

# **EXPORTATION OF OPIUM**

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## **HEARINGS**

BEFORE THE

### **COMMITTEE ON FINANCE UNITED STATES SENATE**

SIXTY-SIXTH CONGRESS

THIRD SESSION

ON

## **S. 4553**

A BILL TO AMEND SECTION 6 OF AN ACT APPROVED JANU-  
ARY 17, 1914, ENTITLED "AN ACT TO PROHIBIT THE  
IMPORTATION AND USE OF OPIUM FOR OTHER  
THAN MEDICINAL PURPOSES," APPROVED  
FEBRUARY 9, 1909

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DECEMBER 11, 1920

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# EXPORTATION OF OPIUM.

FRIDAY, DECEMBER 10, 1920.

UNITED STATES SENATE,  
COMMITTEE ON FINANCE,  
Washington, D. C.

The subcommittee met at 11 o'clock a. m. in the committee room, Capitol, Senator William M. Calder presiding.

Present: Senators Calder (chairman), Curtis, and Nugent.

Senator CALDER. The subcommittee has met this morning for the purpose of hearing some witnesses with reference to the bill S. 4553, which I will ask to have inserted in the record.

(The bill referred to is here printed in full, as follows:)

A BILL To amend section 6 of an act approved January 17, 1914, entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 6 of an act approved January 17, 1914, entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, be amended to read as follows:

"Sec. 6. That hereafter it shall be unlawful for any person subject to the jurisdiction of the United States to export or cause to be exported from the United States or from territory under its control or jurisdiction, or from countries in which the United States exercises extraterritorial jurisdiction, opium, or cocaine, or any salt, derivative, or preparation of opium or cocaine, to any other country, and the importation of opium or cocaine or any salt, derivative, or preparation of opium or cocaine hereafter is hereby declared to be unlawful: *Provided,* That such amounts of crude opium, and coca leaves, or other crude narcotics as may be found necessary by the Surgeon General of the United States Public Health Service to provide morphine, cocaine, or other needed medicinal preparations for the sole use of the United States may be imported under rules and regulations to be prescribed by the Secretary of the Treasury, the Secretary of Commerce, and the Surgeon General of the United States Public Health Service.

"The privilege of 'in transit' shipments is hereby withdrawn in so far as it applies to shipments of opium, cocaine, and their above-named salts, derivatives, and preparations.

"The Secretary of State shall request all foreign Governments to communicate through the diplomatic channels copies of laws and regulations promulgated in their respective countries which prohibit or regulate the importation of the aforesaid drugs, and when received advise the Secretary of the Treasury and the Secretary of Commerce thereof; whereupon the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce shall make and publish all proper additional rules and regulations for carrying the provisions of this section into effect."

Senator CALDER. Dr. Crafts, I understand you wish to present some witnesses this morning?

**STATEMENT OF REV. WILBUR F. CRAFTS, OF WASHINGTON, D. C., SUPERINTENDENT OF THE INTERNATIONAL REFORM BUREAU.**

Dr. CRAFTS. Mr. Chairman and Senators, it has been my privilege to occupy this position a hundred times in the last 25 years—introducing witnesses before committees of Congress and saying something myself in the way of introduction. We are limiting the time of our speakers so that we shall be sure to get through within a reasonable time.

The bill that you have under consideration is so short that perhaps it had better be read. I am not sure that the Senators have had time to read it.

Senator NUGENT. I think we have all read it.

Dr. CRAFTS. There are about three points in it: First, that the exportation of opium and all its derivatives from the United States is forbidden, and from extraterritorial lands by Americans residing in those countries. Also, the importation is forbidden, except such as the United States Public Health Service shall declare to be necessary for the legitimate and medicinal uses of our own country. One very important provision is that the transportation of these derivatives of opium through this country in bond, which has been carried on on a very large scale, is forbidden. Provision is also made for the regulation of these shipments by the Secretary of Commerce, the Secretary of State, and the Secretary of the Treasury by Executive orders in connection with this matter.

It is only just to remind you that the fight was formerly on smoking opium. From 1840, when the opium war forced opium on China in violation of their own prohibition, the blame has been lying largely on Great Britain, and their own best people have had an antiopium society fighting ever since 1867 to obliterate that shame upon the British Nation, and with great success. With the cooperation of the Reform Bureau the prohibition of the opium trade in China was secured. That country sacrificed millions of dollars in revenue and millions more by burning opium, and it looked as if China was going to have a complete victory over the opium curse.

But morphia, which you know is a derivative and more deadly, more condensed, more easily hidden, began to take its place. Edinburgh and London manufacturers of morphia shipped great quantities to Japan, the Japanese taking oath that it was for medicinal purposes. But Japan raises all the morphia they need, and more. They are very rigid about this matter of opium so far as the protection of their own people is involved. A few years ago, when I investigated this subject they allowed only about 2,000 pounds a year for their own medicinal uses. And yet in four years, 1916-1919, 89 tons of morphia were imported into Japan from Great Britain and the United States, ostensibly for medical purposes.

The British recently put through a new "dangerous drugs law." The business of shipping direct from Edinburgh and London has greatly decreased under this law of Parliament, and now the two cities that are the greatest offenders in this respect are New York and Philadelphia. The Chinese papers give the names of Powers, Weightman & Rosengarten Co., of Philadelphia and New York;

New York Quinine and Chemical Co., 100 William Street; and Merck & Co., 45 Park Street, New York City, as the three American drug manufacturers whose imprint has been found most frequently on smuggled morphia seized by Chinese officials.

Here is a statement of Prof. Jeremiah W. Jenks, well known as a former professor of Cornell University, who is now in charge of the Far Eastern Bureau in New York, and issues the Far Eastern Fortnightly:

While Great Britain has been the chief source of supply for Japan—in a decade the amount increased twentyfold—America has been an increasingly important factor as a middleman. While the direct imports from Britain have declined, the Japanese purchases from America have increased, our own importations from Great Britain in turn expanding.

In the middle of 1918, for instance, it is declared that morphine came from our Puget Sound ports to Japan to the amount of about a ton a month. The problem now is to shut off China's source of supply, and break up the Japanese drug traffic in China, whether or not the Japanese Government cooperates.

In this connection perhaps it would be well to mention that the Japanese rules are wholly inadequate. The nations have made a treaty, in which our people have cooperated, that no country shall ship these drugs to any country that has no rules for the regulation of the traffic. When we ship to Japan we are technically within the rule, but Japan has no restrictions that are worth mentioning in regard to this matter.

Senator NUGENT. Do you desire us to understand that this tremendous quantity of morphine that is shipped to Japan is thereafter shipped to China?

Dr. CRAFTS. Yes; practically all of it, because the Japanese raise more morphia in their own fields than is used by their own people. I say practically all of it. The 89 tons I spoke of are not the whole amount, because a good deal is transshipped in the harbor of Kobe, does not get ashore, and does not get into the Japanese statistics.

The Japanese regulations about this subject are as follows:

*Opium.*—No one may import from abroad.

*Cocaine, derivatives of opium and cocaine.*—These may be imported as medicinal materials, and do not require any special permission.

The result is that anybody in Japan can import at their pleasure. They have to take an oath in buying from abroad, on account of our rules and the rules of Great Britain, that the morphia and heroin is for medicinal purposes. It only requires a little perjury. Immense quantities are thus secured. These drugs may be mailed to the numerous Japanese post offices all over China by parcel post and in sealed first-class mail if they choose. The Japanese also supply the hypodermic syringes which are carried around with the drug by peddlers. One of the big money-making enterprises of the Japanese is this smuggling of opium into China.

Senator NUGENT. Do the laws of China permit the importation of this morphine?

Dr. CRAFTS. No, sir.

Senator NUGENT. This morphine that goes in is smuggled in contrary to law?

**Dr. CRAFTS.** Yes; practically all of it. We have pictures of the seizures by the Chinese Government, which is doing what it can in a very disturbed governmental situation. I understand that the Chinese dare not meddle with the Japanese post offices. The Japanese smuggler's consignment by parcel post, especially if it is under special delivery or registered, is not easily stopped.

