

of Mr. Giordano and then make it possible for the two of you to, perhaps, come back tomorrow for questioning from the committee if we don't have time today.

STATEMENT OF HENRY L. GIORDANO, COMMISSIONER OF NARCOTICS, DEPARTMENT OF THE TREASURY

Mr. GIORDANO. Mr. Chairman and distinguished members of the committee, I appreciate the opportunity of appearing before you today to present my views in regard to Reorganization Plan No. 1 of 1968, which was prepared by the President and transmitted to the Congress on February 7, 1968.

I support this reorganization plan.

In view of the fact that a portion of the proposed plan is appropriately entitled "Abolition" and includes language which abolishes the "Bureau of Narcotics," and the "Office of Commissioner of Narcotics," it would appear that I am supporting my own demise. This is not actually the case, and I hope to convince you that all of the personnel of our present Bureau, including myself, will be very much alive under the proposed plan.

In order to better understand exactly what functions pertaining to the Bureau of Narcotics would be transferred to the Department of Justice from the Treasury Department by the reorganization, I believe it necessary to summarize the basic laws enforced by the Bureau and explain the effect of the reorganization on each law.

THE HARRISON NARCOTIC ACT

The Harrison Narcotic Act is the primary vehicle by which the Government controls the distribution of narcotic drugs within the United States. A system of registration, commodity tax, order forms for transfers of narcotics, and prescriptions for the stronger narcotic drugs are the basic elements of this control system. The illicit traffic in narcotic drugs is also controlled by the provisions of the Harrison Act which make all transfers of narcotics not pursuant to order forms unlawful, and the possession of narcotics not "in or from original stamped packages" unlawful.

Presently, the division of functions under the Harrison Act gives the Internal Revenue Service all revenue collecting functions, including registration, reregistration, issuance of narcotic order forms, special tax stamps, and commodity tax stamps. The Bureau of Narcotics presently has the functions of investigation, enforcement, inspection, and other attendant functions, under the Harrison Act. Under the reorganization, functions currently handled by the Internal Revenue Service remain unchanged, and the functions of the Bureau of Narcotics are transferred to the Attorney General.

THE MARIHUANA TAX ACT OF 1937

The system of control under the Marihuana Tax Act is very similar to that established by the Harrison Act. Moreover, the division of functions between the Internal Revenue Service and the Bureau of Narcotics is similar to that under the Harrison Act. Hence, the effect of