

REORGANIZATION PLAN NO. 1 OF 1968
(Drug Abuse and Narcotics)
AND H. RES. 1101

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HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON
GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES
NINETIETH CONGRESS
SECOND SESSION

MARCH 19, 20, AND 21, 1968

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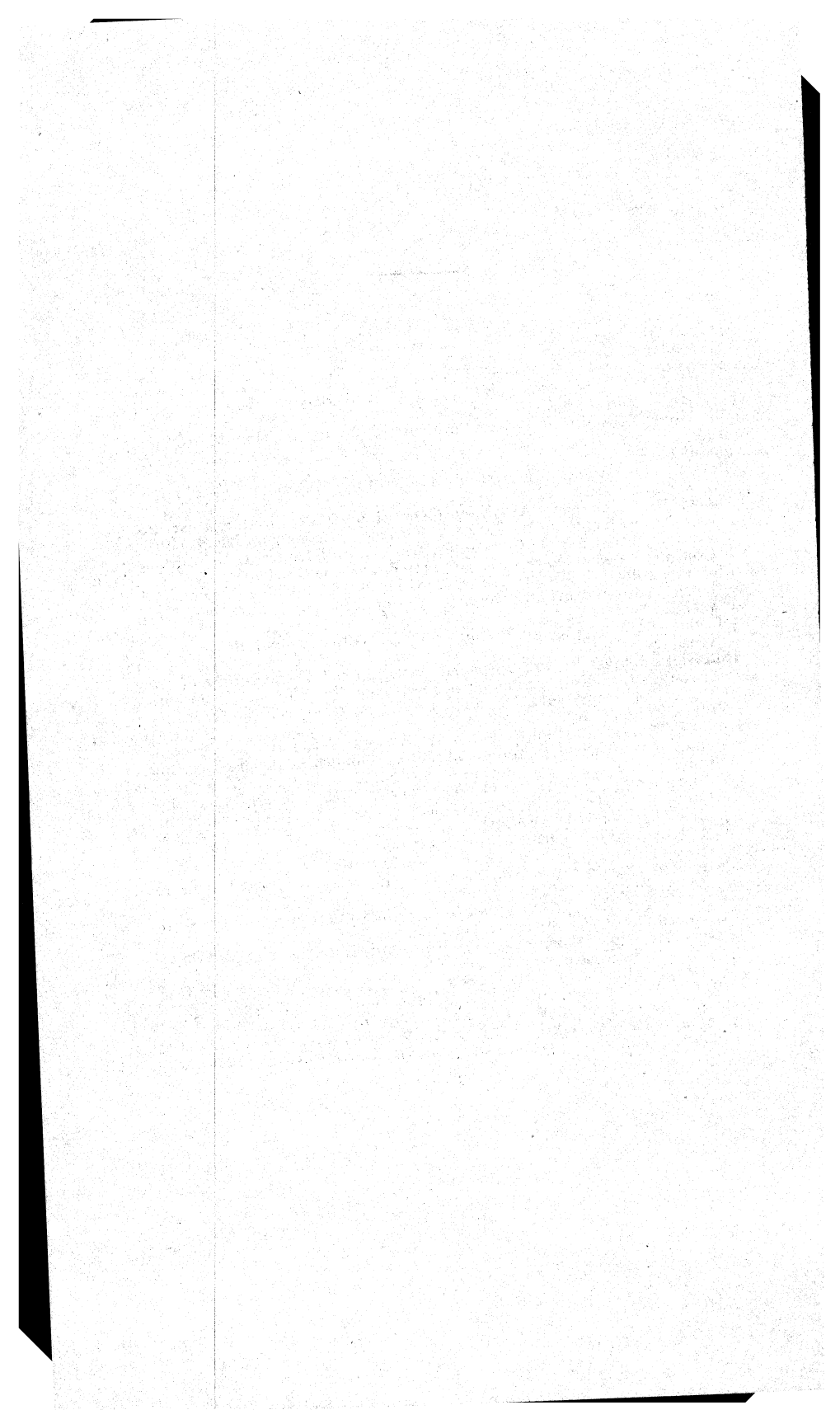
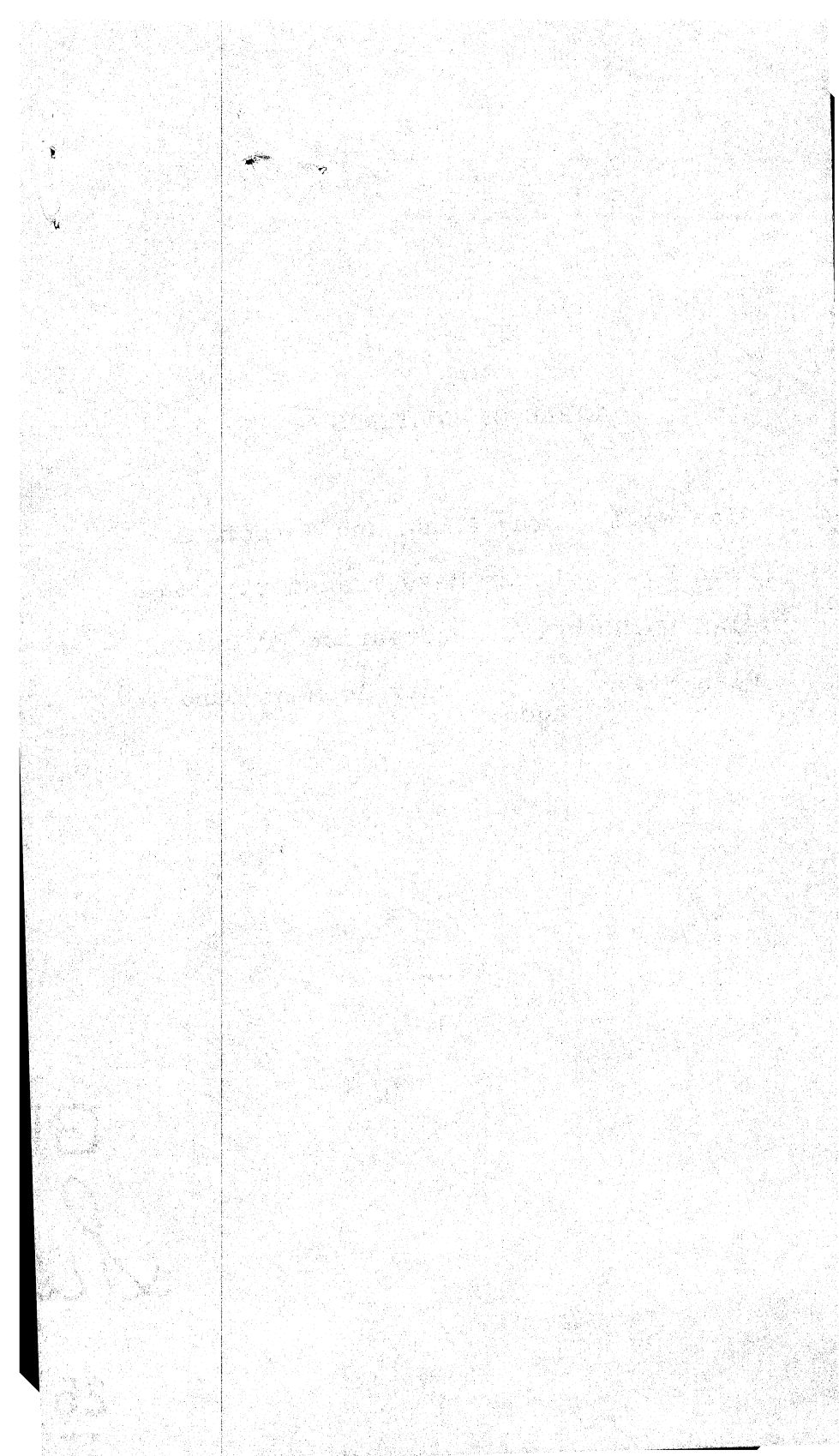


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**REORGANIZATION PLAN NO. 1 OF 1968
(DRUG ABUSE AND NARCOTICS)
AND HOUSE RESOLUTION 1101**

TUESDAY, MARCH 19, 1968

**HOUSE OF REPRESENTATIVES,
EXECUTIVE AND LEGISLATIVE
REORGANIZATION SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.**

The subcommittee met at 10 a.m., in room 2154, Rayburn House Office Building, Hon. John A. Blatnik (chairman of the subcommittee) presiding.

Present: Representatives John A. Blatnik, Chet Holifield, Benjamin S. Rosenthal, John N. Erlenborn, and Jack Edwards.

Also present: Elmer W. Henderson, subcommittee counsel; James A. Lanigan, general counsel, Committee on Government Operations; and William H. Copenhagen, minority professional staff.

Chairman BLATNIK. The Executive and Legislative Reorganization Subcommittee of the House Committee on Government Operations will please come to order.

We meet in public session today, the first of a series of hearings lasting perhaps 2, possibly 3 days, to consider President Johnson's Reorganization Plan No. 1 of 1968 and House Resolution 1101, a disapproval resolution introduced by our colleagues, Congressmen Edwards, Erlenborn, and Brown.

(Reorganization Plan No. 1 of 1968 follows:)

[H. Doc. No. 249, 90th Cong., first sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES, TRANSMITTING REORGANIZATION PLAN NO. 1 OF 1968—CREATING A NEW BUREAU OF NARCOTICS AND DANGEROUS DRUGS

To the Congress of the United States:

In my first Reorganization Plan of 1968, I call for the creation of a new and powerful Bureau of Narcotics and Dangerous Drugs.

With this action, American will serve notice to the pusher and the peddler that their criminal acts must stop.

No matter how well organized they are, we will be better organized. No matter how well they have concealed their activities, we will root them out.

Today, Federal investigation and enforcement of our narcotics laws are fragmented. One major element—the Bureau of Narcotics—is in the Treasury Department and responsible for the control of marihuana and narcotics such as heroin. Another—the Bureau of Drug Abuse Control—is in the Department of Health, Education, and Welfare, and is responsible for the control of dangerous drugs including depressants, stimulants, and hallucinogens such as LSD.

Neither is located in the agency which is primarily concerned with Federal law enforcement—the Department of Justice.

This separation of responsibilities—despite the relentless and dedicated efforts of the agents of each Bureau—has complicated and hindered our response to a national menace.

For example, more than nine out of ten seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau has no jurisdiction over marihuana.

In many instances, we are confronted by well organized, disciplined and resourceful criminals who reap huge profits at the expense of their unfortunate victims.

The response of the Federal Government must be unified. And it must be total. Today, in my Message on Crime, I recommended strong new laws to control dangerous drugs. I also recommended an increase of more than thirty percent in the number of Federal agents enforcing the narcotic and dangerous drug laws.

I now propose that a single Bureau of Narcotics and Dangerous Drugs be established in the Department of Justice to administer those laws and to bring to the American people the most efficient and effective Federal enforcement machinery we can devise.

Under this Reorganization Plan the Attorney General will have full authority and responsibility for enforcing the Federal laws relating to narcotics and dangerous drugs. The new Bureau of Narcotics and Dangerous Drugs, to be headed by a Director appointed by the Attorney General, will:

- consolidate the authority and preserve the experience and manpower of the Bureau of Narcotics and the Bureau of Drug Abuse Control.
- work with states and local governments in their crackdown on illegal trade in drugs and narcotics, and help to train local agents and investigators.
- maintain worldwide operations, working closely with other nations, to suppress the trade in illicit narcotics and marihuana.
- conduct an extensive campaign of research and a nationwide public education program on drug abuse and its tragic effects.

The Plan I forward today moves in the direction recommended by two distinguished groups:

- the 1949 Hoover Commission.
- the 1963 Presidential Advisory Commission on Narcotic and Drug Abuse.

This Administration and this Congress have the will and the determination to stop the illicit traffic in drugs.

But we need more than the will and the determination. We need a modern and efficient instrument of Government to transform our plans into action. That is what this Reorganization Plan calls for.

The Plan has been prepared in accordance with chapter 9 of title 5 of the United States Code.

I have found, after investigation, that each reorganization included in the plan is necessary to accomplish one or more of the purposes set forth in section 901 (a) of title 5 of the United States Code.

I have also found that, by reason of these reorganizations, it is necessary to include in the accompanying plan provisions for the appointment and compensation of the five new positions as specified in section 3 of the plan. The rates of compensation fixed for these new positions are those which I have found to prevail in respect of comparable positions in the Executive Branch of the Government.

Should the reorganization I propose take effect, they will make possible more effective and efficient administration of Federal law enforcement functions. It is not practicable at this time, however, to itemize the reduction in expenditures which may result.

I recommend that the Congress allow this urgently needed and important Reorganization Plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, February 7, 1968.

REORGANIZATION PLAN NO. 1 OF 1968

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, February 7, 1968, pursuant to the provisions of chapter 9 of title 5 of the United States Code)

NARCOTICS; DRUG ABUSE CONTROL

SECTION 1. Transfer of functions from Treasury Department. There are hereby transferred to the Attorney General:

(a) Those functions of the Secretary of the Treasury which are administered through or with respect to the Bureau of Narcotics.

(b) All functions of the Bureau of Narcotics, of the Commissioner of Narcotics, and of all other officers, employees and agencies of the Bureau of Narcotics.

(c) So much of other functions or parts of functions of the Secretary of the Treasury and the Department of the Treasury as is incidental to or necessary for the performance of the functions transferred by paragraphs (a) and (b) of this section.

SEC. 2. *Transfer of functions from the Department of Health, Education, and Welfare.* There are hereby transferred to the Attorney General:

(a) The functions of the Secretary of Health, Education, and Welfare under the Drug Abuse Control Amendments of 1956 (Public Law 89-74; 79 Stat. 226), except the function of regulating the counterfeiting of those drugs which are not controlled "depressant or stimulant" drugs.

(b) So much of other functions or parts of functions of the Secretary of Health, Education, and Welfare, and of the Department of Health, Education, and Welfare, as is incidental to or necessary for the performance of the functions transferred by paragraph (a) of this section.

SEC. 3. *Bureau of Narcotics and Dangerous Drugs.*

(a) There is established in the Department of Justice an agency which shall be known as the Bureau of Narcotics and Dangerous Drugs. The Bureau shall be headed by a Director who shall be appointed by the Attorney General to a position in the competitive service. The Director shall perform such duties as the Attorney General shall prescribe, and shall receive compensation at the rate now or hereafter provided for Level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(b) There are hereby established in the Department of Justice, in addition to the positions transferred to that Department by this Plan, four new positions, appointment to which shall be made by the Attorney General in the competitive service. Two of those positions shall have compensation at the rate now or hereafter provided for GS-18 positions of the General Schedule and the other two shall have compensation at the rate now or hereafter provided for GS-16 positions of the General Schedule (5 U.S.C. 5332). Each such position shall have such title and duties as the Attorney General shall prescribe.

SEC. 4. *Abolition.* The Bureau of Narcotics in the Department of the Treasury, including the office of Commissioner of Narcotics (21 U.S.C. 161), is hereby abolished. The Secretary of the Treasury shall make such provision as he may deem necessary with respect to terminating those affairs of the Bureau of Narcotics not otherwise provided for in this reorganization plan.

SEC. 5. *Performance of transferred functions.* The Attorney General may from time to time make such provisions as he shall deem appropriate authorizing the performance of any of the functions transferred to him by the provisions of this reorganization plan by any officer, employee, or organizational entity of the Department of Justice.

SEC. 6. *Incidental transfers.* (a) There are hereby transferred to the Department of Justice all of the positions, personnel, property, records, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, (1) of the Bureau of Narcotics, and (2) of the Bureau of Drug Abuse Control of the Department of Health, Education, and Welfare.

(b) There shall be transferred to the Department of Justice, at such time or times as the Director of the Bureau of the Budget shall direct, so much as the Director shall determine of other positions, personnel, property, records and unexpended balances of appropriations, allocations, and other funds of the Department of the Treasury and of the Department of Health, Education, and Welfare employed, used, held, available or to be made available in connection with functions transferred by the provisions of this reorganization plan.

(c) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided in this section shall be carried out in such manner as he may direct and by such agencies as he shall designate.

(H. Res. 1101 follows:)

[H. Res. 1101, 90th Cong., second sess.]

Resolved, That the House of Representatives does not favor the Reorganization Plan Numbered 1 transmitted to the Congress by the President on February 7, 1968.

Chairman BLATNIK. The reorganization plan transfers to the Attorney General of the United States the administration of the narcotics laws now in the hands of the Secretary of the Treasury and the administration of the drug abuse laws now in the hands of the Secretary of Health, Education, and Welfare. Under the plan, the Bureau of Narcotics and the Bureau of Drug Abuse Control would be joined together in a new Bureau of Narcotics and Dangerous Drugs and placed in the Department of Justice. Narcotics laws, enforced by the Treasury Department since 1909, relate to marihuana and the so-called addictive narcotics such as opium and heroin. Our drug abuse laws, enacted in 1965, deal with stimulants, depressants, and hallucinogenics such as LSD. There is obviously a relationship between all of these.

We are all aware that serious social and criminal problems have developed from the use and abuse of narcotics and dangerous drugs, particularly among our young people. We all are searching for proper answers to these vexing problems. This plan is an attempt to produce a unified approach within the Government and more effective enforcement of the laws within the limitations of existing authority vested by the Congress.

In his message transmitting the plan, the President stated the new organization in the Department of Justice would:

- consolidate the authority and preserve the experience and manpower of the Bureau of Narcotics and the Bureau of Drug Abuse Control.
- work with States and local governments in their crackdown on illegal trade in drugs and narcotics, and help to train local agents and investigators.
- maintain worldwide operations, working closely with other nations, to suppress the trade in illicit narcotics and marihuana.
- conduct an extensive campaign of research and a nationwide public education program on drug abuse and its tragic effects.

These are important objectives and they clearly justify the adoption of this plan.

Drug abuse and narcotics addiction are complex and involved problems, as will be spelled out more clearly and precisely by specialists in various fields, not only in enforcement, but also in pharmacology, human behavior, the incredible advance of chemical developments and synthetic medications, and new compounds. These are the involved problems that do not lend themselves to any single line of approach. In spite of the fine record of the Narcotics Bureau through the years, and a fine record it has had indeed, and the Bureau of Drug Abuse Control more recently, it must be said that a larger and larger segment of our population has become subjected to these debilitating influences. This is particularly true of many of our young people in the schools, colleges, and on the streets throughout the country. There are, therefore, other approaches and considerations that also must be explored before we can say we have found the ultimate solution.

In other legislation pending before other committees, the President has asked increased penalties for the illegal manufacturing and sale and possession of LSD and other dangerous drugs and increased appropriations to employ more criminal investigators and agents. These are not matters within our jurisdiction, but it is important that we be aware of them to give us a better perspective of the broad picture before us and to call attention of our colleagues in the House to the importance of these problems that hopefully will come before the proper legislative committees.

In looking at the total program we should be sure, however, that the fullest stress is put upon public education and prevention and the medical and social aspects, and that the resources are available to conduct the necessary campaigns. We may need to give greater attention heretofore to the medical and psychiatric treatment of the addict and drug abuser rather than placing primary reliance on the policemen and criminal penalties. We briefly mention these matters to underscore the need for study and exploration of other lines of attack. We hope that the appropriate legislative committees of the Congress will be moved to act.

Reorganization Plan No. 1 of 1968 is a significant proposal and our subcommittee intends to study it in depth so that we can make a proper recommendation to the Committee on Government Operations and to the House.

Among other materials in your folders, members will find for your ready reference a memorandum prepared for us by the Treasury Department on the functions being transferred from that Department to the Justice Department. You will find a copy of Public Law 89-74, the Drug Abuse Control Amendments of 1965, which contain most, if not all, of the functions transferred from HEW to the Justice Department. There are also organizational charts of the Bureau of Narcotics and of the Bureau of Drug Abuse Control.

We have made a slight change, with the cooperation and approval of the witnesses, in our witness list due to last-minute scheduling of hearings in the other body. First, is Mr. Fountain here with us this morning? He just called and will be here soon.

We have Dr. Philip R. Lee, who is committed on short notice, beyond his control, to appear before another committee in the other body. Dr. Lee is the eminently respected Assistant Secretary for Health and Scientific Affairs in the Department of Health, Education, and Welfare.

STATEMENT OF DR. PHILIP R. LEE, ASSISTANT SECRETARY FOR HEALTH AND SCIENTIFIC AFFAIRS, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY JOHN H. FINLATOR, DIRECTOR, BUREAU OF DRUG ABUSE CONTROL, FOOD AND DRUG ADMINISTRATION

Dr. LEE. Thank you, Mr. Chairman. We thank you very much for working us into the schedule this morning, due to the scheduling problems which preclude our participation tomorrow.

I am accompanied by Mr. John Finlator, Director of the Bureau of Drug Abuse Control, of the Food and Drug Administration. Mr. Finlator will submit a statement for the record, but will not read that statement unless you wish him to do so.

I appreciate the opportunity to appear before this subcommittee today to support the President's Reorganization Plan No. 1 of 1968 which directs the transfer to the Attorney General of the functions of the Secretary of Health, Education, and Welfare under the Drug Abuse Control Amendments of 1965, except the functions relating to the counterfeiting of those drugs which are not controlled "depressant or stimulant" drugs. These functions have been administered by the Food and Drug Administration's Bureau of Drug Abuse Control.

The reorganization plan also calls for transfer of the functions of the Bureau of Narcotics from the Treasury Department to the Attorney General.

We believe the proposed consolidation will facilitate a more comprehensive and better coordinated attack on the illicit traffic in narcotics and dangerous drugs. This illicit trafficking is primarily a problem of law enforcement; it is not primarily a health problem nor a problem associated with the collection of taxes. It makes eminent good sense to have the control of drug abuse rest in the agency which is primarily concerned with Federal law enforcement—the Department of Justice.

In the investigational work of the Bureau of Drug Abuse Control we have frequently encountered drugs subject to control by the Bureau of Narcotics, associated with abuse of depressant, stimulant, and hallucinogenic drugs controlled by our Bureau of Drug Abuse Control. In such instances, Bureau of Drug Abuse Control agents have been powerless to make arrests of offenders in possession of narcotic drugs. Thus, bringing together the two Bureaus which now work in the field of Federal drug control in an agency whose responsibility is primarily law enforcement will multiply the effectiveness of the limited manpower in both Bureaus over all illicit trafficking in drugs subject to abuse.

The Bureau of Drug Abuse Control has been responsible for control of depressant, stimulant, and hallucinogenic drugs since the effective date of the 1965 Drug Abuse Control Amendments, February 1, 1966. During this relatively short period, the Bureau of Drug Abuse Control has undertaken a diversified approach to coping with the problems of drug abuse. In addition to developing a strong enforcement program, the Bureau has developed programs in research, education, and training, as well as voluntary compliance by the regulated industry.

The enforcement program has been directed primarily against the illicit manufacturer, diverter, and distributor of depressant, stimulant, and hallucinogenic drugs. At the present time there are approximately 3,000 drug products covered by the drug abuse control amendments. Since these amendments became effective the Bureau has carried out over 2,000 criminal investigations, made more than 1,300 arrests, seized 45 clandestine laboratories, and terminated about 300 criminal cases. It has also made approximately 1,100 accountability investigations resulting in more than 100 civil seizures of depressant and stimulant drugs. Nearly 600 million dosage units of these drugs have been removed from the market by civil and criminal actions. As you can see, the emphasis has been on getting at the sources of supply and those trafficking in dangerous drugs. Mr. Finlator points out in his statement more definitive information on the Bureau's enforcement activities.

As in other areas of law enforcement, an active Federal-State partnership in drug abuse control has been developed. The Bureau of Drug Abuse Control currently has agreements with 22 States and expects seven more States to participate in the program within the next two months. This program calls for State agencies charged with the licensing of pharmacies and the registering of pharmacists to carry the primary responsibility for investigating the improper dispensing of controlled drugs at the community pharmacy level. By 1969, the

Bureau of Drug Abuse Control hopes to have agreements with all the States for such cooperative work.

Training of State and local law enforcement officers is another vital element in the Bureau of Drug Abuse Control program. By the end of the fiscal year 1968, they will have trained 15,000 such officials and plans for fiscal year 1969 call for the training of an additional 20,000 officials. An intensive training program is also carried on for Bureau of Drug Abuse Control field personnel.

In research, the Food and Drug Administration's program is focused on the problems that are primarily related to drug abuse control: (1) determining patterns of use and abuse of depressant, stimulant and hallucinogenic drugs; and (2) supporting research to understand more about the action of these drugs. The Bureau of Drug Abuse Control has awarded research contracts costing more than \$300,000 to fill important gaps in our sociological, psychological, and pharmacological knowledge of abused drugs and drug abuse control. Present plans call for an increase in this activity for the current fiscal year.

The Food and Drug Administration works closely with the National Institute of Mental Health in coordinating their research programs. The National Institute of Mental Health responsibility ranges from the support of basic research on the mechanisms of action of LSD and other drugs affecting behavior to the social and psychological causes of drug abuse. The Institute also has a major research and treatment program related to narcotic addiction.

A number of educational activities are underway to better inform the public, and particularly young people, of the serious hazards of drug abuse. For example, one of our largest educational efforts for this purpose has been carried out with the National Association of Student Personnel Administrators (NASPA). More than 600 institutions of higher education were reached through one national and seven regional NASPA meetings, and 350 additional schools were reached through educational materials distributed by NASPA. The educational program of the Bureau of Drug Abuse Control is closely coordinated with those of the National Institute of Mental Health. The Institute's programs of public education and information are aimed primarily at the prevention of narcotic addiction and drug abuse. These programs are carried out by the Center for Studies of Narcotic and Drug Abuse in the Institute. This year the Center has received an appropriation of \$800,000 to carry out this education program.

In summary, Mr. Chairman, we believe that drug abuse is a serious problem in our society; it requires an effective and efficient program of law enforcement to adequately deal with the illicit traffic in drugs. We must maintain a broad-based program of research related to narcotics and the problems of drug abuse. These efforts must be combined with programs of public education, prevention, treatment, and rehabilitation for the victims of narcotic addiction and drug abuse.

The proposed reorganization will help make our law-enforcement efforts more effective. We will continue the close coordination of the programs of the Department of Health, Education, and Welfare with those in the Department of Justice when the reorganization completed.

Thank you, Mr. Chairman. Mr. Finlator and I will be happy to answer any questions you or other members of the committee may have.

Chairman BLATNIK: Thank you, Dr. Lee.

I believe Mr. Finlator will cover in more detail many of the areas you have outlined, such as the educational, medical, and chemical aspects. So we will continue with Mr. Finlator's testimony at this time.

Dr. LEE. Right. His statement covers all of these areas in more detail.

Chairman BLATNIK. Fine, Mr. Finlator.

STATEMENT OF JOHN H. FINLATOR, DIRECTOR, BUREAU OF DRUG ABUSE CONTROL, FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. FINLATOR. Mr. Chairman, members of the subcommittee, thank you for permitting me to appear before you this morning.

From the first, let me say that the Bureau of Drug Abuse Control strongly favors the President's Reorganization Plan No. 1 of 1968. By combining both arms of Federal drug law enforcement within the Department of Justice, better coordination, better distribution of resources, and a higher level of impact in direct law-enforcement activities will be accomplished. It is only logical that the Bureau of Drug Abuse Control and the Bureau of Narcotics become a part of the prime Federal law-enforcement agency, the Department of Justice.

The Bureau of Drug Abuse Control has mounted what we call a four-pronged attack on the drug-abuse problem which has spread throughout the country to all levels of society. The first prong of the Bureau's efforts is, naturally, enforcement of the drug abuse control amendments. The second and third lines of attack are training and education oriented, directed at increasing the professionalism of our own agents, instructing thousands of State and local law-enforcement officers and others on drug matters and explaining the legal and scientific attributes of the drug problem to industry, academia, and the public at large. The last prong is scientific and statistical—looking into causes and effects of drug abuse in an attempt to gather information that will aid in understanding the drug abuser, to find what makes him tick, and to determine why, in fact, he abuses drugs. Additionally, in this scientific area, the Bureau also studies the drugs themselves to determine their composition and effects. The above-mentioned approaches to the drug problem make up the total Bureau effort. We react to the problem through law enforcement. We prevent the problem by training and public information. We study the long-term fundamental issues that give rise to drug abuse and misuse in the first place.

Without going into elaborate detail, I would like to explain to this committee how each of the four approaches are progressing under the existing organization. It is my belief that these efforts will continue and intensify when the President's reorganization plan takes effect. The functions I will briefly outline with their necessary support activities will carry over into the Department of Justice intact, joining with those now being administered in a fine manner by the Bureau of Narcotics.

LAW ENFORCEMENT

In the law-enforcement area, the Bureau has four primary objectives in enforcing the drug abuse control amendments:

1. To detect diversions from legitimate supply sources;

2. To detect and close down illicit laboratories;
3. To detect and eliminate the counterfeiting of controlled drugs; and
4. To keep these illicit dangerous drugs away from potential users by acting swiftly against all street and illegal sellers.

To combat the first problem area, BDAC has developed a program of records accountability investigations. Under this program, agents check the inventories and records of purchases and sales of registered legitimate drug establishments to insure that the records are accurate and that these firms are not, either willfully or unknowingly, having their drugs diverted into illicit channels. Our experience has shown that approximately 95 percent of all dangerous drugs, other than the hallucinogens, sold illegally, were legally produced in this country. One can see, therefore, how important these investigations are as a law-enforcement tool. It should be noted that the physical problem of surveilling the number of legitimate handlers of controlled drugs is staggering. There are 1,300 firms registered as manufacturers of controlled drugs, 460 registered as both jobbers and manufacturers, and an additional 3,500 registered as jobbers, wholesalers, or repackers of controlled drugs. Add to this number approximately 55,000 retail pharmacies, 10,000-odd hospitals, clinics, and research laboratories, and an estimated 15,000 dispensing physicians, and you see the scope of the problem confronting us. To monitor all these firms, the Bureau has 299 agents, who can only devote approximately 40 percent of their time to accountability investigations, the remainder being spent on the other three above objectives. We have conducted about 1,000 record accountability investigations, resulting in seizures of over 600 million dosage units controlled drugs.

During the Bureau's year and a half of fully active operation, over 2,200 criminal investigations have been conducted, resulting in 1,333 arrests. Some of these are in conjunction with State enforcement officers. Of this total of 1,333, approximately 60 percent were involved in hallucinogenic drugs. We have found and seized 43 clandestine laboratories and have removed 2½ million hallucinogenic drug units with an illicit value of \$6,761,269 from the market.

What does this profile show? It points out that confronting us are young, highly intelligent, well educated criminals, who apparently have entered into what looks to be a highly lucrative criminal activity. To complicate the problem, the abuse of dangerous drugs is not confined to city slums or a recognizable socioeconomic group—it seems to cut across all segments of our society. Add to this the fact that these drugs are sometimes sold by the milligram, and even by micrograms. They are easily concealable and the investigation and apprehensive of the criminals involved often becomes more difficult than in the case of more routine criminal cases. I feel that the agent force of the Bureau has done an extremely good job of ferreting out and destroying a number of the big operators involved in the illicit drug traffic. However, we have only begun to scratch the surface of what appears to be a criminal and a social problem of greater dimensions than originally anticipated.

By placing the Bureau, together with the Bureau of Narcotics, in the Department of Justice, I feel that the law enforcement objectives of this Government can be met more effectively, especially in closer coordinative efforts with the fine work of the Bureau of Narcotics.

Twenty-four percent of those arrested by BDAC agents had on their person at the time of arrest, drugs under the jurisdiction of the Bureau of Narcotics—with respect to which our agents are powerless to make arrest—as well as drugs controlled under our statute. Also, better coordination can be achieved with the Organized Crime Section of the Criminal Division, as well as other sections and bureaus within the Justice Department. The exhaustive efforts that both Bureaus have expended in their work with State and local law enforcement agencies and officers will now be coordinated and give us an even better law enforcement effort for both the Federal and local governments. From a law enforcement point of view, this reorganization plan is timely and logical, and it is wholeheartedly welcomed.

TRAINING

The Bureau, from the first, has felt that training of law enforcement officers, both State and Federal, and education of the public at large as to the dangers and signs of drug abuse, are important adjuncts to our direct law enforcement activities. Not only our own agents, but State and local law officers as well must be trained in this specialized area of drug abuse. Effective law enforcement can only come with a thorough understanding of the problem. At the same time, the public must be aware of the scope of the problem and have a desire to eradicate it. To both groups, we have directed an intensive program.

The Bureau conducts both a basic and advanced agent school and all agents must attend. These schools not only teach basic information and current trends, they also serve as a sounding board for the Bureau's headquarters staff to find out what is going on in the field at the grassroots level and make policy adjustments to conform with improved or new investigative or scientific procedures. They also instruct our agents in the decisions concerning the law and the effects they have on the drug problem. Instruction is also given in drug identification, the makeup, the chemistry and the pharmacology of the controlled drugs, as well as a solid amount of sociology. The agents are also taught how to be first-class Federal criminal investigators.

The most popular school to date is our 1-week school for State and local law enforcement officers. Twelve State and local schools have been completed and 600 officers from the United States and Canada have attended. We plan to run this school continuously in Washington, the Midwest and west coast. This course is designed to give the law enforcement officers the necessary information they need to combat drug abuse back home, because the drug problem is basically a local problem. It is national in scope, but it is actually a local problem. For those who cannot attend these 1-week schools, 1- and 2-day seminars are held throughout the country by our nine district field offices. Over 11,000 State and local law enforcement officers have been trained by BDAC in this way. This program has proven extremely useful, and I am sure will continue as an integral part of the new Bureau's law enforcement effort. The Bureau also sends to approximately 27,000 law enforcement officers across the country the BDAC Bulletin, our in-house publication, which gives them the latest information on new drugs, drug identification, and drug abuse. It also is mailed to 2,300 colleges and universities.

Additionally, schools are conducted for State and local police chemists, security personnel of pharmaceutical companies, and deans of students and security personnel at colleges and universities. These courses all fit in with our objective of creating professionalism in approach to drug abuse problems and helping others to cope with the problem in their own community.

The training and education programs conducted by the Bureau will continue and expand once the reorganization plan takes effect and the Bureau merges within the Department of Justice, especially with regard to the training of State and local law enforcement officers. We plan to train 20,000 such officials in fiscal year 1969. Also, the combining of this Bureau with the Bureau of Narcotics under one roof will allow for a more complete training package covering hard narcotics as well. A combining of the talents of both Bureaus will aid in overall presentation of the entire drug problem and will centralize the individual training programs currently being conducted.

EDUCATION

BDAC has a continuing concentrated program to inform and educate the public. Facts sheets have been prepared to explain the law, the Bureau, and drug abuse. Over 200,000 of these sheets have been distributed upon request. A scientific booklet and movie have been produced for public use. Also a preventive educational program has been launched that should affect considerably drug experimentation among college students. By the spring of 1967, over 1,400 deans and student personnel administrators from 600 colleges and universities had participated in a campus drug education project to bring them up to date on the problem and the drugs involved. This is what was mentioned by Dr. Lee.

This program continues as an informative exchange for college administrators. A similar program directed at high school educators is now being planned.

Because the Bureau is very much concerned with the need for public information on controlled drugs and the drug abuse problem confronting this Nation, we have made every effort to give information and explain our objectives to as many people as possible. Over 1,000 speeches and over 100 radio and television appearances have been made by personnel of the Bureau. Also, close coordination with the drug industry through its various associations, such as the National Wholesale Druggists Association (NWDA), the National Association of Retail Druggists (NARD), the American Pharmaceutical Association (APHA), and the Pharmaceutical Manufacturers Association (PMA), have been maintained both as a means of disseminating drug information and BDAC's policies, as well as being an adjunct, on a voluntary basis, to compliance with the recordkeeping requirements of the drug abuse control amendments.

These combined educative efforts will continue and expand when the reorganization plan goes into effect. Because this program is public oriented, a combined narcotic-dangerous drug approach will be time-saving, probably moneysaving, and certainly more concise and cohesive. It will create one source for all basic information on the complete drug problem as it exists presently.

SCIENTIFIC

The Bureau has an active, on-going scientific research program for the purpose of obtaining better knowledge of dangerous drugs, their chemical structure, and their effect upon humans. Too little is known about the physiological and psychological impact of these highly potent chemicals. In addition, the sociological problems of drug abuse are also an important area of concern. BDAC serves as the catalyst by contracting for scientific research in these areas and by evaluating research results for maximum utilization in the Bureau's education and enforcement programs. Thirteen such contracts have been let to date.

In addition, the Division of Drug Studies and Statistics has the responsibility of authorizing and providing samples of LSD—and other hallucinogens—to State and local crime laboratories upon their request in order to be used as standards in their analytical procedures. The supply of LSD comes from the National Institute of Mental Health. Since the inception of this program, 293 samples of LSD have been forwarded to police crime laboratories.

A thorough knowledge of these dangerous drugs and what they do, coupled with an understanding of the drug abuser and why he abuses drugs, is essential to BDAC's mission.

We have an Advisory Committee on Stimulant and Depressant Drugs composed of eight nationally known scientists who report administratively to me. This Committee studies and advises us on any drug before it is placed under control. The Committee and its functions will be transferred to the Department of Justice with this Bureau.

In order for the Committee to consider a drug for control, a large amount of information must be gathered. One of the sources of such information, especially for stimulants and depressants, is the Investigational New Drug Forms (IND's) and the New Drug Applications (NDA's) which are submitted by the pharmaceutical industry to the Bureau of Medicine of FDA.

In order for the Bureau to conduct its day-to-day responsibilities and programs, it calls on the services and expertise of various members of the National Institute of Mental Health, as well as members of other Bureaus of the Food and Drug Administration. Such contacts are necessary to obtain information on research projects, educational programs and data on the effects of various drugs. The Director of the Division of Drug Studies and Statistics of the Bureau has a joint appointment in the National Institute of Mental Health. This arrangement will continue between the Department of Justice and the NIMH.

This exchange of information with the National Institute of Mental Health and the Food and Drug Administration will be continued so that the Bureau can continue to receive this information as it is needed.

In addition, the Bureau has a cooperative agreement with officials at the Aeromedical Research Laboratory at Holloman Air Force Base, N. Mex., the laboratories and facilities of which are used to examine drug questions of interest to the Air Force and the Bureau. Two staff members of the Bureau are stationed at Holloman. They are concerned with developing screening techniques for stimulants and how one can predict potential for abuse. Arrangements will be made with the Air

Force and in particular, the personnel at Holloman so that this fine cooperation will continue.

One of the most vital functions of the Bureau is that of contracting for research needed in the areas of pharmacology, sociology, psychology, and education concerning drug abuse.

This contracting program is designed to obtain answers to questions involving the pharmacological effects of purported abuse products, and how methodology can be developed to predict the abuse potential of drugs; to determine the behavior of individuals who are drug abusers; to study the extent of the drug abuse problem; and to develop methods of education to prevent drug abuse. The results of such studies will be used to help us understand the nature of drug abuse, leading to more efficient control by all means that are used.

Under the reorganization, the scientific program will continue and grow. It will increase scientific effectiveness, for example, in the sociological study of LSD and marihuana and similar drug users inasmuch as these hallucinogens are being abused by the same socioeconomic segment of our population. The increase in agents under the reorganization will also increase our capability to obtain and document drug abuse injuries.

It is my conclusion that the consolidation of the Bureau of Drug Abuse Control and the Bureau of Narcotics under the Department of Justice will result in strengthening the highly important enforcement missions of both agencies. The reorganization will enhance and strengthen the capabilities of both Bureaus. There is inescapable logic in combining these two agencies with similar and often overlapping enforcement responsibilities. The Bureau of Drug Abuse Control welcomes this move and fully supports it.

Thank you, Mr. Chairman.

Chairman BLATNIK. Thank you, Mr. Finlator. You have indicated to some degree areas which a great deal more research is necessary to learn much more about the nature of these chemicals, what type of person uses these drugs, et cetera. In your concluding statement, is it my understanding that by combining these two agencies, it will certainly make the programs combined more effective and efficient under their existing authorities, and also within their existing limitations? There is a lot yet they will not do. What I am trying to say, we don't want to give the public an impression, as some are getting under the statements being made on behalf of Reorganization Plan No. 1, that they have inadvertently given an impression that now we have a new superduper bureau, by combining these two bureaus, and now we have the problem under control. We do not have the problem under control. Would you express your opinion on that?

Dr. LEE. Yes, sir. The purpose is to improve the efficiency and effectiveness of these enforcement resources. We have major basic research questions that remain unanswered, both in terms of physiology, pharmacology, sociology, and psychology. The whole problem of alienation of young people in our society is one that we do not have adequate basic research on. We are expanding our research efforts in this area through the National Institute of Mental Health, to get a better understanding. Many young people who are alienated from society turn to drugs, either barbiturates, for you might say a drowsy high, or stimulants for a different kind of escape from this reality. We do not

have adequate knowledge of what has produced this phenomenon. There is no question but what there has been a problem really throughout history between young people and adults. But I think the problem today is more pervasive, more difficult, and it is one of the fundamental research problems that we face as well as the fundamental problem of our society, of our educational institutions, of all of us in meeting this. Certainly we are not going to solve that problem with a reorganization plan that makes enforcement programs more efficient or our training programs better coordinated.

Chairman BLATNIK. I know it is a general question—but do you have any position to take and would you express your thinking on the position of the American Psychiatric Association? We will have a representative from there testifying—in which they state that historically their position has been that they contend the treatment of drug addiction, or drug abuse is a medical problem as much more or perhaps let's say as much more or equal to that as an enforcement problem.

Dr. LEE. The total problem is a very complex one. It isn't purely medical or purely enforcement. But we know that organized crime is involved in the area of drug abuse. They are promoting through a network of operations. Mr. Finlator perhaps can go into this in more detail if you wish. It is this organized criminal effort that we hope to attack more effectively through this reorganization. If there is better control of the illicit traffic, if we could eliminate the problem of drug abuse per se, we would not of course eliminate the basic psychological and social problems that lead to this. And so that it is a multipronged effort, it cannot be solely enforcement, it cannot be solely public education, it can't be solely better understanding of the psychological or social problems.

Chairman BLATNIK. As to the enforcement aspects, we will get into more detail on that with the Bureau of Narcotics, and the Treasury spokesman. But getting back to the medical and educational fields, Mr. Finlator, on page 9 you stated:

Also a preventive educational program has been launched that should affect considerably drug experimentation among college students.

To go back a few years, the Department of HEW did that in connection with smoking. After considerable prodding, which we like to feel was a result of some of the initial hearings held by a subcommittee of the Government Operations Committee, on the high incidence of smoking and the relationship to the high incidence of lung cancer, they tried to point out these dangers to offset the excessive advertising by the tobacco people directed toward college students. You say:

A preventive educational program has been launched that should affect considerably drug experimentation among college students.

Getting back to the smoking experiments, you have done a lot of educational work with literature, speeches, films, and what not, have you not, in connection with smoking?

Dr. LEE. Public Health Service has carried those out, Mr. Chairman, rather than Food and Drug Administration.

Chairman BLATNIK. Public Health Service under HEW. Do you know anything of the results? Are there more youngsters smoking today or fewer youngsters smoking today?

Dr. LEE. The evidence is that smoking has increased among young people. We are supporting two studies now to try to determine really some of the basic reasons for this. I think one of the problems is that we do not have an adequate understanding of what motivates individuals, particularly young people, to initiate smoking. Once it is initiated, it is a habit that is difficult to break.

Chairman BLATNIK. I would be interested in knowing just what the results have been. I am not criticizing, but just am pointing out the difficulty of reaching the students. Certainly you can't preach or moralize.

Dr. LEE. There is one important point on this, Mr. Chairman, and that is with respect to LSD. Recent scientific evidence points to chromosomal damage leading to birth defects, or potentially to birth defects and the possible hazard of leukemia later in life, similar damage also occurs with excessive radiation. The presenting of this scientific information both through the efforts of the Bureau of Drug Abuse Control and the general dissemination of this information to young people has apparently been one of the significant factors resulting in what appears to be a decreased use of LSD recently among college students and among young people. So that the making available of the scientific facts in this case at least has perhaps contributed to a decrease in use. We are doing, as Mr. Finlator indicated, studies and surveys of LSD use in the college populations to try to determine what kinds of students use it, what their motivations are, so we can develop better programs of education.

Mr. EDWARDS. Would the chairman yield for a moment?

Chairman BLATNIK. Yes, Mr. Edwards.

Mr. EDWARDS. On the subject of smoking and the studies that have been carried out, I wonder if maybe we have been missing the mark. My daughter in the seventh grade is taking a course in health, Mr. Chairman, and she has been conducting a survey in her own school as to why young people smoke or get interested in smoking. I think it might be very helpful for the great Department of HEW to get down to the school level and find out some of these things. Some of the very basic reasons popped up immediately from young teenagers still in junior high school and they might be very helpful to you.

Chairman BLATNIK. Well, I have run into fourth-grade smokers, real smokers, not those just experimenting with smoking pulverized cigar bark like some of us used to do in school. Now one thing that will have to be clarified will be this whole matter of the relationship between the enforcement, effectiveness of enforcement, and the effectiveness of treating this problem as a medical problem and getting into the whole field of the chemical-pharmaceutical relationship. For example, should the Attorney General have the responsibility of making the determination—this is not for you to answer—but should the Attorney General have the responsibility of making the determination of what is a dangerous drug or should this be left to the Secretary of HEW with his vast scientific resources and research departments, Public Health Service, and what not?

You point out on page 12 there will be an exchange of information between the National Institute of Mental Health and Food and Drug Administration, just as your bureau is now doing, which will be available to the Justice Department equally.

What I am getting at, with the thousands of legal sources of drugs and with the rapid proliferation of drugs, with the synthesis of drugs, some rather elementary college graduate can synthesize or at least distill or produce some of these drugs in the kitchen; can he not, today?

Dr. LEE. That is apparently the case; yes, sir.

Mr. FINLATOR. Mr. Chairman, let me say in that respect, some people draw the analogy it is not too much different from a lawyer making those determinations such as the Attorney General and an educator who has been the Secretary of HEW. The Attorney General will have the same amount of information, the same accouterments around him, the same advice the Secretary has had in making his determinations. And it seemed to us in designing this that rather than have these two bureaus going to the Department of Justice as some people in the public and the industry might feel, that, well, here we go, we have got a cop-and-robbers outfit, that it was far better to place upon the shoulders of the Attorney General the total responsibility, the social responsibility of the drug abuse problem, giving to him and his staff the problem of not only stronger law enforcement but also forcing upon his shoulders the responsibility to determine why we are doing these things and to understand the drug abuse problem with the industry and with the public and with the scientific community.

Chairman BLATNIK. Well, my response to that, Mr. Finlator, would be that it is a fine statement, but it is a hopeful statement, I would say. I am getting right back to the Surgeon General's Office, and water pollution a few years ago, as recently as 12 years ago, they were treating this as primarily a health problem and a local problem. They were doing excellent work on research and communication and they were holding conferences, reading papers to each other. In the meantime the rivers and lakes of a great nation were becoming polluted and filthy. For instance the point of no return in Lake Erie. That was just a short 12 years ago. Who was best informed, the most knowledgeable, didn't call it to the attention of the public and the Congress. So while these resources are available, I wonder what the average person, whether it be an attorney or an educator, the average person, knows the incredible, fantastic advance of these new synthetics, and the whole field of chemistry. As I understand, three-fourths of the prescriptions written today by doctors are written for medications that did not exist 20 or so years ago. Just a little over 10 days ago I happened to be at the national convention of Analytical Chemists in Cleveland and they were showing me equipment that was used, equipment that did not exist 10 years ago. It was like walking in an Alice in Wonderland to see the advances that are being made to the knowledge which the average person does not have.

But with all of the legal sources of these drugs, the new synthetics and derivatives and whatnot—for instance, our own laws are behind date—while marihuana is not narcotic, it can be synthesized; can it not?

Dr. LEE. That is correct.

Chairman BLATNIK. And can give you the same effect as marihuana, and it is easier to handle. And yet, it is not under our present law defined as a narcotic. Is that not true?

Dr. LEE. That is correct.

Chairman BLATNIK. So if one person, let's say a student, happens to have the old-fashioned weed or the grass or hemp or what is it, hashish, is that what they call it?

Dr. LEE. There are a variety of names.

Chairman BLATNIK. Yes. I heard recently that Minneapolis is one of the fertile growing grounds for marihuana, right outside of Minneapolis. But at any rate, it is all over the place. So if a student or someone is smoking the old-fashioned kind of weed, he gets caught, he is slapped with a felony, a very serious legal charge; is that not true?

Dr. LEE. Yes, sir. This depends on the enforcement procedures. Certainly, Mr. Giordano and Mr. Hendrick can describe their procedures with respect to marihuana. They are responsible for the administration of that.

Chairman BLATNIK. You are right and we will get to them. But someone must be able to differentiate between those. Then the student right next to that student, in the same room, he is smoking a derivative marihuana and probably gets a more effective response. He is getting more of a bang for a buck, I would say, and the best, under existing law, Federal and State, he will be held and booked on a misdemeanor charge. Is that true?

Dr. LEE. That would be correct.

Chairman BLATNIK. So you see how close the chemistry is related to the enforcement. And it takes a pretty wise and well-trained person to engage in that type of operation.

Dr. LEE. This is, I think, like many other problems that we face today. Because of the enormous advance in science and technology, the problems have become much more complicated in terms of their solution. The relationships at the Federal, State, and local level are much more complicated. Traffic safety, pollution problems, as you mentioned, and a variety of other areas are good examples. And this is certainly another example and some of the problems we face certainly are a direct result of the fantastic advances which have been made in the development of new drugs.

Chairman BLATNIK. Now, in this new Bureau, the combination, will there be liaison and communication which will depend upon the initiative, creativeness, and the understanding—there is no question about dedication. I am not questioning the dedication of the men in enforcement. The difficult thing is, do they have enough concept and understanding of the complexity of the problem that is frustrating the top medical people? As recently as last week there was a committee that met in Chicago on how to cope and how to proceed with many of these imponderables. You have so many legal sources of these different types of drugs, drugs proliferating, and different derivatives being available more and more, some of which can be manufactured with do-it-yourself kits. How complicated the enforcement problem, and the chemical and medical aspects are becoming. When you think how relatively simple was the problem of prohibition, to manufacture the smelly stuff, you could smell it a block away, you can smell a brewery. I have seen places back in the depression where they made homemade brew, moonshine, and you could smell it a ways away. It was illegal to manufacture it, transport, sell it, possess it. And we just had one awful time trying to cope with the problem of prohibition. It gave rise to the greatest eras of the gangsterism and racketeering and profiteering; it probably started this whole business. Racketeering and

profiteering wasn't just discovered recently. That started back in those flaming twenties and the early thirties. In fact, one of the top movies that is getting attention all over the world here deals with two questionable characters that are being glamorized now. So I don't say this by way of criticism, but we need your help, the help of the enforcement people to call attention to the complexities of the problem, the shifts.

I gave the one example of the marihuana and its derivatives, under the two different laws. I think what is happening, from the little I have read, is that both the dealers or the pushers, as well as the users, are shifting from these bulky items like marihuana, perhaps even dangerous ones like LSD, to other illegal drugs such as amphetamines. I am thinking of metamphetamine chloride, called Speed for short. Is that a drug?

Dr. LEE. Yes, sir.

Chairman BLATNIK. Is that a narcotic?

Dr. LEE. No. It is covered under the drug abuse control amendments. It is a controlled drug.

Chairman BLATNIK. But it is not a narcotic, so it would not be included under the—are there penalties for its use?

Dr. LEE. For use by an individual, no. For trafficking, Mr. Finlator can describe the current penalties. As you know, the President has proposed increased penalties for the trafficking in this area.

Chairman BLATNIK. That is the point I am raising, to point out there are areas I want to call attention to, which the deepest and most penetrating and most careful, exhaustive investigation and study, and analysis ought to be made, not only on the enforcement sector, but also on the chemical and medical and other aspects which would be of more concern to HEW.

For example, on Speed, I didn't realize Speed is selling for about \$150 or \$200 per ounce. It is a cheap substance. They make it for about \$20 a pound; don't they?

Dr. LEE. That is about right.

Chairman BLATNIK. It is a cheap substance, not much more expensive than aspirin.

Dr. LEE. A little more.

Chairman BLATNIK. I mean the cost of manufacturing.

Mr. FINLATOR. I don't know that I am competent to answer that question. I think it is more expensive than aspirin.

Chairman BLATNIK. But it is not an expensive drug to manufacture in the sense of \$20 or \$30 a pound?

Mr. FINLATOR. It sells on the black market at about \$800 to \$850 a pound.

Chairman BLATNIK. Then it goes to the pusher level and I read here it is \$150 or \$200 per ounce, which is five times the price of gold. And it is not illegal. Is it illegal to use it?

Dr. LEE. No; for an individual to use it, you mean? No, sir.

Chairman BLATNIK. Is it illegal to sell it?

Dr. LEE. There are illicit channels and there are licit channels. The major problem is illicit.

Mr. FINLATOR. It is a misdemeanor to sell it at present. Hence the proposal the President made that the House is considering under H.R. 15355, to raise the penalties on some of these drugs, especially the stimulants, depressants and hallucinogens. But to sell Speed which

is one of our most dangerous drugs today, and certainly most popular, is a misdemeanor. And for possession, there is no law except if there is possession with intent to sell. And the onus is on the Government to prove it was an attempt to sell. H.R. 15355 does change this or proposes changes in this to make it a felony to sell these types of drugs and a misdemeanor for possession.

Chairman BLATNIK. Who would be the person or the proper authority in this case to determine whether or not this is a dangerous drug and therefore whether or not there should be penalties imposed for its manufacture, distribution, possession or use?

Dr. LEE. With the reorganization, the ultimate determination would be made by the Attorney General. The scientific resources of the Department of Health, Education, and Welfare—including the scientists, the chemists, and others in the Food and Drug Administration, the Bureau of Medicine in the Food and Drug Administration, as well as the other personnel in the Public Health Service—would be called on in making this determination.

Mr. HOLIFIELD. Could I ask a question here?

Chairman BLATNIK. Yes, Mr. Holifield.

Mr. HOLIFIELD. Do they draw on the resources of the Health, Education, and Welfare as a matter of right?

Dr. LEE. We would have an interagency agreement with the Department of Justice which would spell out these relationships and we would maintain the same plans and procedures. Mr. Finlator can describe the procedure for you.

We would maintain that same relationship that now exists.

You might comment on the procedures, Mr. Finlator.

Mr. HOLIFIELD. Explain what happens now in HEW on this? May I ask it this way: As I understand it, you have any number of experts in HEW, laboratory scientists and specialists in this field and they analyze these drugs and then they set up standards, I suppose, of analysis that are definitive, so when you do have a drug you can identify it as being dangerous legally.

Now, all of this apparatus will still be in HEW, will remain in HEW?

Mr. FINLATOR. No. The scientific factfinding will be in HEW, along with the advisory committee to the Attorney General. Now the advisory committee itself is a committee, as I mentioned, of eight nationally known scientists themselves, and these are pretty smart cookies, and once evidence is brought to them, they then advise that something ought to be put under control.

Let me give an example: It is a very difficult question to answer, because it has so many complications. The amphetamines are under control by law and it says so. But we run into new drugs, in which we will have in the next 10 years, over 100 of these psychotropic drugs with which we must deal. One which recently came to our attention was STP, and we didn't know what it was, except we were running into it on the street at night.

So we bought some of it and took it to the laboratory and found STP is made up of derivatives of amphetamines and derivatives of mescaline neither of which were under control by the law, which means they had to be put under control by a procedure.

We would like—we wanted to know what is the pharmacology, since we knew the chemical make up of STP, what was the pharmacology

of STP. So we contracted with two universities to experiment with this on human beings, which they did.

And in a short while we found it was fairly or closely akin to LSD. We then found it was an IND that had been proposed by a company, a large company.

Mr. HOLIFIELD. What do you mean by IND?

Mr. FINLATOR. Investigational new drug. And it was being studied by FDA at the time. How it got on the market—it was supposed to be secret—we don't know, except a couple of their chemists left the company ahead of the time we saw it in the street.

So we had a drug that wasn't legally controlled. So we had to go through the procedure of taking the evidence we had, the information we had, both chemical, pharmacologically and the information of abuse on the street to the advisory committee.

The advisory committee advised that it be put under control. At this time we took that evidence to the Bureau of Medicine in the Food and Drug Administration and they gave the same advice.

Now the question comes as to whether it should be the Secretary of HEW to make that final decision or the Attorney General.

We claimed that the Attorney General with that information and that backing and that knowledge can make the same determinations as the Secretary of HEW.

Mr. HOLIFIELD. Is there going to be any break at all between the scientific analysis and the determination and identification of these new chemicals? Is it going to be any harder for the Attorney General to have the information which is now, I suppose, transmitted to the Secretary of HEW, by virtue of the fact that the enforcement arm is no longer under his control, but is put over in a different Cabinet level agency?

Dr. LEE. In our opinion, Mr. Holifield, there would not be.

We would maintain the same close interrelationships that now exist. It is essential for this to be an effective program. It is part of a total effort, not a total program within itself.

Mr. FINLATOR. And we are dedicated to that proposition, sir.

Mr. HOLIFIELD. How are we going to affect this close relationship which we apparently have now with the Secretary of HEW, and the laboratories and advisory committee and so forth? The line of authority is in that agency and now you are going to break that line of authority and take these advisory people and have them in HEW. And the analytical people are there, but only the enforcement will be over here in the Justice Department, as I understand it.

So as I understand it, all of the people that are now in drug control and abuse enforcement are going to be transferred bodily and individually over into a new bureau in the Department of Justice, and integrated with the people that are experts in narcotic enforcement. Is that right?

