remaining on the Controlled Substances Act.

Has the White House under your direction or direction to you come up with anything recently on marihuana? Is it a definitive policy we can as Congressmen take to our districts?

Mr. DOGOLOFF. Yes, sir. I refer you to the strategy on page 52 or 53. There is a specific statement regarding marihuana and the administration's view about it. The policy of this administration has been and is to discourage the use of marihuana. And we have been doing that more and more fervently with a number of specific initiatives, some of which I spoke to the committee about last week or early this week in the prevention hearings. And I will be glad to meet with you privately and go through it or refer it to the record.

But we feel it is very important to get that message out. I am increasingly concerned about the health consequences of marihuana, particularly for the people who are most vulnerable. That is the 12- to 18-year-old group which is the same group that seems to be using it in increasing levels.

The recently published HEW marihuana and health report points that there are three clear problems associated with marihuana, the regular marihuana use, among that group—pulmonary or lung damage is one of them.

A second has to do with interference with driving. I refer you to the current issue of Reader's Digest where I am quoted in an article about the relationship between marihuana intoxication and impaired driving ability and accident facility, automobile accident facility.

Mr. DORNAN. I put that in the Congressional Record and congratulated you specifically for your efforts. The statistics were nothing short of, as you put it, a disaster.

Mr. DOGOLOFF. That is absolutely true. And now the private insurance companies are in contact with us around the issue as well.

And third and probably most important of all, the issue of what regular marihuana use does to children's ability to learn. And I am not only talking about learning in a classroom situation, academic information; I am talking about the insulation that regular marihuana use puts between a person and their everyday adolescent experiences. And I am not sure what kind of a generation we are going to have at age 20 when they have gone through age 14 to 18 stoned. And whether they come out as whole, functional adults at age 20 or 21 is a real problem.

Mr. DORNAN. In addition to that, and I will close with this, not only does it cause a loss of innocence which some poets and philosophers



have said is the greatest loss of all in civilization, not only does it interrupt their learning and destroy their full appreciation of those useful years, but do you agree with me it develops a contempt for law enforcement in our young people because they are in an activity described in various ways from evil to antisocial, they always see the police officers as narcs, to use their own language and, therefore develop a contempt for a branch of our society that is there to protect and help them.

Mr. DOGOLOFF. I think it does undermine law enforcement when we have laws on the books flagrantly disobeyed by a large portion of the population as is the case with many of the marihuana laws in several States. That is a real problem, and it does undermine it in just the way you suggested.

Mr. DORNAN. Unfortunately, it appeals to a sense of adventure, Huckleberry Finn sense of adventure, that often times leads boyhood friends to find themselves on the opposite side of a border, the opposite side of a Vietnam veteran experience—one flying a drug-smuggling airplane, the other young friend from early parts of his life in a Customs aircraft apprehending him. It is as old as civilization, I guess.

I appreciate your efforts.

Mr. EVANS would like to ask a few questions, then we will adjourn.

Mr. EVANS. Mr. Dogoloff, you have an unusual office. I would like to find out how many staff people do you have?

Mr. DOGOLOFF. Six total.

Mr. EVANS. You are charged with all different types of responsibilities, including representing the President's drug policy in coordinating the various agency statements; is that correct?

Mr. DOGOLOFF. Yes, in terms of setting overall administration policy we are the primary staff to the Strategy Council and we are responsible for both setting policy and assuring coordination among all of the Federal agencies involved in the drug program.

Mr. EVANS. Do you have sufficient staff to handle all of the duties that are conferred upon you by law?

Mr. DOGOLOFF. I do.

Mr. EVANS. Do you think you can handle it with six people?

Mr. DOGOLOFF. We work hard, but we do a good job.

Mr. EVANS. OK.

What influences do you have or how often do you meet with OMB in formulating policy and budgetary matters?

Mr. DOGOLOFF. We meet on a regular basis. For one thing, the Director of OMB is a member of the Federal Strategy Council and as a member participates in the developing of that document, in addition to which, the agencies then peg their budget requests and narrative on the policy directions as it appears in the Strategy.

Our staff works directly with budget examiners from the very beginning of that process. And I or a member of my staff sit in on the OMB Director's review of the budget and, in fact, have the opportunity for direct input up to and including Cabinet-level appeals to the President on the budget issues as it concerns drugs.

So we are from the very beginning to the end, from the very time that the budget is conceived to the time that it is transmitted from the President to the Congress.

Mr. EVANS. Mr. Dogoloff, recently, we learned that there has been a media campaign for drug prevention through NIDA. And that campaign reached almost the release stage and then was stopped, I guess, by HEW.

What I am concerned with is what your office has to do with the coordination of efforts in that respect and what could you have done to have prevented this type of conflict so that we would have this program in operation now rather than sitting on the sidelines waiting for another year of young people to get hooked on drugs before we start letting them know that marihuana smoking may be as harmful as cigarette smoking.

Mr. DOGOLOFF. Maybe more harmful than cigarette smoking.

Mr. EVANS. I was going to give them the benefit of the doubt. They all know that cigarette smoking is terribly harmful.

Mr. DOGOLOFF. Our office staff participated in the development of those spots from the very beginning as did staff on the committee. When the project got to the very end in the final showing, considerable question and doubt was raised by the Office of the Secretary in HEW. And they felt that it was important to have some additional audience testing on those spots in order to make sure that they are able to meet their objectives.

We expressed, and I personally expressed, our concern about delays. As a result of that, they have assured us that they will speed up audience testing so that we can have a release early in the fall.

I understand the contract has been let for the audience testing, and that it is proceeding on schedule. Our office respects the right of the Secretary of HEW to make such decisions as they involve his Department. It was not an interdepartmental issue, nor was it really a policy or coordination issue. It had to do with a certain degree of discomfort on the part of the Office of the Secretary with the nature of the spots and the message.

And I think he has every right to satisfy himself.

Mr. EVANS. What do you think the chances are we will after this delay wind up with the same message and same spots several months later?

Mr. DOGOLOFF. I don't know. Because the spots are aimed at specific target audiences, none of which are fathers at age 39, I have a hard time looking at those spots and saying, "Yes; they get the message across or don't get the message across."

They are aimed at 12- and 14-year-old kids, or they are aimed at 18 or 19 to 24.

Mr. EVANS. Is that the group to do the testing the 12-and 14-year-old kids? Does that comprise the audience they are being tested by?

Mr. DOGOLOFF. Yes; they are tested on target audiences, 12- and 14-year-old kids and 18- to 24-year-old women. There are two sets of spots. That is the test.

Mr. EVANS. I will have to admit, then, that makes sense rather than showing them to an adult audience.

Thank you, Mr. Chairman.

Mr. DORNAN. Thank you.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Dogoloff, it is a pleasure to have you back before the Select Committee again. I want to commend you for getting out the Federal strategy statement. It is encouraging to see that we are moving toward a coordinated policy.

Of course, we certainly have a long way to go.

I note in the Federal strategy for law enforcement that we talk about maintaining the DEA as the lead agency, and working around that lead agency. I continually hear good work that is being done as a reaction to investigations.

I am wondering what we are doing to proceed with an offensive campaign of a major nature where we are not just reacting to an investigation, where we have found some criminal facts. What are we doing to take the initiative in the offensive campaign? Where are we planning national strategies? And how are we planning them? And who is doing the planning and taking the initiative?

Mr. DOGOLOFF. Well, there are a number of issues where you might assume we are on the offensive. For example, the BANCO investigation, I think, is an example of that, where we have actually looked at an organization tracing financial records, if you will, from the top down, rather than from the bottom up.

I think that in a much broader sense, under the leadership of my office, we are now thinking in terms of a 5-year plan. I think the strategy is a good one. I think it will stand the test of where we are now and where we need to go over the next year.

I believe that we have to be thinking in broader terms, where do we want to be 5 years from now and how are we going to get there? That is a process that the Principal's Group and myself are currently participating in working out. We will involve the Strategy Council and the major departments of Government in that. And I think that is going to be a major opportunity to really think ahead and really do some creative thinking, and not only think about what our short-term objectives are, but where we are going in 5 years?

If we were writing an annual report 5 years from now, what would we like to say we have achieved?

Mr. GILMAN. Is that being developed by the Principals' Group?

Mr. DOGOLOFF. Yes, sir.

Mr. GILMAN. I take it that so far, you have not developed strategy? Is that correct?

Mr. DOGOLOFF. No; we are at the point now of having input and beginning papers from each of the principals. I have taken those and put an overlay on that in terms of where I see the program going. Those are now being circulated. When we meet again the first of July, we will then look at all those to come out with overall brief statement of what our objectives are, where we want to be.

And then, the second part of that process will be, what do we have to do to get there?

Mr. GILMAN. At this point, then, we do not have any planners who are planning to wage an offensive or who have set out a plan for waging an offensive campaign against our major network of drug trafficking; is that correct?

Mr. DOGOLOFF. I have a personal bias against planners. I think the action people, the people actually involved in the program, know most

about and are the best planners. Those are the people who are thinking this through.

I might suggest it is the first time we have ever taken that sort of a long-range look; that up until now, we have only done it on a year-by-year basis with the strategy document.

Mr. GILMAN. In hearing testimony from our various agencies, from our law enforcement agencies, and our policy people, I have yet to hear of a national campaign plan to attack the major trafficking in this country. I hear about reacting to investigations and pursuing those investigations when some criminal facts have surfaced. But I have yet to hear of an overall plan.

Some of our drug task forces or criminal task forces are doing a little of that, but too little.

Are we still using the task force concept in the field?

Mr. DOGOLOFF. Well, we are doing lots of different things, and task forces are one of them. I would suggest that the intelligence function of DEA, if I were to think about one function that is most important and most critical to long-term success, it would be in fact the intelligence operations.

That's where I think our additional emphasis ought to be going because that is the key to the future. That is what you are talking about getting smarter about what we are doing, learning more about it so we can better target and anticipate and be on the offensive rather than the defensive.

But, on the other hand, the very nature of the activity almost requires somebody to actually begin to traffic before you target him as a suspect.

But I think that the earlier we can develop that information, the better information we can develop, the more likely we will be able to go on the offensive you suggest.

Mr. GILMAN. Is this Principals' plan an attempt to wage a national offensive campaign?

Mr. DOGOLOFF. It is an attempt to think in broader terms about it and in a 5-year chunk rather than a 1-year chunk which can allow us to open up and I think be a little more creative and a little less restrained about our thinking.

Mr. GILMAN. Mr. Chairman, if my time is up, I hope that you would bear with me for one more question.

We have heard a lot about different task forces in the various agencies. This little task force was meeting, and that task force was meeting. Do you have a complete inventory of all of the task forces that are meeting together? And who is tying it all together into one bundle?

Mr. DOGOLOFF. There are two levels of task forces. If they are talking about major policy issues, we track those. We attend some, we get reports back, and we are aware of them.

There are a number of interagency meetings or meetings, for example, that occur between the head of DEA and the Assistant Secretary for INS on a regular basis, or the Commissioner of Customs and the Administrator of DEA. We want those to continue without our interference as long as they are going good. And they do seem to be going very nicely.

So there are both those that we are involved with when we have a specific objective in mind and have lots of times even set them into

motion to accomplish a specific objective on a short-term basis where there are others that are ongoing as part of the regular interchange between agencies. And we would like to see those continue and only get involved when there is a problem.

And hopefully, the less we have to get involved, the better job is being done.

Mr. GILMAN. Do you participate and oversee and try to coordinate most of these task forces?

Mr. DOGLOFF. Some of them, it really depends on what the issue is, not some of the ongoing ones that are just between agency personnel when they are talking about operational issues, when they are talking about policy issues. Yes, sir, we are involved with everyone of those and take a leadership role with them for the most part.

Mr. GILMAN. I think that our Select Committee would be interested in knowing the number of task forces. Could you supply us with a list of the various policy task forces?

Mr. DOGLOFF. Sure.

[The information referred to follows:]

Current task forces/working groups with Drug Policy Office participation:

(1) Sedative-Hypnotic Working Group to study the extent of overprescribing by Physicians and to recommend steps to be taken by the Federal Government to reduce diversion or abuse of these substances.

(2) Joint Financial Flow Investigations Subcommittee.

(3) Steering Group on U.S./Colombian Efforts.

(4) FCP Action Coordinating Committee.

(5) Inter-agency Committee of New Therapies for Pain and Discomfort to study appropriate care for the terminally ill.

(6) National Narcotics Intelligence Consumers Committee to coordinate narcotics intelligence gathering and dissemination.

Other task forces and working groups are established by the Drug Policy Office when needed. The Drug Policy Staff participates in interagency working groups to provide policy interpretation and assistance. An example of a working group sponsored by the Drug Policy Office is the previous Southeast Initiative Working Group. Guidance and assistance were provided to the interagency group established to study the DEA regional structure overseas. A sponsored task force in the process of being established is the joint law enforcement task force in Puerto Rico.

Mr. GILMAN. Several task forces were mentioned in some of the testimony, and I am sure there must be others. I think that it would be helpful to our Select Committee to see what is being done in that direction.

Thank you, Mr. Chairman.

Mr. DORNAN. Thank you, Mr. Gilman.

Thank you, Mr. Dogoloff.

If no other members have any questions, we will adjourn.

Mr. Dogoloff, I have been a Congressman for 2 years, 3 months, and 10 days. And this is the first day I have ever chaired a committee of the House of Representatives. I think it is very symbolic of the bipartisan approach that we have taken on this committee.

I am as proud to be a part of this committee as anyone of the eight subcommittees I serve on in this House. And I know the newspapers of our Nation are replete every day now with stories of antagonism, imagined and real, between the White House and both Houses of Congress of the United States.

I think that this is an excellent opportunity to show the American people that there are issues on which there is bipartisan harmony in

the House and on which the White House and the Congress of the United States are in perfect agreement on a tough job before us and a job that just has to be done.

This is Flag Day, June 14. And I think the American flag flies over a nation now where there is the largest contraband operation involving human agony since the Continent of Africa was at its peak with the curse of slavery—contraband in human beings.

I think that the first term of President Carter should have as a hallmark that it began a reversal of this curse of narcotic and drug abuse across our country.

So I hope that the President, through you, will look upon this committee as a unified bipartisan operation always ready to serve you.

Supposedly, this committee has only been authorized for one more term. That will be a tragedy because the drug curse is not going to go away in December of 1980.

And I think that the work you have done is outstanding. Let us participate in some of your task forces. Let us make them joint task forces between the legislative and the executive branch so the news media can follow that we are on top of a tough, tough problem.

Thank you very much for appearing before us again.

And with that, I bring down the gavel.

[Whereupon, at 2:25 p.m., the hearing was adjourned.]

PREPARED STATEMENT OF PETER B. BENSINGER, ADMINISTRATOR, DRUG  
ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

It is a pleasure, Chairman Wolff, Members of the Select Committee, to discuss with you today the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention, and how it is being implemented with respect to domestic law enforcement programs.

In developing the 1979 Federal Strategy, the Strategy Council on Drug Abuse has, I think, relied on a very fundamental principle, namely interagency cooperation and coordination. The Strategy has clearly stated its objectives regarding policy and program direction and has, where appropriate, designated lead agencies; yet, underlying every tenet is the presumption of joint enterprise. In order to reduce the supply of illegal drugs, control the supply of legally manufactured drugs and consequently prevent diversion into illicit channels; and to achieve the highest level of risk for drug trafficking organizations and ensuring successful prosecution, resulting incarceration and forfeiture of assets gained through illicit drug trafficking, the combined talents of the Federal law enforcement community are needed.

Dismantling and immobilizing major trafficking organizations means hitting them where it hurts most—in their pocketbooks. By using the provisions available to us: the Controlled Substances Act, the conspiracy laws, the RICO and Continuing Criminal Enterprise statutes, and the Federal Income Tax Code we can and, in fact, are becoming increasingly more proficient at disrupting trafficking groups.

As the lead Federal agency in drug law enforcement, the Drug Enforcement Administration (DEA) has a vested interest in drawing upon the resources of the Federal Bureau of Investigation, the U.S. Customs Service, the U.S. Coast Guard, the Immigration and Naturalization Service, the Internal Revenue Service and other law enforcement agencies in order to maximize our effectiveness. This morning I would like to address myself to several programs where, in cooperation with our counterparts, we work to meet the objectives outlined in the 1979 Federal Strategy.

DEA/FBI GENERAL TASK FORCES

In addressing cooperative ventures, The Strategy specifically cites the three DEA/FBI joint task forces which were established by Attorney General Bell in the Fall of 1977. These task forces became operational simultaneously in New

York, Chicago and Los Angeles and were designed to combine the expertise of both agencies in complex investigations of organized crime drug traffickers. The task forces were intended to apply FBI skills and statutes in financial-flow investigations relative toward drug trafficking, as well as to immobilize drug traffickers for significant FBI violations if a drug prosecution could not be developed.

DEA committed seven agents to each of the task forces and the FBI detailed eight agents each to New York and Chicago and five to the Los Angeles Task Force. Both DEA and the FBI assigned a supervisory agent to each of the task forces, although only one of these men was in charge of each task force. In Los Angeles, the primary supervisor was from DEA and in New York and Chicago, the FBI supervisor was in charge. In all three task forces, the group leader worked first with his counterpart and then directly with both the DEA Regional Director and the FBI Special Agent in Charge to establish priorities, targets and procedures. There was, of course, close and frequent liaison between DEA and FBI Headquarters at various levels of management.

The evaluation process has been an ongoing one, conducted by regional management of both agencies in conjunction with Headquarters program managers. The task forces had varying degrees of success. Listed below are the number of indictments, convictions and Class I violators identified by each task force from October 1977 through May 1979.

	Indictments	Convictions	Class I violators identified
New York.....	7	7	2
Chicago.....	14	14	20
Los Angeles.....	6	4	12

These generalized task force programs have played an important part in aiding personnel of each agency to better understand the functions and capabilities of the other. Cooperation between the FBI and DEA, both at the field and Headquarters level, is better now than at anytime in the past and is an integral part of ongoing operations. The general task force program is not, however, a prerequisite for maintaining this reinforced cooperation.

While the general task force programs were operational in New York, Chicago, and Los Angeles, the FBI and DEA were conducting joint investigations in other cities using a special task force concept. The foundation of this approach rests with the fact that both agencies developed aspects of the same case independently and came together out of a mutual need. The special task forces have realized successes equal to, perhaps far greater, than those of the general task forces. Director Webster and I agree that, particularly in light of the general awareness of resource allocation, it is far more prudent for us to rely on the special task force concept. The case by case basis for establishing joint task forces will provide us with greater flexibility and will enable us to meet immediate needs of both the FBI and DEA.

There are approximately half a dozen of these special task forces operating at the present time. I am not at liberty to disclose ongoing investigations; however, I can summarize for you the development and results of a special DEA/FBI joint task force in Miami—Operation BANCO.

#### OPERATION BANCO

In June 1977, DEA and FBI agents were simultaneously reviewing large currency deposits in Miami banks in order to identify and correlate illicitly gained monies and sophisticated financial manipulations with drug smuggling activities. An informal arrangement to share information regarding a common target resulted. Several months later, the Mobile Task Force got underway with a complement of DEA and FBI Special Agents, DEA Intelligence Analysts, Department of Justice Attorneys, permanent clerical and computer specialists and a mini-computer.

The long-range investigation was targeted to last about 2 years and, in part, was designed to: impede the drug supply to the United States from Colombia by identifying and immobilizing violators and deter smuggling operations within the United States emanating from transactions identified through Miami banks; delineate wider conspiracies through analysis and documentation of fiscal trans-

action; prosecute violators under statutes enforced by DEA and the FBI involving mandatory sentences through proof of substantial illicit profits; and provide financial data to the IRS for further development of tax cases. In short, Operation BANCO was targeted against the North-Shore Colombian smuggling operations and was designed to further identify the domestic distribution organizations from "money-flow" information and from what are considered to be more traditional investigative techniques.

The sharing of information on a timely basis was a cornerstone of this operation. There were regular meetings of DEA, FBI and State and local law enforcement officials. Additionally, Operation BANCO personnel worked with the Miami Currency Flow Unit of the U.S. Customs Service. The IRS was not involved to a large extent with Operation BANCO because many of the individuals under investigation were not U.S. citizens and consequently the IRS had no jurisdiction. As a matter of policy, it decided to pursue drug law violations if possible and, if not, then refer the matter to IRS for investigation of tax law violations.

On May 1 of this year, Attorney General Bell announced the preliminary results of this cooperative venture. Fourteen significant violators were indicted by a Federal Grand Jury on 40 counts and were charged with bringing over 500 tons of Colombian marijuana into the United States. The indictment alleges violations of twelve Federal statutes including engaging in a pattern of racketeering activity that affected interstate and foreign commerce (RICO:18 U.S.C. 1961-3) and conducting a continuing criminal enterprise (21 U.S.C. 848). By using these statutes we seek the criminal forfeiture of the assets, which includes houses, luxury yachts, aircraft and a business, all gained through the racketeering activity. Further indictments are anticipated.

#### UNITED STATES CUSTOMS SERVICE

In addition to stressing the collection, analysis and dissemination of drug movement intelligence which could result in the immobilization of trafficking networks, the 1979 Federal Strategy emphasizes the significance of intelligence support for U.S. border interdiction and domestic interdiction. Further, the Strategy highlights the role of the U.S. Customs Service and their active participation in the border interdiction and its related intelligence.

The Customs Service is an active participant in the intelligence community and has made contributions to the drug enforcement effort. The U.S. Customs Service is a full participant at the El Paso Intelligence Center (EPIC) with input capability and complete access to all information stored there. EPIC is a clearinghouse for both strategic and tactical intelligence. Since they first joined EPIC in 1976, Customs has increased the number of its personnel stationed there from 2 to 12. Equally important, Customs personnel work on site at the DEA Headquarters Office of Intelligence where they: (1) have timely access to all incoming intelligence, (2) have access to the centralized file room, (3) have access to the automated data-basis, NADDIS and (4) can levy requirements on DEA analysis for specific information. Furthermore, there is a U.S. Customs Service representative on the National Narcotics Intelligence Consumer Committee (NNICC) and there are U.S. Customs Service personnel stationed in source countries where they have complete and free access to all DEA information at the highest levels.

To further address the Customs Service's needs for timely intelligence, within the last six months, they have established the Narcotics Intelligence Priority (NIP) program. NIP is a joint task force composed of the analytical elements of U.S. Customs, DEA, and EPIC. It has levied specific intelligence collection requirements on those agencies with that responsibility and during the test phase has focused on the Western Hemisphere, specifically Colombia. NIP is a phased program to test the viability of the concept of increased and improved utilization of narcotics intelligence to increase narcotics seizures by Customs enforcement officers. An evaluation component to measure the overall success of this program has been incorporated into the NIP design. Initiatives of this nature will aid in the gathering and dissemination of timely intelligence.

#### IRS—FINANCIAL INTELLIGENCE

Throughout the 1979 Federal Strategy, the significance of financial intelligence is highlighted and, indeed, I support that concept. For example, Operation BANCO's focus is financial intelligence. We hope to take the techniques and methodology that were so successfully used there and apply them elsewhere.



In passing the Tax Reform Act of 1976, the Congress carefully weighed the balance of the taxpayers' right to privacy against the needs of the law enforcement community. Thus, although the Tax Reform Act has inhibited our ability to receive information, DEA and IRS do have an active Narcotics Traffickers Tax Program. This program is an ongoing venture and represents a real tact to disrupt trafficking organizations through immobilization of assets. IRS participates in the NTTP in several ways. IRS Special Agents, at least eight thus far, have been detailed to our CENTAC and Mobile Task Force operations to exploit the financial data associated with these major investigations. Secondly, IRS has conducted special schools in DEA field offices in order to familiarize DEA agents with and make them sensitive to financial data. These schools have played an important role in developing an awareness to financial intelligence. As part of the NTTP, DEA, in turn, provides to IRS for possible tax investigations basic identifying information on DEA Class I and II violators. Approximately 900 names have been given to IRS thus far. Additionally, IRS has access to DEA field office files and is furnished information on names submitted to DEA pursuant to IRS disclosure regulations (IRC 6103-(k)(6)). IRS investigative information is available to DEA in accordance with the Internal Revenue Code 6103(i)(2), whereby the Assistant Attorney General, Department of Justice, can make an administrative request to the Commissioner of IRS for that information.

#### MARIHUANA

Thus far, I have addressed myself to the Federal Strategy and the interagency cooperative ventures that are all designed to immobilize major trafficking networks by ensuring their incarceration and forfeiture of assets. These policies are, for the most part, non-controversial. Yet, the mention of marihuana is certain to spark intense debate.

I am concerned about the attitude toward marihuana. We have seen organized crime become involved in marihuana distribution organizations. They have turned to the trafficking of marihuana primarily because of the enormous profits and the low risks involved.

DEA is not directing its resources to the low-level marihuana violator. Our priorities have remained the same—to immobilize the upper echelon of drug trafficking organizations. In both 1977 and 1978, the Drug Enforcement Administration devoted about twenty percent of its manhours to investigating marihuana-hashish cases and of those cases, approximately 86 percent in 1977 and 92 percent in 1978 were directed at upper-level violators. According to the established criteria, the low-level marihuana violator, the Class IV, is one who trafficks less than 1,100 pounds a month. In 1977, there were a total of 1,441 Class IV marihuana defendant dispositions, which 1,193 resulted in convictions. The average prison sentence at that time was 26 months. The next year, in 1978, there were a total of 1,373 Class IV marihuana defendant dispositions, of which 1,161 resulted in convictions. The average sentence for Class IV marihuana defendants that year was 39 months.

In both 1977 and 1978, just over two percent of the Class IV marihuana dispositions were "declination to prosecute." The decision to decline to prosecute a defendant rests with the U.S. Attorney in each Federal Judicial District and shall be, according to the U.S. attorneys manual, consistent with the Department of Justice policy.

In the DOJ Authorization Act for Fiscal Year 1979, the Congress included a requirement that the Attorney General undertake a study to determine the extent to which complaints are not prosecuted, the reasons for those decisions, and recommendations to insure that the decision not to prosecute is in accord with the appropriate national policy. Consequently, all Federal investigative agencies, as well as all United States Attorneys, have been requested to participate in a study to identify any formal or informal guidelines with respect to declination policy. DEA is compiling that information at the present time and will forward the results to the Department of Justice.

Mr. Chairman, I believe that the cooperative ventures I have described today support the 1979 Federal Strategy. The Drug Enforcement Administration is working to further enhance joint endeavors which will better enable us to meet the challenges of the dynamic drug situation. The support of the Select Committee on Narcotics Abuse and Control is an important component of a unified assault on the drug problem. On behalf of the Drug Enforcement Administration, thank you.

PREPARED STATEMENT OF FRANCIS M. MULLEN, JR., DEPUTY ASSISTANT DIRECTOR,  
CRIMINAL INVESTIGATIVE DIVISION, FEDERAL BUREAU OF INVESTIGATION

Mr. Chairman and distinguished members of this committee: I am pleased to appear here this afternoon to report to this Committee what the FBI is doing and has done to assist the Drug Enforcement Administration (DEA) in its narcotics enforcement efforts during the past year.

As the committee is well aware, the FBI, under Reorganization Plan No. 2 of 1973, is expected to play a major role in assisting DEA local and state narcotics control agencies throughout the country by the development and timely dissemination of intelligence data concerning illicit drug trafficking.

The FBI is fulfilling this role through constant debriefing of our sources, subjects, and suspects of FBI investigations.

The FBI acts currently in a supportive role to the United States Government's drug enforcement effort in view of the fact that the Bureau does not have primary investigative jurisdiction under Federal law to investigate violations relating to the sale and distribution of illicit narcotics.

This supportive role is provided in three major areas:

(1) Debriefing of FBI sources, subjects, and informants and dissemination of this information to appropriate Federal, state, and local agencies.

(2) Investigative support (for example, selected joint operations and the location of DEA fugitives), and

(3) Making available to the appropriate Federal, state, and local agencies certain of the FBI's centralized services, such as fingerprint identification, arrest records, laboratory services, name checks, and access to the National Crime Information Center on-line files.

On May 8, 1979, DEA, at the request of the FBI, made available to FBI Headquarters the identities of 2,348 Class I violators in the United States. DEA in turn requested any information on these traffickers contained in Bureau files or generated by investigative efforts be furnished to DEA.

This list of Class I violators was distributed to all 59 field divisions with instructions to search respective files on each violator and furnish results to the local DEA regional office. The existence of the Class I violator list has been brought to the attention of all investigative employees. Information developed through our investigative efforts regarding Class I narcotics violators and this was done and will be immediately furnished to DEA.

As a result of the FBI's narcotics dissemination program, based on the debriefing of informants, subjects, and suspects, during Fiscal Year 1978, the Bureau has disseminated over 10,000 items of narcotics intelligence information to other agencies, resulting in 155 Federal arrests, 163 local arrests, and 45 state arrests, as well as the confiscation of \$188 million of narcotics-related items by Federal authorities, also 2½ million by local authorities, and \$980,000 by state authorities.

Investigative support has been provided to DEA in a number of highly important areas.

The Attorney General has directed that all Federal investigative resources must be applied to reduce the extent of drug abuse in this country. The Attorney General is committed specifically to increasing the support of the FBI to DEA's effort. In furtherance of this objective, the Attorney General approved the establishment of joint DEA/FBI task forces. FBI jurisdiction to investigate matters within the above task forces is based on the Racketeer Influenced and Corrupt Organization (RICO) and Interstate Transportation in Aid of Racketeering (ITAR)—Narcotics Statutes.

The joint task forces, together with the participation and concurrence of the U.S. Department of Justice at the field and headquarters level, have targeted on organized crime/narcotics trafficking organizations for joint investigation.

The task force concept became operational in October, 1977 in the form of general task forces, i.e., teams of FBI and DEA agents tasked with the initiation of investigations falling within their investigative jurisdictions. Although both agencies designated supervisors to be in charge of their groups, only one was designated lead supervisor for the entire group. In this respect, this individual, in conjunction with the DEA Regional Director and the FBI SAC, was responsible for determining priorities and operational procedures for that task force. Discussion and cooperation between both supervisors were maintained at all times during these decisionmaking processes. In New York and Chicago, the

FBI supervisor was designated as lead supervisor, and in Los Angeles, the DEA supervisor was so designated.

The following are the combined accomplishments of these task forces for the period October, 1977, through May, 1979:

Office	Agents assigned	Indictments	Convictions prosecutions	Class I violators identified
Chicago.....	15 (8 FBI, 7 DEA).....	14	14	20
Los Angeles.....	12 (5 FBI, 7 DEA).....	6	4	12
New York.....	15 (8 FBI, 7 DEA).....	7	7	2
Total.....	42 (21 FBI, 21 DEA).....	27	25	34

While the FBI and DEA were operating under the general task force concept (which was authorized for the three cities above), both agencies were conducting joint investigations under a special task force concept in numerous areas of the country. These special task forces are formed around an already existing investigation which is of interest to both agencies.

The special task forces (Operation Banco-Miami) realized successes equal to, if not greater than, those of the general task forces. This is obviously due to the fact that, in the special task force operations, both agencies were conducting independent investigations within their own jurisdictions when a mutual interest developed and both agencies joined forces to investigate a common target.

In order to determine their effectiveness, both the general and special task force operations were continually evaluated and analyzed by FBI and DEA headquarters personnel. As a result of 20 months of evaluation and analysis of both types of cooperative ventures, the FBI and DEA recommend the continued development of the task force concept in the form of special task forces. We propose that the long-range policy of efficient and effective cooperation between the two agencies rely on the utilization of the special task force concept.

Since many leading organized crime subjects are engaged in a multiplicity of illegal operations—ranging from gambling and loansharking to narcotics and pornography—this special task force approach by FBI and DEA personnel will make possible a successful heavy concentration of investigative effort, when necessary, aimed at incarcerating major hoodlum leaders and destroy their drug operations. Such an approach will combine diverse investigative experience of both agencies, capitalize upon the core of informants utilized by each, eliminate the waste of duplicatory effort, and provide a broad base of prosecutive potential under each agency's statutes, for the target subjects and organizations being investigated.

In addition, we render other assistance to DEA, local, and state narcotics control agencies, ranging from investigative assistance in matters of mutual interest to administering polygraph and laboratory examinations and participating in mutual conferences and training programs. This concludes my statement, Mr. Chairman. I shall be happy to answer any questions you or other members of the Committee may have.

PREPARED STATEMENT OF SINGLETON B. WOLFE, ASSISTANT COMMISSIONER  
(COMPLIANCE), INTERNAL REVENUE SERVICE

Mr. Chairman and Members of the Select Committee: I am pleased to appear before you this morning to discuss the Internal Revenue Service's High-Level Drug Leaders Tax Enforcement Project. Appearing with me are Lester Stein, Acting Chief Counsel of the Internal Revenue Service, and Thomas Clancy, Director of our Criminal Investigation Division.

The mission of the Internal Revenue Service is to achieve the highest possible compliance with our tax laws. It is therefore appropriate for the IRS to participate in a concerted Federal Anti-Narcotics Campaign, since those who profit from this illegal traffic are likely to have received substantial income from those activities on which no tax has been paid.

So that you can better understand the IRS' High-Level Drug Leaders Tax Enforcement Project, I would like to briefly describe the organizational structure of the Internal Revenue Service.

## IRS STRUCTURE

During fiscal year 1978, the IRS employed approximately 85,000 persons. Of that number, approximately 5,000 worked in our National Office in Washington, D.C. The remainder worked at nearly 1,000 offices in 794 cities throughout the United States and in 14 posts abroad.

The IRS is a highly decentralized, field-oriented organization. Field offices are aligned in seven regions. These regions are in turn comprised of 58 districts and twelve data processing centers, including ten service centers.

Under this organizational structure, each level of management performs a somewhat different function. National Office officials are generally responsible for setting broad program goals and articulating general policy. As a rule, National Office guidelines are sufficiently flexible to permit field officials to take local conditions into consideration in program formulation. Within their respective regions, regional officials are responsible for assuring that Districts and Service Centers comply with National Office programs and policies. District and Service Center officials are responsible for the actual implementation of National and Regional programs and policies. It is these offices that actually conduct criminal investigations, examine tax returns and collect delinquent taxes.

## THE HIGH-LEVEL DRUG LEADERS TAX ENFORCEMENT PROJECT

Let me now describe the IRS' participation in the Federal Anti-Narcotics Campaign.

The IRS initiated High-Level Drug Leaders Tax Enforcement Project in mid-1976. On July 27, 1976, the IRS and the Drug Enforcement Administration (DEA) entered into a Memorandum of Understanding providing for a coordinated enforcement effort aimed at high-level drug traffickers (see attachment A). Focusing IRS efforts on these individuals is appropriate for a number of reasons. These individuals frequently do not come into direct contact with drugs; rather, they can be linked to drug traffic only through an analysis of financial transactions, and IRS' personnel have considerable experience in this area. Equally important, these individuals are likely to be guilty of substantial noncompliance with the tax laws.

The Memorandum of Understanding calls for a number of forms of coordination between DEA and IRS. First, it establishes a National Office liaison between the two agencies. Second, to the extent permitted by law, it requires information exchanges between the agencies, and in particular requires DEA to periodically furnish an updated list of selected Class I narcotics violators to IRS. Third, it provides that IRS District Offices implement a liaison program with DEA offices located within the IRS district. Fourth, appropriate district and regional personnel from each agency are authorized to participate as instructors in training programs conducted by the other agency. Fifth, it authorizes the temporary detailing of IRS personnel to DEA's Central Tactical (CENTAC) Units for the purpose of reviewing and evaluating tax-related information obtained by DEA personnel. Finally, it contains provisions intended to increase cooperation between the agencies in developing and sharing information.

National Office Guidelines clearly indicate that the High-Level Drug Leaders Tax Enforcement Project is to receive high priority. The yearly Compliance Program Guidelines list the Project as an activity requiring special emphasis (see attachment B).

Moreover, the Manual Supplement implementing the Project indicates that IRS field officials are to investigate, examine and expeditiously process project cases meeting general IRS criminal investigation, examination or collection criteria (see attachment C). The implementing Manual Supplement also indicates that Project cases meeting IRS criminal investigation criteria are not to be closed due to insufficient resources without the approval of the Assistant Regional Commissioner (Criminal Investigation) and the Director of the National Office Criminal Investigation Division. To date, no such approval has been granted.

## PROCESSING INFORMATION ITEMS

Since the execution of the Memorandum of Understanding, DEA has provided us with three lists containing information on 868 Class I violators.

Information on DEA Class I violators is furnished by the DEA headquarters office to the IRS National Office. The IRS National Office, in turn, sends the DEA Class I information items to the Criminal Investigation Branches in our ten

service centers for processing and in each instance for forwarding to our district CID personnel for evaluation. District CID personnel evaluate these information items for criminal potential. Items lacking criminal potential are referred to the district Examination and Collection personnel for their consideration.

This differs from the general procedures applied in processing information items. Information items are normally sent by district CID personnel to the Criminal Investigation branch at the service center, which performs an initial evaluation to identify those items with criminal prosecution potential. Only those items initially evaluated at the service center as having criminal potential are returned to district CID personnel for further evaluation, along with appropriate tax returns and related data. Items evaluated as not having criminal potential by the Criminal Investigation Branch at the service center, and those rejected by district CID personnel, are made available to Examination and Collection representatives at the service center for consideration of their civil potential (see attachment D).

We have followed a different procedure for DEA Class I information items to assure that each of these items receives a district office evaluation.

Of the 868 information items furnished by DEA, we have yet to complete our evaluation on 174. Of the remaining 694, 99 have been placed under criminal investigation and an additional 47 were under criminal investigation at the time the information item was received from DEA.

There were a variety of reasons why the remaining 548 information items were not selected for criminal investigation. In many instances, the subject was already serving a prison sentence, or was already under a DEA information or indictment. In addition cases, there was little or no indication of unreported income. And in 58 cases, either the subject was deceased or there was insufficient data to permit us to identify or locate the individual. Of course, in some instances, referrals that have not resulted in criminal investigations may have civil tax potential. DEA Class I information items have resulted in 293 referrals to the Examination Division and 85 referrals to the Collection Division.

The IRS has also developed a number of narcotics cases meeting project criteria from other informational sources. Narcotics cases developed by IRS personnel are classified within the High-Level Drug Leaders Tax Enforcement Project if the subject individuals meet one of two criteria. First, all cases meeting DEA's Class I criteria are considered for the project. Second, a case may also be included in the project if its subject is identified as occupying a significant operational or financial position in the narcotics distribution system, but only if the subject also either (1) qualifies as being engaged at a high-level in organized criminal activity—under various criteria spelled out in our Special Enforcement Program guidelines (see attachment C), (2) is notorious or powerful with respect to local criminal activities, or (3) has received substantial income from illicit dealings in narcotics as a principal, major subordinate or important aider or abettor.

I have attached to my statement a summary of the number of narcotics investigations initiated and completed in the Project between July 1, 1976 and September 30, 1978, as well as the number of prosecution recommendations, indictments and convictions obtained in Project cases (see attachment E). That statement also indicates whether the case in question resulted from a DEA Class I referral.

During the period beginning July 1, 1976 and ending March 31, 1979, our Examination Division proposed deficiencies and penalties totalling approximately \$48,500,000 in cases classified under the Project.

#### OTHER FORMS OF COOPERATION WITH DEA

A close and effective liaison with DEA has been achieved through the assignments of IRS special agents to DEA. Since September 1977, eight special agents have been assigned to DEA central tactical units (CENTAC) and provided their financial expertise to major drug investigations. Another similar assignment was recently made to a DEA task force. Liaison assignments to DEA headquarters and field offices have included presenting in-service training schools of financial investigative techniques to DEA personnel. The liaison assignments have created a more effective joint law enforcement effort with DEA through a better understanding of each agency's policies and procedures.

#### BUDGET AND STAFFING

In fiscal year 1978, the Criminal Investigation Division utilized 4,267 staff years—including 2,799 special agent staff years—in its investigation of tax fraud and other criminal tax offenses (see attachment F). Under general goals

set for the seven regions in our Yearly Compliance Guidelines, 25 percent of those resources—or 1,083 staff years (including 703 special agent staff years)—was expended in investigations of individuals in our Special Enforcement Program—a program devoted to those whose unlawful conduct extends beyond the tax laws. Of the resources devoted to the Special Enforcement Program, 21 percent—or 277 staff years (including 147 special agent staff years)—was devoted to the High-Level Drug Leaders Tax Enforcement Project. With the exception of resources committed to Federal Strike Force activities, this Project constitutes the single largest commitment of our Special Enforcement Program resources.

During the present fiscal year, we estimate that we will expend approximately 4,332 staff years (including 2,815 special agent staff years) on tax fraud and related criminal tax investigations. Of that total, approximately 25.6 percent—or 1,110 staff years (including 721 special agent staff years)—will be expended in the Special Enforcement Program. Again, with the exception of Federal Strike Forces, the Project will constitute the single largest commitment of our Special Enforcement Program resources. We estimate that the narcotics project will constitute approximately 25 percent of Special Enforcement Program expenditures during fiscal year 1979.

In fiscal year 1978, our Examination and Collection Divisions expended 68 staff years in the narcotics project. We estimate that they will expend 70 staff years on the project during this fiscal year.

Finally, as in fiscal year 1978, we anticipate that our Legal Services and Appeals activities will again expend 10 staff years on the narcotics project in the current fiscal year.

In total, we anticipate that the fiscal year 1979 narcotics project will involve the expenditure of approximately 350 staff years and \$9.2 million, an increase of 45 staff years and \$1.0 million over the preceding fiscal year.

#### INFORMATION GATHERING, AND DISSEMINATION, AND LEGAL RESTRICTIONS ON INFORMATION SHARING

The IRS Information Gathering Guidelines appear in Manual Supplement 9G-92, published on December 29, 1978 (see attachment G). The operative provisions of those guidelines indicate that they are not intended to alter the gathering, solicitation and documentation of tax-related facts and evidence necessary in developing cases that have been assigned for collection of taxes, examination or investigation of a tax liability. Rather they are intended to prohibit employees from maintaining background or historical files on taxpayers except where the files (1) are an integral part of a case file pertaining to a currently assigned case, (2) relate to an information item assigned for future evaluation, or (3) involve information gathering authorized on an individual or project. However, as indicated in the Memorandum of Understanding, DEA has the primary responsibility for information gathering efforts in the Federal anti-narcotics effort. IRS efforts are focused principally on supplementing information gathered by DEA and by independently developing tax-related information under our general information gathering guidelines.

As the Committee is aware from Deputy Commissioner Williams' testimony in October 1977, Section 6103 of the Internal Revenue Code does place constraints on the information we can share with other Federal law enforcement agencies, including DEA. However, Section 6103 does provide several avenues for information sharing between the IRS and other law enforcement agencies.

Under Section 6103(i)(1), designated officials of the Department of Justice may obtain for DEA "returns" and "taxpayer return information"—information obtained from the taxpayer, the taxpayer's books and records, or the taxpayer's representative—for nontax criminal purposes, by making application to a Federal district court for an ex parte order.

Under Section 6103(i)(2), designated officials of the Department of Justice, for DEA, may request from the IRS, for nontax criminal purposes, return information—information obtained from a source other than the taxpayer, the taxpayer's books and records or the taxpayer's representative. In 1977, DEA made 828 such requests. Since then the Department of Justice, on behalf of DEA, has made at least 21 additional requests under Section 6103(i)(2) and a number of other requests that involve narcotics violations where it is not clear whether DEA is the requesting agency.

In addition, an IRS employee, in connection with his or her official duties under the Internal Revenue laws, may disclose return information to the extent that

disclosure is necessary to obtain information not otherwise reasonably available and needed to enforce the Internal Revenue laws. Section 6103(k) (6) and regulations issued thereunder permit such disclosures.

As you may be aware, Mr. Chairman, the General Accounting Office published a report on March 12, 1979 entitled, "Disclosure and Summons Provisions of the 1976 Tax Reform Act—Privacy Gains with Unknown Law Enforcement Effects" (in committee files). In that report, GAO concluded that the legislation had increased taxpayer privacy. At the same time, GAO acknowledged that the inability to freely share information had some adverse effect upon law enforcement. GAO found, however, that the evidence of that adverse effect was not sufficient to outweigh the privacy gains obtained under the legislation.

In our response to the GAO report, we noted our basic agreement with GAO's conclusions and recommendations. Although section 6103 in its present form may not be the perfect balance of these competing interests, we do suggest that additional experience is needed under the statute and that additional efforts be made to utilize the means of informational exchange available under present law.

#### OTHER PROGRAM EFFORTS

Before closing, Mr. Chairman, I would like to briefly mention recent developments relating to the recordkeeping and reporting requirements of the Bank Secrecy Act of 1970. On April 6, 1979 the General Accounting Office issued a report entitled, "Better Use of Currency and Foreign Account Reports by Treasury and IRS Needed for Law Enforcement Purposes" (in committee files).

In that report, GAO discussed the use of certain of these forms (Forms 3520, 3520-A, 4789, 4790 and 90.22-1) by the Internal Revenue Service and the Department of Treasury and made certain recommendations. As Acting Secretary Solomon indicated in his response to that report, the Treasury Department and the Internal Revenue Service are in general agreement with GAO's recommendations.

We believe that placing Forms 4789 and 4790 on the Treasury Enforcement Communications System (TECS) will improve their usefulness to the Internal Revenue Service. As GAO has indicated in its report, placing these forms on TECS will give our Criminal Investigation Division personnel immediate access to this information on a nationwide basis. To assure proper utilization of this information, we intend to provide additional training to our terminal operators, and additional guidance and information to our field enforcement personnel concerning the information on TECS and its potential uses.

The Bank Secrecy Act of 1970 also contains provisions intended to limit the use of currency to conceal transactions. That Act establishes reporting and recordkeeping requirements applicable to financial institutions. Primary enforcement responsibility in this area is shared by a number of Federal agencies. Federal bank regulatory agencies assume this responsibility with respect to the institutions under their respective jurisdictions, collectively referred to as "primary financial institutions." The Internal Revenue Service has jurisdiction over so-called "secondary lending institutions," such as persons operating currency exchanges, persons dealing in money orders and domestic agents of foreign banks not regulated by any Federal or state banking agency.

To date we have conducted a total of 5,937 record checks on secondary financial institutions. Our first round of record checks was oriented toward education and instruction of financial institutions with respect to their obligations under the Bank Secrecy Act. We are now engaged in a second round of record checks.

Mr. Chairman, that concludes my testimony. My colleagues and I will be pleased to answer your questions.

#### LIST OF ATTACHMENTS—INTERNAL REVENUE SERVICE

- (a) IRS-DEA Memo of Understanding (July 27, 1976).
- (b) MS 48G-288: Compliance Program Guidelines for FY 1979 (December 4, 1978).
- (c) MS 9822: High Level Drug Leaders Tax Enforcement Project (September 29, 1978).
- (d) MS 9311.2: Processing of Information Items (February 8, 1979).
- (e) Summary of IRS High-Level Drug Leaders Tax Enforcement Project Statistics, July 1, 1976 to September 30, 1978.
- (f) Summary of major criminal tax offenses (IR Code sections 7201, 7203, and 7206(i)).
- (g) MS 9G-92: Information Gathering Guidelines (December 29, 1978).

MEMORANDUM OF UNDERSTANDING BETWEEN THE INTERNAL REVENUE SERVICE AND  
THE DRUG ENFORCEMENT ADMINISTRATION

The following is an excerpt from the President's message to the Congress dated April 27, 1976:

"I am directing the Secretary of the Treasury to work with the Commissioner of the Internal Revenue, in consultation with the Attorney General and Administrator of the Drug Abuse Enforcement Administration, to develop a tax enforcement program aimed at high-level drug trafficking. We know that many of the biggest drug leaders do not pay income taxes on the enormous profits they make on this criminal activity. I am confident that a responsible program can be designed which will promote effective enforcement of the tax laws against these individuals who are currently violating these laws with impunity."

In order to carry out the President's program aimed at high-level drug trafficking and to promote effective enforcement of the tax laws against those individuals who are violating these laws with impunity, the Internal Revenue Service (IRS) and the Drug Enforcement Administration (DEA) have agreed to the following:

I. Primary liaison between IRS and DEA will be maintained at the National Office level of IRS, and at the Headquarters level of DEA. The Assistant Administrator, Office of Intelligence, DEA, and the Assistant Commissioner (Compliance), IRS, are designated Senior Coordinating Officials responsible for implementing the provisions of this Memorandum of Understanding and are responsible for monitoring the progress of the program within their respective agencies.

II. The responsibility for the investigation of substantive narcotics violations will remain with DEA. The responsibility of IRS is to conduct appropriate civil examinations and criminal investigations of high-level drug leaders and financiers who IRS determines to have violated the internal revenue laws using its established standards.

To assist IRS in identifying high-level drug leaders and financiers, DEA will provide IRS information about individuals identified by DEA as Class I violators.

III. IRS will furnish information involving substantive narcotics violations either direct to DEA or to the Assistant Attorney General, Criminal Division, Department of Justice, in accordance with the disclosure laws and regulations. DEA will furnish to IRS, on a continuing basis, financial information and documents obtained by DEA relevant to the possibility of tax violations by all individuals involved in narcotics trafficking, regardless of their level of involvement. However, only those individuals who meet DEA Class I criteria will be considered for inclusion in this program.

The exchange of information between DEA and IRS will be subject to all procedures established under, and will be accounted for in accordance with the Privacy Act of 1974.

IV. The primary responsibility for gathering information relating to and the identification of major narcotics leaders remains with DEA. DEA will furnish periodically to the IRS, National Office, an updated list of selected Class I violators together with information relating to the individual's involvement in narcotics and whatever financial information DEA may have for IRS to determine the individual's compliance with the tax laws. The IRS, National Office, will distribute this information to the appropriate IRS regional offices for further evaluation and dissemination to the IRS district offices. The IRS district offices will supplement the information by contacting the local DEA office and by independently developing additional tax-related information in accordance with normal IRS procedures.

V. DEA Class I violators are generally given investigative priority by DEA. Therefore, to avoid compromising DEA investigations and endangering DEA personnel and cooperating individuals, IRS will ordinarily honor DEA requests to temporarily suspend or limit specific IRS investigative acts involving such cases. For example, IRS will ordinarily honor a DEA request to temporarily suspend any IRS activity which would expose or hinder the activities of DEA undercover personnel; however, other IRS investigative and examination activities related to the case would proceed. All such requests from DEA Regional Directors should be in writing and should state the specific activities to be temporarily limited and the period of time for which the suspension is requested.

VI. Appendix One is a list of IRS district offices and posts of duty cross referenced to DEA offices having jurisdictional responsibility within the district. The Chief, Intelligence Division, IRS, in each of the districts designated, is the



responsible official for implementing an effective liaison program with all DEA offices located within the IRS district.

VII. The statutory authority of IRS is clearly limited to those matters falling within the purview of the Internal Revenue Code. Appropriate IRS officials at the district level shall make the final determination as to which cases shall be subject to either an audit examination or a criminal investigation. The investigation and prosecution of substantive narcotic violations by DEA will generally take precedence over the investigation and prosecution of tax violations. However, in those instances where the tax investigations have either been completed or substantially completed, DEA and IRS will cooperate in attempting to secure simultaneous indictments.

VIII. Jeopardy assessments and terminations of taxable years, which are measures provided in the Internal Revenue Code to protect the tax revenues when collection is believed to be in doubt, will be made only in accordance with the provisions of the Code, as interpreted by the U.S. Supreme Court. Appendix Two contains the text of Sections 6851 and 6861 of the Internal Revenue Code and the Syllabus of the recent decision of the U.S. Supreme Court in *Luig v. United States*, which relate to jeopardy assessments and terminations of taxable years. The IRS will assist the DEA in a program to inform DEA field personnel of the judicial and proposed legislative limitations of the Internal Revenue Service's Jeopardy and Termination Assessment powers to minimize any friction that might result if DEA agents' expectations as to the use of these powers are frustrated by such limitations.

IX. To further an understanding of the jurisdictional responsibilities of DEA and IRS, personnel of the respective agencies are authorized to participate in training programs conducted by the other agency. Such participation shall be limited to the exchange of qualified instructors to participate on a temporary basis as guest lecturers. This cross-training can best be coordinated and accomplished at the district level.

X. IRS personnel are not authorized to participate in arrests, raids and similar activities with DEA personnel.

XI. In emergency situations where the safety of DEA or IRS personnel is in jeopardy, all necessary assistance will be rendered without delay by personnel of the other agency.

XII. Central Tactical (CENTAC) Units are created by DEA to direct investigative activities at key individuals who, under varied positions of power in drug trafficking organizations, are insulated from normal investigative efforts. CENTAC Units are conspiracy oriented and are specially designed to investigate drug networks that cut across local, State, regional, national, and international borders. Each unit has direct control of the investigation as it develops. They are highly mobile, having authority to pursue an investigation wherever it may lead. The CENTAC Unit collects documents, organizes and corroborates testimony and other evidence to be presented to grand juries sitting in judicial districts where violations have occurred.

With the approval of both Senior Coordinating Officials, IRS may detail, on a temporary basis, IRS personnel to provide specialized assistance to CENTAC Units. IRS personnel will at all times remain under the direct control and supervision of IRS management and their duties in this liaison capacity shall be limited to reviewing and evaluating tax-related information obtained by DEA CENTAC Units.

XIII. Tax-related books, records and other documents seized by DEA personnel as a result of the execution and return of search and arrest warrants may be examined by IRS personnel to determine whether the individuals involved had complied with the internal revenue laws.

XIV. IRS and DEA personnel will not discourage potential sources of information from furnishing information to the other agency; and will not compete for informants or information. This cooperation should be made known to potential sources of information in order to discourage informants from "agency shopping."

XV. The debriefing of informants by DEA personnel will include an inquiry about financial information and potential tax violations. If the informant appears knowledgeable about these matters, DEA personnel will, if appropriate, encourage the informant to meet directly with IRS personnel. If the informant declines, DEA personnel will debrief the informant of any financial information and information relating to potential tax violations, and will transmit such information

to IRS in accordance with DEA procedures. When it appears that an IRS informant is knowledgeable concerning potential narcotics violations, IRS will encourage the informant to meet directly with DEA personnel. If the informant declines, IRS personnel will debrief the informant of the information relating to potential narcotics violations and will transmit such information either direct to DEA or to the Assistant Attorney General, Criminal Division, Department of Justice, in accordance with the disclosure laws and regulations, IRS will be responsible for evaluating and where appropriate, making payment for financial information concerning potential tax violations; and DEA will be responsible for evaluating and, where appropriate, making payment for information relating to potential narcotics violations. IRS and DEA will coordinate to the extent necessary to prevent duplicate or excessive payments for the same information.

XVI. DEA shall furnish IRS with strategic information and studies relating to the domestic and international flow of funds used in narcotics trafficking. To the extent this strategic information, unrelated to tax matters, is further developed by IRS, the additional information will be furnished to DEA, DEA and IRS Senior Coordinating Officials may authorize joint studies that would benefit both agencies.

Dated July 27, 1976

PETER B. BENSINGER,  
*Administrator, Drug Enforcement Administration.*  
DONALD C. ALEXANDER,  
*Commissioner of Internal Revenue.*

#### APPENDIX I

##### IRS--INTELLIGENCE

###### NORTH ATLANTIC REGION

Assistant Regional Commissioner—  
Intelligence,  
90 Church Street,  
Room 1003,  
New York, N.Y.,  
212-264-7525.

Albany District,  
Chief, Leo W. O'Brien, Fed Bldg.  
Clinton Ave. and North Pearl St.,  
Albany, N.Y. 12207,  
512-562-4900.

Augusta District—  
Chief—FB 68 Sewall St.,  
Augusta, Maine,  
207-833-6441.

Boston District,  
Chief, "JFK" FOB Rm E 300-R.  
Boston, Mass.  
617-223-6014.

Brooklyn District,  
Chief, 35 Tillary St.,  
Brooklyn, N.Y.,  
212-666-4230.

##### DEA

###### REGIONS 1, 2

Boston Regional Office (1),  
JFK Federal Building,  
Room G-64,  
Boston, Mass. 02203,  
212-223-2170.

New York Regional Office (2),  
555 West 57th Street,  
New York, N.Y. 10019.  
212-660-5151.

Albany, N.Y.,  
Address same,  
512-562-3425.

Rouses Point, N.Y.,  
P.O. Box 38,  
Rouses Point, N.Y. 12979,  
832-5445.

Portland, Maine,  
U.S. Courthouse Building,  
156 Federal St.,  
P.O. Box 451,  
Portland, Maine,  
833-3331.

Boston, Mass. (Regional).

New York (Regional).  
Melville, N.Y. (Long Island).  
2 Huntington Quadrangle,  
Melville, N.Y. 11746,  
665-2890.

JFK Airport,  
P.O. Box 361,  
JFK Airport Station,  
Jamaica, N.Y. 11430,  
665-2890.

LaGuardia Airport.

## IRS—INTELLIGENCE

## DIA

## NORTH ATLANTIC REGION—continued

## REGIONS 1, 2—continued

Buffalo District,  
Chief, ID 512 FB,  
111 West Huron St.,  
Buffalo, N.Y. 14202,  
716-432-3420.

Burlington District,  
Chief, 11 Elmwood Ave.,  
Burlington, Vermont,  
802-832-6331.

Hartford District,  
Chief, Rm. 410 FB, 450 Main St.,  
Hartford, Conn.  
203-244-3576.

Manhattan District  
Chief, 120 Church St.,  
New York, N.Y. 10007,  
212-264-2020.

Portsmouth District,  
Chief, 67 Central St.,  
Manchester, N.H. 03101.

Providence District,  
Chief, 130 Broadway, Rm. 206,  
Providence, R.I. 02940,  
401-838-5277.

## MID-ATLANTIC REGION

ARC-I, Mid Atlantic,  
2 Penn Center Plaza,  
Room 1400-A,  
Philadelphia, Pa. 19102,  
215-597-2122.

Baltimore District, Chief, Room 717,  
FB, 31 Hopkins Plaza, Baltimore, Md.,  
301-962-3173.

Newark District, Chief, 1504C, 970  
Broad Street, Newark, N.J., 201-341-  
2145.

Philadelphia District, Chief, New Fed-  
eral Building, Room 7408, Dist. Sixth  
& Arch Streets, Philadelphia, Pa.,  
215-597-2250.

Pittsburgh District, Chief, FB, 1000  
Liberty Ave., Pittsburgh, Pa., 15222,  
412-722-5678

Buffalo, N.Y.,  
Niagara Square Station,  
U.S. Courthouse,  
Buffalo, N.Y. 14201,  
432-3218.

Rochester Task Force.  
Burlington, Vt.,  
P.O. Box 146,  
Burlington, Vt. 05401,  
832-6288.

Hartford, Conn.  
450 Main Street,  
Room 628-E,  
Hartford, Conn. 06103,  
244-3230.

New York, N.Y.  
New York Task Force,  
201 Varick Street,  
Room 1148,  
New York, N.Y. 10014,  
660-3541.

Concord, New Hampshire,  
Federal Building & Post Office,  
55 Pleasant Street,  
P.O. Box 1314,  
Concord, N.H. 03301,  
834-4784.

Providence, R.I.  
Post Office & Federal Exchange  
Terrace,  
Room 232,  
Exchange Terrace,  
Providence, R.I. 02903,  
838-4322.

## REGIONS 2, 3, 4

New York (2).  
Philadelphia (3),  
William J. Green, Federal Building,  
600 Arch Street,  
Philadelphia, Pa. 19106,  
597-9530.

Baltimore, Md. (4).  
Baltimore, Md. (Reg), 955 Federal  
Building, 31 Hopkins Plaza, Balti-  
more, Md. 21201, 922-4800.

Washington D.C., 400 Sixth Street,  
S.W., Room 2558, Washington, D.C.  
20024, 755-7960.

Newark, N.J., Federal Office Building,  
970 Broad Street, Newark, N.J. 07101,  
341-6060.

Newark Airport.  
Philadelphia, Pa. (Reg).

Pittsburgh, Pa., Federal Building, 1000  
Liberty Ave., Room 2306, Pittsburgh,  
Pa. 15222, 412-722-3390.

## IRS—INTELLIGENCE

## MID-ATLANTIC REGION—Continued

Richmond District, Chief, FB, Room 5026, 400 N Eighth St., Richmond, Va., 801-925-2252.  
 Wilmington District, Chief, 844 King St., Room 3418, Wilmington, Del. 19801, 302-487-6020.

## SOUTHEAST REGION

ARC-I, Southeast, FOB, Rm. 655, 275 Peachtree St. NE., Atlanta, Ga. 30303, 404-526-6515.

Atlanta District, Chief, FOB, 275 Peachtree St. NE., Atlanta, Ga., 404-285-4632.

Birmingham District, Chief, 2121 Building, Rm. 218, 2121 Eighth Ave. N, Birmingham, Ala. 35203, 229-1219.

Columbia District, Chief, FOB, Rm. 310, 901 Sumter St., Columbia, S.C. 29201, 677-5753.

Jackson District, Chief, 301 N. Lamar St., Rm. 504, Jackson, Miss. 39205, 601-490-4281.

Jacksonville District, Chief, 400 West Bay St. Jacksonville, Fla. 946-2963.

Nashville District, Chief, 493 New Ctse., Nashville, Tenn. 37202, 852-5449.

Greensboro District, Chief, Rm. 245, Greensboro, N.C., 919-275-9111.

## DEA

## REGIONS 2, 3, 4—continued

Norfolk, Va., 870 North Military Highway, Room 211, Norfolk, Va. 23502, 939-6729.

Wilmington District Office, Courthouse, Customs House and Federal, Office Building, 844 King Street, Room 5305, Wilmington, Del. 19801, 487-6185.

## REGIONS 4, 5, 8

Baltimore (4).

Miami (5), 8400 NW 53d Street, Miami, Fla. 33166, 820-4870.

New Orleans (8), 1001 Howard Avenue, New Orleans, Louisiana 70113, 682-6841.

Atlanta, Ga., United Family Life Building, 230 Houston Street, N.E., Suite 200, Atlanta, Ga. 30303, 285-4401.

Savannah, Ga., 430 Mall Boulevard, Suite C, Savannah, Ga. 31406, 287-4288.

Birmingham, Ala., 236 Goodwin Crest, Suite 520, Birmingham, Ala. 35209, 229-0620.

Mobile, Ala., 2 Office Park, Suite 216, Mobile, Ala. 36609, 534-2831.

Columbia, S.C., 2611 Forest Drive, P.O. Box 702, Columbia, S.C., 677-5251.

Charleston, S.C., 1529 Highway 7, Suite 5 and 6, Charleston, S.C. 29407, 677-4531.

Jackson, Miss., First Federal Bldg., 525 East Capitol St., P.O. Box 22621, Jackson, Miss. 39205, 490-4400.

Jacksonville, Fla., 4077 Woodcock Drive,, Suite 210, Jacksonville, Fla. 32207, 946-3566.

Miami, Fla. (Reg.)

Palm Beach, Fla., 700 Clematis Street, Rm. 253, West Palm Beach, Fla. 33402, 350-7263.

Orlando, Fla., 1080 Woodcock Rd., Suite 180, Orlando, Fla. 32803, 946-6312.

Tampa, Fla., Barnett Bank Building, 1000 Ashley Drive, Tampa, Fla. 33602, 826-2178.

Nashville, Tenn., U.S. Courthouse Annex, Rm. 929, 8th & Broadway, P.O. Box 1189, Nashville, Tenn. 37202, 852-5988.

Memphis, Tenn., Federal Building, Rm. 401, 167 North Main Street, Memphis, Tenn. 38103, 222-3396.

Greensboro, N.C., 925 West Market Street, Rm. 111, Greensboro, N.C. 27401, 670-5458.

Wilmington, N.C., 3909-D Oleander Drive, Lambe Young Building, Wilmington, N.C. 28401, 674-9573.

## IRS—INTELLIGENCE

## CENTRAL REGION

ARC-I, FOB, Room 7532, 550 Main St., Cincinnati, Ohio 45202, 513-684-3363.

Cincinnati District, Chief, FOB, Room 3504, 550 Main St., Cincinnati, Ohio 45202, 513-684-2528.

Cleveland District, Chief, Rm. 465, Federal Building, 1240 E. Ninth St., Cleveland, Ohio 44199, 216-522-3230.

Indianapolis District, Chief, FB Rm. 545, 575 N. Pennsylvania St., Indianapolis, Ind., 331-7788 (317).

Louisville District, Chief POB, 6th and Broadway, Louisville, Ky. 40202, 502-352-5341.

Detroit District, Chief-477 FB, Detroit, Mich. 313-226-7220.

Parkersburg District, Chief-I.D. 425 Juliana St., Room 4102, Parkersburg, W. Va. 26101, 301-923-1242.

## MIDWEST REGION

ARC-I Chicago, One N. Wacker Dr. 10th Fl., Chicago, Ill. 60606, 312-353-3757.

Aberdeen District, Chief-155 Fourth Ave. Southeast, Fourth Ave. and Washington St., South Aberdeen, S. Dak. 57401, 605-782-7221.

Chicago District, Chief-Dearborn St., Chicago, Ill. 60604, 312-353-3294.

Des Moines District, Chief 309 FE, 210 Walnut St., Des Moines, Iowa 50309, 515-862-4445.

Fargo District, Chief, 653 Second Ave., Fargo, N. Dak., 701-237-5143.

Milwaukee District, Chief-FB Rm. 538-517 E. Wisconsin Ave., Milwaukee, Wis. 53202, 414-363-3904.

Omaha District, Chief 903 FOB, 106 So. 15th St., Omaha, Neb. 68102, 402-864-3596.

## DEA

## REGIONS 4, 6, 7

Baltimore (4).

Detroit (6), 357 Federal Building, 231 West Lafayette, Detroit, Mich. 48228, 226-7290.

Chicago (7), 1800 Dirksen Federal Building, 219 South Dearborn Street, Chicago, Ill. 60604, 353-7875.

Cincinnati, Ohio, Federal Office Building, 550 Main Street, P.O. Box 1196, Cincinnati, Ohio 45201, 684-3671.

Columbus, Ohio, Federal Office Building, 85 Marconi Blvd., Rm. 120, Columbus, Ohio 43215, 943-5694.

Cleveland, Ohio, 601 Rockwell, Rm. 300, Cleveland, Ohio 44114, 293-3705.

Indianapolis, Ind., 575 N. Pennsylvania. Room 267, Indianapolis, Ind. 46204 331-7977.

Hammond, Ind., Federal Building, 507 State Street, Room 407, Hammond, Ind. 46320, 333-5321.

Louisville, Ky., Federal Building, 600 Federal Place, Room 1006, Louisville, Ky. 40202, 352-5908.

Detroit (Reg.)  
Grand Rapids, Mich., 166 Federal Building, U.S. Courthouse, 110 Michigan N.W., Grand Rapids, Mich. 49502, 372-2541.

Charleston, W. Va., 22 Capital Street, Charleston, West Virginia 25324, 924-1425.

## REGION 7, 10

Chicago, Ill.  
Kansas City, Mo., U.S. Courthouse, 811 Grand Avenue, Suite 211, Kansas City, Mo. 64106, 758-2631.

Sioux Falls, S.D., 400 S. Phillips, Room 309, Sioux Falls, S.D. 57102, 782-2421.

Chicago, Ill. (Reg.)

Des Moines, Iowa, U.S. Courthouse, P.O. Box 1784, Des Moines, Iowa 50309, 862-4700.

Minot, N. Dak., 123 Southwest First St., Room 414, Minot, N. Dak. 58701, 701-838-5481 (Non FTS).

Milwaukee, Wisc., Federal Building and U.S. Courthouse, 517 East Wisconsin, Room 232, Milwaukee, Wisconsin 53202, 362-3395.

Omaha, Neb., New Federal Building, 215 North 17th Street, P.O. Box 661, Downtown, Omaha, Nebraska 68101, 864-4222.

## IRS—INTELLIGENCE

## DEA

## MIDWEST REGION—continued

## REGION 7, 10—continued

St. Louis District, Chief-Cthse, Rm 751,  
1114 Market St., St. Louis, Mo. 311-  
279-4019.

St. Paul District, Chief-476 FB, U.S.  
Cthse. 316 Robert St., St. Paul, Minn.,  
612-725-7466.

Springfield District, Chief, Rm. 328, 325  
W. Adams St., Springfield, Ill., 217-  
955-4160.

St. Louis, Mo., Suite 200 Chromaloy  
Plaza, 230 South Central Ave., St.  
Louis, Missouri 63105, 279-4891.

Kansas City, Mo. (Reg.)  
Minneapolis, Minn., Federal Building,  
110 South Fourth Street, Room 402,  
Minneapolis, Minn. 55401, 725-2783.  
Duluth, Minn., Federal Building and  
U.S. Courthouse, 515 West First  
Street, P.O. Box 620, Duluth, Minn.  
55801, 783-9498.

Chicago, Ill. (Reg.).  
Mt. Vernon, Ill., Federal Building, 105  
South Sixth Street, P.O. Box 748,  
Mount Vernon, Ill. 62864, 618-244-  
4363 (Non FTS).

## SOUTHWEST REGION

## REGIONS 8, 10, 11, 12

ARC-I, Dallas, 7839 Churchill Way,  
Dallas, Tex. 75251, 214-729-5995.

New Orleans Regional Office (8), 1001  
Howard Avenue, New Orleans, La.  
70113, 682-6841.

Kansas City Regional Office (10), U.S.  
Courthouse, 811 Grand Avenue, Suite  
211, Kansas City, Missouri 64106, 758-  
2631.

Dallas Regional Office (11), Earle Ca-  
bell Federal Bldg., 1100 Commerce  
Street, Room 4A5, Dallas, Texas  
75202, 749-3631.

Denver Regional Office (12), U.S. Cus-  
tom House, Room 336, P.O. Box 1860,  
Denver, Colorado 80201, 327-3951.

Albuquerque District, Chief, Federal  
Bldg., Gold Ave. SW., Albuquerque,  
N. Mex. 505-766-2565.

Albuquerque District Office, First Na-  
tional Bank East, 5301 Central Ave.,  
Albuquerque, N. Mex. 87108, 474-  
3287.

Deming District Office, P.O. Drawer 469,  
Deming, N. Mex. 88030, 474-5511 ask  
for 546-8823.

Austin District, Chief, Room 367, FOB,  
300 E 8th St., Austin, Tex., 501-734-  
5206.

Austin District Office, 55 North Inter-  
regional Hgwy., P.O. Box 8, Austin,  
Tex. 78767, 734-5831.

Houston District Office, 1540 Esperson  
Bldg., 815 Walker Street, Houston,  
Texas 77002, 527-4331.

San Antonio District Office, 1800 Cen-  
tral Building, 1802 N.E. Loop 410, San  
Antonio, Texas 78217, 730-4633.

El Paso District Office, 4110 Rio Bravo,  
Suite 100, El Paso, Texas 79902, 572-  
7920.

Corpus Christi District Office, 723 Up-  
per N. Broadway, P.O. Box 2443,  
Corpus Christi, Texas 78403, 734-  
3236.

Del Rio District Office, 3605 Highway  
90, West, P.O. Drawer 1247, Del Rio,  
Texas 78840, 730-7241.

Eagle Pass District Office, P.O. Box AH,  
Eagle Pass, Texas 78852, 730-7236.

## IRS—INTELLIGENCE

## SOUTHWEST REGION—continued

Cheyenne District Office, 605 FOB, 21st and Carey Sts., Cheyenne, Wyo., 307-328-2436.

Dallas District, Chief, Room 11F-37, U.S. Ctse and FOB, 1100 Commerce St., Dallas, Tex. 214-749-1817.

Denver District, Chief, 8th Floor, 1050 17th St., Denver, Colo. 80202. 303-327-4247.

Little Rock District, Chief, FOB 700 W. Capitol Ave., Little Rock, Ark., 501-740-6261.

New Orleans District, Chief, 348 FB, South St., New Orleans, La. 70130, 501-682-2323.

Oklahoma City District, Chief, FOB, Room 4045, 200 N.W. 4th St., Oklahoma City, Okla. 73101, 405-231-5041.

Wichita District, Chief, Room 214, IRS Bldg. 412 S. Main St., Wichita, Kans., 316-752-6401.

## WESTERN REGION

ARC-I, San Francisco, 525 Market St., 29th Floor, San Francisco, Calif. 94105, 415-556-6481.

Boise District, Chief, FB U.S. Ctse., 550 W. Fort St., Boise, Idaho, 208-588-2500.

Anchorage District, Chief, 310 K. St., Anchorage, Alaska, 907-265-5466.

## DEA

## REGIONS 8, 10, 11, 12—continued

McAllen District Office, 3017 S. 10th Street, P.O. Box 338, McAllen, Tex. 78501, 734-4562.

Laredo District Office, Mann Road and Santa Maria Ave., P.O. Box 498, Laredo, Tex. 78040, 734-4616.

Brownsville District Office, 2100 Boca Chica Blvd., Suite 305, Brownsville, Tex. 78520, 734-8253.

Falcon Heights District Office, Customhouse Building No. 1, P.O. Box 5, Falcon Heights, Tex. 78545, 734-4623.

Cheyenne District Office, Federal Center, 2120 Capitol Ave., Room 8020, Cheyenne, Wyo. 82001, 328-2391.

Dallas, Tex. (Reg.)

Lubbock District Office, 3302 67th Street, Bldg. No. 2, Lubbock, Tex. 79413, 738-7344.

Midland District Office, 100 East Wall Street, P.O. Drawer 2668, Midland, Tex. 79701, 738-1217.

Denver, Colo. (Reg.)

Little Rock District Office, One Union National Plaza, Suite 850, Little Rock, Ark. 72201, 740-5265.

New Orleans, La. (Reg.)

Baton Rouge District Office, 4560 North Boulevard, Suite 118, Baton Rouge, La. 70806, 687-4254.

Oklahoma City District Office, Old Federal Building, 215 N.W. 3rd Street, Room 250, Oklahoma City, Okla. 73102, 736-4141.

Tulsa District Office, 333 W. 4th Street, Room 3335, Tulsa, Okla. 74103, 736-7611.

Wichita District Office, 202 West First Street, Room 505, Wichita, Kans. 67201, 752-6601.

## REGIONS 12, 13, 14

Denver, Colo. (12).

Seattle Regional Office (13), 221 1st Avenue West, Suite 200, Seattle, Wash. 98119, 399-5443.

Los Angeles Regional Office (14), 350 So. Figueroa St., Suite 800, Los Angeles, Calif. 90071, 798-2650.

Boise District Office, American Reserve Bldg., 2404 Bank Drive, Suite 212, Boise, Idaho 83705, 588-2826.

Anchorage District Office, Loussac-Sogn Building, 429 D Street, Room 306, Anchorage, Alaska 99501, 399-0150 ask for (907) 277-7638.

Fairbanks District Office, Federal Building, 200 Cushman Street, P.O. Box 670, Fairbanks, Alaska 99707, 399-0150 ask for (907) 452-1951 ext. 190.

## IRS—INTELLIGENCE

## DEA

## WESTERN REGION—continued

## REGIONS 12, 13, 14—continued

- Helena District, Chief, 302 FB., Helena, Mont., 406-585-5352.
- Honolulu District, Chief, 1136 Union Mall, Suite 701, Honolulu, Hawaii, 96813, 808-546-8644.
- Los Angeles District, Chief, POB 300 N. Los Angeles St., Room 5016, Los Angeles, Calif., 213-798-2870.
- Phoenix District, Chief, FB 230 N. First Ave. 4th Fl, Phoenix, Ariz., 602-261-3781.
- Portland District, Chief, Fed Bldg., 1220 Third Ave., Portland, Oreg. 97204, 503-423-3201.
- Reno District, Chief, Room 3-102, FB, 300 Las Vegas Blvd. S., Las Vegas, Nev., 702-598-3264.
- Salt Lake City District, Chief, 447-465 South 4th East, Salt Lake City, Utah, 801-588-5901.
- San Francisco District, Chief, 450 Golden Gate Ave., Room 4044, San Francisco, Calif. 94102, 415-556-4280.
- Seattle District, Chief, Room 2498, 915 Second Ave., Seattle, Wash. 98174, 206-399-5141.
- Great Falls District Office, 1111 14th Street South, P.O. Box 2887, Great Falls, Montana 59403, 585-1366.
- Honolulu District Office, FAA Building, 4th Floor, 1833 Kalakaua Avenue, Honolulu, Hawaii 96813, 556-9000 ask for Honolulu 955-0391/0287.
- Los Angeles Airport Office, 600 Worldway, P.O. Box 91160, Los Angeles, Calif. 90009, 968-6495.
- San Diego District Office, 610 A Street, Suite 300, San Diego, Calif. 92101, 895-5654.
- Los Angeles, Calif. (Reg).  
Calexico District Office, 632 Imperial Ave., P.O. Box J, Calexico, Calif. 92231, 894-2446.
- Tecate District Office, Port of Entry—Tecate, P.O. Box 67, Tecate, Calif. 92080, 895-5000 ask for (714) 426-2900.
- Phoenix District Office, Valley Bank Center, Suite 1980, 201 North Central, Phoenix, Ariz., 85073, 261-4866.
- Nogales District Office, P.O. Box 39, Mile Post 4½, U.S. Highway 89, Nogales, Arizona 85621, 764-4727.
- Tucson District Office, Tucson International Airport, P.O. Box 27063, Tucson, Ariz. 85726, 726-6533.
- San Luis District Office, P.O. Box 445, San Luis, Ariz., 85349, 261-2578.
- Douglas District Office, 2130 15th Street, P.O. Box 1294, Douglas, Ariz., 85607, 261-3900 ask for 364-4431.
- Portland District Office, Georgia Pacific Building, 900 SW. Fifth Ave., Suite 1515, Portland, Oreg. 97204, 423-3371.
- Las Vegas District Office, Federal Bldg. and U.S. Courthouse, 300 Las Vegas Blvd. South, P.O. Box 16023, Las Vegas, Nevada 89101, 598-6343.
- Salt Lake City District Office, Federal Building, 125 South State Street, Room 2218, Salt Lake City, Utah 84138, 588-4156.
- San Francisco District Office, 450 Golden Gate Ave., Box 36035, San Francisco, Calif. 94102, 556-6771.
- Sacramento District Office, Federal Building, 2800 Cottage Way, P.O. Box 4599, Sacramento, Calif. 95825, 468-4205.
- Fresno District Office, P.O. Box 72, Fresno, Calif. 93707, 467-5402.
- Seattle Regional Office, 221 1st Avenue West, Suite 200, Seattle, Wash. 98119, 399-5443.
- Spokane District Office, U.S. Courthouse, 920 W. Riverside, P.O. Box 1504, Spokane, Wash. 99210, 439-5342.
- Blaine District Office, 170 C Street, P.O. Box 1680, Blaine, Wash. 98230, 206-332-8692 (Non FTS).



## APPENDIX II

## INTERNAL REVENUE CODE

*Section 6851. Termination of Taxable Year*

## (a) Income tax in jeopardy.—

(1) In general.—If the Secretary or his delegate finds that a taxpayer designs quickly to depart from the United States or to remove his property therefrom, or to conceal himself or his property therein, or to do any other act tending to prejudice or to render wholly or partly ineffectual proceedings to collect the income tax for the current or the preceding taxable year unless such proceedings be brought without delay, the Secretary or his delegate shall declare the taxable period for such taxpayer immediately terminated, and shall cause notice of such finding and declaration to be given the taxpayer, together with a demand for immediate payment of the tax for the taxable period so declared terminated and of the tax for the preceding taxable year or so much of such tax as is unpaid, whether or not the time otherwise allowed by law for filing return and paying the tax has expired; and such taxes shall thereupon become immediately due and payable. In any proceeding in court brought to enforce payment of taxes made due and payable by virtue of the provisions of this section, the finding of the Secretary or his delegate, made as herein provided, whether made after notice to the taxpayer or not, shall be for all purposes presumptive evidence of jeopardy.

(2) Corporation in liquidation.—If the Secretary or his delegate finds that the collection of the income tax of a corporation for the current or the preceding taxable year will be jeopardized by the distribution of all or a portion of the assets of such corporation in the liquidation of the whole or any part of its capital stock, the Secretary or his delegate shall declare the taxable period for such taxpayer immediately terminated and shall cause notice of such finding and declaration to be given the taxpayer, together with a demand for immediate payment of the tax for the taxable period so declared terminated and of the tax for the preceding taxable year or so much of such tax as is unpaid, whether or not the time otherwise allowed by law for filing return and paying the tax has expired; and such taxes shall thereupon become immediately due and payable.

(b) Reopening of taxable period.—Notwithstanding the termination of the taxable period of the taxpayer by the Secretary or his delegate, as provided in subsection (a), the Secretary or his delegate may reopen such taxable period each time the taxpayer is found by the Secretary or his delegate to have received income, within the current taxable year, since a termination of the period under subsection (a). A taxable period so terminated by the Secretary or his delegate may be reopened by the taxpayer (other than a nonresident alien) if he files with the Secretary or his delegate a true and accurate return of the items of gross income and of the deductions and credits allowed under this title for such taxable period, together with such other information as the Secretary or his delegate may by regulations prescribe. If the taxpayer is a nonresident alien the taxable period so terminated may be reopened by him if he files, or causes to be filed, with the Secretary or his delegate a true and accurate return of his total income derived from all sources within the United States, in the manner prescribed in this title.

(c) Citizens.—In the case of a citizen of the United States or of a possession of the United States about to depart from the United States, the Secretary or his delegate may, at his discretion, waive any or all of the requirements placed on the taxpayer by this section.

(d) Departure of alien.—Subject to such exceptions as may, by regulations, be prescribed by the Secretary or his delegate—

(1) No alien shall depart from the United States unless he first procures from the Secretary or his delegate a certificate that he has complied with all the obligations imposed upon him by the income tax laws.

(2) Payment of taxes shall not be enforced by any proceedings under the provisions of this section prior to the expiration of the time otherwise allowed for paying such taxes if, in the case of an alien about to depart from the United States, the Secretary or his delegate determines that the collection of the tax will not be jeopardized by the departure of the alien.

(e) Furnishing of bond where taxable year is closed by the Secretary or his delegate.—Payment of taxes shall not be enforced by any proceedings under the provisions of this section prior to the expiration of the time otherwise allowed

for paying such taxes if the taxpayer furnishes, under regulations prescribed by the Secretary of his delegate, a bond to insure the timely making of returns with respect to, and payment of, such taxes or any income or excess profits taxes for prior years.

*Section 6861. Jeopardy Assessments of Income, Estate, and Gift Taxes*

(a) Authority for making.—If the Secretary or his delegate believes that the assessment or collection of a deficiency, as defined in section 6211, will be jeopardized by delay, he shall, notwithstanding the provisions of section 6213 (a), immediately assess such deficiency (together with all interest, additional amounts, and additions to the tax provided for by law), and notice and demand shall be made by the Secretary or his delegate for the payment thereof.

(b) Deficiency letters.—If the jeopardy assessment is made before any notice in respect of the tax to which the jeopardy assessment relates has been mailed under section 6212 (a), then the Secretary or his delegate shall mail a notice under such subsection within 60 days after the making of the assessment.

(c) Amount assessable before decision of Tax Court.—The jeopardy assessment may be made in respect of a deficiency greater or less than that notice of which has been mailed to the taxpayer, despite the provisions of section 6212 (c) prohibiting the determination of additional deficiencies, and whether or not the taxpayer has theretofore filed a petition with the Tax Court. The Secretary or his delegate may, at any time before the decision of the Tax Court is rendered, abate such assessment, or any unpaid portion thereof, to the extent that he believes the assessment to be excessive in amount. The Secretary or his delegate shall notify the Tax Court of the amount of such assessment, or abatement, if the petition is filed with the Tax Court before the making of the assessment or is subsequently filed, and the Tax Court shall have jurisdiction to redetermine the entire amount of the deficiency and of all amounts assessed at the same time in connection therewith.

(d) Amount assessable after decision of Tax Court.—If the jeopardy assessment is made after the decision of the Tax Court is rendered, such assessment may be made only in respect of the deficiency determined by the Tax Court in its decision.

(e) Expiration of right to assess.—A jeopardy assessment may not be made after the decision of the Tax Court has become final or after the taxpayer has filed a petition for review of the decision of the Tax Court.

(f) Collection of unpaid amounts.—When the petition has been filed with the Tax Court and when the amount which should have been assessed has been determined by a decision of the Tax Court which has become final, then any unpaid portion, the collection of which has been stayed by bond as provided in section 6863 (b) shall be collected as part of the tax upon notice and demand from the Secretary or his delegate, and any remaining portion of the assessment shall be abated. If the amount already collected exceeds the amount determined as the amount which should have been assessed, such excess shall be credited or refunded to the taxpayer as provided in section 6402, without the filing of claim therefor. If the amount determined as the amount which should have been assessed is greater than the amount actually assessed, then the difference shall be assessed and shall be collected as part of the tax upon notice and demand from the Secretary or his delegate.

(g) Abatement if Jeopardy Does not Exist.—The Secretary or his delegate may abate the jeopardy assessment if he finds that jeopardy does not exist. Such abatement may not be made after a decision of the Tax Court in respect of the deficiency has been rendered or, if no petition is filed with the Tax Court, after the expiration of the period for filing such petition. The period of limitation on the making of assessments and levy or a proceeding in court for collection, in respect of any deficiency, shall be determined as if the jeopardy assessment so abated had not been made, except that the running of such period shall in any event be suspended for the period from the date of such jeopardy assessment until the expiration of the 10th day after the day on which such jeopardy assessment is abated.

