

EXPORTATION OF OPIUM

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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JANUARY 12, 1921
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PART 2

Printed for the use of the Committee on Finance



WASHINGTON
GOVERNMENT PRINTING OFFICE

1921

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EXPORTATION OF OPIUM.

WEDNESDAY, JANUARY 12, 1921.

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

The subcommittee met, pursuant to call, at 3 o'clock p. m. in committee room, Capitol, Senator William M. Calder presiding.

Present: Senators Calder (chairman), and Nugent.

Present in behalf of American Drug Manufacturers' Association: Mr. James W. Bevans, New York City, representing drug-trade section New York Board of Trade and Transportation and McKesson & Robbins (Inc.), New York City; Mr. Samuel R. Rosengarten, Philadelphia, Pa., representing Powers-Weightman-Rosengarten Co.; Mr. Kerro Knox, representing H. K. Mulford Co., Philadelphia, Pa.; Mr. Frederic Rosengarten, Philadelphia, Pa., representing Powers-Weightman-Rosengarten Co.; Mr. O. L. Biebinger, representing Mallinckrodt Chemical Works, St. Louis, Mo.; Mr. Theodore K. Bryant, Washington, D. C., representing Merck & Co., of New York City; Mr. H. C. Fuller, Washington, D. C., representing Maywood Chemical Co., and Mr. Eugene Schaefer, representing Maywood Chemical Works.

Senator CALDER. Gentlemen, Senator Curtis, who is a member of the subcommittee, is detained on the floor of the Senate. Senator Nugent is here, if you have no objection, you may proceed, so as to get your statements in the record, and I shall ask Senator Curtis to read the record. I think that under the circumstances we had better go ahead.

Mr. Woodruff. I understand you are going to introduce the witnesses. Do you care to make a statement yourself?

STATEMENT OF MR. CHARLES M. WOODRUFF, DETROIT, MICH., COUNSEL FOR AMERICAN DRUG MANUFACTURERS' ASSOCIATION.

Mr. WOODRUFF. Mr. Chairman, it was not my purpose to make any extended remarks myself, except, perhaps, at the conclusion of the hearing, after the other speakers whom it will be my privilege to introduce have been heard.

I take it for granted that it is almost unnecessary for me to make a statement respecting the character of the organization and members of the American Drug Manufacturers' Association. Our members manufacture in their particular lines those medicinal chemicals and pharmaceuticals and biological products that are dispensed upon

the prescriptions and orders of physicians. We differ in this respect from the manufacturers of proprietary medicines; that is to say, medicines which are offered to the public and advertised for self-medication. We differ from them in that while they may choose what they will offer, we function in an entirely different way.

We have to supply in our respective lines the medicinal chemicals, compounds, extracts, etc., that the medical profession as a whole require. That makes it incumbent upon some of us pharmaceutical manufacturers to market perhaps 6,000 or 7,000 different items in the way of different formulæ, fluid extracts, solid extracts, pills, etc. Unfortunately, not from choice but in order to function properly, we are obliged to supply the medical profession with morphine and cocaine in different combinations. If we had our choice—and I have sensed every pharmaceutical manufacturer on that point—we would dispense entirely with the manufacture of these narcotics, but they are, I think the medical profession as a whole will agree, among the most valuable medicinal preparations that they require in the treatment of the sick. They are indispensable.

The gentlemen who are here this afternoon are more directly interested in the importation and exportation of opium, cocaine, and their salts and preparations. It is my pleasure first to call upon Mr. Bevans, representing McKesson & Robbins, of New York City, and also the New York Board of Trade. I call upon Mr. Bevans first because he is desirous of leaving and catching a train.

STATEMENT OF MR. JAMES W. BEVANS, OF MCKESSON & ROBBINS (INC.), NEW YORK CITY, REPRESENTING DRUG TRADE SECTION, NEW YORK BOARD OF TRADE AND TRANSPORTATION.

MR. BEVANS. Mr. Chairman, 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 the country in the drug and chemical trades. These representative houses are not opposed to any legislation which will accomplish any useful result in controlling the manufacture, sale, and consumption of narcotics and which will in any way prevent or reduce the smuggling of narcotics either into or out of the United States and the unlawful distribution of the same in the United States through illicit or underground methods. In this spirit these houses have taken a foremost part in the support and promotion of national and State legislation to prevent the indiscriminate distribution of narcotics. They have given to the Federal Government their unlimited cooperation in the administration of the Harrison Narcotic Act as amended, and to the State government in the administration of the State narcotic act, and the regulations thereunder.

I make these remarks as to the cooperation and support of the houses represented in the New York Board of Trade and Transportation, because in these hearings the statement has been made—or, rather, we can gather that it was the intent of the statement to convey the idea that the drug houses of the country were opposed to and sought to interfere with any measures that would restrict either the importation or the exportation or distribution of narcotics in this country. There is absolutely no ground for any such statements; there is nothing whatever that can be advanced to support them.

I also represent McKesson & Robbins, of New York, a house established in 1833, doing a very large import and export business.

The drug-trade section is, however, opposed to the proposed legislation, for the reason that—

First. In view of existing laws and regulations the enactment of any further legislation would be cumulative, and would not accomplish any result which is not already provided for.

Second. The results of such legislation would be very far-reaching, and would destroy not only the legitimate export trade in narcotics, but would have the effect of reducing, if not destroying, the export trade in other drugs and pharmaceutical preparations.

The International Opium Convention was signed at The Hague, January 23, 1912, by a number of nations, including the United States, and this convention was ratified by the United States Senate. It pledged the contracting powers to use their best efforts to regulate the manufacture, importation, sale, and distribution of narcotic drugs within their respective countries and to prohibit the exportation of such drugs except to persons receiving authorizations or permits under the laws of the importing countries.

The United States promptly proceeded to enact laws which would fulfill these obligations under this convention, and on December 17, 1914, enacted what has been known as the Harrison Narcotic Act, having for its purpose the control of narcotics within the United States. This act was amended by the act of 1918, and Regulations No. 35 were issued by the Bureau of Internal Revenue under the act as amended.

Senator CALDER. Did the New York Board of Trade and Transportation oppose the Harrison law?

Mr. BEVANS. It did not. Far from opposing it, it used its best efforts to obtain its enactment; and further, when the amendment was made in 1918 providing for an internal-revenue tax and a number of other rigid requirements, the New York Board of Trade and Transportation invited one of the Deputy Commissioners of the Bureau of Internal Revenue to come before that body and address its members, so that they might become thoroughly familiar with the regulations and that they might pledge their cooperation and support.

Further, the organization sent a representative to Washington to confer with the Bureau of Internal Revenue on the question of monthly reports, and a great many of the suggestions made by that representative were adopted; and, so far as we can tell from the statements made by the Bureau of Internal Revenue, they have appreciated those efforts and felt that they could always be sure of the cooperation of the drug houses of New York and the members of that association.

Senator CALDER. Does the Drug Trade Association now make monthly reports?

Mr. BEVANS. Yes, sir.

Senator CALDER. Do they give complete information concerning these narcotics?

Mr. BEVANS. Yes, sir; I was just about to refer to that.

These regulations 35 require the stamping of all narcotics with an internal-revenue stamp, the registration of persons manufacturing, importing, or dispensing the same, the issuance of Federal purchase

order blanks, and the filing with the Bureau of Internal Revenue each month of comprehensive reports showing in detail every transaction. Under these regulations the handling of narcotics in this country is rigidly controlled by the Government.

Those monthly reports are rendered separately by wholesalers—that is, persons dealing in original packages—and by importers and manufacturers. In those reports are shown all narcotics imported or received from any source, the quantity, and the person or source from which received. They show exactly what was done with such narcotics. They contain a summary, carried forward from month to month, showing the quantity on hand at the beginning of the month, the quantity received during the month, the quantity used in the manufacture of narcotic preparations covered by the act, and the quantity used in the manufacture of exempted narcotic preparations, which would include paregoric and some other articles that contain a very small amount of morphine or other narcotic. They also account for the number of stamps received and the number of stamps actually used. The Bureau of Internal Revenue has a division equipped with card-punching machines where they tabulate this information. They also show the exports in the same way. The information is very comprehensive.

On January 17, 1914, Congress passed another act which prohibited the importation of narcotics, except for medicinal purposes, and also the exportation of narcotics except to countries regulating their entry, the regulations of the foreign countries to be promulgated from time to time by the Secretary of State, and regulations to be issued governing the exportation of narcotics by the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. This act provided severe penalties for any violation of its provisions.

Regulations carrying this act into effect were not issued by the three Secretaries until May 1, 1920, presumably because of the interruption to normal conditions by reason of the World War.

The Treasury Department gave notice on January 19, 1920, that after 30 days from the date thereof exportation of narcotics would be prohibited pending the promulgation of regulations by the three Secretaries, which, it stated, were in course of preparation. This time was subsequently extended to 90 days, and on the first day of May, 1920, the new regulations became effective. Since that date the exportation of narcotics has been permitted to such countries as have laws and regulations meeting the requirements of the Hague Convention. While Japan was included in the list of countries in the synopsis issued by the Secretary of State on March 1, 1920, to which exportation might be made, nevertheless after the regulations were issued, the Treasury Department being in doubt that the laws of that country were sufficient to permit the exportation of narcotics thereto, refused to license any such exportations until the matter had been decided by the Attorney General.

