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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13665
Folder ID Number: 13665-005

Folder Title:
Seventh International Drug Enforcement Conference 4/27/89 [OA 6263] [1]

Stack:	Row:	Section:	Shelf:	Position:
G	26	18	7	6

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Telegram	U.S. Embassy, Bogota to U.S. Embassy, Mexico City, Re: counter-narcotics operations. (3 pp.)	03/04/89	(b)(1), (b)(7)(e), (b)(7)(f)	C

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: Seventh International Drug Enforcement Conference [1]

Pinksheet Number: RML1441
OA/ID Number: 13665-005
Date Closed: 9/24/2004
FOIA/Sys Case #: S
Re-review Case #: 2004-2265-S
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

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File Location: Seventh International Drug Enforcement Conference [1]

Date Closed: 9/24/2004	OA/ID Number: 13665-005
FOIA/SYS Case #: S	Appeal Case #:
Re-review Case #: 2004-2265-S	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Freedom of Information Act (FOIA) - [5 U.S.C. 552(b)]

- (b)(1) National security classified information
- (b)(2) Release would disclose internal personnel rules and practices of an agency
- (b)(3) Release would violate a Federal statute
- (b)(4) Release would disclose trade secrets or confidential or financial information
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy
- (b)(7) Release would disclose information compiled for law enforcement purposes
- (b)(8) Release would disclose information concerning the regulation of financial institutions
- (b)(9) Release would disclose geological or geophysical information concerning wells

Deed of Gift Restrictions

- C(1) Closed by Executive Order 13526, governing access to national security information
- C(2) Closed by statute or by the agency which originated the information
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- PRM. Removed as a personal record misfile

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

Americas

(McNally/Dooley)
April 21, 1989
2:00 p.m.
Draft two
(IDEC)

PRESIDENTIAL REMARKS: INT'L DRUG ENFORCEMENT CONFERENCE
MARRIOTT HOTEL, MIAMI, FLORIDA
THURSDAY, APRIL 27, 1989
9:00 A.M.

((PAUSE)) "This scourge will stop."

((PAUSE)) Those were the words with which I opened my presidency. And it is the continuation of that promise that brings me to Miami today.

Inaug
Address
1/20/89

((PAUSE)) Good morning. I am honored to be here to talk with you. And I am thankful to Jack Lawn and the distinguished enforcement chiefs who have come from throughout the Americas -- along with our friends and observers from Europe -- to join forces in a new tradition of international cooperation.

IDEC
schedule

I am here today to talk about war. First, to see cocaine trafficking for what it is: an attack aimed at enslaving and exploiting the weak. Second, to confront what's become a World War. And third -- I hope -- to help end a nasty chapter in the annals of chemical warfare.

(particularly)

America's Civil War was our worst and bloodiest. It came in a century when slavery was the scourge of the Americas, a struggle of good and evil, in which some sought to enrich themselves by enslaving the most downtrodden of their countrymen.

Americas

Today the scourge of this hemisphere is called cocaine.

In the 19th cent the scourge of the Am's was slavery. A struggle of good & evil, in which some...

As commanding officers, you know the havoc of which we speak. You see it every day on the streets of your cities and in mountain villages, in the haunted eyes and broken dreams of a generation of youth -- of children -- who have fallen victim to a seductive, nightmarish new form of dependency and slavery.

IDECC Conference Schedule
all ~~law~~ Enforcement officers

Our countries have suffered a terrible toll, many far worse than the United States. Drug trafficking is called the world's second most dangerous profession. The most dangerous is yours -- drug enforcement.

Ed

Earlier this year, I had a glimpse of what must be all too familiar to many of you. I joined Mrs. Everett Hatcher to grieve the death of her husband, a veteran DEA agent who was executed by cocaine cowards in the back streets of New York. A woman of considerable dignity, she put responsibility for Hatch's death squarely on those once naively excused as "casual" users of cocaine.

DEA Speech 3/9/89

Ed

Well, these users can no longer claim non-combatant status. There's blood on their hands. And -- thanks in part to the demand-side programs like those you'll hear about later this morning -- this message has begun to sear the consciences of the stockbrokers and students, the lawyers and the homemakers and athletes who finance our common enemy.

Jim Milford-DEA
10:35-11:55
IDECC
Schedule -
working gip.
repts. on
demand
reduction
10:30a.m

There are many ironies. Drug addiction does not discriminate against a person because of race, religion or financial status. It's the great equalizer, snaring sons and daughters of the rich, the poor, the middle class.

Sometimes the opposite occurs, and kingpins are reduced to paupers. The opulence of Carlos Lehder's lifestyle is but memory now as he begins his journey to the grave -- life without parole -- in an Illinois penitentiary. Mexico's notorious Felix Gallardo -- once boasting of his power and wealth -- is also behind bars. Stripped of blood money, they are nobodies, no longer the stuff of myth.

Your business, then -- our business -- is to pursue these outlaws to the ends of the earth. To create a world without refuge, to leave no sanctuary, in your countries or in mine.

I've said it before: The war on drugs is no metaphor. We've been slower to recognize that it is also a World War, leaving no nation unscathed, one in which Hong Kong bankers, Bolivian growers, Middle Eastern couriers and West Coast wholesalers all play insidious roles. It is especially acute in this hemisphere, where an explosive cycle of drugs, dependency and dollars has escalated clear out of control.

The time for blame is behind us. For too long, a sharp divide has been drawn between "producing" and "consuming" nations. Well, "denial" is a natural part of human nature, and probably part of a country's nature as well. But let's face it. Americans cannot blame the Andean peoples for our voracious appetite for drugs. Ultimately, the solution to the U.S. drug problem lies within our own borders -- stepped up enforcement, education and treatment.

Ed
NEXIS

JIM
MILFORD -
DEA
633-1185

Ed

And our Latin American cousins cannot blame the United States for the voracious greed of the drug traffickers who control small empires at home. Ultimately, the solution to that problem lies within your borders.

And yet, good neighbors must stand together. A World War must be met in kind. And so today, as this historic conference concludes, I present you with an invitation that we ask be conveyed to your respective capitals. Just as you have gathered on seven occasions for IDEC, I ask that the leaders of the Americas join me in a special summit to address the scourge of our times. I have asked America's new Drug Czar, William Bennett, to organize such a Summit before the year is out.

Jim announcing today that

Tell

IDEC demonstrates that we will put aside national differences to do what must be done. Together you have put cartels out of business, reduced the supply of ~~powder~~ *cocaine*, and, increasingly, educated our children about the dangers of drug use and trafficking. I commend Jack Lawn, and each of you, for having the foresight to establish this organization and for demonstrating the collective commitment to work together.

*Jim Milford
DEA
633-1185*

I've spoken often on the horrors of chemical warfare. Well, chemical abuse is also chemical warfare. Poisoning our streets. As deadly as mustard gas. And today we're opening a new campaign to rid the world of these toxins.

] *★*

It starts in an unlikely source country. We're standing in it. The source country is America. That's right -- America.

*IDEC
Jim
Tell*

The United States is the world's leading producer of three of the key chemicals needed to produce cocaine.

Now, American chemical companies are justly proud of their products that vastly improve and extend life here and abroad. But few Americans are aware that swollen barrels of dangerous U.S. chemicals -- clearly marked with American corporate logos -- are routinely seized in the jungles of Colombia. To paraphrase Madison Avenue, and to state a simple fact: Without these chemicals, cocaine itself would be impossible.

IDEC held a panel discussion on this Tuesday. Those gathered here understand its importance. Traffickers have hit us where it hurts. Now we're going to exploit their vulnerabilities, crimping the flow of the chemicals without which they cannot produce.

We know it works in the field. Many of you participated in the "IDEC Six" operations last August, when the combined efforts of 30 nations saw the seizure of 155,000 pounds of highly flammable ether, almost 450,000 pounds of acetone, over 50,000 pounds of hydrochloric acid and nearly 14,000 pounds of MEK.

This past January, Colombian anti-narcotics officers under General Munoz-Sanabria -- who I understand is here today -- congratulations, General -- destroyed 25 cocaine laboratories and enough chemicals to make approximately 88 metric tons of cocaine.

The damage that's done when 88 tons of coke hits America's streets is pretty obvious. What's not so well understood is the widespread environmental damage that America's precursor

Intl. Trade Commission report from Curoas Co. - Gene Naistip - DE 633-1172

Gene Naistip DEA 633-1172 Jim Milford DEA 633-1185

Ken Thompson State 647-6604

Catherine Shaw State Dept. INM 647-6931

State Dept. draft Jim Milford DEA 633-1185

Gene Naistip DEA 633-1172

5-6,000 kilos a wk.

2EA figo
Gene
144,840
potassium permanganate
1.4 million lbs.
34,150 lbs. sulfuric acid

444,840

50,327

13,627

1,107,051 lbs acetone / 525,000 lbs MEK / 819,085 sulfuric acid
~~107~~ 207,900 per. perm. / 1102,000 ethyl ether

613-2535

NXC + Walters

mention that producers dump it

chemicals wreak on the rain forests of the Amazon basin. Peru's Upper Huallaga ((WHY-AH-GA)) Valley is awash in U.S.-made chemicals. Countless acres are barren. Today once-blue waters run yellow, and local villagers are left to bathe in the toxic soup. Any manufacturers concerned about the legacy of defoliation in Vietnam ought to go see what their diverted chemicals are doing to the Andes today.

Jim Milford
DEA
633-1185

Nor are these chemical timebombs unique to South America. The problem here is so severe that last year's drug bill provided \$ ___ million for the Environmental Protection Agency to clean up hazardous waste at clandestine U.S. drug labs.

Tell

In January, DEA Task Force agents busted a heavily armed houseboat lab on California's Sacramento River. The lab had been dumping hydrochloric acid and other raw waste directly into the water, within splashing distance of swimming kids and within casting distance of those fishing for salmon and stripers.

DEA teletype report - case # R7-89-1044

Brenda Heng - Sacramento DEA Agent

Whether at home or abroad, we're not about to let the proud label "Made in the USA" become a badge of shame. Today, I pledge to you that the United States will lead the fight against illicit shipments of precursor chemicals. And I have asked the Attorney General to take a principle role in this new effort.

By and large, the chemical industry has supported us. As a result of last year's Omnibus Drug law regulations are now being drafted to tighten controls on the chemicals needed to refine cocaine. And we are dedicating the resources necessary to the task. Whatever needs to be done, will be done.

Chem Diversion & Trafficking Act 1988

Jim Milford
DEA
633-1185

We also commend those governments, like Colombia and Venezuela, that have already adopted strict chemical controls. And we urge other nations to do so quickly -- as well as to approve the landmark UN Convention on precursor chemicals.

Many U.S. companies, including some chemical companies, have long recognized how drug abuse threatens productivity, corporate image and, ultimately, profits. Many in the American corporate community have donated countless hours and millions of dollars to stopping drug abuse. My son Jeb talks about the successful "Business Against Drugs" program here in Miami. The American people are proud of these efforts, and grateful.

But the industry must do more. And I hope that parents groups and stockholders are listening today. We should reward responsible corporations. And not do business with those who -- as of today's warning shots -- permit their chemicals to end up in criminal hands.

We would like to see U.S. chemical manufacturers demonstrate their courage and civic responsibility by entering into a true partnership with our government as we try to stop narcotics at the source. Perhaps you've seen the advertisements of one such company, encouraging idealistic young Americans to sign on because it "lets you do great things." Well, these companies have the potential answers to a big part of our nation's drug problem. They should make it their job to provide them. No one -- not parents, not churches, not bankers -- and certainly not chemical makers -- can afford to be AWOL in the war on drugs.

Gene Hartup
DEA
633-1172
Jim Milford
DEA
633-1185
Centre

Jeb Bush

1600 P
X
Jeb

TRANSFER SHEET
BUSH PRESIDENTIAL MATERIALS PROJECT

COLLECTION Bush Presidential Records--
Office of Speechwriting--
Speech File - Backup

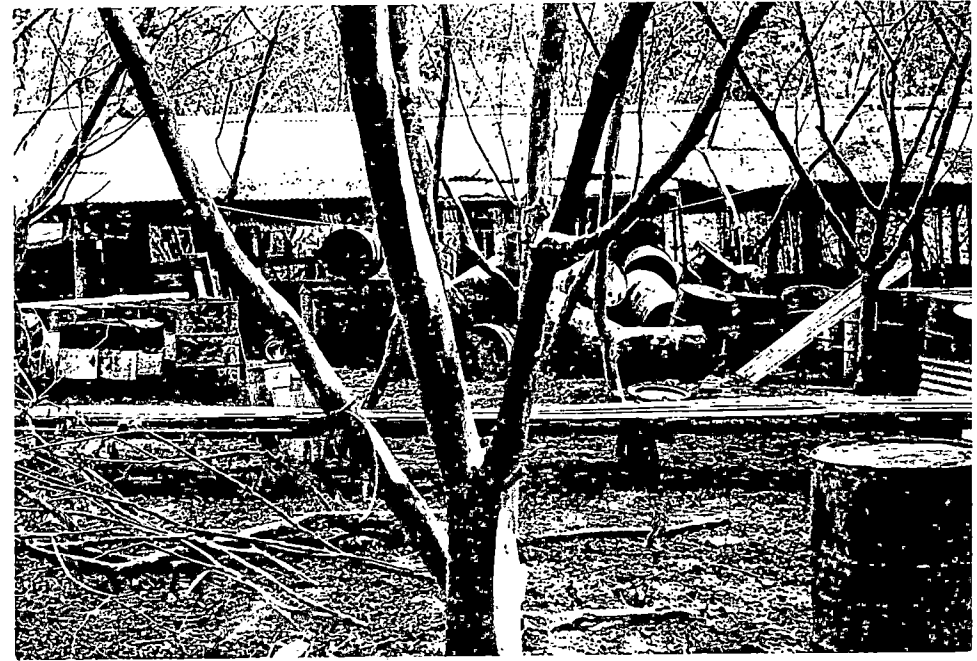
ACC.NO: 93-01

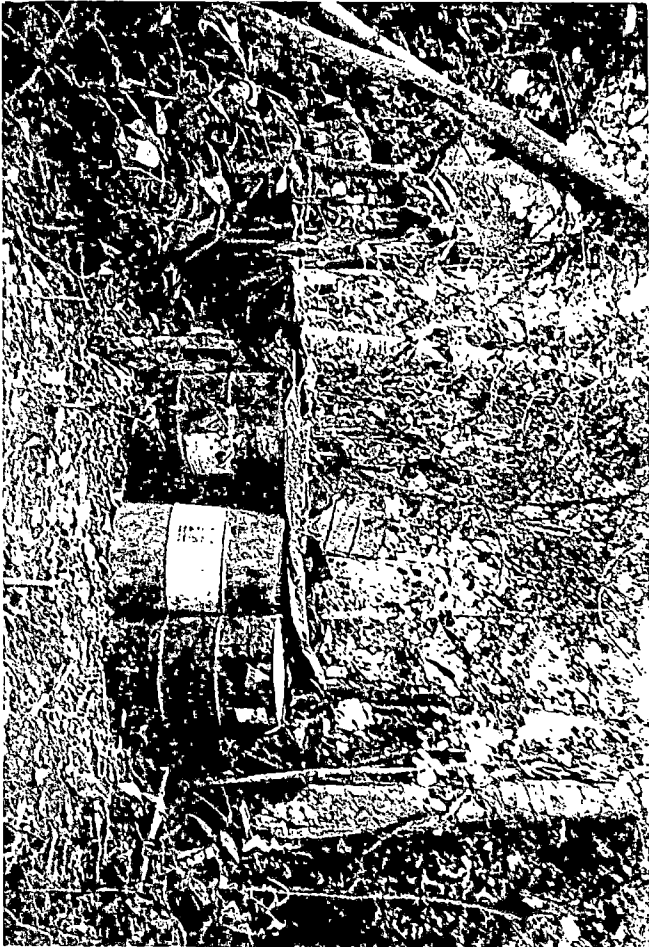
The following material was withdrawn from this segment of the collection and transferred to the X AUDIOVISUAL COLLECTION
 BOOK COLLECTION MUSEUM COLLECTION

OTHER (SPECIFY: _____)

DESCRIPTION: 6 color photos of illegal dumping of barrels filled with toxic materials

SERIES Office of Speechwriting Speech File - Backup	BOX NO. 11
FILE FOLDER TITLE: Seventh International Drug Enforcement Conference [1] 4/27/89 [OA 6263]	
TRANSFERRED BY: JGP	DATE OF TRANSFER: 6/10/96
RECEIVED BY: <i>Mary Lynch</i>	DATE RECEIVED 6/10/96







THE WHITE HOUSE

Office of the Press Secretary
(Miami, Florida)

For Immediate Release

April 27, 1989

REMARKS BY THE PRESIDENT
TO INTERNATIONAL DRUG ENFORCEMENT CONFERENCE

Biscayne Bay Marriott Hotel
Miami, Florida

9:55 A.M. EDT

THE PRESIDENT: Thank you, ladies and gentlemen, thank you very much. Thank you, Mr. Attorney General. Please be seated. And let me, at the outset, pay my respects to Governor Martinez, the Governor of Florida who's with me here today, with all of us here; and Senator Mack, Senator Connie Mack, vitally interested, as is the Governor, in the war against drugs. And, of course, my great respects to the Attorney General, who is taking a very prominent leadership role in this common fight. And it's a pleasure to see out of Alaska for a change the Commandant of the Coast Guard Paul Yost, who is doing an outstanding job half a world away up there in Alaska, but whose organization is doing such a superb job for the United States in this whole concept of interdiction. And so we have a distinguished group here.

"This scourge will stop." Those were the words that Dick alluded to -- those were the words with which I opened my presidency. And it's the continuation of that promise that brings me to Miami today. And I am honored to be here to talk with you. And I am very grateful to Jack Lawn and the -- whose head of the, as you all know, head of the DEA -- and the other distinguished enforcement chiefs who have come throughout the Americas -- along with our friends and observers from Europe -- to join forces in a new tradition of international cooperation.

And I had a visit just a second ago with Jack -- just took a minute, but he was filling me in on his hopes for this conference and telling me of the cooperation that his organization was receiving from all of you. And so let me, at the outset, say thank you.

I'm here today to talk about war. First, to see cocaine trafficking for what it is: an attack aimed at enslaving and exploiting the weak. Second, to confront what's become a world war. And third -- I hope -- to help end a nasty chapter in that war -- the diversion of precursor chemicals.

