



United Nations

E/NL.1950/30-32
25 May 1950

LAWS AND REGULATIONS

PROMULGATED TO GIVE EFFECT TO THE PROVISIONS OF
THE CONVENTION OF 13 JULY 1931 FOR LIMITING
THE MANUFACTURE AND REGULATING THE DISTRIBUTION
OF NARCOTIC DRUGS
AS AMENDED BY THE PROTOCOL OF 11 DECEMBER 1946

UNITED STATES OF AMERICA

COMMUNICATED BY THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

Lake Success,
New York, 1950

Note by the Secretary-General

In accordance with Article 21 of the Convention of 13 July 1931 for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, as amended by the Protocol of 11 December 1946, the Secretary-General has the honour to communicate hereafter the texts of laws.

Original: English

TREASURY DEPARTMENT
BUREAU OF NARCOTICS
WASHINGTON 25, D. C.

GENERAL CIRCULAR NO. 178

There is enclosed for your information a copy of Public Law 320 of the 79th Congress, and a copy of T. D. 38 dated March 4, 1947, providing for delegation of authority and hearing rules, pursuant to section 1 of Public Law 320. Regulations under that portion of Public Law 320 relating to marihuana have not yet been promulgated.

It will be noted that section 1 of Public Law 320 and the regulations of T. D. 38 provide a convenient method of bringing under the Federal narcotic laws any drug, and particularly any new synthetic drug that has addiction-forming or addiction-sustaining liability similar to morphine or cocaine. A new synthetic drug the process of which was discovered in Germany, is now undergoing pharmacologic tests preparatory to production and distribution in the United States as a substitute for morphine. This drug which in Germany was tentatively named *Amidone*, and which will be introduced in the drug trade under the name of Dolophine and other trade names, appears to have a habit-sustaining liability similar to morphine and it is considered very likely that the procedure described in T. D. 38 may be invoked to cover this new drug under the Federal narcotic law.

COMMISSIONER OF NARCOTICS

March 14, 1947

Enclosure

PUBLIC LAW 320 - 79TH CONGRESS
 CHAPTER 81 - 2D SESSION
 (H. R. 2348)

AN ACT

To provide for the coverage of certain drugs under the Federal narcotic laws.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3228 of the Internal Revenue Code (containing definitions of terms used for purposes of certain provisions relating to narcotics) is amended by adding the following new subsection (f) at the end thereof:

"(f) OPIATE. - The word 'opiate' as used in this part and subchapter A of chapter 23 shall 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. The Secretary is 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 hearing authorized hereunder."

SEC. 2. Section 2550 (a) of the Internal Revenue Code (tax on certain substances) is amended by inserting after the phrase "levied, assessed, collected and paid upon opium, isonipecaine, coca leaves," the word "opiate,"

SEC. 3. Paragraphs 5 and 6 of section 2557 (b) (penalties for violations of certain provisions relating to narcotics) are hereby amended by inserting in each immediately following the words "or conspiring to sell, import, or export, opium, coca leaves, cocaine, isonipecaine," the word "opiate,;" by deleting in each the word "or" from the phrase "preparation of opium, coca leaves, cocaine, or isonipecaine," and by inserting in each immediately following such phrase the words "or opiate,".

SEC. 4. The first sentence of section 2558 (b) of the Internal Revenue Code (providing for confiscation and disposal of seized narcotics) is hereby amended by inserting immediately after the words "All opium, coca leaves, isonipecaine," the word "opiates,;" and by deleting the word "and" before the word "isonipecaine" in the phrase "all salts, derivatives, and preparations of opium, coca leaves, and isonipecaine," and inserting immediately following such phrase the words "and opiates,".

SEC. 5. Section 2565 of the Internal Revenue Code (cross-reference to definitions) is hereby amended by adding at the end thereof the following:

"OPIATE. -

"SUBSECTION (f)."

SEC. 6. The first paragraph of section 3220 of the Internal Revenue Code (occupational taxes) is hereby amended by striking out the word "or" in the phrase "gives away opium, coca leaves, or isonipecaine," and inserting immediately following such phrase the words "or opiate,".

SEC. 7. Section 1 (a) of the Narcotic Drugs Import and Export Act, as amended (U.S.C., 1940 edition, title 21, sec. 171), is amended by inserting after the phrase "The term 'narcotic drugs' means opium, coca leaves, cocaine, isonipecaine," the word "opiate,"; by deleting the word "or" from the words "preparation of opium, coca leaves, cocaine, or isonipecaine" and inserting the words "or opiate"; and by striking out the period at the end thereof and inserting the following: "; and the word 'opiate' as used herein shall have the same meaning as defined in section 3228 (f) of the Internal Revenue Code."