Under date of June 10, 1920, the Attorney General rendered an opinion to the Secretary of the Treasury, in which he held that the laws of Japan, as quoted by the Secretary of State, were not sufficient to permit exportations of narcotics thereto from the United States.

Therefore no exportations of narcotics have been made to Japan since the 1st day of May, 1920.

Regulation 9 of the regulations of May 1, 1920, which were published by the Treasury Department as T. D. 38381, is as follows:

Collectors shall not permit any of the articles covered by the regulations herein to be exported to any of the countries which the Secretary of State, in the synopsis of foreign laws and regulations, specifies as having no laws governing the importation of opium or other habit-forming drugs; nor shall the collector permit the exportation of any of these articles to any country, when it appears from the laws or regulations of such country as promulgated in such synopsis that such article is not provided for or covered by such laws or regulations.

Under the said regulations, in order to export any narcotic, it is necessary to file with the Collector of Customs an application stating the name and address of the shipper, the name and address of the foreign consignee, and the quantity and kind of narcotic, together with certain other details. There must be submitted, or on file with the Collector, the evidence of the foreign consignee's right to import under the laws of his country. This evidence consists of an import permit or certificate issued by the proper officer of the foreign country and verified before the United States consul. It may be added in passing that this verification costs the foreign druggist a fee of \$2, as this is the amount charged by the United States consul for his certificate. If the evidence submitted is satisfactory to the Collector of Customs, he licenses the exportation; if not, he refuses such license, and exportation can not lawfully be made. In this connection, regulation 2 of said regulations provides that no person shall take out of the United States on his person, or in his baggage, or offer to any carrier for transportation out of the United States, nor shall any carrier receive for exportation any of the narcotics covered by the regulation, unless and until a permit to export shall have been issued by the proper customs officer.

We have stated in detail the present law and practice, in order that it may be clear that the exportation of narcotics is rigidly controlled at the present time.

The proponents of this bill have stated that narcotics have a legitimate use in medicine. Mr. McKibben stated in his testimony that "you can not carry on medicine without it; you can not carry on hospitals without it; you can not practice medicine without it." Dr. Howard A. Kelly, of Johns Hopkins University, stated that there is no substitute for morphine.

Dr. Chase, of Boston, in his testimony stated that "we do not want to keep one grain of morphine away from a person suffering from cancer or some other dire malady, and is suffering and needs it."

Nevertheless, and notwithstanding this recognition that narcotics are indispensable in the medical world, and this disclaimer of any intention to prevent the legitimate distribution of such drugs, the proponents of this measure are advocating the passage of legislation which will absolutely prevent the supplying of drugs to the legitimate trade for legitimate use in foreign countries. South America and the islands contiguous to this country do not manufacture narcotics, and depend entirely upon either the United States or European houses for their supply. The manufacturer and dealer in this country, however, is to be prohibited from supplying these legitimate needs of the foreign druggist for the purpose, as stated by the proponents of the bill, of preventing the shipment of narcotics to

Japan, and their subsequent shipment to China from Japan, something that can not now lawfully be done under the existing law and regulations.

Mrs. Hamilton Wright in her testimony before the House stated that she was of the opinion that we should not prohibit the legitimate export of narcotics, and, in fact, that she thought that we were obligated under our treaty to permit the legitimate wants of foreign countries to be supplied by this country. We entirely agree with this, and we are of the opinion that it would be a violation of our obligations under The Hague Convention to absolutely prohibit the export of narcotics for legitimate purposes.

Nearly all of the statements made by the proponents of the bill as to large quantities of narcotics being shipped into China by way of Japan from the United States must necessarily relate to transactions prior to May 1, 1920, as there have been no exportations to Japan since that date.

The proponents of the bill have also dwelt upon the proposition that to bar the export will prevent the smuggling of narcotics into the United States. The fallacy of this argument is apparent, as the more restriction there is of the handling of narcotics the more profitable the smuggling will be, and the proposed legislation, or any other legislation which may be enacted, will not in any way prevent the smuggling of narcotics into the United States from other countries, as there are large manufacturers located outside of the United States who can more than make up the quantity which might be returned to the United States unlawfully, or American manufacture. Smuggling is now unlawful, and a practice which is now unlawful can not be prevented by making it more unlawful by cumulative legislation.

Any figures which are submitted in support of this legislation should be analyzed carefully, for the reason that the total exports of narcotics for the year 1920 would not indicate an increase in exports under the present practice, as there were undoubtedly large exports during the first few months of the year, in view of the warning given by the Treasury Department that exportations to countries which had enacted laws and regulations governing the import of narcotics.

The figures should be obtained showing the exports since May 1, 1920, and these might easily be gotten by your committee from the principal ports, as since May 1, 1920, all narcotics exported have been licensed, and these licenses are on file.

In the hearing before the subcommittee of the House, held January 5, a representative from the Department of Commerce stated that during October there were exported 200 pounds of opium, and in November practically nothing. This opium tests about 9 per cent morphine content, so that 200 pounds would be 18 pounds of narcotic. The exports during the 11 months of the year showed an increase over 1919, but this has been explained above, the increase being due to the exportation from this country of opium which was accumulated during the war when immense quantities were being supplied by the Allies and to our own Government, that is, the Army and Navy.

In view of the fact that the importation of narcotics, and the manufacture and distribution of the same in this country are now

so rigidly controlled by the Harrison Narcotic Act as amended, we submit that it is unnecessary to provide any further legislation on this subject. We believe it would be a mistake to place this matter in the hands of the Surgeon General of the Public Health Service. In fact, we believe that he would be unable to administer the law without enormous expense and the building up of a very large organization. The representatives of the Surgeon General's office, in testifying before the subcommittee of the House, in their statements showed very frankly that they thought that this provision would be most difficult, if not impossible, to administer.

We might say just a word in closing as to the statements made by Government officers concerning the smuggling of narcotics into the United States. A large quantity of these narcotics appears to be of British manufacture, and are being smuggled in over both the Canadian and Mexican frontiers. Considerable of the narcotics being smuggled in, and also being sold through the underground channels in this country under the name of domestic manufactures, not only have forged labels thereon, but also forged internal-revenue stamps. It is very difficult to see how the proposed legislation would correct this difficulty. The solution would seem to be more adequate and effective policing of our frontiers and a more active administration of the existing laws. In fact, the chief agent of the Bureau of Internal Revenue, Mr. Nutt, stated in his testimony before the House that in view of the increased activity of the agents under his direction, there had been a large increase in the number of seizures of narcotics in illicit traffic.

We would also submit that the effect of this legislation would be not only to destroy the legitimate export trade in narcotics, but also to tear down the export trade in drugs which has been built up after a great many years of effort and at great expense by the members of our section. If a foreign druggist can not buy along with his other drugs the small quantity of narcotic preparations which he needs in his business from houses in this country, he will buy his entire line from German or English houses. It would be very difficult for him to buy the bulk of his goods in the United States and the small quantity of narcotics elsewhere.

Our houses receive orders containing a large number of items, and among these items may be a small quantity of laudanum, Dover's powders, hypodermic tablets, paregoric, or other narcotic. It is already a heavy restriction upon our business that the druggist must obtain the evidence now required and pay a fee to the United States consul of \$2. If he is absolutely barred from obtaining his narcotic needs, he will most assuredly, at least gradually, shift his orders for his entire line of goods to other houses. We submit this to you for your serious consideration. It is not a matter of mere argument, but is based upon our experience in the business of this country. A druggist in this country will buy where he can get his entire line, if possible. This is particularly true with foreign houses. When they have established a line of credit with a house in the United States they prefer to buy entirely rather than to distribute their orders.

Senator CALDER. Does great Britain, France, Germany, or any other European country have regulations or laws of this character?

Mr. BEVANS. No, sir; they have no laws that bar the exportation of narcotics.

Mrs. HAMILTON WRIGHT. I beg your pardon; these countries have laws.

Senator CALDER. Will you state your name, please?

Mrs. WRIGHT. I am Mrs. Hamilton Wright.

Senator CALDER. The committee will hear you in a few minutes, madam.

Mr. BEVAN. Great Britain during the war refused to permit the exportation of narcotics unless representations were made by the country to which the narcotics were to be imported to the effect that they were necessary for the needs of that country and that they were not to be reexported. Under that requirement of Great Britain exportations could be made from Great Britain to any South American country or any country in the world where representations were made by the officials of that country that the drugs were necessary for medicinal purposes and were not for the purpose of reexportation.

Senator CALDER. Do you understand that this bill would prohibit all exports for medicinal purposes?

Mr. BEVAN. Yes, sir; for every purpose. It is a positive prohibition of export; there is no proviso in it at all. The act of 1914 prohibits all export except to such countries as have laws and regulations governing the import and control of narcotics in those countries. That carries out the intent of The Hague convention. This bill goes beyond that and will, I think, be in violation of it. I should not like to make a positive statement, but that is my judgment.