Dr. LEE. Yes, sir. But we also now work closely with the people in the Bureau of Narcotics. Our scientific personnel have maintained this relationship over many years vis-a-vis new synthetic narcotics. The Bureau of Drug Abuse Control, of course, has developed these close working relationships with other parts of the Food and Drug Administration, with the National Institute of Mental Health. We see no reason that these relationships cannot be maintained. Indeed, must be maintained in this new setting.

Mr. FINLATOR. I think it is analogous to the Bureau of Narcotics sitting in the Treasury Department having the same problem, sir, as both of us sitting in the Justice Department having that problem.

Mr. HOLIFIELD. The Bureau of Narcotics in the Treasury Department does at this time make use, there is an arrangement, an agreement I suppose between the Secretaries, that they can make use of all of the technical apparatus which you have in HEW. Is that right?

Dr. LEE. Yes, sir. Our people work closely with them and it is, I think, an excellent cooperative relationship.

Mr. HOLIFIELD. Tell me exactly what that arrangement is, because you know there is a great deal of difference between a line of authority and voluntary cooperation.

Dr. LEE. Well, let's take a synthetic, a new synthetic narcotic. This would come in as an investigational new drug from a pharmaceutical company.

Our people would work closely with the Bureau of Narcotics if this is—during this investigational period.

Chairman BLATNIK. Doctor, just to stop you there, who would call your attention to it. Look, there is something funny about this. How do you normally run into use of a new experimental drug or IND?

Dr. LEE. Investigational new drugs come into the Food and Drug Administration regularly for all new drugs that are produced.

Mr. HOLIFIELD. And I suppose if your agents, whether they were narcotic agents or drug abuse agents, if they picked up some new material from one of these people they have arrested, they would refer that, I suppose, for analysis.

Dr. LEE. Then they immediately consult with the people to do this chemical analysis which Mr. Finlator indicated. They carry out the chemical analysis.

Mr. HOLIFIELD. If a narcotic agent picks up, let us say, heroin, does the Narcotic Bureau do their own analysis of that material, or is that referred to HEW for analysis?

Dr. LEE. Mr. Giordano is here and he might answer that question specifically, because I can't answer it.

Mr. HOLIFIELD. Let him arise in his seat, wherever he may be.

Mr. GIORDANO. The Treasury Department has their own chemical laboratories, and we refer all of our seizures to the Treasury Department laboratories.

Mr. HOLIFIELD. So now that is the thing that worries me a little bit, you have got your line of authority there within your own agency. You no longer in Treasury have the need for those laboratories if this group of narcotic agents were transferred from Treasury. They would then have to send the material across agency lines into another agency for analysis. Is that true?

Mr. GIORDANO. For a temporary period of time. But we intend to set up our own laboratory service in the new agency.

Mr. HOLIFIELD. Now this is something new I don't know about. We are talking about this new Bureau in the Department of Justice. We are talking about more than the transfer of enforcement officers then. Are we talking about the transfer of laboratories, in other words, have your complete line agency there?

Mr. FINLATOR. What we were going to do at present, sir, and I might add that this has been worked out between Dr. Goddard and myself and Dr. Stan Yolles and myself, and is an agreement with the

Attorney General and will be spelled out in agreements between the agencies. At present, as of the date when this goes into effect, this Bureau, my Bureau, will leave some 60 positions in Food and Drug Administration laboratories, to do that work for us.

If and when the Justice Department determines that it might be more feasible to have laboratories under the new Bureau, we would then withdraw that supportive effort.

This has already been named—who they are and the positions, this type of thing. They will be left there. And we will continue to use that same facility as we have in the past.

Mr. HOLIFIELD. You see the thing that is troubling me is the break in the line of authority for the complete function. I have always believed that a straight line of authority was better than cross agency authority, because there is always some difference of opinion between agencies.

I think you made a pretty good case where you say if these investigators find heroin and he is only in the drug abuse department, he can't do anything about it. I can understand the welding together of these two enforcement groups so there would be a close play back and forth of information and function.

They may place LSD and heroin surveillance and apprehension maybe in the same officer. Is that what you plan to do?

Dr. LEE. Yes.

Mr. HOLIFIELD. So I can see the strengths of putting those two together. But I am wondering about your access to backup, laboratory analysis, and expert advice resources.

I am wondering if you are going to have an arrangement close enough to maintain the efficiency of the backup laboratories without bureaucratic entanglement.

Mr. FINLATOR. Mr. Congressman, let me say no matter where we have the laboratories, we have got to have them, and we have got to have them every night.

Now, it seems to us that the most prudent thing to do at present is to use already existing laboratories.

Mr. HOLIFIELD. I agree with you.

Mr. FINLATOR. For I must have a laboratory every night. Therefore, we think it is better to leave it at the present time and leave those funds with the Food and Drug Administration under an arrangement where they will do our work for us. So no matter where we put it, it must be done.

Mr. HOLIFIELD. And it must be instantly and readily available.

Mr. FINLATOR. Right; yes, sir.

Mr. HOLIFIELD. This is the thing, in your statement, Mr. Finlator, you mention in one place the contracting—on page 13—one of the most valuable functions of the Bureau is that of contracting for research needed in the area of pharmacology, social, and drug abuse.

As I understand it, now that type of contracting is being done by experts in the field who know something about it and not by enforcement officers.

Mr. FINLATOR. Correct.

Mr. HOLIFIELD. So will that contracting function follow the enforcement personnel into this new Bureau of the Department of Justice or will it stay where it is in the laboratories of HEW?

Mr. FINLATOR. That isn't in the laboratories of HEW.

Mr. HOLIFIELD. Where is it?

Mr. FINLATOR. The work that is being done by my Bureau is in a Division of Drug Studies and Statistics, under Dr. Smith and that will transfer over to the Justice Department.

Dr. LEE. There is a joint appointment with the National Institute of Mental Health. We believe it is essential not to only have the enforcement, but it must be linked with the education and training, as well as the scientific resources.

And we completely agree with your view that there has to be this capability to deal with the problem effectively. You can't fragment it. We believe that this will make this more effective and that we will maintain this scientific base. It must be a scientific base because we are moving ahead so rapidly with the development of these new drugs. Mr. Finlator's example of STP is a complex problem in this area.

Mr. HOLIFIELD. Well, I think you have made quite an explanation in Mr. Finlator's and also in your statement, combined, of the wonderful progress that has been made since the 1965 acts.

The numbers you have arrested and the apprehensions and investigations and all of that sort of thing indicate wonderful progress. But I am more interested—and I applaud what you have done—but naturally in looking at a reorganization plan, I am more interested in the structural advancement and the bilateral agreements you will have to have between these agencies than I am in this background that you have given us in your papers.

Because a reorganization plan—its purpose is to have a more efficient structure of Government. And I am not antagonistic to this plan, but I am more interested in how you are going to work out the problem of coordination, convenient access to the scientific technology, which will reside still apparently at least for a time in the Treasury or maybe a longer time in HEW, which is now being used by these two enforcement agencies.

So I am more interested in that than I am in the record that you have made, which is good.

Dr. LEE. Would you like any additional comment from Mr. Finlator on this? You know, we are not in the process of working out these detailed arrangements with respect to enforcement, with respect to education and training, with respect to scientific base. These have been developed really in some detail to this point. And that is the reason for the decision to leave the laboratories and those related personnel at this time in the Food and Drug Administration with the option continuously open, once the new Bureau is organized in the Department of Justice, of transferring those personnel and those facilities.

Mr. HOLIFIELD. I am not advocating the transfer. I agree with you for the time being and maybe for a long time, the more complete and the wider scope of; your laboratory efforts in HEW can probably more efficiently be used by a matter of arrangement with them.

But I would want to be very sure it would not be on the basis of a loose arrangement, but it would be the basis of obligatory cooperation based on specific agreements between the Attorney General and the Secretary of the Treasury and Secretary of HEW, so that we would not be at loose ends and leave any threads dangling there as far as the efficiency of function is concerned.

Dr. LEE. Yes, sir; we completely agree with you on that point.

Mr. FINLATOR. I don't foresee any. I think maybe we are talking

about two different things here when we talk about the laboratories and the scientific work. The laboratory is just a tool the investigator must use.

Mr. HOLIFIELD. Yes, but it is a tool under another Cabinet level head. And if you have got a hoe I want to borrow to hoe my flowers, I have to come over to you and say please give me the hoe or I am going to say you are obligated to give me the hoe, see, by agreement between the two Secretaries and by assignment of specific responsibility.

And this is what I want to hear. I want to hear, if it is true, and I don't want to hear it if it isn't, I want to hear that the tieup between service to the enforcement officers will be as tight and as beneficial and as easy of access to them in this new Bureau as it is now in the separate Bureaus with their separate backup people.

Mr. FINLATOR. Let me say as long as I have anything to do with the new Bureau, that is the way it will be, sir. That is as strong as I can put it.

Mr. HOLIFIELD. How are you going to effect it.

Mr. FINLATOR. We are going to effect it, No. one by paying for it.

For instance, by leaving these 60-some positions in Food and Drug laboratories, so that we will be assured of this—

Mr. HOLIFIELD. Now, you say the new Bureau will pay for it. HEW will not pay their salaries any longer?

Mr. FINLATOR. We will leave that money from the BDAC budget, which is already in the FDA laboratories—in other words, my Bureau gives to the Food and Drug so many positions out of my budget. I am going to leave those there to serve the work of the amphetamines, barbiturates, hallucinogens, anything else we might need.

Mr. HOLIFIELD. So from a line authority standpoint, you are the paymaster of those 60 people. And therefore you can, as a result of being paymaster, demand from them services.

Mr. FINLATOR. Right.

Mr. HOLIFIELD. And that demand will be formalized by agreements between the Secretaries of the two departments and a recognition of the fact that you do have this right to demand.

Mr. FINLATOR. Yes, sir.

Mr. HOLIFIELD. This is the information I am seeking. I don't want the arrangement to be on the basis of "please do some analysis for us, please give us some advice," or anything like that. I want it to be on the basis of right or demand rather than benevolent response to a request.

Mr. FINLATOR. It will be spelled out. There is already an agency agreement it will be done. I am sure Food and Drug Administration would not like to go through an r.i.f. of having us pull out some 60 positions from their laboratories.

I am sure we will not only carry out this gentleman's agreement, but it will be spelled out in writing.

Dr. LEE. In a specific agreement between the Secretary of HEW and the Attorney General, in detail.

Mr. HOLIFIELD. Will you have that ready for us before we go to the floor with this plan? Because I think this will be questioned, the disruption of functions, in fields other than enforcement.

I don't see how it could possibly be attacked on the basis of more efficiency enforcement, where the two enforcement-type officers are working together.

Dr. LEE. I think we can consult with Justice on this, but I think we could certainly provide a draft of what would be in such an agreement.

We plan to have the next meeting on the 27th of March with Justice to work on the research and education components of such an agreement.

Mr. HOLIFIELD. If you could give us a draft of the principles that you are going to work toward, and that is in general agreement, on a gentleman's agreement basis. I wouldn't ask you for a finished document. But this is our intention, to achieve complete line coordination on the basis of an agreement between the two agencies which will provide no break in function, no break in authority, no confusion, but a contingent, efficient coordination of the backup people with the enforcement people. This would be helpful to me.

Dr. LEE. Yes, sir; we will do that.

Mr. HOLIFIELD. And I think it would be helpful to the members. (The draft statement referred to follows:)

DRAFT STATEMENT OF IMMEDIATE AND INTERIM SERVICE TO BE PROVIDED BY FOOD AND DRUG ADMINISTRATION LABORATORIES TO THE PROPOSED BUREAU OF NARCOTICS AND DANGEROUS DRUGS IN THE DEPARTMENT OF JUSTICE

FDA LABORATORY SUPPORT—IMMEDIATE AND INTERIM SERVICE

Traditionally, since the formation of BDAC and passage of DACA, drug evidence collected by BDAC agents has been examined in the 17 district laboratories of the Food and Drug Administration and the laboratories of the Bureau of Science, Washington, D.C. Upon the merger of BDAC with the Bureau of Narcotics into the Department of Justice, it is recommended that evidence suspected to be a dangerous drug controlled under DACA and collected by agents of the Bureau of Narcotics and Dangerous Drugs should continue to be examined by the FDA laboratories. This arrangement will continue until the long-range planning studies can be made toward arranging for combined laboratory service to handle this activity for the new Bureau and we would expect to renegotiate as the situation arises.

1. Handling of DACA evidence by FDA district laboratories

A. All 17 FDA district laboratories will continue to examine DACA drug evidence collected by BNDD agents and submitted on Form FD-1964: Report of Drugs Collected Purchased or Seized.

B. Outstanding instructions to the district laboratories regarding the handling of DACA evidence presently in effect will continue in effect after the merger date of April 8, 1968. This includes those instructions in the Laboratory Operations Manual, section 2.7, entitled, "Bureau of Drug Abuse Control Samples," and other memoranda of understanding on the handling of DACA evidence which have been issued jointly by the Director of the Bureau of Drug Abuse Control and the Assistant Commissioner for Field Coordination.

C. The district laboratories will continue to supply technical assistance to the Bureau of Narcotics and Dangerous Drugs on requests, for example, examination of evidence after regular working hours and the assistance of a chemist to help agents catalog evidence after a raid on an illegal laboratory.

D. The district laboratories will make available those chemists who have or will have examined DACA evidence when necessary as expert witnesses for court cases.

2. Handling of DACA evidence by the Bureau of Science Laboratories

A. The Division of Pharmaceutical Chemistry's microanalytical group will continue to do ballistics examination of drugs submitted by BNDD agents. The new Bureau will continue to submit authentic drug samples for the ballistics library.

B. All drug evidence received from the program of assistance to State, local, and municipal law enforcement agencies will be examined by these laboratories.

C. The Division of Pharmaceutical Chemistry Laboratory personnel will handle

all "bizarre" drugs which require special instrumentation and knowledge and will continue with research and development of new analytical techniques.

The Bureau of Science is presently funded for 10 positions in fiscal year 1969 and the districts are funded for 42 positions (28 chemists) in fiscal year 1969 to perform these analyses. It is understood that this is sufficient support for fiscal year 1969 until further negotiations presently underway are finalized.

D. The Division of Pharmaceutical Chemistry will continue to supply the necessary instructors for the operation of the new Bureau's schools for States and local chemists and other training schools as necessary.

E. The Bureau of Science will continue to make available to the Investigative Services Branch of BDAC (or the counterpart in the new Bureau) the laboratory information bulletins, interbureau bylines, and other technical information necessary to continue the publications of the newsletter for State and local crime laboratories entitled, "Micro-Gram."

F. The Division of Pharmaceutical Sciences will continue to distribute standards of lysergic acid diethylamide (LSD) and other selected standards of drugs to those crime laboratories whose requests are approved by the Division of Drug Studies and Statistics of the Bureau of Drug Abuse Control (or the counterpart organization of the new Bureau).

All laboratory support furnished by the FDA to the new Bureau will be open for renegotiation at a later date.

Mr. HOLIFIELD. That is all, Mr. Chairman.

Chairman BLATNIK. Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Chairman. I suppose somebody has to ask the question that has been frequently asked lately and I might as well.

Is Dr. Goddard going to testify?

Dr. LEE. On this reorganization?

Mr. EDWARDS. Yes, sir.

Dr. LEE. No, sir. But he reports directly to me and he fully supports this proposal. As a matter of fact, he was one of the people who originally made this suggestion.

Mr. EDWARDS. Is there any reason why he is not here today?

Chairman BLATNIK. I can answer that. There is no reason at all. It wasn't necessary. Dr. Goddard is in charge of the Food and Drug Administration, and he has several officers, Bureau of Medicine, Bureau of Science, Bureau of Regulatory Compliance, Bureau of Educational Voluntary Compliance, Bureau of Veterinary Medicine and this Bureau of Drug Abuse Control of which Mr. Finlator is in charge.

And the Secretary, of course, would be over Dr. Goddard and is the top scientific and administrative officer.

Dr. LEE. Yes, sir. The Surgeon General and Dr. Goddard both report directly to me through a recent reorganization that was effected in the Department. This had been authorized earlier in 1966 under Reorganization Plan No. 3.

Mr. EDWARDS. Dr. Goddard has been rather outspoken on this subject generally. I just thought perhaps his testimony might be of some value to us.

I am concerned about this business of enforcement and regulation in the Justice Department. One of you gentlemen mentioned a moment ago the subject of cops and robbers. I had already made a note about cops and robbers. Justice is the Federal cop and I am not convinced that the Justice Department is the place for business regulations, health measures, and social reform as well as enforcement.

So I would like for you to explain a little more clearly if you can where this dividing line is going to be. As I sit here and listen to you and as I think about the fact that we are trying to determine whether there is going to be an economy or an efficiency in this reorganiza-

tion, I become more confused as to where that efficiency is going to be.

I wonder if you can break down a little better the question of regulation on one hand and enforcement on the other? I am mindful of the fact that Dr. Goddard testified before another subcommittee of this committee not too long ago that the coordination between Justice and FDA was good and that in the area of organized crime, there was a good interplay, good relationship between the agencies.

Now, we are told that this is better. And yet in listening to you folks, it is awfully confusing as to just who is going to do what in whose laboratory and who is going to tell whom how to do it.

Break it down a little better, if you can, on the question of regulation and enforcement.

Dr. LEE. I might make a general statement to somewhat restate your position and then ask John to give you additional details.

From our point of view, the real reason for the transfer is because of the organized criminal elements involved in the trafficking in dangerous drugs. This appears to us to be—and John can comment on this in more detail—perhaps an increasing problem. It is essential to make most effective use of Federal, State and local resources to cope with the problem. We feel that the reorganization will result in efficiencies and greater effectiveness in the utilization of resources, as well as in the training programs and the programs of public education, vis-a-vis drugs and narcotics. This more closely coordinated effort will result in a more coordinated forceful attack on organization crime. And that is at the root, as I see it, of our recommendations.

Now that obviously does not get at this much broader problem, which I touched on earlier, of the alienation of youth and the need for a major—which we have undertaken—research effort in this area, the variety of other activities we are engaged in, for example, with the narcotic addicts.

We have two hospitals in the Public Health Service that provide treatment for narcotic addicts. We have follow-up programs for narcotic addicts so we are working in that area as well as in research toward a better understanding of narcotic addiction and have supported such research in the Fort Worth and Lexington hospitals for many years.

So this is part of this broad approach: prevention, treatment, rehabilitation. And because of the criminal elements involved, because organized crime is involved, we feel that the reorganization is a wise move because it will result in more efficient and more effective use of resources.

You may say a little more in detail about the enforcement and regulation aspects.

Mr. FINLATOR. First I would like to say, Congressman, I don't believe we have really claimed there would be any savings. I did mention there might be some possible or probable savings and that could be where you have two organizations with the administrative setup that each one has, an amalgamation of that obviously can cut down on the overhead, where you have two units doing the same thing, one can do it. It won't cut down on the number of agents. As a matter of fact, we hope we will have more agents.

So the overall savings would be nil or nothing. But there can be administrative type of savings. But I don't want to push that point, other than it would be in that one particular area.

As far as the laboratory support effort that you asked about, we have several choices that we can make.

First, you must accept, please sir, that the agents operating at night have to have laboratory services to find out what they have got, what they have bought, what it is. We can do several things. We can continue operating at present with the FDA laboratories just as Mr. Giordano will continue using some of the laboratories of the Treasury Department.

Mr. EDWARDS. Let me stop you and ask you one question.

Are the BDAC and FDA laboratories one and the same?

Mr. FINLATOR. There are no BDAC laboratories. We use the FDA laboratories. They have laboratories in their 17 district offices. Or if we don't use those, we can then go to State and police laboratories and use them. Or we could contract out for private laboratories to do this work. Or as Mr. Giordano said, we can eventually develop our own small crime laboratories which probably is something the Bureau will give serious consideration to in the future under the guidance of the Attorney General.

About the only thing we can do at present is to depend upon those laboratories that we have a fine relationship with and use, and have men in there who are BDAC men. So this is why we are saying we are trying to separate that part of it that would not go over, because we need laboratory services.

It seems to us the best of those choices, the best alternative, is to use the laboratories that are now in existence, where they do have manpower that are paid out of the BDAC budget, and to continue that service.

Now whether that will continue in the future, I don't know. And time will tell, as an organization grows, changes happen and it could be that another type of use of laboratory service could be developed. But at present we have to use that that we know about and have confidence in and are paying for.

I think that is the answer to the laboratory problem.

Mr. EDWARDS. Under the reorganization plan, would the Justice Department or the Bureau of Narcotics or FDA, as the case may be, have the responsibility for exempting drugs from the requirements of the narcotic and drug abuse control laws on the grounds that they are not habit forming or dangerous to the public?

Mr. FINLATOR. The Attorney General.

Mr. EDWARDS. Do you think that is proper?

Mr. FINLATOR. Yes, sir.

Dr. LEE. Yes; we do, sir.

Mr. EDWARDS. You really do?

Dr. LEE. Yes, sir. We wouldn't be up here if we did not.

Mr. EDWARDS. Now I understand that you wouldn't be here unless you were supporting the administration's reorganization plan. But it seems a little farfetched to me to put that under the Department of Justice. How about investigating whether pharmacies are dispensing drugs in accordance with the narcotic and drug abuse control laws?

Mr. FINLATOR. Under the drug abuse laws, we are trying to get the States themselves involved in it. There are 22 States that have joined in with this Bureau to accept the responsibility of the drugstore problem itself, the pharmacist. We have another seven as we mentioned,

that are going to happen in the next couple of months. And we hope, by 1969, the end of 1969, we will have all 50 States in it.

Mr. EDWARDS. Who will handle that in the future? Justice Department?

Mr. FINLATOR. I beg your pardon?

Mr. EDWARDS. Will the Justice Department control this in the future?

Mr. FINLATOR. It will actually—well, it will be controlled by the States. But under a general agreement between the Justice Department and the States, yes, sir; it will be the Justice Department.

Mr. EDWARDS. So that it doesn't disturb you that the Justice Department is calling on legitimate businesses, investigating legitimate businesses and this sort of thing? There is nothing that disturbs you about the prosecuting branch of the Government carrying out this phase of the work?

Mr. FINLATOR. Not at all. As a matter of fact, I have talked to all of the major associations concerning this problem, the head men of most of the major pharmaceutical associations, such as the National Association of Retail Druggists, American Pharmaceutical Association, the Pharmaceutical Manufacturers Association, as well as the State pharmaceutical associations and their head men, and they all supported, under the rules and regulations that we have now, that it will not be just law enforcement, but the whole accoutrement will go over to the Justice Department and they agree with this.

Mr. EDWARDS. Of course these associations do not always speak for the little druggist down on the corner, do they really?

Mr. FINLATOR. I don't know whether they speak for the individual man, they speak for them as a group, because it is their association. No, they don't speak for each individual man of course.

Mr. EDWARDS. Where have you heard that all of these associations do support this reorganization plan.

Mr. FINLATOR. I talked to Willard Simmons, head of NARD; I have talked to Joe Stetler of PMA; I talked to Fred Pahappe, who is head of the Association of State Pharmaceutical Associations or Boards of Pharmacy and a number of people such as this, and I have asked them if they have or do they foresee any objection to it under the President's reorganization plan and they have assured me personally at least that they support it.

Mr. EDWARDS. Will there be any reason for FDA officials or field men to call on these same druggists and pharmacists in connection with unregulated or drugs that don't fall into this category that is going over to Justice Department?

Mr. FINLATOR. You mean those drugs that are not under control?

Mr. EDWARDS. Yes.

Mr. FINLATOR. Yes, the Food and Drug Administration will handle that.

Mr. EDWARDS. So what will happen in the future will be that inspections and investigations will be conducted by the Justice Department or some representative of the Justice Department and also by FDA in regard to these same people?

Mr. FINLATOR. But it is not a bit different from my agents going in at one time and the Food and Drug Administration inspectors going in also. You still have the two problems that must be dealt with.

Mr. EDWARDS. It is different when you are in the same Department though, is it not?

Mr. FINLATOR. No, sir.

Mr. EDWARDS. You don't have a reasonable interchange of information there in your own Department?

Mr. FINLATOR. Yes; we have a reasonable interchange and I assure you we will have it in the new Department.

Mr. EDWARDS. May I ask if the Chairman intends to have as witnesses any of the pharmaceutical associations? Or the drug associations?

Chairman BLATNIK. They have all been asked to notify and inform the committee and they are more than welcome. The American Pharmaceutical Association, the Pharmaceutical Manufacturers Association, the National Association of Retail Druggists, and the American Public Health and Medical Association, the Pharmaceutical Manufacturers. They have all been notified, know about the hearings, and have not expressed an interest in appearing.

Mr. EDWARDS. Have they expressed any particular position?

Chairman BLATNIK. Not that I know of. There has been no indication of opposition.

Mr. EDWARDS. How about any indication of support?

Chairman BLATNIK. No support.

Mr. EDWARDS. If I may proceed then, who will control and supervise the registration of manufacturers and wholesalers, vendors, and physicians, these sort of people.

Mr. FINLATOR. If it is concerned with the narcotics and dangerous drugs, the new Bureau will.

Mr. EDWARDS. But otherwise FDA will continue to deal with these folks?

Mr. FINLATOR. Yes, sir.

Dr. LEE. The States of course license the pharmacists and pharmacies and BDAC, in determining these relationships, is working with the appropriate State agencies, and hopes, as Mr. Finlator indicated, to have all of the States involved hopefully by the end of 1969.

Mr. EDWARDS. You have a pretty good relationship with your State counterparts, do you not?

Dr. LEE. In the area of food and drug, I think that there are a number of problems at the State level. We feel they need to be strengthened in this area. And there is effort in this direction. But we have good relationships with the States.

Mr. EDWARDS. Do you think the Justice Department can have a better relationship with the States?

Dr. LEE. Well, I think in the area of law enforcement and attack on organized crime, where it is a problem of that type, I certainly think that they can have a more coordinated relationship to deal with the organized crime problem.

Mr. EDWARDS. Who would determine whether physicians are dispensing drugs in compliance with the Narcotic and Drug Abuse Control laws?

Dr. LEE. Well, we can only speak on the Drug Abuse Control laws. The Narcotics Bureau of course will be testifying subsequently.

Mr. EDWARDS. But you are apprised of what the new agency is going to do, aren't you?

Dr. LEE. Our responsibilities relate specifically to the area of drug abuse. And the new Bureau will be involved with illicit use of these

drugs. The normal legitimate use of barbiturates or amphetamines prescribed for patients with normal illnesses are regulated under State laws and medical practice acts.

Mr. EDWARDS. And FDA is involved in that, is it not?

Dr. LEE. Food and Drug Administration is involved in the determination of safety and effectiveness of the drugs prior to their marketing. They are involved in determinations of adverse drug reactions and the advertising of these drugs, and informing or having physicians informed if new knowledge is developed with respect to adverse drug reactions. For example, as we learn more about the hazards of a drug, the FDA, working with the drug industry, sees that physicians are informed of these facts.

Mr. HOLIFIELD. Will the gentleman yield?

And that function will continue the same, will it?

Dr. LEE. Yes, sir.

Mr. EDWARDS. Who will inspect the records and facilities, operations, inventories, materials of the manufacturers, and wholesalers and pharmacists and physicians under the Narcotic Drug Abuse Control laws?

Dr. LEE. With respect to, for example, goods manufacturing practices, this is a responsibility of the Food and Drug Administration. With respect to records that relate to controlled drugs, this will be carried out by the new Bureau in the Department of Justice, in order to detect possible illicit traffic in these drugs.

Mr. EDWARDS. The thing that I am getting at with these questions, if you haven't already figured it out, is that it is disturbing to me that the Justice Department and the FBI, which is in the Justice Department and the prosecuting arm of the Government which is in the Justice Department, however dedicated the people within the department might be, and however good they might be as public servants, will be calling on doctors and small business people and manufacturers and this sort of thing. It leaves me cold when I think about this. I am just not convinced that the Justice Department, the Attorney General's representatives, ought to be calling on these people.

Let me get into this further. You spoke several times about alienation of young people. Obviously we don't want our young people on drugs or exposed to them and we would hope that somehow we can get the word to these people, the young people, that this is not good.

Mr. FINLATOR testified in the other hearing I mentioned a moment ago that for 336 people that have been arrested, 54 of them are high school graduates, 62 have some college, and 32 were college graduates during this period of time you were referring to. You said it is an entirely different group of people that you meet than when dealing with narcotics. What you want to do is to get to those people before they get to experimenting with drugs.

Mr. FINLATOR. Yes.

Mr. EDWARDS. I just wonder if the Justice Department is the place to do that. There are criminal implications when you start referring to Justice and to the Attorney General. And I wonder if we are ready to brand the young people who experiment, as opposed as I am to it, with the brand of a criminal. This all concerns me, as I see the Justice Department taking control of these things.

Is that really the best way to handle young people?

Dr. LEE. I think that the problem that we see and the reason for the transfer, to restate it, is the efforts of organized crime to exploit these young people, to take advantage of them, to use them for their own personal profit. And certainly young people are susceptible.

Now in order to better understand those problems we of course have a National Institute of Mental Health, we have other research supported in other areas by the National Institutes of Health. The Center for Studies of Narcotic and Drug Abuse in the National Institute of Mental Health specifically directs its attention to this broad problem. Research that is being supported and conducted in the hospitals at Lexington—particularly relating to narcotic addiction and efforts to understand better the problems of narcotic addiction—involves a different socioeconomic group but the problems are no less complex than the problems relating to drug abuse.

Mr. EDWARDS. This will all come under the Attorney General?

Dr. LEE. No, sir.

Mr. EDWARDS. As I read the message, the President says the Attorney General will conduct an extensive campaign of research and a nationwide education program on drug abuse and its tragic effects.

Dr. LEE. Yes, sir. And the reorganization plan calls for transfer of the authorities in the Secretary that are related to the Drug Abuse Control Amendments of 1965, that program administered in this Bureau which Mr. Finlator heads in the Food and Drug Administration.

We have a number of other efforts relating to narcotics, relating to drug abuse, relating to studies on behavior, studies on drugs, pharmacology, physiology, psychology, sociology, that will continue to be supported in the National Institute of Mental Health and in the National Institutes of Health.

Mr. EDWARDS. Well, the plan itself says that there will be transferred so much of other functions or parts of functions as the Secretary of HEW and the Department of Health, Education, and Welfare believe are identical to or necessary for the performance of the functions transferred by paragraph A of this section. How do we know what is going to be transferred?

Dr. LEE. We have described, in some detail, those functions which we are currently not proposing to transfer and which are currently under study. Specifically those personnel in the research laboratories or the scientific laboratories directly involved in the identification of the drugs.

We see no reason and it would be inappropriate, in our view, to take major program areas unrelated to the drug abuse control amendments per se and the control of the illicit trafficking in dangerous or controlled drugs and transfer those. The Department of Health, Education, and Welfare supports a broad range of activities relating to public health problems.

Mr. EDWARDS. Social, educational, and health programs?

Dr. LEE. Yes, sir.

Mr. EDWARDS. As opposed to criminal enforcement.

Dr. LEE. We do not believe it is appropriate for the Department to be primarily involved in a criminal enforcement effort where organized crime is increasingly involved. This is our basic reason for supporting this transfer.

MR. EDWARDS. So we come back to the question that the Justice Department is going to be carrying out this educational program; is it not?

DR. LEE. No.

MR. EDWARDS. Isn't that what the President's message said?

MR. FINLATOR. Yes. What we are transferring here, sir, is everything that is under H.R. 2, or the DACA amendment. That education program that has been carried on by the Bureau of Drug Abuse Control will be transferred over to it. But this doesn't mean total education. This will be education in NIMH and in the Office of Education in the Department in the drug problem.

As I mentioned, education in drug abuse, as far as we are concerned, we can only be a catalyst, to begin to scratch the surface, to get other people involved, such as the people I mentioned that we have gotten deeply involved in an education program.

If we are thinking that the total education program of drug abuse and narcotics is going to be reposed in this one Bureau, I think it is a misconception. But it will carry on a program, and it may even contract with, and ask NIMH to do certain things, of the Office of Education. But it, itself, will be more of a catalyst in the education program, rather than one of educator.

For instance, it can never educate young people in the high school and junior high school. And I believe it should probably start in the kindergarten, as some of the other people think, such as Dr. Nathan Eddy, of a drug-respect program to begin with, along with the health program. This can only be done by your professional educators; it can't be done by the Government.

We can act as a catalyst, we can give them information, we can do that type of thing. But we can never do the real educational program itself.

DR. LEE. A good example of that is the "Teenage Alert" program in Broward County, Fla., which was initiated by the Broward County Medical Society. They now are working with all of the schools in that area. They have provided the scientific information and they have sifted it and analyzed it. They are participating in the teaching program in the schools, working with the schools, the superintendent of schools, the principals of all of the schools involved, as well as with a number of community agencies. This is a local effort. They have met with us, met with the FDA, met with the National Institute of Mental Health, to get the best available information they could present to their own young people in that community. The program involves educators, it involves teachers, it involves physicians, it involves parents. It isn't just a BDAC effort, although they helped to make information available to them to carry out that program.

MR. EDWARDS. Who will handle the problem of counterfeit drugs?

MR. FINLATOR. The counterfeit drugs, those under control, will be handled by the Department of Justice. The other counterfeits will be handled by the Food and Drug Administration. And as a matter of fact, that was the only exception that was made in the reorganization plan in transferring H.R. 2, or the DACA over into the Department of Justice, that one exception.

MR. EDWARDS. Will there be any duplication as a result of that exception?

Mr. FINLATOR. No, there will not. As a matter of fact, I think FDA is going to request whenever any information is found of a criminal nature, they will stop and request the new Bureau to take that action.

Mr. EDWARDS. Do you find organized crime involved in counterfeit drugs?

Mr. FINLATOR. Not in the counterfeit so much. We don't run into too many counterfeits. About 95 percent of the drugs that we run across are legitimately produced by legitimate manufacturers in this country. Only about 5 percent are counterfeit.

Chairman BLATNIK. Is that because these drugs are easily obtainable?

Mr. FINLATOR. Yes, sir. They would a lot rather have Smith Kline & French stuff than to try to counterfeit their stuff, because it is easier to get. Not from Smith Kline & French, but from the transportation system from them to a repackager, to a jobber to the drugstore.

Mr. EDWARDS. Do you have any problems with imports of drugs?

Mr. FINLATOR. Yes, we have some. We have a kind of a growing problem. We have had relationships and drug problems with 17 foreign countries on the importation of drugs.

Mr. EDWARDS. Then you would have to work closely with the Customs Bureau, would you not, in this respect?

Mr. FINLATOR. Yes, plus the fact that Mr. Giordano has an overseas contingency that would come under the new Bureau which we would be able to work with.

Mr. EDWARDS. He has a good one too, doesn't he?

Mr. FINLATOR. Yes, sir.

Mr. EDWARDS. Do you have any overseas contingency?

Mr. FINLATOR. No; we get our information from him, from Customs, from Scotland Yard, from the police in Australia, from the RCMP in Canada, et cetera.

Mr. EDWARDS. What would be the philosophy and objectives of the Department of Justice in the enforcement of narcotics and dangerous drug laws?

Mr. FINLATOR. I think it is going to be a tough one.

Mr. EDWARDS. Do you think they will take a hard line?

Mr. FINLATOR. Well, you are going to take a hard line when you deal with any criminal, I hope.

Mr. EDWARDS. How is this going to affect those who are drawn into this thing as experimenters or what not, who don't fit the category of organized criminals?

Dr. LEE. I think the Attorney General will testify on this point, Mr. Edwards. We in our discussion with the Attorney General and with the others in the Department of Justice, and Mr. Vincent indicated in his testimony recently on the penalty problem that the primary purpose of the increased penalties related, of course, to the increased capability of catching those people who are trafficking in these drugs, and not as a club to be used over young people who may experiment once or twice.

And I think that same enlightened attitude would prevail.

Mr. FINLATOR. I think neither the Bureau of Narcotics nor this Bureau would be interested in dealing with the individual as far as the Federal Government is concerned. Both of us have dedicated ourselves to looking for the big producer, or the big seller, and not the individual user.

Of course, there is a lot of information that gets into the paper about sometimes what State and local officials do, but you can rest assured that whenever one of the Bureau of Narcotics people or one of the BDAC people go into a case like that, they have a guy that is selling pretty big.

Mr. EDWARDS. Have you any agreement, or is there any agreement in writing, between the Secretary of HEW and the Attorney General concerning this proposed reorganization plan?

Dr. LEE. We do not at this time have a written agreement. But, as we indicated to Mr. Holifield, we will provide to the committee as promptly as we can a draft which will include the principles as well as the various details and areas where specific agreements will be worked out.

This we can provide in draft, and hopefully we can do that quite promptly for you.

Mr. FINLATOR. Mr. Congressman, I don't believe they are competent at this time to sign agreements unless there is a law.

Mr. EDWARDS. But we are being asked to determine whether this reorganization is proper or not, and we need information to make that determination. As I see it, the burden is on you gentlemen, all of you gentlemen, to convince us, in effect, that this is a proper thing. When you say "promptly," what do you mean?

Dr. LEE. Well, I would hope within 10 days. We had intended to have our next meeting on the 27th of March, but I think we will expedite it in view of the clear wish of the committee.

Mr. EDWARDS. Ten days is too late. This thing could be on the floor before then.

Dr. LEE. We will make every effort to make it available as promptly as the chairman wishes, and we will go right to work to draft this out and work with Justice on it. We have had many discussions with them already.

Chairman BLATNIK. Well, would you speed that up with the understanding that it is a draft?

Dr. LEE. Yes, sir.

Chairman BLATNIK. And it is the understanding of the chairman, wasn't the date approximately March 27, which—

Dr. LEE. That was our planned next meeting, but we will expedite this in view of the request by the committee.

Mr. EDWARDS. Rightly or wrongly, I have a disapproval resolution which can be called up 10 days after the amendment was introduced, and it was introduced on Thursday of last week. I am not suggesting I would bring it up, but it can be brought up.

Dr. LEE. Ten days from last Thursday?

Mr. EDWARD. Yes.

Chairman BLATNIK. Mr. Rosenthal.

Mr. ROSENTHAL. Thank you, Mr. Chairman. On page 2 of the President's message it indicates that the Hoover Commission and the Advisory Commission on Narcotic and Drug Abuse both recommend that a plan of this style or substance be put in effect. Can you tell us in more detail what the Hoover Commission said?

Dr. LEE. I think Mr. Hughes, Deputy Director of the Bureau of the Budget, might be able to provide more specific information on that particular point.

Mr. ROSENTHAL. How about the 1963 advisory commission? Who was the chairman of that?

Dr. LEE. Mr. Prettyman, Judge Prettyman? Of course, there was no drug abuse program, there were no drug abuse amendments at that time; there was no Bureau of Drug Abuse Control. The Prettyman report related to the Bureau of Narcotics.

And again, I am sure that material can be provided.

Mr. ROSENTHAL. What I am really interested in, both of these things are cited in the President's message and I want to know rather candidly, are they relevant to this particular reorganization plan?

Dr. LEE. I think that report calls for better coordination of programs that are related to this. Of course, the drug abuse is a more recent problem. It has come on the scene very rapidly, and of course since the early Hoover Commission studies.

Mr. ROSENTHAL. The Hoover Commission never recommended it be put under the Department of Justice?

Mr. FINLATOR. I think it did.

Mr. ROSENTHAL. I am asking you.

Dr. LEE. This would relate again to the narcotics. It did not address itself to the area that we have particular responsibility for, that is, the dangerous drugs that are so-called controlled drugs, the stimulants, hallucinogens, depressants. This authority came into HEW with the passage of the drug abuse amendments in 1965, and both of those studies and reports preceded our Bureau.

Mr. ROSENTHAL. How do I resolve this modest problem I have—I agree with you there should be a stronger law-enforcement approach. But I do feel there is also a deep social problem involved, and can Justice direct itself to the social problem?

Dr. LEE. I think that this is not only a deep social problem, but many of the other problems that Attorney General must deal with, of course, are deep social problems. Crime itself is a deep, complex social problem. And again, alienation of young people, and the problem of drug abuse are complex social problems, relating to a variety of factors.

And I think that in the area of responsibility which is being proposed for the Justice Department, there is no question that the Attorney General can carry this out ably and effectively. We will, of course, in the Department, maintain broad areas of responsibility and concern that are not limited to enforcement.

We are concerned with the nature of the problem, the causative factors.

Mr. ROSENTHAL. Aren't you going to lose some of your power and ability to correct these ills by having this transferred to Justice?

Dr. LEE. I don't believe so, sir. To go back to an earlier statement and repeat a statement I made several times, our great concern—one of the major problems that we are facing—is the entrance of organized crime into the drug abuse area. This appears to be increasing. The Justice Department is in the best position to effectively deal with that problem. Of course this doesn't deal with the totality of the problem.

It doesn't deal with the alienation of the youth. It doesn't deal with the tremendous scientific advances that have been made.

Mr. ROSENTHAL. Who is going to handle all of these other problems, other than organized crime and enforcement?

Dr. LEE. Alienation is a tremendously complex problem. It involves all levels of society. It involves the political leaders of the country, it

involves educators, it involves physicians, and it involves the young people. It involves parents, it involves the politician, it involves people in all walks of life and a variety of situations and circumstances.

And it is not something that is just for Government alone.

Mr. ROSENTHAL. Who in the Federal Government is going to direct their efforts toward resolving some of these difficulties?

Dr. LEE. The Department of Health, Education, and Welfare is committed to this. We have a major research program in the National Institute of Mental Health relating to these problems, to the problem of alienation of youth, and I would say this is——

Mr. ROSENTHAL. In the National Institute of Mental Health, do you deal with why people take drugs and the social ills that surround it?

Dr. LEE. Right, absolutely.

Mr. ROSENTHAL. How many people do you have involved in that?

Dr. LEE. I can't give you the exact numbers, but we can supply that for the record. They include the Center for Narcotic and Drug Abuse, in NIMH. We also, of course, have many people at St. Elizabeths Hospital and other research programs, at Lexington and Fort Worth. Lexington is specifically related to narcotic addiction and a better understanding of those problems.

We are supporting research outside of the Government. We can supply you both with the budget figures and also with the figures on personnel for these programs.

(The figures referred to are maintained in the subcommittee files.)

Mr. ROSENTHAL. I am still unconvinced. Some people say that this plan is an overreaction to crime in the streets, an enforcement kind of attitude. We are directing more of our energy to enforcement rather than to the cure of ills.

Your response is, we have an effort in the National Institute of Mental Health.

Dr. LEE. I say in terms of the personnel involved in the Department, in terms of the budgets involved, the budget in HEW in 1968 is about \$26 million, in 1969 it will be over \$30 million. It involves research, prevention, and treatment.

Mr. Finlator could give you the budget relating to the Bureau of Drug Abuse.

Mr. ROSENTHAL. I will tell you frankly, budgets are not impressive. Budgets are just conclusions.

Dr. LEE. They are a reflection of effort. I don't think there is any disagreement with your view, these are complex problems. The reason that the National Institute of Mental Health was established 20 years ago was in recognition of the increasing problems in the area of mental health in our society. It has pioneered in this whole field.

Mr. ROSENTHAL. Some people would think we could solve the narcotics problem by strengthening the enforcement arm of justice. This isn't right.

Dr. LEE. Well, of course, if they think so, I think you and I would agree they are mistaken. This doesn't solve the problem. But it helps to make more effective use of a scarce resource in our society; namely, skilled manpower in the area of law enforcement to deal with organized crime.

Mr. ROSENTHAL. You are implying that organized crime is the cause of the narcotics situation in the United States. It is just an adjunct to it. It is a vehicle for it to be sold in the commercial markets.

Dr. LEE. I am not implying that is the cause. The cause has deep sociological roots in our society, as in many societies of the world. The purpose of this program is to deal with one aspect.

Mr. ROSENTHAL. Before I vote for this reorganization, I have to be satisfied that other Federal agencies are going to direct themselves in such a crash program in solving the social forces that stimulate young people to use narcotics.

Dr. LEE. Well, it is not only narcotics, it includes LSD and various other drugs.

Mr. ROSENTHAL. Yes, all of them. I am just fearful that this is just a responding or an overreaction to the public attitude that you have to put everybody in jail and that will solve the problem. The jails are not big enough.

Dr. LEE. We certainly do not share that view. I am sure there are some people who just think you have to get tough and that will solve the problem. I am sure there is no feeling in the Department that that is the case. We are rapidly increasing the efforts to support research, to attract people into the field of mental health and into the field of research relating to this, into the treatment areas.

There are other problems that are related. The problem of alcoholism and drinking, these are related phenomena. Suicides among young people. These are reflections of social, psychological problems.

The National Institute of Mental Health has set up centers to target research programs in these areas. One of them is in the area of narcotic and drug abuse, because it is recognized now that this is a major social problem. It is a major problem for our society, and requires not just undifferentiated support of basic research that may be specifically interesting to an individual investigator.

It requires a coordinated approach and that is the effort now being made at NIMH.

Mr. ROSENTHAL. I think it requires a coordinated approach. But what makes you think that Justice is in a position to lead that coordinated approach?

Dr. LEE. Justice is not going to lead the research on the problems of alienation, and the kind of research we support in the National Institute of Mental Health. It is, in our opinion, in a position to lead a coordinated attack on the problem of law enforcement, that has to be backed up by a program of education and training of law enforcement officers, has to be backed up by adequate laboratory service, so they can determine the nature of the drugs that they are dealing with.

Mr. EDWARDS. Would the gentleman yield at that point?

Mr. ROSENTHAL. Yes.

Mr. EDWARDS. What did Mr. Finlator mean, then, when he said this arrangement will continue between the Department of Justice and the National Institute of Mental Health? Won't this then come under the Justice Department?

Dr. LEE. Sure. We have a coordinated arrangement now. As Mr. Finlator indicated, there is a joint appointment. Dr. Smith, who heads the Division of Drug Studies and Statistics in the Bureau of Drug Abuse Control, will continue.

Dr. Smith also holds an appointment in the National Institute of Mental Health. The focus of the Bureau of Drug Abuse Control is to control the illicit activities in this area and to mount related programs to train the people through public education.

As we have indicated, the programs of public education involve schools, the National Institute of Mental Health, and physicians throughout the country. This can't be done by a single Bureau or Division, or even Department, of Government.

Mr. EDWARDS. But you think Justice ought to be in charge of this?

Dr. LEE. We think they ought to be in charge of the specific program responsibilities that are proposed for transfer in the reorganization plan.

Mr. EDWARDS. I must say, Mr. Chairman, I just can't understand a high official in HEW thinking that that is a good proposal.

Mr. ROSENTHAL. Dr. Lee, if Justice did a really successful job in enforcement, with new manpower, and a massive effort was made at incarceration, and so forth, what effect would that have on drug use in the United States?

Dr. LEE. Well, I think if we could prevent the trafficking, if you can get at the major traffickers, I think it will reduce the hazard that many young people are exposed today with respect to dangerous drugs.

These drugs are readily available to them. Some experiment once or twice, with sometimes disastrous consequences. Some young people, because of personal psychological problems, become chronic users of drugs such as LSD.

Mr. ROSENTHAL. Has our law enforcement been weak or lax, in effect, that it has permitted this situation to develop to the point where you say it is?

Dr. LEE. No; I say it is a complex problem. I think the problem of alienation is one of the most serious social problems we face.

Mr. ROSENTHAL. No. You suggest, Doctor, that if there is an effective Justice Department program, it will dry up the sources of drugs.

Dr. LEE. It can contribute significantly to this.

Mr. ROSENTHAL. Now let me see if I can develop my own thoughts for the record.

How did we get to this situation today? Has there been a lack, a weak enforcement policy, an inadequate enforcement policy?

Dr. LEE. Well, until 1965, of course, there was no specific provisions dealing with this problem. That program went into effect in February of 1966 and we think that significant progress has been made.

During that same period we have gotten new scientific information about LSD, the potential for birth defects, the chromosomal damages, and this apparently has contributed significantly to the young people's reduction in use of LSD.

Mr. ROSENTHAL. Before 1965 we still had laws relating to narcotic barbiturates, marihuana, and so forth.

Dr. LEE. I think I would certainly prefer to have the people from Treasury comment on the problems of narcotics, because that has been their responsibility for many years. And this other has been HEW's responsibility.

I think it would be better in developing the information you need to ask them about that particular facet of the problem.

MR. ROSENTHAL. Your Department was not the prime mover in recommending to the President that this reorganization plan be submitted?

DR. LEE. Yes, sir; as a matter of fact we were one of the groups that made this recommendation. It was based on the involvement of organized crime in the trafficking and the need, we felt, and Dr. Goddard shares this view, that in order to effectively deal with that facet of the problem, a more coordinated effort under the primary Federal enforcement agency was necessary. And that was the reason we actually made this proposal.

Now, the proposal has come from other people. Obviously, it was indicated in earlier times relating to narcotics. And there were outside advisors who also advised on this particular problem.

MR. ROSENTHAL. Who were the outside advisors?

DR. LEE. I can't tell you because I don't personally know.

MR. ROSENTHAL. I didn't mean individuals—groups or organizations?

DR. LEE. In the development of this proposal, a number of people were consulted. The Department of Health, Education, and Welfare was among them. Perhaps, Mr. Hughes could answer that question for you or maybe the information could be supplied.

MR. ROSENTHAL. Is the drug-abuse problem getting away from us, Dr. Lee?

DR. LEE. I think the drug-abuse problem is a very major problem. It is a symptom, in a sense, of this deeper problem, what has been generally described as alienation.

As we get new drugs, the problems get more complicated, more difficult. We have felt that the FDA and the Bureau of Drug Abuse Control has done an excellent job of getting on top of the problem.

But I don't think any of us feel yet that we are on top of the problem. But whether it is getting more out of hand or less, perhaps Mr. Finlator can comment on that; but I think we are certainly in a better position than we were 2 years ago.

We have a better understanding of the problem, better mechanisms for dealing with it.

MR. ROSENTHAL. There are about 10,000 more people using drugs than 2 years ago, though.

DR. LEE. We don't know that.

MR. ROSENTHAL. I spoke to some high school kids down from my district and they told me in their high school 40 percent of the kids were taking hod. I couldn't believe it.

DR. LEE. I am speaking of the drugs we control. Apparently the use of marihuana has become much more widespread in recent years.

MR. ROSENTHAL. Then how can you say things are better than they were 2 years ago? They are 10 times worse?

DR. LEE. I was referring to the drugs covered by the Bureau of Drug Abuse Control, those drugs we have responsibility for.

Marihuana has been a responsibility of the Department of the Treasury, I believe, since 1937, when the Marihuana Tax Act was enacted.

And that is a reflection again, a symptom of the deeper social problem.

MR. ROSENTHAL. And you think we can help alleviate the problem by having more vigorous enforcement policies?

Dr. LEE. I think we can do a more effective job of enforcement with this. Just to repeat what I said earlier, I do not for a minute believe that will solve the problem or give us the answers in terms of understanding the basic causes of this alienation phenomena and this rapid increase in the use of drugs by young people.

Mr. ROSENTHAL. Once we understand the causes of it, who in Government is going to try to do something about it, about reversing the tide? What agency will have the authority and power to make strong recommendations?

Dr. LEE. As we understand the problems, as we learn about other disease problems, that is the responsibility of the Department of Health, Education, and Welfare. As in many other areas, the diseases are getting more complicated, because they are not just due to a bacterial or a virus causing an infection, they are reflections of pollution, for example, the phenomenon and the factors produce pulmonary diseases, the relationship of air pollution to lung diseases, the relationship of social problems to such things as alcoholism, drug abuse. These are much more complicated problems than the simple cause-and-effect situations that we have had in the past.

And we have that responsibility without any question.

Mr. ROSENTHAL. Am I justified in this fear, that when Justice gets all of the enforcement power—and it may be appropriate—they will then have the muscle to get budgetary funds to support enforcement, because that is an attractive thing in Congress, and perhaps in the executive.

Will the people who are working to find the real social ills and the potential cures, will they lose their ability to get funds to pursue this research because the enforcement people will have so many more advantages over them?

I don't know if I make that clear.

Dr. LEE. You make it very clear and I don't believe so. I think the Department, and particularly our research programs, has fared very well with the Congress. The Congress has strongly supported research over many, many years, particularly since 1955 when the budget increased rapidly. We have developed the strongest biomedical—and including the psychiatric research enterprise—I think without any question in the world today.

We need, and we have given increased emphasis to mental health and child development, since we are learning that there are increased problems in these areas.

I think from the standpoint of budget support for research and for the kinds of studies and programs we have carried out in the Department, we have fared in the health field extraordinarily well with the Congress.

I don't see any sign that this is changing.

Mr. ROSENTHAL. Could you fare just as well even though enforcement is centered in Justice?

Dr. LEE. I believe so. I think this enforcement is in the Bureau of Drug Abuse Control in the Food and Drug Administration and that in no way has diminished the support we have sought or obtained from the other research efforts, particularly in the Public Health Service.

Mr. ROSENTHAL. Thank you, Mr Chairman.

Chairman BLATNIK. Minority counsel.

Mr. COPENHAVER. Dr. Lee, with regard to the Prettyman report, which Mr. Rosenthal referred to, is it not the case that the Prettyman report recommended that there be transferred to Health, Education, and Welfare the function with regard to determining the safety and efficacy and the regulation of narcotics and dangerous drugs?

Dr. LEE. It was a split recommendation. I don't have the report before me, but as I recall, it was a split recommendation, part to go to Health, Education, and Welfare, part to go to Justice.

It has been our view, with respect to the drug abuse—and Mr. Giordano and Mr. Hendrick can speak from the standpoint of Narcotics—that it is better to keep the total program or package together, rather than splitting those functions.

And I think Mr. Holifield made the point very well.

Mr. COPENHAVER. Is it not correct there are three aspects of the drug problem—enforcement, education, and research?

Dr. LEE. I think you could break it down in that way. Education and training I would say because you have to train them.

Mr. COPENHAVER. Well, I am looking at education in a different sense than training, so you have a fourth point. Now would you agree that to approach this problem without considering all four points on a unified plane would tend to accentuate one over the other and perhaps lessen the degree of effective unified approach towards the problem?

Dr. LEE. Well, I think that the functions within the Bureau we feel are integrated. We feel those functions should be transferred.

Now, we have other responsibilities in the Department, particularly in the Public Health Service in the Institute of Mental Health that relate to research and getting the basic information that will be involved in education programs.

This function should remain, because it is again more related to other social-psychological problems.

Mr. COPENHAVER. But as a reasonable man, would you not agree that to have an effective approach to the problem, it is better to have a unified approach which takes into account within one department, if possible, all functions—enforcement, training, education, and research? If you had your choice between separating out one of the four major points, or keeping the four major points together; which would you prefer?

Dr. LEE. Because we are primarily a health agency and concerned with public health and because we have become increasingly concerned with this organized crime problem, we have felt that it was wise to transfer the enforcement and related education, training and research authorities that were in the Bureau of Drug Abuse Control. That is a wholistic approach to this particular problem.

We wouldn't think it was wise to just transfer enforcement, and not have any education or training or not have any directed research authorities, nor have any laboratory backup for that Bureau.

Mr. COPENHAVER. Therefore you are advocating a partial transfer of research, training, education, and enforcement to one agency and a partial retention of education, research, and training and perhaps some enforcement in a separate agency?

Dr. LEE. Well, we would not have enforcement functions.

Mr. COPENHAVER. You would have some related enforcement functions under the counterfeit drugs?

Dr. LEE. Right.

Mr. COPENHAVER. And you would have enforcement functions under all of the FDA laws, Harris-Kefauver amendments, the section of the act that applies to misbranding of a drug, a narcotic, cocaine, a stimulant, all of that?

Dr. LEE. Yes. It is the other function of the Food and Drug Administration we would keep.

Mr. COPENHAVER. So FDA would continue to have enforcement over narcotics and dangerous drugs under section 352 of the FDA Act?

Chairman BLATNIK. Not narcotics?

Mr. COPENHAVER. Yes, Mr. Chairman, they would retain—under the misbranding functions of the act—they would retain jurisdiction over the misbranding of those drugs, narcotics, and dangerous drugs.

To go one step further, Dr. Lee, did you recommend in the last year or two that the enforcement of the marihuana laws were to be transferred to HEW?

Dr. LEE. Did you recommend this? No.

Mr. COPENHAVER. In a memorandum—

Dr. LEE. It has been discussed.

Mr. COPENHAVER. In a memorandum of August 14, 1967—does that refresh your recollection, entitled "Marihuana, Health, Education, and Welfare Position," did you recommend repeal of the Marihuana Tax Act and a transfer of enforcement jurisdiction to FDA which would require a major effort by the Administration, with the possibility of a compromise between FDA and Bureau of Narcotics.

Dr. LEE. Did I sign that memorandum? I don't recall this.

This subject has been discussed with the Treasury Department, within the Department, and with the Bureau of Justice within the past year.

I don't personally recall sending such a memorandum or submitting such a recommendation to the Secretary.

Mr. COPENHAVER. Or did you recommend it be a part of Health, Education, and Welfare, and that the Attorney General and the Treasury Department would have to reach agreement at the Cabinet level on needed changes in the law, budget modifications, and the possible transfer of trained enforcement personnel from the Bureau of Narcotics to the Drug Abuse Control?

Dr. LEE. I don't recall. But if it is in a memorandum I signed, and you have a copy of it, I perhaps did so, but I do not recall forwarding such a memorandum to the Secretary.

Chairman BLATNIK. Thank you very much, Dr. Lee, and Mr. Finlator.

