

COVERAGE OF CERTAIN DRUGS UNDER THE FEDERAL NARCOTIC LAWS

APRIL 12 (legislative day, MARCH 16), 1945.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 2348]

The Committee on Finance, to whom was referred the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to provide a prompt and convenient method for bringing under the control of the Federal narcotic laws any newly discovered synthetic drug which is determined, after appropriate inquiry, to possess the same or similar dangerous, habit-forming or habit-sustaining qualities as morphine or cocaine.

The Treasury Department is of the opinion that a number of new synthetic, habit-forming, or habit-sustaining drugs, of the type of isonipecaine which is now covered by Public Law No. 414, Seventy-eighth Congress, will appear on the market during and after the present war. It is understood that information has been recently received from Argentina that the German Bayer firm has a new compound, called No. 446, which is of this type and quite similar to isonipecaine.

Under existing law each time a synthetic drug of this nature is discovered and produced for distribution on the market, special legislation must be enacted by the Congress before regulatory control of the drug can be established. It is believed that enactment of this bill will make possible prompt control over any such synthetic, habit-forming or habit-sustaining drug which may be discovered as soon as such qualities are determined and generally before such drug could be released for commercial distribution.

In order to accomplish the above purpose, the term "opiate" has been selected as a generic term to be applied to synthetic drugs which are found to be dangerous and which are to be brought under control.

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The test to be applied under the bill in determining whether a drug is an "opiate" is whether the drug has an addiction-forming or addiction-sustaining liability similar to either morphine or cocaine.

The bill provides for notice and opportunity for a public hearing to be granted to any person interested in the production and distribution of a new drug before the Secretary of the Treasury can make a finding that the drug is an "opiate," and requires any finding made by the Secretary, before becoming effective, to be proclaimed by the President. All such proclamations would be published in the Statutes of the United States and the Federal Register. The remainder of the bill merely inserts the key word "opiate" in the appropriate sections of the Internal Revenue Code and other statutes to make applicable all provisions of the Federal narcotic laws to such drugs in the same manner as was followed in Public Law No. 414, Seventy-eighth Congress, relative to isonipecaine.

Enactment of this bill would make new synthetic drugs, upon the proclamation of the President, subject to the same restrictions as morphine with respect to manufacture, distribution, importation, and exportation. The most important of these restrictions is one which limits retail sales to those made pursuant to a registered practitioner's prescription issued in good faith for medical purposes.

Your committee are informed that the proposed legislation has the approval of the Treasury Department, the Federal Security Agency, and the Bureau of the Budget. It is the opinion of your committee that the measure is meritorious and prompt passage thereof is recommended.

EXPLANATION OF BILL

SECTION 1

Section 3228 of the Internal Revenue Code contains definitions of terms as used in certain sections of the Internal Revenue Code pertaining to narcotics and coca leaves. Section 1 of the bill would add to that section a new subsection (f), defining the word "opiate" as used in the sections of the Internal Revenue Code proposed to be amended. "Opiate" would be defined to mean any drug (as defined in the Federal Food, Drug, and Cosmetic Act) found by the Secretary of the Treasury, after due notice and opportunity for public hearing, to have an addiction-forming or addiction-sustaining liability similar to morphine or cocaine and proclaimed by the President to have been so found by the Secretary. Also, the Secretary would be authorized to issue necessary rules and regulations for carrying out the provisions of this subsection, and to confer or impose upon any officer or employee of the Treasury Department, as he shall designate or appoint, the duty of conducting any hearings authorized thereby. The term "opiate" was selected as a generic term to be applied to the drugs so proclaimed as a convenient means of classifying such drugs.

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SECTION 2

Section 2550 of the Internal Revenue Code provides for a tax of 1 cent per ounce on opium, coca leaves, isonipecaine, any compound, salt, derivative, or preparation thereof, produced in or imported into the United States, and sold or removed for consumption or sale. This tax is represented by narcotic commodity tax stamps, which are to be affixed to the bottle or other container. Section 2 of the bill would make any drug proclaimed to be an "opiate," and any compound, salt, derivative, or preparation thereof, subject to this tax and the control incident thereto.

SECTION 3

Paragraphs 5 and 6 of section 2557 (b) of the Internal Revenue Code, derived from sections 1 and 2 of the act of August 12, 1937 (50 Stat. 627), and sections 1 and 2 of that act also codified in the United States Code, title 21, sections 200 and 200a, provide additional punishment for second, third, and subsequent offenses for selling, importing, or exporting, or conspiring to sell, import, or export, opium, coca leaves, cocaine, isonipecaine, or any salt, derivative, or preparation thereof, in violation of the laws of the United States. Sections 3 and 8 of the bill would add any drug proclaimed to be an "opiate" to the drugs enumerated above.

SECTION 4

Section 2558 of the Internal Revenue Code provides for the confiscation and disposal of opium, coca leaves, isonipecaine, and all salts, derivatives, and preparations of opium, coca leaves, and isonipecaine, seized by the Government from a person charged with any violation of the provisions of the Internal Revenue Code relating to narcotics and of the Narcotic Drugs Import and Export Act, as amended (U. S. C., title 21, secs. 171-185). Section 4 of the bill would merely enlarge the scope of this section by adding any drug proclaimed to be an "opiate."

SECTION 5

Section 5 of the bill, which would amend section 2565 of the Internal Revenue Code, would add a necessary reference to section 3228.

SECTION 6

Sections 3220 and 3221 of the Internal Revenue Code require every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, or gives away opium, coca leaves, or isonipecaine, or any compound, manufacture, salt, derivative, or preparation thereof, to register with the collector of internal revenue and to pay an occu-

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pational tax. Section 6 of the bill would require every person who engages in such activities with any drug proclaimed to be an "opiate," or any compound, manufacture, salt, derivative, or preparation thereof, to comply with these requirements.

SECTION 7

Section 1 of the Narcotic Drugs Import and Export Act, as amended (U. S. C., title 21, sec. 171), defines various terms as used in that act. The term "narcotic drug" is defined to mean opium, coca leaves, cocaine, isonipecaine, or any salt, derivative, or preparation of opium, coca leaves, cocaine, or isonipecaine. Section 7 of the bill would add "opiate" to the term "narcotic drug" and the necessary reference for the definition of the term "opiate" as used therein.

SECTION 8

See reference under section 3.

SECTION 9

Section 9 of the bill would amend the second paragraph of section 584 of the Tariff Act of 1930, as amended (U. S. C., title 19, sec. 1584), by enlarging the scope of the penalty imposed by that section against vessels carrying unmanifested heroin, morphine, cocaine, or isonipecaine, so as to include any drug proclaimed to be an "opiate."