That explains why this additional legislation is needed. There is a treaty in which the League of Nations has concurred, a treaty in which Holland, during the war, and the United States and China, concurred, all agreeing to ship no morphia except to countries having drug regulations; but the whole thing breaks down because the regulations of Japan are inadequate. Chinese papers say the regulations really facilitate instead of in any way preventing the drugging of China.

It is a matter of the very highest importance to the American people not to be included in such a case as this and have two of our cities named in the British papers and in the Chinese papers again and again as the two chief offenders in the greatest poisoning case in the history of crime.

I believe that these cities, as the matter comes to their attention, will stand back of this bill. I am very glad to say that in Philadelphia, before the bill was introduced, five papers took it up and supported it.

It was partly at our request that the measure was introduced. We have a branch in China, we have a building of our own in Peking, and our oriental secretary, Rev. E. W. Thwing, has been intimate with the Manchu princes; was appointed honorary advisor of the opium commission of the new Republic at its inception, and has been intimate with the succeeding Presidents. He was in Seattle at the meeting of the China Society, represented here by Mr. McKubbin, who spoke before the committee of the other branch of Congress and gave a very complete exposition of the matter. Indeed I think the bill comes quite directly from that society in its present form, introduced at their request by Senator Wesley L. Jones and Congressman Miller, of that city.

A very interesting thing to me, Mr. Chairman and Senators, is that it is the Pacific coast, that is supposed to be prejudiced against China and Japan, that is taking the aggressive lead in this matter in both branches of Congress. And in Philadelphia, where the greatest wrong has been done, not only have the papers taken it up on our side, but Powers, Weightman & Rosengarten Co. have declared that they have ceased their oriental exports and are in entire sympathy with the movement to prohibit such shipments.

So it looks as if we were on the way to victory unless the New York representatives of the drug trade choose to fight what we think is a matter of national honor and a matter of great humanitarian interest. We are sorry to say that some of those who represent the drug trade have in the past been very much opposed to restrictive legislation. We are hoping that as this bill is reasonable and righteous there will not be a fight made against it.

I want to read a telegram which we have just received from Dr. Howard Kelly. We all know Dr. Howard Kelly, of Johns Hopkins

Hospital, one of the most eminent doctors of this country. This is what Dr. Howard Kelly says:

Heartily in favor of prohibition of morphia, and cocaine. It seems utter folly for our President to ask aid for starving China in this morning's paper when we are poisoning China with these drugs through Japanese sources.

O course, we are wasting money as well as the physical force of that country through this unspeakable poisoning. I am going to ask the privilege of putting in what Mr. Reinsch, former United States Minister to China, who is here and will speak next, considers with me the most important document in the case—a document presented to the American congressional delegation this year by the board of directors of the International Anti-Opium Association. This is an association devoted wholly to this fight against morphia. It is an outgrowth of our International Reform Bureau's oriental branch. These men are devoted to this one thing. It is made up of the correspondents of British papers, of public officials, with an American Y. M. C. A. secretary and other citizens of the United States, Great Britain, China, Denmark, France, and Spain—a very eminent board of men.

They have stated here with conciseness facts that no one can successfully dispute, which are accepted by Prof. Jenks and others as conclusive, and they have also stated in very clear cut, brief detail what the law will need to do, for one thing, reduce the immense quantity manufactured. When we need it only by the pound, we are manufacturing it by the ton. A few thousand pounds will supply almost any country.

(The document submitted by the witness is here printed in full, as follows:)

MEMORANDUM SUBMITTED TO THE AMERICAN CONGRESSIONAL DELEGATION BY THE BOARD OF DIRECTORS OF THE INTERNATIONAL ANTI-OPIUM ASSOCIATION, PEKING.

[Published in Peking and Tientsin Times of Sept. 6, 1920.]

It is agreed in all civilized foreign countries that the opium, morphia, and allied drug traffic, except for medicinal purposes, is morally indefensible and that nationals must be protected by legislation against drug habits. In such countries legislation can be enforced and importation of drugs can be guarded against by effective legislation.

In China, however, there exist peculiar circumstances and for these, particularly as regards importation, foreign countries are mainly responsible.

For example, China has by various treaties been deprived of freedom of action in her tariff legislation and customs administration. At certain ports she is required to appoint customs officials of the particular nation most interested in the exploitation of the adjacent territories. This has led to ineffective customs control at some of the ports. Furthermore, under the system of extra-territorial jurisdiction now prevailing in China, Chinese officials can not freely arrest foreigners suspected of violation of laws, and can not in the case of subjects of treaty powers try and punish them. There has been just ground for the charge that not all foreign courts in china have dealt impartially and severely with their subjects accused of violation of antinarcotic laws. The wide extent of the Chinese frontier and the undeveloped state of the administrative machinery of the Republic also create serious difficulties.

These peculiar circumstances render it impossible effectively to control importation. Restriction of supply to individuals is also a virtual impossibility. Under these circumstances it would appear that the opium, morphia, and allied drug traffic throughout the world has developed to such proportions as to have become a menace and a danger involving annually the present and future ruin

of tens of thousands of Chinese and that this state of affairs is largely due to the faultiness of legislation of other countries which, whilst protecting their own citizens, render possible wholesale clandestine importation into China.

There has accordingly been organized at Peking the International Anti-Opium Association, composed of citizens of the United States, Great Britain, China, Denmark, France, Spain, and other nations, and enjoying the sympathy of the official representatives of those several nations. The specific objects of this association are as follows:

To secure restriction of the production and use of opium, morphia, cocaine, heroin, and allied drugs to legitimate uses.

To procure comprehensive legislation and adequate enforcement, prohibiting the planting and cultivation of the poppy throughout Chinese territory.

To assist in erecting an international system whereby the illicit traffic in the above-mentioned drugs shall be entirely suppressed.

This association, referring to the importance which the traffic has assumed, stated that the recorded transaction in morphia and allied drugs as shown by the trade returns of certain countries should be sufficient to give an idea of the enormous increase in the demand for habit-forming drugs. The figures taken at random from the official-trade returns for Japan show that the importation rose from 358,543 ounces in 1915 to 600,228 ounces in 1917, and that in a period of four years some 50 tons were imported into Japan.

These figures do not include the amount of morphia produced in Japan, neither do they include such morphia as may have been transhipped in Japanese ports. A recent seizure of heroin equaled 12,250,000 injections.

The main factor which makes this illicit traffic possible is primarily the inadequacy of existing regulations and the fact that the manufacture of morphia is not under Government control in the principal countries in Europe and in the United States. The existing regulations governing the production of morphia do not provide for a rigid accounting of the amount produced and of its disposal.

The existing laws in most countries prohibit the use of the drug in those respective countries but they contain no provision for the restriction of exportation of the drug. Where, under pressure of public opinion, action has been taken, as in Great Britain, the only restrictions introduced apply to shipments to Japan and the Far East.

It is to be noticed that uncontrolled production and control of open shipments to Japan only (i. e., of shipments under bill of lading) permit of the exportation through the post of unlimited quantities of morphia, as parcels are not examined prior to shipment. The profits to be made on the drug are so great that morphia sent through the post under cover as a registered letter is constantly reaching China and Japan. In the case of registered letters not coming under the control of the customs, detection is practically impossible.

A system of license which allows only the exportation of morphia when such is declared to be for medicinal purposes, but takes no steps to ascertain what the legal requirements of the importing country may be, fails of its object.

The American transshipment regulations are so drawn up that they provide for the transit through to foreign countries of merchandise "without examination or appraisement and without production of a consular invoice." The facility with which the drug may be transported through the States, coupled with the facility with which it may be purchased in Great Britain, are factors that have resulted in an increase in the traffic.

The following is an extract from the Japan Chronicle of July 11, 1919: "British morphia was preferred to American, but now the dealers go to America for the drug. As a result the import from the United States has enormously increased. For some reason, however, the official figures give no indication of this remarkable expansion in the traffic. According to the official figures, the imports into Kobe for the first five months of this year amounted to 25,378 ounces only. Now we have information that during the period mentioned more than 113,000 ounces arrived at Kobe by steamers from America. This does not represent the total amount arriving at this port which is probably very much greater. We have made inquiry at the customhouse with a view to ascertaining why the official figures do not agree with the amounts of morphia in the manifests of the vessels bringing the drug to Kobe, the names of which are in our possession. The only explanation of the discrepancy in the figures in our possession and those furnished by the customs would therefore seem to be that the morphia arriving by steamer from American ports is transhipped in Kobe Harbor into other vessels bound for China and thus does not pass through the



customs. As a result, while the traffic still goes on, little if any trace of it appear in the Japanese statistics."