In the 19th century, the scourge of the Americas was slavery. A struggle of good and evil, in which some sought to enrich themselves by enslaving the most downtrodden of their countrymen. Today the scourge of this hemisphere is called cocaine. As commanding officers, you know the havoc of which we speak. You see it every day on the streets of your cities and in mountain villages, in the haunted eyes and the broken dreams of a generation of youth -- of children -- who have fallen victim to a seductive, nightmarish new form of dependency and slavery. Our countries have suffered a terrible toll, many far worse than the United States.

Drug traffic is called the world's second most dangerous profession. The most dangerous really is yours -- law enforcement; drug enforcement.

Earlier this year, I had a glimpse of what must be all too familiar to many of you sitting around this table. I joined Mrs. Everett Hatcher to grieve for the death of her husband, a veteran DEA

MORE

agent who was executed by cocaine cowards in the back streets of New York. A woman of considerable dignity, she put responsibility for Mr. Hatcher's death squarely on those once naively excused as "casual" users of cocaine.

Well, cocaine users can no longer claim noncombatant status. There is blood on their hands. And thanks in part to the demand-side programs like those you're going to be talking about later this morning, this message has begun to sear the consciences of the stockbrokers and the students, the lawyers and the homemakers and the athletes who finance our common enemy.

There are many ironies. Drug addiction does not discriminate against a person because of race, religion or financial status. It's the great equalizer, snaring sons and daughters of the rich, the poor, the middle class.

Sometimes the opposite occurs and kingpins are reduced to paupers. The opulence of Carlos Lehder's lifestyle is but memory now as he begins his journey to the grave -- life without parole -- in an Illinois penitentiary. The notorious Felix Gallardo -- once boasting of his power and wealth -- is also behind bars in Mexico. Stripped of blood money, they are nobodies, no longer the stuff of myth.

Your business, then -- our business -- is to pursue these outlaws to the ends of the Earth. To create a world without refuge, to leave no sanctuary, in your countries or in mine.

And I've said it before -- the war on drugs is no metaphor. The war on drugs is no metaphor. We've been slower to recognize that it is also a world war, leaving no nation unscathed, one in which Hong Kong bankers and Bolivian growers and Middle Eastern couriers and West Coast wholesalers all play insidious roles. And it is especially acute in this hemisphere, where an explosive cycle of drugs, dependency and dollars has escalated clear out of control.

The time for blame, the time for assigning blame is behind us. For too long, a sharp divide has been drawn between "producing" and "consuming" nations. Well, denial is a natural part of human nature, and probably part of a country's nature as well. But let's face it. Americans cannot blame the Andean nations for our voracious appetite for drugs. Ultimately, the solution to the United States drug problem lies within our own borders -- stepped up enforcement. But education and treatment as well.

And our Latin American cousins cannot blame the United States for the voracious greed of the drug traffickers who control small empires at home. Ultimately, the solution to that problem lies within your borders.

And yet, good neighbors must stand together. A world war must be met in kind. And so today, as this conference winds down and concludes, we are presented with an historic opportunity.

Allies in any war must consult -- as partners. And just as you have gathered on seven occasions for IDEC, I ask that the leaders of the Western Hemisphere, whose nations are afflicted by this scourge, join with me to work together toward a hemispheric compact on drugs -- a mutual commitment of resources and energy to ensure a brighter day for the children of America. And I mean by that all the Americas. And I have directed that our nation's new drug czar, William Bennett, take the lead in coordinating this vital initiative.

IDEC demonstrates that we will put aside national differences to do what must be done. And together you have put cartels out of business, reduced the supply of cocaine and, increasingly, educated our children about the dangers of drug use and trafficking. And I do commend Jack Lawn, and each of you, for having

the foresight to establish this organization and for demonstrating the collective commitment to work together.

I've spoken often of the horrors of chemical warfare. Well, chemical abuse is also chemical warfare. Poisoning our streets. As deadly as mustard gas. And today we're opening a new campaign to rid the world of these toxics.

We're going to start right here -- in the United States, because all too often that's the original source of the basic industrial chemicals needed to produce cocaine. Now, U.S. chemical companies are justly proud of their products that vastly improve and help to extend life here and abroad. But few Americans are aware that illegally diverted barrels of dangerous chemicals -- clearly marked with U.S. corporate logos -- are routinely seized in the jungles of Colombia.

IDEC held a panel discussion on this Tuesday. And those gathered here, you understand its importance. Traffickers have hit us where it hurts. And now we're going to exploit their vulnerabilities, crimping the flow of the materials without which they cannot produce. No chemicals, no cocaine.

We know it works in the field. Many of you participated in "IDEC Six," the operations last August, when the combined efforts of 30 nations saw the seizure of 155,000 pounds of highly flammable ether, almost 450,000 pounds of acetone, over 50,000 pounds of hydrochloric acid and nearly 14,000 pounds of MEK.

This past January, Colombian antinarcotics officers under General Munoz-Sanabria -- who I understand is here today. Is he? I hope. Congratulations, General, for that, and thank you for what you're doing for all of us in that regard. (Applause.) They destroyed 25 cocaine laboratories and enough chemicals to make approximately 88 metric tons of cocaine.

The damage that's done when 88 tons of cocaine hits United States streets is pretty obvious. What's not so well understood is the widespread environmental damage that precursor chemicals wreak when they are dumped in the forests of the Amazon Basin. One of today's delegates, the Director of Narcotics Enforcement for Peru's National Police, has told the DEA that as much as 175,000 pounds of sulfuric acid is dropped into the tributaries of the Upper Huallaga Valley each year.

And anyone concerned about the legacy of defoliation in Southeast Asia ought to go see what illegally diverted chemicals are beginning to do to the Andes right now. Nor are these chemical timebombs unique to South America. The problem here is so severe that last year's drug bill authorized funds for the Environmental Protection Agency to clean up hazardous waste at clandestine U.S. drug labs.

In January, DEA Task Force agents busted a heavily armed houseboat located on California's Sacramento River. And the lab -- here it was, right on the Sacramento River -- had been dumping hydrochloric acid and other raw waste directly into the water, within splashing distance of swimming kids and within casting distance of those out there fishing for salmon, or stripers, or whatever. And so today, I pledge to you that the United States will lead the fight against illicit shipments of precursor chemicals. And I have asked Dick Thornburgh, our able Attorney General, to take a principal role in this new effort.

By and large, the chemical industry has supported us. Let's be clear, we have been getting good support from most of the chemical industry. And as a result of last year's Omnibus Drug Law, regulations are now being drafted to tighten controls on the chemicals needed to refine cocaine. And we are dedicating the resources necessary to the task. Whatever needs to be done will be

done.

Of course, unilateral action by us is not going to solve this problem. And that's why we commend those governments, like Venezuela and Colombia, that have already adopted strict chemical controls. And we urge other nations to do so quickly -- as well as to approve the landmark U.N. Convention, which includes precursor chemical controls.

You know, many U.S. companies, including some chemical companies, have long recognized how drug abuse threatens productivity, corporate image and, ultimately, profits. And many in the American corporate community have donated countless hours and millions of dollars to stopping drug abuse. My Miami son, our son living here in Miami, Jeb, talks about the successful "Business Against Drugs" program right here in Miami. The American people are proud of these efforts, and I can tell you, our visitors from other countries that -- breaking out all across this country are new such efforts -- efforts by civilians, just plain concerned parents, others all around our country beginning to come together in their communities to join in this fight.

Industry has got to do more. And I hope that parents' groups and stockholders are listening today. We should demand that United States corporations act responsibly, and that they not tolerate their chemicals ending up in criminal hands.

We would like to see U.S. chemical manufacturers demonstrate their courage and civic responsibility by entering into a true partnership with our government as we try to stop narcotics at the source. These companies can make an important contribution to our nation's fight against illegal drugs. They should make it their job to join in. No one -- not parents, not churches, not bankers -- and certainly not chemical makers -- can afford to be AWOL in the war on drugs.

With so many cultures represented right here in this room, it is inevitable that there are going to be differences. But we share at least one compelling experience. Wherever you call home -- Bonn or Bogota or Boston -- people around the world are beginning to hear the cries of the kids, the cries of our children, pleading with us to stop drugs.

Here in Miami last month one elementary teacher told of a writing assignment that she gave to her sixth-grade kids in school. The topic was, "If I Were In Charge Of The World." And every single one of those 36 children, those sixth-graders, wrote that they would get rid of drugs if they were in charge of the world. They'd get rid of those people who are breaking the law and they would put more effective policemen on the streets.

My favorite speechwriter -- I don't know how well-known he is in some of your countries, but he's well-known here -- is a baseball great named Yogi Berra. And he's been kidded for describing the 1969 Mets as "overwhelming underdogs." Well, maybe that's not such a bad description for the good guys in the fight against drugs. Sure, tough challenges remain. But the children are with us and the times are beginning to change -- and Yogi's underdogs did win the World Series.

So thank you for joining us here today; thank you all for coming to the United States. And please tell your leaders, your presidents, whoever else you need to have involved that we are anxious to work with them. God bless you. And Godspeed in your noble work to save the children of the world. Thank you all very, very much. (Applause.)

END

10:15 A.M. EDT

THE WHITE HOUSE

WASHINGTON

April 28, 1989

INFORMATION

MEMORANDUM FOR ANDREW H. CARD, JR.

FROM: EDWARD E. McNALLY *JW*

SUBJECT: TALKING POINTS ON CHEMICAL DIVERSION

- o In his recent remarks, the President emphasized that:
 - "U.S. chemical companies are justly proud of their products that vastly improve and help to extend life here and abroad."
 - "By and large, the chemical industry has supported [government efforts to reduce chemical diversion]."
 - "Unilateral action by us is not going to solve this problem."
 - He did not just single out chemical companies, but noted that "other nations," "bankers," "churches," "concerned parents" and others all had to do their part.
- o On February 20, 1989, Time reported on "The Chemical Connection" -- replete with a photograph of Dow chemical barrels seized at a jungle drug lab in South America. Time reported that:
 - "[t]he drug trade is a two way street" in which "the drug-consumer nations...[provide] vital raw ingredients for the scourge...that they often blame exclusively on coke-producing countries."
 - The "contraband" seized in February's landmark "Operation Primavera (referred to by the President) included containers marked with the logos of Dow Chemical Co. and Union Chemical Corp."
- o According to DEA, 15 renegade U.S. chemical distributors have recently been put out of business for illegally supplying industrial chemicals to "hundreds" of clandestine

drug laboratories in the United States.

DEA's "Operation Origination" resulted in the seizure of \$17 million in assets, including:

- RJM Laboratories, San Diego, California
- Burrito Brothers Chemical Co., Fort Worth, Texas

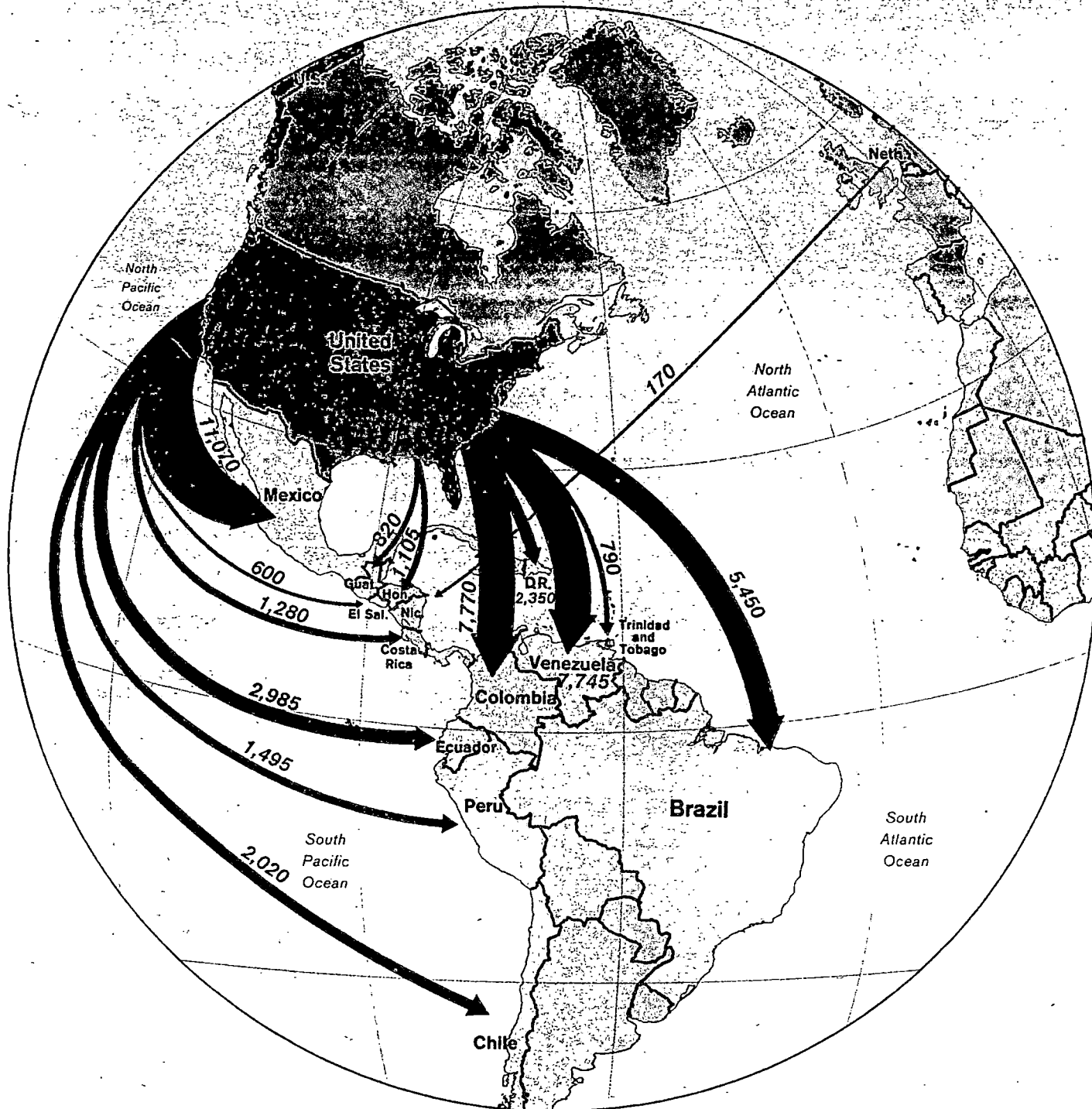
[Source: Michael McKinnon, Chief, DEA Dangerous Drugs Investigations Section]

- o Moreover, the U.S. produces approximately 60% of all chemicals worldwide, and ranks number one or two in production of three of the key chemicals needed to refine cocaine (MEK, Toluene, and potassium permanganate).
- o U.S. exports approximately 80% of all MEK (Methyl Ethyl Ketone) global shipments to Latin America.
- o U.S. exports approximately 90% of all Acetone (also a key cocaine precursor) global shipments to Latin America.
- o In the last two years, the U.S. has exported over 10,000 metric tons of MEK to Colombia. But a study of that nation's industrial requirements concluded that there was no legitimate need for MEK in Colombia.
- o Additional U.S. precursor chemical production and export data -- as well as information on the record chemical seizures in Operation Primavera -- is attached.

cc: David Demarest
Chriss Winston
Alixé Glen

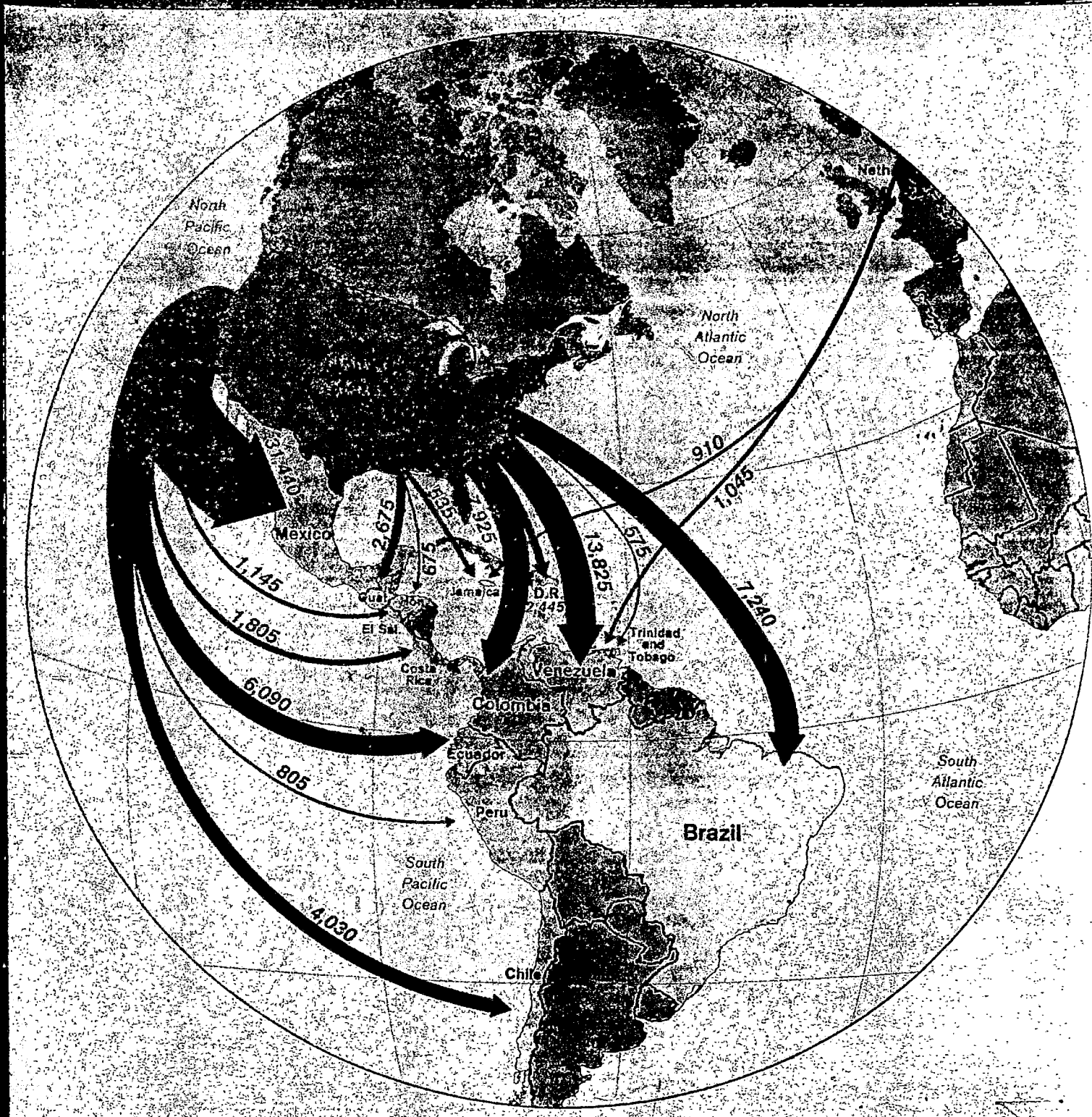
Latin America: Major Ether Deliveries, 1986

Metric tons



D.R.-Dominican Republic

Boundary representation is not necessarily authoritative.