We appreciate your very informative testimony and it has helped clarify a great deal of our initial concern. We wouldn't want to oversimplify the benefits and advantages of the Reorganization Plan No. 1. It is the argument of those who support it that within the existing authorities that the two agencies have, the more effective and efficient job can be done.

But as far as the whole problem of narcotics and dangerous drugs, there are many, many areas yet to be explored and researched and

this will take a lot of work in a lot of areas that will involve many, many agencies of Government whether the reorganization is approved or not.

We appreciate your patience and your fine contributions. Thank you both.

Dr. LEE. Thank you very much, Mr. Chairman, and we will do our best promptly to get that draft material to you on the interagency agreement.

Chairman BLATNIK. Thank you.

The hearing will be adjourned until 2:30 this afternoon.

(Whereupon, at 12:40 p.m., the hearing was adjourned to reconvene at 2:30 p.m., the same day.)

AFTERNOON SESSION

Chairman BLATNIK. The Subcommittee on Executive and Legislative Reorganization of the House Government Operations Committee will please come to order.

We will resume our public hearings on Reorganization Plan No. 1 of 1968.

Our first witness this afternoon will be the Honorable Phillip S. Hughes, Deputy Director of the Bureau of the Budget.

Mr. Hughes, at the outset, we apologize for keeping you waiting all morning. We appreciate your standing by and being available for the convenience of the committee. We had to make an adjustment in our schedule of witnesses.

STATEMENT OF PHILLIP S. HUGHES, DEPUTY DIRECTOR, BUREAU OF THE BUDGET; ACCOMPANIED BY HOWARD SCHNOOR, DIRECTOR, GOVERNMENT ORGANIZATION STAFF

Mr. HUGHES. That is quite all right.

Mr. Chairman, I am pleased to have the opportunity to be here. With me, Mr. Chairman, is Mr. Howard Schnoor, Director of our Government Organization Staff.

It seems to me, Mr. Chairman, that in view of the testimony this morning it might be desirable in the interests of the committee's time to attempt to abbreviate my statement somewhat. I would be glad to do that if you wish. Or if, on the other hand, you prefer that I read it in its entirety, I would be glad to do that. I can abbreviate it, I think, limiting it to points which by and large anyway were not discussed this morning.

Mr. EDWARDS. Mr. Chairman?

Chairman BLATNIK. Mr. Edwards.

Mr. EDWARDS. This is the point at which we are supposed to get all the information that isn't in the President's message. I feel Mr. Hughes ought to go through his whole statement.

Chairman BLATNIK. All right. It is not a long statement.

Mr. HUGHES. No; it is not, Mr. Chairman. I would be delighted.

Mr. Chairman and members of the committee, we appreciate the opportunity to appear at these hearing in support of Reorganization Plan No. 1 of 1968, which the President transmitted to the Congress

on February 7. The plan would transfer to the Attorney General the responsibility of the Secretary of the Treasury for enforcing the laws relating to narcotics and marihuana and the responsibility of the Secretary of Health, Education, and Welfare for enforcing the Drug Abuse Control Amendments of 1965 as they relate to depressant and stimulant drugs.

The statistics gathered by Federal law-enforcement agencies reflect a steady increase in the illicit drug traffic and in the use of narcotics and other dangerous drugs: 62,000 active narcotic addicts were reported by the Bureau of Narcotics in 1967, compared to 45,000 in 1960. Of the new addicts reported in 1967, 21.2 percent were under 21 years of age compared to 13.9 percent in 1963. We are informed that the traffic in narcotics is so well organized that the supply of narcotics is closely controlled in relation to demand.

In 1963, 6,444 pounds of marihuana were seized at the borders and within the United States. In 1966, the figure had risen to 23,716 pounds, and preliminary reports for 1967 suggests that the quantities seized have doubled over 1966.

In the past 18 months, Federal agents have seized over 600 million dosage units of controlled depressant and stimulant drugs, including over 2½ million dosage units of LSD and other hallucinogens.

These facts clearly call for vigorous and effective public action against drug abuse. The President's message of February 7, 1968, described his plan of action to insure the public safety, including the reorganization of law enforcement functions.

Mr. ROSENTHAL. When you use the word "drug abuse" you include the word "narcotics?"

Mr. HUGHES. Yes, sir.

Mr. ROSENTHAL. Mr. Chairman, with your permission, could someone now or later define for the committee what the differences are between drugs and narcotics, what they are and the differences?

Chairman BLATNIK. Yes. We will get the definition from the Bureau, from HEW and also the Narcotics Control Bureau.

Mr. HOLIFIELD. I think it is pretty easily explained.

Mr. HUGHES. I would be glad to try a generalization. I think the experts can do it better, perhaps.

Generally speaking, the narcotics are the addictive, so-called, drugs—cocaine, heroin, opium. The other drugs, the depressant-stimulant drugs, are drugs which have legitimate uses but which are subject to abuse.

Mr. ROSENTHAL. But not addictive?

Mr. HUGHES. Generally they are not considered addictive in the sense that the opiates are, heroin, cocaine, and so on.

Mr. HOLIFIELD. Isn't it true that marihuana and LSD, that type of synthetic drug, in that field, not the narcotic field, not the synthetic narcotic field, are not considered habit forming; there is no physiological problem of withdrawal which is concomitant with the narcotics?

Mr. HUGHES. That is my understanding.

Mr. HOLIFIELD. There is a bodily resentment against withdrawal from narcotics and there isn't in the case of marihuana, LSD, and that sort of thing, as I understand it. They may want to go back to them but there isn't the bodily need for it.

Mr. HUGHES. That is my understanding, Mr. Chairman.

Chairman BLATNIK. Since we have Mr. Finlator, would you give us your definition?

Mr. FINLATOR. I don't know that I am competent. Should I write it or speak on it?

Chairman BLATNIK. Any way you wish.

Mr. HOLIFIELD. Speak on it.

Chairman BLATNIK. Speak on it and you can revise or extend your remarks.

Mr. FINLATOR. I don't know that I am competent to speak on this subject, sir. In the scientific world sometimes we have a different language than we do in the other world.

The narcotics are physically habituating or dependent-producing. That is, the opiates and that type of drug. Whereas, the hallucinogens, such as marihuana, are not physically addicting but they maybe psychologically dependent-producing.

The amphetamines are also psychologically producing but not physically habit forming; whereas the barbiturates, very strongly so, and you have the same type of withdrawals as you do from the sleeping pills, goof balls, barbiturates, and others as you do from narcotics.

Mr. HOLIFIELD. There is a division between the nonnarcotic drugs. Some are habit forming and some are not.

Mr. FINLATOR. The narcotic drugs, as I understand it, the opiates are all habit forming. To use a better word than habit forming they are strongly physically dependent-producing.

Chairman BLATNIK. They cause distinct chemical reactions on a chemical functioning of the system of the body, and produce extreme, severe distress, perspiring, nausea.

Mr. FINLATOR. That is right.

Chairman BLATNIK. The symptoms literally compel them to get another dose, shot, to compel them to alleviate the extreme distress.

Mr. FINLATOR. Maybe psychologically but not physically.

Chairman BLATNIK. I am talking about physically.

Mr. FINLATOR. Yes. And the person who gets into the drug syndrome does use other drugs, and other drugs, and other drugs. Whether it is psychologically or physically is a question that you will have to ask the scientists who have studied it.

Basically the hard narcotics from the opiates and barbiturates are physically dependent-producing drugs. The others are psychologically dependent-producing. That is basically the difference.

Chairman BLATNIK. Mr. Giordano?

Mr. GIORDANO. The only thing I can add, with narcotics you have both the physical and psychological dependence. You have in narcotics the difference between that and barbiturates in that you have a tolerance. With narcotics it calls for increasing dosages, whereas with barbiturates it is not necessarily so.

However, both barbiturates and narcotics have the same withdrawal syndrome to a degree. With narcotics there is the need for increasing dosage.

Chairman BLATNIK. LSD requires increasing dosage. Doesn't the body develop a tolerance on LSD which is not a narcotic?

Mr. FINLATOR. I beg your pardon?

Chairman BLATNIK. Doesn't the use of LSD require ever-increasing dosages? Does the body develop a tolerance for it?

Mr. FINLATOR. No, sir.

Chairman BLATNIK. I had better check. I thought it did.

Mr. HOLIFIELD. Mr. Chairman, I visited a narcotic hospital near my district, and I have watched the terrible physical ordeal of a narcotic victim that was deprived of narcotics to the point where, as the chairman said, there was an extreme body reaction, nausea, perspiration, chills, shaking to the point where they had to be actually tied to the cot. They were completely out of their minds. Just one little shot of narcotics would ease that completely and bring them to where they acted like normal people.

I haven't seen LSD active. I have never met one. I have never seen the body effect, the physiologic effect, that accompanies denial of LSD or speed or any of those things.

My understanding was that there wasn't this violent, physical reaction which occurs with narcotics.

I agree with Mr. Giordano. This is from a matter of personal observation of an individual that I knew personally. He confined himself, signed his own commitment papers to an institution to get away from the addiction on narcotics. He did this not once but two or three times, which in itself showed an intense desire to get away from the narcotic addiction because he had to go through tremendous pain every time that he did this, in his withdrawal. Yet there was also the psychological addiction, that even after he was completely cured, after some months in these institutions, he was completely cured as far as the physical craving was concerned. There was still the mental addiction that caused him to fall prey to a narcotic pusher within a couple or 3 weeks after he got out of the institution.

That was my own personal experience with narcotic addiction.

I haven't had any with LSD, speed, or the other new things, because they have come along in recent years.

Chairman BLATNIK. Will you proceed, Mr. Hughes?

Mr. HUGHES. A major purpose of Reorganization Plan No. 1 is to strengthen the enforcement of the Federal laws relating to narcotics and other dangerous drugs. In addition, since the plan will concentrate more Federal authority and resources in the Department of Justice, it will strengthen overall criminal law-enforcement at all levels of government.

Responsibility for apprehending criminals and controlling crime is fragmented among many Federal, State, and local agencies, each with limited jurisdiction. Criminals, however, do not respect jurisdictional lines.

Nowhere is law enforcement responsibility more fragmented than in matters related to narcotics and other dangerous drugs. The illegal importation of heroin is a major source of income for organized crime syndicates. Yet the Attorney General directs the Federal drive against organized crime, while enforcement of the Federal narcotics laws is under the jurisdiction of the Secretary of the Treasury. The illicit internal traffic in narcotics also violates State laws, and drug addicts are stealing millions of dollars worth of property each year to support their habits. Therefore, suppression of that traffic is a common concern

of Federal, State, and local authorities. Professional criminals also have moved into the illicit distribution of other dangerous drugs; such as LSD, which are subject to control by the Secretary of Health, Education, and Welfare. As the President noted in his transmittal message, "more than nine out of 10 seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana—but that Bureau has no jurisdiction over marihuana."

Moreover, the criminal elements which traffic in narcotics and dangerous drugs are involved in a great variety of other criminal activities which fall within the jurisdiction of State and local governments.

To help overcome the ineffectiveness and inefficiency caused by jurisdictional problems, law-enforcement agencies have built a complex web of communication and cooperation. Some States, such as California and New York, have established data centers, which are widely used. At the Federal level, the Department of Justice, the Bureau of Drug Abuse Control, and the Bureau of Narcotics exchange information and have extensive cooperative relationships with each other and with State and local law-enforcement agencies. Yet the President's Commission on Law Enforcement and Administration of Justice found that coordination and cooperation among law-enforcement agencies are not adequate to the need. It made a number of recommendations, including a central role for the Organized Crime and Racketeering Section of the Department of Justice in gathering, analyzing, and disseminating information needed by law-enforcement agencies throughout the country.

Executive Order No. 11396 of February 7, 1968, directs the Attorney General to facilitate and coordinate all Federal law-enforcement and crime-prevention activities and all Federal programs for assisting State and local law-enforcement agencies. The pending Safe Streets and Crime Control Act would give the Attorney General even broader authority for supporting State and local agencies through training programs, technical assistance, and grants-in-aid.

But the Attorney General and other law-enforcement authorities face unnecessary difficulties under present executive branch organization. This reorganization will eliminate those difficulties in the field of narcotics and dangerous drugs, and permit more effective use of Federal resources available for law enforcement, research, and public education with respect to drug abuse. It will give the Attorney General direct control over additional important resources for assisting State and local governments. At the same time, officers responsible for enforcement of the narcotics and dangerous drug laws will be placed under a Cabinet officer whose primary concern is law enforcement, thereby assuring them the strongest possible interest and support from the departmental level.

In 1949 the first Hoover Commission recommended that the Bureau of Narcotics be transferred to Justice. In lieu of reorganization, however, President Truman sought to strengthen coordination at the Federal level by establishing the Interdepartmental Committee on Narcotics.

In 1963 the President's Advisory Commission on Narcotics and Drug Abuse again recommended that responsibility for enforcing the narcotics laws be transferred to Justice, along with responsibility for

control of dangerous drugs. Although the latter Commission recommended that the regulatory functions of the Bureau of Narcotics be transferred to HEW, the President, after careful consideration, has decided that the Bureau's functions should not be split.

In addition to transferring narcotics and dangerous drug functions, the reorganization plan contains provisions to assure strong organization and leadership within the Department of Justice. It would establish a Bureau of Narcotics and Dangerous Drugs, to be headed by a Director of Narcotics and Dangerous Drugs. The Director would be appointed by the Attorney General to a position in the competitive service, and would be compensated at level V of the executive schedule pay rates.

The plan also would establish two positions to be compensated at GS-18 of the general schedule and two positions at GS-16, all to be filled by appointment of the Attorney General in the competitive service. The existing Bureau of Narcotics and the Office of the Commissioner of Narcotics would be abolished.

The reorganization plan is an important part of the President's program to make our streets safe and to protect our society from the dangers of drug abuse. The Bureau of the Budget strongly recommends that Congress allow the plan to become effective.

As an addendum to my statement, Mr. Chairman, it might, in the light of our discussion the other day regarding the extension of the Reorganization Act, be advisable to make specific reference to the statutory purposes of the Reorganization Act as set forth in that act which would be accomplished by Reorganization Plan No. 1.

The reorganization obviously has several purposes as its objective.

I think the principal ones are, first of all, in the terms of that statute, to promote the better execution of the laws; second, to group, coordinate, and consolidate agencies and functions of the Government as nearly as may be according to major purposes; and third, to increase the efficiency of the operations of the Government.

Those are quotes, selected quotes from the act itself.

That concludes my statement, Mr. Chairman.

Mr. Schnoor and I will be glad to respond to your questions as best we can.

Chairman BLATNIK. Mr. Hughes, it is obvious, as appears in practically the entire testimony, all the weight of your testimony is in behalf of strengthening and improving enforcement, which I agree is necessary.

At the same time there are those, such as the American Psychiatric Association, which have taken a position paper on the reorganization plan. We are also concerned with the medical aspects and there is a good deal of responsibility to this complicated problem with John Hatfield.

While there are some distinguishing problems of importation, regulation, control, trafficking in drugs, and other related matters such as enforcement, which properly fall within the province of law-enforcement agencies, they have no objection to this. They do object to transferring the functions of the Department of Health, Education, and Welfare.

They say a good deal of this is also a medical problem, psychiatric problem, pharmacology, et cetera. You don't say much about the

health, chemical, and pharmacology aspects, et cetera, and the human behavioral aspects.

Would these be given a equal role or substantial role in this new bureau?

Mr. HUGHES. It seems to us—

Chairman BLATNIK. Would that be left to the Attorney General?

Mr. HUGHES. It seems to us, Mr. Chairman, that the reorganization plan by fixing in the Department of Justice, and under the responsibilities of the Attorney General, the enforcement and control responsibilities, the regulatory responsibilities with respect both to narcotics and dangerous drugs, that the problem of drug use and abuse is brought into the proper perspective.

The emphasis, as we see it, on the control side of this problem should be on law enforcement and it is on that account that we support this transfer to the Department of Justice.

We certainly recognize the complexity of the problem and I think Dr. Lee's testimony this morning was very supportive of the range of the problem and the many aspects that it has.

Certainly nothing in the plan would affect—I think Dr. Lee made this clear—the Department of Health, Education, and Welfare's scientific and medical interests in the causes of drug addiction and in the scientific and medical aspects of that problem.

He pointed out that there are many segments of the Department working in one way or another on the problem of drugs and drug addiction and that the interest of the Department would continue in the sociological, the psychological, the medical aspects of that problem, and indeed that the Department would be very supportive of the Department of Justice in those areas where it has special competence. The plan does, however, consolidate the enforcement responsibilities in Justice.

I think Dr. Lee quite properly characterized these as control and enforcement responsibilities rather than health or medical or psychiatric responsibilities.

Chairman BLATNIK. What is the number of personnel in your Department in dangerous drug control—in the Bureau of Dangerous Drug Control, in Health, Education, and Welfare? Would that be about 526, in rough terms?

Mr. HUGHES. 466 at the present time, Mr. Chairman.

Chairman BLATNIK. 466 at the present time?

Mr. HUGHES. Yes.

Chairman BLATNIK. How many of these is it anticipated would be transferred to the proposed new bureau in Justice?

Mr. HUGHES. Potentially all of them, Mr. Chairman. I think Dr. Lee and Mr. Finlator discussed this morning the laboratory problem and the fact that at least for the time being, that scientific and technical work would remain in the Department of Health, Education, and Welfare.

However, those are employees of the Bureau of Drug Abuse and Control and would be a part of that Bureau's budget.

Chairman BLATNIK. Many health and medical and pharmaceutical-related scientists would be transferred over to Justice of these 466; is that not true? All of them?

Mr. HUGHES. All of those that are involved in these numbers would be. There are, of course, many other segments, as Dr. Lee pointed out this morning, of Health, Education, and Welfare, that are interested in and concerned with this problem. He mentioned the National Institutes of Mental Health and the Public Health Service and so on.

Chairman BLATNIK. You still haven't clarified how these functions will be related to each other, how they will be balanced off, with all the emphasis on enforcement.

Is enforcement the major primary source of coping with the drug problem?

Mr. HUGHES. The purposes of the plan are, I think, twofold, really, Mr. Chairman.

One of them is to consolidate and thereby improve the enforcement machinery, the drug control machinery. The other purpose, other direct purpose, is to strengthen the Department of Justice's hand and the Attorney General's hand in dealing with problems of crime and particularly of organized crime.

The plan does not affect the capacity of the Federal Government, the Department of Health, Education, and Welfare or for that matter other segments, to deal with the kinds of sociological or psychological problems which you referred to.

These components, primarily of Health, Education, and Welfare, would be unaffected by the transfers that the plan accomplishes.

The medical advice, the scientific advice available to the Attorney General as a lawyer, who would make significant decisions with respect to the drugs themselves, the scientific advice that would be available to him under the terms of the plan, would be the same kind of advice and as extensive as is now available to the Secretary of Health, Education, and Welfare.

The Secretary, who just left, was an educator. The one who is acting is a public administrator. And these people also have been dependent on the advice of medical experts of the sort that the Attorney General can draw on to help them in carrying out their enforcement and control and regulatory responsibilities.

Mr. HOLIFIELD. Mr. Chairman, I think this is an important statement.

Chairman BLATNIK. Mr. Holifield.

Mr. HOLIFIELD. It clearly sets forth the fact that whether it is the Secretary of the Treasury or the Secretary of Health, Education, and Welfare, or the Attorney General, they are all administrative officers, executive officers. They have varied duties in each one of these areas of responsibility, and they depend upon experts, specific experts, technological experts in certain fields to advise them.

There is no particular virtue in whether it is the Treasury Secretary or the Secretary of Health, Education, and Welfare, or the head of the Department of Justice because they are all men who are Cabinet appointees. They are all chosen by the President and confirmed by the Senate, and they are all supposed to have a certain amount of capability in the field of administration.

Certainly where we are dealing with a function of law enforcement, the man responsible for the overall law enforcement of the United States where the Federal Government is concerned, it seems to me, is more fitting than a very fine individual who might be in these other

departments where the major function of that department is in a completely different field.

Mr. HUGHES. That is our feeling, Mr. Holifield. I would reiterate the statement made this morning, that the Bureau of Narcotics in the Treasury Department has functioned very effectively over a long period of years separate from the medical institutions or the medical organization of the Government.

Mr. Giordano and his predecessors obviously have had medical experts in their own organization. But they do not have the total resources that the—

Chairman BLATNIK. The medical experts—and I would rather not speculate on this—are experts only in the area, largely the area that is the prime responsibility of the Bureau of Narcotic Control. They wouldn't be experts in the broader fields of pharmacology, the chemistry of the body, the side effects.

Mr. HUGHES. I think that is right, Mr. Chairman. And it is on this account that they need to call on other experts in the Government, and I am certain outside of it, for expert advice in these areas. And they have very successfully done that.

Mr. Giordano can testify to this and to his practices with respect to the use of his own and of HEW experts and of those outside of the Government more effectively than I can. But I am confident—

Chairman BLATNIK. At this point I am saying something is missing somewhere. I can't put my finger on it. This is a big problem. There is no question it is increasing and increasing rapidly in certain areas.

The proliferation of the drugs themselves, the synthesizing of exact duplicates, the enlargement of the families of drugs related, or some related, to chemical reactions. In addition to that the ever-increasing use among the young people, as you state here, where the increase jumped in the last few years is a tremendous problem.

I am not satisfied yet that somehow or other an arrangement can't be made in a highly complicated, frustrating field, involving the best of medical specialists, involving the best of psychological, psychiatric, pharmacological, other specialists together, combined.

The American Medical Association has a committee working, and I heard of this only last week, and they don't know what the answers are. I can't believe that no matter how well meaning, how dedicated, how able an enforcement officer is, with medical background, that he will know enough even to ask about, to what agency to go to ask for particular help on the medical aspects. It is too fragmented.

It is supposed to be consolidated, to bring all these things together. I just don't see it.

Mr. HUGHES. Mr. Chairman, it seems to me that the problem needs to be divided into its parts. One part of the problem is drug enforcement and control and the prevention of misuse of both narcotics and other dangerous drugs.

That problem is the problem on which this plan is focused. It seems to us that as a byproduct of the clarification of responsibility and the straightening out of line of authority and responsibility with respect to the enforcement and the control problem, the remaining institutions of Government, the Secretary of Health, Education, and Welfare and the component parts of HEW that are concerned with these problems,

can better perform their somewhat different functions of scientific analysis of drugs, of medicines in general, of chemicals in general, of pharmaceutical problems, and the analysis of the effects of drugs, and the psychology and sociology of those who use drugs. They can better perform those functions if they are separated from the responsibility for enforcing laws that pertain to the protection of citizens from drug pushers and from drug abuse.

Chairman BLATNIK. I am still not clear. I am for a centralized authority, of a more comprehensive control and approach to this problem. Perhaps we are covering too much territory.

Maybe we should limit ourselves to the enforcement aspects and cover those as much as we possibly can, and somehow take care of the other medical and psychiatric and chemical problems through different agencies.

Getting back to the table of your new bureau, the economist would be at schedule V. What does that mean?

Mr. HUGHES. There are five levels of executive pay. This is the fifth level. It would be at \$28,000.

Chairman BLATNIK. How does the scale run upward? Is I higher than V?

Mr. HUGHES. I is higher than V. I is Cabinet level and is \$35,000, down to level V which is \$28,000.

Chairman BLATNIK. The reason I ask, is the Bureau of Drug Abuse Controls now in the Food and Drug Administration?

Mr. HUGHES. That is correct.

Chairman BLATNIK. The Food and Drug Administration is one of the eight operating agencies under the Secretary of Health, Education, and Welfare, the operating agencies being, for example, Public Health Service, Office of Education, Social Security Administration, Vocational Rehabilitation Administration. When we get to Treasury we find the Bureau of Narcotics, at least on the chart I have, is at the bottom.

As I interpret the chart the Bureau would be on a comparable level with the U.S. Savings Bonds Division or Bureau of the Public Debt or Bureau of the Mint; is that correct?

Mr. HUGHES. In an organizational sense that is correct.

Chairman BLATNIK. It is far down the scale, isn't it?

Mr. HUGHES. Those are the operating components of the Treasury Department that you were referring to, Mr. Chairman.

Chairman BLATNIK. If we combine a few, giving more authority, we will also elevate—

Mr. HUGHES. One of the purposes of the plan is, by consolidating, to increase the size and the capacity of the organization. It would be headed by this level V appointee, appointed by the Attorney General.

Chairman BLATNIK. The level V would be in charge of a bureau?

Mr. HUGHES. That is correct.

Chairman BLATNIK. Is that a level like the Bureau of Prisons? Would it be about that level in the organizational structure?

Mr. HUGHES. Yes, it would report directly to the Attorney General but would be one of the operating bureaus.

Chairman BLATNIK. Directly to the Attorney General or Deputy Attorney General.

Mr. HUGHES. To the Attorney General or the Deputy. This would be dependent on their arrangements.

Chairman BLATNIK. Mr. Holifield?

Mr. HOLIFIELD. No questions.

Chairman BLATNIK. Mr. Erlenborn?

Mr. ERLBORN. I will defer to my colleague, Mr. Edwards.

Chairman BLATNIK. Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Chairman.

Mr. Hughes, on page 2 of the statement you refer to 1963 marihuana seizures at the borders.

Mr. HUGHES. Yes, sir.

Mr. EDWARDS. That is no doubt a Customs seizure?

Mr. HUGHES. Either that or joint, Mr. Edwards.

Mr. EDWARDS. Customs would be involved?

Mr. HUGHES. Yes, sir.

Mr. EDWARDS. Marihuana comes under the Bureau of Narcotics in the Treasury Department, does it not?

Mr. HUGHES. That is correct.

Mr. EDWARDS. So that you have two agencies, Customs and Treasury, coordinating within the same Department on the seizure of 6,000 pounds of marihuana?

Mr. HUGHES. That is correct.

Mr. EDWARDS. Isn't it true that organized crime really has not moved into the marihuana field. Or would you know?

Mr. HUGHES. I think you should probably address that question to somebody who is more of an expert in that than I. My understanding is that it has, at least to some extent. I don't know the extent.

Mr. EDWARDS. Do you know to what extent organized crime has moved into the pill field?

Mr. HUGHES. LSD?

Mr. EDWARDS. The drug field, LSD.

Mr. HUGHES. My understanding is it is extensively, at least in the LSD field. Amphetamines, barbituates, I am not sure. It is in that business to some extent but I am not sure.

Mr. EDWARDS. Whatever you say would be hearsay?

Mr. HUGHES. I am not an expert in law enforcement.

Mr. EDWARDS. It is a fact, is it not, that when the Hoover Commission issued its 1949 report there was no such thing as BDAC?

Mr. HUGHES. That is correct.

Mr. EDWARDS. And after there was such a thing as BDAC, the Prettyman proposal came in. I am informed BDAC was actually contemplated by the Prettyman report. That report proposed that all regulatory functions go to HEW and the enforcement go to Justice.

Mr. HUGHES. That is correct.

Mr. EDWARDS. And then the President's Commission on Crime came in last year with a report. It is true, is it not, that that Commission made no recommendations concerning the merger of these two Bureaus?

Mr. HUGHES. That is correct.

Mr. EDWARDS. Does that mean anything to you?

Mr. HUGHES. It means that views have differed somewhat over the years on how to deal with the problems of narcotics and narcotics abuse.

The Commission did recommend the consolidation of authority in the Attorney General to facilitate his control over crime in general and organized crime in particular.

I tried in my statement to deal with the difference in the Hoover Commission and in the Prettyman Commission recommendations.

Mr. EDWARDS. In your statement concerning the Prettyman Commission, on page 5, you state about the middle of the page:

Although the latter Commission—
that is, Prettyman Commission—

recommended that the regulatory functions of the Bureau of Narcotics be transferred to HEW, the President after careful consideration has decided the Bureau's functions should not be split.

But in fact, the Reorganization Plan No. 1 does split the functions; does it not?

Mr. HUGHES. No. With respect to regulatory and enforcement functions, the plan proposes that the Bureau of Drug Abuse and Control and the Bureau of Narcotics in their entirety, be moved to Justice.

Mr. EDWARDS. With the exception of counterfeit drugs, I believe, in the Bureau of Drug Abuse.

Mr. HUGHES. Insofar as the counterfeit drugs are so-called dangerous drugs, they would move also, I believe.

Mr. EDWARDS. But control of drugs would stay in the FDA.

Mr. HUGHES. The nondangerous drugs—drugs handled outside the Bureau of Drug Abuse and Control—and responsibility for whatever Federal statutes require with respect to them, would remain in the Food and Drug Administration.

Mr. EDWARDS. Yet we heard considerable testimony this morning as to the continuing need for coordination between Justice and HEW, if this reorganization plan becomes effective, because there would be duties and responsibilities in both agencies still. So that there is a split. Everything is not really being transferred to the Department of Justice.

Mr. HUGHES. I think, Mr. Edwards, again the question is whether we would look at the problem of drug control and drug abuse as a law-enforcement problem or not. It is our feeling that the law-enforcement aspects of that problem can and should properly be consolidated in the Department of Justice with those other aspects of the very complex drug problem remaining where they are, essentially—in HEW as health problems, physical health, psychological health, as pharmacological problems, scientific analysis problems, and so on.

Mr. EDWARDS. The President said, not long ago, I think about February 7, that the Attorney General was going to be "Mr. Big" in crime from now on.

Mr. HUGHES. Was that his word?

Mr. EDWARDS. That is what I read in the paper. I certainly wouldn't want to misquote him. That was my recollection.

And then a month later, Reorganization Plan No. 1 was sent to the House and the Senate. Can we assume that this is a forerunner of other plans which would transfer the Alcohol and Tax Unit to the Justice Department, the Customs Bureau to the Justice Department? Do you know of any plan afoot to really make this a superagency having all crime aspects within its area of responsibility?

Mr. HUGHES. There are no further reorganization plans contemplated affecting law-enforcement agencies. The relationships between the new Bureau and the Bureau of Customs would remain essentially the same as they have been between the two old Bureaus and the Bureau of Customs, for instance. No changes.

Mr. EDWARDS. We had, as I mentioned earlier this morning, considerable hearings in another subcommittee on the subject of organized crime. It has been my impression for many days of hearings that the coordination between Federal agencies in working with the Justice Department had been pretty good. At least all those who came and testified. That would include the Bureau of Narcotics and the Drug Abuse Control Bureau as well. They bragged, I thought, about the tremendous network of coordination between their agencies and other Federal agencies involved in enforcement and the Justice Department. They all seemed to put Justice at the top, as the leader, and they all coordinated with Justice.

The President, on February 7 of this year, issued Executive Order 11396. I think this was at the same time he declared the Attorney General would be "Mr. Big." This provided for the coordination by the Attorney General of Federal law enforcement, the crime-prevention program. That is certainly laudible. I am wondering what it is about this particular situation that is different from the other Federal law-enforcement agencies that you say are not at this time being brought into the Justice Department.

Mr. HUGHES. First, with respect to the Executive order which you mentioned, the President—and I am reading from his message—said:

I signed this morning an Executive order designating the Attorney General to coordinate criminal law enforcement activities of all Federal departments and agencies, coordinate all Federal programs that assist State and local law-enforcement and crime-prevention activities.

And then he went on to say:

The Attorney General would establish a special office in the Justice Department to carry out this work.

And so on.

Later in the same message, and as part of his effort to better mobilize Federal resources to cope with the problem of crime in general and the problem of narcotics, drugs in particular, he went on to outline the recommendations which are reflected in Reorganization Plan No. 1 with respect to control of drugs.

He had, I think, two purposes in mind. One was the purpose of concentrating in a single agency and in the law-enforcement agency of the Federal Government the now separate responsibilities for control of dangerous drugs on the one hand and narcotics on the other. And as an adjunct of that, and an equally important purpose, to give the Attorney General through that reorganization a new tool, in effect, to deal with the problem of organized crime which has used drugs to finance its activities, and to carry on other forms of crime which the President dealt with in his message.

Mr. EDWARDS. Was there any complaint about the way the Treasury Department, through the Bureau of Narcotics, handled the enforcement of drugs?

Mr. HUGHES. Not to my knowledge. I think the two separate agencies, recognizing the problems of dealing across organizational lines

in matters of law enforcement, are working together well, and worked with separate components of their separate agencies well, and have worked with Justice. The problem is that those relationships are more complicated than they need to be, than they should be.

Mr. EDWARDS. I doubt if anybody would disagree with you on that. I think you are right.

There is a lot of duplication in the field between the two agencies, wouldn't you think?

Mr. HUGHES. One of the reasons for the consolidation is to make it easier to deal with these kinds of problems. That is precisely the focus, one of the purposes of the plan. Not the only one obviously. In consolidating them organizationally, the new Chief of the Bureau, the new Director of the Bureau, will better be able to deploy his personnel and use his resources.

Mr. EDWARDS. Are you familiar with the records, the conviction records, of the Department of Justice, as opposed to the Department of Treasury and its enforcement agencies?

Mr. HUGHES. Not in any—

Mr. EDWARDS. You can't make any real comparison?

Mr. HUGHES. No, sir.

Mr. EDWARDS. Would it surprise you if I told you that the Department of Treasury had a better record of convictions than the Department of Justice on organized crime?

Mr. HUGHES. I guess it would, since I have not had the information. I don't know what the factors are that produce either the record or the statistics.

Mr. EDWARDS. What do you see as the real area of responsibility of the Attorney General of the United States?

Mr. HUGHES. Obviously, he has several areas. He is, as the President has pointed out and as the plan emphasizes, the chief law-enforcement officer from the standpoint of Federal statutes.

Mr. EDWARDS. Chief prosecutor?

Mr. HUGHES. He is a prosecutor, he administers the Bureau of Prisons. He is legal adviser to other agency and department heads and, of course, to the President himself. He has other functions.

Mr. EDWARDS. Do you see him in the social science regulatory and health field?

Mr. HUGHES. He is a grantor of funds for the improvement of law enforcement and crime prevention. I don't think I personally see this as a social service function per se, but it is among the many areas of Government where departments tend to merge and blend, and when he makes grants for law-enforcement purposes he may be working toward some of the same ends as the Department of Health, Education, and Welfare works toward.

Mr. EDWARDS. Did your Bureau prepare planning—programing—and budgeting surveys or reports on this proposed reorganization? Is it called PPB?

Mr. HUGHES. The short answer is "No," it did not. I don't regard it as that kind of a proposal.

Mr. EDWARDS. Do you see any economy or efficiency in this proposal?

Mr. HUGHES. We see the kinds of accomplishments which I mentioned at the end of my opening statement. We think that the better

execution of the laws would be facilitated by placing in the hands of the Attorney General these kinds of additional authorities and responsibilities. And we think that, as another goal of the Reorganization Act, the grouping and the coordination and the consolidation of these functions is in accord with major purposes as the act describes. We have not felt in our own analysis that there were dollar and cents, direct dollar-and-cents results from this reorganization.

Mr. EDWARDS. So you don't know if there are any specific economies involved?

Mr. HUGHES. We are not saying there are any direct savings as a consequence.

Mr. EDWARDS. Are you saying there is efficiency?

Mr. HUGHES. Yes, we do.

Mr. EDWARDS. And you are saying then that there is no need, as you understand the law, or the regulations, for planning—programming—budgeting studies where only efficiency is involved?

Mr. HUGHES. I think at some point in the evolution of the new bureau the people who manage it, and we in turn would want to examine the organizational structure and compare it with other possible approaches. We have in the reorganization plan tried to set forth what we think is an improvement, the best one we can get to, from the present structural arrangements. These are judgment matters and they are not the kinds of considerations which lend themselves to economic analysis, for example.

Mr. EDWARDS. You have not prepared such an analysis in this case?

Mr. HUGHES. Not in that form; no.

Mr. EDWARDS. Do you have any kind of management surveys or studies, or have you had consultants look at this and have they prepared any type of studies or surveys supporting this proposal?

Mr. HUGHES. There have been a variety of sources of analysis of this point, starting, as I indicated, with the Hoover Commission. As the subject has come up repeatedly, we have endeavored to make our own evaluation in an attempt to move toward what we think would be more effective means of enforcing the law. But we have not carried on any formal reviews outside of our normal review process.

Mr. EDWARDS. Whose idea was this, this reorganization plan?

Mr. HUGHES. It has come up repeatedly. I don't know where the genesis was. The Hoover Commission gave impetus to a whole array of reorganizations. This was among those that were then proposed, but was not at that time accomplished. It has been brought up again and again. The Prettyman Commission made perhaps the most recent formal public examination of the present arrangement. This time around, I think the President got the idea, or perhaps the idea was suggested to him out of his general consideration of the problems of crime, or some consultants suggested it to him as a tool that would be of help to the Attorney General in a general effort to fight crime.

Mr. EDWARDS. The law today, in authorizing the Commissioner of Narcotics to designate agents as customs officers, allows him to assign these agents to duty at ports of entry and other places designated by the Commission. I am wondering whether this authority will be transferred to the Attorney General?

Mr. HUGHES. The relationship between the new Bureau and the Customs Bureau would be identical with the present relationship between the Bureau of Narcotics and Customs.

Mr. EDWARDS. To that extent you would strain somewhat the present principle of coordination between Narcotics and Customs, would you not? You would be moving it from an in-house department, so to speak, to another department. And to that extent there would be some additional coordination problems. Wouldn't you see it that way?

Mr. HUGHES. Instead of the two bureaus coordinating within a single department, they would need to coordinate as bureaus of two different departments but in the same fashion that the Bureau of Narcotics now coordinates with appropriate portions of HEW, as well as Customs and State and other agencies as well.

Mr. EDWARDS. There is considerable need, though, in narcotics enforcement for the Bureau of Narcotics to coordinate with the Customs, Internal Revenue Service, Secret Service, Alcohol and Tobacco Tax Division, all of these bureaus, located in Treasury. To any extent that you move one of those out of Treasury aren't you to some extent increasing coordination problems?

Mr. HUGHES. I think Mr. Giordano could talk on a more informed basis on this point. It does not seem to me that that needs to be so. The same kind of working arrangements can exist between the new Bureau and the Bureau of Internal Revenue, for instance, as now exist.

Mr. EDWARDS. What I am trying to get over to you, Mr. Hughes, is that in trying to perhaps enhance the coordination in one field, narcotics and drugs, you are at the same time making it harder to coordinate in other fields, creating a system where we are told we presently have good coordination as it is presently set up.

Mr. HUGHES. I think the question again, Mr. Edwards, is what is the primary objective that is being sought here. Are we placing emphasis on the drug control, on the law-enforcement aspects of the situation? It seems to us that these are the vital ones if what we are talking about is preventing the abuse of drugs and the use of drugs by crime and organized crime in particular. It is in that context and because of the overriding importance of the law-enforcement relationship that it seems to us important to place these additional tools in the hands of the Attorney General.

One of the facts of present governmental life is that no matter how we organize, at least as I see it, problems of coordination of interagency relationship will remain. And the essential determination here is which relationships are of primary importance and therefore demand association within a particular agency structure.

We have placed particular emphasis on the control and enforcement aspects, hoping thereby not only to strengthen drug controls and prevention of drug abuse and drug addiction, but also to leave free to engage in the scientific study, in medical evaluation and so on, those agencies and those portions of agencies which have those objectives as their primary responsibility.

Mr. EDWARDS. Mr. Chairman, I have several questions. I note that we have to answer the roll.

Chairman BLATNIK. We will have to suspend. We have a rolleall. It is on a motion to recommit, within the final passage after that. I have to leave.

Mr. EDWARDS. Let me see if I can hurriedly ask him three more questions. I will try not to prolong it.

Chairman BLATNIK. We will have to call him back. I don't want to rush you. Whatever you wish.

Mr. EDWARDS. Maybe it would be better to come back. I think that would be best.

Chairman BLATNIK. Thank you very much, Mr. Hughes.

I thank those of you who stood by all noon.

The hearing is unfortunately adjourned. The committee is adjourned until 10 o'clock tomorrow morning.

(Thereupon, at 3:46 p.m., the subcommittee was adjourned, to reconvene at 10 a.m., Wednesday, March 20, 1968.)

(The following testimony was subsequently given on Wednesday, March 20:)

Chairman BLATNIK. Mr. Hughes, you may return to the witness chair.

FURTHER STATEMENT OF PHILLIP S. HUGHES, DEPUTY DIRECTOR, BUREAU OF THE BUDGET

Chairman BLATNIK. I believe when we adjourned yesterday you were interrogating Mr. Hughes, Mr. Edwards. So the Chair recognizes Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Chairman. I wonder if I may have unanimous consent to have Mr. Hughes' testimony today follow immediately after his testimony yesterday?

Chairman BLATNIK. Without objection, it is so ordered.

Mr. EDWARDS. Mr. Hughes, the Bureau of Narcotics is involved, at least to some extent, in the regulation of narcotics with the collection of taxes. How will the collection of taxes imposed on narcotics and marihuana be handled after the reorganization?

Mr. HUGHES. The intent, Mr. Edwards, in provisions of the plan, would provide for the same arrangements as now exist for the collection of taxes on drugs and narcotics. The customs taxes, the relationships between customs and the new Bureau would be the same as the relationships between customs and the existing bureaus.

And the same would be true of the internal revenue process.

Mr. EDWARDS. You don't foresee any coordination problem there?

Mr. HUGHES. I don't, Mr. Edwards. I think this gets to a point that you and I talked about previously, and that the Attorney General also addressed himself to. We feel that the arrangements, the cooperative arrangements that have existed between these bureaus and the taxing, tax collecting bureaus, can be continued effectively and perhaps to some extent facilitated by the fact it will be just a single bureau rather than two separate ones that the tax collecting agencies will do business with.

Mr. EDWARDS. Did the Bureau of the Budget or any other agency you know of consult with State and local governments concerning this transfer?

Mr. HUGHES. We did not consult with them, Mr. Edwards. The Attorney General commented on this point earlier. I think the only thing I could add to his comments is to point out that the Commissions which considered this, both the Hoover Commission and the Prettyman Commission, had the benefit of extensive contact with Federal, State, and local bodies in the course of preparing their recommendations.

I don't have in mind the specifics of that. But there was a great deal of consultation with local bodies in general. What the extent of this may have been, I don't know.

Mr. EDWARDS. Excuse me. Did you say the Hoover Commission and Prettyman Commission—

Mr. HUGHES. Yes, did consult extensively with other than Federal interests in arriving at their recommendations.

Mr. EDWARDS. Of course, the Hoover Commission was in 1949, as I recall, and the Prettyman Commission was in 1963.

Mr. HUGHES. That is correct.

Mr. EDWARDS. So you are not suggesting that anything has transpired since 1963 insofar as communication with the State and local agencies?

Mr. HUGHES. I have nothing to add to what the Attorney General commented.

Mr. EDWARDS. I noticed that the President's memorandum, dated November 11, 1966, to, in effect, all department heads, stated and I am quoting:

To the fullest extent practicable, I want you to take steps to afford representatives of the chief executives of state and local governments the opportunity to advise and consult in the development and execution of programs which directly affect the conduct of state and local affairs.

As far as you know, that has not been done in the recent past in connection with this proposal?

Mr. HUGHES. I think the Attorney General described the nature of his continuous involvement with State and local law enforcement officials. The consultation, the contact, and the soundings taken would have been in that sort of context, rather than in any formal communication between the Bureau of the Budget, for instance, and these agencies.

Mr. EDWARDS. I gather from what he said that those contacts would have been informal occasional visits by chiefs of police of major cities, and this sort of thing.

Mr. HUGHES. Certainly informal. But my impression was quite frequent.

Mr. EDWARDS. What are the salary ranges for the FBI agents, narcotics agents, and BDAC agents?

Mr. HUGHES. I don't know, I guess, is the shortest and most direct answer, Mr. Edwards. They are all covered within the classified service, with some special provisions that relate to law enforcement officials. To that extent, they are generally classified and paid on a comparable basis.

But I am not familiar with any detail with the schedules or the grade levels and so on.

Mr. EDWARDS. Would it surprise you if I told you the FBI agents make considerably more than the narcotics agents and BDAC agents?

Mr. HUGHES. I don't know that it would surprise me. I was not aware of it.

Mr. EDWARDS. What can you say as to the salary ranges in the new Department, if anything?

Mr. HUGHES. Well—

Mr. EDWARDS. Let's assume there is a discrepancy, or there is a difference. Do you know of any intention to bring one agency up to the level of the other?

Mr. HUGHES. I am not—from the present circumstances, as in the new circumstances, since all of the departments involved, all of the bureaus involved, are part of the classified service, the present pay rates should be, and, absent evidence to the contrary, I would maintain the payments are made on a comparable basis, and whatever differentials there are in favor of one type of investigator or officer as compared to another presumably reflect differences in either the length of service, the type of work performed, or perhaps in the hours of work performed.

There may be an overtime consideration. I don't know. But I would think that—I am confident that the consolidation, the reorganization by itself would not affect the relative pay status of the ordinary examiner one way or another.

It might lead to changes in duty assignments or hours of work that would affect this. But by itself it would not.

Mr. EDWARDS. Mr. Finlator, I believe, testified yesterday that some 60 laboratory positions would remain over at FDA, certainly for the foreseeable future. Does that offend the reorganization plan as you understand it, where the plan says that everything will be transferred?

Mr. HUGHES. The plan, Mr. Edwards, authorizes the transfer of a package of personnel and functions and responsibilities. It leaves to be worked out the specific positions and the specific organizational elements and equipment and so on to be transferred.

That is in the discretion—I think the arbitrator is the Director of the Bureau of the Budget. And also the timing is in the discretion of the Director. I don't see any conflict between the objectives of the plan and a decision to delay or perhaps not transfer a component of responsibility which may at least for the time being be better performed in the existing agency environment than in the new.

Mr. EDWARDS. Well, section 2(a) of the reorganization plan reads:

The functions of the Secretary of Health, Education, and Welfare under the Drug Abuse Control Amendments of 1965 (Public Law 89-74, 79 Statute 226), except the function of regulating the counterfeiting of those drugs which are not controlled, depressant or stimulant drugs.

This will be transferred to the Attorney General now, I presume.

Mr. HUGHES. The act, or the plan, would transfer the function, and the Attorney General would be functionally responsible for carrying out these activities. The physical location of the activities could be worked out by agreement among the parties at interest.

But I think under the terms of the plan the Attorney General would clearly be the responsible party. He would also be paying for the laboratory service.

Mr. EDWARDS. You mean in theory the Attorney General could become the new head and everybody else would stay right where they are?

Mr. HUGHES. Well, I guess that is—

Mr. EDWARDS. It is a highly theoretical question.

Mr. HUGHES. It is a highly theoretical possibility. You will notice the later provisions of the plan provide for the working out of the arrangements for the transfer of the particular personnel and organizational entities, I think section 6(b) deals with this, and there could be arrangements desirable to time the particular personnel moves, and so on, in accordance with the dictates of good management and orderly arrangements. And that is all that is contemplated here.

Mr. EDWARDS. Section 6(b) refers to other positions, does it not? Line 3 of section (b).

Mr. HUGHES. That is correct, Mr. Edwards. I think we perhaps would want to seek Mr. Finlator's advice on this. I am not sure whether the lab people are within the Bureau of Drug Abuse Control or in a separate bureau. I think they are in a separate bureau. And they therefore are covered in 6(b).

Mr. EDWARDS. I will be glad to have him answer the question. I recall that he said these were BDAC people.

Mr. FINLATOR. I hope I didn't give you a misconception on it. What I intended to say is, there are these people in the other part of FDA, in their 17 laboratories, that are funded as support activities for the BDAC budget.

They are support activities.

Mr. EDWARDS. You pay them?

Mr. FINLATOR. We pay them; yes, sir.

Mr. EDWARDS. They are BDAC employees?

Mr. FINLATOR. Well, I don't know whether I pay them or not. FDA pays them, or HEW. But they are a part of the support activities of the BDAC function, which can go administratively immediately over to the Department of Justice, or it can remain there, whichever is administratively feasible.

Mr. EDWARDS. Where do you get that authorization? Where the reorganization plan says that all functions of BDAC—

Mr. FINLATOR. Yes. I think this is a matter of administrative fiat, which is the best way to do it. And I don't believe that we are at the place yet to determine what we would do with these 60 people if we brought them over on April 8.

Mr. EDWARDS. I think you are making my point, Mr. Finlator. I don't know that we are at the point where we can really determine whether any of these people ought to go yet.

Mr. HUGHES. Obviously, I guess, Mr. Edwards, we would have to disagree with you.

Mr. EDWARDS. Surely.

Mr. HUGHES. The plan quite clearly says under the sections which we referred to earlier and 6(a) that certain transfers take place and that certain functions are transferred from one department to the other. There obviously remains the question of determining the specific organizational elements and personnel and equipment that would move, and particularly those components of the Department which should move, of the Food and Drug Administration, which should move with the Bureau of Drug Abuse Control, even though they may not at the moment be integral parts of that Bureau.

This is the standard language of reorganization acts. And it is necessary to deal with the case-by-case problem of who to move and when to move them.

Mr. EDWARDS. I expect you and I will never resolve our disagreement, because I read 6(a), for example: "* * * hereby transfer to the Department of Justice all of the positions, personnel, property, and so forth." Let me ask you what section 6(c) means.

Mr. HUGHES. It is essentially a housekeeping or a tidying-up provision. In the words of the section, it is to authorize the Director of the Bureau to effectuate other transfers that are necessary to carry out the purposes of the plan, to work with the agencies concerned, and accomplish the housekeeping transfers that would be involved.

Mr. EDWARDS. Well, it is a pretty general and broad grant of authority, isn't it?

Mr. HUGHES. That is correct. But it is, of course, within the framework of the earlier language of the plan, which prescribes the particular functions and activities and positions for that matter that are to be involved.

Mr. EDWARDS. It literally opens the door to—

Mr. HUGHES. I don't see it as an open door, because it is conditioned by all that preceded it in the plan. The plan specifies precisely the functions to be transferred and the Director could not arbitrarily move all of the Food and Drug, for instance, from HEW to Justice under the terms of the reorganization plan.

Mr. EDWARDS. Well, just a couple more questions and I will finish. Mr. Finlator may want to, in part, answer this question. The law provides that if a person kills any officer or employee of the Bureau of Narcotics, he is punished under certain prescribed sections—section 1111 and section 1112 of title 18.

But there is no similar provision, as I understand it, covering the BDAC personnel. How will that law be interpreted as you gentlemen see it after this merger?

Mr. HUGHES. The reorganization plan itself does not affect the state of the law. As I understand it, if the BDAC employees were not covered previously, they are, Mr. Finlator informs me.

Mr. EDWARDS. Am I incorrect in my statement?

Mr. FINLATOR. They are covered, yes.

Mr. HUGHES. In any event, the state of the law stays the same as before.

Mr. EDWARDS. Are they covered under the sections I quoted, or are there other sections I missed?

Mr. FINLATOR. Section 1114 of title 18.

Mr. EDWARDS. All right. I believe that is all, Mr. Chairman.

Mr. HOLIFIELD (presiding). Thank you, Mr. Edwards. On the point of Mr. Edwards' questions on section 6(b), I agree that that is the customary language of reorganization plans as I remember them. While it seems to be quite broad in the initial language of section (b), yet it is limited by the last part of the sentence, which says "available or to be made available in connection with functions transferred."

Mr. HUGHES. That is precisely the point.

Mr. HOLIFIELD. By the provisions of this reorganization plan. And that sharply narrows it to the specific functions.

Mr. HUGHES. That is our understanding.

Mr. HOLIFIELD. Now, in the transfer of personnel, property, from the Department of the Treasury and the Department of Health, Education, and Welfare, to the Department of Justice, this does not necessarily mean a physical, bodily movement. The point I am getting at is that these experts that we talked about, which are now in the HEW laboratories, or their listing as personnel could be changed to the Department of Justice, but they would not necessarily have to move to the Department of Justice building, they could stay in the well-equipped laboratory of HEW and perform their functions in the laboratory, the same functions they are performing today, without having to move bodily and physically over into the Department of Justice building; is that not true?

Mr. HUGHES. Yes, Mr. Holifield. The plan is a reorganization plan, and it therefore deals with an organizational rather than a geographic context. In the normal circumstances, obviously there would be a physical move associated with the organizational move. But I would not myself regard that as an essential part of it.

Mr. HOLIFIELD. That is the point I wanted to make, that if in the gradual development of this function the personnel could or could not be transferred bodily and physically over into the Department of Justice building, as long as they were listed as the personnel of the Department of Justice and as long as they received their money from the Department of Justice, and so forth, they might work in another laboratory, and I think this is a customary arrangement between agencies that have personnel assigned.

For instance, we have a gentleman assigned to this Committee from the Comptroller General's Office, and it is on the basis of a financial arrangement. In some instances, we accept and reimburse. In other instances, the Comptroller General pays the salary.

In all instances, they continue to pay him. In some instances, we reimburse the agent, with committee funds. In some instances, they continue on the actual budget of the General Accounting Office.

That was the point I wanted to make there.

Mr. HUGHES. I think you are quite right, Mr. Holifield. The organizational relationship is the key one. In any event, I think it might be well to add the timing of any geographic move would be a matter to be worked out.

Mr. HOLIFIELD. That is right. And that would be a matter of records and other things, a physical transfer. Now, Mr. Chairman, yesterday I had a colloquy with Mr. Lee in regard to the type of agreement that might obtain between the Department of Justice and the Department of Health, Education, and Welfare and the Treasury.

And I asked for a submission of a draft. The Department of Justice has transmitted to us a draft of how they are going to work out this interagency agreement. I understand that it is not a final draft, but it is the thinking of the Department of Justice at this point on the type of agreements you are going to make.

And I would ask that this be printed in the permanent record immediately following my colloquy, which appears on page 57 of the transcript, if there is no objection.

Chairman BLATNIK (presiding). Without objection, it is so ordered. It will be printed immediately following your colloquy. I must con-

fess, after sitting for 2 days, I realize I have been barking up the wrong tree. It is so difficult to get the proper understanding of what the new Bureau would do or could not do or should or should not do in terms of medical, psychiatric, pharmacological, psychological, and all of the other aspects of research.

Even though we had Dr. Lee testify on this—this is not criticism of him, but I just didn't understand it. Now, the draft here deals with the laboratory procedures of identifying the chemicals. Is that not true, Mr. Hughes?

Mr. HUGHES. That is correct.

Chairman BLATNIK. I thought that this coordination and medical research support from HEW in all of these other fields, pharmacology, research work, Institute of Mental Health, and all this; but it is not that at all, is it?

Mr. HUGHES. No, sir. The lab activities, the scientific and medical activities—

Chairman BLATNIK. These laboratories will continue to examine drug evidence collected by the agents, district laboratories will continue to supply technical assistance upon a technical and analytical type of chemistry. They will work odd hours.

They will be available in case of a night raid, and that type of thing, which is important.

Mr. HOLIFIELD. This is why I was anxious to find out more definitively what the arrangements are. I understand these may be adjusted one way or the other. But it gives me some assurance on the point that I was worried about, which was a difference between two agencies working on a voluntary basis and working together under the obligation of a specific agreement.

And I see that you are working toward that. And I commend you on that, because I found out a long time ago that sometimes when one agency asks for service from another agency, if they don't have the right to it, there is a lot of delay and that sort of thing.

This is what I wanted to pin down. And I am satisfied this approach is definitely right, and the expertise in these laboratories will be available just as they are now, as a matter of contract agreement between the agencies and as a matter of right it can be requested and complied with as a matter of obligation.

Mr. HUGHES. It can be demanded, Mr. Holifield.

Mr. HOLIFIELD. Yes, it can be demanded. That was the point. I wanted to pin down it could be demanded, and that the agency furnishing the expertise, whatever it might be, would be obligated to give the demand acquiescence.

Chairman BLATNIK. It would be limited to identifying the types of drugs involved, narcotics, establishing the standards, impurity, et cetera.

Mr. HUGHES. These are activities associated with the enforcement and control problem.

Mr. HOLIFIELD. That is right, but not the broad field of research and development.

Mr. HUGHES. That is correct.

Chairman BLATNIK. I see it now. Let me ask you, now, Mr. Hughes, in the meantime, what is happening to the other field that the wit-

nesses seem to indicate is of considerable importance and significance, the field of research—a better understanding of the nature of addiction, the chemical responses of different chemicals, the proliferation of literally families of different chemicals?

Where would those functions be centralized? If there is a need and it is good to centralize enforcement functions, would it also be necessary and better to coordinate and centralize the medical and psychological and those functions as pertain to drug use and abuse and narcotics, et cetera?

Mr. HUGHES. Mr. Chairman, you can get more expert witnesses than I on this point. But I think Dr. Lee yesterday indicated the broad scope of the Food and Drug Administration's responsibilities in the general matter of identifying and referring, if necessary, for control purposes, identifying new drugs and referring them for control purposes and examination purposes to the new Bureau.

The Department of Health, Education, and Welfare, generally speaking, has under its set of responsibilities the collection of the kind of medical, social, pharmacological, psychiatric responsibilities which I think you are concerned with.

The short answer to your question is, we don't have a plan to consolidate those or rearrange them within HEW.

Chairman BLATNIK. Which is the major agency or department within HEW or elsewhere that does that major share of work in this area now that you spoke of?

Mr. HUGHES. Well, the Food and Drug Administration, certainly from the standpoint of drug registration and examination and analysis and so on, has fundamental responsibility. I think Dr. Lee also referred to the research that is carried on in the various Institutes of the National Institutes of Health.

He referred to the National Institute of Mental Health and the work it is doing in trying to deal with alienated kids and identify why they have in effect detached themselves from society and taken this escape.

He referred, I think, also to the Public Health Service and some of the work that it is doing. Dr. Lee has just recently been placed in charge of the health activities generally within the Department of Health, Education, and Welfare, so that his span of responsibility does encompass both the Food and Drug Administration and the Public Health Service, which in turn has the National Institutes of Health within it.