So far as I know—and I think I am correct in this—Germany has no law that would bar the exportation of narcotics to any country in the world. It may have restrictions; it may have regulations that you have to comply with, but so far as I know they have no laws that would absolutely bar a South American house from buying narcotics for legitimate purposes.

In view of what has been stated we respectfully submit:

First, there is adequate legislation now on the statute books to prevent the exportation of narcotics except to fill the legitimate needs of foreign countries.

Second, that since May 1, 1920, no narcotics have been exported to Japan under existing laws and regulations.

Third, that the dealers and manufacturers in this country should not be prevented from filling the legitimate needs of their foreign customers for narcotics.

Fourth, that the legitimate drug trade in other lines should not be interfered with as would be the case were the export of narcotics absolutely prohibited.

Fifth, that the present laws and regulations adequately restrict and control the importation and distribution of narcotics in this country, and that there is no necessity for further legislation.

Sixth, that it would be both expensive and unnecessary to place the matter in the control of the Surgeon General of the Public Health Service.

Seventh, that it would be impracticable to enforce the provision against in-transit shipments.

Referring to this provision relating to in-transit shipments, we are not very much interested in that, but I might say in passing that

I doubt very much that it could be administered. In-transit shipments are not examined. Shipments coming in at the port of New York which are shown by the bill of lading or other documents to be destined for a foreign country are merely checked as to the number of packages. Then if it is a carload lot the car is sealed; if less than a carload lot, the packages themselves are sealed. When they arrive at the port of exit, if the seals of the cars or packages are intact, they are checked out, and that is all there is to it.

I do not believe it would be possible for the customs force to examine every package that passes through the United States in in-transit shipments. Furthermore, I doubt that the examination of the package would be sufficient; there would have to be an examination of the contents. If the packages were labeled "canned peas," a mere inspection of the case or the cans would not be sufficient; the cans would have to be opened. I do not believe it would be possible to enforce that section, although, as I say, that is a matter in which we are not very much interested.

Thank you.

Mr. WOODRUFF. Mr. Chairman, before introducing the next speaker I wish to say, with respect to an inquiry that you made as to whether this association opposed the enactment of the Harrison Act or the act of December 17, 1914, that if reference is made to the Congressional Record of June 26, 1913, it will appear that when Mr. Harrison sought immediate passage of the bill, he gave credit to this and other drug associations for their part in framing the measure. The name of this association was then the National Association of Manufacturers of Medicinal Products. The name was changed for the sake of euphony. Also, if the chairman will confer with Senator Thomas, of Colorado, who had charge of the bill in the Senate, and will mention my name and the names of one or two others who had frequent interviews with him, the chairman of the committee will be satisfied that this association not only did not oppose the enactment of their bill but did all it could to secure its passage.

Mr. O. L. Biebinger, of the Maillinckrodt Chemical Works, of St. Louis, Mo., would like to be heard for a few moments.

STATEMENT OF MR. O. L. BIEBINGER, REPRESENTING MALLINCKRODT CHEMICAL WORKS, ST. LOUIS, MO.

Mr. BIEBINGER. Mr. Chairman, others connected with this business represented here have prepared elaborate statements. I just come here to voice our protest against this particular bill. The others will present more elaborate statements, and we are in thorough accord with their views.

In appearing before your committee I desire to emphasize that the organization I represent does not oppose any legislation which will make for the regulation of the use of narcotics so as to confine them to their legitimate use, and which will stop, as nearly as it can be done by legislation, the abuse of these products and prevent addicts from obtaining them through what we recognize as the legitimate distributors and dispensers of them.

I believe that the records and the officials connected with the Internal Revenue Bureau will support our claim that, so far as we

are concerned in St. Louis, we have been absolutely sincere and earnest in cooperating with them to prevent violation of the narcotics laws.

We protest, however, against the provisions of this bill now before your committee, which in its present form we consider will destroy the export trade of drug manufacturers in this country. Since the beginning of the war we have built up a large export trade throughout all the Latin-American countries, having sent our representatives into those fields and established a business at a very heavy expense and devoting much time to a study of the needs of those people.

I want to say that that trade is entirely different from the trade in this country with respect to the method in which they have to be supplied, the quantities in which they buy, and the standard of weights that they employ. Narcotics constitute but a very small part of that business, but they are a necessity there, just as they are in this and other countries, in the treatment of disease and for the relief of pain and suffering. England, Germany, France, Switzerland, and Japan are all makers of narcotics, and unless we are on an equal footing with those countries in the liberality of our laws regulating the export of narcotics to the extent of their legitimate requirements we can not hope to retain the business that we have, for the reason that if a foreign buyer can not, along with his other chemicals, buy such small quantities of the narcotic preparations as he needs in his business he will naturally divert his orders and his entire business to the sources from which these can be obtained.

That is doubtless the experience of anybody that is engaged in foreign trade. They will go where they can buy their requirements complete or nearly so.

Senator CALDER. Mr. Biebinger, I think that the attitude of those who are favoring this measure seems to be that narcotics are being exported for improper purposes. I do not think they are opposed to their being exported for proper purposes, but we seem to lack proper regulation or proper laws on the subject, and if the larger proportion of those narcotics are being exported for improper purposes, then we must do something to regulate that or stop it.

Mr. BIEBINGER. That was true prior to May 1, 1920.

Senator CALDER. You contend that that is not true now?

Mr. BIEBINGER. That is not true now; it does not hold good any more. Under the present laws and regulations we are not permitted to export narcotics indiscriminately. We must have the necessary permits and we must observe the proper laws of the country to which they are sent. For instance, Brazil has to-day no law regulating the use of narcotics. As a result of that situation the United States can not send an ounce of these drugs to Brazil. The same thing holds true in Peru. It holds good in other South American countries. And yet those people need it, and they get it, and they get it from foreign sources.

The trouble with the whole thing is that this present law has not been given a chance; it has not been allowed to operate. It is operating now, and if the statistics under the present conditions are taken it will be found that there are no large quantities of narcotics of any kind exported to any country except where they have laws to regulate the trade. In any event there are no large quantities exported.

Senator NUGENT. How about the quantity exported to Japan?

Mr. BIEBINGER. None at all.

Senator NUGENT. Or to England?

Mr. BIEBINGER. To England, none that I know of.

Senator NUGENT. China?

Mr. BIEBINGER. None at all.

Senator NUGENT. The statement was made at the hearing held previous to this time that tremendously large quantities of cocaine, morphine, opium, etc., were going into China through the medium of the Japanese post offices, and that those shipments came from the United States and were transshipped in order to evade the laws of those countries.

Mr. BIEBINGER. That was probably true prior to May 1, 1920, but not since then. We can not export an ounce without the necessary permits for exportation.

Senator NUGENT. Have the laws with respect to the matter been changed since then?

Mr. BIEBINGER. They have. There was a law, but there were no regulations promulgated until May 1 of last year, 1920. Since that time those conditions have been changed, and there are to-day no exports of that character going out.

Senator NUGENT. Were the conditions that were portrayed to this committee at the last hearing in existence prior to May, 1920? That is, the transshipment, or, rather, the exportation to China through the medium of the Japanese post offices of tremendous quantities of narcotics?

Mr. BIEBINGER. I can not say that they were shipped to China through the medium of the Japanese post offices. There were doubtless large shipments made to Japan direct from this country, but not since the 1st of May, because under present conditions that is not permitted. As it stands, we have ample provision in law to control the export of narcotics for legitimate uses.

Senator CALDER. The laws of China forbid the shipment of narcotics into that country?

Mr. BIEBINGER. I do not know; I think they do.

Senator NUGENT. That statement was made at the last hearing.

Mr. BIEBINGER. I really do not know. I do not believe there were any large shipments of narcotics made direct to China. I do not know as to that.

Senator NUGENT. The chairman will remember that at the last hearing the statement was made by one or more witnesses that because the laws of China forbade the importation of narcotics into that country they were shipped in there through these Japanese post offices and through Japanese channels, over which the Chinese Government had absolutely no control.

Mr. BIEBINGER. We believe that there is ample provision in law to regulate this traffic in narcotics. We are not opposed to any regulation, no matter what it may be, so long as it will give us an equal chance with any other country in the export trade. It is not fair to restrain us from participation in export trade by legislation which will positively prevent it and leave the market open to England, France, Germany, Switzerland, and Japan.

Japan has a large manufacture of narcotics. They are to-day the largest buyers of opium in the Macedonian and Turkish markets.

We are willing to cooperate in any legislation that will be helpful to restrain and prevent the abuse of the use of these drugs, but we do want an equal chance with other countries in supplying what is an honest and legitimate use for the products, and that we be permitted to import our requirements of materials without severe restrictions. That is all we are protesting against. We are heart and soul with any movement that will control the traffic.

I thank you, gentlemen.

Senator CALDER. We are much obliged to you.

Mr. WOODRUFF. Mr. Chairman, I apprehend that it is information the committee wants; in some respects we are not able to give it, and in some we are. The law of January 17, 1914, absolutely prohibited the exportation of opium or cocaine or their salts and preparations. That was an absolute prohibition, but there was a provision that these preparations might be exported for medicinal purposes to such countries as have laws regulating their entry, under rules and regulations to be established by the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of State. The Secretary of State was instructed to collate and publish the laws of the various countries.