D.R.-Dominican Republic

Boundary representation is not necessarily authoritative

Production data

- U. S. produces 60% of all chemicals worldwide
- U. S. ranks number one in world production of Methyl Ethyl Ketone
- U. S. ranks number two in world production of Toluene
- U. S. ranks number two in world production of potassium permanganate

Export data

- U. S. exports 80% of all Methyl Ethyl Ketone global shipments to Latin America
- U. S. exports 90% of all Acetone global shipments to Latin America
- U. S. exported 972,551 pounds of Ethyl Ether to Colombia in 1983. Colombia passed a law requiring import certificate in 1984. Exports of Ethyl Ether decreased from 1984 to 1987. In 1987 the U. S. only exported 2,442 pounds of Ethyl Ether to Colombia, a decrease of 39,826% from 1983 to 1987.

As a result of the Colombian law and reduction of the availability of the essential chemical, Ethyl Ether, the following increase in the U. S. export of the substitute chemical, Methyl Ethyl Ketone is documented below:

- Methyl Ethyl Ketone, mixed with Toluene and Ethyl Acetate is used by traffickers as a substitute for Ethyl Ether
 - U. S. exported 3,164 Metric Tons of Methyl Ethyl Ketone to Colombia in 1983. 1987 exports of this chemical show an increase of nearly 100%, 5,230 Metric Tons.
 - Projected 1988 Methyl Ethyl Ketone exports to Colombia are expected to remain approximately the same as 1987.
- Imports of Methyl Ethyl Ketone into Colombia in the last two years have increased by approximately 500% (according to Colombian Law Enforcement Official).
~~Colombia's industrial requirements conclude that there was no real need for Ethyl Ether in Colombia~~
- U. S. exported 601.9 Metric Tons of Methyl Ethyl Ketone to Peru in 1987. Peruvian government officials attempted to verify this figure. Peru documented 529 Metric Tons Methyl

Ethyl Ketone imports from the U. S. This represents a discrepancy of 72 Metric Tons not reported by Peruvian importers.

Same trend in Peru occurred for imports of Toluene in Peru on a smaller scale. Exact figures not available. It is estimated that import totals to Peru for 1988 for Methyl Ethyl Ketone and Toluene will increase by approximately 10%

- In 1988, the U. S. exported to Latin America a combined total of 59,568 Metric Tons in 853 shipments of five controlled chemicals that can be used in cocaine production. Five chemicals are: Acetone, Ethyl Ether, Methyl Ethyl Ketone, Potassium Permanganate and Toluene.
- A ranking, by country and volume of chemicals imported indicated that the top three cocaine producing countries in Latin America ranked 2nd, 4th, and 7th in importing cocaine essential chemicals from the U. S. as follows:

Colombia, Ranked #2, 8,592 Metric Tons

Ecuador, Ranked #4, 4,147 Metric Tons

Peru, Ranked #7, 3,648 Metric Tons

Operation Primavera

The Colombian National Police Anti-Narcotics Unit launched Operation Primavera between January 28 and February 4, 1989. This operation was the first major assault of 1989 and targeted the heartland of the Medellin Cartel cocaine HCl production facilities. Approximately 60 specially trained Colombian anti-narcotics troops participated in the raids on the remote labs, which were primarily located near Puerto Triunfo in the state of Antioquia, approximately 100 miles southeast of Medellin.

In a four day sweep, the CNP Anti-Narcotics Unit seized and destroyed 25 cocaine laboratories, as well as the following:

1,180	Kilograms of cocaine base
105,870	Gallons of ether
210,385	Gallons of acetone
100,840	Gallons of MEK
1,500	Gallons of hydrochloric acid
28,935	Gallons of sulfuric acid
23,510	Gallons of ammonia
2,125	Gallons of gasoline
108,750	Kilograms of potassium permanganate
49,500	Kilograms of light carbonate
39,500	Kilograms of sodium sulfate
7,500	Kilograms of lime

1,500	Kilograms of caustic soda
40	Microwave ovens
7	Large generators

~~_____ Laboratories (District of Columbia) Under Operation _____~~
~~_____~~
cocaine HCl per week; it is further estimated that enough chemical solvents (ether, MEK, acetone) were seized/destroyed to produce approximately 88 metric tons of cocaine HCl.

The contraband chemicals seized were from a variety of source countries, including the United States. Some containers were marked with the logos of U. S. chemical companies. Many of the containers of chemicals seized had the labels and batch numbers scratched off.

SAT May 20

Dep Chief - Diversion

John Buckley

(h)

~~787~~ 787-0620

Marc Golubock

591-9376

Bob Baker

532-4110

Staff board -
reline

Gene Abuelup
spec. asst

Charts - attached

DEA + INM

Vienna Interpol Conv. - resolution passed for
chem controls

Act - passed Oct 1988

- not enough done voluntarily; necessity
willing to coop; have not come forward
on their own / need compulsory also

- to show that not making lots of coop,
not simply mounting jumps
map to vertical demand + theme

IDEA = project forum

Zingales

377-1782

SUMMARY OF NARCOTICS PRECURSOR CHEMICALS
WORKING GROUP MEETING OF APRIL 8, 1988

1. Key Points of Discussion.

-- The Chemical Diversion and Trafficking Act of 1988, a part of the Omnibus Drug Bill, contains DEA's proposals as adopted by the Administration and sent to the Hill last November. Since then, Rep. Hughes has introduced a new precursor control bill which will undergo Congressional markup around the end of April.

-- There is no international or domestic law against the possession of chemical weapons.

-- There are two primary CW precursor export control regimes used by the U.S.:

-- International Traffic in Arms Regulations (ITAR)
Administered by State (PM)
Requires licenses for all items on the US Munitions List

-- Export Administration Regulations (EAR)
Administered by Commerce
For national security and foreign policy reasons
Requires validated licenses

-- "Australian Group" of 19 western industrialized countries have agreed to uniform export control restrictions on 8 chemicals. Similar "Leipzig Group" exists for Eastern Bloc countries.

-- Results of controls for CW precursors:

-- Availability up
-- Price down
-- End user certificates can't work if chemicals transshipped through third country like Hong Kong or Singapore.

-- Controls have only stopped the flow of U.S. manufactured chemicals to prohibited countries who get the precursors they desire elsewhere.

-- Because narcotics precursors are relatively common chemicals, LDCs in South America (Chile, Paraguay, and Uruguay) could start producing them quickly to fill any loss of supply.

-- Operation ChemCon used voluntary measures arranged with legitimate U.S. and foreign manufacturers to track shipments as an interdiction tool.

-- When the availability of precursors is restricted, such as occurred during Operation ChemCon, traffickers shipped coca paste instead of cocaine and labs popped up in other

countries.

-- Of the over 200 cocaine labs in the Yungas of Bolivia, only 5 may be active at any one time. Labs can be activated overnight. Consequently, availability of precursors does not have to be linked with the activity of the labs or their overall processing capability.

-- A treaty has been drafted on an interagency basis regarding precursor controls.

-- Latin American free trade zones are used to easily disguise the identity of precursor chemicals.

-- The diversion of precursors for use in domestic drug manufacture (PCP, LSD, speed, designer drugs, etc.) is a major problem.

2. Key Questions/Issues Remaining.

-- CW precursor export control experts need to analyze the Chemical Diversion and Trafficking Act of 1988 and the new Hughes bill, HR 2585.

-- Are the proposals workable ? Can they be effective ? What are the probable outcomes ? What elements should be adopted to devise a first, best proposal ?

-- How can additional new legislation help ?

-- Amendments to the Omnibus bill or new Hughes bill.

-- What should be added ? Are EAR-type controls (ie. licensing and end user certificates) most appropriate ?

-- Can steps be taken now to control precursor exports that do not require new legislation ?

-- Require all exports to be shipped from a few designed U.S. ports.

-- Through bilateral dialog, encourage other countries to likewise designate specific ports of entry or exit for all specified chemicals.

-- How can treaty development be expedited by using lessons learned from the CW community's experience with the Australian Group?

-- How can we control the "laundering" of chemical shipments as they pass through free trade zones or other transshipment points ?

-- Is industry cooperation necessary ? If so, how can they best be brought onboard ?

LATIN AMERICA: RISING IMPORTS OF DRUG PROCESSING CHEMICALS

SUMMARY

Latin American imports of chemicals that can be used to process illegal drugs--so-called precursor chemicals such as ether, acetone, toluene, acetic anhydride, and methyl ethyl ketone (MEK)--have risen sharply since 1983. Looking at import patterns recorded in national and OECD trade data, it is clear that many countries have recorded increases out of line with those associated with normal economic activity.

Mexican imports of ether and acetic anhydride nearly tripled between 1983 and 1986. At the same time, large flows of precursor chemicals continued to go to Trinidad and Tobago, probably supporting drug processing in Venezuela and Colombia.

The Dominican Republic increased imports of ether and MEK nearly 200 percent during the period, and imports of acetone and toluene more than doubled, indicating the growing importance of the Caribbean as a drug processing and transshipment point.

Imports of ether, toluene, and MEK by Central American countries such as Honduras, Guatemala, and El Salvador have risen 50-100 percent over the period. This region also is becoming more active in transshipment activities.

1
Latin America is defined to include all LDCs in Central and South America, and the Caribbean. Throughout this paper, computations of South American chemical imports include imports by Mexico. This was done to avoid biasing Central American import data by the inclusion of Mexican imports, which are very large in comparison to those of

The data also show that the United States is the major source of Latin American precursor chemical imports. West European countries such as France, the Netherlands, and West Germany also export these chemicals to Latin America, but the amounts are extremely small when compared to Latin American imports of chemicals from the United States. *

TRADE PATTERNS

Ether

Shipments of ether--widely used in cocaine processing--to Western Hemisphere LDCs recently have shown striking increases. Total Latin American imports have risen 70 percent since 1983, reaching 55,000 metric tons in 1986, and all Latin American regions reported strong gains.² Caribbean imports rose 95 percent, Mexican/South American imports were up 70 percent, and Central American imports increased by 50 percent.

Among individual countries:

Mexican ether imports increased by nearly 200 percent between 1983 and 1986, reaching 11,000 tons. Brazilian imports rose 50 percent over the same period, while Chilean and Peruvian imports also jumped sharply.

Costa Rican and Honduran imports have risen 90 percent and 60

percent, respectively, since 1984, and Guatemalan and Salvadoran imports are up 30 percent.

Imports by the Dominican Republic rose from 875 tons in 1983 to 2348 tons in 1986, accounting for much of the gain in Caribbean ether imports. Trinidad and Tobago also imports large quantities of ether, and Barbados imported 45 tons of ether in 1986, the highest level in this decade.

The data indicate that nearly all ether imported by Latin America comes from the United States. West European countries such as France, the Netherlands, and West Germany also export ether to Western Hemisphere LDCs, but these exports are small by comparison.

Ether Substitutes

While ether is the "chemical of choice" in cocaine processing, other chemicals, such as acetone, toluene, and methyl ethyl ketone (MEK) can be used as substitutes. Latin American imports of these three chemicals have more than doubled since 1983, with toluene and MEK showing the largest gains. Use of aggregates, however, masks important trade trends that have been taking place. Imports of acetone by Central American LDCs declined during the period, while Caribbean imports increased over 35 percent. Mexican/South American imports of toluene in 1986 were nearly 25 percent below levels for

1984, while Caribbean and Central American imports were sharply higher. Finally, Latin American imports of MEK from the developed countries nearly doubled in 1986, following three straight years of decline, with all regions reporting substantial import gains.

Brazilian and Chilean imports of acetone climbed rapidly between 1983 and 1986, and imports by the Dominican Republic more than doubled during the same period. Other countries have recorded lower acetone imports, with Colombia, Costa Rica, Mexico, and Venezuela down 30 to 40 percent since 1983, and Honduran imports down nearly 50 percent.

Dominican Republic imports of toluene have nearly tripled since 1983, while Guatemalan imports are up almost 100 percent and Costa Rican and Honduran imports are about 50 percent higher. On the other hand, Mexican imports dropped 25 percent over the period, and Peruvian and Venezuelan imports also declined sharply.

Ecuador recorded a 200-percent jump in imports of methyl ethyl ketone in 1986 alone, while Brazil, Chile, and Mexico all recorded increases of between 20 and 85 percent. El Salvador and Guatemala showed gains of about 500 percent and 700 percent, respectively. In the Dominican Republic, imports of MEK increased ten-fold in 1986 and are now more than twice as high as the previous peak reached three years earlier.

The data indicate that the United States is also the major source of Latin American imports of all ether substitutes. Among West European countries, only West Germany, France, and the Netherlands export these chemicals to Latin America, and the quantities shipped are small in comparison to US exports:

Shipments of acetone from West Germany and France to Latin American LDCs in 1986 amounted to about 300 tons, less than 3 percent of US exports to the region.

West German exports of MEK to Latin America totalled about 1000 tons in 1986, compared with over 16,000 tons for the United States. French exports of MEK to Latin America have averaged just 100 tons per year over the past three years.

Exports of toluene from the Netherlands to Latin American LDCs, particularly Jamaica, the Dominican Republic, and Venezuela have risen dramatically in recent years but are still minute in comparison to the United States.

Acetic Anhydride³

Latin American imports of acetic anhydride--primarily used in heroin processing--have risen sharply since bottoming out in 1983. Overall Latin American imports totalled 1270 tons in 1986, up from 840

3

Due to data limitations, the discussion examines Latin American imports of acetic anhydride from the United States only.

tons in 1985 and 700 tons in 1983. Nearly all of the Latin American increase in acetic anhydride imports has been due to large gains by Mexico and Ecuador. Mexican imports have doubled since 1983--although remaining well below early-1980s levels--while Ecuadorean imports have jumped from zero in 1983 to over 400 tons in 1986. Central American imports of acetic anhydride also have increased rapidly--rising from just 7 tons in 1983 to 60 tons in 1986--with almost all of the gain due to a nine-fold increase in Guatemalan imports.

INTERPRETING TRADE PATTERNS

Large and rising imports of precursor chemicals by Latin American countries are not incontrovertible evidence of use in drug processing. Some of these chemicals have legitimate industrial and medical uses. For example, ether is widely used as an anesthetic. Toluene is used as a solvent, and in the making of dynamite, saccharine, antiseptics, acids, dyes, and perfumes. Acetone and MEK also are widely used as solvents, and acetone is an important ingredient in paint and varnish removers and in the manufacture of chloroform and some kinds of synthetic rubbers.

Use of proxy data, however, supports the conclusion that increases in Latin American imports of ether, acetone, toluene, and acetic anhydride far exceed those that would be associated with legitimate purposes, and therefore reflect possible diversion to illegal uses.

To reach these conclusions, two assumptions have been made: that legitimate chemical imports increase in line with industrial production, and that real gross domestic product (GDP) is a reasonable proxy for industrial production. On this basis, between 1983 and 1986--when real gross domestic product (GDP) increased from 2 to 15 percent for most of the LDCs that were examined--precursor chemicals import increases of 10-20 percent would be expected if these imports were destined for legal uses. However, many of these countries recorded import gains of 50 percent or more during the period.

SELECTED LATIN AMERICAN LDCs: IMPORTS OF DRUG PROCESSING CHEMICALS*

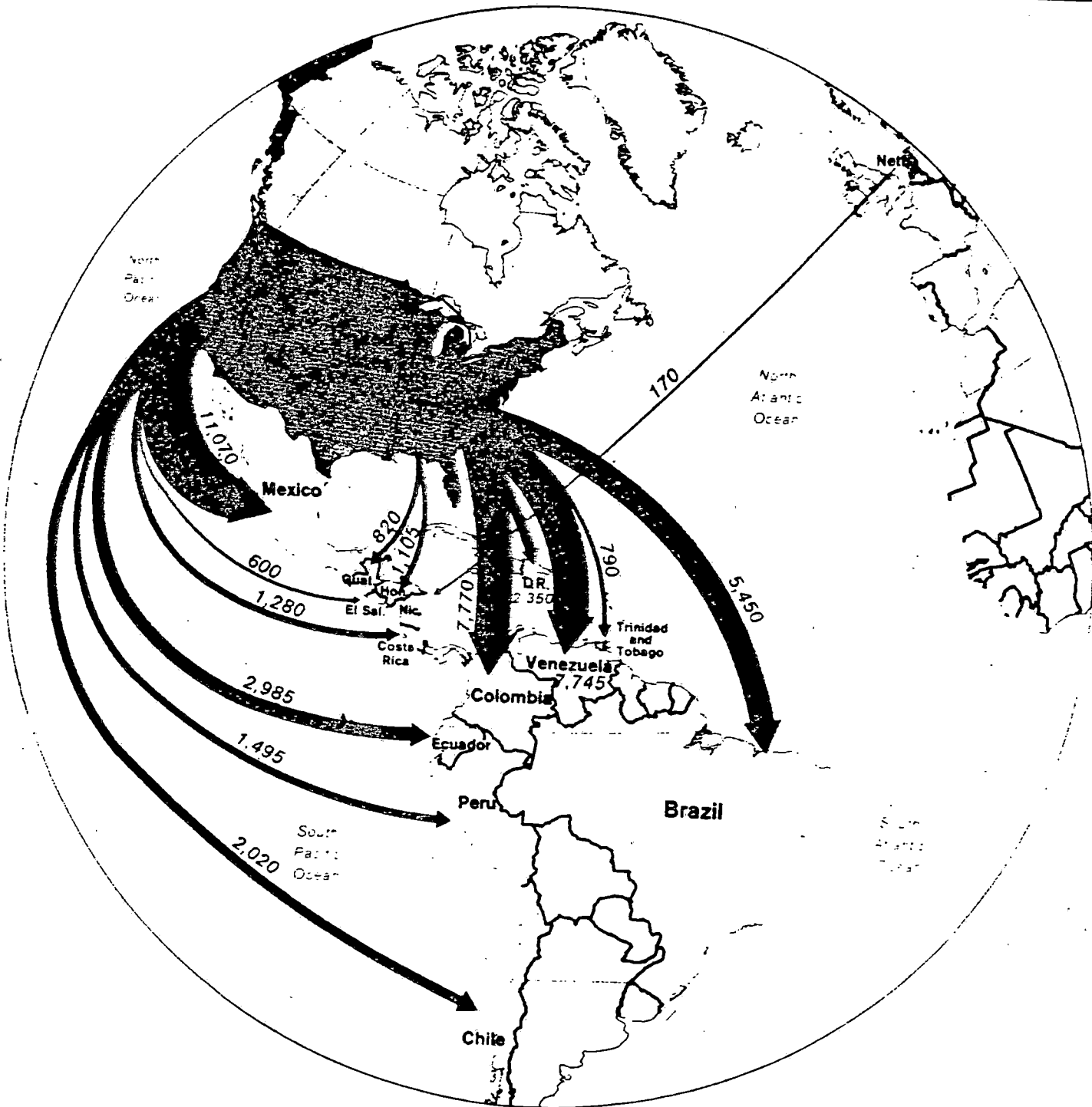
	metric tons			
	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
<u>Barbados</u>				
Ether	15	10	0	45
Ether Substitutes	19	10	40	22
Acetic Anhydride	0	0	0	0
<u>Brazil</u>				
Ether	4293	3762	5803	6408
Ether Substitutes	4762	3854	3535	10287
Acetic Anhydride	77	80	63	73
<u>Chile</u>				
Ether	1368	1346	1540	2105
Ether Substitutes	2882	3161	2310	4032
Acetic Anhydride	0	0	0	0
<u>Colombia</u>				
Ether	6938	6408	7188	7768
Ether Substitutes	5841	5273	4892	7924
Acetic Anhydride	312	152	166	96
<u>Costa Rica</u>				
Ether	665	675	753	1282
Ether Substitutes	1420	1626	1567	1804
Acetic Anhydride	2	0	0	2
<u>Dominican Republic</u>				
Ether	875	574	818	2348
Ether Substitutes	1066	1020	2735	2443
Acetic Anhydride	0	0	2	1
<u>El Salvador</u>				
Ether	464	251	278	602
Ether Substitutes	1225	1056	430	1143
Acetic Anhydride	0	0	0	0
<u>Ecuador</u>				
Ether	1901	2515	2553	2986
Ether Substitutes	2610	5351	4924	6088
Acetic Anhydride	0	0	118	403