The Secretary of Health, Education, and Welfare, under the terms of the statute which established the Department, does have administrative flexibility within his authorities so that he can take actions of the sort which places Dr. Lee in charge of these related health activities.

Chairman BLATNIK. Now, you mentioned the Food and Drug Administration having a major role to play in the whole field of medical research and psychiatric research in connection with the use of drugs, both safe and dangerous, as well as narcotics, yet you have under a separate division of HEW, the Public Health Service. National Institutes of Health comes under Public Health Service. National Institute of Mental Health comes under Public Health Service.

You have quite a bit of fragmentation and dispersal of these functions within HEW itself. Would Dr. Lee be in a position to pull these together?

Mr. HUGHES. Certainly he is in a better position than he was before the reorganization. He has been given jurisdiction over those two, and I guess some other agencies of HEW. The functions of the Food and Drug Administration and the National Institutes of Health and Public Health Service obviously are somewhat different.

The Food and Drug Administration has specific operating responsibilities in the area of food and drug in assuring pure food and properly tested and evaluated drugs, made up to proper standards and so on.

On the other hand, the National Institutes of Health are essentially research organizations with their focus on health research and on the basic research that is fundamental to all medical exploration.

Chairman BLATNIK. What is the National Research Council, Mr. Hughes? Where is it located?

Mr. HUGHES. The short answer, Mr. Chairman—I don't know. I would be glad to furnish an answer for the record.

Chairman BLATNIK. Would you find out for me, because I find out now the members of the American Medical Association are working on drug and alcoholic problems, drug control and drug abuse, and narcotics. Some of its members are also members of the National Research Council, and that is a Federal agency, where I don't know, and they are supposed to advise all Federal agencies and the Congress on health aspects.

It has been a long time in operation. I have just learned it exists.

Mr. HUGHES. I think it may be an adjunct of the National Institutes of Health. It may be the advisory body, the body which advises the Director and the affiliates of the Institute on grants.

Chairman BLATNIK. Just get the information for me personally, not necessarily for the record. I would appreciate it.

Mr. HUGHES. We will do that, Mr. Chairman.

Chairman BLATNIK. Thank you for standing by and being available for further questioning.

Mr. HUGHES. Thank you, Mr. Chairman.

**REORGANIZATION PLAN NO. 1 OF 1968
(DRUG ABUSE AND NARCOTICS)
AND HOUSE RESOLUTION 1101**

WEDNESDAY, MARCH 20, 1968

**HOUSE OF REPRESENTATIVES,
EXECUTIVE AND LEGISLATIVE
REORGANIZATION SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
*Washington, D.C.***

The subcommittee met at 10 a.m., in room 2154, Rayburn House Office Building, Hon. John A. Blatnik (chairman of the subcommittee) presiding.

Present: Representatives John A. Blatnik, Chet Holifield, Henry S. Reuss, Benjamin S. Rosenthal, John N. Erlenborn, Clarence J. Brown, and Jack Edwards.

Also present: Elmer W. Henderson, subcommittee counsel; James A. Lanigan, general counsel, Committee on Government Operations; and William H. Copenhaver, minority professional staff.

Chairman BLATNIK. The Subcommittee on Executive and Legislative Reorganization of the House Government Operations Committee will please come to order.

We continue the public hearings on Reorganization Plan No. 1 and our colleagues' House Resolution 1101.

We are honored this morning to have as our first witness the Honorable Ramsey Clark, the Attorney General of the United States.

Mr. Attorney General, we welcome you and Mr. Finlator and Mr. Giordano who are with you and who will be heard later on this morning.

So, Mr. Attorney General, will you proceed at will? I notice you do have a prepared statement and it is not too long a one. You may read it or proceed at will in any way you wish. You may have permission to extend and revise your remarks in the record.

**STATEMENT OF HON. RAMSEY CLARK, ATTORNEY GENERAL OF
THE UNITED STATES; ACCOMPANIED BY JOHN H. FINLATOR,
DIRECTOR, BUREAU OF DRUG ABUSE CONTROL, FOOD AND DRUG
ADMINISTRATION; AND HENRY L. GIORDANO, COMMISSIONER OF
NARCOTICS, DEPARTMENT OF THE TREASURY**

Mr. CLARK. Thank you very much, Chairman Blatnik, and members of the committee. I am honored to be before you today on this very important matter.

Before the committee is a measure of immediate and substantial importance to the efficacy of Federal law enforcement. The expanding use of narcotics and dangerous drugs is a clear and present danger to the public safety. Narcotics and dangerous drugs are a major source of crime. They are in some parts of the Nation, as the chief of the New York Police Department will testify, the chief problem faced by law enforcement.

Federal resources must be adequate to meet Federal responsibility in this vital area. President Johnson seeks a 30-percent increase in manpower. Federal organization and technique must provide a model for State and local law enforcement. Coordination among local, State, and Federal agencies must be effective and efficient. Federal enforcement must itself be effective and efficient. Approval of Reorganization Plan No. 1 is essential to these accomplishments.

Narcotics provide a principal source of income to organized crime. Addiction afflicts every segment of our population, begetting crime. Dangerous drugs are trafficked by criminal elements. Forty percent of the persons arrested by Bureau of Drug Abuse Control agents have criminal records. The percentage of those arrested by the Federal Bureau of Narcotics is higher. Sixteen percent of those arrested by BDAC are armed when arrested. The control of narcotics and dangerous drugs is a major element in crime control.

The Bureau of Narcotics, under the outstanding leadership of such men as Harry J. Anslinger and Henry L. Giordano, has established a distinguished record of public service. The long history of the Bureau of Narcotics is marked by skillful handling of difficult and dangerous assignments. The Bureau of Drug Abuse Control, under the able leadership of John Finlator, has been characterized during its short history—only 2 years really, slightly over—by vitality and ingenuity in meeting the difficult and changing enforcement problems created by dangerous drugs.

But the effectiveness and efficiency of these Bureaus is limited by their separation, for the challenge of narcotics and dangerous drugs requires a single enforcement center. The present fragmentation of Federal responsibility has clearly hindered our response to the challenge. President Johnson has noted that more than nine out of 10 seizures of LSD made by the Bureau of Drug Abuse Control have also turned up marihuana, but that Bureau has no jurisdiction over marihuana. Clearly, drugs presented divided into different bureaucratic categories are part of the same problem.

Federal educational and scientific efforts in the drug area are also complicated by the fragmentation. Both Bureaus conduct research, law enforcement training, and public education concerning drugs in their area of responsibility. Both will be better served by consolidation.

Together, the agencies would form the Bureau of Narcotics and Dangerous Drugs in the Department of Justice.

A basis for assigning the Department of Justice the responsibility of enforcing drug laws was recognized in 1949 by the Hoover Commission, which recommended transfer of the Bureau of Narcotics to the Department. The Commission pointed out that "duplication could be eliminated and economy achieved" by the transfer. The more im-

portant achievements in effective enforcement provide an even stronger basis for this transfer.

The Department of Justice is, of course, the Federal agency whose primary concern is crime control. Drugs and narcotics are inextricably interwoven into the fabric of crime in America. The Department is charged with detecting and prosecuting violations of Federal law. These critically important cases of highest priority require the coordination promised by this reorganization.

Another observation of the Hoover Commission was that the transfer would facilitate law enforcement by providing "a single channel of contact with State and local authorities" in criminal matters that may or may not involve drug violations.

A good reason in 1949, it is even better today. For the Department of Justice today is forging stronger and closer links, so vitally needed, with State and local agencies of criminal justice.

The reorganization, together with a manpower increase and new criminal laws, would vastly enlarge the Federal Government's ability to arrest the growing peril of narcotics and dangerous drugs.

Federal law enforcement will be strengthened. Work with State and local governments and with other nations will be simplified and expanded. Contracts with the educational, scientific, and sociological communities will be more meaningful with unification. Extensive research will be conducted. Public education efforts can be intensified.

I urge your support of this reorganization. It is important to our safety as to our health.

Chairman BLATNIK. Thank you, sir. Mr. Holifield?

Mr. HOLIFIELD. General Clark, your statement is very brief, but I think every sentence is meaningful, and, coming as it does from the head Federal law-enforcement man in the Nation, I think it deserves all of our attention.

I have a few questions which I hope will go into a little more detail on some of the points which you make. Will the emphasis of the program, the efforts placed on Justice, be wholly on enforcement of the criminal law to the exclusion of other approaches?

Mr. CLARK. Let me answer that this way, Mr. Holifield—

Mr. HOLIFIELD. And I am speaking in relation to what about programs of prevention and public education and medical and psychiatric treatment, the facility at Lexington, Ky., and those approaches. I am trying to draw the line between your responsibility and where the responsibility for these other programs lies, if they lie outside of the Department of Justice.

Mr. CLARK. The approaches to crime control in every area, as in narcotics and drug abuse, are many. A first responsibility of Government, though, has to be the control of crime, the protection of the public. And a major benefit of this reorganization will be the consolidation into a single agency—and that agency in Government which has the primary Federal responsibility for crime control—of two agencies that are already spending most of their time, 8 percent in the Federal Bureau of Narcotics, on criminal investigation and control work.

This does not mean that education, health, and related efforts will not be actually implemented, assisted, and expanded by this consoli-

tion. It does mean, though, that in the critical area of crime control, our opportunity for effectiveness will be much greater.

I think it is very difficult for local law enforcement officers to understand, when they are consolidated, when their narcotics squad handles all drugs, why they have to have a training program for LSD, say, and hallucinogens from BADC, and perhaps weeks later have a training program on opiates from Narcotics.

I think it is difficult for manufacturers to understand why it is that BADC at one time and Narcotics at another have to look at what are essentially the same aspects of their activities and records. I think it is very difficult for us to justify within our own house why we train agents of these two Bureaus, who are performing such highly similar work, with different resources.

I think it is difficult for us to explain why we maintain different laboratory setups for them when consolidation would offer so much more to each.

Therefore, in all aspects of our work, I think we can improve our service. Take education. It must be difficult for educators around the country to explain to themselves and their students why it is that one week they will hear from BADC about a certain type of drug, and another week they will hear from the Federal Bureau of Narcotics about another type of drug.

Mr. HOLIFIELD. In other words, you would have a lecturer who would go on one of these educational tours, you would have him cover the complete field of narcotics and dangerous drugs, rather than have two different men come in and do this?

Mr. CLARK. Absolutely. They are related in the environment in which we live, they are related in every other way, they are related in their enforcement aspects, and they are related in people's minds; and it is anomalous, indeed, that the Federal Government, which needs to provide leadership in this area, has made this anomalous division.

Mr. HOLIFIELD. Would that sending out of educators in that informational work you are doing, would that come under one of the other agencies like the Health, Education, and Welfare, or would it come under the Department of Justice?

Mr. CLARK. Well, insofar as it is related to abuse, it would come primarily under the Department of Justice, because we as an enforcement agency will be dealing with this aspect. That doesn't mean that HEW won't have much vaster programs fully financed, that will be involved in the medical, health and social aspects of it.

It doesn't mean that their work in treating the individual, in working with drugs and narcotics as a health program, won't be vastly expanded. But it means that when we get to the abuse area and crime-control area, we will have a central nerve center that will work in unity.

Mr. HOLIFIELD. Let's take a specific case. What will the Rehabilitation Center at Lexington, Ky., where will that be placed in the organizational setup? Will that still be under the present head, or will it come into the Department of Justice?

Mr. CLARK. Mr. Holifield, neither Fort Worth nor Lexington will be affected by this reorganization. Those are Public Health Service, Federal Bureau of Prisons—operated institutions. Actually, we think of them as Federal Bureau of Prisons operations.

Mr. HOLIFIELD. This is rehabilitative and regenerative, rather than a matter of law enforcement, then?

Mr. CLARK. Well, law enforcement is a single process, as I view it. I think the police and prosecutors and courts and corrections workers are all involved in crime control. The Narcotics Rehabilitation Act, for example, is largely administered by the Federal Bureau of Prisons, within the Department of Justice.

That is rehabilitation work primarily, an effort to discover a medical resolution to the addiction problem. We are looking toward aftercare for people released from Lexington and Fort Worth.

We think that is, as yet, a major area of failure. But that is still a criminal control measure, because as we rehabilitate those individuals we reduce the incidence of crime caused by their addiction.

Mr. HOLIFIELD. But the facility itself will not be under your direct control?

Mr. CLARK. The facility itself will be operated just as it is now by the Public Health Service of HEW, and the Federal Bureau of Prisons of the Department of Justice.

Mr. HOLIFIELD. What will the status of this new department be in the Department of Justice? Will it be on the organizational line along with Community Relations Service, Federal Bureau of Investigation, Bureau of Prisons, Immigration and Naturalization, U.S. marshal, U.S. attorneys?

Will it be on that structural organizational line?

Mr. CLARK. It will be on the same line organizationally with our Bureaus and Services, which are as you mentioned, except for the marshals service, which is in the Administrative Division, and the Office of U.S. Attorneys, which is in the Office of the Deputy Attorney General.

So it will be on the same level with the Federal Bureau of Investigation, the Federal Bureau of Prisons, the Immigration and Naturalization Service, and Community Relations Service.

Mr. HOLIFIELD. But it will be separate, in that it will not be under the domination, for instance, of the FBI, or of any of the other agencies or Bureaus, I guess I should call them, that are in the Department of Justice? It will be on a par and not subservient, that is what I am asking.

Mr. CLARK. That is absolutely right. It will be a major investigative enforcement agency. With the increased manpower we are asking for, the number of agents will approach 900. It will be a very important Bureau within the Department of Justice.

Mr. HOLIFIELD. To whom will its head report?

Mr. CLARK. Its head will report to the Attorney General.

Mr. HOLIFIELD. In other words, it does not report to the FBI, it reports to the Attorney General. If it is a matter which involves investigation, then I suppose you would utilize the FBI or any other Bureau you have.

Mr. CLARK. We would look for a high degree of coordination and cooperation between this new Bureau on the one hand, and the FBI, the Federal Bureau of Prisons, the Border Patrol within the Immigration and Naturalization Service, the Customs Service, and all of the other Federal investigative agencies that have a related mission on the other.

Mr. HOLIFIELD. In other words, they would report the need for service to you and you would apportion it wherever you thought it was most efficient to apportion it or allocate it.

Mr. CLARK. Narcotics and dangerous drug abuse investigative activities will be handled by this new agency.

Mr. HOLIFIELD. I see. They will do their own investigations?

Mr. CLARK. Yes.

Mr. HOLIFIELD. And make their reports direct to you, if it is a matter of taking legal action, of course, then you would take it to another agency?

Mr. CLARK. Yes. As a practical matter, as they send up a recommendation for prosecution, it would go to the Criminal Division, just as we currently handle prosecutions of cases investigated by the FBI, postal inspectors, and the investigative staffs of other agencies.

Mr. HOLIFIELD. If it is a matter of Community Relations Service, it would go to that?

Mr. CLARK. We would expect them to be in consultation with Community Relations Service in a number of areas, yes.

Mr. HOLIFIELD. Now, I would like to go into a little more detail on the form the consolidation will take, keeping in mind that we are putting two different, separate functions, functional groups together. Are you working out the details now, or have you worked them out in order to explain to us whether there will be a commingling of functions among the staffs or will they operate separately as at the present in regard to their present missions?

Will there be a commingling of staffs and functions, or will there be a separation of staffs and functions in relation to their present procedure?

Mr. CLARK. We are trying to do what is very difficult, and that is keep an open mind and keep flexible in this area. The reason is that assuming, as I do, that this plan will become law April 8, and we will have this single investigative agency, a director will have to be appointed.

We will want to look to his experience and his judgment. He will have to live with this agency, while the rest of us will tend to pass on.

Mr. HOLIFIELD. In other words, this will be a process of, you might say, trial and experience which will indicate the allocation of functions.

Mr. CLARK. Yes. Experience will be awfully important, and it will be the best teacher. At the same time, we have already done a lot of work. Our staff that works with the planning, programing, and budgeting area has been working with the officials of the Federal Bureau of Narcotics and the Bureau of Drug Abuse Control very intensively to see where we can move immediately.

We know, for instance, that on April 8, if this plan is approved, the agents of both Bureaus would be then empowered to make arrests within the full authority of the newly consolidated Bureaus. That in itself will be a major improvement in our Federal capability, a very substantial advance.

Mr. HOLIFIELD. They will be empowered to do what?

Mr. CLARK. The agents of each bureau will be empowered to investigate and exercise the powers of the other. This will require some training or retraining.

Mr. HOLIFIELD. In other words, if an agent who is looking for heroin or other narcotics finds "Speed" and LSD and marihuana and that type of thing, in the possession of the arrested culprit, he will have a joint power to proceed?

Mr. CLARK. That is right.

Mr. HOLIFIELD. Where at the present time, as I understand it, the power to proceed legally is lacking on the part of either the Dangerous Drug Abuse people or the Narcotics people?

Mr. CLARK. Yes. They have difficulties of power, they have difficulties of training and experience, and difficulties of incentive and motivation. With each group of agents having only a limited responsibility, each, in effect, has blinders on.

Mr. HOLIFIELD. In other words, every agent, then, as I understand it, every agent that apprehends a culprit and found on that culprit, in that culprit's possession either narcotics or the dangerous drugs would be empowered to proceed just the same as they are now in the restricted field of apprehension and arrest?

Mr. CLARK. Yes. Let me put it this way. An agent of the new Bureau on Monday, April 8, would have in his possession his new credentials showing him to be an agent of the new Bureau. If he on that day made an arrest for the sale of LSD and found possession of marihuana, he could do everything necessary to fully enforce the Federal law as to the marihuana offense which he detected at that time.

He could not do that today.

Mr. HOLIFIELD. That is right. That seems to me, in the process of apprehension and prosecution, that seems to me a sensible and a very efficient improvement over the present system.

Mr. CLARK. Yes, it is absolutely essential. Let me say that is only one aspect of what would transpire immediately. The same thing would hold true for education, training, and other functions.

We are developing a program memorandum—that is the terminology used in PPBS circles. It will provide alternatives for the Director to choose among. We would expect to have a consolidation of the home office, or the agency head office within a matter of months. We would expect to have consolidations of a number of the field offices at early dates.

We would expect to have made basic decisions on what we would hope to be the ultimate organization of the new Bureau at an early date, and then a gradual implementation. We will look for space, as we have been doing and make such decisions as who will supervise certain offices.

Mr. HOLIFIELD. Yesterday we had colloquy with the witness in which we explored the closeness of access to the expertise, which will not be brought over into the Bureau. I am thinking of the laboratory work of HEW, or any other outside group of experts which might be available to one or the other now.

And, I expressed my concern that in view of the fact that this would be across agency lines, that unless the authority to require the services of these extraneous, but very important experts was made available on a right basis, rather than on a request basis, in other words, unless there was an agreement between the Secretary of Health, Education, and Welfare that upon demand by this Bureau for the services of those laboratories, and other facilities that are left

in HEW, that unless there was an understanding between you as the Attorney General and the Secretary of Health, Education, and Welfare, that there might be a certain amount of agency reluctance to accommodate another agency, and so forth.

And Mr. Finlator testified that this would be tied down not only by an agreement, but would be tied down by the fact that the experts that are left in HEW would draw their pay, by the transfer of money, through this Bureau.

Therefore, you would not only be the paymaster, but you would have a firm contract or agreement between the agencies that the expertise which is now available to the criminal enforcement groups in their own agency, would still be available and would still be as closely responsive as it is now.

Would you comment on that?

Mr. CLARK. Yes.

First, I think it is important not to lose sight of the big picture, and the big picture is these two agencies are enforcement agencies. If you look at the allocation of their total resources and manpower, they are enforcement agencies.

Second, I don't really see, as a practical matter, any risk of loss of laboratory support. I see an enhancement of laboratory support and a new opportunity for more effective laboratory work.

Out of caution, we will have an agreement. A copy of an agreement with the Federal Drug Administration has been provided to your counsel this morning. That will give adequate assurance to anyone who fears there might be some bureaucratic infighting that this wouldn't happen.

Actually, the possibilities seem extremely remote, even from the little experience I have had with FDA and BDAC. They are awfully close. The personalities will remain the same and I would expect them to remain awfully close. And I think we will find, aside from the agreement which would compel it, the highest level of cooperation and coordination in this area.

Mr. HOLIFIELD. Thank you, Mr. Attorney General.

Chairman BLATNIK. Mr. Rosenthal?

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Mr. Attorney General, what procedure do you propose to follow in making determinations of what are dangerous drugs?

Are you going to have any working relationship with HEW?

Mr. CLARK. We will follow the same procedure that is followed now with the exception that—except as delegations may be indicated by subsequent experience—the ultimate decision would be made by the Attorney General rather than the Secretary of HEW.

In other words, the basic staff work, the basic scientific judgement would come then as it does now from the Bureau itself, from the Drug Administration itself, and the advisory council. And the decision would follow this.

Mr. ROSENTHAL. Do you think that is essentially an enforcement type decision, or essentially a medical decision?

Mr. CLARK. I think it is essential to enforcement; and a vital part of enforcement which needs to go with enforcement.

Mr. ROSENTHAL. Will the tax collecting functions of the Internal Revenue Service be affected by the transfer to Justice?

In other words, they collect taxes now. How will this be handled?

Mr. CLARK. They will continue to collect the taxes, as they do now.

Mr. ROSENTHAL. One of the main concerns of many people, almost all people are deeply concerned about the narcotics problem, they have a skepticism or doubt that strict excellent enforcement is the real final solution to the narcotics problem in the United States.

I mean, we could double the number of agents, quadruple the number of arrests and have more efficient prosecutions. My own judgment is that wouldn't solve the problem.

Some of those who testified yesterday said that organized crime is involved, and they add enormously to the availability of narcotics and drugs, and if we reduce that, in my judgment, it still wouldn't solve the narcotics problem in the United States, that the problem is a deep social problem, a problem of—someone used the word yesterday—of alienation with society, why the people do these things, what are the stimulants available.

Now, there isn't any doubt in my mind if this plan is approved, there will be more efficient enforcements. I don't doubt that at all. But will we lose the emphasis on inquiring as to the basic causes and ills that make people want to go the narcotics route?

Will the legal enforcement emphasis detract from the investigation you should be making into the "why."

Mr. CLARK. Just the opposite, in my judgment.

The medical needs are great. There is no question about that. Sociological studies are awfully important. And in a sense they will be the ultimate factor in society's effort to eliminate addiction.

Separating them from responsibility for the hardware, for the enforcement, for the police work, should enlarge their incentives and their opportunities to attack their problem for what it is, without the inhibitions that would come from dual responsibilities.

At the same time, the public has to be protected. The people who are involved in trafficking in narcotics are hardened criminals.

It is a fact, a very unhappy fact, that organized crime looks to narcotics as a principal source of its income. Gambling, shylocking, and narcotics are the basic financial support for all of organized crime.

If you take the people arrested by the Federal Bureau of Narcotics and the Bureau of Drug Abuse Control, you will find they have records, criminal records. You will find that we are dealing with the criminal element, and that we need very effective enforcement at this time. So, I think we will gain on both sides.

Mr. ROSENTHAL. How do you relate this to prohibition?

We couldn't enforce prohibition, so we adjusted to it.

How do you relate this to that? Is it possible we can stamp out narcotics abuse and the taking of narcotics by a massive enforcement program? Do you think that is at all possible?

Mr. CLARK. I would say that that is probably possible. I don't think that you can enforce crime out of human life. I do think you can enforce organized crime out of a society. And I think history has proved that many times.

I think history has also proved you can have societies without narcotics. I think the times are difficult for that and I do not think

enforcement is the sole answer. I do think enforcement is essential to public safety today.

Mr. ROSENTHAL. No one can disagree with that. But why is it we couldn't do it with prohibition?

Mr. CLARK. I am not sure you are comparing likes. I don't believe there is a comparison between the use of alcoholic beverages and the use of narcotics among the people in terms of dimension. There is just no comparison at all.

Mr. ROSENTHAL. And equally, there is no comparison, I personally don't think, between the dangers in narcotics and the dangers from alcohol. But the point I make is one of enforcement. We simply couldn't stop the use of alcohol, what we did was to adjust to it.

And if, what I am asking, if we eliminate the contribution that organized crime is making to the narcotics traffic in the United States, will that eliminate the desires and the motivations and the causes for people participating in narcotics?

Mr. CLARK. No. It may eliminate the availability of drugs to a considerable degree.

It is not just organized crime. It is many other aspects of crime. Just plain toughs, and addicts themselves, become criminals for a variety of reasons—moral breakdown, the need for money and other things. So it is very pervasive.

But if what you are trying to say is that we shouldn't try to enforce the narcotics laws because we didn't believe we could enforce prohibition—perhaps because it was an unhappy experience with a rule of law, or because it was more honored in the breach—then I would have to disagree strongly with you.

Mr. ROSENTHAL. I am not saying that. I am saying that there is a fear that some people have that with an undue emphasis on law enforcement and prosecution, this may detract from the effort we should be making into finding out and in eliminating the causes that stimulate people to use narcotics.

Mr. CLARK. I don't see that all.

First, we don't think that in a country of 200 million, 900 agents, even if they are as good as these men are, like Texas Rangers, could over-enforce.

In our environment, you know, with 70,000 or 80,000 known addicts, not to mention what is going on in the dangerous drug abuse area, over-enforcement is just impossible.

I think this reorganization will give us the opportunity, incentive and motivation to expand our efforts in both fields, in the science and health field, and in the enforcement field. I think it is the proper governmental division, and I think if we fail to do it because of such fears, we would suffer in both areas. It would be a substantial loss.

Chairman BLATNIK. Will the gentleman yield at this point?

Mr. ROSENTHAL. Yes.

Chairman BLATNIK. Mr. Attorney General, as far as I am concerned, the big gap in all of the testimony presented so far has been the failure to show precisely or certainly more clearly, where you will emphasize the needed work in the medical and psychiatric field, this very complex problem that frustrates the highest order of medical specialists in this field.

You have an objective of enforcement. We agree with your case. We agree with the need for centralization, the need for centralizing authority, and the need for more effective systems of enforcement, et cetera. But, when it comes to the medical field, we are not making contact as far as I can see it. There is a vacuum, an area there.

For example, what type person do you envision would be selected to be in charge of the whole medical aspect, a man who would know the field so well, he would know about the Bureau of Medicine, Mental Health Institute, all of the medical agencies we have within the Government, and certainly within the medical research conducted by the American Medical Association, the various medical schools and so forth. It would take somebody of high caliber.

It is far beyond the drug abuse control work Mr. Finlator described yesterday, very able and impressive.

What I am getting at, in short, all of the witnesses have sort of petered out on that area, and not because they want to. They just don't recognize the scope and complexity and nature of the whole area, which I feel a great deal of emphasis should be placed on.

We are talking about centralizing. As I hear the testimony, we are not centralizing, we are forming a schism, which will very heavily emphasize on the one facet of enforcement and very little emphasis on the medical research. Somehow we will have separate and different Federal agencies, and private and semipublic agencies to go about this complicated problem.

Mr. ROSENTHAL. Let me add, if I might, Mr. Chairman, my own thought.

I don't think there can be overenforcement. I think instead of having 900 agents, frankly there should be 9,000. But, what worries me is that we, in the Federal Government, or the public will think if this plan goes through and if there is efficient centralized enforcement, we have solved the narcotics problem of the United States.

I know you don't believe that. As the chairman has so well said, we are worried about the other end. Will the Federal Government, will the commitment be minimized or fall aside simply because we have made enforcement more efficient?

We want to make enforcement more efficient. But, we want to make the medical and scientific and social investigation equally important.

Mr. CLARK. First, you cannot fail to go forward merely because people will think you have solved the problem.

Should we not have an open housing statute because people might think there is no more housing segregation problem?

Should we not have an effective law enforcement agency because people might think there is no more crime?

You have to go forward. The medical problem is not treated today by the Bureau of Drug Abuse Control. There is not a single doctor of medicine in the Bureau of Drug Abuse Control. There has to be effective enforcement.

There are many, many more doctors in the United States today and in the Federal Government today working on drugs and narcotics, than there are agents in this agency. But, these doctors don't enforce. And these agents don't try to make medical decisions.

There is a very slight nexus between medicine and enforcement, and that is at the enforcement level where drugs move from legal

channels of traffic into illegal channels, and where there is illegal manufacture. And there has to be a medical and scientific definition and discovery of what is a dangerous drug.

But we have to have a lot more work in NIH, and a lot more work in NIMH. We have to have more work in Food and Drug, and we have to have more work throughout the area that is involved with the health and medical and social problems which this reorganization plan will not affect.

But we also have to have effective enforcement. Both of these agencies—BDAC and FBN—are involved in law enforcement. They are spending most of their time on law enforcement. Narcotics is spending most of its time on law enforcement. They are very small agencies. They should be together. They should be enhanced, because they are dealing with criminal elements. The people they arrest are criminals, organized crime is trafficking in these drugs.

The Federal Government, above all governments, has to be effective. Yet, we are just about the only Government in the world that does not approach dangerous drugs and narcotics as a single law enforcement problem.

Chairman BLATNIK. Well, that is clarifying to some degree.

The real research work, in breadth and depth on the problem of the use of the different drugs, whether they be dangerous or narcotics, hallucinogens, et cetera, would probably fall into other health agencies of the Government, and not so much this Bureau, which is primarily concerned with enforcement of abuse of dangerous drugs and use of narcotics.

Is that correct?

Mr. CLARK. That is correct.

We will do some research and we will remain very close to the scientific communities, because a decision will have to be made as to what is a dangerous drug, and that is not always an easy decision.

But the vast medical research, and programs that seek the medical solutions, are not in the Bureau of Drug Abuse Control. It has to work with the regulation of these dangerous drugs, because some of these dangerous drugs are used medically. But it works with the regulation of the dangerous drugs only because it has to enforce the laws against their unlawful use. The doctors that back this up are far more numerous, far more diversified, and they are in agencies that are working on health and education problems and not on law enforcement.

Chairman BLATNIK. Let me go back to a simple illustration again. You have the problem of alcoholism and 48 million people drink and drink rather substantially. Do you think an alcoholic, take the case here in the District of Columbia, where an unfortunate alcoholic has to be thrown in jail for the 80th time. That is his life, his career. He dries out, leaves, and as soon as he gets a little money, he is in the nearest bar and he is at it again.

This man is afflicted with a serious and complicated affliction. But we are not able to cope with it. Yet we have enforcement procedures. They recognize the problem, the records are there, yet they keep at it for 10 years straight, and it is called law enforcement.

I mean, at what point does the enforcement process—this is ridiculous, this will keep on for 1,000 years, or 100 years, when a man

gets heart and liver and kidney transplants, and he will keep this process on and on. At what point—this is sort of a merry-go-round. At what point do we say, "Well, enforcement in this case is not the answer, but medical approaches and attention must be attempted"?

Mr. CLARK. Let me say a word about alcohol and then a word about narcotics.

It is a sad commentary it has taken us as long as it has to recognize that alcoholism cannot be treated as a law-enforcement problem. It is also something of a sad commentary that it wasn't the legislative branch or the executive branch, but the judicial branch that first started showing this to us in the *Easter* case and in other decisions.

The President has sent to Congress this year the Alcoholic Rehabilitation Act. It recognizes alcoholism as a medical problem. It also recognizes the terrible imposition the alcoholic has been on local law enforcement. One-third of the arrests in the United States today are people under the influence of alcoholic beverages, and you are not really protecting the public in these cases. You are protecting the individual from himself.

Narcotics are different. There are not 48 million addicts in the United States. The traffic in narcotics is illegal. It is conducted by criminal elements. It is conducted in large measure by a criminal conspiracy, a national and international criminal conspiracy of organized crime. It is a very severe law-enforcement problem.

Narcotics today are not looked upon like alcohol. We have alcohol in our homes; and we condone the use of alcohol, most of us—even our churches. But not so narcotics. And we have to keep operating in that way. We have to enforce the laws that prohibit the sale and use of narcotics. We are saving our children, saving our people from a loss of meaning in their lives. It is very important that we do so.

When the individual user has fallen into narcotics, he has had about as unfortunate a thing happen to him as can happen to an individual. He will thereupon tend to become, if he hasn't already been, a person involved in a life of crime. And the public then has to be protected from him, because he will engage in petty thievery, mugging, and other crimes. This isn't the alcoholic, this is the addict. And we have to be protected from his criminal behavior.

So, we have to do two things. We have to protect society from narcotics and dangerous drug users, and we have to work medically to try to salvage those who have fallen into that miserable existence.

Chairman BLATNIK. Getting to the narcotic addict now, I completely agree with you on the need for enforcement to protect society. We use the example of the alcoholic addict, the incurable alcoholic, who goes in circles and so on. Let's get to the addict now. I can't think of anything more cruel than young people who are enticed into the use of an addictive drug and are getting helpless, more helpless, and more pathetic than an alcoholic. Say you have an advanced case of a narcotic addict, you put him in Lexington. What happens from then on? Maybe Mr. Giordano should answer that question. What I am getting at, it is not the same process repeated as with the alcoholic, who goes into jail, a drying-out tank, or a hospital ward for a short time and comes out and repeats the process and keeps this up for 10 or 15 or 20 years. Does the same thing happen to the average narcotic addict?

Mr. CLARK. Let me make an observation and then I will let the expert discuss it. The Congress did enact the narcotic rehabilitation laws in 1966. And they were a great step forward toward aftercare. Much remains to be done. This is a Federal Bureau of Prisons operation, housed in the Department of Justice. As addicts are released from Lexington or from Fort Worth, we now have these aftercare funds to keep them from readdiction. We even have the civil commitment potential, where the individual user—I am not talking about the individual who is seller or pusher who has developed other addicts—is not given a criminal record on his first offense. So there has been leadership and the Department of Justice in this area is working in a rehabilitative way. And we have fine support from HEW on the medical aspects of that problem.

Chairman BLATNIK. Mr. Giordano, can you answer the question, what happens to the addict who is a repeater?

Mr. GIORDANO. Mr. Chairman, I think this has been one of the problems that we have recognized. The addict goes into Lexington and when he leaves, there has not been proper follow-up. Very shortly he reverts to the use of drugs and he is back in the hospital again. As the Attorney General mentioned, the Narcotic Rehabilitation Act of 1966 has recognized this gap and is providing for follow-up treatment in connection with those that come under the act. In many communities they have also recognized this shortcoming in the management of treating addicts.

Chairman BLATNIK. This is all very recent; is it not?

Mr. GIORDANO. Yes. For example, New York State and the State of California, have moved into programs of treatment, rehabilitation and aftercare, to follow the individuals through, so that they don't fall back into addiction again.

Chairman BLATNIK. Mr. Rosenthal?

Mr. ROSENTHAL. Mr. Attorney General, assuming this reorganization plan is concluded, do you intend to ask for more enforcement agents?

Mr. CLARK. Yes. As the President mentioned in the message on crime, he will seek an increase of about one-third. Today there are about 300 agents on board in each bureau. As we come together, we would have about 600. And if the Congress gives us the authorization that we have asked for, it would approach 900—875, something like that. Then as we absorb that new capacity—think of the efficiencies that will come in terms of investigation and arrest, in terms of our education program, in terms of our training programs, in terms of our inspection of manufacturers and pharmacies, and in other areas—it will more than double our effective manpower. Then we will look at that and see whether we need still more.

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Chairman BLATNIK. Mr. Erlenborn?

Mr. ERLBORN. Thank you, Mr. Chairman. And before I ask any questions, Mr. Clark, I would make an observation. Since the questioning order has been to the left, and we have had about 45 minutes of questioning, if Mr. Edwards and I happen to go to about a quarter of twelve, I don't think we will, but if we should, I think that would only be in the interest of equal time.

Mr. Clark, I notice on the first page of your statement you make the observation that Federal organization and technique must provide a model for State and local law enforcement. I presume you mean this rather broadly, rather than just in the areas of narcotic control, enforcement techniques I think are similar in other areas?

Mr. CLARK. That is correct. All through criminal justice, I think a major function of the Federal Government is leadership.

Mr. ERLBORN. What bothers me a little about this is my experience as a person involved in law enforcement in the State's attorney's office. I observed in my own home county, that there is a separation of the law enforcement function that serves as a check and balance. Let me give you a brief illustration. We have in our county both a State's attorney, who is the prosecutor, and a sheriff, who does the investigation and the arrest function. Both of these are elective offices. At one time or another during the course of our history we have had a sheriff who when advised of the fact that an organization had slot machines, or was running a bingo game, strangely enough didn't make a raid or arrest for a week or 10 days, and when he did, there was no evidence left. This would happen two or three times. Then the State's attorney would become a little irritated that the sheriff didn't seem to be performing his function, and he would make his own raid without warning and would find the slot machines or bingo game. My point is I think there is a value to separating the prosecution from the investigation and arrest function, so you do have a check and balance. And I think that might also be valid here. I would hope that making one agency, the Department of Justice, the central investigating, arresting, and prosecution agency of the Federal Government would not be used as a model for local law enforcement; I wouldn't want to have it in my county.

Mr. CLARK. Let me make an observation about that. I am a checks and balances man myself. You can check and balance yourself out of effectiveness. And in our times we have to be effective. There are 40,000 local law enforcement jurisdictions in the United States. I do not know a single person in law enforcement who thinks that is justifiable. There are counties such as St. Louis County that have over a hundred law enforcement jurisdictions within the county and you cannot be effective and efficient under those circumstances. We have to balance our checks and balances as well. There are about 23,000 full-time civilian law enforcement agents, investigative types, in the Federal establishment. There are today about 6,600 in the Department of Justice, in the FBI. This reorganization will add fewer than 900 more.

The great bulk of Federal investigative manpower will remain outside the Department of Justice. I am not sure that we have got a perfect system now—I doubt that we do. In fact, I am pretty confident we don't. But I think we need to perfect it where we can. The one type of investigation that needs to be closest to your prosecutor is where general crime control is heavily involved. And this is as critical in the narcotics and dangerous drug field as any place else. These two agencies don't enforce programs of their agencies. They are not like the 1,000 postal inspectors who see to it that that massive postal business corporation has integrity in its system, and that there is no pilfering and robbery. They are involved in a general crime control investigative activity. I think they should be in the Department of Justice.

Mr. ERLNBORN. I would only respond to that by saying I think you were talking originally more about the number of jurisdictions rather than the division of responsibility within the jurisdictions and I think there is a value in that division of responsibility.

Let me also put my position clearly. Most of your statement is related to the value of putting the two agencies together, the Bureau of Narcotics and BDAC. And I would agree with you wholeheartedly. I don't think it makes any sense to have one agent make an investigation on narcotics and find dangerous drugs over which he has no authority. So the consolidation of the two agencies I think makes good sense. But I think there are many within the Congress who would have some question as to the final resting place of the agency, whether it should be in Justice, in Treasury, or in Health, Education, and Welfare. And good men can differ I think in their conclusions as to this. I think you have already answered that if this plan goes into effect the tax collection function would remain in the Treasury Department. Is that correct?

Mr. CLARK. That is correct.

Mr. ERLNBORN. And the question of what is a dangerous drug and whether it comes under the jurisdiction of BDAC, will that be a function that is transferred to Justice under this plan?

Mr. CLARK. Yes. That would go with enforcement—as it does now.

Mr. ERLNBORN. Do you know if in the formulation of this plan there was any consultation with local law enforcement agencies? I know there is a great deal of cooperation now both by the Bureau of Narcotics and BDAC, with local law enforcement agencies. Did you have recommendations from them?

Mr. CLARK. Certainly effective coordination with local law enforcement is a major consideration in this consolidation. In the Department of Justice we are in daily contact with local law enforcement throughout the United States, in our bureaus, in the Criminal Division, in the Attorney General's office. A week doesn't go by that I don't see chiefs of police from major cities and smaller places too, and sheriffs and others. As to whether there was any specific committee of local law enforcement agents set up, I have no knowledge.

I have a very clear feeling, based on my experience, that local law enforcement will be greatly helped by this. Take training. Both FBN and BDAC engage in the training of local law enforcement officers. We have set up for State chemists a training program beginning April 8. We have another one set for April 15 for investigative agents. For the first time, rather than having them attend two programs if they want to cover their own field of responsibility, they can go to one program where they can hear about dangerous drugs—BDAC's—and about narcotics from the same people. That is efficient. It is very good for them.

In terms of coordination in the big cities with their unified narcotics squads, it is a tremendous handicap—say, in New York, where they have more agents on narcotics in that city than Mr. Giordano has for the whole country in his field service—for them to have to go to BDAC on one case and narcotics on another. It is a severe handicap.

Mr. ERLNBORN. That argues well for consolidation. As I explained to you a minute ago, at least to my knowledge, there is no one who

argues against the consolidation. The real question is whether it is the Justice Department that can do the best job.

Mr. CLARK. I have stated the reasons before and I will state them again. First, I think that organized crime is a major aspect of narcotics importation, distribution and sale.

Secondly, criminal elements are involved. The people we arrest are hardened criminals. We are dealing with a very pervasive law enforcement problem. As I have said, the Police Commissioner of New York City regards narcotics as his chief law enforcement problem. He considers his No. 1 problem to be narcotics, and crime stemming from the use of narcotics. Now it is inextricably interwoven into the general crime control problem as an enforcement matter. It needs to be closely related to the organized crime section of the Department of Justice. It needs to be closely related to our comprehensive efforts to work with State and local law enforcement. As the law enforcement assistance act office is expanded to serve the States' crime control office, and as the Federal government begins to invest millions in local law enforcement, it will be awfully important that narcotics enforcement be related to the overall control activities. I think Justice is unquestionably the place for the new Bureau of Narcotics and Dangerous Drugs.

Mr. ERLBORN. Doesn't the Bureau of Drug Abuse have certain regulatory functions also? For instance, investigations into the manufacture and distribution of drugs, checking with the pharmacist and the doctor, as to their distribution of drugs that come under BDAC's jurisdiction?

Mr. CLARK. Yes, they do. In fact, Narcotics does too. The reason is the reason I explained. There are legitimate uses of narcotics and of dangerous drugs. They can be not only beneficial, but essential medically. But because they are dangerous, like other dangerous things in our environment, they have to be under careful control. And the same people that enforce the violations need to be in control of the use, because it is so closely related to the enforcement problem.

Most of the drugs and narcotics that find their way into illegal use come from legal channels. So control and regulation are an integral part of the enforcement problem. Accountability is another area where unification is important. Picture a manufacturer who is visited one day by an agent from the Bureau of Narcotics, who asks a lot of questions, and looks through the company's records. If a couple of weeks later an agent comes by from BDAC and conducts the same kind of investigation, you wonder what is the matter with those fellows.

Mr. ERLBORN. Will this have a representative of Justice Department then going into the manufacturer's office to check his records as to his production and distribution of dangerous drugs? Will it have a representative of the Justice Department going into the pharmacist's backroom to check his books?

Mr. CLARK. The accountability function that BDAC now renders, and the similar function of the Bureau of Narcotics, will be transferred to the Department of Justice. These men will be doing this just as FBI agents and our other agents do now.

Mr. ERLBORN. And if in the course of their investigation of the manufacturer's plant or in the pharmacist's backroom, they find fraudulent drugs or let's say counterfeit drugs, will they have jurisdiction over those drugs or will FDA?

Mr. CLARK. Well, if they are controlled drugs, the examining agents will have jurisdiction. They have to. If the drugs are not controlled, the function remains with FDA. The FDA portion is the vaster volume of what we are talking about, you know. The controlled drugs are not the part of the iceberg above the water. The dangerous drug part is much smaller volumewise.

Mr. ERLNBORN. Under the present law, the head of the Narcotics Bureau is named by the President and confirmed by the Senate, is he not?

Mr. CLARK. That is correct.

Mr. ERLNBORN. And under the proposal, the combined agency in Justice will have the head appointed by the Attorney General, without confirmation by the Senate. Is that correct?

Mr. CLARK. That is correct. The reasons are several. I should point out first that the head of the new agency will be at a higher level of the Government service than the head of either of the two agencies that are being merged. Second, within our establishment generally the heads of the services, such as Mr. Hoover, head of the FBI, are appointed by the Attorney General. There are about 1,200 appointments, as I understand it, in the executive departments of Government that require Senate confirmation. I think most people in the Government operations area think that is far too many. It is really unrealistic in many ways, and therefore this plan comports with the general findings and theories of the Hoover Commission for centralization of responsibility in the agency head and flexibility in your allocations and reallocations. The new position will be more prestigious. It will be more important. The new bureau will be a more vital law enforcement agency and the head of it will be paid more money, but he will not be nominated by the President and confirmed by the Senate.

Mr. ERLNBORN. Do you know if the general membership of the Senate agrees with you that the new head will be more prestigious than one appointed by the President and confirmed by the Senate?

Mr. CLARK. We haven't polled them on that question.

Mr. ERLNBORN. I notice in part of the reorganization plan, section 5, it gives the Attorney General the power from time to time to make transfers of the functions that are being given to him under this plan. That would be transfers within the Department of Justice. Do you know of any present plans to transfer to any other part of the Department of Justice powers that would be transferred to you by this plan?

Mr. CLARK. No; there are no plans of that nature at all that I can think of. We will be quite busily engaged in building this new bureau to the excellence that we know it will achieve. Any change is traumatic, and this change will create disturbances. But the benefits will far exceed the disturbances that are created. And we look to build a major new bureau. It won't be 300 agents, as each of these is roughly, it will be close to 900.

Mr. ERLNBORN. Just as an example, if this plan goes into effect, would you give the authority to an FBI agent to make an arrest for possession of narcotics or drugs subject to BDAC's jurisdiction?

Mr. CLARK. We have no intention of doing that and we have no experience that indicates its desirability or need. The FBI has never sought it, has never indicated in its work that it would be significant

to do it. And I just don't see anything within my present knowledge and experience that would indicate the desirability of it.

Mr. ERLNBORN. You would agree the plan would give you the authority to do so if you so desired?

Mr. CLARK. The plan gives that authority. The powers and functions of the Department of Justice, under the present setup, are vested in the Attorney General. So I have the power to do that as to the FBI, Federal Bureau of Prisons, Immigration and Naturalization Service, Antitrust Division. It is good government to so provide.

Mr. ERLNBORN. I suppose an argument could be made that FBI agents in their work do come across narcotics and dangerous drugs just as now Bureau of Narcotics agents come across dangerous drugs and therefore efficiency would demand these functions and powers be transferred to the FBI. And the Attorney General who so felt could so transfer it?

Mr. CLARK. He would have that general authority; that is right. I don't believe we can let such a fear inhibit us, however, from doing something that is important.

Mr. ERLNBORN. It is a question of not necessarily fear, but a question of what this plan would allow legally, what powers it does grant to the Attorney General.

Mr. CLARK. You have to think in terms of probabilities. The proximity of the work of BDAC and Narcotics is manifest. They are dealing with the same people and the same subject. They are dealing with something used in the same social environment, but not so the FBI. Its agents may come across drugs incidentally and occasionally, but I have never seen any indication of any desire by the FBI, or for that matter by these two agencies to have the FBI exercise jurisdiction over drugs; nor have I seen any argument or facts to support such a need.

Mr. ERLNBORN. Just one last observation. I remember a few years ago, and I will make it clear that was long before your appointment as Attorney General, there was a question of the increase in some prices, I believe in the steel industry, and at that time according to the newspaper accounts, FBI agents were used to check into the records of the steel industry and the inference was that some pressure was applied to keep the prices from being raised. Today there seems to be quite a hue and cry about the prices of drugs. Now do you suppose that a similar case might happen in the future with the Justice Department being used to control the increase in drug prices?

Mr. CLARK. Well, of course, the Department of Justice has antitrust responsibility and we have some important cases in the drug area. I think these are vital to the consumer and to the health of our people. The FBI has full investigative responsibilities there. It has 6,600 agents, and I suppose if someone wanted to abuse power, he would have opportunity to do that right now.

Mr. ERLNBORN. Would a Bureau of Narcotics agent or a BDAC agent today, if he came across what he considered to be evidence of an antitrust violation, be under a duty to report that to the Attorney General?

Mr. CLARK. Mr. Erlenborn, in my opinion, any citizen of the United States who comes across any evidence of any violation of any criminal

law has a duty and a responsibility to report it to the enforcing authorities.

Mr. ERLBORN. I think I would agree with you. I have no further questions, Mr. Chairman. Thank you.

Chairman BLATNIK. Mr. Edwards?

Mr. EDWARDS. Thank you, Mr. Chairman.

Mr. Attorney General, in spite of all of the questions, we keep coming back to the fact that most of your testimony has been to the point that BDAC and Bureau of Narcotics ought to be joined together. But I am still not clear why the Justice Department. Why not Treasury, for example? Or HEW, for example?

Mr. CLARK. Well, let me put it this way: I spend the greater part of my time in matters relating to crime. If you take, on a substantive basis, the resources of the Department of Justice and divide them into allocations, most of our resources go to crime control. Of the agencies of the Federal Government, the Department of Justice is the chief agency concerned with the control of crime in the United States. Drugs and narcotics are a very major part of crime in the United States. Organized crime handles billions illegally annually. One of the chief sources of its income, one of the major three, is trafficking in drugs and narcotics. Of the people arrested not only by the Federal agencies but by State and local agencies in narcotics activities, a very substantial proportion are involved in lives of crime. They are criminals. Crime control requires the control of drugs and narcotics. It is a major national problem. And the responsibility for control of narcotics and dangerous drugs should be vested in the official in government who has the greatest concern with the control of crime. Not the person that is involved in education, or in welfare and health. Not the person that is involved in financing, in balance of payments, in taxes and in fiscal matters. Illegal drug traffic is a crime problem. It is a major crime problem. It cries for control. And I think the Department of Justice provides the best opportunities for the full realization of the Federal potential in that area.

Mr. EDWARDS. Now the Department of Justice has been the coordinator, so to speak, of all of the Federal Government's efforts as far as organized crime is concerned, isn't that correct?

Mr. CLARK. Mr. Edwards, I guess that the Department of Justice is the coordinator beyond organized crime, for the reason that the ultimate decision on prosecution has to rest with the prosecutor.

Mr. EDWARDS. You are aware of the fact that another subcommittee has been holding extensive hearings into the economy and efficiency of the Federal Government's effort insofar as organized crime is concerned. Mr. Vinson from your Department has testified at length before that subcommittee. The gentlemen sitting with you at the table have testified before that subcommittee. The general import of all of the testimony was that there was a good coordination between Federal agencies involved with organized crime problems. Mr. Vinson pointed out Bureau of Narcotics, FBI, Department of Labor, Internal Revenue Service, which includes IRS intelligence, Alcohol and Tobacco Tax Unit, Customs, Post Office, SEC, as agencies involved with organized crime enforcement and all of which cooperate with and work closely with the Justice Department. You wouldn't dispute that, would you?

Mr. CLARK. No, I would not dispute that, nor would Fred Vinson dispute the fact that it is very vital for an effective program of organized crime that these two agencies come to the Department of Justice.

Mr. EDWARDS. Yet when you propose that these two agencies come to the Department of Justice for the reason that there will be a better coordination of the effort of enforcement, you are at the same time bringing about less coordination in the same field. For example, you have got the Bureau of Narcotics and Customs Bureau, both in Treasury and both working very closely in their efforts dealing with narcotics. I refer again to Mr. Vinson's testimony in the other hearing, where he talks about the coordination between the Bureau of Narcotics and Customs and the total number of convictions, as he says particularly when viewed against their manpower, is most impressive. What is the record of convictions in organized crime as far as Treasury is concerned? It is pretty good, isn't it?

Mr. CLARK. The Federal Bureau of Narcotics is a very good Bureau. They have a good record. You might ask yourself who in HEW is in daily communication with local police departments throughout the United States? Who has an ongoing relationship with the Federal agencies of investigation and with State governments? No one there does. BDAC is largely isolated in HEW.

In Treasury, Narcotics got there by historical anomaly, since narcotics was initially treated as a tax matter. Now you make your nest wherever you are and you relate to those around you. There are awfully good investigative and enforcement agencies in Treasury, but none of them are as relevant to the narcotics problems as the agencies housed in Justice today. And none of them work as closely daily with local law enforcement—and this is so essential in the narcotics area—as the Department of Justice today.

Mr. EDWARDS. Do you know to what extent organized crime is involved in marihuana?

Mr. CLARK. I don't think anybody can measure that. Organized crime itself won't be able to. There are a lot of free operators in marihuana. A lot of them are not members of La Cosa Nostra. A lot of them in a smalltime way are regular operators, and they are organized after a fashion with a few other fellows. I would say most of the major traffickers have criminal records.

Mr. EDWARDS. But isn't it true that in marihuana organized crime has really not taken a great interest? Maybe Mr. Giordano can answer that.

Mr. CLARK. Their historical involvement has been with the opiates. But they are also looking for new fields to conquer, I assure you, legal and illegal.

Mr. EDWARDS. Marihuana, the barbiturates, LSD, this sort of thing. They are really more social problems, aren't they, than the hard narcotics?

Mr. CLARK. They are an awfully important enforcement problem. Generalizing, you can think of them as social problems if you want to. I would rather save the kid from having ever used LSD than to have to work with him afterwards.

Mr. EDWARDS. That is a good point. I agree with that. I just wonder, as I wondered yesterday, whether the Justice Department is the place to try to get to the young people, who some witness yesterday testified have been rather alienated from society. Are you really going to get to these young people by Justice Department lectures? Aren't you really going to get to them better from the health angle, rather than talking to them from a criminal angle?

Mr. CLARK. Mr. Edwards, I think we have to keep a sense of proportion about the thing. How many young people do you think 900 agents can get to?

Mr. EDWARDS. This worries me. I don't know how many they can get to.

Mr. CLARK. How many do you think 300 have been able to get to so far. We are going after the traffickers, the dealers, we are going to try to cut the supply at the laboratory, the border, we are going to try to keep the drugs from getting to the young in the first place. You know the solution from the standpoint of the kids is not enforcement.

Education is the biggest industry in the United States. We have 70 million people in it and educators have to work with the problems of young people intensively. But they have to know about dangerous drugs. They have to know what they can do to kids. And it should be law enforcement types that tell them, because it is a crime problem.

Mr. EDWARDS. Well, I am not sure I agree with you. It is a crime problem, but I am not sure that I agree that law enforcement people are the ones that ought to be telling the story down in the junior high schools and in the high schools of the country.

You have been given regulatory functions in this transfer as well as law enforcement functions. The Prettyman report, which I am sure you are familiar with did propose that the enforcement functions be given to the Justice Department, but it also proposed that the regulatory functions be left in HEW.

Mr. CLARK. In narcotics? There was no BDAC at that time.

Mr. EDWARDS. Certainly BDAC was contemplated at that time. And it referred, as you recall, to dangerous drugs in the Prettyman report.

Mr. CLARK. Let me say the Prettyman report agrees with us that Narcotics should be transferred to Justice and disagrees with you. It disagrees with us as to the size of the agency that should be transferred. The Department of Justice thought then, and the Department of Justice thinks now, that regulation as well as investigation in criminal use control should be in the Department of Justice.

Mr. EDWARDS. Well, I think perhaps we are playing on words. The Prettyman report recommended that the functions of the Bureau of Narcotics, insofar as the regulation is concerned, be transferred to HEW.

The enforcement functions were recommended to be transferred to Justice. And what this proposal does is to transfer both the enforcement and regulatory functions to the Department of Justice.

I also notice that the President's Crime Commission report did not make any recommendations along these lines. Do you have any knowledge as to why this was not included?

Mr. CLARK. Well, I think I can give you a general idea. The Crime Commission was reviewing the total criminal justice problems of

the United States. And with only a few exceptions it didn't get into the nuts and bolts. It didn't analyze the Montgomery Police Department, the Mobile Police Department, or the Dallas Police Department and explain how they ought to be reorganized.

It made some few specific suggestions in the Federal area, but nothing comprehensive. It gave general guidance.

Mr. EDWARDS. But it did talk about the need for coordination, and in that need did not point up the need to move these two bureaus into Justice.

Mr. CLARK. It stressed all the grave dangers of narcotics and drug abuse control and the need for effectiveness of law enforcement in this area and the great need for coordination.

Mr. EDWARDS. Do you know of any plan in the making to move any of the other law enforcement bureaus in the Federal Government into Justice, such as Customs or Internal Revenue Service or any of these others?

Mr. CLARK. This move, of course, has been in contemplation for decades, first recommended by the Hoover Commission. I don't think that we should fear to do this out of fear that we would set a pattern. I know of no other such recommendation. Internal Revenue Service, obviously, if you look at its Intelligence Division, is engaged primarily in something that is vital to the performance of the Internal Revenue Service in the collection of taxes. It is necessarily related to taxes. It does not deal with a general crime control problem that permeates criminal conduct in the United States.

Customs is spending most of its time at border points of entry, and narcotics is only a very small part of what their agents are engaged in daily, their work with importing and exporting.

Mr. EDWARDS. As I recall it, the law permits the Commissioner of Narcotics to designate a Narcotic agent as a Customs officer and may assign him duties at ports of entry and so forth. Will this be transferred to your department, this authority?

Mr. CLARK. We will have the same power to engage in collateral support that the Bureau of Customs or the Bureau of Narcotics presently has.

Mr. EDWARDS. Does the Department of Justice use undercover agents to any great extent?

Mr. CLARK. Not to a great extent. We have used some in the organized crime field. The FBI generally does not use undercover agents.

Mr. EDWARDS. The Bureau of Narcotics does, however, does it not?

Mr. CLARK. It has a different problem. The investigation of car theft and other areas of concern of the FBI do not really call for undercover work.

In narcotics our experience at the local, State, and Federal levels has indicated that the use of undercover agents is a very effective technique.

This is another reason I think that any fears that the FBI is going to absorb these agents is not well founded.