The present transshipment laws of the United States are such as to be advantageous to the traffic.

Recent discussions prove that America participates in the traffic and that American-made morphia is reaching China via Japan.

The recent smuggling case before the Japanese consular court was watched on behalf of the International Antioptium Association by a firm of lawyers who reported that "two leather trunks, each containing a large number of tins of morphia and heroin, were produced and opened in court and I was able to examine a number of the tins. All the ones I saw bore labels denoting American origin, though the drugs were brought to Shanghai from Osaka, the manufacturers in most cases being 'Powers Weightman Rosengarten Coy.'". If the United States allows the export of morphia without ascertaining where and for what purpose it is destined, she enters into the list of parties responsible for the traffic.

It would appear that American morphia can and does reach China via Japan. Apparently the same conditions exist in America as in Great Britain; one may not poison oneself with the drug, but one may export it to poison others. The facilities with which luggage and merchandise may be bonded and allowed to transit through the States are factors that go toward building up the drug traffic.

Evidence of existence of wholesale clandestine arrivals of morphia into China. Parties responsible for traffic.

The recent seizure of morphia valued at a quarter of a million dollars, followed a few days later by a seizure valued at \$100,000 (vide Shanghai Gazette of July 15, 21, and 30, and Aug. 19, 1919) affords clear evidence that the trade has assumed enormous proportions and is no longer in the hands of small traders. In the case referred to above as much as \$20,000 was paid to one person as a bribe.

The responsible parties are those who make it possible for the unscrupulous to purchase morphia, i. e., the Government which do not control production. Governments which sell morphia to Japan in excess of her legitimate requirements or while attempting to regulate the direct export of it to Japan make it possible for morphia to reach the same destination indirectly are responsible for the existence of the traffic. To allow the direct exportation to Japan of morphia only under license and solely for medical purposes, and yet at the same time to take no steps to ascertain what those legitimate requirements are, is to establish a system which apparently controls but in reality lends itself to abuses. Japan's legitimate requirements can be ascertained, and when it comes to supplying them, such legitimate requirements, less what she manufactures herself, and less what she purchases elsewhere, are all that should be allowed her.

We annex a copy of a letter recently written by our association to the American commercial attaché at Peking, suggesting certain changes in the American laws and regulations for the control of the trade in narcotics, which it is thought will render the control more effective.

We respectfully submit that stricter control will prove of as great benefit to the United States as to China, since the rapid growth of the narcotic habit in the United States in recent years has apparently demonstrated the inadequacy of existing measures.

Finally, we wish to express here our appreciation of the just and magnanimous attitude of the United States Government and people toward all efforts of the Chinese Government and its friends to free the Chinese people from the evils of the narcotic trade. We realize that the present unfortunate situation, so far as it relates to imports from or through the United States, is due mainly to the recent change in the character of the trade, through the substitution in large part of morphia and other prepared drugs for opium. Now that the export of opium from India to China has been prohibited, illicit traders have naturally resorted to encouraging the use of more easily smuggled drugs, which were not in the past so seriously abused. We are confident that the American people will respond to our appeal for the new measures needed to meet the new situation when the facts are brought to their attention.

We earnestly request that the members of the American congressional delegation will give this matter their attention while they are in China, and that they will give their support to such measures as may be introduced into Congress for remedying the present situation.

The letter referred to above is as follows:

NEW AMERICAN OPIUM REGULATIONS.<sup>1</sup>

"DEAR SIR: The executive committee of this association has instructed me to thank you for your letter of June 7. I desire that you will express to the committee of the United States executive department concerned this association's appreciation of its efforts to 'place an effective check from the opium trade in China.'"

A committee has been appointed to draft comments and suggestions regarding the whole subject, in accordance with your letter. It has reported as follows:

1. Habit-forming drugs in transit through United States of America.

The most important channel of importation from the United States into China is that of transit, either:

a. Under customs bond.

b. Through the post office (not necessarily direct to China).

Regulation 1. Paragraph (e) reads: "The term 'export' shall not apply to shipments in transit through the United States under customs bond."

COMMENTS.

a. The regulations make no effort to limit or restrict the flow of the drug through its most important channel across the States, under the protection of the American flag.

b. No effort is made to ascertain whether the laws "regulating their entry" into such countries as Japan constitute effective protection against misuse or are simply regulations providing only nominal control.

2. Export of habit-forming drugs to Japan.

The fact that the American post office accepts for transmission abroad parcels without examination renders the law inefficient; unrestricted manufacture, coupled with uncontrolled export (via post office), is an encouragement to the trafficker.

The following are the figures of import into Japan, in 1917, 600,220 ounces; 1918, 165,087 ounces; 1919, 409,100 ounces; 1920 (first five months, to end of May), 237,174 ounces, into Kobe alone.

It is believed that Japan produces sufficient drugs for her own requirements. Seizures of smuggled drugs by the Chinese customs prove that the main volume of illicit traffic flows directly or by transshipment in Japanese ports, through Japan. How do the new opium regulations protect China from this present harm and future menace?

The drugs in question (see 6) "may be exported to countries regulating their entry," but their export must be subjected to the import regulations of those countries.

Japan's regulations are as follows:

*Opium*.—No one may import from abroad.

*Opates—Cocaine—Derivatives of opium and cocaine*.—These may be freely imported as medical materials and do not require any special permission.

COMMENT.

As Japan provides regulations for the entry of the drugs in question, there is nothing in the United States regulations under discussion to prevent export in unlimited quantities to Japan. Such importation is inevitably followed by smuggling into China. Thus the regulations do not interfere with the flow of the drug trade out of the States and into China. We believe that if the American regulations under comment and the Japanese regulations as to imports of opates, etc., were submitted to an impartial critic, he would be able to remark with fairness that as they stand the regulations of the two countries facilitate rather than hinder indirect drug traffic to China.

3. As there is nothing to prevent such export, there is also nothing in the regulations to impede manufacture in unlimited quantities, having no relation to medicinal requirements. If the United States desires to stop the use of drugs by the ton, why does it allow their uncontrolled manufacture by the ton?

4. This association is unable to understand why the United States Government should refuse to reward its officers for giving information leading to the

<sup>1</sup> The regulation under comment took effect under regulation 15 on May 1.

capture of drugs; nor can it understand why, while common informers are rewarded, no reward is given to customs officials for the discovery of smuggled drugs. (See 7.)

5. There is nothing in the regulations before us to prevent import into the United States of raw materials such as opium, known to have been imported into the United States by hundreds of tons in recent years, for manufacture of unlimited quantities of drugs.

6. (See 7) Smuggling or the aiding or abetting of smuggling of the above-mentioned drugs should, in our opinion, be punishable by imprisonment without the option of fine.

7. There are no penalties laid down for violation of regulations 2, marking of packages; and 3, willful incorrect declaration as to quantities and ultimate destination, etc.

What is meant by the term "ultimate destination" (Reg. 3)? The term is misleading, and its use without definition appears to be intended to lull the public into a belief that China is being protected against attack under the protection of the American flag. In point of fact, the use of the term is in no way effective in restricting export for:

a. No instructions are given to State officials to prosecute in case of false declaration as to "ultimate destination." The term is not defined in the act. This association would be inclined to define "ultimate destination" of over 90 per cent of American morphia as "the circulatory system of a Chinese." Can the signatories of these regulations provide the association with their own or a better definition?

b. Neither the exporter nor the collector of customs is in a position effectively to certify as to where or for what purpose the drug under export will finally be used if imported to, say, Kobe, as ultimate destination.

This association would suggest:

a. That all exports be accompanied by a form providing for a full description of the nature and quantity of the drugs allowed to be exported together with a place for the signature of a recognized fiscal authority of the country of destination, who would certify to the due importation of the shipment in question, all nonreturn of such forms, duly signed, to be considered as evidence that the drug did not reach the declared destination, and the exporter to become liable to a penalty to be fixed by law.

b. That it be made easy for the Chinese Government to secure information of all intended movements of narcotics for which the United States Government has issued permits of export.