<u>Guatemala</u>				
Ether	629	888	574	823
Ether Substitutes	1510	1449	2177	2681
Acetic Anhydride	6	29	52	58
<u>Honduras</u>				
Ether	694	508	822	1103
Ether Substitutes	543	1189	691	675
Acetic Anhydride	0	0	0	0
<u>Jamaica</u>				
Ether	75	215	252	156
Ether Substitutes	208	609	1151	1446
Acetic Anhydride	0	0	0	0
<u>Mexico</u>				
Ether	3886	3167	7407	11070
Ether Substitutes	2519	43077	36588	31439
Acetic Anhydride	258	313	426	579
<u>Peru</u>				
Ether	917	828	1872	1537
Ether Substitutes	3383	2610	1827	807
Acetic Anhydride	0	0	0	2
<u>Trinidad and Tobago</u>				
Ether	679	755	830	791
Ether Substitutes	378	303	482	625
Acetic Anhydride	0	0	0	0
<u>Venezuela</u>				
Ether	4350	8237	9912	7744
Ether Substitutes	9103	20146	9025	13824
Acetic Anhydride	22	110	12	31

*Estimates of Latin American chemical imports are based on OECD export data. For acetic anhydride, imports are based only on United States export data.

Latin America: Major Ether Deliveries, 1986

Metric tons

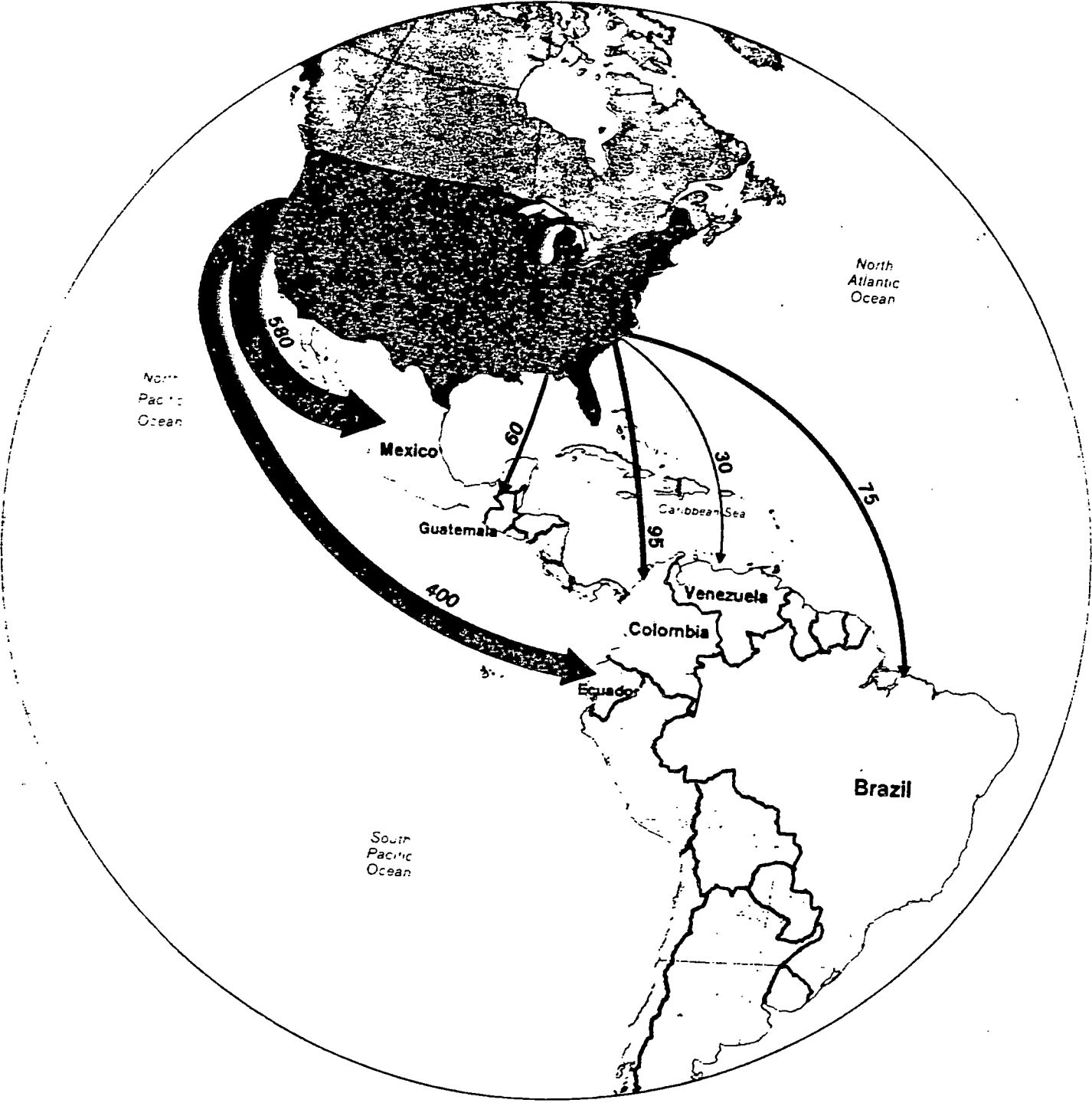


D.R.-Dominican Republic

Boundary representation is not necessarily authoritative

Latin America: Major Acetic Anhydride Deliveries, 1986

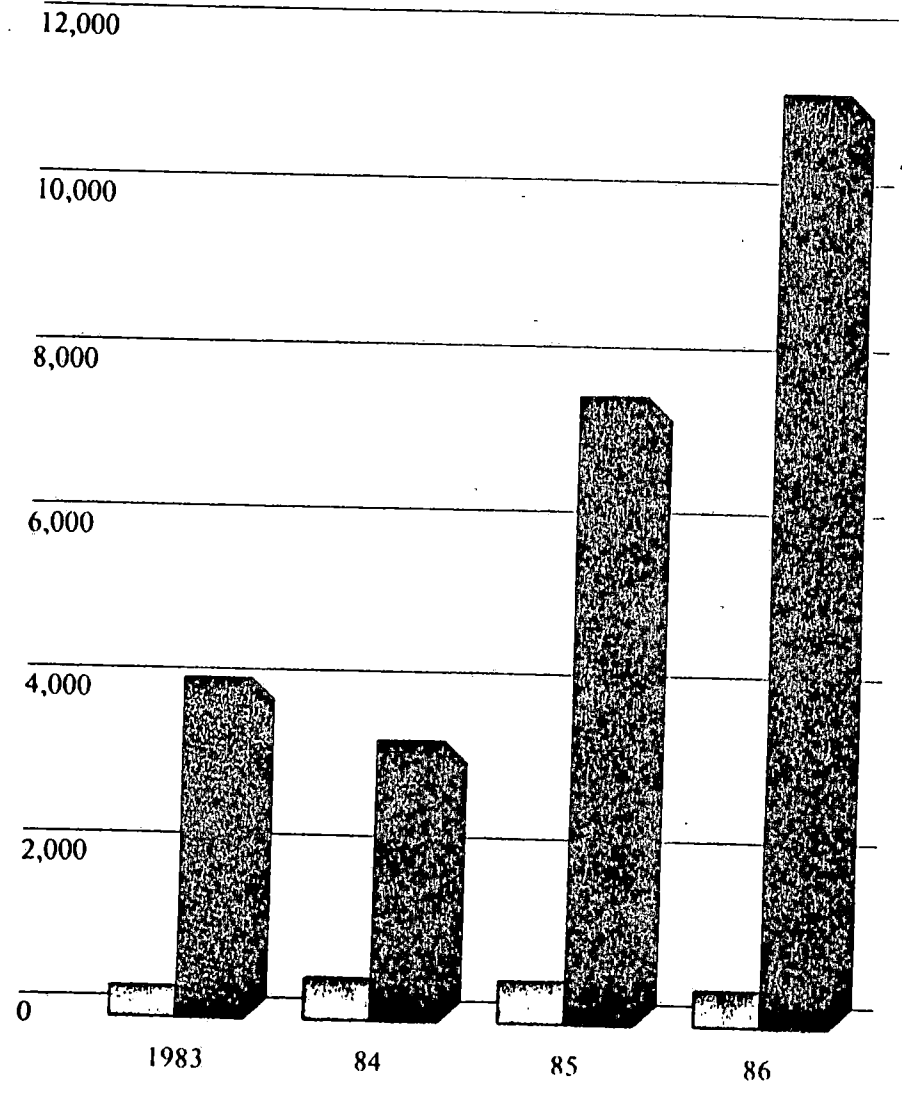
Metric tons



Boundary representation is not necessarily authoritative

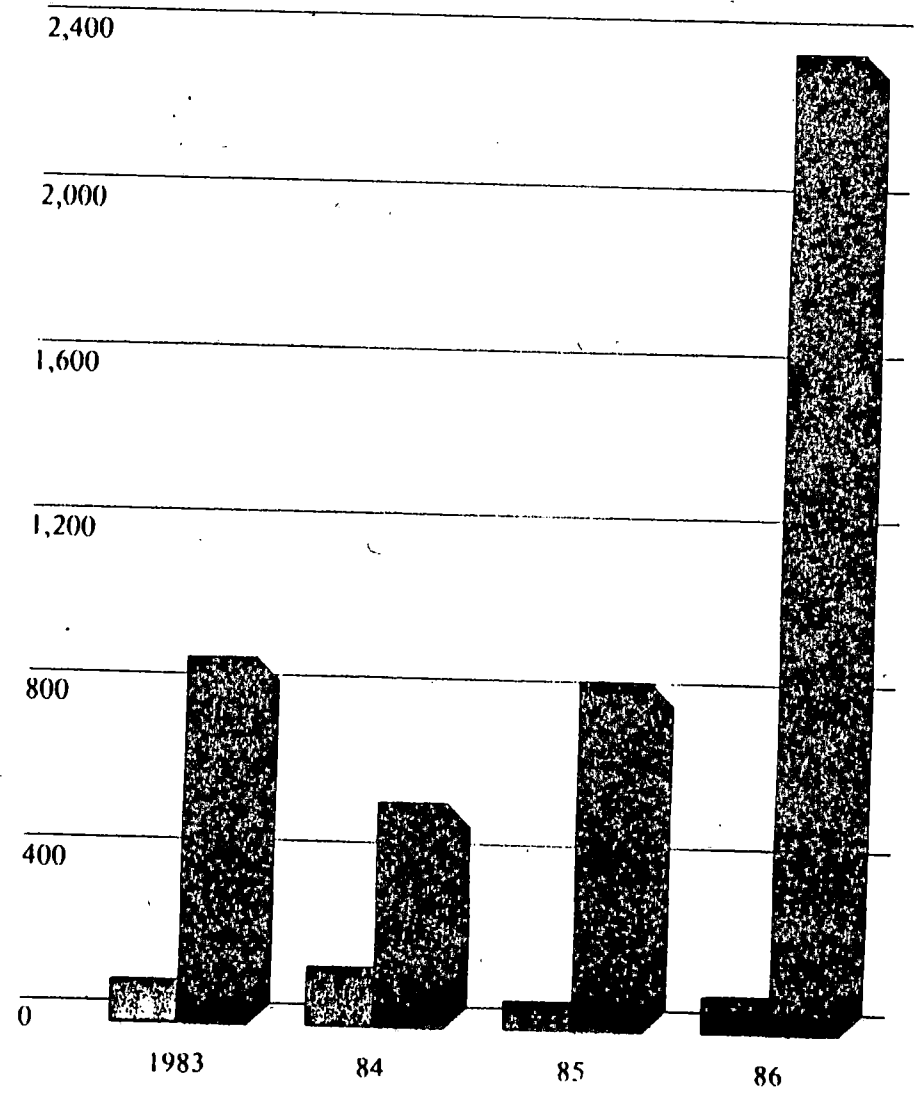
U.S. Exports to Western Europe

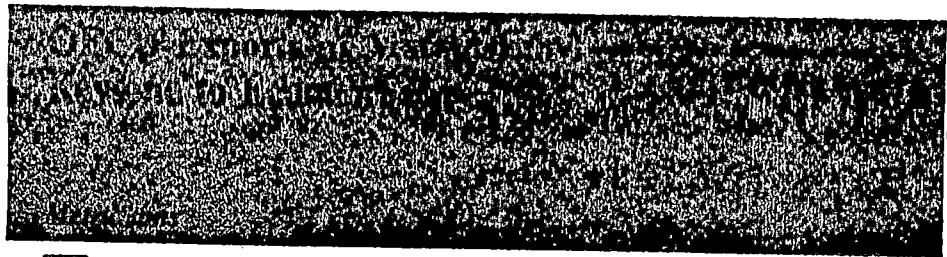
Western Europe
US



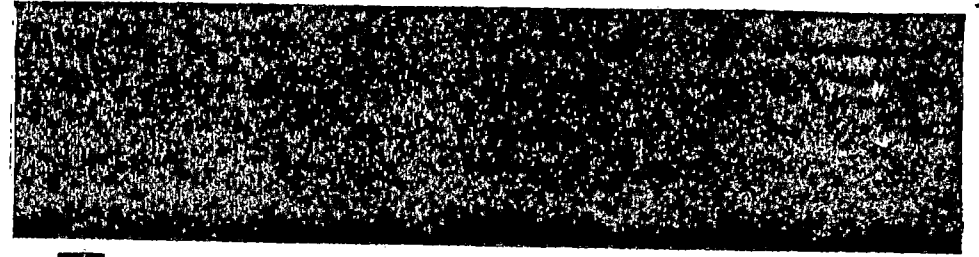
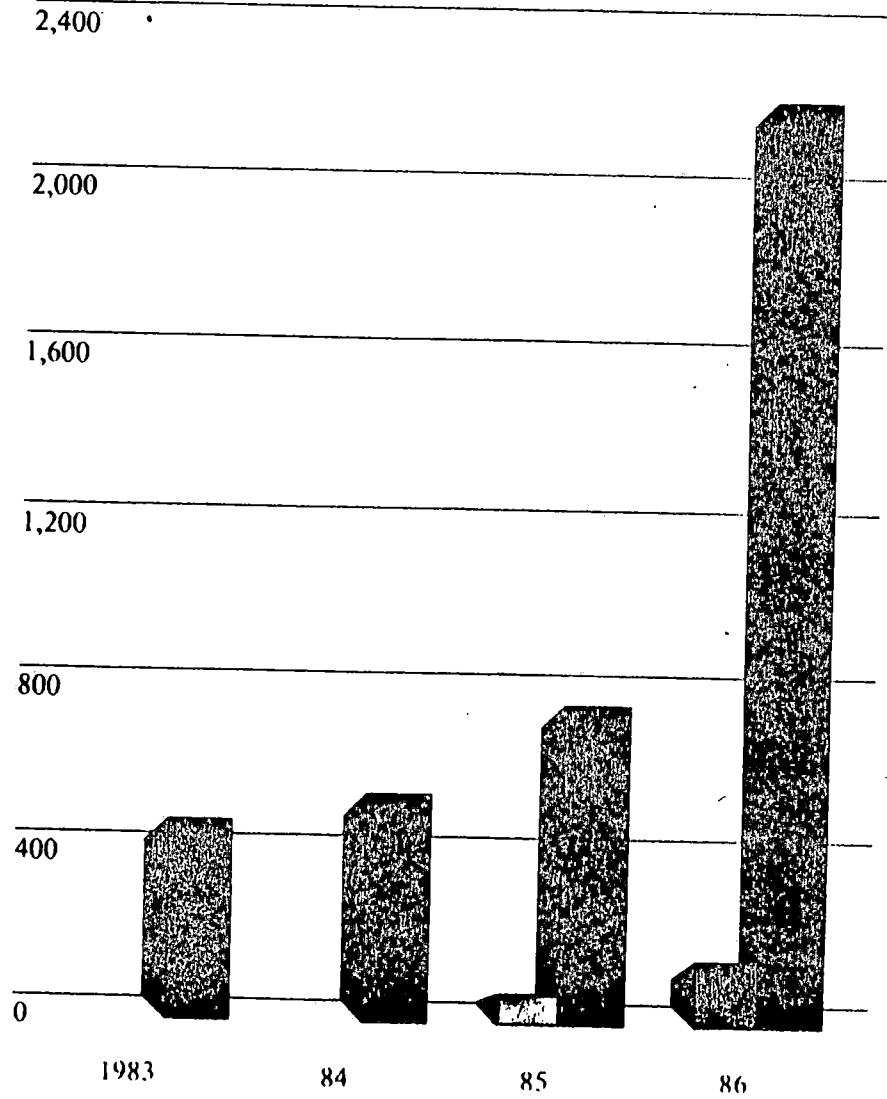
U.S. Exports to US

