

LEAGUE OF NATIONS.

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Geneva, January 3rd, 1929.

TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS.

In accordance with a suggestion made in a communication by the Secretary of State of the United States of America, which was transmitted by the Netherlands Government in a letter dated 12th November, 1928, the Secretary-General of the League of Nations has the honour to communicate to the States Signatories of the Hague Opium Convention of 1912, and to the Members of the League, the attached document entitled: "Scheme for Limiting the Output of Manufactured Drugs, submitted by Mr. C.H. Crane."

LEAGUE OF NATIONS.

O.C.766.

Geneva, April 18th, 1928.

ADVISORY COMMITTEE ON TRAFFIC IN OPIUM AND
OTHER DANGEROUS DRUGS.

SCHEME FOR LIMITING THE OUTPUT OF MANUFACTURED DRUGS, SUBMITTED BY
MR. C. K. CRANE.

Forwarded by the Government of the
United States of America through
the Netherlands Government.

March 16th, 1928.

The Department of State,
Washington, D.C.

Sirs:-

There has come to the attention of the writer a plan for the control of the manufacture of the drugs derived from opium and the coca leaf that would appear to be capable of effecting a radical improvement over present conditions and that, in consequence, would seem worthy of the closest consideration.

It is not anticipated that the plan in its present form would meet with ready acceptance in every quarter, but, on the contrary, that a perfected plan could only be arrived at after it had been submitted to Governments and to the Advisory Committee on Opium of the League of Nations, and an opportunity thus created of correcting weaknesses that may at present be unforeseen.

The plan has been styled "The Scheme of Stipulated Supply". For brevity it will be referred to in this letter as "The Scheme".

The League of Nations, through certain of its organisms, has determined figures which are generally recognised to represent with reasonable accuracy the world's average per capita per annum requirements of manufactured drugs - in terms of their totalled raw material equivalents. While these figures are not applicable to all countries individually owing to the somewhat differing conditions recognised to prevail, their existence nevertheless makes it possible to detect any glaring discrepancies between the approximate legitimate requirements of any country, and what that country might either wilfully or unwittingly mis-state its requirements to be.

The above circumstances are important to the Scheme, for while the non-manufacturing countries would still, under the Scheme, be completely free to receive whatever quantities of drugs they might demand, nevertheless any inordinate demands would have to reckon with the adverse world sentiment thereby created.

Essentially the Scheme would necessitate the undertaking of but two new Commitments, the latter of which constitutes its entirely novel feature. It would be required of adhering countries, through established channels to the League's Opium Committee:-

- A. To notify in advance, for a determined period, their requirements of each of those substances derived from opium and the coca leaf that now are, or in the future may be, covered by either the Hague Convention or the Geneva Convention.

B. To state from which country they will purchase those requirements.

I. The information resulting from the above procedure would automatically disclose the volume of the legitimate markets of each country which manufacture and/or re-exports narcotic drugs.

In neither the Hague Convention nor the Geneva Convention is there any indication as to the amounts to which the different manufacturing countries are to limit manufacture for home use plus export.

Furthermore, in so far as either Convention is concerned, every drug manufacturer is free to compete for the trade of all the world's non-manufacturing countries.

It will be seen that these weaknesses would be overcome by the Scheme.

II. The effectiveness with which the Scheme would solve the hitherto extremely knotty problem of equitably apportioning the manufacturers' export trade would appear to be sufficiently self-evident to make comment unnecessary.

III. The Scheme would automatically effect that collective action by all the manufacturing countries which is so highly essential to any plan for limiting the manufacture of drugs.

There is nothing in either the Hague Convention or the Geneva Convention to indicate that the pledges therein undertaken (~~as~~ regards limitation of manufacture) are more than pledges of individual action only.

IV. The Scheme is believed to conform juridically with both Conventions since, while ingeniously effecting the essential collective action, it does not actually require countries to commit themselves specifically to more than the present individual action.

V. It is believed that the sovereign rights of countries would in no way be jeopardized, since each country would have entire freedom both to determine the extent of its requirements as well as to designate the country from which those requirements would be purchased.

VI. The objection may be raised that the Scheme does not, in respect to manufacturing countries, automatically prevent their factories from producing an excess of drugs over the requirements of such countries for their internal use plus the pre-determined export.