The first publication under that law, approved January 17, 1914, was made under date of March 1, 1920. The delay was undoubtedly because of the coming on of the European war. Of course, this provision did not become operative until this publication was made and until these rules and regulations were issued.

In the meantime, admittedly without any authority of law, I think the customs department allowed exportations to be made upon the declaration of the exporter that so far as he knew—that was practically it—the exportation was not contrary to the law of the country of destination.

This law then came into practical operation on May 1, 1920, when these rules and regulations were published, and under this law no exportations are being made to any country which the three Secretaries, or perhaps the Secretary of State or the Secretary of the Treasury himself, deny the right to receive these importations. And Japan is one of those countries.

I have not the regulations themselves here, but the committee can obtain them and decide for themselves whether the present law is not entirely sufficient to do away with any evil that may have existed before it was put in force.

Senator NUGENT. Do you know anything about the transshipment of these narcotics in Japanese ports and their transmittal into China?

Mr. WOODRUFF. I do not, for this reason: The firms that I am immediately connected with are not shipping morphine or cocaine nor the products themselves, but the preparations, and they naturally would not be in demand. That is where it hurts us unjustly.

For example, we have one preparation manufactured by pharmaceutical chemists, called White Pine Cough Syrup, which contains 10 medicinal ingredients, 1 of which is a very small percentage of morphine. The proportion of morphine is so small as to be negligible, but it is in there, and we can not ship that. That is true of a large number of pharmaceutical preparations. We buy morphine and we buy opium, but we do not sell them, and therefore we do not export morphine or opium. We buy morphine from London upon

the declaration that we will not export it to any other country. We have been asked recently to declare that we would not export any preparations of morphine to any other country, and we have simply said that we could not control that matter, since our preparations containing these items are only a few out of thousands of preparations of a similar kind, and they go on our shelves and are shipped.

Senator NUGENT. Do you make that statement on behalf of the organizations or associations that you represent here?

Mr. WOODRUFF. I make the statement for your information as to the character of the business of the manufacturing pharmacists. All these chemical houses are members of our organization, and they are speaking for themselves.

This measure affects us, in that—well, I do not consider that it affects us, because as I said in my opening statement, if there were not a demand and if we could function without it, we would not make them, but we can not function as manufacturing pharmacists without making what they reasonably require. The minute we stop doing that then we lose the business, and it goes to those other countries that will function. There will be a hundred items, and there will be only one containing a small amount of a narcotic. I think The Hague opium convention makes a provision for our products, that the United States has not recognized in its laws, with respect to the percentage of the opium content in a compound that contains other medicinal ingredients.

I remember that Senator Thomas inquired of me if it was not possible to denature these narcotics in some way so that they might be used for medicinal purposes without creating havoc. There is one drug, for instance, one combination, that we would not be allowed to export. You will understand that cocaine is of value as a local anesthetic, but, unfortunately, it has a systemic property that is injurious. The combination of adrenalin, which is a haemostatic, with cocaine localizes the effect of the cocaine and enables you to get the same local anesthetic result with about a third of the cocaine and prevents the systemic action of the cocaine. That is the only combination I know of that approaches Senator Thomas's idea.

But I am occupying too much time, because I have agreed to give others the time. I make these explanations as the questions come up, and I think they will be of some value by way of information.

Senator NUGENT. Can you furnish this committee with any data with respect to the quantity of narcotics going into China?

Mr. WOODRUFF. Why, I can accumulate it by a questionnaire to members of the association. That is the only way to accumulate them so far as the association is concerned.

Senator NUGENT. There was a statement made at a former hearing which struck me with peculiar force, and it was one that I have referred to heretofore: but I would like to have some information with respect to this matter if it can possibly be had. A statement was made, if I remember correctly, that the laws of both China and Japan forbid the importation into those countries of narcotics——

Mr. WOODRUFF. Here is the law of China.

Senator NUGENT. And in order to evade those laws tremendous quantities of narcotics were shipped from this country and transhipped in Japanese ports, and then sent into China through the

medium of the Japanese post offices. I should be very glad indeed to have any of you gentlemen who are present in opposition to this bill give us such information as you may have in respect to that matter.

Mr. BEVANS. I should like to give you the Attorney General's opinion, dated June 10, 1920, under which he rules positively that no narcotics may be exported from the United States to Japan. Prior to that time—to the regulations of May 1, 1920, the regulations which Mr. Woodruff referred to, of the three Secretaries—Japan was placed, in the publication gotten out by the Secretary of State, in the list of countries to which exportations might be made. The customs officers questioned that, in reading the synopsis of the Japanese law that was given, and they did not permit any exportations until they got the Attorney General's opinion. Here is the opinion.

(The opinion referred to by Mr. Bevans is here printed in full, as follows:)

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 10, 1920.

HON. DAVID F. HOUSTON,

Secretary of the Treasury,
Washington, D. C.

DEAR MR. SECRETARY: I have the honor to acknowledge the receipt of your letter of May 29, asking my opinion whether, under the provisions of section 6 of the act of January 17, 1914 (c. 9, 38 Stat. 275, Comp. Stats. Sec. 8801d), the Secretaries of State, the Treasury and Commerce are authorized to permit exportations to Japan of the drugs mentioned in the act, "in view of the meager provisions of the Japanese law and apparent absence of any regulations governing such importations into that country, except the specific provision in the law that such narcotics 'may be freely imported as medical materials.'"

Section 6 of the act of January 17, 1914, *supra*, prohibits the exportation from the United States of opium, cocaine, and their derivatives, but contains a proviso that such drugs, with the exception of smoking opium, or opium prepared for smoking, may be exported "to countries regulating their entry under such regulations as are prescribed by such country for the importation thereof into such country."

Among the papers transmitted by you is a publication by the Acting Secretary of State, made in accordance with the provision on the subject in section 6 of the act of January 17, 1914, *supra*, in which the following is quoted from a note of the Imperial Department of Home Affairs of Japan:

"As no person is permitted in Japan proper under the opium law to buy or sell or to give or receive, or even to keep any opium other than that sold by the Government, no one may import it from abroad; but opiates, cocaine, and opium and cocaine derivatives may be freely imported as medical materials and do not require any special permission."

The question then resolves itself to this, *viz*, whether the above statement from the Imperial Department of Home Affairs furnishes any satisfactory evidence that Japan regulates the entry (i. e., importation) of opium, cocaine, and their derivatives, as required by section 6 of the act of January 17, 1914, before exportation of such drugs may be permitted by yourself and the other Secretaries.

In my judgment, it does not. It may be that regulations specifically dealing with the subject have been promulgated by the Imperial Government, or it may be that the municipal laws of Japan merely make importation useless as to the drugs included in the Government monopoly. I suggest, therefore, that the Imperial Government be requested to furnish the Secretary of State the exact text of the laws or regulations dealing with the subject.

Sincerely, yours,

A. MITCHELL PALMER,
Attorney General.

Mr. BEVANS. Now, how is it possible to transship narcotics in these ports of Japan from the ports of the United States when you can not ship any narcotics to Japan from the United States? Of course, they speak about smuggling. Smuggling is unlawful now, and it would be unlawful under any other act.

Senator NUGENT. I suppose we might arrive at some conclusion with respect to the matter if we could be advised from some source as to the quantity of narcotics that find their way into China through the Japanese post offices. Have you that information?

Mr. BEVANS. For our house I will say that we have not shipped any narcotics to Japan since the 1st of May, 1920.

Senator NUGENT. Have you shipped to any other country any narcotics which you have any reason to believe have found their way into China?

Mr. BEVANS. No; absolutely not. Because we have not shipped any narcotics—I think I may be quite positive in this—to any country from which they could possibly get into Japan. We have sent small orders to some of the South American countries and to some of the adjacent islands—to Nassau, for instance, and to Bermuda—such quantities as the druggist in this country would ordinarily carry in his own stock.

Senator NUGENT. Are you speaking now for the national organization of manufacturing chemists?

Mr. BEVANS. No, sir; I am speaking for McKesson & Robbins (Inc.), in New York.

Mrs. WRIGHT. Could I speak for just a moment, please?

Senator CALDER. I will say, Madam, that this hearing was called for the purpose of hearing the opponents of the bill. After they have concluded, if we have a few minutes to spare, we will be glad to hear you.

Mrs. WRIGHT. I am an opponent of the bill.

Senator CALDER. Very well, we will hear you in a moment.

Senator NUGENT. If I remember correctly, there was a gentleman who appeared here at a former hearing who desired to have incorporated in the record a statement taken from some paper. I think that statement consisted of five or six columns of typewritten matter. Does that appear in the record?

Senator CALDER. That is in the record.

Mr. WOODRUFF. I would like to make one statement regarding the accumulation of data that will be all reliable. There are some 60 members of the American Drug Manufacturers' Association. When we want information we send our questionnaires, and when those questionnaires have been returned we compile the information. I am immediately connected with Park, Davis & Co.'s exporting office in New York City. They are exporting to South America and similar countries. They have an establishment in London, but they export from New York to China. By going over their invoices they could compile exact data as to what they had exported to China.