Mr. EDWARDS. Well, will there be any change in the philosophy of the Justice Department as far as undercover agents are concerned?

Mr. CLARK. I don't know of any change in philosophy. We have worked very closely with the Federal Bureau of Narcotics, throughout the period of its existence. And we do prosecute its cases. The De-

partment of Justice attorneys prosecute its cases. They present its evidence to the courts. And if we would refuse to present evidence based upon their investigative techniques, they couldn't make a case. They are not authorized to go into Federal district court.

Mr. EDWARDS. So what would you do—

Mr. CLARK. We have had no difficulty there.

Mr. EDWARDS. Will you refuse to submit evidence of an undercover agent or will you not?

Mr. CLARK. You didn't understand me, apparently. What I said was it will be just the same. We prosecute their cases today. We prosecuted them when the Harrison Act was put on the books. The U.S. attorney and his assistants are the lawyers in court who prosecute their cases.

If undercover agents have developed their cases, we prosecute them that way. When Danny Escobedo was prosecuted in Chicago last month, it was an assistant U.S. attorney that prosecuted that.

Mr. EDWARDS. How about wiretapping? If cases are made by the use of wiretapping in the Bureau of Narcotics?

Mr. CLARK. No case is going to be made by the use of wiretapping. You have to be concerned about violation of the Federal Communications Act.

The Federal Bureau of Narcotics is not using wiretapping. There has been a Federal prohibition since July of 1965.

Mr. EDWARDS. The Prettyman report recommended wiretapping to be used by agents to detect and prevent international smuggling of drugs. Do you subscribe to that recommendation?

Mr. CLARK. The Department of Justice is on record as opposing the use of wiretapping and electronic surveillance that involves, in the old sense, the trespass, except in cases directly involving the national security.

Mr. EDWARDS. Has the Supreme Court outlawed the use of wiretapping except in cases of national security?

Mr. CLARK. All the Supreme Court in its most recent decisions has indicated is that where judicial authority, analogous to the authority to grant a warrant to search, has been sought, where there is probable cause to believe a crime has been or is about to be committed, that under judicial authorization, a wiretapping can be placed on domestic crime for a very limited period of time.

Mr. EDWARDS. Does this put the Justice Department's philosophy then at odds with the Supreme Court decision?

In other words, are you tougher on this point than the Supreme Court?

Mr. CLARK. I would say we are tougher than the Supreme Court. But the mere fact that you can do something under the Constitution doesn't mean that as a matter of policy you do it. We have found that we have been very effective without its use. The conviction rate of the FBI today is 97 percent, the guilty plea rate is about 87 percent.

Mr. EDWARDS. What type of international organization does the Justice Department have? Do you have overseas agents?

Mr. CLARK. Yes, we have some. We don't have extensive offices. The Immigration and Naturalization Service, which has about 7,700 personnel, has offices in various parts of the world. The FBI has a few people outside of the country.

Mr. EDWARDS. In what capacity do they generally serve?

Mr. CLARK. Well, they perform the function of their bureaus and services outside of the country.

Mr. EDWARDS. The Narcotics Bureau has a good network of overseas agents, doesn't it?

Mr. CLARK. They have what could be described as a network. I think, man for man, it is probably very good. The number of agents is in the low twenties. This is a big world. I am not sure how much 20 men can do.

Mr. EDWARDS. But they have good contacts in the places they need to be.

Mr. CLARK. I hope they do.

Mr. EDWARDS. Would there be any change in that situation if they go into Justice Department?

Mr. CLARK. Yes, I would hope so. I would hope that we would be able to strengthen that operation. I have discussed it with Mr. Giordano and I think he is interested in that too.

Mr. EDWARDS. You said a moment ago your staff had been working on the planning, programing, and budgeting study in connection with this reorganization. Is that what you said a moment ago?

Mr. CLARK. Yes, I did. I said we worked on it quite considerably. We have a number of working memorandums. We hope to have a program memorandum well before April 8 that could be presented to the leadership of the new agency.

Mr. EDWARDS. Is there such a plan or study now available?

Mr. CLARK. As I indicated, there are a number of working drafts and papers that are going toward program memoranda that we hope to have available for April 8.

Mr. EDWARDS. But you did not complete such a study prior to the recommendation of this reorganization plan?

Mr. CLARK. In terms of the ultimate consolidation, no. As I indicated in the initial questioning, we think experience will be awfully important there. We think it would be quite shortsighted to think that logic can tell you how to lay this whole thing out on the drafting board. And we also think the new head, because he will be responsible for the performance of this office, should have a very considerable weight in the suggestions as to the particulars of consolidation.

Mr. EDWARDS. Doesn't Bulletin No. 68-2 of the Bureau of the Budget, July 18, 1967, require a planning-programing-budgeting study prior to the budgetary submittal on a reorganization such as this?

Mr. CLARK. I don't know what that is. I would have to read it. But whether it does or not, the merits of the consolidation were fully considered. The particulars, what floor of what building, or what floors of what building in New York City or in Mobile, should these offices be consolidated in, and who shall be the supervisors were not decided before. Such matters should not, and as a practical matter, really cannot be decided now.

Mr. EDWARDS. Do you see any economy in this proposal?

Mr. CLARK. Absolutely.

Mr. EDWARDS. You do?

Mr. CLARK. Surely.

Mr. EDWARDS. Could you tell us where that economy will be?

Mr. CLARK. Well, I think—

Mr. EDWARDS. I might say this, it is my recollection that Mr. Hughes from the Bureau of the Budget, if I am not mistaken, said there was no economy, it was not being presented to us on that basis.

Mr. CLARK. It is not being presented to you on that basis. There is economy. That doesn't mean we won't spend more money. It means it will be better spent.

Mr. EDWARDS. Won't you agree these will be efficiency, but perhaps not economy?

Mr. CLARK. Well, I would say that there will be both efficiency and economy. I think if you have got a field office in a city in one building and it is manned by three agents of BDAC and in the same city you have seven Narcotics agents, and they have got to have—these are field men, you know, these are caseworkers, street men, by and large—just everything about it tells you there will be substantial direct economic savings.

They won't have to have the same number of secretaries back there, because it doesn't take as many. You could pool their efforts. In terms of how they spend their time, the economies will be immense.

They won't both meet at the same door with search warrants, one looking for LSD and one looking for marihuana, after having worked the case for a month. It will take only one man coming to the same door with a single search warrant. There won't be two of them going to look at a manufacturer's records to see what he is doing.

There won't be two of them going out to train over a week's period of time the law enforcement personnel of the State of Alabama. There will be one there teaching about both kinds of drugs.

You have got 300 men in each office now. You have got two headquarters. You know when you merge those two, there are bound to be economies. I think there are substantial economies all of the way through. I think it is important we turn those economies to more resources put to a higher and better use and that is what this plan does.

Mr. EDWARDS. I don't think anyone on this committee would disagree with that. Again that goes to the need to coordinate, bring together the two agencies, and does not go to the question of putting them in the Justice Department. There is no argument that this is necessary to bring the two agencies together.

One final question. You point out that presently you have Narcotics agents and BDAC agents calling on the same businessman. Now, in your opinion, you will have one Justice Department agent calling on that same businessman?

Mr. CLARK. He will be an agent of the Bureau of Narcotics and Dangerous Drugs Abuse.

Mr. EDWARDS. In the Justice Department?

Mr. CLARK. That is where he will be, but I haven't heard FBI agents called Justice Department agents recently.

Mr. EDWARDS. In addition to that, the FDA people will still have necessity to be calling on many of these same people, will they not?

Mr. CLARK. They will be calling on a lot more than we will be calling on. The Dangerous Drugs are only a very small part of the drug business in the United States.

Mr. EDWARDS. So, to this extent there will still be some duplication?

Mr. CLARK. Well, yes, I guess three is more than two, though.

Mr. EDWARDS. What does that mean?

Mr. CLARK. Well, you have named three agencies who contact businessmen: Food and Drug, BDAC, and Narcotics. If you put two of them together, instead of having three, you have only two. But I don't consider it duplication really. I think their functions are substantially different. This is crime control and dangerous drug control.

Mr. EDWARDS. I believe that is all, Mr. Chairman.

Chairman BLATNIK. Mr. Reuss?

Mr. REUSS. I think you have given some very good responses so far this morning, Mr. Attorney General. I have just one additional question of you.

The activity of the Customs Bureau are not included in the reorganization plan, yet customs does of course have something to do with narcotics.

Would you address yourself to that noninclusion, and give the reasons for it?

Mr. CLARK. Yes.

Your statement is correct. The Bureau of Customs performs a function that is vital to a major responsibility of the Department of the Treasury, and that has to do with customs revenue and the flow of goods in and out of the country.

Its role in narcotics is a very, very tiny fraction of its total responsibility. On the other hand, narcotics and drugs permeate criminal activity in the United States. The chief traffickers for organized crime, most traffickers, are people with criminal records. Narcotics and drug control is a major crime control law enforcement problem. There are areas where it is the chief, most important, most difficult law enforcement problem.

The Bureau of Narcotics is not related, really, to the activities of the Department of the Treasury. It is there because originally the early acts were tax measures. But I think anyone in the country would agree that we would forego the taxes, if we could forego the narcotics problem.

It is an enforcement problem, a crime control problem, and it ought to be housed in the agency that is primarily concerned with crime control—the agency that spends most of its time and resources on crime control and that is the Department of Justice.

Mr. REUSS. Now a question at a technical level of Mr. Finlator or Mr. Giordano.

What are the relative physical, psychological and social detriments of marihuana, alcohol and tobacco?

Mr. FINLATOR. Well, I am not competent to answer that question, sir. I think that would be one you would have to ask of medical people.

Mr. GIORDANO. I cannot speak to alcohol or tobacco.

I would say that as far as marihuana is concerned, it is a very dangerous drug. In fact, the American Medical Association just came out with a very recent report in which the association concluded marihuana is a dangerous drug and that it should be controlled.

Mr. REUSS. Thank you, Mr. Chairman.

I yield to Mr. Holifield.

Mr. HOLIFIELD. Mr. Attorney General, there is one statement you made, I believe, that narcotics constituted one of three major efforts

of organized crime. For the record, would you tell us what the other two are?

Mr. CLARK. Yes, sir.

Historically—there are some shifts now—the greatest source of income of organized crime has been illegal gambling. And then surprisingly, as a major contender in recent years, there has emerged loan sharking. And the third, not necessarily in that order, although gambling is number one, is narcotics.

Mr. HOLIFIELD. And the inference of your testimony is that organized crime draws a tremendous financial support from the narcotic and drug racket?

Mr. CLARK. That is absolutely correct. It finances from this source, other criminal activities as well.

Mr. HOLIFIELD. Has there been any estimate of what the take of organized crime is in the field of narcotics and dangerous drugs, or is it possible to do so?

Mr. CLARK. There have been a good number of estimates. I am quite skeptical of them, personally. I just don't believe we know.

Mr. HOLIFIELD. But you do feel—

Mr. CLARK. I can't say really. There have been estimates allocated strictly to narcotics. There have been estimates of the total take.

Mr. HOLIFIELD. But it does run into the hundreds of millions of dollars in take a year, would you say?

Mr. GIORDANO. Yes.

We have estimated, and it is very rough, what it would cost for the addicts in this country, over a period of one year, to support their habits. That figure is about \$350 million.

Of course, as you know, the drug moves through so many hands, and although it may start over in the Middle East at a rather nominal price, when heroin gets into the United States, it is selling now for about \$30,000 for one kilogram of the pure substance.

In France, it can be bought for about \$6,000. There is that increase from France to the United States.

Then, of course, when it moves through the traffic down to the addict, each person takes his cut.

Mr. HOLIFIELD. Thank you.

Chairman BLATNIK. If there are no further questions, Mr. Attorney General, we thank you very, very much for your testimony and your patience in being with us all morning.

We may have a rollcall vote.

We have some unfinished interrogation by Mr. Edwards of Mr. Hughes.

We appreciate your coming back this morning.

And Mr. Hendrick, thank you for waiting since yesterday. May we wait until this afternoon, until 2 o'clock, and then we can start you right off and have your entire testimony in full and the interrogation in proper sequence.

We appreciate that very much.

The hearings for this morning are recessed. We will resume hearings at 2 o'clock this afternoon.

(Whereupon, at 12:30 p.m., the hearings were recessed, to resume at 2 p.m. the same day.)

AFTERNOON SESSION

Chairman BLATNIK. The Subcommittee on Executive and Legislative Reorganization of the House Government Operations Committee will please come to order. We are resuming our hearings on Reorganization Plan No. 1 of 1968 and House Resolution 1101, which is the resolution of disapproval.

We have had to make another change again, for the fifth time, Mr. Giordano. Dr. Barton, we appreciate your standing by and being available to us and I understand you do have a meeting in Chicago this evening and have to leave this afternoon. So we will have Dr. Barton as our first witness this afternoon.

Dr. Barton is the medical director of the American Psychiatric Association. I believe you have a position paper to read on behalf of the Association.

A copy of the Advisory Position Statement of the American Psychiatric Association concerning President Johnson's proposal for the creation of "a new and powerful Bureau of Narcotics and Dangerous Drugs," a paper dated March 5, 1968, is available in each member's folder.

Dr. Barton, please proceed with your statement.

**STATEMENT OF DR. WALTER E. BARTON, MEDICAL DIRECTOR,
AMERICAN PSYCHIATRIC ASSOCIATION**

Dr. BARTON. The American Psychiatric Association doesn't think it is appropriate at this time to render a categorical opinion in support of or in opposition to the proposition. Since this document was prepared early in March we have had a chance to study in detail the reorganization plan, but would still not presume to tell the Government how to organize its business. We are, after all, physicians and would state our opinion in medical terms.

The treatment of drug addiction is a medical problem. The care of addicts should be put under the aegis of medical authorities, whereas the problems of importation, regulation, and the traffic of drugs should be the continued responsibility of law enforcement agencies.

The association, on behalf of the psychiatric profession, can only express strong reservations about transferring the administration of the health and medical aspects of the problem from the agency that has traditionally administered them to an agency which is primarily concerned with law enforcement. There is a strong implication in the President's proposal that its primary intent is punitive. This move, he says, will eliminate the division of responsibility which has hampered our response to a national menace, and with this action America will serve notice to the pusher and the peddler that their criminal acts must stop. The American Psychiatric Association does indeed acknowledge the use and abuse of addictive and dangerous drugs has become a national menace. It will fully support any tightening of the national effort to bring to book those criminals who further the menace.

It is our view, however, that in the long run a primarily punitive approach directed to the user or addict is not the most promising answer to the problem. And that greater promise lies in the combina-

tion of public education, advances in medical services, and the delivery of such services to the drug users and addicts of this country. To put it even more candidly, neither those who think the answer lies in more punitive approach, nor those of us who believe in the medical educational approach, as the point of emphasis, are yet in a position to demonstrate the certainty of success.

We would point out, however, that by and large western society has relied primarily on the punitive approach with results that leave much to be desired. We do not think, for example, that anything is to be gained by labeling as criminals young people who are found to have marihuana in their possession, or who in foolish impulse venture the smoking of marihuana cigarettes or even worse an LSD "trip." An important constructive path it seems to us lies in the direction of expanded medical research programs, better distribution of medical and rehabilitative services for addicts, more demonstration projects and experimentation, and a stepped up public education program. In sum, the American Psychiatric Association has historically contended that the treatment of drug addiction is a medical problem. The care of addicts, in our view, should be under the aegis of medical authorities as distinguished from problems in importation, regulation and traffic in drugs, and related matters which fall properly within the province of law enforcement agencies.

There is no objection to the transfer of the functions of the Treasury Department in the field of the Justice Department. There are cogent reasons given for the increased efficiency that will result from consolidation of enforcement efforts. There is, however, objection to the transfer of the functions of the Department of Health, Education, and Welfare. Pending some convincing reassurance to the contrary, it is our sense that the medical contribution to the national program to combat addiction and drug abuse in the form of expanded research, training, and treatment in the field will be better nourished under the aegis of the Department of Health, Education, and Welfare than under the Department of Justice. The former is traditionally oriented toward treatment, education, rehabilitation, and the relief of the unfortunate; the latter is traditionally oriented toward the punishment of offenders. Both have their place and it is in the national interest that neither one is in the position administratively to determine the relative emphasis to be given the other in a total national effort to cope with the menace.

Chairman BLATNIK. Dr. Barton, you have heard the testimony presented this morning by the Attorney General emphasizing the importance of consolidating, centralizing, and making more effective their enforcement program, have you not?

Dr. BARTON. Yes, sir.

Chairman BLATNIK. You have also heard some questioning and some comments by some members of the committee expressing also interest as to what role the bureau may or may not have in these medical-sociological areas, the areas which you point out. It was the first time that at least it was made clear to the Chair that the role in that area would be minimal as far as this new bureau is concerned. Its primary function would be to consolidate the enforcement provisions that now rest in the Bureau of Drug Abuse under HEW and the Bureau of Narcotics control under Treasury.

Will the proposed consolidation of the agencies in a new Bureau of Narcotics and Dangerous Drugs, which you have heard, place sufficient emphasis upon the medical aspects of the problem of drug abuse as you see it?

Dr. BARTON. I heard convincing testimony this morning for the increased efficiency of combining two departments that had an overlapping concern for enforcement. But I also heard the distinct absence of the very concerns that I express. Research into the causation of the use of drugs is both a medical and a social problem; it requires the combined efforts of medicine and social scientists to work at its solution. And the framework that is most comfortable and accustomed to working inter-professionally is the health, education, and welfare rubric. Similarly, treatment and rehabilitation requires a great deal of experimentation and pilot testing to determine the efficacy of the various treatment methods under way. And here, once again, the National Institute of Mental Health and the National Institutes of Health have the principal resource. And youth, I believe, in the educational field, is not going to be deterred by statements that drugs are illegal. This is a long and complicated process. It involves the students in junior high school, it involves them in senior high school, it involves them in college, it involves the teaching of teachers and the teaching of physicians. And this complicated process, it seems, would be best nourished in other than a punitive framework.

Chairman BLATNIK. You may recall when the further questioning went on, we mentioned the Bureau of the Budget. Just where is the major function or responsibility for the psychiatric and medical and sociological coordinated research and study and educational programs, the cooperation with the universities? In what agency is that now being done? Do you know of any such major agency, doctor?

Dr. BARTON. The National Institute of Mental Health has many programs of research and study in the area of dangerous drugs.

Chairman BLATNIK. What agency of Government is doing the major share of the work now?

Dr. BARTON. It is within HEW, the National Institute of Mental Health.

Chairman BLATNIK. That is under the Public Health Service, is it not?

Dr. BARTON. Yes, sir.

Chairman BLATNIK. What about the National Institutes of Health?

Dr. BARTON. They are also interested in this.

Chairman BLATNIK. The major work now in the Government anywhere would be in the National Institute of Mental Health, which is under Public Health Service in HEW, is that right?

Dr. BARTON. Yes, sir.

Chairman BLATNIK. Would you know or are you familiar with how close it may or may not be working with the Food and Drug Administration, which is a separate setup under HEW which had control of the Bureau of Drug Abuse Control and which does have control of the Bureau of Medicine and the Bureau of Regulatory Compliance, which would be somewhat related, I would think, to the drug field? Would you be familiar with this?

Dr. BARTON. Only in a general way. When a new drug of an experimental nature is under study, it often operates under the NIMH's

psychopharmacology center, particularly in our field. And whenever the drug has reached a point where there are some findings which indicate that it may be useful or that it may be harmful, this then is shared with the FDA and becomes part of their record as they build up the history of the evolution of a drug, which finally may be approved for general use.

Chairman BLATNIK. Doctor, what are the real dangers or relative degrees of danger in the use of heroin, LSD, and marihuana? Can you use this interchangeably, as they are all addictive, or they overlap, or what?

Dr. BARTON. A great deal of the discussion this morning was directed toward the hard narcotic, the opium derivatives, such as heroin. In discussing the drugs, in trying to keep the answer short, one always must preface it by saying that there are several factors concerned, such as the amount of dosage, the time over which it is being used, and the susceptibility of the individual. With these three general factors in mind, then one says that heroin is the more dangerous drug. It produces definite addictive symptoms with a severe withdrawal, particularly if the dosage is reasonably high. Sometimes that withdrawal is not excessively painful, because the dosage has been small. But, nevertheless, it leads to addiction. It can lead to deterioration in judgment and in the general mental functioning of an individual. Marihuana also is a hazard to a lesser degree. In susceptible individuals it may produce mental illness, characterized by hallucinations and delusions, and thus lead to very severe incapacity. It has one interesting kind of symptom in that some time after discontinuance of use, there is often a flashback phenomenon, in which the patient relives certain episodes during his experience with the drug. And this may occur at some time after the use of the drug.

LSD has a more dramatic immediate kind of impact, with a toxic type of delirium, in which a person sees and hears things that are usually transient, but, once again, for the susceptible person who abuses the drug and uses it over a period of time, it becomes serious and damaging.

Chairman BLATNIK. You mentioned—

Mr. EDWARDS. Excuse me. May I ask one question there?

Chairman BLATNIK. Yes.

Mr. EDWARDS. Is LSD addictive?

Dr. BARTON. LSD may be habitually used, but it does not have the same order of addictive withdrawal symptoms that an opium derivative would have. There is a tendency, however, for susceptible persons to use it over an extended time. But its order of addiction is not the same, nor is it the same as a barbiturate even.

Mr. EDWARDS. Thank you.

Chairman BLATNIK. You mentioned there is some incapacity due to marihuana, exaggerated notions, loss of reality as far as time, and so on. In connection with highway driving and highway safety, can one who has smoked or is smoking marihuana function relatively reasonably well in terms of walking, in terms of driving an automobile?

Dr. BARTON. Here again you must consider the dosage over a period of time and the element of susceptibility. Some people can take it without any major effect; they experience nothing or very little from its use. One of the most subtle changes, however, is the impairment of

judgment in much the same manner that characterizes the person who had too much to drink. He thinks he can drive an 8-foot-wide truck through a 7-foot alley. He can't quite do it. The same kind of judgment impairment affects the person who uses marihuana as well as the more spectacular symptoms.

Chairman BLATNIK. Statements were made several times during the hearings that nine out of 10 times when users or pushers of marihuana were arrested, there also was found in their possession LSD and, very likely, other drugs. Does the use of marihuana necessarily lead to the use of heroin or other opiates?

Dr. BARTON. The answer to that is not clearcut. You can turn it around the other way and say that many users of heroin have been found to be users of marihuana. But it doesn't necessarily follow the other way, that all users of marihuana would go on to use of heroin. At least the evidence at the moment doesn't show it. There is another kind of distressing bit: There are stories of youth going to parties in which they sort of clean out the medicine cabinet; any kind of pill may be part of the thing; they play grab bag; they put their hands in the bag and come out with whatever pill happens to be there and take it. It is sort of a dangerous game of roulette. I use this as a dramatic example of the combination of drugs familiarly seen with the youth of today as they use these drugs.

Chairman BLATNIK. In connection again with marihuana and LSD or heroin, this explanation is sometimes used: Those who are attracted to experiment with something new and exciting and fascinating, or something that puts you into the "in" crowd, once you try that and it is not too bad, it sort of softens you up and sort of conditions you, so you are not quite as afraid to take a further step forward and try LSD or perhaps heroin. Is that a plausible explanation?

Dr. BARTON. That is plausible. I think there is another kind of interesting commentary that I heard made the other day in Chicago, that ours is a drug culture, that 75 percent of all of the drugs that are effective today were not in use a generation ago; that 60 percent of all of the prescriptions filled in the United States are for drugs that affect the mood or somehow or other alter the mind and its functioning. If the parents set the model for the children, there is some reason to think that children turn to drugs perhaps as a way of expressing their alienation and protest.

Chairman BLATNIK. We are not going to change people taking the drugs though, are we, Doctor? Any prospects of reducing the drug output or drug intake by our population?

Dr. BARTON. Not really. I think we are going to keep on developing more precise drugs that tamper with the body physiology more specifically as times goes on. So that the problem of education, therefore, becomes the more crucial. We are going to have more problem, not less.

Chairman BLATNIK. Do you have any opinion as to the reason why—you mentioned why the young take dangerous drugs, this game of roulette you mentioned—they should be taking to dangerous drugs? Is the escape factor a substantial reason for it, escape from the unpleasantness, or what they think is unpleasant in society, as they see it and find it?

Dr. BARTON. Again, I don't think easy answers exist to the problem.

But certainly drugs are just an incidental factor. They are one form of acting out, a form of protest that adolescents and youth take. And adolescents and youth have been protesting against their parents' way of doing things from time immemorial. Disrespect for property, acting on impulse, lying, stealing, have been other ways in which youth have expressed themselves in the past. Now this doesn't in any way lessen the importance of making laws, appropriate laws for the control of potentially harmful drugs.

Chairman BLATNIK. Doctor, we have a few more questions and we want to give the minority an opportunity to ask questions. But we have to take a recess at this time to answer a rollcall on the floor.

(A short recess was taken.)

Chairman BLATNIK. The subcommittee will please resume session.

Mr. Edwards, I think you were recognized next. The gentleman is recognized.

Mr. EDWARDS. Thank you, Mr. Chairman.

Doctor, it is good to have you with us today. I think you have given us a very clear statement. I fully appreciated the fact that you don't want to appear to come here and tell us how to reorganize the Government, as you put it.

And yet I think your views are very helpful to us in trying to reach some conclusion. You have talked quite a bit in your statement about the need for expanded research, educational programs, demonstration projects, and experimentation, going into the schools and trying to talk to these young people before they get off the deep end when it comes to drugs.

Is the Justice Department the right Department to carry on that program?

Dr. BARTON. Once again, I don't know enough about the interior workings of the Justice Department to know what it is that they do best. My impression would be that the punitive aspect might receive priority.

And this is the concern that we have, that the frame of reference for the educational process that brings together physicians and social scientists be the familiar one, which is HEW, where they have learned to work collaboratively over the years and do have common interests.

Mr. EDWARDS. Put yourself in a junior high school student's place for a moment. Some of us can barely remember those years. But what would impress you the most, someone talking to you from the health standpoint, or with a health background, or someone talking to you from a law enforcement criminal background?

Dr. BARTON. I think if you are talking about drugs and their effects on people, this is a part of the general health package. If you are talking about how the body works and how it is influenced by various stresses and products as, in social studies, you talk about social change and how change affects youth and what some of the stresses are. These are the logical places to start, rather than simply to say it is bad. This is what we should not do. Kids learn better by learning what they might do and the reasons for certain actions. They always want to know why.

Mr. EDWARDS. And the "why" should not be "If you don't do it, you will go to jail," is that a fair statement?

Dr. BARTON. I think so. And the same goes for my physician colleagues. If the only reason they have for not using drugs is that they are illegal, then they are really handicapped in talking to anyone.

Mr. EDWARDS. Have you talked with your counterparts in any other medical or pharmaceutical associations about this problem?

Dr. BARTON. Often, informally. Also, I was a member of the Conference on Drug Abuse sponsored by the American Medical Association last weekend. So all Thursday, Friday, and Saturday our colleagues in the American Medical Association and its Council on Mental Health were concerned with the common problem of drug abuse, although not specifically the reorganization proposal. But I have not formally discussed it with any of our other organizational executives in the professional fields concerned.

Mr. EDWARDS. Did you gain any impression, though, from the discussions in Chicago as to how best to handle the problem of education and research?

Dr. BARTON. We heard—

Mr. EDWARDS. And enforcement, if this were part of the discussion?

Dr. BARTON. Enforcement was only briefly touched on as we struggled for a way to put into the legal framework our desires for medical care and treatment of people who were users and addicts.

On the other hand, a great deal of emphasis was placed on education, principally of physicians, and how we might approach the problem of educating physicians. We also had the opportunity to hear spokesmen of at least one school system that is inundated with drug problems discuss this approach to children in the hope that they might influence behavior.

Mr. EDWARDS. Did the trend of the discussion lend itself to the thought that the police and Justice Department type of operation is the best way to help that school cure itself, or did it lend itself more to the HEW approach?

Dr. BARTON. The discussion was away from the threats of what would happen if you used it, threats and punishment, to the more purely educational efforts.

Mr. EDWARDS. And you feel—I am not asking you to speak for anybody in Chicago—but you feel that generally those in your profession who are concerned with this particular problem would lean toward the education and research, demonstration, experimentation, and what not being within HEW?

Dr. BARTON. Yes. We would prefer to remain under the health auspices where we in the mental health professions and our colleagues in the other branches of medicine have learned to work collaboratively.

Mr. EDWARDS. Doctor, who should pass on whether a drug is dangerous? Who is competent to make that decision?

Dr. BARTON. This is a complicated process. One begins with serious research of the controlled type in a population that can be defined so that the various variables are known. The experiences of that research are recorded, studied, and examined by the pharmacologists, the chemists, and the physicians, who will determine the degree of toxicity.

And then I believe the FDA has the ultimate responsibility of saying from the evidence presented to it from research as to the degree of danger and toxicity of a given drug.

Mr. EDWARDS. You then think that the decision is more of a medical than a legal decision?

Dr. BARTON. Yes, I do. At the outset it is primarily medical and on medical advice. Then as to its addictive nature or its capacity for harm, there are derived legal controls.

Mr. EDWARDS. As I understand the reorganization plan, Doctor, the Attorney General will be given the ultimate responsibility of determining whether a drug falls into the dangerous drug category. So I get back to my question of whether a lawyer should make that determination or whether that should be a medical determination.

Dr. BARTON. I believe the initial determination of the hazard is a medical responsibility.

Mr. EDWARDS. Thank you, Doctor.

Mr. ERLNBORN (presiding). The gentleman has no further questions?

Mr. EDWARDS. No.

Mr. ERLNBORN. The gentleman from Ohio.

Mr. BROWN. I just would like to know what our bill is going to be with these psychiatrists we have kept waiting for a couple of hours here.

Doctor, with reference to the use of drugs in psychiatric care and treatment, the development of these drugs, their testing and their ultimate approval is done under medical auspices in most instances, is it not?

Dr. BARTON. Yes, sir.

Mr. BROWN. And with the cooperation of the Food and Drug Administration in the use of these drugs?

Dr. BARTON. Yes, sir.

Mr. BROWN. The source of the drugs may or may not be domestic. Is that correct?

Dr. BARTON. That is correct.

Mr. BROWN. This, then, also involves in one way or another the Department of the Treasury in the present scheme of things with the importation or the licensing or the payment of taxes of these drugs, does it not?

Dr. BARTON. Presumably, yes.

Mr. BROWN. Do you know how the production of these drugs domestically is supervised by the Government? Could you enlighten us on that in any way?

Dr. BARTON. I do not know the procedure.

Mr. BROWN. I am under the impression that this is under regulations of both FDA and the Treasury Department at present, where the companies that manufacture the drugs are registered.

The reason for that bit of background is to inquire whether the expertise in the Justice Department, in your opinion, lends itself to the takeover of that additional function.

Dr. BARTON. I don't think I have the expertise to reply. I do not have enough information as to how the Treasury Department and Justice Department are concerned with the determination of the safety and efficacy of a drug.

Mr. BROWN. Let me try to phrase the question in a different way and see if we can't bring some consideration to this point. At present,

the relationship of the manufacturer of the drug is usually with the Food and Drug Administration under the Department of Health, Education, and Welfare and/or with the Department of the Treasury.

Do you know currently of any relationship that either you as a psychiatrist or your colleagues who are in the strictly medical profession or the manufacturers of drugs have with the Department of Justice with regard to either the manufacture, licensing, or payment of taxes or the prescription and usage of narcotics or dangerous drugs?

Dr. BARTON. I know of no such relationship.

Mr. BROWN. Is it a fair question to ask that if such relationship existed that you would be aware of it?

Dr. BARTON. Not necessarily.

Mr. BROWN. Well, let's tackle another part of this problem, then. In the utilization of new drugs for patients' treatment and care, have you ever had any relationship with the Justice Department?

Dr. BARTON. I never have.

Mr. BROWN. Have you had this experience of doing any experimental work in the treatment or care of patients with drugs?

Dr. BARTON. Yes, I have.

Mr. BROWN. Doctor, let me ask one final question that is unrelated to psychiatric matters, but related perhaps to the handling of patients who have come under your care or under the care of physicians generally because of their addiction or use of dangerous drugs and narcotics.

Is the emergence of new drugs which have the deprecatory effect on individuals subject to medical analysis, chemical analysis, and scientific analysis?

In other words, when you have a patient who is involved with drugs or narcotics, is it desirable that the effect of the drug or narcotic be examined with reference to what that drug can do to the individual?

Dr. BARTON. Because each drug has its own type of reaction, its own toxic reaction, it is necessary to know as much as one can about the chemical composition and its psycho-pharmacological actions, and if it is a drug that is going to affect the mind or not.

Mr. BROWN. Does this relate perhaps to the kind of treatment which you would prescribe for the individual? That is, in terms of partial withdrawal, or slow withdrawal, psychiatric care, medical treatment, and so forth?

Dr. BARTON. The more specifically you know the action of the drug, the more precise your efforts can be to combat its effects, usually.

Mr. BROWN. So that that there is a relationship not only with the health authorities in our nation with reference to the educational procedure, but also with reference to the medical and psychiatric procedure?

Dr. BARTON. One could say simply, if a drug works at the nerve ending, you could use a drug that blocks the action of the nerve at the nerve endings and thus achieve a neutralizing effect.

Chairman BLATNIK (presiding). Mr. Erlenborn?

Mr. ERLBORN. Thank you, Mr. Chairman.

Dr. Barton, I want to thank you for your testimony. I don't have a long series of questions, really only one, and that is can you tell me

the composition of the American Psychiatric Association, of what is your membership composed?

Dr. BARTON. The psychiatric association is made up of all of those persons who have experience and training in the field of psychiatry. There are 15,800 members in the association.

Mr. ERLBORN. And would these all be physicians, licensed physicians?

Dr. BARTON. They are all physicians, licensed physicians and psychiatrists.

Mr. ERLBORN. Thank you very much.

Mr. BROWN. May I ask another question on the gentleman's time?

Mr. ERLBORN. Why, I yield to Mr. Brown.

Mr. BROWN. What percentage—and I don't know that you have figures that would demonstrate this, but perhaps you might—what percentage of psychiatric treatment is drug related now?

Dr. BARTON. That is very hard. Probably 70 percent of the patients seen, if we just take a general figure and understand it is not scientifically accurate, probably 70 percent of the patients seen by psychiatrists will at some time in their course of treatment receive drugs.

Mr. BROWN. Do you know what percentage of psychiatric patients who are seen are involved with the use of drugs? In other words, the misuse of drugs, the result of either addiction or dependence on drugs?

Dr. BARTON. This is a very small percentage, less than 1 percent at the present time.

Mr. BROWN. Do you have any figures on the growth itself?

Dr. BARTON. I do not. Only that everyone is aware that the growth has been progressive since about 1960.

Mr. BROWN. I am sorry, I didn't get the end of the comment.

Dr. BARTON. I do not have the exact figures, but all psychiatrists are aware of the increase in the problem since 1960.

Mr. BROWN. Do you relate this to punitive treatment of those who are addicted to drugs, do you relate it to an increased availability of drugs, to scientific progress, if that is the term to use, with reference to the production of drugs?

Dr. BARTON. I made a comment earlier that may be appropriate to the question, that 70 percent of the effective drugs we now use were introduced in the last 25 years, that 60 percent of all prescriptions presently being filled are for drugs that affect mood or the mind. In a drug culture where drugs are so extensively used by parents, it is not surprising to me that one of the ways in which youth expresses its protest is to do so with drugs which they have learned through long association do have an effect on mood and mind.

Mr. BROWN. Increasing availability and usage?

Dr. BARTON. Yes.

Mr. BROWN. Thank you.

Mr. ERLBORN. Thank you, Mr. Chairman.

Chairman BLATNIK. Just one last question, Doctor. We were talking about marihuana previously and I understand under Federal law if a person—thinking especially of the younger people—is caught with the use of the grass, or the weed, marihuana, he is subjected or is liable to punishment of what order? A misdemeanor, I believe. Yes, a misdemeanor. But if side by side in the same room with him is another

person using a smoke in which the resin extracts or crystals of a synthetic chemical which makes up the hallucinogenic part of marihuana, because it is synthetic or otherwise chemically synthesized or extracted, there would be no Federal penalty. This is an example of the inequity of what is criminal and what is not criminal. As a doctor—the effect is the same of the smoking of the two cigarettes, isn't it? Does it make sense to you why one is currently punishable and the other is not?

Dr. BARTON. There are many forms of cannabis. In fact, marihuana is one of the least harmful varieties of the cannabisic drug. And if you compare it to other drugs such as LSD, where penalties do not exist, which is even more dramatic in its use and equal in capacity for harm, if not greater capacity, there is a great inequity in our handling of different types of drugs and the penalties for possession and use.

Chairman BLATNIK. What is your thinking about whether or not the possession or use of marihuana, especially by a young person, should be regarded or treated as a criminal act?

Dr. BARTON. It is my plea that adolescents who are acting out impulsively in protest of whatever troubles them, when he uses what is available around him to make that protest, often drugs, shouldn't be branded as a criminal for a single act or even the first few times of experimentation. This is no different than the pranks that we got away with when we were growing up or the kind of adolescent difficulties, call them lying, stealing, destruction of property, it is just that we kids as we grew up had different ways of doing things that fell into one of those categories, and it just seems improper that the adolescent protest in our presentday society should be branded a criminal in one instance for an occasional experimentation or even having been present while others were using it.

Chairman BLATNIK. Statements were made by those who emphasized the need for enforcement that it was, however, helpful to at least apprehend the user or possessor of marihuana, even though he may be young, it was helpful to use that person to trace down the supplier or pusher. Does that have any validity?

Dr. BARTON. I know it is infinitely more difficult to get the person who is the seller, the pusher, the manufacturer, the illegal operator, than it is to get the user. But I still believe that there is not much evidence that punishment, severe punishment for the occasional initial user is the proper approach. This violates my sensitivities and I would hope that there would be leniency and discretionary powers in the judge, rather than mandatory misdemeanor and criminal charges for the first offense.

Mr. BROWN. Mr. Chairman, will you yield?

Chairman BLATNIK. I will yield if I may ask one more thing.

I am actually trying to learn more about this whole problem, not trying to have you advocate one thing or another. The general principles you have just stated do appeal to me, but I have other questions. You say we should have more leniency. On the other hand, those who espouse enforcement, certainly the criminal element and in the hard addictive form of drugs, they say if we didn't have some threat, there would be a far wider use of marihuana today, which is even today considerable, and if you remove any threat of punishment, the use of marihuana would be far more widespread than it is now?

Dr. BARTON. I would agree.

Chairman BLATNIK. In short, do you think the threat of punishment acts as a substantial deterrent in the use of marihuana?

Dr. BARTON. I do not think there is any evidence it does act as a deterrent to the one-time user or to the experimenter in high school, college, the young adult age. I do not think there is any evidence that it does deter. In fact, there is every evidence it has spread in spite of deterrents. So that is why we would emphasize the very long-range program of more effective treatment, more effective research, both in medicine and the social sciences.

Chairman BLATNIK. You stated earlier, Doctor, that you would advocate more leniency, because the use of marihuana in many instances is merely a form of protest against society and the youngsters have sort of a fling, sort of an "experimentation." You put that in a different category, then, than in the case of car theft or car stealing, where the high percentage of car thefts are undertaken by those who are under the age of 20. Suppose you have a 16-year-old boy steal a car. Do you apply the same type of thinking in that case, or do you feel that stealing a car in that instance, a youngster at the age 16 or 17, should pretty well have a clear notion of what is right or wrong, that that is someone else's property, and taking it unlawfully without permission is unlawful, that he has a clear understanding of the law and what is right or wrong in that case. Where in the use of marihuana, he is experimenting merely with himself and not doing any harm to anyone else or anyone else's property. I don't know if I asked a question or made a speech combined.

Dr. BARTON. Being a physician, I shouldn't make a statement in the legal area. But I believe the law does recognize the difference there in taking a car without authority, and does not make it a criminal misdemeanor. I think there is a difference. And we do make a difference in our custom of what happens to a youngster who takes a car.

Chairman BLATNIK. I have no further questions. Thank you very much, Doctor. Thank you for staying with us for this full day and making yourself available.

We call now the Special Assistant to the Secretary of the Treasury (for Enforcement), Mr. James P. Hendrick.

We apologize to you for keeping you for such a long time. We admire and appreciate your patience in accommodating us. Perhaps now that you have heard a lot of the questioning, you will be able to cover areas we are interested in and it will save both of us time.

We have been novices in this whole operation, and you have been patient with us as we have been learning. What apparently we thought was a simple matter, like enforcing a speed zone, 35 or 40 or 55 miles an hour, we find this is a most complex and interwoven operation between the weaknesses of human behavior as well as the criminal element.

I distinguish between the two. We should enforce the law where it should be enforced, and at the same time to apply the medical aspects where they ought to be applied. So, Mr. Secretary, you have a prepared statement. Will you proceed to read it, if you wish, and we will then proceed with interrogation.

**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-

lieved that the dangerous substances being controlled for the first time, so-called sleeping pills, tranquilizers, and "pep" pills, could properly be treated separately from hard narcotics over which Treasury had jurisdiction—heroin, morphine, and cocaine—and separately from marihuana, which for the overwhelming majority of heroin addicts has been the addict's first exposure to drug use.

The intervening circumstances have proven that the strong hallucinogens and amphetamines have entered into this progression and that many marihuana users seeking more powerful sensations may sample the dangerous drugs instead of, or as a step toward, using heroin.

It is now clear that many of the lines of criminal commerce which supply the hallucinogenic and dangerous drugs now also supply marihuana. Much, therefore, has changed, and we now see clearly the importance of merging these two enforcement efforts.

The Treasury regrets losing its small but highly effective Bureau of Narcotics. Nevertheless, viewed in the overall Governmentwide scope, this Department supports fully Reorganization Plan No. 1 of 1968, for the reasons stated by the President in his message of February 7:

This (present) separation of responsibilities—despite the relentless and dedicated efforts of the agents of each Bureau—has complicated and hindered our response to a national menace. * * *

The response of the Federal Government must be unified. And it must be total. * * *

This Administration and this Congress have the will and the determination to stop the illicit traffic in drugs. * * *

But we need more than will and the determination. We need a modern and efficient instrument of Government to transform our plans into action. That is what this Reorganization Plan calls for.

The plan is the result of much study by the Bureau of the Budget and is an effort to marshal the forces of the Government in new alignments which could improve their effectiveness. The Treasury Department has taken great pride in the brilliant work of the Bureau of Narcotics, but it is confident that this brilliant work can be continued under the leadership of the Attorney General.

The new bureau will, of course, have intimate involvement with the Bureau of Customs and the Internal Revenue Service. Under existing law, the Bureau of Customs is charged with preventing the smuggling of narcotics at our borders and ports of entry, and the Internal Revenue Service is responsible for collecting the fees and taxes imposed by the statutes governing the control of narcotic drugs and marihuana for licit medical or experimental use.

I am sure the Treasury bureau will continue the close and effective cooperation with the new consolidated Bureau of Narcotics and Dangerous Drugs which has heretofore existed with the Bureau of Narcotics.

There is no doubt in my mind that the consolidation will increase significantly the total effectiveness of the two bureaus whose forces are being consolidated. It is of equal satisfaction to the Treasury that the resources which are to be devoted to the suppression of this depraved traffic are being so significantly increased.

To sum up, the Treasury will miss sharing in the reflected glory of the Bureau of Narcotics, but we fully support the consolidation.

Mr. BROWN (presiding). I am going to suggest that the committee hear Mr. Giordano next. The committee will hear the statement now

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

the reorganization on the functions under the Marihuana Tax Act would also be that the functions currently handled by the Internal Revenue Service would remain unchanged, and the enforcement responsibilities of the Bureau of Narcotics would be transferred to the Attorney General.

THE NARCOTIC DRUGS IMPORT AND EXPORT ACT

The control system established by the Narcotic Drugs Import and Export Act is founded on the principle that only crude opium and coca leaves sufficient for the medical and scientific needs of the United States will be imported. The importation of other narcotic drugs is prohibited, except small quantities for scientific research only. The exportation of narcotic drugs is closely controlled to ensure that the drugs are needed and used in the country of destination for legitimate medical purposes. A system of import and export permits is administered by the Bureau of Narcotics in order to maintain strict control of such transactions. There are also measures contained in the Narcotic Drugs Import and Export Act which make it unlawful to engage in any activities relative to the importation of narcotic drugs or marihuana unless there is compliance with specific provisions of the act.

At the present time, the enforcement of the Narcotic Drugs Import and Export Act is under the concurrent jurisdiction of the Bureau of Narcotics and the Bureau of Customs. The Bureau of Narcotics has the primary responsibility for all narcotic and marihuana enforcement work in foreign areas and in the internal traffic within the United States. Customs, on the other hand, has the responsibility of suppressing smuggling at our ports and borders. Under the reorganization, the Bureau of Customs retains jurisdiction over smuggling, and the Bureau of Narcotics' jurisdiction over narcotic drugs and marihuana in the internal traffic and foreign areas will be transferred to the Attorney General.

THE NARCOTICS MANUFACTURING ACT OF 1960

The Manufacturing Act of 1960 is perhaps the most meaningful legislation to control the domestic production of narcotic drugs. This act provides for a system of "basic classes" of narcotic drugs, manufacturing quotas, and licensing, which limits the manufacture of natural and synthetic narcotic drugs strictly to those quantities required for medical and scientific needs. Provision is made in this act to give full effect to the treaty obligations of the United States concerning narcotic drugs.

All of the functions under the Narcotics Manufacturing Act of 1960 are presently administered by the Bureau of Narcotics, and therefore, these functions will be transferred to the Attorney General by the reorganization.

MISCELLANEOUS LAWS

The four acts I have just cited and explained are the cornerstones supporting the Bureau's operations. However, to furnish you a complete picture of our present operation I would like to give you in

short capsule form a listing of other acts which we presently administer and enforce, the administration and enforcement of which would be transferred to the Attorney General by the reorganization:

Opium Poppy Control Act.—This law prohibits the production of opium poppies in the United States, except under license. No license has ever been issued since no shortage of raw opium has ever existed.

Narcotic Control Act of 1956.—This law gave Bureau of Narcotics' agents and officials authority to execute warrants, make arrests, serve subpoenas, and carry firearms. The act also required surrender of all heroin; provided for cooperation with State authorities; specified that addiction statistics be maintained; and directed the establishing of a special narcotic enforcement training program.

Act of August 9, 1939.—This act provides for the seizure of vehicles, vessels, and aircraft used to facilitate the transportation, possession, or sale of narcotic drugs or marihuana.

SUPPORT OF THE REORGANIZATION PLAN

I believe that the members of the committee are aware of the details of the proposed reorganization plan and hence I will not elaborate on these details. It is sufficient to say, that for the first time in the history of our country, the enforcement of all domestic drug laws at the Federal level will be brought under one agency.

The plan will have an immediate and continuing impact on the illicit narcotic, dangerous drug, LSD, and marihuana traffic. The combined talents of our agents, and those of the Bureau of Drug Abuse Control, when coupled with an overall increase in personnel and equipment, will give us the best possible attack force to engage the illicit trafficker both here and abroad.

We should realize the practical need for a unified front. The ever-changing and many-faceted patterns of drug abuse involve the use of a multitude of drugs at one time or another. The problem of multiple addiction has in fact become such a problem in recent years that it became necessary to test all persons entering the Federal treatment facilities for addiction to dangerous drugs, as well as addiction to narcotic drugs. The progression from one type of drug to another, as well as "spree" use of various drugs is well accepted in the areas of high drug abuse.

Since the demand for different types of drugs is increasing, the illicit traffickers that supply these drugs—being clever businessmen, are catering to the various demands and are handling a variety of drugs. During the past year, it has not been unusual for our agents working undercover in marihuana cases to be offered LSD, other hallucinogenic drugs, or dangerous drugs.

On the other hand, agents of the Bureau of Drug Abuse Control while seeking to purchase LSD and dangerous drugs are frequently offered marihuana and in some cases stolen or diverted narcotic drugs. The practical enforcement difficulties which arise in such multiple drug cases involve investigative jurisdiction, questionable use of government funds for purposes other than expressly authorized, maintenance and accountability of evidence, disclosure of informants, and other technical difficulties. To mention but one technical difficulty,

only a narcotic or customs agent can serve a "marihuana demand form" which is used in every marihuana possession case. There have been instances where our agents have had to travel hundreds of miles to serve such forms in cases developed by the Bureau of Drug Abuse Control.

There is another area of difficulty which arises from two independent agencies being in the drug picture. This pertains to the inspection of persons and firms engaged in lawful drug activities. Currently, an agent of the Bureau of Narcotics conducting such a registrant-type investigation—of a wholesaler, pharmacy, or hospital—is only concerned with activities relating to narcotic drugs. Should indications of abusive practices arise involving dangerous drugs—barbiturates or amphetamines—our agent has no authority to take remedial action. The same is true of a BDAC agent who is conducting a similar investigation concerning dangerous drugs—if he uncovers infractions of the narcotic laws during an inspection he has no jurisdiction. The advantages of having a single agency to handle all drug matters will increase the effectiveness of inspections and will enhance the image of the government by reducing the "red tape" and duplication of functions.

An area which is presently suffering under the existing Federal dual jurisdiction is that of liaison and cooperation with State and local authorities. These local officers, who generally handle all drug violations within their jurisdictions must look to two Federal agencies for assistance, information, training, and educational material. The value of a single unified source in this area is obvious.

Another important benefit of the unification of our Bureau and BDAC is that of education regarding drug abuse. Through past experience, we have learned that it is necessary to present the whole spectrum of drug abuse to young people in a manner that they can relate to drug problems at the school and street level. By the combination of two Bureaus a broader and more comprehensive approach will be possible which will result in a more effective and unified educational program.

In recent weeks, I have been working very closely with the Attorney General and members of his staff concerning the proposed transfer of our Bureau. I wish to assure you that I look forward to this transfer with great anticipation for I sincerely believe that it is in the best interests of the people of our country.

Thank you.

Chairman BLATNIK (presiding). Thank you very much for a very fine statement. Thank you, Mr. Secretary. You have made clear the advantages that would be brought about especially in the field of administration and enforcement of both the narcotics and dangerous drugs by combining the two Bureaus.

You have heard also, Mr. Giordano, not for the first time I am sure, the emphasis or discussion in the area of medicine and public education and research and psychiatric approaches and so forth. That is not particularly in your domain, in your responsibility, but do you have any department or sections or division within your Bureau, whatever you call it, that ordinarily devotes its attention to liaison with say the National Institute of Mental Health or the Bureau of Medicine or the Public Health Service or HEW?

Mr. GIORDANO. We have our permissive section in the Bureau, which is geared to the regulatory controls and close coordination with the medical profession and pharmaceutical profession. Actually though, I would say that at all levels of the headquarters staff we maintain continual communication with the medical professional, with the pharmaceutical industry, the pharmaceutical profession, HEW, and the National Institute of Mental Health. We have an informed advisory commission that is a combination of the American Medical Association Committee on Drug Dependence and the National Research Council Committee on Drug Dependence that advises me on the medical aspects relating to narcotics and the proper medical or legitimate use of drugs. We have been in very close association with the National Institute of Mental Health, particularly in recent years, in regard to their studies of the effects of marihuana. We provide the material—they do all of the research. We need to continue this type of an operation, even though we are enforcement people. We have to know the views of the medical people on this and the problems that they see.

Chairman BLATNIK. Mr. Secretary, we will have to continue your interrogation tomorrow. We had hoped it would not be necessary to continue over. Will it be possible for you to be here tomorrow morning?

Mr. HENDRICK. Certainly it would. If I could get away by 11:30 I would appreciate it.

Chairman BLATNIK. Yes. We will put you on first thing tomorrow morning.

Mr. EDWARDS. I would say about 10:30 he would be done.

Chairman BLATNIK. We would appreciate that very much.

Mr. Giordano, I have started off the interrogation with you. It would be very helpful, Mr. Finlator, we are imposing again on you, but could you be here again tomorrow?

Mr. FINLATOR. I would be delighted.

Chairman BLATNIK. We certainly express our appreciation. You have been most patient and cooperative.

We have received for insertion in the record a statement of Hon. L. H. Fountain, a statement of Hon. Seymour Halpern, and a statement of Hon. Silvio O. Conte.

(The above-mentioned statements follow:)

STATEMENT OF HON. L. H. FOUNTAIN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NORTH CAROLINA

Mr. Chairman and members of the subcommittee; I appreciate the opportunity to appear before you today to present my views on the President's Reorganization Plan No. 1 of 1968. The Intergovernmental Relations Subcommittee, a sister subcommittee to this one, and of which I have the honor to be Chairman, has been studying the drug safety activities of the Food and Drug Administration quite intensively for the past several years.

One of the areas which the subcommittee has studied in some detail is FDA's implementation of its responsibilities under the Drug Abuse Control Act of 1965. More recently, the subcommittee looked into problems relating to the control of marihuana and at the relationship between FDA's Bureau of Drug Abuse Control and the Treasury Department's Bureau of Narcotics. From these studies it was quite apparent that there are problems of cooperation and coordination resulting not only from the organizational division of responsibility but also from inconsistencies in the laws under which these two agencies operate.

I am glad to see that the President is recommending several courses of action to deal with the problem of narcotics and drug abuse and the illicit traffic in these drugs on a broad front and to fit these activities into an overall war against crime and lawlessness. The reorganization plan currently before you is one of those proposals.

The idea of creating a single agency within the Justice Department to enforce the laws against illicit traffic in narcotics and other dangerous drugs is not a completely new one. As long ago as 1949 the first Hoover Commission recommended that the Bureau of Narcotics be transferred to the Justice Department. And in 1963 President Kennedy's Advisory Commission on Narcotics and Drug Abuse recommended that the enforcement responsibilities of both the Narcotics Bureau and those of FDA relating to illicit traffic in dangerous drugs be transferred to Justice.

The idea has much appeal from the standpoint of logic and it seems to offer the possibility of increased efficiency and economy of operation. During our subcommittee's hearings it was disclosed that in perhaps as many as 90 percent of the cases in which persons are apprehended by one of these agencies, they also have in their possession a drug subject to control by the other agency. And although some agreements exist to promote cooperation and coordination, there is no question in my mind that this organizational and jurisdictional division is uneconomical; that it makes the task of each agency more difficult; and that it is a barrier to the development of a unified effort to combat the rapidly increasing traffic in illicit drugs. Perhaps for these and other similar reasons, it does not appear that there is any serious opposition to the idea of consolidating the Bureau of Narcotics and the Bureau of Drug Abuse Control. The only opposition of which I am aware centers about the question of where the new agency should be located in the Federal organizational structure. The proposal in the reorganization plan to locate it in the Department of Justice appears to me to be the most logical approach. The bulk of the responsibilities of both the Narcotics Bureau and the Bureau of Drug Abuse Control are of an enforcement nature, and the Department of Justice is the chief law enforcement agency in the Federal Government. I believe that within Justice the new agency would have at its fingertips resources which neither of the existing agencies possesses and which can be obtained only with considerable effort.

Since each of the agencies would be transferred intact, I do not see why the reorganization should have a detrimental effect on either. In fact, the transfer ought to have a salutary effect on the Food and Drug Administration because it would enable the agency to concentrate its efforts on assuring the safety and effectiveness of drugs in legitimate commerce which, after all, is its primary responsibility.

I am aware of concern in some quarters that the Department of Justice has not in recent years been as diligent in its enforcement responsibilities as it might have been. And while I am also gravely concerned about the rapidly increasing crime rate and about the widespread disrespect and disregard for law and order which we have witnessed, I do not believe that this situation can be attributed in its entirety to deficiencies within the Department of Justice or to the men who have headed it. One should remember that the Justice Department also houses the Federal Bureau of Investigation which is one of the most respected law enforcement agencies in the world. At any rate, I believe it would be a mistake to make decisions about reorganization on the basis of who happens to head the affected agencies at the moment and what their political philosophy might be—especially this type of reorganization where the most effective and efficient system possible is a must. I believe that such decisions should be made on the basis of what is logical on a long-term basis and what would appear to make the greatest contribution to increased efficiency and economy during any administration. And from this point of view I would have to favor the proposed reorganization plan.

I am aware that there are some other reservations about the proposed reorganization. However, I believe such reservations are the result of misunderstandings. For example, there seems to be some concern in medical circles that a law enforcement agency will now be making decisions about which drugs will be brought under the Drug Abuse Control Act. However, the act provides for a committee of outside medical experts to consider such questions and make appropriate recommendations to the enforcement agency and this will not be changed by the reorganization.

Similarly, there seems to be some concern that the functions of the Public Health Service relating to research on drugs capable of abuse and to the rehabilitation of narcotics addicts will now be entrusted to a law enforcement agency; I myself would oppose any such approach to that problem, but I do not interpret the reorganization plan as having this intent. If there is such concern, appropriate witnesses from the executive branch can, it seems to me, and should clarify the matter.

There also seems to be some concern that FDA's field inspectors are going to be transferred to the proposed new agency. However, I think it should be pointed out that the product accountability inspections under the Drug Abuse Control Act and the regular manufacturing control inspections under the Food, Drug, and Cosmetic Act are conducted by different personnel, and it is only the former group which I'm told will be transferred.

Mr. Chairman, I am certain that there are other potential problems relating to the proposed reorganization which may cause legitimate concern among affected parties. However, it is my hope that these can be identified and adequately dealt with through the hearings which you are now conducting.

Again, I appreciate the opportunity to come here and share my thoughts with you and the other members. If there are any questions, I will be glad to answer them to the best of my ability.