(Ship Opinion)

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Lumber Co.*, 200 U.S. 321, 337.

# SUPREME COURT OF THE UNITED STATES

Syllabus

LAING *v.* UNITED STATES ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR  
THE SECOND CIRCUIT

No. 73-1808. Argued January 21, 1975—Reargued October 15,  
1975—Decided January 13, 1976\*

These cases involve two income-tax payers whose taxable years were terminated by the Internal Revenue Service (IRS) prior to their normal expiration dates pursuant to the jeopardy termination provisions of § 6851 (a) (1) of the Internal Revenue Code of 1954 (Code), which allow the IRS immediately to terminate a taxpayer's taxable period when it finds that the taxpayer intends to commit any act tending to prejudice or render ineffectual the collection of his income tax for the current or preceding taxable year. Under § 6851 the tax is due immediately upon termination, and upon such termination the taxpayer's taxable year comes to a close. In each case, after the taxpayer failed to file a return or pay the tax assessed as demanded, the IRS levied upon and seized property of the taxpayer without having sent a notice of deficiency to the taxpayer, a jurisdictional prerequisite to a taxpayer's refund suit in the Tax Court, and without following the other procedures mandated by § 6861 *et seq.* of the Code for the assessment and collection of a deficiency whose collection is in jeopardy. The Government contends that such procedures are inapplicable to a tax liability arising after a § 6851 termination because such liability is not a "deficiency" within the meaning of § 6211 (a) of the Code, where the term is defined as the amount of the tax imposed less any amount that may have been reported by the taxpayer on his return. In No. 73-1808 the District Court held that a deficiency notice is not required when a taxable period is terminated pursuant to § 6851 (a) (1), and dismissed the taxpayer's suit for injunctive and declaratory relief on the ground,

\*Together with No. 74-75, *United States et al. v. Hall*, on appeal to the United States Court of Appeals for the Sixth Circuit.

## LAING v. UNITED STATES

## Syllabus

*inter alia*, that it was prohibited by the Anti-Injunction Act, § 7421 (a) of the Code, and the Court of Appeals affirmed. In No. 74-75 the District Court granted the taxpayer injunctive relief, holding that the Anti-Injunction Act was inapplicable because of the IRS's failure to follow the procedures of § 6861 *et seq.*, and the Court of Appeals affirmed. *Held*: Based on the plain language of the statutory provisions at issue, their place in the legislative scheme, and their legislative history, the tax owing, but not reported, at the time of a § 6851 termination is a deficiency whose assessment and collection is subject to the procedures of § 6861 *et seq.*, and hence because the District Director in each case failed to comply with these requirements, the taxpayers' suits were not barred by the Anti-Injunction Act. Pp. 7-23.

(a) Under the statutory definition of § 6211 (a), the tax owing and unreported after a jeopardy termination, which in these cases, as in most § 6851 terminations, is the full tax due, is clearly a deficiency, there being nothing in the definition to suggest that a deficiency can arise only at the conclusion of a 12-month taxable year and it being sufficient that the taxable period in question has come to an end and the tax in question is due and unreported. Pp. 11-13.

(b) To deny a taxpayer subjected to a jeopardy termination the opportunity to litigate his tax liability in the Tax Court, as would be the case under the Government's view that the unreported tax due after a jeopardy termination is not a deficiency and that hence a deficiency notice is not required, would be out of keeping with the thrust of the Code, which generally allows income-tax payers access to that court. Pp. 14-15.

(c) The jeopardy assessment and termination provisions have long been treated in a closely parallel fashion, and there is nothing in the early codification of such provisions to suggest the contrary. Pp. 15-21.

No. 73-1808, 496 F. 2d 853, reversed and remanded; No. 74-75, 493 F. 2d 1211, affirmed.

MARSHALL, J., delivered the opinion of the Court, in which BRENNAN, STEWART, WHITE, and POWELL, JJ., joined. BRENNAN, J., filed a concurring opinion. BLACKMUN, J., filed a dissenting opinion, in which BURGER, C. J., and REHNQUIST, J., joined. STEVENS, J., took no part in the consideration or decision of the cases.

## ATTACHMENT B

urgent

**Manual Supplement**Department of the Treasury  
Internal Revenue Service48G-288  
5G-216  
81G-37  
9G-90

December 4, 1978

**Compliance Program Guidelines for Fiscal Year 1979****Section 1. Purpose**

This Supplement provides FY 1979 program guidelines for the Appeals, Collection, Criminal Investigation and Examination functions. Our principal objective will be the equitable, effective and proper use of resources in achieving the highest degree of voluntary compliance with the tax laws. General Programs will continue to be central to attaining our objectives. We will continue our efforts against organized crime and high-level drug traffickers and investigate all cases involving significant tax issues. Any case selected must meet the standard criteria for criminal investigation or examination programs.

**Section 2. Background**

Beginning with FY 1974, guidelines for Appeals, Criminal Investigation and Examination have been combined to ensure an integrated effort in Compliance activities and issued as one program document. A Section for Disclosure was added in FY 1977. In this revision the Section for Disclosure has been deleted and a Section for Collection added in accordance with the realignment of Service functions in FY 1978.

**Section 3. Integrated Compliance Activities**

.01 Special emphasis will be placed on the following integrated Compliance activities. Additional instructions, where appropriate, are included in each functional Section of this Supplement.

1 Tax Shelter Program—Continue to identify, examine and investigate abusive tax shelter returns. Particular efforts will be made to identify individual returns reflecting abusive tax shelters on Schedules A (example, acquisition and charitable gift of tax shelter property), C (Business), D (example, Silver Staddle and the Capital Gain versus Ordinary Income issue),

and F (Farm). Ensure uniform treatment of all investors by consistent resolution of identified issues and coordination with other IRS offices and functions for early solution of problems and areas of concern. See Manual Supplement 42G-376, CR 8(24)G-145 and 9G-69 Tax Shelter Program, dated December 12, 1977.

2 Corporate Slush Funds and Fraud in Large Corporations—Continue criminal investigations of large corporations which appear to have evaded taxes. Coordinate Examination and Criminal Investigation planning in large case examinations and investigations. Use teams of revenue agents and special agents where warranted in joint investigations. Seek advice of District Counsel to resolve legal problems. See Manual Supplement 42G-378, CR 40G-133, 47G-119, 82G-90, 84G-14, dated February 23, 1978 and IRM 9322.3, 9333 and 9363.4:(4) and Manual Supplement 42G-380, CR 40G-134, 47G-120, dated June 26, 1978. (Guidelines for the Use of the Corporate Slush Fund Questionnaire)

3 Civil Fraud Penalty—Use the civil fraud penalty as an integral part of the Service's enforcement program. Ensure that the civil fraud penalty is applied, where warranted, on all cases in which the Criminal Investigation Division has been involved. The Criminal Investigation Civil Fraud Coordinator will assist and advise Collection and Examination personnel regarding the document action of fraud issues, establishing and presenting evidence of willfulness and other required assistance. The Regional Director of Appeals will furnish appropriate feedback in cases where the recommended penalty has not been sustained.

4 Special Enforcement Programs (SEP)—Strike Forces, Cases of Interest to the Department of Justice, Other Racketeers, High-level Drug Leaders Tax Enforcement Project and Wagering—Continues efforts against organized crime and drug traffickers.

a Regional Commissioners and District Directors will exercise the same line authority and responsibilities for tax administration in Strike Force, High-level Drug Leaders Tax Enforcement Project and other SEP operations and personnel as in all other IRS field operations.

b In Strike Forces, the identification and selection of significant tax cases, control of IRS participation in investigations and examinations, and coordination with the Strike Force attorney will be the responsibility of the District Director through the Chiefs of Examination and Criminal Investigation Divisions with liaison assistance from the IRS Strike Force representative.

c High-Level Drug Leaders Tax Enforcement Project—Conduct appropriate audit, criminal investigation and collection activities in accordance with IRS/DEA Agreement of July 27, 1976. Identify those individuals who meet the criteria for inclusion in the project through liaison with DEA at the National and field levels and through authorized information gathering. Ensure appropriate source codes are assigned to cases. See IRM 9822, 4566 and Manual Supplement CR 41G-118, 42G-353, 44G-77, 48G-274, 49G-34, 5G-39, and 8(22)G-15, dated July 15, 1977 and Manual Supplement 9G-74, dated March 13, 1978.

d Wagering Tax Enforcement Project—Identify and develop cases against major operators or financiers who have failed to comply with the tax laws. Select and examine returns, Forms 730, which are filed to report excise tax on wagering. See IRM 9420 and Manual Supplement CR 12G-188, 47G-118, 5G-124, 68G-39, and 81G-33, dated November 10, 1977.

5 Illegal Tax Protesters—Conduct appropriate examinations and investigations of individuals who protest Federal income taxes through illegal schemes such as Fifth Amendment returns; gold/silver standard and fair market value arguments; vow of poverty returns; family estate trusts; so-called mail order ministers; and false Forms W-4. The guidelines and procedures for this area will be issued shortly.

6 Information Gathering Projects—Significant areas of tax abuse may not be detected through routine return selection, reference to information documents filed with the Service, examinations and investigations. Identify, examine and investigate complex abuses or tax

evasion schemes. Establish district, regional or National level projects, with appropriate approval, as warranted within an occupation, industry, economic activity or geographic area covering tax avoidance and/or tax evasion through such schemes as kickbacks, cash skimming and bribery, illegal tax protest activities, and abusive tax shelters as provided by MS 9G-18, CR 1(15)G-91, 41G-105, 5G-9, 61G-3 and 71G-9, dated June 23, 1975 and Amendment 1 thereto, dated March 16, 1976, MS CR 45G-231, dated June 23, 1975 and IRM 4568.

7 Abusive Tax Deductions—Conduct appropriate examinations and investigations of persons who employ abusive tax deduction schemes.

8 Refusal to File Cases—Ensure close coordination of compliance activities involved in the issuance of summons, preparation of returns and investigation of refusal to file cases. See Manual Supplement 5G-48, CR 44G-79, 45G-292, 47G-116, dated November 21, 1977.

9 Questionable Refund Program (QRP)—Be alert to situations indicating questionable refunds and detect questionable returns through the multi-functional QRP. Conduct investigations of identified refund schemes as expeditiously as possible. See Manual Supplement 9G-70, CR 41G-121, 42G-377, 44G-81, 4(13)G-49, 5G-137, 68G-40 and (10)1G-49, dated January 16, 1978.

10 Return Preparers Project—Continue to assure compliance with the tax laws, including the provisions of the Tax Reform Act of 1976, by return preparers. Each region will maintain appropriate programs to focus on noncompliance areas within its jurisdiction by using selective screening and shopping of return preparers and appropriate assertion of penalties and injunctions. See Manual Supplement 42G-362, CR 41G-117, 4(13)G-43, 48G-272 and 9G-52, dated May 23, 1977.

11 Grand Jury—When assisting grand juries, strictly adhere to the principles of secrecy of grand jury proceedings and the guidelines in Manual Supplement 9G-85, CR 12G-201, 41G-125, 42G-381, 45G-302 and 5G-192, dated June 30, 1978.

12 Financial Recordkeeping and Reporting Program—Continue efforts to uncover illegal or untaxed income under the Financial Recordkeeping and Reporting Act. Emphasize compliance activity necessary to uncover tax avoidance schemes by use of reports filed un-

der Title 31. See IRM 4748 and IRM 5148 and Manual Supplement CR 9G-11 dated January 12, 1974.

.02 Compliance ADP Applications—Use computer applications to the fullest extent possible to conserve compliance resources. Computer time sharing facilities should be made available to all functions where appropriate.

#### **Section 4. Areas Requiring Management Emphasis**

.01 Service Policies—Assure conformance with all policy statements. Notify the appropriate National Office Division Director of the need for new policy statements and revisions to or abolishments of existing policy statements.

.02 Integrity—Emphasize the highest standards of ethics, integrity and conduct that will be a credit to the Service. Also, emphasize avoidance of conflicts of interest or the appearance of conflicts of interest.

.03 Quality of Work—Emphasize and promote the proficiency of Compliance personnel in raising and resolving issues of merit and making quality examinations and investigations. Discuss significant technical developments at group meetings and field conferences.

.04 Management of Resources—Effectively and efficiently manage resources by being cost conscious on a continuing basis. Managers, at all levels, should:

1 achieve the most effective use of all resources under their control, especially human resources, and be actively involved in the day-to-day operations of persons under their supervision;

2 ensure that deployment of staff reflects the relative workload of each post of duty (see Sections 5.022, 6.01, 7.021 and 8.023);

3 ensure that technical personnel are not performing functions that can and should be handled by clerical employees;

4 use the team approach where warranted. Search for improvements to present practices and assign additional technical and support personnel to cases when it is cost effective and will materially expedite completion of cases; and

5 continue to use Audit Accounting Aides and Tax Fraud Investigative Aides whenever possible; explore the use of law students part-time to assist Appeals Officers in legal research; Co-op student trainees should also be used on paraprofessional tasks.

.05 Equal Employment Opportunity—Initiate positive actions to achieve Equal Employment Opportunity Program objectives. Strive to increase the number of minority and women employees in all technical occupations in Compliance. Identify and develop qualified minority and women employees for management positions.

.06 Career Development—Identify needs and provide opportunities for further development of employees in the technical, managerial and clerical career areas, including the Upward Mobility Program.

1 Technical careers—Needs for technical training and/or experience should be identified and met by management through specifically designed programs or investigative assignments. Highly capable technical personnel should be identified and afforded work assignments to enhance the scope and depth of their technical proficiency and expertise.

2 Managerial careers—Persons with managerial potential and demonstrated ability should be identified and provided with opportunities for development.

3 Clerical careers—Personnel in clerical areas should be encouraged to maximize their potential in their present occupational series and those that have demonstrated potential to perform higher level work should be identified and encouraged to apply for the Upward Mobility Program.

.07 Unagreed Case Development—Fully develop unagreed issues in Collection and Examination, return cases prematurely referred to Appeals; submit significant new evidence received by Appeals to Collection and Examination for verification and comment; encourage taxpayers and their representatives to deal with Collection and Examination; and improve the quality of unagreed cases through coordination and feedback on case problems.

.08 Abuse of Administrative Appeals System—Identify areas of abuse or manipulation of the administrative appeals system. Maintain open lines of communication and cooperation among Collection, Examination, Appeals and Counsel. Identify tax practitioners who engage in obvious manipulation of the appeals procedure and bring such abuses to the attention of the Director of Practice.

.09 Administrative Summons—Ensure appropriate use of administrative summons. See IRC 7609 and 7610, IRM 5890, 9360 and Manu-

al Supplement CR 40G-138 and 5G-191 dated July 17, 1978.

.10 **Extending Period for Assessment**—Ensure strict adherence to P-4-79 and obtain consents extending the statute of limitations only in cases involving unusual circumstances. Ensure that such instances are kept to an absolute minimum.

.11 **Tax Court Cases**—Ensure coordination between Examination, Appeals and District Counsel in implementing Revenue Procedure 78-9 to improve currency of Tax Court inventories. Identify and resolve problems encountered in forwarding files, securing information and case control processing.

.12 **Maintain and improve the quality of taxpayer service.** To this end, only Examination and Collection personnel highly qualified in providing tax assistance will be assigned to the Taxpayer Service Program. Maximum use should be made of examiners and revenue officers who previously participated in this program providing they work at the appropriate grade level. The total regional commitment of Compliance resources will not be exceeded unless the Regional Commissioner determines that emergency taxpayer services workload conditions exist.

.13 **Balancing Civil and Criminal Aspects**—Review all TC 914 controlled cases quarterly to ensure maximum protection of the Service's interest in both the civil and criminal aspects and compliance with Policy Statement P-4-84, IRM 9324.3, 9413.7 and Manual Supplement 5G-177, CR 45G-297, 9G-77 and 7(10)G-28 dated May 3, 1978.

.14 **Technical Advice/Information**—Emphasize requests for technical advice/information in appropriate cases.

.15 **Obtaining Foreign Books and Records**—Make full use of the Service's authority to secure books, records and other information located in foreign countries. See particularly IRC 964(c) and its corresponding regulations.

.16 **Centralized Services**—Ensure a smooth transition of clerical and tax examiner functions and continuous work flow through close coordination with Centralized Services.

.17 **Use of Investigative Equipment**—All employees should exercise a high degree of sound judgment in the control and use of all investigative equipment. P-9-35 and implementing instructions in IRM 125(16) and IRM 9389 on the use of electronic surveillance equipment to

monitor telephonic or other conversations must be followed. Emphasize the judicious and proper use of this equipment.

.18 **Control of Report Forms**—Control and limit the number of forms placing a reporting burden on the public. Restrict the development of new reporting forms not mandated by legislation. Review annually the inventory of report forms and document the need for each form.

.19 **Incentive Awards Program**—Use the program to promote and motivate employee innovation and resourcefulness. Recognize and appropriately award employees who have performed substantially beyond job requirements or have distinguished themselves in their job responsibility. Also, commend those private citizens (or organizations) in recognition of volunteer contributions they have made related to the activities of the Service.

.20 **Labor/Management Program**—Adhere to the policies and philosophy of the Labor/Management Program including administering the appropriate labor agreement.

.21 **Security**—Assure implementation of necessary security measures and maintain a high level of security awareness among employees.

.22 **Problem Resolution Program (PRP)**—Ensure employee awareness of PRP criteria and the appropriate referral of problems to the PRP officer.

### **Section 5. Examination Program Guidelines**

.01 **Background**—The Examination Division Program for FY 1979 is based on staff-years authorized in the Operating Financial Plan (OFP). The OFP reflects our continuing effort to minimize staffing imbalances by matching examination staff-years to each region's share of the National workload.

.02 **Areas Requiring Special Management Emphasis**

1 **Emphasize achievement of the annual examination plan by each planning category on a ratable basis.** Monitor examination plans on a monthly basis to facilitate early detection and timely correction of problem areas or deviations from the plan. Examination plans are not to be allocated to the group level. Ensure timely, quality TCMP examinations with emphasis on accuracy of input data.

2 **Allocate examination staff years to districts and posts-of-duty based of DIF invento-**



ries and actual workload of non-DIF scored returns. Imbalances should be identified and advanced planning undertaken to permit early achievement of an optimal staffing allocation in FY 1980.

3 Effectively plan ratable orders for returns to minimize the volume required to be classified to achieve the examination plan; ensure timely classification of returns; emphasize the selection of high scored DIF returns; ensure the assignment of high scored DIF returns by adhering to IRM 4135.2:(5) and 4211.2:(3); and maintain minimum unassigned inventories. Select returns from sources other than DIF only if such returns have potential (time to examine/dollars recommended) exceeding returns available under DIF or warrant examination to achieve voluntary compliance by an identifiable group.

4 Emphasize the Tax Shelter Program to ensure that managers at all levels give proper direction toward enforcement efforts in the abusive tax shelter area.

a Identify and examine tax abuses in partnerships, corporations, trusts, and individual returns with Schedules A, C, D and F.

b Maintain liaison with State Security agencies to obtain information on potentially abusive tax shelter schemes. Disseminate information to other districts where appropriate.

c Continue to establish information gathering projects to identify abusive tax shelters.

d Ensure the development and dissemination of novel examination techniques, unique issues, abusive tax schemes, and other information.

e Assign returns to examiners who have appropriate skills and experience to audit returns with abusive tax shelter schemes. The National Office will establish appropriate case assignment guidelines for grading tax shelters involving partnerships.

f Use economists to assist in resolving issues such as economic reality of a trade, business or transaction.

g National Office Examination Division will provide overall direction, coordination, and monitoring to ensure nationwide coverage and uniformity within the program and liaison with other National Office functions and other Government agencies.

5 Promote efficiency and quality of examinations through the use of computer-assisted audit techniques on every examination started

in FY 79 where machine-sensible records have been retained under a record retention agreement. Consider the use of statistical sampling techniques in all examinations.

6 Emphasize detection and referral to Criminal Investigation of all cases involving potential criminal violations of tax law. Ensure that the civil fraud penalty is applied when warranted. Emphasize the assertion of the negligence penalty when appropriate.

7 Ensure timely and accurate AIMS (Audit Information Management System) data input and data base reliability; monitor timely and accurate production of AIMS management and inventory reports.

.03 Taxpayer Compliance Measurement Program (TCMP)

1 Ensure timely, quality examinations and the accuracy of information recorded on Audit Evaluation Documents. Emphasize the need for thorough TCMP examinations and appropriately award employees who have performed substantially beyond job requirements.

2 Complete examinations of all returns in Phase III, Cycle 6 (Individual Returns) by March 31, 1979, including the shipment of completed Forms 3628 (TCMP Individual Audit Evaluation Document-1976) to the Data Center.

3 Examine at least 80% of the returns in Phase IV, Cycle 3 (Corporation Returns) by September 30, 1979.

4 Formulate a general plan by September 30, 1979, to implement Phase III, Cycle 7 (Individual Returns filed in 1980). The examination cycle for this TCMP survey will be April 1, 1980 through March 31, 1982.

.04 Classification Program

1 Place ratable orders for returns to ensure timely classification and to minimize the number of DIF returns screened and accepted as filed. Order the fewest returns possible to meet the examination plan while simultaneously ensuring that returns most in need of examination are selected.

2 Minimize the number of returns from sources other than the Classification Program and emphasize the selection of high score DIF returns. Returns from sources other than DIF must have potential exceeding returns available under DIF except as provided in 5.C23.

3 Monitor the Base Inventory Report and the Classification Inventory and Analysis Report to maintain a sufficient inventory of returns

to accomplish the examination plan by category.

4 Maintain unassigned individual return inventories at the guideline level of 35% or less of the annual examination plan.

**.05 Income Tax Program**

1 Complete the examination of all income tax returns within the 26/27 month audit cycle specified in Policy Statement P-4-22. The inventory of prior year returns at June 30, 1979 should not exceed new guideline levels to be established. Uniform reporting procedures will also be established.

2 Maximize interview and minimize correspondence examinations of nonbusiness individual returns by tax auditors in district offices. Districts are to limit correspondence examinations to those necessary to provide for effective use of time for tax auditors assigned to Taxpayer Service or are unavoidable, such as taxpayer requests to convert from interview to correspondence.

3 Use automated report-writing equipment to the maximum extent possible, including unagreed cases, correspondence cases, and agreed interview cases while the taxpayer is present. When feasible, posts-of-duty not having automated report-writing equipment should send their work to a report-writing site in the district.

4 Assign returns in accordance with examiner's grade classification in IRM 4856 and make sure that returns and related return information are afforded adequate security.

5 Train estate tax attorneys to examine Fiduciary Income Tax Returns. Maintain an attorney/accountant referral system between estate tax attorneys and revenue agents to resolve legal and accounting questions. Closely monitor examination results.

**.06 Coordinated Examination Program (CEP).**

1 Service executives and Examination managers should plan CEP and manage cases with the objective of minimizing examination time while maximizing examination effectiveness.

2 Prepare comprehensive audit plans. Ensure the early involvement of specialists, such as economists, engineers, international examiners, computer audit, employment and excise tax specialists, in planning the audit. Plans should provide for cycling in a systematic manner that is responsive to case and program

needs. Eliminate single year examinations. Provide for special compliance checks coordinated with Criminal Investigation. Associate, inspect and, if necessary, examine "key" corporate officers' individual returns. Ensure that the Lobbying Expense Test program procedures are fully considered during the examination of those cases selected for the test program.

3 Staff examination teams so that assignments are commensurate with grade level. Emphasize the appropriate use of GS-11 and GS-12 revenue agents, and audit accounting aides. Excluding specialist time, generally, GS-13 time should not exceed 65% of the total direct examination time.

4 Ensure that recommendations made by the CEP study group are expeditiously implemented.

5 Give special emphasis to the examination of deductions for travel and entertainment, fringe benefits and perks, including disclosures to the Securities and Exchange Commission on Forms 10K and information contained in public documents such as proxy statements and annual reports to stockholders.

6 Use computer-assisted audit techniques on every coordinated examination started in FY 1979 involving a period for which machine-sensible records are available, or for which record evaluations have been made. Statistical sampling techniques should be used whenever possible to increase the efficiency and quality of examinations.

7 Use economists to assist in resolving such issues as fair market value of inventory, stock, or a closely-held business; gross income from property for purposes of depletion; and domestic and international issues under IRC 482. Provide for early assignment of an economist when such expertise is needed and ensure timely completion of this phase of the examination. National Office will develop guidelines for pilot program to place economists in three test field locations.

8 Emphasize quality in the scope and depth of each examination while maintaining a 3.0 open-year average on all coordinated examinations by September 30, 1979, with no more than 4.0 open-years on any single case.

9 Identify cases which may involve interregional issues which might be subjects for industry-wide examinations. Use industry-wide examination techniques when it will provide uni-

**CONTINUED**

**3 OF 6**

formity and consistency in the treatment of issues in a given industry.

10 Case managers will direct and control coordinated examinations on-site to the extent necessary to effectively manage the cases.

11 In every CEP examination determine whether wage and information documents are filed via magnetic tape, disc pack or diskette. Encourage the use of these methods in lieu of hard copy filings.

.07 Partnership Program

1 Emphasize early identification and examination of abusive partnership practices, particularly abusive tax shelters using partnership entities or syndications.

2 Take immediate action to assure control of partners' returns at the earliest possible date. Ensure that information and instructions concerning each partnership examination are timely communicated and disseminated to other districts with partners' returns.

3 Assure that the Statute of Limitation is protected and, where necessary, issue statutory notices. If appropriate and at the earliest possible date, consult with District Counsel concerning language to be used for consents to extend the period of limitations.

4 Ensure that examinations are timely completed and fully developed.

.08 Estate and Gift Tax Program

1 Continue to monitor the impact of the Tax Reform Act of 1976 on the program. Specific attention should be given to the number and type of estate and gift tax returns filed and any increase or decrease in time found necessary to complete the audits. Also, monitor the allocation of technical staff-years and achievement of the examination plan by each planned category.

2 Continue to emphasize effective report writing through the Estate Tax Cover Sheet (Form 5225) and the estate and gift tax report writing procedures.

.09 Excise Taxes and Financial Record-keeping Program

1 Emphasize ratable accomplishment of the examination plan by both revenue agents and tax auditors.

2 Continue to identify financial institutions and take action in accordance with IRM 4748. Maintain and update lists of identified financial institutions. See IRM 4748.4:(5) concerning the recommendation of civil penalty procedures.

3 Ensure participation of excise tax specialists in the initial planning of each Coordinated Examination to identify significant excise tax issues. Provide for early assignment of a specialist when such expertise is needed and ensure timely completion of the excise tax phase of the examination.

4 Maintain effective management of the program and specialty continuity by training replacements before incumbents are rotated out of the program.

.10 Employment Tax Program

1 Emphasize ratable accomplishment of the examination plan by both revenue agents and tax auditors. Obtain a balanced coverage of all industry groups through package audits and the use of specialists.

2 Assure that all examiners of business returns (both agents and auditors) are complying with package-audit procedures, including, as necessary, checks to ensure the filing of appropriate information documents by persons acquiring the services of independent contractors. Test the number of exemptions claimed on the W-4's filed by employees. See MS 42G-382, CR 44G-82, 46G-22, 47G-121 and 5G-197 dated July 31, 1978.

3 Assure participation of employment tax specialists in the initial planning of each coordinated examination to identify significant issues. Provide for early assignment of a specialist when such expertise is needed and ensure timely completion of the employment tax phase of the examination.

4 Maintain effective management and continuity of the program through training replacements before incumbent specialists are rotated out, training a cadre of agents and auditors to assist in package audits and more complex cases, and monitoring both time applications and reporting.

.11 Service Center Correspondence Examination Program

1 Give first priority to returns with frozen refunds. Insure prompt contact and follow-up with taxpayers.

2 Maintain close coordination between Returns Processing and Examination. Promptly follow-up on cases when contact has been made with the taxpayer.

3 Achieve a permanent/seasonal mix of tax examiners to ensure that the work force will be composed of a sufficient number of tempo-

rary employees to provide the necessary flexibility for workload fluctuation.

.12 General Tax Fraud

1 Promote a vigorous program against those who deliberately attempt to evade Federal taxes, including abusive tax deduction schemes.

2 Emphasize the identification and development of quality referrals through involvement of all managers and examiners.

3 Conduct periodic case management reviews jointly with the Criminal Investigation Division to ensure that problems are resolved quickly and cases are completed timely.

.13 Computer-Assisted Examination Program

1 Use computer-assisted audit techniques in all examinations where machine-sensible records have been retained under agreement. Use statistical sampling techniques to analyze voluminous data.

2 Computer Audit Specialists who have received advanced statistical sampling training will provide advice and assistance to examiners in the application of statistical sampling in examinations.

3 Ensure participation of Computer Audit Specialists (CAS) in the initial planning of each coordinated examination. Provide for early assignment of a CAS and timely completion of this phase of an examination.

4 Realize over 50% direct examination time from Computer Audit Specialists in planning, performing, and coordinating computer assisted audits. Time spent on National Office approved projects may be included as direct examination time in computing this objective. Non-case related applications or projects should not be undertaken without prior National Office approval.

5 Continue to identify taxpayers who use automated accounting systems, especially those not in the Coordinated Examination Program, and conduct ADP record retention evaluations under Rev. Rul. 71-20. Regions should periodically test identification procedures to ensure their effectiveness.

6 Reevaluate existing ADP record retention agreements at the conclusion of the CAS phase of each examination with a view toward broadening ADP applications in subsequent periods into areas not previously covered.

7 Follow-up on previous ADP record retention evaluation which did not require taxpayer

retention of machine-sensible data to determine if a reevaluation would be productive.

8 Continue to make micrographic evaluations of taxpayer's systems upon request in accordance with Rev. Proc. 76-43 and Rev. Rul. 75-265. Approval letters should, when appropriate, make clear that retentions of machine-sensible records under Rev. Rul. 71-20 are still required.

9 Avoid duplication of effort in the development of computer applications by strictly adhering to IRM 42(13)5.3.

.14 Engineering Program

1 Achieve uniform and consistent resolutions to engineering and valuation issues.

2 Monitor referral procedures to ensure that engineering and valuation issues are properly considered and maximum use is made of engineering resources.

3 Ensure participation of engineering and valuation specialists in the initial planning of each coordinated examination to identify significant engineering and valuation issues.

4 Ensure early participation in tax shelter examinations.

5 Provide for early assignment of an engineer where required and ensure timely completion of the examination report.

.15 International Program

1 Ensure prompt participation of international specialists in cases involving boycott issues.

2 Ensure participation of international specialists in the initial planning of each coordinated examination. Select only those non-CEP cases with international issues having the greatest tax potential.

3 Strengthen cooperative actions and joint undertakings with foreign tax administrations with whom we have tax treaties. Identify multinational cases which may be suitable for simultaneous examinations. See IRM 42(10)(10).

4 Enhance uniform compliance in the extractive industries through coordinated and nationally controlled industrywide pricing studies and updated audit techniques.

5 When appropriate, use the services of the Office of International Operations to audit foreign site books and records and to interview and obtain information from persons in foreign countries.

6 Emphasize to domestic persons the requirement, under IRC 964(c), to furnish in the

United States books and records of controlled foreign subsidiaries. See Section 4.15.

**.16 Review and Case Management**

1 Establish a uniform Case Management Review Program regionwide.

2 Identify managerial, technical and procedural areas requiring attention through use of the Case Management Review Program.

3 Use the technical and quality review staffs in the Service Center Examination Divisions to ensure quality examinations and contacts.

4 Ensure accurate input into the Audit Review Reporting System so as to provide management with reliable information to evaluate the quality of the Audit program.

5 Emphasize the use of technical advice requests.

6 Maintain an average workload of cases in inventory of 15 workdays or less for field audit and 5 workdays or less for office audit.

7 Immediately transmit case files to the Appeals Division after receipt of "List of Cases Docketed by the United States Tax Court."

**.17 Technical Coordination Program**

Make greater use of the Technical Coordination Program and Form 3558 (Technical Coordination Reports) to report to the National Office new audit techniques and recommended tax law changes, especially in the Fiduciary Income Tax Program.

**.18 Examination Processing Program**

1 Coordinate with Centralized Services to ensure continuous flow of district Examination work to keep inventories current and manageable, and provide for quality work controls.

2 In Service Center Examination Processing Branches:

a Continuously monitor workload levels and deploy clerical resources to maintain the flow of work in order to minimize inventory build-up.

b Ensure adequate formal and on-the-job training for Examination Processing personnel.

c Ensure conformance to the Service Center Examination Division Organization Guidelines.

d Monitor the Work Planning and Control System (WP&C) in the service center Examination Divisions to ensure that the system is providing management with useful information.

**.19 Training**

1 Implement the redesigned Tax Auditor Training Program. This course has been designed to be more job related and has been revised following the pilot program in FY 1978.

2 Select participants for Revenue Agent Training Unit IV—Corporate Income Tax Law, who meet the requirements of 322:(5) of IRM 0420.3, Compliance Training Programs Handbook.

3 Emphasize partnership tax law in existing training programs, with particular attention to tax shelters and avoidance schemes.

4 Implement the new Fiduciary Training Course for Estate Tax Attorneys. This course will be revised in FY 1979 following the pilot course held in FY 1978.

5 Ensure that guidelines in IRM 4922 limiting development of local training courses are followed.

**Section 6 Criminal Investigation Division Guidelines and Objectives**

.01 The Criminal Investigation Division is responsible for identifying willful noncompliance of the tax laws by taxpayers and the investigation of cases of possible criminal violations of such laws. This Section provides criteria for measuring satisfactory achievement in managing Criminal Investigation programs, prescribes the necessary reporting requirements regarding achievements, and allocates resources to the Taxpayers in General and Special Enforcement Programs through which the Criminal Investigation mission will be implemented.

.02 Unless otherwise indicated, the criteria set forth below represent regional goals. Each region should develop plans directed towards district attainment of regional goals.

.03 Taxpayers in General Program (TPG)—Identify and investigate significant TPG cases in areas of high noncompliance and, where appropriate, achieve broad geographical and occupational coverage. Strive to apply the following range of percentages of direct investigative time (DIT) to this program:

Region	Percent of Direct Time
North-Atlantic	70%-75%
Mid-Atlantic	75%-80%
Southeast	75%-80%
Central	70%-75%
Midwest	75%-80%
Southwest	70%-75%
Western	70%-75%

1 To the extent possible, and where appropriate, ensure that the prosecution cases within the district reflect the maximum attainable geo-

graphical coverage each year. Each region will establish criteria to measure geographical coverage attained by the districts using prosecution cases as the standard unit of measurement. The criteria may involve using zip codes, counties, etc., and should include the basis for the selection of a particular method, as well as monitoring aspects. Forward this criteria to the Director, Criminal Investigation Division (Attn: CP:CI:O) by December 31, 1978.

2 As part of a balanced enforcement program, develop cases and identify areas of non-compliance that would not be detected by normal Examination and Collection activities. To this end, emphasize the development of cases by special agents and the initiation of projects. Accordingly, cases initiated from special agents and projects should be at least 25% of all cases initiated.

3 Attain balanced coverage as to type of violations, with emphasis on felony-type cases. Prosecution cases in TPG involving Title 26 and Title 18 (contravention) violations should result in 60%-65% felony-type cases.

4 Attain broad coverage in the significant occupations in the districts. Each region will develop appropriate criteria for measuring district attainment of broad occupational coverage using prosecution cases as the standard unit of measurement. Forward this criteria to the Director, Criminal Investigation Division (Attn: CP:CI:O) by December 31, 1978.

5 Case Pools—To the extent practicable districts will institute the case pool concept in accepting cases for investigation. This should provide better selectivity in the assignment of cases, as well as provide better occupational, geographical and violation coverage. Current guidelines are found at IRM 9321. Additional guidelines will be issued shortly.

.04 Special Enforcement Program (SEP)—Identify and investigate significant SEP cases in accordance with established procedures in order to achieve the broadest possible coverage. Strive to apply the following percentages of DIT to this program:

Region	Percent of Direct Time
North-Atlantic	25%-30%
Mid-Atlantic	20%-25%
Southeast	20%-25%
Central	25%-30%
Midwest	20%-25%
Southwest	25%-30%
Western	25%-30%

1 The allocation of DIT in SEP includes a 7% of DIT limitation (not to exceed, on a nation-

al basis, the 143 average positions authorized in FY 1978) applied to the Wagering Tax Enforcement Project. This limitation includes overtime and premium pay time and is applicable to time spent on information gathering, information items and cases (wagering excise and wagering occupational). Time expended on COGD cases will not be used in computing the 7% limitation, nor will the cases be included in the project.

2 Determine the needs of the districts within the region and allocate resources accordingly. See IRM 9412.

.05 Information Gathering—Conduct information gathering to aid in the identification of noncompliance and development of TPG and SEP impact cases that will ensure effective and proper tax administration through a balanced enforcement program.

.06 Emphasize the increased application of staff time charged to prosecution cases within the districts. On a regional basis, 65% of total staff time on completed cases should be charged to prosecution cases in TPG and SEP, exclusive of cases closed for lack of resources. (Staff time on prosecution cases in TPG and SEP combined divided by total time on completed cases in TPG and SEP combined.)

.07 In both TPG and SEP the identification and investigation of income tax evasion cases of substance with prosecution potential is an important objective. Such cases usually involve instances of flagrant violations or large deficiencies. See IRM 9161.4.

1 Emphasize the investigation of high impact cases and/or cases of substance classified as Level V in the case analysis criteria.

2 Emphasize selection of cases with good prosecution potential. Prosecution cases should represent 35%-45% of the total cases closed, excluding cases closed for lack of resources.

.08 Ensure adherence to Policy Statement P-9-29 requiring the prompt completion of all criminal investigations in TPG and SEP. No cases in current inventory should be over 18 months old unless circumstances beyond the control of the Criminal Investigation Division warrant otherwise. See IRM 9163.

.09 Criminal Action Memorandums—Cases where District Counsel does not concur with the recommendation for prosecution should not exceed 10% of the total reviewed by Counsel for

the Taxpayers in General and Special Enforcement Program combined.

**.10 Reporting of Accomplishments**

1 The Regional Quarterly Narrative Report required by IRM 9562 will reflect on a quarterly and cumulative basis significant deviations of each region compared to the criteria established by Sections 6.03, 6.04, 6.05, 6.06, 6.07, 6.08 and 6.09. In this regard, the most current MIS information available at the time the report is due should be utilized in reporting on significant deviations.

2 The comments relative to the deviations to Section 6.03, 6.04, 6.05, 6.06, 6.07, and 6.09 will disclose the reasons for the deviation and specific planned regional measures to achieve the goal. The comments regarding deviations from Section 6.08 will reveal the number of cases over 18 months that involve matters within Criminal Investigation Division control and the specific reasons for the deviations.

**.11 Deviation from Program Objectives**

1 If, after a thorough analysis of a regional program, a more effective enforcement program can be accomplished under other criteria, a deviation from this program should be requested from the Director, Criminal Investigation Division.

2 If the proposed deviation concerns the criteria established in this Supplement, the deviation request should reflect a detailed analysis of the criteria, to include any regional initiatives to achieve the stated goal and the results achieved.

3 If the proposed deviation concerns new criteria, the deviation request should indicate the need, anticipated results, and the criteria to be used in measuring the accomplishment of revised program objectives.

**Section 7. Collection Program Guidelines**

.01 Background—The Collection Division Program for FY 1979 is based on the number of staff years authorized in the Financial Plan. Staff years are allocated to each region consistent with each region's share of the National workload. Issuance and workload projections for preparation of work schedules will be issued later.

.02 Areas Requiring Special Management Emphasis

1 Reallocate replacement staff years for attrition among districts to level workload imbalances and assure uniform tax administration.

2 Generally, detail revenue officers to Taxpayer Service only during the nonfiling season and in outlying posts of duty. See 4.12.

3 Effectively use the Delinquent Account Inventory Profile (DAIP) and Delinquency Investigation Inventory Profile (DIIP) to monitor and control inventories.

4 Accounts Currently Not Collectible—Strictly adhere to the tolerance provision of IRM 5631 and the revised tolerance criteria in Law Enforcement Manual V; ensure that emphasis on large dollar, overage accounts and unmanageable inventories does not unduly influence decisions to report accounts as currently not collectible; ensure that Forms 53 reflect proper use of mandatory follow-up and selection of correct closing codes; emphasize complete, appropriate collection action prior to reporting as currently not collectible delinquent accounts of ongoing businesses.

5 Ensure formalization of Service Center Collection Activities.

6 Facilitate processing of work to and from Centralized Services.

7 Maximize direct case time and reduce overhead.

8 Maximize office functions, prevent cases reaching field.

**.03 Program Priorities**

1 Realize staff years scheduled for the Delinquency Prevention Program.

2 Realize staff years scheduled for mandatory Returns Compliance Program (RCP) leads.

3 Close Taxpayer Delinquency Accounts (TDA) and Taxpayer Delinquency Investigations (TDI) so that September 30, 1979 inventory equals 53 percent of issuances.

4 Use no more than 12 direct staff years per region on local Returns Compliance Programs.

5 Apply remaining resources to further reduce TDA and TDI inventory.

.04 Taxpayer Delinquent Accounts (TDAs)—The FY 1979 TDA issuance projections incorporate the latest available twelve month's actual experience adjusted for growth—a growth percentage was computed using the expected annual increase, by region, in the total number of returns filed as provided in Economic, Demographic and Related Tax Sta-



tistics (Document 6011); and expanded Delinquency Prevention Program; changes in the Individual Master File (IMF) and Business Master File (BMF) deferral levels; changes in X-2 TDA processing; service center telephone calls; changes in Examination activity; and changes in withholding tables.

.05 Taxpayer Delinquency Investigations (TDIs)—The FY 1979 IMF TDI projections are based on estimates of the number of IMF first notices to be issued. BMF and Combined Master File (CMF) TDI projections are based on CY 77 issuances. Adjustments were made for: growth; service center telephone calls; and an expanded Delinquency Prevention Program.

.06 Delinquency Prevention—Continue to emphasize delinquency prevention programs as a means for reducing taxpayer noncompliances:

1 Delinquency Prevention Assignments (DPA)—Adhere to uniform procedures for monitoring taxpayer compliance through use of DPA. See Manual Supplement 5G-79, dated February 17, 1978.

2 Trust Fund Compliance Program—In appropriate trust fund cases place noncomplying BMF taxpayers on monthly filing and refer cases of continued noncompliance to the Criminal Investigation Division for possible prosecution. See Manual Supplement 5G-121, dated May 7, 1976.

3 Grant installment agreements on BMF accounts and monitor compliance throughout the term of the agreement. See Manual Supplement 5G-66, dated March 16, 1977.

4 Federal Tax Deposit (FTD) Alert Program—Contact the taxpayer relative to FTD alerts before the due date of the return. See IRM 5510.

.07 Returns Compliance Programs (RCP)—Identify and place on the master files individuals and businesses who are failing to fulfill their Federal tax filing obligations.

1 Self-Employed Professionals—The balance of the leads not issued in FY 1978 will be received in FY 1979.

2 Child Care/Form 942, Employer's Quarterly Tax Return for Household Employees—Ensure that taxpayers who claim substantial child care credits on TY 1978 Forms 1040 also file Forms 942 to report FICA Employment taxes when appropriate.

3 Farm Labor/Form 943, Employer's Annual Tax Return for Agricultural Employees—

Establish Form 943 filing requirements for those taxpayers who claim a large expense for labor hired on Form 1040 Schedule F for TY 1978.

4 Black Lung Benefits—Public Law 95-227 imposed a manufacturer's excise tax on coal. Revenue collected in earmarked for a trust fund to benefit diseased miners or the families of miners who died from Black Lung disease. Ensure that coal mine operators file Form 720 and report the new tax for the second quarter of 1978.

5 Aircraft Use Tax Program—A full update of Aircraft Use Tax on the Residual Master File (RMF) and BMF is contemplated based on a 100% match of Federal Aviation Administration (FAA) aircraft registrations.

6 Highway Use Tax Program—Approximately 80,000 leads for this maintenance program are scheduled for October 1978. The completion date is May 1, 1979.

7 Develop leads to ensure that importers of rubber tires and tubes file Form 720 and report the proper excise tax.

#### .08 Collection Office Function

1 Ensure that revenue representatives function as an effective and productive extension of Collection Office processing.

2 Assign cases to revenue representatives in accordance with IRM requirements and case assignment and retention criteria.

3 Effectively use installment agreements, with special emphasis on "first-time delinquent taxpayers. Ensure that:

a interviewers clearly understand and explain installment agreement procedures;

b qualifying taxpayers in pre-notice, notice or TDA status receive consideration for these agreements.

4 Reduce installment agreement defaults: a clearly explain all agreement requirements to the taxpayer;

b make realistic agreements within the IRM criteria;

c promptly process "defaults" indicated on the Installment Agreement Accounts List.

#### .09 Service Center Collection Function

1 Maintain a balanced program as required by IRM 5(18)00.

2 Process balance due, return delinquency and RCP notice responses to minimize the issuance of notices, TDA's and TDI's to district office.

3. In appropriate cases, emphasize telephone contacts to process return delinquency fourth notices, RCP notices, and first-time balance due notices.

4. District Office Support—Properly associate and annotate items to provide the district with pertinent information obtained or produced by the service center. Process district requests for adjustment, subsequent action, or follow-up timely.

10. Information Returns Program (IRP)—All investigations in the alpha segment of the program and TDI's with identifiable income of \$15,000 not closed by service centers will be transferred to district offices and should be scheduled for completion in FY 1979.

11. Employee Plans Master File (EPMF)—Schedule investigations in this new program for completion in FY 1979. Caution employees that erroneous TDI's may be caused by program imperfections since this is the initial delinquency check.

12. Teller Function—Ensure timely transmittal of remittances to the teller function in the centralized services activity.

### Section 8. Appeals Program Guidelines and Objectives

.01 Overall objectives—Offer prompt conferences, reach prompt, high quality decisions, and achieve a satisfactory number of agreed settlement, with uniform and consistent treatment of taxpayers and issues.

.02 Areas requiring special management emphasis

1. Effective implementation of Revenue Procedure 78-9.

a. Appeals will give special attention to effectively implement and carry out the purposes of Rev. Proc. 78-9. However, emphasis must still be balanced between docketed and non-docketed cases.

b. Appeals will fully carry out its role and promptly discuss with District Counsel instances indicating Appeals and Counsel Managers have divergent perceptions of their respective roles. See Manual Supplement 84G-15, CR 89G-18, 8(13)G-12, 8(21)G-5, 8(22)G-20 dated August 18, 1978. Unagreed matters of this nature should be brought to the attention of the Regional Director of Appeals.

c. Be alert to, and report to the Regional Director of Appeals, unusual results of the new procedures. Important areas include: unex-

pected impact of staffing, significant change in Appeals agreement rate, unexpected changes in docketed case volume or in case mix and new techniques.

d. Review carefully Appeals statutory notices and docketed cases where sole jurisdiction is transferred to District Counsel to ensure that the Appeals Officer has made every reasonable attempt to settle the case on a basis which is fair and impartial to both the taxpayer and the Government.

2. Implementation of a Single Appeal Level—The principal goal of the appeals function in FY 1979, in addition to implementation of Rev. Proc. 78-9, is the successful integration of District Conference, EP:EO and Collection Appeals into one appeal body. Management emphasis should be especially directed to the following:

a. Maintain as a minimum the same quality and promptness of service that existed when there were two levels. Strive for improvement where possible.

b. Staff Appeals Offices, sub-offices and posts-of-duty with highly qualified Appeals Officers at grade levels based on the level of work difficulty in each regional area.

c. Closely monitor the phase-in process. The phase-in process will be completed by March 31, 1979.

d. Issue necessary IRM procedures and other documents to effectuate the establishment of a single level of appeals by December 31, 1978.

e. National Office and Regional Appeals managers will monitor key aspects of new Appeals function to ensure that Appeals' basic mission and revised objectives under One-Level are achieved.

3. Staffing—Effective Use of Resources:  
a. Assignments to proper grades—Assign workload to appropriate grades of Appellate Appeals Officers consistent with the case assignment guidelines.

b. Case development—Feedback systems—Furnish to district functions significant comments on work units which will be of value to district management in their efforts toward achieving a quality work product. See 4.03. Call attention to cases prematurely referred. See 4.07. Issue commendations where warranted.

c. Balance Authorized Staffing—With changes in jurisdiction, closely monitor staffing and workload balances. Promptly identify im-

balances between branch offices and implement corrections as soon as feasible.

d Use of Law Students Part-Time—National Office will complete study of cost effectiveness of using law students part-time to assist Appeals Officers. Regions, commensurate with available resources, should sustain or augment their participation in the program.

e In all staffing actions, particular attention should be paid to assure that minority and women employees are considered.

4 Identification and Development of Future Managers. See 4.062.

a Identify Appeals employees with high potential to become managers and with willingness to undertake necessary developmental assignments.

b Ensure preparation of individual development plans through mutual consideration by the employee and his/her immediate supervisor of the employee's immediate and long-range goals and the training and experience needed to assist him/her in meeting them.

c In conjunction with ARCs (Examination) and District Directors and other Examination managers, establish cross-functional developmental assignments where such assignments would be beneficial in the development of potential managers.

5 Appeals Management Information Systems—Ensure completion of the Appeals Management Information Retrieval System (AMIRS) and Appeals Time-In-Inventory System. Evaluation of the systems' effectiveness will be an ongoing activity during the fiscal year.

.03 Specific Goals:

1 Docketed and Non-Docketed jurisdiction a Non-docketed inventories during fiscal year 1979 will be as current as the inventory at September 30, 1978; measured in number of work units over one year, two years and three years in inventory.

b The total number of cases docketed before the Tax Court at September 30, 1979 will not exceed the total number at September 30, 1978.

c The total number of docketed work units in Appeals inventory on September 30, 1979 will not exceed the total number in Appeals inventory at September 30, 1978.

2 Uniformity and consistency—Implement, within ninety days of publication, "Appeals Procedures on Coordinating the Handling and Disposition of Certain Identified Issues."

Evaluate the effectiveness of the program in the fourth quarter of fiscal year 1979.

3 Joint Committee Cases—Improve the quality of Joint Committee cases measured by the percentage of Joint Committee formal criticisms and informal memorandums compared to total Appellate submissions during FY 1979. The goal for FY 1979 is the receipt of no more than 2% formal criticisms and 10% informal memoranda.

4 Regional Review

a The Office of the Regional Director of Appeals will review Appeals Officer case management practices and related manager involvement in each office at least annually.

b Review conformance with Service policies. National Office coordinators will monitor Regional review program and follow-up action. See Section 4.01.

5 Team Approach—Use the team approach in all work units where appropriate. This objective will be monitored by the regions at least annually during regional office visits.

6 Prompt Conference—Contact taxpayers within 15 days after case is received in Appeals. Offer a conference to be held within 45 days after receipt on all work units under \$500,000 (90 days if work unit is over \$500,000 or circuit-riding is involved, except for EP/EO cases where the 45-day rule will be followed).

## Section 9. Effect on Other Documents

.01 Manual Supplement 48G-277 and CR 9G-65, dated October 14, 1977 are superseded.

.02 Manual Supplement CR 81G-32, dated October 14, 1977, is superseded.

.03 Manual Supplement 5G-47, dated November 8, 1977, and 5G-180, dated June 26, 1978, are superseded with respect to Part V.

.04 Annotations at IRM 48(10)0, 5(14)70, 5(14)90, and 9140 referring to the Supplements above are being removed and replaced by references to this Supplement.

.05 Annotation at IRM 8132 should be removed by pen and ink and replaced by a reference to this Supplement.

.06 This supplements IRM 48(10)0, 5(14)90, 8132 and 9140.

/s/ S. B. Wolfe  
Assistant Commissioner  
(Compliance)

## ATTACHMENT C

page 9-558  
(3-28-79)

9800 National Office Project Procedures

9822 (9-29-78)

### High-Level Drug Leaders Tax Enforcement Project

9822.1 (9-29-78)

#### General

(1) On July 27, 1976, the Commissioner of Internal Revenue and the Administrator of the Drug Enforcement Administration (DEA) signed a Memorandum of Understanding in order to carry out a Presidential program aimed at high-level drug trafficking, and to promote effective enforcement of the tax laws against those individuals who are violating these laws with impunity.

(2) The Commissioner of Internal Revenue, through the Regional Commissioners and the District Directors is responsible for administering and providing general guidelines for the IRS aspects of the Project.

(3) Primary liaison between IRS and DEA will be maintained at the National Office level of IRS, and at the Headquarters level of DEA.

(4) The Assistant Commissioner (Compliance) has been designated Senior Coordinating Official responsible for implementing the IRS aspects of the Project and for monitoring its progress. The Director, Criminal Investigation Division and the Director, Examination Division will share responsibility for coordinating and monitoring the Project in behalf of the Assistant Commissioner (Compliance). Each of those Directors shall designate a National Office Project Coordinator from their respective functions.

(5) Regional officials will closely monitor all aspects of the Project to ensure that Project objectives are achieved.

(6) The Chief, Criminal Investigation Division is the responsible official for implementing an effective liaison program with all DEA offices located within the IRS District.

9822.2 (9-29-78)

#### Cases Included in Project

(1) The following cases will be considered for inclusion in this Project:

(a) cases involving individuals identified by DEA as meeting DEA Class I criteria; and

(b) cases, including spinoff cases from those included in IRM 9822.2:(1)(a), involving

individuals determined by IRS as occupying significant operational or financial positions in the narcotics distribution system, but only if the individual qualifies within the SEP-1, SEP-3a (Strike Force) or SEP-3b (cases of interest to the Department of Justice) category (see IRM 9411.2) as being engaged at a high level in organized criminal activities; as being notorious or powerful with respect to local criminal activities; or as receiving substantial income from illicit dealings in narcotics as a principal, major subordinate, or important aider or abettor.

(2) IRS functions other than the Criminal Investigation Division may also consider other cases with an illegal narcotics feature for inclusion in the Project. However, such cases must meet established IRS screening and selection criteria.

(3) The District Director, through the Chiefs Criminal Investigation and Examination Divisions, respectively, shall make the final determination as to which cases shall be subject to either a criminal investigation or an audit examination, using established IRS standards.

(4) All other cases involving individuals engaged in illicit dealings in narcotics that are not included in this Project will be investigated in accordance with normal Service procedures.

9822.3 (9-29-78)

#### Investigative Responsibilities Distinguished

(1) The primary responsibility for gathering information relating to, and the identification of, high-level narcotics leaders remains with DEA, as does the responsibility for investigating substantive narcotics violations.

(2) The responsibility of IRS is to conduct appropriate civil examinations and criminal investigations of high-level drug leaders and financiers as are merited under established IRS standards.

(3) To further an understanding of the jurisdictional responsibilities of DEA and IRS, personnel of the respective agencies are authorized to participate in training programs conducted by the other agency. Such participation shall be limited to the exchange of qualified personnel to participate on a temporary basis as guest lecturers, normally at the local level. The Chief, Criminal Investigation Division, with the concurrence of the District Director, is responsible for coordinating and authorizing such activities.

9821.2

MT 9-72

IR Manual

**9822.4 (9-29-78)****Inter-agency Priorities**

(1) The investigation and prosecution of substantive narcotics violations by DEA will generally take precedence over the investigation and prosecution of tax violations.

(2) However, in those instances where the tax investigation has either been completed or substantially completed, the DEA and IRS will, at the local level, cooperate in attempting to secure simultaneous indictments.

(3) The type of narcotics violators included in this Project are generally given investigative priority by the DEA. Therefore, to avoid compromising DEA investigations and endangering DEA personnel and cooperating individuals, IRS will ordinarily honor DEA requests to temporarily suspend or limit specific IRS investigative acts involving cases included in the Project. For example, IRS will ordinarily honor a DEA request to temporarily suspend any IRS activity which would expose or hinder the activities of DEA undercover personnel; however, other IRS investigation and examination activities related to the case would proceed.

(4) All such requests from DEA Regional Directors should be in writing and will state the specific activities to be temporarily limited and the period of time for which suspension is requested. The written request will be made part of the case file.

(5) Such requests shall be submitted to the Chief, Criminal Investigation Division of the IRS district conducting the inquiries. If the request involves activities being conducted independently by the district Examination or Collection function, the request will be immediately referred to the Chief of that function, who will make a recommendation to the District Director as to whether the DEA request should be honored. Similarly, the Chief, Criminal Investigation Division will make a recommendation to the District Director on cases within Criminal Investigation jurisdiction, and will secure the concurrence of the Chief of the district Examination or Collection function, as appropriate on recommendations involving joint investigations.

(6) If the District Director determines that IRS activities should be limited as requested, the DEA official making the request and the affected IRS personnel will be so advised.

(7) If the District Director determines that, because of extraordinary circumstances such as imperilment of a substantial civil liability, IRS activities should not be temporarily limited, the

matter will be discussed with the requesting DEA official. If agreement cannot be reached, the matter will be referred immediately to the Regional Commissioner.

(8) If the Regional Commissioner determines that the investigative inquiries should be temporarily limited, he/she will so advise the District Director. If the Regional Commissioner determines otherwise, the matter will be immediately referred to the Assistant Commissioner (Compliance) for coordination with the DEA Senior Coordinating Official, and for final decision by the IRS Deputy Commissioner. Until the matter is resolved, no IRS action will be taken that would endanger DEA personnel and cooperating individuals.

(9) Any disclosure of information to DEA in connection with the above matters will be made only in accordance with the appropriate disclosure law and regulations (see IRM 9822(10)).

**9822.5 (9-29-78)****Processing DEA Information on Potential Project Cases**

(1) DEA will periodically furnish the IRS National Office:

(a) an updated list of selected DEA Class I violators;

(b) information relating to the individual's involvement in narcotics; and

(c) whatever financial information DEA may have for IRS to determine the individual's compliance with the internal revenue laws.

(2) The National Office Project Coordinator (Criminal Investigation) will distribute relevant information from the DEA lists and related data to the appropriate Chief, Criminal Investigation Staff at the service center. These items will be referred to as "DEA Class I information items".

(3) The National Office Project Coordinator (Criminal Investigation) shall maintain a record of the receipt and distribution of the DEA Class I information items, by taxpayer name.

(4) In addition to the information described in (1) above, DEA will furnish the IRS, on a continuing basis, financial information and documents relating to possible tax violations by all individuals regardless of their level of involvement in narcotics trafficking. This information will be processed in accordance with Manual Supplement 9G-82, "Centralized Evaluation and Processing of Information Items" dated June 29, 1978. However, only those individuals

who meet the criteria in IRM 9822.2 will be considered for inclusion in this Project.

**9822.6 (9-29-78)****Service Center Processing of DEA Class I Information Items**

(1) The Chief, Criminal Investigation Staff at the Service Center will:

(a) on a priority basis, process the DEA Class I information items, transmitted by the National Office, in accordance with Manual Supplement 9G-82.

(b) insert "DEA I" in Item 6a. of each Form 3949, Intelligence Information Item; and

(c) on a priority basis, send a photocopy of the information item, without initial evaluation, to the appropriate Chief, Criminal Investigation Division, along with pertinent returns, transcripts, and other available data.

**9822.7 (9-29-78)****District Criminal Investigation Processing of DEA Class I Information Items**

(1) The DEA Class I information items will be evaluated by the Chief, Criminal Investigation Division using established IRS standards.

(2) To assist in the evaluation of the information item, the Chief, Criminal Investigation Division may supplement the information furnished by DEA by contacting the local DEA office and by making other limited inquiries described in IRM 9311.2.(3). Time expended evaluating DEA Class I information items will be charged to National Office Project 21 (see IRM 9822.(16)).

(3) If sufficient information is still not available to properly evaluate the information item, information gathering on the individuals identified by DEA as Class I violators may be authorized by the Chief, Criminal Investigation Division in accordance with IRM 9390. Similarly, the Chief may authorize information gathering on individuals identified, during the investigative process or by sources other than DEA, as high-level drug leaders or financiers in order to determine whether the individual warrants investigation or examination and whether the individual should be included in the Project. To avoid interference with a sensitive, on-going DEA investigation when conducting information gathering or an active criminal investigation, the first investigative contact outside the Revenue Service must be with DEA. This mandatory field contact with DEA should be made on any indi-

vidual identified as a Class I violator or any taxpayer provided to us through DEA Headquarters.

(4) The primary responsibility for gathering information relating to, and the identification of, major narcotics leaders and financiers remains with DEA. District Directors may authorize information gathering to identify other high-level drug leaders for inclusion in the project. (See IRM 9390). Time expended on Project-related information gathering described in this paragraph and in (3) above will be charged to National Office Project 21 (see iRM 9822.(16)).

(5) Each DEA Class I information item evaluated as lacking Criminal Investigation potential will be the subject of a separate closing report from the Chief, Criminal Investigation Division. This evaluation would not be finalized until all authorized information gathering is completed. The closing report which will be in memorandum form, will provide sufficient data to explain why the individual was not selected for intelligence investigation, and will indicate what disposition was made of the DEA Class I information item. The Chief, Criminal Investigation Division will attach a copy of the closing report to the DEA Class I information item when it is referred to the district Examination or Collection function, or when it is sent to the Chief, Criminal Investigation Staff for closing to files. See IRM 9822.(16):(6) for routing of the originals of the closing reports.

(6) DEA Class I information items evaluated as lacking criminal potential but which have apparent or possible Examination potential or Collection potential will be referred by the Chief, Criminal Investigation Division to the Chief of the district Examination or Collection function, as appropriate. The Chief, Criminal Investigation Division will send a copy of the Form 3949, annotated to show it was referred to the district Examination or Collection function, to the Chief, Criminal Investigation Staff for the purpose of updating the Centralized Information Item Index System.

(7) DEA Class I information items determined by the district Examination and Collection functions not to have civil potential will be returned promptly to the Chief, Criminal Investigation Division who will make a record of the disposition and forward the information item to the Chief, Criminal Investigation Staff. The Chief, Criminal Investigation Staff will process the information item as an item determined to lack civil potential (see Section 4.039 of Manual Supplement 9G-82).

**9822.8 (9-29-78)****Processing Project Cases**

(1) Sufficient controls will be established by the Chief, Criminal Investigation Division to ensure that all Project cases are investigated, examined, and processed expeditiously. Depending on the classification of the case, the notation "Narcotics—DEA" or "Narcotics—Other" shall be stamped on the transmittal memorandum/letter of Special Agent's Reports for ease of identification by the recipient of the report.

(2) Criminal Investigation Division cases included in this National Project may not be closed because of insufficient resources without prior approval of the AFC (Criminal Investigation) and the Director, Criminal Investigation Division (See IRM 9328.2:(1)).

(3) The memorandum transmitting the special agent's final report on Project prosecution cases to District Counsel will include a statement that the case is included in the High-Level Drug Leaders Tax Enforcement Project; a statement as to whether the case is a Strike Force case or a case of interest to the Department of Justice; and a statement as to whether the principal has been classified by DEA as a Class I violator. If the latter statement is affirmative, the special agent will include as an exhibit to the transmittal memorandum all information received from DEA in support of that Class I designation.

(4) Criminal Investigation Division cases will be processed in accordance with the standard procedures contained in IRM 9600.

(5) For additional prosecution guidelines see Office of Chief Counsel's Law Enforcement Manual 7030.2.

**9822.9 (9-29-78)****Use of Civil Enforcement Measures**

(1) Jeopardy assessments and terminations of taxable years will be made only in accordance with the provisions of the Internal Revenue Code and with IRS policy and procedure.

(2) Jeopardy assessments and terminations of taxable years will be used sparingly and only to protect the revenue when collection thereof is in doubt. Either type of assessment must receive the personal approval of the District Director. Before authorizing the use of IRC 6851 or 6861, it must be established that the taxpayer intends to perform one of the acts which will prejudice collection of the income tax unless collection action is begun without delay, and the

taxpayer realized taxable income in the period or taxable year under consideration. Care must be taken to avoid excessive and unreasonable assessments. See policy statements P-4-88 and P-4-89 and Manual Supplement CR 9G-47, "Procedures for Termination Assessments Under IRC 6851 and Appeals of Termination and Jeopardy Assessment Actions", dated April 19, 1977, for more specific instructions.

**9822.(10) (9-29-78)****Disclosure and Exchange of Information**

(1) Effective January 1, 1977, disclosures of tax returns and return information are governed by IRC 6103, as amended by the Tax Reform Act of 1976. Regulations, procedures, and guidelines will be issued to implement the amended disclosure statute.

(2) Facts or information, relating to the commission of nontax Federal, state or local criminal acts or violations of nontax Federal, state or local criminal laws, not directly or indirectly related to a tax return or a tax investigation, may be disclosed in accordance with MS 12G-134 (rev. 1), "Information Involving Nontax Violations of Federal, State, and Local Criminal Laws," dated August 14, 1978.

**9822.(11) (9-29-78)****Raids, Searches, Seizures, and Emergency Assistance**

(1) IRS personnel are not authorized to participate in arrests, raids and similar activities with DEA personnel.

(2) In emergency situations where the safety of DEA personnel is in jeopardy, all necessary assistance will be rendered by IRS personnel without delay.

(3) Tax-related books, records, and other documents seized by DEA personnel as a result of the execution and return of search and arrest warrants may be examined by IRS personnel to determine whether the individuals involved had complied with the internal revenue laws. However, as provided in IRM 9451.2:(3)(b), when IRS personnel accept the fruits of an executed non-IRS search and before they expend staff-power investigating a tax case arising from this evidence, they should consult with District Counsel as to the legality of the warrant, the

methods used in the search, and any other legal problem that may arise if the evidence were to be subsequently used in a criminal or civil tax case.

**9822.(12)** (12-29-78)**Liaison With DEA CENTAC Units**

(1) Central Tactical (CENTAC) Units are created by DEA to direct investigative activities at key individuals who, under varied positions of power in drug trafficking organizations, are insulated from normal investigative efforts. CENTAC Units are conspiracy oriented and are specially designed to investigate drug networks that cut across local, state, regional, national, and international borders. Each unit has direct control of the investigation as it develops. They are highly mobile, have authority to pursue an investigation wherever it may lead. The CENTAC Unit collects documents, organizes and corroborates testimony and other evidence to be presented to grand juries sitting in judicial districts where violations have occurred.

(2) With the approval of both IRS and DEA Senior Coordinating Officials, IRS may detail, on a temporary basis, IRS personnel to provide specialized assistance to DEA CENTAC Units.

(3) IRS personnel designated as CENTAC liaison will at all times remain under the direct control and supervision of IRS management. Their duties in this liaison capacity shall be limited to reviewing and evaluating tax-related information obtained by DEA CENTAC Units. Disclosures by IRS personnel will be made only in accordance with the disclosure law and regulations (see IRM 9822.(10)).

(4) Initially, the National Office Project Coordinator (Criminal Investigation) shall serve as special liaison to DEA CENTAC Units. As the Project progresses, he/she shall assess the need for additional special liaison personnel by consulting with IRS field officials and DEA officials. The Director, Criminal Investigation Division is responsible for recommending to the Assistant Commissioner (Compliance) the designation of IRS Criminal Investigation Division personnel to serve as special liaison to DEA CENTAC Units. The above provisions should not be construed as requiring the Chief, Criminal Investigation Division to secure approval to conduct normal liaison activities with DEA, including DEA CENTAC Units, required by 9822.1:(6).

(5) There may be instances where it is advantageous for IRS special agents detailed to the CENTAC Units and other major DEA investigative efforts to accompany DEA agents during foreign travel. The purpose of such travel would be to provide specific advice, expertise,

and CENTAC-related assistance to appropriate foreign narcotics and/or tax law enforcement authorities as requested. The foreign travel should only involve brief periods of time; however, the exigencies of narcotics investigations often require travel on rather short notice.

(a) Each IRS agent assigned to a DEA Unit where foreign travel can be anticipated will immediately obtain and retain in his possession an official U.S. Passport (see IRM 9265.5). A regular passport is not appropriate for such official travel.

(b) When it is determined that expeditious foreign travel is required of an IRS liaison agent, the assigned special agent will notify his group manager who will initiate a telephonic request for foreign travel. The telephonic communication will include all information as required by IRM 9265.4 and will be transmitted by the Chief, Criminal Investigation Division, with the concurrence of the District Director, through the Assistant Regional Commissioner (Criminal Investigation) to the Director, Criminal Investigation Division. The Director, Criminal Investigation Division will transmit the information to the Director of International Operations. All such requests will be followed up in writing as provided in IRM 9265.4 within forty-eight hours of the initiation of the telephonic communication. Approval of the travel request under such procedures should be obtainable within forty-eight hours of the oral request.

(c) When expeditious travel is desired, arrangements for a visa should be made through DEA by the assigned special agent. At the conclusion of the agent's detail to DEA, the official passport should be returned to OIG.

**9822.(13)** (9-29-78)**Relationships With Informants**

(1) Criminal Investigation Division personnel will not discourage potential sources of information from furnishing information to DEA; and will not compete with DEA personnel for informants or information. The cooperation with DEA should be made known to potential sources of information in order to discourage informants from "agency shopping".

(2) When it appears that an IRS informant is knowledgeable concerning potential narcotics violations, Criminal Investigation Division personnel will encourage the informant to meet directly with DEA personnel. If the informant declines, Criminal Investigation Division personnel will debrief the informant of the information relating to potential narcotics violations and will transmit such information only in accordance with disclosure law and regulations (see IRM 9822.(10)).



(3) IRS will be responsible for evaluating and, where appropriate, making payment for financial information concerning potential tax violations; and DEA will be responsible for evaluating and, where appropriate, making payment for information relating to potential narcotics violations. IRS and DEA will coordinate at the local level to the extent necessary to prevent duplicate or excessive payments for the same information.

**9822.(14)** (9-29-78)  
**Security**

Double-sealed mailing and Special Envelopes E-19 and E-20 will be used whenever Project reports, memoranda, correspondence, or other written data are transmitted (see IRM 9723.2).

**9822.(15)** (9-29-78)  
**DEA/IRS Studies**

(1) DEA will furnish the IRS National Office with strategic information and studies relating to the domestic and international flow of funds used in narcotics trafficking. The National Office Project Coordinator (Criminal Investigation) shall review and disseminate such information, as appropriate, to the ARC's (Criminal Investigation) for further distribution, as appropriate, to the Chiefs, Criminal Investigation Division. To the extent this strategic information, unrelated to tax matters, is further developed by the Criminal Investigation Division, the additional information will be routed, through channels, to the National Office Project Coordinator (Criminal Investigation), and will be furnished to the DEA. In the event the study data incorporates tax information, DEA will be furnished the information only in accordance with applicable disclosure laws and regulations (see 9822.(10)).

(2) DEA and IRS Senior Coordinating Officials may authorize joint studies which would benefit both agencies.

**9822.(16)** (9-29-78)  
**Criminal Investigation Division  
Recordkeeping and Reporting  
Requirements**

(1) All Project cases and activity will be considered as within the Special Enforcement Program (SEP).

(2) A special program code is not being assigned to this Project. Therefore, the appropriate existing SEP program code will be entered in Item 26 of Form 4930, Intelligence Case/

Project Record, for each case and each information gathering project (see Item B.(26) of Exhibit 400-2 of IRM 9570, Case Management and Time Reporting System Handbook).

(3) National Office Project Number 21 has been assigned to track Project activity under the Case Management and Time Reporting System. Accordingly, each region and each district will establish a project number, using National Office Project Number 21 as the first two digits (see 330 of IRM 9570, Case Management and Time Reporting System Handbook). The designated project number will be entered in Item 17 of Form 4930 for each case and each information gathering project which qualifies for inclusion in the High-Level Drug Leaders Tax Enforcement Project. Districts will update the statistical record on each open case that qualifies for inclusion in the Project by entering the designated project number in Item 85 of Form 4930.

(4) A special source code has been established to permit identification and segregation of Criminal Investigation Division Project cases involving individuals classified as DEA Class I violators, as distinguished from other Project cases. Accordingly, source code "12, DEA I" will be entered in Item 24 of Form 4930, for Project cases and activity concerning individuals identified by DEA as Class I violators. Existing source codes will be used for other Project cases and activity (see Item B.20 of Exhibit 400-1 of IRM 9570, Case Management and Time Reporting System Handbook). Any Project case involving an individual subsequently classified by DEA as a Class I violator will be recoded to indicate source code "12, DEA I", by use of Form 4930. In addition, if the district received notification of the DEA Class I classification other than through the National Office, the Chief, Criminal Investigation Division will notify the Director, Criminal Investigation Division that the case has been so classified by a statement in the report required by IRM 9822.(16):(6).

(5) The Case Management and Time Reporting System (Report Symbol NO-CP:CI-46) will be used to track all Criminal Investigation cases involving individuals engaged in illicit dealings in narcotics, including those narcotics cases in the Taxpayers in General Program (TPG), which do not come under this Project. The "illegal activity code" will be used to track these latter cases. Therefore, it is essential that

the statistical record on each such narcotics case, whether or not included in this Project, reflects an illegal activity code in the "050" series (see Item B.11 of Exhibit 400-1 of IRM 9570, Case Management and Time Report System Handbook).

(6) Each Chief, Criminal Investigation Division will submit a report quarterly through the District Director to the ARC (Criminal Investigation) for consolidation and submission to the Director, Criminal Investigation Division (attention: CP:CI:O). The report is to be submitted to reach the National Office by the 20th day of the month following the end of the quarter. (Report Symbol NO-CP:CI-60) The initial quarterly report shall be prepared for the quarter ending March 31, 1978. Negative reports are required. The reports will contain the following information:

(a) a brief summary of noteworthy Project activities during the quarter, including action on cases of significance;

(b) the originals of the closing reports, described in 9822.7:(5) on DEA Class I information items evaluated as lacking Criminal Investigation potential. The ARC (Criminal Investigation) will include in his/her consolidation report a summary of the major reasons for non-selection and will attach the originals of the closing reports;

(c) a separate attachment listing cases placed into the Project since the prior report. The list will contain the following information:

- 1 taxpayer's name;
- 2 taxpayer's address;
- 3 years under investigation;
- 4 case number; and
- 5 whether or not disclosure has already been granted.

(d) information from the above lists which may constitute evidence of a violation of non-tax Federal criminal laws will be transmitted by the National Office to the Department of Justice, as permitted by IRC 6103(i)(3). (See IRM 9822.(10)).

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**9822.(16)**

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**Special Enforcement Procedures**

[Amended and Supplemented by MS 94G-63, renumbered 9G-8]

**9410 (2-22-77)****Special Enforcement Program (SEP)****9411 (2-22-77)****Special Enforcement Program Defined****9411.1 (8-1-78)****SEP Objectives**

(1) The primary objectives of SEP are to identify and investigate persons who receive income from illegal activities and to recommend prosecution of such persons, when warranted, for criminal violations of the Internal Revenue Code or other related statutes when committed in contravention of Internal Revenue laws. (See policy statement P-9-46).

(2) Another important objective of this program is participation in the Federal effort against widespread organized criminal activities by coordinating our enforcement efforts with those of other Federal law enforcement agencies. (See policy statement P-9-46).

**9411.2 (8-1-78)****SEP Categories**

(1) *SEP-1* includes all persons who are reasonably believed to be:

(a) engaged in organized criminal activities;

(b) notorious or powerful with respect to local criminal activities;

(c) receiving substantial income from illegal activities as a principal, major subordinate, or important aider or abettor; or

(d) infiltrating legitimate business through illegal means; or infiltrating legitimate business through loaning or investing therein the proceeds from illegal activities.

(2) *SEP-2* includes all taxpayers engaged in occupations requiring the purchase of coin-operated gaming device stamps or registration as one who is engaged in receiving wagers.

(3) *SEP-3a* includes all taxpayers designated as Strike Force case subjects under the IRS Strike Force Program. Most of the subjects in this category will also meet the criteria of the *SEP-1* category.

(4) *SEP-3b* includes taxpayers (not designated as Strike Force subjects) in whom the Organized Crime and Racketeering Section of the Department of Justice has formally expressed an interest.

**9411.3 (9-20-78)****Disclosure Procedures in SEP Cases**

When a criminal investigation is, or has been initiated and the subject has been categorized as *SEP-1* or *SEP-3a*, there are usually indications of nontax violations. Therefore, the Chief, Criminal Investigation Division, should normally prepare a memorandum containing the return information (other than taxpayer return information), as defined in IRM 9382.4:(2), which may constitute a violation of Federal criminal laws not within the jurisdiction of the IRS and forward it through channels as outlined in IRM 9382.4:(3). The Service may make such disclosures to the appropriate agency but only to the extent necessary, in accordance with the procedures in IRM 9382.4, and under the authority of IRC 6103(i)(3). The disclosure determination will be made by the Director, Disclosure Operations Division, National Office, or his/her delegate as provided in Delegation Order No. 156, Amend. 1.

**9412 (2-22-77)****SEP Responsibilities and Security Guidelines**

(1) The Assistant Commissioner (Compliance), through the Directors, Audit and Intelligence Divisions, is responsible for establishing the overall objectives and guidelines of the Special Enforcement Program and for the coordination of the Program on a nationwide basis.

(2) The Regional Commissioner, through the ARC's (Audit and Intelligence), is responsible for the following:

(a) assisting and advising in the overall planning and coordination of the Special Enforcement Program within the region;

(b) coordinating and cooperating with other regions, the National Office, assigned Department of Justice attorneys, and Strike Force representatives;

(c) keeping the Director, Intelligence Division, informed of the activities of special enforcement subjects;

(d) evaluating the effectiveness of the Special Enforcement Program; and

(e) determining and providing for manpower and equipment needs.

(3) A Special Enforcement Program Analyst (Operations and Technical), hereinafter referred to as a Special Enforcement Assistant, will be designated by each ARC (Intelligence) to fulfill the responsibilities outlined in (2) above.

## ATTACHMENT I)

Chapter 9300

page 9-89  
(2-8-79)**Investigative Procedure**[Amended and Supplemented by MS CR 93G-172, Renumbered 9G-8]  
[Supplemented by MS 9G-91]**9310** (12-6-78)**Information Items****9311** (2-8-79)**General**[Amended and Supplemented by MS 9G-92]  
[Supplemented by MS CR 9G-95]**9311.1** (2-8-79)**Definition**

(1) "Information Items" are tax related communications and information received alleging or indicating a violation within the investigative jurisdiction of the Internal Revenue Service.

(2) "Information Items" to be evaluated and processed at the service center include:

(a) letters or other correspondence from informants that are tax related,

(b) memorandums of conversations or interviews with informants that are tax related,

(c) tax information from other government agencies,

(d) mutilated currency reports,

(e) data regarding tax violations developed or received by employees of the Internal Revenue Service,

(f) ADP and service center generated data concerning potential tax violations where a return has been requisitioned, or other investigative steps are taken to obtain further information after receipt of the listing, and

(g) other tax related data as appropriate.

(3) "Other Information" in the Master Alpha Index which is a part of this centralized system at the service center includes:

(a) referrals from Examination, Collection, EP/EO and Appellate;

(b) open Criminal Investigation investigations;

(c) Currency Transaction Reports (Forms 4789);

(d) Currency or Monetary Instrument Reports (Forms 4790, U.S. Customs Service Form);

(e) U.S. Customs Seizure Reports;

(f) U.S. Customs Currency Violation Investigations;

(g) information gathering cases and projects;

(h) DEA, Class 1 information items;

(i) SEC Project information items;

(j) referrals from the Questionable Refund Program (QRP); and

(k) closed criminal investigations for the past 10 years.

(4) The source codes for information items which are used for statistical purposes are lo-

cated in Exhibit 400-2 Cont. (5), Item (24) of IRM 9570, Case Management and Time Reporting System Handbook.

(5) See IRM 9267.3:(15) concerning the preparation of an information item which contains grand jury information.

**9311.2** (2-8-79)**Processing of Information Items**

[Supplemented by MS CR 9G-49]

(1) The Chief, Criminal Investigation Division, or his/her designate may initially screen information items received in the district to identify items requiring immediate attention and items appearing to have surface potential. However, during this screening process, inquiries as stated in 9311.3:(5) may not be made.

(2) If the Chief, Criminal Investigation Division, or his/her designate, wishes to have the item returned to the district for further evaluation, or has local knowledge regarding taxpayers mentioned in information items which would assist the evaluators at the service center, such information may be attached to the appropriate item. For those items which the Chief or designate wishes to have returned to the district, he/she may forward the original information item to the service center for processing and keep a photocopy for immediate assignment to a special agent for him/her to make limited inquiries as provided in 9311.3:(5)

(3) The Chief, Criminal Investigation Division will transmit the "Information Items" and "Other Information" each Friday, to the Chief, Criminal Investigation Branch at the service center serving his/her district. Each Chief, Criminal Investigation Branch will obtain a Post Office Box separate from the service center box used for administrative mail. Mail from the box will be delivered unopened to the office of Chief, Criminal Investigation Branch. Form 4920, Intelligence Documents Transmittal Notification and Receipt, will be used to transmit appropriate documents. The words "Information Items" should be typed in on line 7.a5 of Form 4920 and the number of information items transmitted should be typed in on line 7.b5. "Other Information" should be typed in on line 7.a6 and on the following lines the separate types and quantity of other information forwarded should be entered such as Form 4789; Form 4930, Intelligence Case/Project Record; etc. All transmittals of "Information Items" and "Other Information" between the districts and the service center will be in double-sealed envelopes as

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required by IRM 9723.2. Cloth outer containers or pouches, appropriately sealed, should be used to reduce the chance of loss through damage to the envelope. Any week in which no information items or other information is forwarded to the Chief, Criminal Investigation Branch, a negative report on Form 4920 will be forwarded. The Chief, Criminal Investigation Branch will not acknowledge receipt of Form 4920 since negative reports are required. The Chief, Criminal Investigation Branch will call the Chief, Criminal Investigation Division in any district from which Form 4920 is not timely received. Transmittal memorandums will be retained by each district Chief, Criminal Investigation Division for six months and by each Chief, Criminal Investigation Branch at the service center for one year.

(4) Each "Information item" or item of "Other Information" received by the Chief, Criminal Investigation Branch will be date stamped and serially numbered with an eight digit identification number. Each service center may use its own discretion in determining at what point in the processing cycle the document control number will be assigned. The number will be entered in Section 1 of Form 3949 used as an input document for each item. The first two digits represent the district number. The next five digits represent a single chronological sequence for all districts served by each service center. A new chronological sequence will begin with 00001 the first workday of each fiscal year. The eighth digit will be preceded by a dash (-) and will represent the last digit of the current fiscal year.

### 9311.3 (2-8-79)

#### Evaluation of Items Having Criminal Potential

(1) The Chief, Criminal Investigation Branch, or his/her designate will perform an initial evaluation of all "Information Items" and appropriate items of "Other Information" to identify those with criminal prosecution potential. The thoroughness of this evaluation may vary among service centers, depending upon the regional procedure on screening items in the district office. The Chief, Criminal Investigation Branch, will complete Item 17, of Form 3949 (Evaluation—Intelligence) to reflect the results of his/her evaluation by entering his/her name or initials, the data evaluated, and check whether selected or rejected. (Items 19 and 20 of Form 3949 are to be used as needed by the Chief, Criminal Investigation Branch.)

(2) Photocopies of those items evaluated as having criminal prosecution potential will be forwarded to the Chief, Criminal Investigation Division in the district where the taxpayer resides. All information items involving illegal tax protes-

ters should be forwarded to the appropriate district Chief, Criminal Investigation Division for evaluation. The original item will be forwarded by those service centers utilizing the optional method of immediate microfilming described in 9311.93. Prior to photocopying these items, the Chief, Criminal Investigation Branch will complete Item 18, Form 3949, (Disposition) to Suspense (S), by entering the district number to which sent and the date forwarded. The original item showing disposition will be batched for inclusion on the Master Alpha Index and then filed in numerical order by the Chief, Criminal Investigation Branch. Appropriate returns, microfilm research and/or transcripts will be forwarded to assist the Chief, Criminal Investigation Division in his/her final evaluation of such items. In addition, queries should be made by the Chief, Criminal Investigation Branch to the Treasury Enforcement Communication system to determine whether other Treasury agencies have ongoing or closed investigations or other information which might have tax consequences and to the National Crime Information Center to determine criminal history for use in preparation of prosecution or withdrawal reports. The hard copy printout of these queries and the other research materials mentioned above should be associated with the information item before sending it to the district.

(3) If items forwarded to the Chief, Criminal Investigation Division also involve claims for reward (Forms 211) the original claim, along with a copy of the item will be forwarded to the Examination representative at the service center for processing to the appropriate district Returns Program Manager. A Memo Routing Slip (Form 1725) should be attached to indicate that a copy of the item was also forwarded to the Chief, Criminal Investigation Division for further evaluation. A Memo Routing Slip (Form 1725) will also be attached to the copy forwarded to the Chief, Criminal Investigation Division to notify him/her that Claim for Rewards (Form 211) regarding the item was forwarded to the district Examination function. The Chief, Criminal Investigation Division will inform the Examination function Informants Claims Examiner whether he/she accepts the item for investigation or returns it to the service center.

(4) The receiving Chief, Criminal Investigation Division will, within thirty (30) workdays from receipt, determine if he/she will select the item for investigation. All information items will be evaluated by the Chief, Criminal Investigation Division or his/her delegate, without regard to available staff power, solely on the basis of possible development of successful prosecution case within Criminal Investigation jurisdiction. If the evaluation cannot be completed in thirty workdays, the Chief, Criminal Investigation Division will advise the Chief, Criminal In-

vestigation Branch, in writing, that a thirty workday extension is necessary to complete the evaluation. At the option of the ARC (Criminal Investigation), a copy of the notification to the Chief, Criminal Investigation Branch will be furnished to the ARC (Criminal Investigation). The thirty workdays begin the day the information item is received in the district from the service center for evaluation.