Western Europe
US

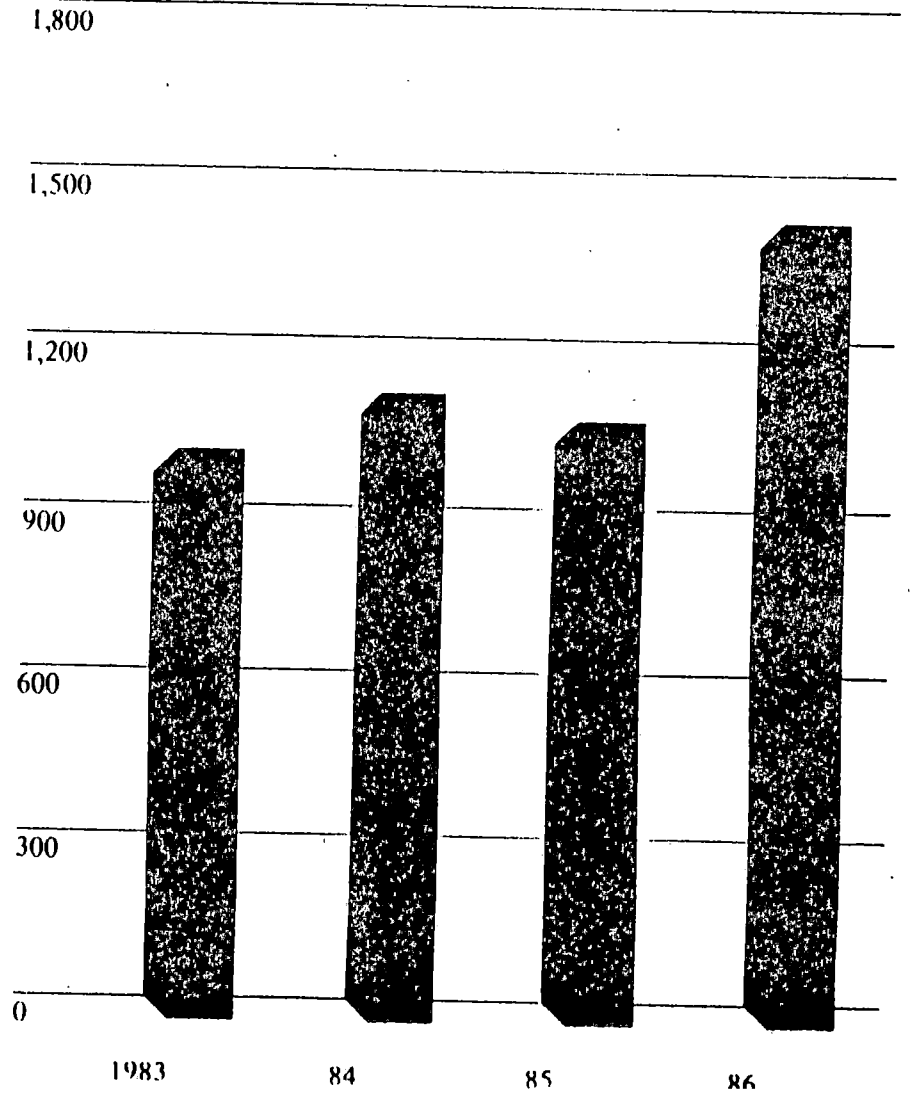




Western Europe
US

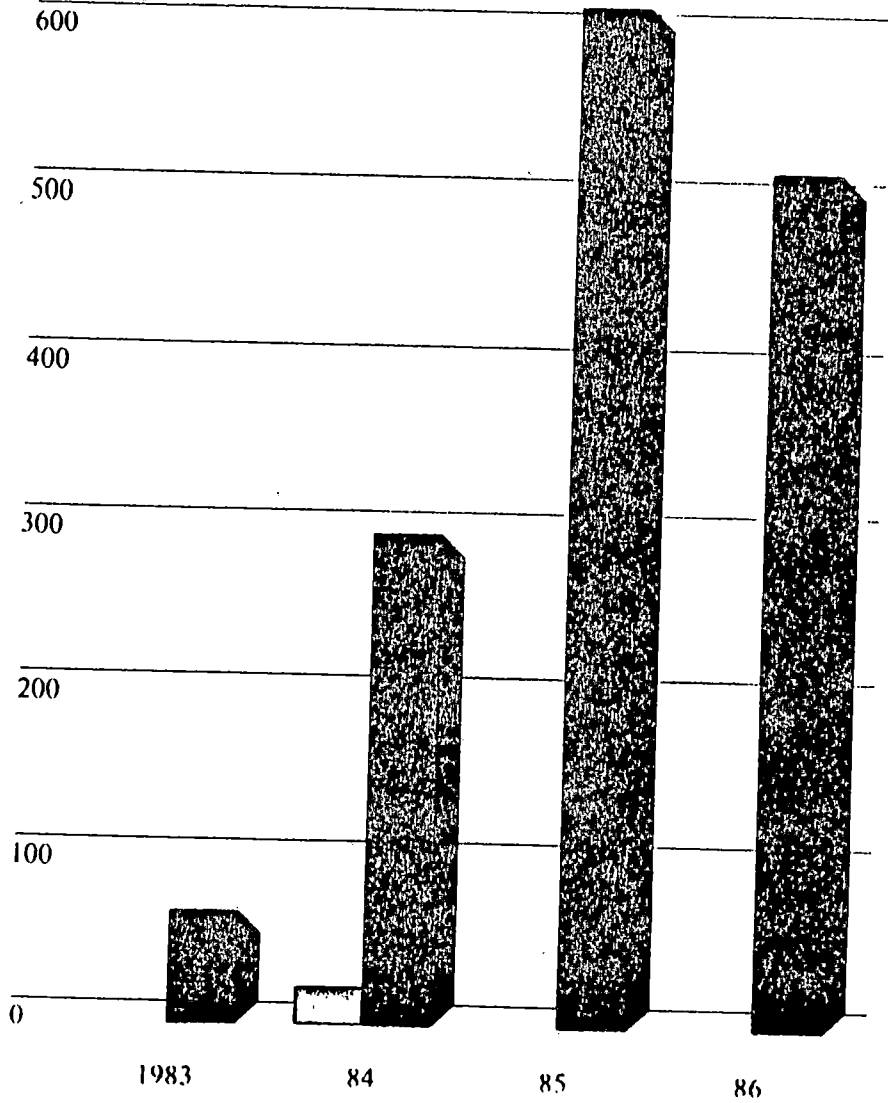


Western Europe
US



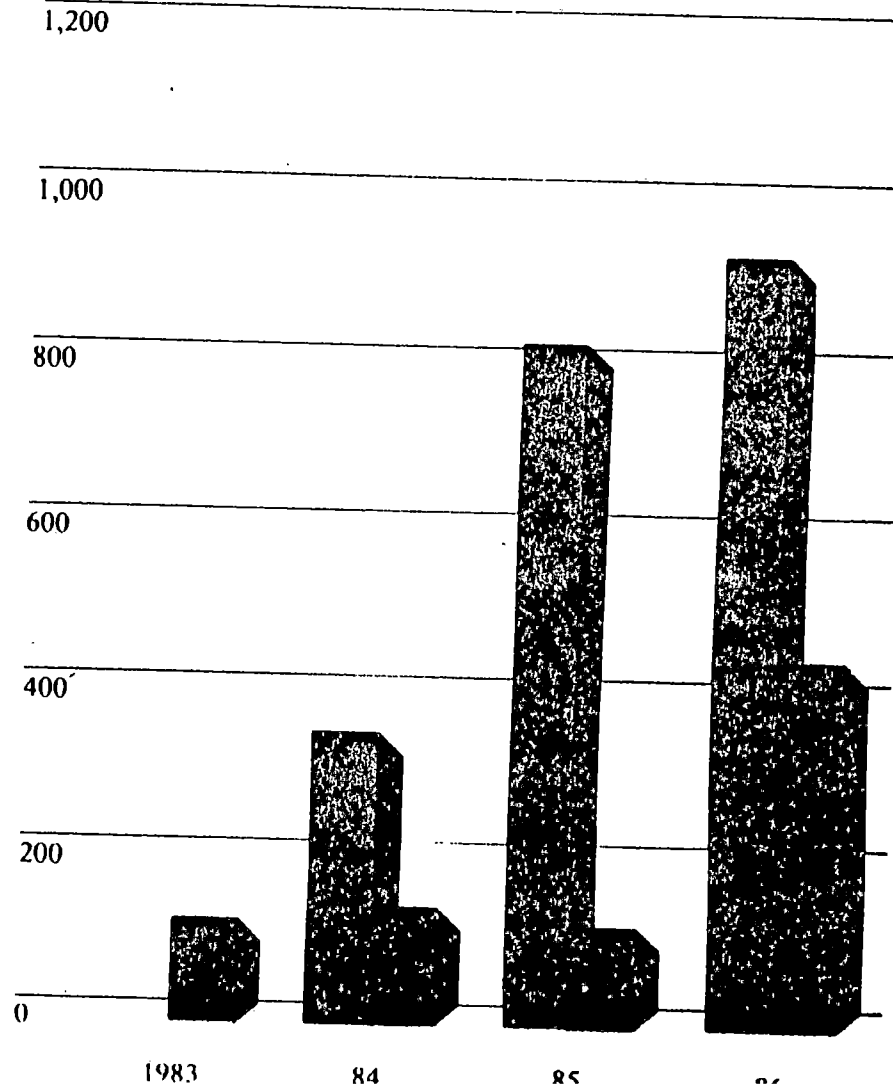
OECD Countries
to Palm Oil

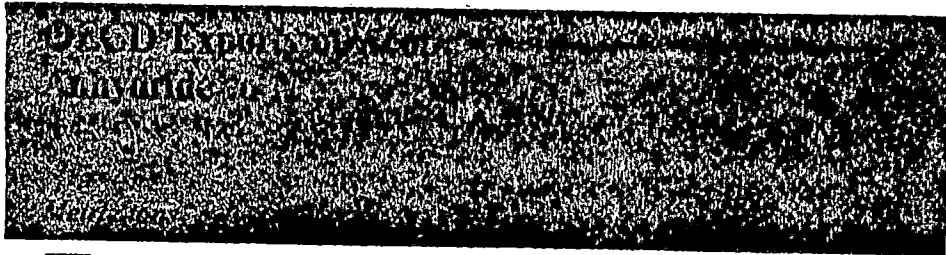
Western Europe
US



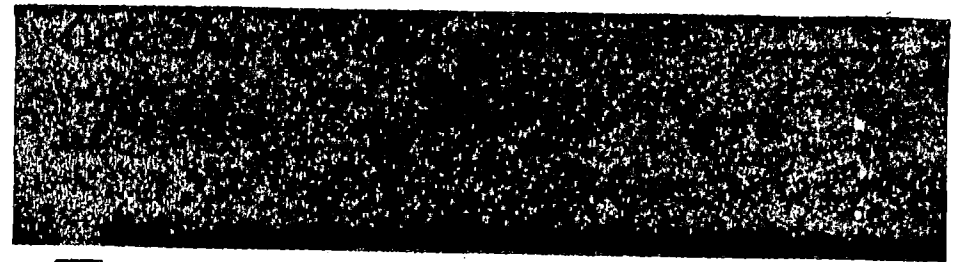
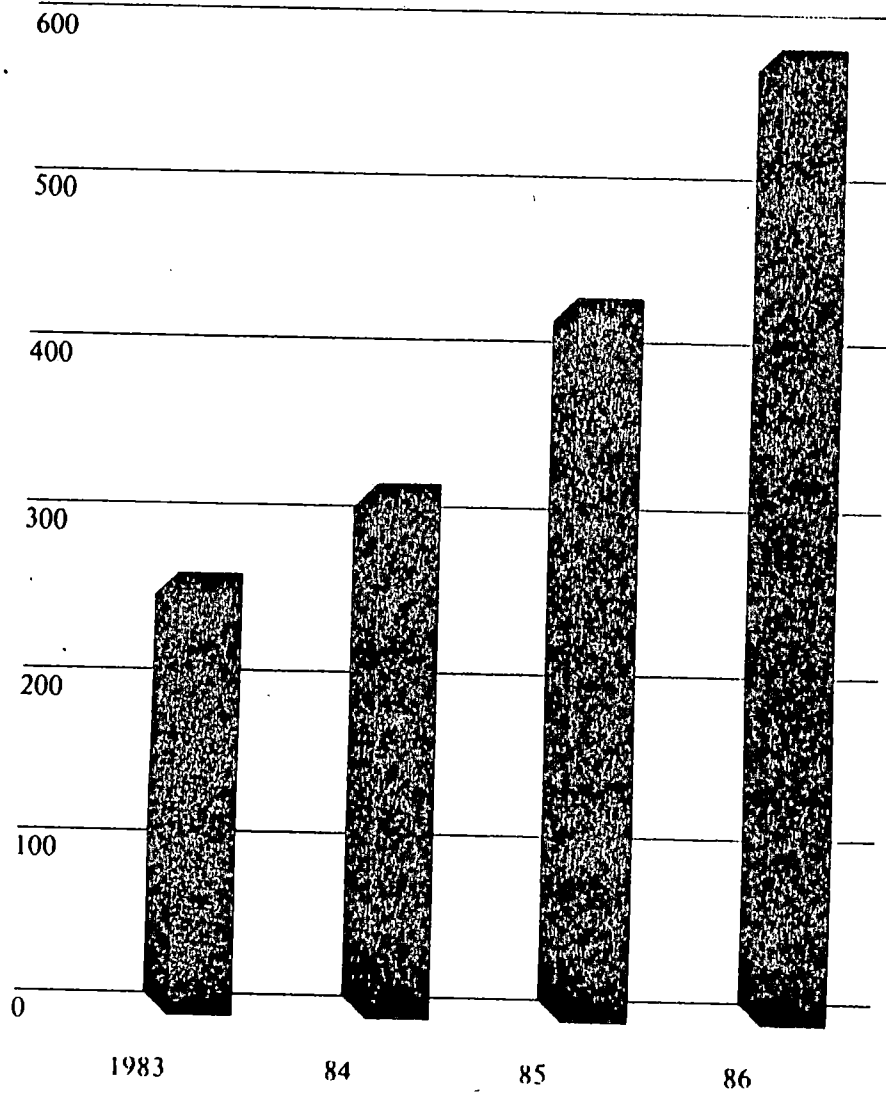
OECD Countries
to Palm Oil

Western Europe
US

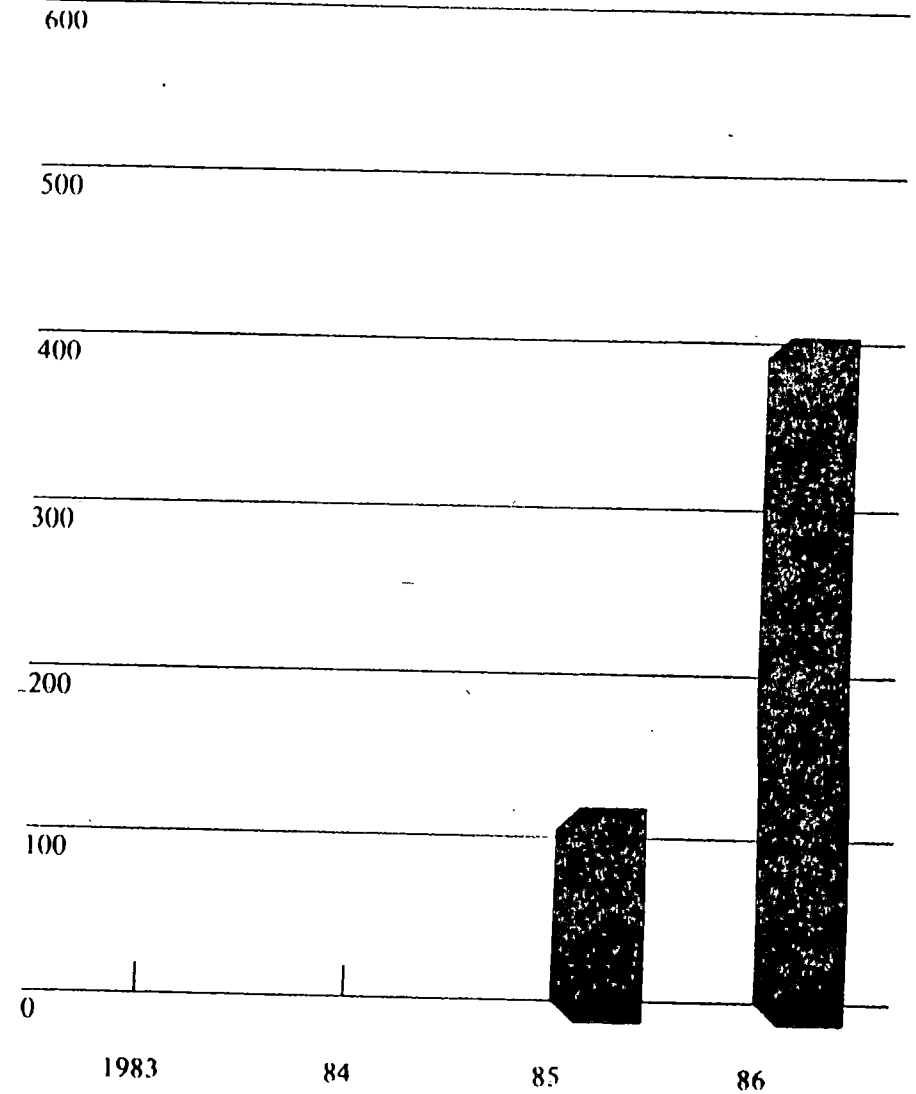




■ US



■ US



■ US data only

■ US data only.

By Mr. BYRD:
S. Res. 400. A resolution to modify section 6 of S. Res. 382, Ninetieth Congress, considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI (for himself, Mr. D'AMATO, Mr. DIXON, Mr. MOYNIHAN, Mr. GRABAM, Mr. DOMENICI, Mr. DOLE, Mr. WILSON, Mr. MIKULSKI, Mr. KERRY, Mr. SPECTER, Mr. MURKOWSKI, Mr. ROCKEFELLER, Mr. BENTSEN, Mr. HATFIELD, Mr. PRESSLER, Mr. HEINE, Mr. COCHRAN, Mr. REID, Mr. HEFLIN, Mr. WEICKER, Mr. GRASSLEY, Mr. RUDMAN, Mr. STEVENS, Mr. INOUE, Mr. TRIBLE, Mr. BINGAMAN, Mr. BREAUX, Mr. SARBANES, Mr. SANFORD, Mr. STENNIS, Mr. PELL, Mr. THURMOND, Mr. NICLES, Mr. MCCONNELL, Mr. KARNES, Mr. DURENBERGER, Mr. HELMS, Mr. HECHT, and Mr. CRANSTON):

S. 2205. A bill to enact the Omnibus Antidrug Abuse Act of 1988, and for other purposes; to the Committee on the Judiciary.