STATEMENT OF HON. SEYMOUR HALPERN, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF NEW YORK

I would like to express my appreciation to Chairman Blatnik and the distinguished members of his Subcommittee on Executive and Legislative Reorganization for allowing me to present my views on the President's proposed reorganization, which would unite the drive against drug abuses under the auspices of a new Bureau of Narcotics and Dangerous Drugs.

There is no question but that a concerted effort must be made to expand and improve our actions to curb the dangerous drug abuses that are plaguing our Nation, and particularly our young people. The image of youngsters being dragged into the morass of drug addiction, with its accompanying manifestations of lawlessness and despair, is horrifying enough. More distasteful yet, however, is the realization that this toll of human desperation is, to those involved in organized crime, merely a byproduct of an extremely profitable commercial enterprise.

It seems quite clear that an improvement in the efficiency with which we combat the narcotics racket would be obtained by combining the efforts of the present Narcotics Bureau and the Bureau of Drug Abuse Control. The major question at issue is to which Federal agency the jurisdiction over these activities should fall. I firmly believe that, given the generally recognized nature of the perpetrators of these abuses, the Justice Department would indeed be best equipped to take on the responsibilities of the newly combined Bureau of Narcotics and Dangerous Drugs.

A fight against the illicit drug problem is largely a fight against organized crime, and the Justice Department, with established facilities to conduct this fight, is in the best position to make the greatest progress on this front. Whereas the Treasury Department and the Department of Health, Education, and Welfare may well be better placed to handle certain facets of the drug problem, the root of the issue is big-time crime, and no actions to attack peripheral facets of the problem can succeed unless the activities of organized crime are not recognized and combatted as part of the same effort.

Thus, Mr. Chairman, I lend my strong support to the proposed plan to establish a Bureau of Narcotics and Dangerous Drugs under the auspices of the Justice Department.

STATEMENT OF HON. SILVIO O. CONTE, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MASSACHUSETTS

I would like to thank Chairman Blatnik and the other distinguished members of the Subcommittee on Executive and Legislative Reorganization for affording me this opportunity to testify on the President's proposed reorganization to create a new Bureau of Narcotics and Dangerous Drugs.

As part of that reorganization the present Bureau of Narcotics would be transferred from the Treasury Department to the Department of Justice, and I would like to concentrate my remarks on this recommendation.

I am the ranking minority member of the Treasury-Post Office Appropriations Subcommittee and have been a member of this committee for the 10 years I have been privileged to serve in Congress.

During this time, I have followed closely and with great interest the activities of the Bureau of Narcotics which annually appears before our subcommittee concerning the budget requests.

I have been deeply impressed by its operations and it has proven to be one of the finest agencies in the Government with an excellent record of achievements and accomplishments.

For example, during the last 5 years more than \$615 million in narcotics has been seized in international cases alone, including some \$140 million seized in narcotics last year. This action has involved close cooperation with foreign authorities and agents, a status which the Bureau has been very successful in establishing.

The conviction success of the Bureau of Narcotics in cases brought to the courts ranks with the highest of our law enforcement agencies, normally running at a rate of 96 to 97% convictions.

The Bureau has established close and valuable working relationships with the various state and local authorities who deal with the drug abuse problem at their own levels.

In conjunction with this, the Bureau has set up an excellent narcotics training school which has already graduated some 3,200 local and State officers. This school, I might add, is part of an outstanding coordinated Treasury school system with excellent training facilities and the proposed transfer is bound to reduce the effectiveness of the narcotics school's operations as well as the number of officers being trained.

I have mentioned but a few of the factors which have led to the excellent record established by the Bureau, and I do not believe that anyone is really questioning the level of success of the Bureau in terms of its present status under the Treasury Department.

Rather, the main question appears to be whether greater accomplishments could be achieved by a combination of the efforts of all the agencies presently combating drug abuse under the auspices of the Justice Department.

My belief that the future successful operation of the Bureau of Narcotics, in the fight against drug abuse is more endangered than assisted by any transfer to the Justice Department, leads me to oppose the reorganization being considered here today. I would like to note that my objections to the reorganization are not founded with respect to any combining of efforts by the Bureau of Narcotics and the Bureau of Drug Abuse Control. They are rather founded in both the removal of narcotics from Treasury and in its transfer to the Justice Department.

The Bureau of Narcotics has been a part of the Treasury Department since it was first formed on June 14, 1930, for the purpose of administering the controls of narcotic drugs on the Federal level. Various later acts have added to the Bureau's responsibility.

Before getting to the Bureau's major area of responsibility, I would like to note that the Bureau of Narcotics has responsibility for controlling the legitimate importation, manufacture and distribution of narcotic drugs. Additional responsibilities in this area exist with the Internal Revenue Service, a sister agency of the Bureau at the Treasury Department which works very closely with the Bureau in this area.

The transfer of the Bureau to Justice would result in the Justice Department assuming control over the legal narcotic drug industry in this country, a result which I believe to be inappropriate and outside the scope of Justice Department concern.

During its thirty-seven years of existence, the primary mission of the Bureau of Narcotics has been a specialized one. Its role has been to deal with the highly complex and difficult task of containing and eliminating narcotics at the source of supply level.

Since just about all of the narcotic drugs originate outside of the United States, this has meant that a very large part of the Bureau's operation must be focused upon the interdiction of narcotics prior to its internal distribution throughout the United States. Further responsibilities of course deal with inter-

state trafficking in drugs and in some cases the Bureau will become involved in significant intrastate violations.

I might note here that the origination of narcotics drugs outside the country is just the opposite situation from the so-called "dangerous drugs" which for the most part originate within the United States.

This specialized mission of the Bureau in dealing with narcotic drugs at the source level necessitates and has resulted in close cooperation and coordination with the Customs Bureau, whose jurisdiction includes the smuggling of narcotics into this country.

The existing and necessary close inter-relationship between these two sister agencies of the Treasury Department could very well be seriously jeopardized by the removal of the Bureau of Narcotics from the Treasury Department.

Similarly, the existing close working relationship between the Bureau of Narcotics and the IRS referred to earlier could be significantly hampered by a transfer.

Now, it is easy enough for someone to say that existing cooperation and coordination will continue and will be unaffected by any transfer. But, I don't believe this would be the case.

As a simple practical matter, existing coordination among sister agencies of one department is going to be impaired by the removal of one of those agencies from the Department.

We saw this happen, I believe, not very long ago with the transfer of the Coast Guard from the Treasury Department to the Department of Transportation.

The Coast Guard's activities included close cooperation with other Treasury agencies in a number of areas. When the question of its transfer arose, the same argument was set forth that this coordination and inter-relationship would not be impaired.

An examination of the situation would show, however, I believe, that this has just not proven to be the case.

Thus, what I am saying here in effect is that whereas a main argument being made for the transfer of the Bureau of Narcotics to Justice is that it will result in greater overall coordination, in fact, the transfer is very likely to lead to less coordination concerning the responsibilities of the Bureau of Narcotics, and especially its vital and primary mission of cutting off illicit drugs at the source level.

As I said earlier, my objections are not only to the removal of Narcotics from Treasury, but also to its transfer to Justice.

The Bureau of Narcotics has been extremely successful in establishing close working relationships with various local and State officials and agencies in attempting to control the illicit drug problem. As I pointed out, the Bureau has trained many local and State officers and since the Bureau specializes in controlling the source of supply level, State and local officials have played a major role in controlling illicit traffic within their own areas.

This has resulted in a balanced effort on the part of local and Federal law enforcement officers in dealing with the drug abuse problem, an effort which is important and quite valuable.

The attempt to bring the fight against drugs within the framework of the Justice Department raises the specter of our taking a step closer to a national law enforcement concept.

A gathering up of various Federal law enforcement agencies presently operating throughout the Federal Government and placing them under one roof at the Justice Department will not necessarily lead to overemphasis on a national approach to the crime problem.

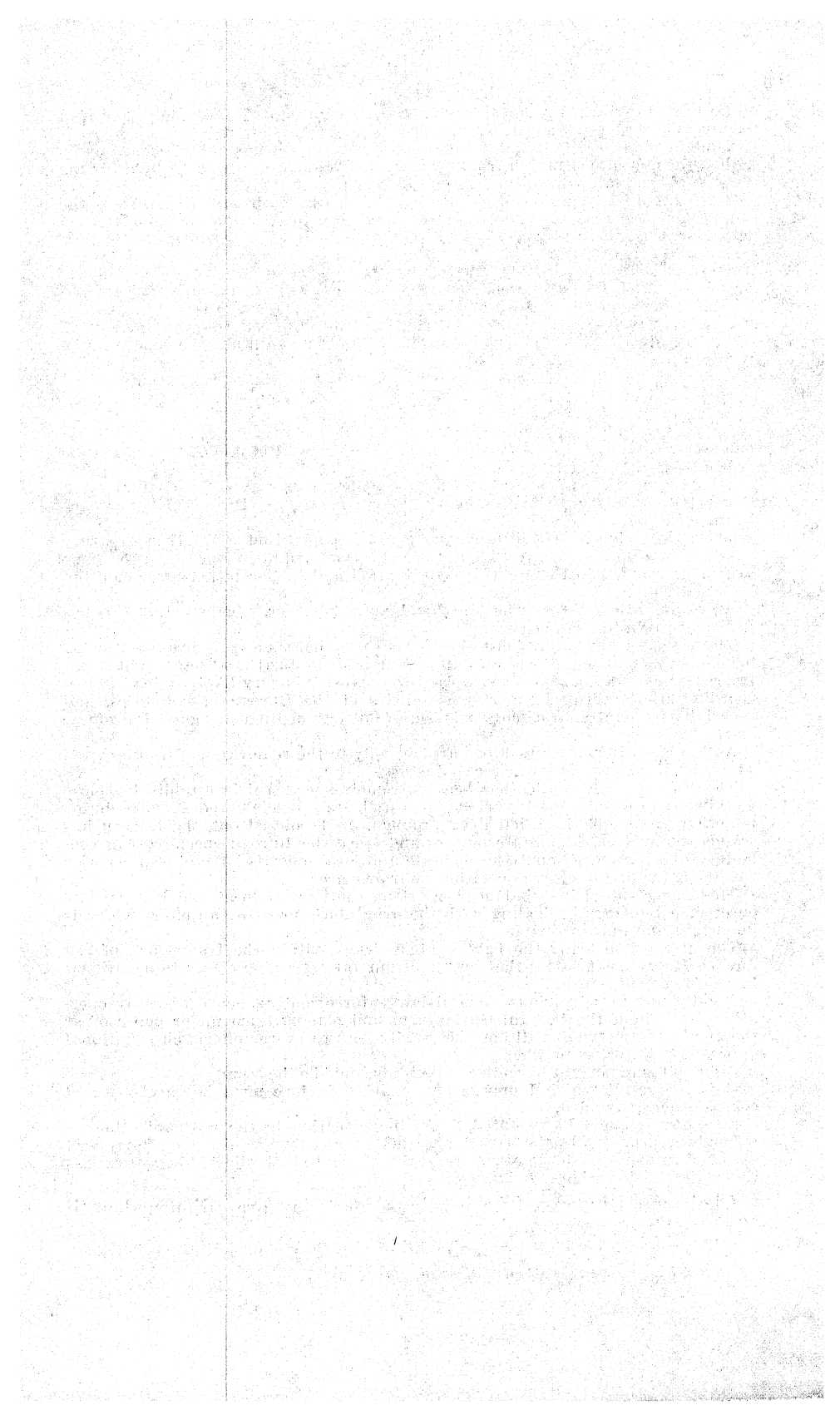
But what is important to realize is that this could be the result.

It is the result which I oppose and which I believe must be carefully and conscientiously avoided.

For the reasons I have stated, I am in opposition to the reorganization as it has been proposed by the President. I hope that this committee similarly will see fit to recommend to the Members of the House that it reject this reorganization being considered here today.

Chairman BLATNIK. The hearings for today are adjourned until 10 o'clock tomorrow morning.

(Thereupon, at 4:08 p.m., the subcommittee was adjourned, to reconvene at 10 a.m., Thursday, March 21, 1968.)



**REORGANIZATION PLAN NO. 1 OF 1968
(DRUG ABUSE AND NARCOTICS)
AND HOUSE RESOLUTION 1101**

THURSDAY, MARCH 21, 1968

HOUSE OF REPRESENTATIVES,
EXECUTIVE AND LEGISLATIVE
REORGANIZATION SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The Subcommittee met at 10 a.m., in room 2154, Rayburn House Office Building, Hon. John A. Blatnik (chairman of the subcommittee) presiding.

Present: Representatives John A. Blatnik, Chet Holifield, Henry S. Reuss, Benjamin S. Rosenthal, John N. Erlenborn, and Jack Edwards.

Also present: Elmer W. Henderson, subcommittee counsel; James A. Lanigan, general counsel, Committee on Government Operations; and William H. Copenhaver, minority professional staff.

Chairman BLATNIK. The Subcommittee on Executive and Legislative Reorganization of the Committee on Government Operations will please come to order.

We will continue today public hearings on the Reorganization Plan No. 1 of 1968.

We go to the testimony of the Honorable James P. Hendrick, Special Assistant to the Secretary of Treasury, for Enforcement. With him we have Mr. Henry L. Giordano. We will continue the interrogation of the witnesses this morning.

Mr. Secretary, will you please take the witness stand.

STATEMENT OF JAMES POMEROY HENDRICK, SPECIAL ASSISTANT TO THE SECRETARY OF THE TREASURY (FOR ENFORCEMENT), ACCOMPANIED BY HENRY L. GIORDANO, COMMISSIONER OF NARCOTICS; AND JOHN FINLATOR, DIRECTOR, BUREAU OF DRUG ABUSE CONTROL, FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Chairman BLATNIK. Mr. Edwards, will you start off this morning?

Mr. Giordano, may I ask this question? Mr. Hughes, the Deputy Director of the Bureau of the Budget, made a statement on the marijuana seized at the border of the United States. He said for 1963 it was 6,440 pounds seized at the border within the United States. The figure rose almost fourfold to 23,000 in 1966. I have an article from Look magazine of March 5, 1968, the leadoff article, "The Horror of

Growing Drug Abuse." This may not be authoritative. But this figure interested me on the bottom of page 58: "One of the Look men said that between three and a half and 5 tons of grass marihuana was smuggled into the United States from Mexico each week."

Here they are talking of three and a half tons from Mexico alone smuggled in each week. "Little gets stopped in 3 years. U.S. Customs have seized 23,000 pounds of pot. Narcotic officials estimate Americans spend \$100 million a year on marihuana."

From your experience, does that figure have any reality to you, three and a half to 5 tons of grass smuggled into the United States each week?

MR. HENDRICK. I would think that would come primarily under the jurisdiction of Customs. I will make a preliminary answer and then the Commissioner may have something further to say.

The figure of 23,000 pounds, which is cited there, corresponds fairly accurately with the figure which is cited in Mr. Hughes' statement of 23,716 pounds. As to the amount which is coming in, smuggled and not apprehended by Custom officials at the border or apprehended later by officials of the Bureau of Narcotics, that is anyone's guess. Maybe the Commissioner will have something to add to that. We certainly have nothing hard by way of a figure on that matter.

Chairman BLATNIK. Mr. Giordano, in the use of hard or addictive drugs, what has been your experience with Lexington? The Lexington facility is operated by your Bureau, is that correct?

MR. GIORDANO. No, Mr. Chairman. That is operated by the Public Health Service.

Chairman BLATNIK. I wasn't clear on that. We are not sure of the relationships. You discussed earlier the need for preventive operation, something the new Bureau will be engaged in as your Bureau is, as has been the Bureau of Drug Abuse Control in the past year and a half. You engage in preventive aspects. The Lexington facility is to rehabilitate, after a man has gone beyond the point of no return, is that correct?

MR. GIORDANO. Yes. They handle Federal prisoners who are addicts. They also take in voluntary patients according to their population.

Chairman BLATNIK. Mr. Finlator, you have nothing to do with the Lexington facility at all?

MR. FINLATOR. No, sir.

Chairman BLATNIK. This new Bureau that we have would have some role to play in the preventive area, that is, getting information out to the proper areas, the schools, citizens, working with Federal agencies, the Food and Drug Administration, and the Public Health Service. Your primary function in the Bureau would be the enforcement of the illegal use, manufacture, sale, transportation, perhaps possession and use of what is called dangerous drugs and the narcotic addictive drugs. Do you have any samples or illustrations of what you do in the way of preventive work?

MR. GIORDANO. I have brought some material here that Mr. Henderson asked me to gather together, educational-type material. Here is a new booklet that we prepared last month, "The Dangers of Marihuana, Facts You Should Know," that we are distributing to the students. We are doing this through the National Educational Association.

Mr. EDWARDS. Excuse me. Will the gentleman yield?

Chairman BLATNIK. Yes.

Mr. EDWARDS. Who is shown as the sponsor of that publication?

Mr. GIORDANO. The Commissioner of Narcotics. In here we quote the medical experts as to their views, the New York County Medical Society, their views on marihuana, American Medical Association's views, the Public Health Service views.

This is a booklet that we have had, a publication, for some number of years, "The Prevention and Control of Narcotic Addiction," which explains the problem and explains what we are doing to control the availability, and talks about the treatment facilities that are available.

This is a little folder. In cooperation with the International Chiefs of Police, we developed a film directed to the schools. The name of the film is "Fight or Flight." It is a film showing some, I believe, four or five addicts who have been cured and who are on this hill top in the New York area, and they tell how they got started, what the problems were, the dangers. It is directed to the schoolchildren and the message is: "this is what happened to me and this is what can happen to you."

And we have other material. We have material that we give to the medical profession, the pharmaceutical profession, as to rules and regulations and so forth. I will leave this. If the committee would like extra copies we would be very happy to furnish them.

Chairman BLATNIK. Mr. Secretary, could you give us an idea of the number of personnel and the functions to be transferred from the Bureau of Narcotics over to the new Bureau in Justice? Would it be essentially the same organization that you have which would be welded, combined with the Bureau of Drug Abuse and Control. Is that what would happen?

Mr. HENDRICK. It would be precisely the same Bureau of Narcotics once it got over to the Department of Justice, with the single exception that the Office of the Commissioner of Narcotics would be abolished. Of course once in the Department of Justice, the question of how it should be merged into the Bureau of Drug Abuse Control would be up to the Attorney General to decide.

Chairman BLATNIK. There has been a question as to whether or not it would operate more effectively in another department, as to what the need would be in another department. I can see where Justice, dealing with the legal aspects, also enforcement areas perhaps, could be a proper role. Do you have any comments to make on that?

Mr. HENDRICK. Mr. Chairman, in a way the last person in the world you should ask for a comment on that is a representative of the Treasury Department because, to be perfectly honest with you, we hate to see this Bureau leave us. The Bureau of Narcotics is what one might consider a plum. It has a brilliant record. Any department that has the Bureau within its aegis is that much better off. And of course I could not, or would not, testify that Treasury did not run this Bureau or allow it to operate in a very effective way. On the other hand, when you come to a question of jurisdiction, as to which department should have a particular bureau, there are always many arguments one can make on one side and arguments on the other side. These arguments were made and the decision of the Bureau of the Budget, which after

all has responsibility for deciding where bureaus should be placed, was that it should go to the Department of Justice, and that decision was approved by the President and announced in the crime message. Under those circumstances quite obviously we in the Treasury Department, having seen the way that this was argued out, and having seen the decision, we fully support the decision.

Chairman BLATNIK. Mr. Edwards, you are very interested in this area.

Mr. EDWARDS. Thank you, Mr. Chairman.

Following along the same line I assume the way you talk that you really don't have your heart in it.

Mr. HENDRICKS. Mr. Edwards [laughter], I can't admit that I do not fully support this program, and what I fully support my heart is in it 100 percent.

Mr. ERLBORN. Would the gentleman yield?

Mr. EDWARDS. Surely.

Mr. ERLBORN. Along this line, I would like to know, have you ever found yourself in a position where you had publicly disagreed with the decision that had been made by the President?

Mr. HENDRICK. Mr. Erlborn, I'm trying to think whether that has happened. As of the moment it so happens that I do not believe I have been in that position.

But I want to say that I feel that I retain my right to freedom of expression. And should I disagree I would certainly feel that I had the right to express my disagreement. But I am a strong supporter of President Johnson's regime. And I say quite honestly that we are fully in support of this plan.

Mr. ERLBORN. Before this decision was made—

Mr. EDWARDS. Excuse me. You are not running for President, are you?

Mr. HENDRICK. Not this year, sir. [Laughter.]

Mr. ERLBORN. Before this decision was made by the Bureau of the Budget and the President, I'm certain there were meetings and discussions involving Treasury, FDA, and the Justice Department. Did you participate in these discussions before the decision was made? Someone from your Department obviously must have.

Mr. HENDRICK. I certainly was consulted on the proposal and given an opportunity to express my views.

Mr. ERLBORN. Would it be fair to ask, were your original views in line with your present views, or did you see the light as the discussion went on?

Mr. HENDRICK. That's a perfectly fair question. As you can imagine, I'm a human being with ordinary human reactions. My first impression was to think that it would be too bad to lose this Bureau.

Mr. ERLBORN. Thank you. I thank the gentleman for yielding.

Mr. EDWARDS. Mr. Hendrick, what are the functions of the Special Assistant to the Secretary for Enforcement?

Mr. HENDRICK. The Special Assistant to the Secretary for Enforcement was a job which was created following the Warren Commission recommendations.

The principal recommendation, insofar as this job was concerned, was to have someone who was familiar with enforcement who would be on the Assistant Secretary level supervising the Secret Service.

When the job was set up and the appointment given to my predecessor, David Acheson, it was decided that it should be expanded so that there was not only Secret Service but there was also the Bureau of Narcotics, and also general coordinating supervision over the Bureau of Customs and the Internal Revenue Service.

Mr. EDWARDS. How about the Alcohol and Tax Unit?

Mr. HENDRICK. That is part of Internal Revenue Service.

Mr. EDWARDS. So that by and large, you are the coordinator of the enforcement activities of the branches and divisions of the Treasury Department?

Mr. HENDRICK. That's right. And there are about 5,000 agents who are engaged in enforcement work in the Treasury Department. With the shift of the Bureau of Narcotics over to the Department of Justice, we would thus lose about 300 agents. There would then be about 4,700.

Mr. EDWARDS. If the Bureau of Drug Abuse Control were placed under the Treasury Department, could it be effectively coordinated with the Bureau of Narcotics?

Mr. HENDRICK. Certainly, the Bureau of Drug Abuse Control can, in our judgment, be effectively coordinated with the Bureau of Narcotics. As to whether that could in the Treasury Department, I suppose that the best judge of that would be the Bureau of the Budget.

As far as I'm concerned, representing the Treasury Department, I, of course, would scarcely be one to say that they could not both work together in the Treasury Department. But I don't believe I'm the star witness you should ask that question of. I think that should be asked of the Bureau of the Budget.

Mr. EDWARDS. I'm not trying to pull out of you where in fact it should be. I'm saying if it were in the Treasury Department, in your opinion could it be coordinated properly and effectively with Narcotics?

Mr. HENDRICK. I would have to answer that question honestly in the affirmative.

Mr. EDWARDS. I wonder if you would explain for the committee the present coordination between Narcotics and the various other divisions in Treasury. And we will take them one at a time, if you will.

The coordination, for example, with Customs Bureau. Explain, if you will, what is involved there and whether you have had good coordination, just how this works.

Mr. HENDRICK. The coordination between Customs and Narcotics at one period of time, when I was Deputy Assistant Secretary, could only be described as lousy.

Mr. EDWARDS. Would you care to say about when that was?

Mr. HENDRICK. That was some time around 1960. Coming to the realization that it was not very good, we worked out a series of guidelines as between the Commissioner of Narcotics and the Commissioner of Customs. And those guidelines were put into effect and I can quite honestly say that since that time the cooperation between those two Bureaus has been excellent. I don't believe anybody could contradict that settlement.

Mr. EDWARDS. What would be the net effect on that good coordination after the transfer?

Mr. HENDRICK. I think that there will be no change. It seems to me that whether two bureaus get together and work well together, or

not, depends upon who is in charge. If you have sensible people in charge, they will work together whether they are in the same department or in two different departments.

Take, for example the Bureau of Customs and Immigration and Naturalization Service. Those two Bureaus, which, of course, are in separate departments, work together at the border stations, and their cooperation is excellent. There again, there was a period in the past when the cooperation was not too good. But certainly from the last few years and in the foreseeable future, they are excellent.

Mr. EDWARDS. Of course, our Government, being what it is, we all depend upon the human element when you say "depending upon who is in charge," I think we all understand that. Who is going to be in charge?

Mr. HENDRICK. In charge of Customs and Narcotics, you will have in charge of Customs for the foreseeable future, Commissioner Lester Johnson. In charge of the new Bureau of Narcotics and Dangerous Drugs, whoever it is that is appointed by the Attorney General.

Mr. EDWARDS. So you are speculating a little when you say it will work as well depending on who is in charge?

Mr. HENDRICK. That's perfectly true.

Mr. EDWARDS. Therefore, there is no guarantee that there is going to be as good coordination as there is today between Narcotics and Customs?

Mr. HENDRICK. By the same token, it is always possible that poor Commissioner Giordano may drop dead tomorrow, and then we get in the interim between now and the reorganization plan becoming effective, we get a very violent successor who fights all the time with the Commissioner of Customs, and you have poor cooperation.

Mr. EDWARDS. But at the present time, you have that situation within the same department under the same Special Assistant for enforcement, where these problems can be solved if something should happen to Mr. Giordano and he were the head of the new Bureau in Treasury. Therefore, you would have the Customs in one agency and the new Bureau in another and the problems are not that easily solved; are they?

Mr. HENDRICK. I have great confidence in the American form of government and in the sensible character of most people who are leaders in the government.

Mr. EDWARDS. Certainly, I do too, Mr. Hendrick. I'm trying to suggest relative problems, problems where Customs and Narcotics are in the same department, and where they are in different departments. I'm speaking purely from a relative standpoint.

It is obvious to me, at any rate, perhaps not to you, that two coordinating agencies in the same department can be better coordinated than they can in different departments. This is why you are supporting the proposal to put BDAC and Narcotics together; is it not?

Mr. HENDRICK. That's partly the reason for our support. In addition, there are various legal points which have been brought out heretofore in the testimony, such as the inability of BDAC to act legally in the marihuana case, the inability of the Bureau of Narcotics to act in an LSD case, which are very persuasive.

Mr. EDWARDS. I don't think we are in disagreement with that argument. Certainly, I agree with you. The question is really where it should go.

I like your department. I gather from what you say, that if it were in your department, with the merged entity, that it could be coordinated. I'm not asking you to take sides. I'm just saying that if it were there it could be coordinated, couldn't it?

Mr. HENDRICK. I think I would be almost a traitor to the Treasury Department if I didn't say "Yes."

Mr. EDWARDS. Have you had any problems with the coordination of efforts insofar as the Coast Guard is concerned since it was transferred?

Mr. HENDRICK. I have had very little to do with the Coast Guard since the time that it went under the Department of Transportation. We have Coast Guard people still coming to our enforcement school and getting educated there.

Of course, we don't have the Coast Guard plane anymore. But after all, we can get transportation otherwise. Not quite so plush.

Mr. EDWARDS. I have been in a Coast Guard plane and I don't recall it being plush.

Mr. HENDRICK. That depends upon which one. [Laughter.]

Mr. EDWARDS. Maybe they put me in the troop carrier. Let's move on then to the Internal Revenue Service, which is another agency within Treasury that has in the past, and I presume in the future will have the need of coordination with Narcotics. Have you had good coordination in the past within Treasury between these two agencies?

Mr. HENDRICK. Yes. That has been very easy. It would have been almost impossible to have bad coordination. But the problems were quite different from the problems with respect to Customs and Narcotics.

Internal Revenue collects the taxes and Narcotics does the enforcement. It is so easy that even if people had wanted to be nasty, I don't think they could have succeeded.

Mr. EDWARDS. Internal Revenue Service, of necessity, is involved and interested in the question of organized crime; is it not?

Mr. HENDRICK. Yes.

Mr. EDWARDS. Many of our organized crime suspects have been brought to justice because Internal Revenue Service found a tax law that they had violated, isn't that correct?

Mr. HENDRICK. That's correct. It is also true with many of the organized crime characters who have been brought to justice because of the Bureau of Narcotics. Genovese, Valacci and many others.

Mr. EDWARDS. That brings my point back to the forefront, that here was the need for close coordination. You say there has been this coordination. If Narcotics is moved to Justice, will there be the same relative coordination?

Mr. HENDRICK. Right now organized crime is being handled principally by the Department of Justice, making use of strike forces. You have a Department of Justice lawyer or set of lawyers and they will have work for them, agents from the Bureau of Narcotics, the Bureau of Internal Revenue, Customs, and Secret Service, and also Labor and SEC. What will happen is that agents from each of these Bureaus will be assigned to work under a Department of Justice attorney, and they go after an organized crime family. This has happened in Buffalo, extremely successfully. They went after Mogadino family. One of the

chief men in that family recently was put in prison for 20 years. This was all of these Bureaus working together, but I repeat, they were working under the Department of Justice.

So it would seem to me that the effectiveness of this strike force operation would be just as good with our Narcotics people working in the Department of Justice as it is at present with them working in the Treasury Department.

Mr. EDWARDS. What would be better about it?

Mr. HENDRICK. I don't say it is going to be better, because it is just fine now. But I don't know that it is going to be worse.

Mr. EDWARDS. Justice, in this strike force you are talking about, has been the coordinator of this effort, has it not?

Mr. HENDRICK. Yes.

Mr. EDWARDS. All of these enforcement agencies that you mentioned, that have been mentioned here in the last few days, are in effect like the spokes of a wheel, with Justice sitting in the middle. Is that a fair description of this effort?

Mr. HENDRICK. Very good.

Mr. EDWARDS. And it has produced results, has it not?

Mr. HENDRICK. It has produced very good results.

Mr. EDWARDS. Are you familiar with the number of convictions or arrests, of cases made against organized crime by the Bureau of Narcotics and the Internal Revenue Service?

Mr. HENDRICK. I don't have the figures in my mind, but I can certainly supply them for the record if they are not available already to you.

Mr. EDWARDS. Without going after the number in particular, the exact number, which is not really material, the record has been very good, has it not?

Mr. HENDRICK. Excellent.

Mr. EDWARDS. As a matter of fact, that combination has probably been responsible for more convictions in the field of organized crime than any other enforcement agency, has it not?

Mr. HENDRICK. I'm sure you're right.

Mr. EDWARDS. Let's talk about the Secret Service. What is the present situation so far as the coordination there between Narcotics and Secret Service?

Mr. HENDRICK. There is not very much need for coordination there. Of course, the primary objective of Secret Service, other than protection of the President, is counterfeiting. And there that is so different from the task that the Bureau of Narcotics has, that there is not much relationship between one and the other.

It is true that on protection of the President, there are times when Secret Service will call on the Bureau of Narcotics agents for help, and that help has always been forthcoming. But similar help has also been forthcoming from local police and from other Government agencies.

Mr. EDWARDS. So that in this particular area you don't see any particular significance one way or the other as to if the transfer goes into effect?

Mr. HENDRICK. No.

Mr. EDWARDS. As far as coordination between those two particular agencies is concerned?

Mr. HENDRICK. No, I do not.

Mr. EDWARDS. How about the Alcohol and Tobacco Tax Unit?

Mr. HENDRICK. That of course is part of Internal Revenue Service.

Mr. EDWARDS. It is a part. I believe you did not refer to it when you talked about the Internal Revenue Service's other responsibilities a month ago.

Mr. HENDRICK. When I said Internal Revenue Service I meant to include in that Internal Revenue Intelligence, and also Alcohol and Tobacco Tax.

Mr. EDWARDS. What coordination is involved now with the field on the Alcohol and Tobacco Tax Unit?

Mr. HENDRICK. There again the missions are different. A. & T.T., of course, goes after moonshiners. It goes after illegal weapons. And it goes after payment of tobacco tax. Payment of tobacco tax is now very well controlled.

The principal problem, as I understand it, with the tobacco tax is as between States, the bootlegging of cigarettes from one State with a low tax to another with a high tax. That of course is not a responsibility, or if it is, it is not a major responsibility, of the Federal Government.

Those missions are not related really to narcotics. When organized crime is dealing with narcotics it is not, as far as I know, branching off into moonshine whisky. That is something which is principally in the mountains of some of the Southern States.

Mr. EDWARDS. Without asking you to brag on yourself—I knew you were going to say something about the South—without asking you to brag on yourself, you put together a pretty good closely integrated and coordinated enforcement unit within the Treasury Department. I will make that statement without asking you to comment on it.

It is now suggested that one of the big arms of that Department be moved to another Department. It is presently coordinated, by your own testimony, as it should be. In an effort to coordinate, by moving Narcotics to Justice, you are of necessity lessening the degree of coordination within the Treasury Department. The extent of that lessening is obviously debatable.

In my opinion you are losing some of your coordination when you make this change, because you have already testified as others have testified, that there is presently a good coordination between all of the enforcement agencies. As you may have heard me comment a day or two ago in our hearings, in another subcommittee of this committee, we had all of these Department heads in to talk about this very problem of coordinating on organized crime in the field.

The evidence, without trying to prejudge that subcommittee's position on all of the evidence, in my opinion the evidence was very clear that great strides have been made in the field of coordination of our efforts in law enforcement.

I am in trouble with the thought that we are going to hurt that somewhat in some areas.

Mr. HENDRICK. I can't claim any great credit for this coordination since I have only been in this job for a year.

To the extent that there will be a loss of the coordination by the transfer of the Bureau of Narcotics away, one must balance against

that the gains which were testified to by the Attorney General yesterday.

Mr. EDWARDS. Up to now we have been talking mostly, almost exclusively, about organized crime enforcement. This is only one aspect of the crime problem.

The major part of drug enforcement relates to the enforcement against legitimate industries, wholesalers, druggists, doctors, retailers, and so forth. How will enforcement in this field be improved by transfer to the Justice Department?

Mr. HENDRICK. To the extent that there will be an improvement, I rely on the testimony of the Attorney General yesterday. I don't see that there is going to be much change in the method of enforcement from what is now being carried on by the Bureau of Narcotics except that you will have the increased efficiency by merging together BDAC and the Bureau of Narcotics.

Mr. EDWARDS. Why?

Mr. HENDRICK. Why should there be increased efficiency from the merger of the two?

Mr. EDWARDS. No, sir. In Justice. Why should there be increased efficiency by putting the two in Justice?

Mr. HENDRICK. I was saying that there would be increased efficiency by merging the two Bureaus.

Mr. EDWARDS. I am not arguing that point. The question is where.

Mr. HENDRICK. As to whether it should go into Justice, in preference to staying in the Treasury Department, I would say that the Attorney General testified very eloquently and I rely on his testimony for the arguments in favor of the transfer into Justice.

Mr. EDWARDS. What did he say? I don't want to belabor this point. What did he say yesterday that would indicate to you that there is going to be this increased efficiency?

Mr. HENDRICK. It seems to me that one can review the testimony that he gave yesterday, and rather than trying to summarize it myself I would just refer to what he said.

Mr. EDWARDS. All right. Let's turn to the coordination of the Bureau of Narcotics and State and local agencies that are involved in the same problem.

First of all I think you and I would agree that there is a need to bring together the enforcement of BDAC and Narcotics into one. I think we would both agree that this merger would make the coordination of State and local people a lot easier.

Can we agree on that?

Mr. HENDRICK. Certainly.

Mr. EDWARDS. To what extent is there presently coordination between State and local agencies and the Bureau of Narcotics?

Mr. HENDRICK. Very, very good coordination; over the entire United States.

Mr. EDWARDS. This relationship has been built carefully, always keeping in mind the problems of the States' rights approach, the local control, local interest in law enforcement, and so forth. You have meticulously gone about establishing this relationship, have you not?

Mr. HENDRICK. Oh, yes.

Mr. EDWARDS. It is a very delicate thing when you start dealing with State and local people, isn't it?

Mr. HENDRICK. No question about it.

Mr. EDWARDS. How will that be affected when the prosecuting division of the Federal Government, the Attorney General's Office, is now the head of that relationship?

Mr. HENDRICK. If it is properly handled I do not see why there should be any difference there. The people who will be the agents in the new combined Bureau will be separate from the prosecuting attorneys after the reorganization plan goes into effect, just the way they are separate now.

Mr. EDWARDS. The Bureau of Narcotics over the years has placed in the foreign field certain representatives, field men or agents, whatever you call them. What do you call them?

Mr. HENDRICK. Agents.

Mr. EDWARDS. I believe the Attorney General testified yesterday that there were some 23 agents in foreign countries.

Mr. HENDRICK. That's right.

Mr. EDWARDS. This again, as in the case of States and local governments, is a very delicate situation, is it not?

Mr. HENDRICK. Even more delicate.

Mr. EDWARDS. These men have to gain the confidence of those that deal with those countries. You can't send a greenhorn over to get into this business, can you?

Mr. HENDRICK. Definitely not.

Mr. EDWARDS. This also has been established, this practice, this association, this relationship, over a long period of time between the Bureau of Narcotics and the Treasury Department and the foreign countries, with the local police in the foreign countries, with whatever system of government the foreign country happens to have.

If the Bureau of Narcotics goes into the Justice Department, what is going to be the relationship then?

Mr. HENDRICK. I think it all depends upon how it is handled. I think it can be handled so that the relationship remains excellent the way it is now. It will depend upon the wisdom of the person who runs the new combined Bureau.

A person as wise as the present Commissioner of Narcotics knows how to arrange relations with these foreign countries so that they remain good. I think we will just have to assume that whoever is put in charge will be chosen with a view not only to administrative capability and know-how, but also with a very sensitive appreciation of the difficulties of establishing and maintaining good relations in this very difficult field.

Mr. EDWARDS. The world being in such turmoil as it is today, with riots in foreign countries, and throwing of eggs and ink on our embassies, burning our libraries, all of this going on that we read about today in the papers and that we see on television, obviously it is of concern to all citizens. Much of it is aimed at the authoritative arm of the Government. I wonder if there is any difference in a foreigner's mind in dealing with the prosecutive or police arm of the Federal Government as opposed to dealing with the tax authority of the Federal Government.

To go back to the delicate relationship that we have, I wonder whether this relationship is going to be tainted—and I will put that in quotes—by the transfer of Narcotics to Justice headed by the Attorney General, whoever he may be. Not the present one.

What are foreigners going to think about this? Are we going to continue to have the same ability to keep the confidence of these people; whether your local officials in the foreign country are all of a sudden going to be a little harder to talk to and work with because of this relationship.

These are things that disturb me. I don't know that you can give me an answer.

MR. HENDRICK. I would say that in general the ignorance shown by other countries of our own organizational makeup is profound. I think that in most cases after this transfer takes effect that the foreign governments just won't know that it has taken effect, or if they do know they couldn't care less.

I can't rule out the possibility that some foreign government, just wanting to make trouble, would say these agents are perfectly acceptable to us as long as they represent the taxing power, but if you are going to send us agents who represent the prosecuting—or who are associated so intimately with the prosecuting department, thank you very much but we don't want them.

I don't think that any such claim would be made sincerely.

MR. EDWARDS. I am not concerned, Mr. Hendrick, so much with the government of any foreign country as I am with the people who support that government.

All of us, whether we live in a democracy, a republic, or any other kind of country where we are chosen by the people back home, where we have to answer to the people back home, are therefore responsive to the people back home. This is true in foreign countries as well as in this country.

If this image is not as good as Treasury's image, there are certain people in the countries who will make that known, and we will hear about it.

I am not suggesting the President or Prime Minister of a foreign country is going to change his immediate attitude one bit. I look at the long-range relationship.

MR. HENDRICK. I don't think this is likely. No. 1, if the ignorance of most foreign governments in regard to our makeup is profound, that is all the more true of most citizens of foreign countries. And, number two, the existence of these offices, the presence of these narcotics agents in the foreign countries, is not generally known. It is something we don't want to publicize and which the foreign governments don't want to talk about either.

Could I say one thing further? I want to apologize, Mr. Edwards, for having maybe given the indication that the moonshine industry was principally a problem in the South of this country. I recall now that some of our most important cases were in and about New York City.

MR. EDWARDS. That is all right, Mr. Hendrick. I know that most people think that Barney Google and Snuffy Smith come from the South. I happen to know they come from upper Ohio.

[Laughter.]

Mr. EDWARDS. I would like to ask Mr. Giordano a couple of questions.

It has been stated here, and in other hearings, that marihuana is not necessarily addictive, that all marihuana users don't go on to heroin and something stronger. But isn't it also true that in your convictions and your cases that you have found in most every case, or a substantial portion of every case where you have heroin involved, that the heroin user at some point in time has been a marihuana smoker?

Mr. GIORDANO. Yes, Mr. Edwards. I would say about 80 percent of the addicts started on marihuana.

Mr. EDWARDS. For whatever reason they advanced to heroin?

Mr. GIORDANO. Yes. There has been a recent study in California, which I think will give some idea of how many of those that do start with marihuana go on to something stronger, which is something that we have never said that everybody that smoked marihuana went to heroin. We have said it is a stepping stone because it leads them on to something stronger.

In 1960, the California Statistical Division checked all of those persons that became involved with the State authorities in relationship to marihuana. By 1965 they found that one out of every eight had gone on into stronger drugs within that short period of time.

Chairman BLATNIK. Will you yield? One of the eight would be about 12½ percent, the percentage that went on.

Mr. GIORDANO. In that period from 1960 to 1965. These are the ones that they were able to check out also.

Mr. EDWARDS. Mr. Giordano, let me see if we can pinpoint a little more clearly where organized crime is in the field of narcotics, marihuana, LSD, barbiturates, and so forth. Concerning heroin, organized crime is heavily involved there, is it not?

Mr. GIORDANO. Yes, it is, Mr. Edwards.

Mr. EDWARDS. How about marihuana?

Mr. GIORDANO. We haven't any evidence that organized crime—when I talk of organized crime I am talking about the Mafia element, or Costa Nostra—we have no evidence that they are involved in marihuana. What we have found in the last few years is that those individuals that are dealing in marihuana—and practically all of the marihuana is coming from Mexico—are becoming better organized, more highly organized. But they are not the syndicate group.

Mr. EDWARDS. How about LSD, barbiturates, and that sort of thing? Can you state as to that? Mr. Finlator is here.

Mr. GIORDANO. Just from my information—I have no evidence that they are involved. Mr. Finlator may have some specific evidence.

Mr. EDWARDS. Would you repeat?

Mr. GIORDANO. From my own information I have no evidence that they are involved. Mr. Finlator may have some evidence showing that they are.

Mr. EDWARDS. Thank you, Mr. Chairman.

Chairman BLATNIK. Any other questions?

Mr. Erlenborn?

Mr. ERLBORN. I would like to take a moment to say that I have read both your statements, Mr. Giordano and Mr. Hendrick. I think both of you make a very compelling case for the merger of the Bureau

of Narcotics with BDAC. I agree with you wholeheartedly. I am certain Mr. Edwards does, too, and Mr. Brown, the three of us, who sponsored a resolution, all agree this merger should take place. We will have more efficient operations as a result of the merger. Our reservations are as to where the merged organization should be housed. There is no question Government organization sometimes considers personalities.

Mr. Giordano, the Attorney General made the statement here yesterday that our Federal organization and technique must provide a model for State and local law enforcement. Since you are working in close coordination with local law enforcement agencies throughout this country, do you have any States that have their investigative function located in the attorney general's office or comparable official of the State?

Mr. GIORDANO. There are several. I can tell you right off, that California, Florida, Michigan have done so. Also, New York just recently transferred the enforcement functions and all from the department of health to the State police, in the attorney general's office.

Mr. ERLBORN. The State police are located in the attorney general's office?

Mr. GIORDANO. Yes. They are now enforcing the narcotics laws of New York.

Chairman BLATNIK. Will the gentleman yield?

Off the record.

(Discussion off the record.)

Chairman BLATNIK. Mr. Giordano?

Mr. GIORDANO. And Illinois.

Mr. ERLBORN. In Illinois the State police are separate from the attorney general?

Mr. GIORDANO. No. There is a narcotic division.

Mr. ERLBORN. Within the attorney general's office?

Mr. GIORDANO. Within the attorney general's office in Illinois, formed about 1957 or 1958.

Mr. ERLBORN. Is this the principal agency with which you work in Illinois in investigations and the rest involving narcotics?

Mr. GIORDANO. That and the local police. At the State level it is the Illinois Narcotics Division, and of course Chicago has a narcotics division within the police department.

Mr. ERLBORN. The general pattern, however, is for the police function to be separated from the prosecutor's function, is it not?

Mr. GIORDANO. I think the investigatory part has always been separated from the prosecutor's. That can still be done within the same department.

Mr. ERLBORN. I have no other questions. Thank you.

Chairman BLATNIK. Mr. Holifield?

Mr. HOLIFIELD. I have been interested in the discussion this morning. As I listened to the responses of the witnesses I gathered that there are about 300 enforcement agents involved in this transfer?

Mr. GIORDANO. We have 305, and I understand BDAC has 300. So when they are combined it will be 600.

Mr. HOLIFIELD. They will be transferred into Justice, as I understand it.

Mr. GIORDANO. That is correct, Mr. Holifield.

Mr. HOLIFIELD. There is no thought of discharging all of these 600 or any proportionate part of them and recruiting new people, is there?

Mr. GIORDANO. No. Everybody—not only including the agents but the clerical help—our Bureau, for example, with 468 people, 305 being agents, will be transferred.

Mr. HOLIFIELD. There has been testimony regarding the covert informers in different nations throughout the world. Those people will remain the same?

Mr. GIORDANO. Yes, sir.

Mr. HOLIFIELD. They are covert and the people they are dealing with I would think, if they are dealing with other government agents, would not know exactly what their connections were with the law enforcement, would they?

Mr. GIORDANO. Let me clarify this. Our agents over there are known to the enforcement authorities.

Mr. HOLIFIELD. Of the nation?

Mr. GIORDANO. Yes. They also, in cooperation with these enforcement authorities, work undercover. So they are not widely known. The foreign ministry is aware of the fact they are there because they become accredited, and the enforcement people know.

Mr. HOLIFIELD. As far as the general public is concerned, I would assume that they are under some kind of cover, just like the CIA agents that are operating in different countries throughout the world. They have a cover, a front, I suppose, which is completely different from the general concept of what their duties are.

Mr. GIORDANO. The general public in the countries where we operate, in most cases, don't associate our people with the operations. They may find a foreigner there. Most of the time the work we are doing is attributed to the Interpol agent.

Mr. HOLIFIELD. And the informers that come to these undercover agents as a rule are rewarded in one way or another. If they are citizens they are rewarded I suppose in a monetary way for valuable information. If there is a tipoff that there is a shipment of cocaine coming in by a certain method, and the informer brings that information in, he is rewarded I suppose financially. He has a financial interest in it?

Mr. GIORDANO. That is correct, Mr. Holifield. And of course it depends upon the success of the operation as the case develops.

Mr. HOLIFIELD. If we are going to have a transfer of people with all of the appurtenances and different lines of covert and open assistance, that will remain the same. There will be no reason to disturb the organization just because they will be getting their checks from the Department of Justice instead of the Treasury?

Mr. GIORDANO. The only change that actually may be brought to the attention of the local enforcement authorities is that the name "and Dangerous Drugs" has been added to the Bureau of Narcotics.

Mr. HOLIFIELD. I can't follow the fears of the collapse of law enforcement just because it is going to come under a different head of Government, and a different agency is going to pay their wages. As long as the organization remains intact and the two are merged together and function very closely with each other in informing each

other as to their particular field of effort, or absorbing functions, under this method, instead of being confined say to the area of narcotics alone they will be given authority to look across the board. And in the same way as the agent with dangerous drugs, if he runs across narcotics that becomes his line of duty to proceed in the same way as he does in his present line of work, in either narcotics or dangerous drugs. Is that not true?

Mr. GIORDANO. That is true. And I don't foresee any difficulties.

Mr. HOLFIELD. That is all I have.

Mr. REUSS?

Mr. REUSS. Mr. Giordano, are you familiar with the publication "Drugs on the College Campus," December 1967, which was introduced under contract with the Department of Health, Education, and Welfare?

Mr. GIORDANO. I am aware of the booklet. I haven't read each and every line of it. I think Mr. Finlator is—

Mr. REUSS. Mr. Finlator made copies available to the committee.

Mr. GIORDANO. Yes, sir.

Mr. REUSS. I want to call your attention to several pages in it.

You testified a moment ago to Chairman Blatnik that a California study has shown that some 12.5 percent of users of marihuana had gone on to the use of heroin. Let me call your attention to a statement on page 89 of this publication, "Drugs on the College Campus."

"Although many heroin addicts have used channabis"—I say parenthetically they use channabis interchangeably with marihuana—"they have more frequently used alcohol before using either heroin or channabis."

That suggests, does it not, that alcohol is a more direct waystation on the road to heroin addiction than marihuana?

Mr. GIORDANO. That would suggest it. But I have never seen any medical evidence to that fact.

Mr. REUSS. You then dispute the statement made in this pamphlet?

Mr. GIORDANO. As I say, I have never seen any medical evidence, and that statement does not change my opinion. I have not read the whole statement, however. I have never seen evidence of a progression from alcohol to marihuana, and then from marihuana to heroin. In fact, I think a lot of the marihuana smokers are saying today they are smoking marihuana instead of drinking alcohol. So that is contrary to what that statement is in there, if you would believe what they have said.

Mr. REUSS. I can't see your logic on that. But I will go on to read another statement, also on page 89.

"When cannabis, i.e., marihuana, is compared with alcohol"—omitting some words—"nicotine, its potential for risk and for abuse appears to be relatively low. But it is urgent that first-rate studies on this question be done."

Would you agree with that statement?

Mr. GIORDANO. No, I would not agree with the statement except the part that more study has to be done. But as to trying to compare alcohol and marihuana, they are entirely two different substances, have entirely different pharmacological actions, and this is unfortunately one of the reasons we have this problem of marihuana today with these

people that are speaking out that there is nothing wrong with it, that it is nothing worse than alcohol. This started the increase of the marihuana problem.

Mr. REUSS. I am not suggesting there is nothing wrong with it. I am simply wondering about your views on the relative psychological effects of marihuana, alcohol and nicotine.

Mr. GIORDANO. I will speak to marihuana. As I say, there have been many studies on marihuana. Most of them have been from outside the United States. Marihuana was legal, that is it could be used legally, in 1937—in medicine. In 1937, when the marihuana tax went into effect, which controlled marihuana, the same as the Harrison Act controls narcotic drugs, the medical profession made a decision at that time that the benefits of marihuana in medicine were so minimal that we were going to abandon it because of the dangers of the drug, and it doesn't do any good in medicine.

So, in that period of time until now, there hasn't been research in the United States that will satisfy the people in the United States. They want U.S. research. So this statement about more research is good.

But there have been many studies around the world that have shown the dangers of marihuana, how it leads to psychotic episodes.

In Israel there was a study on mice, which indicated it reduces the fertility rate in mice.

You heard Dr. Barton the other day say it is almost like LSD because there is a recurrence of the episode without using the drug.

Mr. REUSS. What I wanted was the basis of your belief that marihuana has more deleterious effects than alcohol or nicotine. What is that basis? You have shown what marihuana does.

Mr. GIORDANO. I think it is unfortunate that it has to keep coming back to a comparison between alcohol and nicotine or something else.

I think people agree alcohol is a dangerous substance. I would like to keep it in the proper perspective, what they have to say about marihuana and its dangers.

I would like to provide the committee a report by some of our top experts in the World Health Organization, where they describe the various alcohol dependencies, drug dependency, morphine-type drug dependency, cannabis type, marihuana, drug, alcohol type, which explains the difference between them.

Mr. REUSS. May we have that? That would be very helpful.

Mr. GIORDANO. Yes. Alcohol and marihuana pharmacologically are different type substances. They have different actions. So you can't compare things unless there is a similarity to them.

One is a sedative. The other is a stimulant.

Mr. REUSS. I gather the World Health study, which you have handed me, makes that comparison.

Mr. GIORDANO. It tells exactly what they are, what the reactions and what the dangers are of the substances, and I think it would be very helpful to the committee.

Mr. REUSS. I will ask the chairman for unanimous consent that there be received for the record the two documents as presented by Mr. Giordano.

Chairman BLATNIK. Without objection, it is so ordered.

(The documents referred to are entitled: "Drug Dependence: Its Significance and Characteristics" and "The Association of Marihuana Smoking with Opiate Addiction in the United States" and are retained in the files of the subcommittee.)

Mr. HOLIFIELD. The thought occurred to me a few minutes ago when we were discussing the likelihood of a person going from marihuana to heroin or other narcotics, the thought occurred to me, do you have any statistical data or any personal observation you would like to make in regard to the development of a pusher of marihuana being led into pushing these heavier drugs?

In other words, a young fellow of high school age who starts making a few dollars by pushing marihuana, and he may be picked up and given a light sentence and starts his police record.

Do you have any evidence that they frequently go into pushing the stronger drugs?

This seems to me to be probably an important thing, if true.

Mr. GIORDANO. Mr. Holifield, in recent years this has developed. At one time in the past the individual selling heroin generally was not involved with the sale of marihuana. It was a different type individual.

We now find at the level of the large trafficker on the streets, that they sell both heroin and marihuana. A good example I think of how people are now dealing in both is Danny Escobedo, the notorious individual of the Supreme Court case. We developed a case against him in Chicago. He was just sentenced to 22 years. He was dealing in heroin and marihuana.

Mr. HOLIFIELD. I know that this occurs. I was wondering if the young people who start selling marihuana graduate into pushers for narcotics. Do you have any evidence along that line?

It would seem natural to me if they made money illegally pushing marihuana that they would gradually get acquainted with people who want something a little stronger, or they might be lured into pushing it in order to make even more money than they could make by pushing marihuana. It would seem to me that there would be a progression there.

Do you have any evidence, when you catch these pushers, of how they started? Have there been any studies, such as did you start with heroin, other opiates, or did you start with marihuana and LSD and that type of thing and graduate into the pushing of narcotics?

Mr. GIORDANO. I can give you an example as far as the sellers who are addicts. Sixty percent of the cases that we make are made against nonaddicts. Forty percent are addict sellers.

When I am talking about an addict seller, he is a seller, and he just happens to be an addict also, because they are selling an ounce, a half-ounce, two ounces, half-kilo or quarter-kilo quantities. Better than 80 percent of all the addicts get started on marihuana. Marihuana was the thing that started them on the way to heroin. Lexington made a study of 2,000 individuals and reported 80 percent of those 2,000 started on marihuana.

Mr. HOLIFIELD. That is quite an important statistic. It seems to me the previous statistic given us was 12.5 percent of the marihuana users graduated to narcotics. This 80 percent of the narcotics users, of that 12.5 percent that started with marihuana, it seems to me is a significant indication of how they got that way.

Mr. GIORDANO. This is not only our view, but this is a view that is held worldwide. The Commission of Narcotic Drugs, that meets in Geneva every year, they have a strong feeling that marihuana is a stepping stone to stronger drugs.

Mr. REUSS. Of those 2,000 narcotic users of your sample in Lexington, how many of those had a previous history of using nicotine? Tobacco.

Mr. GIORDANO. I wouldn't know, Mr. Reuss.

Mr. REUSS. How many had a previous history of using alcohol?

Mr. GIORDANO. I wouldn't know, because the study related to those to determine—

Mr. REUSS. May I suggest—

Mr. GIORDANO. It was determined how they got started in using drugs. And the determination—and this was based on what the individual in the institute had to say of how he started. I am sure alcohol must have been included. They would have asked.

Mr. REUSS. Would you furnish them?

Mr. GIORDANO. If we can get them, I would be happy to. This was, How did you get started? Did you start with heroin? Did you start using barbiturates or what? It was marihuana in the majority.

Mr. REUSS. A study rather conclusively demonstrated that German measles is acquired from riding bicycles.

[Laughter.]

Mr. REUSS. I do want to see exactly the methodology used. I think we can all agree and stipulate that more studies are needed.

Mr. GIORDANO. I have the study here and will provide it for the record. It was done by the Department of Behavioral Science, University of Kentucky Medical School, in cooperation with the National Institutes of Health.

Mr. REUSS. I would ask that this be made a part of the record, too. Chairman BLATNIK. Without objection, it is so ordered.

Mr. REUSS. Thank you, Mr. Chairman.

(The study referred to, entitled "Studies on Tetrahydrocannabinol," is retained in the files of the subcommittee.)

Chairman BLATNIK. There being no further questions, Mr. Giordano, we thank you and your assistants very much.

Mr. GIORDANO. Thank you.

Mr. EDWARDS. Mr. Chairman.

Chairman BLATNIK. Mr. Edwards?

Mr. EDWARDS. It is not my intention to prolong this line. I have four questions that I would like to ask Mr. Finlator before he leaves.

Chairman BLATNIK. Fine.

Mr. EDWARDS. Mr. Finlator, in the Bureau of Drug Abuse Control, there is the Division of Drug Studies and Statistics, headed up according to your chart by J. P. Smith, doctor of philosophy. Is that correct?

Mr. FINLATOR. He is a psychologist.

Mr. EDWARDS. What does that division do?

Mr. FINLATOR. It does several things. It is a division that was designed between FDA, NIMH, and HEW, to place within the law enforcement body, BDAC itself, a kind of a new look at crime enforcement, to try to understand some of the problems that we were going to have with the new drugs, dangerous drugs, and those that we knew

were going to come upon the market. As I said yesterday, in the next 10 years we will have over a hundred of these that we will have to take some kind of action either for or against.