(5) To assist in evaluation, an information item may be assigned to a special agent for limited inquiries, such as: scrutiny of tax returns or IRS files; discussion with the referring officer; interviews with the informant, if any, in the case; other inquiries not requiring disclosure of the taxpayer's identity, such as inspection of public records, etc. In addition, the taxpayer may be contacted by mail to verify his/her filing record. Letter 964(DO), formerly L-210, will be used for this purpose. Publication 876, Privacy Act Notification, should be furnished simultaneously.

(6) If the Chief, Criminal Investigation Division elects to begin an investigation in the Criminal Investigation Division, he/she will prepare and process Form 4930 in accordance with IRM 9570, Case Management and Time Reporting System Handbook. The Chief, Criminal Investigation Branch will change the disposition on Form 3949 from "Suspense" to "Criminal Investigation." The Chief, Criminal Investigation Branch will prepare a new Form 3949 from the Form 4930. Disposition will be to "Suspense" (see IRM 9311.8(2)(b)).

(7) If the chief, Criminal Investigation Division, after his/her evaluation elects to reject the item, he/she will return it to the chief, Criminal Investigation Branch and attach his/her comments on Form 1725, Memo Routing Slip. The comments should not be a justification for rejecting the item, but comments that might aid Examination and Collection in their evaluation process.

(8) Rejected items returned to the Chief, Criminal Investigation Branch by the Chief, Criminal Investigation Division that relate to Employee Plans and Exempt Organization (EP/EO) will be immediately sent to the Chief, EP/EO Division in the key districts. The Chief, Criminal Investigation Branch will change the disposition on Form 3949 from "Suspense" to "Other" and enter either EP or EO in Item 18(o). The rejected items whose allegation relates to failure to file returns will be made available to the Collection representative at the service center for evaluation. All remaining items without claims for reward involving all other violations within IRS jurisdiction will be made available to the service center Examination representative for evaluation. If the Examination or Collection representative selects these items, the chief, Criminal Investigation Branch will change the disposition of Form 3949 from Intel-

ligence to Examination or Collection, as appropriate. If the Examination and Collection representatives reject these items, the disposition will be changed to "Files". The change in disposition must also be recorded on the Master Alpha Index through the data processing "update" routine which is part of the ADP procedures.

(9) If an information item involving a illegal tax protester is rejected by the district and Examination or Collection Divisions at the Service Center do not select the information item for appropriate civil action, the Chief, Criminal Investigation Branch should keep the item in suspense until it can be determined that the subsequent year's tax return was filed. If this return was not filed, the information item regarding the illegal tax protester should be reevaluated in accordance with current Internal Revenue Manual procedures found in this section.

#### 9311.4 (2-8-79)

#### Evaluation of Items Without Criminal Potential

(1) If the Chief, Criminal Investigation Branch, or his/her designate in his/her evaluation of "Information Items" and "Other Information," determines that they do not have criminal prosecution potential, he/she will so indicate by completing Item 17 (Evaluation—Intelligence) on Form 3949 by entering his/her name or initials, the date evaluated and by checking the section marked "Rejected." For non-tax related items see Section 4.03(10).

(2) Items evaluated as not having criminal prosecution potential that relate to EP/EO will be immediately sent to the Chief, EP/EO Division in the key districts. The Chief, Criminal Investigation Branch will complete Item 18, Form 3949 by entering either EP or EO in "Other." Items alleging failure to file returns and where no Claims for Reward, Form 211, are involved will be made available to the Collection representative at the service center for evaluation. All other items evaluated as not having criminal prosecution potential containing allegations within the jurisdiction of IRS and items where claims (Form 211) are involved, regardless of the IRS violation involved, will be made available to the Examination Division representative for evaluation.

(a) The Chief, Criminal Investigation Branch will request the Examination or Collection representatives to indicate the results of their evaluation by completing Item 17 (Evaluation) on Form 3949. They should enter in their designated section their name or initials, the date evaluated, and check whether selected or rejected.

(b) The evaluation of items by the Examination or Collection representatives will be performed within the Criminal Investigation Branch space to maintain appropriate security and to avoid the necessity of devising a system of charge-outs for items removed from the Criminal Investigation Branch space.

(c) Items rejected by the Examination or Collection representatives will be returned to the Chief, Criminal Investigation Branch who will complete Item 18 (Disposition) on Form 3949 by entering opposite the designation "Files" the service center number in which closed, and the six-digit date of such disposition.

(d) Items selected for forwarding to the appropriate district Examination function by the service center Examination representative will be photo-copied by Examination employees and the original document returned to the Chief, Criminal Investigation Branch who will complete Item 18 (Disposition) of Form 3949 by entering opposite the designation "Audit" the district number to which Examination forwarded the item and the six-digit date of disposition. A suspense code may be used in lieu of the district number. The Examination function will utilize the photocopy and the Criminal Investigation Branch will retain the original document for input to the Master Alpha Index for filing in numerical order. Service centers utilizing the front end microfilming concept discussed in IRM 9311.93 will provide Examination with the original document.

(e) Items selected for Taxpayer Delinquent Investigation (TDI) issuance by the Collection representatives will be photocopied and the copy forwarded by the Collection representative to the TDI Unit at the service center. Service centers utilizing the front end microfilming concept will provide the TDI Unit with the original document. The original document will be returned to the Chief, Criminal Investigation Branch who will complete Item 18 (Disposition) by entering opposite the designation "Collection" the district number where the taxpayer resides and the six-digit date of disposition. The original document will then be input to the Master Alpha Index and filed in numerical order by the Chief, Criminal Investigation Branch at the service center.

(3) Item 18, (Disposition) on Form 3949, for other information, that has not previously been processed by the service center, which is entered on the Master Alpha Index for "matching" purposes only, will be entered as "Other" and the word "Index" specified.

**9311.4**

MT 9-62

IR Manual

**9311.5 (2-8-79)****Evaluation of Non-Tax Related Items**

(1) If the Chief, Criminal Investigation Branch, or his/her designate in evaluating an "Information Item" or "Other Information" determines that it is not tax related, he/she will complete Item 17 (Evaluation—Intelligence) on Form 3949 by entering his/her name or initials, the date evaluated and entering "Non-Tax Related" in the section marked "Rejected."

(2) The Chief, Criminal Investigation Branch will prepare a Form 3949 without using the names of the persons named in the documents for each non-tax related item. That form will be used as a transcription document for input to the Master Alpha Index. The Document Control Number from the original item will be entered on the transcription copy of Form 3949. Item 2a (Name) of the transcription copy will be marked "Non-Tax Related" and Item 8 (Source), will be entered from the original Form 3949. Item 18 (Disposition) of the transcription copy will be completed by entering "NTR" in "Other," the applicable service center code and the date.

(3) The transcription copies of non-tax related items will be batched for inclusion on the Master Alpha Index, then filed in numerical order by the Chief, Criminal Investigation Branch. The inclusion of these transcription copies will maintain the integrity of the document numbering system.

(4) Service Center Directors will ensure that the documents relating to or arising from this processing, which are not necessary to the administration of tax laws and do not indicate a violation of a law enforced by another agency, will be segregated and placed in a separate storage area with access limited to the Chief, Criminal Investigation Branch. These documents will not be microfilmed and the persons named in the documents will not be entered on any alpha index. These documents will be destroyed sixty days after receipt in the service center.

**9311.6 (2-8-79)****Items Put in Suspense**

(1) Frequently, "Information Items," and "Other Information" are received for evaluation by the Chief, Criminal Investigation Branch at the service center which involve periods for which tax returns are not yet due. If it is necessary to have access to such returns in order to properly evaluate the item, the Chief, Criminal Investigation Branch will proceed as follows:

(a) Prepare Form 3949 to reflect the appropriate information.

(b) Item 18, (Disposition) on Form 3949 will be entered as "Suspense."

(c) Form 3949 and the related information document will be batched and included with those forwarded for inclusion in the Master Alpha Index. This procedure will cause the item to be included in the computer "match" runs to identify and correlate all items on the same entity.

(d) After transcription the items will be filed by the Chief, Criminal Investigation Branch in a separate file marked "Suspense" pending the receipt of the returns necessary to make a proper evaluation of the item.

(e) Appropriate tax returns will be requested. At least two options are available for such requests: (First) At the time the Form 3949 is being prepared, the request can be made on Form 3177 or on IDRS terminals by using Transaction Code 930. The DLN is not necessary for this request. When the requested return is filed it will be forwarded to the Chief, Criminal Investigation Branch. (For further instructions on using Transaction Code 930, the Chief, Criminal Investigation Branch should consult with the Chief, Management Staff at the service center). (Second) When the returns have been filed and are ready for regular requisition, they may be requested on Form 2275 or on IDRS terminals.

(f) As the requested returns are received by the Chief, Criminal Investigation Branch, they will be associated with appropriate "Suspense" item and evaluated in accordance with procedures in IRM 9311.3 or 9311.4. The disposition will be changed as appropriate and entered on the Master Alpha Index.

(2) See IRM 9311.3:(9) with regard to putting information items involving illegal tax protesters in suspense.

#### 9311.7 (2-8-79)

##### Claims for Reward

(1) Criminal Investigation Staff employees at the service center will examine each information item to determine the status of any claim for reward. If the informant indicates a desire to file a claim for reward and the appropriate forms have not yet been furnished, the Criminal Investigation Branch employees will, along with the acknowledgment, forward Form 211 and Publication 733. The Form 211, after the completion by the informant, should be returned to the Chief, Criminal Investigation Branch for association with the information furnished and for processing in accordance with instructions contained in IRM 9311.3 or 9311.4.

(2) If a claim for reward is received by Criminal Investigation Branch after an informant's communication has been closed to file, the original communication will be withdrawn from the closed file. Item 12 of Form 3949, will be changed to reflect that the claim has been filed and Item 18, Disposition, Form 3949, will be changed to indicate disposition to Examination.

These changes will be input to the Master Alpha index. A photocopy of the original information item, including the Form 3949, will be furnished to the Examination representative for processing to the appropriate district. If at the time the claim for reward is received the original information item has been microfilmed and destroyed, a copy will be made from the microfilm and processed as described above.

(3) If a claim for reward is received by Criminal Investigation Branch after the information item has been selected by Examination or Collection, Item 12 on the original Form 3949 will be changed to reflect that the claim has been filed. If necessary, the disposition should also be changed. The changes should be input to the Master Alpha Index. A copy of the item and the original claim will be furnished to the Examination function representative for processing to the appropriate district.

#### 9311.8 (2-8-79)

##### Master Alpha Index

(1) The Master Alpha Index is the compilation of all information items, information gathering cases and projects, open and closed investigations, and other information in which the Criminal Investigation Division may have an interest.

(2) The Master Alpha Index is the source of information for all the computer generated listings discussed in IRM 9311.94. The accuracy and completeness of those listings are dependent upon the accuracy and completeness of the input documents generated in the field offices and the service centers. The following is a list of "other information" contained in the Master Alpha Index.

(a) Referrals to Criminal Investigation Division. All referrals from Examination, Appellate, Collection and Employee Plans and Exempt Organizations (EP/EO) functions will continue to be processed in the district in accordance with IRM 9322. The following procedures will apply:

1 The Chief, Criminal Investigation Division will notify the Chief Criminal Investigation Branch if the referral has been declined before investigation by transmitting a photocopy of the Form 2797 or Form 3212 which will include his/her notations that the referral was declined and the date declined.

2 The Chief, Criminal Investigation Division will notify the Chief, Criminal Investigation Branch if the referral has been accepted for investigation by transmitting a photocopy of the Form 4930 initiating the investigation, along with a photocopy of the Form 2797 or Form 3212.



3 The Chief, Criminal Investigation Branch will prepare Form 3949 from the Forms 2797, 3212 or 4930 referred to in (a) and (b) above. Disposition will be to "Suspense" if the referral was selected for investigation and to "Examination," "Collection," or "Other" (for EP/EO), as appropriate, if the referral was declined and returned to the referring function.

(b) Open investigations. As Criminal Investigation investigations are initiated, they will be input to the master alpha index at the service center. The Chief, Criminal Investigation Division, will transmit copies of Form 4930 to the Chief, Criminal Investigation Branch each week. In the transmittal memorandum, each Form 4930 will be counted as one item of "other information." The Chief, Criminal Investigation Branch will prepare Form 3949 from the Form 4930. Disposition will be to "Suspense."

(c) Currency Transaction Reports (Form 4789). Public Law 91-508, provides that whenever a financial institution engages in a currency transaction involving more than \$10,000 with any person, the financial institution must record the identity of the person or persons involved and file a report on Form 4789, Currency Transaction Reports, containing details of the transaction within 45 days. The regulations relating to foreign currency transactions were effective as of July 1, 1972. On April 10, 1974, the Supreme Court decided that the regulations relating to domestic currency transactions were constitutional and they became enforceable on June 15, 1974. Forms 4789, may be treated as "other information" in view of the fact that they are required by law. Its predecessor, Form TCR-1, was obsolete June 30, 1972. Forms TCR-1 should be treated as confidential information. Forms 4789 are required to be filed by the banking community with the Philadelphia Service Center (PSC).

1 Each week, PSC will photocopy all Forms 4789 received.

2 PSC will ship the original Forms 4789 to the appropriate service centers.

3 Each shipment will be double sealed and will be accompanied by a Form 4920, noting the number of Forms 4789 being transmitted.

4 Immediately upon receipt of the Forms 4789, the receiving service centers will verify the count of the enclosed Forms 4789, immediately notify PSC by telephone, and return the Form 4920 to formally acknowledge receipt.

5 It will be the responsibility of PSC to ensure that all Forms 4920 are returned.

6 After telephonic acknowledgment of receipt, PSC will weekly ship the retained photocopies to:

Currency Transaction Reporting Staff

U.S. Treasury Building  
Room 1462  
Washington, D.C. 20220

7 In preparing the Form 3949, the monetary amount shown on the Form 4789 should be entered in the last spaces of Item 6A, the amount should be entered in thousands, example, \$10,000 would be entered as 10. The Forms 4789 will be evaluated for criminal potential and entered in the system as "other information."

(d) Currency or Monetary Instrument Reports (Form 4790) are filed with the U.S. Customs Service, who will periodically provide the Director, Criminal Investigation Division with a magnetic tape of Forms 4790 filed with them. The tape will be processed by the Philadelphia Service Center which will provide each service center with a listing of the information from each form relating to their districts. In preparing the Form 3949, the monetary amount shown on the Form 4790 should be entered in the last spaces of Item 6A, the amount should be entered in thousands, example, \$10,000 would be entered as 10. Each item will be evaluated for criminal potential and entered in the system as "other information."

(e) U.S. Customs Seizure Reports. U.S. Customs Seizure Reports will be transmitted periodically from the National Office to the Chief, Criminal Investigation Branch. These will be processed as any other information item, with the exception that item 6A of the Form 3949 will always be coded "CS."

(f) Reports of U.S. Customs Currency Violation Investigations will be transmitted periodically from the National Office to the appropriate Chief, Criminal Investigation Division. The Chief, Criminal Investigation Division will be responsible for preparing Form 3949 and transmitting it to the service center. These will be processed as any other information item with the exception that item 6A of the Form 3949 will always be coded "USCCVI".

(g) Information Gathering Cases and Projects. Each month the Data Center will produce a tape of all information gathering cases and projects for each service center for matching with information items and other information in the data base. These will be transmitted by the Data Center to the service center for processing in accordance with IRM 9392.

(h) Drug Enforcement Administration (DEA), Class I Information Items. DEA Class I information items will be transmitted periodically from the National Office to the Chief, Criminal Investigation Branch. In processing these documents, item 6A of the Form 3949 will be coded "DEAI." The Chief, Criminal Investigation Branch will then, on a priority basis, send a photocopy of the information item, without initial evaluation, to the appropriate Chief, Crimi-

nal Investigation Division, along with pertinent returns, transcripts and other available data.

(f) Securities Exchange Commission (SEC) Project Information Items. SEC Project information items are transmitted periodically from the National Office to the Chief, Criminal Investigation Branch. These will be forwarded to the appropriate Chief, Criminal Investigation Division without initial evaluation. Item 6A of Form 3949 should be coded "SEC."

(j) Grand Jury Information where there is no 6(e) Order. In any situation where information originates as a result of grand jury testimony, the information will remain under the jurisdiction of the grand jury where a 6(e) Order has not been obtained. There will be no information item prepared.

(k) Referrals from the Questionable Refund Program (QRP). Each filing season, the QRP in each service center will evaluate numerous potential fraudulent refund schemes. Only those items that are selected for referral to a Chief, Criminal Investigation Division will be processed as information items. Form 3949 will be coded "QRP" in item 6A.

(e) Closed Criminal Investigations. After October 1, 1977, a record of all closed criminal investigations will be maintained on the data base, for matching purposes and for identifying the location of the case file at the Federal Records Center (FRC).

1 For all cases in which all criminal actions have been completed after September 30, 1977, the Chief, Criminal Investigation Division will transmit a copy of the final Form 4930 to the Chief, Criminal Investigation Branch. The Form 4930 must be clearly marked "closed case" in the top margin. The Chief, Criminal Investigation Branch will change the disposition, item 18, Form 3949, from "Suspense" to "Prior Investigation" on each closed case, by entering the district number and date closed.

2 When closed case files are retired to a Federal Records Center after October 1, 1977, the Chief, Criminal Investigation Division will submit a listing of the name, DCN of the original 3949 from the alpha listing and the FRC accession number. The accession number will be input into the CEPIIS data base by the Chief, Criminal Investigation Branch.

3 Form 3949 will be used to input appropriate data to the Master Alpha Index. Shaded areas on the form contain the data to be input to the index. Criminal Investigation Branch employees will review, code and edit Forms 3949 to assure that each contains correct and appropriate information to permit proper evaluation and processing. A Form 3949 will be prepared by Criminal Investigation Branch employees for information items and other information intended for input to the Master Alpha Index but not submitted on Form 3949. The Form 3949, con-

taining the appropriate identifying number, will be affixed to the information document. Instructions for occupation and illegal activity codes (Section 4b-5b, Form 3949) will be furnished each Chief, Criminal Investigation Branch and will be the same as those in IRM 9570, Case Management and Time Reporting System Handbook. During the code and edit process, Criminal Investigation Branch employees will prepare Form 3774, Request for Research, on items alleging failure to file appropriate tax returns. Service centers will be requested to perform, on an expedite basis, the requested research. The Collection representative may furnish the Chief, Criminal Investigation Branch additional guidelines, on a local basis, to limit research requests on failure to file allegations to those having a reasonable probability of identifying the taxpayer. Upon receipt of the requested research, intelligence employees will associate it with the appropriate item. The Chief, Criminal Investigation Branch, or his/her designate will request, on an expedite basis, additional research and/or tax returns as necessary to evaluate the criminal potential of each item.

4 This centralized information item system includes a computerized file search for "name matches" on the Master Alpha Index and eliminates the manual search. The computerized search is described in IRM 9311.94.

5 Correspondence or other documents not properly classified as "Information Items" or "Other Information" will not be input to the Master Alpha Index.

### 9311.9 (2-8-79)

#### Other Service Center Responsibilities

### 9311.91 (2-8-79)

#### Transfer of Items

(1) If Criminal Investigation determines that an item relates to a taxpayer in another district, the Chief, Criminal Investigation Branch of the receiving service center will forward the original information item and a copy of the Form 3949 to the Chief, Criminal Investigation Branch serving the district in which the taxpayer resides. For reference and control purposes Form 3949 will be prepared for input to the Master Alpha Index for each item transferred. The Form 3949 will reflect all information available and Item 18 (Disposition) will show the service center number to which the information was forwarded and the date sent.

(2) Information concerning a violation of a law not administered by the Service will be processed in accordance with IRM 9382.4.

**9311.92 (2-8-79)**  
**Batching and Transcribing Items  
 for ADP Alpha Index**

(1) When the evaluation and disposition of each "Information Item" have been completed, the original items will be batched for input to the Master Alpha Index. The original of the items of "Other Information," as described in this document, will also be batched for input to the Master Alpha Index. The batching will be done by Criminal Investigation Branch employees in accordance with service center procedures. Each Chief, Criminal Investigation Branch will contact the Chief, Management Staff in the service center to establish locally acceptable batching procedures.

(2) Following the batching process the Chief, Criminal Investigation Branch will deliver the original documents by the last workday of each month to the Data Conversion function at the service center for transcribing through the Direct Data Entry System (DDES) equipment. The Chief, Criminal Investigation Branch will confer with the Chief, Data Conversion and Accounting Division to arrange for the necessary security precautions while the original documents are being delivered, transcribed and returned. Transcription instructions will be separately furnished to each service center.

**9311.93 (2-8-79)**  
**Filing and Microfilming of  
 Documents**

(1) Upon completion of the transcription, the original documents will be returned to the Chief, Criminal Investigation Branch for filing.

(2) The documents and attachments will be filed in the Criminal Investigation Branch space in the numerical sequence of the five-digit chronological number entered in Item 1 of each Form 3949. There will be only one chronological sequence for each service center each fiscal year.

(3) Periodically, in whatever time intervals deemed appropriate by the service center, the documents may be microfilmed in numerical order by fiscal year in order to conserve filing space. After microfilming, the original documents and attachments may be either shredded or burned provided the microfilm has been tested for legibility and clarity. The microfilm will be stored by the Chief, Criminal Investigation Branch at the service center under strict security precautions. It may only be used for reference purposes, for items in the Master Alpha Index. In accordance with records retention for information items, each roll of microfilm will be destroyed when the retention period for every item on the roll has expired.

(4) Service centers utilizing the optional format will microfilm all information items as soon as the Form 3949 has been completed, the items are sorted into three categories (4930's, non-tax related items, and tax related items), and assigned a document control number.

**9311.94 (2-8-79)**  
**Computer Output Format**

(1) Monthly Alpha Listing. Each month each Chief, Criminal Investigation Division will receive from the Chief, Criminal Investigation Branch a cumulative listing of all items on the Master Alpha Index for his/her district. The listing relates to items disposed of rather than items received by the Chief, Criminal Investigation Branch since items are not entered on the Master Alpha Index until the disposition is known.

(2) The Chief, Criminal Investigation Branch at the service center will receive each month the following computer printouts from the Centralized Information Item System:

(a) Error Listing. An error listing of all items which were unpostable. These items are to be corrected and reentered through DDES since unpostable items are rejected by the Master Alpha Index.

(b) Match Listing. Two separate match listings will be produced each month.

1 An alpha listing of all "matches" from items included in that particular month's work.

2 An alpha listing of all "matches" produced when that particular month's work was merged with the Master Alpha Index. All items reflected on the two Match Listings should be reevaluated by the Chief, Criminal Investigation Branch to determine if a different disposition of such items should be made.

(3) At the end of each calendar quarter each Chief, Criminal Investigation Branch will receive four copies of a quantitative, cumulative listing, beginning each fiscal year, of the disposition of "Information Items," by source, for each district. It will also reflect the disposition of Examination, Collection and EP/EO referrals to Intelligence. The quantitative listing will be distributed as follows:

(a) One copy to the appropriate Chief, Criminal Investigation Division.

(b) One copy to the ARC (Criminal Investigation) of the region where the district is located.

(c) One copy to the Criminal Investigation Division, National Office (CP:CI:M) Post Office Box 768, Benjamin Franklin Station, Washington, D.C. 20224. This report should be forwarded to arrive in the National Office no later than the fifteenth workday after the end of the quarter.

(d) The original will be retained by the Chief, Criminal Investigation Branch for planning and management purposes.

(4) Upon receipt of the monthly alpha listing both the Chief, Criminal Investigation Branch and the Chief, Criminal Investigation Division will destroy the prior month's listing.

(5) Semi-annually, in March and September a "purge" routine will be run by computer to remove certain entities from the Master Alpha Index. The purge is intended to keep the Master Alpha index to a manageable size and to remove entities no longer needed. The date and "disposition" of the item will be used as purge criteria. A listing will be produced showing only document control number, date received, date disposed and date purged. This listing will be maintained for reference purposes for six months.

#### 9311.95 (2-8-79)

##### Security

(1) Physical security in the service center and districts must conform to the protection point values (PPV) required by Exhibit 500-2 of IRM 1(16)41, Physical and Document Security Handbook.

(2) Policy statement P-1-190 requires strict protection of the identity of informants. Chapter 400 of IRM 1(16)41 gives specific instructions for handling informant information. Generally, informant information can be disclosed only to employees having a "need to know." Informant communications must be transmitted in double-sealed envelopes bearing instructions "To Be Opened by Addressee Only." In order to assure proper security in transmissions, all "Information Items" and items of "Other Information" will be mailed in double-sealed envelopes (See IRM 9723)

#### 9311.96 (2-8-79)

##### Management Controls

(1) Each Chief, Criminal Investigation Branch will devise adequate controls at each service center to assure timely and accurate processing of "Information Items" and "Other Information."

(2) Management controls should include a record prepared no later than at the end of each month to reflect the status of items on hand and to account for the number of items received, by district and items completed.

#### 9311.97 (2-8-79)

##### Record Retention and Destruction

(1) Tax related information will be retained according to item 47 of Records Control Schedule 206 of IRM 1(15)59, Records Disposition Handbook.

(2) Automatic purging of the Master Alpha Index will be done by computer. The Chief, Criminal Investigation Branch and the Chief, Criminal Investigation Division must destroy all other data including that contained on alpha printouts, manually prepared records and microfilm records after the retention period. See IRM 9311.93(3).

#### 9320 (6-23-78)

##### Investigations

[Supplemented by 9G-12]

#### 9321 (10-3-77)

##### General

(1) The Chief, Intelligence Division, or his/her delegate, will select for investigation all information items which, upon evaluation and screening, are deemed to warrant inquiries beyond those enumerated in IRM 9311.2. It is not necessary that each case be assigned to a special agent for investigation immediately upon selection.

## ATTACHMENT E

SUMMARY OF IRS HIGH-LEVEL DRUG LEADERS TAX ENFORCEMENT PROJECT STATISTICS,  
JULY 1, 1976 TO SEPT. 30, 1978

	1976 transition quarter			Fiscal year 1977			Fiscal year 1978			Total		
	DEA-I	Other	Total	DEA-I	Other	Total	DEA-I	Other	Total	DEA-I	Other	Total
Investigations initiated...	16	59	75	71	175	246	41	265	306	128	499	627
Investigations completed..	4	22	26	45	175	220	76	247	323	125	444	569
Prosecutions recommended.....	2	13	15	9	68	77	20	70	90	31	151	182
Indictments.....	0	7	7	3	69	72	6	59	65	9	135	144
Convictions.....	0	12	12	2	60	62	4	52	56	6	124	130
Total.....	22	113	135	130	547	677	147	693	840	299	1,353	1,652

## ATTACHMENT F

Summary of Major Criminal Tax Offenses (IR Code sections 7201, 7203, 7206(1) )

121.2 (3-1-77) 9900  
 IRC 7201. Attempt to Evade or Defeat Tax

"Any person who willfully attempts in any manner to evade or defeat any tax imposed by this title or the payment thereof shall, in addition to other penalties provide by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both, together with the costs of prosecution."

121.4 (3-1-77) 9900  
 IRC 7203. Willful Failure to File Return, Supply Information, or Pay Tax

"Any person required under this title to pay any estimated tax or tax, or required by this title or by regulations made under authority thereof to make a return (other than a return required under authority of section 6015), keep any records, or supply any information, who willfully fails to pay such estimated tax or tax, make such return, keep such records, or supply such information, shall, in addition to other penalties provide by law, be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution."

121.7 (3-1-77) 9900  
 IRC 7206. Fraud and False Statements

"Any person who—  
 "(1) *Declaration Under Penalties of Perjury.*— Willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter; or

"(2) *Aid or Assistance.*—Willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under, the internal revenue laws, of a return, affidavit, claim, or other document, which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document; or

"(3) *Fraudulent Bonds, Permits, and Entries.*—Simulates or falsely or fraudulently executes or signs any bond, permit, entry, or other document required by the provisions of the internal revenue laws, or by any regulation made in pursuance thereof, or procures the same to be falsely or fraudulently executed, or advises, aids in, or connives at such execution thereof; or

"(4) *Removal or Concealment With Intent to Defraud.*—Removes, deposits, or conceals, or is concerned in removing, depositing, or concealing, any goods or commodities for or in respect whereof any tax is or shall be imposed, or any property upon which levy is authorized by section 6331, with intent to evade or defeat the assessment or collection of any tax imposed by this title; or

"(5) *Compromises and Closing Agreements.*—In connection with any compromise under section 7122, or offer of such compromise, or in connection with any closing agreement under section 7121, or offer to enter into any such agreement, willfully—

"(A) *Concealment of Property.*—Conceals from any officer or employee of the United States any property belonging to the estate of a taxpayer or other person liable in respect of the tax, or

"(B) *Withholding, Falsifying, and Destroying Records.*—Receives, withholds, destroys, mutilates, or falsifies any book, document or record, or makes any false statement, relating to the estate or financial condition of the taxpayer or other person liable in respect of the tax; shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned not more than 3 years, or both, together with the costs of prosecution."

## ATTACHMENT G

**Manual Supplement**

Department of the Treasury  
Internal Revenue Service

December 29, 1978

9G-92  
1(15)G-127  
45G-313  
5G-219  
61G-6  
79G-2

**Information Gathering Guidelines****Section 1. Purpose**

.01 This Supplement incorporates with appropriate revisions all prior Information Gathering Guidelines as set forth in MS 9G-18 (formerly numbered 93G-152), CR 1(15)G-91, 45G-231, 5G-9 (formerly numbered 51G-118 and 5(12)G-25), 61G-3 and 71G-9, dated June 23, 1975, and Amend. 1, thereto, dated March 16, 1976. It provides more detailed guidelines for the gathering of information that may be solicited, obtained and retained for use by Service personnel as background material prior to the assignment of a case for collection, examination or investigation.

.02 These guidelines are not intended to alter in any way the gathering, solicitation and documentation of tax related facts and evidence necessary in developing cases that have been assigned for collection of taxes, examination or investigation of a tax liability.

**Section 2. Background**

.01 Compliance with the tax laws which the Service is authorized and directed to enforce cannot be determined solely by reference to the information on returns and documents filed with the Service. Therefore, the Service must obtain information from outside sources for the effective administration of the tax laws.

.02 Manual Supplement CR 71G-9 to MS 9G-18; CR 71G-9, Amend. 1 to MS 9G-18, Amend. 1; and CR 71G-13 to MS 12G-119 are being superseded by MT 7100-10, being issued concurrently. The guidelines for information gathering are now contained in MS CR 79G-2.

**Section 3. Records Retention and Destruction**

.01 MS 1(15)-114, dated December 1, 1976, lifted the disposition freeze on most documents and information relating to or arising from information gathering activities. All records, including original documents contained in the discontinued Intelligence Gathering and Retrieval

System (IGRS), should be reviewed to determine if they could be associated with present approved information gathering activities or if new information gathering activities should be initiated. All other records may be transmitted to the Federal Records Center, or destroyed in accordance with IRM 1(15)59, Records Disposition Handbook, except as provided by Section 3.02 of MS 1(15)G-114. This was previously contained in teletypes dated January 5, 1977 and June 10, 1977 to all Regional Commissioners, District and Service Center Directors from the Deputy Commissioner.

.02 All documents and information relating to or arising from information gathering activities (including projects) whether solicited or unsolicited which are not directly tax related and do not indicate a violation of a Federal, State or local law, should not be retained and should be destroyed. Copies of documents and information indicating a violation of other Federal, State or local law which have been or are to be disclosed to such appropriate agencies, should not be retained as a part of the information gathering file.

.03 Directly tax related documents (defined in Section 4) shall be maintained in accordance with the provisions of these guidelines.

**Section 4. Definitions**

.01 The term "directly tax related information" means documents, statements, facts, testimony and other data which reasonably may be expected either singularly or cumulatively to show one or more of the following:

- 1 Expenditures or investments which are incommensurate with known income or assets;
- 2 Indications of potential unreported income;
- 3 Indications of potential overstatement of itemized deductions, business expenses, or cost of goods sold;
- 4 Failure to file required returns or pay tax due;

5 Information which would bear on the improper preparation of any Federal tax return;

6 Violations in the operation of a tax exempt organization or a qualified employee plan or trust;

7 The identification of the taxpayer, taxpayer's spouse, dependents, or potential witnesses;

8 Overt actions indicating an intent to violate the tax laws;

9 Allegations or evidence of illegal activities which have potential tax consequences; or

10 Other actions substantially similar to 1-9 above.

.02 The above factors do not stand alone. Furthermore, experience should be considered, and prudent judgment should be exercised in making the decisions to develop information and in determining whether or not data has necessary tax relatedness. These determinations should also be made in the light of such information as the taxpayer's occupation, known accumulation of wealth, style of living and data reported on tax returns.

.03 Documents, statements, facts, testimony or other data which relate to personal habits of a person may be gathered if it is "directly tax related." If the information is not "directly tax related", but is commingled with other information, in the same document, that is, it may be retained. Under no other conditions will information on personal habits of a person be gathered, developed or retained.

.04 Documents and data relating to agent's daily activities, time reports and other case management and internal management documents are not considered to be background material or taxpayer related information and may be retained for management purposes. However, such documents and data may contain "return information" as defined in IRC 6103(b) and subject to the disclosure provisions of this document and IRM 1272, Disclosure of Official Information Handbook.

.05 Definitions:

1 A "case" is an accumulation of facts concerning a taxpayer, which are segregated and associated with the taxpayer's name and evaluated for potential assignment to an employee for appropriate action.

2 An "assigned case" is a case that has been assigned to an employee or group of employees for action, and that is subject to a requirement for a written report or an entry in a log

indicating the action taken when the assigned case is completed.

3 A "case file" is the accumulated notes, documentation and information assembled as a result of Service inquiries of and about a taxpayer which contains the taxpayer's name or identifying number or symbol assigned to the taxpayer.

4 An "informant's communication" is a communication from anyone outside the Service, written or oral, voluntarily submitted to the Service, identifying one or more taxpayers and providing some information about the taxpayer. The informant may be anonymous.

5 A "project" is a study, survey or canvassing activity involving a limited number of taxpayers within such categories as an occupation, an industry, a geographic area or those involved in a specific economic activity, undertaken to identify noncompliance with the tax laws.

### Section 5. Broad Service Guidelines Governing All Functions (except Inspection)

.01 Employees are encouraged to continue to be alert for indications of noncompliance which come to their attention. District Examination, Collection, EP/EO and Criminal Investigation employees will report such information as provided in their respective sections of this Supplement. All other district employees will report such information via memorandum through channels to the Chief, Criminal Investigation Division. Indications of noncompliance identified by service center, regional and National Office employees will be forwarded to the Chief, Criminal Investigation Staff at the appropriate service center.

.02 Information received by a Service employee while acting in their official capacity, or because of their official status, concerning the nontax violations of Federal, State and local criminal laws should be processed in accordance with (35)00 of the "new" IRM 1272, Disclosure of Official Information Handbook, IRC 6103(i)(3) and IRM 9380, as appropriate.

.03 Informants' communications received by the districts will be forwarded to the Chief, Criminal Investigation Division for transmittal to the Chief, Criminal Investigation Staff at the appropriate service center. Informants' communications received by service center, regional and National Office employees will be forwarded to



the Chief, Criminal Investigation Staff at the appropriate service center.

.04 All Service employees assigned to a project involving information gathering may obtain information from sources outside the Service, including contacts shown in Section 8.08, for purposes of verifying the filing of required returns, payments of tax, exempt status, proper reporting of income, deductions or credits, or otherwise determining compliance with the tax laws. The information obtained must be directly tax related and necessary for the administration of the tax laws. The anticipated contacts to be made outside the Service should be shown in the project authorization.

.05 Employees assigned to a project involving information gathering must ensure that all directly tax related information received is included within the project files.

.06 Information received which is not directly tax related and does not indicate a violation of other Federal, State or local laws will be destroyed.

.07 No employee shall maintain background or historical files on taxpayers except where such files are an integral part of the case file pertaining to a currently assigned case, an information item assigned for further evaluation, or for authorized information gathering on an individual or project.

.08 Any employee who receives information concerning Service employee misconduct will forward the information directly to Inspection.

### Section 6. Responsibilities

.01 Assistant Commissioners will provide for a review of each region's information gathering activities as a part of the National Office Review Program (NORP) to ensure compliance with Service policy and these guidelines.

.02 Regional Commissioners will provide for semi-annual reviews of each district's information gathering activities to ensure compliance with Service policy and these guidelines.

.03 District Directors are responsible for the approval of all district information gathering projects. While the Chief, Criminal Investigation Division may authorize information gathering on specific taxpayers outside the scope of projects as and to the extent provided in Section 8.11, the District Director or Assistant District Director will conduct quarterly reviews of information gathering activities on projects and specific taxpayers to ensure compliance with Service policy and these guidelines.

.04 Each employee is responsible, in the interest of safeguarding taxpayer privacy, for en-

suring that information other than that necessary for the administration or enforcement of the tax laws is not solicited, indexed or associated with the name or other identifying symbol of a taxpayer. (See Section 3.02 for the disposition of any such information described therein as may be or may have been received.) Information gathering files will be reviewed by district disclosure officers for purposes of determining if the requirements of the Privacy Act are being observed.

.05 Assistant Commissioners and Regional Commissioners will include evaluation of First Amendment considerations in the review of information gathering activities established by Section 6.01 and 6.02 above (see IRM 1273, Privacy Handbook).

### Section 7. Initiation of Projects to Determine Taxpayer Compliance

.01 Projects, as defined in Section 4.055, must be authorized in writing by the Assistant Commissioner, Regional Commissioner or the District Director. Authority to initiate projects may not be redelegated.

.02 Authorizations for projects must state the purpose and define the scope of the project, including anticipated contacts to be made outside the Service. Project activities may include obtaining and analyzing data from sources outside the Service, but only information meeting the requirement of Section 4 may be sought, indexed and analyzed. Authorizations must also specify the estimated life of the project and specifically state what type of information is to be gathered and indexed. If the original scope or purpose of the project is expanded, the expansion should be authorized in writing.

### Section 8. Criminal Investigation Division Procedures

.01 The Information Index System (IRM 9390) will be used to index the written authorization for information gathering. However, other tax related documents need not be indexed if they are included in the case file and maintained in a manner that will facilitate the reviews required by these guidelines. Each district still has the option to maintain a computer or manual index of tax related documents.

.02 A special agent may be authorized to gather information in four situations:

1 a numbered criminal investigation, in which the information gathering guidelines do not alter, in any way, the investigation, documentation, and development of assigned criminal cases;

2 information items, which are processed and evaluated in accordance with IRM 9311 and MS 9G-82, CR 1(15)G-124, 45G-299, 5G-187, 71G-19, 79G-1, dated June 29, 1978.

3 individual information gathering assignments, which may be conducted only after the Chief, Criminal Investigation Division has approved the action; and

4 information gathering projects, which must be authorized, in writing, by the District Director, Regional Commissioner, or Assistant Commissioner.

.03 The special agent may not maintain files or gather information except in one of the above listed four situations. However, a special agent does not need information gathering authorization to maintain liaison with other law enforcement agencies, clip newspaper articles, talk to informants, identify the owner of an automobile through a license check, put in writing a tax related observation regarding a taxpayer, or any other observation that might have tax implications. The information observed should be forwarded to a Criminal Investigation manager as soon as possible. The visual inspection of a taxpayer's home, office, real estate, or other property may be made to identify the taxpayer. If the true identity of a taxpayer cannot be determined through a license check, observation or visual inspection, the Chief, Criminal Investigation Division may authorize an information gathering assignment under the name "John Doe" to allow a third party contact solely for the purpose of determining the true identity of the "John Doe." However, once a taxpayer is identified and the special agent has forwarded the data to a Criminal Investigation manager, any further pursuit of the taxpayer's activities without an assignment described in .02 above would constitute unauthorized intelligence gathering. This limitation does not bar the special agent from continuing to observe, record and forward to a Criminal Investigation manager any further information arising from his/her normal assigned duties.

.04 In exercising judgment as to whether items of information submitted by Criminal Investigation personnel are tax related (See Section 4.02), data reported on tax returns, and results of prior investigations, may need to be considered. As tax returns are not immediately available, Section 4.02, in effect, calls for the retention of such documents in a pending status until tax returns are obtained. Therefore,

Criminal Investigation managers may request tax returns on such information. Those pending items should be attached to the **retained copies** of Form 2275, Records Request Change and Rechange or other document evidencing the requesting of tax returns, and held in the manager's files until returns are received. This accumulation of facts on taxpayers by managers for the purpose of evaluating data for potential assignment to an employee is considered a "case" per Section 4.051.

.05 If it is determined that an item of information is not tax related, it will be destroyed. Tax-related documents must be either associated with an investigation, processed as information items, approved as information gathering cases, or included in an authorized project.

.06 An information item is any communication or information received by the Service alleging or indicating a violation within the investigative jurisdiction of the Internal Revenue Service. (See MS 9G-82.) Information items must be forwarded to the Chief, Criminal Investigation Staff for processing in accordance with guidelines on Centralized Evaluation and Processing of Information Items. (See MS9G-82.) It is not necessary to obtain an authorization for information gathering to solicit or retain tax related facts and evidence necessary to properly evaluate an information item. Although the Chief, Criminal Investigation Division may not arbitrarily close an information item to files for the purpose of initiating an intelligence gathering file, copies of any information items which have no immediate prosecution potential and have been processed by the Chief, Criminal Investigation Staff may be part of an information gathering file.

.07 An approved individual information gathering file could include newspaper clippings, copies of prior Special Agent Reports (SAR's), Revenue Agent Reports (RAR's), copies of Taxpayer Delinquent Accounts, closed information items which do not in and of themselves reflect immediate Criminal Investigation potential, financial data relating to the taxpayer's legal and/or illegal businesses, memorandums from special agents containing tax related data, identification of the taxpayer's agents, and other directly tax-related data. The latter would include the identity of the taxpayer's associates where the association has a bearing on determining his/her liability or other evidence of noncompliance.

.08 With the exception of contacts with foreign governments, surveillance and contacts with informants other than the original informant, authorized information gathering on individuals does not permit any greater latitude in third party contacts than in evaluating information items. The sources outside the Service which may be contacted and the activities which may be performed by special agents in connection with authorized individual information gathering assignments are as follows:

1 Inquiries at Federal, State and local governmental agencies, including, but not limited to:

- a law enforcement bodies;
- b crime commissions;
- c regulatory and licensing branches;
- d motor vehicle registration; and
- e real estate records.

2 Inquiries at state and local taxing authorities.

3 Contacts with the original informant and other informants who are believed to possess pertinent information.

4 Contacts with foreign governments (both tax treaty and other nations), however these contacts should be coordinated through the Office of International Operations per IRM 9265.

5 Surveillance approved by the group manager.

.09 In making these inquiries, the special agent is allowed to disclose the name of the taxpayer for identification purposes in an effort to secure information that is directly tax related and necessary to the administration of the tax laws. See MS 12G-178, CR 40G-126, 9G-49, dated April 27, 1977, concerning the limitations and conditions on making investigative disclosures under IRC 6103(k)(6) and regulations issued thereunder.

.10 After an information gathering file is developed to where it contains indications of specific tax consequences, it should be identified as an "information item" and processed according to MS 9G-82. If the matter reflects Criminal Investigation potential, the information item may be converted into a numbered investigation using a retained copy in the district. This fact should be noted in transmitting the information item to the service center.

.11 The authority to authorize information gathering on individuals may not be redelegated. The authorization must be made in advance

of the information gathering activity. The Chief, Criminal Investigation Division, may authorize only information gathering activities which relate to a taxpayer of interest to that district. The district's interest may be the result of the taxpayer filing returns in the district, residing in the event the interest of another district within the region becomes apparent, the ARC (Criminal Investigation) will coordinate with the other district to establish which district has the principal interest. If the interest of another district outside the region becomes apparent, the Director, Criminal Investigation will coordinate to establish which district has the principal interest. That district will, thereafter, control information gathered and coordinate information gathering activity relating to that taxpayer.

.12 When the Chief, Criminal Investigation Division, approves the gathering of information relative to a specific taxpayer, the authorization must be in writing and must specify the known or assumed identity of the taxpayer and the reason information gathering has been authorized. The written authorization must be indexed in the Information Index System described in IRM 9390.

.13 The employee authorized to gather information will be responsible for ensuring that directly tax related information received is included in the case file and for maintaining each file in a manner that will facilitate the reviews required by these guidelines. If required by the Chief, the employee will prepare the necessary forms to index information as described in IRM 9390.

.14 Where authorized by an Assistant Commissioner, a Regional Commissioner, or a District Director, projects, as defined in Section 4.055, may be initiated for the purpose of identifying taxpayers involved in tax evasion or other criminal violations of the Internal Revenue Code. Identification of the project should be in clear and concise terms. Code names should not be used. Criminal Investigation projects should be numbered and controlled by each district.

.15 The authorization for a project may identify one or more taxpayers at the outset for information gathering activity and additional taxpayers may be identified as the project progresses. Immediately upon termination of the information gathering phase of the project, any information not associated with the case file of a taxpayer must be removed from the Informa-

tion Index System and destroyed unless it relates to a taxpayer for whom information gathering has been specifically authorized by the Chief, Criminal Investigation Division.

.16 Information gathering on projects is not limited by IRM 9311.2-(3) and (4), since inquiries are not being made on specific transactions or specific identified taxpayers. Therefore, authorized projects usually permit the gathering of information on a group of individuals without making individual inquiries on specific taxpayers or transactions. An exception to this rule is projects involving potential fraudulent refund schemes. In this instance, the Chief, Criminal Investigation Staff and special agents in the district and at the service center may contact employers of potentially fictitious persons to determine their validity. It is suggested if time allows that contact be made by correspondence, utilizing a C-24 letter, which requests the employer to furnish the amount of employee's earnings, and the amount of income tax and social security tax withheld. However, if personal contact is required with the employer, it should be limited to determining the validity of the employee's earnings and withholding.

.17 If the tax related information relating to taxpayers who derive substantial income from illegal activities is determined necessary to tax administration purposes, the District Director may authorize an information gathering project or the Chief, Criminal Investigation may authorize individual information gathering on a known subject. All directly tax related original documents contained in the discontinued IGRS should be reviewed to determine if they could be associated with this project. These files may contain financial statements, prior year tax returns, RARs, SARs, memorandum of interviews and other tax related documents. The purpose of retaining this material and scrutinizing the latest returns filed by these taxpayers would be for recommending or initiating any Service action warranted.

.18 The Chief, Criminal Investigation Division or Assistant Chief will conduct quarterly reviews to determine the progress of the information gathering activity and to ensure that only directly tax related information is being retained. Information no longer needed by the Service is to be removed and destroyed. A written record of the quarterly reviews will be submitted to the District Director who will review them.

.19 Information obtained during the course of an assigned project or investigation indicating a violation of a Federal, State, or local law enforced by another agency will be processed as described in Section 5.02 of this Supplement.

.20 Information in the Information Index System will be removed and associated with the taxpayer's case file when a case is assigned or when an information item is prepared. All other tax related information will be removed from the System and destroyed. Administrative files should be retired to the Federal Records Center.

### Section 5, Examination Division Procedures

.01 These guidelines do not curtail gathering tax-related information in assigned cases pertaining to possible liabilities for other periods or other taxes of the taxpayer under examination. Examiners will continue to seek facts and evidence necessary to resolve issues in assigned cases and projects; however, care must be taken to ensure that only directly tax-related information is sought. Examiners will continue to forward information observed during the course of assigned cases relating to possible liabilities of other taxpayers.

.02 If potential fraud is discovered relating to a taxpayer upon whom the employee has an assigned case, the matter will be referred to the Chief, Criminal Investigation Division, in accord with the procedures in IRM 4565.2.

.03 All other information received which may involve potential fraud and all informants' communications received by Examination employees will be recorded on Form 3949, Intelligence Information Item, and forwarded, through channels, to the Chief, Criminal Investigation Division, in accord with the procedures in IRM 4568.2. All other directly tax-related information received by Examination employees will be forwarded with Form 5346, Audit Information Report, to the Returns Program Manager (RPM) for processing. Group Managers will ensure that only directly tax-related information is forwarded. Information indicating a nontax violation of a Federal, State or local criminal law in which the facts are not directly or indirectly related to a tax return, may be disclosed to the appropriate Federal, State, or local law enforcement officials under the procedures set forth in (35)00 of the "new" 1272.

.04 The RPM or his/her delegate will promptly screen all Forms 5346 received and follow the procedures in IRM 4175.

.05 Information necessary for the determination of comparable sales prices, appropriate intercompany pricing practices, allocation of income and expenses, useful life of assets and similar data necessary to sustain Service positions on valuation and costs allocation matters may be obtained and retained for use as reference material. Such material is used by examiners in arriving at timely, fair and reasonable determinations and is not to be indexed and associated with the name or other identifying symbol of a taxpayer.

.06 The historical files used in the Coordinated Examination Program are considered a part of the case file.

.07 Use of Examination Division resources in the information gathering phase of a "project" will be governed by the provisions of IRM 4568.1:(5)(b).

#### Section 10. Collection Procedures

.01 The Collection function will continue ongoing activities in the Returns Compliance Program area. New programs initiated at the National, regional or local levels will require the approval of the Assistant Commissioner, Regional Commissioner or District Director, respectively. Returns Compliance Programs may involve obtaining lists of taxpayers' names and addresses and other general information which identifies groups of taxpayers who are probably required to file particular tax returns. Other types of Returns Compliance Programs may involve direct contact with individual taxpayers to assure compliance with specific filing requirements. Employees will not maintain any individual files or background information on taxpayers.

.02 Only directly tax related information will be obtained in the Returns Compliance Program.

.03 Information gathered for the purpose of generating Returns Compliance Program leads is normally retained for a relatively brief period until this purpose has been accomplished, and then destroyed.

.04 Returns Compliance leads assigned for field follow-up will be considered as "assigned cases" and, as such, come under the exclusions in Section 1.02.

.05 Collection employees who learn of indications of tax noncompliance will report the information to Examination or EP/EO on Form 3449, Referral Report. If potential fraud is indicated, the information will be reported to Criminal Investigation on Form 3949, Intelligence Information Item, unless the referral resulted from an assigned case where Form 3212, Referral Report, will be used. Information alleging other offenses against the United States will be forwarded, through channels, to the Director, Criminal Investigation Division.

.06 Actions that are deemed necessary to verify the current compliance of previously delinquent taxpayers, or taxpayers for whom the Service believes such verification is necessary, will be considered delinquency prevention actions. Such actions will be considered assigned cases and will be documented as outlined in 4.052.

#### Section 11. Employee Plans and Exempt Organizations Division Procedures

.01 All EP/EO employees will be alert for indications of noncompliance with the tax laws. They will continue to seek facts and evidence necessary to resolve issues in assigned cases and projects; however, care must be taken to ensure that only directly tax related information is sought. Employees will not maintain any files or background information on taxpayers or organizations.

.02 If potential fraud is discovered relating to a taxpayer upon whom the employee has an assigned case, the matter will be referred to the Chief, Criminal Investigation Division, on Form 2797, Referral Report.

.03 All other information received which may involve potential fraud and all informants' communications received by EP/EO employees will be recorded on Form 3949 and forwarded, through channels, to the Chief, Criminal Investigation Division. All other directly tax related information received by EP/EO employees will be forwarded with Form 5666, EP/EO Information Report, to the Chief, EP/EO Division, for processing. Group Managers will ensure that only directly tax related information is forwarded. Any information alleging other offenses against the United States will be forwarded, through channels, to the Director, Criminal In-

vestigation Division for appropriate disposition pursuant to Section 5.

.04 The Chief, EP/EO Division, or an appropriate designee, will promptly screen all Forms 3949 and 5666 received. Forms 5666 not involving exempt organizations, exempt status of an organization or employee plans will be forwarded to the Returns Program Manager, Examination Division, for the district office servicing the principal place of business of the taxpayer. If it is determined an exempt organization or employee plan return is to be secured, the return will be requested from the service center and the information associated with the return. If the return does not warrant selection for examination because of prior year returns, workload capacity or other factors, the form 5666 and return will be sent back to the service center. However, if the information relates to a taxable period for which no return is due or one for which the organization does not have to file a return, such Form 5666 will be placed in a suspense file until the return is filed and secured, or until the accumulated information warrants compliance action. Any instances of apparent failure to file will be referred to the Collection function.

.05 Projects as defined in Section 4.055 may be initiated when authorized by an Assistant Commissioner, the Regional Commissioner or by the key District Director. Care should be exercised to ensure that only directly tax related information is sought.

.06 Reports, comments or exchanged information required under the Employee Retirement Income Security Act of 1974 (Public Law 93-406) are not considered informants' communications.

.07 The administrative files of Employee Plans and Exempt Organizations which contain information, such as application for recognition of exempt status, determination letters issued and workpapers from prior examinations, are considered as part of the case file.

## Section 12. Effect on Other Documents

.01 This supersedes Manual Supplement 9G-18 (formerly numbered MS 93G-152), and CR5G-9 (formerly numbered 51G-118 and 5(12)G-25), dated June 23, 1975, and Amend. 1 thereto, dated March 16, 1976. Annotations referring to those Supplements at 5(12)40, 9311 and 9330 are removed.

.02 This supersedes MS CR 45G-231, dated June 23, 1975, Annotations referring to that Supplement at 4568 and 4569 are removed.

.03 This supersedes MS CR 1(15)G-91 and 61G-3, dated June 23, 1975, and Amend. 1 thereto, dated March 16, 1976. Annotations referring to those Supplements at Records Control Schedule 207 of IRM 1(15)59, Records Disposition Handbook, and 6100 should be removed.

.04 MS 9G-39, dated February 3, 1977, is superseded *in part* with respect to its effect on MS 9G-18, Amend. 1, Corrected Copy. This "effect" should be annotated by pen and ink on MS CR 9G-39 with a reference to this Supplement.

.05 This supersedes MS CR 1(15)G-93, 45G-238, 5G-11 (formerly numbered 51G-122 and 5(12)G-29), 61G-5, and 9G-21 (formerly numbered 93G-155 and 94G-60), dated September 29, 1975.

.06 This supplements Records Control Schedule 207 of IRM 1(15)59, Records Disposition Handbook, and 6100. This "effect" should be annotated by pen and ink on the basic and Handbook text cited with a reference to this Supplement.

.07 This also supplements IRM 5(12)40 and 7900.

.08 This amends and supplements IRM 4568, 9311 and 9392.3.

/s/ Jerome Kurtz  
Commissioner

PREPARED STATEMENT OF WILLIAM T. ARCHEY, DEPUTY COMMISSIONER OF CUSTOMS,  
U.S. CUSTOMS SERVICE

Mr. Chairman and members of the Committee, I am pleased to have the opportunity to appear before you today to report on the efforts of the U.S. Customs Service to prevent the importation of dangerous drugs into the United States.

I have held the position of Deputy Commissioner for exactly one month. Prior to my selection, I served as Deputy Assistant Secretary (Operations) in the Treasury Department. In 1972, I worked in the Special Action Office on Drug Abuse Policy and, like many back then, was called an "expert" on drug abuse. Prior to SAODAP I worked as a consultant with several community groups and local police departments not only to advise them on how to deal with various problems related to drug abuse, but more importantly to learn from them the difficulties they encountered in their efforts to control drug abuse. These efforts culminated in my directing the development of a drug education program for adults for the National Institute of Mental Health. The program was named "The Social Seminar." I am therefore well aware of the dangers our nation faces with respect to the abuse of narcotics and other dangerous drugs. I pledge that I will direct my best efforts and those of the Customs Service to solving these very serious problems.

The Strategy Council on Drug Abuse has reviewed the past efforts of the Federal Government and has concluded that we must coordinate better the various, and often disparate, elements of the Federal drug enforcement team. They recognized that we must develop a national consensus on drug abuse policy, and then implement that policy effectively and efficiently. The era of interagency disharmony has ceased.

With respect to the enforcement of our drug laws at the border, Strategy 1979, the administration's new policy, specifically directs that a comprehensive border interdiction strategy be developed. To this end, Strategy 1979 places greater emphasis upon interdiction at the borders based upon prior information, underlines the role of technology in the detection capabilities of the border enforcement agencies, and stresses the importance of attacking the financial base of drug trafficking. Further, Strategy 1979 will continue to direct U.S. participation in international drug control organizations and cooperation with foreign narcotics enforcement agencies.

We strongly support and endorse Strategy 1979 as prepared by the Strategy Council on Drug Abuse.

As our nation's first line of defense against the unlawful importation of contraband, the Customs Service has a significant role to play in implementing each facet of this part of Strategy 1979.

Initially, I would like to point out that the Customs Service is in the process of its own internal reorganization. After years of experience, we know that the past and present alignment of Federal resources at the border has been woefully inefficient and counter productive. We simply cannot have inspectors under one roof and investigators under another, with little or no communication between them. The Customs Service has been guilty in the past of having its own house in disarray. This summer we will complete our own reorganization which will unify our total border enforcement effort under the command and direction of a single Associate Commissioner. We believe that this "single border management" office in Customs will realize some of the same economies and efficiencies of service contemplated by the proposed consolidation of Customs and INS. However, we have gone even further in our reorganization by combining inspection and control, patrol, and investigations in one office. In this regard, we have begun to implement on our own one of the directives of Strategy 1979.

Even once Customs is realigned, we will face the same problems of detection. The principal problem to be faced is that our national borders can not be effectively protected by traditional methods. Smuggling contraband is an old game, but the modern day smuggler, adopting many of the advances of recent technology, has to be countered with equally up-to-date modes of operation. Any enforcement strategy has to react quickly to the vast range of ongoing smuggling. Modes of operation adapted by smugglers are closely aligned to the illegal product involved, the environmental characteristics of the particular location, and in many instances the enforcement practices then in use.

Although the interdiction problems confronting Customs at the ports and other areas along the border may appear to be considerably different, common to both is the basic problem of detecting the proverbial "needle in the hay-

stack." At the ports of entry, whether they be land, seaport, or airport, Customs is faced with detecting the contraband among the enormous volume of incoming persons or cargo. At other locations along the border the interdiction problem is one of detecting and intercepting the smuggler in the vastness of the area that must be covered. The use of aircraft or boats for smuggling adds additional dimensions to the overall problem. Interdiction then requires special capabilities for reliable detection of contraband when hidden on a person, in cargo, in a vehicle, or when it is illegally crossing the border at a location between the ports.

To narrow our field of concentration, the more information we can get prior to someone crossing the border, the more time we have to direct our efforts towards that person or location. By knowing how the smuggling attempt will be made, we will know how we can best stop the attempt.

In this regard, we have begun working more closely with DEA, the agency primarily charged with collecting and disseminating information concerning narcotics. Customs has expanded its role in EPIC since its inception and now provides two managers, four analysts and six watch officers to the total EPIC complement. Customs is also beginning to work with DEA in foreign source countries to develop intelligence at that strategic point. In addition to these formal channels of exchange there is an ongoing exchange of narcotics intelligence at field levels. In emergency situations DEA may contact Customs field offices directly to transmit urgent intelligence or enforcement information.

Both Mr. Chasen and Mr. Bensinger have worked hard to iron out our problems. Cooperation with DEA has improved at all operating levels. The agency heads meet on a regular basis to discuss outstanding problems, new enforcement measures, and joint policy direction. Similar meetings are regular occurrences among field operational staffs. Customs and DEA are currently conducting a joint training program for improving the cooperation and overall enforcement effectiveness at several major airports. In addition, DEA is involved in the planning of enforcement operations. As an example, DEA pilots are operating from the Customs air unit at El Paso.

When we cannot get timely prior information, we then must work blind. In this situation, our strategy is to deploy an interdiction force between ports—air, land, and sea—of sufficient capability to force the smugglers into ports where Customs has greatest control. At the ports, through which significant amounts of heroin are reportedly smuggled, Customs has instituted an intensified screening of personnel, vehicles, and cargo. It is physically impossible for the Customs Service to screen, inspect and search each of the millions of vehicles, tons of cargo, and mountains of mail which arrive in the United States annually. We have identified various modes of smuggling and are applying sampling techniques to try and detect smuggling usage. We couple this with intensified inspection periods where we conduct a very high level of inspection. Cargo containers are sampled based on origin, destination, contents and other criteria. Because we must work with limited manpower, we are developing new techniques to handle this ever increasing tasks.

Passenger inspections are aided by profiles, computer screening, and other systems designed to sort out potential smugglers. The profiles allow us to spot those individuals who, based on known smuggling patterns, are likely to be trafficking in illicit drugs. These persons are given special attention while clearing Customs and they are often ultimately found to be smugglers. Following the success of the passenger profile, we recently developed container profiles as well. As with individuals, the container profiles alert Customs officers to those cargo shipments in which drugs are likely to be hidden.

Another well established innovation, the detector dog program, has enabled us to detect narcotics that ordinarily remain undiscovered, or for which detection requires an inordinate amount of inspection time. The detector dog program, which has received international recognition, uses specially trained dogs to screen mail packages, vehicles of all types (including small boats and open vessels), luggage and cargo shipments for narcotics, with a high degree of success.

Where it may take a Customs inspector as much as 30 minutes to reasonably assure himself that a vehicle is free of narcotics or other contraband, a dog can screen the same vehicle in 4 to 5 minutes. A dog can screen 400 to 500 packages in 30 minutes.

Many foreign governments have observed the tremendous success of the Customs Detector Dog Program and we are providing similar training to them under the auspices of our Foreign Customs Assistance Program.



We have a program to develop portable and fixed devices for use at ports and other border areas to detect concealed narcotics and other contraband. We have surveyed current technological efforts of private and public institutions for their possible application to the detection of narcotics and contraband. We are constantly expanding and improving our ground sensor system aimed at detecting illegal vehicle and pedestrian traffic. We have continued the development of detection techniques based on vapor detection, X-rays, neutron radiation and thermal imagery.

We have installed and begun an operations evaluation of the first of four X-ray machines specifically designed to examine merchandise entering at our ports along the Southwest border. We also use X-ray systems designed to examine vehicle tires, parcels and foreign mail entering the United States. We have increased our use of sophisticated night vision devices, and along the Mexican border, we have instituted an Unattended Border Alert Surveillance System. Our Land Branch has opened new patrol stations in Sierra Vista, Tucson, Presidio, and Big Bend National Park in Texas.

Protecting our sea borders against the rising number of small boats and private yachts used for smuggling has proven an exceedingly difficult and complex task. The magnitude of the problem is illustrated by the vast area to be protected. There are 4,993 miles of coastal waters in the contiguous 48 states and 12,393 miles of additional coastal waters for Hawaii and Alaska. Moreover, we must protect the nearly 30,000 miles of improved inland waterways.

A recent smuggling technique has evolved in which large freighters or "motherships" laden with contraband hover in international waters as small high speed boats and fishing vessels ferry the illicit merchandise to shore. These motherships will cruise from the Caribbean, north along the Eastern seaboard, making numerous drops. The ships have ranged from 70 to 300 feet in length, the largest having a capacity to haul in excess of 100,000 pounds of marihuana. Latest indications are that these vessels are beginning to avoid the S.E. Atlantic coast and are probing other coastal areas, including the Pacific.

Although many reports are received indicating that cocaine is being smuggled by small boats, there have been few seizures, and these for the most part have consisted of very small amounts. However, there is substantial evidence that cocaine is being smuggled into the United States aboard commercial cargo vessels, many of which operate in the banana trade out of Turbo, Colombia.

To enable Customs to have some indication of what vessels may be engaged in smuggling, a vessel lookout list and the Vessel Violation Profile System (VVPS) have been established. The vessel lookout list includes privately owned pleasure vessels as well as motherships, whereas the VVPS is limited to commercial vessels. The lookout list is limited to those vessels which are suspected of engaging in large-scale drug importations, whereas the VVPS focuses on vessels which have violated or are suspected to have violated any law and/or regulation, and contains intelligence and lookout data relevant to such violations.

In response to the escalating level of smuggling by private aircraft across the nation's border, especially the Southern border, the Congress in 1969 authorized the establishment of a Customs Air Support Program.

Initially, Customs acquired assorted light aircraft. These were used to conduct surveillances, but were ineffective for detection, interception and tracking of smuggler aircraft. We needed Customs aircraft to be equipped with special commercial navigation and communications equipment to track suspect aircraft, particularly at night, and to have good speed and long range capabilities.

Technologically, Customs has made enormous strides since acquiring eight surplus military aircraft in 1969. This year, four T-39 aircraft are on loan to Customs from the Air Force and will be deployed at various locations to support our use of the AWACS system. A new Cessna Citation fully equipped with sensor devices is now in operational testing and is scheduled to be deployed in Miami. During the past year, we have acquired five turbo prop King Airs which have been deployed to separate Customs air units.

There are six Air Transport Branches located at military air bases near San Diego, Tucson, El Paso, San Antonio, New Orleans and Miami. These locations were selected because of their proximity to major air smuggling routes along the border, but smugglers can, and do, cross the border almost anywhere. Therefore, we must remain flexible in exactly how and where we can deploy these resources. Since the Southern border of the United States is more than 4,000 miles long, each Air Branch has the responsibility for protecting an air corridor

that, on the average, is 700 miles wide. Basic to interdiction of air smuggling is the development of an effective means of detection, identification and interception.

Once detected, we must ascertain whether the aircraft is involved in smuggling. Customs implemented a Private Aircraft Reporting System (PAIRS) to assist our air units in identifying probable smuggler aircraft. This system is coordinated with the Federal Aviation Administration. Under regulations, a private aircraft planning to cross the Southwest border must report 15 minutes prior to penetrating U.S. airspace, and land at one of 13 designated airports, unless it has received special permission to go on to its destination. If an aircraft does not report in or does not land at a designated airport, then it can be presumed to be involved in smuggling, and the Customs Air Units can take appropriate action to intercept and apprehend.

Because of the vast airspace of the borders, smugglers initially detected by radar and identified by PAIRS are still difficult to intercept. Two major factors relating to aircraft performance are of prime importance: speed and range. Customs aircraft must be able to rapidly reach the detection point on the border, or the smuggler will have the time for evasive action. The plane must then be able to go slow enough to trail the suspect plane. In addition, to detect and to lock on to the target, Customs aircraft must have an efficient airborne radar as well as a Forward Looking Infrared (FLIR) system, which provides an all-weather night operation capability. Even with this equipment, smuggler aircraft, with greater speed and ranges, have "run away" from the Customs aircraft.

We are also conducting a pilot program with the Air Force regarding the use of the Advance Warning and Control System (AWACS) aircraft to detect aircraft crossing over the Mexican border. By integrating sophisticated radar detection systems with our high performance aircraft, we expect a significant increase in the effectiveness of our air program.

To coordinate these many enforcement methods, Customs has developed a major communication system. This system, called the Treasury Enforcement Communications System (TECS), is a real time network with almost 900 terminals permitting instantaneous access to enforcement data by name, vehicle license number, or vessel or aircraft number.

TECS is the central nervous system of the entire integrated tactical interdiction effort linking agent, inspectors, patrol officers and management. The role of the system as a tactical interdiction tool completes the loop encompassing the full range of Customs enforcement activity. The system has been expanded to serve the needs of the Treasury enforcement community. The Bureau of Alcohol, Tobacco and Firearms (ATF), the enforcement arms of the Internal Revenue Service (IRS) are major users of TEC's service. Outside Treasury, the system is utilized by the National Central Bureau of INTERPOL, the Drug Enforcement Administration (DEA), INS, and by the Coast Guard and the State Department in a joint Federal effort to combat international terrorism have been installed in both agencies. Interfaces exist with the FBI's National Crime Information Center (NCIC), the National Law Enforcement Telecommunications System (NLETS), and the recently established interface to the California Law Enforcement Telecommunications System (CLETS), which significantly increases the capabilities of TECS for users in the State of California.

In addition to our land, sea, and air interdiction efforts, Customs also employs a preventive system of interdiction through our foreign preclearance mechanism. At the present time, Customs maintains preclearance operations at 8 locations in Canada, Bermuda and the Bahamas. Customs officers at these preclearance stations do not, however, have the authority to conduct personal searches of travelers or to make seizures and arrests. The Bahamian Government has recently enacted legislation which strengthens preclearance enforcement authority in that country.

Although agreements signed with the host countries have led to improved facilities and law enforcement assistance, the facilities at some locations are still deficient due to the lack of sterile areas. We have also seen a large increase in air passenger traffic, which has intensified the problems of effective preclearance enforcement.

The above reflects the job Customs has been performing to stop the illicit drug traffickers. In addition to the cooperative efforts I have discussed previously, I would like to set forth our cooperative efforts with other agencies.

We have also been developing a closer working relationship with INS and have begun to combine some of their computer systems with TECS. Recently, two TECS terminals have been installed at INS Headquarters, one primary (airport) and one secondary.

We are experimenting with One-Stop inspection for arriving air passengers in Philadelphia wherein the Customs and Immigration inspections are conducted by just one Federal officer. We have found this system to be effective in speeding passengers through the maze of Federal inspectors, yet has had no detrimental effect on our interdiction effort. We intend to expand this program to Los Angeles and Houston in early 1980.

We also have instituted at several major airports a Citizens By-Pass System by which returning U.S. citizens avoid Immigration inspection. We are also beginning to operate a joint radio communications project whereby Customs and INS field offices operate on common INS assigned frequencies. We are then able to communicate more rapidly with our field INS counterparts.

Last summer, we signed a Memorandum of Understanding with the Coast Guard which solidifies our excellent working relationship. At certain locations we are training Coast Guard officers and are regularly assigning Customs officers to Coast Guard cutters.

I have alluded previously to our agreements with FAA and the Armed Services which strengthen our air interdiction effort.

Finally, the Commissioner of Customs participates in the Meeting of Principals by which coordination among the top executives of the Federal drug enforcement agencies can be effected.

All the above reflects Customs involvement in drug interdiction. However, there remains another element which is crucial to the success of any international drug smuggling operations: currency.

We have launched a major effort to enforce the Currency and Foreign Transactions Reporting Act against the unreported importation and exportation of currency and other monetary instruments. Currency investigations conducted to date indicate a high incidence of drug related activity. As an illustration, an investigation initiated by Customs and conducted jointly with DEA, IRS, and RCMP, established that Indian Nationals were involved in the smuggling into the United States of approximately 1,296 pounds of hashish concealed in 40 bales of cloth and the unreported transportation of \$65,000 in U.S. currency from Minneapolis to Winnipeg, Canada. As a result of the investigation, Ashok SOLOMAN, Ramesh SOLOMAN, P. CHAND, Issac BARLOW and M. RENDY were arrested on May 20, 1977, and search warrants executed which resulted in the seizure of (1) \$158,000 in currency and monetary instruments, (2) financial records and notations related to the unreported movement of case, and (3) jewelry valued at \$50,000. Additionally, the Internal Revenue Service, Minneapolis, Minnesota, levied taxes on the subjects totaling \$897,047. Of that amount, over \$560,000 was seized from bank accounts and the remainder represented amounts already spent by the organization in the acquisition of real estate. On December 21, 1977, the five individuals were convicted and sentenced to a combined total of 25 years and fined \$1,575,000 for violation of 31 U.S.C. 1059 (felony currency), 21 U.S.C. 952 (smuggling narcotics) and 21 U.S.C. 963 (conspiracy).

The currency laws can be used to complement drug smuggling or trafficking investigations, and they may prove to be an effective means of disrupting illegal drug organizations by reaching their financial base. Currency related information is presently being exchanged by Customs and IRS. A computer program is also being developed whereby this information can be compared. Subsequent analysis will provide information on the international movement of funds by criminal suspects. We also make currency related information available to DEA through the Treasury Department.

We have tried to familiarize virtually every domestic and foreign law enforcement organization with our responsibilities under the Currency Act. These efforts have resulted in a growing awareness of the Currency Act with a commensurate increase in narcotics-related currency seizures and arrests by Customs officers. We also participate in Task Force operations initiated and conducted by DEA for the purpose of targeting and immobilizing specific high-level drug trafficking organizations. We will continue to participate in these operations when information indicates that unreported funds are moving across our borders.

Unfortunately, we have not been as successful in obtaining prosecutions and/or convictions of outgoing passengers who are transporting funds to purchase drugs.

Limited outgoing search authority and court decisions which have recognized the absence of an "attempt" provision in the Act have made convictions difficult. Nonetheless, the Currency Reporting Act has proven to be a useful tool and we hope its usefulness will increase.

With respect to international coordination and cooperation, the Customs Service has been able to utilize its historically strong relationships with foreign customs services, especially through the mechanism of the Customs Cooperation Council.

Our foreign Customs programs are designed to train foreign enforcement officials in border control activities, emphasizing interdiction techniques, border surveillance, anti-smuggling programs and methods, and search and seizure. Representatives of at least 15 nations have taken part in our training programs. The value of our training programs is evident in the increasing drug seizures made by Customs officers in countries where training has been given.

Although the training programs are primarily conducted in the United States, we also have Customs advisors stationed overseas. While the primary mission of our advisors is to provide technical assistance, the eradication of narcotics production and trafficking has now been included as a stated program objective.

Recently, Customs agents have begun working with overseas DEA offices in order to increase the flow of foreign intelligence relating to drug trafficking. In this way we can utilize the contacts we have made over the years with foreign customs services.

As a result of our participation in the Customs Cooperation Council, we have been able to formulate bilateral mutual assistance agreements with a number of nations. Our recent bilateral agreement with Mexico contains a provision for the exchange of information specifically aimed at offenses involving narcotics. We are presently in the process of considering further bilaterals.

At this juncture we would like to commend the efforts of the Interagency Committee on Maritime Law Enforcement, chaired by the Department of State. This committee has been working on the problems presented by the motherships to which I referred earlier.

As you are well aware, these vessels sail under foreign flag, or no flag at all, and thus the individuals apprehended on board have successfully avoided federal drug prosecutions. Problems have also arisen with respect to the forfeiture of the vessels. The Committee has taken the initiative of discussing these problems with those nations whose flag these vessels fly or whose citizens are most frequently found on board. The committee has attempted to assist these nations in amending their own national legislation so that the individuals can be prosecuted, and to develop mentally acceptable procedures for the seizure and prompt forfeiture and return of the vessels.

Due to the increasing amount of smuggling by vessel along the Atlantic coast, the Customs Service has encountered one problem with respect to the seizure and storage of the smuggling vessel. We presently have under seizure in the Miami region alone 225 vessels and 39 aircraft. One of these vessels has been under seizure since December of 1975. The total costs incurred by Customs for storing, maintaining and other related expenses now exceeds \$600,000.

We believe the problem is with the crowded court docket and the overburdened U.S. Attorney's offices. If attorneys in the agencies were permitted to handle these forfeiture actions, then we believe this problem of lengthy storage and escalating costs could be reduced. While a new law was recently passed which allows the Government to summarily forfeit any seized conveyance worth \$10,000 or less, unfortunately the value of most aircraft and vessels exceed this amount. So this new law has been of little benefit with respect to this particular problem.

We believe that the Executive Branch has devoted much time, thought, and energy to reducing the illegal introduction of dangerous drugs into the United States. Certainly, the Customs Service has played a major role. We call upon the legislative branch not only to continue its excellent work of examining and studying the issues, but also to carefully consider recent legislative proposals which we believe would strengthen the hand of the federal drug law enforcement agencies. I specifically refer this Committee to H.R. 2538, which would amend the Controlled Substances Act to reach acts of possession, manufacture, and distribution of dangerous drugs committed on vessels on the high seas, and H.R. 4071, 4072, and 4073, a series of bills which would amend the Currency and Foreign Transactions Reporting Act by providing for informer's awards, making it unlawful to attempt to transport monetary instruments into or out of the United States without filing the

required reports, and by allowing the Customs Service to use its border search authority to enforce the Act.

Mr. Chairman, we note with appreciation that you are one of the co-sponsors of H.R. 4072 and 4073. We urge the other members of the Committee to carefully weigh the merits of all of these bills.

The Customs Service is firmly committed to doing whatever it can to make the Federal drug law enforcement effort successful. We stand willing to foster cooperation among the Federal and state agencies, to assist foreign nations in their efforts to control dangerous drugs, and to work with the Congress to pass necessary legislation. We have all been working on this problem far too long. It is time to work together to reach a final solution.

Thank you.

PREPARED STATEMENT OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR, DOMESTIC POLICY STAFF, THE WHITE HOUSE

Mr. Chairman and Members of the Committee, it is a pleasure to again appear before you in your continuing review of the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention. I am strongly convinced that your focus on the Strategy and, as such, your commitment to meeting the challenges which it proposes will significantly enhance the manner and the speed with which the Executive Branch achieves the objectives of the 1979 Strategy.

I come before you today with a confident belief in the work and effectiveness of the Federal drug law enforcement officials. Never before in the history of the drug abuse control effort has there been the kind of successful cooperation and coordination that there is today. Not only do the Federal law enforcement agencies feel comfortable in their professional and personal relationships with each other as I see in my dealings with them, but this sentiment is also felt in the field, in the day to day workings of DEA, Customs, the Coast Guard, the FBI and others.

As stated in the Strategy, "domestic drug law enforcement or domestic supply reduction is a key part of the Federal drug abuse prevention and control program." Our objectives in this area are three-fold:

- (1) "To reduce the supply of illegal drugs;
- (2) To control the supply of legally manufactured drugs in order to prevent diversion into illegal channels; and
- (3) To achieve the highest possible level of risk for drug trafficking by a) investigating major drug trafficking organizations, and b) securing sufficient evidence so that successful prosecutions can be brought which will lead to prison terms for the violators and the forfeiture of their assets."

To accomplish these objectives, we have increased our efforts in several areas and undertaken some new initiatives under each of the three objectives, which I would like to just briefly discuss.

To reduce the supply of illegal drugs, the Executive Branch has:

- (1) Developed a specific plan of action, aimed at the Southeastern United States, to seize the large quantities of marihuana and cocaine currently being smuggled through this area, particularly Florida, and ensure that the traffickers are prosecuted. The program has been supported by both Federal, State and local law enforcement agencies and has been extremely successful.

There are indications that in recent months, Florida smugglers have shifted their activities to the Gulf Coast to circumvent the increasing enforcement effort in Florida.

- (2) Initiated Operation Gulf-Net, a joint Customs/DEA effort, to increase our effectiveness along the Gulf Coast.

(3) Reviewed and evaluated the U.S. border interdiction effort to seize drugs before they reach the streets. The Federal Strategy supports the consolidation of inspection and patrol activities of the Immigration Service and the Customs Service into a single border management agency. Based on a review in 1977 by the Office of Drug Abuse Policy, a reorganization was recommended to improve coordination and to reduce duplication of effort involving both inspection and patrolling activities at ports of entry and along the borders of the United States. This recommendation was furnished to the President's Reorganization Project in the Office of Management and Budget for their consideration as part of their overall review of Federal law enforcement activities. Obviously, the proposal involves immigration functions which are not directly related to border law enforcement. Because of problems experienced by the Immigration Service and

continuing discussions regarding the visa system, the reorganization plan has not yet been finalized.

In the meantime, we have placed a great deal of emphasis on improving the coordination of Federal, State and local law enforcement agencies with border jurisdictions. Further, we have encouraged improvement of the coordination at various management levels. For instance, the principal inspection agencies have initiated monthly coordination meetings at the commissioner-level. These monthly meetings have been mandated down through the organization structure to the operating activities. Last week during my visit to Puerto Rico, I was pleased to find that these meetings were indeed taking place between Immigrations, Customs and Agriculture Supervisors.

(4) Recently established an enforcement task force in Puerto Rico which involves both Federal and State law enforcement agencies. An enforcement strategy will be developed to focus on drug trafficking through Puerto Rico to the Mainland and on heroin trafficking from the Mainland to the island.

To control the supply of legally manufactured drugs, the Executive Branch has:

(1) Actively supported Diversion Investigation Units (DIU's) in 16 states and the District of Columbia to identify practitioners or other individuals (i.e., nurses, pharmacologists, etc.) who are involved in drug diversion. Reports to the Strategy Council on Drug Abuse on May 30th indicated that the units were working very effectively with the State and municipal authorities in this area. Last year, the DIU's were responsible for approximately 484 state and local arrests and seizures totaling an estimated three-quarter million dosage units of diverted drugs. We plan to establish DIU's in three additional states each year for the next ten years, beginning with states which have the most serious diversion problems.

(2) Assessed the Sedative-Hypnotic drug prescribing practices of American physicians. The Institute of Medicine of the National Academy of Science recently completed a study co-sponsored by the White House, under the former Office of Drug Abuse Policy, and HEW, on the extent of sedative-hypnotics prescribing practices and concluded that "it is difficult to justify much of the current prescribing of sleeping medication" and found that "information on these drugs to be incomplete and of questionable relevance to physicians." Many of the Study's findings have been widely published by such respected publications as the New York Times and the Journal of the American Medical Association and further distribution is planned by the Federal Government to allay the confusion, the misunderstandings and adverse public health impact of current prescription drug use and practices.

(3) Developed a Prescription Drug Action Plan to limit the diversion of licitly manufactured prescription drugs into the illicit traffic. Most diversion of these substances occurs at the retail (physician-pharmacist) level which, in most cases, is outside the jurisdiction of the Federal Government.

(a) The Drug Policy Office, HEW and DEA are working with involved professional associations, such as the AMA and the PMA, and state and local regulatory bodies to ensure that information identifying potential problem prescribers is given to the appropriate authorities. Thereafter, the State officials, often in cooperation with their Federal counterparts, can investigate the individual concerned. Experience has shown that this has generally resulted in a substantial decrease in prescription drug diversion and drug abuse.

(b) Over the next six months to one year, the Executive Branch will attempt to develop model State control systems which will identify problem areas. Initially, these systems will use physician and pharmacist education and peer pressure to reduce inappropriate prescriptions. If necessary, criminal State and Federal prosecutions could then be instituted.

To achieve the highest possible level of risk for drug trafficking and ensure that the traffickers are prosecuted and their assets are forfeited, the Executive Branch has:

(1) Actively pursued a major drug-related financial investigation called "BANCO" which stands as the first major financial case involving close joint cooperation between DEA and the FBI. The so-called "Black Tuna Gang", the subject of the investigation, is estimated to have smuggled \$300 million worth of narcotics into the U.S. since 1974. During the first week of May, a Federal Grand Jury in Miami returned a 40-count indictment against 14 members of the gang. As Time and Newsweek reported, the investigation lacked the melodrama of many traditional narcotics crackdowns for the investigation took place in hushed financial offices and on a select computer terminal screen, as a task force of 30 DEA and FBI agents traced the enormous sums of money generated by the drug

trafficking organization. We believe "BANCO" will serve as a model for additional investigations of this type and finally enable us to reach the financial assets of those involved in drug trafficking.

In a May 4th letter to Judge Webster and Administrator Bensinger, I asked for a joint DEA/FBI study of the development of the BANCO case from its inception to the indictment. The study will include a description of the financial investigative techniques used, the professional skills involved, how the close collaboration between the FBI and DEA was achieved and how it can be further strengthened in the future, perhaps by involving other agencies such as IRS and Customs. The study will highlight the lessons learned from the BANCO case and ways of applying this unique law enforcement experience in the future to pursuing, arresting and convicting large scale drug traffickers. We look forward to the completion of the study.

(2) Placed a high priority on supporting the enactment of the Biaggi legislation which would close the existing loopholes regarding trafficking on the high seas. The Biaggi Bill would categorize as a felony any unauthorized possession of controlled substances on the high seas by Americans or by non-Americans on U.S. or stateless vessels.

As you can see, Mr. Chairman and Members of the Committee, we are taking steps to meet some of the objectives of the 1979 Federal Strategy. We look forward in the future to working with you and other Members of the Congress to meet the other challenges proposed in the 1979 Strategy so that our law enforcement effort will yield maximum results and arrest the flow of drugs to the citizens of this country.

## OVERSIGHT HEARINGS ON FEDERAL DRUG STRATEGY—1979

THURSDAY, JUNE 21, 1979

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,  
*Washington, D.C.*

The select committee met, pursuant to notice, at 9:45 a.m., in room 2212, Rayburn House Office Building, Hon. Lester L. Wolff (chairman of the committee) presiding.

Present: Representatives Charles B. Rangel, Fortney H. (Pete) Stark, Billy L. Evans, Stephen L. Neal, Tom Railsback, Benjamin A. Gilman, Lawrence Coughlin, Robert K. Dornan, and Earl Hutto.

Staff present: Robert M. Hundley, chief of staff—demand; David Pickens, chief of staff—supply; Roscoe Starek, minority counsel; Elliott Brown, professional staff member; and Robert M. Orr, Jr., researcher.

Mr. WOLFF. Because of the urgency of the measures that are upon the floor today, namely, the Panama Canal Treaty and the fact that an agreement was made in the House last night that this would take precedence over all other action of the House, I feel it is important to get on with our hearing, and therefore we will start now, as other members will be coming in shortly.

Today the select committee will hear testimony from the representatives of the Federal agencies that have primary responsibility in the area of international narcotics control. In the past, the Congress has expressed concern over the apparent lack of cooperation between the Department of State and other U.S. agencies involved in international narcotics control policy. This has been manifested in the apparent inability of NIDA and the State Department to agree upon a loan officer for the State Department and, as well, the cutback in the number of slots allotted to the Drug Enforcement Administration in our embassies overseas.