But that would be the experience of only one exporter, and in a line that included a great many other things. Their exports of these drugs are incidental. You will understand what I mean. They get a line order for perhaps a hundred fluid extracts, and there may be

three that will come under the operation of this law. There are 600 different pills, and of those pills there may be a dozen that would come under the operation of this law.

So their exports are not with reference to these particular things, but with reference to the demands of those who supply the physicians. We do not advertise our goods to others than physicians, and I do not think any evils that exist involve these preparations.

The point was raised as to whether China had any laws. She has regulations restricting the use of cocaine, morphine, and similar substances, and therefore it is lawful under the regulations to ship to China.

Senator NUGENT. Do those laws permit an examination by Chinese authorities or officials of the Japanese mails or Japanese post offices?

Mr. WOODRUFF. Oh, no; but we are not allowed to ship to Japan, and we have to visé our orders. If we got an order from Japan, it would include an order for a line of 100 items, that would have to be gone over and anything that contained opium or cocaine would have to be stricken out before it would go to the assembly room where the order is taken for shipment. That is the operation with respect to manufacturing pharmacists.

Mr. Samuel R. Rosengarten, attorney for the Powers-Weightman-Rosengarten Co., would like to be heard.

Mr. BIEBINGER. Mr. Chairman, so far as our corporation is concerned—and we are one of the large manufacturers of narcotics—we have not at any time since May, 1920, exported any quantities that might be regarded in any way as in excess of the fairly legitimate needs of the wholesalers in the countries to which they were exported. I have not the records, but there have been none going to Japan, although prior to that time we did make exports and they went direct to Japan, not through post offices.

Senator NUGENT. Can you furnish this committee with data as to the amount of your exports?

Mr. BIEBINGER. Prior to May 1, 1920?

Senator NUGENT. Yes; from 1914 to May, 1920.

Mr. BIEBINGER. Does the committee desire that?

Senator CALDER. Yes.

Senator NUGENT. And the countries to which they were shipped.

Mr. BIEBINGER. Well, principally Japan, I suppose; the others do not amount to much. I will do that.

Since these new regulations went into effect, so far as we are concerned, not an ounce has gone out, and I believe the same is true of the other manufacturers.

The CHAIRMAN. Proceed, Mr. Rosengarten.

STATEMENT OF MR. SAMUEL R. ROSENGARTEN, ATTORNEY FOR POWERS-WEIGHTMAN-ROSENGARTEN CO., PHILADELPHIA, PA.

Mr. ROSENGARTEN. Mr. Chairman, we would call the attention of the committee to the regulations, T. D. 38381, effective May 1, 1920, governing the exportation of these drugs. These regulations were promulgated by the Secretary of State, the Secretary of the Treasury and the Secretary of Commerce, under section 6 of the act of

January 17, 1914, which section of which act this bill seeks to amend. These regulations are extremely drastic, so much so that they leave no reasonable basis of necessity for this bill. Under these regulations the export of these drugs to Japan has been forbidden. Since May 1, 1920, we have made no exportations of these drugs to Japan, and we believe it is certain that no American houses have made any exportations to that country since that time.

Senator NUGENT. That, as I understand it, is a regulation promulgated by the department?

Mr. ROSENGARTEN. Yes, sir; by the three Secretaries.

Senator NUGENT. Those regulations, as a matter of course, can at any time be set aside, can they not?

Mr. ROSENGARTEN. They could be set aside.

Senator NUGENT. Well, they can be, as a matter of fact, at the convenience or desire of the Secretaries?

Mr. ROSENGARTEN. Yes, sir; they could be.

Senator NUGENT. As I understand it, it is solely because of the promulgation of that regulation that you say this bill is not necessary. In other words, the regulation effects the same purpose that is contemplated by this bill? It forbids the exportation of these narcotics to countries having laws which forbid the importation into those countries?

Mr. ROSENGARTEN. Yes; it is a necessary step. The regulation is a necessary step in the functioning or carrying out of the act of January 17, 1914. Without that the act remains ineffective.

Senator NUGENT. Just a moment. You say you think it is necessary, and a proper step to take?

Mr. ROSENGARTEN. Yes, sir.

Senator NUGENT. That being true, and if it effectuates the same purpose desired by the proponents of this bill, what particular objection would you have to the enactment of a law to that effect? If it is the same as the regulation, why do you object to the bill?

Mr. ROSENGARTEN. We have this law that says you shall not export to any country that does not have regulations or laws regulating the entry of these drugs.

Senator NUGENT. The point I am trying to make is this. If the regulation effects the same object attempted to be effected by the bill and you think the regulation is necessary and proper, what valid objection have you to the enactment of the law?

Mr. ROSENGARTEN. You refer to Senate Bill 4553?

Senator NUGENT. If that bill and the regulation are the same in effect, and you have stated that you consider it necessary and desirable that the regulation be promulgated, I fail to understand why you should have any valid or subsisting objection to the enactment of the law.

Mr. FREDERIC ROSENGARTEN. Mr. Chairman, may I make an explanation? The bill under consideration forbids the exportation absolutely, for any purpose, under any circumstances. It makes the prohibition and does not qualify it. The present regulation prohibits exportations to countries that do not properly regulate these narcotics, but permits exportations, under certain formalities, to countries that do satisfactorily regulate the business. That is the difference.

Senator CALDER. Does this governmental board, consisting of the Secretaries of State, Treasury, and Commerce, determine in their order what countries you may ship to?

Mr. FREDERIC ROSENGARTEN. Yes, sir. They have issued a statement giving a synopsis of the laws of the various countries and giving the laws of the countries for which no permits will be permitted.

Senator CALDER. I shall be glad if you will put in the record the countries to which they may be made.

Mr. FREDERIC ROSENGARTEN. I will give you that. There is the regulation, which the proponents of the bill do not recognize and pay no attention to. And that is what we are here for—to show you that this business is now very severely regulated.

Mr. SAMUEL R. ROSENGARTEN. Perhaps I can make this clear by reading section 6 of the present statute:

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, any opium or cocaine, or any salt, derivative, or preparation of opium or cocaine, to any other country: *Provided*, That opium or cocaine, and salts, derivatives, or preparations thereof, except smoking opium or opium prepared for smoking, the exportation of which is hereby absolutely prohibited, may be exported to countries regulating their entry under such regulations as are prescribed by such country for the importation thereof into such country, such regulations to be promulgated from time to time by the Secretary of State of the United States.

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 regulations for carrying the provisions of this section into effect.

In other words, the regulations and the act are necessarily intertwined in order to make a workable law.

If you will permit me to go on with the reasons for our objection to this bill I will only take a few minutes.

Senator NUGENT. Just one question. Are there any laws in force and effect in China regulating the importation of these narcotics into that country?

Mr. ROSENGARTEN. I can not say of my own knowledge, but my understanding is that a few years ago the Chinese Government did adopt laws prohibiting the importation of these drugs. In this connection I would like to say that our house has never made any exportation to China, that we felt there was a very reasonable doubt that China did have laws against these drugs, prohibiting them and their importation, and therefore we have never made a shipment to China.

Senator NUGENT. Do you know of your own knowledge whether or not any shipments of narcotics have been sent out of this country which ultimately found their way to China and were taken there through the medium of Japanese post offices for the purpose of evading the laws of China regulating the importation into that country of narcotics?

Mr. ROSENGARTEN. No, sir; I have absolutely no knowledge as to that. Furthermore, we have never received from any Chinaman any notice or any complaint of any kind whatever against us.

Senator CALDER. Have you any knowledge that since May 1, 1920, when these rules were promulgated, any other American manufacturer or exporter has sent narcotics into China or Japan?

Mr. ROSENGARTEN. No, sir; I have no such knowledge.

The CHAIRMAN. Now, we will hear Mr. Knox.

STATEMENT OF MR. KERRO KNOX, EXPORT MANAGER, H. K. MULFORD CO., PHILADELPHIA, PA.

Mr. Knox. Mr. Chairman, under those regulations if anybody made a shipment out of this country without a license he would be subject to a heavy fine and imprisonment. Nothing can be shipped without the license in the customhouse, because it will not clear your records under the Harrison Act.

Senator CALDER. That applies to both China and Japan?

Mr. Knox. To any country, unless you have a license.

Senator CALDER. And do you know whether any licenses have been issued?

Mr. Knox. Positively nothing has been shipped to Japan since May 1.

Senator CALDER. Or to China?

Mr. Knox. We have applied, for instance, for several licenses to ship to the American Missionary Hospital in China for small amounts of hypodermic tablets, which have been refused. We have not been granted a license for any shipment to China.

Senator CALDER. Do you know whether that applies to other countries in Asia?

Mr. Knox. Practically no country in Asia has any regulations that will permit the legal importation, and therefore they are on the prohibited list now. The Straits Settlements, which is British, has a law: under a license from the superintendent physician there they can be shipped there, but the license has to be issued to Singapore before it comes to this country. There has been a small amount shipped to India in the same way. We have a business all through there, and those are the only two countries in which we have been successful in obtaining any kind of license since May 1, 1920, although we have applied for every one of them.

Senator NUGENT. Do you know anything about the condition that obtained prior to May 1, 1920?

Mr. Knox. Prior to May 1, on the declaration of an exporter that the narcotics were for a party that was permitted to receive them, the collector of customs would allow them to go out of the country, because these regulations had not been promulgated and put into effect. They came into effect on May 1, 1920.