SEC. 8. Sections 1 and 2 of the Act of August 12, 1937, as amended, entitled "An Act to increase the punishment of second, third, and subsequent offenders against the narcotic laws" (ch. 598, 50 Stat. 627; U.S.C., 1940 edition, title 21, secs. 200 and 200a), are hereby amended by inserting in each immediately following the words "or conspiring to sell, import, or export, opium, coca leaves, cocaine, isonipecaine," the word "opiate,"; by deleting in each the word "or" from the phrase "preparation of opium, coca leaves, cocaine, or isonipecaine," and by inserting in each immediately following such phrase the words "or opiate,"; and by adding a new sentence at the end of each section to read as follows: "The word 'opiate' as used in this section shall have the same meaning as defined in section 3228 (f) of the Internal Revenue Code."

SEC. 9. The second paragraph of section 584 of the Tariff Act of 1930, as amended (U.S.C., 1940 edition, title 19, sec. 1584), is hereby amended by deleting in the first sentence the word "or" from the phrase "If any of such merchandise so found consists of heroin, morphine, cocaine, or isonipecaine," and by inserting immediately following such phrase the words "or opiate,"; and by inserting in the last sentence of the paragraph immediately following the word "isonipecaine" the word ", opiate" and inserting immediately following the reference "sections 3228 (e)" the following: ", 3228 (f)".

AMENDMENTS RELATING TO MARIHUANA

SEC. 10. (a) EXEMPTION FOR CERTAIN TRANSFERS TO MILLERS. - Section 2591 of the Internal Revenue Code is amended by adding at the end thereof a new subsection (e) to read as follows:

"(e) EXEMPTION FOR CERTAIN TRANSFERS TO MILLERS. - Nothing in this section shall apply to a transfer of the plant *Cannabis sativa* L. or any parts thereof from any person registered under section 3231 to a person who is also registered under section 3231 as a taxpayer required to pay the tax imposed by section 3230 (a) (6)."

(b) SPECIAL TAX ON MILLERS. - Section 3230 of the Internal Revenue Code is hereby amended by adding at the end of subsection (a) a new subdivision (6) to read as follows:

"(6) MILLERS. - Any person who at a mill manufactures or produces from the plant *Cannabis sativa* L. any fiber or fiber products, \$1 per year or fraction thereof during which he engages in such activities."

(c) REGISTRATION OF MILLERS. - Section 3231 of the Internal Revenue Code is hereby amended by inserting at the beginning thereof, before the word "Any" the following: "(a) IN GENERAL. -"; and by adding at the end of such section a new subsection to read as follows:

"(b) SPECIAL REQUIREMENTS FOR MILLERS. - The Secretary shall not permit the registration of any person under this section as a person required to pay the tax imposed by section

3230 (a) (6), unless in the opinion of the Secretary such person (or if a corporation, each officer thereof) is a person of good moral character and unless in the opinion of the Secretary such person is a person of suitable financial standing, intends to engage in good faith in the business of manufacturing or producing fiber or fiber products from the plant *Cannabis sativa L.* on a commercial basis, and is not seeking registration under this section for the purpose of facilitating the unlawful diversion of marihuana. Any person who is registered under this section and has paid the tax imposed by section 3230 (a) (6) shall afford agents of the Bureau of Narcotics ready access at all times to any part of the premises of the mill or other premises of such person and the right to inspect any and all books, papers, records, or documents connected with the activities of such person in dealing in, manufacturing, and processing *Cannabis sativa L.* and fiber or fiber products thereof, and the handling of marihuana. The Secretary may cancel or may refuse to renew, after notice and opportunity for hearing, the registration of any such person if he finds that such person has not complied or is not complying with the requirements of this subsection, or if he finds that grounds exist which would justify the refusal to permit the original registration of such person under this section."

Approved March 8, 1946

E/NL.1950/31

TITLE 21 - FOOD AND DRUGS
CHAPTER II - BUREAU OF NARCOTICS
DEPARTMENT OF THE TREASURY.
(T. D. No. 38)

PART 207 - DELEGATION ORDERS AND HEARING RULES UNDER THE ACT OF MARCH 8, 1946.

Sec.

207.1 Delegation of Authority, re Opiates.

207.2 Hearing - Notice

207.3 Procedural Rules.

Authority: Secs. 207.1 to 207.3 inclusive, issued under Section 1, Public Law 320, 79th Congress, (60 Stat. 38).