In addition, the U.S. international narcotics control effort has directed almost all of its attention and financial resources at reducing the supply of illicit substances. While there is no doubt that we need to continue a heavy emphasis on international narcotics enforcement efforts, there is also the need to increase, very strenuously, our efforts in reducing the demand for illegal drugs abroad and cooperating with foreign governments in this effort.

As a result of the spread of addiction in various areas of the world, it has become to some extent, a double-edged sword. While increased demand makes this now a worldwide problem rather than the United States being the sole victim nation, it has increased foreign govern-



ments' interest in the narcotics problem to such an extent that they are now willing to render a certain degree of cooperation with us.

It is upon this cooperation that we should capitalize. I find that there is not the type of effort being expended by our agencies of government in rendering this type of additional assistance to these foreign nations as sort of a quid pro quo for getting their cooperation in the reduction of supply.

I believe that the two efforts—enforcement, as well as demand reduction—must go hand in hand. I am hopeful that our witnesses will demonstrate that international demand reduction will receive the attention that is needed.

Recently, evidence has come to light which would suggest a potential resurgence of heroin addiction in the United States attributable to the increased amounts of Afghan and Pakistan heroin smuggled across our borders, and increasing supplies available to the U.S. market.

The committee is understandably concerned over the prospect and it is hoped that available resources will be concentrated on preventing another heroin invasion of the United States. This will require strong interagency cooperation, contingency planning, and intelligence exchange with other nations who are willing to share the burden of controlling this deadly trade.

It is important that we continue to provide assistance to those countries that seek to substitute illicit crops with licit cash crops. We must insure that those agencies, within our Government, involved in providing this assistance have available to them sufficient resources with which to carry out these vital bilateral programs. In addition to the funding available through our special narcotics office and bureau in the Department of State I refer particularly to the funding that is available through AID. We should be able to use the Agency for International Development as a dual-purpose operation and develop program activities in substitution of narcotics addiction.

I was visited by the Burmese police officers who are in this country, who this committee met with recently in Burma. I was impressed with the fact that they are now interested in not only their enforcement efforts, but development of methods that can be used to reduce the growing of poppy in their area.

Narcotics abuse, as I indicated just a moment ago, is no longer simply an American problem. It is now of global magnitude and must be attacked with a global perspective. Therefore, the role of the United Nations Fund for Drug Abuse Control must be enhanced or in some fashion replaced or substituted for, not as a United Nations agency which in the past has virtually subsisted on U.S. funds alone, but as a truly cohesive trust fund in which all nations contribute equitably in order to reduce both the demand and supply of illicit drugs.

The United Nations Fund for Drug Abuse Control, at the present time, is not thought of too highly by some other nations. It is a fact that some nations are using other devices in order to fund anti-narcotics efforts, but through bilateral programs. I refer to some of the Scandinavian countries who have as the head of the United Nations Fund one of their own nationals. They are not using the Fund; they are using agencies outside the Fund in order to perform the work, which indicate that they do not have that faith in the Fund that we might have had in the past.

I think the State Department must make certain that the control of illicit drug traffic receives top priority, not only among our United Nations drug agencies but in the General Assembly itself. We have found in the past that the General Assembly, when well-prodded, has been agreeable to passing a variety of resolutions. The rhetoric that is normally practiced within the United Nations on other situations has been in continuum on the drug problem. However, as for the carrying out of those resolutions that are passed by the General Assembly, I find much to be lacking.

It is my understanding that the United States has recently initialed a treaty with Colombia that will allow the Colombians to extradite their own nationals if they are implicated in illegal drug-related activities in the United States, and vice versa. This is a positive step and the committee is anxious to learn more of this and other similar measures that are planned in the future in order to facilitate our enforcement efforts on a bilateral basis with a number of countries of Latin America. These are a few of the issues which we must discuss today in addition to those we have already posed to the various agencies involved.

I want to congratulate Mr. Dogoloff and Mr. Linnemann and the other witnesses who are to appear before us today for the fact that they have expedited today's hearings by furnishing copies of their testimony to this committee. I want you to know that I, for one—and I can't speak for the rest of the committee—want to say at the outset of this hearing that the testimony is really to the point. I find that we are getting response to the questions that we have asked, which is very helpful to this committee in performing its function.

I extend my apologies to Mr. Dogoloff and to all of the other agencies that have come before us for my outburst of last week. I think it was prompted by the seemingly cavalier attitude that was being adopted by some in responding to this committee. Maybe every once in a while we have to do something like that in order to inspire the type of cooperation that we are now receiving.

I see that I have used up my time for questioning at the outset in my opening statement, which is usually too long under any circumstances, but I blame that on staff who wrote the statement. [Laughter.]

I ask the witnesses today, since they have, in advance, furnished their testimony to the committee and we are now apprised of their responses to our questions, to limit their testimony to 5 minutes. We are going to give you the bell the same way that we give our members the bell. You may respond to us in summation or, if you care to, you can bypass that and submit to the questions right at the outset. We are more interested right now in getting to the questions that are responsive to our original request or that are prompted by your testimony.

Mr. Dogoloff, you are the leadoff witness today. We ask you to proceed at your own pace. We have with us today Mr. Lee Dogoloff, Associate Director of the White House Domestic Policy Staff, which has the overall responsibility for coordination of the drug efforts, and Mr. Joseph Linnemann of the Department of State, the Bureau of Narcotics Affairs.

Mr. Dogoloff, if you would please proceed. Mr. Dogoloff has already been sworn in before this committee. He has taken an oath now several

times, and I guess he has taken an oath so many times he is ready to swear at us rather than swear before us.

Mr. Dogoloff?

**TESTIMONY OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR, DOMESTIC POLICY STAFF, THE WHITE HOUSE**

Mr. Dogoloff. Thank you, Mr. Chairman, and members of the committee. It is a pleasure to be here today to talk about that aspect of our drug program which I think is the single most important and the one that is most likely to hold the solution to our drug abuse problem in the future.

The President stated in a very, very early message that he transmitted to a United Nations meeting in Geneva that drug abuse is clearly a global phenomenon, global problem, and it is going to be solved only by all nations working together. None of us can solve it bilaterally. You and I have enjoyed working together over the past several years and taken the message to a number of foreign leaders, involving them in the fight against drug abuse.

One of the ways of conceptualizing our efforts is to think about a gradual shrinking of both supply and demand of illicit drugs worldwide. This requires a number of things. Our combined efforts at involving foreign leaders in this program has been very important.

In addition, one of the things that is unfortunate but I think has been helpful in interesting increased international cooperation is the fact that more and more countries are recognizing that no one can be involved in either the trafficking or sale of illicit drugs and escape a serious problem themselves. And in country after country we have visited, they are showing increased concern regarding the impact of drug use on their own populations.

Although we have historically thought about our international program as one centered on reducing the supply of drugs coming into this country, we have to move from that parochial vantage point to think more broadly about that issue and how to reduce demand worldwide as well. Because if there is a substantial demand anywhere in the world, that in and of itself is an inducement to traffickers and to production of drugs and at the same time creates a market which clearly involves the United States.

We have also recognized increasingly that the United States cannot do it alone. Oftentimes multilateral arrangements, use of the United Nations Fund, use of government agencies, both within and outside of the United States that are focused on more than just narcotics, are very important.

The Federal strategy discussed the international program and lists seven major points of the program which I shall not repeat for you since it is in the testimony, and I'm sure you all are quite aware of it. However, I would like to add that as I see the international program, the long-term solutions to the problem really do have to do with getting at the source of the problem. That means the closer we get to the actual fields in which the illicit narcotics are grown and produced, the more likely we are to succeed. And as the distribution fans out into trafficking networks and to eventual users, we are less and less likely to be effective in controlling it.

This means that obviously the Bureau of International Narcotics matters cannot and should not shoulder this responsibility alone. We need to involve the AID in this program, and they have been more and more involved in basic crop substitution, basic rural and agricultural development projects. This must be combined with a strong enforcement effort.

I think we need internationally to think of it as the carrot and the stick. On the one hand, we have cooperation with foreign governments to help them as they get a clear message across to producers that illegal growth will not be tolerated in their country any longer, and at the same time provide viable alternatives to farmers, so they can look at alternative crops. We should think beyond supplanting one crop with another, and consider the whole economic and world development that needs to go on to provide marketing, road infrastructure, and all the other things that are needed.

Obviously this is not an issue the United States can take on alone. It has to involve the United Nations, the international financial institutions, and we are working toward doing that.

The bell has rung and I will conclude my statement at that point.

Mr. WOLFF. Thank you.

Mr. Linnemann?

**TESTIMONY OF JOSEPH H. LINNEMANN, DEPUTY ASSISTANT SECRETARY FOR INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE**

Mr. LINNEMANN. Thank you, Mr. Chairman. Just a brief overview to explain our function.

We in the Department, along with the other participating agencies overseas, operate under the guidance of the Ambassador and the Assistant Secretary of State, as well as the Secretary and Deputy Secretary.

Under this program, demand reduction is a key component. With less than 5 percent of the total Federal resources devoted to drug abuse being spent abroad, there are unusually high expectations for that amount of money. We must increase our focus and spend our money to have the most effect and prevent drugs from entering into the United States. It's the demand in the United States which creates the supply in Colombia. We support fully demand-reduction activity. I would qualify that with proven technology for reducing demand.

When we look at the various countries with which we are working, we notice they are among the poorer nations of the world and they have scarce government resources. If we intend to have a balanced program as we do in the United States, there has to be a restructuring of the resources within those countries which could, in fact, divert scarce resources from important programs, such as primary medical care, population control, and nutrition.

In following up on Mr. Dogoloff's comment, I believe the greatest demand-reduction program going is the reduction in supply, complemented by pilot projects or demonstration projects in demand reduction.

To date the State Department, along with the Drug Enforcement Agency, the White House, NIDA, and the United Nations, have in-

stituted a variety of programs. The two most successful country programs are Turkey and Mexico. To date we have received no evidence which has substantiated there has been any leakage of production of heroin from Turkey at this point. There have been labs discovered and illicit cultivation discovered in small amounts, but they have been discovered and acted upon swiftly. That is not to say there are not Turkish nationals transiting heroin from Turkey into East Germany and other European nations.

Mexico is another prime example of what can be done through the commitment of a nation. It has gone from supplying approximately 80 to 85 percent of the heroin in the United States down to below 40. The latest figures in 1978, I believe, or 1977, by the DEA, indicate 45, but the trend is clearly downward, and we don't have the latest statistics on that yet. We believe it is well below 40.

And with that, in the interest of time, I will suspend my comments and enter into the substantive questions and answers.

Mr. WOLFF. Thank you, Mr. Linnemann.

I mentioned before the fact that we had a number of Burmese police officers coming into the United States. I believe it was the State Department that handled that visit.

Mr. LINNEMANN. Yes, sir, that is correct.

Mr. WOLFF. I understand the primary responsibility for that, however, was with the American Bar Association; is that right?

Mr. LINNEMANN. The Department of State contracts with the International Communications Agency under the international visitors program. Within that program they have various contractors which program each of the international visitors. The contractor which is most closely associated with law enforcement activities is the contractor involved with the American Bar Association.

Mr. WOLFF. We have had difficulty in attempting to get the Burmese Government to liaison with DEA for a number of years.

I am not going to ask you to comment on that.

However, I would like you to comment on the fact that the DEA was not the prime sponsor of the individuals who came in here since they interface with these people all the time.

Mr. LINNEMANN. Certainly, Mr. Chairman. The executive observation program has four subcomponents: One for demand reduction, one for U.S. Customs officials, one for drug enforcement officials throughout the world, as well as a small component throughout the State Department that we contract for through ICA.

Given the sensitivity surrounding this particular visit, we felt it was most appropriate that these individuals be programed by the International Communications Agency.

Mr. WOLFF. I want you to know the committee feels it could have better served the purpose to cement relations between DEA, who are law enforcement officials, than to have some outside agency handle the trip. In the past, DEA has been very deeply involved in the instructions and visits of other officials. I can understand the sensitivity involved, but I think there should be a greater involvement. We are trying to coordinate. This does not evidence a spirit of cooperation that I think is necessary in this particular case because of the sensitivity involved.

Mr. LINNEMANN. If I could comment on that, Mr. Chairman, we

felt the downside risk was greater. The Department of State did have a very substantial role in arranging for the visit.

Mr. WOLFF. Did you discuss it with the DEA?

Mr. LINNEMANN. Our staff discussed it, yes, sir.

Mr. WOLFF. I want to get to one of the questions, but my time is going to be up. We are going to be faced very shortly with a decision on paraquat from HEW. What would be the implications to you in the event that a decision came down from HEW that indicated that there was a problem with paraquat, and, therefore, the Percy amendment would be enforced and we would have to discontinue our aid to Mexico. What would be the implications of that?

Mr. LINNEMANN. There are several direct implications with Mexico, and broader implications with other nations.

It would certainly preclude our providing assistance to implement a program with another nation for marihuana eradication using paraquat.

As we understand it, the Percy amendment would require us to cease assistance to Mexico in proportionate amounts to the amount of equipment or assistance that is used in the herbicidal eradication of marihuana involving paraquat.

Mr. WOLFF. What would be the implications on the Mexican Government from information that you have had from them or informal conferences you have had with them?

Mr. LINNEMANN. When the issue first arose, the Government of Mexico indicated they would continue to spray marihuana with paraquat since they purchase the paraquat. They would then, if time and resources were available, continue the opium poppy eradication with 2,4-D. I think they have modified their position on this, but we won't actually know until we advise them of the implementation of the paraquat amendment.

In the meeting of the two Presidents in Mexico City—and there's another one scheduled in the United States in September—narcotics control cooperation was one of the bright spots in the discussions. It was an area both Presidents could point to with pride, where progress has definitely been made, and it could have ramifications throughout the relationships.

Mr. WOLFF. Thank you.

Mr. EVANS?

Mr. EVANS. Thank you, Mr. Chairman.

There is testimony about a connection between the Colombian Government and the banks in order to insure that the banks, in making loans, do not make loans which would encourage or be used to increase the drug traffic.

Mr. LINNEMANN. Yes; sir.

Mr. EVANS. Would you give us a brief explanation of what is being done as far as you are concerned on this?

Mr. LINNEMANN. Yes, sir. Through the interagency agreement recently signed by the Departments of Treasury, Justice, State, and USAID, materials and statistics for briefing U.S. executive directors of the various world international financial institutions are being prepared.

To illustrate how this could be beneficial, Ambassador Shlaudeman insisted on a rural development project going into Peru with AID funds that it include an anticoca clause. The region the project was adjacent to had no coca production. What it does in effect is provide a barrier for the spread of coca or other drugs.

As we get the plan more and more into acceptance, we believe that we can then move into actual narcotics-producing areas.

The Government of Mexico is very interested in rural development. They do not want U.S. assistance. They have made approaches to the World Bank and others for the Sierra Madre region. This type of joint sponsorship, of joint cooperation, in the long run will increase the resources directed against the spread of narcotics.

Mr. EVANS. Mr. Dogoloff and Mr. Linnemann, in a trip last year to Europe, Germany particularly, we found the situation in our military was fairly bad, and as to the source of the drugs, which we determined to be 40 to 50 percent in heroin and very strong in other drugs, we made a determination that most of the drugs were coming from Afghanistan and Pakistan. We also determined that the carriers and the people of Afghanistan and Pakistan did not use the drugs, that it was against their religion.

What attempts, if any, have been made to go to the spiritual leaders of these countries to point out it's just as bad to spread this to others as it is to use it themselves, so as to bring religious pressure on these people.

Mr. DOGOLOFF. Are you talking about Afghanistan and Pakistan?

Mr. EVANS. Yes.

Mr. DOGOLOFF. I want to point out there is a serious problem of indigenous opium use in both of those countries. It would be more accurate to portray both of those countries as not having a pattern of indigenous use of heroin, but considerable use of opium.

Mr. EVANS. The reports we received from our informants and agents were that the people bringing in the small amounts did not even use the stuff, that there was some religious sanction against the use of it. And while I'm sure there is usage among the people in Afghanistan and Pakistan, these people who were bringing it in did not use it.

Mr. DOGOLOFF. Many of the traffickers are of Turkish nationality, and you are correct in saying that those people are not using it. And we have had conversations with the Turkish Government regarding the trafficking. There has been an increase, for example, in the Criminal Investigation Division personnel for our military, and I understand that situation is considerably improved.

However, the spread of the use of heroin, for example, in West Germany—the statistics continue to rise and are continuing to be of alarm.

Mr. EVANS. Well, would your Department and the State Department consider, in view of the apparent very widespread influence that Khomeini has on his people, that religion can have a very strong effect? And has this even been approached? I don't think it has, but I just suggest that as another means of trying to deal with the situation, and a very bad situation in Europe.

Mr. LINNEMANN. Mr. Evans, when we look at programs throughout the world, we are always glad to have God on our side; like the drought

in Mexico which assisted the Government of Mexico in breaking the back of heroin production. In Thailand and Burma today there are severe droughts limiting the production of heroin.

Mr. EVANS. One other thing. I am suggesting the power of influence with these people. That's the point I'm trying to make.

Mr. LINNEMANN. Islamic law definitely forbids the use of narcotics and other types of intoxicants.

Mr. EVANS. I know that, and I am suggesting we do not pursue that in the manner we should.

Mr. LINNEMANN. Given the sequence of events in the Middle East, Mr. Evans, we believe when the opportunity presents itself we can do something. At this particular time, with the diplomatic leverage left open to us, we have very little information on what is going on in countries. We are reducing our embassies substantially in some countries because of the security situation.

I understand that the chairman will be visiting one of those countries, and perhaps it will be brought up with the congressional delegation at that time.

Mr. DOGOLOFF. I think your point is well taken, however. There are many things we need to do to get the point across about the problem and the dangers and the impact of narcotics smuggling and narcotics use. And one is clearly a religious and moral issue. We ought to use that as one of the very basic and real persuasive arguments to convince other countries to take leadership in dealing aggressively with illicit production and trafficking. The moral basis of the whole program is a very critical one.

Mr. EVANS. Thank you.

Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Railsback?

Mr. RAILSBACK. Thank you, Mr. Chairman.

In your statement there is reference to efforts that are being undertaken, particularly with respect to Southeast Asia and also South America. I am led to believe that very recently there has been a rather enormous increase in the supply of poppies and opium from the Middle East.

What efforts are being undertaken to do something about that supply?

Mr. LINNEMANN. In the Middle East, sir?

Mr. RAILSBACK. Yes.

Mr. LINNEMANN. We assigned one of our program officers, Mr. De Metre in our mission in Geneva to work with the United Nations Fund for about 1½ years to develop agricultural and rural development programs.

Mr. WOLFF. Excuse me. Would the gentleman yield? Is that in addition to our contribution, or is that part of our contribution to the United Nations Fund?

Mr. LINNEMANN. No, sir, he was stationed in Geneva as a member of our mission to develop the projects in collaboration with UNFDAC.

Mr. WOLFF. Who paid for him? That's what I'm asking.

Mr. LINNEMANN. The Department of State, sir.

In putting together a plan for large poppy production areas, we consider this an important step forward. It would require contributions,



either on a bilateral or consortium basis, from many nations throughout the world to bring resources to bear to get a handle on that production.

Other than that, sir, we have been very unsuccessful in supplanting the production which may exist or does exist.

Mr. RAILSBACK. I am happy to hear somebody admit they may not always be successful. But let me tell you what was told to Congressman Hyde and to me when we were in Amsterdam, Vienna, and Rome.

Apparently the old Turkish connection has been resurrected, only this time the Turks are involved in the processing, not primarily the growing.

Mr. LINNEMANN. Yes, sir.

Mr. RAILSBACK. Now, we have Afghanistan, Pakistan, Iran, Iraq, Northern Lebanon, and even some small supply, I guess, from Egypt. But by reading your statement, I see the thrust of what you are trying to do in Asia and South America, but I am a little bit troubled that we really aren't zeroing in on what appears to me to be an increasingly difficult problem.

Let me just mention one other thing. We were actually told that while Southeast Asia at one time was by far the dominant supplier for European heroin, now by a 2-to-1 margin it's coming from the Middle East.

Is it finding its way into our country?

Mr. LINNEMANN. We have some indication that some of the hashish oil and other derivatives are coming in but not Middle East heroin to any great degree.

Deputy Secretary Christopher raised narcotics for the first time last week in an OECD ministerial meeting and that created a great deal of discussion, directed toward developing more sensitivity toward the Middle East on narcotics control.

Mr. RAILSBACK. One other question. What about the instability of Turkey at the present time? Is that creating problems with us trying to interdict the involvement of the Turkish who, at least the last few years, have been cooperative? Are they now not cooperating?

Mr. LINNEMANN. As far as licit medicinal production is concerned, the Turkish Government is very cooperative.

Mr. RAILSBACK. What about enforcement, though?

Mr. LINNEMANN. On enforcement they are in the same position as the United States in many respects. We don't search, nor do we have full coverage, of our coastal areas. It is my understanding at the present time from DEA intelligence that some of the Turkish couriers go into East Germany and other routes. They then reach Berlin and travel over to West Berlin where there is no customs check because of the political situation there of having the four powers. At the same time, even greater amounts of heroin are being smuggled into Western Europe through Southern Europe.

Mr. RAILSBACK. I heard the bell.

Mr. WOLFF. Mr. Dornan.

Mr. DORNAN. Thank you, Mr. Chairman.

Good morning, gentlemen. It is good to see you both back again.

Mr. Linnemann, on page 18 of your testimony, the last paragraph, it says:

A key to improved vessel interdiction is improved intelligence. Currently, approximately 20 percent of the smuggling vessels seizures are the result of previous intelligence usually from the network of DEA.

Are we left to assume that the other 80 percent is just happenstance; are we stumbling across these vehicles on the high seas?

Mr. LINNEMANN. In large part. If you look at any type of patrol action, particularly by the Coast Guard, the DEA, or the U.S. Customs, the majority of your seizures will be on a cold-hit basis. We'd like to see a much greater increase in intelligence. All the agencies have been meeting to discuss ways in which we could increase the amount of intelligence available to us.

Mr. DOGOLOFF. I think we have to look at intelligence in two ways. One has to do with identifying specific ships or people when they are leaving and coming into this country. The other is developing profiles, which is very important, and you don't get credit, if you will, when you have profiles of kinds of ships and what they are likely to look like. That kind of information is extremely useful in alerting our Navy and Coast Guard as to what to look for.

The same with Customs. Of the people coming through Customs 90 percent are identified without previous information. The reason they are identified has to do with profiles of who is likely to be carrying it as developed by intelligence agencies and transmitted to Customs agencies so they are in a better position to know what to look for.

Mr. DORNAN. I would like to ask both of you about a very gruesome story which appeared in Parade magazine which has wide circulation in the country. Many major dailies subscribe to it as a supplement, and I imagine they derived their story from the Far Eastern Economic Review. I don't think they have any overseas reporters themselves.

It is almost hard to describe. It's the story of the killing of small children, removing their organs, and replacing the organs with plastic packets of hard narcotics, and then mothers smuggling it across the border, with this small dead infant in her arms appearing to be asleep.

This story related to the border transfer of drugs from Thailand to Malaysia—and we know that is an open border which tends to make one suspicious. The mind reels at this sort of callousness in spite of stories like this around the world, so you sort of reject it out of hand.

Has either of your areas come up with any information on this?

Mr. LINNEMANN. Congressman, I checked with the various intelligence agencies with which we deal, and there has not been even a hint of verification that that story was true. It is a story coming out of the Far East which has been passed along to the various newspapers here.

Mr. DORNAN. If there is any positive side to a story that ugly, it is that a journal like the Far Eastern Economic Review is interested enough in drug smuggling and hard narcotics that they will publish almost any kind of story, believing that their readers would find some interest in it.

So I am glad that you pursued that.

Thank you. That's all, Mr. Chairman.

Mr. WOLFF. Thank you.

Mr. Coughlin?

Mr. COUGHLIN. Thank you.

Mr. Linnemann, the Drug Enforcement Administration says that 70 percent of the heroin in Europe comes from the Middle East. And

in your statement you state on page 9 only 18 percent comes from the Middle East.

Mr. LINNEMANN. The period I believe I reported on was 1977, if I am correct. Subsequent to that, in the past 18 months it has been on the increase and is now around 70 percent.

Mr. COUGHLIN. So it's gone from 18 to 70 percent?

Mr. LINNEMANN. Yes.

Mr. COUGHLIN. To what do you attribute that?

Mr. LINNEMANN. Increased demand and increased amount coming from the Middle East.

Mr. COUGHLIN. That is a staggering increase.

Mr. LINNEMANN. Part of it is increased sensitivity to the problem where they are keeping better records. Part of it is that it had been coming from the Far East previous to that. But in addition, the number of addicts appears to be growing substantially in most of the Western European nations.

Mr. DOGOLOFF. Yes, and there are new traffic patterns. The traditional old pattern was the Golden Triangle to Amsterdam and back. As Mr. Linnemann described, the more traditional pattern now initiates in the Middle East, primarily by Turkish nationals, through Berlin. Once that became a pattern to the traffickers, they seized upon that as an unusually good opportunity, plus a growing market. There is a heroin epidemic, as I see it, in Germany and other parts of Europe, so there is a growing market there.

Mr. COUGHLIN. Is that a result of the reduced heroin market in the United States?

Mr. DOGOLOFF. I think that there is not necessarily that kind of relationship.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Linnemann, one area that I spoke about at the outset was the question of personnel from NIDA used for demand reduction on your staff. I had always looked to NIDA as being derelict in its responsibility of providing assistance to you. I have changed my mind since I have now been privy to correspondence between your agency and NIDA. I think the fault lies with the State Department rather than with NIDA. I understand an individual was furnished to you, and I ask unanimous consent that a letter from Mr. Pollin, Director of NIDA, to Ms. Falco be inserted in the record at this point.

[The letter referred to follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH  
SERVICE, ALCOHOL, DRUG ABUSE, AND HEALTH ADMINISTRATION,  
Rockville, Md., June 15, 1979.

Ms. MATHEA FALCO,  
Assistant Secretary for International Narcotics Matters,  
Department of State, INM,  
Room 7331,  
Washington, D.C.

DEAR MATHEA: To follow up on our previous discussions of liaison activities between NIDA and the Department of State in the drug abuse field, I would like to summarize some of our past efforts and propose two alternatives to facilitate our working together in the future.

Beginning in the early 1970's, liaison between NIDA (and its predecessors) and the Department of State was carried out on a part-time basis. In March 1977, the first full-time liaison appointment was made at NIDA's request. This appointment continued until November 1978. To fill the vacancy, the Deputy Director of NIDA,

Mr. Besteman, requested a job description and chaired a search committee, which identified a pool of more than 15 potential NIDA staff persons. From this pool, the list was narrowed to five persons. Mr. Besteman then visited Mr. Linnemann on two occasions, discussing these persons from NIDA as potential candidates. Mr. Besteman also indicated that we would be able to draw from a much larger pool of talent if persons from outside the government were considered. After these discussions, which took place in the fall of 1978, a new appointment was made in mid-December. In early March 1979, Mr. Linnemann requested that this appointment be terminated since the incumbent did not meet BINM expectations. In April, your Bureau hired a contract employee who is now providing what we understand to be capable coverage in the international demand area while the discussion concerning how to provide staff support in this area continues.

As you and I have discussed, NIDA has a very small staff of professionals in contrast to DEA and Customs. Many of the professionals here simply do not have the kind of skills and experience that appear to be needed for the liaison position. (A written job description would be helpful in clarifying the expectations of the person to fill this position.) With the personnel ceiling imposed on us by the Department and recent shrinkage in the number of slots, it seemed to us that the most practical way to fill the position was to search outside government.

Starting in March of this year, NIDA identified three highly qualified candidates from outside government. Two of them are definitely interested in this position. Background information on these two persons—their experience, training and previous drug abuse work domestically and overseas—has been forwarded to BINM. Both of these persons are familiar with NIDA and either of them could smoothly facilitate NIDA-State collaboration. Through the use of the Intergovernmental Personnel Act we could bring one of these candidates on board at NIDA and train him to become even more familiar with NIDA's resources and operations. This person could then be detailed to your office on a full-time basis and provide very competent support in the demand reduction field. This arrangement appears to offer State and NIDA the best immediate prospects for continuing our past successful liaison. I hope you will see your way clear to explore this further with us.

As an alternative to this, we would also be interested in designing and carrying out an intensive training program for a member of your staff. Although this person would not become an "expert" in three to six months, he or she would be quite knowledgeable and should be able to manage a broad demand program quite well. Since a growing number of young foreign service officers have an interest in drug abuse, a suitable person could, perhaps, be identified to meet BINM's expectations for staff coverage and liaison in the international demand reduction area.

Please let me know how you would like to proceed.

Sincerely yours,

WILLIAM POLLIN, M.D., *Director*.

Mr. WOLFF. I understand there was someone appointed for a period of a year.

Mr. LINNEMANN. Mr. Robert Retka was the initial liaison officer and he came to our office in September or October 1977.

Mr. WOLFF. March 1977.

Mr. LINNEMANN. He joined our staff fulltime in September, remained with us for an entire year. I believe that was October 1977 through September 30, 1978.

There is a discrepancy in that letter in that he was appointed at NIDA working on a number of things of which narcotics liaison was one.

We requested, on my joining the staff—I was previously with Mr. Dogoloff's office—that Mr. Retka join us full time in order that he could be available to the program country officers. Once he did join us, we were able to develop a much more cohesive program plan.

There then was a period of 2 to 3 months when there was no liaison officer. Dr. Hendricks, in December 1978, spent around 3 months part time with us. He departed, I believe, in February or early March 1979.

Mr. WOLFF. I also understand that they have made available to you a number of candidates from outside of Government because of limitations on the number of slots that they have available. Am I to understand that no one has been acceptable to you?

Mr. LINNEMANN. In reviewing the benefits of having a civil servant rather than an outside contractor for 1 or 2 years, it was our considered judgment that essentially you needed someone from within the Government who knew the capacities of NIDA and of other agencies, as well as the treatment field. And that is why we firmly believe that a U.S. Government employee should be that liaison officer.

Mr. WOLFF. With all due respect, Mr. Linnemann—what is that line?—methinks you protest too much.

Mr. LINNEMANN. No, sir.

Mr. WOLFF. I think there are impediments. I refer this matter over to Mr. Dogoloff for resolution, because I think it is important that we get the type of coordination that is necessary here in order to beef up, if you will, this demand-reduction side of the activity of the Department.

Now, I would also like to refer you to a letter, Mr. Linnemann—and I ask that by unanimous consent this be made a part of the record as well—from the LEAA; from Mr. Dogin, the Administrator.

[The letter referred to follows:]

U.S. DEPARTMENT OF JUSTICE,  
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION,  
Washington D.C., June 20, 1979.

HON. LESTER L. WOLFF,  
*Chairman, Select Committee on Narcotics Abuse and Control,  
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for a statement concerning the transfer of Treatment Alternatives to Street Crime Program research and knowledge to foreign countries.

Over the last several years, representatives from seven foreign countries have visited or otherwise contacted the Law Enforcement Assistance Administration to learn about the TASC program. Officials from Canada, Israel, Hong Kong, Indonesia, Sweden, Australia, and West Germany have indicated interest as to whether the TASC concept might fit into their criminal justice environments.

Representatives from Canada, Israel, and West Germany have visited headquarters and met with LEAA staff responsible for the TASC program to learn more about the effort on a first-hand basis. LEAA staff have also traveled to Ottawa to brief key provincial and federal officials on the TASC concept and provided them with a newly developed TASC project manual. As a result, Canada will soon have a program in operation based on the TASC model.

Several foreign officials have stated that their nations' drug problems are increasing in a manner similar to that experienced in the United States 10 years ago. They indicate a desire to examine successful U.S. strategies and benefit from our experience rather than go through the "trial and error" method. The National TASC program was evaluated by a private firm that found: "TASC has been a very positive factor in the treatment process, and has achieved impressive success rates and offers the criminal justice system a beneficial and cost effective alternative for drug abusing offenders." According to the evaluators, a typical TASC project involving 400 persons a year saves the community at least \$1 million in stolen property needed to support drug habits, plus an estimated \$450,000 in court and jail costs.

TASC projects are now in operation in almost 50 cities across the United States. The concept has intentionally been implemented in a variety of different environments and under several different administrative structures. The program's success in these various configurations leads us to believe that it is adaptable to international environments.

To this date, however, only limited effort has gone into international marketing. LEAA does not have an international mandate in the drug abuse demand area. We have been in contact with the State Department. While officials there initially expressed interest in international replication of the TASC model, our subsequent inquiries have not yet resulted in any substantive progress.

We are proud of the success of the TASC Program, and would be pleased to share our experiences and expertise with any nation that could benefit from them. LEAA staff are available to respond to any questions you may have.

Your interest in this matter and the programs of the Law Enforcement Assistance Administration is appreciated.

Sincerely,

HENRY S. DOGIN, *Administrator.*

Mr. WOLFF. In the last part of his letter he says :

To this date, however, only limited effort has gone into international marketing. LEAA does not have an international mandate in the drug abuse demand area. We have been in contact with the State Department. While officials there initially expressed interest in international replication of the TASC model, our subsequent inquiries have not yet resulted in any substantive progress.

What I am trying to get at, Mr. Linnemann, is that we would like to see more in the way of interagency activity rather than individual action. One fact we have found within the State Department has been its insulation. We have found it with DEA; we have found it with NIDA; and now we find it with LEAA.

I would suggest a review of the Bureau's policies be made to find ways in which there can be greater interagency cooperation.

I know there have been attempts. I have had indications that attempts have been made in this connection, but I would request an even greater effort.

Mr. LINNEMANN. Yes, sir. I am not familiar with that particular letter. I do know LEAA has funded various portions of it.

Mr. WOLFF. The reason that we have this letter is the fact that we asked LEAA what they were doing in order to cooperate with you. They said they offered cooperation, but it doesn't seem to be acceptable.

That is one factor that I think we have to really zero in on.

I know now you have assumed the obligations of AID on an overall basis.

Mr. LINNEMANN. Yes, sir, that is correct.

Mr. WOLFF. I think we have to see to it that although you don't have LEAA within the parameters of the Department—and I hope that you never get it—I think there should be more in the way of interagency cooperation developed than we have experienced in the past. Let's make a little more progress. You have made some progress. Let's make a little more. That's all.

Mr. EVANS?

Mr. EVANS. Thank you, Mr. Chairman.

Let me give you a couple of premises and ask a question in response to that.

It is clear to me that the money we spend in preventing drugs from coming into this country is much less, as far as the results, than the money we spend interdicting and catching people here after the drugs get here. And it is clear to me that the crop substitution program which has been referred to is not a success in that in Thailand, for instance, we have a very small program in only one or two provinces which has nothing to do with the entire area of northern Thailand which is very large area.

Also, the government or the royal family of Thailand will not put the pressure on these people to quit raising poppies when that's the only thing they have to survive.

It is also clear, in spite of the claims in Colombia that we have made such great progress, that we've got more drugs coming in from Colombia than ever before, in cocaine and marihuana.

Now, when is the State Department going to tell the Congress and the President that we are fighting this problem with a straw? When are we going to get some direction from the narcotics area of the State Department that when we talk about \$16 million in Colombia we are talking about nothing, and when we talk about a few million dollars in Thailand for crop substitution through the United Nations we are talking about nothing?

I want to know when the State Department, who is in charge of setting the policy internationally—and we've got the GAO report and we've got the AID reports that are really not making substantial progress. I want to know when the State Department is going to say:

Look, we are doing the best we can, but if you really want to deal with this problem you've got to put the money up, and you've got to have the direction from us, because that's where the pressure has got to come from in these countries.

Can you react to that?

Mr. LINNEMANN. Yes; sir. I hope that that is one of the results of this hearing.

Mr. WOLFF. Do we have anybody from OMB present? [Laughter.]

Mr. EVANS. Mr. Chairman, I think somebody has to get the impression to OMB and I think it has to come from the State Department.

Mr. LINNEMANN. Sometimes it is very difficult through the budgetary processes that one has to go through in the bureaucracies of Washington. I believe that the White House Policy Staff has been very helpful in that, and hopefully in the upcoming one, which we are going into right now, some of this situation can be rectified.

Mr. DOGOLOFF. We see the INM budget as somewhat of a catalyst. When we are talking about rural development, it is true that right now we are just in the stage of showing that is possible, and the reason it is so small right now, for example, in Thailand is that that was a pilot project. It clearly needs to be expanded upon. I don't believe, however, that the U.S. Government can and should support those efforts in their entirety. I think there are a number of other agencies that we ought to be leveraging and that is what INM does, what the State Department should be doing and is doing to leverage others.

For example, the world financial institutions like the World Bank are putting out projects like those we are talking about, targeting them at areas of the world which are the poorest of the poor. Again, those are the largest narcotics-producing areas of the world. And again we feel we are leveraging them so they have that amount of money that is far greater than AID or INM have in their budgets. We have to get them involved in it.

During the past year I spent 4 weeks visiting practically every capital in Europe to get that message across, to get bilateral aid as well as multilateral assistance through the United Nations and so forth aimed at those narcotics-producing regions. We need to do more of that. It's a partnership. We can't do it alone or it will break the bank.

Mr. EVANS. I agree with that, Mr. Dogoloff. I think, however, we need to make a stronger case through our own OMB and our own President, and we need to make that case that we are willing to do more about it if we can get the assistance of other countries who are suffering the same way that we are from this illicit drug traffic.

Thank you.

Mr. WOLFF. Mr. Railsback?

Mr. RAILSBACK. You said that the State Department, Justice, and AID had recently signed an agreement for the sharing of information. What about our intelligence community? I am wondering should they be part of that? Or why aren't they part of that?

Mr. DOGOLOFF. There's a second group, an interagency group on intelligence, set up by our office and headed by DEA which involves all the agencies involved in drug intelligence. They meet on a regular basis, and there is coordination of intelligence requirements and intelligence information. They are tasked by our staff and other agencies to look at specific issues on an interagency basis and develop intelligence information.

Mr. RAILSBACK. So are you saying there is an interchange between the two?

Mr. DOGOLOFF. Very much, absolutely.

Mr. WOLFF. Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman. I regret I had a prior meeting that kept me from hearing some of your testimony. I have skimmed through your notes. I am interested in how we are implementing the strategy set forth in the Federal Strategy document of 1979 with regard to working with other nations to develop a coordinated plan for attacking the drug problem.

Can you tell us about the overall international strategy, how we are implementing that strategy, how we are working with other countries and programs to have a long-range program for interdicting the supply of narcotics and for affecting drug rehabilitation and drug treatment on a global scale?

Either one, yes.

Mr. DOGOLOFF. I thought Mr. Linnemann might handle it because it's really a question of implementation.

Mr. GILMAN. I hope somebody is handling it.

Mr. LINNEMANN. We are taking a variety of measures, Mr. Gilman, which you are probably aware of

Mr. GILMAN. I am not aware of them. That is why I am asking.

Mr. LINNEMANN. Ms. Falco is now in Turkey, having been in Paris at the ministerial meetings where narcotics was brought up as one of the main topics. I believe this was covered in the New York Times this past weekend. In that meeting we are attempting to focus the developed nations, which are the victim countries of drug abuse, into exchanging information and coordinating their bilateral assistance.

Mr. GILMAN. Mr. Linnemann, if I might interrupt you, has some specific committee been created in OECD?

Mr. LINNEMANN. Not yet. We are exploring this.

Mr. GILMAN. Has it been created?

Mr. LINNEMANN. Not yet.

Mr. GILMAN. I was pleased to see that thrust. I guess that it is an initial thrust that a committee be created so that we have such liaison.

Mr. LINNEMANN. Yes; sir.



Mr. GILMAN. Will such a committee be forthcoming?

Mr. LINNEMANN. As you know, in the international world of diplomacy, some things can drag on. We will continue to push. We have suggested the United States may be able to provide technical assistance to the OECD to gather data for discussion and action. We have also planned briefings of the international financial institutions, the World Bank, the Inter-American Development Bank, on narcotics control. We also plan to brief our executive directors concerning antipoppy or anti-narcotics clauses in development loans.

Mr. GILMAN. Can you tell us what you intend to do or what you have done in the international finance field with regard to this issue?

Mr. LINNEMANN. We have met with the World Bank, the Inter-American Development Bank, and the Asian Development Bank.

Mr. GILMAN. What are you asking the bankers to do?

Mr. LINNEMANN. We are basically talking to our own people there as well as at staff level to consider narcotics. All other things being equal, if you put money in a particular region, we can serve two purposes. With these various financial institutions putting developmental money into various drug-producing countries, we hope we can curtail or contain the spread of narcotics production in these countries.

Mr. GILMAN. Has a specific overall plan been presented to the banking community?

Mr. LINNEMANN. No, sir, not as of this date. We have just signed an interagency agreement.

Mr. GILMAN. When I hear about an interagency agreement, I sometimes think that we are dealing with foreign countries to get our domestic and national policies. I do not understand why we need agreements all the time to get these programs underway.

But you have executed these agreements. What about the strategy that the agreements would purport to implement?

Mr. DOGOLOFF. The strategy was really set forth by the President in his message to Congress as early as August 1977 when he called upon our delegates who are involved with the international financial institutions to use their impact to direct developmental funds to narcotics-producing areas in the world and to look at the antinarcotics clauses.

Mr. GILMAN. Mr. Dogoloff, I think the President's objective was certainly salutary—and I will wind up in just a minute, Mr. Chairman—but why does it take from August 1977 to August 1979 to first enter into an agreement to implement that objective?

Mr. DOGOLOFF. The agreement is just a formalized way of putting forth what has been already going on. Within a couple of months after that agreement, the first antiopium clause was entered into in a loan to Afghanistan. So, there are international funds that are being targeted that way, and there has been a lot of progress in that area.

Mr. GILMAN. I regret that my time has expired. I do have additional questions and will reserve them for another time.

Mr. WOLFF. The bell has rung and we are waiting for the second bell. In the interim period, we will take Mr. Neal.

Mr. NEAL. Thank you.

I'd like to ask about the general effectiveness of the paraquat spraying programs in various parts of the world.

As I understand it—I'm asking the question because I don't know much about it—the situation is that the paraquat is sprayed on the

plants which then causes the leaves to wilt, and then the growers of the plants go out and harvest them and sell them to the people that use marihuana around the world and in the United States.

Mr. WOLFF. May I make a correction to the gentleman's statement. I do not believe that we are furnishing paraquat to anyone.

Mr. LINNEMANN. We are not furnishing any herbicide, including paraquat, to anyone.

Mr. NEAL. I understand that, Mr. Chairman.

Mr. WOLFF. I wanted to get it in the record.

Mr. NEAL. It is my understanding that that is the way the program works, and I read in the newspaper yesterday that Colombia is considering a big spraying program, and I am wondering, No. 1, if it is effective in halting the trade; and No. 2, what the health consequences of that kind of program are.

Mr. LINNEMANN. Congressman, whether it be paraquat or any other herbicide, the most effective way to destroy narcotics is to destroy it while it's still in the ground. Once it is harvested and begins to move through the traffic routes, it becomes increasingly difficult to interdict.

Mr. NEAL. Is my impression correct that even after it is sprayed the plants are harvested and sold anyway?

Mr. LINNEMANN. You are referring to Mexico, I believe, at this point. Paraquat has a 36-hour knockout rate. Any other herbicide which is ecologically safe takes a much longer time. Paraquat, for the environment in Mexico, is probably the most ecologically safe—and the most expensive herbicide.

Mr. NEAL. I'm afraid we're running out of time. I want to get to the point. Are the plants then sold once they are sprayed?

Mr. LINNEMANN. No, sir. If they are harvested immediately subsequent to spraying, they can be sold. And this caused the paraquat scare of last year. At this particular point, the number of fields being spotted by the Government of Mexico—and that is the only place paraquat is being used—is down to 3 percent of the total number of fields being sprayed. The remainder of the spraying is on poppy, and for that they use 2,4-D.

Mr. NEAL. Would it be a good idea for the Colombians to spray?

Mr. DOGOLOFF. It seems to me it would be inappropriate for the U.S. Government to suggest to a foreign government whether or not they should spray. I think it's a decision they need to arrive at in their own way.

Mr. NEAL. Do you all think it would be a good idea to spray the plants in this country?

Mr. LINNEMANN. Let me go back to Colombia a moment. In Colombia there is a different set of circumstances as well. The marihuana fields are interlaced to a degree with food crops. This is not true in Mexico.

Mr. WOLFF. We have a hearing planned particularly on paraquat itself, Mr. Neal, to discuss all of the ramifications of the health hazards, the question of ecological circumstances, and the legal angles of that. These will be discussed in detail.

I think further questioning of the witness along these lines might involve us in some legal problems. I would therefore request that the witness not be questioned further on this until such time as we have had the other hearing.

If Mr. Coughlin wants to go ahead, there is a second set of bells and we'd better answer the call.

Mr. COUGHLIN. We'd better answer the call.

Mr. WOLFF. I am going to call a recess, but since you are the overall honcho, Mr. Dogoloff, I wonder if you would stand by.

We'll take a short recess.

[Whereupon, a short recess was taken.]

Mr. WOLFF. The committee will resume.

Mr. Dogoloff, will you come back?

Mr. Gilman was cut off by the bell. He would like to ask a question of you.

Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Dogoloff, I would like to address your attention for a moment to the United States-Mexico consultative mechanism. As you recall, we proposed that to President Echeverria and it was approved by President Ford and President Carter. Actually, the consultative proposal included discussions between the parliamentary groups as well as the executive groups. A consultative mechanism was produced in 1977 and an antinarcotics group was part of that mechanism. Thereafter the Senate appointed Senators Riegle and Hatch and Congressman Wolff and I were appointed as representatives of the House.

When President Carter visited President Lopez-Portillo last February, apparently another consultative mechanism was established in which the antinarcotics group was folded into a so-called working group on law enforcement and did not include any parliamentary representatives.

Can you tell us why we now have two narcotics consultative groups? We are in the process of bringing together the parliamentary groups. We just met in Mexico. We found a very receptive attitude. They have appointed their parliamentarians and we plan to meet shortly. But why do we have two consultative groups, and what has the President done to implement his mechanism? Has that narcotics subgroup met yet? Is that in the process of doing some work?

Mr. DOGOLOFF. I am familiar with all the background, but I am not familiar with what is currently happening in that regard. But I will be glad to find that information out and provide it to you and arrange a briefing and look toward developing a plan as to whether those two are duplicative, how they ought to be integrated, and how we ought to work it out so it makes some sense.

The way you describe it, it seems that there may be some duplication, and let's try to work it out together.

Mr. GILMAN. Can you tell us whether the President's subgroup on law enforcement, which includes apparently a narcotics effort, has started to meet? Are they at work?

Mr. DOGOLOFF. I know Ms. Falco and some representatives, Mr. Egan from the Justice Department and Bob Chasen, did go down and confer with the Mexican Government as part of the followup to the President's trip, and possibly related to that law enforcement group, and talked about a number of issues, including narcotics. And I am not sure what the continuing followup on that is, but I will find out and get back to you on it.

Mr. GILMAN. Mr. Chairman, with your permission, I request that that information be made part of the record at this portion of the testimony. I believe that the committee would welcome your supplying us with that information.

Mr. DOGOLOFF. I will supply it.

Mr. WOLFF. I'd like to add to that. I'd like to have a response as to when the group will meet that we were appointed to.

Mr. DOGOLOFF. Fine.

[The information referred to follows:]

THE WHITE HOUSE,  
Washington, July 11, 1979.

HON. LESTER WOLFF,

*Chairman, House Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: At hearings held June 21st before the Select Committee on Narcotics Abuse and Control, Congressman Gilman requested information on the U.S.-Mexico consultative mechanism on narcotics.

During their meeting in Mexico City last February, Presidents Carter and Lopez Portillo discussed the excellent cooperation of our two governments in reducing the amount of narcotics production and trafficking from Mexico into the United States. They jointly directed the establishment of a consultative mechanism to explore various common interests and problems.

As part of the overall consultative mechanism, a law enforcement working group was set up to discuss narcotics law enforcement, stolen vehicles and arms, and smuggling of commercial items, as well as to explore the need for additional treaties to facilitate law enforcement. The working group held its first meetings May 28-30 in Mexico City. Michael Egan, Associate Attorney General, and Mathea Falco, Assistant Secretary of State for International Narcotics matters, were co-chairmen of the U.S. delegation. Robert Chasen, Commissioner of U.S. Customs, and Robert Dickerson, Director of the Bureau of Alcohol, Tobacco and Firearms also took part. I am sure that Ms. Falco would be happy to provide details on the meeting.

Regarding the U.S.-Mexico interparliamentary consultative group, the State Department informs us that the Mexican Government has not formally advised the Department of its appointment of members to the narcotics subgroup. Our Embassy has approached the Mexican Government several times to inquire whether Mexican members had been named, but have been unable to obtain a clear reply or commitment. Assistant Secretary Falco has sent another cable to the Mexico City Embassy requesting that another approach be made to the Foreign Ministry to determine the status of the Mexican appointments to the subgroup and when the subgroup might meet. We will, of course, inform the Committee immediately when a response is obtained. If the Mexican parliamentarians are interested in activating the subgroup, I will be available to work with the U.S. delegates to ensure that the work of the two narcotics groups are not duplicative.

Sincerely,

LEE I. DOGOLOFF,  
*Associate Director for Drug Policy,  
Domestic Policy Staff.*

Mr. GILMAN. Just one other question, Mr. Dogoloff. Many times in talking with some of the narcotics enforcement people in international areas, they have urged and stressed the importance of having regional groups work on narcotics. For example, in the Middle East, the Egyptian authorities have appealed to us to try to encourage the establishment of a Middle East regional narcotics cooperative group. What have we done toward trying to establish such regional cooperative groups on narcotics?

Mr. DOGOLOFF. We have called for that, too, and I'm sorry Mr. Linne-  
mann isn't still here, but we have discussed that in terms that there has been some meeting—

Mr. WOLFF. Mr. Linnemann is here.

Mr. GILMAN. Mr. Linnemann is here. Mr. Linnemann, did you hear the discussion?

Mr. LINNEMANN. If you could repeat it.

Mr. GILMAN. Yes. Most of us who have been involved in narcotics oversight have encouraged working groups in the international scene. Many countries involved have urged the creation of such working groups. Specifically, one of the most recent cases is in the Middle East where the Egyptian authorities have appealed to us to help establish a regional group. What have we done in that direction?

Mr. LINNEMANN. Mr. Gilman, we have in a number of different areas taken specific action not only in enforcement but demand reduction as well. In enforcement we are bringing together under the auspices of the U.S. Coast Guard a group of Caribbean island nations to discuss problems of interdiction, and then how to dispose of seized marihuana, such as the 30 tons seized by the Turks and Caicos islands.

Mr. GILMAN. What other areas, Mr. Linnemann?

Mr. LINNEMANN. In the Far East, ASEAN has developed an active role in narcotics, bringing together a regional coordination.

Mr. GILMAN. Have we established an ASEAN group?

Mr. LINNEMANN. They are holding a meeting on that, I believe, in the latter part of next month.

Mr. GILMAN. Is that part of a committee in ASEAN?

Mr. LINNEMANN. There will be a demand-reduction adviser to that particular regional group. They do have a group of the permanent advisers, members of that country, which will be—

Mr. GILMAN. What other areas?

Mr. LINNEMANN. In Latin America we have on a number of occasions through the DEA sponsored specific operations for intelligence or for cooperative enforcement efforts which have worked out very well.

Mr. GILMAN. But those have been sporadic operations. I am asking for some ongoing regional type of planning and coordination. Do we have specific regional committees or working groups that have been set up for a regional strategy?

Mr. LINNEMANN. For strategy? The answer to that is no, sir.

Mr. GILMAN. You do not have any regional groups established?

Mr. LINNEMANN. For enforcement, aside from INTERPOL, we do not have any permanent type of a mechanism which would coordinate on a continuing basis. We have encouraged, and there have been—

Mr. GILMAN. Do you think such regional groups would be helpful?

Mr. LINNEMANN. It depends on the circumstances, sir. When you look at some of the domestic law enforcement activities involving States and local counties, it is sometimes difficult to achieve coordination across State lines. This is exacerbated when you are dealing with national boundaries. Although it is an artificial boundary, the nationalistic tendencies are more pronounced.

Mr. WOLFF. The gentleman's time has expired. I'm sorry, Mr. Gilman.

Mr. GILMAN. Mr. Chairman, with your permission, just this last question. I thought it was part of the national strategy to try to establish such regional planning and coordination. Isn't that so, Mr. Dogoloff.

Mr. DOGOLOFF. Yes, and we do look for opportunities from an operational standpoint to get that kind of regional cooperation.

Mr. GILMAN. Why is there this inconsistency in your testimony and in Mr. Linnemann's testimony?

Mr. DOGOLOFF. I think we are talking about what would be ideal to accomplish, and from Mr. Linnemann's standpoint he is pointing out some of the very real limitations of such an operation.

Mr. GILMAN. But he is telling us that there are none.

Mr. LINNEMANN. I think we are talking about a goal which was established in the strategy versus the actual implementation of that strategy. And I think we have made a lot of progress.

Mr. GILMAN. Specifically what you are talking about—

Mr. WOLFF. Mr. Gilman, I'm afraid I must cut you off.

Mr. GILMAN. Mr. Chairman, with your permission, I will submit the questions in writing.

Mr. WOLFF. Please do so.

Thank you, gentlemen. We have to go on to our next panel because we are now 1 hour behind schedule.

Without objection, your prepared testimony will be made a part of the record.

[The prepared statements of Messrs. Dogoloff and Linnemann appear on pp. 398, 400.]

Mr. WOLFF. Our next panel is composed of Mr. George Dalley, Deputy Assistant Secretary for International Organizational Affairs, Department of State; Mr. Alex Shakow, Assistant Administrator for Programs and Policy Coordination, Agency for International Development; and Dr. William Pollin, Director, National Institute on Drug Abuse.

#### TESTIMONY OF DR. WILLIAM POLLIN, DIRECTOR, NATIONAL INSTITUTE ON DRUG ABUSE, ACCOMPANIED BY DR. JEAN SMITH

Mr. WOLFF. Dr. Pollin, I'll ask you to lead this off, if you will, and with the same admonitions that we had to the other witnesses.

Dr. POLLIN. Thank you, Mr. Chairman. I appreciate the invitation and the opportunity to appear before you today. In view of the time constraints that you mentioned and the fact that we are 1 hour late, I believe that the statement that we presented and the supplement, which specifically responded to your six questions, covered the issues which you and your staff presented to us. Therefore, I will not make any preliminary statement, but merely offer one or two general points. Then I shall be available for the questions of the committee.

Mr. WOLFF. Thank you.

Dr. POLLIN. I would merely make the point that we at NIDA place a high priority on the fact that substance abuse has existed throughout recorded history and is worldwide. We are convinced that, as is the case with certain contagious diseases, drug abuse cannot be dealt with optimally on an isolated, national basis, but must be dealt with internationally. We believe a good beginning has been made in our interactions with various agencies, organizations, and departments, and we are aware of the contribution that has been made by the members of this committee. Thank you.

Mr. WOLFF. Thank you, Doctor. I want to compliment NIDA on the point that you make in your statement of the visits that representa-

tives from the People's Republic of China have concluded here and your work with them. It is important. I have tried to raise this question with the Chinese a number of times in my other capacity as chairman, and we are told for the most part that this is a capitalistic disease and they haven't been willing to discuss this with us. I am glad that you have been able to introduce this into the bilateral discussions with them because I think we have something to learn from them, and they may have a few things to learn from us.

Dr. POLLIN. Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Shakow and Mr. Dalley, you have not appeared before the committee before, so I am going to ask that you be sworn, if you don't mind, please.

[Whereupon, Messrs. Shakow and Dalley were sworn.]

Mr. WOLFF. Mr. Shakow, would you please proceed.

#### TESTIMONY OF ALEX SHAKOW, ASSISTANT ADMINISTRATOR FOR PROGRAMS AND POLICY COORDINATION, AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. SHAKOW. Yes, Mr. Chairman. Thank you very much.

I am pleased to be here to talk about AID's role in this whole area, and I do believe that my testimony presents a full picture of AID's part in this multifaceted U.S. Government narcotics control program. So I will just spend a couple of moments, as Dr. Pollin has, highlighting several of the points that are contained within that testimony.

I think you are well aware that our role is to particularly support efforts at broader development and increased economic and social opportunities for the poor in drug-producing areas.

In this connection, I want to say that we agree entirely with the amendment that was recently added, at Mr. Gilman's suggestion, to the legislation on foreign aid that was considered in the House Foreign Affairs Committee. Forgive my error in my testimony for associating this committee with that committee, but inasmuch as Mr. Gilman and Mr. Wolff are both active members of that committee, I made that error. But it is indeed, Mr. Gilman, your amendment that was passed not only by the House committee but by the full House, and I was pleased to see yesterday that the Senate adopted exactly the same amendment to the bill that was passed yesterday on the authorization for the foreign aid legislation for 1979. So we are pleased to see that that is now going to be part of the entire legislation for this year.

And the objectives of the Gilman amendment, which I think we discussed at the time of the markup for the House Foreign Affairs Committee, indeed are quite consistent with what we have been trying to do over the past couple of years within AID; and as an example of that is the kind of evolving agriculture and education program that AID is working with in Thailand, particularly in conjunction with the United Nations and the World Bank.

My formal testimony notes the activities and plans we have in six major source countries. At the same time, I think it is important that I emphasize the real difficulties that are involved in trying to change what are really centuries old practices and traditions which yield, as you know better than I, extremely high economic benefits.

This committee's visits to Latin America and Asia and the material I have been able to read suggest that you have perhaps an even closer understanding than I do of the problems of introducing new development strategies in areas producing illicit drugs. We are involved in a broad-based development program, and support services can over the long run—and I emphasize "the long run"—have a positive impact. But it must be joined with a series of tough control measures and other steps by the developing country government as well as our own, and our programs must, of course, be based on a collaborative understanding with these host governments.

This is not an easy task, and I want to emphasize from our standpoint we don't believe there are any panaceas because we are trying, as I think my testimony points out, to work in this area and move ahead as swiftly as we possibly can.

It is unfortunate, however, that in this context two of the countries that are the most serious from the standpoint of drug production are two in which our programs are being phased out or down as a result of extraneous influences. In the case of Afghanistan and Pakistan, which I believe members of the committee are very well aware of, this will, of course, have a detrimental impact on our being able to do anything as an aid agency in stimulating greater development work in those countries which we hope would have a positive impact on the drug problem.

We are, as I know the chairman is very well aware, considering a program in Burma, but it is unlikely that it will be possible for us to work for some time in the drug-producing areas because of the security problems there, given my understanding of that situation.

In short, Mr. Chairman, this is a very tough assignment, as I think you know, to try to find ways of generating alternative economic activity, and we do not yet have a long history of success stories to be able to point to. But I think most of us are convinced that over time and with effort, consistent with our overall assistance objectives, we can, in fact, make a serious and significant contribution to the elimination of the drug problem at its source, in concert with the rest of this very broad, multifaceted program that the United States and other countries are undertaking.

Thank you, Mr. Chairman.

Mr. WOLFF. Thank you.

Mr. Dalley?

**TESTIMONY OF GEORGE DALLEY, DEPUTY ASSISTANT SECRETARY  
FOR INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT  
OF STATE**

Mr. DALLEY. Thank you, Mr. Chairman. It is a great pleasure for me to be here with you this morning, particularly because of our current work together and my past associations with so many members of the committee when I was administrative assistant to one of your distinguished members.

I was also pleased to note in your opening statement this morning, Mr. Chairman, you took note of the work of the United Nations and called for an enhancement of the United Nations Fund's role.



Mr. WOLFF. You didn't hear the full statement I made then, Mr. Dalley. I said either the enhancement or the elimination.

Mr. DALLEY. Then during our question-and-answer period, I hope we can make a case for the enhancement because I think it is important.

I will make a brief summary of my statement because I feel it will be helpful to emphasize the role we feel the U.N. should be playing in an international narcotics strategy.

One of the most important considerations about the United Nations system, whether in narcotics or any other field, is that it offers significant opportunities to complement the efforts of individual nations in tackling the major issues of our time.

Individual countries will, of course, undertake their own direct efforts to address these problems, as we have done on drug abuse. And nations will enter into bilateral arrangements with other countries to address these problems, as we have also done on drug abuse.

But these problems can never be resolved effectively unless they are tackled by international organizations in which a broad understanding of a particular problem can be brought about, in which all member nations can be persuaded to recognize the urgency of concerted action, in which consensus can be developed regarding appropriate avenues of approach, and in which funds sufficient to address the problem can be put to effective work.

The United Nations and its family of agencies constitute organizations where this consensus is being formed and where multinational steps on important problems can be coordinated and implemented. While these steps are important to us in a general sense, since they support our general policy goals on many problems, they are particularly important to the United States in areas where the issue is urgent but where bilateral strains make it impossible for the United States to act alone.

We have just mentioned two specific countries.

In many such instances, if the U.N. system were not present to play a significant role, there would simply be no action at all.

I recognize that many in this country like to point out shortcomings in the United Nations system. When 151 member nations seek to develop consensus, and when citizens from 151 countries, with backgrounds covering a wide variety of cultures, languages, and government systems, attempt to manage specific problems, it is inevitable that the result will not always be the one preferred by the United States.

Whatever the shortcomings of the United Nations system—and the President has already indicated a number of ways in which the United States is pressing for reforms within the system—it fully deserves our strongest support and guidance. The United States derives so many direct benefits from the United Nations system, and the system is so essential to development of coordinated international action on such pressing issues as drug abuses that we cannot risk letting the system falter.

As President Carter said last year:

This administration recognizes that drug problems cannot be solved unilaterally, but require concerted action by the world community. . . . The United States remains deeply committed to the cause of international drug control. We will continue to support the efforts of the United Nations activities and other governments to eradicate this problem.

Thank you very much, Mr. Chairman.

Mr. WOLFF. Thank you, Mr. Dalley. May I say that I have enjoyed working with you over the years in a variety of your positions.

Mr. DALLEY. Thank you.

Mr. WOLFF. Not only here in Congress. When I was up at the U.N. your help was considerable to me through our direct contact.

Mr. DALLEY. Thank you, Mr. Chairman.

Mr. WOLFF. Was it someone from NIDA they loaned to the United Nations Fund?

Mr. SMITH. No, sir, it was the Department of State.

Mr. WOLFF. Department of State; I'm sorry. Can you give us for the record any and all information relating to people on assignment to the United Nations Fund that are outside of our contribution to the United Nations?

Mr. DALLEY. I'll have to supply that for the record. I don't have that with me.

Mr. WOLFF. Yes; if you will.

[The information referred to follows:]

No Department of State employee has been assigned to UNFDAC. The Department does have officers at its Mission in Geneva who coordinate with the U.N. Fund and maintain close contact with its personnel.

Mr. WOLFF. I'd like to know the status of the recommendations that the United States has made to the United Nations Fund relating to an individual to fill the No. 2 slot. We understand that the man is acceptable to Mr. Bror Rexed who is the head of UNFDAC, but is having some difficulty with the United Nations because they say we are overstaffed. Perhaps you could convey to the United Nations that we also think that we are overfunded. And if they think that we are overstaffed, then we'll have to take that into consideration further appropriations, which come under our other committee, to which Mr. Shakow has referred.

I think the cooperation that we are getting from the U.N. Fund leaves a lot to be desired. I feel very strongly that their effort is one that has not been productive. I think the major thrust that they are charged with could be a very productive one if it were carried out, but I do not think that they are carrying out the functions that they were given in their mandate.

And although perhaps we have been pushing him in that direction, I find that Mr. Rexed's job as director seem to be primarily as a fundraiser. Perhaps UNFDAC should adopt some other policy and employ a fundraiser to go out and raise funds rather than use a man of his stature and great scientific and technological skills.

Mr. DALLEY. May I comment on two of those issues? We are currently hopeful that this issue can be resolved.

Mr. WOLFF. How long has it been pending?

Mr. DALLEY. It's been pending for 2 months. The United States has made strong interventions with the United Nations Secretariat on the withdrawal of a commitment we thought we had that Mr. Wellman would be replaced. The position has been vacant for 2 months, and we seem to be unable to resolve the issue.

The recent apparent reluctance to give the position to an American is based on the claim that we are overrepresented not in UNFDAC

specifically but in the desirable range of these levels of jobs in the United Nations system. And that is a credible claim to make. The Personnel Board in New York, which we have always supported in terms of its independence, has said it prefers to give the position to someone from a country which is underrepresented.

[The information referred to follows:]

The "desirable range" of staffing in the United Nations by the United States has been established as from 382 professional positions to 517 professional positions. The number of U.S. nationals currently employed is 524, or 7 more than the top of the range.

Mr. DALLEY. Our response in this case is that, apart from the entire United Nations system, we are not well represented in comparison to our contributions in the drug agencies. We are hopeful that the discussion can be resolved in our favor, largely because we are making such a large financial contribution. Further, because we have the kind of expertise that you mentioned, in NIDA and AID and so many other programs, we feel an American is specifically appropriate for this agency in one of the top policymaking jobs.

Mr. WOLFF. Mr. Dalley, if you would communicate to the Fund officers, as our representative, that in the event this is not resolved before the legislation comes to the floor, that I am prepared to offer an amendment that will further restrict funding to UNFDAC. Perhaps we should make only a token contribution to indicate our continuing interest in the agency as such, but to reduce the funding to a "token" point. When I say "token", I mean about \$1 or so would be the appropriation.

Mr. DALLEY. Sir, let me respectfully suggest one factor. We have had sterling cooperation, absolute cooperation, from the UNFDAC officials. Dr. Rexed has designated Mr. Sohlin as his candidate for the position. He has made strong internal advocacy for Mr. Sohlin. This, if I may say, penalty that would be imposed against the Fund would be a penalty that would not be aimed at the causes of this delay. The causes are the United Nations Secretariat officials in charge of personnel issues who are making this claim based on systemwide consideration, and I believe UNFDAC is the victim of an unfortunate tendency within the United Nations.

Mr. WOLFF. Isn't that Under Secretary General George Davidson's operation?

Mr. DALLEY. Yes.

Mr. WOLFF. Isn't he an American?

Mr. DALLEY. He is a Canadian. But the United States has always fought for the integrity of the personnel system. We have seen it misused too often by other countries. But we cannot argue with the principle that there should be an equitable distribution, and that the Personnel Board should have a certain degree of independence. Nonetheless, we think we have made an effective and strong case for the appointment of an American. And we have, as I have indicated, reminded the United Nations officials that we had a commitment regarding this job.

Mr. WOLFF. Because I have certain other reservations as to the effectiveness of UNFDAC, even in view of the statement that you have made, Mr. Dalley, I repeat the fact that this is one further evidence of the lack of cooperation upon the part of the overall United Nations

operation. It seems that they only respond to questions when they have some muscle behind them. I want to give you the opportunity, not as a friend, but merely as an indication of some of the thinking of the Congress.

Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman.

First of all, I would like to thank Mr. Shakow for his kind remarks with respect to the legislation, legislation that AID assisted us in drafting and helped us pursue through the Congress. I am hoping it will eventually be signed into law. I think it will be helpful, and I certainly hope that you will continue your efforts in the drug-producing areas as you have in the past.

And Mr. Dalley, I want to thank you for your help in the United Nations when we arranged a donors' meeting to try to urge more nations to contribute to the United Nations Fund for Drug Abuse Control. I am wondering what we have done to follow up on that donors' meeting that we arranged about 1 year ago where we brought together prospective donors. Last year, only 38 nations of the 151 member nations of the United Nations contributed to UNFDAC. I understand that 1978's contributions amounted to about \$7 million for the entire international effort, of which we paid 41 percent. Again, it is incredible that we do not have better representation for having footed such a large percentage of UNFDAC's budget.

What are we doing to raise the consciousness of the other nations to take part in this effort? It is not solely a United States or Canadian or Norwegian effort, who are some of the major contributors, but it is a worldwide problem. What are we doing to encourage other nations to contribute to UNFDAC, to get their delegations to take a major role in the narcotics effort in the General Assembly, something that UNFDAC's Director Dr. Bror Rexed has complained about? Many delegations do not consider narcotics to be a major priority in the United Nations.

What are some of the initiatives that your office is undertaking to increase this attention and to make it a higher priority?

Mr. DALLEY. Mr. Gilman, I want to thank you and the chairman for your role in that meeting last November, which we felt was important and successful. Having Ambassador Young as chief administration spokesman, we were making a very visible, high-level commitment in this administration to UNFDAC, to greater United Nations participation in fighting narcotics problems.

We have followed up that November meeting with various visits by narcotics officials to countries which we feel are important as key potential donors to UNFDAC. Every time Mathea Falco goes abroad, she goes to countries, in addition to her other responsibilities, which we hope will increase their contributions to UNFDAC.

Mr. Dogoloff has raised this in countries he has visited. We are having our ambassadors do this in their review of the major issues with such countries. And we are continuing to aggressively lobby countries for greater contributions to UNFDAC.

Mr. GILMAN. Isn't there another way of doing this rather than going hat in hand to make these personal appeals? It seems to me a legislative initiative may be in order. If a country is not contributing,

maybe we should not consider them for some of the projects that we are considering.

Mr. DALLEY. If I may say so, I think the best way to do it is the voluntary approach. If we have the carrot-and-stick approach, which was discussed earlier, I think we may not get the cooperation we hope to get.

I was in Geneva last year, and I was encouraged when Senegal, which is a relatively poor West African nation, contributed \$3,000 to UNFDAC. That is a very small contribution, almost meaningless. But Senegal said it was doing that because it knew that even though it did not have a narcotics problem, it knew it was part of the world community. This is the kind of spirit we want to foster.

I might say that that is why a man of Dr. Rexed's ability is doing it. You need a man of that prestige to go to governments. A professional fundraiser might not be able to reach and convince them that this is a priority.

Mr. GILMAN. It is abominable that the United Nations would devote only \$7 million to such a critical problem when we are reading this week there is over \$1 billion that the United Nations system is holding in noninterest-bearing funds in the various agencies.

That leads me to another question. When we met with Dr. Rexed in Geneva, he complained that of this \$7 million, a substantial portion is siphoned off by the administration of the United Nations to other agencies; that he had to fund, for example, the UNESCO's effort in drug areas, the World Health Organization's drug effort to the extent of some \$600,000, and several of the other U.N. agencies. When we talk about the World Health Organization and UNESCO, we find that both agencies are on the list of having surplus funds in noninterest-bearing accounts.

I do not understand that kind of effort and that kind of financing when we have such a critical problem and so few dollars, that the United Nations has to drain off from this fund dollars to run other agencies that have surpluses in bank accounts sitting around the world.

Mr. Dalley, can you tell us a little bit about that situation?

Mr. DALLEY. Yes, sir. Now that you have raised the issue, I would like to submit for the record a lengthy statement of our response to that series of articles. We believe there are some misconceptions in that article. Your own Foreign Affairs Committee will be holding joint hearings on the series next week, and we will be there from the Bureau of International Organization Affairs to respond in detail to your concerns and the concerns that we have as a result of those articles.

There are some points that are relevant, just briefly, though, that I think are very important to make. The allegation of \$1.4 billion in non-interest-bearing accounts does not take into account the complexities of an international organization or international system which cannot, like private organizations and even individual governments, be flexible in money management. It does not have, for example, guaranteed capabilities in terms of guaranteed income. We don't know in the case of voluntary funds like UNFDAC from year to year how much is going to be contributed. Certain percentages of moneys must be kept, therefore, to meet payroll and other essentials.

[The information referred to follows:]

## STATEMENT SUBMITTED BY MR. DALLEY

The Department of State wants to underscore that it shares Congressional concerns about the recent newspaper reports on the United Nations. We take all such charges most seriously, because one of our prime objectives in the United Nations and the specialized agencies is to ensure that they are run as efficiently as possible, that the funds contributed by member states are managed properly, and that the programs are conducted with full concern for cost effectiveness.

Consequently, when the news reports were published, the Department immediately undertook a careful study of them and reviewed the UN's financial management procedures. Our conclusions are contained in the statement delivered on June 27 by Deputy Assistant Secretary Marion V. Creekmore before a joint hearing of the Subcommittee on International Organizations and the Subcommittee on International Operations, House Committee on Foreign Affairs. A summary of that statement is attached.

Briefly stated, our position is that a continuing effort must be devoted to ensuring the effective management of the UN system. However, the various charges made by the series of articles in the Washington Post are based upon an inadequate understanding of how the UN system functions, the responsibilities of its separate components, and the institutional and financial limitations on its funds. Consequently, the conclusions suggested by those articles cannot be sustained. The United Nations does not have large cash surpluses. Funds are not freely available for the conduct of new or expanded activities. The accusations of significant financial mismanagement are not sustainable.

The testimony of Deputy Assistant Secretary Creekmore, below, is followed by comment, released to the press by the United Nations, from UN Under Secretary General George Davidson.

SUMMARY STATEMENT OF MARION V. CREEKMORE, DEPUTY ASSISTANT SECRETARY,  
BUREAU OF INTERNATIONAL ORGANIZATION AFFAIRS, DEPARTMENT OF STATE

Mr. Chairman and members of the committee, I welcome the opportunity to appear before your subcommittees to testify on financial management within the United Nations and the specialized agencies. This hearing provides an opportunity for public discussion and balanced perspective on an issue made prominent by recent press stories.

My testimony seeks to address the three following questions:

Do we believe the UN's financial management could be improved? The answer is "yes."

Do we place priority on efforts to achieve financial reform? The answer is "yes."

Do we believe the Washington Post articles accurately portray the financial problems the UN faces? The brief answer is "no."

This Administration shares the view that each organization of the UN system:

- Should manage its financial affairs responsibly, efficiently and effectively;
- Should keep tight control over budgetary management and expenditures; and
- Should eliminate low priority programs as new priorities emerge.

This Administration has been an advocate for improvement and reform in the UN's financial management practices since we—as most member governments—face tight budgetary situations.

A number of statements have recently been made about the financial situation of the United Nations system, about how it invests its funds, and about its procedures for awarding contracts. UN officials have responded to these charges. I will be happy to deal with questions on specific points, but I would prefer to focus on several general policy issues which provide the framework in which these criticisms should be considered.

First, we do not believe that a centralized UN system with a single budget would be in the U.S., or for that matter, in the UN's interest. We believe that the current arrangement involving autonomy of each agency and separation of programs provides the best assurance that funds would not be transferred or diverted from one program to another for uses other than those intended by the donors. By maintaining the current system, we think we are better able to ensure that the use of U.S. contributions reflect U.S. priorities and that the system remains responsive to Congress' desire that each UN organization be accountable for its own funds and programs. But as long as the UN and its specialized agencies remain autonomous bodies, with separate charters, mandates and budgets, a

totalling of their accounts—as some have suggested doing—produces a misleading and irrelevant figure.

The second policy issue is our belief that a distinction should be maintained between assessed and voluntary accounts with the former going primarily for operating expenses and the latter for program financing in the various international organizations. In this way, we are largely able to keep on a voluntary basis the funding for technical assistance and other special activities of an organization which do not benefit the entire membership while membership dues owed to the organization are paid on an assessed basis. This distinction has been overlooked in some recent criticism of the UN system.

The third policy issue is the general disinclination of member states to permit international organizations to borrow on the capital market to finance short term deficits. However, since most international organizations lack borrowing authority, they must ensure that they have sufficient cash balances on hand to meet disbursements on a regular schedule even if contributions come in on an irregular basis. While it has been suggested that UNDP and UNICEF have excessive reserves, in fact, they hold a smaller percentage of reserves against existing commitments than some comparable organizations. Mr. Chairman, I should note that a few institutions have recently obtained limited borrowing authority to deal with the non-payment of U.S. assessed contributions.

Let me comment briefly on a number of accounting and financial issues that have recently been raised in the press. One cannot consider trust funds or endowments, which have specific conditions attached to their expenditures, as cash available to meet normal operating expenses of an organization. Moreover, the financial conditions of an international organization and its ability to meet its obligations is not accurately reflected in a single number like its bank balances. It is also necessary to take into account the accounts payable, accounts receivable and the expected time of receipt, the convertibility of the cash on hand, and the restriction on the organization's borrowing ability.

The question of whether the UN and the specialized agencies are following sound investment practices has also come under scrutiny. Our Missions are examining the investment policies of the international organizations they cover. But in assessing the money management of the UN and its specialized agencies, several considerations must be taken into account:

In contrast to private companies, international organizations manage public monies and must place a premium on safe investment.

They maintain accounts in many countries with a wide variety of interest rates. For instance, the UN has 422 bank accounts in 84 countries; UNDP has 367 bank accounts in 150 countries; and UNICEF, 195 bank accounts in 84 countries. Some countries require that their voluntary contributions be placed in their banks paying low rates of interest.

Some of the accounts are in non-convertible currencies, which could not be transferred from one country to another to take advantage of possible higher interest rates. Moreover, the placement, movement, and converting of currencies among countries are not cost-free operations.

Because of the dramatic exchange rate fluctuations of the past few years, funds held in Swiss or German accounts often provide greater safety from exchange rate risk than if deposited in U.S. banks paying higher interest rates.

Some contributors, such as the United States, make larger voluntary contributions in letters of credit which are not supposed to be drawn on until actual expenditures are made. International organizations, therefore, do not earn interest on such funds.

Let me comment on the question of competitive bidding practices in the UN system. The UN has specific regulations that define how contracts are to be let. The normal practice is either to advertise for bids or to offer companies of proven expertise and sound management the opportunity to bid for contracts. We are not aware of specific instances where UN procedures or actions by its officials have prevented the organization from getting the best value for its money—the major purpose of competitive bidding.

Finally, a few remarks on how the State Department conducts its responsibilities for financial management related to the UN system might be useful. In concert with other member nations, we rely on, support, and work to strengthen those bodies in the UN system whose objective it is to ensure the system's financial integrity and efficiency. These include the UN Board of Auditors, the UN's Administrative and Budget Committee, the General Assembly's Advisory Committee on Administrative and Budgetary Questions, and the Joint Inspection Unit. The UN

financial management system is not perfect. But it is better than its critics acknowledge, and improvements are being made—in large part because of sustained U.S. efforts.

The State Department is also responsible for the financial management of assessed and voluntary contributions appropriated by the Congress for the UN system's organizations and programs. Through the use of staged payments and letters of credit, we seek to ensure that U.S. funds are not disbursed until they are needed. We are currently examining with OMB whether different payment procedures might better serve U.S. interests.

In conclusion, the State Department considers financial management in the UN and the specialized agencies to be an important issue. We have worked to improve management practices in cooperation with GAO, OMB, and UN auditing and evaluation bodies. We think our record is a good one, but we recognize the need for continued and intensified action. However, we are not convinced that recent criticisms against the financial management within the UN system reflects an understanding of the organization mandates and policy imperatives of the system. Nevertheless, we believe the Administration, the Congress, the press and the public share a common objective of seeking to make the UN system effective, efficient and productive in all of its activities, financial and otherwise.



**United Nations**  
**Press Release**

Department of Public Information  
 Press Section  
 United Nations, New York



Note No. 4160-  
 21 June 1979

NOTE TO CORRESPONDENTS

UNDER-SECRETARY-GENERAL DAVIDSON ISSUES REBUTTAL OF WASHINGTON POST ARTICLES  
 ON UNITED NATIONS FAMILY FINANCIAL PRACTICES

George F. Davidson, the Under-Secretary-General for Administration and Management, has issued the following rebuttal to a series of articles which appeared in the Washington Post from 17 to 19 June on the financial practices of the United Nations organizations:

The articles concerning the United Nations and its associated agencies which appeared in the Washington Post set a new high in irresponsible financial reporting. What is worse, the reporter Ron Kessler, was supplied in advance with commentary which clearly showed that his account of alleged United Nations surpluses and excess funds is a gross distortion of the facts. The Post's decision to publish these allegations when it knew them to be false is therefore doubly inexcusable.

For example, the charge that the United Nations and its affiliates have \$1.4 billion in excess funds in the bank is simply untrue. In the first place, Mr. Kessler has compiled his erroneous calculations from audit reports that go back to 1977. In the second place, he has lumped together the accounts of a dozen or more completely separate and independent bodies, not distinguishing between the funds contributed by Governments for regular administrative purposes and special funds in trust which have been earmarked for specific purposes and cannot, under the terms of the trust, be diverted to other uses.

It is pure and simple nonsense to lump together figures from the reports of the World Health Organization (WHO), the International Civil Aviation Organization (ICAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Labour Organisation (ILO), the United Nations itself and half a dozen other international organizations located in different parts of the world, operating under separate charters, separate governing bodies with different governmental membership, different financial arrangements -- and say "look at all the money the United Nations has". Each of these agencies is as financially distinct and independent from the others as Chase Manhattan Bank is distinct from the Bank of America or the Washington

Post from the New York Times. No one would ever think of adding together the cash balances of the Post and the Times, because it makes no sense to do so. It adds up to nothing. The same is true of adding together the cash balances of WHO, ILO, UNESCO, etc. No one agency can use the other agency's money. Each one must be self-sufficient unto itself. Mr. Kessler knew that when he was writing his articles. The Post knew that when it published the articles.

The question must be asked -- why did the Post publish statements that it knew -- or should have known -- to be false.

Not only that, even the simplest beginner in reading financial statements knows that when you look at a balance sheet to determine an individual's or an organization's financial position, you look at the liabilities as well as the assets. Cash in the bank does not mean "excess funds" to use Mr. Kessler's words in the opening sentence of his first article on Sunday, 17 June. Cash and accounts receivable plus other liquid assets have to be balanced off against accounts payable, unliquidated obligations and other current liabilities before deciding whether the organization has "excess funds" or not. Mr. Kessler did not do this. He ignored completely the fact that on 31 December 1977, the United Nations, from its General Fund, which finances its regular budget on the basis of assessed contributions against Member States, had debts of \$22.5 million in accounts payable, \$27 million in unliquidated obligations, and over \$97 million in obligations to its Working Capital Fund, and other special funds and accounts. To meet these liabilities the United Nations had on the date mentioned \$35.5 million in cash, \$17 million in accounts receivable, \$12 million in amounts due from other funds and \$75 million in unpaid assessed contributions of Governments, two thirds of which was in fact uncollectible. Even assuming that all of these could be collected, the result on 31 December 1977 was a total of \$137.5 million to meet obligations due and payable on that same date of \$146.5 million. The truth is that on 31 December 1977, the United Nations was more than \$9 million short of the funds required to meet its regular budget obligations, despite the \$35.5 million cash on hand which Mr. Kessler erroneously reported as "excess funds".

Mr. Kessler failed also to mention that ever since its founding in 1945 the United Nations has been authorized to carry a Working Capital Fund of \$40 million made up of special assessments made against Member States. That Working Capital Fund is now entirely depleted, due to the need for the Organization to borrow from it to meet recurring short-falls in its annual budget. The United Nations has no authority to borrow money externally and can only meet its periodic cash-flow problem by short-term internal borrowings which must be repaid within the year.

Another Post headline charges that "UN Accounts lose Millions in Interest", and alleges that "more than \$100 million of excess funds amassed by the UN and its affiliates is being kept in US and foreign bank accounts that pay little or no interest". Reference is made to current interest rates of 9 and 9.9 per cent, and on this basis the calculation is made of an interest loss of \$3 million a year.

Let us examine this from the point of view of the United Nations and see what are the facts.

First of all, any one who knows anything at all about interest rates knows that there is a vast difference between interest rates in mid-1979 and those obtainable in 1977. Any bank will confirm that no overnight rate of 9 per cent -- or anything like it -- was obtainable at the end of 1977, and to make a calculation based on that impossible assumption is therefore meaningless. Second, the only references which Mr. Kessler makes to interest rates payable on United Nations bank accounts (the United Nations, the United Nations Development Programme, (UNDP) and the United Nations University) mention 5 per cent as the bank rate payable. Mr. Kessler, not unwittingly, took his reference to the 5 per cent payable on our \$7 million deposit in New York's Chemical Bank from page 79 of the Auditors' report of 1977; yet he overlooked the fact that this same page records a total of \$13.5 million deposited in other banks at rates ranging from 7 1/16 to 7 1/4 per cent. Was this accidental? Was this objective reporting? Or was it a calculated selection of the "facts"?

Mr. Kessler turns his attention also to United Nations practices and policies in the awarding of contracts. He complains that he was refused access to the United Nations files in this regard. The truth is that Mr. Kessler was refused an open-ended "fishing license". When he wrote to ask to "see the files showing how current contracts have been awarded" he explained that he would like to be able to determine what bidding procedures were used, what prices were offered for particular goods and services, what companies were selected and what prices were paid. In reply he was told that while files are not open to public inspection, we would be glad to discuss with him the procedures followed in our bidding system, and the basis on which contracts are awarded. We offered to furnish copies of the rules and regulations applicable, as well as to explain the audit and inspection procedures used to evaluate these arrangements.

When Mr. Kessler appealed against this refusal of access to the files, he was asked to indicate which contracts he was interested in and invited to present to us, either orally or in writing, any questions which he had concerning them. I promised personally that if he would do so I would do my best to get the answers for him; despite my offer I received no response.

The article alleges that hundreds of millions of dollars of supplies and services are contracted for each year without throwing the contracts open for competitive bids. So far as the United Nations is concerned this is simply not true. World-wide advertising was long ago discarded as impracticable, but selective invitations to bids are issued in sufficient numbers to ensure fair and competitive prices.

