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SENATE

{ REPORT
No. 514

SPECIAL AGENTS IN CONNECTION WITH THE ENFORCEMENT OF THE NARCOTICS AND DRUG ACT

MARCH 6 (calendar day, MARCH 10), 1928.—Ordered to be printed

Mr. SHORTRIDGE, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 3311]

The Committee on Finance, to whom was referred the bill (S. 3311) to provide for advances of funds by special disbursing agents in connection with the enforcement of acts relating to narcotic drugs, having had the same under consideration, report it back to the Senate without amendment and recommend that the bill do pass.

The following letter was submitted by the Secretary of the Treasury as a report on the bill:

TREASURY DEPARTMENT,
Washington, March 7, 1928.

Hon. REED SMOOT,
Chairman Committee on Finance,
United States Senate.

DEAR MR. CHAIRMAN: I have the honor to refer to a letter from your committee dated February 23, 1928, requesting a report upon a bill heretofore referred to the committee, identified as S. 3311, and entitled "A bill to provide for advances of funds by special disbursing agents in connection with the enforcement of acts relating to narcotic drugs." A report upon the bill identified as S. 3233 will be made the subject of a separate communication.

It is respectfully recommended most urgently that the bill identified as S. 3311 be favorably reported with a view to passage at this session of Congress. No new or additional appropriation is desired and no additional expense to the Federal Government is involved. The purpose of the proposed legislation is to provide advances of funds for the detection of violations of the Federal narcotic laws by means of the purchase of necessary evidence of such violations.

In addition to its natural desire to restrict the internal traffic in narcotic drugs to legitimate medical channels only, it will be remembered that the United States has actively sponsored and has become a party, together with some 45 other powers of the world, to an agreement known as the International Opium Convention of 1912, under which it is obligated to pursue progressive suppression of the abuse of opium, morphine, and cocaine. For the accomplishment of this great purpose two principal Federal laws have been enacted and are now in force, the first being the Harrison narcotic law, as amended, which, as a revenue measure,

limits the internal traffic in narcotics to legitimate channels, and, secondly, the narcotic drugs import and export act, placing certain limitations upon the importation and exportation of narcotic drugs.

Naturally, the Harrison narcotic law, as amended, is the most important means of curbing the illegitimate internal narcotic traffic, and as the most efficient means of suppressing the abuse of narcotic drugs within the country lies in the prohibition of illegitimate commerce in such drugs, the three principal provisions of this law designed to accomplish this end condemn as illegal all transactions in the nature of sales which have a tendency to divert narcotic drugs from bona fide medical channels. In order to detect and punish violators of the Harrison law, therefore, it is practically always necessary to establish the fact of a sale in violation of one of these three provisions, and the only means of proving such an unlawful sale to a jury beyond a reasonable doubt is to have a reliable officer supplied with money, generally marked, with which to purchase narcotics from the suspected illicit dealer, either personally or by means of a third party, who must be personally supervised and corroborated by the officer.

The Federal courts have, in their decisions, specially recognized the necessity for the above-mentioned procedure by Federal officers in detecting narcotic violations, a representative declaration of this character being quoted as follows from a decision of the United States Circuit Court of Appeals for the Eighth Circuit in *W. V. Smith v. United States* (284 Fed. 673, certiorari denied by the United States Supreme Court, 261 U. S. 617):

"We all know that crime is committed, if it is committed, in secrecy. We know that parties who would ordinarily buy this drug for the purpose of satisfying their own diseased cravings, would be the last in the world to advise the Government of the fact, and to put the Government in the way of depriving them of the source of their supply by bringing those engaged in the illicit practice to justice. It is essential, not only under this law, but under any number of laws with which you are familiar, that the agents of the Government, or the agents of the State, as the case may be, should form plans whereby they may determine whether parties are those violating the law, and bring them to justice."

It is necessary, therefore, to prove a sale or sales in establishing a violation of the Harrison narcotic law, and large sums of money are needed to establish a case against the larger dealers who constitute the primary source of supply through connection with smuggling activities, since the larger dealers will not make small sales but deal in wholesale quantities only. Federal narcotic officers, being dependent upon their salaries for living expenses, are not prepared to advance, from personal funds, any great sum for the purpose of making a large purchase from one of the larger dealers in illicit narcotic drugs. Their advances from personal funds are necessarily limited to amounts sufficient only to make purchases from the average illicit street peddler and the number of these advances at any one time, even in this type of case is, of course, likewise limited for the reason above stated. It is submitted that the advantage to efficient enforcement of these Federal narcotic laws by apprehending the larger peddlers is obvious, and as this can only be accomplished by the use of an advanced fund, it is thought there can be no objection to the enactment of S. 3311 into law as soon as possible.

It may be added that the Director of the Bureau of the Budget advises that the proposed legislation is not in conflict with the financial program of the President.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