OMNIBUS ANTIDRUG ABUSE ACT

Mr. DECONCINI. Mr. President, I rise today to introduce the Omnibus Antidrug Abuse Act of 1988 and do so on behalf of myself, the distinguished Senator from New York, Senator D'AMATO and over 30 of my other colleagues.

Mr. President, the 1988 drug bill was an example of what this Chamber and what this Nation can do when it puts partisan politics aside, rolls up its collective sleeves, and gets serious about the drug problem in this country. Today, the bill that Senator D'AMATO and I are introducing builds on the accomplishments of the 1986 drug bill and goes the next step in mobilizing all elements of our antidrug effort.

Mr. President, there may be a part of the drug plague that we did not attack in this legislation—but there aren't many. This bill represents a balanced, comprehensive assault on the drug threat to this Nation. The bill calls for an additional \$2,448,000,000, over the President's budget request for fiscal year 1989 to beef up: First, law enforcement personnel at our civilian drug enforcement agencies; second, drug interdiction assets for Coast Guard and Customs and other agencies with an interdiction mission; third, Federal prison construction; fourth, State and local narcotics control assistance; fifth, international incentives to promote drug eradication and interdiction at the drug source country level; sixth, treatment and rehabilitation assistance for those who have already fallen victim to the drug menace; and seventh, drug education for our school systems around the Nation.

The bill also opens up the Justice and Treasury Department forfeiture funds so that all of the resources resulting from seizure and confiscation from drug traffickers can be put to use for State and local law enforcement agencies and others who are eligible for such assistance.

The bill includes a tough, new law that attacks the problem of illicit chemical diversion with rigid new penalties for those who use chemicals to manufacture the drugs that are poisoning our youth and ruining lives in this country.

The bill also authorizes funds for additional training of our law enforcement personnel and establishes a new program of research and development at existing Department of Defense and other Federal laboratories, to study new technologies that will help our drug enforcement agencies keep ahead of the sophisticated, well-financed drug smuggler.

And, finally, the bill authorizes the establishment of a nonlegislative Senate Select Committee on Narcotics Abuse and Control that will give us a full-time oversight committee that will review the drug abuse issue and provide advice and counsel to the Senate.

Mr. President, in crafting this legislation, we knew that it would cost money to really launch a full scale assault on the drug problem on multiple fronts. We were aware of the economic budget summit agreement; the Gramm-Rudman-Hollings deficit targets; and the need to try to find offsets for the programs and initiatives contained in this legislation.

So, Mr. President, this bill not only sets out new, aggressive initiatives for tackling the drug enforcement and drug abuse problems, it contains a formula for how we intend to pay for them. Here is how we would pay for the bill:

First, in testimony before my Treasury Appropriations Subcommittee just last Monday, the Commissioner of IRS testified that if we were to add \$286.6 million and approximately 6,800 new positions over the President's budget, the Treasury would receive an additional \$1,120,000,000 over and above the revenue assumptions in the economic budget summit agreement. We would add the additional positions to IRS for increased tax enforcement and deposit the additional revenues generated into a special antidrug abuse trust fund in Treasury. These funds would then only be available to pay for the drug bill.

Second, in response to our inquiry, the Bureau of Alcohol, Tobacco, and Firearms indicated that an additional \$3 million and 40 positions put into aggressive enforcement of the special occupational alcohol tax would generate an additional \$130 million over and above the President's budget for fiscal year 1989. We provide the additional funding and positions in this bill, with the additional revenues going into the new special fund I just mentioned.

Finally, for many years I have been introducing legislation that would force our Federal agencies to be more aggressive in the collection of delinquent debt owed to the Government. I was one of the original cosponsors of Senator CHARLES PIERCE's debt collection bill back in 1980 and last year I introduced my own bill, S. 1270 that would provide new incentives and goals for debt collection. The bill that is being introduced today, mandates the collection of \$2-billion over and above the debt collection estimates of the President for fiscal 1989.

We include a new approach to pushing agencies to use all of the tools available to collect the nearly \$29 billion in nontax delinquent debt currently on the books. Under the bill, we would allow an agency to keep a portion of the funds it collects over and above its debt collection target set by the Secretary of the Treasury. On the other hand, if an agency falls short of its target, the President would then propose a rescission of a portion of their funding, based on how short of their goal they fell.

All of the \$2 billion to be collected over and above the President's budget estimates would be deposited into the special antidrug abuse Treasury fund to help pay for the drug bill.

In total, there would be more than enough additional revenues put into the special fund to cover the entire cost of the drug bill for fiscal year 1989, with some left over. So even if our estimates of the aggregate cost of the Omnibus Antidrug Abuse Act of 1988 are off slightly, the special fund would have sufficient resources to cover the bill's price tag. And we would not be violating either the Gramm-Rudman-Hollings targets, or the economic budget summit, or the President's budget.

CONCLUSION

Mr. President, this is a good bill. It hits the drug problem on many fronts. It is fiscally responsible and pays for itself. And, most importantly, it is needed now. The drug problem has not gone away since 1986. We need to provide this additional muscle to fight the narcotics trafficker—and this bill does that.

Mr. President, I understand that Congressman GLENN ENGLISH will be introducing virtually the same bill later today in the House. I also understand that the Speaker of the House has made a commitment to Mr. ENGLISH that he will attempt to bring up the drug bill before June. That is encouraging, and I hope that the leadership in the Senate will move this legislation to the floor quickly before the summer.

Mr. President, I ask unanimous consent that a copy of the Omnibus Antidrug Abuse Act of 1988 be printed in the Record.

Mr. President, I also ask unanimous consent that a detailed summary of

the bill and a cost breakdown of the bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S.2205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Omnibus Antidrug Abuse Act of 1988".

SEC. 1 ORGANIZATION OF THE ACT.

This Act is organized as follows:

TITLE I—DRUG ENFORCEMENT AND PERSONNEL ENHANCEMENT

SUBTITLE A. Asset Forfeiture Fund Amendments Act of 1988.

SUBTITLE B. State and local narcotics control assistance.

SUBTITLE C. Chemical Diversion and Trafficking Act of 1988.

SUBTITLE D. Comprehensive Federal Law Enforcement Officer Improvements Act of 1988.

SUBTITLE E. Deportation of convicted foreign drug inmates.

SUBTITLE F. Customs Enforcement Amendments Act of 1988.

SUBTITLE G. Authorization of additional appropriations for drug enforcement personnel, fiscal year 1989.

SUBTITLE H. Miscellaneous law enforcement provisions.

TITLE II—INTERNATIONAL NARCOTICS CONTROL AND ASSISTANCE TO FOREIGN COUNTRIES

SUBTITLE A. International drug eradication improvement program.

SUBTITLE B. International narcotics matters improvement and special assistance programs.

SUBTITLE C. Amendments to Foreign Assistance Act of 1961, as amended.

SUBTITLE D. International narcotics matters authorization of appropriations.

SUBTITLE E. Latin American Antidrug Strike Force.

TITLE III—DRUG INTERDICTION ASSET IMPROVEMENT AND ENHANCEMENT

SUBTITLE A. Coast Guard.

SUBTITLE B. United States Customs Service.

SUBTITLE C. Department of Defense drug interdiction assistance.

SUBTITLE D. Drug Enforcement Administration.

SUBTITLE E. Immigration and Naturalization Service/Border Patrol.

SUBTITLE F. Establishment of Interagency Southwest Border Drug Interdiction Mobile Corridor Task Force.

SUBTITLE G. United States-Bahamas Drug Interdiction Task Force.

SUBTITLE H. Special drug interdiction support.

TITLE IV—DEMAND REDUCTION

SUBTITLE A. Treatment and rehabilitation.

SUBTITLE B. Alcohol and drug abuse treatment and rehabilitation.

SUBTITLE C. Amendments to the Drug-Free Schools and Communities Act.

TITLE V—NATIONAL DRUG ENFORCEMENT AGENCY REORGANIZATION AND COORDINATION

SUBTITLE A. Establishment of Office of En-

forcement and Border Affairs in Department of Treasury.

SUBTITLE B. Department of Defense drug interdiction reorganization.

SUBTITLE C. Establishment of a Senate Select Committee on Narcotics Abuse and Control.

TITLE VI—RESEARCH AND DEVELOPMENT FOR LAW ENFORCEMENT AGENCIES

SUBTITLE A. Establishment of new research and development programs to assist Federal law enforcement agencies.

SUBTITLE B. Cargo container drug detection research and development.

TITLE VII—DRUG ENFORCEMENT TRAINING IMPROVEMENT

SUBTITLE A. Federal Law Enforcement Training Center Improvement Act of 1988.

SUBTITLE B. Department of Justice Training Facilities Improvement Act of 1988.

SUBTITLE C. Federal Law Enforcement Language Training Improvement Act of 1988.

SUBTITLE D. Authorization of appropriations for special training centers.

TITLE VIII—DRUG TESTING IN THE PRIVATE SECTOR

TITLE IX—CONGRESSIONAL POLICY REGARDING ADDITIONAL FUNDING FOR FISCAL YEAR 1989 FOR ANTI-DRUG ABUSE PROGRAMS

TITLE X—FUNDING; ACCOUNTS

SUBTITLE A. Offsetting Revenues and Savings to Cover the Cost of the Act.

TITLE I—DRUG ENFORCEMENT AND PERSONNEL ENHANCEMENT

Subtitle A—Asset Forfeiture Fund Amendments Act of 1988

SEC. 101. SHORT TITLE.

This subtitle may be cited as the "Department of Justice and Department of Treasury Assets Forfeiture Fund Amendments Act of 1988".

SEC. 102. ASSET FORFEITURE FUNDS.

(a)(1) Notwithstanding any other provision of law, the receipts and disbursements out of the Department of Justice Assets Forfeiture Fund, established by section 524(c)(1) of title 28, United States Code, and the Customs Forfeiture Fund, established by section 613A of the Tariff Act of 1930 (19 U.S.C. 1813b)—

(A) shall not be included in the totals of—
(i) the budget of the United States Government as submitted by the President; or
(ii) the congressional budget, including allocations of budget authority and outlays provided therein;

(B) shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government; and
(C) shall not be included for purposes of calculating—

(i) the deficit under section 3(6) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(6)) for purposes of comparison with the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.); or

(ii) the excess deficit for purposes of sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 and 902) for any fiscal year.

(2)(A) Notwithstanding any other provision of law, for purposes of the Congressional Budget and Impoundment Control Act of

1974 (2 U.S.C. 621 et seq.) the Department of Justice, with respect to receipts and disbursements from the Assets Forfeiture Fund, and the United States Customs Service, with respect to receipts and disbursements from the Customs Forfeiture Fund, shall be considered an off-budget Federal entity as such entity is defined under section 3(8) of such Act (2 U.S.C. 622(8)).

(B) Nothing in this subsection may be construed to diminish the oversight authority of the Congress under law with respect to the operations and budget of the Department of Justice or the United States Customs Service.

(C) Amounts to be disbursed out of the Department of Justice Assets Forfeiture Fund and the Customs Forfeiture Fund shall not be subject to limitation by appropriations Acts.

(D) This subsection shall apply to budgets for fiscal years beginning after September 30, 1988.

(3) Section 613A of the Tariff Act of 1930 (19 U.S.C. 1813b) is amended by—

(A) striking out "subject to appropriation, during the period beginning on the date of the enactment of this section and ending on September 30, 1991. The fund shall be available" in subsection (a); and

(B) striking out "during the period beginning on the date of the enactment of this section, and ending on September 30, 1987," in subsection (c); and

(C) repealing subsection (f).

(b) Section 524(c)(1) of title 28 of the United States Code is amended by striking out "and" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; and" and, by inserting the following new subparagraph:

"(H) after all reimbursements and program-related expenses have been met at the end of each fiscal year, the Attorney General shall transfer deposits from the Assets Forfeiture Fund to the Building and Facilities account of the Federal prison system for the construction of correctional institutions, and to the Support of United States Prisoners in non-Federal Institutions account of the Department of Justice for payments authorized by the Attorney General or his designee under contracts and cooperative agreements with any State, territory, or political subdivision thereof, for the necessary construction, physical renovation, acquisition of equipment, supplies, or materials required to establish acceptable conditions of confinement and detention services in any State or local jurisdiction which agrees to provide guaranteed bedspace for Federal detainees within that correctional system. The Attorney General shall report to the appropriate committees of the Congress any amount proposed to be transferred under this subparagraph."

(c) Amounts proposed for transfer pursuant to subsection (a) shall be transferred only upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate and approval under said Committees' policies concerning the reprogramming of funds.

(d)(1) Section 524(c)(1)(A) of title 28, United States Code, is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "and the Attorney General may exempt the procurement of supplies and services under the fund from section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 and following), and other provisions of law as may be necessary to maintain the securi-

SEC. 142. STATE PROGRAM AND PROJECT REPORTS.

(a) Each State which receives a grant under part B of this subtitle shall submit to the Bureau, for each year in which any part of such grant is expended by a State or local unit of government, a report which contains—

(1) a summary of the activities carried out with such grant and an assessment of the impact of such activities on meeting the needs identified in the State strategy submitted under this subtitle;

(2) a summary of activities carried out in such year with any grant received under part C of this subtitle by such State;

(3) the evaluation result of programs and projects; and

(4) such other information that the Bureau may require.

(b) The report required by subsection (a) shall be submitted in such a form and by such time as the Bureau may require.

SEC. 141. BUREAU PROGRAM AND PROJECT REPORTS.

(a) Not later than 180 days after the end of each fiscal year for which grants are made under part B and part C of this subtitle, the Director shall submit to the Speaker of the House and the President pro tempore of the Senate a report that includes with respect to each State—

(1) the aggregate amount of grants made under parts B and C of this subtitle to such State for such fiscal year;

(2) the amount of such grants expended for each of the programs specified in part B;

(3) a summary of the information provided by the States required by this part; and

(4) evaluation results of programs and projects and State strategy implementation.

(b) Such report shall, in addition, be submitted by the Director to the Committees on Appropriations of the House and Senate; and the Committees on the Judiciary of the Senate and the House for review.

SEC. 143. EXPENDITURE OF GRANTS; REPORTS.

(a) A grant made under part B of this subtitle may not be expended for more than 60 per centum of the costs of the identified uses, in the aggregate, for which such grant is received to carry out any purpose specified in part B, except that in the case of funds distributed to an Indian tribe which performs law enforcement functions (as determined by the Secretary of the Interior) for any such program or project, the amount of such grant shall be equal to 100 per centum of such costs. The non-Federal portion of the expenditures for such uses shall be paid in cash.

(b)(1) Each State which receives a grant under part B of this subtitle shall keep, and shall require units of local government which receive any part of such grant, to keep, such records as the Director may require to facilitate an effective audit.

(2) The Director and the Comptroller General of the United States shall have access, for the purpose of audit and examination, to any books, documents, and records of States, which receive grants, and of units of local government which receive any part of a grant made under part B, if in the opinion of the Director or the Comptroller General, such books, documents, and records are related to the receipt or use of any such grant.

PART G—FUNDING

SEC. 144. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated, to carry out the grant programs authorized under this subtitle, \$250,000,000 for the fiscal year ending September 30, 1989; \$500,000,000 for the fiscal year ending September 30, 1990, of which up to 50 per cent shall be used to continue the programs and projects for which grant funds were award-

ed in fiscal year 1989; and \$750,000,000 for the fiscal year ending September 30, 1991, of which up to 50 per cent shall be used to continue the programs and projects for which grant funds were awarded in fiscal years 1989 and 1990.

SEC. 144. AUTHORIZATION OF ADDITIONAL PERSONNEL TO IMPLEMENT THE STATE AND LOCAL NARCOTICS CONTROL ASSISTANCE ACT OF 1988.

There is authorized to be appropriated, \$5,000,000 in fiscal year 1989 for salaries and expenses of the Bureau of Justice Assistance: *Provided*, That such appropriation shall be in addition to any appropriations requested by the President in his fiscal year 1989 budget as presented to the Congress on February 18, 1988, or as provided in any regular appropriation Act or continuing resolution for the fiscal year ending September 30, 1989; *Provided further*, That such additional appropriation shall be used to hire an additional 96 fulltime equivalent positions and shall be used by the Bureau of Justice Assistance only for the purposes of carrying out the State and Local Narcotics Control Assistance Act of 1988, as authorized under this subtitle.

PART H—RELATIONSHIP WITH THE JUSTICE ASSISTANCE ACT OF 1984

SEC. 145. ADMINISTRATION OF FUNDS.

(a) The Bureau of Justice Assistance shall administer any funds available to it under the Omnibus Crime Control and Safe Streets Act of 1968 in such a manner as to compensate for the quantum increase in cases resulting from apprehensions and accelerated prosecution of persons accused of drug trafficking, possession, and related offenses. Such concentration of resources is intended to support the use of proven successful programs of such Act for courts and corrections agencies in processing drug cases and offenders.

(b) State, metropolitan, and other jurisdictions are encouraged to participate in funding under such Act and to integrate use of these monies with funds allocated under their drug statewide strategy in such a manner as to assure the smooth functioning of criminal justice administration in these jurisdictions.

(c) The applicable program and project matching requirements of the Omnibus Crime Control and Safe Streets Act of 1968, currently set at 50 per cent State/local, shall, on and after the effective date of this section, be the same as the 3-year sliding scale of increasing State and local contribution established under section 127 of part B of this subtitle.

Subtitle C—Chemical Diversion and Trafficking Act of 1988

SEC. 144. SHORT TITLE.

This subtitle may be cited as the "Chemical Diversion and Trafficking Act of 1988".

SEC. 145. PRECURSOR CHEMICALS AND ESSENTIAL CHEMICALS.

Section 310 of the Controlled Substances Act (21 U.S.C. 830) is amended to read as follows:

"PRECURSOR CHEMICALS AND ESSENTIAL CHEMICALS

"Sec. 310. (a)(1)(A) Except as provided under paragraph (3), any person who manufactures, distributes, imports or exports a substance listed under subsection (d) shall maintain records and make reports as the Attorney General may by regulation require concerning the distribution, receipt, sale, importation or exportation of the listed substances.

"(B) Records required by this paragraph—
 "(1) shall be in a form that is readily retrievable from ordinary business records; and

"(II) shall be kept and made available for inspection and copying by officers or employees of the United States authorized by the Attorney General, with regard to substances listed in subsection (d)(2), for 2 years and, with regard to substances listed in subsection (d)(1), for no less than 2 years and no more than 5 years as determined by regulation of the Attorney General.