In Mr. Kessler's article of Monday, 18 June, he mentions the cleaning contract of the United Nations building as one which has been in the hands of the same company since 1951. He refers to it as a cost-plus fixed-fee contract -- meaning that the contractor is reimbursed for his actual out of pocket expenses and paid a management fee which does not vary during the life of the contract. This particular contract involves a payroll of \$3 million

annually; the management fee is less than \$100,000, out of which the contractor has to pay for the uniforms of his staff, cleaning of uniforms, cleaning supplies, legal fees, insurance, etc.

How was the contract awarded? Periodically it is opened up for tenders, the latest occasion being 1971 when 7 major cleaning firms in the New York area were formally invited to bid. Four bids were received. The contract was awarded to the lowest bidder whose bid was 25 per cent lower than the other bids.

The only other contract mentioned is that for electrical work. Part of this, because of the complex nature of the operation and the special familiarity required with the installations in the building (dozens of interpreters' booths, hundreds of microphone positions for delegates, etc.) can not readily be put up for periodic tender and switched from one contractor to another. The contractor holding the contract would have in fact an insuperable advantage because of his specialized knowledge of the installations over all other bidders. That is why the contract for this portion of the work is offered on a cost plus fixed management fee basis. For other parts of the electrical work -- new construction, for example -- tenders are called and, depending on the quality of the tender, normally awarded to the lowest bidder.

Finally, Mr. Kessler, referring to reports of the external Board of Auditors -- composed of the Auditors General of three Member States -- states that they have repeatedly "qualified" their opinion on the soundness of the United Nations's finances, and refused to certify that the books as presented were accurate. This is a completely false statement and it is only necessary to read the certificate signed by the three members of the Board of Auditors in successive audit reports to prove it.

Here is the Audit Opinion of the Auditors as it appears on page 24 of their report for 1977:

"We have examined the following appended financial statements, number I to XV, properly identified, and the relevant schedules and annexes of the United Nations for the biennium 1976-1977 ended 31 December 1977. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination, we are of the opinion that the financial statements properly reflect the recorded financial transactions for the biennium, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1977, subject to the observations contained in paragraphs 57 and 58 of our report."

The final words of the Auditors' opinion deserve notice. This is not a "qualified" opinion in the sense alleged by Mr. Kessler. The Board did not refuse to certify that the books as presented were accurate. Paragraphs 57 and 58 of the report to which reference is made refer exclusively to a total of \$240.3 million of unpaid contributions of Member States, most if not all of

which is considered by the Auditors to be "uncollectible". The Board states therefore in paragraph 58 that "its opinion on the financial statements is subject to the ultimate realization of these assets". It may well be as the Auditors have implied that these amounts will in large part be uncollectible. If the United Nations were a commercial organization it might well make sense to write them off as bad debts. But the United Nations is not a commercial organization. It is a political body; and each dollar of the amounts referred to is a dollar that is owed to the Organization by a viable Member State. It therefore requires a political decision -- not an audit opinion or an administrative action -- on the part of the Member States themselves, to dispose of these uncollected amounts; and for obvious reasons the majority of Member States are not prepared to relieve their delinquent colleagues of these obligations under the Charter of the United Nations by writing off their debts.

The United Nations faces many difficult problems, because sooner or later most of the problems of the world come to its doorstep. One of the problems it has had to face year in, year out, is that of adequate financing. Here it must rely entirely on the willingness of its Member States to honour the pledges which they make by paying the assessments to the United Nations regular budget and by adding to these assessments the voluntary contributions which they make to programmes and projects in which they have a special interest. Member States who contribute these voluntary funds to special programmes -- whether it be children or food or narcotics control or population -- do not want their gifts to be diverted to purposes for which they were not intended. For example, UNICEF is entirely dependent on voluntary contributions. Therefore, it needs to carry a larger balance, because the amount of its future revenue is uncertain. UNDP and UNICEF will issue separate statements on their respective circumstances. That is why one cannot jumble up the accounts of the voluntary funds, as Mr. Kessler does, with the regular administrative budgets of the agencies. Nor does a Government which pays its assessed contribution to one agency -- say WHO -- expect to see a part of its contribution diverted to another -- say ILO -- of which it may not even be a member. How then can you lump all of these amounts and accounts together and treat them as one -- as Mr. Kessler does?

Each United Nations agency must rely, for its day-to-day operations, on the assessed contributions contributed by Member States in accordance with a formula which they themselves have approved. The United States has accepted 25 per cent as its share of that formula and it has never, up to this year, failed to pay its full contribution to the last dollar. Unfortunately, not all other countries have done the same; and this in essence explains why the United Nations is in financial difficulties with a "true deficit" on regular budget account of \$150 - \$200 million. This is why it continues to carry a bonded indebtedness of some \$75,000,000 from the days of the Congo which it is still struggling to pay off by annual instalments. This is why its Working Capital Fund has been depleted from \$40 million to zero.

These are true statements; and it is difficult to understand why a reputable journal such as the Washington Post would not take the trouble to acquaint itself with these facts, instead of lending its columns to the kind of faulty journalism that is represented by Mr. Kessler's tales. It would

have been easier, less costly and infinitely more truthful and honest to have presented these truths, of the United Nations financial position than to have gone to the infinite trouble and expense of assembling the detailed catalogue of misrepresentation over which Mr. Kessler has laboured.

The result of his efforts will not do justice to the United Nations, nor credit to the Post.

Mr. GILMAN. Why, for instance, would UNFDAC have to contribute over \$1 million to the World Health Organization when WHO has \$7 million sitting in the bank. Again Dr. Rexed complained about a lack of coordination in the United Nations just as we are complaining about a lack of Federal coordination here in Washington. Various United Nations agencies go off on their own without some proper strategy and coordination within the United Nations.

Mr. DALLEY. Sir, that can be improved. Even within our own Government, you know, there's a problem. I don't want to make excuses for the United Nations, but I do want to establish again that the problems of coordination are due to the fact that we have 151 sovereign states who are part of these specialized organizations, and we have secretariats in these organizations who have to be convinced, even as our own Federal agencies often have to be convinced, in terms of resource allocations on issues.

One of the reasons UNFDAC originally entered into these arrangements with WHO was primarily to accomplish some of the goals we have set for UNFDAC. We want to integrate narcotics control concerns into the work of United Nations organizations, into the development programs that are the central purpose of many of the United Nations programs and the activities of individual countries.

In order to induce this cooperation, at times there have been financial arrangements entered into that have provided assistance to these particular organizations in order to find personnel—perhaps a drug advisor or a narcotics control advisor, or an advisor in a particular agricultural project. And in the World Health Organization, it is the same way. And we are hoping that once they start taking on these projects as their own, they will start funding these particular positions as their own.

[Mr. Dalley supplied the following information:]

In early 1979, the WHO issued a new document entitled "World Health Organization Statement on the Prevention and Treatment of Drug Dependence." The summary of that document follows:

#### SUMMARY AND CONCLUSIONS

Measures to address the human problems that create drug demand and the subsequent health and social damage fall well within the constitutional and policy mandate of WHO. Numerous resolutions adopted by WHO Executive Boards, Health Assemblies and Regional Committees between 1949 and 1975 provide both policy and priority directives for the initiation and conduct of activities in the field of drug dependence.

The global nature of the problem, its negative impact on social, health and economic development, particularly in developing countries, the rapid change of patterns of drug abuse and types of drugs used from country to country, and other known characteristics of the phenomenon require great flexibility in the planning and development of appropriate responses.

There are several important factors to consider in planning and implementing a programme in the field of drug dependence. Services for treatment and rehabilitation should be integrated with other health, welfare and economic development programmes and the social and health damage from drug abuse should be assessed within the context of the overall health, social and economic problems in the country.

The absence of basic health and social care services in rural agricultural societies where opium and other natural psychoactive substances are produced, leads to the use of the substances as medication for the symptomatic relief of physical and psychic pain. In these areas the approach to the problem should be the provision of primary health care services as part of a broad social, health and economic plan for community development.

All classes of health workers and other personnel such as teachers, social welfare workers and police should have special training to enable them to contribute to programmes concerned with drug use and dependence.

Treatment and rehabilitation should be viewed as a continuum, the traditional separation of these functions in the management of drug-dependent patients is no longer seen as relevant.

There is now a considerable imbalance of resources, knowledge and experience between developed countries and the developing world. A well organized international system for the exchange of information and experience is needed, however. Models of treatment and prevention developed in North America and Europe are not necessarily transportable to East African or South American societies. In drug dependence programmes, the approach must always be to select, and adopt to their society experience gathered elsewhere.

In addition to WHO current activities in drug dependence plans are outlined for an effective coordination of drug dependence activities with other major WHO programmes such as primary health care, country health programmes, health education in order to develop a much stronger foundation for collaboration with countries in the alleviation of drug-dependence problems.

A mechanism for the coordination of activities at headquarters, regional and country level, has been developed in the mental health programme of which drug dependence activities are a part. This is seen as an important vehicle for developing a cohesive and coherent response to the varying needs of countries including those in the field of drug dependence.

The fundamental objectives of all United Nations agencies involved in drug abuse control, prevention and treatment is to ensure that maximum benefit is provided through adequate programmes for people affected adversely by problems related to drugs throughout the world. It is, therefore, essential that effective collaboration and coordination of activities is maintained. In addition to the excellent work of the Inter-Agency Advisory Committee on Drug Abuse Control, and the *Ad Hoc* Inter-agency Meeting on Rehabilitation of the Disabled, there is need for more frequent meetings of senior representatives from all agencies involved in specific multi-agency projects. The purposes of such meetings should be: to keep all participating agencies informed of progress: to act as "an early warning system" for problems and initiate early corrective action: and to ensure that the various elements of the programme (health, law enforcement, crop substitution) are coordinated at the country level and work closely with the appropriate national authorities.

Finally, a WHO plan is outlined to undertake vigorous efforts to develop an effective collaborative relationship with a number of well developed centres of excellence and appropriate nongovernmental organizations in the field of alcohol and drug dependence. The objective is to concentrate on information transfer whereby the knowledge and experience available in collaborating centres can be better utilized by WHO and adopted by developing countries.

Mr. GILMAN. I want to thank you, Mr. Dalley, for your continuing efforts, and I certainly hope that you will remind our own delegates to the various agencies in the United Nations—delegates to UNESCO, WHO and the United Nations agencies—to stress the need for doing a better job with regard to drug abuse prevention and control. If they would spend less time politicking on some of the political problems in the world and more time on the responsibilities of their agencies, and if they would look at the financial health of their agencies and how they are utilizing their funds, then I think we would all be better off.

Again, thank you for your contribution.

Mr. DALLEY. Thank you.

Mr. WOLFF. Mr. Coughlin?

Mr. COUGHLIN. Just a followup on Mr. Gilman's question. Why is it that only 38 nations in the United Nations out of 151 contribute?

[Information supplied by Mr. Dalley:]

Since the creation of UNFDAC in 1971, contributions have been made by 72 governments. In 1978, there were contributions by 40 governments.

Mr. DALLEY. There are actually now 40. The reason there are less than one-third of the member nations contributing, Mr. Coughlin, is



that narcotics control activities have really not affected those countries individually.

Mr. COUGHLIN. Is it because there is not a drug-abuse problem in those countries?

Mr. DALLEY. It is not a problem. They have many other priorities. Developing countries, as you know, have many problems of meeting basic human needs, and they do not have the resources to provide.

Mr. COUGHLIN. But do they have a drug-abuse problem?

Mr. DALLEY. In many countries they do not have a drug-abuse problem within their own population, and, therefore, it's a lesser priority.

Mr. COUGHLIN. Why don't they have a drug-abuse problem?

Mr. DALLEY. Well, there are a variety of reasons, I believe, in terms of culture. There may not have been supplies available in certain areas of the world.

Mr. COUGHLIN. Do we have any feel for the extent of the drug-abuse problem in the Soviet Union, for example?

Mr. DALLEY. I'd rather have somebody else answer that because our responsibility is the United Nations programs, and we are really not terribly informed about the drug-abuse problems in various countries. Maybe Mr. Linnemann might have a more detailed answer.

Mr. WOLFF. Dr. Pollin can answer that?

Dr. POLLIN. I can comment on that briefly, Mr. Coughlin. We do know, and the Soviet Union has acknowledged, that they have a severe problem with alcoholism.

Mr. COUGHLIN. How about drug abuse?

Dr. POLLIN. They have claimed that they have much less of a problem with drug abuse. And we have not thus far been able to set up the kind of direct contact with them to explore that problem as we would like. We are making efforts along those lines in an effort to try to explore why that might be so, if, in fact, it is.

Mr. COUGHLIN. Now, it was said earlier that Afghanistan and Pakistan are providing a much larger source of opium. Is that true?

Mr. DALLEY. From the evidence Mr. Linnemann presented earlier, it is true.

Mr. SHAKOW. We certainly understand from all we have been able to read that that is correct, yes.

Mr. COUGHLIN. Since the Soviet-backed coup in Afghanistan, has that lessened any or has that increased?

Mr. SHAKOW. Has the drug-production problem—

Mr. COUGHLIN. Right.

Mr. SHAKOW. I'm not familiar with that, but, of course, what has happened is that it has disrupted the relationships between the United States and Afghanistan and disrupted the economic programs we were undertaking to try to contribute to greater development in drug-producing areas of alternative crops or just development of greater, more improved rural economy.

So, as I indicated in my testimony, we are just at the moment phasing down that program and, in fact, there is legislation before the Congress.

Mr. COUGHLIN. I understand that, but the drug supply hasn't stopped as far as we know.

Mr. SHAKOW. That is not something I am aware of, but it is my understanding that it has not been.

Mr. DALLEY. I would emphasize what Mr. Shakow said, though, that political instability is interfering with U.S. programs in Afghanistan which were aimed in part at trying to end this illicit production or have crop substitution to end this production. And the point I made in my opening statement was that the United Nations can continue even though there are disruptive elements at work. The United Nations programs have not been phased back, and we need to continue to be active in the United Nations.

Mr. COUGHLIN. Do we have any feel for what is there in Afghanistan now?

Mr. DALLEY. We received a recent report from the director of the Fund for Drug Abuse Control saying that the programs have continued. There were some suspicions about the leadership of the program by the new regime and a couple of people were removed. However, that has not had adverse impact on the program; the new personnel are continuing the same thrust that was there earlier.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Dalley, I would like to continue one moment. Do you know whether or not the United Kingdom paid up their pledge or whether they are contributing now?

Mr. DALLEY. They are contributing. What the current status of their pledge is, I do not know.

Mr. WOLFF. I have a record of contributions. The 1978 contribution shows nothing for the United Kingdom.

Mr. DALLEY. I see that here, and I was at the Commission when I heard their pledge being made. And I don't know what the discrepancy is. I will have to supply that for the record.

[The information referred to follows:]

Prior to 1978, the United Kingdom contributed \$372,922 to UNFDAC. There was no 1978 contribution. For 1979, the United Kingdom has pledged \$100,000.

Full contributions for 1978 are as follows:

*United Nations Fund for Drug Abuse Control*

[1978 contributions in U.S. dollars]

<i>Country</i>	<i>Contribution</i>	<i>Country</i>	<i>Contribution</i>
Algeria -----	3,000	Mauritius -----	500
Argentina -----	8,000	New Zealand -----	32,130
Australia -----	48,220	Nigeria -----	8,778
Bahamas -----	500	Norway -----	2,477,802
Brazil -----	5,000	Pakistan -----	1,003
Canada -----	200,000	Portugal -----	1,000
Chile -----	2,000	Republic of Korea -----	1,500
Cyprus -----	597	San Marino -----	1,000
Denmark -----	19,932	Saudi Arabia -----	250,000
Egypt -----	1,000	Senegal -----	3,155
Finland -----	26,211	Singapore -----	1,000
France -----	100,000	Sri Lanka -----	500
Germany, Federal		Sweden -----	535,070
Republic of -----	247,824	Thailand -----	5,000
Greece -----	2,000	Tunisia -----	2,338
Hong Kong -----	21,607	United Arab Emirates -----	3,000
Iceland -----	2,500	United States of America -----	3,000,000
Ireland -----	5,000	Venezuela -----	2,000
Jamaica -----	1,700		
Japan -----	200,000	Total -----	7,277,255
Kuwait -----	5,000	Private contributions -----	12,043
Liechtenstein -----	1,000		
Malta -----	516	Total -----	7,289,298

Mr. WOLFF. And we also have Italy without a contribution. They have a drug problem and they are not a developing nation.

I don't want to take individual countries, but I don't want the situation to indicate that it is only those developing nations that are not contributing.

Mr. DALLEY. Oh, certainly, Mr. Chairman.

Mr. WOLFF. There are a great number of nations who are contributing token amounts. We find Iran contributing nothing. They have as many heroin addicts in Iran as we have here, and actually they have a greater problem than we do. They have other problems, too.

Mr. DALLEY. I fully agree that countries that can afford to do so, that have problems, that should be more concerned, are not doing as much as they should be. And our efforts have been directed primarily at those countries, particularly the European countries, that should be doing more. Dr. Rexed is going to be going to the Middle East, to Iran, to Saudi Arabia, and so on, because of the Middle East problem we heard discussed this morning, to try to get greater cooperation for UNFDAC from those countries.

Mr. WOLFF. I don't see Holland, which has one of the big centers of population here at all. Are they contributing anything?

Mr. DALLEY. I am surprised to see their omission. The former head was from the Netherlands.

Mr. WOLFF. No, Belgium. Maybe that's why Belgium is not contributing either.

[Information supplied by Mr. Dalley:]

The predecessor to Mr. Rexed as Director of UNFDAC was Ambassador (ret.) J. G. De Beus, of the Netherlands.

The Netherlands has contributed \$500,000 to the UN Development Program for a crop substitution project in Afghanistan that will be carried out in cooperation with UNFDAC.

Mr. DALLEY. There is no excuse for countries in Western Europe who have this problem, and who have the resources, not being actively involved in this program, and we will continue to press that.

Mr. WOLFF. I think, Mr. Dalley, one of the points that is involved and that I found when I was up there, is the fact that many of the countries who are not contributing do not feel that UNFDAC is fulfilling its objectives. That is the reason that I have been so critical of it.

Mr. SHAKOW, since the responsibility that you used to have in the narcotics area has been taken away from you now and put into the State Department, are you encountering any difficulties by this type of restraint?

Mr. SHAKOW. No, sir. I think that there is close cooperation between the Department of State and the other agencies concerned and AID. The most important point of that coordination, of course, is in the countries concerned where we are developing programs which we hope will contribute to overall development, particularly in those areas that are the drug-producing areas, and in the field in collaboration with United Nations organizations, as in the case of Thailand or the Department of State, narcotics program people—in most of the countries in which we work, as far as I know, there is no degree of difficulty. The cooperation has been excellent.

Mr. WOLFF. Dr. Pollin, I understand that there has been some question as to whether or not you have a mandate or the legal means at your disposal to inject NIDA into the international picture. Am I correct in that?

Dr. POLLIN. Yes, Mr. Chairman. The one part of our authorization that is clear is our authorization under the PHS Act, which does make it possible for us to engage in research-type activities abroad. At this point, a substantial portion of the roughly \$1.1 million which we estimate will go into international activities in fiscal year 1979 does consist of such activities.

We are attempting to obtain clarification of the extent to which we can go beyond research activities into demonstration projects, and into taking the initiative in setting up further demand-reduction-type activities abroad.

In the interim, it is our understanding that because of this confusion and also as stipulated in the 1979 strategy, the Department of State does have the lead in these areas, and we channel most of our other activities through State.

Mr. WOLFF. Well, perhaps there might be some legislative action that would clarify this position for you. I'm going to ask staff to examine that so we can find some greater avenue of expanding the activity of NIDA abroad; so that we can obtain the benefits of some of the work that NIDA is doing domestically and try to utilize it abroad.

Mr. Rangel?

Mr. RANGEL. Mr. Chairman, I apologize to the committee and to the panel for being late. The Ways and Means just unanimously reported out the trade agreement, but I don't want to cover what may have already been discussed. I want to thank Mr. Dalley and his office for the cooperation that they have extended to my office in connection with providing information.

If it has been covered, then I will check the record, but I am concerned as to whether the United Nations organizations or our own Federal agencies have come up with any scientific advancements in the area of rehabilitation, of drug antagonists, or whether there is any work that is being done. I don't know whether you have covered that area at all, but it seems as though on the domestic scene we have given up, and relied heavily on methadone, and I thought that with the great minds of the world coming together to resolve some of our problems, perhaps some of the scientists have come forward with some suggestions.

So I might ask first of Mr. Dalley: Is any research being done in this area?

Mr. DALLEY. Congressman Rangel, no, very little work in the international arena. One of the failures of our international effort has been to have the rehabilitation efforts keep pace with our efforts to stop the illicit traffic in narcotics.

We are hoping that very soon—as the result partially of initiatives that Congressman Wolff had the U.S. delegation push at the General Assembly—we will have more attention paid by international organizations to problems of rehabilitation and treatment. The World Health Organization would be the best organization to do it, and we plan to

discuss with the World Health Organization the prospects of undertaking work in this area.

Mr. RANGEL. It is almost shocking to believe in this stage of a generation loss that we are just now attempting to get it on the World Health Organization's agenda. And from the domestic view, can we have any hope that Federal funds are being spent in this area?

Dr. POLLIN. Yes, Mr. Rangel. If I might first respond to the first part of the question that you addressed to Mr. Dalley, NIDA has been involved in several overseas projects which have had as a major goal the effort to develop and test potentially new and rehabilitative measures.

One such project is a lengthy project in Iran, and we have just received word that both the investigators and the data survived, and we hope to have the data analyzed within the coming 6 months.

A project based on the hypothetical notion that one of the major obstacles to obtaining successful rehabilitation with narcotics addicts is that, both as a factor contributing to the addiction and as to a condition that lingers on after they are detoxified and come off narcotics, there is a significant underlying depression which is quite independent of their problem with narcotics. A major study was initiated in Iran over the past 4 or 5 years, testing the effect of treating opium addicts with antidepressant medication as compared with some of the other types of treatment.

We are also involved in serious exploration of a rehabilitation technique which has been suggested and used locally in Egypt, involving techniques that have not been tried in this country. The focus is on both nutrition and the use of insulin as an adjunct to the treatment of various types of drug abuse.

I might respectfully differ with you with regard to the context of your question. I would not say that we have given up on rehabilitation efforts and resigned ourselves solely to the use of methadone. I would agree that, as yet, we cannot point to large-scale convincing successes in this area, but there are major programs underway and new initiatives contemplated.

Mr. RANGEL. What minor efforts are you most proud of?

Dr. POLLIN. We have a substantial body of followup data from a cohort of some 3,100 patients, predominantly heavy narcotics users, who entered into treatment during the years 1969 to 1972. They were interviewed 4 years after they completed treatment. At the time that cohort came into treatment, only one-third of them had had any employment during the previous year prior to their entering treatment. Although their employment record immediately following discharge from treatment was not good, we found 4 years later that two-thirds of them showed significant improvement in employment histories during the year preceding that 4-year followup.

We consider that our current mix of treatment modalities is able to make a significant impact, and that of the two-thirds of our heroin addicts who have come into treatment without prior employment, approximately one-third of those—not in the immediate sequel to their treatment but over the next 4 to 5 years—do show significant improvement.

We find there is still one-third, who at this point, we are unable as yet to impact on.

We do have, though, some 14 or 15 varied projects focused specifically on the problems of attempting to obtain employment, and I would be glad to submit to you for the record details of those projects and their present status.

[The information referred to follows:]

"A Program to Remove Barriers Faced By Former Drug Abusers," Legal Action Center, New York, New York. Total funds to date: \$357,616.

To remove artificial employment and other barriers, a public interest law firm is identifying and challenging discrimination in employment, housing, insurance, and benefits on behalf of drug abusers.

"Experimental Rehabilitation Program for Drug Abusers," Long Island Jewish Hillside Medical Center, New Hyde Park, New York. Total funds to date: \$569,970.

A model is being tested for providing vocational rehabilitation services to youthful drug abusers over a 16 week period using systematic behavior modification techniques, such as assertiveness and need achievement training, behavioral contracting, role modeling, a token work economy, and an 8 week off-site work experience.

"Employment Specialist Study" (4 projects) Contractor/Sites: Single State agencies of New Jersey/Statewide; Michigan/Detroit; Illinois/Chicago; Evaluation Contract: ABT Associates, Cambridge, Massachusetts. Total funds to date: \$1,107,014.

The 2 year controlled study is designed to test the impact of the addition of professional employment specialists to the staff of treatment programs as measured by changes in clinic functioning and clients' employment.

"A Labor/Management Vocational Rehabilitation Model for Drug Abusers," Central Labor Rehabilitation Council of New York, Inc., New York, N.Y. Total funds to date: \$574,768.

The AFL-CIO Central Labor Council is testing the effectiveness of a centralized labor sponsored job development/job placement unit for ex-addicts.

"Self Employment Skills Training for Drug Abusers," Philadelphia Psychiatric Center, Philadelphia, Pa. Total funds to date: \$578,180.

The study is designed to test a model for assisting ex-drug abusers to establish their own small businesses.

"Increasing Employment in Ex-Heroin Addicts," University of California, San Francisco, Calif. Total funds to date: \$141,778.

A model is being tested for providing counseling to ex-drug abusers on how to interview for jobs. Video-tape equipment is being used.

"Employment Support Service Project," Philadelphia Alternatives for Rehabilitation, Inc., Philadelphia, Pennsylvania. Total funds to date: \$239,644.

A model is being tested for providing counseling and support to recently employed drug abusers to help them maintain their jobs.

"Daytop Miniversity," Daytop Village, Inc., New York, New York. Total funds to date: \$339,048.

A model is being tested for providing therapeutic community residents with college level training to prepare them for further higher education or vocational training. The client/students are matriculated as students of Brooklyn College.

"National Supported Work Demonstration," Manpower Demonstration Research Corporation, New York, New York. Total funds to date: \$3,950,000.

A model is being tested in 16 sites across the country for providing supported work to ex-drug abusers and other hard-to-employ populations as a transition from treatment to regular fulltime employment.

Mr. RANGEL. I appreciate it. But we don't have to go into executive session to find out what modalities we are talking about and where the study was made, do we?

Dr. POLLIN. No. One of the projects which I am hopeful about, and I think is a significant one, is the supportive work program which was originated by the Vera Institute, which originally involved five cities, and which was done jointly with the Department of Labor and several other Government agencies. It did show sufficiently successful results, so that it now has been expanded to include some 16 additional cities.

Mr. RANGEL. Well, I'd like to meet with you privately because you have a rehabilitation program that works with the Department of

Labor, and then you are in a position to provide jobs, and then tie that up with rehabilitation.

You know, coming from a community that has chronic unemployment among minorities, it just doesn't seem to me that that should be the basis of success, because you would not be saying the program was unsuccessful if, in fact, the job didn't exist.

So I would agree with you that you don't need too much treatment if you have training, and some people with commonsense. We can rehabilitate a lot of people throughout the United States, but I just thought there was a time when we were talking about scientific breakthroughs and antagonists and things to avoid dependency. And this is where we have given up, because methadone is the thing.

And I spent so much of my time fighting those that were supporting heroin maintenance that they slipped this one by me. And now half the town is on legal methadone or illegal methadone and general drug abuse, and I just haven't heard a breakthrough in the last decade as to where we can give some type of medical relief to somebody that we hope to rehabilitate.

And I am glad to hear that you are proud of some of these programs, because just from your testimony I would be more apt to go to DOL, Department of Labor, for rehabilitation than I would to NIDA. And it makes a lot of sense. I don't mean to be critical. But to rehabilitate without having a job—being straight isn't the biggest deal in the United States of America. And if DOL is saying they have set aside certain job opportunities and training, I can see that as a modality that perhaps some of my constituents that have no drug problems would like to get involved in, too, as a preventive measure.

Dr. POLLIN. I appreciate your suggestion that we meet privately about this. I just want to say, very emphatically, that we have not given up on this breakthrough. We are still very hopeful and continuing to work actively with the antagonists. We do think that over the coming decade there really will emerge a major new program with multiple options, other than the use of methadone, for a sequence of stages which goes ideally from methadone through other drugs to narcotic antagonists to a drug-free state. Rather than take the time at this hearing, I would appreciate an opportunity to review this with you.

Mr. RANGEL. I would welcome it because I don't like being critical without any suggestions, but I am familiar with prior administrations that have at least made it abundantly clear that this was on our national agenda. And I haven't seen this administration raise this very serious problem in terms of our domestic policy.

Mr. WOLFF. Thank you, Mr. Rangel.

Mr. Shakow, one final point here.

The Burmese that are in this country now—have they been together with any of the AID people that you know of?

Mr. SHAKOW. I don't know the answer to that question, Mr. Chairman. Certainly our people here are working very hard on trying to develop the program in Burma, but I am not aware of any contacts directly.

Mr. WOLFF. When they were here and spoke to me they indicated an interest in exploring possibilities of income substitution in areas such as rabbit farming, beekeeping, vanilla bean culture, spices, and aquaculture. And I think we should encourage them.

The prime problem that they indicated, which is something that we have to be extremely concerned about, is that we should not get people into a substitute crop and then have nowhere for them to be able to market that crop.

I think a prime objective should be that in addition to the production of the new crop, there should be a marketing structure set up so they can make that into a cash crop. One example is the United Nations program out in Thailand to produce the beans. They have beans and no place to sell them. We can't buy them because we are restricted from buying crops that are competitive to our own.

I recommend very strongly that AID concentrate some of its efforts in setting up some sort of marketing structures in these areas where we are recommending income substitution.

Mr. SHAKOW. Mr. Chairman, as I think we have indicated before, this problem is one that requires a multitude of interventions in a rural area. And simply doing one piece of it is obviously not going to work. And I think you have just illustrated one of the very good reasons for that. Marketing, distribution, and the economic structure, and social structure, in which additional crops might be grown, is certainly part of any rural development program which we shall take into account. I will take steps as soon as I get downtown to assure that my colleagues on the Burma program are in touch with the people you are referring to. I assume they know who they are.

Mr. WOLFF. I think you might see that State makes these people available to AID.

Mr. SHAKOW. It is likely that they have spoken to one another but I will see that they are in touch with one another.

Mr. WOLFF. Thank you.

Mr. RANGEL. I did understand that the Department of Labor was cooperating with your efforts in terms of rehabilitation. Because I have been informed by staff that there may be some question as to the degree in which you are receiving the support of DOL in terms of training and job programs and rehabilitation.

Dr. POLLIN. I will be very glad to provide material for the record on that, Mr. Rangel.

[The information referred to follows:]

COOPERATIVE ACTIVITIES BETWEEN THE NATIONAL INSTITUTE ON DRUG ABUSE AND  
THE DEPARTMENT OF LABOR

Since 1977 NIDA has worked with the Department of Labor (DOL) in the planning and preparation of a program of model dissemination, training and technical assistance for the Comprehensive Employment and Training Act (CETA) Prime Sponsors and the drug abuse treatment communities on techniques for providing skills training and employment to ex-addicts. This initiative is being modeled after the DOL campaign for improving employment opportunities for ex-offenders.

In preparation, NIDA and DOL have conducted site visits of programs across the country which have developed innovative techniques for providing skills training and employment services to drug abusers. These include programs designed and managed by the drug treatment community, programs managed by the employment and training community, and programs in which linkages have been developed between drug treatment programs and the Prime Sponsors. The material collected on the site visits will form the basis of a Technical Assistance Guide to advise Prime Sponsors on ways in which they could make their services available to eligible drug abusers. A workshop conference with representatives from the field is planned for late July to assist in the preparation of the technical assistance materials and the Guide should be ready for distribution in October 1979. In addition, as a companion piece to the Guide a videotape presentation is being prepared by the Department of Labor. The tape will present information on the employment and training needs of former drug abusers, the eligibility of former



drug abusers for participation in the CETA programs, and examples of innovative programs and linkages which already exist in the field. The tape is also scheduled to be available for distribution in October.

Since 1975, NIDA has participated with DOL in the National Supported Work Research Demonstration Program. A consortium of five Federal agencies (DOL, Law Enforcement Assistance Administration, Department of Housing and Urban Development, Department of Commerce, Department of Health, Education, and Welfare) and the Ford Foundation have sponsored employment demonstration projects in 15 sites across the country to test whether the model of supported work is effective in assisting hard to employ individuals make the transition from long-term unemployment to regular fulltime work. The target groups include ex-addicts, ex-offenders, youth, and welfare mothers. Thus far, the Federal contribution to the demonstration has totaled \$43 million. The local sites have raised \$20 million and will continue over 50 percent of total program operating costs this year. NIDA's contribution has been \$3,395,000. It is anticipated that the model will become a required component of the National Comprehensive Employment and Training Act programs in the near future.

Mr. RANGEL. Are we exporting methadone abroad?

Dr. POLLIN. I'm not sure; I'd have to check.

[The information referred to follows:]

#### NIDA'S POLICY CONCERNING THE USE AND DISTRIBUTION OF METHADONE OVERSEAS

The question of whether the National Institute on Drug Abuse "exports" methadone to other countries has several aspects. First, there is the question of whether the practice of using methadone, followed by some treatment programs in the U.S., is exported. The answer to this question is no. We do not sell or urge persons or governments to use the same therapeutic practices that we do. Our major aim is to insure that the best information available here on therapy is provided to interested persons from overseas. We explain the circumstances under which we think use of various treatment substances are most appropriate and why we have come to these conclusions. Whether the entire range of our treatment modalities is suitable to the needs of other countries must be decided by their treatment and policy officials, not by persons from the U.S.

The second aspect to this question is whether NIDA exports the drug itself to other countries. We do not supply compounds for therapeutic use overseas which are available in the pharmaceutical marketplace whether they are controlled drugs (such as methadone) or non-controlled drugs (such as naloxone). Countries which decide to use methadone may purchase it from established pharmaceutical outlets. To our knowledge, no overseas officials has requested NIDA to supply methadone.

Mr. RANGEL. For the purpose of rehabilitation? I'd just hate to see some Third World nations fall in the same category of problems that we face in my district. So I'd be very interested to know whether our pharmaceuticals are involved with some federally supported methadone program to developing nations.

Thank you, Mr. Chairman.

Mr. WOLFF. Thank you. Thank you very much.

Your prepared testimony will be included in the record.

[The prepared statements of Dr. Pollin and Messrs. Dalley and Shakow appear on pp. 406, 415, 423.]

Mr. WOLFF. We will now have our next panel which includes Mr. Peter Bensinger, Administrator, Drug Enforcement Administration, and Irvin Nathan, Deputy Assistant Attorney General, Criminal Division, Department of Justice.

We welcome you once again, Mr. Bensinger. This is getting to be a habit. Mr. Bensinger has been sworn, so we will swear you, Mr. Nathan.

[Whereupon, Mr. Nathan was sworn.]

Mr. WOLFF. I am going to ask Mr. Nathan to please proceed. I don't know whether or not both of you were here in the admonitions that we have made to the prior witnesses on the question of summarizing the testimony. We appreciate the fact that you have provided the testimony to the committee prior to this time, and we have had an opportunity to look it over, and therefore, if you would summarize it to the best of your ability, we can then get right to the questions.

**TESTIMONY OF IRVIN NATHAN, DEPUTY ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION, DEPARTMENT OF JUSTICE, ACCOMPANIED BY MR. ABBELL**

Mr. NATHAN. Thank you very much, Mr. Chairman. It is a pleasure to be here, and I will very briefly summarize the written statement which we have provided.

Essentially the statement describes the efforts of the Criminal Division of the Department of Justice, working closely with the Department of State, to help in negotiating some bilateral agreements which will help in the efforts to prosecute international narcotics traffickers, both in this country and abroad.

The two primary mechanisms are extradition treaties and treaties for mutual assistance by which we can supply to and receive from foreign countries information which is admissible in the courts of our respective countries, to secure convictions of international traffickers.

In the last several years we have made some significant progress in this area, which I would like to describe briefly to the committee this morning.

The principal problem that we have had with certain civil law countries—since many countries which are drug impacted operate under a body of civil law as opposed to our common law trade terms—is with respect to the extradition of their own nationals. Practically all civil law countries decline to extradite to foreign countries their own citizens.

In the extradition treaty with Colombia, which has been initialed but not yet finally signed, but which we hope will be signed next month and then submitted for ratification to the Senate, the Colombian Government has exhibited tremendous cooperation with us to deal with the problem of international traffickers who deal both in Colombia and, of course, in the United States, which is their point of sale for the narcotics which are processed and grown in Colombia.

Under the treaty provisions we have negotiated, if we can demonstrate that there is an international conspiracy, that is to say, that there are acts being committed by an individual or group of individuals in both Colombia and the United States, and if we can demonstrate that the impact will be in the United States, then Colombia has agreed to extradite any nationals involved in that traffic to the United States for prosecution and, if convicted, incarceration in this country.

This is the first time we have had any such provision with a civil law country. We hope the treaty will be signed as it is presently constituted, that it will be ratified, and that it will serve as a model for other countries which have similar traditions.

In addition, in this tentative extradition treaty, we have a provision that if either country declines to extradite its nationals for reasons of nationality, then that country has obligated itself to prosecute in its country that citizen if the offense constitutes a crime under the law of that jurisdiction.

Clearly, narcotics traffic is a violation in Colombia. Therefore, if they do decline to extradite a national who can't meet the tests of the first provision, Colombia is obligated to prosecute there.

This provision is also in the Mexican extradition treaty which is pending before the Senate for ratification.

The second type of treaty we are negotiating is a mutual assistance treaty designed to facilitate exchange of evidence admissible in the courts of the signatory countries. We are currently in the process of negotiating such a treaty with Colombia. Representatives of the State Department and Criminal Department are presently in Bogota in what we hope is the final round of negotiation for a mutual assistance treaty. We hope we will have a treaty with Colombia similar, in fact even a little simpler, and one which will facilitate the exchange of evidence even better than the one we have in force with Switzerland, which has been a very helpful treaty for the United States.

The only other matter which I would briefly like to touch on in summary of my statement is our efforts to overcome bank secrecy laws in countries where large amounts of drug income seems to be flowing.

I heard the bell and I will terminate my summation at that point.

Mr. WOLFF. Thank you, Mr. Nathan.

Mr. Bensinger?

#### **TESTIMONY OF PETER BENSINGER, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION**

Mr. BENSINGER. Thank you, Mr. Chairman. I'd like to make several points, and I recognize that my full statement will be available to the committee in the record.

Mr. WOLFF. The entire statement of all individuals will be included in the record.

Mr. BENSINGER. The first point is that all of the opiate derivatives, heroin, cocaine, and we estimate from 90 to 95 percent of the marijuana in the U.S. illicit market today comes from foreign countries; therefore, the need for this hearing is obvious. Additionally, our relations on an international basis are crucial.

Second, heroin traffic patterns have changed markedly over the years. Our initiatives have changed as well. During the early 1970's, Turkey supplied most of the heroin through French laboratories. That changed in 1972 and 1973, when Mexico emerged as a major supplier. By 1975 and 1976, perhaps 80 to 85 percent of all heroin in the United States came from that country. With the successful eradication program of the Mexican Government, their percentage of the U.S. heroin market has decreased substantially—in half. We would estimate that of the less than 5 tons of heroin now being distributed here, Mexico would be just slightly more than 50 percent.

With respect to point 3, marijuana entering the United States, 70 percent of that illegal substance is of Colombian origin. The same per-

centage of cocaine is also processed there. Its basic availability stems from coca leaves produced in Bolivia, Peru, and Ecuador.

Incidentally, in Colombian marihuana, the THC content is considerably higher than in the Mexican variety. Dr. Carlton Turner's report out of the University of Mississippi indicates in 1974 the samples they looked at reflected a THC content of less than half of 1 percent. Four years later, it is well over 2 and 3 percent in THC content.

The Government of Colombia, under the direction of President Turbay, has undertaken very commendable initiatives to interdict narcotics leaving the country. The Guajiña campaign, a military effort to interdict the drugs as they leave the principal staging area in that country, is having some impact, and will have more with additional funding. However, the destruction of some 1,000 hectares of the crop in Colombia would have a far more significant impact on marihuana availability.

Another point I would like to make is that the theft of aircraft has increased dramatically in the last 2 or 3 years. We are seeing two out of every three planes stolen in the United States as drug-related. It underscores two points: One, these drugs are coming from outside the United States over land or over water, and two, there is ability at the source countries to pick up the drugs.

We have opened a new office in the Bahamas. We believe a strong enforcement and intelligence presence by DEA overseas is still necessary in most parts of the world. We feel that the Bahamas and Caymans represent transshipment and financial sanctuaries for traffickers. We feel that the heroin purity continues at its lowest level in this decade, 3.5 percent.

I would also add that the committee should be aware of two principal problem areas; one in the Middle East. I am increasingly concerned about the increasing unabated availability of raw opium in Afghanistan and Pakistan; and concurrent with that increase, a lessening not only of U.S. presence in Iran and Afghanistan, but also the political-military instability of these areas, which diverts existing military and law enforcement personnel from continued high emphasis on narcotic cases to other military and political considerations.

I am not optimistic about the outlook of heroin availability coming from the Middle East, and I would say that the extent to which the United States would be subject to an increase in Middle Eastern heroin will be dependent on the activities, not only in those growing areas, but also on whether European addiction to heroin continues to increase.

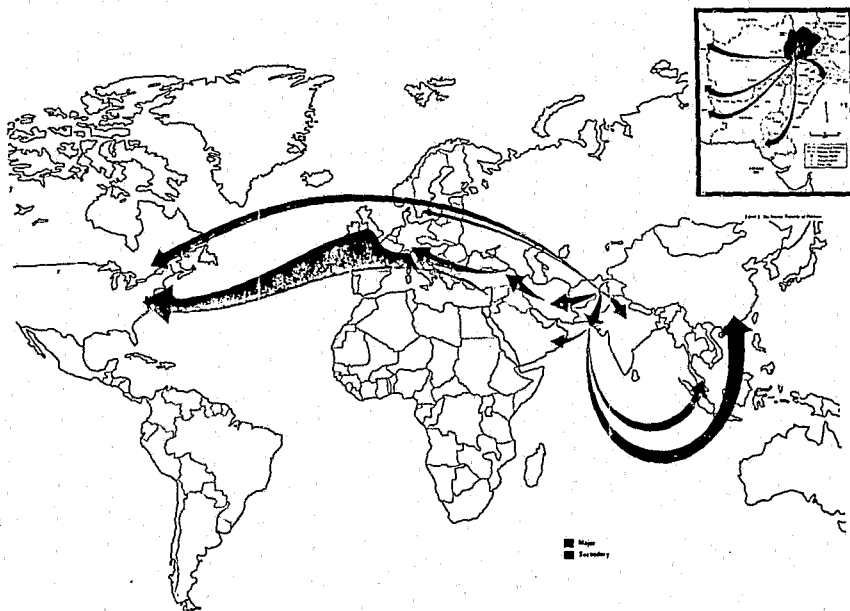
Most of the heroin coming from that area is consumed in Europe and not coming to the United States. If the European authorities succeed in reducing demand, effectively increase enforcement or interdiction, traffickers will look for new markets.

That chart [indicating], Mr. Chairman, depicts our representation of Middle Eastern heroin. The cutout which is on the right side of the map also describes a new occurrence which we see coming out of Afghanistan and Pakistan, shipments out of the port of Karachi, to supplement Southeast Asian heroin for the southern markets. That is a traffic flow, as our people see it; it is a problem area.

[The chart referred to follows:]

**CONTINUED**

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And another problem continues to be the increased amounts of cocaine and marihuana that arrive in the United States from Colombia. I would not want my remarks to be reflective of a lack of commitment by the Colombian President. I personally am impressed by what he has done to reduce drug availability. But in Colombia, he and his Government face a large, profitable criminal enterprise, the production of large amounts of marihuana, and it will take a commitment and funding and initiatives of considerable proportions to turn that around.

Mr. WOLFF. Thank you very much, Mr. Bensinger.

Mr. Bensinger, there are three areas I'd like to get to. Perhaps you can clarify it. We always have trouble with figures. Every time we have different agencies of the Government come up, they come up with different figures. I notice on page 12 of your testimony, you are quoting the retail value of marihuana traffic in this country as about \$20 billion in 1977.

Mr. BENSINGER. Yes, sir.

Mr. WOLFF. The figures that were quoted to us in 1977 indicated that the drug problem in the United States was costing the United States about \$17 billion. If marihuana alone was selling at a retail price of about \$20 billion and you add to that the \$15 billion of cocaine, that doesn't leave anything for heroin.

I think we've got to really get some sort of combined determination. Again, as Mr. Dogoloff remains with us perhaps this can be a responsibility assigned to him, to give us the overall magnitude of the problem. Every time we start to discuss this, the magnitude grows larger. And these are 1977 figures.

If we look at the overall problem at that time this committee was saying that it amounted to somewhere between \$30 and \$50 billion, and everybody was saying, "No, it's \$17 billion." Now, you are confirming the fact that we were a little bit better targeted than the combined information that we were getting here.

So, I ask you, if you would, please, give us your estimate not for 1977 but for today. Would you put the estimate in writing for us?

Mr. BENSINGER. We will submit that. I would just comment that the National Narcotics Intelligence Consumer Committee estimate, which is a classified document which we have submitted to the committee, does represent the basis for this estimate. It also represents, I think, a very good development interagencywide of tying together a wide range of statistics.

Mr. WOLFF. Could you give us an idea, without quoting from that but from your memory or from the information that you have, of what the total drug picture in the United States is today? What does it really represent in the way of drug traffic. Forget about the crime. Maybe we can get that from the Department of Justice, as to the figures for drug-related crime.

Mr. BENSINGER. In terms of the overall drug picture today, Mr. Chairman, I would say it's a \$40 billion business.

Mr. WOLFF. That leaves us only about \$5 billion for heroin; is that right?

Mr. BENSINGER. Sir, you'd be surprised. The retail value we'd assess on the heroin market would not, I think, surpass \$9 billion. We would assess cocaine in its retail value to be in fact greater than heroin, and marihuana significantly greater than heroin. And the numbers I would represent to you would be that heroin availability in this country reaches some 450,000 addicts. That is the National Institute on Drug Abuse's best estimate. They have seen a significant decrease in the number of addicts by over 100,000 over the past few years. The heroin these addicts consume is in the \$8 billion range.

The quantity of cocaine brought into the country would vary between 17 to 22 or 23 tons. It may have increased from that.

Mr. WOLFF. That is a fantastic increase, because the last figures we had from NIDA was 7 tons.

Mr. BENSINGER. I think they are low. I think the availability of cocaine in this country is extensive, widespread, and—

Mr. WOLFF. Growing.

Mr. BENSINGER. And growing. You picked the last word to complete my sentence. The retail value could be \$12 billion or reach as high as \$14 billion.

Marihuana, metric tons, is certainly in excess of 10,000—probably in excess of 15,000 now. The earlier estimates in 1976 and 1977 were 7,000 to 10,000 tons. I think the market has grown by perhaps 30 percent, with an up to \$18 billion retail value.

That does not address itself to hashish, which probably has a retail value in the United States of one-third of \$1 billion.

Mr. WOLFF. How about pills?

Mr. BENSINGER. Dangerous drugs are not estimated here, but dangerous drugs are the type of illegal substances that I think have been

buried under a rock. There are, surprisingly, three times as many overdose deaths from dangerous drugs as from heroin today. That is in part due to the successful reduction of heroin availability, but also to promiscuous prescriptions written by doctors who haven't seen their patients, forged prescriptions, and pharmacy diversion. It is causing far more injuries and deaths in this country than heroin.

That would be the picture I'd paint for you.

Mr. WOLFF. Mr. Rangel?

Mr. RANGEL. It is good to see you again. What was that heroin figure in dollars again?

Mr. BENSINGER. \$8 billion.

Mr. RANGEL. In connection with your 1979 strategy in reduction of United States presence overseas, could you tell me briefly whether there has been an increase in overall agents in DEA in the last year or two.

Mr. BENSINGER. There has not been an increase in overall agents in the last several years. In fact, there has been a decrease in the total special agent work force of our agency since 1975. Overseas we have in place or en route approximately 180 special agents. We have not, I think, a logical, rational reason to reduce the DEA presence overseas because where we have had our special agents in place, we have had our maximum impact. I'm talking about Mexico.

Mr. RANGEL. Who has developed this 1979 strategy?

Mr. BENSINGER. The 1979 strategy reflects the awareness of our agency with the State Department, with the White House, with Coast Guard, with Customs, with NIDA. One part of that strategy says we can reduce our strategy overseas commensurate with the foreign country's ability to handle the problem themselves. We see the Government of Mexico taking over responsibility for their eradication program and doing a major job in enforcement and intelligence development. And I would hope that as other countries achieve the level of training and expertise, perhaps our presence would be less needed.

Mr. RANGEL. About how many agents do we have altogether?

Mr. BENSINGER. We have 1,926 special agents.

Mr. RANGEL. And what was the high that you had in agents? What year?

Mr. BENSINGER. We had 2,200, and that would have been in 1974 or 1975, sir.

Mr. RANGEL. In terms of the administration's priorities here, is this reduction due to a lessening of attention to the problem? Or has the problem lessened to that degree that you would have a reduction in special agents?

Mr. BENSINGER. No, sir. I might add we are hiring 100 special agents in the next 12 months. We have a special agents class starting in July and another in January and another scheduled for next July. But there has been an increase in our total employment through utilizing intelligence analysts and additional nonagent positions to support the work of the special agents.

I couldn't sit here after taking that oath of office and tell you we wouldn't like more resources. But I don't think there has been a lessening of commitment by this administration or other administrations because of the lessening of the number of agents.



MR. RANGEL. How do you explain that?

MR. BENSINGER. Because there has been an increase in the number of intelligence analysts by several-fold. The number of intelligence analysts would surpass 200.

MR. RANGEL. Is it better management? You are saying that you are now utilizing a different type of people to deal with the problem.

MR. BENSINGER. That's correct, sir.

MR. RANGEL. So that's good. But do any of these agents work domestically on international conspiracy work with local police? I mean how many are on the street?

MR. BENSINGER. Over 90 percent of our agents are physically in field enforcement positions.

MR. RANGEL. OK. Now, there has been a reduction in the number—you said 90?

MR. BENSINGER. Sir, 90 percent.

MR. RANGEL. There has been a reduction in street agents, right?

MR. BENSINGER. There has been a reduction in total number of agents and street agents.

MR. RANGEL. All right. I know the problems are bad in the street. I don't know about intelligence or the more sophisticated ways to handle this very serious international problem. But I just wish you could give me something to explain to myself as to how the administration has heightened the priority of fighting this devastating disease and how it can reduce at the same time the number of DEA agents that are on the street cooperating with local law enforcement in order to arrest some of these villains.

MR. BENSINGER. The policy that has been developed over the last several years has been to develop the resources of our agency to address themselves to a number of problems. One has been the recognition that just arrests per se are not going to reduce the availability of drugs. And I have reported to this committee from the outset that we weren't going to evaluate our efforts on the basis of arrests.

MR. RANGEL. Let me ask you this: Do you believe the knowledge that drug traffickers would have that there are no Federal agents operating undercover would tend to expand the drug trafficking? I have to agree with you 100 percent that arrest in and of itself is nothing to use as a measure to determine the success of your battle against drugs. But I want you really to talk with me about the fact that my New York City Police know that you guys aren't on the street and the drug pushers know that you are not on the street. And I'm talking about a deterrent to corruption and a deterrent as to knowing that there is a Federal presence.

Don't you believe that even though we are not talking about arrests, that that does hurt our battle against narcotics abuse?

MR. BENSINGER. There is no question you need to proceed against people breaking the law. In our assessment of priorities, I want you to know one thing. I don't believe the New York Police Department or the people have the perception that DEA isn't on the street. I'd like to send you last Friday's report. I get a daily report. Last Friday the New York district office and airport details had seven single items of major information, ranging from 36 pounds of coke to joint task force efforts, a number of defendants arrested, as 1 day's work.

I also want you to know that we had 19 different regions that DEA was responsible for when we had those 2,000 agents. Each of those had a regional director, assistant regional directors, two to three to four more special agents as deputy regional directors. We, through reorganization, reduced the number of domestic regions from 13 to 5, reduced the span of control, freed up agent time, and put 97 criminal investigators into enforcement positions that were in administrative tasks heretofore.

In addition, I don't think having agents per se making street arrests addresses the problem as well as having agents working on an overall international policy, of intelligence, interdiction, and so on. We have enlisted the support of the Coast Guard with its tremendous resources.

Mr. RANGEL. OK; I can't argue with you. You are just going to have to understand that it is difficult to have to go back home and explain all of the international intelligence and all of the problems in Southeast Asia when I tell you as one Federal official to the other that we have open streets for selling drugs. And obviously, the New York City Police Department cannot or will not do anything about it.

You know, we can name streets—147th Street and 8th Avenue, 142d Street and 2d Avenue, 123d Street and 7th Avenue. They have attempted to sell to members of this committee. They have attempted to sell to the former mayor of the city of New York. I mean it's an open market.

I am just asking whether or not, assuming that the local authorities can't do it, how can I say as a Federal official that we now have expanded our priority, we are reducing our agents abroad, we are gathering more intelligence, and the pusher is saying, "That's great." They are there without fear of arrest.

Mr. BENSINGER. Mr. Rangel, I can't tell you there aren't pushers that operate without fear of arrest, particularly if those pushers are not selling a large, high-purity, big quantity of heroin. I would say to you, though, that the New York medical examiner, the New York hospitals, the New York Police Department, and the New York State Narcotics Division reports reflect two important facts: One, the overdose deaths and injuries in New York decreased substantially; and two, the percentage of heroin in the New York State morphine injections, heroin injections, went down from an average 28 to 20 milligrams per injection. And there is less dope on the streets in New York. Whether or not that is your perception, that is our information.

Mr. RANGEL. Can I have one agent and give him six sites he can go today, and not too late at night because of time elements, just to report to you that there are people selling drugs in the city of New York without fear of arrest? That's all I want. Because I have to laud you for the efforts that your agency has made in terms of interstate violations, especially those that involve international conspirators. And I can't explain that to mothers. I can't give the statistical data.

All I am saying is if I can go home this weekend and say that one Federal agent is prepared to take a look at six sites that I will give, with the out-of-State license plates, the whole "French Connection" scenario—right there: people saying that they are in the block every day—maybe that might show you politically what we are up against in districts such as mine.

And I don't mean to distract from the efforts, the most successful efforts that have been made by your department or the cooperation that is being received by local authorities. But my local police just aren't involved in arrests.

Mr. BENSINGER. I think this dialog is very important, probably more important than people think. Because I have to tell you I don't see our role—and maybe you in Congress can tell me or redefine it—as making street arrests. We see our role as going after a major narcotics trafficker such as Leroy Nicky Barnes and arresting him, and having an indictment and prosecution which ends up with the immobilization of his organization—

Mr. RANGEL. Why don't we work that out with Justice to take these Federal statutes and change them so you will be able to see your role within the four corners of our law. It is very clear that drug selling is against Federal law. And if what you are saying is that you interpret the Federal law to deal with different types of crimes, I'll go along with it if Justice tells me I'm not entitled to have a Federal law enforcement officer arrest someone in my district that is openly violating the Federal narcotics law.

And this is what it boils down to. There may be policy, but as a lawyer it sticks in my throat to hear this.

Mr. BENSINGER. Can I say also as an officer of the Federal Government it bothers me, Congressman Rangel, personally—and we are friends and we have been through a number of discussions together—when we come up to you and say, "This is our policy. We have an agreed-upon system. It says to go after class I violators." And we get appropriation hearings and policy review and it's agreed among everybody, it's my impression, that the Federal Government should not go after class IV pushers. Our agents' time should not be to go with you to six locations where an 18-year-old or 16-year-old or 12-year-old is selling five doses of heroin.

Mr. RANGEL. That is some kind of violation of the law. I want to hear from the lawyer here.

Mr. WOLFF. Mr. Rangel, may I just interrupt at this point. Mr. Stark has some questions. I know you have a line of questions.

Mr. RANGEL. No, I quit. I just want to know is it against the law for a Federal officer to see a crime being committed in his presence and to walk away from it based on policy?

Mr. NATHAN. There is no question that it is a Federal crime to sell narcotics, and obviously the Drug Enforcement Administration has the authority to make the arrests. But, Congressman Rangel, it is a question of resource priority.

Mr. RANGEL. And what happens to me if I make a citizen arrest and take it to the Drug Enforcement Administration? As a matter of policy, are they going to tell me they can't enforce it?

Mr. NATHAN. Certainly anyone violating the law can be prosecuted and we have both local courts and Federal courts for those prosecutions. Those situations which you describe sound primarily like local problems which should be prosecuted in local courts.

Mr. RANGEL. I am going to have to yield to the chairman, but you are not going to tell me that violation of the U.S. Criminal Code is a local problem no matter how we cut it.

Mr. NATHAN. It is a problem that we all have.

Mr. RANGEL. Or why did we enact the Federal laws? Why don't we distinguish between what is local and what is Federal? There may be a whole lot of people in jail today that should be out.

Mr. BENSINGER. My suspicion would be that there are a lot who are out who should be in.

Mr. RANGEL. You can bet your life on that. [Laughter.]

Mr. WOLFF. I think we have come to a chicken-and-egg situation. I think Mr. Rangel is reflecting the committee's problem with the fact that adequate resources are not made available to the localities in order to handle problems which are considered to be local today. I'm talking about the funding from LEAA or the funding that comes down for special prosecutors and the like. The funds just aren't there. And so today what is going to happen is they are going to follow Mr. Rangel's suggestion, and the prosecutor is going to dump all these cases upon the U.S. attorney in the area, and the U.S. attorney is going to throw up his hands and say, "I can't handle them because I haven't got the facilities."

If we are going to try to do the things that we want to do, stopping the trafficking and stopping all these things, then it comes down to the local level and everyone says they can't handle the problem. Just as they can't handle the marihuana problem today; it's too big. So it is the end. That is anarchy in the country. And I think that is where we are at. I think we are going to have to address that in a whole series of meetings with you.

But I don't want to take Mr. Stark's time. He has been waiting patiently.

Mr. STARK. I'd like to follow another course, Mr. Bensinger, if I may.

It is my understanding that you are currently conducting in DEA a study of alleged violations of the Mansfield amendment relevant to DEA having observed torture in Mexico. Is that report finished?

Mr. BENSINGER. No, it is not.

Mr. STARK. When do you expect it would be?

Mr. BENSINGER. I would expect to have our Internal Security Office assessment completed within the next 3 weeks.

Mr. STARK. You were quoted in the San Diego Union as telling Mr. Dreschler that you had instructed agents in Mexico to leave immediately when torture begins. Was that your quote?

Mr. BENSINGER. That is not only my quote; it is also a part of the foreign guidelines, a copy of which—

Mr. STARK. Have any agents left any torture? I mean, has there been any report to you of any agents who have left and said, "We left because torture was taking place"?

Mr. BENSINGER. There have been reports in 1975, if I am not mistaken, Congressman, 1976, that would reflect individual agents leaving such a scene.

Mr. STARK. I am familiar with those. Have there been any in recent years, the past 2 years?

Mr. BENSINGER. There have been no specific reports to my office or to the Office of Internal Security.

Mr. STARK. Do you know of any?

Mr. BENSINGER. I don't know of any.

Mr. STARK. Do you know whether or not Jacques Kiere instructed your agent to report any brutality by the Mexican adjudicative police to him?

Mr. BENSINGER. Any allegations of that nature would be reported through the chain of command of Jacques Kiere to the U.S. mission Ambassador and DCM.

Mr. STARK. What disciplinary action would you take if a DEA agent were actually involved or present when torture took place in Mexico?

Mr. BENSINGER. It would have to be determined on the basis of an Internal Security examination of the circumstances. It is a hypothetical question that would be hard to answer.

Mr. STARK. Let's suppose a DEA agent was involved in torture. Would he be dismissed or prosecuted?

Mr. BENSINGER. Well, the range of charges could be from reprimand to removal, if he personally participated.

Mr. STARK. You are familiar with the Wolff amendment and the Mansfield amendment. The Wolff amendment would prohibit any funds being spent—the chairman will correct me if I am wrong—if we find substantial violation of human rights taking place in that country. In the past we looked into substantial deprivations of human rights to American citizens, but I think it is certainly our policy to protect human rights of all people. And I'm sure you'd agree with me that having the DEA even look away at torture would be a violation of both the Mansfield and the Wolff amendment and couldn't be tolerated. Wouldn't you agree?

Mr. BENSINGER. I am speaking now not only as the head of DEA but also as an individual who has been head of a major State correctional institution and youth administration, and involved with the care in detention of individuals who are possibly in violation or possibly not in violation of the law, and I would have actions taken against the Department for anything that could be described as torture, Mr. Stark. I am not in a position to testify on the State Department's Foreign Assistance Act and their interpretation of the amendment related to human rights in other countries. We don't fund any foreign government's operations. We are present in a country. I think, candidly, that the representations to which you referred in the San Diego Union article and also in other—

Mr. STARK. In Arizona, in the Phoenix newspaper, and the Village Voice.

Mr. BENSINGER. Yes—were reports that reflected inaccuracies, inuendo, lack of full examination and research, and were misleading.

Mr. STARK. Mr. BENSINGER, I pray to God that is true, and I hope we will quickly see your report. But in the past I have personally conducted interviews—along with my own staff, and the staff of Chairman Wolff's Foreign Relations Committee—and I was convinced that in that airport room in Mexico City there was a DEA agent when American citizens were tortured in the most brutal fashion. We have his name and his badge number. And I know that may not be proof in a court of law, but I heard the same sort of denials defending the DEA agents coming from the State Department. I never heard them from you.

My skepticism is not directed at you personally, but I've heard these stories of torture in Mexico consistently over the years and worry about them. Clearly, the best way to prove to the public is to get your report out as quickly and as thoroughly as you can and disprove the articles. I hope you will let us know as soon as that report on the charges is available because I'd like to see it.

[The information referred to follows:]

OCTOBER 26, 1979.

HON. LESTER L. WOLFF,  
Chairman, Select Committee on Narcotics Abuse and Control,  
U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN WOLFF: As you may recall, during your Narcotics Committee oversight hearing of June 21, 1979, Congressman Stark raised some questions regarding alleged violations of the Mansfield Amendment in Mexico reported in the Arizona Republic. I stated at that time that our Internal Security investigation was not completed, however, upon its completion I would advise the Committee of its findings. The study has now been completed and the following represents a review of this investigation.

During the month of May 1978, newspaper reporter Thomas Kuhn of the Arizona Republic conducted interviews of various Drug Enforcement Administration personnel assigned to DEA Regional and District Offices in Mexico. These interviews resulted in the publication of a series of articles, beginning on May 27, 1979 (one year after the initial interviews), alleging that DEA personnel in Mexico were violating the Mansfield Amendment (Public Law 92-329) and that the DEA personnel freely admitted these violations to the reporter during the interviews. DEA received notification of the contents of the proposed articles during the week of May 21, 1979 and began an in-depth investigation regarding the allegations.

Thirty DEA enforcement Agents and two non-enforcement personnel were interviewed during the investigation. All DEA personnel interviewed, including Agents formerly assigned to Mexico, denied that any violations of the Mansfield Amendment had occurred. In-depth reviews were conducted of DEA investigative files in Mexico. These files disclosed no violations of the Mansfield Amendment.

All DEA personnel interviewed denied admitting violations to the Arizona Republic reporter. The editor of the Arizona Republic was consulted and provided all the interview tapes which fully corroborated our Agents' statements. Additionally, DEA Agents interviewed by Mr. Kuhn submitted sworn statements refuting the article relating to their area of jurisdiction. It is also our understanding that Mr. Kuhn, as of November 1979, will no longer be employed by the Arizona Republic.

The completed investigation disclosed that DEA is complying with the Mansfield Amendment, and DEA management in Mexico had previously instituted additional restrictions and controls to ensure compliance with the Amendment. Additionally, the investigation indicates that DEA is complying with all formal and informal agreements with the Government of Mexico through coordination with the U.S. Embassy.

If I can be of any further assistance in this matter, please do not hesitate to call on me.

Sincerely,

PETER B. BENSINGER,  
Administrator.

Mr. BENSINGER. I'd be happy to personally come to your office and provide you with a briefing. I have a great deal of confidence in the integrity of our internal security system. So does the Department of Justice, its chief officer of professional responsibility, Mike Shaheen. I suggest you contact him and get an assessment of whether the DEA has an effective internal security system. Are their people respected? I think you should know, sir, I consider the Drug Enforcement Administration's responsibility to the public to be most serious.

Mr. STARK. I do, too, and I hate to see this record clouded.

Mr. BENSINGER. And I want you to know any time our record is impugned, whether it's done publicly or by one single voice that something happened, we do make an investigation. It is thorough; it is objective. Those individuals report to the chief inspector. He reports to me. And I think you will find within the Department of Justice and with other people that have had relations that have called DEA in to investigate a certain situation, which may have been reported—including prisoners in foreign countries—you will find us thorough and accurate.

Mr. STARK. Thank you very much.

Mr. WOLFF. Let me just follow on something Mr. Stark has indicated. I visited a couple of prisons on a Latin American trip. I think you were on that trip.

Mr. BENSINGER. I was with you, in Santa Cruz.

Mr. WOLFF. The conditions within the prison were seemingly from the Dark Ages. I couldn't believe that the situation existed as it did. And, in fact, a young man, an American whom we spoke to, indicated in his talk with us that his life had been threatened.

On that score, may I tell you that Mr. Bensinger intervened and the Governor General of that province was removed.

The point Mr. Stark makes is important, and that is that we and our people have to be beyond reproach in the question of the methods of interrogation and our participation with foreign governments in their activities.

We can't, obviously, control the methods foreign governments are using, but by the same token I do think that part of the overall problem that we are having in the world today overall on narcotics is the methods that they are using in handling some of their prisoners.

I have one other point. I'd like you to comment, if you will, on the effect of a cutoff under the Percy amendment. What effect will the implementation of the Percy amendment have upon Mexico in the event that HEW declares that paraquat is a harmful substance and we cut our aid? Do you think that will have any effect?

Mr. BENSINGER. I think it will have an effect, Mr. Chairman, negatively. It will be hard to predict exactly because I think the Mexican attorney general has indicated he would continue to use paraquat on marihuana plants irrespective of the availability of funding. But I think the effect would be negative in two ways. I think it would be viewed as a demonstration of the U.S. Government telling another government how it should enforce the laws in their country, and insisting on certain techniques to stop illegal activity.

And I think it would be viewed by Mexico as an intrusion into the affairs of their country, and I also think it would be viewed negatively by other neighboring countries in the overall narcotics enforcement effort, as to whether the amount of funding, personnel, and air flights in Mexico would reduce—and my testimony before this committee 1 year ago indicated that I felt that such would be the case—that would be speculative and hypothetical.

Mr. WOLFF. Mr. Nathan, I'd like to ask you if you could supply, for the record, any suggestions you might have relative to tightening up the banking laws or to loosening them, whatever you want to call it, in order to facilitate our ability of tracing narcotics money. It is extremely important for us if you'd furnish that for the record.

Mr. NATHAN. Yes, we will.

[The information was not received at time of printing.]

Mr. WOLFF. Mr. Bensinger, there is one area that we haven't covered here. My committee has been making a study of the ties or connections between terrorist organizations and narcotics traffickers. And in each case—and I refer as well to the Department of Justice, to DEA, to the Central Intelligence Agency—I have gotten back negative responses from each agency involved that they have nothing in their records that indicate any ties with any international terrorist organization.

However, we have gotten a report from another source, that there is a substantial trade in guns and narcotics for guns. "The Terrorist" cites ventures by the Palestian Liberation Organization and their complicity.

I wonder if you can furnish for the record on a restricted basis any information either you, Mr. Nathan, or you, Mr. Bensinger, have on this particular piece I give you showing how the conviction in London in 1977 of a British drug smuggler revealed traffic in drugs designed to bring large sums of money to the Palestinian Liberation Organization. I would ask for information on this.

[Discussion off the record.]

Mr. WOLFF. Can you remain for questions, both of you?

Mr. BENSINGER. Yes.

Mr. NATHAN. Yes.

Mr. WOLFF. We'll take a short recess.

[Whereupon, a short recess was taken.]

Mr. WOLFF. The committee will come to order.

Mr. Rangel?

Mr. RANGEL. I have had my problems explained during the recess, and I just would ask Mr. Bensinger to send me a note explaining our strategy as relates to centralization of your office, that is, bringing them in from the region, reduction in our agents overseas as a part of that strategy, and a priority decision not to be engaged in the enforcement of the Federal law on the local level.

Could you help me out with that?

Mr. BENSINGER. I can help you with all three. I would add in parentheses that in my P.S. I may say that it is discouraging to me as a law enforcement officer, to see the largest city in this country go from 33,000 police officers to 24,000, to see that when the budget crunches come the first agencies generally to get the brunt of it are the police and fire departments—without question, almost automatically when we get into these State and local budget hearings. That will be the P.S., Mr. Rangel?

Mr. RANGEL. I appreciate the sympathy extended to the city of New York, and we have to say that we are a very poor city. But don't you feel sorry for them? Because I'm not talking about local-State laws; I'm talking about Federal laws. So I feel very sorry that during the domestic crisis that we are having that our government sees fit to reduce the amount of law enforcement officers we have on the Federal level so that you have to make a decision as to which group of Federal laws you can enforce.

Mr. BENSINGER. Mr. Rangel, we are not reducing the law enforcement effectiveness of the Drug Enforcement Administration, and the



results in terms of heroin in New York speak for themselves. I've got a report from the Unified Intelligence Division reflecting a 2-percent purity.

As far as our overall strategy, I can tell you that I am not in favor of reducing the number of agents overseas. I don't think it is propitious at this time. The strategy recognizes as foreign governments become more effective and put more of their resources in, there may be a concurrent opportunity for withdrawal of our presence. I don't see that happening at this time.

Mr. RANGEL. I am taking up too much of the committee's time with what probably should be considered a local problem. So I want really from your office what part of the code of criminal procedure you believe is local in terms of your mandate.

Mr. BENSINGER. That's fine.

Mr. RANGEL. I want to know the types of Federal crimes that you believe, specifically as it violates the Federal narcotics law, are not within the mandate of the Drug Enforcement Administration. That's all I want.

Mr. BENSINGER. Mr. Rangel, I would respond that that information has been readily available to this committee and Congress for the last 3 years since I have been Administrator in almost every appearance I have made. And I have indicated at each of those occasions that DEA was concentrating its major investigative efforts on international drug trafficking organizations, not on street retail sales.

Mr. RANGEL. I understand that, Mr. Bensinger. I just asked whether or not you could send me something as a Federal politician that I could explain to my constituents that a priority decision has been made by my government as it relates to local violations of Federal law.

Mr. BENSINGER. I will do it to the best of my ability to satisfy that request.

Mr. RANGEL. And I share that request with Mr. Nathan because I will ask the Department of Justice to interpret how this fits into our overall law enforcement priority. I mean if what we are saying is that a policy decision has been made to enforce certain types of Federal laws that are on the books, OK. I'm a part of that policy, I assume. And I would just need something to explain it to the folks back home.

Mr. NATHAN. We'll be happy to supply that. But let me just say that what we are talking about is the most effective enforcement of the identical statutes that you are referring to. If we can enforce these laws which prohibit the distribution of narcotic substances against the largest dealers who are the suppliers to all of the street dealers, and if we can dry up that source, we will have succeeded in effective law enforcement of the Federal law.

Of course, you understand that it is also a State and local violation to distribute narcotics, and that is the law that we think the local officials should enforce.

Mr. RANGEL. You can rest assured, Mr. Nathan, if I were elected to the city council I would be directing my questions to the city police, or if I were elected to the State legislature, I would direct them to the State police and the Governor. But since it is a daily violation in my

district, I would hope you would not mind explaining to me why this decision has been made. The fact that it violates city ordinances and State law I am fully aware of. But I just want to know why the Federal narcotics laws are not enforced by the Federal Government in the 19th Congressional District, the 21st Congressional District, and the 12th Congressional District. That's all. It's a Federal question I'm raising.

Mr. BENSINGER. And you are certainly entitled to a Federal answer. I think, Mr. Rangel, in that answer you will find reflected the views of Congress with respect to class IV violators, with respect to "buy-bust" techniques, and so on, directing our agency to better focus our efforts. I think that is a fact of life, that we have enforcement by priority and in a somewhat selective fashion. We will respond in writing as well.

Mr. RANGEL. All right. I just need some help in my Federal role before the convention. [Laughter.]

Thank you.

Mr. WOLFF. Thank you, Mr. Rangel.

Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Bensinger, first of all I want to commend the DEA for the great work they have been doing in some of the recent seizures and tracking down some of the major traffickers. I hope that this is going to continue.

Our time is going to be limited so I will be brief and I would hope maybe your response will be brief.

Mr. BENSINGER. I'll try.

Mr. GILMAN. In the "Federal Strategy" for 1979—and I assume that you had some direct input in all of this—with regard to the international sector, it was pointed out on page 37 of that document that:

Strategy 1979 places great emphasis on encouraging the interest in working in international and regional fora to address the problems. International narcotics control goals have become an integral part of bilateral negotiations conducted by the Department of State.

The emphasis is being placed on the regional approach. I know you have been concerned in the past about trying to develop some regional approaches to the problem, and yet, in your recent meetings with some people around the world, for example, in the European theater, I have learned that OMB has directed that some of the regional people be brought back from regional offices and centralized in Washington.

Here, on the one hand, we have the President suggesting a regional approach, which I feel is a sound approach, and on the other hand you are being hamstrung by OMB, who is asking you to move away from regional areas and bring back your personnel.

I found, for example, that you had only 50 agents in Europe, the Middle East, and Southeast Asia. I think the European office takes care of that whole area, 25 offices manned by only 50 agents, and that OMB is telling you to bring back some of the personnel from those offices and to reduce your personnel.

What are your thoughts about all of this? Are we moving in the right direction, or do we have two conflicting views operating at the same time?

I hear Mr. Rangel talk about the need for local people, and again DEA, while it is trying to do the job locally, is redirected in putting

personnel on the street or into the local areas. And yet, the "Federal Strategy" says, "Let's attack the local problems."

Mr. BENSINGER. I do think you have two divergent views, Congressman Gilman. I think at times they are reconcilable, and at times at odds. I am in favor of the regionalization of our Latin American offices. I think the European offices could report directly to headquarters effectively. I don't feel that could be the case in Southeast Asia. You have a time difference, you have tremendous distances to go. You have an effective team working there, so I would violently oppose such a move.

Mr. GILMAN. Then is the problem with OMB? Should we focus our attention there?

Mr. BENSINGER. I wouldn't discourage you from contacting OMB, but I think at times we want to try to say, "Look, let's bring our personnel back and the problems can be handled by the national agencies in those foreign countries." And yet, history tells us that isn't the case. We have had our greatest success with the Turkey-French connection which was facilitated largely by the presence of the DEA office. The decrease of the Mexican heroin problem was facilitated by the DEA presence.

Mr. GILMAN. Who is making the determination to reduce these offices and the special agents overseas?

Mr. BENSINGER. A committee was formed at the direction of the Management Division of the State Department to review our mode. That is the mode of the members of overseas personnel authorized by State.

Mr. GILMAN. Doesn't the State Department read the Strategy program?

Mr. BENSINGER. They do, and there is a sentence, I might add, in the Strategy which says—and I think it's covered in page 3 of my testimony:

\* \* \* Narcotics enforcement by foreign authorities will be sufficiently strengthened and developed to ensure (1) a more successful international cooperative effort, (2) the enhancement of their ability to act unilaterally on their domestic enforcement activities and (3) a concomitant reduction in U.S. presence overseas.

They are saying both things—have a local effort, but as the countries get self-sufficient, reduce our presence.

Mr. GILMAN. Who is chairman of that committee in the State Department?

Mr. BENSINGER. It is under the direction of a Mr. Reed. I believe his office is chairing that group and it has representatives from all of the bureau desks in the State Department.

Mr. GILMAN. And who in OMB is making some of the policy decisions?

Mr. BENSINGER. I'm not sure OMB has made any recent policy decisions, although this committee did make recommendations.

Mr. GILMAN. To OMB?

Mr. BENSINGER. To OMB and to the Department of Justice on the issue of regional offices overseas.

Mr. GILMAN. Mr. Chairman, I would like to request at some future date that we bring before our Select Committee the chairman of that committee that has made this policy decision and is apparently implementing this reduction in forces.

Mr. WOLFF. Perhaps even before we bring him in, you'd like to frame some questions we can pass along to him.

Mr. GILMAN. I would certainly be happy to do that.

Mr. KANGEL. I'd like to join in that request, Mr. Chairman.

Mr. WOLFF. Since we have to get out of here—this is the prime restriction we have; there is a vote ~~on~~—we thank you both for appearing here today. We will be forwarding some questions in writing to you, in addition to those I have posed to you, and I would appreciate your responding.

Your prepared statements will be included in the record.

[The prepared statements of Messrs. Bensinger and Nathan appear on p. 426 and 432.]

Mr. BENSINGER. Thank you very much, Mr. Chairman.

Mr. WOLFF. Thank you.

[Whereupon, at 1:45 p.m., the hearing was adjourned.]

PREPARED STATEMENT OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR, DOMESTIC POLICY STAFF, THE WHITE HOUSE

Mr. Chairman and Members of the Committee, it is again a pleasure to be here before you today to address our international narcotics control program. My third appearance in a series of hearings on the 1979 Federal Strategy offers an opportunity to outline some of the Administration's accomplishments in the international efforts.

As many of you have said publicly, drug abuse is not a unique characteristic of any particular segment of the society, any particular geographic region or any particular nation. It is a global human problem. Our attention to international drug programs over the past several years has convinced both the American public and key leaders of other nations that drug abuse affects us all. We have relied heavily on many of the Committee's reports, particularly on the Committee's February 1977 Interim Report which served as a basis for the March 1978 International Narcotics Control Policy Review undertaken by the Office of Drug Abuse Policy.

As stated in the Strategy, "International cooperation is essential if we are to reduce the harm caused by drug trafficking and abuse in the United States." Our objectives in this area are seven-fold:

- (1) "To reduce the production or trafficking in heroin, the most dangerous drug entering the United States;
- (2) To reduce the greatest quantities of illicit drugs at their source;
- (3) To prevent illegal drugs from entering the United States while assisting other nations to strengthen their own drug control capabilities;
- (4) To reduce the illegal production and trafficking of the most dangerous drugs by increasing the risks;
- (5) To reduce the production and trafficking of the drugs which provide the greatest financial incentive and support for the networks which traffic drugs into the United States;
- (6) To ensure a balanced, orderly international market for licit drugs needed for medical and scientific purposes; and
- (7) To develop within the international community high priority for cooperative drug abuse treatment and prevention, as well as drug control efforts."

To accomplish these objectives, we have increased our efforts in several areas and have undertaken some new initiatives under each of the seven objectives, which I would like to briefly discuss.

To reduce the production or trafficking heroin, the Executive Branch has in cooperation with the Mexican Government, implemented a successful opium eradication program in Mexico which during the past five years has reduced the amount of Mexican brown heroin entering the United States by almost 30%. During this same time period, the number of heroin addicts in this country has decreased by 100,000 from 550,000 in 1975 to 450,000 today. The heroin purity rate, which indicates availability is at its lowest level, 3.5% down from 6.6% in 1976, and the price of heroin is now at an all-time high, \$2.19 per milligram. These kinds of results demonstrate to me that our international efforts are effective.

To reduce the greatest quantities of illicit drugs at their source, the Executive Branch has, (1) continually raised the international narcotics control issue in meetings with foreign officials from narcotics producing or trafficking countries and has encouraged the U.S. Ambassadors in these countries to do the same at the highest levels of the host governments. In March and April I met with high ranking foreign government officials, including the Attorney General, the Head of the Joint Chiefs of Staff of Colombia, the President of Ecuador, and the Minister of Interior of Peru to elicit their further cooperation in the development of a five-year plan to solve the coca problem.

(2) Directed AID Missions through specific guidelines to concentrate, to the extent possible, on economic development projects in narcotics producing areas. In the coca producing areas of Peru, for example, two AID projects are now underway and involve (a) the establishment of training centers on soy and corn production to develop farming techniques applicable to small farmers; and (b) the financing of small agri-business loans. Over time, most, if not all, of the AID supported projects should have significant impact on reducing illicit drug production by providing farmers with economic alternatives to cultivating drug crops.

(3) Through interagency task forces chaired by the Department of State, we have been able to bring together on a regular basis, all of the agencies involved in international drug law enforcement training, as well as those working on specific geographic areas affected by the drug traffic, so that mutually acceptable strategy can be developed.

To prevent illegal drugs from entering the U.S. while assisting other nations to strengthen their own drug control capabilities, the Executive Branch has, (1) Significantly increased our enforcement efforts at the borders of the U.S. which serves not only to remove the drugs from the distribution network but also to convince other nations that we are indeed serious about solving this problem.

(2) Expanded our law enforcement training activities in the U.S. and abroad. During the past ten years, well over 15,000 foreign law enforcement officers have been trained in narcotics detection, interdiction and investigations.

To reduce the illegal production and trafficking of the most dangerous drugs by increasing the risks, the Executive Branch has, (1) Thanks to the Congress, been able to implement Customs Procedural Reform and Simplification Act of 1978, which increases the dividing line between administrative and judicial forfeiture from \$2,500 to \$10,000. This legislation now enables us to process for forfeiture vehicles, vessels, and aircraft used by drug violators, under administrative regulations in a much more timely manner with attendant savings in storage and court proceedings.

(2) Also been able to implement P.L. 95-633 in which a specific title is devoted to PCP criminal penalties and piperidine reporting. Under the Act, the penalties for unlawfully manufacturing, distributing or dispensing PCP and the penalties for possessing PCP with the intent to unlawfully manufacture, distribute, or dispense it have been increased from a maximum of five years imprisonment and/or \$15,000 fine to a maximum penalty of ten years imprisonment and/or \$25,000 fine. The law further increases the penalties for recidivists and those possessing piperidine.

(3) Submitted to the Congress proposed revisions to the Federal Criminal code which will adequately revise the Federal criminal sentencing process and penalties for major trafficking offenses.

(4) Placed a high priority on supporting the enactment of the Biaggi Legislation which would close the existing loopholes regarding trafficking on the high seas. The Biaggi Bill would categorize as a felony any unauthorized possession of controlled substances on the high seas by Americans or by non-Americans on U.S. or stateless vessels.

To reduce the production and trafficking of the drugs which provide the greatest financial incentive and support for the networks which traffic drugs into the U.S., the Executive Branch has, (1) Undertaken joint FBI/DEA investigations, such as Operation BANCO, which focus on the financial assets of the traffickers and thus enable us to bring to prosecution those ultimately responsible for the international drug traffic, and

(2) Initiated extensive and in-depth training for Federal law enforcement officers in financial assessments and investigative techniques which could be applied to narcotics investigations.

To ensure a balanced orderly international market for licit narcotic drugs needed for medical and scientific purposes the Executive Branch is, (1) In the

process of developing a policy for narcotic raw material import which will give preference to traditional producers which have adequate control systems while ensuring supply at reasonable prices.

(2) Has supported the United Nations' efforts aimed at reducing worldwide licit production of opiates to ensure that there is a balance between legitimate supply and demand.

To develop within the international community high priority for cooperative drug abuse treatment and prevention, as well as drug control efforts, the Executive Branch has, (1) Placed a significantly increased emphasis on meetings with foreign government officials, U.N. participation and direct bilateral and multi-lateral assistance.

(2) Assisted the Government of Thailand, for example, in developing a plan for providing treatment services on a voluntary basis throughout the country. As part of this plan, the Thais are opening detoxification clinics, linking existing treatment centers through referral networks, developing preventive education materials and mounting media campaigns.

Though this list is not all inclusive, Mr. Chairman and Members of the Committee, it does represent the kinds of activities in which the Executive Branch is engaged to meet the challenges of the 1979 Federal Strategy. We look forward in the future to working with you and other members of the Congress to meet the other objectives of the 1979 Strategy so that we will be able to reduce the supplies of illicit drugs at their source and ultimately reduce the health and social consequences of drug abuse in this country.

Thank you.

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PREPARED STATEMENT OF JOSEPH H. LINNEMANN, DEPUTY ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS MATTERS

Mr. Chairman, Members of the Select Committee, in Mathea Falco's absence I am pleased to be here today to discuss with you the Department of State's international narcotics control program. Our initiatives and programs are designed not only to reduce the availability of illicit drugs in our country, but also to assist other nations to strengthen their own illicit drug supervision capabilities as well as demand reduction efforts. These goals require a complex variety of sustained and long-term policy approaches, involving diplomatic initiatives, improved drugs control capabilities and integrated rural development programs in primary producing areas.

In addition to our supply reduction activities which I shall describe, the Bureau of International Narcotics Matters supports international demand reduction initiatives. Demand reduction programs have tended to consist of treatment, rehabilitation and prevention. Additional activities have included scientific information exchanges to promote understanding of the problem and stimulate development of demand reduction programs. INM's demand reduction activity is concentrated in Latin America and Asia where the bulk of illegal drugs are produced, processed and transhipped. These priorities, however, do not preclude other countries from collaborating with us, or even from receiving a limited degree of financial assistance.

The development of international demand reduction has evolved through three phases. First, US experts established high visibility in encouraging professionals from other countries to consider the issue of demand reduction. In some cases the immediate results of these efforts to raise consciousness were limited. The process was essential, however in that it resulted in a set of concepts, a common vocabulary and philosophy.