Sec. 207.1 *Delegation of Authority (re Opiates)* - There are hereby conferred and imposed upon the Commissioner of Narcotics, subject to the general supervision and direction of the Secretary of the Treasury, all the rights, privileges, powers and duties conferred

or imposed upon said Secretary by section 1 of Public Law 320, 79th Congress (60 Stat. 38) so far as such rights, privileges, powers and duties relate to:

(a) The conducting of any hearing to determine the addiction-forming or addiction-sustaining liability of any drug as defined in the act.

(b) The making, prescribing, and issuing, with the approval of the Secretary of the Treasury, of all necessary rules and regulations for carrying out the provisions of section 1 of Public Law 320, 79th Congress (60 Stat. 38).

Sec. 207.2 *Hearing - Notice.* (a) For the purpose of carrying out the provisions of section 1 of Public Law 320, 79th Congress (60 Stat. 38), due notice shall be given, and opportunity for a public hearing to all interested parties shall be afforded to determine whether any drug as defined in the Federal Food, Drug and Cosmetic Act (21 U.S.C. 321 (g)) has an addiction-forming or addiction-sustaining liability similar to morphine or cocaine. The Commissioner of Narcotics, hereinafter designated as the Commissioner, is authorized to conduct a hearing at a time and place to be announced in the notice.

(b) Not less than 20 days prior to the date set for a hearing, the Commissioner shall cause to be published in the Federal Register a notice setting forth the date, time and place of the proposed hearing. The notice shall also identify the drug upon which evidence will be heard to determine its addiction-forming or addiction-sustaining liability. Any person desiring to be heard on the addiction-forming or addiction-sustaining liability of the particular drug shall furnish written notice to the Commissioner of Narcotics, Washington 25, D.C., not later than 20 days from the date notice of hearing is published in the Federal Register. If no written notice of a desire to be heard shall be received by the Commissioner within such a period of 20 days, no hearing shall be held, but the Commissioner shall proceed to make a recommendation based upon the result of pharmacologic tests of the drug. This recommendation, together with a report of the results of pharmacologic tests upon which it is based, shall be transmitted promptly to the Secretary of the Treasury for a finding as to the addiction-forming or addiction-sustaining liability of the drug as compared to morphine or cocaine.

Sec. 207.3 *Procedure.* (a) If written notice of a desire to be heard is received by the Commissioner within the prescribed period of 20 days, the hearing will be held in accordance with the original notice. Evidence, both documentary and oral, will be received, and argument will be heard, on the question whether the particular drug has an addiction-forming or addiction-sustaining liability similar to morphine or cocaine, but all such evidence shall be based upon the result of pharmacologic tests of the drug.

(b) The Commissioner shall prepare a report containing the substance of all evidence adduced, including copies of documentary evidence, the arguments presented, and any briefs submitted and shall transmit the same, with his recommendation, to the Secretary of the Treasury within 30 days from the date of conclusion of the hearing. All persons who were parties to the hearing shall, at the same time, be notified of the Commissioner's recommendation.

(c) Within ten days from the date of receipt of the Commissioner's recommendation, the Secretary of the Treasury shall make his finding, and if he finds that the drug has an addiction-forming or addiction-sustaining liability similar to morphine or cocaine, he shall transmit such finding to the President for proclamation. If he finds that the drug has no

such addiction-forming or addiction-sustaining liability, he shall so notify the Commissioner who shall communicate this finding to all persons who were parties to any hearing held under this section.

Sections 207.1 to 207.3 inclusive, shall take effect on the date of publication in the Federal Register.

Acting Secretary of the Treasury

E/NL.1950/32

TREASURY DEPARTMENT
BUREAU OF NARCOTICS
WASHINGTON 25, D. C.

Registrants Mimeograph 96

July 25, 1949

TO MANUFACTURERS AND WHOLESALERS OF NARCOTIC DRUGS:

Narcotics Treasury Decision 42, approved June 29, 1949, provides that inventories of narcotic substances in the hands of manufacturers and wholesalers will be hereafter rendered annually on December 31 instead of semi-annually as heretofore. The only change in procedure effected by this Treasury Decision is to excuse Class 1 and Class 2 registrants from the June 30 inventories on Forms 163B, 168B, 810e and 811c, which have been heretofore required. Although this Treasury Decision by its terms did not become effective until July 16, 1949 when printed in the Federal Register, inventories on these forms for June 30, 1949 will not be required.

Acting Commissioner of Narcotics

Printed in U.S.A.