#### SUGGESTIONS.

This association has drawn up a set of requirements embodying certain basic principles which should, in its opinion, be adopted in drawing up regulative legislation. These are as follows:

Nothing short of Government control of manufacture will put an end to clandestine movements of habit-forming drugs, such as morphia, heroin, cocaine, novaine, etc. The system of control after production should be under licenses and bonds, only those handling in a bond guaranteeing to abide by the regulations made by the Government to be given a license, only holders of a license being authorized to be in possession of the drug. Regulations intended to control the morphia from the time it leaves the manufactory to the time that it is administered by a duly qualified medical officer should provide for:

1. Manufacture by the State or under State control.
2. If manufactured under State control not more than one manufacturing chemist authorized to manufacture.
3. Government officials to be attached to factory to control narcotics entering in a raw state and coming out as a finished product. Daily records to be kept by the manufacturer and submitted to the excise or customs officer for verification and signature. All morphia and similar drugs to be stored in a special warehouse, set apart for such drugs, and books showing all entries and outgoings to be kept. Warehouse to be purely under Government control.
4. No supplies to wholesale chemists or druggists without production of a license and permit.
5. No license to trade in such drugs to be issued by the Government unless applicant guarantees to keep true records of all transactions, and to sell only to a person handling in a permit issued by the Government and showing the amount authorized to be purchased.

6. No fresh stock to be purchased without a permit and an accounting for former stock.

7. No permit to purchase to be issued to cover morphia intended for export to a country whose regulations for the control of morphia once landed have not been approved of by the Government of the exporting country.

8. No permits to export to be issued for amounts in excess of legal requirements, i. e., excess of amount required for purely medical use, and, even then, first to ascertain how much of the drug so required has been produced in the country seeking to import and how much has been purchased from other countries.

9. Steps should be taken to tabulate the legal requirements of all countries and to aim at limiting the world production to that amount.

10. The system of control of distribution to be such as to allow the drug to be traced back, step by step, to a State-control factory.

11. Morphia and similar drugs to be put up by the Government in containers of different sizes, each package in the series lettered and numbered to facilitate tracing.

12. No exportation to be allowed to any country whose antiopium laws do not constitute a real guarantee that the drug will not be misused.

13. No exportation to be allowed to any country which does not guarantee that such opium or drugs will not be reexported to another country.

I am, sir, your obedient servant,

(Signed) *A. SOWERBY,*  
*General Secretary.*<sup>2</sup>

Later, Mr. W. F. Collins, one of the directors of the association, wrote to Mr. Batchelder, and added the following:

#### CONTROL OF DANGEROUS DRUGS IN TRANSIT AND ON EXPORT.

Control of dangerous drugs, passing through the United States in bond or exported therefrom is as necessary as is the control of explosives in like case. As the secretaries of State, Treasury, and Commerce (or one of them) have regulated control of explosives in bond and on export there is no valid reason why rigid control over transit and export of dangerous drugs should not be secured by the same machinery.

Dr. CRAFTS. We are very fortunate in having here a gentleman who probably knows more about this matter than anyone else, an ex-minister to China, Hon. Paul S. Reinsch, who will speak for 15 minutes.

#### STATEMENT OF HON. PAUL S. REINSCH, FORMERLY UNITED STATES MINISTER TO CHINA, SOUTHERN BUILDING, WASHINGTON, D. C.

Mr. REINSCH. The case of our Government has already been indicated by Dr. Crafts, who has spoken preliminarily from the point of view of preventing a great international wrong, in the prevention of which we are bound to cooperate as signatories of the anti-opium convention of 1912, which is designed to protect the nations of the world against the traffic, and under the terms of which opium is not to be exported to any country that prohibits its import, nor to countries which do not regulate the opium traffic sufficiently, thereby making themselves a focus of infection for the whole world.

<sup>2</sup>The sections of the law and the paragraphs of the regulations referred to in the accompanying letter, from the secretary of the Anti-Opium Association, to the acting commercial attaché, are sections 6 and 7 of the act of Congress approved January 17, 1914, entitled "An act to amend an act entitled 'An act to prohibit the importation and use of opium for other than medicinal purposes' approved February 9, 1909," and the joint regulations of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce, which were prescribed under the provisions of the above law at Washington, D. C., on April 26, 1920, effective May 1, 1920.

I desire to approach this matter more directly from the point of view of our national interest and to give you a brief summary of how we are involved. In 1913 the import of opium from British possessions into China was forbidden under the treaty with China, in consequence of the international arrangements of 1912. A great opportunity arose for illicit traffic and smuggling, of which the Japanese took the most extensive advantage, setting up establishments for the distribution of opium in China wherever they penetrated.

When these charges were first made they were, of course, indignantly denied, and they could not have been reached by proof of isolated cases. But the British papers in China published what is called the opium blacklist, and on this list gave the names of dealers in China at whose places opium had been bought—actually bought—opium or its derivatives. There was always proof in each case. These were largely Japanese druggists, photographers, and all other kinds of small traders. This paper which I have here [exhibiting paper to the committee] happens to have a very brief blacklist, covering only two large columns. Very often the blacklist extends over two pages of this size. That will give you some idea as to the extent of this traffic.

From the statistical point of view it will be seen from these figures that up to 1913 the highest import of opium into Japan was 32,000 ounces. That quantity rose by the year 1917 to the amount of 600,000 ounces. That shows how extensively the Japanese took advantage of this opportunity, because, in addition to this, they had stimulated the growth of opium in Korea, while their own laws protecting their own people are very strict, so that the opium consumption in Japan itself is only for medicinal purposes.

A great deal of this opium came to Japan directly from Scotland, where the morphines were manufactured. A great deal came through the United States. In order to fulfill her international obligations, Great Britain limited the amount of opium to be exported to Japan. In 1918 that amount was made 25,000 ounces, plus. From that time on the transit through the United States and the import from the United States became very large. We have here, for instance, the figures given by Prof. Linton, of Seattle. From Seattle alone in the last five months of 1919 there were exported over 108,000 ounces of morphine, 51,000 pounds of crude opium, and 30,000 ounces of cocaine, all by Japanese ships under bills of lading to Japan.

However, these things do not show on the Japanese customs record, because when they go to Kobe they are transshipped without entry into the Japanese customs statistics. So the Japanese customhouse records will not at the present time show completely the extent of this traffic.

Senator NUGENT. One moment, sir. How do you know that?

Mr. REINSCH. We know that from the investigations made at Kobe, where the thing has been watched by both British and American men who are interested.

Senator NUGENT. You state that as a fact?

Mr. REINSCH. As a fact; yes.

The act of 1914 contains a provision under which opium is not to go to a country which does not regulate its import. That is, as you will readily see, based on the principle that a country which does

not regulate this traffic itself is a dangerous place to which to send opium or morphine. On April 26 of this year the Secretary of the Treasury, in cooperation with the Secretary of State and the Attorney General, had regulations issued to make this portion of the law more clear, and on May 1 the Attorney General issued an opinion to the effect that, as the import regulations of Japan prohibit only the import of opium and are not satisfactory under our act of 1914, therefore the export of opium from the United States to Japan can not be permitted. From the 1st of May of this year on, therefore, the power is given to enforce regulations which will prevent the export of opium and its derivatives to Japan.

However, the tricks of this trade are so clever and so complicated that those who believe we have an important national stake in the matter do not feel that the law is yet sufficient to protect us. Our national stake in it is this: The opium and morphine traffic of the Japanese in China is one of the most terrible blots on the reputation and fame of any nation, and is so felt in China. It has made the name of the Japanese, together with their political aggressive action, a by-word throughout China.

Gentlemen, I use these words with a full sense of responsibility. I know that they are strong, but they correspond to the facts.

Now, from our point of view the danger is this: The Chinese customs is an internationally administered institution which is trying to protect China, and when in these shipments the names of American firms are found, then the Japanese illicit traders are only too glad to push the whole burden of shame and opprobrium onto the shoulders of America, and that would have a very strong effect in China in undermining our standing there.