"(C) In establishing regulations concerning required records and reports under this paragraph, the Attorney General may establish a threshold quantity for record-keeping and reporting requirements for each listed chemical. Reports required by the Attorney General shall be limited to those necessary for the effective implementation of this title, such as reports of suspicious purchases.

"(D) The Attorney General may include in the information required to be maintained or reported under this paragraph the following:

"(i) The quantity, form, and manner in which, and date on which, the substance was distributed, imported or exported.

"(ii)(1) In the case of the distribution or exportation to an individual, the name, address, and age of the individual and the type of identification presented to establish the identity of the individual.

"(ii) In the case of the distribution or exportation to an entity other than an individual, the name and address of the entity and the name, address, and title of the individual ordering or receiving the substance and the type of identification presented to establish the identity of the individual and of the entity.

"(2)(A) Except as provided under paragraph (3), no person may distribute a substance listed under subsection (d) unless the recipient or purchaser presents to the distributor a certification of lawful use and identification in order to establish the identity of the recipient or purchaser (and any entity which the recipient or purchaser represents).

"(B) The certification of lawful use and identification shall be of such a type as the Attorney General establishes by regulation.

"(3) Under such conditions and to such extent as the Attorney General establishes, paragraphs (1) and (2) shall not apply to—

"(A) the distribution of listed substances between agents or employees within a single facility (as defined by the Attorney General), if such agents or employees are acting in the lawful and usual course of their business or employment;

"(B) the delivery of listed substances to or by a common or contract carrier for carriage in the lawful and usual course of its business, or to or by a warehouseman for storage in the lawful and usual course of its business; but where such carriage or storage is in connection with the distribution, importation, or exportation of substances to a third person, this subparagraph shall not relieve the distributor, importer, or exporter from compliance with paragraph (1) or (2);

"(C) any distribution, importation, or exportation with respect to which the Attorney General determines that the reports or records required by paragraph (1) or the presentation of identification or certification required by paragraph (2) is not necessary for the enforcement of this subchapter; or

"(D) any distribution, importation, or exportation of any drug product which contains a listed substance and which can be lawfully marketed or distributed in the United States under the provisions of the Food, Drug, and Cosmetic Act.

"(b) It shall be unlawful for any person knowingly or intentionally—

"(1) to import into the customs territory of the United States from any place outside thereof (but within the United States), or to import into the United States from any place outside thereof, any substance listed under subsection (d) unless the substance is imported for commercial, scientific, or other legitimate uses, and is imported pursuant to such notification or declaration requirements as the Attorney General may by regulation prescribe; and

"(2) to export from the United States to any other country a substance listed under subsection (d) unless there is furnished (before export) to the Attorney General documentary proof that exportation is not contrary to the laws or regulations of the country of destination for consumption for medical, commercial, scientific, or other legitimate purposes, and is exported pursuant to such notification or declaration requirements as the Attorney General may by regulation prescribe.

"(c) The Attorney General may by rule—

"(1) add substances to the list in subsection (d) if the Attorney General finds that—

"(A) such substance is a precursor or essential chemical which can be used to manufacture a controlled substance; and

"(B) such substance is being used in the manufacture of controlled substances in violation of this title; or

"(2) delete a substance listed in subsection (d) or added to the list by rule if the Attorney General finds that its listing no longer meets the criteria set forth in paragraph (1).

"(d) The provisions of this title shall apply to the following:

"(1) Precursor chemicals:

"(A) N-Acetylthranilic acid.

"(B) Anthranilic acid.

"(C) Ergotamine tartrate.

"(D) Ergonovine maleate.

"(E) Phenylacetic acid.

"(F) Ephedrine.

"(G) Pseudoephedrine.

"(H) Benzyl cyanide.

"(I) Benzyl chloride.

"(J) Piperidine.

"(2) Essential chemicals:

"(A) Potassium permanganate.

"(B) Acetic anhydride.

"(C) Acetone.

"(D) Ethyl ether.

"(e) Any information which is reported to or otherwise obtained by the Attorney General under this section and which is exempt from disclosure pursuant to subsection (a) of section 552 of title 5, United States Code, by reason of subsection (b)(4) thereof shall be considered confidential and shall not be disclosed, except that such information may be disclosed to officers or employees of the United States concerned with carrying out this title or title III or when relevant in any proceeding for the enforcement of this title or title III or when necessary to meet United States treaty obligations.

"(f) For purposes of this title:

"(1) The term 'import' has the meaning given such term in section 1001 of title III (21 U.S.C. 961(a)(1)).

"(2) The term 'customs territory of the United States' has the meaning assigned to such term by section 1001 of title III (21 U.S.C. 951(a)(2)).

"(g)(1) No person may distribute, sell, import, export, or otherwise transfer to another person any commercial tableting machine or encapsulating machine unless the purchaser, recipient, transferee, or his agent presents to the distributor or supplier a certification of lawful use and identification to establish the identity of the recipient or purchaser (and any entity which the recipient or purchaser represents) of such a type

as the Attorney General by regulation may establish.

"(2) Any person who distributes, sells, imports, exports, or otherwise transfers to another person any commercial tableting machine or encapsulating machine shall report the transfer to the Attorney General in such a form as the Attorney General may by regulation require. The Attorney General may require such information as the date of sale or transfer, name and address of transferee, purpose for which the machine is intended, and the serial numbers and make and model of the machine.

"(h) An interested person (by petition) or the Attorney General may initiate action to add or delete chemicals pursuant to subsection (c)."

SEC. 104. CRIMINAL PENALTIES.

"(a) Section 401(d) of the Controlled Substances Act (21 U.S.C. 841(d)(1)) is amended to read as follows:

"(d) Any person who knowingly or intentionally—

"(1) possesses any precursor chemical or essential chemical listed under section 310(d) with the intent to manufacture any controlled substance, except as authorized by this title;

"(2) possesses or distributes any precursor chemical or essential chemical listed under section 310(d), knowing or having reasonable cause to believe, that such chemical so possessed or distributed will be used to manufacture a controlled substance, except as authorized by this title;

"(3) manufactures, distributes, imports, or exports a precursor chemical or essential chemical listed under section 310(d) except as provided for by this title.

"(4) possesses any precursor chemical or essential chemical listed under section 310(d), with knowledge that the recordkeeping or reporting requirements of section 310(a) or regulations issued pursuant to section 310(a) have not been complied with, or

"(5) with the intent of causing the evasion of the recordkeeping or reporting requirements of section 310(a) of the regulations issued thereunder, receives or distributes a reportable amount of any chemical listed under section 310(d) in units small enough so that the making of records or filing of reports under section 310(a) is not required,

shall be sentenced to a term of imprisonment of not more than 5 years, a fine not to exceed the greater of that authorized in accordance with the provisions of title 18, United States Code, or \$250,000 if the defendant is an individual or \$1,000,000 if the defendant is other than an individual, or both."

"(b) Section 402(a)(9) of the Controlled Substances Act (21 U.S.C. 842(a)(9)) is amended by—

"(1) striking out "or sell piperidine" and replacing it with "a precursor chemical or essential chemical listed under section 310(d)"; and

"(2) adding "or certification" after "identification".

"(c) Section 402(c)(3) of the Controlled Substances Act (21 U.S.C. 842(c)(3)) is amended by striking out subparagraph (C).

"(d) Section 403(a) of the Controlled Substances Act (21 U.S.C. 843(a)) is amended—

"(1) in clause (4)(B) by striking out "piperidine" and inserting in lieu thereof "a precursor chemical or essential chemical listed under section 310(d)";

"(2) in clause (4)(B) by adding "or certification" after "identification" where it appears;

"(3) in paragraph (4) by striking out "or" after the semicolon;

"(4) in paragraph (5) by striking out the period and inserting in lieu thereof "; or"; and

"(5) by adding the following paragraphs at the end thereof:

"(6) to possess any drug manufacturing equipment, tableting or encapsulating machines, or gelatin capsules with intent to manufacture a controlled substance except as authorized by this title; or

"(7) to manufacture, distribute, or import any drug manufacturing equipment, tableting or encapsulating machines, or gelatin capsules knowing, or having reasonable cause to believe, that they will be used to manufacture a controlled substance except as authorized by this title."

"(e) Section 403(c) of the Controlled Substances Act (21 U.S.C. 843(c)) is amended by adding at the end thereof the following: "In addition, any person convicted of a violation of this section or section 401 relating to the receipt, distribution, importation, or exportation of substances listed in section 310(d) shall be enjoined from conducting business activities involving such substances for a minimum of 10 years."

"(f) Section 1961(1) of title 18, United States Code, is amended by inserting "including precursor and essential chemicals (as defined in section 310 of the Controlled Substances Act)," after "dangerous drugs," each time it appears.

"(g) Section 2510(1)(e) of title 18, United States Code, is amended by inserting "including precursor and essential chemicals (as defined in section 310 of the Controlled Substances Act)," after "dangerous drugs."

SEC. 105. POSSESSION.

Section 311(a) of the Controlled Substances Act (21 U.S.C. 831) is amended by adding a new paragraph (9) as follows:

"(9) All chemicals listed under section 310(d), all drug manufacturing equipment, all tableting or encapsulating machines, and all gelatin capsules, which have been imported, exported, manufactured, possessed, distributed, or intended to be distributed, in violation of this title, as well as all conveyances and equipment, including aircraft, vehicles, or vessels, which are used, or are intended for use, to transport, or in any way facilitate the transportation, distribution, receipt, possession, or concealment of precursor chemicals and essential chemicals, drug manufacturing equipment, tableting or encapsulating machines, or gelatin capsules, in violation of this title, except as provided for under subparagraphs (A) and (B) of paragraph (4)."

SEC. 106. DEFINITIONS.

Section 102 of the Controlled Substances Act (21 U.S.C. 802) is amended—

"(1) in paragraph (11), by inserting after "a controlled substance" both places it appears the following: "or a precursor chemical or essential chemical listed under section 310(d)";

"(2) in paragraph (8), by inserting "or a precursor chemical or essential chemical" after "a controlled substance"; and

"(3) by adding at the end thereof the following new paragraphs:

"(23) The term 'precursor chemical' means a substance that may be used in the chemical process of manufacturing controlled substances and which is incorporated into the final product and is therefore critical to its manufacture.

"(34) The term 'essential chemical' means a substance that may be used in the chemical process of manufacturing controlled substances as a solvent, reagent, or catalyst."

SEC. 107. TECHNICAL AMENDMENTS.

"(a) Section 506(a) of the Controlled Substances Act (21 U.S.C. 876(a)) is amended by

adding "or precursor chemicals or essential chemicals" after "with respect to controlled substances".

(b) The table of sections for part C of the Controlled Substances Act is amended by striking out the item relating to section 310 and inserting the following in lieu thereof:

"310. Precursor chemicals and essential chemicals."

SEC. 171. ACTIVE DEPARTMENT OF JUSTICE CONTROL PROGRAM.

The Attorney General shall maintain an active program, both domestic and international, to curtail the diversion of precursor chemicals and essential chemicals used in the illicit manufacture of controlled substances. This program shall include appropriate controls on the purchase, sale, import, and export of these chemicals and development of cooperative efforts with foreign drug control authorities.

SEC. 181. EFFECTIVE DATE.

This subtitle shall take effect 120 days after the date of enactment of this Act.

Subtitle D—Comprehensive Federal Law Enforcement Officer Improvements Act of 1988

SEC. 171. SHORT TITLE.

This subtitle may be cited as the "Comprehensive Federal Law Enforcement Officer Improvements Act of 1988".

SEC. 172. RESTORATION OF HAZARDOUS DUTY EARLY RETIREMENT OPTION UNDER FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

Section 8401(17)(B) of title 5, United States Code, is amended by striking out "for at least 10 years" and inserting in lieu thereof "for at least 3 years".

SEC. 173. AMENDMENTS TO THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.

(a) Section 1201(a) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796(a)) is amended by striking out "\$50,000" and inserting in lieu thereof "\$100,000".

(b) Section 1201(a)(4) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796(a)(4)) is amended by striking out "dependent".

SEC. 174. DEFINITIONS.

As used in this section and sections 176, 177, and 178—

(1) the term "Commission" means the National Advisory Commission on Law Enforcement;

(2) the term "Commissioner" means a member of the National Advisory Commission on Law Enforcement; and

(3) the term "law enforcement officer" has the same meaning as provided in section 8401(17) of title 5, United States Code.

SEC. 175. ESTABLISHMENT AND PURPOSES OF THE NATIONAL ADVISORY COMMISSION ON LAW ENFORCEMENT.

(a) There is established as an independent commission in the legislative branch of the United States a National Advisory Commission on Law Enforcement, which shall consist of the following members:

(1) four members of the United States Senate, two of whom shall be selected by the Majority Leader and two of whom shall be selected by the Minority Leader;

(2) four members of the United States House of Representatives, two of whom shall be selected by the Speaker and two of whom shall be selected by the Minority Leader;

(3) the Comptroller General of the United States, who shall also serve as Chairman of the Commission;

(4) the Director of the Office of Personnel Management;

(5) the Attorney General of the United States and three other officials of the De-

partment of Justice who shall be designated by the Attorney General;

(6) the Secretary of the Treasury and two other officials of the Department of the Treasury who shall be designated by the Secretary of the Treasury;

(7) the Inspector General of three departments or agencies of the executive branch of the United States who shall be designated by the President of the United States; and

(8) three representatives from Federal employee groups to be selected by the Office of Personnel Management after consultation with the Speaker of the House and the Majority Leader of the Senate.

(b) The Commission shall study the methods and rates of compensation, including salary, overtime pay, and other benefits of law enforcement officers in all Federal agencies, as well as the methods and rates of compensation of State and local law enforcement officers in a representative number of areas where Federal law enforcement officers are assigned, in order to determine—

(1) the differences which exist among Federal agencies with regard to the methods and rates of compensation for law enforcement officers;

(2) the rational basis, if any, for such differences, considering the nature of the responsibilities of the law enforcement officers in each agency, the qualifications and training required to perform such responsibilities; the degree of personal risk to which the law enforcement officers in each agency are normally exposed in the performance of their duties; and such other factors as the Commission deems relevant in evaluating the differences in compensation among the various agencies;

(3) the extent to which inequities appear to exist among Federal agencies with regard to the methods and rates of compensation of law enforcement officers, based on consideration of the factors mentioned in paragraph (2) of this subsection;

(4) the feasibility of devising a uniform system of overtime compensation for law enforcement officers in all or most Federal agencies, with due regard for both the special needs of law enforcement officers and the relative cost effectiveness to the Government of such a system compared to those currently in use;

(5) how the salaries paid to Federal law enforcement officers compare to those of State and local officers in the same geographical areas, especially those in "high cost-of-living" areas;

(6) the impact of the rates of compensation paid by various Federal agencies on the lifestyle, morale, and general well-being of law enforcement officers, including their ability to subsist;

(7) the recruiting and retention problems experienced by Federal agencies due to inequities in compensation among such agencies; the differences between rates of compensation paid to Federal law enforcement officers and State and local officers in the same geographical areas; and other factors related to compensation; and

(8) the extent to which Federal legislation and administrative regulations may be necessary or appropriate to rectify inequities among Federal agencies in the methods and rates of compensation for law enforcement officers; to address the lack of uniformity among agencies with regard to overtime pay; to provide premiums or special rates of pay for Federal law enforcement officers in high cost-of-living areas; to ensure that the levels of compensation paid to Federal law enforcement officers will be competitive with those paid to State and local officers in the same geographical areas; and to address

such other matters related to the determination made under this subsection as the Commission deems appropriate in the interests of enhancing the ability of Federal agencies to recruit and retain the most qualified and capable law enforcement officers.

SEC. 176. POWERS OF THE COMMISSION.

(a) The Commission shall have the power to—

(1) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

(2) enter into and perform, without regard to section 2324 of title 31, United States Code, such contracts, leases, cooperative agreements, and other transactions as may be necessary in the conduct of the functions of the Commission, with any public agency, or with any person, firm, association, corporation, educational institution, or nonprofit organization;

(3) request such information, data, and reports from any Federal agency or instrumentality as the Commission may from time to time require and as may be produced consistent with other law; and

(4) hold hearings and call witnesses that might assist the Commission in the exercise of its powers or duties.

(b) The Commission shall have such other powers as may be necessary to carry out its functions under this Act and may delegate to any member or designated person such powers as may be appropriate in the conduct of its functions.

(c) Upon the request of the Commission, each Federal agency is authorized and directed to make its resources, services, equipment, personnel, facilities, and information available to the greatest practicable extent to the Commission in the execution of its functions.

(d) Each Commissioner may utilize the resources, services, equipment, personnel, information, and facilities of his or her Federal agency or, in the case of the Commissioners who are members of Congress, his or her congressional office, as may be necessary in the conduct of the Commissioner's respective functions as a member of the Commission.

(e) A simple majority of the Commissioners then serving shall constitute a quorum for the conduct of business by the Commission, and the Commission may exercise its powers and fulfill its duties by the vote of a simple majority of the Commissioners present.

(f) The Chairman of the Commission shall call and preside at meetings of the Commission, but the Chairman may delegate to any other Commissioner the authority to preside at meetings of the Commission.

SEC. 177. REPORT AND DISSOLUTION OF COMMISSION.

(a) Within 6 months following the date of enactment of this Act, the Commission shall prepare and deliver to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, a written report setting forth—

(1) the findings and determinations made by the Commission pursuant to section 176(b); and

(2) specific proposals for such legislation and administrative regulations as the Commission has determined to be necessary or appropriate pursuant to section 176(b)(8).

(b) The Commission shall be terminated 60 days following submission of the report mandated by this section.

Existing US Chemical Export Controls

- Two export control regulations cover the export of chemicals and other items related to chemical weapons:
 - o International Traffic in Arms Regulations (ITAR)
 - o Export Administration Regulations (EAR)

International Traffic in Arms Regulations (ITAR)

- The ITAR are administered by the State Department's Office of Munitions Control which also handles applications for licenses. The ITAR incorporates the US Munitions List (USML). All items on the USML, including related technical data, require export licenses.
- General U.S. policy is not to permit export of chemical agents on the USML.
- The USML contains items that are inherently military in character:
 - o Chemical agents with military application.
 - o Equipment for the dissemination, detection and identification of, and defense against chemical warfare-related agents.
 - o Technical data directly related to the above categories, including production of chemical agents.
- The USML is found in part 121.1 of the ITAR (22 C.F.R. 120-130) which is under the authority of section 38 of the Arms Export Control Act (22 U.S.C. 2778). A copy of the relevant USML category is at Tab A. An illustrative list of chemical agents is at Tab B.
- Violators of the requirements of the ITAR can, upon conviction, be subject to the fine or imprisonment or a variety of administrative sanctions.