This is a small division of psychologists, sociologists, and pharmacologists who are supposed to act as a catalyst to see that things do get done. It does not do basic research. It is not a medical outfit.

Mr. EDWARDS. Not what?

Mr. FINLATOR. It is not a medical outfit. Nor does it have any medical attributes to it, or responsibilities. But to see that things actually get studied and get done from the point of view of enforcement, on whether we should have enforcement on a number of drugs that we have. We have a great number of drugs that we have under control, and we have a great number that will be coming under control. It seemed to us in FDA, NIMH, and HEW, and this is within the complete agreement within the House, that there should be a group of people acting as a catalyst, seeing that things get done by NIMH, or outside contractual services, and it acts more or less in that capacity. It itself does not determine whether a drug is a dangerous drug or not. But it does act as a catalyst to see that things get done.

Let me give you an example if I may, as I did the other day. The problem of STP as well as the problem of the banana bit that we got, the ball got dropped and no one was doing anything about it until BDAC itself, through this division, determined that something should be done and action taken, and action was taken. We got involved with the Bureau of Science in FDA, and NIMH. NIMH because they are an extremely busy outfit determined that they could not do the pharmacological work that should be done on STP that we felt should be done now. So this division contracted out to find out what is the pharmacology of STP. It has the responsibility of looking at the great number of the combination drugs that should be or should not be under control.

Mr. EDWARDS. They found they were not dealing with fraud?

Mr. FINLATOR. That is right, not like the banana hoax. We bought 200 pounds of bananas, had them in our labs, running out of our ears, and we cooked them, smoked them out and did everything to find out what the story was. And an answer had to be given to the public.

Mr. EDWARDS. That was the hoax of 1966?

Mr. FINLATOR. Yes. We had one other that was called the green pepper bit, in which one was supposed to take rotten green peppers, let the cigarette stay in it, and get a "high" from it.

There was another one. Someone mentioned the other day sex juice, 1968, in which some doctor found a couple of kids who were real high. They evidently told him that it was something called sex juice, 1968. The doctor, inadvisedly, called a press conference and said he had found the greatest thing since LSD. And it hit the press all over the country. We had to find out what sex juice was right away. It was this division that did it.

Mr. EDWARDS. What did you find out?

Mr. FINLATOR. We found out what it was.

Mr. EDWARDS. Do you want to go off the record to tell us?

Mr. FINLATOR. Yes, sir.

(Discussion off the record.)

Mr. EDWARDS. Then the Division of Drug Studies and Statistics will go into Justice?

Mr. FINLATOR. That is correct. And that is with the agreement of the Justice Department, NIMH and FDA, that it should go.

Mr. EDWARDS. In the Food and Drug Administration organizational chart, right next to the Bureau of Drug Abuse Control, there is a little box, the Bureau of Education and Voluntary Compliance. What does that have to do with BDAC?

Mr. FINLATOR. What does it do for BDAC?

Mr. EDWARDS. With or for.

Mr. FINLATOR. It is a bureau that has some educational aspects and works with industry on voluntary compliance of the whole problem of FDA is involved in. Part of it happens to be dangerous drugs. They set up conferences with industry and business. If we were to set some up with industry, we would work with that bureau in doing it.

Mr. EDWARDS. Is there going to be any problem leaving that in FDA and moving BDAC to Justice?

Mr. FINLATOR. No, sir. Here again, if I may, I have some positions in that bureau that will be pulled out and taken to the Justice Department to do that work.

Mr. EDWARDS. To do what work?

Mr. FINLATOR. The work that that bureau would be doing in drug abuse. In other words, that bureau that stays there. Under the budgeting process that we use, when they set up BDAC they set up certain administrative support positions to service BDAC. And I got them to determine which positions and how many were in each of the component parts of FDA, so that we could always keep tab on those positions that actually came out of the BDAC budget. Those support positions will be pulled out and will be taken to the Justice Department, with the agreement of Dr. Goddard and Secretary Cohen.

Mr. EDWARDS. Dr. Goddard testified last year in hearings before the Interstate and Foreign Commerce Committee, at page 201:

At the same time we have recognized that a new "police force" will not in itself eliminate the drug abuse problem. Our agency also has given major attention to education and to research which is essential to increase our understanding of the underlying causes of drug abuse.

Is that what this particular section does?

Mr. FINLATOR. Which section? Are you talking about the Division of Drug Studies and Statistics?

Mr. EDWARDS. Let me find my chart again.

Mr. FINLATOR. If you are speaking about the voluntary—

Mr. EDWARDS. Bureau of Education and Voluntary Compliance.

Mr. FINLATOR. No.

Mr. EDWARDS. Where is that done?

Mr. FINLATOR. That is done in the Division of Drug Studies and Statistics.

Mr. EDWARDS. The one that is in BDAC?

Mr. FINLATOR. It is in BDAC, right.

Mr. EDWARDS. That one, for education and research, to increase the understanding of the drug abuse problem, will go to Justice?

Mr. FINLATOR. That is correct. I might add that since the chairman mentioned a while ago the story in the Look magazine, he may recall

that one of the fellows in there was a pretty big LSD dealer. We arrested that fellow, Mr. Chairman, after the story came out. We had been working on him before the story came out.

Mr. EDWARDS. My last question. Again in the agency hearings of last year, you have a Dr. Yolles?

Mr. FINLATOR. Dr. Stanley Yolles. He is Director of the NIMH—National Institute of Mental Health.

Mr. EDWARDS. He said on page 274:

As a matter of fact our activities are closely coordinated. In order to assure this we have arranged for joint appointments of personnel. The Deputy Director of the National Institute of Mental Health's center for studies of narcotic drug abuse is also the Chief of the Food and Drug Administration's Division of Research and Statistics.

Is that the same thing as the Division of Drug Studies and Statistics?

Mr. FINLATOR. Yes, that is Dr. Smith.

Mr. EDWARDS. Is that going to create any problems?

Mr. FINLATOR. No, sir. We already have a complete meeting of the minds with Dr. Yolles that, No. 1, this dual appointment will continue in the Justice Department. No. 2, that he will support this work of this division, working closely with him. The advantage of having the dual appointment, of course, is obvious. It keeps NIMH and BDAC pretty close together. It is the one item that has made it possible for us to communicate with the scientific and educational world. Although they may look at us with somewhat of a jaundiced eye, they at least know that we have some professional people that are dealing with this problem and they are willing to communicate and talk with us. And there is a communication between BDAC and the scientific world, and BDAC and the educational world. As a matter of fact, we have today, right now, 37 deans, representing 37 colleges and universities and a training school, running here at BDAC. It is very rewarding. These will continue working with the education people.

We have very good communication with the scientific world. Sometimes I suppose with the jaundiced eye, but there is communication because we are doing that kind of work and it is very important to us at least that as long as we are in the drug problem and the drug abuse problem, and the drug misuse, that we are not talking about one element but the whole element, the whole problem of drug abuse as it affects our society today, and the drug syndrome in which we live. As Mr. Giordano pointed out, people who take one drug do not stop with one drug. They take other drugs, multiple drugs. Once you get into the drug syndrome, you are in it.

You may remember, since we mentioned so often the President's message on narcotics and dangerous drugs, the Prettyman report. One of the important things, it seems to me that came out of that, was that it said that after so many years we still do not know why people abuse drugs, and we need to know. This is an attempt, working with NIMH. From where I stand I think this new bureau needs to have a close relationship with NIMH. And I am sure that Dr. Yolles shares that because he told me no later than yesterday that he does, and that the Attorney General does. He himself has agreed to this.

Mr. EDWARDS. Thank you, Mr. Chairman.

Chairman BLATNIK. Thank you. Thank you very much, Mr. Finlator.

Mr. ERLNBORN. Mr. Chairman, could I ask two questions of Mr. Finlator?

Chairman BLATNIK. Yes, Mr. Erlenborn.

Mr. ERLNBORN. What support services in other bureaus of the FDA will not be transferred pursuant to this plan? Support services for BDAC.

Mr. FINLATOR. The only ones that I can see now, sir, are those positions that we talked about in the laboratories that we are really deferring a decision on using the labs because we have to have lab support every night—every night. We will leave those. There will be some positions, maybe seven over in the Bureau of Science, that we will probably need. And I believe there are about seven—five or seven positions in the Bureau of Medicine that will stay there all the time, because we are going to be needing a close communication with the Bureau of Medicine. Particularly in the newer drugs as they come on the market.

Mr. ERLNBORN. How about the Bureau of Regulatory Compliance? Will that be transferred?

Mr. FINLATOR. No.

Mr. ERLNBORN. Are there any positions in that bureau—

Mr. FINLATOR. No.

Mr. ERLNBORN (continuing). Supportive of BDAC?

Mr. FINLATOR. No, I don't believe so.

Mr. ERLNBORN. As I understand it, the merged agency will rely on the FDA labs. At the present time the Bureau of Narcotics does not use the FDA labs?

Mr. FINLATOR. That is correct. I believe that they are using the ATU labs.

Mr. GIORDANO. We use Customs labs and Alcohol and Tobacco Tax labs and will continue to use those.

Mr. ERLNBORN. You will continue to use those as well as FDA labs?

Mr. GIORDANO. Yes, sir.

Mr. ERLNBORN. Thank you.

Chairman BLATNIK. There being no further questions, we thank you very much, Mr. Finlator. We appreciate your standing by during the 3 days of hearings.

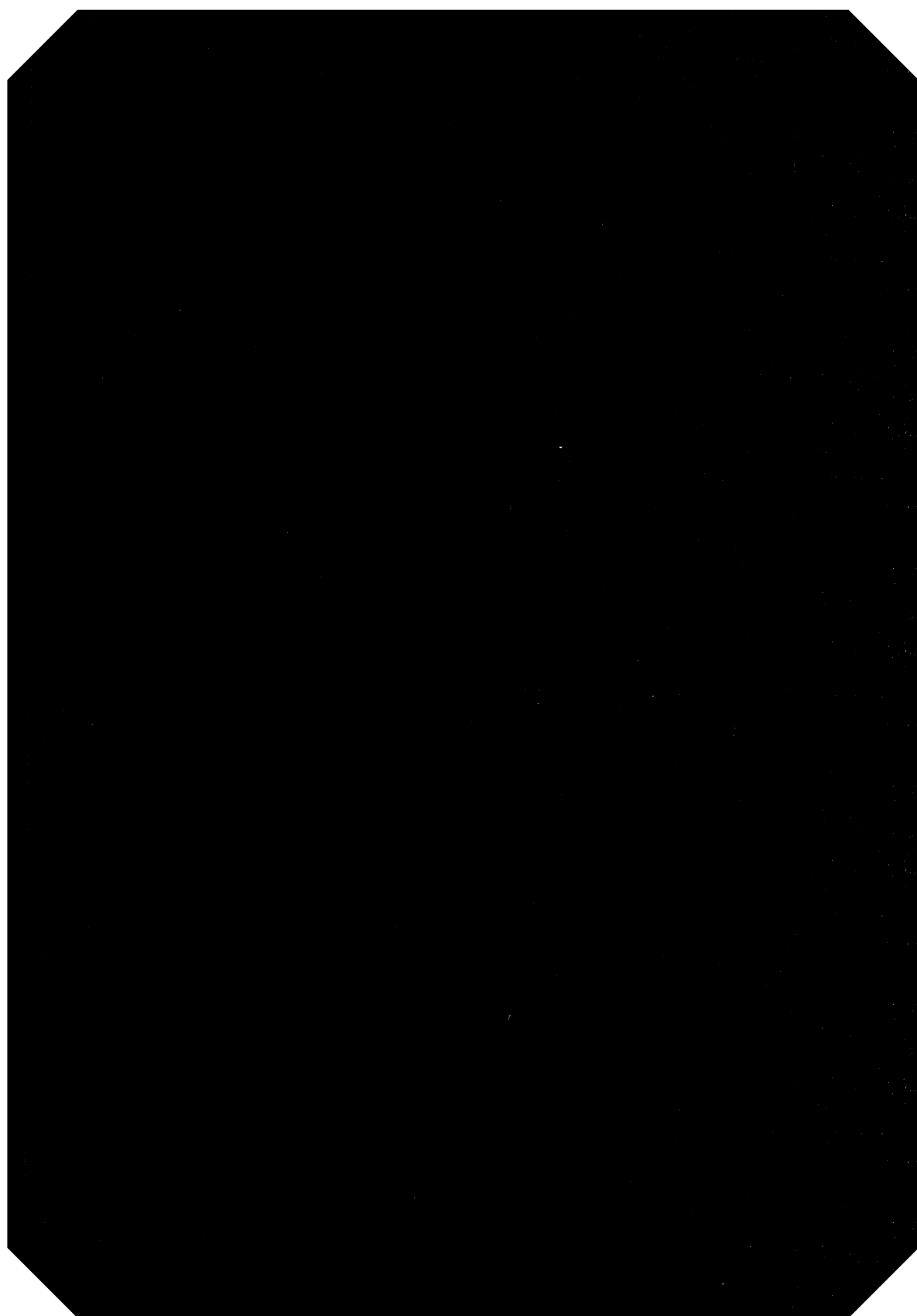
Mr. FINLATOR. Thank you, sir.

Chairman BLATNIK. The record will remain open for further statements to be put in by our colleagues.

There being no further witnesses, the public hearings are concluded at this point.

The subcommittee will now go into executive session, so we will excuse the witnesses and the public who have participated. I thank all you gentlemen for your assistance.

(Thereupon, at 11:55 a.m., the subcommittee went into executive session.)



REORGANIZATION PLAN NO. 2 OF 1968

(URBAN MASS TRANSPORTATION)

68061497

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS HOUSE OF REPRESENTATIVES NINETIETH CONGRESS

SECOND SESSION

APRIL 22, 1968

Printed for the use of the Committee on Government Operations

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APPENDIX

1. The first of the two main parts of the report is a description of the work done during the year. This part is divided into two sections, one dealing with the work done in the laboratory and the other with the work done in the field. The second part of the report is a summary of the results of the work done during the year. This part is divided into two sections, one dealing with the results of the work done in the laboratory and the other with the results of the work done in the field.

APPENDIX

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REORGANIZATION PLAN NO. 2 OF 1968

(Urban Mass Transportation)

MONDAY, APRIL 22, 1968

HOUSE OF REPRESENTATIVES,
EXECUTIVE AND LEGISLATIVE
REORGANIZATION SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met at 10 a.m. in room 2247, Rayburn House Office Building, Hon. John A. Blatnik (chairman of the subcommittee) presiding.

Present: Representatives John A. Blatnik, Henry S. Reuss, Benjamin S. Rosenthal, John N. Erlenborn, and Jack Edwards.

Also present: Elmer W. Henderson, subcommittee counsel; James A. Lanigan, general counsel, Committee on Government Operations; and William H. Copenhaver, minority professional staff.

Mr. BLATNIK. The Subcommittee on Executive and Legislative Reorganization will please come to order.

We have hearings this morning to inform the subcommittee on the purposes and effects of President Johnson's Reorganization Plan No. 2 submitted to the Congress on February 26 and now pending for our consideration. Under the terms of the Reorganization Act of 1949, the plan will go into effect after 60 days unless a resolution of disapproval has been passed by either the House or the Senate. Thus far, no such resolution has been introduced. Allowing for the 10-day recess just concluded, plan No. 2 will become law on May 7. However, the plan itself contains a provision that it will not become operative until the close of June 30—apparently to allow time to make the necessary adjustments.

In essence, the plan will transfer the urban mass transit program from the Department of Housing and Urban Development to the Department of Transportation. The Secretary of Housing and Urban Development will, however, continue to make grants and undertake projects in areas where urban mass transportation is related to comprehensively planned urban development. The plan establishes an Urban Mass Transportation Administration to be headed by an administrator at Level III of the Executive Pay Schedule who will report directly to the Secretary of Transportation.

Members of the subcommittee will recall that during the process of legislatively creating the Department of Transportation, the President asked at that time that a decision on the location of the urban mass transportation program be deferred for a year, during which period the two Secretaries of the Departments of Transportation and

Housing and Urban Development would study the matter and make a recommendation on the subject. This was a matter of keen interest to our colleague, Mrs. Dwyer. Such a study has been made, agreement reached and a recommendation presented to the President. This reorganization plan is a result of the recommendations.

We are holding these hearings in accordance with subcommittee policy to carefully study and prepare a record on all reorganization plans, whether or not they are controversial.

(Reorganization Plan No. 2 of 1968 follows:)

[H. Doc. No. 262, 90th Cong., first sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES, TRANSMITTING REORGANIZATION PLAN NO. 2 OF 1968—TRANSFERRING CERTAIN FUNCTIONS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO THE DEPARTMENT OF TRANSPORTATION

To the Congress of the United States:

As long as he has lived in cities, man has struggled with the problem of urban transportation. But:

- Never before have these problems affected so many of our citizens.
- Never before has transportation been so important to the development of our urban centers.
- Never before have residents of urban areas faced a clearer choice concerning urban transportation—shall it dominate and restrict enjoyment of all the values of urban living, or shall it be shaped to bring convenience and efficiency to our citizens in urban areas.

How America and its cities solve the transportation problem depends largely on our two newest Federal Departments—the Department of Transportation and the Department of Housing and Urban Development:

- The Department of Housing and Urban Development is responsible for the character of all urban development.
- The Department of Transportation is concerned specifically with all the modes of transportation and their efficient interrelationship.

At present, responsibility for program assistance for urban highways and urban airports, and urban mass transportation is divided between the Department of Transportation and the Department of Housing and Urban Development. As a result:

- Federal coordination of transportation systems assistance is more difficult than it need be.
- Communities which have measured their own needs and developed comprehensive transportation proposals must deal with at least two federal agencies to carry out their programs.

To combine efficiently the facilities and services necessary for our urban centers and to improve transportation within our cities, State and local government agencies should be able to look to a single federal agency for program assistance and support. The large future cost of transportation facilities and services to the Federal Government, to State and local governments, and to the transportation industry makes side investments and efficient transportation systems essential.

An urban transportation system must:

- combine a basic system of efficient, responsive mass transit with all other forms of systems of urban, regional, and inter-city transportation;
- conform to and support balanced urban development.

In this, my second reorganization plan of 1968, I ask the Congress to transfer urban mass transportation programs to the Secretary of Transportation and to establish an Urban Mass Transportation Administration within the Department of Transportation to strengthen the organizational capacity of the Federal Government to achieve these objectives.

The plan transfers to and unifies in a new Urban Mass Transportation Administration in the Department of Transportation those functions which involve urban mass transportation project assistance and related research and development activities. Because urban research and planning and transportation research and planning are closely related, however, the plan provides that the

Department of Housing and Urban Development perform an important role in connection with transportation research and planning insofar as they have significant impact on urban development.

We expect the Department of Transportation to provide leadership in transportation policy and assistance. The Department of Housing and Urban Development will provide leadership in comprehensive planning at the local level that includes transportation planning and relates it to broader urban development objectives.

The transfer of urban mass transportation programs will not diminish the overall responsibilities of the Department of Housing and Urban Development with respect to our cities. Rather, adequate authority is reserved to that Department to enable it to join with the Department of Transportation to assure that urban transportation develops as an integral component of the broader development of growing urban areas.

The new Urban Mass Transportation Administration in the Department of Transportation, working with other elements of the Department, will consolidate and focus our efforts to develop and employ the most modern transportation technology in the solution of the transportation problems of our cities.

The reorganization plan provides for an Administrator at the head of the Administration who would be appointed by the President, by and with the advice and consent of the Senate. The Administrator would report directly to the Secretary of Transportation and take his place in the Department with the heads of the Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration and the Coast Guard.

I have found, after investigation, that each reorganization included in the reorganization plan transmitted herewith is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code.

I have also found that it is necessary to include in the accompanying plan, by reason of these reorganizations, provisions for the appointment and compensation of the new officer specified in section 3(b) of the plan. The rate of compensation fixed for this officer is comparable to those fixed for officers in the Executive Branch of the Government having similar responsibilities.

The reorganizations included in this plan will provide more effective management of transportation programs. It is not feasible to itemize the reduction in expenditures which the plan will achieve, but I have no doubt that this reorganization will preserve and strengthen overall comprehensive planning for developing urban areas while simultaneously insuring more efficient transportation systems for our cities than would otherwise have occurred.

I strongly urge that the Congress allow the reorganization plan to become effective.

LYNDON B. JOHNSON.

THE WHITE HOUSE, February 26, 1968.

REORGANIZATION PLAN No. 2 OF 1968

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, February 26, 1968, pursuant to the provisions of chapter 9 of title 5 of the United States Code)

URBAN MASS TRANSPORTATION

SECTION 1. TRANSFER OF FUNCTIONS.—(a) There are hereby transferred to the Secretary of Transportation:

(1) The functions of the Secretary of Housing and Urban Development and the Department of Housing and Urban Development under the Urban Mass Transportation Act of 1964 (78 Stat. 302; 49 U.S.C. 1601-1611), except that there is reserved to the Secretary of Housing and Urban Development (i) the authority to make grants for or undertake such projects or activities under sections 6(a), 9, and 11 of that Act (49 U.S.C. 1605(a); 1607a; 1607c) as primarily concern the relationship of urban transportation systems to the comprehensively planned development of urban areas, or the role of transportation planning in overall urban planning, and (ii) so much of the functions under sections 3, 4, and 5 of the Act (49 U.S.C. 1602-1604) as will enable the Secretary of Housing and Urban Development (A) to advise and assist the Secretary of Transportation in making findings and determinations under clause (1) of section 3(c), the first sentence of section 4(a), and clause (1) of section 5 of the Act, and (B) to establish

jointly with the Secretary of Transportation the criteria referred to in the first sentence of section 4(a) of the Act.

(2) Other functions of the Secretary of Housing and Urban Development, and functions of the Department of Housing and Urban Development or of any agency or officer thereof, all to the extent that they are incidental to or necessary for the performance of the functions transferred by section 1(a)(1) of this reorganization plan, including, to such extent, the functions of the Secretary of Housing and Urban Development and the Department of Housing and Urban Development under (i) title II of the Housing Amendments of 1955 (69 Stat. 642; 42 U.S.C. 1491-1497), insofar as functions thereunder involve assistance specifically authorized for mass transportation facilities or equipment, and (ii) title IV of the Housing and Urban Development Act of 1965 (79 Stat. 485; 42 U.S.C. 3071-3074).

(3) The functions of the Department of Housing and Urban Development under section 3(b) of the Act of November 6, 1966 (P.L. 89-774; 80 Stat. 1352; 40 U.S.C. 672(b)).

(b) Any reference in this reorganization plan to any provision of law shall be deemed to include, as may be appropriate, reference thereto as amended.

SEC. 2. DELEGATION.—The Secretary of Transportation may delegate any of the functions transferred to him by this reorganization plan to such officers and employees of the Department of Transportation as he designates, and may authorize successive redelegations of such functions.

SEC. 3. URBAN MASS TRANSPORTATION ADMINISTRATION.—(a) There is hereby established within the Department of Transportation an Urban Mass Transportation Administration.

(b) The Urban Mass Transportation Administration shall be headed by an Urban Mass Transportation Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314). The Administrator shall perform such duties as the Secretary of Transportation shall prescribe and shall report directly to the Secretary.

SEC. 4. INTERIM ADMINISTRATOR.—The President may authorize any person who immediately prior to the effective date of this reorganization plan holds a position in the Executive Branch of the Government to act as Urban Mass Transportation Administrator until the office of Administrator is for the first time filled pursuant to the provisions of section 3(b) of this reorganization plan or by recess appointment, as the case may be. The person so designated shall be entitled to the compensation attached to the position he regularly holds.

SEC. 5. INCIDENTAL TRANSFERS.—(a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions transferred to the Secretary of Transportation by this reorganization plan as the Director of the Bureau of the Budget shall determine shall be transferred from the Department of Housing and Urban Development to the Department of Transportation at such time or times as the Director shall direct.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

SEC. 6. EFFECTIVE DATE.—The provisions of this reorganization plan shall take effect at the close of June 30, 1968, or at the time determined under the provisions of section 906(a) of title 5 of the United States Code, whichever is later.

Mr. BLATNIK. We are very pleased and privileged to have with us these three distinguished witnesses, all of whom have prepared statements which will be made a part of the record.

At the outset, I would like to inform the subcommittee and the witnesses that we will hear from the Bureau of the Budget first, Mr. Phillip S. Hughes, who will summarize the proposition, which is then gone into in more detail in the statements by Secretary of Transportation Boyd and Under Secretary of Housing and Urban Development Wood.

May I suggest at this time that we hear Mr. Hughes; then the statements by the two Secretaries will follow; and when we proceed

with the interrogation that we direct our attention to those areas which are particularly of interest to the members of the committee.

Without objection, we will proceed in that way.

I welcome you gentlemen, and appreciate your being here this morning. Mr. Hughes, will you proceed with your statement? It is a short statement but well prepared. It circumscribes the matter before us.

**STATEMENT OF HON. PHILLIP S. HUGHES, DEPUTY DIRECTOR,
BUREAU OF THE BUDGET**

Mr. HUGHES. We are pleased to be here jointly and to testify in support of Reorganization Plan No. 2.

As you have indicated, Mr. Chairman, the President transmitted the plan to Congress on February 26 of this year. The plan transfers to the Secretary of Transportation certain responsibilities of the Department and the Secretary of Housing and Urban Development for urban mass transportation programs and would establish an Urban Mass Transportation Administration within the Department of Transportation.

The major purpose of the reorganization plan is to unify in the Department of Transportation those basic Federal programs which involve urban transportation project assistance and related research and development activities. At the present time, State and local agencies must look to two Federal departments for support in this field—the Department of Transportation for programs affecting urban highways and urban airports and the Department of Housing and Urban Development for programs affecting urban mass transportation. This division of responsibility and authority also unnecessarily complicates Federal coordination.

There are certain to be increasing demands by urban residents for substantial improvements in their transportation facilities and services, and our response to those demands will have a great influence on the future quality of urban life. As the President stated in his message of transmittal:

Never before have residents of urban areas faced a clearer choice concerning urban transportation—shall it dominate and restrict enjoyment of all the values of urban living, or shall it be shaped to bring convenience and efficiency to our citizens in urban areas.

We must be sure that urban transportation systems are efficient and responsive to the needs of the traveler and at the same time contribute to the sound overall development of urban areas.

We know that many of the residents of our larger cities are already spending too much of their time traveling to and from their jobs. Reductions in the workweek gained by increased productivity can be lost if workdays are lengthened by inefficient and expensive urban travel. We have, or can develop, the transportation systems necessary to free the individual from countless hours of frustrating and wasteful intracity travel. We must also insure that those systems enhance our communities so they will become even better places to live.

The major program activities carried out under the Urban Mass Transportation Act of 1964 are: (1) transportation facility grants and loans to assist State and local agencies to acquire, construct, and improve capital facilities and equipment for mass transportation serv-

ice in urban areas; (2) research, development, and demonstration projects in all phases of urban mass transportation including tests of new ideas and methods for improving mass transportation systems and service; (3) grants to State and local public agencies for planning, engineering, and designing urban mass transportation projects and for other technical studies; (4) grants to State and local governments for fellowships for training of personnel in the urban mass transportation field; and (5) grants to nonprofit institutions of higher learning to establish or carry on comprehensive research in problems of urban transportation.

In addition to those activities, the reorganization plan refers to a number of other functions which are, in part, applicable to urban mass transportation programs: (1) a portion of the authority to make loans for public works and facilities as authorized by the Housing Amendments of 1955; (2) a portion of the authority to make relocation payments to individuals, business concerns, and nonprofit organizations displaced by a federally assisted development program as specified in the Housing and Urban Development Act of 1965; and (3) the authority to receive appropriations for the purpose of making payments to the Washington Metropolitan Area Transit Authority as authorized by the 1966 act granting consent to the interstate compact which created the authority.

The reorganization plan creates a new and distinct unit in the Department of Transportation to be known as the Urban Mass Transportation Administration. The Administrator of this organization will be appointed by the President, by and with the advice and consent of the Senate, and he will report directly to the Secretary of Transportation. Thus the views of the new administration will be heard at the top levels of the Department along with the views of the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration and the Coast Guard. The Administrator would be compensated at Level III of the Executive Schedule Pay Rates.

The new organization created by the plan for the development of urban mass transportation will function in the broader context of other national transportation needs. Some of the new systems and technology which will be developed by the Urban Mass Transportation Administration will draw upon the research and development work now being conducted by other components of the Department of Transportation. No single mode of transportation can fulfill all of the needs of our cities for adequate transportation systems. Trains, buses, automobiles, and aircraft will all have a vital role to play in the solution of our urban transportation problems.

The creation of the Urban Mass Transportation Administration will strengthen and support the Secretary of Transportation in his efforts to provide other levels of government and the transportation industry with sound and comprehensive guidance and assistance. While State and local governments must choose the "right" transportation systems for the cities, the Federal Government must support this State and local effort with research, development, and project assistance.

A successful urban mass transportation system should operate efficiently and be compatible with other forms of intracity transportation. But in addition, as the President stated in his message of

transmittal, mass transportation must also "conform to and support balanced urban development." For this reason, the reorganization plan provides for the continuation of the Department of Housing and Urban Development's role in important aspects of transportation research and planning as they relate to overall urban development.

The plan reserves to the Secretary of Housing and Urban Development authority—

To make certain grants or undertake certain projects or activities which primarily involve the relationship of urban transportation systems to comprehensively planned urban development and the relationship of transportation planning to overall urban planning. These are authorities provided by the Urban Mass Transportation Act of 1964 for: (1) research, development, and demonstrations (sec. 6(a) of the act); (2) technical studies (sec. 9); and (3) grants to institutions of higher learning for comprehensive research (sec. 11).

To advise and assist the Secretary of Transportation in making findings and determinations that grant assistance is needed to carry out a proposed program, or one under active preparation, for a coordinated urban transportation system as part of the comprehensively planned development of an urban area. Such findings and determinations are a requisite, on a project-by-project basis, to the provision of assistance under the program. Thus, while the Secretary of Transportation would make the final decisions with respect to individual projects under the program, the Secretary of Housing and Urban Development would provide advice particularly with respect to the relationship of such projects to the overall development of urban areas.

To enable the Secretary of Housing and Urban Development and the Secretary of Transportation jointly to establish criteria (called for in section 4(a) of the act) for identifying programs for coordinated urban transportation systems as part of the comprehensively planned development of urban areas. These general standards are used to determine the relationship between a coordinated urban transportation system and an area's overall development.

The plan provides the basis for a sound cooperative relationship between the two Departments—the Department of Transportation responsible for transportation policy and assistance, and the Department of Housing and Urban Development responsible for leadership in comprehensive planning, including transportation planning as it relates to broader urban development needs. The two Departments are now working out the detailed coordinating procedures necessary to assure the implementation of both roles.

The reorganization plan is an important part of the President's program for improving the management of Federal programs and activities and the Bureau of the Budget strongly recommends that Congress allow the plan to become effective.

That concludes my statement, Mr. Chairman. We can proceed from here as you and the committee might wish.

Mr. BLATNIK. Thank you. Mr. Hughes. We will now have the statement by Secretary Boyd, a copy of which is before each of the members of the committee, and following that a statement by the Under Secretary of HUD, the Honorable Robert C. Wood.

STATEMENT OF HON. ALAN S. BOYD, SECRETARY OF TRANSPORTATION

Mr. BOYD. Mr. Chairman, I appreciate the opportunity to appear before this committee in support of Reorganization Plan No. 2 of 1968 which, with certain reservations, would transfer the urban mass transportation program from the Department of Housing and Urban Development to the Department of Transportation.

In the legislation creating the Department of Transportation, Congress directed the Secretaries of the two Departments to study and report to the President and the Congress on the logical and efficient organization and location of urban mass transportation functions in the executive branch. The reorganization plan which President Johnson has transmitted carries out the recommendations of the two Secretaries as set forth in their report to the Congress.

Before discussing in detail the transfer of functions involved in the reorganization, it might be useful to review briefly the substance of the Urban Mass Transportation Act of 1964 and the projects being carried out under it.

The broad purpose of the act is to provide assistance for the development of public and private mass transportation systems in metropolitan and other urban areas. In furtherance of that purpose, the act authorizes Federal grants or loans to State or local public agencies for the acquisition, construction, or improvement of mass transportation facilities and service. The grants or loans are conditioned on a finding by the Secretary that the assistance is needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Thus, the object of the Federal program is to improve mass transportation services but only where they are to be developed as part of a coordinated transportation system, conceived in the context of a comprehensive plan for the urban area being served.

In addition to the basic facilities and equipment assistance program, the act authorizes the Secretary to undertake research, development, and demonstration projects aimed at reducing urban transportation needs, improving service, or reducing the costs of service. It also authorizes grants to State and local agencies for managerial training programs; for project planning, engineering and design; and for technical studies relating to management, operation, economic feasibility, and other activities involved in the construction and operation of mass transportation systems. Finally, the act authorizes grants to public and private nonprofit institutions of higher learning to assist in the establishment of carrying on of comprehensive research in the problems of urban transportation.

By an amendment to the act in 1966, the Congress directed the Secretary to study and prepare a program of research, development, and demonstration of new systems of urban transportation. While I have not had an opportunity to study the report in detail, I have reviewed it and am impressed with the imaginative and comprehensive approach taken. I have asked my technical and policy offices to give the

report priority attention with a view to moving ahead in this very important area.

Through the fiscal year 1969, Congress has authorized \$675 million to fund programs authorized by the act, of which \$620 million has been appropriated. Grant approvals through February 29, 1968, total \$378 million for capital improvements of mass transportation systems; \$53 million for research, development, and demonstration projects; \$2 million for the new systems study; and \$7 million for managerial training, technical studies, and urban transportation research.

How will Reorganization Plan No. 2 affect the administration of these programs? First, it will transfer all of the authority to make grants and loans for the acquisition, construction, and improvement of mass transportation facilities and equipment from the Secretary of Housing and Urban Development to the Secretary of Transportation.

Second, it will transfer to the Secretary of Transportation certain technical authorities of the Secretary of Housing and Urban Development contained in other acts but necessary to the administration of urban mass transportation programs.

Third, it will reserve certain functions to the Secretary of Housing and Urban Development which relate to the role of his department in urban planning assistance and coordination. Thus, there is reserved so much of the authority under sections 3, 4, and 5 as is necessary to permit the Secretary to participate with the Secretary of Transportation in establishing joint criteria to be followed by local planning agencies in developing coordinated transportation systems as part of comprehensive urban development. There is also reserved the authority necessary to permit the Secretary to advise and assist the Secretary of Transportation in making findings and determinations as to whether the projects for which Federal assistance is sought are related to a program for the development of an urban transportation system as part of a plan for the comprehensive development of an urban area. Finally, the plan reserves to the Secretary of Housing and Urban Development part of the authority in sections 6, 9, and 11 to undertake research or make grants for technical studies and research in problems of urban transportation. Here, the Secretary's authority would be limited to grants and research primarily concerned with the relationship of urban transportation systems to the comprehensively planned development of urban areas, or the role of transportation planning in overall urban planning.

The plan does not involve any change in the authority of the Secretary of Labor with respect to the labor protective provisions of section 13(c). Those provisions will continue to be administered by the Secretary of Labor and we will work closely with his Department on the labor aspects of the grant applications which come before us.

To administer the transferred functions, the plan creates within the Department of Transportation an Urban Mass Transportation Administration, headed by an Administrator appointed by the President, by and with the advice and consent of the Senate, and compensated at Level III of the Executive Pay Schedule. The Administrator will report directly to the Secretary. This will place the urban mass transportation program on the same footing within the Department as the aviation, highway, and rail administrations. As you know, by virtue of the highway and airport grant programs and rail studies

and experimentation carried out by these administrations, the Department is already deeply involved in the development of urban transportation facilities.

With this background on the program and the plan, I would like to turn to the matter of most concern to this committee: Why does the reorganization proposed constitute the most logical and efficient organization to carry out urban mass transportation programs?

Our analysis starts with the proposition that the development of our urban areas is first and foremost the responsibility of local government. Local government is responsible for establishing a community's development objectives, identifying the means by which those objectives will be achieved, planning the size and location of community facilities, and then carrying out the programs for facility development.

The Federal Government's purpose in providing technical guidance and financial assistance to the community is to assure that urban development proceeds at a pace and in a manner consistent with overall public objectives. Our goal should be to manage these Federal assistance programs so as to achieve what science calls a synergistic effect—accomplishing a total effect from the Federal effort which is greater than the sum of the individual programs.

At the heart of the organizational problem lie two facts. One is that transportation, as much as any other single factor, shapes the development of our urban areas. Consequently, if we are to create suitable living and working environments through orderly development of our urban areas, it is essential that transportation facilities be the servant of development and not the master.

The other fact is that each of the various modes of transportation are but pieces of a local, regional, national, and international transportation system. Therefore, if we are to provide most efficiently the transportation services necessary to our national defense and commerce, and the social cohesion and personal fulfillment of our citizens, transportation must be viewed as a system, and each mode of transportation must be viewed as an integral part of that system. This is especially true in the case of urban transportation where the inherent advantages of one mode of transportation over another are not always clear. Here, there is a real need for conducting research and demonstrations, identifying and evaluating alternatives, and then following through with action programs. Such a systems approach is difficult to achieve when the responsibility for transportation programs is divided.

The basic decision turns, then, on a judgment as to how the programs supporting these sometimes conflicting objectives can best be accommodated within the organizational structure of the Federal Government, and within the framework of Federal-State-local relationships. It was our judgment that the best solution lay in establishing a clear alinement of the functional responsibilities between the two Departments, and then providing for a meshing of the programs for transportation planning and development with the programs for urban planning and development through the establishment of a tight coordinative mechanism. Three steps were indicated.

The transfer of the urban mass transportation program to the Department of Transportation is the first. It permits the function of urban mass transportation to be treated in a systems context along

with the other modes of transportation whose development is assisted by the Department—and we are convinced that the lack of a systems approach is an important factor in the transportation problems of many of our cities. It also simplifies channels for State and local agencies working with the Federal Government on transportation projects.

The second step is to clarify and strengthen the role of the Department of Housing and Urban Development as the principal Federal agency concerned with sound, comprehensively planned development of our urban areas. This is the purpose of the reservation in HUD of authority under the Urban Mass Transportation Act to undertake research and make grants on those problems involved in the relationship of transportation system planning to comprehensive urban planning. It is also the purpose of the reservations of authority under sections 3, 4, and 5 which will allow HUD to participate actively in establishing criteria for relating transportation system planning to comprehensive urban planning, and to advise the Department of Transportation as to the adequacy of local planning programs.

The third step is to establish formal procedures for a closer working relationship between the two Departments in all cases in which transportation planning and project implementation will have a significant impact on urban development. From such a working relationship at the Federal level, we can secure better coordination among agencies at the State and local level. This is essential because it is those agencies who bear the ultimate responsibility for planning and carrying out the development programs.

Thus, we believe that the reorganization plan, together with the agreements to be worked out by the two Departments, will for the first time tie the Federal transportation programs together, provide the mechanism for relating national transportation objectives to urban development objectives, and permit a unified Federal approach to help in achieving orderly urban growth through the development of effective transportation systems.

I am convinced that the plan before you represents a step we must take if we are to cope with the problems at hand.

Mr. BLATNIK. Thank you very much, Mr. Boyd.

Mr. Wood, will you proceed?

STATEMENT OF HON. ROBERT C. WOOD, UNDER SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. Wood. Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before you in support of Reorganization Plan No. 2 of 1968.

The plan will transfer from the Department of Housing and Urban Development to the Department of Transportation various functions under the Urban Mass Transportation Act of 1964, together with certain incidental authorities under other laws. In part, the functions to be transferred are those of assisting in the provision of mass transportation facilities and equipment needed for coordinated urban transit. In addition, the plan will transfer to the Department of Transportation a function of assisting, through research and demonstration programs, in development of transportation facilities and systems for the future.

Aside from these transfers, the plan reserves certain functions under the Urban Mass Transportation Act to the Department of Housing and Urban Development.

The Department would retain authority for assisting research, demonstration, and technical study activities which primarily involve the relationship of urban transportation systems to overall urban development and the role of transportation planning as a part of comprehensive urban planning. Further, it would join with the Department of Transportation in establishing criteria for determining whether, as the law requires as a condition for facilities assistance in any urban area, there is or is being developed an adequate program for a unified or coordinated transportation system as part of the comprehensively planned development of that area. And the Department would also have the role of advising and assisting the Department of Transportation in determining whether in any area these criteria have been or are being met.

The functions I have referred to do not necessarily cover every aspect of the operating relationships which the two Departments may establish in connection with the operation of the mass transportation program. They do, however, reflect our major, basic areas of departmental responsibility. Essentially, the Department of Transportation will be responsible for assisting transportation systems responsive to both national and local needs and for developing new systems required to meet the needs of the future. The Department of Housing and Urban Development will be responsible for providing guidance in connection with the planning required to establish a sound relationship between these systems and urban needs, and for research and development activities focused upon finding ways of making this relationship more meaningful in the years to come.

From an administrative standpoint, we in the Department of Housing and Urban Development are confident that the plan represents a very workable arrangement for discharge of these departmental missions. So far as our own Department is concerned, we have been engaged for many years in assisting urban transportation planning as part of our comprehensive program under section 701 of the Housing Amendments of 1955. We are rapidly developing an urban research program that will reach into all major systems and techniques affecting the course of future urban developments. The functions reserved to us under the plan are very closely related to these program responsibilities.

From an administrative standpoint also, we believe that the two Departments are fortunate in that they have been able to develop an arrangement which not only calls for cooperation between them but which rests upon a solid framework of past cooperative activities. For example, the Departments and their predecessor agencies have collaborated closely for years in helping hundreds of communities to develop the planning structure necessary for sound transportation systems. We have established, and have in operation, machinery at the regional level for dealing with a variety of planning coordination matters. And we have consulted extensively on a wide variety of projects and issues, from improved techniques for land use forecasting and airport planning, to the recently completed study of new urban

transportation systems for the future, and the high-speed ground transportation project.

But whatever the logic of the plan in terms of the day-to-day administration, it would be a mistake to consider it only in these terms. Much of its significance must be measured against a broader framework of where we are and where we are going in dealing with what is, by all counts, one of the most vexing and complex of urban problems.

In the first place, we think the plan represents an important step in our thinking about urban transportation. In the past, there has been a common tendency either to deplore the deficiencies of urban transportation systems from the standpoint of transportation objectives, or to deplore the deficiencies of these systems from the standpoint of their effect, or lack of effect, on urban development objectives. The plan in a formal, tangible sense recognizes a hard truth which has become increasingly clear in recent years. This is that we cannot simply subordinate one set of objectives to the other. We must deal simultaneously with both, and we must organize our resources and skills for dealing more effectively with both.

A second point follows from this first. For as we concentrate our skills and resources upon different aspects of the urban transportation problem, and develop our respective capabilities, we must be aiming at something beyond doing a little more efficiently or on a larger scale what we have been doing before. We must be aiming at major improvements in our techniques and methods for doing things, and for tying the results of our work together.

For example, our objective in planning should not be simply to assure that there is planning, or that transportation planning is carried on as a part of comprehensive urban planning. The real need is to make planning more effective, better informed, and more responsive at the right times to the right—even if hard—questions. This means, among other things, that those who plan must be alert to all the technical financial and political problems that are apt to be involved in implementing plans. It means, too, that those engaged in long-range planning must be alert to the technological possibilities that research is developing and that will be available in the future.

So far as the Department of Transportation and the Department of Housing and Urban Development are concerned, success in accomplishing this kind of major improvement requires more than simple agreements on matters of administrative routine. It requires a high degree of understanding as to basic missions, goals, methods and priorities in the field of urban transportation. We feel that, during the past year particularly, we have already made unusual progress in achieving this understanding. It is reflected in the statements of departmental responsibilities contained in the President's message transmitting the plan, in the urban transportation recommendations of his message on Housing and Cities, and in the joint report of the two Departments on their studies and deliberations leading up to the plan. We expect that it will be further detailed in the operating agreements the two Departments are now developing and in other aspects of their relationships in the future.

It must be remembered, however, that success in this broader sense is not a matter simply for the Department of Transportation and the Department of Housing and Urban Development. Nor is it simply—

or even primarily—a matter of Federal responsibility. For our powers are simply those of providing assistance and guidance. It is at the State and local level that most of the really crucial decisions will be made. Without a spirit of cooperation there, without an understanding as to basic goals there, neither the plan nor any other step we may take to improve Federal organization and coordination can possibly have its intended effect.

It must also be remembered that even the best organization can go only so far. No organizational arrangement, no division of responsibilities, will by itself make the hard problems—the dilemmas of choice—vanish. And no improvement in our techniques for dealing with problems of the future is going to eliminate existing barriers traceable to faulty techniques of the past.

But we can focus our resources more precisely on what we are doing with a view to seeing that the right questions are considered, in the depth and places where they should be considered, and in good time. To the extent that we can do this, we can do much better in the future than we have in the past. The plan is a step, and a potentially major one, in that direction. It is the product of careful deliberation. It has been jointly recommended by the two Departments. We in the Department of Housing and Urban Development believe that it should contribute to a strengthening of our capacity to cope with all the needs of our urban localities and the people who live there today, and who will be living there in the future.

Mr. BLATNIK. Thank you, Mr. Wood.

Mr. Secretary, would you have any summary you would like to present of your statement or any particular point to which you would like to call attention to which Mr. Hughes may have made a reference?

Mr. BOYD. No, sir; I am in complete agreement with the statement of Mr. Hughes. The net effect of this reorganization plan is to provide a means whereby the Department of Transportation will have primarily the internal responsibilities for urban mass transportation; that is, dealing with transportation as transportation; and HUD will retain what, for lack of a better term, we call the external responsibilities, those relating to the impact of the transportation systems and activities on the urban society.

Mr. BLATNIK. Mr. Wood, would you have any comments? It is not necessary, but you are free to make any comments or statement or call attention to any aspect that you wish to have underscored or emphasized from your Department's point of view at this point.

Mr. WOOD. I would echo the sentiments of Secretary Boyd, Mr. Chairman, as to the common position that the two Departments and the Budget Bureau have with respect to this plan and Secretary Boyd's indication of the basic principle under which this plan was developed, the so-called lead agency principle in terms of carrying on our particular duties.

As my formal testimony points out, we think that given appropriate resources we will be able to develop here a capability to work effectively with DOT in shaping a better urban environment, and we propose to go forward on that basis with every means and cooperation.

Mr. ROSENTHAL. The fact is, Mr. Chairman, if you permit me, Mr. Wood, you would in fact have no authority; as I read Mr. Hughes' statement on page 6, you have an advisory role.

Mr. WOOD. I think we would have authority, Mr. Rosenthal, as the plan itself indicated, with respect to the portions of research and development that have major external impact considerations. We would have authority in terms of transportation, in terms of the encouragement and creation of the planning agency, the review of planning criteria. I think the basic question here is would we have authority over the making of the grants and the loans in the assistance program, and these clearly go to DOT.

Mr. ROSENTHAL. You don't disagree with Mr. Hughes' statement where he says on the bottom of page 4:

Thus, while the Secretary of Transportation would make the final decisions with respect to individual projects under the program, the Secretary of Housing and Urban Development would provide advice * * *

Mr. WOOD. No, I would simply underscore the providing of that advice on projects which we would regard as an important function. The establishment of criteria and the certifications called for earlier in Mr. Hughes' statement we would regard as meaningful decisions.

Mr. BOYD. If I may say something, Mr. Chairman, I think one of the things we need to do in this whole business of urban development and urban transportation is to get the right perspective. I have a perspective which I hope is the right one. We tend to talk as if all of the activities are in a very small universe, specifically in Washington in the Office of Secretary of Housing and Urban Development, and in the Office of the Secretary of Transportation.

The fact of the matter is the Federal Government is not deciding how cities are going to develop or what their transportation systems are going to be. This is done by local citizenry and planning agencies. This is made clear in all of our statements. These are local decisions.

We in the Federal Government are involved in three things: one is the establishment of criteria for the carrying out of Federal portions of these programs; two is research; and three is development through loans, grants, and so forth. But the basic decisions as to what kind of transportation city X is going to have comes from city X, not from the Federal Government.

The basic decision for the Federal Government is to decide whether the requirements of the city meet the criteria and the priorities which have been established for the Federal programs.

Mr. BLATNIK. This is the main area that puzzles me. I am not clear how it would be put into operation; that is, I just don't see where HUD's authority ends and the Department of Transportation's begins. It is pretty involved.

Mr. BOYD. This is a very complicated area, and there is no way it is going to become simple. The nature of the beast is complicated.

I would say the answer would be this. Getting back to the question of internal versus external impacts, both Departments in their research activities will come before the authorizing and appropriations committees and say this is what we propose to do in our Department and this is how it relates to what the other Department is doing.

Mr. WOOD. Another way, Mr. Chairman, to maybe clarify that twilight zone that you have identified, is to think of the number of decisions that are involved in the process of providing effective transportation in ways that have constructive impacts on urban areas. This process begins with a set of decisions of how you help local govern-

ments get ready to look at their problems, the relationship of the impact of transportation on land uses and other uses, and then it flows through their capability of carrying out such projects to the question of the final assistance in these projects.

Now, the plan, as we understand it, says that in essence HUD will be the prime force in trying to encourage comprehensively effective development plans and then to see how transportation activities impinge upon them.

By HUD being able to be involved early in this activity, I think we probably will be able to place the emphasis of our responsibilities at a timely initial stage more effectively than we have been able to do sometimes in the past.

Mr. BLATNIK. You are sure it will be done more effectively, not result in either conflicts or deadlocks which is typical in the District of Columbia?

You see, you have the States involved, the municipalities, the Federal Government. You have your own sort of quasi-independent agencies, land use, sanitary districts, school boards. They have their own concept of what to do with certain land.

Mr. Wood. I am right with you and Secretary Boyd, Mr. Chairman, in saying this is a complicated business. It is clear that DOT and HUD are going to have to sit in each other's laps in this whole series.

I think one of the characteristics of administrative and executive action in this stage of American domestic programs is that you cannot any longer draw self-contained boundary lines and put programs completely within one jurisdiction. Their working relationships are probably increasingly important. I think this underlies the whole approach of creative federalism. I think the compulsion which makes us believe that these administrative collaborative efforts will work is the fact that the substantive programs cannot work unless there is this cooperation. We cannot have orderly urban development unless we are able to deal freely and openly with transportation plans and activities. Transportation programs cannot go forward unless they have the support and understanding of the communities involved.

I think it is in this spirit that the plan was developed.

Mr. BLATNIK. What do you do when you have a metropolitan-suburban complex that involves several governmental subdivisions? Is that your comprehensive planning program, to get them all to come into agreement on an overall areawide plan?

Mr. Wood. If there is a comprehensive plan regarding the collaborative efforts of the different jurisdictions, and these are the joint criteria which DOT and HUD sign off on, what we want to do is to put in being a mechanism that will allow the local governments to collaborate in their decisions or at least have it underway and then to see from there how we can respond.

Mr. HUGHES. Mr. Chairman, if I could take a run at this, I think, going back to some of Secretary Boyd's comments, if we could look at this transportation plan in a given community as a two-step or two-stage effort, the first stage is essentially the evolution of an adequate transportation plan for that community, consideration being given at this point to the various elements of transportation: highways versus mass transit versus perhaps air transport, railroads, and so on; the relationship of these transportation components.

This area, as we have looked at it, is essentially the Department of Transportation's area, and one of the major reasons for putting the urban and mass transportation program into the Department of Transportation is to compel, in a sense, the weighing of the merits of urban mass transportation in a given situation against other transportation programs.

Then, once the elements of the transportation plan have been evolved, the next stage is the relationship of the transportation plan to the rest of community planning, to the comprehensive plan, to the plans for residential development, to the effect of transportation planning on relocation requirements, on open space requirements, and so on.

It is in this latter area that the Department of Housing and Urban Development needs to have its say, both in terms of advice to the Secretary of Transportation and in terms of a share of responsibility for the approval of the criteria governing in this regard.

The relevant portion of the reorganization plan I think is relatively explicit and relatively brief on these points, and what it says essentially, looking at section 1(a) (1), is that all of the urban mass transit program is transferred to DOT with the exception of certain specific reservations which relate to planning, to research and the shared responsibility for the development of these criteria.

The words of the plan will need to be filled out by memorandums of understanding and exchanges of letters and so on between the two Departments, and there will need, of course, to be appropriate allocations of personnel and funds as is the case with all plans.

But the terms of the plan itself are quite precise and I think illustrative of this two-stage evolution of a plan that I have tried to describe.

Mr. ROSENTHAL. Mr. Hughes, if I might, I keep sensing that you are putting the cart before the horse. Is it your suggestion that we must first develop a major national transportation plan? Then, after we fit the pieces in or around the city, we consider what the problems within that city are and orient them to the transportation plan that has already evolved?

Mr. HUGHES. I have misled you, I think.

Mr. ROSENTHAL. I may have misunderstood you.

Mr. HUGHES. We start with the community, as Secretary Boyd described it. Community A has mass transportation needs as it sees these needs, and it applies for Federal assistance in meeting these needs, planningwise and in terms of the development and the construction of the system itself. This is a particular community. It is not a national transportation plan. But this is a particular community having needs and under the terms of the Urban Mass Transportation Act applying for assistance from this program.

The first stage is the consideration of that transportation application in relation to the highway system and other transportation systems of that community.

However, sooner or later—and perhaps in some ways the sooner the better—you get to the second stage which is the relationship of transportation planning as a whole to the comprehensive plan for the community and to other urban systems: sewer and water, residential planning, recreational planning, and so on.

This would take place community by community.

Mr. BOYD. If I may add something, Congressman, I think that you can look at transportation in the sense of a series of rings within each other. There is an urban transportation system, a regional transportation system, a national transportation system, and an international transportation system, and these more or less fit within each other; the movements flow back and forth, and there is a relation from one to the other, although they aren't all moving in the same direction.

The functioning of the system really is altogether separate from having a transportation policy, whether it be a national, regional, local or what. The system operates to a large extent based on a true market function and has nothing to do with policy from the Federal level.

Mr. ROSENTHAL. It has to do with policy; the final decision as to what grants will be made will rest with your Department.

Mr. BOYD. There is no question about that.

Mr. ROSENTHAL. Your Department has a philosophy different from HUD. Your Department is charged with developing a national transportation system. HUD's Department is to provide a better life for urban people.

Mr. BOYD. You haven't been reading my speeches.

Mr. ROSENTHAL. I remember some of your speeches; yes, I do.

In other words, it is Robert Wood versus the Robert Moses' concept. Moses' concept was quite adequate in 1930. We will build highways and we will run them in quickly and we will get good service between Philadelphia and New York.

Today we are concerned with the preservation of the integrity of the cities, and we have got to get people to their jobs and make sure that local inner-city communities are not isolated from the outside world. It is a question of philosophy and mission.

It seems to me the President charged you, Mr. Secretary, with developing a national transportation policy for air, maritime, roads, and highways. He charged HUD with certain other things.

I would suspect that their commitment to society is different from yours. This is nothing wrong. That is the way it should be.

Mr. HUGHES. Isn't this the reason for keeping the Department of Housing and Urban Development in the act as the plan specifically does?

Mr. ROSENTHAL. In my honest opinion, they are just playing with words. Their role in this act will be a third-rate supporting character. They will make recommendations, and if the Secretary of DOT doesn't like them they will reject them. They will dance the same music for 6 months to a year, and after that it will be over.

Mr. BOYD. I am really terribly concerned about your view of the Department of Transportation and its philosophical bent. I just don't think I have made myself clear on what our philosophy is. I would like to take another whack at it.

Both officially and personally I have stated, and I have tried to develop policy on the thesis, that transportation is for people, that transportation is a service function, and that it has to serve people. I have also moved over into Mr. Wood's area and said that cities are for people and we should devise programs and plans for the benefit of people.

Now, if this is a Robert Moses approach to life, I don't understand Robert Moses. If we are not acting in accord with that philosophy, I would like to see some examples of it. I have spent more time and effort in trying to bring the transportation system, so far as the Federal Government is concerned, into line with this philosophy than anything else.

Mr. ROSENTHAL. Mr. Wood, I wonder if you could tell us what you think about this. I know you are supporting this plan. I am very much aware that the Bureau of the Budget and Mr. Weaver signed a memorandum which was submitted to the President on February 24, 1968. But I am sincerely concerned about the direction of urban mass transit. I think it is an important adjunct to life in the city. I just wonder if it wouldn't fare better staying in your Department than being transferred to DOT.

Tell me why I am wrong.

Mr. WOOD. I think you are wrong.

First, let me take a step out on a point of personal privilege to indicate that my regard and relationship with Mr. Moses is not the same as my regard and relationship with Secretary Boyd. My record of a dialog with Mr. Moses has been considerably different than with Secretary Boyd.

Secondly, basically, the limitations of the present arrangements in which HUD goes forward in its mission to try to deal with the various subsystems that condition life in urban communities are that at the present time in the transportation area we have a grant program relating to just one mode of urban transportation. It does not seem to me personally, nor does it seem to me in my present capacity, realistic to assume that the operation of that grant-in-aid program of assistance in grants and loans to mass transportation will decisively condition all the transportation systems in urban areas.

It seems to me that the way HUD moves forward in trying to carry out its mission on urban development is to try to get in early into the development process of any of these activities that hinge upon land use; to have our say—not in terms of particular projects or particular expertise of a particular facility—but to have our say in general criteria and in general certifications.

There are at least, over and beyond housing, three other major sets of facilities that condition the market of urban life. One is transportation, the other is sewer and water, the third is kind of a major community institutionwide complexes such as hospitals, civic centers, or what have you.

We can't presume to exercise control over hospitals with HEW. We don't presume to have a continued impact on welfare institutions or centers for these other facilities.