In some cases the immediate results of these efforts to raise consciousness were limited. The process was essential, however in that it resulted in a set of concepts, a common vocabulary and philosophy.

In the second phase, several small pilot projects were developed in various countries. Modest in scope, these projects allowed the U.S. to gain first hand experience in the complex task of transferring demand technology to other cultures. These projects eventually served as the basis for more ambitious refinements, and stimulated interest by other countries in related projects.

INM is currently encouraging the ASEAN and ANDEAN Pact countries, establishment of a joint group to participate in technical information and resource exchange, identification of regional priorities, and planning and implementation

of projects which have regional value. This structured regional approach is an important extension of our past efforts, for it places a greater degree of the initiative upon the countries themselves; and provides a mechanism to build programs congruent with local cultural and regional institutions. The regional approach parallels and strengthens INM's bilateral assistance projects in demand reduction.

In the Latin American region, INM is collaborating with the Governments of Peru and Ecuador to develop prevention programs which those countries have chosen to implement through their educational systems. Once a regional mechanism is established, these projects are expected to become the nucleus of a larger prevention project. INM is also supporting a scientific seminar on coca, cocaine, cocaine past in Peru.

In Mexico, INM has suggested a bilateral arrangement in which the Partners of America Program will organize cooperation in health planning between U.S. and Mexican health planners.

The Government of Thailand continues to develop programs to treat the large addict population in Bangkok. The project initially provided outpatient detoxification through the existing delivery system of the Bangkok Municipal Health Department. In the future, Thailand plans to expand its treatment scope to provide more treatment options, and will also develop a prevention/intervention program.

A counselor training project for the Malaysian Ministry of Social Welfare is expanding treatment after care and counseling. INM plans to provide an Advisor to the PEMADAM volunteer organization to broaden the base of rehabilitation resources.

Both the Malaysian Treatment System and a drug education project coordinated by the Philippines will be elements of the ASEAN regional plan. Additional support to the ASEAN region is provided through the Colombo Plan Drug Advisor, which is supported by INM.

Mr. Chairman, INM has limited funds and technical resources, and would welcome the active participation of other agencies, especially in large, complex projects. This collaboration will further strengthen the ability of the US Government to support the global effort to control the supply of illicit narcotics.

In the area of supply reduction, the principal thrust of U.S. narcotics control efforts both domestically and abroad has been to control heroin, the most destructive of the illicit drugs entering the United States. In support of this total effort, our primary international narcotics control objective has been to prevent heroin from reaching our borders by curtailing its supply as close as possible to the source of origin. We have made considerable progress towards that goal.

Although exact statistics are impossible to obtain because of the illicit nature of the trade, our best intelligence estimates show a steady, significant decline in the actual amounts of heroin entering the United States over the past two years. According to Drug Enforcement Administration (DEA) figures, street level heroin purity is at its lowest point this decade—averaging only 3.5% compared to 6.6% in 1976. Reflecting this scarcity, heroin's price has reached an historic high level of \$2.19 per milligram, nearly twice the 1976 figure. These two criteria are the traditional means of measuring drug availability and are clear indications of significantly reduced supplies of heroin for American drug abusers.

Decreasing availability of heroin has contributed significantly to a parallel decline in its abuse. According to National Institute on Drug Abuse (NIDA) estimates, the number of heroin addicts in the United States has declined steadily from more than 500,000 in 1976 to approximately 450,000. Moreover, due to greatly reduced purity levels, fewer of those abusing heroin are dying or being injured from overdose. During the two-year period 1976-1977, 1,000 fewer Americans died of heroin overdose and emergency room episodes related to heroin declined 40%.

The Government of Mexico's narcotics control program, which we support, continues to contribute greatly to the marked reduction in heroin availability and abuse in the U.S. A comparison of the situation in 1975-1976 and 1977-1978 will show how striking the progress in Mexico has been. The Drug Enforcement Administration estimates that more than 10.5 metric tons of heroin entered the United States from Mexico during the two year period 1975-1976. During the comparable 1977-1978 two-year period, that figure declined to approximately 6 metric tons. The Government of Mexico estimates indicate an even greater decline. This reduction in heroin entering the U.S. from Mexico is attributable

to the successful destruction of more than 70,000 poppy fields during the 1977 and 1978 narcotic eradication campaigns.

We have long sought to ensure that increasing success against Mexican heroin was not made meaningless by allowing Golden Triangle heroin to replace it on the American market. Thus far, assistance to Thai and Burmese narcotics control efforts has been an important factor in preventing a sudden influx of Southeast Asian heroin from the estimated 400 tons of opium produced annually in that region. The estimated amount of heroin entering the United States from Southeast Asia remained constant during 1977 and 1978 at approximately two metric tons yearly, or 86% of the total. As Mexico's narcotics control efforts continue to reduce quantities of heroin available from that country, we expect further increases in the percentage and, possibly, the absolute amount of Southeast Asian heroin entering the U.S.

The Department's cooperative narcotics control programs with Southeast Asian governments have the long term goal of curtailing the heroin threat from that region. These programs attempt to do this by addressing the illegal drug problem in all its aspects including eradication and interdiction of illicit narcotics, development of alternate sources of income for primary poppy producing areas; and reducing demand for illicit drugs.

One factor contributing to the relatively constant quantity of Southeast Asian heroin entering the U.S. has been the reliance of European heroin addicts on Southeast Asia as their primary source of supply, thereby absorbing significant quantities of those narcotics which might otherwise have been destined for the United States. Statistics of drug seizures by European law enforcement agencies indicate, however, that Southeast Asian heroin is being increasingly replaced in the European market by Middle Eastern heroin. A comparison of relevant heroin seizure data illustrates this trend. The figures in parentheses indicate percent of total seizures.

#### HEROIN SEIZURES IN EUROPE

	SEA		ME		Total Kilograms
	Kilograms	Percent	Kilograms	Percent	
1976.....	535	97	15	3	550
1977.....	451	90	49	10	500
1978 <sup>1</sup> .....	350	82	79	18	429

<sup>1</sup> Figures for 1st 10 mo.

Progress against Southeast Asian heroin in Europe has been the result of both positive and negative factors. While efforts by source countries such as Burma and Thailand have reduced the quantity of heroin available for export, increased vigilance by both Asian and European law enforcement bodies has made the smuggling of Southeast Asian heroin more difficult.

Unfortunately, modest progress against Southeast Asian heroin has been accompanied by a tremendous increase in the production of illicit opium in Afghanistan and Pakistan. The Drug Enforcement Administration (DEA) has estimated that the 1978-79 season opium crop from these two countries might range as high as 800 metric tons, making that area the world's largest source of illicit opium. Through intelligence and recent laboratory seizures, we know that this opium is being converted increasingly into heroin, both where it is grown as well as to some extent in neighboring countries.

Given the ready availability of narcotic materials, the Middle East is becoming an increasingly important supplier of heroin to Europe. As this trend increases, traffickers of Southeast Asian heroin might turn their energies increasingly to supplying addicts here in this country. If this development occurs, traffickers will pose a greater challenge to our own narcotics control mechanisms as well as to those of both source and transit countries in East Asia. To contain this threat will require not only more effective international narcotics control efforts in Southeast Asia but also in Afghanistan, Pakistan, and other Middle Eastern nations.

Since the United States cannot shoulder the entire burden of the trans-Asian heroin problem we are pursuing a determined effort to enlist increasingly greater support on both a bilateral and multilateral basis from industrialized nations for the global international narcotics control effort.



The United Nations Fund for Drug Abuse Control (UNFDAC), which we support, has developed a multisectoral program for the Upper Helmand Valley of Afghanistan. This approach incorporates agricultural development, primary health care and drug demand reduction components. The estimated cost of the program is \$12 million, in addition to the contribution of the Asian Development Bank (ADB) to the development of this area of the country.

In addition, the Department of State is continuing its effort to elicit support from industrialized nations to utilize their own bilateral foreign developmental assistance funds in support of eliminating narcotics cultivation in primary producing areas of less developed nations. In 1978 United States efforts helped obtain the endorsement of such assistance from the United Nations Economic and Social Council (ECOSOC).

Many members of ECOSOC, most notably the countries of Scandinavia, are showing an increasing willingness to use their foreign aid funds to support narcotics control. In addition, the Federal Republic of Germany has indicated its willingness to fund \$5 million of the UNFDAC Upper Helmand Valley project using developmental assistance monies.

Multilateral developmental assistance is perhaps the most promising source for the large sums required to finance economic development programs in the opium producing regions of Asia. The Department of State has undertaken active initiatives to encourage increased bilateral Western European and multilateral development aid for primary opium-producing areas in developing countries such as Pakistan, Afghanistan, Burma and Thailand. A similar effort is underway for multilateral aid to the coca producing areas of South America.

During 1978 Assistant Secretary Falco met with French and German officials to discuss means of coordinating bilateral assistance programs. While representing the U.S. at the U.N. Commission on Narcotic Drugs (CND) in Geneva, she continued these discussions with European counterparts. In addition, the Assistant Secretary is currently participating in meetings of the OECD with the intention of encouraging that organization, which is composed of all industrialized democracies, to take an active role in developing coordination mechanisms for bilateral air programs in narcotic producing areas, and establishing comparability on statistical computations of drug related incidence in member states.

On a multilateral basis the Department's of State, Justice, Treasury and the Agency for International Development recently signed "The Inter-Agency Agreement for the Sharing of Information Concerning the Narcotics Producing Regions of the World", which seeks to establish a mechanism to improve cooperation in providing international economic assistance donors with information to enable them to make assistance projects compatible with U.S. international narcotics control objectives. The Agreement places responsibility on the Bureau of International Narcotics Matters in the Department of State to gather and disseminate relevant information on the illicit cultivation of narcotic raw materials and on assistance programs provided to source countries by AID and the Multilateral Development Banks.

Most of the world's narcotic-producing areas are found in lesser developed countries and as such are the primary recipients of developmental assistance from lending institutions such as the World Bank, the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB). We plan to brief the U.S. executive directors of these institutions who have been instructed to work to insure that loans from their banks do not contribute to increased narcotics production, but instead provide poor populations with the economic alternatives to enable them to abandon narcotics production. In addition, we shall soon be meeting other country bank representatives to discuss the current narcotics production situation and the role of the banks in reducing the supply of illicit substances.

Closely related to these efforts, we are encouraging both multilateral and bilateral aid donors to consider the use of "poppy clauses" or similar provisions in their assistance agreements. Such clauses stipulate that as a condition for receiving assistance the recipient government undertakes not to permit narcotic production in the areas benefitting from such assistance. Last April the U.S. cancelled an AID irrigation project in the Dag Jui area of Afghanistan because terms of an anti-opium side letter to the project agreement were not being enforced. The ADB is using a poppy clause in its SERAJ irrigation project in the Upper Helmand Valley of Afghanistan.

Turning to Latin America, this Administration has taken full cognizance of the adverse health effects of drugs such as cocaine and marijuana as well as the destructive economic and social impact which their illicit trafficking can have on the United States and other countries. We are especially concerned over the way in which the tremendous profits generated by this trade fuels criminal activities, distorts legitimate economies, and engenders political corruption. Thus, while maintaining our emphasis on heroin, we have significantly increased our efforts to control the international traffic in other drugs of abuse.

Interrupting the flow of cocaine and marijuana from Latin America into the United States is extremely complex and requires a multi-faceted control strategy. Only within the past two years has this problem been addressed fully from the standpoint of controlling sources as well as interdicting the traffic on both the South American land mass and in the Caribbean region. The Drug Enforcement Administration's current estimates indicate that in 1978, cocaine imports into the United States totaled between 19 and 25 metric tons. For marijuana, DEA believes the figure is close to 15,000 tons yearly. Interdiction of these drugs at our borders has been a high priority of our Government, through the Department of State and particularly of the Drug Enforcement Administration (DEA), the United States Customs Service, and the United States Coast Guard.

Although Peru and Bolivia are the source of coca for the manufacture of cocaine, the Drug Enforcement Administration estimates that as much as 70 percent of that cocaine coming into the United States transits Colombia. Moreover, DEA estimates that perhaps 70 percent of the marijuana entering this country comes from or through Colombia. As these illicit substances leave Colombia for this country, the problem becomes primarily one of interdiction. Because approximately three-quarters of that traffic moves through the Caribbean, that region has become a major focus of interdiction efforts by the U.S. narcotics control agencies.

Given the prevailing smuggling patterns, cooperation with the Government of Colombia is essential as we seek to interdict the traffic before it disperses over the entire Caribbean region. The most striking example of Colombian anti-narcotics commitment has been the recent North Coast interdiction campaign focused on the Guajira Peninsula.

Of significance in the Guajira effort has been the commitment for the first time of the Colombian military to sustained anti-narcotics activity. Involvement of the military's greater material and personnel resources has created the potential for similar campaigns in other regions of the country, such as the Llanos, the Choco, and along the southern border, all of which are real or potential producing or transit areas.

At the diplomatic level, Colombia has demonstrated its willingness to enter into international agreements relating to narcotics control. The Department of State, in cooperation with other Federal agencies, is working with the Colombian Government and has negotiated an agreement covering extradition. Discussions are continuing on a mutual assistance agreement.

Colombia is also demonstrating its interest in cooperating closely with its South American neighbors on the narcotics issue. Colombia and Venezuela have signed an anti-narcotics agreement setting up a joint commission to further cooperative action. Negotiations are now also underway between Colombia and Peru on a similar agreement.

Of particular importance this past year has been the increasing emphasis on maritime narcotics interdiction, and the close, effective cooperation of U.S. law enforcement agencies with their counterparts from other governments in the region. Intelligence estimates indicate that approximately 70% of the marijuana and substantial quantities of cocaine entering the United States is moved by vessel through the Caribbean area. Fortunately, our law enforcement agencies are becoming increasingly successful at intercepting smuggling vessels on the high seas. In 1978 the Coast Guard seized 1,700 tons of marijuana and 140 vessels engaged in marijuana smuggling. United States Customs seized an additional 222 vessels in our territorial waters, netting 1,000 tons of marijuana and 60.9 kilograms of cocaine.

A key to improved vessel interdiction is improved intelligence. Currently, approximately 20% of the smuggling seizures are the result of previous intelligence usually from the network of Drug Enforcement Administration (DEA) agents in the Caribbean area. Starting, last summer the Coast Guard has been pursuing detailed liaison to obtain sightings of suspect vessels at sea.

As an international extension of the information network, at sea, the U.S. Coast Guard, with INM support, conducted a conference in May of this year, to develop a standardized format for reporting of suspect vessels. The Bahamas, Colombia, Dominican Republic, Ecuador, Haiti, Honduras, Mexico, Panama and Venezuela participated in the conference and agreed to a common format. In addition, the conference worked toward establishing a practical communication system. A test with those countries which participated in the conference will be conducted this month.

By international law, the Coast Guard cannot board and seize suspected foreign narcotics smuggling vessels on the high seas without first obtaining permission from the government under whose flag they sail. Such permission can usually be obtained through our embassies on an *ad hoc* basis. We have, through consultations with the various governments, reduced delays considerably although there have been occasions where unavoidable delays have enabled smuggling vessels to jettison their illicit cargo or even escape capture. The Department of State has opened consultations with cooperating governments to institutionalize and expedite the handling of maritime narcotics cases.

Over the long term the greatest promise for a lasting diminution of drug trafficking lies in curtailing production of drugs at their source.

Controlling coca leaf production is a difficult challenge, but a course which is an essential ingredient of any long-term anti-cocaine strategy. The task is complicated, however, by the presence of extensive licit coca production alongside the illicit. Coca leaf is legally cultivated and consumed by large segments of Bolivian and Peruvian societies. Such consumption is traditional—usually chewed or brewed as a mild tea. Additionally, coca leaf is essential in the production of cocaine for legitimate medicinal purposes. Control is also made difficult by the remoteness of areas where it is grown and by the economic and political problems endemic in Bolivia and Peru. Consequently, our cooperative efforts with those governments of necessity address the control of licit as well as illicit coca production and trafficking.

The USG's efforts to fight the cocaine problem have, since 1973, focussed on interdiction—specifically through developing the capability among the drug's transit countries to enable their police to arrest traffickers and seize the cocaine. Our training and commodity support have resulted in the present competency of those specialized narcotics police units. We have found though, that our efforts have not kept pace with cocaine trafficking—illicit imports of cocaine have increased annually. Our experience has shown that the most common problems are the lack of serious narcotics control commitment on the part of the host governments and the lack of any control over coca production. We, the Congress and the Executive Branch must articulate the support of our Government that will translate itself into clear, high-priority mandates to our entire diplomatic mission in each country, emphasizing that curtailing narcotics and the problems which are generated in the producing and transit countries is one of our most important goals. With a coordinated effort this important message will in turn be more clearly understood by the host governments.

A similar commitment from the host governments is even more essential to the next stage of our efforts on cocaine—the work with the grower countries to control coca production and distribution. This will require considerable political courage of those governments and must be adequately supported by USG financial and technical assistance. Preliminary studies and ongoing talks being held with the governments of Peru and Bolivia suggest that carefully coordinated programs over the next 5 to 15 years will have their support and promising chances of success.

Last year we were able to reach cooperative assistance agreements with Peru, a country in which both licit and illicit coca production is believed to exceed that of neighboring Bolivia. We are working closely with the Government of Peru to develop and implement workable narcotics control efforts that enforce existing laws against illicit production and we are studying with the Peruvians, programs to control production and provide alternatives to small poor coca producers, along the pattern in Bolivia. These new initiatives in Peru will create a balanced program for controlling cocaine traffic at its source.

Mr. Chairman, the challenge of controlling the international illicit traffic and abuse of narcotics remains with us. The U.S. Government's international narcotics control programs, however, have demonstrated clear success in reducing the impact of that problem upon the people of this country, particularly with regard to heroin abuse.

Not all foreign governments have as yet been as successful as the U.S. in reducing the availability of drugs within their borders, and they still require our assistance. They have, however, demonstrated a growing awareness of the problem, and with that awareness has come an increasing commitment of resources to combatting it. We are confident that the assistance which we continue to provide the international effort is paying dividends which benefit not only our own citizens, but those of other countries as well.

PREPARED STATEMENT OF WILLIAM POLLIN, M.D., DIRECTOR, NATIONAL INSTITUTE ON DRUG ABUSE, DEPARTMENT OF HEW

Chairman Wolff and members of the Select Committee on Narcotics Abuse and Control—

We in the Department of Health, Education, and Welfare appreciate the invitation to appear before you today. NIDA has been very active in the international aspects of drug abuse since the beginning of the Institute and even before that through our predecessor organizations.

In earlier international efforts to prevent and control drug abuse, a sharp polarity existed between supply and demand reduction. The strategy of many governments was to separate illicit production and supply of narcotics from consumption or demand with a higher priority placed on control of supply. This separation was followed up to the early part of this decade when significantly greater emphasis in the international community was placed on both supply and demand and particularly their interaction. We can now see that illicit supply may create demand; increasing illicit demand may, in turn, insure an expansion of illicit supplies.

More and more countries around the world are now affected by drug abuse. Serious drug problems appear to be developing both in producer countries and in affluent Western countries with highly visible illicit consumption. The international nature of drug abuse is now recognized more clearly than ever before. In the United States, the "Federal Strategy, 1979," provides a clearer policy statement on this point than any of the previous comprehensive Federal statements. We have made some progress in this area.

INVOLVEMENT OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Department of Health, Education, and Welfare is involved in international demand reduction in two basically different but complementary ways: 1) U.S. Public Health Service activities in HEW; and 2) support for the Department of State's International Narcotics Program.

NIDA continues to emphasize the goals that were stressed in the HEW testimony before this Committee last year. Our priorities for international demand reduction are the same as for any international health program in the PHS, namely, the emphasis on research with criteria for review and funding being the scientific merit of a proposal, the special contribution to U.S. health sciences, and unavailability in the U.S. of the particular approach to be studied.

The second major way that we are involved in international demand reduction is in support of the Department of State's international drug abuse control program. NIDA has worked closely with various offices at State, especially the Bureau of International Narcotics Matters (BINM). Our support for the BINM has included participation on U.S. delegations to international conferences, planning and carrying out technical assistance projects, making recommendations concerning the use of U.S. scientists and health experts participating in international meetings, providing resources for various programs and projects sponsored by the BINM and the use of consultants to provide the best available advice on approaches to reduction of demand in foreign countries. Overall policy direction and major funding support for action programs overseas have been provided by BINM. As this Committee knows, we work closely with Ms. Falco's Bureau, both at the level of the principals and through close staff working relationships. NIDA has had both part-time and full-time liaison with State since the early 1970's. We recognize that staff support for the demand area is essential and we are interested in facilitating the programs of the Department of State through a continuation of our close liaison activities.

DESCRIPTION OF NIDA'S INTERNATIONAL ACTIVITIES PROGRAM

NIDA's international activities involve technical assistance, training, arranging programs for international visitors, information exchange, participation in

international meetings and conferences, and collaboration with international organizations. Overall, in FY 1978, our expenditures for international activities were \$842,266. During FY 1979, we anticipate spending much more than this, a total of \$1,141,744. A breakdown of these amounts is provided in Appendix I (attached).

*A. Technical assistance.*—Technical assistance is provided to foreign governments and international organizations which request U.S. advice and assistance in developing demand reduction plans and programs. Qualified experts, either NIDA staff or consultants, are sent to foreign countries to provide consultation as requested in specific areas, including assessment of the nature and extent of drug abuse problems, treatment, rehabilitation and prevention. In FY 1978, NIDA provided 142 days of technical assistance to eight different countries and international organizations. In FY 1979, NIDA expects to provide approximately 185 days of technical assistance to six different countries and the international organizations. For example, this year a team of drug abuse training experts are in Malaysia working with the Ministry of Social Welfare on the development of a manpower training system for drug abuse workers in Malaysia.

This month, a team consisting of one NIDA staff member and one consultant will spend two weeks in Thailand reviewing the progress of the U.S. Government-supported treatment project in Bangkok and providing advice and assistance in the areas of patient management information systems, modalities for treatment, staffing of the clinics, training of staff, evaluation of treatment services, and problems encountered in the management of clinical services and aftercare. Both the Malaysian Project and the assistance to Thailand are supported by the Department of State. Also, as a result of Secretary Califano's personal discussions with high-level Italian officials and discussions between the Italian Ministry of Health and the U.S. Embassy in Rome, plans have been made to send a team of experts to Italy this summer to provide assistance in the assessment of the extent and patterns of drug abuse problems in Italy and the assessment of manpower training needs and resources in the drug abuse treatment area.

*B. Training.*—During the last few years, NIDA has expanded its efforts in the area of international training. In FY 1978, NIDA supported five different training projects involving approximately 100 international participants from three different countries—Ecuador, Thailand, and Mexico. A major training project administered by NIDA in FY 1978 was an intensive 37-day training program in drug abuse treatment in the United States for eight physicians and two social workers from Thailand which included classroom instruction, informal discussions, and field visits to treatment centers in five cities. U.S. specialists in opiate addiction provided specific training in treatment program planning and management, client management, detoxification, emergency medical procedures, counseling techniques, and aftercare methods. The trainees are now working on the implementation and operation of a comprehensive drug abuse treatment project developed by the Bangkok Metropolitan Health Department which involves the establishment of a network of 15 new clinics over a five-year period.

In FY 1979, NIDA is administering for the Department of State a large in-country training project in Malaysia which involves the training of more than 150 persons from the Malaysian Ministry of Welfare Services who will be working in drug abuse treatment programs. After several months of preliminary discussions and negotiations with the Government of Malaysia and the U.S. Embassy, the first phase of the Malaysia Training Project began last October with the departure of a team of two U.S. drug abuse training experts to Malaysia for one month to work with the Malaysian Ministry of Welfare Services on a thorough assessment of training needs and the planning and design of the training project. Then the training team returned to the U.S. to develop appropriate curriculum and training materials, drawing upon resources available from NIDA's National Manpower Training System. On December 1, a three-person training team returned to Malaysia for eight months to implement the in-country training. The project involves: training in drug abuse counseling for 125 social workers from the Malaysian Ministry of Welfare Services; administration and management training for 20 administrators and treatment center directors; and training of trainers courses for 15 Malaysian counterpart trainers who will develop and continue a drug abuse training system in Malaysia. The project includes on-site technical assistance and consultation to trainees following their classroom work, and supervision and consultation to counterpart trainers as

Malaysians begin to train Malaysians. Several other components of training may be added to this project.

Another training project carried out by NIDA this fiscal year was an individually tailored program for two physicians from Bolivia who have responsibilities in the areas of drug abuse treatment and research in Bolivia. The program involved one week of orientation and training in the Washington, D.C. area, followed by three weeks for one person and seven weeks for another in Eagleville Hospital and Rehabilitation Center for alcoholics and addicts in Eagleville, Pennsylvania. The topics studied included program planning and management, interfacing drug treatment with the criminal justice system, fiscal management, facility administration, program monitoring and evaluation, treatment concepts, and research.

Another international training activity supported by NIDA has been in the research area, in which two visiting scientists from Japan and one guest worker from Thailand were involved in in-service training at NIDA's Addiction Research Center over the last few years.

*C. International visitors.*—In cooperation with other agencies and organizations, NIDA has carried out an active International Visitors Program, planning and arranging programs for approximately 75 visitors from 22 different countries during the last two years. These programs, ranging in length from one or two days to six weeks, are planned according to the specific interests and needs of each visitor.

The visitor's programs sometimes include site visits to selected treatment and research facilities throughout the United States as well as meetings and discussions with appropriate staff in NIDA and other agencies and organizations. International visitors are referred to NIDA from several other agencies, including the World Health Organization Fellowship Office, the International Communications Agency, the Drug Enforcement Administration, and the NIH Fogarty International Center. Travel costs are usually borne by the sponsoring agency, such as the World Health Organization, or the visitor's national government. In a few cases, NIDA pays for travel and per diem and interpreter services for visitors through its contract for international training and support services, with subsequent reimbursement for these costs from the State Department. An example of a program which included field observation visits as well as briefings at NIDA is the program arranged this year for two visiting officials from the Ministry of Education in Ecuador. These two visitors spent two and one-half weeks in the United States, accompanied by an interpreter, meeting with various Federal, State, and local program personnel working in the areas of drug abuse prevention and education. The program included first-hand observation of several drug abuse prevention programs in educational institutions, including the "Ombudsman" program in Charlotte, N.C., and an innovative teacher education program at the University of Missouri, among others.

Also this year, a group of five high-level representatives of the Ministry of Health and Social Affairs in Sweden visited the United States for two weeks to learn more about drug abuse demand reduction policies and programs in this country. Their program included in-depth briefing and discussions on a broad range of topics, such as the U.S. experience with civil commitment programs, treatment evaluation research, surveys and other methods of assessment, as well as observation visits to treatment programs in New York and Philadelphia. Their observations on the European drug abuse situation and comments on the U.S. response to drug abuse were very interesting. We plan to continue this bilateral visitor exchange.

Another exchange of visitors coming under a science and technology agreement has recently taken place. Eight psychiatrists from the Peoples Republic of China have just concluded their five-week visit to the U.S. Two of these experts visited NIDA. We plan to continue these exploratory discussions and hope to send a small team of persons to China under the Implementing Accord for Cooperation in Medical Science and Public Health.

*D. Information exchange.*—NIDA also promotes information exchange on the demand reduction aspects of drug abuse between the United States, other countries and international organizations through correspondence and dissemination of publications. During the past year, NIDA sent more than 9,000 copies of our publications to individuals and organizations in other countries.

NIDA maintains two different international mailing lists for disseminating information. The first list includes those individuals who are working intensively in the drug abuse field and need to have a wide range of information about developments in drug abuse. This list includes 139 government officials, health

and welfare organizations and libraries, and is used to send out copies of all NIDA publications which are produced at the rate of approximately five documents per month. A second international list is used to send out information to individuals who are not working as intensively in the drug abuse field. These approximately 125 individuals receive announcements of all new publications. There are also a number of persons in other countries on the Clearinghouse's mailing keys for materials in specific subject areas. In addition to the two mailing lists, the Clearinghouse, our Divisions and Branches, and NIDA's International Activities staff send many publications overseas in response to written inquiries and requests for information. Publications are also distributed at international meetings and conferences. At the request of the World Health Organization's Drug Dependence Programme, we are planning to prepare an undated, annotated listing of materials available from NIDA, organized by subject categories. This year, through Department of State support, NIDA will complete Spanish translations of two of our publications—the "Marihuana and Health Report" and our research monograph on "Cocaine." We are also planning to prepare an annotated guide to Spanish-language drug abuse films. These publications will be disseminated by the International Communications Agency throughout Latin America.

*E. International meetings and conferences.*—Another way in which NIDA pursues its goals in international demand reduction is through international meetings and conferences. In cooperation with the State Department and international organizations such as WHO and the International Council on Alcohol and the Addictions, NIDA provides advice and assistance in planning international or regional workshops and conferences and supports participation by NIDA staff and consultants at meetings designed to exchange information and to stimulate program development in demand reduction in other countries. In FY 1978, NIDA staff and consultants participated and presented papers at 29 international meetings and conferences in 16 different countries. In FY 1979, however, due to a decrease in international travel, NIDA representatives will participate in only approximately eight conferences in seven countries. In addition to participation by NIDA staff and consultants, NIDA grantees—investigators working on Institute-funded research grant projects—also present papers and participate in international conferences and consult with researchers in other countries.

*F. Research.*—In its efforts to increase our knowledge and understanding of the health and social aspects of drug abuse, the Institute has collaborated with investigators in other countries who are involved in drug abuse research. International research projects include grants and contracts to a few selected research institutions in other countries as well as grants and contracts to domestic institutions in which the research is concerned with the international aspects of drug abuse. As noted earlier, special criteria must be met before a foreign institution may receive a research grant award. These projects cover a variety of subjects, ranging from biomedical research on the effects of various drugs to anthropological studies of drug use patterns in other cultures. In addition to funding of research projects, NIDA cooperates with other countries through participation by NIDA staff in international meetings and conferences on research topics, site visits with researchers in other countries, and provision of drugs for research to other countries. Attached (Appendix II) is a list of international research grant projects funded by NIDA during the last three fiscal years.

*G. Collaboration with international organizations.*—We are pleased that the United Nations has taken a more active role in the reduction of illicit demand. At its last session in Geneva, the U.N. Commission on Narcotic Drugs debated the strategy to be followed in the entire drug abuse field. The working paper that was produced by the officials of the Commission presented guidelines for strategies and policies. Included in the Working Paper is an "Action Program for Demand Reduction: Proposed Project for UNFDAC." The U.S. Delegation supported this Action Program and we hope that major improvement will be brought about as a result of the many activities which were mentioned. The Resource Book on the Reduction of Illicit Demand, which NIDA helped to prepare, should be useful in the Action Program. This entire effort, we are pleased to note, resulted from General Assembly Resolution 32/124. Mr. Wolff, your leadership in getting this resolution passed is appreciated by all of us in this field. Participation in U.N. meetings by members of Congress is particularly valuable to us to demonstrate first-hand the importance of progress in the drug abuse field to the international community. Mr. Railsback's participation and Mr. Gilman's formal statement at the 28th Session in Geneva were very helpful in conveying the sense of urgency

that we feel about the need for more support for international efforts, especially more contributions to the U.N. Fund for Drug Abuse Control.

I expect NIDA's active participation in future U.N. meetings and our assistance in carrying out sound U.N. projects will continue. We particularly would like to see the Action Program on Reduction of Demand carried forward and have indicated this to the Department of State, Dr. George Ling, Director of the U.N. Division of Narcotic Drugs, and to Dr. Bror Rexed, Executive Director of the U.N. Fund.

As this Committee knows, NIDA has and is working closely with the World Health Organization. Let me briefly recall some of the particular projects involved:

NIDA has been designated a Collaborating Center for Drug Abuse Training and Research. Last September, we had a ceremony and a seminar with strong representation from Canadian and Mexican experts. We were particularly pleased, Mr. Wolff, that you gave an address at the Hubert H. Humphrey Building ceremony. I publicly thank you and your staff for this support.

We have a contract with WHO, Geneva, to hold special regional meetings to increase the participation of the WHO Regional Offices and the health and welfare arms of governments in these regions. The Alexandria meeting was held in October 1978; the Bangkok meeting will be held in November 1979. More than 15 countries will be represented at these meetings.

Another contract with WHO is designed to collate, synthesize and evaluate the existing information on various approaches to the epidemiology and intervention in rural opium-producing regions. The outcome of this small meeting of experts will be a report to help countries, international organizations, and funding agencies make better use of limited resources by selecting the most appropriate measures to assess the nature and extent of use and to reduce non-medical use of drugs in rural areas.

As part of its effort to broaden its involvement in the drug abuse field beyond immediate medical and pharmacological concerns, WHO is planning to hold an Expert Committee Meeting on Drug Dependence in September 1980 on the subject, "Methodology for the Assessment of Public Health and Social Problems for the International Control of Psychotropic Substances." This meeting will be held in addition to the regular Expert Committee meetings where drugs are evaluated for control. NIDA will assist WHO in preparing for this meeting, and several U.S. experts will participate in it. I cite this as an example of the close working relationship we have with the Division of Mental Health of WHO and an illustration of our efforts to insure full utilization of U.S. information and scientific expertise.

Lastly, Mr. Chairman, I would like to thank this Committee for its part in passage of the Psychotropic Substances Act of 1978. This Act cleared the way for ratification of the Convention on Psychotropic Substances. We hope that this Convention will soon be ratified by the Senate so that the U.S. may join many other countries which have already taken action in this important area.

We in NIDA look forward to working with the Committee in the future. That concludes my statement, Mr. Chairman. Thank you.

#### APPENDIX I.—*Expenditures for international activities*

During fiscal year 1978, NIDA expended the following amounts:		<i>Amount</i>
Research grants and contracts-----		\$332, 616
Contracts for technical assistance and training-----		459, 797
Other international contracts-----		5, 717
Staff travel-----		44, 136
<b>Total -----</b>		<b><sup>1</sup>842, 266</b>
During fiscal year 1979, we anticipate spending the following:		
Research grants and contracts-----		583, 912
Contracts for technical assistance and training-----		495, 000
Other international contracts-----		44, 050
Staff travel-----		18, 782
<b>Total -----</b>		<b><sup>2</sup>1, 141, 744</b>

<sup>1</sup> Amount reimbursed to NIDA by the Department of State for Fiscal Year 1978: \$287,277.

<sup>2</sup> Amount authorized to date for reimbursement to NIDA by the Department of State for Fiscal Year 1979: \$179,475.



## APPENDIX II

## NIDA INTERNATIONAL RESEARCH GRANTS, FISCAL YEAR 1977-79 (1ST HALF OF FISCAL YEAR 1979)

Research grants	Fiscal year—		
	1977	1978	1979
1. To the Institute for the Study of Human Issues for a conference on the anthropological aspects of opium production, trade and use, to be held in March 1978.	\$48,977		
2. To the Hebrew University in Israel to study opiate tolerance and central cholinergic activity.	24,125		\$16,140
3. To McMaster University in Ontario, Canada, for research on the role of classical conditioning in drug effects.	32,156	\$34,406	52,221
4. To the Hebrew University in Jerusalem, Israel, for research on the molecular basis of cannabis action.	48,655	67,350	61,540
5. To the University of Florida for research on the traditional and changing patterns of coca use in Bolivia.	154,882		
6. To the Institute for the Study of Human Issues in Philadelphia for a study of opium use and abuse in Great Britain.	77,405		
7. To the University of Minnesota for research on opium addiction in Laos.	28,000		
8. To Concordia University in Canada for research on neural substrate of cocaine abuse.	35,461	37,541	40,180
9. To David Musto at Yale University for research on the history of public policy on narcotics in the United States and Great Britain.	43,821		
10. To Uppsala University in Sweden for research on the biochemistry of opiate receptor sites.		39,288	56,516
11. To the University of Manitoba in Canada to provide basic pharmacokinetic data on orally administered cocaine in the dog.		47,275	42,305
12. To Concordia University in Canada for research on intracranial self-administration of abused drugs.			23,062
13. To the Hebrew University in Israel for research in barbiturate-induced developmental neural retardation.			48,826
14. To the University of Aberdeen in Scotland for research on opioid peptides, receptors, biosynthesis and release.	76,837	96,756	131,399
15. To Dalhousie University in Nova Scotia to study biometric models of heroin addiction in time and space.			80,368
16. To Concordia University in Canada to do research on conditioned psychological effects of drugs.			26,355
17. To the University of Newfoundland for research on applications of pavlovian conditioning to drug abuse.			5,000

REPLY TO QUESTIONS RAISED IN CONGRESSMAN WOLFF'S LETTER OF JUNE 4,  
NATIONAL INSTITUTE ON DRUG ABUSE, ROCKVILLE, MD., JUNE 18, 1979

## INTRODUCTION

Mr. Chairman, thank you for your letter of June 4 which raises six issues and questions concerning NIDA's international demand reduction policy and program. Since some of these questions are covered in the prepared statement, I would first like to summarize briefly the content of that statement which has already been submitted to this committee as requested.

The prepared statement first describes the involvement of NIDA in the international field as twofold: one, an HEW program under our Public Health Service legislation and, two, support for the Department of State. Since our health legislation is limited in scope to research-related activities, the main efforts at prevention and control of abuse overseas rests with the Department of State. Our understanding is that State has the lead on policy, funding and coordination; NIDA has the technical capability to assist State once their policies and strategies in demand reduction are determined.

The prepared statement then goes on to describe NIDA's international activities, including: technical assistance, training, international visitors, information exchange, research, and collaboration with international organizations. Adding up all of our fiscal year 1978 activities, we have a total expenditure of \$842,266. The comparable figure for fiscal year 1979, an estimate of the year's activity, is \$1,141,744. In fiscal year 1978, the Department of State reimbursed NIDA for \$287,277 or 34 percent of the total for that year. In fiscal year 1979, we estimate that the comparable reimbursement will be \$178,475 or less than 16 percent for this year. We anticipate that the level of State reimbursement will increase as specific projects are developed and funded.

Our total estimated expenditures this fiscal year in the international area will increase by almost three hundred thousand dollars, with most of the increase coming in the research grants and contracts area. Staff international travel, however, will be significantly less this year.

May I now turn to a direct response to the six questions raised in your letter, Mr. Chairman:

*Question 1.* Can NIDA effectively play the lead role in international demand reduction with the resources with which it is allocated?

Answer. Under Public Laws 86-610 and 93-353, we have the authority to carry out research and research-related activities overseas in the drug abuse field. This legislation, in effect, limits NIDA's range of activities in the international field to those which are followed throughout the U.S. Public Health Service.

Concerning the lead role in international demand reduction, we are following White House policy as found in the "1979 Federal Strategy." The major policy statement is: "Strategy 1979 continues to accord the Department of State the coordination and policy responsibility for all international narcotic efforts" (p. 38). Later on the same page, seven areas are listed as objectives of the international program. The last objective mentioned is: "To develop within the international community, high priority for cooperative drug abuse treatment and prevention, as well as drug control efforts." The policy of the U.S. as summarized here appears to us to give the lead role in demand reduction to the Department of State with NIDA providing technical assistance.

*Question 2.* Discuss the major bilateral demand reduction programs in which NIDA is involved, including training and information sharing programs.

Answer. Major bilateral programs have been described in the prepared statement. This answer will briefly summarize that statement and add some additional information.

In the technical assistance and training area, a major program has been undertaken with Malaysia. In addition to Malaysians traveling to the U.S. and our regularly sending information to them, a team of three persons are now providing a special program to train more than 150 persons in counseling of drug abusers, management of drug abuse programs, and how to prepare trainers in the drug abuse field. In Thailand, we are continuing our close working relationship with the Office of the Narcotics Control Board and the Bangkok Metropolitan Health Department. Two consultants are in Bangkok now to help implement programs planned in earlier training projects. Both the Malaysian and Thai programs are extremely important as demonstration projects.

This fiscal year two Bolivian physicians received training in the U.S. in drug abuse treatment and research. Also, extensive visits in the U.S. were organized for two Ecuadorian educators. NIDA provided State with a description of the scientific content that we think should be included in the Lima, Peru, cocaine conference to be held next month. We understand that more than 10 U.S. scientists, including a NIDA staff member, will attend this conference. With Italy, we are continuing our past collaboration in information exchange, techniques of assessment, and approaches to training. With Israel, we are increasing our bilateral activity with the appointment of an experimental psychologist to carry out a research demonstration project investigating patient compliance with a treatment regimen. With Sweden, we plan to continue our collaborative exchange in the areas of treatment evaluation, smoking, and trends in drug abuse.

These are examples of our bilateral program; many of them have been supported by the Department of State.

*Question 3.* Does NIDA cooperate with the State Department in formulating the U.S. position toward United Nations' demand reduction activities? Does NIDA have direct contacts with U.N. agencies and what is the nature of these contacts?

Answer. When invited to participate in discussions of U.N. demand reduction activities, NIDA cooperates in any way possible. Our impression is that the U.S. considers demand reduction to be a relatively minor part of the overall U.N. program. Contacts with U.N. agencies on major issues such as policy, funding and organizational matters are handled through the Department of State's Bureau of International Narcotics Matters and the Bureau of International Organizational Affairs. NIDA has participated in major U.N. meetings since 1972. We have been on U.S. delegations to the Commission on Narcotic Drugs conferences since that time representing the demand reduction area. With the World Health Organization, our contacts have been direct with frequent contact with their program staff on technical and project activities.

*Question 4.* Given the increase of heroin addiction in Western Europe and the susceptibility to drug abuse of U.S. troops stationed abroad, the Committee would

be interested in NIDA's information sharing activities and/or training of treatment specialists from Western European countries.

Answer. A Variety of contacts between U.S. and European officials have taken place. To develop more concern for drug abuse and more programs in Europe, the White House and the Department of State have met with most of the leaders of major European capitals over the last two years. By their contacts, Mr. Dogloff and Ms. Falco have stimulated increasing interest in the treatment and prevention field throughout Europe.

Within this policy framework, NIDA has developed active collaboration with European countries through periodic high-level visits, collaboration on research, dissemination of publications, participation in international workshops and conferences held in Europe, and briefing international visitors from Europe. For example, approximately 86 of the addressees on NIDA's international mailing list are in Western Europe, and 20 to 75 international visitors to NIDA in the last two years were from Western Europe. In fiscal year 1978, eight NIDA staff members and consultants participated in seven international conferences held in Western Europe. These included four major conferences (sponsored by the International Council on Alcohol and the Addictions (ICAA) in Portugal, France, Switzerland, and Poland), a symposium on marijuana research, and the Tri-Service Drug and Alcohol Conference of the U.S. European Command held in Germany.

An especially active exchange of information and materials has been carried out with Italy, beginning back in 1976 when NIDA, the Government of Italy and the ICAA jointly sponsored a conference on drug abuse in Rome. NIDA also assisted the ICAA in planning and conducting a second meeting in Rome in 1977 on drug abuse treatment program management information systems. Both of these meetings were supported by the Department of State. Also, as described in our statement, NIDA is planning to send a team of two persons to Italy as a result of Secretary Califano's discussions with high-level Italian officials and discussions between the Italian Ministry of Health and the U.S. Embassy in Rome. The team will provide technical assistance in the assessment of drug abuse problems in Italy and assessment of the manpower training needs and resources for drug abuse treatment.

Last year a NIDA staff member provided three weeks of on-site technical assistance, working with government personnel in carrying out an initial assessment of the drug abuse problem in West Berlin. The State Department reimbursed NIDA for the travel and per diem costs of providing this technical assistance. Under the formal agreement between the U.S. and the FRG, collaboration on demand reduction is the task of the Health Subcommittee. NIDA will provide information, materials, and expertise to facilitate this important exchange.

In February of this year NIDA arranged a two-week field observation visit to drug abuse treatment programs in the San Francisco area for an official from Spain who is the Technical Director of the Commission to Combat Drug Abuse. This official's visit to the U.S. was sponsored by the United Nations Fellowship program, and the Department of State reimbursed NIDA for the costs of providing an interpreter to accompany the visitor.

Also this year, as noted in the testimony, NIDA arranged a special program for five official visitors from the Ministry of Health and Social Affairs in Sweden, which included in-depth briefings and discussions on a broad range of topics concerned with drug abuse treatment policy, program administration and evaluation research. The program included observation visits to treatment programs in New York and Philadelphia. The Swedes are very interested in continuing an exchange of information and collaboration with the U.S. in the drug abuse field.

With regard to the Department of Defense and the Armed Services, NIDA maintains interagency exchange of information and cooperation through direct consultation and participation in interagency meetings and working groups. For example, NIDA staff members have met with General Johns, and provided information in a number of areas, such as urinalysis techniques. A NIDA staff member also participated in a recent review of the treatment manual used by the Department of the Army. Also, a NIDA staff member is a member of the Drug and Alcohol Review Board (DARB) of the Department of the Army. Staff of NIDA's Research Division have consulted with DOD agencies, particularly the Walter Reed Army Institute of Research, in a number of research areas. As a result of recent discussions with the Department of Defense, the DOD has agreed to fund a research study on drug abuse among American troops in Germany, through an interagency transfer of funds.

*Question 5.* Please discuss the manner in which NIDA contracts out abroad and include information regarding the overall dollar amount, services provided, number of consultants employed, and under whose auspices were the services provided. Was NIDA reimbursed by State for any of these contract services?

Answer. NIDA's international training and technical assistance efforts are currently being carried out through an international component of the NIDA contract for the National Drug Abuse Center for Training and Resource Development. In FY 1978, \$396,797 was expended for the international component of this contract, and an additional \$63,000 was expended through the NIDA Pyramid Project for international technical assistance and development of materials in the prevention area. In FY 1979, an additional \$95,000 was added to the Training Center contract to provide for completion of the Malaysia Training Project, which is by far the largest project being carried out under this contract. (The total cost of the Malaysia Training Project is estimated at \$261,579, which is being reimbursed to NIDA by the State Department.)

In May of this year NIDA released an RFD for a new \$400,000 contract to provide international training and technical assistance, which is scheduled to be awarded in August.

This contract will provide for a broad range of support services for NIDA's international activities program, including staff and consultant services, materials, facilities and equipment and other resources needed to plan and implement international training projects in other countries, provide support services to international visitors, including interpreter services, and training fees and travel arrangements, translation of materials into other languages, development of special courses for international groups, delivery of on-site technical assistance to other countries as needed, and participation by selected U.S. experts in international meetings and conferences. A contract for a broad range of services of this type is necessary for the effective operation of NIDA's international activities program in view of the limited amount of staff resources available within NIDA to perform this work.

*Question 6.* What is the status of NIDA's attempts to provide a loan officer to INM?

Answer. In view of the importance of the Bureau of International Narcotics Matters having staff coverage in the demand area, I recently sent Ms. Falco a letter outlining our past efforts and making two specific proposals which will, we hope, resolve this issue. A copy of that letter is attached for the Committee's information. I would only add that in the 27 months since there has been a full-time liaison person working between NIDA and State in the international demand reduction area, there has been coverage either by a NIDA person or a direct-hire employee for approximately 24 of those 27 months.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
PUBLIC HEALTH SERVICE,  
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION,  
June 15 1979.

Ms. MATHEA FALCO,  
*Assistant Secretary for International Narcotics Matters,*  
*Department of State, INM,*  
*Washington, D.C.*

DEAR MATHEA: To follow up on our previous discussions of liaison activities between NIDA and the Department of State in the drug abuse field, I would like to summarize some of our past efforts and propose two alternatives to facilitate our working together in the future.

Beginning in the early 1970's, liaison between NIDA (and its predecessors) and the Department of State was carried out on a part-time basis. In March 1977, the first full-time liaison appointment was made at NIDA's request. This appointment continued until November 1978. To fill the vacancy, the Deputy Director of NIAA, Mr. Besteman, requested a job description and chaired a search committee, which identified a pool of more than 15 potential NIDA staff persons. From this pool, the list was narrowed to five persons. Mr. Besteman then visited Mr. Linnemann on two occasions, discussing these persons from NIDA as potential candidates. Mr. Besteman also indicated that we would be able to draw from a much larger pool of talent if persons from outside the government were considered. After these discussions, which took place in the fall of 1978, a new appointment was made in mid-December. In early March 1979, Mr.

Linnemann requested that this appointment be terminated since the incumbent did not meet BINM expectations. In April, your Bureau hired a contract employee who is now providing what we understand to be capable coverage in the international demand area while the discussion concerning how to provide staff support in this area continues.

As you and I have discussed, NIDA has a very small staff of professionals in contrast to DEA and Customs. Many of the professionals here simply do not have the kind of skills and experience that appear to be needed for the liaison position. (A written job description would be helpful in clarifying the expectations of the person to fill this position.) With the personnel ceiling imposed on us by the Department and recent shrinkage in the number of slots, it seemed to us that the most practical way to fill the position was to search outside government.

Starting in March of this year, NIDA identified three highly qualified candidates from outside government. Two of them are definitely interested in this position. Background information on these two persons—their experience, training and previous drug abuse work domestically and overseas—has been forwarded to BINM. Both of these persons are familiar with NIDA and either of them could smoothly facilitate NIDA-State collaboration. Through the use of the Intergovernmental Personnel Act we could bring one of these candidates on board at NIDA and train him to become even more familiar with NIDA's resources and operations. This person could then be detailed to your office on a full-time basis and provide very competent support in the demand reduction field. This arrangement appears to offer State and NIDA the best immediate prospects for continuing our past successful liaison. I hope you will see your way clear to explore this further with us.

As an alternative to this, we would also be interested in designing and carrying out an intensive training program for a member of your staff. Although this person would not become an "expert" in three to six months, he or she would be quite knowledgeable and should be able to manage a broad demand program quite well. Since a growing number of young foreign service officers have an interest in drug abuse, a suitable person could, perhaps, be identified to meet BINM's expectations for staff coverage and liaison in the international demand reduction area.

Please let me know how you would like to proceed.

Sincerely yours,

WILLIAM POLLIN, M.D.,  
*Director.*

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PREPARED STATEMENT OF GEORGE A. DALLEY, DEPUTY ASSISTANT SECRETARY OF  
STATE FOR INTERNATIONAL ORGANIZATION AFFAIRS

Mr. Chairman and Members of the Committee: I appreciate the opportunity to appear before the Select Committee today to discuss the contributions that the United Nations system is making to the overall effort against drug abuse.

One of the most important considerations about the United Nations system—whether in narcotics or any other field—is that it offers significant opportunities to complement the efforts of individual nations in tackling the major issues of our time.

More than ever before, we live in an era of global problems—issues that transcend national boundaries and recognize no distinction among forms of government, languages, religions or ideologies in the places where they come to rest. Typical of these global problems are environmental pollution, disarmament, human rights abuses, terrorism, air traffic safety, international radio communications, nuclear proliferation—and, of course, drug abuse—each one a problem that no nation can effectively address on its own.

Individual countries will, of course, undertake their own direct efforts to address these problems as we have done on drug abuse. And nations will enter into bilateral arrangements with other countries to address these problems—as we have also done on drug abuse.

But these problems can never be resolved effectively unless they are tackled by international organizations in which a broad understanding of a particular problem can be brought about, in which all member nations can be persuaded to recognize the urgency of concerted action, in which consensus can be developed

regarding appropriate avenues of approach, and in which funds sufficient to address the problem can be put to effective work.

The United Nations and its family of agencies constitute organizations where this consensus is being formed and where multinational steps on important problems can be coordinated and implemented. While these steps are important to us in a general sense (since they support our general policy goals on many problems), they are particularly important to the United States in areas where the issue is urgent but where bilateral strains make it impossible for the U.S. to act alone. In many such instances, if the UN system were not present to play a significant role, there would simply be no action at all.

I recognize that many in this country like to point out shortcomings in the United Nations system. When 151 member nations seek to develop consensus, and when citizens from 151 countries—with backgrounds covering a wide variety of cultures, languages and governmental systems—attempt to manage specific problems, it is inevitable that the result will not always be the one preferred by the United States.

Whatever the shortcomings of the UN system—and the President has already indicated a number of ways in which the U.S. is pressing for reforms within the system—it fully deserves our strongest support and guidance. The U.S. derives so many direct benefits from the UN system, and the system is so essential to development of the coordinated international action on such pressing issues as drug abuse, that we cannot risk letting the system falter.

As President Carter said last year, "This Administration recognizes that drug problems cannot be solved unilaterally, but require concerted action by the world community. . . . The United States remains deeply committed to the cause of international drug control. We will continue to support the efforts of the Fund (for Drug Abuse Control), the United Nations and other governments."

\* \* \* \* \*

Over a number of years, as members of the Select Committee well know, the U.S. has played a major role in supporting the narcotics agencies within the UN system. As the leading advocate of international approaches to drug control, and as the individual nation with the greatest expertise in this field, the United States has just been reelected by the United Nations Economic and Social Council to a seat on the UN's 30-member Commission on Narcotic Drugs. One of the 13 seats on the International Narcotics Control Board is held by a highly influential American. And we promoted the establishment of the UN Fund for Drug Abuse Control (UNFDAC) precisely in order to complement our bilateral efforts in drug control matters and to fill in gaps where the United States was unable to take direct action. And so our support and our influence in the UN drug agencies are extensive and important.

The Division of Narcotic Drugs is the backbone of the system. Its resources include expertise on illicit traffic, demand reduction and training, as well as the scientific and research facilities of the UN Narcotics Laboratory. The Division's Central Training Unit has provided instruction for nearly 1,500 police and customs officers from almost 100 countries since it was founded in 1972. And the narcotics laboratory is engaged in research on several intriguing areas. One project involves the development of specific chemicals which, when sprayed on illicitly cultivated poppy plants, would block the synthesis of opiates without causing harm to the poppy plant or to other plants, animals or the environment. The laboratory has also investigated the use of chemicals to track the movement of heroin in illicit traffic.

The International Narcotics Control Board performs a vital function in monitoring production and trade in opiates. One of its recent conclusions was that there now exists an overproduction of raw materials needed for the manufacture of opiates for medical purposes, resulting in the possibility that unused raw materials may find their way into illicit markets. The Board has expressed the hope that producing countries will pay close attention to the oversupply situation in order not to aggravate it by their production plans. The Board's 1978 report noted that, "unless there is a large and unforeseen increase in demand between 1978 and 1982, morphine manufacturing capacity will be, on average, 50 per cent greater than requirements." The United States participated in consultations with the Board during its preparation of this analysis, and we will continue to provide it with the information and support needed for performance of its duties.

The Commission on Narcotic Drugs, which is a policy making body, advises ECOSOC on international narcotics matters. It was the Commission which, per-

ceiving inadequacies in contemporary drug control treaties, initiated action leading to the drafting of the Single Convention on Narcotic Drugs, the Amending Protocol, and the Psychotropics Convention. One of the acts taken by the Commission at its meeting in February 1979 was to encourage additional nations to ratify or accede to the South American Agreement on Narcotic Drugs and Psychotropic Substances and to urge other states to support the creation of machinery to implement that Agreement. A ceremony to initiate that agreement will be held in Buenos Aires next week (June 25-28).

One of the ways that the Commission can stimulate action in the drug field was illustrated by its resolution at the February 1979 meeting focusing on the danger of growing links between Near Eastern countries and a number of European countries in illicit drug traffic. As a result of the Commission's resolution, a meeting was convened in Geneva last month (May 1979) of the heads of national narcotics law enforcement agencies of some 17 European and Near Eastern countries, on subjects ranging from air smuggling to new legislation and training. It is responsive action such as this that enables the UN system to stimulate cooperative interaction and increase awareness of drug problems and stimulate cooperative interaction among nations.

The UN Fund for Drug Abuse Control is the agency which seems to draw the most attention in this country, primarily because it operates through separate voluntary contributions from interested governments. Started in 1971, largely at the urging of the United States, the Fund has developed a number of successful projects that illustrate the thesis that an international organization can often be more effective than individual nations acting alone.

The most successful UNFDAC project has been in Turkey. The U.S. once offered that country \$35 million in assistance in order to stop the cultivation of poppies. But the offer failed. However, UNFDAC, in cooperation with Turkey, and using only \$4 million, achieved the same goal. The Fund did it by introducing the "poppy straw" system, which requires farmers to harvest the entire poppy pod for sale to the government and forbids them to lance the pods to draw out opium gum. As UNFDAC Executive Director Rexed said at a meeting here last year, "the program has had a 100 percent success in that to date no opium of Turkish origin has leaked into the illicit market. None at all. \* \* \* Considering that only some eight years ago about 60 percent of the heroin sold in the United States was of Turkish origin, this is a remarkable result."

Direct U.S. efforts to work with Afghanistan have been circumscribed in recent times. But UNFDAC has worked with that country to promote a large-scale rural development project in a major opium-producing zone of that country. And the UNFDAC enforcement program helped Afghanistan confiscate 14 tons of opium from illicit traffic in 1977. In fact, in a period of about four years, almost one ton of illicit opium was seized each month—an enormous amount when it is realized that one ton of raw opium can be turned into 80 million shots of heroin. A similar effort is underway in Pakistan.

In northern Thailand, and UNFDAC project, implemented in 30 villages, has been demonstrating the potential for substitute crops such as kidney beans and high grade arabica coffee, and there is considerable evidence that hill tribesmen have voluntarily given up production.

It is crop and income substitution programs such as this—which fully coincide with the President's policies as enunciated in his 1977 message to the Congress and elaborated in the 1979 Federal Strategy document—that are playing a major role in the overall international effort against drug abuse.

We want to encourage UNFDAC in these efforts. We fully realize that there has been concern in the Congress that other nations have not provided as much of the funds for UNFDAC operations as we had hoped, and we share those concerns. We, the UNFDAC staff, continue our efforts to persuade others to contribute, and indeed we were most pleased to have Congressman Wolff and Gilman present at the meeting of potential donors to UNFDAC which Ambassador Young arranged in New York last fall.

Progress is slow, but it is not insignificant. In early 1979, several small or struggling countries pledged contributions to the Fund—\$2,000 from Madagascar, \$21,000 from Hong Kong. These may be relatively small amounts, but they indicate that interest in the drug abuse problem is being provoked and stimulated by UNFDAC.

Similarly, among major donor countries, there are increasing contributions to crop substitution programs—either directly to UNFDAC or in support of UNFDAC-developed projects. Because of the increasing contributions of other

countries, our share of the direct funding to UNFDAC has dropped from more than 80 percent in 1973 to just over 41 percent in 1978. If local contributions and bilateral development assistance support for UNFDAC programs are also counted, our share would be even lower. A report late last year from the United Nations Joint Inspection Unit indicated that governments are increasingly contributing to these programs from the development resources at their disposal, "and there is reason to hope that more will soon do the same."

This is the kind of action—by big countries and small ones—that we want to keep alive. Frankly, we believe that any steps taken by the U.S. to withhold or cut back on payment of the U.S. contribution to UNFDAC will not stimulate others to contribute but rather signal to them that the U.S. is diminishing its interest in the Fund's activity. Nothing could be further from the truth. We are not diminishing our interest. And indeed, we believe that the only way to encourage an expansion of the important work done by UNFDAC is to make full and timely payment of the U.S. contribution and even to increase that contribution in concert with increases that are made by other nations. But a cutback now, at a crucial time in UNFDAC's program development and financing schemes, could prove to be a fatal blow.

Let me turn briefly to some of the other agencies of the United Nations system that are also involved in drug control activities and supportive of the overall effort. I would note, as a general matter, that the U.S. Government's position throughout the UN system is to eliminate duplication of effort and to discourage the spread of attention to individual problems away from the agencies which have the primary responsibility. In that sense, we do not want to proliferate attention to drug control issues in UN agencies that are mainly outside the drug control field.

Nevertheless, there is narcotics-related activity in several UN agencies which falls within the charters of these agencies—which we wholly support and encourage—and I would like to describe some of that work.

Probably the most significant is that of the World Health Organization. In the general category of its mental health programs, WHO carries out specific functions assigned to it by international treaties on narcotic drugs and psychotropic substances, including the nomination of experts to the International Narcotics Control Board and the establishment of expert committees on drug dependence. It also collaborates with other UN agencies in the identification and control of medical problems relating to dependence-producing drugs.

For example, a new strategy is being tested in opium-producing communities where opium is being used for the treatment of common ailments of adults and children. With the help of UNFDAC, the World Health Organization is providing primary health care techniques in order to demonstrate alternative means of treatment.

WHO has carried out training programs regarding identification of drug dependence and alcohol-related problems in Latin America, Europe and South-east Asia.

In the field of adolescent mental health, WHO has collected information in European countries relating to the use and abuse of alcohol, tobacco and drugs.

WHO programs focusing on treatment for drug dependence in developing countries include personnel fellowships, surveys of the incidence of drug problems, and the introduction and evaluation of treatment programs. Projects using this approach have been implemented in Burma, Egypt, Iran, Pakistan and Thailand and were planned for Afghanistan, Malaysia and Peru.

A WHO study to evaluate the differences in the effect of psychotropic substances among different populations, as altered, for example, by climate, nutrition, or endemic diseases, was begun in seven countries.

Funds for this important health-related activity have been provided to WHO primarily by UNFDAC—more than \$2 million in the 1978-79 biennium—which again demonstrates the great value of the UNFDAC operation.

The United Nations Development Program (UNDP) also runs a number of projects related to drug abuse. A \$1 million project in Afghanistan was initiated to focus on rural development, particularly to provide economic incentives to rural farmers to engage in activities other than drug production. The project was planned to provide a number of health centers for general medical services, including treatment of drug addicts. Another aim was to create an economic environment that could absorb and usefully employ rehabilitated addicts. Similarly, the UNDP has provided support to projects of the Food and Agriculture Organization (FAO) in Thailand which include crop substitution components.



The International Labor Organization has also provided technical assistance to the Thailand crop substitution programs, and UNICEF has cooperated with UNFDAC in a crop substitution project in Pakistan. Thus there has been considerable concerted attention from various components of the UN system.

One other UN agency that has devoted attention to narcotics is UNESCO. That agency's General Conference has urged the development of greater knowledge concerning the economic, social and cultural factors involved in the use of drugs and the strengthening of educational measures that can contribute to their solution. More than \$700,000—about two-thirds of it from UNFDAC—has been invested in programs that train specialists and encourage the exchange of information about drug abuse among social science institutions and research workers. Regional and national UNESCO projects promote educational programs, particularly involving young people, dealing with problems associated with the use of drugs.

Finally, let me mention the role of the UN General Assembly in narcotics activities. The General Assembly is not, of course, an operational organization, but it does debate and pass resolutions on subjects which are designed to be brought to attention of all member governments for their specific action.

In the drug abuse field, one of its most important resolutions was the one on international cooperation in the field of narcotic drugs relating to treatment and rehabilitation, passed in the fall of 1977 (32/124). This was a resolution which the U.S. introduced, one in which Congressman Wolff as a member of the U.S. delegation to the General Assembly was instrumental. Among other things, it requested the Commission on Narcotic Drugs to launch a meaningful program of international drug abuse control strategy and policies, including the possibility of integrating within those policies development assistance programs. Another resolution (33/168) adopted in the fall of 1978, elaborated on the many areas of drug abuse control efforts within the UN system and specifically requested the Commission on Narcotic Drugs to complete and monitor the drug abuse control strategy it had sought.

That strategy is now moving forward. At the February 1979 meeting of the Commission, there was extensive debate on the subject and passage of a resolution entitled the "Launching of a Program of International Drug Abuse Control Strategy and Policies." The resolution annexed an elaborate statement of principles which are to form the basis for the program—principles including the strengthening of the treaty system, eradication of illicit production, reduction of illicit demand, the strengthening of UNFDAC, the balancing of supply and demand among drugs used for legitimate purposes, and the identification of clear areas of responsibility among the UN agencies. The Secretary General has been requested to elaborate the basic principles, and the Economic and Social Council has been asked to report on the matter to the General Assembly in the fall of 1979.

This is an important task which we in the Executive Branch will monitor closely. As we do so, giving this process an opportunity to take hold, we will remain alert for other new initiatives that may be pursued through the General Assembly and we will be reviewing these issues in the coming months. We will similarly be looking for possible initiatives in the World Health Organization. Since the United States is one of the countries which has a representative on the WHO Executive Board and on its Program Committee, we will be instructing that representative to make every effort to have WHO strengthen its efforts in the drug abuse field.

As I noted at the beginning of my presentation, we strongly believe that the effective involvement of the United Nations system is an essential ingredient to the international effort to combat drug abuse.

The 1979 Federal Strategy paper puts it this way:

"The United Nations, and other international and regional bodies, are ideally positioned to stimulate the kind of leadership and regional collaboration that is required to deal with these problems. As other countries move to a confrontation with their drug problems, there are opportunities for the United States to share what it has learned and learn from those countries as they take steps of their own. The UN should be urged to assume this role of international facilitator and convenor."

We continue to hold this position, and we hope that the Congress will join with us in seeking to strengthen the UN Fund for Drug Abuse Control and the other components of the UN system as we prepare to meet the challenges ahead.

## COMMENTS ON FIGURES REGARDING UN SYSTEM FINANCES

The major mistake in the figures supplied to us by the Washington Post is their suggested totaling. Despite the superficial similarity of cash balances at the end of 1977, it is not appropriate to add together the balances of political organizations like the United Nations, technical organizations of widely varying nature like the Specialized Agencies, and separately funded programs devoted to such disparate purposes as development assistance, peacekeeping, population control and environmental protection. Obviously, organizations raising money by voluntary subscription, like the Children's Fund and the others (UNDP, UNEF, WFP, UNFPA, UNITAR), need to carry larger balances to fund long-term programs than do organizations whose principal costs are wages and salaries and whose funding is assured by obligatory assessments on members. Just as a bank and book publisher have their own cash requirements, so do the different UN organizations and programs.

Additionally, totaling the figures does not take into account the internal composition of the cash balances. Included therein are funds in trust, which can be expended only according to the limitations specified when the trust funds were established: limitations of place of expenditure, limitations of objects of expenditure, requirement of matching funds and the like.

The UN organizations tend to have relatively constant expenditures throughout the year while most of their revenues are not received until after the first quarter of the calendar year and beyond. Consequently, good fiscal management requires a strong cash position in the UN organizations at the end of the year.

Examples of difficulties involved in the figures we have been given are attached. Due to the shortage of time, we have not been able to critique the figures for all of the organizations.

Attachments.

## UNITED NATIONS (UN)

The United Nations itself is on the verge of bankruptcy. (Ref. A/C.5/33/46) As of 30 September 1978, the short-term deficit of the United Nations amounted to \$152.6 million. Net cash at banks, on hand and invested as of 30 September 1978 was \$49 million. Uncollectible contributions from members withholding as a matter of policy totaled some \$63 million. The UN's \$40 million Working Capital Fund has been exhausted.

An immediate crisis could be precipitated should the UN decide to pay its debts (owed to member states) until the cash on hand (\$49 million) ran out. For example, monies owed by the UN from the first UNEF and Congo operations alone would net \$46.8 million or almost enough to exhaust the UN's cash on hand at any time.<sup>1</sup>

Moreover, the U.S. payment is currently unavailable to the UN because of the Helms Amendment which attaches conditions to that payment. If the provisions of the Helms Amendment continue in force and the U.S. payment is not forthcoming, the UN by August may be unable to meet its payroll.

The figures for the United Nations show a December 31, 1977 cash balance of \$69.4 million broken down as follows:

	<i>Amount</i>
United Nations General Fund.....	\$35,494,906
United Nations Special Account.....	20,786,357
UNEF (1973) and UNDOF.....	8,524,840
UN Force in Cyprus.....	4,556,923
<b>Total .....</b>	<b>69,363,026</b>

This total is misleading for the following reasons:

A. The General Fund relates to the UN Regular budget which is funded by assessments on all member states. It does not represent freely useable funds since this amount must be reduced by the amount of the accounts payable, \$22,506,161, as this represents bills against which payment is imminent.

B. The Special Account represents voluntary contributions made by a few countries, but not U.S., to ease the UN financial situation. Of this amount, \$10 million represents a Japanese contribution which is not available for expenditure as it is under the control of the Government of Japan.

C. The fund for the Cyprus peacekeeping operation also represents voluntary contributions for purposes of assuring the maintenance of the force.

<sup>1</sup> A/33/S, Supplement No. 5 pages 84 and 97, as of Dec. 31, 1977.

D. UNEF/UNDOF funds are derived by assessments from member states and are specifically for the maintenance of the forces and the reimbursement to troop contributing countries. A sufficient cash balance must be on hand in order to pay daily rations and the administrative costs of operating the forces. These monies are not available for obligation or expenditure against the United Nations regular budget and are separately assessed and financed.

Based on our analysis, the correct figures would be as follows:

	Amount
UN General Fund-----	\$35,494,906
Less Accounts Payable-----	22,506,161
Cash on hand-----	12,988,745

Carrying this to its conclusion, the percentage of bank deposits (cash on hand) to expenditures would be 3.31 percent based on UN expenditures from the regular assessed UN budget as of December 31, 1977 of \$392,515,329.

#### INTERNATIONAL TRADE CENTER (ITC)

The Washington Post figures show a \$5,338,357 cash balance shown for ITC. As of December 31, 1977, the ITC General Fund was holding only \$48,014 in cash whereas its Trust Funds were holding \$5,290,343. These Trust Funds were voluntarily given to the ITC for implementation of special projects in the field of trade promotion by a number of Governments and are intended to cover approved projects, some of which extend over the years 1978 to 1980.

The gross cash holdings in the General Fund of \$48,014 referred to above should be offset against ITC accounts payable on December 31, 1977 amounting to \$62,581, leaving a cash deficit (shortage) for the ITC of \$14,567.

#### UNITED NATIONS TRUST FUNDS

The \$80,644,635 Washington Post figure has no overall relevance to the UN financial situation as of December 31, 1977. Trust Funds are given to the United Nations by Governments for specific purposes and activities and should not be included along with the regular United Nations funds.

#### UNITED NATIONS CHILDREN'S FUND (UNICEF)

The \$131,030,457 UNICEF cash holdings on December 31, 1977 are gross figures which include Trust Fund monies of \$25,943,265 that should be deducted leaving a balance of \$105,077,192 for the UNICEF General Fund. This balance, however, should be reduced for accounts payable and other items amounting to \$12,822,892, leaving net cash available of \$92,254,300 as of December 31, 1977.

The UNICEF financial statement clearly reveals that of the above \$92.3 million in cash holdings on December 31, 1977, there was an amount of \$10.7 million held in currencies of restricted use (mainly non-convertible currencies) and, thus, not readily available for use in the UNICEF program. In addition, the UNICEF financial report states that its Executive Board has approved project commitments for 1978 amounting to \$123.8 million on the basis of the cash available for expenditure as of the end of 1977. This commitment action is within the terms of the stated UNICEF liquidity policy that has been approved by its Board.

In the view of a large number of Member States, UNICEF cash holdings as of the end of 1977 were not excessive for a voluntary funded program in light of UNICEF's cash requirements and methods of operation.

#### UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

The Washington Post figure shown for UNDP amounting to \$286,081,146 should be reduced by \$90,016,513 in current liabilities and for the full value of the Operational Reserve of \$150,000,000 authorized by the UNDP Governing Council which would leave a net cash balance of \$46,064,633. In accounting terms this is a proper presentation of the UNDP liquidity situation as of December 31, 1977.

#### UNDP TRUST FUNDS

As in the case with United Nations Trust Funds, the UNDP Trust Fund cash balances of \$89,927,936 shown by the Washington Post has no overall relevance to the UNDP financial situation as of December 31, 1977. The Trust Fund cash figure would cover thirteen separate Trust Funds administered by the UNDP

for special assistance to colonial countries and peoples, capital development, national resources exploration, Sudano-Sahelian volunteers, Bangladesh, West Irian, Zaire, Korea, Swaziland, Lesotho and land-locked developing countries. All of the UNDP Trust Funds are derived from voluntary contributions by Member States for the specific purposes indicated.

#### UNITED NATIONS FUND FOR POPULATION ACTIVITIES (UNFPA)

The Washington Post cash figure for UNFPA of \$25,412,599 as of December 31, 1977 reflects only cash and investments while excluding \$25,000,000 in Government letters of credit. In actual fact, the UNFPA cash and investment figure should be shown as \$50,412,599 less accounts payable and other items of \$7,705,071 and the \$20,000,000 Operational Reserve, leaving a net cash balance of \$22,707,528 as of December 31, 1977. Since UNFPA operates under an allocation procedure, unspent allocations of \$14,965,925 should also be deducted leaving a balance of \$7,741,503 in cash available for future projects.

#### UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (UNITAR)

The Washington Post figure of cash held by UNITAR amounting to \$591,447 would have to be reduced by Trust Fund cash of \$188,652 and accounts payable and unliquidated obligations of \$149,293 leaving a balance of \$253,502. When the 1978 deferred income (payments received in 1977 applicable to 1978 projects) of \$217,286 is taken into account, UNITAR's net cash balance would be only \$36,216.

#### UNITED NATIONS UNIVERSITY (UNU)

The Washington Post cash figure of \$70,577,473 includes \$67,586,397 in endowment and Trust Fund bank deposits that have nothing to do with the United Nations University financial situation. Only the United Nations University General Operating Fund should be taken into account which had cash as of December 31, 1977 of \$2,991,076 from which should be deducted unliquidated obligations and deferred income of \$674,369 leaving the available cash balance as of December 31, 1977 of \$2,316,707. Given the very difficult task United Nations University faces in raising additional voluntary contributions for its programs, one cannot say that the United Nations University financial situation is satisfactory.

#### FOOD AND AGRICULTURE ORGANIZATION

The actual surplus in FAO accounts for the biennium 1976/77 was \$29 million, rather than the \$35 million identified by the Washington Post for 1977 only. The \$29 million surplus resulted from:

	<i>Amount (millions)</i>
Favorable exchange rate fluctuations.....	\$10.1
Budget surplus (i.e., actual expenditures less than budget expenditures) --	2.3
Unexpected TCP funds.....	11.7
Excess of miscellaneous income.....	5.7
Less miscellaneous losses.....	-1.1

This was distributed as follows: The TCP monies were carried over, to be expended in 1978/79. The \$10 million from exchange rate changes was put into a post harvest losses account, \$7.3 million was distributed to members (\$4.3 million of this went to the U.S.) and \$5 million was set aside as a contingency account in case of unfavorable exchange rate movements.

With regard to the bank deposits and cash on hand, most of this money was not available to FAO to spend at will. \$59.5 million was held in trust funds. These funds are not FAO's money. Furthermore, it is FAO policy that trust fund projects cannot be started unless 100 percent of the cost of the project is on deposit with FAO. Other funds which include other agency cost accounts, certain personnel reserves such as for separation payments, etc., accounted for another \$16 million. Furthermore, \$10 million was set aside for expenditure in the next biennium for post harvest loss projects and \$7.3 million to be paid to member countries in 1978.

In summary, most of FAO's surplus in 1976/77 was absorbed in 1978/79 projects, set aside for insurance type purposes or returned to member countries. FAO's cash and bank balances were similarly restricted in their use. All this was done in accordance with standing regulations or with the agreement of FAO's Governing Bodies.

## WORLD FOOD PROGRAM (WFP)

Cash and bank balances in WFP had built up through 1977 as a result of small surpluses over the years. However, WFP requires a large carry over from year to year, both in cash and in commodities. This is because WFP, with the approval of its governing body (the Committee on Food Aid Policies and Programs) makes program commitments of commodities and cash for projects with a life span of five to eight years. On the other hand, donor countries make pledges for only two-year periods. WFP therefore requires the carry over to assure the availability of commodities for years beyond the current biennium. WFP estimates that it needs a \$300 million carry over, one-third of this in cash, in keeping with the objective stated in WFP's general regulations that pledges should be made on the average to amount to one-third cash and two-thirds commodities.

The cash balances of WFP exceeded these estimated requirements at the end of 1977 because this was the middle point of the biennium. Resources, especially cash, tend to come in at the beginning of the biennium, while expenditures, in contrast, tend to increase towards the end of the period.

Furthermore, time has shown that WFP's cash balances may not be even adequate. The cash component of donors pledges as a percentage of total pledges has been falling, while at the same time, cash requirements have been increasing, primarily due to increasing freight rates. Therefore, WFP cash resources have been declining and are projected to fall to dangerously low levels by the end of 1980. While the cash position as of December 31, 1977, amounted to \$111.4 million, it fell slightly to \$109.7 million at the end of 1978. It is projected to be at \$76.4 million at the end of 1979 and only \$12.3 million by December 31, 1980. (Source: Document WFP/CFA: 7/4 add 1, page 10.)

## WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

Of the \$4,824,334 cited in the papers given to us as "cash and bank deposits," the greater part of this amount, that is, \$4,731,367, relates to the Madrid Union (Madrid Agreement Concerning the International Registration of Marks, to which the United States is not a party). The Madrid Union is a self-financing system for the international registration of trademarks whose operations are based on fees paid to WIPO by nationals of member States of the Union. If the Madrid Union closes its yearly accounts with a profit, the proceeds are divided among the member States. Thus, in 1977 fees in the amount of approximately \$3,032,000 were distributed to the member States of the Madrid Union.

Therefore, the relationship of "expenditures" (\$9,991,705) to "cash and bank deposits" (\$4,824,334), which is indicated as 48 percent, are not relevant, since the "cash and bank deposits" consisted largely of monies collected by the Madrid Union and on which interest was collected.

PREPARED STATEMENT OF ALEXANDER SHAKOW, ASSISTANT ADMINISTRATOR OF THE  
BUREAU OF PROGRAM AND POLICY COORDINATION OF THE AGENCY FOR INTER-  
NATIONAL DEVELOPMENT

Mr. Chairman and Members of the Committee: I welcome this opportunity to discuss the role of the Agency for International Development (AID) in the International Narcotics Control Program. As you know, this Administration has adopted a multifaceted approach to prevent drug abuse and drug trafficking. While AID was at one time responsible for a broad range of programs in this area, since 1978, the Department of State has assumed primary responsibility for coordinating and financing narcotics control activities abroad. AID now focuses on stimulation of a variety of development programs in primary narcotic producing areas intended to strengthen a narcotics control program. I shall try today to spell out our approach, providing examples of programs now under way.

A recent initiative by the House Foreign Affairs Committee included a specific section in the International Development Cooperation Act of 1979 on Development and Illicit Narcotics Production. AID fully agrees with the section which emphasizes that illicit narcotics production is at least in part a development problem. We agree with the importance you attached to "designing broad development strategies which would offer not only crop substitution alternatives but also constructive educational and social programs for poor farmers involved in narcotics cultivation."

As this provision indicates, this Committee is well aware that the problem of illicit drug production in developing countries is extremely complex and that there are no quick or easy short-term solutions. This is a long-term problem that will involve the overall development of the countries producing these drugs. In addition, effective control mechanisms need to be introduced at an early stage, supported by strong political will of local governments. Funding viable alternative economic incentives is of critical importance, but it is not a panacea and is extremely difficult to institutionalize.

The economic incentives for producing and trafficking illicit drugs are tremendous. In the absence of strict enforcement of drug control laws, efforts to find substitute crops that the drug cultivator can grow which compete effectively with the illicit drug have little impact on the problem. Even if another competitive crop is found, illicit drug prices will increase as a result of the extraordinary demand for the illicit drug. Therefore, only when enforcement becomes effective and the social and economic costs of illicit drug production are substantially increased, can we expect the grower to be responsive to alternative sources of income.

Enforcement of illicit drug control laws by host governments in many instances is not an easy political or economic option. Crops have not yet been found which provide viable economic alternatives for traditional drug producers. Strict enforcement of drug laws could in some cases remove the sole income source for some poor people without providing realistic short-run alternatives.

Another difficulty which cannot be ignored is the possibility that successful rural development activities may in the short-run enhance illicit drug production. Unless coordinated closely with improved enforcement of narcotic control laws, improved services and supplies may be utilized by drug growers and traffickers.

The problem is further complicated by the existence of social and cultural traditions in some narcotic-producing countries based on the legal consumption of products derived from the same source as the illicit narcotics. For example, the use of coca leaf, the source of cocaine, has been found in the diet and rituals of the Andean cultures since pre-Colombian times. Besides being deeply engrained in the cultural traditions and practices of the numerically dominant population groups of the Andes, there is increasing evidence that ingesting the coca leaf in teas and by chewing helps relieve the physical stress required by life in the Andean highlands.

In such an environment, curtailment of the multi-million dollar illegal drug trade will not be easy. We recognize solutions will not be found overnight. We believe, however, that improvement of the economic and social infrastructure of the primary producing countries will ultimately generate viable economic alternatives, and at the same time increase the host government's service role in drug producing regions and improve its enforcement of narcotic control laws.

In light of such a complex problem, the responsibility to develop programs and initiatives designed to reduce the illicit drug traffic is shared by several U.S. and international bodies. As a participant in the Inter-Agency Agreement for Sharing of Information Concerning the Narcotics Producing Regions of the World, AID provides State Department's Bureau of International Narcotics Matters with information on all of AID's activities in drug producing regions and countries. Our Ambassadors in these countries also ensure that AID's activities complement the direct narcotics programs of other bodies.

AID Missions in illegal narcotic source countries give priority to development of drug producing regions. A variety of projects are either currently under way or proposed for fiscal year 1980 in illicit drug producing areas in six Drug Enforcement Agency-listed countries: Afghanistan, Bolivia, Egypt, Pakistan, Peru and Thailand.

#### *Afghanistan*

As this Committee is aware AID is now phasing down its development assistance program to Afghanistan. There are two projects which are now under way which are relevant in this discussion: Central Helmand Drainage Phase II and Afghan Family Guidance Association.

The Helmand Valley is one of the three principal poppy cultivation areas in Afghanistan. The Helmand Drainage project should provide reasonable alternative forms of livelihood to poppy growers or potential poppy growers in the valley. It is estimated that 22,400 low-income farm families, such as tenants,

laborers and owner-operations, will directly benefit from the project by increasing average crop yields on 135 square kilometers of farm land by at least 50 percent from 1975 to 1981. The Government of Afghanistan undertook as part of the project agreement with AID, to assure that no opium poppies would be produced in the project area. Violations of this agreement will, of course, become more difficult for AID to monitor with the phasing down of our program in Afghanistan.

The Afghan Family Guidance Association project will help improve the Afghan standard of living through better delivery of health and family planning services. This could potentially assist in drawing Afghans away from illicit poppy cultivation.

#### *Bolivia*

In Bolivia AID is planning to obligate \$10.6 million in fiscal year 1979 and \$25.5 million in fiscal year 1980 for development assistance.

The primary coca leaf production areas are in central Bolivia on the eastern slopes of the Andes Mountains in North and South Yungas and Chapare Provinces. AID provided a grant of \$7 million to Bolivia in fiscal year 1975 to improve small farm technologies and production practices and to develop extension systems for transferring them in central and eastern Bolivia. In fiscal year 1980 a \$1.3 million program is proposed. This project will expand and strengthen small farmer organizations to alleviate marketing and credit constraints to increased agricultural production. Phase I of the Small Farm Organization Project (\$3.4 million grant) is expected to be completed in fiscal year 1980 and a follow-on loan/grant project for an additional \$12.8 million is proposed for fiscal year 1981. These projects will provide basic services, research and information needed for more diversified agriculture. The project should help coca farmers in central Bolivia transfer their production to other cash crops.

AID is also undertaking several rural development, nutrition, education and health delivery activities in Bolivia which benefit small farmers in rural areas, including the coca farmers. Emphasis has been placed on decentralizing basic health, education and nutrition services.

#### *Egypt*

In both fiscal years 1979 and 1980, AID proposes to obligate \$750 million for security supporting assistance to Egypt. (An additional \$300 million is proposed in fiscal year 1979 as part of the recent peace package.)

The primary illicit drug producing area in Egypt is in the southeast section of the country between Aswan and the border with Sudan. Poppy production has been reported on the increase in this area. In fiscal year 1980 AID is proposing a \$50 million grant to Egypt in the Aswan Dam region to reclaim and increase the productivity of new lands. Irrigation facilities and rural roads will be constructed in undeveloped areas, extension and credit will be made available to farmer settlers, and marketing and social service institutions will be improved.

Other programs in Egypt could have a positive effect by increasing the income-earning potential of small farmers engaged in other agricultural activities and by generating off-farm employment possibilities. Among others, these activities include: a \$12.5 Small Farmer Production and Credit program begun in fiscal year 1979, a \$65 million Private Section Credit program begun in fiscal year 1978, and a \$35 million Rural Employment Generation program proposed for fiscal year 1980.

#### *Pakistan*

AID is phasing out its development assistance programs to Pakistan in accordance with section 669 of the Foreign Assistance Act (nuclear enrichment transfers). AID is planning to obligate \$3.1 million in fiscal year 1979 for the orderly termination of the program.

Most of the illicit narcotics production occurs in the northwestern frontier of Pakistan in the tribal regions which are not controlled by the Government. Therefore, it is expected that AID programs in the area would have minimal effect in reducing illicit narcotics production. However, the Dryland Agriculture Development project in this region could have an indirect positive effect on illegal drug production by providing alternative agriculture production to the poppy farmers. This project was begun in fiscal year 1975 and will continue to expand funds through fiscal year 1980 but no new obligations are anticipated.

*Peru*

In fiscal year 1979 AID is planning to obligate \$27.6 million and \$20.3 million in fiscal year 1980 for development assistance to Peru.