We do have an excellent standing in China, won through the work of our merchants and teachers and missionaries and consuls for the last 140 years, and there are all sorts of forces at work there to undermine that standing by the most scurrilous and unjust means—through villification in the Japanese-controlled press, and so on. As these charges are untrue, the Chinese have paid no attention to them and we have, if anything, risen in their opinion on account of these attacks; but if it is plainly shown in a court that morphia manufactured in the United States with the stamp of an American firm on it is in Chinese commerce through illicit means, we can not avoid responsibility, and I do not believe that our wholesale drug firms have anything whatsoever to gain in proportion to what they would lose by becoming associated with the scandal of this traffic.

But it is not only the wholesale drug firms that are interested: it is the whole American commerce, the standing of Americans and the American educational work that is going on in China. That will be discounted unless we find means to stop this traffic.

Now, gentlemen, the regulations made by the three departments are made in the spirit of doing the best, under the laws, to eliminate any American share in this traffic. If we could be assured that that method alone was sufficient, we should be happy. We recognize the efforts which have been made by the officials under the law to eliminate this evil. But there is one thing which the present law does not touch at all, and that is transit shipments from other countries through the United States. Going through in bond, they are not examined and we have no record of their contents. While this is

not so damaging to us as the other, because it does not carry the American name on the product, still it is a great evil which will react upon us, because wherever that traffic is permitted it endangers all nations.

Senator CALDER. What countries ship through our country in bond?

Mr. REINSCH. It is believed that morphia is still being shipped through the United States from Scotland and from other British points, but there may be other points. The direct shipment from England to Japan is limited, as I have stated. So it would seem a sound principle to follow that anything the use of which in the United States is put under strict regulation or is absolutely forbidden should not be permitted to pass through the United States in transit, because it is next to impossible to protect our people in that case against these things being taken out in transit and used here, putting them into the hands of the members of this illicit traffic.

Senator CALDER. The Chinese laws prohibit the importation of this drug?

Mr. REINSCH. Yes.

Senator CALDER. Can they not enforce it there?

Mr. REINSCH. They can not, because the nationals of foreign nations in China remain under the laws of their respective countries. The Japanese in China and the Japanese post office in China are not subject to Chinese jurisdiction. Wherever they go they may carry opium and morphine.

Senator NUGENT. Is that same thing true with respect to the nationals and the post offices of other countries in China?

Mr. REINSCH. Yes; that is true. We have, however, no proof whatsoever of the nationals of any other nation engaging in this traffic, except in isolated cases, carrying the stuff in baggage, and so on. The Japanese are not by any means the only ones, but the cases of other nations are limited, and certainly the commercial establishments of other nations do not carry on the traffic which is proved by the blacklists to be carried on by those of Japan.

Speaking of the profit in the traffic, it was brought out in the seizure of \$250,000 worth of morphia recently in China that a number of bribes of \$2,000 had been paid to or offered to individuals to facilitate that particular entry. The Japanese who was guilty in this case, and who was tried in the Japanese consular court in the presence of representatives of other nations who were watching the proceedings, was condemned to 25 days' imprisonment.

Gentlemen, I do not desire to detain you at all. If there are any questions with respect to any statement I have made or any other features of this matter, I should be very glad to answer them.

Senator CURTIS. Just one question. You stated that this opium from Scotland goes through this country. Why could they not ship that in their own ships to Kobe and transfer it illicitly, as you say they do with the morphine from this country?

Mr. REINSCH. Yes; there must be something of that sort going on, although I have no proof of it. I am not sufficiently familiar with the administrative arrangements in the matter of transit shipments, Senator, but it seems to me that shipments could be made from Scotland to the United States—

Senator CURTIS. But you know they could be shipped to Kobe, and in the harbor of Kobe transferred to the little sampans and ships and taken to China?

Mr. REINSCH. Yes; it would always be an illicit arrangement that would require smuggling in Scotland itself. But that is an evasion of the British law, whereas a shipment to the United States could be made. There is no law against the shipment of opium to the United States, because we have strict laws here, and it seems to be possible to ship to the United States for transshipment here, and when the goods arrive here put them in bond, carry them through the United States, and have them shipped on to Japan.

Senator CURTIS. I just asked because I know something about the harbor of Kobe.

Dr. CRAFTS. I think we can put evidence before the committee, if it is desired, as to transshipments coming from Scotland and from London, from some of this evidence that has come to us.

Now, we have Dr. Harvey W. Wiley here, and he may be in haste to get back to his very busy office. Following him we will have only two very brief speeches.

**STATEMENT OF DR. H. W. WILEY, WASHINGTON, D. C., FORMERLY CHIEF OF THE BUREAU OF CHEMISTRY, DEPARTMENT OF AGRICULTURE.**

Dr. WILEY. Mr. Chairman and gentlemen, I am interested in this measure from three points of view: First, from the human point of view, irrespective of this or any other country. Second, from the point of view of our duty toward other countries. Third, from the point of view of our duty toward our own people. I will be very brief in what I have to say, because it is simply on those three points.

We owe it to our moral and intellectual duty to protect, so far as we can, the moral and intellectual faculties of the people, and the drug addiction is one of the most powerful depressants, working even entire destruction to moral and intellectual manhood and womanhood.

In the second place we owe a duty to the people of other countries that we should not send out of this country any of these drugs which we restrict and forbid the use of among our own people. Especially I refer to the people of China, who have many burdens to bear without getting any drugs from this country.

Thirdly, it is the purpose of this amendment to place the distribution for medicinal purposes in this country in the hands of the Public Health Service.

You gentlemen must be familiar with the fact that drug addiction comes largely through the collaboration of the manufacturer or the dealer with the weak and unethical physician, a man who will prescribe drugs of this kind where there is no real medicinal reason for so doing. I realize, as well as you gentlemen, that we can never absolutely put a stop to this kind of trade, but we can make it very difficult, and especially by limiting the raw material at hand, which this bill proposes to do by placing the entire import of it under the control of the Public Health Service.



I have here the Journal of the American Medical Society, which contains a very interesting symposium on this subject in the issue of December 4, 1920, pages 1589 and 1590. This was a discussion at the Philadelphia Society of Medicine, and there were a number of physicians from other places, especially from New York, taking part in this symposium. The remarkable fact was brought out here that heroin is now almost the only kind of poppy preparation that is employed in drug addiction. One physician said that as many as 90 per cent of the opium addicts were taking the drug heroin, and another physician said that in his opinion not more than 1 per cent of the heroin and other salts of morphia that were manufactured and introduced into trade in this country were used for legitimate medical purposes, and 99 per cent was used to gratify the drug addicts.

Also the problem was discussed of curing a drug addict by giving him the same drug that made him an addict. Dr. A. M. Lambert, one of the most prominent physicians in this country, of New York City, expresses himself very decidedly on that point, that the only way to stop drug addiction is to stop drug addiction, and while he would, for two or three days, permit a gradual reduction in the amount of drug employed, his purpose is to stop it altogether at the earliest possible moment. He proposes to do this by substituting other drugs, to be sure, which are not so severe. He claims—and his claims have been justified by experience—that in a very short time he can stop the craving for this particular drug, heroin, or cocaine, or morphia, by a vigorous treatment of this kind accompanied by severe catharsis—physicking the man very severely. He calls it “unpoisoning” the addict. In his opinion, the first thing to do to save an addict is to unpoison him, and you will never unpoison him, according to Dr. Lambert and other physicians—that is, a majority of them; one or two of them take the other side—by giving the same poison with which he is poisoned. You must give him another poison or none at all. That is his way, and that is the reasonable way. Many, many cures are reported, not only by him but by those who have followed his plan.

The old practice was what they called the ambulatory practice, leaving it to the man himself, furnishing him this material and telling him to take it in less quantities. That never works in the case of an addict: it may work for a day or two, but they get right back.

Now, this amendment proposes to restrict rigidly the importation for medicinal purposes and put into the hands of competent men the determination of how much is necessary for medicinal purposes. So I think it is a wise amendment to this law, and one that will be effective.

I talked not long ago with one of the most prominent pharmacists of the city of San Francisco, a man who stands very high in his profession. I said to him, “How much whisky and brandy were prescribed to be filled in your drug store before prohibition days on physicians’ prescriptions?” and he said, “A barrel of whisky would last me about three or four years.” I said, “How much are you using now?” He says, “According to the prescriptions I am getting, about 5 barrels a month”—no; it was not that; it was more than a month, but it was an enormous increase.