Senator NUGENT. Do you know whether or not there were large shipments of narcotics that found their way to China through the medium of the Japanese post offices prior to 1920?

Mr. Knox. Our representatives in China have stated that the Japanese post office in China did receive narcotics, some of them of American manufacture and some of them of Japanese manufacture.

Senator NUGENT. In large or small quantities?

Mr. Knox. In considerable quantities, I have been informed. The Japanese authorities would not allow the Chinese customs authorities

to inspect any packages that were sent in there through their post offices, and that is one of the reasons why the Secretary of State and the Attorney General have recommended that no licenses be given to Japan and why none has been shipped there from the United States since May 1—because there is no regulation governing shipments out of Japan. If it goes into Japan they can do anything they want to with it.

Senator CALDER. And so you gentlemen come here to try to save this American business with other countries that have regulations and laws—

Mr. KNOX. Yes, sir; because this bill absolutely prohibits the exportation for either legitimate or illegitimate uses. It absolutely prohibits the exportation. For instance, we could not ship a hundred Dovers' tablets out because they contain a small amount of opium. The way the bill is drawn, you can not ship one grain out for any purpose.

That is the only reason we are opposing the bill, because it kills legitimate business.

STATEMENT OF MR. SAMUEL R. ROSENGARTEN, ATTORNEY FOR POWERS, WEIGHTMAN, ROSENGARTEN CO., PHILADELPHIA, PA.—Resumed.

Mr. ROSENGARTEN. Since May 1, 1920, we have made no exportation to Japan whatsoever of these drugs, and we believe that no other American houses have.

This bill seeks to destroy all American export business in these drugs, not merely exportation to Japan but to any and all countries. As we understand it, the proponents of the bill base their demands on their belief that these drugs are being illegally introduced into China by the Japanese, and that if all export from the United States is prohibited by law the Japanese will no longer be able to continue the introduction of these drugs into China.

The fallacy of this proposition is almost self-evident, and we need but point out that the manufacture of these drugs is carried on by Germany, England, Switzerland, and other foreign countries to such an extent as to provide a more than ample supply available to the Japanese for the traffic objected to by the proponents of the bill.

The proponents of the bill apparently are wholly unaware of the far-reaching damage which would ensue to the American trade if exportation be entirely prohibited. Apparently they do not know that American drug houses have built up a considerable foreign trade in various lines of drugs and chemicals, and that it is almost invariably the case that the foreign customer orders his supply of various drugs and chemicals from the one house. Out of a large quantity of goods so ordered by the foreign customer there are almost always included varying quantities of narcotics. Now, the effect of this bill would be that American houses would lose all of this business, as foreign customers would no longer buy from American concerns, but would deal with foreign houses, as the latter could fill the orders exactly as sent in. In other words, this bill would destroy a business much larger than the export business in narcotic drugs merely.

Another idea apparently entertained by the proponents of the bill is that this bill would in a large degree tend to prevent smuggling of narcotics into the United States, evidently basing this upon the proposition that if exportation from this country was entirely prohibited there would be no narcotics available for smuggling into this country. The fallacy of this is clear enough in view of the manufacture of these articles in Germany, Switzerland, England, and elsewhere. It is but reasonable to believe that the illegitimate trade would not be affected in the least, but would be carried on by the smuggling into this country of goods of foreign manufacture. There is nothing in this bill which will render smuggling more difficult.

If this bill became law, so that exportation from this country was extinguished altogether and importation limited to such quantities as may be specified by the Surgeon General, we aver that very serious damage would result to the American drug trade without any compensating benefit whatever, either to this country or to China, and that illegitimate trade, both in this country and in China, would not be affected.

We aver that this bill will not accomplish the results sought by its proponents, and that it is ill-considered and destructive merely. We would point out that the American people would not be permitted to have any hand in supplying the necessary medical requirements of the other peoples of the globe; that 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, and that apparently the insular possessions of the United States would not be entitled under this bill to have or obtain any of these drugs, as the bill provides only for the medicinal requirements of the United States, allowing nothing for the insular possessions.

We desire to point out also that 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, as it did in large measure, 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.

In the light of these considerations we aver that this bill is most radical and unreasonable. In a blind effort to prevent the Japanese from introducing narcotics into China, the proponents of this bill seek the extermination of all American export trade in these articles, evidently without realization of the fact that this would concurrently exterminate the American export trade in other drugs and chemicals.

We submit that under the existing narcotic laws of the United States the legitimate drug trade is already most rigidly controlled.

It is recognized that the illicit traffic is almost entirely carried on in this country by means of smuggled drugs. It is evident that the prevention of smuggling, whether into China or into the United States, is the object to be aimed at in preventing the illicit trade.

This matter of smuggling is international in its aspect, being the chief element involved in the international movement of these drugs. Therefore we urge the view of control of the importation and exportation.

tation of these drugs by international concerted action in accordance with the terms of the International Opium Convention, in order that such control may be made effectively, uniformly, and without unfair discrimination. Only in this way can the illicit trade carried on through smuggling be effectively shut off from its source of supply.

That such international concerted action is bound to come in the near future is apparent.

The International Opium Convention, signed at The Hague January 23, 1912, by the principal nations, the United States among them, provides amply for this. The terms of this convention require that the contracting powers shall take measures to confine all internal traffic in these drugs to and among duly authorized persons; that they shall limit the importation of these drugs to authorized persons; and that they shall adopt measures to the end that exportation of these drugs shall be made only to such persons as shall have received authorizations or permits under the laws of the importing country.

The United States, in order to carry out its obligations under this convention, passed a series of acts in the year 1914, one of which, namely, the act of January 17, 1914, this bill seeks to alter. The act of January 17, 1914, was framed by the late Dr. Hamilton Wright for the particular purpose of carrying out the import and export requirements of this convention. We submit that said act is adequate and sufficient for the purpose. By the passage of the set of acts of 1914 it will be observed that this country was prompt to adopt the necessary legislation for carrying out the International Opium Convention.

I might digress here to say that Dr. Hamilton Wright, who framed this set of three laws, had attended the Shanghai convention and attended the international convention at The Hague and was thoroughly familiar with the entire subject; and when he drew these three laws of 1914 they were for the specific purpose of carrying out the international convention at The Hague. Those acts were passed, and under them, we submit, the legitimate trade is most rigidly controlled in this country.

As to the other nations, however, it appears that some of them have been behindhand in ratifying the International Opium Convention, or, having ratified it, have failed to enact the necessary legislation for carrying out its terms. In order to correct this state of affairs it was provided by article 23 of the treaty of peace with Germany, signed at Versailles, June 28, 1919, that the members of the League of Nations agreed, subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, to intrust the league with the general supervision over the traffic in opium and other dangerous drugs; and by article 295 the contracting parties who had not yet signed, or who had signed but not yet ratified, the International Opium Convention agreed to bring the said convention into force and to enact the necessary legislation without delay and in any case within a period of 12 months from the coming into force of the peace treaty. Article 295 also provides that ratification of the peace treaty should, in the case of powers which had not yet ratified the opium convention, be deemed in all respects equivalent to the ratification of that convention.

From Associated Press dispatches from Geneva under date of December 15, 1920, we understand that the assembly of the League

of Nations has taken up the matters covered by the above-mentioned articles, 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—and that the committee decided that the United States should be especially invited to send a representative to meet with the advisory committee.

In press dispatches from Paris, dated January 9, 1921, it is stated that the secretariat of the League of Nations issued on that day an official document entitled "The Work Accomplished by the League of Nations During the First Year of its Existence." Among a number of matters mentioned as having been taken up by the League of Nations it is stated that the league elaborated a series of projects, including the acceptance of responsibilities for opium-traffic control.

We aver that Senate bill 4553 is unnecessary, unreasonable, and destructive; that only by international concerted action in accordance with the terms of the International Opium Convention can the smuggling into this country or China or elsewhere be effectively prevented; that the act of January 17, 1914, is adequate and sufficient as it now stands, having been framed by the late Dr. Hamilton Wright for the purpose of the carrying out by this country of its obligations under the terms of the convention in regard to imports and exports; and that international concerted action under the convention is near at hand.

We earnestly protest against this bill.

It might be well to explain what is meant by "international concerted action." It means simply this, that The Hague Opium Convention apparently has been taken over by the League of Nations, and that if any country that offends against the terms of the International Opium Convention—that such difficulty can and will then be brought to the attention of the other nations by the secretariat of the league, and the result would be an embargo on Japan by all the nations instead of merely by the United States, which has already put on that embargo, and that the thing would be universal and uniform and international and not merely by the United States alone, throwing that business into the hands of competing countries with no benefit to China and no benefit to anyone.

Senator NUGENT. At the time of the last hearing, December 11 last, there was incorporated in the record what purports to be a memorandum submitted to the American congressional delegation by the board of directors of the International Anti-Opium Association of Peking. In that memorandum is this statement:

The recent smuggling case before the Japanese consular court was watched on behalf of the International Anti-Opium 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 Co."

Have you any knowledge with respect to that matter?