The primary coca producing areas in Peru are located in the high jungle of the eastern slopes of the Andes. There are several AID agriculture and rural development activities in this region aimed at providing farmers with economic alternatives to coca leaf cultivation. One project involves improving corn varieties, introducing soy bean production and developing production techniques and information dissemination for small-scale farmers. Two Research and Training centers are located in the coca production region. The obligation for fiscal year 1979 for this project is \$0.4 million and \$.2 million is proposed for fiscal year 1980, the final year of the project.

In addition to this project, two projects located in the coca production regions are proposed for the fiscal year 1980 program. The Small Farmer Organization Development project will develop local organizations capable of channeling information, commodities and services to small independent farmers in the highlands and high jungle. The Agricultural Research, Extension and Education project will train selected farmers to be quasi-extension agents to meet the needs of small-scale farmers, particularly in the highland valleys. One training center is located in the coca-producing region.

*Thailand*

AID plans to obligate \$12.2 million in fiscal year 1979 and \$15.5 million in fiscal year 1980 on development assistance to Thailand.

Most of the illicit narcotics production occurs in the tribal region of Thailand's northern highlands. In fiscal year 1980 AID is proposing a \$5 million grant to Thailand to stabilize agriculture practices and strengthen community services to the hilltribe population of the Mae Chaem watershed, an area of illicit opium cultivation. AID is also proposing the Hill Area Education project for \$1.1 million to begin in fiscal year 1980. These projects are a part of a \$44 million multi-donor development program proposed by the Thai Government for the hilltribe region. Other donor participants include the UN and IBRD.

Mr. Chairman, the challenge of controlling the abuse of narcotic substances is immense. As you well recognize, it is a long-term problem which requires the type of multi-faceted approach in which the U.S. Government has taken the leading role. AID believes that broad based, long-term development supports the overall international drug control program by providing economic incentives against production of illicit drugs and viable alternative income sources to drug production. These efforts combined with political decisions on the part of drug producing and trafficking countries, as well as increased and improved enforcement of narcotic control laws will in the long term produce positive results.

Thank you, Mr. Chairman.

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PREPARED STATEMENT OF PETER B. BENSINGER, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Thank you, Chairman Wolff, Members of the Select Committee on Narcotics Abuse and Control, for the opportunity of appearing here today to continue the dialogue regarding the 1979 Federal Strategy and its dedication to reducing the negative effects of drug abuse. As we have discussed these past several weeks, prevention, rehabilitation and domestic drug law enforcement are essential elements of the Strategy. I do not mean to detract from their significance; however, the third component of the Strategy, international narcotics control, is perhaps the most important. Drug abuse has no respect for national boundaries; it is truly a global problem and one which requires the commitment of all drug-impacted nations.

The foundation of our international program rests on one unalterable fact: all of the opiates, cocaine and 90 to 95 percent of the marihuana in the United States' illicit market emanates from foreign countries. We know that supply reduction efforts are most effective at the point closest to the source. Simply, the drug control problem becomes increasingly less manageable the further the drugs move from the growing stages in foreign countries to the importing and distribution networks here in the United States.

Establishing drug priorities for an international supply reduction program requires finding the balance between two countervailing factors: (1) the



probability that the drug will cause severe health and social consequences where it is used and, (2) the economic, political and social damages done to source, transit and destination countries by the illegal drug traffic. Thus, as the Congress has agreed, because of the devastating health consequences here, heroin is still our number one priority. Yet, we cannot short-shrift our programs targeted at marijuana and cocaine. The profits derived from the trafficking of these two substances have many of the same worldwide economic implications inherent in the trafficking of heroin: the corruption of political and law enforcement officials, the undermining of legitimate market economies in favor of drug-based economies, the change in land use from needed food production to narcotic growth, and the creation of an affluent drug trafficking elite virtually immune from the law.

An important consideration in developing international supply reduction programs is flexibility. The requirements of our programs vary according to the country and drugs involved, global and political issues and user-demand requirements. Consequently, the constructs of all our programs are based on inter-related diplomatic, enforcement and intelligence objectives and then are tailored to the specific needs of the area involved. Drug Enforcement Administration overseas operations are all directed toward an institution building process. We hope that our efforts will support the long-term objectives clearly outlined in the 1979 Federal Strategy:

\* \* \* narcotics enforcement by foreign authorities will be sufficiently strengthened and developed to ensure (1) a more successful international cooperative effort, (2) the enhancement of their ability to act unilaterally on their domestic enforcement activities and (3) a concomitant reduction in U.S. presence overseas.

The goals of the ongoing U.S. programs are, I think, realistic in terms of furthering international cooperation and disrupting illegal manufacturing and trafficking networks. These programs emphasize the importance of the team approach in contending with the drug trafficking problem. DEA's place is at the forefront of the development of enforcement and intelligence cooperative ventures in order to document the activities of international trafficking organizations to lead to their arrests and subsequent immobilization. The diplomatic initiatives of the State Department and the Department of Justice in advancing bilateral agreements to enhance the capability of governments to trace and document the international flow of illegal narcotic-related financial transactions, mutual assistance treaties and extradition treaties are significant. Accomplishments of this sort will aid DEA in its efforts and will further ensure that there will be no havens left for the drug traffickers. With the Committee's indulgence, Chairman Wolf, I will defer to Mr. Nathan of the Department of Justice Criminal Division to discuss the status of and the implications of these various treaties.

I believe that by describing various dimensions and dynamics of the drug problems worldwide, I will be able to best explain the scope of our international operations. These trends directly affect the course of our overseas programs and determine, for example, manpower deployment. In line with the goals established in the Federal Strategy, DEA has already reduced its staff overseas. We are also developing plans for the relocation of our Regional support staffs to Washington, D.C., Headquarters, in order to comply with the Administration policy of reducing the number of U.S. personnel stationed abroad. These changes will not adversely impact our ability to effectively carry out our overseas mission.

The successful breakup of the "French Connection" in the early 1970's left a temporary void in the world heroin marketplace that was soon filled by a steadily increasing flow of Mexican heroin. By 1975, Mexican brown heroin accounted for 87 percent of all heroin imported into the United States (6.5 of 7.5 metric tons). At that time, the remaining 13 percent or 1.5 metric tons was Southeast Asian heroin. National retail purity of all heroin reached a high of 6.6 percent in early 1976 and the corresponding price per milligram pure was \$1.26 (compared to \$2.19 at present). The effectiveness of the Mexican Government's opium poppy eradication program, in which the State Department and DEA played important roles, coupled with an intensified enforcement program, was responsible for the ensuing significant decrease in the amount of Mexican heroin available. In 1977, Mexican heroin entering the United States was about 3.1 metric tons and it is believed to have fallen to less than 3 tons in 1978. Nationwide, heroin purity is now at the lowest point this decade—3.5 percent. Mexican brown heroin purity, however, is substantially lower, probably closer to about 2 percent.

Since 1975, when the Mexican opium poppy eradication program began, the United States has provided approximately \$68 million for narcotics assist-

ance to the Government of Mexico. At the present time, however, the Mexicans have assumed the bulk of the responsibility for the maintenance of this program. They have incorporated their own extensive pilot training program and aircraft maintenance operation into the total program.

Parenthetically, I would like to express some concern I have about several unverified reports that I have seen very recently regarding availability of Mexican heroin. For the past year, Mexican brown heroin has been scarce in the San Antonio, Texas area. The DEA San Antonio District Office is now reporting that they are detecting an increase in the availability of brown heroin without a decrease in price. The DEA Houston District Office is also reporting slowly increasing wholesale availability of brown heroin in Mexico. Retail-level heroin in Houston had an average purity of less than 2 percent. In recent weeks, however, the Houston laboratory has noticed an increasing number of exhibits above the 2 percent average. This is a trend that we will monitor very closely.

Mindful of the speed in which Mexican brown heroin replaced the French-produced product and cognizant of the growing successes of the Mexican opium poppy eradication effort and the results of joint investigative efforts, DEA managers developed a strategy to place the agency in a posture to combat an anticipated threat of the next likely heroin source—Southeast Asia. Consequently, in June 1977, I announced the creation of the Special Action Office/Southeast Asia (SAO/SEA). All the disciplines and specialties within DEA were tasked to implement a 20-point action program directed at three broad initiatives: diplomatic, intelligence, and enforcement.<sup>1</sup>

As part of the SAO/SEA operation, DEA Special Agents in 30 domestic offices and 20 overseas offices initiated and developed criminal investigations directed at the highest levels of the traffic. As a result, eight of the 30 different suspects identified in the DEA Top Ten Southeast Asian Heroin Violator program have been arrested.

An important component of any overseas operation is the involvement of the local enforcement officials. In my recent meeting with the U.S. Ambassador to Thailand, we discussed the progress and problem faced by the Thai police. The Thais must contend with several national priorities which diminishes the attention they can devote to narcotics enforcement. From our point of view, it is unfortunate that the refugee situation and the problems surrounding the Vietnamese troops on the border preempts the Thai Government's military and political enforcement efforts. We are pleased to note that the Thais have increased their narcotics intelligence collection activity. That information has been of particular value to us both in the United States and abroad. Our relations with the Thai National Police and its leadership continue to be excellent.

A fundamental enforcement objective of SAO/SEA is to develop a program to upgrade the interdiction of Asian heroin at airports from source to destination. Ultimately, the "Integrated Airport Drug Enforcement Program" was conceived to combine the vital functions of investigative effort and Customs control into a total, effective program.

In Western Europe, where substantial numbers of seizures are made at airports, programs of this type are most beneficial. For example, as a result of using the airport trafficker information in Madrid and Barcelona and the intelligence derived from seizures, we are now learning that there is far more traffic in Southeast Asian heroin through Spain than was ever imagined.

In addition to anticipating and consequently watching the changes in the trafficking of Southeast Asian heroin, we have been carefully monitoring the re-emergence of Middle Eastern heroin. In this country, there were negligible amounts of Middle Eastern heroin in 1975; by 1976 it represented about two percent (0.1 metric tons) of the heroin in this country; and in 1977, the Middle East was the source for approximately eight percent (0.4 metric tons) of the heroin imported into the United States.

However, the re-emergence of Middle Eastern heroin has had a far greater impact on the countries of Western Europe. Whereas a year ago in West Germany Middle Eastern represented 20 to 30 percent of the heroin available, it now represents approximately 70 percent. Formerly, West German addicts had to travel to the Netherlands for their heroin supplies; now, Turkish nationals are bringing heroin directly to Berlin. And the street purity there is a startling 35 percent. The traffickers have turned to the West European market, in part, because the United States' coordinated law enforcement program meant too

<sup>1</sup> See appendix A for full description of SAO/SEA program objectives.

many risks. In addition to working closely with host country law enforcement, DEA maintains close relations with U.S. military authorities to monitor the impact of trafficker activity on U.S. citizens stationed overseas.

Because of the real threat that the Middle Eastern heroin represents worldwide, we are again looking to programs that curtail the drug at the source. Middle Eastern heroin is processed in laboratories located in Iran, Pakistan, Turkey, and Afghanistan from opium poppies grown in Afghanistan and Pakistan. To a certain extent, the forced closing of the DEA office in Tehran has created a small intelligence gap. Nonetheless, we know that the problems and instabilities with these Governments create difficulties in establishing and maintaining viable narcotics programs. For example, the family ties of the Kurds on both sides of the Turkey/Iran border are far stronger bonds than those of nationalism. And in Afghanistan, although our relations with the Afghan police are improving, that country's problems with insurgents has taken precedence over narcotics enforcement activities.

Our programs in Pakistan have met with considerably more success. A DEA/Pakistani Customs interdiction effort in Karachi, which has been actively supported by the U.S. Department of State and U.S. Customs Service, has been relatively successful in increasing the effectiveness of enforcement operations by Pakistani authorities. Although not all the seizures have been large, this program is building Pakistani confidence regarding their ability to control the movement of drugs.

As I indicated at the outset, the policy makers have to consider and weigh the social and economic impacts associated with any particular drug when deciding how to allocate limited drug enforcement resources. The National Narcotics Intelligence Consumers Committee (NNICC) estimates that in 1977 the retail value of the marihuana trafficked in this country was about \$20 billion. Similarly, approximately \$15 billion was spent in the retail purchase of cocaine. The vast profits and resulting economic implications associated with the trafficking of marihuana and cocaine compel us to pursue the control of these drugs at the source and investigate the upper echelon of the trafficking networks with great diligence.

As Mexico was this nation's primary source for heroin, so, too, was it for marihuana. Then the Government of Mexico, responding to the belief that marihuana has been the primary drug problem in their country, accelerated its marihuana eradication program using the herbicide, paraquat. The demand for Mexican marihuana dropped dramatically and "untainted" marihuana from other countries, primarily Colombia and Jamaica, soon filled the void in the market.

At present, about seventy percent of all marihuana entering the United States is of Colombian origin and about the same amount of cocaine is processed there and subsequently transshipped here.

This is significant for several reasons. The active psychoactive ingredient in marihuana is THC and the THC content in Colombia marihuana reaching this country is considerably higher than in the Mexican variety. We are concerned because the youth of America are actively seeking marihuana with the higher, more damaging THC content.

Additionally, the economic implications for Colombia are staggering. It is alleged that marihuana has surpassed coffee as the primary cash crop. Drug trafficking proceeds entering the Colombia economy range from \$700 million to \$1 billion annually. Cocaine alone may account for \$400 million of this amount. The drug-fueled inflation rate has most recently been placed at 25 percent.

The economic impact has also manifested itself in another manner. The theft of aircraft and vessels by international traffickers has long been a concern to the law enforcement community. Narcotics traffickers are directly responsible for an increase in vessel thefts along the Guajira Peninsula and are also arranging for the purchase of vessels in other Latin American countries. According to the Colombia press, there was one recent incident where the traffickers attempted to hijack a fishing vessel. In this case, the traffickers were not successful, but the fishermen were unable to cast their nets, since this would slow them down and make them vulnerable to capture. This nightmare has gone on for five years and has caused one company alone to lose 27 ships with total losses, including profits, amounting to almost \$8.5 million.

The Government of Colombia, under the direction of President Turbay, has undertaken very commendable initiatives to interdict narcotics leaving the country. The Guajira campaign, a military effort to interdict the drugs as they leave the principal staging area in that country, is having discernable results. There are indications that the traffickers are shifting some of their plantations and

are altering their methods of operation. The Guajira campaign has been a great deterrent to the small unorganized trafficker; however, far too much marihuana is still available for the major trafficking networks. Long-term initiatives inevitably must include crop destruction combined with interdiction.

In view of the urgency of the marihuana supply problem and the controversies surrounding the best method of eliminating marihuana crops by the use of herbicides, we urge that the highest priority be given to the scientific research and development of safe techniques, chemicals and methods of herbicidal eradication. The sooner such controversial matters are worked out, the closer the United States will be to resolving its marihuana supply predicament.

DEA's enforcement programs are responsive to the changing trends in narcotics trafficking. As a result of the increased role South America plays as a source of supply, the Caribbean has also taken on new significance. This was never more clearly defined than during one interagency endeavor. Operation STOPGAP, which I have described in great detail on prior occasions.

The intensity of such an operation cannot be sustained without detracting from other efforts. Consequently, we needed to ascertain how best to allocate our resources. DEA decided that it would be most advantageous to establish a new Resident Office in the Bahamas. The Bahamas is a primary transshipment point between Jamaica, Colombia and the United States. Secondly, the Bahamian banks have long been used by international traffickers as a sanctuary for their profits.

The office will open right after the Fourth of July holiday and will be staffed by one Special Agent and one secretary. The Special Agent has already spent considerable time in Nassau and reports that there is an excellent working-level enforcement relationship. We anticipate that he will continue to be of support to enforcement officials with their growing narcotics interdiction problem. Our DEA representative will be responsible for complete coordination of all anti-narcotics activities in the Bahamas in which the U.S. has an interest or involvement.

Local enforcement officials from the Bahamas have already participated in several DEA training programs. The Federal Strategy highlights the important role DEA and Customs have with respect to providing technical and management training to foreign enforcement officials. The Department of State sponsors and DEA conducts a variety of programs including In-Country Training Schools, Third-Country Training Schools, Advanced International Schools and Executive Observation Programs that upgrade the capability of foreign law enforcement officers. Significantly, many of the students are drug enforcement instructors in their own countries and apply their new knowledge in their own programs. These programs are yet another example of how DEA and the State Department work in harmony to realize particular goals. An important by-product of these international enforcement training programs is the development and strengthening of ties between U.S. personnel and their foreign counterparts.

In spite of our cooperative enforcement and training programs, there have been far too many instances where major violators have remained virtually undisrupted by taking advantage of the absence of bilateral and multilateral agreements for prosecution and extradition. To reach and immobilize traffickers who did not enter the United States, but were directly responsible for drug law violations here, the United States and Mexico developed a prosecutorial procedure known as Operation JANUS. This is a continuing arrangement by which U.S. certified documentary evidence is used by the Mexican Government to prosecute Mexican citizens and third-country nationals in Mexico. Operation JANUS was initiated by DEA and the Mexican Attorney General's Office by Executive Memorandum in April 1975. JANUS is not limited to Federal investigations; State and local cases are eligible for JANUS consideration.

For the first several years, the JANUS program met with limited success. There was an unfortunate lapse in the program as the Mexican Government changed administrations. I believe, however, that since the U.S. Department of Justice has become more involved in Operation JANUS and since the program will become more formalized through a bilateral agreement, we will see greater results.<sup>2</sup>

Furthermore, we hope to expand this type of program to include other source countries.

<sup>2</sup> See appendix B for JANUS program statistics.

From the law enforcement perspective, in order to immobilize major international trafficking networks, extradition and mutual assistance treaties are of enormous value. Far too many upper-level Colombian narcotics traffickers have been "untouchable" for far too long. I am optimistic that after the anticipated signing of these treaties this summer, a significant impact will be felt in both the United States and Colombia. Furthermore, we would welcome any initiatives that would enable us to trace the flow of money out of the United States so that, by using the appropriate statutes, we could obtain forfeiture of those funds. The currency export legislation, recently introduced in both Houses of Congress, will help resolve the difficulties that the U.S. Customs Service has had in effectively enforcing the current law. Another piece of needed legislation designed to close the legal loopholes with respect to effective interdiction of narcotics on the high seas has been introduced in the House and is most timely.

In addition, I am again recommending that the United States should become a party to the Convention on Psychotropic Substances. The Committee members will recall that this treaty was adopted in 1971. It was transmitted to the Senate for advice and consent that same year, but action was deferred pending passage of necessary implementing legislation.

On November 10, 1978, the legislation was enacted (Public Law 95-633) and I, therefore, urge that this matter be given a high priority.

Legislative proposals such as these would give to the Federal drug enforcement effort much needed support.

In sum, the Drug Enforcement Administration efforts internationally are designed to enhance the capability, interest and activities of foreign drug law enforcement officials. We will maintain the programs outlined above and will, no doubt, initiate new ones in order to promote international efforts for immobilizing key violators and international trafficking organizations. DEA hopes to see the elimination of the greatest amounts of drugs at the source and will promote bilateral and multilateral cooperative ventures in establishing enforcement programs to control drugs.

#### APPENDIX A

##### SAO/SEA TWENTY-POINT PROGRAM OBJECTIVES

A. Diplomatic: Create a climate for worldwide awareness of the Asian heroin threat and an environment fostering greater international cooperation for its suppression.

1. Develop inter-governmental agreements.
2. Develop initiatives to facilitate the prosecution or return to the U.S. of fugitives.
3. Develop a public information program to keep the public informed of the dimensions of the narcotics problem.

B. Intelligence: Identify, define and measure the dimensions of Asian heroin trafficking into and within the United States.

4. Develop and update a Top Ten Traffickers list.
5. Initiate additional Specially Funded Intelligence Projects (SFIP's) targeting major trafficking organizations or sources of supply.
6. Develop a Thai and Chinese language capability for field use.
7. Increase Field Intelligence Exchange between U.S. and selected foreign police agencies.
8. Increase narcotics intelligence training for foreign police organizations.

C. Enforcement: Interdict and suppress the flow of Asian heroin into the United States.

9. Immobilize major trafficking networks, both domestic and international.
10. Continue to pursue selected targets of opportunity.
11. Increase ability to initiate and support inter-regional investigations.
12. Encourage and support cooperative investigations between DEA and host governments and between host governments.
13. Develop a worldwide SAO/SEA fugitive program.
14. Obtain host country commitment and support for the fugitive program.
15. Identify the most important fugitives for priority attention.

16. Establish procedures for legal removal of fugitives or encourage prosecution locally using letters rogatory.
17. Develop an international courier profile alert system for publication at centers of transportation.
18. Improve heroin detection capabilities of selected airports, seaports or border checkpoints worldwide.
19. Improve DEA capability to monitor the Burmese poppy eradication program.
20. Improve DEA capability to monitor the opium poppy cultivation in Burma, Thailand and Laos.

## APPENDIX B

## OVERALL JANUS STATISTICS FROM 1975 THROUGH MARCH 1979

	<i>Number</i>
U.S. certified evidence being prepared by GOM attorney general.....	7
Cases in GOM Court for issuance of warrant.....	11
Outstanding warrants.....	14
Arrested awaiting verdict.....	2
Convicted awaiting sentencing.....	4
Sentenced.....	16
Acquitted.....	5
Convicted but later reversed.....	4
All other miscellaneous situations.....	3
Old cases with unknown status.....	11

PREPARED STATEMENT OF IRVIN B. NATHAN, DEPUTY ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION, U.S. DEPARTMENT OF JUSTICE

Mr. Chairman and distinguished members of this Committee: I am pleased to appear here today to report to this Committee concerning the recent efforts of the Criminal Division of the Department of Justice to enhance the capability of our country and other countries to prosecute and convict persons engaged in international drug trafficking.

Working closely with the State Department, we have attempted to improve the mechanisms by which we can bring to trial in the appropriate country international narcotics offenders. We are also working to improve systems by which evidence, in a form admissible in the courts of the prosecuting country, can be exchanged between nations so that international traffickers do not evade successful prosecution. In addition, we are trying to augment our ability to trace the enormous flow of illicit drug income out of this country so that we can identify, apprehend and convict the narcotics financiers and attempt to obtain forfeiture of the funds as permitted by the narcotics conspiracy statutes.

We have found that prosecutors in drug-impacted countries are becoming increasingly cognizant of the need to cooperate with their counterparts in other countries affected by international narcotics trafficking. This is based on our conversations and correspondence with them, we find that prosecutors in narcotic drug-producing countries, such as Mexico or Colombia, appear increasingly interested in obtaining information in the possession of prosecutors and investigative agencies in drug-receiving countries, such as the United States, concerning the identity, location and methods of drug trafficking in their own country. Further, they have a vital interest in seeing that this country prosecutes, convicts and incarcerates our residents who are procuring and distributing narcotics from foreign lands, thereby subverting their economic and political systems. We, in turn, believe that successful prosecutions in narcotics-growing regions are of substantial assistance to us in stemming the flow of narcotics into this country.

Differences in the legal systems of the countries involved make the process difficult. Many of the countries with which we share a common interest in the narcotics area are civil law countries, which operate under different concepts and procedures from our own common law traditions. For example, civil law countries have adopted the principle that if what they term an "agent provocateur" is involved in an illegal scheme, his testimony may not be used against any of the other participants. In this country, of course, we often utilize the testimony

of a participating undercover agent or informant to prove the illegal conduct of the other conspirators in the illegal operation.

Other differences include the forms of admissible evidence, including the need for or absence of cross-examination, and the ability or inability of a prosecutor to grant immunity to a participant in an illegal arrangement. Further, virtually all civil law countries have a deeply engrained principle of declining to extradite their own nationals to any foreign country to stand trial.

Notwithstanding the difficulties, we have been making substantial progress and expect additional progress in the foreseeable future. The Narcotic and Dangerous Drug Section and the Office of International Affairs of the Criminal Division have worked closely with the State Department to identify the types of provisions we could include in international agreements with other drug-impacted countries to enhance our mutual ability to prosecute narcotics offenders. To date, we have succeeded in negotiating and concluding a number of modernized extradition treaties and treaties dealing with providing mutual assistance in criminal matters. We are confident that a number of similar treaties will be consummated before long with other similarly situated nations.

Among the countries with which the United States has recently concluded extradition treaties are Mexico, Turkey, Colombia, Japan, the Netherlands and the Federal Republic of Germany. The treaties with Mexico, Japan and West Germany are pending before the Senate for ratification. The treaty with Turkey has been fully executed, but not yet sent to the Senate. The treaties with Colombia and the Netherlands have been initialed by both countries, but not yet fully executed. Each of these treaties contains new provisions which we believe will facilitate the extradition and prosecution of narcotics offenders. Unlike some of the older treaties, all of the new treaties include federal and state narcotics offenses, illegal international currency transactions, tax evasions and conspiracies to violate federal laws as extraditable offenses.

The tentative treaty with Colombia, which is expected to be signed by both countries next month, makes a significant breakthrough on the question of extradition of nationals. This development has been achieved as a result of spirit of cooperation and flexibility by the Colombian Government, which has demonstrated its commitment to bring to justice citizens of both of our countries who are engaged in narcotics trafficking.

In the past, Colombia, like other civil law countries, has declined to extradite its own nationals. This prohibition has adversely affected our ability to prosecute certain types of narcotics conspiracy cases. For example, in one case, an Assistant United States Attorney successfully prosecuted three Colombians and three United States citizens for conspiracy to import narcotics into the United States. The Americans were in financial partnership with several unidentified Colombians and made numerous trips to Colombia incident to the purchase and transportation of shipments of narcotics. When the Assistant United States Attorney began to explore the possibility of compelling the testimony of the convicted defendants against their unknown accomplices, he was confronted with the futility of such an investigation because of the inability to extradite Colombian nationals even if they were indicted.

Under the new tentative treaty, Colombia has agreed to extradite for trial in the United States any of its nationals which we can establish were part of a narcotics conspiracy. Article VIII of the treaty provides that neither country will refuse to extradite its own nationals where the offense charged involves alleged acts taking place in both countries with the intent that the crime have an impact in the requesting state. The classic example would be a narcotics conspiracy where the growers, processors, and brokers are in Colombia and the distributors are in the United States. Under this new provision, both countries would be required upon request to extradite any of their nationals who are identified as narcotics conspirators.

We hope that this novel approach will serve as a model for future extradition treaties which we plan to negotiate with other civil law countries whose citizens are engaged with Americans in international narcotics trafficking.

Another innovative approach we have taken to deal with this problem is a provision which requires that if the requesting country refuses to extradite its own nationals, then that country must prosecute the individual for the crimes identified in the extradition request so long as its courts have jurisdiction to try the offense. All civil countries would have jurisdiction to try their own nationals for participating in narcotics offenses. This provision has been adopted

in the new extradition treaties with Turkey, the Netherlands, West Germany and Portugal.

This, of course, leads to the question of how we can supply these countries, and receive from them, evidence in admissible form which can lead to successful prosecutions. In the past, the Department of Justice has supplied to foreign countries evidence used to secure convictions in their courts of international narcotics offenders. One example is the JANUS program pursuant to which the Drug Enforcement Administration has since 1975 been supplying to the office of the Attorney General of Mexico information for use in prosecution there. Thus, even in the absence of formal treaties, it has been possible to supply foreign countries with properly authenticated statements and documents which have formed the principal evidence against foreign narcotics traffickers. However, the procedures often prove cumbersome and difficult, and in some cases there may not have been enough followthrough by the United States to determine whether the prosecutions have been pursued. Moreover, we have had serious problems with the "evidence" which has been supplied to us by other countries. Often it is in a form which is not admissible in our courts.

As a consequence, we believe that we should strive to consummate mutual assistance treaties, which regularize and simplify the methods by which information and evidence can be exchanged in admissible form for prosecution of narcotics and other international offenses.

Although there are executive agreements with certain countries providing for the exchange of information or evidence, our only formal treaty in force on mutual assistance in criminal matters is with Switzerland. Since its adoption in January 1977, the Swiss treaty has proved quite useful. Under the treaty, we have received records of banking transactions, arranged for the recorded testimony of witnesses and located assets which were thereafter frozen by court order. Evidence obtained under the Swiss treaty has played and we expect will continue to play an important part in the investigation and prosecution of defendants in many types of cases, including drug-related cases. A similar mutual assistance treaty with Turkey has been signed and will be submitted to the Senate for ratification shortly.

We are presently in the process of negotiating mutual assistance treaties with Colombia, Mexico and the Netherlands. In fact, at this very hour, representatives of the Criminal Division are in Bogota along with State Department representatives in what we hope will be the final round of negotiations on a mutual assistance treaty. The negotiations with Mexico and the Netherlands will resume in these countries later this year. We hope that the mutual assistance agreements with these countries will provide for even more streamlined procedures than the Swiss treaty.

The primary goal in the negotiations with these civil law countries will be to obtain a relatively simple system by which we can receive evidence in a form admissible in our courts. In the past, we have received, pursuant to letters rogatory, statements made without the opportunity for cross examination by adversely affected parties. Such statements are, of course, not admissible in our courts. Under our proposed mutual assistance treaties, procedures would be developed by which the witnesses would be subject to cross-examination. The statements would then be available to our prosecutors to offer in evidence in trials here.

In the mutual assistance treaty negotiations with Colombia, we are also attempting to resolve a difficult problem relating to the exchange of bank and other financial information. We are seeking to refine the treaty provisions so that we can receive and transmit financial information concerning narcotics traffickers without impinging on the legitimate financial privacy interests of Americans and Colombians who are not involved in illicit transactions. If we are able to resolve the difficulties, we believe the financial information we would receive from Colombia would be extremely helpful in ferreting out the major narcotics profiteers in that country. Coupled with the innovative extradition provision in the new Colombian treaty, which I described earlier, the financial information would allow us to bring to trial in this country principal Colombian dealers who have thus far evaded successful prosecution.

We also hope that we can undertake discussions concerning mutual assistance treaties with the Bahamas, Jamaica and Great Britain on behalf of the Grand Cayman Islands. These common law countries operate under the British Evidence Act, which prohibits them from furnishing evidence until we have



formally instituted legal proceedings in this country. This has sometimes created a Catch-22 problem because until we obtain the evidence from the foreign country we do not have enough proof to seek an indictment from a grand jury. We expect that this difficulty can be eliminated by a well-drafted mutual assistance treaty.

By far the more difficult problem is the bank secrecy laws under which these countries operate. Government investigators report that they are able to trace the proceeds of narcotics transactions through United States banks from which they are transferred to banks in such places as the Bahamas or the Grand Cayman Islands. At that point, we lose our ability to monitor the cash flow because of the rigid bank secrecy laws in those countries. If we were able to follow the flow of money to its ultimate end, we believe we would be better able to identify and convict the large financiers involved in the trafficking and might even be able to obtain forfeiture of any of the funds over which we can obtain jurisdiction.

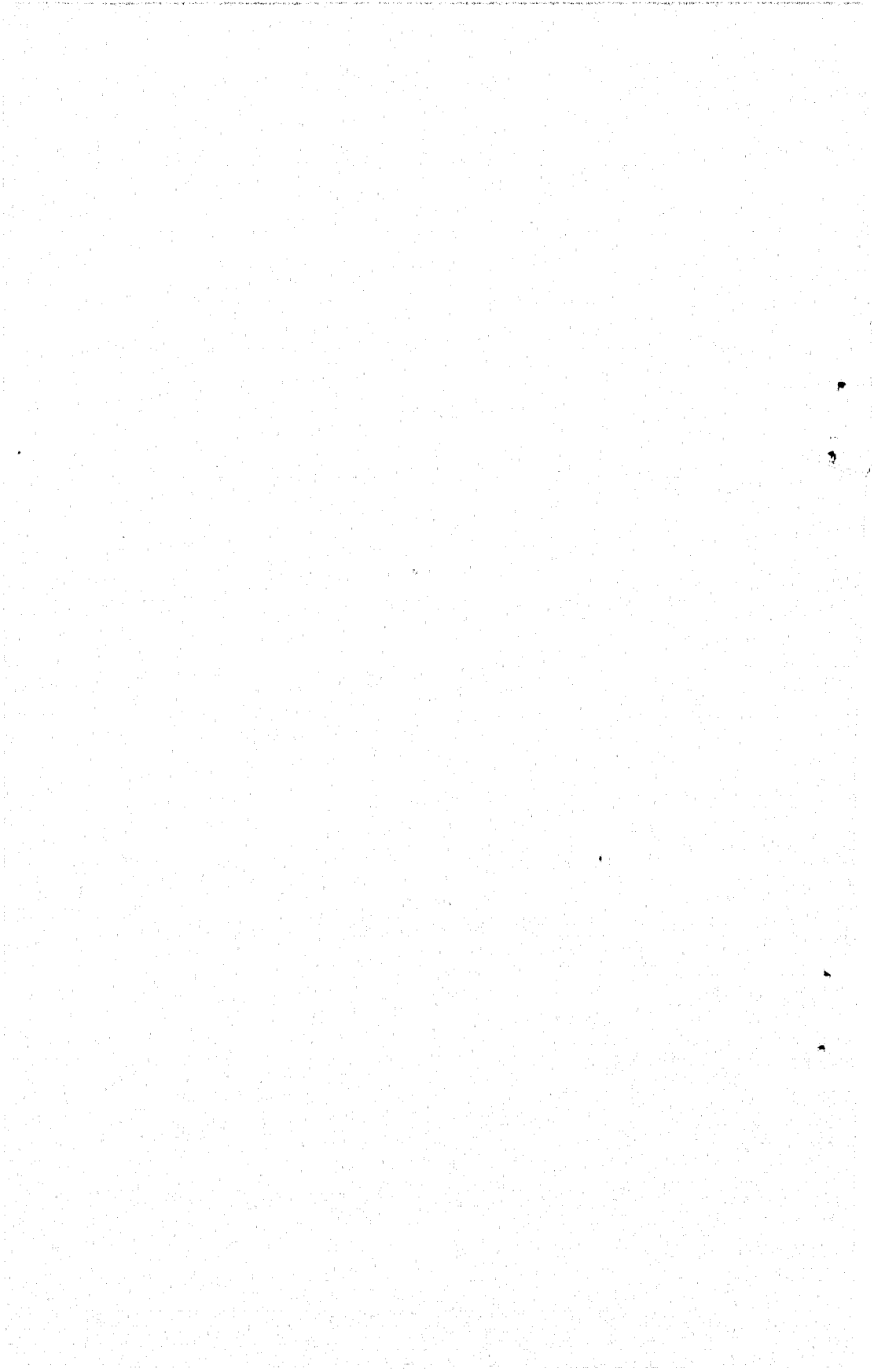
We believe that in negotiations with these countries we can demonstrate, as we demonstrated to the Swiss Government, that the legitimate economies of all nations are adversely affected by large-scale illegal narcotics trafficking and that the international community has a responsibility to avoid shielding these international smugglers and bandits. We believe that it can be demonstrated that it is not in the long term interests of any nation to establish havens, financial or otherwise, for these international criminals.

In sum, the Justice Department has established as a matter of the highest priority cooperation with the prosecutors of other narcotics-impacted countries and the successful negotiation of extradition and mutual assistance treaties with their governments. In this way, we believe that both the United States and our foreign allies can be even more successful in the future than we have been in the past in identifying, prosecuting and convicting the major international narcotics conspirators who are operating against our societies.

We recognize that such prosecutions form only a part of an integrated international drug effort, but the Justice Department believes that it is an indispensable part of any effective strategy. We are gratified by the cooperation we have received from the State Department in these treaty negotiations and look forward to continued cooperation from State as well as the prosecutors and foreign offices of the other countries involved.

I shall be happy to answer any questions any members of the Committee may have.

Thank you.



policy standpoint, as far as we are concerned, there is sufficient evidence to raise a question about the health consequence. Depending upon how you want to read that data, you can say there's sufficient evidence to establish that there are severe health consequences. That point aside, there's nothing that this administration is doing or will do to in any give any other message that one which clearly discourages the use of marihuana. That's been clear in all our statements throughout. Regarding the issue of whether we need to prove the definitive harm that marihuana can cause from a scientific standpoint I believe that the evidence that is currently appearing in the most recent marihuana and health report relative to pulmonary disease and to driving and most important the impact of marihuana use and intoxication on learning with kids—and we're talking about learning not only in the academic sense but in the sense of experiential learning necessary for kids to become adults and go through adolescence—that to me is highly conclusive.

From a public policy standpoint, there should be absolutely no question about where this administration stands on marihuana. We oppose its use. We will do all we can to discourage its use. We have gone into a massive interdiction campaign involving the Coast Guard, Customs, DEA, the State Department, international activities, on the demand/reduction side; we have gone into prevention activities and to lots of media kinds of things, and we are dealing aggressively with that problem. It's unfortunate indeed that so many people are smoking and that other people want to misinterpret what we say and use it for their own ends, but our position is absolutely clear on this.

Chairman WOLFF. Well, I do not want to be categorized as in any way just concentrating on this area of marihuana. What I'm interested in is learning the facts. I think that's what the American people are interested in. They want the facts regarding marihuana and other substances of abuse. There are so many conflicting statements that have come out on marihuana and cocaine particularly, which this committee is concentrating on this year, that there is sufficient license as to create the image that marihuana and cocaine are condoned as drugs or substances of entertainment or, in other words, socially accepted. I think that's one of the problems.

I think what we should do is call the panel to the table so we can start the questions with the other members. I do not know whether or not anybody has a prepared statement. You do not? OK. If you do not, will you please step forward: Mathea Falco, Assistant Secretary for International Narcotics Matters, Department of State; Peter B. Benninger, Administrator, Drug Enforcement Administration, Department of Justice; Robert E. Chasen, Commissioner of Customs, U.S. Customs Service, Department of the Treasury; William Pollin, M.D., Director, National Institute on Drug Abuse; and Admiral John B. Hayes, commandant, U.S. Coast Guard, Department of Transportation, all of whom are members of the so-called Principals Group, and I believe that of the Principals Group each agency of Government is hereby represented.

Mr. Dogoloff, am I correct in that each agency of Government represented on the Principals Group is here represented?

Mr. DOGOLOFF. Yes.

Chairman WOLFF. I'm going to ask a few questions and then I'll pass on to my colleagues here for questions.

One of the major thrusts of this committee is to find out, in each of the agencies that are involved, where the priorities exist so far as prevention is concerned. Why is it that there's been an overall reduction of funds for prevention activities, prevention and education? Mr. Dogoloff, do you want to start off and then maybe we can find out from the individual agencies involved how much attention they are giving to the area of prevention and education.

Mr. DOGOLOFF. Well, as you know, there were very productive hearings that the committee held on the whole issue of prevention. The majority of the prevention effort within the government is lodged in HEW and NIDA has a lead role as far as drug abuse prevention per se, but there are a number of other programs within HEW who can and do in fact impact on producing healthier children, if you will. Dr. Klerman as a result of the earlier hearings that this committee has held is chairing a group within the Department of HEW to look at the issue of prevention. We have met, discussed the issue, and I requested Dr. Klerman to consider the broader issue of how to better focus the number of efforts going on within the department relative to impacting on promoting healthier behavior in children.

In addition, if you look at some prevention efforts in other ways, lots of the things we have been doing relative to the hypnotic drug working group and in controls, physician education, the operation Big Sleep that HEW is currently putting on—all of those are preventive activities dealing not with illicit but primarily with licit drug use.

Chairman WOLFF. Mr. Dogoloff, if I might interrupt, our staff, together with the Library of Congress, has made an analysis, and we have charts here that plot the amounts of funds indicating a 65-percent reduction from 1973 to 1979 in real dollars. This is a result of a study made by this committee and by the Library of Congress which happens to have access to a lot of information and staff that we don't have. Now that seems to be a serious dereliction on the part of the government. On the question of training, for example, there has been a 55-percent reduction in funding from 1973. I don't know whether or not you have these charts but I will be glad to provide them.

On planning evaluation and coordination, there's about a 63-percent reduction. On law enforcement there's been an increase of 37 percent and on treatment and rehabilitation there's been a reduction of 33 percent. That doesn't indicate a thrust that provides for us direction in the areas of treatment and prevention and it harkens back to the old days of—with due respect to the memory—of Mr. Anslinger. Are we going back to those days? Are we going back to the days when the only answer to the drug problem was to have more guys sitting around with heavy weapons and what have you?

Mr. DOGOLOFF. Mr. Chairman, no, we are not, in direct answer to your question; and I would like to exchange charts with you. I have one that I'd like to provide for you as well, because we have an analysis of a budget summary of the Federal drug abuse program looking at prevention versus law enforcement from 1973 to the estimated 1978.

In the 1960's, one could suggest that virtually all the Federal effort was a law enforcement one with only a few public health—

Chairman WOLFF. Excuse me. One point staff makes here—have you adjusted yours in real dollars?

## OVERSIGHT HEARINGS ON FEDERAL DRUG STRATEGY—1979

TUESDAY, JULY 10, 1979

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,  
*Washington, D.C.*

The Select Committee met, pursuant to notice, at 10:15 a.m., in room 2237, Rayburn House Office Building, Hon. Lester L. Wolff (chairman of the committee) presiding.

Present: Representatives E de la Garza, Charles B. Rangel, Billy L. Evans, Stephen L. Neal, Robin L. Beard, Benjamin A. Gilman, and Lawrence Coughlin.

Staff present: David Pickens, chief of staff—supply; Robert Hundley, chief of staff—demand; Richard Carro, staff counsel; and Elliott Brown, professional staff member.

Chairman WOLFF. The committee will come to order.

Before I formally start this hearing, I would like to state that in line with the new policy on energy in Government buildings where we are all now limited in air-conditioned settings any of you who would like to remove your coats, feel perfectly at liberty to do so. I'm going to remove mine to set a pattern here so it's understood that we are abiding by the policy of conservation that's been set down by the President. Anybody who wants to take off their coat can, and it means we're going to have a shirt sleeve session today.

First of all, the Select Committee on Narcotics Abuse and Control was created in July 1976 to undertake a comprehensive review of drug abuse and its impact on American citizens. Today's hearing is the culmination of four previous oversight hearings which focused on the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention. We want to make a point here that we are—and I speak for the entire Congress—appreciative of the cooperation that's been extended to us by the executive agencies of the Government, especially with the Domestic Policy Staff and its representative, Mr. Dogoloff, who's been most cooperative with our committee.

Since the creation of the Select Committee, the executive agencies have assisted in our understanding of the scope of drug abuse both through our oversight capacity and through our field investigations that we have conducted. At times the agencies have been somewhat critical of the steps that have been taken by the committee, but we believe in trying to establish independent sources of information. We have not tried, in any fashion, to interfere with the executive agencies in the course of their investigations. Wherever it is necessary, we have proceeded so as not to impede an ongoing investigation. We have seen

to it that our staff has withdrawn from the particular investigation and come back later on to pursue our investigative activities.

At times we found it necessary to be somewhat critical of their efforts, but these were intended to be constructive criticisms and not indicative of an adversary position. I have indicated this a number of times before.

In its study of the drug abuse problem in America the Select Committee has continually stressed the need for ongoing interagency coordination to effectuate a better national drug abuse control policy. Enhanced interagency coordination has remained a dominant theme in the executive strategy for drug abuse year after year; although the 1979 strategy contains broad policy pronouncements, it contains—and I must say this—no specific plan for the implementation of that interagency cooperation.

In March 1977, when the President revitalized the Strategy Council in order that a national drug abuse strategy be developed, the Nation again awaited an effective blueprint to stem the tide of drug abuse. In the Congressional Resource Guide, this committee emphasized that drug abuse could never be totally eradicated. We know that and I think everybody agreed with that point, and the fact that State and local initiatives must play a major role in the process of controlling narcotics supply as well as reducing demand. However, the continuing failure of the Federal Government to provide sufficient resources with which to implement drug abuse control continues to impede our goal of reducing the cost both in social and economic terms. That may be partly the Congress' fault. That may be partly the fault of DEA. We certainly don't want it to be the fault of the executive agencies involved by their failure to make the request for the funds necessary to implement what is the overall strategy.

In its interim report of 1977, the committee recognized that the first half of this decade witnessed the exponential growth of narrowly defined demonstration programming, various Federal strategies, several executive policy positions, interagency agreements, as well as separate State and local action plans. Since 1973, there has been a 37.8-percent real growth in our Federal law enforcement budget to combat narcotics. This, however, has been accompanied by a rise in polydrug abuse and alcoholism in America. Conversely, this period also witnessed a real dollar decline in resources earmarked for drug abuse treatment, rehabilitation, education, and prevention. I think that is a serious problem we face and I think we must redirect the energy into a more constructive fashion. It's comparable to the effort that is being made to construct new jails and not attack the social problems that affect our society; where there is an effort to cut back on social costs but what we're really doing is adding to the cost that the American taxpayer must pay in incarceration of those individuals who commit infractions of the law. The preventive effort is much less costly than the final enforcement effort.

The significant decrease in the price purity of heroin, as well as heroin-related deaths, has been coupled with increased seizures. I don't know whether or not you're going to tell me today that the 10-percent figure still pertains to the question of interdiction, but if the 10 percent still pertains you're doing a lot better job. However, I'm anxious to find

out if there's any difference among the agencies involved as to the amount of seizures and interdictions and the methods by which you extrapolate your figures.

At a time when the street purity of heroin is the lowest in history, it should be noted that the availability of marihuana and cocaine, and the abuse of licit drugs, is at its high point. We have seen a simultaneous increase in 12- and 13-year-olds smoking marihuana. Some recent surveys have shown that young people using marihuana prior to the 10th grade has increased 30 percent and that number of young people using marihuana daily has increased an alarming 167 percent. Street-level drug trafficking in this Nation is now estimated to be as high as \$40 billion a year, and I think we've got some other figures that show \$46 billion a year. I personally am not as impressed with the overall amount as much as with the target area of finding out ways and means whereby we can decrease the overall number of abusers. It's obvious that inflation has hit the drug market too, and that prices are going up. The public is much more aware now of the intensity of our problem and is exerting pressure on State and local governments, as well as on the Federal Government, to take meaningful action.

We have asked the Principals Group to appear before us today because, as stated in the 1979 Federal Strategy, the Principals Group has emerged as the most effective coordinative mechanism through which a Federal drug abuse program can be implemented. My concern is that indeed we have a policy and have had a policy, but the existence of policy does not indicate the presence of a strategy supported by the resources necessary to accomplish this mission. My point to you is I think it is long since past time where we just accept the proposition that cuts have to be made on an overall basis, in various departments, regardless of the mission that is assigned to that particular agency of government.

I don't believe in the broad "meat-ax" approaches that have been used in the past. If I did, I would be voting for and I think the whole Congress would be voting for the 2-percent or 5-percent overall cuts that have been advanced by certain Members of the Congress. We don't vote that way. Yet it seems that the administration has acted in that fashion and maintains that we've got to impose an overall cut of 5 percent or 3 percent or whatever it happens to be in the funds of every agency of Government. That is just not the way it should be operating.

If the problem is increasing—and it is because there is evidence of overall abuse—then I don't think that these agencies that appear before us today should have the same degree of cuts inflicted upon them as is inflicted upon some other agency of Government where there is gross waste and inefficiency. I'm hopeful that that situation does not exist within your departments. I think a more intensive effort should be made within the drug abuse area and more moneys devoted to the area of drug abuse control. If there's one major problem that erodes our society today it is drug abuse. If we continue to have to wait in gas lines for hours, I don't know what it's going to take in order to bring down the temperatures of those people sitting in the line. It seems that we are experiencing greater frustrations today and as a result of that perhaps we have to pitch our emphasis in some direction. I find that

there is no indication that a specific prioritized and focused blueprint exists for the Federal Government to pursue in treatment, prevention, law enforcement, or our international program.

It is this concern which has prompted the committee to call you here today. Representatives from the executive agencies outnumber the Congressmen present. I feel somewhat like a lone wolf sitting up here. There was an emergency meeting of the Foreign Affairs Committee called for this morning a number of our members are at that meeting. The Judiciary Committee has a number of our members there at a meeting. I take it that other members will be coming by shortly, but the most important element here is to put on the record that we do have a response from the administration as to the course and procedure for the future of our drug abuse strategy.

Therefore, I'm happy to call as our first witness today Lee Dogoloff, Associate Director for Drug Policy, Domestic Policy Staff, the White House, and chairman of the Principals Group. Mr. Dogoloff, we are happy to have you here before us. Mr. Dogoloff, you have taken the oath before this committee and that oath still applies. We'll just proceed without your being resworn.

**TESTIMONY OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR FOR DRUG POLICY, DOMESTIC POLICY STAFF, THE WHITE HOUSE, ACCOMPANIED BY MATHEA FALCO, ASSISTANT SECRETARY FOR INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE; PETER B. BENSINGER, ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE; ROBERT E. CHASEN, COMMISSIONER OF CUSTOMS, U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY; WILLIAM POLLIN, M.D., DIRECTOR, NATIONAL INSTITUTE ON DRUG ABUSE; AND ADM. JOHN B. HAYES, COMMANDANT, U.S. COAST GUARD, DEPARTMENT OF TRANSPORTATION**

Mr. Dogoloff. Thank you, Mr. Chairman. I am again pleased to be here today to conclude the series of hearings on the 1979 Federal strategy for drug abuse and drug traffic prevention.

I would like to particularly thank you and members of the committee for drawing attention to the 1979 strategy and for your extending your commitment to meeting the challenges which it proposes. I have submitted a very lengthy statement for the record which I will very briefly highlight here because it details much of the work that has gone on and some of the new initiatives that we are taking. This, in addition to the strategy document itself, really does set the framework for the Federal drug effort.

[Mr. Dogoloff's prepared statement appears on p. 476.]

Mr. Dogoloff. The series of five hearings on the strategy, which I have attended, provide the best possible forum to gage the extent of Federal cooperation and the effectiveness of this cooperation. I am pleased to say that not only is it evident that clear policy has been established in the drug abuse area but, just as important, drug program managers know about it and are conducting their programs in accordance with its directives. Coordination among the executive branch



agencies is better today than it has ever been. In my prepared statement I have detailed a number of specific directives that the President set forth in his message to the Congress of August 1977 and the achievements carrying out of those specific objectives by the various program managers.

The Federal drug abuse programs enjoy strong leadership. The problems which arise are, for the most part, situational rather than endemic. I don't want to appear before you and suggest there aren't problems because they do continue. But as conflicts arise they are not swept under the table but rather they are put forth, addressed quickly, directly, and I believe successfully through mechanisms such as my office, the Principal's Group, and the Strategy Council on Drug Abuse.

Together, we and the Congress, have been involved in a wide number of coordinated Federal initiatives which have included, among others, the development of the strategy itself, the southeast initiative, the Federal response to the PCP problem, a clarification of the Federal Government's marihuana policy, the formulation of an illicit crop destruction policy and examination of steps which might be taken to prohibit the manufacture and sale of drug paraphernalia throughout the country.

In addition, I want to highlight an initiative that is now in its second month. We are cooperatively participating in the development of a 5-year plan for the drug program. Up until now, we have gone on a year-by-year basis with the Federal strategy being an annual document, looking at where the program is going and how we are going to get there. The Principals Group feels that that is insufficient, that we do in fact need to set some broad goals and some very specific and clear measures as to how to reach those goals over the next 5 years and for that plan to have the broadest endorsement throughout the Government.

I am pleased to inform you that each of the agencies involved, including my office, have, from our own perspectives, gone through a thoughtful process of preparing an initial draft, then circulating it among ourselves for each other's comments. Then based on what we have all put together, we will review it, and it will be a major topic of discussion again at our Principals meeting scheduled for tomorrow.

The list that I have mentioned is not at all inclusive, but it does represent the kinds of issues upon which the executive branch has focused during the past year. As you well know, an expanded list of activities has been included in my prepared statement.

We, in the executive branch, cannot accomplish these objectives alone. We must look to the other two branches of Government and to the American people themselves who will ultimately succeed in eliminating drug abuse as a problem in our country. Thank you.

Chairman WOLFF. Thank you very much, Mr. Dogoloff. We could actually suspend the questioning of you until we get the rest of the panel before us with their individual statements. However, at the outset, I think it's about time that we paralleled the effort in the energy crisis and perhaps had a "summit meeting" on drugs. Rather than having you sit opposite us at the table we could all sit around the table together. I think this is most important. I think it would be a good idea if you had a Principals meeting of some sort and considered us one of the principals.

Mr. DOGOLOFF. Well, we do—in principle, we do consider you one of our principals.

Chairman WOLFF. But in practice not.

Mr. DOGOLOFF. And in practice, as we develop a very early draft, as a matter of fact, of the strategy, we did share that with you and other members of the committee and we hope at the point that we have a beginning draft of a document with the 5-year plan we would very much appreciate the opportunity to sit down with you, review that, get your input, and incorporate your suggestions so it can be a joint document.

Chairman WOLFF. What troubles us—and I was just speaking with Congressman Evans on this—is the fact that there is a failure of the administration to speak with a single voice on overall policy in certain areas of our drug abuse policy. I refer to the question of marihuana itself which is perhaps the most pervasive abused substance.

How is it that we can't get some definitive statement from the administration as to marihuana itself? We have none. Now I understand you're going to have a definitive statement coming from HEW on paraquat. Why is it we can't get a definitive statement on marihuana?

Mr. DOGOLOFF. Well, the policy statement regarding marihuana is clear.

Chairman WOLFF. Oh, I disagree with you. It's not so clear. It may be clear to you but it's not clear to us.

Mr. DOGOLOFF. I would be happy to try to clarify it.

Chairman WOLFF. Maybe you can interpret it for us, but I think we're speaking in different languages. I think you're speaking in the language of trying to be all things to all people. You're not really giving a positive determination as to the effects of a substance like this and actually, although it is said that you're not encouraging the use of marihuana by a lack of any positive statement about its effects and conclusive determinations, there is, in fact, an encouragement of the abuse of a particular substance.

Mr. DOGOLOFF. I can share with you a number of public statements that I have personally made and that other people in the Principal's Groups have made regarding the health issues relative to marihuana. There has been the annual marihuana report sponsored by the Department of HEW. There's also going to be another study of the health consequences. But let me share with you a notion that I have come to believe regarding the difference between public policy determinations and marihuana and scientific information and proof. It seems to me that from a purely scientific standpoint we may need to have studies showing harm which can be replicated over and over again. For the scientists, the level of proof is quite high and I think quite different than what the level of—

Chairman WOLFF. Is it any higher than tobacco?

Mr. DOGOLOFF. No, and I would hope that we don't have to go through 50 years to figure it out as we did with tobacco.

Chairman WOLFF. Well, the point is, we have made a definitive statement on tobacco today and we have not made one on marihuana.

Mr. DOGOLOFF. I suggest that we have made one on marihuana. The position of this administration has been from the very beginning to discourage the use of marihuana and all other drugs. From a public

Mr. DOGOLOFF. These are actual budgeted figures.

Chairman WOLFF. Do you know there's inflation?

Mr. DOGOLOFF. Yes, I understand, but we're talking about the relative balance and inflation was equal on the prevention and the law enforcement side. I thought one of the issues you were getting at had to do with what the balance of the program was between the two and I would suggest that in 1974-75 the prevention side is when the program was pretty much stabilized, that there was a large influx of money in 1972, 1973, and 1974, and in fact more than could be responsibly spent on drug abuse treatment at that time and when it stabilized in 1975 you can see the figures have pretty much remained constant.

Chairman WOLFF. Well, let me interrupt. I think we'd better engage in a dialog. My time is up now and I'm going to ask unanimous consent to proceed for 1 more minute. Your own figures show that drug abuse prevention in the year 1973 was \$466 million, law enforcement was \$214 million.

Mr. DOGOLOFF. That's correct, and that was a program in balance at that point.

Chairman WOLFF. All right, use your terminology. All I know is the fact I'm a businessman, not a lawyer. I know the bottom line says you're spending less money now in 1979—you are spending \$393 million against \$466 million, yet in law enforcement you spent \$214 million and now you have doubled that to \$433 million. I don't care what kind of dollars you want to use. The figures just do not add up and you're indicating a balance, sure, if you're going to say we're going to spend 50 percent in enforcement and 50 percent in prevention, that's fine; but, the fact is that you have reduced the amount of money that you spent in dollars on prevention and you have increased and doubled the amount you spent on enforcement.

Mr. DOGOLOFF. But again, it seems to me 1973, 1974, 1975 were very early times and at a time when we didn't really know how much the drug abuse prevention program needed and could assume. There was almost unlimited money and at that point is when the program stabilized and from 1976 through the estimated 1980 the changes are quite modest.

Chairman WOLFF. Let me ask you one other point here. Does your prevention include treatment?

Mr. DOGOLOFF. Yes.

Chairman WOLFF. It does include treatment?

Mr. DOGOLOFF. Yes.

Chairman WOLFF. Well, that's even worse, if you will excuse me for saying so. If you're going to include treatment and prevention and say you've got a greater number of people who are involved in the substance abuse today, you're spending less money on prevention and treatment and more on enforcement. I'm a big believer in enforcement, as the DEA knows I have supported their effort and the effort of Customs, but I do think we have to change costs. I think we have to consider prevention. Maybe you don't remember the old adages as we who are a little older do, but there used to be something about the "ounce of prevention" you know. I think that is part and parcel of the committee's thinking. You can comment on the fact that you're now equalizing the budget, but we in the Congress feel that there

should be a much greater effort expended in the area of prevention. That is in the area of education and gets us back to the policy decision to the people who were involved in improving the social conditions in our country to see to it that there is less of a reason for people to get involved in the drug or chemical society.

Now I have just one final point. In August 1978, as I understand it, the Secretary of Labor advised you that they did not feel it was necessary to be a member of the Strategy Council. Am I correct in that?

Mr. DOGOLOFF. That's correct.

Chairman WOLFF. That being so, why is it Labor did not participate in the Principals Group since the lack of employment can cause a great social unrest in this country?

Mr. DOGOLOFF. The reason they don't participate in the Principals Group is because the principal mission of the Department of Labor, unlike most of the other people sitting around the table, is not drug abuse.

Chairman WOLFF. Just a minute. You've got the Department of State. Their principal mission isn't drug abuse. Maybe it's a dereliction of the Department of Labor that they don't have somebody in there looking at drug abuse.

Mr. DOGOLOFF. In saying that, that does not mean that they are not involved in the interagency coordination. There is a treatment and rehabilitation interagency group that's now being formed and we will have representation at the Assistant Secretary level from the Department of Labor. We have been working with the Department of Labor on the CETA program in making CETA slots available to drug abusers. I met as recently as yesterday with the people from the Department of Labor to focus on youth and unemployment. So there's a lot of interaction going on.

Chairman WOLFF. Mr. Dogoloff, if Mr. Rangel were here, speaking again to the Rangel formula, if he were here, I'm sure that he would say that this is a very serious problem. We have heard that unemployment does increase the abuse area and therefore feel there's a serious problem there. I think we can defer to Dr. Pollin on that. I don't see Treasury represented. We do have Mr. Chasen. Do you speak for all of Treasury or just Customs?

Mr. CHASEN. I think I can speak for all of Treasury.

Chairman WOLFF. Including the IRS?

Mr. CHASEN. No, not the IRS.

Chairman WOLFF. Well, they are noticeably absent.

Mr. DOGOLOFF. But again, not absent from the workings of the interagency coordination, and I have had meetings with them.

Chairman WOLFF. They are not part of the Principals Group, Mr. Dogoloff. I feel that if we harken back again to some of the cliches, if we don't learn from history, then we are condemned to repeat those errors. The fact is that we found one of the most potent weapons against the illegal liquor traffickers was the IRS in the days of prohibition, and why they are not part and parcel of this whole Principals Group is beyond my understanding. I know that they are under a variety of restrictions that were placed upon them by the Congress, but by the same token, those restrictions refer to individual returns and the question of privacy. IRS certainly should be part of the overall strategy that is being directed at the attack on the traffickers. My

time has expired a long time ago and I yield to Congressman Evans.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. Dogoloff, I'm becoming increasingly concerned about what I think to be a lack of coordinated policy. I realize what you have said in your statement and agree that your office does speak very clearly, but I understand your office to speak for the various executive agencies. So far as administrative drug policy is concerned—and I disagree very sincerely and very vehemently that all of the agencies are speaking with one voice regarding drug policy. I'm very curious to know just who is setting drug policy in the various agencies and I'm not seeking to step on anybody's toes this morning, but I want to ask some questions to find out just where we stand.

I have a report on drug use and misuse submitted to the President's Commission on Mental Health, February 15, 1978. One of the principals is Norman Zinberg, whom I understand might be a witness at a later time, and my first question is, why would we have a person on the board of directors of an organization which is set up for the express purpose of reform of marihuana laws and the decriminalization of marihuana serving in a capacity as chairman of this liaison task panel? Why would we have such a person as an adviser to NIDA? And I would like to find out from—do we have a NIDA representative here?

Mr. DOGOLOFF. Yes, Dr. Pollin.

Mr. EVANS. I'd like to find out from Dr. Pollin what, if any, recent research has been done on paraquat as used on marihuana and what the results of that was and if there was any effort by HEW to discourage the testimony as to this particular research. I think that's enough questions to get started with, but I have a number of others that I'd like to go into.

Mr. DOGOLOFF. On the issue of Dr. Zinberg, he's a member of the NIDA Council and he was appointed to help work on the Mental Health Commission which was an activity outside of our office, but we did share in working together with them and I don't think that any of the final recommendations that came out of the Mental Health Commission Report, including those within the drug and alcoholism or drug area, are inconsistent with our policy.

Mr. EVANS. May I interrupt you? Let me just read you some of the recommendations and refer back to some of the things that have already been pointed out. First, the task panel recommends that drug education and prevention strategies be aimed at the avoidance of the destructive patterns that psychoactive drug use and that an immediate cessation be imposed on the development of materials and programs aimed exclusively at prevention of all use. This seems to tie in with the reduction of the resources used to prevent the use of illegal drugs.

The task panel recommends that future Federal research focus on longitudinal studies that view psychoactive drug use behavior as a socially evolving process imposing its own constraints and limits on the majority of the using population so that the whole thrust of this recommendation seems to be reflection from time to time with the various agencies, not from your office, but from the various agencies that we're talking about.

Mr. DOGOLOFF. I suggest that that's a recommendation from a public panel and I look to my guidance from the statements of the President

as opposed to the statements of that panel. In the August 2, 1977 message to the Congress the President was very clear in saying that the objective of this administration, the policy of this administration, is to discourage all drug abuse. Now—all drug use—I'm sorry. The words were all drug use, and that's the policy that we're going on. That's the President's policy. I think if we have outside people come in, they are certainly welcome to give their opinion. That doesn't mean that we're bound by their opinion for policy implementation and I would take issue with that. But I would also suggest that Dr. Zinberg has a view that is very helpful in thinking about the drug abuse problem. I'm not suggesting that I agree with all of his views, but I think on something like a NIDA Council, I think when people are getting together to look at various policy options, that oftentimes it's very helpful to have somebody who is in some ways on the fringe in thinking in either direction because that in and of itself stimulates thinking that is different and stimulates discussion and creativity. That's different from saying that because he is appointed as a member of the NIDA Council by the Secretary that that reflects the position of the administration; therefore that the administration therefore embraces fully his position on various issues, and I would also defer to Dr. Pollin on the issue of—

Mr. EVANS. I ask unanimous consent for additional time to follow this line.

Chairman WOLFF. Take all the time you need.

Mr. EVANS. Dr. Pollin, you heard the question, and is it true that Dr. Zinberg is an adviser to NIDA?

Dr. POLLIN. Mr. Evans, he is one member of our National Advisory Council.

Mr. EVANS. Is it also true that he's on the board of directors of NORML; which is an organization to promote the legalization and the decriminalization of the use of marihuana?

Dr. POLLIN. Yes, it is.

Mr. EVANS. That, to me, as a Member of Congress—we are in the same situation—there's no doubt in my mind that it would be a conflict of interest in that type of situation where we served on both boards. Do you see any problem with a conflict of interest there where he's serving on the board of directors for a specific purpose of promoting certain legislation, and you don't see any problem with that?

Dr. POLLIN. Yes, I see a problem with the question, Mr. Evans, and I'm trying to think through that and how to respond to it. As Mr. Dogoloff has said, Dr. Zinberg does represent a particular point of view which has been an important and vocal point of view in this country in the past decade. Dr. Zinberg was not nominated as a council member by NIDA staff, but we recognize him and he's recognized in the field as an articulate and competent spokesman for a point of view which many people in the Government do not share.

Mr. EVANS. Dr. Pollin, if I might bring the board to answer the question that I'm asking, might I give you just a little further background, which I'm sure you're aware of. NORML is an organization which is rumored to receive a great deal of its funding from Drug Paraphernalia, which is a private enterprise business which derives its income from the sale of paraphernalia which is used to help the person use drugs illegally.

Now if that be true, that part of the funding for the organization is coming from that source, and if it be further true that Dr. Zinberg is on the board of directors of that organization, can he serve any useful purpose as an adviser to NIDA, under any ethical standard that we have in this country for Government, and NIDA is a part of the Government?

Dr. POLLIN. I'm not familiar with the allegations you made concerning that particular source of funds you referred to with regard to where NORML derives its funding. I think that—

Mr. EVANS. What was your statement? Are you saying that you're not aware of that, or you are saying that that's not the case?

Dr. POLLIN. I'm just saying I'm not familiar with that particular issue. I'm saying that I do think somebody like Dr. Zinberg, which represents a point of view which many of us may differ with quite vigorously, can conceptually be of some use in that that point of view is perhaps best dealt with and argued with by other members of the Council rather than our always being in an adversary position.

Mr. EVANS. But, Dr. Pollin, if you're not aware of the source of the funding of NORML, then you have no basis to judge Dr. Zinberg's views. That's like the chairman of the board of Exxon serving as the chairman of the Interstate and Foreign Commerce Committee. Certainly he has a different point of view to offer from many of the other Congressmen, but he also has a conflict of interest, and that's the point I'm making in this situation. Is there no feeling—am I completely wrong on this?

Mr. DOGOLOFF. Might I suggest that, given the fact that appointments to the NIDA Advisory Council are in fact made by the Secretary of HEW, that we ask—

Mr. EVANS. Is the Secretary of HEW—is HEW a part of the executive branch that you speak for, Mr. Dogoloff?

Mr. DOGOLOFF. Yes, and I would suggest that we ask the Secretary of HEW to clarify this position. I'm sure that there are some guidelines in terms of conflicts that might exist for appointments of people to various advisory councils, and that we could get that clarification from the Secretary and ask the Secretary to pursue the issue that you're raising here and measure that against whatever current policy exists regarding these appointments.

Chairman WOLFF. Would the gentleman yield?

Mr. EVANS. I yield.

Chairman WOLFF. My own personal view is that in these advisory councils we've got to get a variety of views and not be bound to one line of discipline that restricts the appointment to advisory councils of people who particularly agree with our position. I know the gentleman's line of questioning resolves itself into something that goes further than that—

Mr. EVANS. Mr. Chairman, it's a question of conflict of interest. I have no objection to promarihuana or proheroin or prodrug usage people serving on panels, but where that same person is serving as a chairman of a board of an organization whose specific purpose is to promote legislation which would legalize the use, or decriminalize the use, of a certain substance, then I see a conflict of interest, the same as I would in the other instance that I cited. I certainly don't object to

other views. I think we have a mixture of views on this panel, but that's not the question I'm addressing. I'm trying to find out the motives for some of the advocates that are involved in the decisionmaking process, and if I might follow up, I never did get the answer on the question of the research which has been done on paraquat, and if I might preface those remarks, Dr. Pollin, with the fact that we had a panel which included a representative of NIDA, and we had no testimony about the use of paraquat on marihuana. All of our research that was brought before us on our panel had to do with paraquat being tested by itself. Has such a scientific study been made by NIDA?

Dr. POLLIN. First, Mr. Evans, I don't think that the panel you referred to had a representative from NIDA on paraquat.

Mr. EVANS. It may not have had, but we would like to have had a representative from NIDA.

Dr. POLLIN. There is one preliminary study now underway at Mt. Sinai which is, to my knowledge, the first study which is looking at the actual effects of paraquat sprayed marihuana in animals. Thus far, that study has only yielded preliminary acute results. It's been the data which is available which is from a single acute exposure rather than chronic exposure.

Mr. EVANS. That's 10,000 parts per million, is it not?

Dr. POLLIN. Actually, the animals have been exposed to a variety of levels which range from 1,000 to 10,000 parts per million.

Mr. EVANS. Are there any results from that study, or preliminary indications, that would show that at 1,000 or 5,000 parts per million there's no more damage to the lung from marihuana with paraquat than there is with marihuana smoked without paraquat?

Dr. POLLIN. That is correct.

Mr. EVANS. Should not that be made available to the State Department in their decisions and in the congressional decisions dealing with the continuation of help to people like Mexico, or countries like Mexico, who are using paraquat?

Dr. POLLIN. That study, despite the fact that it's still in preliminary form, when those initial results were obtained, we communicated those results to Dr. Foege, Dr. Rall at CDC, and I have been in discussion with their staff so they can factor these results into the much larger volume of experimental data which is available concerning paraquat, and determine whether it should influence the Secretary's decision.

Mr. EVANS. Are you aware of Mr. Califano's being on the brink of issuing a decision or admonition about paraquat at the present time?

Dr. POLLIN. The Secretary is awaiting responses from the Environmental Protection Agency [EPA] and the Department of Agriculture before he finalizes his decision.

Mr. EVANS. Is that the case, or is that the information that's being put out for public consumption, or do you know?

Dr. POLLIN. I discussed the matter this morning with representatives from the Department and that was the information I received.

Mr. EVANS. The decision hasn't been made yet?

Dr. POLLIN. It is not in final form.

Chairman WOLFF. Would the gentleman yield further at that point?

Mr. EVANS. Yes.



Chairman WOLFF. EPA and Agriculture are working on a statement to HEW; is that correct?

Dr. POLLIN. Yes.

Chairman WOLFF. Are they testing, as the gentleman has requested, paraquat alone or are they testing the effect of paraquat on marihuana and its comparable utilization or comparable effects?

Dr. POLLIN. I'm not familiar with the details of the procedures those two departments are engaged in or the specific questions put to them. I would point out that part of the problem has been that the kind of study which optimally should be done is a type of study which it was determined, in a sense, goes counter to the legal mandate of the congressional legislation which called for a prompt response. The kind of study which would give us the type of definitive answer we would like just, unfortunately, cannot be done within a timespan shorter than several years.

Mr. EVANS. According to the information you have, is the Secretary in a position to make a statement prohibiting the use of paraquat or stating that it's definitely harmful to the health of the user in the amounts that we have seen evidence of its being used? Or am I putting you on a spot?

Mr. DOGOLOFF. I think the Secretary is bound by what the law requires him to do, and the law requires him to give a prompt reading. He is amassing all the available information that he can to give that prompt reading. If the law was worded differently—

Mr. EVANS. It didn't require that he give an accurate reading; it just requires it be prompt?

Mr. DOGOLOFF. It's prompt and it's the best reading he can give in a prompt fashion, however that's defined, based on the best available information. The statute also requires that he consult with the head of EPA and the Secretary of Agriculture, which he's done, and ask them to prepare responses, and I have been assured from his office that he will, in fact, factor in whatever information he gets from those two agencies into his final decision. Prior to requesting the information of those departments, he underwent a number of studies and programs within HEW to amass as much information as they could, given the limitations of promptness that are included in the statute.

Mr. EVANS. Thank you, Mr. Chairman.

Chairman WOLFF. Thank you, Congressman.

With respect to the interpretation of the State Department relative to the so-called Percy amendment, do you furnish any funds to the Mexican Government for the spraying of marihuana?

Ms. FALCO. We do not provide assistance to the Mexican Government for the actual purchase of any herbicide, but in fact, some of the assistance, particularly the equipment which we have provided the Mexican Government, which is used predominantly in herbicidal eradication of opium poppies, is also used by the Mexican Government for eradication of marihuana.

Chairman WOLFF. The aircraft and spraying equipment that you have provided to the Government of Mexico, is that on a loan basis or is it on an outright grant basis?

Ms. FALCO. It's an outright transfer.

Chairman WOLFF. In other words, the ownership of that property is now in the hands of the Mexican Government?

Ms. FALCO. Yes, sir.

Chairman WOLFF. Therefore, when you say that the material that is being used in the spraying of marihuana includes equipment that we have furnished, you've said it in the past tense. Am I correct in that, or are you saying that in the present tense? Are we continuing to give them material or equipment that is used in the spraying of marihuana?

Ms. FALCO. The Mexican Government continues to use some of the assistance which is provided to it—

Chairman WOLFF. I'm not talking about past grants; I'm inquiring if you are furnishing any equipment whatsoever today, under the new appropriation you have, to the Mexican Government, which is used in the spraying of marihuana?

Ms. FALCO. No, sir. However, we are providing assistance to maintain that equipment which is already in the possession of the Mexican Government. Let me say that our legal department has indicated to us that the Percy amendment, if we were required pursuant to all of the requirements of the amendment to stop providing assistance to the Mexican Government for the herbicidal eradication program, what it would do in fact, as I understand it, is to reduce the amount of our assistance to the Mexican Government by that percentage which can be allocated to marihuana eradication activities. In other words, it's a future—

Chairman WOLFF. Let me remind you for a moment of the fact that I was a member of the Conference Committee and put in the original amendment in the House on the restrictions of marihuana spraying. It was the legislative history to provide that the U.S. Government was not to furnish any funding for the spraying of marihuana with paraquat in any manner, shape, or form unless it was so marked that it could be distinguishable by a user here. What has to be ascertained—and I wish you would provide for the record—the amount of any funds in the appropriation today that are being used by the Mexican Government, or will be used by the Mexican Government, in the spraying of marihuana.

Ms. FALCO. You mean fiscal 1979 and 1980?

Chairman WOLFF. That's correct. That's all we're talking about.

[The information referred to follows:]

*Question.* What is the amount of any funds going to Mexico for marihuana eradication in fiscal year 1979 and fiscal year 1980 (projected).

*Answer.* The assistance we give to the Government of Mexico is primarily to curtail illicit poppy production. Much of our assistance; that is, spray aircraft and telecommunications equipment, is used concurrently by the Mexican Government to support marihuana destruction. The Mexican Attorney General has not designated a specific portion of Mexican and U.S. provided resources for poppy or marihuana eradication. For example, one helicopter may spray 4 poppy fields today, and the same aircraft may spray one marihuana field tomorrow.

We have determined that the most judicious and rational means to ascertain the percentage of our assistance used for marihuana eradication is to compare the hectares of opium poppies and marihuana destroyed in Mexico. As of June 24 of the current eradication campaign year, which runs annually from December 1 to November 30 to coincide with the narcotics growing season, the Mexican Government destroyed 664.86 hectares of opium poppy and 51.45 hectares of marihuana. Therefore, about 7 percent of the total hectares of narcotics crops destroyed has been marihuana.

Our legal advisers informed us that funds which directly or indirectly are used for marihuana eradication would be subject to the Percy Amendment. To estimate INM funds which directly or indirectly support marihuana eradication, we

would take 7 percent of our assistance, excluding funds which do not support marihuana destruction—Remote Sensing Poppy Detection System Project; ADP Intelligence Project; and Herbicide Research Project. These three projects in fiscal year 1979 total \$2.8 million. 7 percent of the difference, \$9.8 million, of our total fiscal year 1979 funding of \$11.6 million, would be used to support marihuana destruction. This amount comes to \$886,000.

Based on the dramatic decline in detected marihuana fields, possibly less than 7 percent of total narcotics destroyed in fiscal year 1980 will be marihuana. Our projected total funding level for fiscal year 1980 is \$9.4 million. \$1.5 million is planned for the three above-mentioned projects which will leave \$7.9 million against which we might apply 7 percent to determine the amount of assistance used for marihuana destruction in fiscal year 1980. This amount would be \$553,000.

Ms. FALCO. My understanding of the final version of the amendment, however, was that our assistance did not have to stop until a finding was made.

Chairman WOLFF. That is correct. It is a question of the interpretation of amount of assistance, and whether assistance is to be furnished to a government at all on the basis of a policy as to the utilization of our funds which was determined by the Congress.

Mr. de la Garza?

Mr. DE LA GARZA. Mr. Chairman, I'd like to ask Mr. Dogoloff, aside from the Percy amendment and other studies being made, does the White House have a position on the paraquat issue?

Mr. DOGOLOFF. We don't have a position on the paraquat issue because it's no longer a policy issue. It's a legislative issue. The Congress took it out of the realm of policy and put it into the realm of law, once it passed the Percy amendment. We are following the implementation of—

Chairman WOLFF. If the gentleman will yield, Congress did not do that. That's the interpretation you're making. Congress made no interpretation on paraquat. All Congress said was that all material sprayed with paraquat has to have a particular marker attached to it so it could be identified. Congress did not take a position as to whether paraquat is good, bad, or indifferent. That is dependent upon you and the HEW.

Mr. DOGOLOFF. Yes, and that issue is a program issue. We are following it closely and making certain, but the law requires that the Secretary of HEW make that determination about the possible health consequences of marihuana sprayed with paraquat and—

Mr. DE LA GARZA. Regardless of law and prospective law and legislation, the White House daily sends their views for or against specific legislation. My question is very simple. Do you have a position on the use of paraquat, everything else aside, and your answer can be yes or no—what would it be?

Mr. DOGOLOFF. Aside from—

Mr. DE LA GARZA. Aside from everything else.

Mr. DOGOLOFF. Our position is that crop destruction is the most useful, the most important thing that we have to deal with in the illicit drug traffic coming into our country and that we ought to pursue crop destruction in every way that we can. I'm interested in not doing anything that's going to harm the health of people who use drugs, even though they use it illegally, and I'm very much interested in seeing what the Secretary's determination is which is a scientific—

Mr. DE LA GARZA. Well, you have told me yes and no. Back to square one. Now the Strategy Council—in your statement you say the

Strategy Council met on November 7, 1977, November 16, 1978, May 30, 1979. Can you get for the record how many of the Cabinet officers which are members of that Strategy Council attended those meetings?

Mr. DOGOLOFF. Yes, I can provide that for the record.

Mr. DE LA GARZA. All right. If you can recollect now, that's fine.

Mr. DOGOLOFF. As I recall, virtually all the cabinet members attended the first meeting except for Secretary Vance who was out of the country I think at the time and was represented by Deputy Secretary Christopher. Subsequent meetings of the Strategy Council included public members and the designated representatives of Cabinet officers who in fact had more direct knowledge and awareness of the program and who in fact did speak for the Cabinet officers.

Mr. DE LA GARZA. Would you supply for the record the attendance roster of those three meetings?

Mr. DOGOLOFF. Yes, I will.

[The information referred to follows:]

#### MEETING OF THE STRATEGY COUNCIL ON DRUG ABUSE, NOVEMBER 7, 1977

##### ATTENDEES

President Carter; Vice President Mondale; Peter Bourne; Under Secretary of State Christopher; Secretary Brown; Secretary Blumenthal; Attorney General Bell; Secretary Califano; OMB Director James McIntyre; VA Administrator Max Cleland; Charles O'Keeffe, Advisor to Peter Bourne; Milton Bryant, Atlanta Surgeon; Vernon Jordan, Executive Director, National Urban League; Joyce Lowinson, Psychiatrist, Albert Einstein School of Medicine; David Musto, Psychiatrist, Author, Humanist, Yale; Donald Pomerleau, Commissioner of Police, Baltimore; Harvey Sloane, Mayor of Louisville.

#### FEDERAL STRATEGY FOR DRUG ABUSE AND DRUG TRAFFIC PREVENTION 1979, NOVEMBER 16, 1978

##### PARTICIPANTS

Dr. Milton F. Bryant, Member of Strategy Council on Drug Abuse.

Mr. William Haskins, Representing Mr. Vernon Jordan, Member of Strategy Council on Drug Abuse.

Dr. Joyce H. Lowinson, Member of Strategy Council on Drug Abuse.

Dr. David Musto, Member of Strategy Council on Drug Abuse.

Commissioner Donald Pomerleau, Member of Strategy Council on Drug Abuse.

Mr. Peter Bensinger, Administrator, Drug Enforcement Administration.

Mr. Robert Chasen, Commissioner, U.S. Customs Service.

Mr. Richard Davis, Assistant Secretary of Treasury.

Mr. Donald Derman, Office of Management and Budget.

Mr. Joel Egertson, National Institute on Drug Abuse.

Ms. Mathea Falco, Senior Adviser to the Secretary of State for International Narcotics Matters.

Dr. Gerald Klerman, Administrator, Alcohol, Drug Abuse, and Mental Health Administration.

Mr. Cecil Peck, Veterans' Administration.

Mr. Ellsworth Schmitz, Office of the Assistant Secretary of Defense.

Mr. Arthur Sinai, Department of Treasury.

Mr. David Westrate, Executive Assistant to the Deputy Administrator, Drug Enforcement Administration.

Mr. Lee I. Dogoloff, Assistant Director for Drug Policy, Domestic Policy Staff.

Mr. Robert T. Angarola, Domestic Policy Staff.

Mr. Richard L. Williams, Domestic Policy Staff.

Ms. Mazie Pope, Domestic Policy Staff.

Ms. Maury Devine, Domestic Policy Staff.

Mr. Seymour Bolten, Domestic Policy Staff.

## MEETING OF THE STRATEGY COUNCIL ON DRUG ABUSE, MAY 30, 1979

## PARTICIPANTS

Robert Angarola, Domestic Policy Staff.  
 William Archey, U.S. Customs Service.  
 Stuart Baker, Veterans' Administration.  
 Peter Bensinger, Drug Enforcement Administration.  
 Seymour Bolten, Domestic Policy Staff.  
 Richard Bucher, Domestic Policy Staff.  
 Maury Devine, Domestic Policy Staff.  
 Lee Dogoloff, Domestic Policy Staff.  
 William Haskins, Public Member.  
 John Hayes, U.S. Coast Guard.  
 John Johns, Department of Defense.  
 Samuel Karson, Department of State.  
 Mary-Carol Kelly, National Institute on Drug Abuse.  
 Barbara Kivamae, Office of Management and Budget.  
 John Langer, Drug Enforcement Administration.  
 Joseph Linnemann, Department of State.  
 Joyce Lowinson, Public Member.  
 Myles Lynk, Department of Health, Education and Welfare.  
 David Musto, Public Member.  
 Irvin Nathan, Department of Justice.  
 William Pollin, National Institute on Drug Abuse.  
 Donald Pomerleau, Public Member.  
 Mazie Pope, Domestic Policy Staff.  
 Arthur Sinai, Department of Treasury.  
 Richard Williams, Domestic Policy Staff.

Mr. DE LA GARZA. Now I guess this is for you or maybe Ms. Falco or DEA. As far as the United Nations is concerned, is there a concerted effort being made by our foreign policy or the subject agencies to have the United Nations make a united, concerted effort on the drug problem?

Ms. FALCO. Yes, Mr. de la Garza. That's a very important part of our international effort. There are, as you know, a number of specific drug agencies within the United Nations like the United Nations Commission on Narcotic Drugs, the International Narcotic Control Board, the United Nations Fund for Drug Abuse Control, among others, that we work with very closely. There's still a great deal to be done in that area.

Mr. DE LA GARZA. There hasn't been, or is there, at the United Nations now, a coordinating official for all those, or do you deal independently with the different groups of commissions?

Ms. FALCO. We deal at many levels in our relations with the United Nations. The United Nations Commission on Narcotic Drugs, which is made up of over 30 countries which are elected regularly, reports to the Economic and Social Council, which in turn reports to the General Assembly. So, it is part of the regular United Nations process.

Mr. DE LA GARZA. My question, I guess, is what I'm trying to—let me back up. Who in our Government deals with who in the United Nations? Can one person speak for our Government or does DEA speak to the Narcotic Commission or does the White House speak to the Narcotic Commission?

Ms. FALCO. I'm the representative designated by President Carter for the Commission meetings. In general, contacts with the United Nations involving drug matters are handled through the State Department or through my office. The White House also deals with the United

Nations. On the delegation to the annual CND meeting we have representatives from all of the major agencies, including DEA Administrator Bensinger, Mr. Dogoloff, and Customs Commissioner Chasen.

Mr. DE LA GARZA. So, all the contact to the United Nations then is made through your office?

Ms. FALCO. Not exclusively, Mr. de la Garza, but I would say the principal vehicle, yes; also through Assistant Secretary Bill Mains at the State Department, as well as through Ambassador Andy Young, but we coordinate very closely. The United Nations effort is not so large that it becomes a very difficult coordination problem.

Mr. DE LA GARZA. It's not sufficiently large? What is it in numbers?

Ms. FALCO. It's relatively small compared to other kinds of activities.

Mr. DE LA GARZA. Again, I'm just trying to get—I guess the most prominent one is Colombia. We're dealing directly with Colombia now?

Ms. FALCO. Yes, sir.

Mr. DE LA GARZA. Is there any effort being made through the United Nations in relation to Colombia?

Ms. FALCO. The United Nations Fund for Drug Abuse Control is considering undertaking a small project there. Colombia is a member of the United Nations Commission on Narcotic Drugs. We are all signatories to the International Drug Treaties. But the major drug control program now underway with Colombia is a bilateral one. We provide assistance directly to Colombia. In terms of broader United Nations participation, Colombia is very active. They also had a member until recently on the International Narcotic Control Board.

Mr. DE LA GARZA. Thank you very much. I do have one further question and I think I know the answer, but basically for the record, Mr. Chasen and Admiral Hayes, your operations let's say off of Florida, each one of you has different responsibilities, but to what extent do you coordinate in this effort. Let's say intelligence shows there's a ship bringing marihuana from Colombia.