Of course, in the old days a physician could say to a man who wanted whisky, "Go to the saloon and get it," but now they can not do that, and hence this enormous increase in prescriptions. Now, if you could not get these prescriptions, if they could not be filled, the physicians would not be writing these prescriptions.

Senator CALDER. I understand that in the larger cities you can get all you want to drink of whisky in the saloons.

Dr. WILEY. That may be; I do not know.

Senator CALDER. But the trouble is that when a man goes in there he is violating the law when he buys it, but he is not doing it when he goes into a drug store and gets a prescription.

Dr. WILEY. That is very probably true.

I have just completed a term of 10 years as president of the United States Pharmacopœia Convention—last May—and in my retiring address I called the attention of physicians and pharmacists to the danger threatening them from their unprofessional brethren, and I do not think I accentuated that danger in the least. The whole medical profession to-day and the whole pharmaceutical profession are suffering from the attitude of just a few members of both professions. They are bringing both professions into discredit. The medical profession to-day is suffering from the facility with which a single unethical member can get hold of or prescribe these very drugs which this amendment is intended to restrict to the minimum.

I can not say more than that. I think this law would be wonderfully strengthened by just the proposition which is here before you to-day, and to put it into the hands of the Public Health Service, that association of men banded together by Government authority for the protection of the health of our people. There is the best place in the world to place this restrictive power—the very best place.

Senator CALDER. Dr. Wiley, is it your judgment that the number of drug addicts is decreasing materially in this country?

Dr. WILEY. It is increasing, in my opinion, because of the facility with which they can get hold of these drugs, and especially since the introduction of heroin; that seems to be the one thing which above all other serves this purpose. Only about nine years ago was heroin introduced into this country, and now the testimony is that 90 per cent of the drug addictions to opium and its derivatives are to this one drug. This one drug particularly ought to be controlled. It should not be allowed to be exported from this country nor imported into this country except as permitted for strictly medicinal purposes.

Dr. CRAFTS. Dr. Wiley, I think Senator Calder had reference to the fact that we have had prohibition only recently and whether prohibition is increasing the use of drugs or whether it is due to this increased facility in getting the drugs.

Dr. WILEY. I do not think the man who has the alcohol habit has the craving for these other drugs. He does crave excitement, and if his customary stimulant has been withdrawn he may go to another drug for the soothing influence to lull him into apparent security; but it is not a craving for the drug; it is for something to act on his nerves in an improper way. Possibly the increase in drug addiction may be to a certain extent due to the somewhat difficult, though not very difficult, proposition of getting alcohol under the present arrangements.

Mr. REINSCH. Mr. Chairman, with your permission I should like to add to my remarks a very brief paragraph from an editorial which gives a very clear statement of the cause of action taken from a paper that is unusually well informed about foreign affairs.

(The quotation submitted by Mr. Reinsch is here printed in full, as follows:)

[From Christian Science Monitor, of Boston, October, 1920.]

Twelve months ago The Christian Science Monitor, for the previous 10 years, the importation into China of morphia and morphia appliances of all kinds had been prohibited, and that Japan herself was a signatory to the agreement forbidding this traffic—went on to show how Japan was honoring her word in this respect. "It is a fact all too well known," this paper declared at that time, "that the exportation of morphia and morphia appliances to China is one of the most flourishing of Japanese trades. Literally tens of millions of yen, declares one authority, are transferred annually from China to Japan for the payment of Japanese morphia. The trade has the financial backing of one of the largest banks in Japan. The great morphia laboratories in Formosa are under Government supervision, and the chief agent for the distribution of morphia in China is the Japanese post office. A large and steadily increasing supply of the drug passes, week by week and month by month, through the parcel post. No inspection of parcels passing through the Japanese post offices in China is allowed the Chinese customs officials. These officials have to be content with a statement written on the outside giving the alleged contents of the parcel. The actual contents may be anything. In this way, it is estimated, morphia is entering China by the ton."

To-day, 12 months later, not only is there nothing to withdraw from this statement of the situation, but there is very much to add to it. The importation of morphia and morphia appliances into China from Japan has not only continued in increasing volume, but the latest advices on the subject go to show that morphia is very far from being the only drug by means of which Japan is striving to accomplish her immoral purpose. It now appears that cocaine is rapidly coming into favor amongst the Japanese exporters.

Dr. CRAFTS. In response to the chairman's remark, may I say that the logic does not seem to go very well, that the saloons are as open as ever, and that drug addictions are increasing because people have been deprived of whiskey. The man who goes to the drug store for dope is not going there merely because it is against the law for him to buy liquors in open saloons, but he is going there because it is difficult to get the drink in the saloon, so far as he goes there for dope at all as an ex-patron of the drink.

#### STATEMENT OF DR. JAMES EMPRINGHAM, NATIONAL SUPERINTENDENT EPISCOPAL TEMPERANCE SOCIETY.

Dr. EMPRINGHAM. As the national executive of the Protestant Episcopal Temperance Society and the Social Service Commission of that church, we are profoundly interested in this question.

First of all, it is being said that now that this country is under the prohibition of the drug alcohol, men will naturally resort to other drugs, and there is no question that when a man can not as easily get alcohol he craves something to make him forget, and he may take other drugs.

Then we feel that, in view of the wonderful sacrifice that the Government and the people of China have made in trying to emancipate themselves from their former drug slavery, it would be a disgrace for the great United States of America to do anything else than help these Chinese people in their struggle to free themselves from this addiction.

And because of the great profit in the smuggling of this drug—when I was a young man in England the addicts of this drug took it in the very clumsy form of opium, but to-day, so far as I can understand, they use the derivative salts, such as heroin and morphine, which can be packed away in such a very small compass—enough shipped in a letter to poison almost a city.

And therefore these two great societies wish me to say that they do hope that the United States can wash its hands of this great crime of helping to forge again the fetters of a country which has made such heroic struggles to emancipate itself from slavery to the drug opium and its derivatives.

Dr. CRAFTS. I see Father Zurcher here, the president of the Catholic Priests' Prohibition League. I am sure he would like to say that they are on our side.

**STATEMENT OF THE REV. GEORGE ZURCHER, PRESIDENT  
CATHOLIC PRIESTS' PROHIBITION LEAGUE.**

Dr. ZURCHER. Mr. Chairman and gentlemen, one requirement of the welfare of the American people is a large infusion of more morality. It has come to such an extent in every phase of important questions that are turning up and pressing for solution that really, unless we get a large infusion of greater morality into all people throughout this great Nation, we will get into serious trouble before many years. On that ground alone we should indorse every measure of this kind strictly, because they are moral measures for the protection of morality for our own people and for the protection of outsiders. They are for the nations like China that are still friendly to us that have been debauched by Christian traders—debauched, fearfully debauched, to such an extent that they have learned the vices of civilization, added to their former weaknesses. And in many instances they are three or four times worse off now through their contact with Christians, and they will get more and more hatred for Christian people. And we as Americans owe it to the poor Chinaman, we owe it to the world, to stand for the moral law and protection of morality. I do not think we can ever gain much power and influence over the world through physical force, but I do think it is the providential mission of America to influence the whole world, to be a great leader on moral grounds, and that is the measure of leaders of morality in this country and for the world.

Dr. CRAFTS. I see here Mrs. Yost, of the National Woman's Christian Temperance Union, who will desire to state the attitude of that noble body to this bill.

**STATEMENT OF MRS. ELLIS ASBY YOST, LEGISLATIVE SUPERINTENDENT OF NATIONAL WOMEN'S CHRISTIAN TEMPERANCE UNION, WASHINGTON, D. C.**

Mrs. Yost. The organization which I have the honor to represent has for many years worked to secure laws to safeguard the people against drugs for other than medicinal purposes. Our interest extends to the people of other countries. We ask you, I appeal to you

in the name of the organization, to give serious consideration to and favorably report the bill.

Dr. CRAFTS. Mr. Chairman, we are very greatly obligated for this hearing before your busy committee, and we have nothing further to add this morning.

Senator CALDER. If there is any one of your people, Dr. Crafts, that would like to file statements or briefs with the committee, they may do so.