However, it may be assumed that the Governments of none of the nine or ten highly organized countries in which drugs are manufactured would connive with their manufacturers to the extent of permitting such over-production; rather, that they would see to it that the importation of raw materials was restricted to the amounts necessary for the known legitimate manufacture only - which indeed was one of the three purposes for which the Second Geneva Conference was called.

VII. If the accuracy of the assumptions just preceding is granted and provided it might be possible to reach an agreement that the requirements of all substances derived from opium and the coca leaf be notified to the League's Opium Committee (and not only those drugs that are covered by the Conventions, as the Scheme essentially requires), it is difficult to see where the

factories would obtain the narcotic ingredients necessary in the manufacture of those drugs (of which Benzoyl-morphine and Benzoyl-ecgonine are notable examples), whose *raison d'être* is largely if not wholly due to the ease with which they can be converted from their status of immunity under the Conventions, back into habit-forming drugs destined for the illicit traffic once they have passed international frontiers.

VIII. It is held that this Scheme, which aims at a reduction to legitimate dimensions of the output of manufactured narcotic drugs, is more basic in its scope than any measures which aim at a more efficient control of the traffic in those drugs.

While it is appreciated that adequate control measures will always be necessary, the task of control, under the Scheme and with the resulting existence in the world of only its legitimate requirements of drugs, would certainly be far simpler than is control under present conditions.

In weighing the advantages of the Scheme with those of any control measures, however efficient, the marked relative simplicity of the Scheme must not be lost sight of, nor the corresponding ease with which it should be possible to secure its adoption by at least a great many of the world's countries.

IX. The possibility is recognised of a "pirate" factory being set up in some country that had not adhered to the Scheme. While this possibility undoubtedly constitutes a weakness of the Scheme, a strong weapon to counteract such a situation would be the bringing to bear on the recalcitrant country of economic pressure - or even an economic boycott, to the extent of holding up as suspect and subject to exhaustive search the commodities of every description that were being imported from the offending country. The innocent exporters of innocuous and often perishable

commodities would soon tire of such a situation and demand that the many should not suffer for the few.

X. Non-manufacturing countries that might be reluctant to adhere to the Scheme, for whatever reasons, would appear to have recourse only to purchasing their supplies from an "outside" country such as described above or, alternatively, manufacturing their own supplies.

XI. Under conditions where manufacturers might wish to avail themselves of advantageous raw material markets to the extent of, as a result, receiving raw materials in excess of those necessary for their known legitimate drug orders, such purchases might be permitted if it were insured that the temporary surplus was placed under special and direct storage of the Government of the country in which the factory or factories concerned were located.

XII. The provisions of the Hague Convention and the Geneva Convention which aim at limitation of manufacture in no way provide penalties for the non-execution of the commitments undertaken. While direct penalties would, under the Scheme, still not be possible, nevertheless, owing to the fact that all transactions would of necessity be much more in the open, the greater publicity that would therefore result would, it would seem, act as a not inappreciable deterrent to illicit production.

It has been only through correspondence that the writer has learned of the Scheme, with which he consequently does not profess to have complete familiarity.

It is hoped that the State Department may find appropriate means of giving very early and thorough publicity to the Scheme.

(Signed) C.K. CRANE.

LEAGUE OF NATIONS.

O.C.766 (-).

Geneva, October 29th, 1928.

ADVISORY COMMITTEE ON TRAFFIC IN OPIUM AND OTHER
DANGEROUS DRUGS.

SCHEME FOR THE LIMITATION OF MANUFACTURED DRUGS.

Letter from Mr. C.K. Crane.

Los Angeles, September 27th, 1928

To the Secretariat of the
Advisory Committee on Opium.

Sirs,

Last spring I had a letter from an American correspondent who was at the time in Geneva attending the 11th Session of the Advisory Committee on Opium. My correspondent referred to the Scheme of Stipulated Supply as that Scheme is described in League Document O.C.766, as being "what is called the Crane Plan".

While the document makes it quite clear that the Scheme was not devised by me, it has occurred to me that the present is perhaps an appropriate time to say, with his permission, that the Scheme was as a matter of fact devised by Monsieur A.E. Blanco of Geneva.

I note that the Advisory Committee on Opium gave as its reason for not discussing the Scheme at the Committee's session of last April, that I, as sponsor of it, had stated that I was not entirely familiar with it. While that is the case, the Committee can no doubt, if it so chooses, look to Monsieur Blanco for further elucidation of the Scheme.

(Signed) C.K. CRANE.