Mr. ROSENGARTEN. I can say this: I can say that so many cases of forgery of our labels come to our notice that we would want to

see those labels before we would say they were ours. And I will say this, that we did export to Japan, but since May 1, 1920, we have exported nothing to Japan at any time. At no time and in no way have we ever exported anything to China.

Senator NUGENT. At the time of the exportations to Japan had you any reason to believe that the narcotics so exported would find their way into China through the medium of the Japanese post offices?

Mr. ROSENGARTEN. No. Mr. Frederic Rosengarten here, who is vice president, can answer your question better than I, because I am only an attorney. But as I understand it, the largest exportations we made were in 1915, and that was to England. We had no knowledge at all of what the Japanese did or intended to do, but I can say this, that we dealt only with reputable houses.

Senator CALDER. Do you insist that if these were really from your concern they were shipped before May 1, 1920?

Mr. ROSENGARTEN. Absolutely, and before there was any prohibition on these shipments.

If there is any doubt in your minds, sirs, about this International Opium Convention at The Hague, I would like to make that definite, because it is the basis on which all this legislation hinges, and it is rather difficult to make clear to those who are taking up this subject for the first time as to what the international convention at The Hague proposed to do.

What it proposed to do was this: It was to confine the movement of these products within their legitimate channels, and in order to do that the three principal propositions were: That the contracting powers should take measures to confine all internal traffic in these drugs to duly authorized persons; second, that the contracting powers shall continue the importation of these drugs to authorized persons; and, third, that they shall adopt measures to the end that exportations shall be made only to such persons as shall have received authorizations or permits under the laws of the importing country.

In other words, the object was to keep these drugs within their legitimate channels, and now that the League of Nations has taken this convention over under its management they have established a basis for uniform action. This country, we aver, requires no further legislation. We passed the legislation in 1914, and then the war came along and international concerted action apparently was impossible on account of the war, and now there is every evidence that it will be attended to by the League of Nations so that every nation will embargo Japan. Therefore, the thing would work out evenly, instead of merely the United States embargoing Japan, which we have done since the 1st of May. There have been no shipments there since that time, and we have never made any shipments to China.

(Subsequent to the close of the hearings an editorial from the Journal of the American Medical Association was received, which, by order of the chairman, was ordered printed in the record, as follows:)

[Editorial from the Journal of the American Medical Association, Chicago, Ill., issue of Jan. 8, 1921.]

THE PROPOSED AMENDMENT TO THE HARRISON NARCOTIC LAW.

A bill has been introduced into each House of Congress, at the present session, to amend the Harrison narcotic law in several important particulars. The bill is designed to relieve the United States from the odium of participation

In the extension of the narcotic menace in other countries, as well as to afford a better protection for our own citizens. This amendment includes provisions so that (1) no narcotics may be imported into the United States except such as are actually needed here for the treatment of disease, for scientific investigation, or for other legitimate purposes; (2) no narcotics may be exported from the United States; and (3) foreign-owned narcotics may not be shipped, in bond, through the territory of the United States. Subcommittees from both Houses of Congress have held hearings on the proposed amendment and a great amount of evidence has been submitted. Social workers and reformers, clergymen, physicians, travelers, exambassadors, educators, Members of Congress, and public-spirited citizens from all walks of life have appeared or offered documentary evidence in support of the measure. Manufacturers and the interests, which have profited by the traffic, have protested and are protesting against any change in the Harrison law.

Following a world-awakened public consciousness of the dangers from the use of narcotic drugs, an international opium commission met at Shanghai in 1909 to consider the situation. This was followed by the international opium conference which met at The Hague in 1911. This conference adopted measures aimed to prevent the smuggling into China of narcotics and other interdicted substances. As one of the signatories to this convention, the United States is morally bound to maintain its good faith by aiding in carrying out this provision. Early in 1914 the Harrison narcotic law was passed. Under this law and its regulations no narcotics may be imported into the United States without a license, and the amounts imported must be reported to the governmental authorities. In turn, no narcotics may be sold or otherwise distributed except through an order form furnished by the Government. By this system, supposedly, every grain of narcotic legitimately imported or manufactured may be followed to the consumer. However, provisions are made for the exportation of narcotics, and therein lies one of the weak points in the law. Permits to export narcotics may be obtained, provided the ultimate destination of the drug be declared and the shipment be not contrary to the laws of the receiving country. If the receiving dealer is unscrupulous, he may smuggle the drug into forbidden territory or otherwise dispose of it surreptitiously. In any event, the United States has no further control over it. According to the evidence before Congress the greater portions of the narcotics imported into the United States are not used here but, after refining, are exported to Canada and Japan. The narcotics going to Canada are alleged for the most part to be smuggled back into this country and eventually, by underground channels, to reach the drug habitués. In this way a vast amount of damage is done to certain of our citizens which our present laws appear powerless to prevent. Likewise, the narcotics sent to Japan are said not to be used there, at least to any great extent, but to be smuggled into China. In other words, while our own and the Chinese laws prevent the entrance of American narcotics into China, the laws are evaded by shipping the drugs to Japan, thus leaving the infringement of the Chinese laws to the conscience of the Japanese. For American manufacturers this practice is technically legal, but morally it is reprehensible in the extreme. In addition, under our present laws foreign-owned narcotics may pass in bond through the territory of the United States without disturbance. Under this privilege, it is alleged, vast quantities of narcotics, shipped to Japan but in reality destined for China, pass across our continent every year.

For centuries the Chinese nation has realized the demoralizing influence of the opium habit on its people. Three generations ago it fought the opium war against Great Britain in an unsuccessful attempt to prevent the importation of opium from India. Although, by the terms of peace at the close of that war, China was forced to permit the importation of opium, it has struggled steadfastly through the decades since that time against opium and all of its preparations. Later, because of the exorbitant price of the imported article, China itself began to produce opium; but public opinion was always opposed to this. Then in 1906 the Empire of China entered into an agreement with the British Government by which the importation of opium into China from India and the production of opium in China should cease within 10 years. Each nation has kept its part of the agreement faithfully, and to-day no opium or its derivatives may be imported lawfully into China and no opium is produced there. About two years ago the last opium not contraband remaining in China was purchased by the Chinese Republic and publicly destroyed, at a loss, it is alleged, of about \$30,000,000.

The evidence before Congress justifies the opinion that if exportation of all narcotics from the United States is forbidden and the "in transit" shipping privileges withdrawn, as is proposed by this amendment, a great proportion of the alleged smuggling of narcotic drugs into this country along the Canadian border will be prevented. Further, America will be cleared from any part in the crime of narcotizing the citizens of the Chinese Republic. Certainly, it would seem to be the duty of the United States both to protect its own citizens and to aid China in its fight against the narcotic evil.

Senator CALDER. Mrs. Wright, do you wish to be heard in opposition to the bill?

STATEMENT OF MRS. HAMILTON WRIGHT, 1521 NEW HAMPSHIRE AVENUE, WASHINGTON, D. C.

Mrs. WRIGHT. Mr. Chairman, my husband was responsible for this legislation. In fact, he was responsible for all the drug legislation, including the so-called Harrison bill, Representative Harrison himself saying, before the Committee on Ways and Means that to Dr. Hamilton Wright was due more than to anyone else whatever credit may come from these great reforms as to the control of narcotics. Dr. Wright was appointed by President Roosevelt in 1908 as commissioner and delegate to the Shanghai commission and afterwards represented the United States at the International Opium Conferences held at The Hague. He was in charge of the whole question at the Department of State until the time of his death. No one knew the question so thoroughly as he, and I do not wish to see his work carelessly tampered with.

I think the amendment of 1914, which it is now proposed to amend—though I am willing that it should be strengthened—a very excellent piece of legislation. The trouble is that it was not enforced. The law was passed in 1914, but the regulations were not put into effect until May, 1920—nearly six years afterwards.

The Jones-Miller amendment which is before you now, and which I oppose, prohibits without any reservations the importation and exportation of the drugs in question. This is not wise and it is not just, because there is a legitimate need for these drugs. I believe that the motives of the gentlemen who are backing this bill to be absolutely sincere, but, in my opinion, their amendment will not achieve the desired ends. The shocking conditions which they wish to remedy in the Far East do exist. I went out to China myself in 1918 to see how the laws drawn up by my husband were working, and whether The Hague convention had been put into effect. I found China deluged with drugs of American, Japanese, and British manufacture.

As you know, at the last International Opium Conference held at The Hague in 1914, every nation in the world, save two, had joined this great movement to protect China as well as the rest of the world from these debasing drugs, and had promised to put The Hague convention of 1912 into effect. But the war broke out a few weeks later and the attention of the world was diverted elsewhere.

The United States, however, carried out its obligations by passing a series of laws which were in accordance with the terms of The Hague convention. But after my husband's death I was very much concerned to see the whole question threatened with disintegration. The Chinese had done their part and to the amazement of a skeptical

world had practically eliminated opium and the cultivation of the poppy itself.

But under cover of the war an attempt was made by unscrupulous nations and individuals to break down the resistance of the Chinese by substituting morphine for opium and in every way attempting to revive poppy cultivation. No more insidious instrument, of course, could be placed in the hands of an enemy.

But to return to the amendment under discussion. In my opinion it does not meet the situation. This is a matter which can be solved only by international cooperation.