Is there any opposition to the measure?

**STATEMENT OF MR. EUGENE C. BROKMEYER, MUNSEY BUILDING, WASHINGTON, D. C., GENERAL ATTORNEY NATIONAL ASSOCIATION OF RETAIL DRUGGISTS.**

Mr. BROKMEYER. I would request, Mr. Chairman and Senators, the privilege of a hearing later at your convenience for my branch of the drug trade, upon the ground that we have had no notice of this bill, and we would like to analyze it for your information, particularly as to the practical effects of it on the legitimate drug trade. As retailers, we are distributors of medicinal preparations, and if this measure is found to interfere with legitimate traffic in medicines we would like to have the opportunity to point it out.

Senator CALDER. The committee will be very glad to consider whatever statement you care to file, or any request for a hearing, at the earliest possible moment. Is there anybody else?

(The following protest of Powers-Weightman-Rosengarten Co., Philadelphia, Pa., and the New York Board of Trade and Transportation against Senate bill 4553, Sixty-sixth Congress, third session, was subsequently submitted and is here printed in full, as follows:)

HON. BOIES PENROSE,

*Chairman Finance Committee, United States Senate,*

*Washington, D. C.*

DEAR SIR: Senate bill 4553 provides—

"That hereafter it shall be unlawful for any person subject to the jurisdiction of the United States to export or cause to be exported from the United States, or from territory under his control or jurisdiction, or from countries in which the United States exercises extraterritorial jurisdiction, opium or cocaine, or any salt, derivative, or preparation of opium or cocaine, to any other country, and the importation of opium or cocaine, or any salt, derivative, or preparation of opium or cocaine, hereafter is hereby declared to be unlawful: *Provided*, That such amounts of crude opium and coca leaves, or other crude narcotics as may be found necessary by the Surgeon General of the United States Public Health Service to provide morphine, cocaine, or other needed medicinal preparations for the sole use of the United States may be imported under rules and regulations to be prescribed by the Secretary of the Treasury, the Secretary of Commerce, and the Surgeon General of the United States Public Health Service."

This bill seeks to amend section 6 of the act of January 17, 1914.

The International Opium Convention, signed at The Hague January 23, 1912, by the principal nations, the United States among them, was subsequently ratified by the United States Senate. There is not sufficient space here to set forth in detail the provisions of this treaty, but some of the salient points were that the contracting powers should use their best efforts to adopt measures (a) to confine the manufacture of morphine and cocaine to premises which shall have been authorized to this effect; (b) to demand that all those who manufacture, import, sell, distribute, and export these drugs shall be provided with an authorization or license to carry on these operations, or shall make an official declaration thereof to the competent authorities; (c) to demand of these persons to register on their books the quantities manufactured, the importations, the sales, and exportations of these drugs; (d) to prohibit in their in-

ternal commerce all transfer of these drugs to nonauthorized persons; (c) to confine the importation of these drugs to authorized persons; and (f) to adopt measures to prohibit exportation of these drugs except to such persons as shall have received authorizations or permits under the laws of the importing country. The words morphine and cocaine as used above include medicinal opium, heroin, and derivatives of morphine or cocaine.

The United States, pursuant to this convention, passed three laws in the year 1914, to wit, (1) act of January 17, 1914 (4 Fed. Stats., Ann., 173); (2) act of January 17, 1914 (3 Fed. Stats., Ann., 723), which S. 4553 seeks to amend; and (3) act of December 17, 1914 (4 Fed. Stats., Ann., 177), commonly known as the Harrison Narcotic Act.

Drastic regulations governing the exportation of these drugs were issued, effective May 1, 1920, under section 6 of the act of January 17, 1914, by the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. (See T. D., 38245.)

In June, 1919, a report entitled "Traffic in narcotic drugs" was made by a special committee of investigation appointed by the Secretary of the Treasury and was issued by the Treasury Department.

Pages 27 and 28 of the report contain the conclusions and recommendations of the special committee of investigation. Among other things, they say:

"If this and the other countries represented at the International Opium Convention are to effectually control the traffic in opium and other habit-forming drugs, some concerted action is necessary. It is therefore recommended that this country, through the State Department, take up this matter with the other powers which were signatory to the International agreement entered into at The Hague in 1912, with a view to persuading such Governments to enact the necessary legislation to carry out the terms of The Hague protocol. Otherwise, the task of this country of suppressing the illicit traffic in habit-forming drugs will be rendered much more difficult. Pending the ratification of The Hague opium convention by the various powers and the enactment of necessary legislation to carry out the terms thereof, it is urgently recommended that the United States Government take up with the Governments of the Dominion of Canada and Mexico the subject of more effective control of the manufacture and exportation of narcotic drugs therefrom for the purpose of securing their cooperation with this Government in the suppression of the smuggling of such drugs from one country into the other, which now affords the principal source of supply for the illicit traffic in these drugs."

Turning now to the bill under consideration, S. 4553, introduced by Senator Jones of Washington, it seems evident that this bill was drawn without consideration of the regulations issued under section 6 of the act of January 17, 1914, the International Opium Convention, the above-mentioned report of the special committee of investigation, or the proper interests of the drug trade.

This bill seeks to prohibit absolutely the exportation of these drugs to any foreign country whatever, regardless of the export business of manufacturers, wholesalers, and manufacturers of pharmaceutical preparations. In other words, the American people would not be permitted to have a hand in supplying the necessary medical requirements of the other peoples of the globe.

Under this bill enormous power would be given to the Surgeon General, in that he would be the sole arbiter for the entire Nation as to its medical requirements of these drugs.

It is a question whether the insular possessions of the United States would be entitled under this bill to have any of these drugs, as the bill provides only for the medicinal requirements of the United States, allowing nothing for the insular possessions.

If this bill had been law during the late war, it would have been impossible for the drug trade of this country to have supplied our Allies with their requirements of these drugs, and, indeed, it would have been impossible to have supplied these drugs from this country to the medical officers of the United States Army in various parts of the world. In other words, our own Army in foreign parts would have had to procure its supplies of these drugs from non-American sources.

We aver that this bill is ill considered and destructive. It seeks to exterminate all export trade in these articles without any fair regard to the rights of the American drug trade to do an export business.

We urge the view that the question of importation and exportation is international in its aspect, and to effectually control this traffic international concerted action is necessary. This also is the view of the special committee on

Investigation above referred to. That international concerted action is bound to come in due time is shown by articles 23 and 205 of the treaty of peace with Germany, signed at Versailles June 28, 1919. In fact the assembly of the League of Nations now sitting at Geneva is considering this question. In Associated Press dispatches from Geneva, dated December 15, 1920, it is said that the proposal that the League of Nations assume the duties which heretofore have devolved upon Holland under the International Opium Convention, was taken up by the assembly at that day's session, and that the committee which had been investigating the subject recommended that the secretariat of the league collect information from the interested countries, and that the subject be further investigated by an advisory committee, including representatives from the countries especially concerned, Holland, Great Britain, France, India, Japan, China, Siam, and Portugal. The committee decided that the United States should be especially invited to send a representative to meet with the advisory committee.

Under these circumstances it seems obvious that legislation at this time on the subject of importation and exportation of narcotic drugs is premature.

We earnestly protest against S. 4553.

Respectfully submitted,

POWERS-WEIGHTMAN-ROSENGARTEN Co.,  
By H. B. ROSENGARTEN, *President*.

DECEMBER 20, 1920.

STATEMENT OF THE NEW YORK BOARD OF TRADE AND TRANSPORTATION.

New York, December 26, 1920.

HON. BOIES PENROSE,

*Chairman Committee on Finance, United States Senate,  
Washington, D. C.*

SIR: The drug trade section of the New York Board of Trade and Transportation consists of the oldest, the largest, and the most representative houses in this country in the drug and chemical trades. These concerns are engaged in a perfectly legitimate and scientific industry. They recognize, however, that some of the scientific products which they manufacture and handle should, in the interest of the public welfare, be subject to stringent laws and governmental regulations controlling their handling and sale. In this spirit they have taken a foremost part in support and promotion of both national and State legislation subjecting them to severe and technical supervision and control to prevent the indiscriminate and unrecorded distribution of poisons and narcotics. This organization, composed as it is of some of the most reputable business and manufacturing establishments in the United States, protests against the passage of the bill introduced in the Senate by Senator Jones and in the House of Representatives by Congressman Miller to amend section 6 of the act of January 17, 1914, entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," and respectfully submit for your consideration the following reasons for adverse action upon the said bill.

