

**STATEMENT OF JAMES POMEROY HENDRICK, SPECIAL ASSISTANT
TO THE SECRETARY OF THE TREASURY (FOR ENFORCEMENT);
ACCOMPANIED BY CHARLES C. HUMPHSTONE, DEPUTY SPECIAL
ASSISTANT TO THE SECRETARY OF THE TREASURY (FOR
ENFORCEMENT)**

Mr. HENDRICK. Yes; I shall. I have on my right Mr. Charles C. Humphstone, who is the Deputy Special Assistant to the Secretary of the Treasury (for Enforcement).

Before I start with my prepared remarks, I believe that the committee would be interested to know that only yesterday Commissioner Giordano was awarded the Order of the Italian Republic, with the grade of commendatore. This is a very high decoration. It is the same decoration which was given some years ago to President Kennedy when he was at that time a Senator.

It was for distinguished service in the cooperative effort of the Italian and United States Governments to combat the traffic in narcotic drugs.

Mr. Chairman and members of the subcommittee, you have asked for the Treasury Department's comment on Reorganization Plan No. 1 of 1968.

At the time the Congress was considering the Drug Abuse Control Amendments of 1965, the LSD problem had not yet made itself widely felt. The first LSD psychosis patients began arriving at New York's Bellevue Hospital early in March of 1965. The act passed the House March 10, 1965. As of that time, Congress had had no opportunity to consider the dangers of widespread LSD use of which we are now all too clearly aware.

The burgeoning publicity promoting the use of LSD had the effect repeatedly forecast by the Commissioner of Narcotics of increasing the use of marihuana. I have been informed by Mr. Finlator that in seven of our largest cities the Bureau of Drug Abuse Control has not made a single seizure of LSD in which quantities of marihuana were not also discovered.

The Treasury Department has been increasingly troubled over the past 2 years with the inconsistency of having Federal enforcement programs aimed at narcotics and dangerous drugs divided between two departments acting under different statutes, procedures, and even enforcement policies.

Under the existing legislative framework, agents of the Bureau of Drug Abuse Control did not have the authority to make the demand for the required order form which is the first procedural step in laying the groundwork for prosecution under the Marihuana Tax Act of 1937.

Each of the two agencies has had only statutory authority to execute warrants for the seizure of the substance within its own jurisdiction. The result has been that these agencies must either make all operational decisions jointly with one another or with local law enforcement agencies having jurisdiction over both substances.

Joint operations, of course, involve some friction between differing administrative and policy systems. There are necessarily sometimes different priorities for action among participating agencies.

At the time that the Drug Abuse Control Amendments of 1965 were being considered, the Treasury Department, like the Congress, be-