We do presume to try to get directly and early into the game so that we can have impact in these decisions.

Mr. ROSENTHAL. What has been your record of success on impact of other agency decisions?

Mr. WOOD. Generally, not as fast and not as rapidly as I would expect in the detached circumstance, but I think there is continuing progress. I take a great deal of satisfaction in the fact that in the last few months the efforts of HEW and HUD in collaboration were able to carry forward the development of an acceptable program for

medical facilities in the city of Newark. I believe that was evidence of collaboration between local, State and National Government that has some prototypes.

Mr. ROSENTHAL. You shouldn't take much credit for that because you did that after the horse was out of the barn.

Mr. WOOD. No, I think we redesigned the barn or shifted the situation in considerable respect. I think we have begun to find in the so-called pilot neighborhood centers which involve the four Great Society agencies initially and more lately transportation, the pattern for collaborative structure. I think the model cities program is premised on the fact that the relevant Federal departments and agencies can carry out collaborative strategy. I think on net balance our impact on urban transportation will be increased by this reorganization plan.

Mr. ROSENTHAL. I don't see how you can say that. It will be decreased almost to a minimal point. You will have an advisory role. This has nothing to do with who the present secretary is. We are considering a plan for years to come. Once Congress acts, they can't rescind this action.

The fact is we don't have to act at all. This plan will become operative unless someone files a disapproval resolution. Once this event takes place, this responsibility for urban transit will be in the Department of Transportation.

Mr. WOOD. The responsibility for giving grants and assistance for individual projects will be in transportation, and for developing a transportation plan. But that plan can't go forward without certification of its relevance to the general urban plan.

Mr. BOYD. I think, Mr. Rosenthal, you should bear in mind that according to the statistics I have, 94 percent of the movement in cities is on streets and highways. As things stand today, that is in the Department of Transportation. There is no question about it. We have the sole, complete power. And we are not eliminating that.

Now, the mass transit is the 6 percent. To try to give you an example of cooperation, we have gotten fairly deeply involved in the District of Columbia highway system. I have, at least in the eyes of one newspaper, been credited with being an obstructionist to the great progress in the highway system. The fact of the matter is HUD and DOT are working together trying to help the District develop a highway system which improves the total community. This is an element of collaboration. We are working together in Nashville on highway development and urban renewal jointly. I think we could come up with any number of examples of how we are working together.

In these cases I don't believe HUD or the Department of Transportation would say it is all one way. By definition, if we are cooperating we are trying to get something done. If we weren't interested in working with each other, they could go their way on urban renewal in Nashville and we could go our way on urban highways in the District.

Mr. ROSENTHAL. I just have a feeling that highways and subways and other modes of transportation are an essential, integral part of improving the quality of life in our cities, which is my personal kick. I think we all agree.

What is the most efficient way to coordinate the improvement of life in the cities, the building of the cities? People in transportation who

allege that 94 percent of our people travel on highways somehow seems to me can less relate to subway transportation than the fellows who are building model cities.

Mr. BOYD. That is one of those "When did you quit beating your wife" sort of things, Mr. Rosenthal. That is not an allegation. That is a statement of fact. The fact that I know this is the share of movement on the highways doesn't have anything whatsoever to do with the philosophy of the Department of Transportation.

Mr. ROSENTHAL. In the city of New York 94 percent of goods and services don't move on highways.

Mr. BOYD. That is very true.

Mr. ROSENTHAL. What percentage does in the city of New York?

Mr. BOYD. I can't give you that figure.

Mr. ROSENTHAL. I won't burden the committee. I am just worried about the situation. Don't consider it anything personal, Mr. Boyd. It isn't that at all.

Mr. BOYD. Let me point out something else to you, Mr. Rosenthal. The quality of life in the cities is related to a good many things, not the least of which is the ability of people to earn a living, and that is related to a transportation system which goes far beyond the city. You have to have some way to dovetail your urban transportation with your interurban and international transportation.

Mr. ROSENTHAL. I think that is absolutely true.

Mr. BOYD. This is what we are talking about. We are talking about doing it in the context of comprehensive urban planning.

Mr. HUGHES. Mr. Rosenthal, I think your comments indicate that you are concerned about the leverage here, whether HUD will have adequate leverage. This was the source of considerable discussion, believe me, within the executive branch, and it was anticipated as the source of major congressional concern, and quite legitimately so.

I think the fundamental point here is the one we started out from, that transportation and cities are both extremely complicated and very closely related.

In a city of today, everything is related to everything, practically. Transportation, welfare, health, ghettos and so it goes.

The solution to that question is not to make the Department of Housing and Urban Development, at least as I see it, the Department of everything for cities. I can't see that is a reasonable solution. Rather, the answer, it seems to me, in this inevitable complex world is to establish definite program areas and to provide for the best interrelationships that we can between these areas, both in terms of the good will of the individuals and in terms of the institutional and the statutory relationships.

Now, the plan here—I just have to dissent from your view—doesn't give the Secretary of Housing and Urban Development a third-rate status with respect to the effect of mass transportation or any other transportation systems on urban development and on the quality of urban life.

It seems to me, as Mr. Secretary Wood has suggested, the shared responsibility for the development and the establishment of criteria here puts the Secretary of Housing and Urban Development very much up front.

I say this, but not in the context of anticipating bad judgment on the part of either Secretary Boyd or his successors. We need protection, surely, from bad judgment, but we need also the checks and balances and the cross-collaboration that is reflected in the complexity of life.

But the plan does give the Secretary of Housing and Urban Development substantial leverage on the aspects of urban mass transportation and other transportation planning that relate to the development of cities. He will have better leverage, I venture to say, in the transportation area, mass transportation in particular, than he probably has in the hospital area that you mentioned, and in some of the other areas we could talk about.

Much of the discussion and the planning of the plan centered around the means of best assuring this. We think the plan does and that it can be adequately supplemented by memoranda of understanding and, if necessary, Presidential directives to assure that these features of the plan are carried out.

Mr. BOYD. May I say, sir, if I may refer to one of your earlier questions, the problem of urban mass transportation is not whether it has moved into the Department of Transportation. The problem of urban mass transportation is a lack of funds. It is not an organizational philosophy problem. The subway system in New York, which is less than an ideal system of transportation according to some people, is in that condition because of the lack of money being invested in the system. That is the basic problem.

Mr. ROSENTHAL. I think the word is commitment. Different people have different feelings about things. In your Department, urban transportation will compete with five other modes for money. Some people in the higher levels of your Department may think it more important to build a highway system, a first-rate highway system throughout the Nation. Some other people that may presently be in HUD may think it is more important to develop a really good subway system in New York and the District and Chicago and Mobile, Ala., and places like that. It depends on commitments.

When President Theodore Roosevelt came into office he wanted to change the policy from a land-grant policy to conservation, and he couldn't do it because the Departments weren't established to accept a new philosophy.

I was here when your Department was established, and we were told that the major impact of your Department would improve transportation in the United States: maritime transportation, highway transportation, aviation transportation, and all these other things. We never heard anything said about inner-city transportation, within cities transportation, urban transportation. We were told at the time we would hold in abeyance for 1 year what we should do about mass transportation.

I am worried that the type of urbanologists that reside in HUD do not at the moment reside in your Department.

Mr. BOYD. Mr. Rosenthal, first and foremost, let me back up and refresh your memory. What we talked about in testifying on the Department of Transportation was not that we were going to improve the highway system, the maritime system, the aviation system. What we said was that the purpose of the Department was to do primarily

two things: One was to improve the total transportation system in the country, and we made it very clear that this definitely included urban transportation. The second was to create a focal point for relating transportation to the environment in which it operates.

Now, 70 percent of our people live in cities in this country today, in metropolitan areas. They are the ones who constitute the major part of that environment.

As to the question of allocation of resources within the Department, this is something that Sam Hughes ought to be discussing instead of me; but the fact of the matter is, if you will recall how the Department was established, the Office of Secretary contains functional elements. It does not have any champions for airways, highways, waterways, or anything else. We are set up to try to deal with the total transportation system.

I can tell you that I have spent more time on urban transportation than on any single thing since I have become the head of the Department.

Mr. HUGHES. Two points, Mr. Rosenthal. First of all, the improvement of transportation, as I see it, is improvement in terms of its capacity to serve people. It should be a servant and not a master. It seems to me that goal was both implicit and explicit in the establishment of the Department.

Secondly, with respect to the question of choice here, mass transit versus highways versus other options, the Secretary, as he has pointed out, has structured the Department in a fashion which enables him to make these choices on as objective a basis as we people can make them.

It seems to me the choices are almost inevitably going to be better within the transportation field if mass transit is one of the competitors in the picture within the Department of Transportation.

Certainly the choice-making process is not improved by having mass transit off in left field. Rather, the fact that it is a component part of the Department and thereby impresses itself on the Secretary's consideration and to an extent certainly on congressional consideration as one of the alternative means of moving people from here to there within the city—that objective is much more assured by the plan than under present arrangements.

Mr. BOYD. If you will not hold it against me, I will point out that urban mass transportation is not altogether rail transportation. There is a lot of mass transportation moving on the highway system. It seems to me that there is some intelligence in trying to get the concept of dealing with urban mass transportation in the same place you have the concept of designing and building the highway.

Mr. ROSENTHAL. In some areas, for example, Long Island, N.Y., you could build highways forever and in vain—you know the Long Island Expressway was outmoded the day the concrete dried. We can't build any more highways. We have to develop a new type of transportation. More highways in and around that type of a city won't do any good.

Mr. BOYD. That is quite right, and that is why the city or the urban complex must be the one to decide what its requirements are. New York City doesn't go very far west of the Hudson River. There are an awful lot of cities in this country who do need highways and who do want highways. New York doesn't want them, can't use them. That is fine.

What we are trying to do is to deal with the proper set of require-

ments, and that has to come from what the cities want themselves, not from the Department of Transportation or the Department of Housing and Urban Development.

Housing and Urban Development, under any set of circumstances, is not going to say to Mayor Lindsay, "You can't have any streets in New York." Nor is the Department of Transportation. It is a welling up rather than a trickling down as to what kind of a transportation system you have, whether it be New York or Dallas or Des Moines, Iowa.

Mr. ROSENTHAL. Sometimes the city finds it easier to get money for one mode of transportation than another. You have an impact on their decision because you are going to put up the money, and the fellow who puts up the money is the one who counts.

Mr. BOYD. Here you get to an altogether different proposition because you gentlemen in the Congress established the highway trust fund and you have established the method of allocation of those funds.

The Secretary of Transportation signs a statement every quarter releasing funds based on a statutory allocation. This gets back to what I said earlier. The problem is money.

Mr. EDWARDS. Will the gentleman yield?

Mr. ROSENTHAL. Just 1 second.

Again I think it is money plus commitment. That is the big distinction between us.

Mr. EDWARDS. Does the statute authorize you to withhold those highway funds?

Mr. BOYD. We have legal authority to do that, Congressman. I am not sure it is in the statute, but I have an opinion from the Attorney General I would be glad to submit to you.

Mr. EDWARDS. Is that Mr. Clark you are talking about?

Mr. BOYD. Well, the Attorney General is really an official. I don't recall whether it is Mr. Clark or his predecessor.

Mr. EDWARDS. I would like to see it.

Mr. BOYD. All right, sir, we will get you a copy.

Mr. ROSENTHAL. Thank you, Mr. Chairman.

Mr. BLATNIK. Mr. Erlenborn.

Mr. ERLBORN. I think we have pretty well exhausted that area, but just to recap, if the city of Chicago decides that they want to extend the Chicago Transit Authority's rail system out to O'Hare Field, for instance, they make an application. Would they make that application to HUD or to DOT?

Mr. WOOD. Under the operation of the plan, as I understand it, Mr. Congressmen, they would make it to DOT. The review and evaluation process as to whether or not that extension could be presently assisted would turn on, first, the existence within the Chicago area of an adequate transportation plan that had been certified by HUD to have an effective relationship with the general area plan, and, secondly, in a project of that size and of that impact, a review of that particular project by HUD with advice to the Secretary of Transportation as to our recommendations as to its effect.

Mr. ERLBORN. Let us suppose the city of Chicago has not done the job of overall urban planning that HUD thinks they should have, would HUD then have veto power over this application for assistance for the extension of a rail line?

Mr. WOOD. In effect I think it would.

Mr. ERLBORN. I wonder if Secretary Boyd could answer that?

Mr. BOYD. Yes, sir; I will be glad to.

We are working out an agreement between our two Departments which would provide that in matters of this particular nature, the certification by HUD is a part of the approval process.

Mr. ERLBORN. It is a requisite, then?

Mr. BOYD. Yes, sir.

Mr. ERLBORN. If HUD should want to veto because of the lack of planning, it would have the authority to do so under the plan or under your agreement?

Mr. BOYD. Under our agreement.

Mr. ERLBORN. It is not clear under the plan.

Mr. BOYD. That is right. It will be under the agreement. I think the question really would be whether or not there was a comprehensive plan. This is up to HUD to say. I am sure if the city of Chicago came in with an application and HUD said, "You don't have a general plan," that the city would probably want to appeal. I think the thing would work out in practice this way. We would sit down with HUD and they would indicate what was lacking. We would say, "All right, Chicago, these are the conditions. You go out and do this, that, and the other. Then you will have a plan, and then you can come back."

Mr. WOOD. Hopefully, before that specific situation would have occurred, we would have provided assistance to Chicago and the Chicago metropolitan area as to the development of a planning process and planning mechanism, and we would have, in concert with DOT, identified the institutional arrangements we wanted to work with. So, it would not be in this sense simply establishing criteria or a requirement; it would also be in a capacity in which HUD would be able to assist.

Mr. BOYD. I think actually there would be little question of Chicago or any other city submitting an application unless they did have a plan because we expect to be able to advise all the cities what the requirements are going to be. Both Departments are dedicated to the same proposition. We are not going to play games with the cities. We are going to try to lay out for them in terms of standards and criteria what they have to do in order to qualify, not only for transportation but for other programs.

Mr. ERLBORN. As a matter of fact, they already have to do this whether the authority is in HUD or DOT. So, the cities are familiar with this process.

Mr. BOYD. Yes, sir.

Mr. ERLBORN. There would be no drastic change here in the process. They would have to do their overall planning and have that approved before specific projects could be approved, just as they do today, right?

Mr. BOYD. That is right.

Mr. HUGHES. Mr. Erlborn, I think for the record, you will notice that the plan itself refers to the joint establishment of these criteria referred to in the first sentence of section 4(a) of the Urban Mass Transportation Act. I refer to this because it does provide a statutory handle, if that is what you are looking for, for the Secretary of HUD to be in the act.

The section 4(a) says no Federal financial assistance shall be provided, and so on, unless there is a determination by the Administrator that:

The facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic and desirable development * * *

I think there is a sound statutory base as well as an administrative basis for the involvement of the Secretary of HUD in this process.

Mr. ERLBORN. I probably should have started my questioning by saying that I favor the plan, and as you may recall, one of the questions we had on this side of the aisle when we were considering the creation of the Department of Transportation was this particular authority over urban mass transportation.

As I recall, I think it was Mrs. Dwyer who offered the amendment which required the year's study and a decision to be made. I am happy the decision has been made in this way because I think transportation in the city has to be a coordinated thing. It must be coordinated with all modes of transportation leading into the city. Highway planning and mass transportation planning by rail have to be coordinated and can very well be done in Chicago by using the same facilities—the median strip of the highway for rail transportation which I think was an excellent idea, one that can be and probably will be followed throughout the country.

Mr. BOYD. I would like to say, Mr. Erlenborn, the Federal Highway Administration, which has the Bureau of Public Roads in it, is doing everything in its power to encourage the States when they purchase lands for urban freeways to purchase enough land for rail transit in the median strips.

We have considerable success with this. It has to operate together.

Mr. ERLBORN. I think it makes good sense.

Under this plan apparently the authority under section 1606 of the Mass Transportation Act will be transferred to DOT. This has relationship to relocation requirements and payments. Wouldn't this particular authority be more closely related to the work of HUD than DOT? What working relationship will there be in this instance, and why wasn't the authority retained in HUD?

Mr. HUGHES. I think as a generalization, Mr. Erlenborn, the relocation payment authority traditionally, and in statutory terms, has been associated with the affected program. It is in that context that it has been moved with the program from HUD to DOT. We are striving for broader treatment and more even-handed treatment within the Government of relocation expenses and standardizing the requirements among the various programs. But I think relocations occurring because of, for instance, highway construction or mass transit construction must in some way be associated administratively with the actions that cause the relocation.

Mr. ERLBORN. They must practically be associated with urban planning as well.

Mr. HUGHES. That is correct. Of course, the city's plan for transportation, again getting into the complexities of life here, must envisage the relocation of these people and part of it must be a plan for handling that action.

Mr. WOOD. But on the operational side, it would be difficult for HUD to be in the position of taking on relocation responsibilities for projects in which it could not determine the schedule or set the magnitude thereof.

Mr. ERLBORN. What cooperation can you see being developed between the two Departments?

Mr. WOOD. I think we will be able to relate the impact of these kinds of projects on dislocations of people as well as changes in land uses in the earlier planning stage, and, therefore, blow the whistle on clear and evident problems in terms of housing markets and vacancies.

I think the scheduling of the operation of individual adjustments will be better handled in operational terms.

Mr. BOYD. What we are trying to do is to establish relocation as a condition precedent in all of our transportation projects instead of having it dragged along as something you have to do. We are trying to assure that the problems of relocation are fully considered in the public hearing required on current transportation programs and projects under the Department's current jurisdiction.

Mr. ERLBORN. As is always true in these reorganization plans, the plan itself does not go into all the details of the cooperative arrangements between the two agencies involved, and you have already referred to some agreements that you are working out. What will be the nature of these, a memorandum of understanding between the two Secretaries?

Mr. BOYD. Yes, sir.

Mr. ERLBORN. Do you have a draft of that now?

Mr. BOYD. No, we do not. We have a lot of work going on in different committees. I am convinced that one of the first things we have to do is to develop a glossary of terms. This area is so complicated that it is very difficult to be sure exactly what we are talking about when we get down into the details of things. I think both Secretary Weaver and Secretary Wood and I are pretty well satisfied that our staffs are working along in a cooperative and affirmative fashion and that we will have a memorandum of understanding by the time the transfer becomes effective.

Mr. ERLBORN. I might request at this point that when that is prepared that a copy of it be furnished to the committee, because I think it is an integral part of the plan. It will answer, I am sure, some of the questions that we have that may not have been fully answered in the hearings.

Mr. HUGHES. I think the chances are it will be published in the Federal Register.

Mr. ERLBORN. I have three questions here that I would like to propound at the request of Senator Javits. Apparently there will not be any hearings on the Senate side on this plan, and he has asked that these questions be asked and answered so we will have them in the record. Any one of you are free to answer these, or all of you.

What role will be reserved to the Department of Housing and Urban Development so that it will be enabled "to assure that urban transportation develops as an integral component of the broader development of growing urban areas"?

I think that quote is taken from the Department of Transportation Act, or it is close to the wording of the act.

Mr. HUGHES. We can furnish something for the record. Much of the discussion thus far this morning is directed toward this point.

Mr. WOOD. I would only indicate on that, just to summarize what I think the questions have been, that the comprehensive planning responsibility and the development and certification as to the adequacy of transportation plan in general is one aspect of the role; second is the review and commentary in terms of important individual projects; third is the development of the criteria to assure us that the planning is not simply blue sky but it has effect in the decisionmaking process. It is clear that in one way or the other we will have to improve our planning capability over its present strength and orientation, but that I think is the major resource we look to at the present time.

Mr. ERLBORN. Secondly, when and how will the Secretary of Housing and Urban Development determine that given transportation projects "concern the relationship of urban transportation systems to the comprehensively planned development of urban areas"?

I think that quote is taken from the plan itself.

Mr. HUGHES. I guess I have a little trouble in my own mind separating that from the prior question, Mr. Erlenborn.

Mr. ERLBORN. I think they are certainly related. I think it probably has been answered in response to my first question, as to whether there is veto power over an individual application for transportation grant. An application would have to be reviewed and would have to be based upon a comprehensive plan that would have to be approved.

Mr. HUGHES. It would have to conform to criteria for which the Secretary of Housing and Urban Development and the Department of Transportation share responsibility.

Mr. ERLBORN. The suggestion has been made that you expand upon the answers to these questions in written form, and it might be helpful if you send it directly to Senator Javits and also for the record.

(The answers to questions posed by Senator Javits follow:)

ANSWERS TO QUESTIONS POSED BY SENATOR JAVITS

Question 1. "What role will be reserved to the Department of Housing and Urban Development, so that it will be enabled ' * * * to assure that urban transportation develops as an integral component of the broader development of growing urban areas'?"

Answer: The two Departments have agreed on several principles and procedures which will assure an effective role for HUD:

(a) The Federal responsibility for assisting and guiding areawide comprehensive planning (including comprehensive transportation planning) by local communities resides in HUD. Criteria for urban transportation system planning is to be developed jointly by HUD and DOT.

(b) HUD will advise DOT whether there is a program for a unified urban transportation system as part of the comprehensively planned development of the area. This would include the adequacy of the planning process. The HUD advice would be a prerequisite for DOT making the findings required under sections 3(c), 4(a), and 5 of the Urban Mass Transportation Act and the findings required under section 134, title 23, of the Highway Act of 1962.

(c) DOT has the responsibility for determining whether individual projects are needed for carrying out a unified urban transportation system as part of the comprehensively planned development of the urban area. However, the memorandum of understanding now being developed by the two

Mr. Boyd. I will be glad to elaborate on this with a written answer; but I would say we are presently involved in the first step which is a systems analysis program involving all of the Federal transportation programs. Our basic structure, as I mentioned earlier, in the Office of Secretary is along functional lines. For that reason, we think we have already the basic mechanism for coordination among the different modes which is necessary to a balanced and integrated transportation system.

We are continuing to examine the relationship of urban mass transit within the Office of Secretary structure; and, while it may be that we need to make some shift of responsibility, I don't see, you see, anything major.

Mr. BLATNIK. Mr. Edwards.

Mr. Edwards. Thank you, Mr. Chairman. I have got on my white hat today, too. It is good to have you gentlemen here. I have just a few questions that perhaps will clear up the record a little better.

As I understand it, the applications for funds or grants for mass transportation will be made to the Department of Transportation.

Mr. Boyd. Yes, sir.

Mr. Edwards. And the Department of Transportation will not act until it has a certification from HUD that the plan is appropriate.

Mr. Boyd. That it is related to a comprehensive urban plan.

Mr. Edwards. If it is, then DOT will proceed further?

Mr. Boyd. Yes, sir. I should say that in our memorandum of understanding we have already made it clear on both sides that we will keep HUD advised, even on the project applications, of just what is involved.

Mr. Edwards. You will have counterparts in both Departments in continuing communications on all applications and activities as a matter of fact, won't you?

Mr. Boyd. Yes, sir.

Mr. Edwards. This, then, will meet the requirements set out by Mr. Hughes that we not require these cities to look to two agencies or two departments or more than two in this particular field?

Mr. Boyd. That is correct.

Mr. Edwards. The problem I experience is that all these kinds of things look good on paper but when the local community starts making its application—in my case they go up through Atlanta—delay seems to be the name of the game. I am wondering if this is going to materially change that situation?

Mr. Boyd. Without knowing of the specific situation to which you advert, I can't give you an answer.

We are doing our best in both Departments to act on applications in an expedited manner. It is very, very hard to discuss this in the abstract. It is easy to go back on a specific application.

Mr. Edwards. I understand that, and I am not trying to get you too specific. The problem, as I see it, is we hold out to the cities our arms wide open, we are going to help you, and HUD is a primary agency that deals with the cities in our areas across the country, and in many cases it is hard to sell some of these Federal programs in any part of the country, so the city administrations get up their nerve and they proceed with one of these things only to get to Atlanta and run into brick walls of varying degrees of thickness. I am just wondering if there is any way to speed up that end of it.

Departments will include arrangements under which DOT will first secure recommendations from HUD in the case of those projects having a significant impact on the planned development of the urban area.

(2) DOT will utilize HUD in the review of annual work programs developed by State highway agencies under section 307(c) of title 23, insofar as these programs have an impact on comprehensive planning in metropolitan areas. HUD will also have an opportunity to review planning proposals and reports prepared by planning bodies in metropolitan areas. DOT and HUD will develop jointly the standards and guidelines for these reviews.

(e) DOT and HUD will develop jointly the criteria for federally assisted urban transportation system planning.

(f) The memorandum of understanding will provide that DOT secure HUD concurrence in the criteria for relocation planning made necessary by urban mass transportation projects. DOT plans to provide HUD at an early date relocation information and will not approve any relocation plan without first reviewing the HUD recommendations.

Question 2. "When and how will the Secretary of Housing and Urban Development determine that given transportation projects * * * concern the relationship of urban transportation systems to the comprehensively planned development of urban areas?"

Answer: This question relates to the authority reserved to HUD in sections 6, 9, and 11 to carry out research, development, and demonstration activities and the coordinative procedures to be followed by the two departments. The departments have agreed to develop, jointly, a program of projects and priorities for urban-related transportation research, development, and demonstrations. HUD will be concerned especially with (1) those portions of the program designed to reveal or evaluate the impact of transportation on urban areas and to define those general characteristics of transportation systems expected to have an important impact on the urban environment; and DOT, with (2) those portions which deal with component, subsystem, and system development, engineering and testing. This will normally mean that DOT will have primary responsibility in the area of "internal systems and program effects and requirements." HUD having primary responsibility in the area of "external personal and community effects and requirements."

Question 3. "What steps will the Secretary of Transportation take to insure that the transfer of the urban mass transit program will bring about a coordinated Federal transportation program so as to permit the establishment of a balanced Federal transportation program and, within each of our metropolitan areas, integrated transportation systems?"

Answer: The first step, the establishment of a systems analysis program involving all elements of transportation, has already been taken by DOT. Its Office of Systems Analysis, under the direction of the Assistant Secretary for Policy Development, is responsible for analyzing the characteristics, capabilities, and limitations of alternative transportation systems, and comparing and recommending transportation systems to meet national transportation requirements.

Coordination of the Department's transportation program is accomplished within the Office of the Secretary. The Office of the Secretary is organized along functional lines, each major function being headed by an Assistant Secretary. These Assistant Secretaries are charged with coordinating across the modal lines represented by the various administrations of the Department. Thus, a particular transportation policy or program issue is reviewed within the Office of the Secretary from a total transportation viewpoint, not from the viewpoint of a single mode such as highways, aviation, or rail.

In connection with the transfer of the urban mass transportation program, the existing coordinative mechanisms are being reexamined to assure their continued adequacy. While there may be a need to make some adjustments, no major reorganization is anticipated.

Mr. FRANKFORD. What steps will the Secretary of Transportation take to insure that the transfer of the urban mass transportation program will bring about a coordination of all transportation programs so as to permit the establishment of a balanced Federal transportation program and, within each of our metropolitan areas, integrated transportation systems?

Mr. HUGHES. I have two comments, Mr. Edwards.

First, as Secretary Boyd indicated, we are, at Presidential direction, making a kind of an across-the-board effort to reduce application processing time wherever we can and particularly in some of these agencies that are dealing with the complex problems that we are talking about. That effort has been successful.

I can furnish some evidence of that success for the record, if you would like. Whether it meets your specific problem or not is speculative. But we are certainly aware of the general problem, and something is being done and progress is being made with or without the transfer. But there is an ultimate fact here that is rather important, and that is the fact that these are very complex matters.

Urban planning is a complex process, and time is part of that process. Notwithstanding these complexities, we are managing to spend a fair amount of money; that is, grants are being made with relatively reasonable time limits and disbursements are taking place.

I think it would be unfair to look to the Department of Transportation as really working toward a 10-day schedule on some of these things or for that matter, perhaps, a 10-month schedule.

Mr. EDWARDS. I think the problem is, as one of you gentlemen said earlier, the cities' plan, and yet the cities learn to their great dismay early in the game that generally whatever they plan is not acceptable.

So in the final analysis, it turns out to be the Federal Government's plan.

Mr. BOYD. If I may say, sir, one of the problems gets back to what Sam is talking about on urban planning. It is a very complex business and, unfortunately, there appears to be a shortage of people in this country who have the training to do urban planning. There is a lot of it being done, but we are desperately shorthanded in this area. Part of the problem from some of the things I have seen in my own Department is that we get applications from people who haven't even read the regulations to find the criteria they have to comply with. These come directly from the statutes. It is not really a matter of saying this is going to be the Federal Government's plan, except in the sense that Congress has enacted laws which set forth various criteria and we implement them through regulations.

Mr. EDWARDS. It is the implementation with which I am concerned.

Mr. WOOD. I would have two observations to make to put into perspective the relationships between the cities and the States and the Federal Government right now.

One of the things that astonished me when I came on board a little over 2 years ago was—it was only 29 months ago—that HUD's predecessor agency had a short time before found itself in the position in which the demand from the cities for urban renewal funds was less than the available appropriation at that time. Yet, at this time, we sit with well over \$1.5 billion backlog in urban renewal, with the sum even larger than that in our community facilities programs and with a general situation in which even though we have requested an increase in our budget of about 50 percent against clear community demand we are behind.

So the load has come up, and I think we all have to recognize that the last 2 years has been the coming of age in public and political recognition of the needs of our communities. We are in that transition period.

Hopefully, you could make a case that over and beyond the increased counterpart capability that Secretary Boyd talked about, communities getting familiar with minimal statutory requirements, the next few years are going to see us proceed as these programs and processes get more familiar in a better way.

One of the problems I have observed in the transportation area has been, of course, that frequently these projects are approved by the local government which tentatively arrives at agreements and then disinterest and opposition and disagreement occur at the local level.

Perhaps by now developing a process of collaboration where the planning is fitted together earlier and the process of review and deliberation begins earlier we will be able to have a smoother course. That is at least one of the underlying premises of our arrangements.

Mr. ERLNBORN. Will the gentleman yield for just a moment?

Mr. EDWARDS. Yes.

Mr. ERLNBORN. Right in line with your questioning, it reminded me of one of the experiences we had in one of the cities in my district which had an opportunity to purchase an existing golf course which was on the market to be sold for development as a housing area, a new subdivision, and the city felt that it was more desirable to keep the open space.

Apparently at the time they made the application it was the policy of HUD to grant funds for this purpose. After they entered into the contract to purchase the golf course and made their application, the policy of HUD apparently changed and the funds could be used only to acquire space to develop as golf courses but not to purchase already existing golf courses.

So, they found themselves with a commitment. They lost a good deal of money. I think the golf course has since been sold and will now be developed for a new subdivision. It is this sort of thing that is rather disconcerting to the cities.

Mr. WOOD. They have spoken to me on several occasions.

Mr. ERLNBORN. I think so.

Mr. BOYD. May I say this, Mr. Edwards, one of the things that we have done in the Department of Transportation, and it is probably being done in others, too, is to establish in our Office of Public Affairs an Office of State and Community Liaison.

Mr. WOOD. We have that.

Mr. BOYD. We have about a third of the people we thought we needed going around personally making contact with Governors, mayors, county commissioners, and so forth to advise them on what the Department's programs are, and to try to sort of "mother hen" the applications they have coming to the Department of Transportation.

So we have a direct line of communication. When something gets snagged, they are suppose to be able to pick it up.

Mr. EDWARDS. Let me go back to a few more specifics on the plan itself.

The plan reserves to the Secretary of HUD the authority to make grants and undertake projects under section 1605(a) having to do with research, development, and demonstration projects, and 1607(a), technical study, and 1607(c), research and training in institutions of higher learning, where these grants or projects concern transportation planning.

I wonder if the Secretary of the Department of Transportation ought not to be consulted on these types of grants as a better means of coordinating the transportation with urban development.

Mr. BOYD. We are in complete accord with this reservation, and we expect to be consulted.

One of the things we will work out in our memorandum of understanding is exactly how we keep this flow of information going back and forth between the two Departments. We haven't got that organizational aspect tied down yet, but we fully expect, and we understand, that we will be fully informed of all the activities of HUD in this area, just as we expect to keep them informed of all of the activities of transportation which impinge in any way on the urban society.

Mr. EDWARDS. So, you are aware of this and you are looking to this problem in your memorandum of understanding?

Mr. BOYD. Yes, sir.

Mr. EDWARDS. Would the same be true of that part of section 1605 (b) where the Secretary of Transportation is given the authority to undertake research and development, demonstration projects relating to urban transportation that will carry people and goods within metropolitan areas without polluting the air and in a manner that will contribute to sound city planning?

I presume that you will also work together on that, then?

Mr. BOYD. I think, if I may say in one fairly short sentence, we have a complete agreement and meeting of the minds that our functions are complementary and not competitive, and we expect to proceed on that basis.

Mr. EDWARDS. I think that is a reasonable way to do it. I think we ought to agree you can't write everything into the original plan.

Under the Demonstration Cities Act HUD can grant funds to cities to plan and develop and carry out comprehensive demonstration and development programs including transportation facilities.

How will this be administered after the reorganization?

Mr. WOOD. Essentially, the progress we established that was for the model cities program has been one of the collaboration among the agencies involved, the Federal agencies involved from the beginning. Plans developed by the cities or their model neighborhoods that have components, grant programs or that have activities that fall under the missions of other departments are immediately referred to those departments for review.

Interagency coordinating arrangements have been, I think for over a year, in effect here. We expect that any aspect or component of a model city plan that bears on the responsibilities of DOT, if it is part of the supplemental funds, it doesn't require financing by them for information and reaction; if it is part of an agency's funds, that will require assistance on their part, for their funding.

Mr. EDWARDS. Pursuant to the summary of HUD and DOT positions on major reorganization plan issues, that was dated February 19, I believe, the Department of Transportation apparently intends to grant to the Housing and Urban Development Department the authority to pass on the adequacy of highway planning.

It also appears that HUD's recommendations will be considered by DOT as a formal step in determining whether highway projects are needed or essential to carry out a unified and coordinated transporta-

tion system as a comprehensively planned urban and development program.

What legal authority exists for conferring this authority on Housing and Urban Development?

Mr. HUGHES. You are talking of the report, the February 19 report?

Mr. EDWARDS. Yes, sir.

Mr. HUGHES. There are a variety of potential sources of authority, Mr. Edwards.

First of all, the Department of Housing and Urban Development does have comprehensive planning and plan approval authority, and the authority to make grants for these purposes.

There also is the possibility within the framework of that statute and the existing Department of Transportation authorities to do business with other agencies and for that matter with private entities, the possibility of contractual arrangements or delegations, reimbursible or otherwise, between the two agencies.

It seems to me the basic authority involved here is that statutory authority which HUD has under broader statutes, not under urban mass transit, and, therefore, it is not related to this plan per se. Rather, it is basic authority for the development of comprehensive urban plans and for rendering assistance to communities to achieve those results.

Mr. BOYD. There are provisions in section 204 of the Model Cities Act and also section 134 of the Model Highway Act which require coordination in these areas.

Mr. BLATNIK. There is still going to be a problem, isn't it, Mr. Secretary or Mr. Hughes? It is not clear how you would coordinate mass transit with your urban and highway department which is tied in with the State highway plans.

You have a continuing planning program on the State highway program; don't you, Mr. Secretary?

Mr. BOYD. Yes, sir.

Mr. BLATNIK. But you don't have a continuing program of planning on your mass transit or urban highways; do you?

Mr. HUGHES. The Urban Mass Transportation Act itself does provide and require the development of plans which properly integrate urban mass transportation with other urban transportation. That authority would go under the terms of the plan, to the Secretary of Transportation.

Mr. BLATNIK. Who makes the final determination at what point these urban plans will be initiated or readied? Can they take their own sweet time about it even though the State highway department is waiting?

Mr. HUGHES. The Secretary of Transportation would make the final determination after consultation with the Secretary of HUD and in accordance with general criteria that were jointly developed. But the Secretary of Transportation would be the decider.

Mr. WOOD. The coordination between the general planning and the transportation planning is a role that would be precedent to individual projects and in the ones Mr. Hughes has indicated we have generalized authority as well as those that Secretary Boyd specified.

Mr. BOYD. Under section 134 of the Federal Highway Act, all cities of 50,000 or over are required, after July 1, 1965, to have a continuing comprehensive transportation planning process in order to qualify for

Federal aid to highway projects. I believe there are 230-odd cities in the country who come under that category. All of them have, or are in the process of establishing, that comprehensive transportation planning structure which HUD will look at in terms of how it relates to comprehensive community planning.

Mr. BLATNIK. My fear is sort of different. I am a little different from the gentleman from New York.

There are some decisions that have to be made in the urban planning area which could impede and hold up mass transit and highway programs together. You would still be the final determining agency which should definitely have a voice.

In other words, my question is not at all doubting the intent or the good will but the mechanism which you are going to run up vertically through channels, horizontally at the top, and then several ranges of horizontal and vertical lines of communications on the State and the municipal level.

You can have a plug, you know, and you have to have some kind of Roto-Rooter system, some guarantee that you can unplug one of these channels at some point so you can have this free flow back and forth.

Mr. HUGHES. I think some combination of the Secretary of Transportation with the local community, perhaps with some special interest by some friendly Member of Congress would be the Roto-Rooter that you have described.

Mr. BLATNIK. It has been happening here all the time. I was thinking back 8 years ago when mass transit should have been operative here; how mass transit should have been integrated and coordinated with the whole highway system, the beltline, inner and outer loop, plus land use development programs. But there was the nature of the municipal government.

Mr. HUGHES. I think that problem remains. I think the plan should help the problem in that it does centralize the transportation part of the planning in the Secretary.

It is easier to focus on one department than two. But there will remain the local problem which is the one you are talking about in the District of Columbia, the local problem of deciding where the highways ought to go and the relationship between highways, mass transit, and other forms of transit and other urban systems.

Mr. BOYD. Mr. Wood just commented a few minutes ago that it is only very recently that there is a general appreciation of what the problems of the cities are. I think that we are reaching the stage where, due to the Federal programs to a considerable extent, and due to circumstances to a considerable extent, more and more people, and more and more officials are beginning to appreciate that you cannot deal with one of these systems in isolation.

Mr. BLATNIK. Right.

Mr. BOYD. This I think is going to help speed up the whole process because we are getting closer to being on the same frequency. The Federal Government has really been ahead of city planning generally, although this is not true in some particular cities. But by and large there has been an appreciation at the Federal level before it came to the local level.

Now I think the local people are beginning to appreciate that these are all tied together and they have got to come forward together for Federal assistance.

Mr. EDWARDS. You gentlemen, then, are clear in your own minds that this transfer will clear up a lot of the problems. While some things seem to be hazy to us as to how it is going to work, you and your staffs are working to iron out these areas right now, and you are convinced that by the time the plan goes into effect that everything will be clearly drawn and the community will know who to go to and this information will be transmitted to the communities?

Mr. BOYD. Yes, sir. I don't think any of us mean to imply that everybody is going to live happily ever after, because this is a very complicated business.

Mr. EDWARDS. I never saw a Federal program yet where everybody lived happily ever after.

Mr. BOYD. We will have a clear-cut idea of how we are going to handle the thing. As we go into it, we will obviously have to keep it under review, so that when we find that there are things which neither of us have considered, or where circumstances develop differently than we thought they would, we will have to change. But we will be prepared to do that.

Mr. EDWARDS. What I am looking for is a program that will work without the need for, as Mr. Hughes said, your friendly Congressmen to get into the act. Many times we are brought into the act because of the great frustration of our local communities in trying to unravel some of these things. I hope you fellows are headed in that direction.

Mr. BOYD. One of the basic problems is that, for the foreseeable future, we are going to be in exactly the same position with mass transportation as we are with so many other programs. The need will far exceed the supply of money, and part of the frustration will undoubtedly come about because when you get into this area any department has got difficulty trying to figure out how to establish a level of priorities. It might be that first come, first serve is the way to do it, although that is a very arbitrary approach and it may not have anything to do with the requirements.

Mr. WOOD. Quite frankly, with respect to Mr. Erlenborn's comment about the golf course, a community caught in midstream we could have either acted on a first-come-first-served basis which would have backed up the pipeline, or we had to make judgments on priorities.

We made the judgments on priorities. We hope to be both responsive in communicating this, Mr. Edwards, and being able to perform better on our part by a systematic effort of decentralization. We in HUD have been engaged in this for 2 years to make sure that Atlanta can sign off faster on more projects and that review will be minimized here in Washington. That carries some built-in concerns with it.

We have to be able to oversee on a general policy basis our regional offices. But I think this may be another part of the answer.

Mr. EDWARDS. Thank you, Mr. Chairman.

Mr. BLATNIK. Mr. Reuss.

Mr. REUSS. Thank you, Mr. Chairman.

Gentlemen, I am concerned particularly in the Reorganization Plan No. 2 with section 3 of the act, to amend the Urban Mass Transporta-

tion Act of 1964 known as Public Law 89-562, which became law on September 8, 1966. That section which I shall read, reads as follows:

The Secretary—

And this meant the Secretary of HUD—

shall, in consultation with the Secretary of Commerce, undertake a project to study and prepare a program of research, development, and demonstration of new systems of urban transportation that will carry people and goods within metropolitan areas speedily, safely, without polluting the air, and in a manner that will contribute to sound city planning. The program shall (1) concern itself with all aspects of new systems of urban transportation for metropolitan areas of various sizes, including technological, financial, economic, governmental, and social aspects; (2) take into account the most advanced available technologies and materials; and (3) provide national leadership to efforts of states, localities, private industry, universities, and foundations. The Secretary shall report his findings and recommendations to the President, for submission to the Congress, as rapidly as possible and in any event not later than eighteen months after the effective date of this subsection.

Mr. REUSS. Under Reorganization Plan No. 2, would all of the sections I have just read be transferred from HUD, where it is now, to DOT? Perhaps Secretary Boyd can answer that.

Mr. BOYD. We have a split in section 6, Mr. Reuss.

Mr. REUSS. The section which I have just read is section 6(a) of the Urban Transportation Act of 1964, as amended. I beg your pardon, it is subsection 6(b).

Mr. BOYD. The study itself I believe has approached completion. It should be submitted fairly soon to the Congress as required.

Mr. REUSS. In fact, it should have been submitted on April 8, 1968, should it not? Isn't that 18 months after September? Or is it March 8, 1968? What about that, Mr. Wood?

Mr. WOOD. I'm not sure of exactly the time. I do know, Mr. Reuss, that it is in effect completed. The submission, of course, to the Congress, involves a process of Presidential and Executive Office review. I believe it is at that stage of completion.

Mr. REUSS. The language of the statute says, "The Secretary shall report his findings and recommendations to the President." Has he done that?

Mr. WOOD. He has.

Mr. REUSS. When?

Mr. WOOD. Within the last month is my recollection. I can get the specific date for you.

Mr. REUSS. May I have a copy of those findings and recommendations?

Mr. WOOD. I'm sure you can within the process, Mr. Reuss. I think the statute requires our submission to the President for subsequent submission to the Congress. That is not within my department.

Mr. REUSS. However, it was not intended by the Congress that the findings and recommendations of the Secretary of HUD should be secret.

Mr. WOOD. Of course not, and there is no intention for that.

Mr. REUSS. Therefore, may I have a copy?

Mr. WOOD. I'm sure you can.

Mr. BOYD. My impression is it is just a matter of clearance in the executive branch.

Mr. REUSS. I recognize there are two phases. The Secretary has to report to the President, and what the President does depends on the

Bureau of the Budget and a lot of other things. Certainly, the whole world might know what the Secretary told the President. Is there any reason why I can't have that right away?

Mr. WOOD. I simply would say there is no reason of substance. There is the process of established Executive Office review.

Mr. HUGHES. I don't know where it is, Mr. Reuss. We will see what the status of the plan is, and I'll do my best to deliver you a copy of the plan soon, very soon.

Mr. REUSS. Congress didn't say the Secretary shall report his findings and recommendations and they shall be kept secret until such time as the Bureau of the Budget or the CIA or somebody else tells it to make it public. It said, "The Secretary shall report his findings and recommendations to the President."

The whole statute was written so that the public might find out what the findings and recommendations were.

Mr. WOOD. I would say, if I could speak—I will separate the responsibilities of the executive branch, I will assign to that Mr. Hughes—but if I could speak for the Secretary on this, our firm desire within established executive branch practice, is to have a timely and widespread announcement and an appropriate submission of this report. We happen to be quite proud of the report. We believe it will have major consequences for future development and for the mutual concerns of both agencies.

So, the question is really the Presidential Office's clerk, not the Presidential Office's policymaking, which we are involved in here.

Mr. REUSS. When you said, Mr. Hughes, "I might have it soon," did you mean that in the George and Ira Gershwin sense, "Maybe not tomorrow, but soon?" How soon is soon?

Mr. HUGHES. I cannot tell you definitely. I don't know the status of the plan. I have not seen it myself. I will try to find out what the review status is. The statute says Secretary to the President and the President to the Congress, as I would read it, and I simply don't know what the status of presidential review of the document is. We are late in terms of the deadline set in the law, and I will ascertain the status and I will be in touch with you before the afternoon is over and tell you what the status is and what the schedule would be on which you could expect to receive the report.

Mr. REUSS. Let me say right now, though, that I know a little bit about this statute since I wrote it, and neither I nor I'm sure the Congress—it was fully debated—intended that this report should be secret until such future time as the President may wish to formulate a program based upon it. That may, unfortunately, be many months. Meanwhile, we wanted to see the work product of the Secretary of HUD. Isn't that so, Mr. Wood?

Mr. WOOD. I think so.

Mr. HUGHES. I think the statute is quite clear, and there is no intention that I know of to deal otherwise with the report.

Mr. REUSS. Back to the question of who would implement section 6(b), is that set forth in the document "Summary of HUD and DOT positions on Major Reorganization Plan Issues" which is before the subcommittee?

Mr. BOYD. Yes, sir. That is the February 19 document?

Mr. REUSS. Yes.

Mr. BORN. Yes, sir; page 7, section H generally covers it. The most relevant part I think is that HUD will be concerned especially with (1) those portions of the program designed to reveal or evaluate the impact of transportation on urban areas and to delineate those general characteristics of transportation systems expected to have an important impact on the urban environment; and DOT, with (2) those portions which deal with component, subsystem and system development, engineering, and testing. This will normally mean that DOT will have primary responsibility in the area of "internal systems and program effects and requirements," HUD having primary responsibility in the area of "external personal and community effects and requirements."

Mr. REUSS. I'm sure you can reassure me on one doubt I have about the plan which relates to what you just discussed. When Congress enacted on September 8, 1966, the section 6(b) which we are talking about, it wanted to centralize responsibility in one man in the administration below the President for coming forward with a program for whole new systems of transportation to get out of the ruts that we have been in for so long, and the idea was to take off from the experiences with the Manhattan district project on atomic energy during World War II and the space program.

Can you give me some reassurance that this reorganization plan won't depart from that intention of Congress and that the goal of section 6(b) will be vigorously pursued and by whom?

Mr. BORN. Mr. Reuss, to use a phrase used by one of your colleagues this morning, the Department of Transportation has a commitment to carrying this research program through with all the resources that are made available to it; and, in that connection, I can assure you that the Department will make every effort to obtain all the resources which the report will recommend be made available.

Mr. REUSS. I am delighted to hear that, and it reassures me.

Let's look, as we always must in these reorganization plans, to Departments of DOT and HUD headed by different people than those who now head them, and let's suppose in the future a situation where HUD didn't do its part of the total research and development job under the guidelines that you have just read. What would prevent the program from languishing?

Mr. BORN. The program to which I referred is a program for new systems for the future. That program will be carried on by the Department of Transportation regardless of whether or not HUD involves itself in studies. The research activities of HUD have to do primarily with the impact of these systems.

Mr. REUSS. Yes, but that is an essential part of the new approach.

Mr. BORN. I agree with you.

Mr. REUSS. You have to combine hardware and sociology, and in essence you are given the hardware, HUD is kept in possession of the sociology.

I have had your assurance that you will vigorously pursue your part, which is very gratifying to me.

Without any reflection whatsoever on HUD—and I believe HUD has done a magnificent job in its 18 months on the program—without any criticism at all of HUD, but based on a hypothetical future situation in which HUD doesn't do its sociology, I foresee some difficulties.

You just can't have a hardware approach. You are the first, I am sure, to recognize that you need both hardware and sociology.

Mr. BOYD. That is quite true. But I think we should look at it in this context, Mr. Ruess. We are talking about new systems, say, new hardware systems. It is going to be extremely difficult for HUD to do a job on impact until it knows what the system characteristics are. We have to develop first of all the technical feasibility of a new system as well as the economic feasibility before HUD can say this is what it really means to the city.

Mr. REUSS. I would hope you can do them in tandem and simultaneously.

Mr. WOOD. If I can interject on the tandem point, I put a small footnote on your distinction between hardware and sociology. As a former political scientist, I would hate to be restricted just to sociology.

Mr. REUSS. Let's say the social sciences.

Mr. WOOD. Also, very possibly in the impact area you are going to have some hardware connotations. There are other hardware systems that you can see meshing. There are some software considerations that I am sure DOT would want to examine.

I think the important point is with our general mission of urban development and our general charge, as Mr. Rosenthal indicated earlier, of better community environment and better urban life, it is inconceivable that we don't be eager to work in tandem on a new system of transportation that have so much impact.

Again, our only limitations will be the limitations of our resources which, as I stated earlier, I think we have to expand.

Mr. REUSS. I think this matter can be cleared up to my satisfaction with a couple more questions and answers.

I am sure you see, Mr. Secretary, what I am driving at. I wouldn't want a situation where some years from now, and with new personnel in both Departments, Congress feels that it hasn't gotten the kind of dynamic program that it looked for and it needs then to fix responsibility, and I wouldn't want a situation where the then Secretary of Defense could say we did our best but because HUD dragged its feet in the social science aspects that we are left with it, we haven't been able to get to the moon or to split the atom. Obviously Congress set up this statute because it did want to centralize responsibilities.

I will come to my question. If a situation should develop whereby HUD is in any way lagging either in timing or in quality on its part of the total program envisaged by section 6(b), would you undertake to inform the President and the Congress, assuming that you are still in the position at that time, so that we can consider other arrangements?

Mr. BOYD. I agree with Mr. Wood that this is inconceivable, but I can certainly assure you that where I have been unhappy with my colleagues in the past I have not been unwilling to discuss the matter with the responsible people in the executive branch of the Government.

Mr. REUSS. That is at least partially reassuring. Would you in this particular situation also be willing to discuss the matter with the relevant committees of Congress which I think would be the Government Operations Committee and whatever legislative committee is assigned to this? At present it is Banking and Currency.

Mr. BOYD. As to whether I would call up the committee and say I want to come up and complain, that is one thing.

Mr. REUSS. The chairman and the ranking majority member.

Mr. BOYD. I can assure you that if I testify before a congressional committee I will try to do it honestly and express my views in the most forthright fashion I know how.

Mr. REUSS. I know you would, but my question was would you undertake to inform the chairman and the ranking majority member of the two relevant committees of Congress if Congress' intent in the event is not being realized by reason of this splitting of the functions of the two?

Mr. BOYD. If that situation should occur, I would talk to the Secretary of HUD and tell him of my unhappiness. If that did not lead to any results I would go to see the President and tell him of my unhappiness. If I felt sufficiently strong about it, I would submit my letter of resignation to the President and then come and talk to the chairmen of the committees.

Mr. EDWARDS. I am sure the gentleman understands that that particular section gives the Secretary of the Department of Transportation the sole authority in this field. We talked about this I believe before the gentleman came in, and HUD is involved in it to the extent they will cooperate with the Department of Transportation.

As I understand it, the Secretary of the Department of Transportation has the sole authority, and it is not a matter of him looking to the Secretary of Housing and Urban Development to do anything.

Mr. BOYD. This really gets off on to the question of what is the effect on the community of a particular system. For example, it is obvious that there will be a different kind of effect on a community if we are able to develop a vacuum tube system which operates under the ground rather than a monorail system which operates above ground. This is an area where Housing and Urban Development would have a responsibility to try to calculate that effect.

Mr. EDWARDS. But operating directly under you, as I understand the transfer of the authority?

Mr. BOYD. No, they would not be operating under us. This would be sort of a Plessy versus Ferguson, separate but equal operation.

Mr. EDWARDS. That doesn't work any more?

Mr. BOYD. It works in some cases. Just some don't seem to be satisfactory.

Mr. REUSS. I thank the gentleman from Alabama. I gathered that there was a degree of jointness here by reason of the reading of the February 19, 1968, document.

Mr. BOYD. I think that is set forth on page 7.

Mr. REUSS. I am satisfied, gentlemen, with the answer that Secretary Boyd has just given me to alleviate my fear that what's everybody's business would be nobody's business. It is quite clear from the colloquy—and I'm going to ask Mr. Hughes and Mr. Wood whether they agree—that the Department of Transportation understands itself as being primarily responsible for the implementation of section 6(b) to the extent that a joint responsibility is left in HUD. Secretary Boyd has indicated that he would take it as a DOT concern that HUD exercise satisfactorily its discharge of that joint responsibility. So, in essence, Congress can look to the Department of Transportation just

as, prior to this reorganization plan, it looked to HUD as the unified single source of responsibility. Is that a fair statement?

Mr. BOYD. Yes, sir; I think so. I think it is also a two-way street. I would expect HUD to manifest a concern.

Mr. REUSS. May I ask Mr. Hughes and Mr. Wood whether they agree or if there is anything that they disagree with in this colloquy?

Mr. HUGHES. I certainly have no difficulty with your formulation of the proposition, Mr. Reuss, and I would only add to it that we in the Bureau of the Budget have a responsibility here to keep the two portions of the executive branch in step with one another.

Mr. WOOD. I would simply add, Mr. Reuss, not only my concurrence with these general agreements, my belief that any future Secretary or Under Secretary of HUD who found DOT not performing in its judgment effectively in terms of its part of these responsibilities would have the same obligation as Secretary Boyd outlined to assure that a genesis team developed, and then on the basis of the February 19 document—we understand we do have the responsibility of the impact studies—we will take them seriously.

Mr. REUSS. Thank you, Mr. Chairman.

Mr. ROSENTHAL. Secretary Boyd, there was one response that you gave to Mr. Reuss that perplexes me somewhat. You said that your Department would be responsible for developing the hardware and the scientific and technological advances for urban mass transit or transportation, and you would rely on HUD for developing the social need criteria, et cetera. Why is it that HUD or some agencies within the Federal Government can't deliver to you the requirements of urban transportation needs? They tell us these are the things that need to be developed; then, you go out and develop the hardware rather than developing the hardware and impressing those on the needs of the city.

Mr. BOYD. I don't look at this as pressing anything on the cities.

Mr. ROSENTHAL. Impressing was the word.

Mr. BOYD. Impressing. First of all, I want to get back to what I think is basic, Mr. Rosenthal, and that is the cities are different. Manhattan can't use the same kind of transportation system that Kansas City is using. I believe that, I may be wrong, but just by way of example. Certainly, if any city can come up and say these are our requirements, then, we can try to tailor something to their requirements. I doubt seriously that any city today is in a position to say "these are our requirements," because they don't know what is within the realm of technical feasibility. It is more than a matter of technical feasibility. I take it that our society can build anything. As Mr. Reuss said, we developed the atomic bomb and we have been able to put a man in space. I think, given the resources, we can build anything.

The question really is going to get down to how much money is going to be made available to build a system and will that comport with what the city says it wants.

Mr. ROSENTHAL. Which comes first, developing a system to meet those needs or independently developing a system and then finding out which cities can use it?

Mr. BOYD. I don't think there is anything independent about it, Mr. Rosenthal, nothing. I was purely and simply using a manner of speech when I said we would have to find out what the technical possibilities

are. We will have to do this in a complimentary fashion. It may well be that in time we will be able to develop a vacuum system. It may well be that the vertical lift aircraft development will be such that it can be a portion of the mass transportation requirements of the city.

It may well be that we can develop dual mode vehicles that will operate from a person's garage to a track and a guideway, and things of that nature.

These things have got to be worked out together. Certainly, if the city decides that over here it wants to have a single-family dwelling area on one acre plots of ground, you're not going to put a subway system in there, because you don't have the population density to support a subway system. It all has to work together, but somebody has to be able to tell the city these are the kinds of systems that can be developed, at what cost, with what noise impact, with what air pollution impact, with what vibration, and so forth.

MR. ROSENTHAL. Under the proposed plan, the St. Lawrence Seaway development is going to have the same status as urban transportation and development.

MR. BOYD. Not under the proposed plan. This was under the legislation enacted last year. There was an insistence that it have the same status as the other administration. That is part of the law.

MR. ROSENTHAL. Do you have any personal feelings as to whether there should be any changes in the legislation?

MR. BOYD. We are not seeking any changes.

MR. ROSENTHAL. Just one other question, Mr. Chairman. What is happening with the high-speed train between Washington and New York?

MR. BOYD. Well, it is not going as fast as we thought it would.

MR. EDWARDS. Do you mean the train or the project?

MR. BOYD. The project. The train is. We have some technical problems. I had a meeting last week with the various people involved in this, the car manufacturer and the component manufacturer, as well as the railroad. We have a technical assessment underway at the moment. We think all of the problems have been identified, and if they have, they are capable of fairly ready solution.

MR. ROSENTHAL. When can we expect that kind of service?

MR. BOYD. Well, I have been burned twice on my pronouncements, but I think during the course of this year.

MR. ROSENTHAL. Thank you, Mr. Chairman.

MR. BLATNIK. If there are no further questions, we thank you gentlemen. The hearings on the Reorganization Plan No. 2 are concluded and the meeting is adjourned.

(Whereupon, at 12:23 p.m., the subcommittee was adjourned.)