It does not seem to be generally understood that the opium question was introduced at the recent conference in Paris and is embodied in the Versailles treaty and that every nation signatory to that treaty is under international obligations to put The Hague opium convention into effect. That means the passing of drastic drug legislation. Great Britain passed her so-called dangerous drugs act in September and the other nations must follow suit. I may say that I have tried to follow this question closely and for that reason feel that I am privileged to speak. Besides going to China to study the situation I was in Paris when the opium question was introduced into the Versailles treaty. And when the Versailles treaty turned it over to the League of Nations to administer, I went to London to see what the league intended to do.

The point is that this problem can not be solved by the action of a single country. This is an international problem and it must be approached from that angle.

Great Britain is trying to meet the question, as well as ourselves, and by acting conjointly with her we are much more likely to be successful. In this connection I think it is pertinent to quote from a recent British report which refers to action taken by the foreign office in March, 1920, when the foreign minister "drew the attention of His Majesty's representatives abroad to the obligations incurred under the opium convention. His lordship went on to state there is reason to believe that, in spite of the efforts of His Majesty's Government and of the other Governments concerned, morphia produced in the United Kingdom is at present reaching the Far East in quantities largely in excess of the amount required for legitimate purposes, and His Majesty's Government are therefore of the opinion that it is desirable that steps should be taken forthwith to regulate the export to all countries, whether their Governments are parties to the opium convention or not, of the drugs specified in chapter 3 of the convention. An arrangement has been made by His Majesty's Government with the United States, French, and Japanese Governments whereby no consignment of morphia or kindred drugs is allowed to be exported from the United Kingdom to any of the countries in question except on the production of a certificate from the Government concerned, stating that it is satisfied that the consignment is required exclusively for legitimate medical or scientific purposes and will not be reexported."

Of course, you understand to what this refers. There has been much criticism of the United States in China where great quantities of morphine have been allowed to come from Great Britain and shipped in bond across the United States to Japan, where it has been at once reshipped to China. The Chinese have strict laws against

its importation, but the Japanese send it through the medium of their post offices in China, which the Chinese authorities can not touch.

It must not be overlooked that there is decent public opinion in England as well as in America, and during the war there was a great outcry against this trade. England manufactures an immense amount of morphine. But public opinion forced the passage of a law under the defense of the realm act, saying that no more morphine should be exported from Great Britain unless conforming to very rigid restrictions. This was passed under a temporary war measure, and when the treaty of Versailles came into effect it automatically ceased to operate. But this same Versailles treaty put other obligations upon England under The Hague convention, such as passing drastic drug legislation, and also reached out to check the practices of the Japanese, for in article 19 of the opium convention, which the Japanese pledged themselves to enforce simultaneously with the carrying out of the Versailles treaty, there are the following restrictions:

The contracting powers who have post offices in China shall adopt efficacious measures to prohibit the illegal importation into China in the guise of a postal package, as well as the illegal transmission from one locality to another in China through the intermediary of these post offices, of opium, whether raw or prepared, of morphine and of cocaine and their respective salts, and of other substances indicated in article 14 of the present convention.

Every nation must now carry out the specific terms of the convention.

Senator NUGENT. Did I understand you to say that Japan has signed the Opium Convention?

Mrs. WRIGHT. Oh, yes. She has both signed and ratified the convention. According to the Versailles Treaty each nation must carry out the terms of this convention within a year of the ratification of the treaty. The year was over this month. England passed her legislation last September. After every nation in the world has put the convention into effect we must go a step further, and that is to rigidly restrict the cultivation of the poppy itself. In this way we can get to the very source of the trouble.

Senator NUGENT. Do I understand you to say that Japan has already declined to put the convention into effect?

Mrs. WRIGHT. No; she promised that she would put it into effect. It simply means that we must have some way of enforcing these obligations. The United States took the initiative in this matter 12 years ago, and it still rests with us, or with the Netherlands Government, or with the League of Nations, if it proves to be an effective instrument, to see that the convention is carried out. It will be difficult for any nation to avoid these obligations which they have internationally assumed, unless they wish to be shamed and ostracized from the family of nations.

To return once more to the Jones-Miller amendment which we are discussing. Of course, I am in perfect accord with these gentlemen in their effort to restrict this nefarious trade, but I think The Hague Convention provides us with a much more far-reaching instrument. If the amendment of 1914 is in turn to be amended, I prefer the amendment offered by Representative Rainey. We must check this trade in every possible way, but we have got to do it along legal lines and in a way which will be approved by the Supreme Court. We must not ignore our commercial treaties nor our international conventions. Also we can not bar the American druggists from a

legitimate trade. There is no question as to the great and honest need of these drugs in the East as well as elsewhere, and it is illogical to take the trade from our own people and put it in the hands of the Japanese or any other country.

Mr. Rainey's amendment provides:

That opium or cocaine, and salts, derivatives, or preparations thereof, except smoking opium or opium prepared for smoking, the exportation of which is hereby absolutely prohibited, may be exported to countries which have ratified and become parties to the convention and final protocol between the United States and other powers for the suppression of the abuse of opium and other drugs, commonly known as the Hague Convention of 1912, if such countries shall have instituted in conformity with article 13 of that convention a permit or license system for the control of imports of such drugs: *And provided further*, That such exports shall be consigned only to an authorized permittee and upon the furnishing of adequate proof that the drug to be exported is to be used exclusively for medicinal purposes within the country to which exported, that it will not be re-exported, and that there is an actual shortage of and a demand for the drug for medicinal purpose within the country to which the export is consigned.

It is obvious that these restrictions working with the British laws will prevent the shipment of drugs from England to be smuggled into China by way of Japan. Incidentally, Japan has excellent laws to protect her own people from these drugs.

As for the American wholesale druggists who have been accused of using this same route to get their drugs into China. I can not believe that they wish to hurt the credit of their country. America has held a unique position in China. We have had the confidence of the Chinese people to perhaps a greater extent than any other people, and this high position can not be sacrificed for the sake of commercial gain. China has had to face the curse of opium for 150 years, until in fact, the United States took up the cudgels for her and practically won her battle. I am quite sure that none of these drug manufacturers or any Americans wish China now to question our sincerity.

It might be taken into consideration that the regulations under the amendment of 1914 were not put into effect until a few months ago, and these gentlemen insist that since that time no drugs have been shipped to Japan. The reputation of their houses is now at stake and I am quite sure the great drug houses represented here to-day do not wish their names connected with any such questionable trade.

Senator CALDER. You think we had better give them a chance to operate?

Mrs. WRIGHT. I think so. I am perfectly willing that a more drastic amendment be made, but I am not in favor of the Jones-Miller amendment for reasons which I have tried to explain.

Senator NUGENT. You appear to be entirely conversant with this matter, Mrs. Wright.

Mrs. WRIGHT. I have studied it for 12 years.

Senator NUGENT. I am frank enough to say that I have not only listened to you with a great deal of interest but you have changed my viewpoint concerning certain matters. It is your judgment, then, is it, that so far as this legislation is concerned, what we refer to as the Rainey amendment is preferable to the bill that this committee is considering?

Mrs. WRIGHT. Absolutely. And I have discussed the question widely. It is not wise to prohibit the legitimate trade in drugs. As a

matter of fact, it can not be done, because people will always smuggle these drugs if they are not to be had openly. The officials who must enforce these laws are of the opinion, I think, that it is easier to deal with a trade that is open and aboveboard than with something that operates in secret and underground.

Senator CALDER. Is that all, Mrs. Wright?

Mrs. WRIGHT. I want you to see Mr. Rainey's amendment.

Senator CALDER. Have you it with you there?

Mrs. WRIGHT. Yes.

Senator CALDER. Will you please put it in the record?

Mrs. WRIGHT. Yes.

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

[H. R. 15511, 66th Cong., 3d sess.]

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 extra-territorial jurisdiction, opium, or cocaine, or any salt, derivative, or preparation of opium or cocaine to any other country: *Provided*, That opium or cocaine, and salts, derivatives, or preparations thereof, except smoking opium or opium prepared for smoking, the exportation of which is hereby absolutely prohibited, may be exported to countries which have ratified and become parties to the 'convention and final protocol between the United States and other powers for the suppression of the abuse of opium and other drugs' commonly known as the Hague Convention of 1912, if such countries shall have instituted in conformity with article 13 of that convention a permit or license system for the control of imports of such drugs: *And provided further*, That such exports shall be consigned only to an authorized permittee and upon the furnishing of adequate proof that the drug to be exported is to be used exclusively for medicinal purposes within the country to which exported, that it will not be reexported, and that there is an actual shortage of and a demand for the drug for medicinal purposes within the country to which the export is consigned.

"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 Secretary of the Treasury and the Secretary of Commerce to provide morphine, cocaine, or other needed medicinal preparations for legitimate uses may be imported under rules and regulations to be prescribed by the Secretary of the Treasury and the Secretary of Commerce.

"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, unless such shipments are approved by the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce.

"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 and shipment 'in transit' 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 regulations for carrying the provisions of this section into effect."

(Thereupon, at 5 o'clock p. m., the subcommittee adjourned to meet at the call of the chairman.)