Admiral HAYES. I'll comment first, Mr. de la Garza. In the many years I have spent in government, 11 now in Washington, I would comment categorically that the coordination and cooperation that goes on with respect to drug issues is the finest that I have been aware of in my career. It is translated out in the field in the area you're talking about in the form of what we call LEO, Law Enforcement Organizations, and our operating people, I hope partly because of the policies that come from their bosses, are likewise cooperating and coordinating very closely.

This is not to say we are always in complete accord, but for the most part I would say our operations are closely coordinated and that we have eliminated for the most part the turf territory that used to be the case perhaps a number of years ago and, frankly, I feel very proud of the way in which we work together, both in Washington and in the field.

Mr. CHASEN. I quite agree with Admiral Hayes.

Mr. DE LA GARZA. Do your people go out in one of his boats?

Mr. CHASEN. Yes, we do.

Mr. DE LA GARZA. And you coordinate out of the district office in Miami?

Admiral HAYES. And with Drug Enforcement Administration, we use their intelligence operations. We have people who stand duty watches in that center and really it's a very close knit operation.

Mr. DE LA GARZA. Thank you, Mr. Chairman.

Mr. CHASEN. Mr. Chairman, while I have the microphone, I'd like to correct what might have been a misimpression I might have given you about your question about who speaks for the Treasury Department. We do speak for the Treasury on narcotics matters and when you asked the question about IRS I thought you were referring to tax matters and that's when I backed off. But actually, one of the most significant programs we have this year is a program revolving around a unit we call the Reports Analysis Unit which the Treasury Department has turned over to us. The purpose of this is to have Customs lead the effort in tracking and tracing the recycling of money into narcotics and narcotics into money, and we have circulated to all the agencies we could think of the notification that Customs did have the lead in this effort as far as the Treasury Department is concerned.

Chairman WOLFF. I thank you for clarifying that.

I must at this point, since it's the first time the Admiral has appeared before us, commend the Coast Guard for their outstanding work in narcotics interdiction. I think it's a magnificent effort and should be noted by the Congress. The fact is that a number of traffickers who in the past have thumbed their noses at the United States are not able to do that with as much immunity as they were able to before. We are very appreciative of their efforts.

Admiral HAYES. My comment is we are probably part of the increase in that cost of law enforcement.

Chairman WOLFF. Mr. Coughlin?

Mr. COUGHLIN. Thank you, Mr. Chairman.

The Office of Education Drug and Alcohol Abuse program has been a very good program in at least what this committee has observed over the years? My question is, why does it continue to be relatively poorly funded. Does the Principals Group have the authority or the ability to suggest budget priorities and realigning priorities in the agency's budget? In other words, can NIDA funds be transferred, for example, to the Office of Education program? Do you have that kind of authority to recommend those budgetary changes?

Mr. DOGLOFF. The Principals Group per se does not, although I participate in the budget process. Dr. Klerman is now, as the Secretary's representative, the coordinator for a program within the Department of HEW which is now reviewing all of the drug abuse prevention programs within the Department and specifically focusing on the program which you mentioned, the Office of Education, to look at the prospectiveness and to take a very critical look at what might be done. We are very interested in what he comes up with and if in fact after full deliberation by the Department it is the kind of program that ought to be increased by funding and expanding, then we will promote that within the budgetary system.

Mr. COUGHLIN. That would be your authority within the budget system to recommend transfers of funding?

Mr. DOGLOFF. Yes, shifts or in fact increases, however, you recognize that we are a voice and not the voice in terms of budget, but we

would make our voice heard very clearly as we have in the past on budgetary issues during the budget process.

Mr. COUGHLIN. And you think this requires further study before you can make a recommendation to increase the funding in this area?

Mr. DOGOLOFF. Given the fact that we are into a budget cycle we still have time to impact, I think the study will be timely relative to the impact on the current budget cycle as is being formulated within the executive branch.

Mr. COUGHLIN. Now, a second question on another subject. Going back for 1 moment to paraquat and the possible implications of withdrawal of U.S. funding in connection with paraquat. It's my understanding at least that the major thrust of our funding in this area has been to eliminate the poppy problem and the brown heroin problem, whereas the Mexican Government's major problem is marihuana. Have you considered the implications of withdrawing our funding and the Mexicans using the equipment for paraquat on marihuana and not treating the poppy problem and a resultant increase in heroin in shipments to the United States? Have you considered all the implications of that?

Ms. FALCO. Yes, Mr. Coughlin. We have been very concerned about that. In previous hearings and discussions of the subject, the State Department has consistently raised this concern. As Chairman Wolf pointed out, the Mexican Government owns that equipment outright. They are very responsive to the concerns that have been expressed about paraquat. We have had many discussions with Mexican officials about this. They simply say to us, "If you can find us something safer and better that will still do the job and not hurt our fields, we would be glad to use it." But paraquat, to date, has proved to be the most ecologically safe alternative the Mexican Government has been able to locate.

Mr. COUGHLIN. Do you think a cutoff of the funding that we have would result in increased heroin shipments to the United States from Mexico?

Ms. FALCO. I think it would seriously jeopardize the continuation of the opium eradication program; yes, sir. I cannot predict that with absolute certainty.

Mr. COUGHLIN. A third question. You mentioned a long range 5-year Federal program. I guess I get concerned when I hear about new 5-year programs because we have supposedly been on 5-year programs or 1- or 2-year programs, and when I hear of a new 5-year program it sounds to me like another bit of "never-never land."

Where do you expect to be at the end of the new 5-year program?

Mr. DOGOLOFF. That's precisely the question we are asking within each of our agencies in the program and that's clearly the thrust of the exercise which is first to decide where it is we want to be in 5 years. If we are writing the annual report, for example, 5 years from now, what would we want to be able to say we have achieved? Then the second step of that has to do with what do we need to do over the next 5 years to get there? And it's not a—I share some of your concern about plans.

Mr. COUGHLIN. We should have already had a 5-year program.

Mr. DOGOLOFF. We have had a year-to-year strategy that's built on past experience and we agree that now is the time for long-term plan-



ning. Maybe the time is long since past to have broader planning, but that's happening at this point and we look forward to sharing it with you in draft form and getting your input and the members of the committee and developing that together.

Mr. COUGHLIN. I hope we don't spend too much time studying the problem and too little time doing something about it. Thank you, Mr. Chairman.

Chairman WOLFF. Thank you. I want to go back for a moment using the prerogatives of the Chair to read the public law that involved paraquat. It says:

The Secretary of State shall inform the Secretary of HEW of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter.

Now, do you, or could you not put a prohibition into your funding, whatever minimal amount it might be, that none of the funding can be used for the spraying. You're not providing funds to purchase paraquat, are you?

Ms. FALCO. No, sir.

Chairman WOLFF. You're not providing the paraquat, are you?

Ms. FALCO. No, sir.

Chairman WOLFF. You're not providing, in this particular year, any funds for the purchase of equipment for the spraying of paraquat?

Ms. FALCO. We have not provided any fiscal year 1979 funds to purchase equipment to spray paraquat other than spare parts to maintain spray helicopters purchased before fiscal year 1979.

Chairman WOLFF. I'm talking about prospectively.

Ms. FALCO. You mean fiscal 1980?

Chairman WOLFF. We're talking about a restriction on funds that are to be delivered in the future.

Ms. FALCO. Our lawyers advised that our assistance that directly or indirectly supports marihuana eradication would also be subject to this amendment. That would include equipment maintenance, telecommunications equipment supporting the overall Mexico narcotics program, and the like, but would exclude projects such as the remote sensing poppy detection system which are not marihuana related.

Chairman WOLFF. Does the Mexican Government have any other aircraft spraying these fields other than the ones we provided to them?

Ms. FALCO. Not to my knowledge, Mr. Chairman.

Chairman WOLFF. Thank you, Mr. Neal?

Mr. NEAL. Thank you, Mr. Chairman. I notice in looking at the budget allocation that something like 3.4 percent of the budget that you all have settled upon goes to education and prevention; and yet you say in various parts of the strategy that you want to support State and local prevention efforts based on presenting the most alternatives to drug use life style and effective youth programs and so on. If I may digress for a moment, it seems to me in looking at the history of our efforts over as many as 30 or 40 years, we have been placing a very strong emphasis on severe penalties and strong law enforcement; and yet the rate of drug use has increased dramatically in that same period of time and there seems to be a thread running through the testimony that we have heard on this subject indicating that prevention might be our best alternative at this time. I understand that means education

and the whole range of things, so my question is, why such a small amount of the budget is to education?

Mr. DOGLOFF. If we really knew how to prevent and what the program was that would be successful in preventing, I would suggest that a very, very large percentage of the total budget go into that program. The truth of the matter is that there's a lot that we don't know about preventing drug abuse. What we currently see as we talk about youngsters using drugs and the way best to prevent that is not to try to get the message to and educate youngsters because that's not very credible, particularly coming from the Federal Government, but to try to do a couple of other things. One is to get a clear message out to parents about what the health hazards are, what the consequences are and how they would interpret that information and deal with their kids relative to that information, and there are several things that are going on to do that in the form of films and so forth. The other has to do with involving, as a result of that, parents in community-based activities which aren't expensive activities but do cause the parents to get involved in Girl Scouts and Boy Scouts and church activities and little league and lots of things that do two things: One, give a message to kids that their parents are concerned and care about them; and second, that in fact give children alternate activities that keep them occupied, that give them fulfillment, so they don't turn to drugs.

Now, if you think about what that takes, it doesn't take a lot of Federal dollars to do that, and in fact one could argue that to put massive programs that might serve the purpose of supplanting active parenting, which is what we are trying to encourage—the Federal Government can't do that parenting. If you look at the statistics, for example, relative to the amount of time that an average family spends together in an evening looking at television, which is 2 or 3 hours, versus literally the minutes they spend together in interaction and discussion about what's going on in their lives, those are the things that need to be changed. I suggest that the Federal Government with massive amounts of money are not likely to change that, but it requires a public stance; it requires a lot of things that we are trying to do to change that around and massive prevention programs per se that could in fact supplant the good parenting that needs to go on is not likely to be the answer.

Mr. NEAL. Does that mean then that maybe we shouldn't be spending anything?

Mr. DOGLOFF. No, I don't think that's true at all.

Mr. NEAL. Then why 3.4 percent? Is that the right number?

Mr. DOGLOFF. I don't know.

Mr. NEAL. Are you saying that you don't know of anything that works, that helps either parents or young people?

Mr. DOGLOFF. No. I think there are some things that we know that work. For example, some of the research shows that what works best is an effective education rather than information. In other words, rather than telling the individual the dangers of drug abuse, put the individual in a position so they can make better decisions about drug use which also will impact other behaviors such as delinquency.

Mr. NEAL. How do we do that?

Mr. DOGOLOFF. That is part of a much larger effort that is much more generic which hopefully Dr. Thurman of HEW, which has the major role in that, is pulling together within the Department. So I would suggest if you look at prevention in that overall sense, not being drug specific, you would find that a great deal more of the Federal effort is going into it than the modest amount of money that's going into drug specific efforts.

Mr. NEAL. Is it working?

Mr. DOGOLOFF. I think there is some success. I think Dr. Pollin might want to comment further.

Mr. NEAL. Just a minute. I understand that whatever programs we have—I guess we're assuming they're worth something because we're cooperating with school systems—is our success rate with those programs that we are now entering into with the schools helpful, or do we have any indication that they are?

Mr. DOGOLOFF. The beginning information is that they are, and it's only the last 2 years that we have really had a concerted effort to put in a prevention component in all our efforts and look at the prevention program.

Mr. NEAL. Why are we only into 1 percent of the schools if they do work?

Mr. DOGOLOFF. That's the issue that Dr. Thurman is looking at now within HEW and that's a program that really does seem to make a difference. For example, I am early anticipating the findings and maybe that's the kind of program we ought to increase.

Mr. BEARD. Would the gentleman yield on that point?

Mr. NEAL. Yes.

Mr. BEARD. I raised the same point I think and your approach is to be commended. We talk about the educational process and we had the lady who was in charge of it. She stated and everybody agreed this looks like one of the ways to go, but in the same breath we were informed that her budget had been cut over the past few years from \$12 million down to approximately \$2 or \$3 million. So how in the world can we ever find out if it works if they go from \$12 million to \$2 million in an area that has been successful?

Mr. NEAL. I was just told that the Senate Appropriations Committee cut out all funding for this program. So we'll just have to live by it. It just seems to me if I have been hearing correctly the testimony, that very possibly our greatest potential is in the area of education and prevention and yet we are only spending 3 percent of the funds on it. It seems to me we might have our funding priorities somewhat out of balance. Would most of you agree with that, or would you all think that the funding levels are in balance, or are our priorities in balance? Mr. BENSINGER, I know you're the most active in the enforcement area. What's your feeling?

Mr. BENSINGER. Congressman Neal, I think prevention is important and should be supported and, I think collateral with it, the health policy issues that were raised earlier in this session on marihuana have to be addressed. I think your lines of questioning have been helpful. I think the studies underway at the Institute of Medicine and within HEW on the marihuana issue per se can have a better impact in prevention by having a clearer conception of the hazards of some

of the drugs. I think our prevention effort has in part been thwarted, and I'm no expert on it because of these different perspectives that have been raised. Having been chairman of a youth commission, I would support resources for prevention.

Admiral HAYES. Perhaps I could shed a little light on this, if I might, Congressman Neal. I'm sure you're aware that the Coast Guard has a number of prevention programs associated with safety and saving the environment and we have met with different levels of success in these various programs, but an example of one that at least appears to have worked reasonably well from a prevention side of it is the boating safety program.

The Congress, in considerable wisdom I might add, in 1971 passed the Boating Safety Act and included in that is a substantial effort in safety standards with construction of boats and equipment and educational programs that were supported later on to some degree of sophistication. The fatality rate per 100,000 boats in operation has gone down markedly during the last several years. We can't help but feel there's a relationship.

So it would appear to me that certainly once one finds the right approach, and I think that's what Mr. Dogoloff is identifying it's so difficult to do, then certainly emphasis on the prevention side would be warranted.

Dr. POLLIN. If I might respond also to Mr. Neal's question, I think, Mr. Neal, that we have to be realistic in the following sense, that when we don't understand the determinants of a behavior, our ability to prevent that behavior is necessarily limited and it's clear that at this point in time the bulk of the explanation as to why certain individuals become compulsive drug users when other individuals in similar circumstances do not become compulsive drug users, we do not have that information available. We are attempting to accelerate our research programs. We think we are making progress. That is a long-term process.

At the same time, Mr. Neal, it seems clear that the absence of total or even satisfactory evidence as to the determinants does not give us the freedom to completely ignore prevention efforts.

The bulk of our efforts during the past 3 years have been in attempting to study a wide variety of different approaches and to try to get harder and more reliable data as to the comparative efficacy of different prevention efforts.

One of our highest priorities at NIDA at the present time is to review that type of prevention research, try to identify those programs which do appear to yield at least an adequate degree of change and to see how we can extend and spread those programs nationwide rather than having them as single instance programs.

Chairman WOLFF. The gentleman's time has expired. We will come back to you if we have further time.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Dogoloff, we have heard a lot of fragmented budgets and all of the various programs and agency formulations. Can you tell us what the administration is spending in the year 1979-80 on all aspects of drug abuse prevention and control—on enforcement, rehabilitation, treatment, training, education, and the like?

Mr. DOGOLOFF. In 1980, it's \$828 million.

Mr. GILMAN. Is that comprehensive? Does that include everything, even the intelligence budget of some of the agencies?

Mr. DOGOLOFF. Yes.

Mr. GILMAN. \$828 million?

Mr. DOGOLOFF. Yes.

Mr. GILMAN. How does that compare to what we were spending at the outset of the new administration?

Mr. DOGOLOFF. In fiscal year 1978, which was the first budget of this administration, it was \$791 million for total budget.

Mr. GILMAN. You mentioned the various components of the working group and I want to commend the Principals Group and you for the work that you are doing together. I know most of your efforts are undertaken in this Principals Group. I think you mentioned that there is an Assistant Attorney General in charge of crime that is supposed to be part of the working group. Does he work with you in the Principals Group?

Mr. DOGOLOFF. Yes, he's a member of the Principals Group.

Mr. GILMAN. Has he been meeting with you?

Mr. DOGOLOFF. He has. He was added to the Principals Group approximately 2 months ago.

Mr. GILMAN. And is there an OMB policy official that meets with you?

Mr. DOGOLOFF. No. There's nobody from OMB on the Principals Group itself. We work directly with OMB at various levels from the budget examiner on up on given issues and they are involved in the coordination of the program, but don't sit as a member of the Principals Group. There isn't one person, for example, in OMB who has overall drug responsibilities.

Mr. GILMAN. Is there some reason why the Justice Department representative is not here today?

Mr. DOGOLOFF. None that I know of.

Mr. GILMAN. Does the OMB policy group set policy? Do they have some voice in narcotics policy?

Mr. DOGOLOFF. No. They do not set—there is no OMB policy group, as I know it. There are OMB budget examiners who look at each of the programs and go up through several different routes converging at the deputy and director level of OMB.

Mr. GILMAN. But do they have a veto over your actions?

Mr. DOGOLOFF. They do not.

Mr. GILMAN. Do they control or determine how money shall be spent by your agencies?

Mr. DOGOLOFF. They play the support role with the President in formulating the budget and we work together on that formulation. So they obviously have an impact on the budget in the same way they would have with any other agency. But in terms of policy determination, that has been clearly set forth in the recent executive order of the President and that responsibility lies with my position in my office.

Mr. GILMAN. Then outside of your Principals Group, there are no other policymakers on narcotics in the Federal Government; is that correct?

Mr. DOGOLOFF. There may be other people we would consult with. There's the Strategy Council, for example.

Mr. GILMAN. But I see that the Strategy Council met only once in about 2 years. As a matter of fact, the 1979 Federal Strategy paper was not presented to the Strategy Council and it did not meet until that paper had been completed; isn't that correct?

Mr. DOGOLOFF. No, that's not correct. They met initially in an organizational meeting and have met several times since then and began to work on that strategy in very early draft form. Obviously we couldn't have a committee of 10 or 12 people sit down and write the document, but once it was in its initial draft form, it was circulated and comments were received from the Strategy Council. Then a meeting was held to discuss the strategy and then they participated in other ways as well.

Mr. GILMAN. Well, our staff people have assembled a chronological order of the draft. It seems that in the summer of 1978 the first draft was prepared by the drug policy office of the domestic policy office and that the Principals Group met through the summer and fall. The draft of the 1979 strategy was then circulated, including to the Congress and to various interested groups. The Strategy Council met for the first time on November 16, 1978, to discuss comments received on the draft strategy. Was that the first formal meeting of the Strategy Council?

Mr. DOGOLOFF. That was the first formal meeting, but they had opportunity before that to comment on the draft. What we wanted to do was put it together so it was together enough to get Strategy Council—

Mr. GILMAN. Did they really have any input in the document?

Mr. DOGOLOFF. Absolutely. In fact, they actually rewrote sections. A section I can think of is the section on cocaine which was actually redrafted by a member of the Strategy Council.

Mr. GILMAN. Do you see a need for the Strategy Council since the Principals Group has been doing so much work and meeting regularly? Is there still a need for the Strategy Council?

Mr. DOGOLOFF. Yes, I believe the Strategy Council serves a useful purpose.

Mr. GILMAN. What purpose?

Mr. DOGOLOFF. Well, in part, the Principals Group is an extension of the Strategy Council. Most of the people here represent Cabinet officers who are in fact members of the Strategy Council, in addition to which we have public input which is very important representing policy community and treatment community which gives a flavor of a broader public participation in our deliberations and our work.

Mr. GILMAN. Just one question to Ms. Falco. The State Department has its own policymaking group for narcotics; isn't that correct?

Ms. FALCO. Yes, my bureau is responsible for the formulation of policy within the State Department.

Mr. GILMAN. Do you have to submit your policy to another group within the State Department?

Ms. FALCO. I respond directly to the Deputy Secretary and the Secretary, although in policy involving regional areas we work very closely with the bureaus responsible for those areas.

Mr. GILMAN. Do they determine policy for the regional areas?

Ms. FALCO. It would be fair to say with regard to narcotics, we generally are in consensus as to what policy should be. In the case of a

dispute, which hasn't arisen to my recollection in the last year, it goes up to the Secretary and he makes the decision.

Mr. GILMAN. Can you tell me why we have this sort of a problem that was raised at the last hearing where the President in the Federal strategy indicated we should regionalize our international approach to narcotics problems and try to work on narcotic problems in a regional area internationally, which appears to be a very sound approach, but on the other hand, when we look at what is happening in the field, the DEA was notified that they should reduce their regional staffing, bring back some of the regional directors to the Washington office. It seemed as though, on the one hand, that the State Department was going in one direction and that DEA was being instructed to go in another direction.

How do we reconcile the differences in policy?

Mr. DOGOLOFF. I'd like to split the question into two responses. One has to do with the regional central work internationally which I'd like Ms. Falco to answer, but in terms of—

Mr. GILMAN. But I understand that that was a State Department determination.

Mr. DOGOLOFF. In terms of the regional breakdown, that was an interagency group in which the State Department and DEA, our office, and OMB participated to look at the regional operation worldwide and determine whether or not the needs of the program are best served by having regional directors and support staff located in foreign countries versus in Washington, D.C., and that's the only issue. It doesn't have to do with doing away with a regionalized concept. It's merely a matter of whether the regional director and his immediate support staff, not enforcement staff, are better located in, for example, Paris or Washington, and the total consensus of that group was that those positions are better located in Washington. That in no way suggests that we are doing away with the regional concept. In fact, there are a number of regional initiatives and activities that we can talk about that are going on.

Mr. GILMAN. It was my understanding that on the one hand the directive brought in the whole regional supervisory group into Washington and disbanded the effectiveness of the regional program of DEA's field work, while on the one hand, you had an international policy suggesting that we should maintain a regional approach. It is difficult for me to reconcile those differences in policy. Maybe our DEA Administrator would like to comment on this.

Mr. BENSINGER. I welcome the opportunity to, Congressman Gilman, and I appreciate your specific interest. I do think strong enforcement presence overseas has had excellent results. In the case of two of our regions, one the Latin American operations, we have line supervision given out of Washington. I would not recommend that for Bangkok nor for Mexico and have so stated. In the case of our Paris regional operation, next summer the regional director will be relocated to Washington. In my opinion, the country attachés in Europe and the Middle East will not lose a single enforcement position or intelligence position. It probably will have some additions and the communications from headquarters to Europe and the Middle East can effectively proceed. There will be some economies in terms

of the presence. I think we will get more mileage out of the individual slots that are allocated to us by State Department overseas. I would not recommend a return of our regional operation in Bangkok for a number of reasons which I have reviewed with the Deputy Attorney General, Mr. Civiletti. He, by the way, concurred with my view, so none of our budget proposals for 1981 include relocation of that regional office.

Mr. GILMAN. I am sure that there are some other regions that my colleagues would like to address, but am I correct that you have to take a policy to the State Department for decisions on who will be in the regional offices?

Mr. BENSINGER. Not on personnel, sir, although we do submit the names of our country attachés to the American Ambassador and I can't recall of an instance when our individual selections have not been concurred with. We do, though—the State Department requires us to obtain their approval for the placement of any number of positions overseas. Here, I think, was where the testimony at our last hearing highlighted an area of concern: the Secretary of State's general direction to reduce the presence of U.S. employees overseas.

Mr. GILMAN. Do you have the final determination of where your people will be deployed and how many people will be in each regional office?

Mr. BENSINGER. We would need to obtain concurrence with State before opening an office overseas and to have State Department's concurrence to a staffing level.

Mr. GILMAN. And where is the final word on that on each region?

Mr. BENSINGER. The final word would be determined between State and myself, and if there were disagreement it would be reviewed with Mr. Dogoloff and up to and including the Attorney General, and I presume the Secretary of State. I don't recall a situation where we have been asked to leave or reduce our overseas presence which has required that level of intervention.

Mr. GILMAN. Has your Paris office been requested to reduce its personnel?

Mr. BENSINGER. Not normally, but I intend to relocate some of the support personnel next summer and that is a decision I made without direction from State or their Ambassador. We have been assessing the effectiveness of our Latin American operations which went on a direct reporting basis. The time zone scheduling for that and for Europe we think is compatible. We think our management in place there can effectively provide leadership, so that relocation is being scheduled for 1 year from now so we can anticipate relocation of people and there won't be a great number involved—families, schooling, and space for them at headquarters.

Mr. GILMAN. One more question, Mr. Dogoloff. Is there an OMB Federal drug management office?

Mr. DOGOLOFF. No.

Mr. GILMAN. They do not have any drug program or drug policy people?

Mr. DOGOLOFF. They no longer exist. That was the coordinative mechanism under the Ford administration and does not exist any longer.



Chairman WOLFF. The gentleman's time has expired.

Mr. GILMAN. Thank you, Mr. Chairman.

Chairman WOLFF. Mr. Rangel?

Mr. RANGEL. I'll steal Mr. Beard's questions. I want to compliment this task force on this Principals Group. We have been trying very hard in the past to get this type of interagency and interdepartment cooperation. My problem is with my President, of course, and I'm very interested to know when is the last time this group has met with the President?

Mr. DOGOLOFF. I'm not sure that this group in and of itself has ever met with the President just as a group.

Mr. RANGEL. When is the last time you met with the President on, of course, Principals Group matters or subject?

Dr. DOGOLOFF. It has—in terms of a face-to-face meeting, the last time I met with him was probably about 1 year ago, maybe a little more. However, I'm in regular communication with him. There is a weekly report that goes in from the Domestic Policy Staff on a number of issues and drug abuse is included. I submit my comments to that which is always included "as is". So there is regular communication with him. My most recent meeting with the President occurred in December as a matter of fact.

Mr. RANGEL. On drugs?

Mr. DOGOLOFF. On drugs and other domestic policy issues. It was a meeting—

Mr. RANGEL. I don't have any problem with what you submit, but I have a problem with the priority that the President may give this, and since we abolished the Office of Drug Abuse which many of us thought should be locked into place because of the position held in the executive branch, and now that we have you designated as primarily responsible for assisting the President in formulating policy and—you know—do you meet once a year with the President on this?

Mr. DOGOLOFF. I meet on a regular basis and am in regular communication weekly or even more so with Stu Eizenstat, who is as you know the President's Domestic Policy—

Mr. RANGEL. I don't read this Presidential mandate that way. It has you having the direct responsibility as the Associate Director, not Stu Eizenstat. As a matter of fact, I meet with Stu Eizenstat more often than that and I don't know just how he is on this, but you have the responsibility and you might tell Stu Eizenstat that I'm concerned about this policy. This directive has been issued by the President and what is the difference if all of you get together and I can't seem to get the priority which I think this deserves as a national issue. I'm willing to understand why Mr. Bensinger would be willing to have his overseas staff reduced because that's efficiency, even though we are going to regionalize, but I can't discuss it with the President because I don't know what he knows about it. What is the mode system anyway?

Mr. DOGOLOFF. That's an important issue that we really want to clarify. There's an overall objective of the President to reduce the number of American personnel stationed overseas. The State Department has the responsibility of doing a rather difficult balancing act to determine exactly where that's going to happen, and the NSC. One

way of working that out is to look at ways which we can bring some personnel back to Washington without in any way affecting or reducing the utility of the program. That's what's happening with Paris. We are not bringing back from Paris any of the enforcement personnel. We are doing what we did with the Latin American program in DEA a couple of years ago which is to bring back the regional director that has regional—not country—responsibility, and the immediate support staff.

Mr. RANGEL. Afghanistan and Pakistan and the Middle East?

Mr. BENSINGER. In Afghanistan we have a special agent reporting to the American Ambassador in place. In Pakistan, we have a much larger representation of special agents located in Islamabad, Lahore, and Karachi.

Mr. GILMAN. Would the gentleman yield?

Mr. RANGEL. Yes.

Mr. GILMAN. With regard to the reduction in personnel, who makes the initial request for reduction in personnel?

Ms. FALCO. As I understand it, Mr. Gilman, there is an interagency committee which meets under the aegis of the NSC pursuant to the Presidential directive.

Mr. GILMAN. Then is the NSC involved in narcotics policy?

Ms. FALCO. Absolutely, Mr. Gilman.

Mr. GILMAN. Now we have another policy group.

Mr. DOGOLOFF. Well, I think it's important to recognize that whereas you may have one spokesman and one focal point, we cannot be involved in a vacuum and we cannot work in a vacuum and that means involving lots of different people who have lots of different responsibilities in the Government. So if there's an issue with a given country internationally, the State Department as well as myself do work with the NSC on that issue.

Mr. GILMAN. Who in NSC is responsible for narcotics policy?

Mr. DOGOLOFF. There is no—it's broken up on a country or regional basis and I would work with, as would people in the State Department, those people who have responsibility and expertise within that country or that region.

Mr. RANGEL. My time is almost up. Who do you make your submissions to, Stu Eizenstat or the President?

Mr. DOGOLOFF. I normally report directly to Stu Eizenstat.

Mr. RANGEL. So you don't know whether the President gets anything?

Mr. DOGOLOFF. Yes, I do.

Mr. RANGEL. How do you know?

Mr. DOGOLOFF. Because it comes back to me.

Mr. RANGEL. What does it say? His initial?

Mr. DOGOLOFF. It may be stamped "The President has seen." It may have marginal comments on it.

Mr. RANGEL. OK. We're going to try to work hard to try to get some conference between you and the President because we understand that is what the Executive order requires.

Thank you, Mr. Chairman for your indulgence.

Chairman WOLFF. Thank you, Mr. Beard?

Mr. BEARD. Well, I think Mr. Rangel has done an excellent job at using all the questions which I thought would be good. I cannot take

issue with the President's program of bringing more U.S. citizens back to this country when you observe the foreign policy.

I must say I'm somewhat shocked, too, and I think—I know Stu Eizenstat has got quite a few things on his mind, especially energy. We have been reading about his relationship to the energy policy, and it just befuddles my mind because I consider this probably one of the major issues facing this country today. We are not talking about just today; we are talking about the future. I think Mr. Neal's question echos my concern about the lack of support for preventive education programs—there are more people that have gotten emotional about the use of paraquat than they have about the use of marihuana. There are more people who can tell you what's wrong with paraquat on the marihuana than can tell you what would happen to them if they used marihuana on a regular basis. That's just a symptom of the overall problem.

I would like to ask the witnesses' personal opinions on the decriminalization of marihuana and what impact that might have in the use of or increase or decrease or whatever the case may be. What is your personal opinion, Mr. Chasen, on decriminalization of marihuana?

Mr. CHASEN. Very briefly, I think it's something that we should seriously consider. I haven't made up my mind that that's the route to go, but I think it's something that merits—

Mr. BEARD. What do you think that would say to the young people, for the body of this Government to come out and say decriminalization?

Mr. CHASEN. I'm thinking on a pragmatic basis.

Mr. BEARD. Maybe we had better get realistic some day?

Mr. CHASEN. I thought pragmatism was the practical efficacy of an idea.

Mr. BEARD. It might be. I just never use that word in Tennessee too much. All right. I'm sorry. Go right ahead. So you haven't made up your mind?

Mr. CHASEN. I haven't made up my mind, but I think it should be considered.

Mr. BEARD. All right. Mr. Bensinger?

Mr. BENSINGER. Mixed. The phrase itself, the term, lends itself to some misinterpretation. I would have no objections to people who use small amounts of marihuana not being sent to prison and receiving less than a felony conviction.

Mr. BEARD. Fine.

Mr. BENSINGER. At the same time, I have considerable concern with people selling it going to prison and I want that to take place and, in the debates we have on the subject, oftentimes we lose sight of what is the penalty for small use and what is the penalty for large sales.

Mr. BEARD. Are you familiar with Chairman Wolff's and my citation diversion legislation that we introduced last year regarding the educational programs kind of along the lines of—

Mr. BENSINGER. Yes, and my personal experience, Congressman Beard, is that it has been productive in many jurisdictions and districts. They did this in Cook County—utilize an opportunity on a first apprehension to take individuals who have a first offense for use and put them into a mandatory educational and diversion program.

Mr. BEARD. And also the records would be expunged after a certain period of time. Is this not maybe more of an attractive alternative than decriminalization which everybody is so confused about?

Mr. BENSINGER. And I think Mr. Dogoloff would comment likewise, that the phrase is confusing when we discuss it at the principals level.

Mr. DOGOLOFF. I'm going to wait until last because I want to hear all the personal opinions and then I'm going to give the administration position.

Ms. FALCO. I agree entirely that personal use of marihuana in private should not be criminally punished with incarceration. I was just going to note, Congressman Beard, that in March or April 1977 we all testified before this committee and I remember in particular your interest in this subject. We stated that the administration position was in support of reducing or removing criminal penalties for personal possession in principle, but that it should be left entirely to each State to determine how best to regulate it.

Mr. BEARD. But you would support private use individually?

Ms. FALCO. No. I discourage the use of all drugs, Mr. Beard, including alcohol and tobacco. However, as a public official, I have taken this position of decriminalization and previously, as a member of the bar, I also advocated not using incarceration as a response to this problem.

Mr. BEARD. Would you feel citation diversion would be better than a decriminalization approach?

Ms. FALCO. I think citation diversion sounds like a very effective approach.

Mr. BEARD. That is what upsets me. The administration I don't think, Mr. Chairman, has ever offered to work with us or even responded. As a matter of fact, we sent a copy of our bill asking for their support, asking for consideration, and I think it's a much more attractive approach. I am not a hardcore proponent of saying throw abusers in jail because we're not doing it anyway. It's impractical. It doesn't work. But the citation diversion, if we can do that for alcoholism, why not consider it for drugs? Admiral?

Admiral HAYES. I get placed in a bit of a quandary, Mr. Beard, with respect to my internal administration of the Coast Guard and, of course, our external law enforcement responsibility.

Mr. BEARD. I'm just asking for personal opinions.

Admiral HAYES. I'm trying to give it to you. I align myself basically with Peter Bensinger with the approach I would like to see taken. We do, in dealing with our own personnel in the Coast Guard, take a very hardnosed position because we are in the business of enforcing Federal law as it now exists. I just pointed that out because it is a factor that enters into my thinking.

Mr. BEARD. Right.

Dr. POLLIN. Mr. Beard, I think that the fact that we have all been focusing on this particular issue in this particular way is one of the serious traps and disadvantages that our society has fallen into. I think, personally, I would be opposed to decriminalization unless and until I was convinced that we could first be assured that we were effectively able to significantly discourage its use and particularly by young people. To decriminalize before we knew that we could block the rapidly accelerating increase in use by young people would I think be an unfortunate move, but I think we should try if at all possible to

get away from this kind of formulation question and focus instead on the need for devising the most effective techniques that our society can come up with to discourage use.

Mr. DOGOLOFF. I'm in the fortunate position of having my personal and the administration policy position being exactly the same. That is, No. 1, that we discourage the use of marihuana, period; and I extend that to other drugs as well, but we are very clear about that. Second, because decriminalization is maybe the most misunderstood word in the drug vocabulary, I prefer not to use it and rather talk of the concept. The concept is to find the more effective and most effective ways of getting that message across to the American public that the Government does in fact discourage the use of marihuana. I said the use, not the abuse—the use of marihuana. There can be lots of ways of doing that. One way of doing that is citation diversion. It's quite a fine way and there are many other options that each individual locality and State can assume for themselves. I think we've got to do a better job of getting that message across. I think that severe criminal penalties which are for the most part not enforced have not seemed to get that clear message across, so we have to find more effective ways of doing it.

Whatever those ways are, I would support those, and citation and diversion I think is an excellent example of getting that message across.

Chairman WOLFF. I must call time on the gentleman so we can get to Mr. Livingston.

Mr. LIVINGSTON. Thank you, Mr. Chairman.

I have been quite fascinated, but I think I would like to touch on law enforcement so we can complete the record. One of the constant themes in the select committee hearings since 1976 has been the lack of sophisticated equipment dealing with Federal law enforcement agencies with which to combat the drug use, and the 1979 Federal Strategy underlines the role of technology—the detection, tracking, and communication resources. The Armed Forces, insofar as statutes and regulations will permit, should be utilized to complement the capabilities of civilian agencies. The strategy, simply put, means that you are supposed to be viewed as enforcement agencies—the Coast Guard, the DEA and the Customs are supposed to be looking toward greater utilization of technical equipment.

Mr. Chasen, you and I have had prolonged discussions about this particular field of endeavor over the last year and a half and I'd like to ask you, first, sir, how you're coming with respect to your boats and your planes, particularly your planes which you use to apprehend smugglers over the southeastern coast and perhaps all around the borders of the United States. I'd like to ask you to be as brief as possible because I have a followup question which I will state now so you other gentlemen can be thinking to what extent your agencies are utilizing high technology equipment both available to you now and which might be supplied to you by the Armed Forces or the other branches of the armed services. I would like to ask you to formulate in your own minds, if you can't give it to us in the limited time we have, and provide us with a shopping list of equipment that you think you might use that you're not using now.

Mr. Chasen, about the airplanes particularly I am concerned. Still, I understand the Air Force, if you will, of Customs that was stationed

down in New Orleans is no longer being abolished but capacity might be upgraded over the last time we last spoke but it still doesn't have any great number of planes. Your capacity is limited to speed. I understand the average drug smuggler may go 250 miles per hour or more, depending on the ability he has to acquire advanced technological equipment.

What's the story? How are your planes doing?

Mr. CHASEN. Our air fleet at the present time is about 66 planes. At the time we first started talking, Mr. Livingston, one of our fastest planes—and that wasn't too long ago—was a 1941 Lockheed Lode Star which is now in the Air Museum in Pensacola. We have made, I think, substantial progress.

I happen to have here this advertisement from the Westinghouse people. By October, we will have online three high performance jets which will have the Westinghouse F-16 radar in them. We have secured from the Air Force four T-39's which are jets, which will tie into our cooperative program with AWACS. We have at least four KingAirs which are high performance prop jets, all of which has upgraded our capability substantially.

What we are now looking at and are in the final phases of being briefed by the staff of the Stanford Research Institute on the nature of the "threat" so we can take our resources and realine them to best meet the "threat." We still don't know how many intruder planes there are, in truth, particularly in the Southeast and over the gulf. We do believe—and I might say that one of the reasons why the Coast Guard has become such a principal partner is because of the devotion of Admiral Hayes himself, and the Southeast area has been effectively screened and they are moving over toward your area and we are very conscious of that. We are trying to realine our resources, limited as they are, to meet what we think is going to be our analysis of the new "threat" situation.

Mr. LIVINGSTON. I know my time is up. I just ask that these gentlemen complete the record, Mr. Chairman, if they would state, first, to what extent they have utilized and conferred with the armed services about the possibilities of acquiring sophisticated technological techniques, and also if they would give us a shopping list individually in writing of the type of devices they could use to better service the country in the enforcement area.

[The information referred to follows:]

*Question.* To what extent has the Coast Guard utilized and conferred with the armed services about the possibilities of acquiring high technology equipment—gizmos?

*Answer.* The Coast Guard, as one of the five armed services of the United States, confers with her sister services on military matters, including high technology systems and equipment, on a regular basis. Various systems and equipment have been and are being evaluated as to their potential to enhance our law enforcement posture.

*Question.* Please provide us a shopping list in writing of the types of devices Coast Guard could use to better serve the country in the law enforcement area.

*Answer.* The following capabilities would assist the Coast Guard in its law enforcement mission:

1. Wide area detection, classification and identification of maritime traffic.
2. A radio direction finder system capable of pinpointing positions of suspected traffickers.
3. State of the art radio frequency scanners.
4. Secure voice communications among aircraft, cutters and command centers.

5. Gyro stabilized, high powered night vision devices.
6. All weather photography equipment.
7. A positive means to determine if a vessel is carrying vegetable matter without actually conducting a boarding.
8. A nonlethal way to stop and temporarily disable vessels.

Chairman WOLFF. Without objection, the request will be made of the panel. In addition to that, I take it that the panel would not object to the idea of answering questions that are submitted in writing. We want to thank you for appearing here, but the constraints of time have saved you having to answer further questions.

One point I think should be made, however, is that we on the committee would like a statement from the administration relative to the statements that have been made here before as personal opinions on the question of the diversion plan. We would like the reaction of the administration to that so we can have that for the record.

Second, I might say that on the overall question of decriminalization, it's a "knee-jerk" word. It's a word that incites temper on both sides. I think if we eliminated that word and got to the issue, we would be more importantly solving some of the problems and, therefore, I would ask you to come up with a new word or new idea as to how we might solve the realities of this problem. Although my friend from Tennessee doesn't have pragmatism in his area, he has grassroots and I think that's what he was talking about all the time.

We thank you again for appearing and congratulate you on the efforts that are being expended.

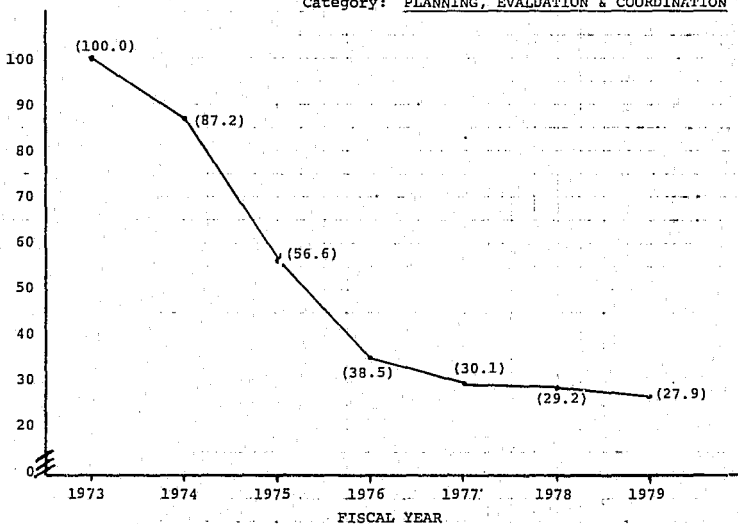
[Whereupon, at 12:35 p.m., the hearing was adjourned.]

DRUG ABUSE CONTROL: FEDERAL OBLIGATIONS, FY 1973 - FY 1979

(1973 Dollars = base of 100.0)

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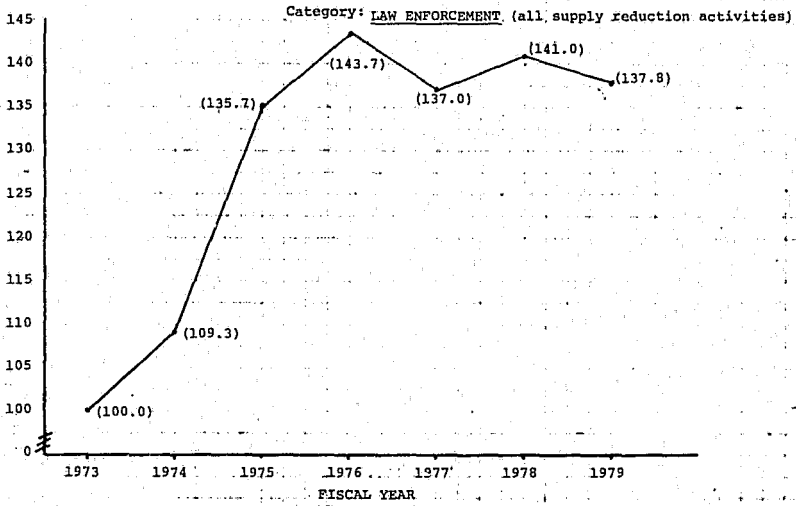
Category: PLANNING, EVALUATION & COORDINATION



- Sources: 1. FY 1973-1976: Select Committee on Narcotics Abuse and Control. Congressional Resource Guide to the Federal Effort on Narcotics Abuse and Control, 1969-1976. 95th Congress, 2nd Session (1978) p. 238.  
 2. FY 1977-1979: Office of Drug Policy; Domestic Policy Staff, Executive Office of the President

DRUG ABUSE CONTROL: FEDERAL OBLIGATIONS, FY 1973 - FY 1979

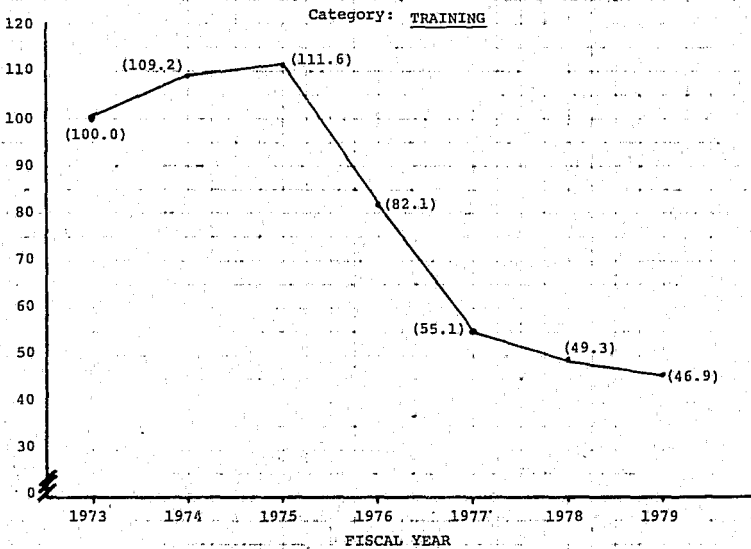
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DRUG ABUSE CONTROL: FEDERAL OBLIGATIONS, FY 1973 - FY 1979

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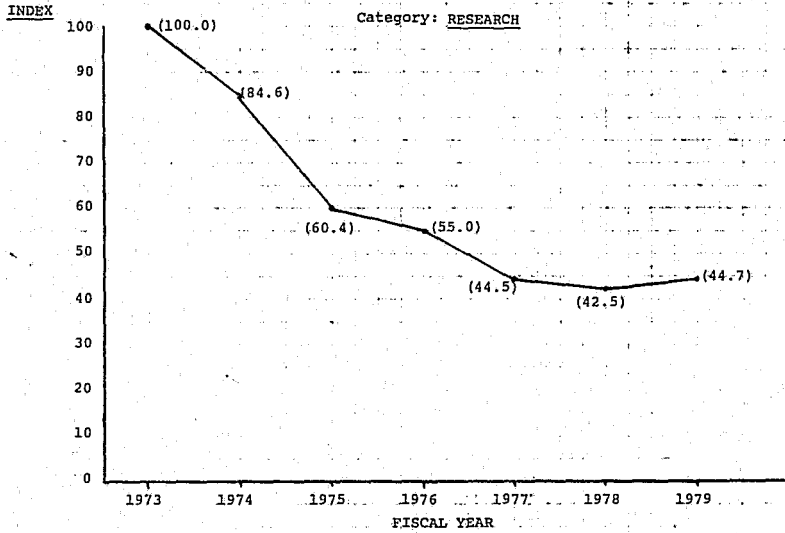
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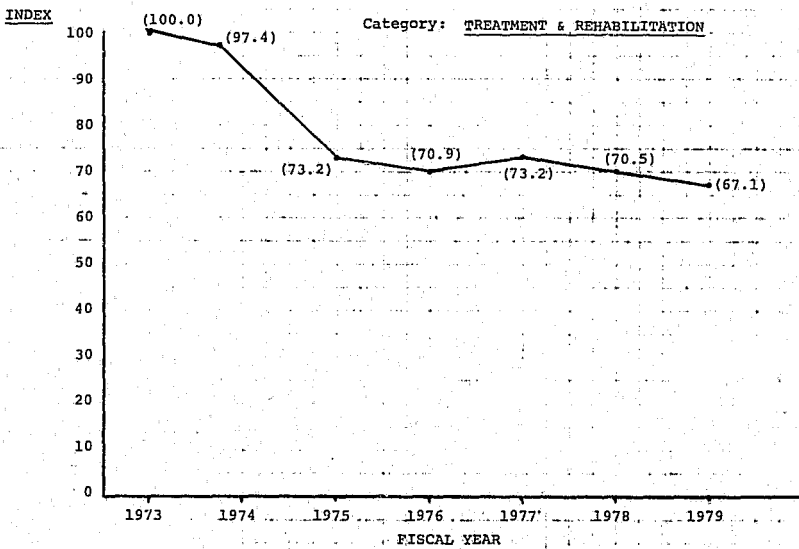
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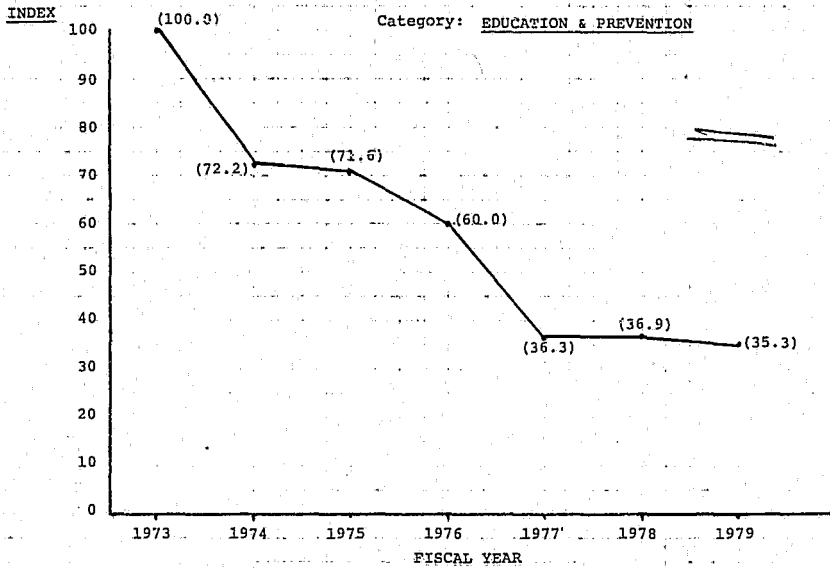
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(1973 Dollars = base of 100.0)<sup>1</sup>



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 2. FY 1977-1979: Office of Drug Policy; Domestic Policy Staff, Executive Office of the President

**DRUG ABUSE CONTROL: FEDERAL OBLIGATIONS, FISCAL YEAR 1973-79**

[Percent of total funds allocated by category]

Category	Fiscal year—						
	1973	1974	1975	1976	1977	1978	1979
Law enforcement.....	30.9	34.7	46.0	50.0	50.7	52.4	52.8
Treatment and rehabilitation.....	40.9	40.9	32.8	32.7	35.9	34.7	34.0
Education and prevention.....	7.9	5.8	6.2	5.3	3.4	3.5	3.4
Research.....	9.7	8.4	6.4	6.0	5.2	5.0	5.4
Training.....	3.3	3.7	4.0	3.1	2.2	2.0	1.9
Planning, etc.....	7.2	6.5	4.5	2.9	2.6	2.5	2.5

Sources: As indicated on graphs.

**PREPARED STATEMENT OF LEE I. DOGOLOFF, ASSOCIATE DIRECTOR, DOMESTIC POLICY STAFF, THE WHITE HOUSE**

Mr. Chairman and Members of the Select Committee, it is again a pleasure to be here today to conclude the series of hearings on the 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention. I will discuss the Domestic Policy Staff, the Principals' Group and the President's Strategy Council on Drug Abuse as the ongoing policy coordination mechanisms for the implementation of the Federal Strategy.

DOMESTIC POLICY STAFF

Since April 1, 1978 when the Office of Drug Abuse Policy was abolished under Reorganization Plan No. 1, my staff and I have been working within the structure of the White House Domestic Policy Staff headed by Mr. Stuart Eizenstat. With

strong Congressional support, we have pursued a significant number of activities which I will discuss below and which I believe have had a positive impact on the overall Federal drug abuse program and have contributed to reducing the drug abuse problem in our country.

The history of White House involvement in coordinating the Federal drug program began in the early 1960's with the Prettyman Commission. Since that time, we have seen the responsibility for overall coordination evolve through a Domestic Council Drug Office, an OMB Federal Drug Management Office, and an Office of Drug Abuse Policy. During the mid-1970's, the coordination of the health related activities evolved from a Special Action Office for Drug Abuse Prevention in the Executive Office of the President to the current National Institute on Drug Abuse in HEW. As recently as May 9, 1979, the President signed Executive Order 12133 which designated the Associate Director for Drug Policy within the Domestic Policy Staff as the individual "primarily responsible for assisting the President in formulating policy for, and in coordinating and overseeing, international as well as domestic drug abuse functions by all Executive Agencies." This Executive Order stands as the foundation for our current coordination, policy formulation and oversight responsibilities.

The problems of drug abuse in America and around the world are both fluid and complex. A broad spectrum of issues and priorities, including domestic and international health, social, medical, criminal justice and economic considerations must be weighed in perspective with other national policies and goals. Active Executive Office oversight has proven the most efficient way to maintain this perspective and to assure consistent policy formulation and interdepartmental coordination.

After attending most of the hearings which you have had on the 1979 Federal Strategy, I am pleased to say that not only is it evident that clear policy has been established in the drug abuse area, but just as important, most individuals within the Government know about it and are conducting their programs in accordance with its directives; and that coordination among the Executive Branch agencies is better today than it has ever been in recent history. The Federal drug abuse programs enjoy strong leadership. The problems which arise are, for the most part, situational rather than endemic. As conflicts surface they are addressed quickly, directly, and I believe successfully, through mechanisms such as my office which has been established for that specific purpose.

#### MEETING OF THE PRINCIPALS

Once a month I hold a meeting with the heads of the agencies responsible for the operational aspects of our drug abuse prevention and control programs. In between these meetings we have also scheduled an hour long conference call involving all these individuals to ensure that we have the opportunity to discuss policy, issues, and problems of mutual concern at least as often as every two weeks. This on-going policy coordination activity, which has come to be known as the "Meeting of the Principals," involves the Assistant Secretary of States for International Narcotics Matters, the Director of the National Institute on Drug Abuse, the Administrator of the Drug Enforcement Administration, the Commissioner of the U.S. Customs Service, the Special Assistant to the Secretary of HEW, the Assistant Attorney General of the Criminal Division of the Justice Department, the Commandant of the U.S. Coast Guard, and myself, the Associate Director for Drug Policy on the White House Domestic Policy Staff.

These meetings not only provide an opportunity to share operational issues of mutual concern but serve as a means of developing policy via consensus rather than by fiat. I rely heavily on the principals not only for their expertise and sound judgment, but also for their understanding of the capabilities of their departments or agencies which will be ultimately responsible for the implementation of the strategy. I believe that this form of policy development through consensus not only assures a proper response to the drug problem, but also one that can be realistically achieved. Although development of policy via consensus is preferred, I am not at all hesitant to mediate policy disputes should they occur between Executive Departments and make decisions in accordance with the mandate of Executive Order 12133. The "Principals' Group" concept is extremely successful, particularly in the drug abuse field which has been historically fraught with jurisdictional conflict and with what often appeared to be dramatically opposed objectives.

Upon the initiative of my office, the Principals Group has become involved in a number of activities which have evolved from the Federal Strategy. We have:

(a) Defined the role of the group, assessed resources and priorities and confronted some of the more difficult problems in the drug abuse field.

(b) Decided to move towards devoting a greater number of resources to our international effort in view of the group's unanimous opinion that the most effective way to reduce the availability of drugs in the U.S. is to concentrate on the elimination of drugs at their source.

(c) Taken steps to clarify the Federal Government's marijuana policy, both from a domestic health perspective and an international enforcement one.

(d) Examined alternative methods of crop destruction and supported additional research and development in this area so that crop destruction programs can be initiated by the governments of the source countries.

(e) Developed draft statements of five-year goals and objectives for each of the agencies or departments represented within the Principals' Group which will form the basis of a National Five-year Plan.

(f) Given concerted support to the enactment of specific bills which would significantly enhance the drug abuse control effort; e.g., the trafficking on the high seas legislation sponsored by Congressman Biaggi which would close the existing loopholes regarding trafficking on the high seas.

(g) Examined the issue of steps which might be taken to prohibit the manufacture and sale of drug paraphernalia throughout the country and directed the Department of Justice to draft a model statute which would be made available to state and local legislative bodies as they consider this problem. Though the above list is not all inclusive, it does represent the kinds of issues upon which the Principals' Group has focused.

#### STRATEGY COUNCIL ON DRUG ABUSE

In addition to the Domestic Policy Staff and the Principals' Group, the Strategy Council on Drug Abuse provides another coordinating forum for the Executive Branch. The Council, consisting of seven Cabinet Officers and six private sector members, is responsible for the development of a Federal Strategy in accordance with Public Law 92-255. The Council submitted the 1979 Federal Strategy to the President on April 2nd.

The first annual meeting of the entire Strategy Council was held on November 7, 1977, the second on November 16, 1978, and the third on May 30, 1979. An additional meeting was held in December 1978 with the public members of the Council and certain representatives from the Federal agencies and departments to increase the participation of the public members in the formulation of Federal drug policy. Briefings were given at this meeting by the Department of State, the Department of Health, Education, and Welfare and the Drug Enforcement Administration.

Following the presentation of the 1979 Federal Strategy to the President on April 2nd, the public members of the Council and I briefed a representative group of law enforcement and health officials throughout the country to ensure a wide dissemination of the Administration's policies. Additionally, we sent a copy of the 1979 Federal Strategy to all the members of Congress, all Governors, 800 large city mayors, a select number of county officials, all U.S. embassy narcotics coordinators, and those on the NIDA and DEA mailing lists. As soon as additional copies are printed, the Strategy will also be sent to selected state legislators throughout the country. The Strategy represents a comprehensive approach to the Nation's drug abuse problem and will serve as the foundation from which the Federal Government can proceed toward reducing the serious effects of drug abuse in this country.

These three coordination mechanisms—my office within the Domestic Policy Staff, the Strategy Council, and the Principals' Group have ensured over the past year that the Federal drug policies are consistent and realistic. In addition to those initiatives undertaken by the Principals' Group which were cited earlier, the Council, the Principals' Group and the DPS have been jointly pursuing the following:

#### MAJOR POLICY REVIEWS

During its year of operation, the White House Office of Drug Abuse Policy completed six major drug abuse prevention and control policy reviews. After

March 30, 1978, the Domestic Policy Staff assumed the primary role in following up on the agencies' implementation of numerous recommendations presented in the reports. Very extensive follow-up reports on "International Narcotics Control Policy Review," "The Role of Intelligence in Narcotics Control Policy," and "Drug Use Patterns, Consequences, and the Federal Response" have been submitted by the agencies and departments.

#### SOUTHEAST INITIATIVE

In an effort to halt the enormous quantities of marihuana and cocaine entering the country through the Southeastern United States, the Executive Office initiated, during the summer of 1978, a major interdepartmental effort against drug trafficking in that area.

In July 1978, representatives from the Drug Enforcement Administration, the U.S. Customs Service, the U.S. Coast Guard, and the State Department met to review the situation and develop a comprehensive response. Since that time, representatives of the agencies have met periodically to review progress and discuss the activities.

Over 987 tons (1,974,680 pounds) of marihuana were seized by the U.S. Coast Guard from July through December 1978. This represents a three-fold increase over 1977 seizures during the same period (325 tons or 650,000 pounds). In addition, the total number of smuggling vessels seized by the Coast Guard during 1978 (140) exceeded the total number seized during the previous five years (1973-1977). The U.S. Customs Service also seized over 780 pounds of cocaine in Florida, Georgia, and the Carolinas during this July through December period.

In addition to significant gains in the effectiveness of actual law enforcement efforts, the initiative was directed at long range improvement, as well. The Drug Enforcement Administration has increased its presence in the Southeastern United States, has conducted training programs for both State and Federal officers and has increased the level of drug investigation activities. Currently, there are interagency investigative task forces working on drug traffickers and the financial aspects of drug trafficking, particularly in the Miami area.

The success of the Southeast initiative is a direct result of excellent cooperation and hard work by the Federal and State law enforcement agencies involved.

#### FINANCIAL INVESTIGATIONS

In connection with the Southeast Initiative and looking ahead to other opportunities we have encouraged greater use of financial intelligence and greater emphasis on financial investigations of the major drug traffickers. An example of this is the so-called BANCO investigation in which the FBI and the Drug Enforcement Administration collaborated on a financial investigation to bring indictments against major drug traffickers in the Florida area. In addition, the DEA and the FBI have been engaged in other joint activities which have significantly enhanced our overall enforcement of the Federal drug and organized crime laws. Today, each of the FBI's 59 field offices has a "narcotics coordinator" who promptly passes on to DEA any drug-related data obtained from informants and other FBI sources.

#### COLOMBIAN INITIATIVE

Complementing our intensified interdiction effort in the Southeastern United States, the U.S. Government has signed an agreement with the Government of Colombia aimed at drug traffic originating in Colombia. This agreement commits Colombia to a military narcotic control interdiction effort, and calls for military surveillance in the Guajira Peninsula (the principal marihuana staging area of Colombia), destruction of clandestine air strips used by smugglers, strict control of all air and sea ports, and interdiction of illicit vessels and air traffic. The President of Colombia has issued a decree establishing air and sea restrictions which will enable the military to implement its narcotic control plan, and has committed Navy, Air Force, Customs, and Army personnel and equipment to the effort. In addition, the Colombian Attorney General will provide the United States Government with statistics and intelligence resulting from the enforcement efforts in Colombia.

To support this effort, the United States has agreed to supply limited amounts of equipment, intelligence, and personnel resources to the Colombian Government.

## THE FEDERAL RESPONSE TO THE PCP PROBLEM

A second major interdepartmental initiative coordinated by the Executive Office has addressed the increasing abuse of PCP (Phencyclidine) in the United States.

The PCP initiative began during the summer of 1978 when representatives from the National Institute on Drug Abuse (NIDA), the Drug Enforcement Administration (DEA), the Food and Drug Administration (FDA), and the National Institute on Mental Health (NIMH), met under the auspices of the White House Office of Drug Abuse Policy to review the situation and develop a comprehensive and coordinated response to the problem. The following represents only a select number of activities undertaken by the agencies and departments to combat the problem.

*Health initiatives*

1. In August, 1978, NIDA published a comprehensive report entitled "Phencyclidine (PCP) Abuse: An Appraisal" (Research Monograph 21) which provides detailed information on the extent of PCP abuse, acute and chronic effects, diagnosis and treatment of adverse reactions.

2. NIDA has also published "PCP: An Overview" (NIDA Capsule) and an assessment entitled "Phencyclidine Use Among Youths in Drug Abuse Treatment" for the general public.

3. All NIDA publications about drugs in general now include a special section on PCP.

4. PCP is now specifically coded on Client-Oriented Data Acquisition Program (CODAP) forms to allow the ongoing and continuous monitoring of clients admitted to treatment throughout the nation for PCP use.

*Supply reduction initiatives**Law Enforcement:*

1. DEA's Special Action Office/PCP was established on June 1, 1978 within the Agency's Office of Enforcement. From June 1978 through December 1978, 28 laboratories were immobilized, 197 defendants were arrested, and 8,907,560 dosage units were removed. An evaluation of the program showed that there appears to be a direct correlation between increased laboratory seizure activities and a downward trend in PCP inquiry mentions, as reported by the Drug Abuse Warning Network (DAWN). While major cities such as Miami, Detroit, Chicago, and New York continue at comparatively high levels for PCP mentions in the DAWN system, it appears that the surge in PCP abuse is stabilizing.

2. DEA, through its Precursors Liaison Program, is working closely with the chemical industry to identify the amounts of piperidine (a necessary element in the manufacture of PCP) that are needed for legitimate purposes and their destination. Relying heavily on voluntary cooperation by the chemical industry, those involved in the program will monitor unusual or suspicious orders for precursors used to manufacture controlled substances.

*Regulatory:*

1. During the past year, NIDA, DEA, and FDA have been coordinating an effort to identify, prepare and test PCP analogs for scheduling. Under the Scheduling provisions of the Controlled Substance Act, some evidence of abuse potential must be available in order to schedule a substance, and high abuse liability must be demonstrated to move it into Schedule I. In an attempt to anticipate traffickers' illicit activities, the Federal Government has already synthesized twelve PCP analogs for which pharmacological testing is currently underway in several laboratories. The NIDA Addiction Research Center (ARC) in Lexington, Kentucky, is currently assessing the abuse potential of PCP analogs in dogs and has initiated behavioral studies in rats and monkeys. Researchers at the University of California at Davis are also studying these compounds. Once it has been demonstrated that several of the closely-related chemicals all possess PCP-like activity, a sufficiently strong case may be made to generically schedule all chemically related substances.

2. During the past year, DEA has provided information to six States (New York, Oklahoma, Pennsylvania, South Dakota, Virginia and West Virginia) which are considering rescheduling PCP, its precursors and/or analogs under their State laws. Much of the information provided to the States has been extracted from NIDA sources and research studies. Additionally, rulemaking notices were published in the *Federal Register* in an attempt to provide information which would enable the States to take the necessary regulatory action.

**CONTINUED**

**5 OF 6**

## EUROPEAN INITIATIVES TO CONTROL DRUG ABUSE

As a part of the overall international strategy of encouraging other countries to systematically assess and respond to their own problems and to encourage their support in multi-lateral anti-trafficking and source elimination efforts, this office undertook several major efforts in Western Europe:

Two separate two-week consultation trips during which I met with health, law enforcement and diplomatic officers of FRG, West Berlin, Netherlands, Norway, Belgium, France, Sweden, Denmark and United Kingdom, as well as officials in WHO (Europe), WHO (Geneva), the INCB and the DND.

Creation, by exchange of letters, of U.S.-FRG Joint Working Committee to insure closer program coordination in areas of law enforcement, treatment, and scientific activities.

Early promotion of OECD as "convenor" for European interests; followed up strongly by Assistant Secretary Falco and Under Secretary Christopher in June 1979.

Bi-lateral discussions with Sweden and France.

## RESPONSE TO PRESIDENT'S MESSAGE ON DRUG ABUSE

In response to directives contained in President Carter's Message on Drug Abuse, presented to Congress on August 2, 1977, the following actions have been taken by appropriate agencies or departments. The Domestic Policy Staff continues to monitor these responses and has prepared two follow-up reports on their implementation.

*International efforts*

The Department of State is continuing to raise the international narcotics control issue in meetings with foreign officials from narcotics producing or trafficking countries and has encouraged the U.S. Ambassadors in these countries to do the same at the highest levels of the host governments.

To enhance and strengthen the international narcotics control program, the Department of State has consolidated into what was formerly the Office of the Senior Adviser for Narcotics Matters the policy and program management responsibilities previously shared by the Senior Adviser and AID. The Executive Branch and the Congress have further recognized the importance of this program by elevating the Office of the Senior Adviser to the Assistant Secretary level.

Department of State guidelines of December 23, 1977 specifically direct AID Missions to concentrate, to the extent possible, on economic development projects in narcotics producing areas of the countries. AID has ongoing development activities in the following primary source and transshipment countries: Afghanistan, Bolivia, Peru, Thailand and Pakistan.

In Pakistan, the overall AID development effort includes health and population planning, education, food and nutrition, and is aimed at the rural parts of the country where the illicit drug producers reside.

In the coca producing regions of Peru, two AID projects are now underway involving:

- (1) the establishment of research training centers on soy and corn production to develop farming techniques applicable to small farmers, and
- (2) the financing of small agri-business loans.

In Bolivia, AID has provided a loan to assist in the establishment of a coffee production cooperative in a primary coca producing region. In fiscal year 1979, AID is planning a loan of \$5 million for the development of the Yugas and Chapari areas which produce most of Bolivia's coca leaf crop.

In Thailand, the Highland Integrated Rural Development (Mae Chaem Watershed) project has begun to introduce a stabilized agricultural system to disadvantaged hill tribes who have been engaged in illicit opium cultivation.

Over time, most, if not all, of these projects should have some reducing impact on illicit drug producing areas by providing farmers with economic alternatives to cultivating drug producing crops.

The Central Intelligence Agency has augmented the coverage of the golden triangle area of Southeast Asia to include information on heroin refineries, trafficking routes and amounts of drugs being shipped to other parts of the world. The Agency is formulating estimates on the amount of opium being cultivated in Pakistan and Afghanistan and has made a similar effort with regard to the coca-producing countries of Latin America.



In conjunction with these estimates, CIA is also developing the capacity and methodology for monitoring world opium poppy cultivation.

The CIA has also increased efforts to collect and analyze narcotics-related information, particularly related to the economic impact of illicit trafficking in Central America and the Caribbean.

The Central Intelligence Agency is continuing to produce finished analytical intelligence on the political and economic aspects of international drug trafficking and has maintained the same level of commitment and resources in the international narcotics intelligence program despite budgetary and personnel reductions.

U.S. representatives to the multi-lateral development banks in conjunction with the Department of Treasury are now seeking to incorporate specific provisions in loan agreements to ensure that proposed projects do not contribute to narcotics production and will consider such provisions when voting and deciding upon the U.S. position. The U.S. Executive Director to the Asian Development Bank, in conjunction with the Department of Treasury, was successful in the inclusion of an anti-opium clause in a loan agreement for an irrigation project in Afghanistan.

#### *Domestic efforts*

The National Institute on Drug Abuse is continuing to ensure that compulsive users of any type of drug receive high priority in NIDA funded treatment programs, with priority on those individuals who present the greatest clinical need for treatment. The Institute is currently trying to improve:

1. training for health professionals in treating non-opiate drug abusers; and
2. the capability of general health care facilities under HEW jurisdiction in identifying and treating problems of non-opiate drug abuse.

The Department of Health, Education and Welfare has prepared a draft prevention work plan with an emphasis on mass communication of drug abuse information, prevention program evaluation, and research on the correlates and causes of drug abuse.

The Department of Health, Education and Welfare has also completed the study of sedative/hypnotic drugs and found that:

1. These drugs are unnecessary in many cases, often actually hinder sleep, and contribute to nearly 5,000 overdose deaths a year;
2. Benzodiazepene, with some qualification, is at least as effective as other sedative/hypnotic drugs, has a greater margin of safety and presents less risk of drug interactions;
3. The efficacy of short-acting barbiturates is questionable when administered on a chronic basis;
4. The existing evidence, however, does not warrant the removal of barbiturates from the market; and
5. Some non-barbiturate, non-benzodiazepene sedative/hypnotics have relatively little clinical utility and carry serious risks.

Based on this study and the Institute of Medicine Study on the prescribing practices of physicians, a timetable and plans for future research will be developed by fall 1979.

The Department of HEW is discouraging the unnecessary use of barbiturates and sedative/hypnotics in HEW facilities through surveys, internal reviews, dispensing restrictions, and physician education programs. Barbiturate purchases and non-barbiturate sedative/hypnotics (except flurazepam) purchases by the U.S. Public Health Service have significantly declined. An additional follow-up survey on the decreasing use of barbiturates and sedative/hypnotics is scheduled for January and should be completed by fall 1979.

The prescribing and use of barbiturates in military hospitals continues to decrease. The Department of Defense is currently in the process of evaluating what might be done through the CHAMPUS program to control the licit use of barbiturates.

The Department of Defense will also, by fall 1979 determine what additional actions must be taken in the area of barbiturate use, based on the current evaluation of last year's efforts and the Institute of Medicine study on barbiturate use.

The Veterans Administration has experienced a 22 percent decrease in the amount of sedative/hypnotic drugs ordered through VA pharmacies (approximately 70 percent of the total VA prescribing) from fiscal year 1976 to fiscal year 1978.

The VA has undertaken a study of the prescribing practices in psychiatric treatment by physicians and hospitals to determine appropriate practices, identifying problem cases and serve as the basis of training.

The VA has sent a Professional Services Letter on sedative/hypnotics to directors of all VA health care facilities, directed each facility to provide training on prescribing practices and conduct workshops for Chiefs of Staff and Chiefs of Veterans Administration Medical, Surgical and Psychiatric Services of VA hospitals on improving prescribing practices of medical personnel in the VA health care system.

The Drug Enforcement Administration conducted 119 investigations of barbiturate manufacturers resulting in 49 adverse actions; 74 investigations of distributors resulting in 28 actions; and 72 investigations of retailers (pharmacies and practitioners) resulting in 52 actions. There was no evidence of diversion of barbiturates at either the manufacturing or wholesale level; most of the violations involved record-keeping and security. The major diversion problem appears at the pharmacy and practitioner levels.

The Department of Justice has worked with the States in establishing Diversion Investigation Units (DIU's) in 16 States and the District of Columbia to identify practitioners and other individuals (i.e., nurses, pharmacologists, etc.) who are involved in drug diversion. During the period July 1977 to July 1978, the DIU's were responsible for approximately 484 State and local arrests and seizures totalling an estimated  $\frac{3}{4}$  million dosage units of diverted drugs. Current plans include establishment of DIU's in three additional States each year for the next ten years, beginning with States which have the most serious diversion problems. In addition to the DIU's, Federal investigators have been able to obtain investigative leads involving diversion at the practitioner level based on an analysis of drug purchases as reported in ARCOS (the Automated Reports and Consummated Order System).

Though the complete study will not be available until December 1981, the Department of Transportation is working on the following interim projects to comply with the President's directive:

A study on the development of less intrusive methods to test for drug use, particularly marihuana use, to be completed by summer 1979. The preliminary results are not encouraging and indicate that breath tests for marihuana are unreliable and that saliva tests can detect the presence but not the amount of marihuana in the system.

A laboratory study of the effects of marihuana on simulated driving tests to be completed by the fall of 1979.

A review of the state of knowledge on drugs and driving to be completed by December 1979.

The Department of HEW will conduct extensive research (\$1,000,000) on smoking behavior and tobacco dependence at the Addiction Research Center this year.

The Department will also continue the joint NIDA and NIAAA Substance Abuse Program which reviews research grant applications concerned with both alcohol and drug abuse.

The Department is preparing a timetable and plan by September 1979 for the project Big Sleep—a project designed to assess existing knowledge, to determine what additional information is needed and to establish a physician-patient education program on sleep disorders and their treatment which would include the use and abuse of sedative/hypnotic drugs.

The Department has completed a study on the impact of alcohol abuse on women and youth.

#### LEGISLATION

We have been fortunate in the past year to have worked with an actively involved and concerned Congress which passed legislation which strengthens the Federal Government's capability to deal with the drug abuse problem. I would like to list several of these laws:

1. On October 3, 1978 the President signed the Customs Procedural Reform and Simplification Act of 1978 (Public Law 95-410) which under Section III of Title I increases the dividing line between administrative and judicial forfeiture from \$2,500 to \$10,000. This legislation will enable vehicles, vessels, and aircraft used by drug violators to be processed for forfeiture under administrative regulations in a much more timely manner with attendant savings in storage costs and court proceedings.

2. On November 10, 1978 the President signed Public Law 95-633 in which a specific title is devoted to PCP criminal penalties and piperidine reporting. Under the Act, the penalties for unlawfully manufacturing, distributing or dispensing PCP and the penalties for possessing PCP with the intent to unlawfully manufacture, distribute or dispense it have been increased from a maximum of five years' imprisonment and/or a \$15,000 fine to a maximum penalty of ten years' imprisonment and/or \$25,000 fine. It also increases the penalty for a PCP offense for any person who has previously been convicted of a felony offense under Federal drug laws from a maximum of ten years imprisonment and/or a \$30,000 fine to a maximum of twenty years imprisonment and/or a \$50,000 fine. Possession of piperidine used to unlawfully manufacture phencyclidine (PCP) carries a penalty of a maximum of five years imprisonment and/or a \$15,000 fine. In addition to these criminal penalties the Act also requires anyone who distributes, sells, or imports piperidine (a chemical used in making PCP) to report such transactions to the Attorney General. The legislation further states that anyone who distributes, sells, or imports piperidine in violation of this requirement is subject to a maximum civil penalty of \$25,000.

3. The enabling legislation for the Psychotropic Substances Treaty was enacted by the 95th Congress and has been signed by the President. The Treaty will be submitted to the Senate for ratification in the 96th Congress.

4. On October 4, 1978 the House passed the Magistrate Act of 1978 (S. 1613) amending a Senate passed bill to expand the role of magistrates in Federal, civil and criminal court proceedings to relieve the caseload burden on judges. The bill has been a top priority of the Justice Department which has been supporting a series of bills to relieve Federal court congestion. As passed by the House, the bill specifically calls for an expanded Magistrate Criminal jurisdiction to allow full and part-time magistrates to try, with the consent of the accused, misdemeanors either with or without a jury. The differences, however, between this bill and the Senate Magistrate bill passed in July 1977 were not resolved in the 95th Congress. This legislation (S. 237) is now pending in the Senate Judiciary Committee.

#### CONGRESSIONAL TESTIMONY

Our appreciation to the U.S. Congress does not limit itself to legislation alone. The Committee of the House and Senate have, on many occasions, provided the Administration with opportunities to convey and explain our policies and programs at public hearings. Since the reorganization of the Office of Drug Abuse Policy into the White House Domestic Policy Staff, I have testified before you and other members of Congress on the following occasions;

February 17, 1978: Subcommittee on Health and Environment (Psychotropic Convention).

April 18, 1978: House Select Committee on Narcotics (Prevention).

April 19, 1978: House Select Committee on Narcotics (Methadone Diversion).

April 19, 1978: Subcommittee on Health and Environment (NIDA authorizing legislation).

April 27, 1978: House Select Committee on Narcotics (Drug Abuse in the Military).

May 9, 1978: Senate Subcommittee on Drug Abuse and Alcoholism (Cocaine Trafficking—Colombia).

June 14, 1978: House Select Committee on Narcotics (Treatment and Rehabilitation).

June 21, 1978: Joint Senate Subcommittee on Drug Abuse and Alcoholism and the Subcommittee on Juvenile Delinquency (PCP).

July 21, 1978: House Select Committee on Narcotics (Southeast U.S.).

August 8, 1978: House Select Committee on Narcotics (PCP).

August 22, 1978: Subcommittee on Juvenile Delinquency (Southeast U.S.; Trafficking on the High Seas).

March 2, 1979: Senate Subcommittee on Alcoholism and Drug Abuse (Drug Abuse Prevention, Treatment and Rehabilitation Act of 1979).

March 27, 1979: House Subcommittee on Health and the Environment (NIDA Reauthorization Legislation).

June 12, 1979: House Select Committee on Narcotics and Drug Abuse Control (Prevention).

June 14, 1979: House Select Committee on Narcotics and Drug Abuse Control (Domestic Drug Law Enforcement).

June 21, 1979: House Select Committee on Narcotics and Drug Abuse Control (Foreign Operations).

Now I would like to discuss the future—some of the initiatives we in the Executive Branch plan to undertake during the coming year.

#### ADOLESCENT DRUG ABUSE CAMPAIGN

With one in nine American high school seniors smoking marihuana daily, drug use among our youth is an issue of great concern. Experimental drug use continues to rise significantly in high schools across the country. The most recent youth Gallup Poll shows that teenagers themselves share our concern, in that they list drug use and abuse as the foremost problem facing their generation. Parents, teachers and students themselves need to have accurate information available to them. In addition, parents and teachers need some assistance in developing ways of conveying this information to their youngsters.

Our goal is to provide this accurate information about adolescent drug abuse to parents, teachers, and other key youth leaders so that they will be prepared to firmly discourage drug abuse by adolescents with whom they come in contact. Through this campaign, we hope to reach out to local communities and encourage them to bring about significant changes in the attitudes of our youth toward drugs. We will involve the NIDA, HEW, DEA and a number of key community groups, such as the National PTA, the National Education Association, etc. in this effort.

#### DRUG ABUSE IN THE MILITARY

Drug abuse in the armed services is an especially sensitive subject because of the potential impact on Defense readiness. This concern is emphasized by widespread media coverage and continuing Congressional scrutiny. The DOD has undertaken a number of initiatives, many in response to an ODAP policy review, to address this problem.

Our goals are to identify and respond to those issues which directly involve the White House, to monitor the DOD implementation of its new drug abuse prevention programs, and to ensure that DOD drug activity is integrated into other U.S. drug prevention activities. We are committed to an active oversight of the DOD programs and are working closely with the departments to ensure a continuing strong and visible effort.

#### DIVERSION OF PSYCHOTROPICS FROM THE LICIT MARKET

Most abused psychotropic substances come from legitimate domestic manufactures and most diversion occurs at the retail practitioner level. Adequate means exist to identify physicians, pharmacists and other health professionals whose questionable practices result in large scale diversion. The problem is to use this information to bring appropriate professional peer pressure as a first resort or, failing that, to get criminal convictions against these people.

Our goal will be to work with the State licensing boards, professional associations (AMA, PMA, APHA, etc.), peer groups and others to both identify the sources of diversion at the practitioner level and to halt this diversion. In addition, we will assure that Federal authorities work with State and local enforcement agencies to investigate and prosecute those individuals committing clearly criminal acts. To have maximum impact, this issue must not be seen as totally law enforcement oriented, but will include such things as physician education, etc.

#### DRUG INTERDICTION AT OUR BORDERS

Improvement of our capabilities to interdict drugs at our national borders is a high priority during 1979. We will continue to emphasize interagency coordination and responsiveness to changing trends in drug smuggling. The highly successful Southeast Initiative which I discussed earlier will be used as a model for other border interdiction efforts along the Eastern Seaboard and Gulf Coast of the United States.

#### PUERTO RICO TASK FORCE

We are in the process of establishing a law enforcement task force in Puerto Rico which will be headed by DEA. Representatives from the State government, DEA, Customs and the Coast Guard will develop an Island strategy to raise the level of drug law enforcement aimed at drug trafficking into and through the Island. The task force will prepare progress reports for the Governor and for me.

## ERADICATION AS A MECHANISM FOR REDUCING ILLICIT PRODUCTION

Eradication with herbicides is the most cost-efficient and effective means of destroying narcotics at their source. Problems exist regarding the possible ecological and health impact of spraying programs on both the citizens of host governments and on Americans. There is the additional question of eradicating crops where no other sources of income is available for farmers.

Our goal is to determine whether herbicides can be safely used for eradication, to review the effectiveness of other means of crop destruction and crop suppression and to gauge the political consequences of any steps taken. This effort involves the Departments of State, Justice, HEW and Agriculture, as well as the United Nations and the international organizations. It will require an overall Administration assessment and policy decision in which both program and political issues are carefully considered.

## USE OF DEVELOPMENTAL FUNDS IN NARCOTICS PRODUCING AREAS

The only successful means of reducing narcotics cultivation in "traditional" producing areas, such as Afghanistan, Bolivia, Burma, Pakistan, Peru and Thailand, is to aim for overall development of the region. Alternative sources of livelihood must be made available to growers through programs of crop and income substitution, and health and educational improvement, concurrent with enforcement of narcotics cultivation bans. Since narcotics funds are inadequate to do this, we must encourage AID, other bilateral donors, the IFI's and U.N. developmental organizations to target assistance to these areas.

Our goal is to implement the President's policy of aggressively pursuing development of narcotics producing areas by gaining the producing country's support, as well as by working with bilateral and multi-lateral donors to make the necessary funds available. We will coordinate the efforts of State, AID, Treasury, and DEA, all of whom have roles to play in this initiative.

## ENHANCE U.N. CAPABILITIES

International organizations have been involved in both drug demand and supply reduction efforts for over fifty years. Because of lack of resources and bureaucratic and personnel problems, the success of these efforts has been varied. As part of our efforts to achieve global involvement to fight the drug problem, international organizations should be encouraged to assume a more visible role in the entire drug field.

Our goal is to work with other governments and the appropriate personnel in international organizations to develop more aggressive and effective U.N. drug programs in such areas as international drug trafficking interdiction, international demand reduction, economic development of narcotics producing areas and assuring a balance between supply of and demand for licit narcotics. To accomplish this, we will involve a number of bureaus in the Department of State, as well as AID, HEW, DEA, and the USDA.

## JUDICIAL ASSISTANCE TREATIES

The prosecution of drug-related crimes committed outside the jurisdiction of the United States or committed by foreign nationals has been a major law enforcement problem. We must foster freer and quicker exchange of needed information and develop procedures within national judicial systems to help apprehend, prosecute and convict drug traffickers. Our goal is to assure that the U.S. enters into appropriate treaties to enhance enforcement of drug trafficking laws involving international transactions. An extradition treaty and a mutual assistance treaty with the Government of Colombia, for example, will be signed in Washington later this month.

## THE SOUTH ASIAN PLAN

Heroin from South Asia poses an increasing threat to efforts to control drug abuse within the United States, for this heroin has already flooded Western Europe and is readily available to U.S. personnel and their dependents stationed in Germany. By establishing and implementing an active South Asian plan, we hope to limit the problem before it begins to have a major impact on the U.S. heroin market.

The Department of State is working on a policy paper which will assess and propose viable courses of action to deal with the increased recent opium production in Afghanistan and Pakistan. However, the events in this part of the world have forced constant revisions of the draft policy paper. We are hoping that in the next few months the political and social unrest in these countries will be resolved so that a comprehensive plan for South Asia can be completed. We look forward to working with the Department of State on this issue and to reviewing the document at the appropriate time.

#### FEDERAL STRATEGY 1979—FOLLOW-UP AND IMPLEMENTATION

The staff will use the new Federal Strategy as the blueprint for program initiatives in the coming year. We will follow each of the specific recommendations to assure implementation.

#### STRATEGY COUNCIL ON DRUG ABUSE—ACTIVITIES AND PUBLIC ROLE

As I mentioned earlier, in December we began a series of highly successful meetings with the public members of the Strategy Council. The continuing involvement of both public members and departmental representatives fulfills the President's commitment to a truly revitalized Strategy Council and will continue in 1979-1980.

As you can see, we intend to pursue a wide spectrum of activities in 1979-1980. The Executive Branch cannot accomplish these alone. We look therefore to the continued support of the U.S. Congress and, above all, to the American public in reducing the serious effects of drug abuse in our country.

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