The purposes of the bill are to—

1. Absolutely prohibit the exportation of narcotics in any form to any foreign country.
2. To prohibit the importation of narcotics into the United States, except upon certification by the Surgeon General of the United States Public Health Service that such importation is necessary for the sole use of the people of the United States.

The act of January 17, 1914, which it is sought to amend, and the regulations promulgated thereunder by the Secretary of State and the Secretary of the Treasury and the Secretary of Commerce, under date of April 26, 1920, provide sufficient restriction upon the export of narcotics to prevent illegitimate traffic.

Under the law and regulations, exportations may only be made to countries which have laws regulating the import of such narcotics, and the Secretary of State has published a list of such countries. To export to countries which have laws regulating importation of narcotics it is necessary to produce to the collector of customs at the port of exit from the United States evidence that the foreign consignee has the right to import, such evidence being in the form of a permit or certificate from the proper officer in the foreign country, verified before the United States consul. In addition, it is necessary to make application to the collector of customs for permission to export, this application being

made under oath, and containing all the particulars concerning the proposed shipment of narcotics.

It is noted that in the hearing held before your committee that a Dr. Crafts, in his answer to a question by Senator Nugent, stated that the proposed additional legislation is needed to prevent shipments of morphia from the United States to China via Japan. In this connection we would call your attention to the fact that exportations of morphia or any other narcotic can not be made from the United States to any country under the act of January 17, 1914, and the regulations made thereunder, unless such country has laws and regulations which restrict and control the importation and distribution of narcotics therein. Under this act the Secretary of the Treasury has held, and this decision has been affirmed by the Attorney General, that Japan has no law which meets the requirements of the act of January 17, 1914, and that, therefore, no exportations of narcotics in any form may be made from the United States to Japan. There has, therefore, been no exportations of narcotics to Japan from this country since May 1, 1920, when the department's regulations of April 26, 1920, became effective. The statement made, therefore, by Dr. Crafts is inaccurate, for the reason that no exportations of narcotics have been made to Japan for six months, and none can be made under present conditions.

In his answer Dr. Crafts volunteered the statement that he was sorry to say that some of those who represent the drug trade, and it would appear that he was speaking of the New York representatives of the drug trade, have in the past been very much opposed to restrictive legislation. We regret that Dr. Crafts is so ignorant of the facts. In reply we unhesitatingly declare, and this declaration is susceptible of unquestioned support and proof, that the drug trade has not been opposed to restrictive legislation, but, on the contrary, it has, through the instrumentality of this drug trade section, taken a foremost part in securing the enactment of the original Harrison law, and also its amendment in the revenue act of 1920, and other legislation having for its purpose the control of the manufacturing, handling, and sale of narcotics. It has given to the Government its unlimited cooperation in the administration of such laws and has assisted the Government officials in the preparation of the rules and regulations for monthly reports as required under the amendment of the Harrison narcotic act. In other words, it has cooperated to the fullest extent possible to accomplish the purposes designed by the Harrison and other narcotic acts, thereby assuming obligations and control of the details of its business to a degree not known to any other line of industry.

Mr. Reinsch in his testimony admitted that under the present regulations it was unlawful to export products to Japan, but he said: "The tricks of this trade are so clever and so complicated that we do not feel that the law is yet sufficient to protect us." We do not quite understand what Mr. Reinsch means by the use of the word "tricks," but we assume that he refers to illegitimate transactions. To such we are unalterably opposed, and by every means in our power have endeavored to prevent them. If Mr. Reinsch is afraid that the present law may be violated by the smuggling of narcotics out of the United States or by some other method, what possible assurance can there be that the proposed amendment or any other law placed upon the statutes would not also be evaded by unlawful transactions? The fact remains that no legitimate exportations may be made to Japan; and this being true, there is no necessity for totally abolishing the legitimate export of narcotics to countries which have laws regulating import of such narcotics, when such are commonly and ordinarily sold in a legitimate way as part of an order for other drugs which are not of narcotic character.

Many of our members have an export trade in drugs and pharmaceutical preparations, and the drug stores which they supply in the British West Indies, the various cities of South America, and other foreign countries buy and dispense the same drugs and preparations that are purchased and dispensed by druggists in the United States, and our domestic pharmacies are permitted to purchase and to dispense under the Harrison Narcotic Act, without criticism, narcotics which are recognized as necessary to fill a legitimate use. The effect of this pending amendment to the act of January 17, 1914, would be to prevent our members from selling such narcotics to foreign pharmacies and hospitals. Orders received from foreign pharmacies and hospitals contain a large number of items of drugs and supplies, and among these items there may be one for a small quantity of hypodermic tablets or of laudanum or of some other narcotic or preparation containing a narcotic, and to ship this order with its small amount of narcotic it is now necessary to have the evidence which



has been stated above and a consular certificate, which costs the foreign customer a fee of \$2.

We have been informed that it is contemplated to take paregoric out of the exempted class of narcotics. When this is done it will be impossible to ship paregoric to any foreign pharmacist under the proposed amendment.

There is already a tendency on the part of foreign druggists to place their orders for narcotics where they may purchase the same without the trouble and expense incident to procuring the evidence required by our regulations of April 26, 1920. Experience has shown that where a druggist buys one drug he will buy his entire supply of every description. If this proposed amendment is enacted into law, we are fully convinced that the result will be that practically the entire drug trade which has been built up with foreign countries, especially with the neighboring islands and with South America, will be transferred to foreign houses, as it will be very difficult for a foreign hospital or druggist to buy small items only of narcotics from English or German houses and place the remainder of their business in this country.

The effect of the act will therefore be to sacrifice foreign trade, which has been built up at great expense and after many years of effort, in order to accomplish what is now effectively provided for by existing law.

Further, we would call attention to the fact that the proposed measure is ambiguous. The bill proposes to amend section 6 by substituting a new section therefor. This new section, however, not only amends section 6 of the act of 1914, but also covers matter contained in section 1, viz, the importation of opium. The act as amended would contain a provision for the importation of narcotics for medicinal purposes under regulations to be adopted by the Secretary of the Treasury and another section prohibiting the import of such narcotics, except when approved by the Surgeon General of the United States Public Health Service. Further, it would contain a provision requiring the Secretary of State to obtain laws and regulations of foreign countries governing the import of narcotics, and action thereon by the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce, when there would be no purpose whatever for such procedure, as the export of narcotics would be unlawful regardless of whether the country to which it was proposed to export such narcotics did or did not have regulations on the subject.

The Harrison Narcotic Act as amended requires registration and payment of an annual tax, the stamping of narcotics with internal-revenue stamps, elaborate monthly reports to the Bureau of Internal Revenue, and the use of narcotic purchase blanks. It provides a sufficient supervision over the import of narcotics and traffic in the same within the United States, and there would appear to be no reason for imposing further restrictions by having our importation passed upon by the Surgeon General of the United States Public Health Service.

We submit that we have adequate legislation on the statute books at the present time to control the export and import of narcotics and that the enactment of the proposed legislation would have serious effects upon the export business of the manufacturers and dealers in drugs and pharmaceutical preparations in this country who have built up an export trade in that line. It therefore appears that the proposed legislation is both unnecessary and undesirable. We most respectfully request that before this matter is acted upon your subcommittee make a very careful investigation of the facts herein set forth to the end that the foreign trade which is being developed shall not be unnecessarily destroyed.

In conclusion we request that if there are any further hearings upon this bill we shall be notified thereof and permitted to put in an appearance.

Very respectfully,

WM. F. McCONNELL,  
*Secretary Drug Trade Section.*

Dr. CRAFTS. Mr. Chairman, I hope that hearing may be as early as possible, because the session is short and we think this is a very urgent measure, both from the commercial and moral point of view.

Senator CALDER. Is there anybody else that cares to be heard? If not, the committee stands adjourned.

(Thereupon, at 12.10 p. m., the committee adjourned.)