Export Administration Regulations (EAR)

- The EAR (15 C.F.R. 368 et seq.) are issued and administered by the Department of Commerce pursuant to the Export Administration Act (22 U.S.C. 2401 et seq.) The EAR incorporates the Commodity Control List which contains, among other things, those commercial chemicals identified as potentially chemical warfare-related which are subject to export control for national security reasons, foreign policy reasons or both.
- 37 Chemicals are subject to national security export controls and require validated licenses for export anywhere except Canada. The list of these chemicals is attached at Tab C.
- 17 Precursor chemicals are subject to foreign policy controls:
 - o Five chemicals are controlled worldwide. A validated license is required for export to any destination except the 18 western countries which have imposed similar controls.
 - o The export of 12 chemicals is controlled to Iran, Iraq and Syria.
 - o The list of these chemicals is attached at Tab D.
- Violators of the EAR requirements can be subject to denial of export privileges, fines or imprisonment.

International Traffic in Arms Regulations

US Munitions List Category XIV -
Toxicological Agents and Equipment and Radiological Equipment

(a) Chemical agents, including but not limited to lung irritants, vesicants, lachrymators, tear gases (except tear gas formulations containing 1% or less CN or CS), sternutators and irritant smoke, and nerve gases and incapacitating agents.

(b) Biological agents.

(c) Equipment for dissemination, detection, and identification of, and defense against, the articles in paragraphs (a) and (b) of this category.

(d) Nuclear radiation detection and measuring devices, manufactured to military specification.

(e) Components, parts, accessories, attachments and associated equipment specifically designed or modified for the articles in paragraphs (c) and (d) of this category.

International Traffic in Arms Regulations

Chemical Agents

A chemical agent in Category XIV(a) of the USML is a substance having military application which by its ordinary and direct chemical action produces a powerful physiological effect. The term "chemical agent" includes, but is not limited to, the following chemical compounds:

(a) Lung irritants:

- (1) Diphenylcyanoarsine (DC)
- (2) Fluorine (but not fluorene)
- (3) Trichloronitro methane (chloropicrin, PS)

(b) Vesicants:

- (1) β -Chlorovinylchloroarsine (Lewisite, L)
- (2) Bis(dichloroethyl)sulphide (Mustard Gas, HD or H)
- (3) Ethylchloroarsine (ED)
- (4) Methylchloroarsine (MD)

(c) Lachrymators and tear gases:

- (1) (Alpha)-Bromobenzyl cyanide (BBC)
- (2) Chloroacetophenone (CN)
- (3) Dibromodimethyl ether
- (4) Dichlorodimethyl ether (ClCi)
- (5) Ethyldibromoarsine
- (6) Phenylcarbylamine chloride
- (7) Tear gas solutions (CNB and CNS)
- (8) Tear gas - Orthochlorobenzalmalononitrile (CS)

(d) Sternutators and irritant smokes:

- (1) Diphenylamine chloroarsine (Adamsite, DM)
- (2) Diphenylchloroarsine (BA)
- (3) Liquid pepper

(e) Nerve agents, gases and aerosols:

These are toxic compounds which affect the nervous system such as:

- (1) Dimethylaminoethoxycyanophosphine oxide (GA)
- (2) Methylisopropoxyfluorophosphine oxide (GB)
- (3) Methylpinacolylxyfluorophosphine oxide (GD)

(f) Antiplant chemicals, such as: Butyl 2-chloro-4-fluorophenoxyacetate (LNF)

Export Administration Regulations

Chemicals Controlled to All Countries
Except Canada Under National Security Controls

- (1) 8-Diethylaminoethyl diphenylpropylacetate hydrochloride
- (2) 2-Chloro-10-(3-dimethylaminopropyl) phenothiazine
- (3) 2-Chlorophenothiazine
- (4) 2-Cyanoacetamide
- (5) 2-Dicyclohexylcarbodiimide
- (6) Diethylmethylphosphonite
- (7) Dihydrodibenzazepine
- (8) Dihydrodibenzocycloheptene
- (9) 10, 11-Dihydro-N, N-dimethyl-5H-dibenzo (a,d) cycloheptent
delta 5, gamma-propylamine
- (10) 2-Diisopropylaminoethanol
- (11) Diisopropylcarbodiimide
- (12) 5-(3-(Dimethylamino)-2-methylpropyl)-10, 11-dihydro-5H-
dibenz (b,f) azepine
- (13) Dimethylamino propylchloride hydrochloride
- (14) 5-(3-Dimethylaminopropyl)-10, 11-dihydro-5H-dibenz (b,f)
azepine
- (15) 10-(3-Dimethylaminopropyl)-2-trifluorodimethylphenothiazine
- (16) Dimethyl hydrogen phosphite
- (17) Di-o-tolyl carbodiimide
- (18) Diisopropylaminoethylchloride hydrochloride
- (19) Ethylphosphonothioic dichloride
- (20) Ethylphosphonous dichloride
- (21) Lysergic acid diethylamine
- (22) Malonitrile
- (23) Methylbenzylate
- (24) Methylchlorphosphine
- (25) Methylisonicotenate
- (26) Methylphosphonothioic dichloride
- (27) Methylphosphonous dichloride
- (28) Methylphosphonyldichloride
- (29) N, N-diethylethylenediamine (Diethylaminoethylamine)
- (30) Orthochlorobenzaldehyde
- (31) Phenothiazine
- (32) Piperidine carboxyl acid
- (33) n-Propylphosphonous dichloride
- (34) 3-Quinuclidinol
- (35) 3-Quinuclidinone
- (36) 2-Trifluoromethylphenothiazine
- (37) 4-(3-(2-Trifluoromethyl) phenothiazine-10-yl) propyl)-1-
piperazine ethanol

Export Administration Regulations

Five Chemicals Controlled
For Export Worldwide
Under Foreign Policy Controls

Dimethyl methylphosphonate
Methylphosphonyl dichloride
Methylphosphonyl difluoride
Phosphorous oxychloride
Thiodiglycol

Twelve Chemicals Controlled
For Export to Iran, Iraq and Syria
Under Foreign Policy Controls

Chloroethanol
N,N-Diisopropylaminoethane-2-thiol
N,N-Diisopropylaminoethyl-2-chloride
Dimethylamine
Dimethylamine hydrochloride
Dimethyl phosphite
3-Hydroxy-1-methylpiperidine
Phosphorus trichloride
Potassium fluoride
3-Quinuclidinol
Thionyl chloride
Trimethyl phosphite

Drafted: PM/TMP:DLambert
1/27/88 ph. 647-4816
4570M

THE WHITE HOUSE

- o The President mentioned several times in his speech the efforts made by chemical companies ^{WASHINGTON} to a) help fight drug abuse, and b) help fight the illegal diversion of precursor chemicals.
- o Although chemical companies have been willing to cooperate in developing the new chemical control legislation, they have not been willing to come forward on their own, and their industry's association has lobbied extensively to try to reduce the pressure that the new regulations would place on them.
- o What's important to remember is that these chemicals, despite whatever precautions the chemical companies are taking, are still ending up in South America and are being used to process cocaine.
- o It is also important to show that the U.S. realizes our role and responsibility in this facet of the fight against drugs. We should not just be pointing a finger at producer nations -- it is our responsibility to control demand at home, and the supply of precursor chemicals. IDEC seemed a perfect forum to make this point.

Yes, chem cos. have been cooperating, but
chems are still getting down there --
-- DEA teletypes

better security on exports / scrutiny of local
packagers /

Know who customers are

wh chems are essential to producing cocaine?

P. Dargatzis - DEA

1500 seized in part out seizures

\$17,270,500 / all 1500

Distribution, Market, + international

RJM International San Diego, CA

Buntes Bros. Linn Co. 1107 W. 17th St, TX
major seizure Linn Linn

THE WHITE HOUSE

Office of the Press Secretary
(Miami, Florida)

For Immediate Release

April 27, 1989

REMARKS BY THE PRESIDENT
TO INTERNATIONAL DRUG ENFORCEMENT CONFERENCE

Biscayne Bay Marriott Hotel
Miami, Florida

9:55 A.M. EDT

THE PRESIDENT: Thank you, ladies and gentlemen, thank you very much. Thank you, Mr. Attorney General. Please be seated. And let me, at the outset, pay my respects to Governor Martinez, the Governor of Florida who's with me here today, with all of us here; and Senator Mack, Senator Connie Mack, vitally interested, as is the Governor, in the war against drugs. And, of course, my great respects to the Attorney General, who is taking a very prominent leadership role in this common fight. And it's a pleasure to see out of Alaska for a change the Commandant of the Coast Guard Paul Yost, who is doing an outstanding job half a world away up there in Alaska, but whose organization is doing such a superb job for the United States in this whole concept of interdiction. And so we have a distinguished group here.

"This scourge will stop." Those were the words that Dick alluded to -- those were the words with which I opened my presidency. And it's the continuation of that promise that brings me to Miami today. And I am honored to be here to talk with you. And I am very grateful to Jack Lawn and the -- whose head of the, as you all know, head of the DEA -- and the other distinguished enforcement chiefs who have come throughout the Americas -- along with our friends and observers from Europe -- to join forces in a new tradition of international cooperation.

And I had a visit just a second ago with Jack -- just took a minute, but he was filling me in on his hopes for this conference and telling me of the cooperation that his organization was receiving from all of you. And so let me, at the outset, say thank you.

I'm here today to talk about war. First, to see cocaine trafficking for what it is: an attack aimed at enslaving and exploiting the weak. Second, to confront what's become a world war. And third -- I hope -- to help end a nasty chapter in that war -- the diversion of precursor chemicals.

In the 19th century, the scourge of the Americas was slavery. A struggle of good and evil, in which some sought to enrich themselves by enslaving the most downtrodden of their countrymen. Today the scourge of this hemisphere is called cocaine. As commanding officers, you know the havoc of which we speak. You see it every day on the streets of your cities and in mountain villages, in the haunted eyes and the broken dreams of a generation of youth -- of children -- who have fallen victim to a seductive, nightmarish new form of dependency and slavery. Our countries have suffered a terrible toll, many far worse than the United States.

Drug traffic is called the world's second most dangerous profession. The most dangerous really is yours -- law enforcement; drug enforcement.

Earlier this year, I had a glimpse of what must be all too familiar to many of you sitting around this table. I joined Mrs. Everett Hatcher to grieve for the death of her husband, a veteran DEA

MORE

agent who was executed by cocaine cowards in the back streets of New York. A woman of considerable dignity, she put responsibility for Mr. Hatcher's death squarely on those once naively excused as "casual" users of cocaine.

Well, cocaine users can no longer claim noncombatant status. There is blood on their hands. And thanks in part to the demand-side programs like those you're going to be talking about later this morning, this message has begun to sear the consciences of the stockbrokers and the students, the lawyers and the homemakers and the athletes who finance our common enemy.

There are many ironies. Drug addiction does not discriminate against a person because of race, religion or financial status. It's the great equalizer, snaring sons and daughters of the rich, the poor, the middle class.

Sometimes the opposite occurs and kingpins are reduced to paupers. The opulence of Carlos Lehder's lifestyle is but memory now as he begins his journey to the grave -- life without parole -- in an Illinois penitentiary. The notorious Felix Gallardo -- once boasting of his power and wealth -- is also behind bars in Mexico. Stripped of blood money, they are nobodies, no longer the stuff of myth.

Your business, then -- our business -- is to pursue these outlaws to the ends of the Earth. To create a world without refuge, to leave no sanctuary, in your countries or in mine.

And I've said it before -- the war on drugs is no metaphor. The war on drugs is no metaphor. We've been slower to recognize that it is also a world war, leaving no nation unscathed, one in which Hong Kong bankers and Bolivian growers and Middle Eastern couriers and West Coast wholesalers all play insidious roles. And it is especially acute in this hemisphere, where an explosive cycle of drugs, dependency and dollars has escalated clear out of control.

The time for blame, the time for assigning blame is behind us. For too long, a sharp divide has been drawn between "producing" and "consuming" nations. Well, denial is a natural part of human nature, and probably part of a country's nature as well. But let's face it. Americans cannot blame the Andean nations for our voracious appetite for drugs. Ultimately, the solution to the United States drug problem lies within our own borders -- stepped up enforcement. But education and treatment as well.

And our Latin American cousins cannot blame the United States for the voracious greed of the drug traffickers who control small empires at home. Ultimately, the solution to that problem lies within your borders.

And yet, good neighbors must stand together. A world war must be met in kind. And so today, as this conference winds down and concludes, we are presented with an historic opportunity.

Allies in any war must consult -- as partners. And just as you have gathered on seven occasions for IDEC, I ask that the leaders of the Western Hemisphere, whose nations are afflicted by this scourge, join with me to work together toward a hemispheric compact on drugs -- a mutual commitment of resources and energy to ensure a brighter day for the children of America. And I mean by that all the Americas. And I have directed that our nation's new drug czar, William Bennett, take the lead in coordinating this vital initiative.

IDEC demonstrates that we will put aside national differences to do what must be done. And together you have put cartels out of business, reduced the supply of cocaine and, increasingly, educated our children about the dangers of drug use and trafficking. And I do commend Jack Lawn, and each of you, for having

the foresight to establish this organization and for demonstrating the collective commitment to work together.

I've spoken often of the horrors of chemical warfare. Well, chemical abuse is also chemical warfare. Poisoning our streets. As deadly as mustard gas. And today we're opening a new campaign to rid the world of these toxics.

We're going to start right here -- in the United States, because all too often that's the original source of the basic industrial chemicals needed to produce cocaine. Now, U.S. chemical companies are justly proud of their products that vastly improve and help to extend life here and abroad. But few Americans are aware that illegally diverted barrels of dangerous chemicals -- clearly marked with U.S. corporate logos -- are routinely seized in the jungles of Colombia.

IDEC held a panel discussion on this Tuesday. And those gathered here, you understand its importance. Traffickers have hit us where it hurts. And now we're going to exploit their vulnerabilities, crimping the flow of the materials without which they cannot produce. No chemicals, no cocaine.

We know it works in the field. Many of you participated in "IDEC Six," the operations last August, when the combined efforts of 30 nations saw the seizure of 155,000 pounds of highly flammable ether, almost 450,000 pounds of acetone, over 50,000 pounds of hydrochloric acid and nearly 14,000 pounds of MEK.

This past January, Colombian antinarcotics officers under General Munoz-Sanabria -- who I understand is here today. Is he? I hope. Congratulations, General, for that, and thank you for what you're doing for all of us in that regard. (Applause.) They destroyed 25 cocaine laboratories and enough chemicals to make approximately 88 metric tons of cocaine.

The damage that's done when 88 tons of cocaine hits United States streets is pretty obvious. What's not so well understood is the widespread environmental damage that precursor chemicals wreak when they are dumped in the forests of the Amazon Basin. One of today's delegates, the Director of Narcotics Enforcement for Peru's National Police, has told the DEA that as much as 175,000 pounds of sulfuric acid is dropped into the tributaries of the Upper Huallaga Valley each year.

And anyone concerned about the legacy of defoliation in Southeast Asia ought to go see what illegally diverted chemicals are beginning to do to the Andes right now. Nor are these chemical timebombs unique to South America. The problem here is so severe that last year's drug bill authorized funds for the Environmental Protection Agency to clean up hazardous waste at clandestine U.S. drug labs.

In January, DEA Task Force agents busted a heavily armed houseboat located on California's Sacramento River. And the lab -- here it was, right on the Sacramento River -- had been dumping hydrochloric acid and other raw waste directly into the water, within splashing distance of swimming kids and within casting distance of those out there fishing for salmon, or stripers, or whatever. And so today, I pledge to you that the United States will lead the fight against illicit shipments of precursor chemicals. And I have asked Dick Thornburgh, our able Attorney General, to take a principal role in this new effort.

By and large, the chemical industry has supported us. Let's be clear, we have been getting good support from most of the chemical industry. And as a result of last year's Omnibus Drug Law, regulations are now being drafted to tighten controls on the chemicals needed to refine cocaine. And we are dedicating the resources necessary to the task. Whatever needs to be done will be

done.

Of course, unilateral action by us is not going to solve this problem. And that's why we commend those governments, like Venezuela and Colombia, that have already adopted strict chemical controls. And we urge other nations to do so quickly -- as well as to approve the landmark U.N. Convention, which includes precursor chemical controls.

You know, many U.S. companies, including some chemical companies, have long recognized how drug abuse threatens productivity, corporate image and, ultimately, profits. And many in the American corporate community have donated countless hours and millions of dollars to stopping drug abuse. My Miami son, our son living here in Miami, Jeb, talks about the successful "Business Against Drugs" program right here in Miami. The American people are proud of these efforts, and I can tell you, our visitors from other countries that -- breaking out all across this country are new such efforts -- efforts by civilians, just plain concerned parents, others all around our country beginning to come together in their communities to join in this fight.

Industry has got to do more. And I hope that parents' groups and stockholders are listening today. We should demand that United States corporations act responsibly, and that they not tolerate their chemicals ending up in criminal hands.

We would like to see U.S. chemical manufacturers demonstrate their courage and civic responsibility by entering into a true partnership with our government as we try to stop narcotics at the source. These companies can make an important contribution to our nation's fight against illegal drugs. They should make it their job to join in. No one -- not parents, not churches, not bankers -- and certainly not chemical makers -- can afford to be AWOL in the war on drugs.

With so many cultures represented right here in this room, it is inevitable that there are going to be differences. But we share at least one compelling experience. Wherever you call home -- Bonn or Bogota or Boston -- people around the world are beginning to hear the cries of the kids, the cries of our children, pleading with us to stop drugs.

Here in Miami last month one elementary teacher told of a writing assignment that she gave to her sixth-grade kids in school. The topic was, "If I Were In Charge Of The World." And every single one of those 36 children, those sixth-graders, wrote that they would get rid of drugs if they were in charge of the world. They'd get rid of those people who are breaking the law and they would put more effective policemen on the streets.

My favorite speechwriter -- I don't know how well-known he is in some of your countries, but he's well-known here -- is a baseball great named Yogi Berra. And he's been kidded for describing the 1969 Mets as "overwhelming underdogs." Well, maybe that's not such a bad description for the good guys in the fight against drugs. Sure, tough challenges remain. But the children are with us and the times are beginning to change -- and Yogi's underdogs did win the World Series.

So thank you for joining us here today; thank you all for coming to the United States. And please tell your leaders, your presidents, whoever else you need to have involved that we are anxious to work with them. God bless you. And Godspeed in your noble work to save the children of the world. Thank you all very, very much. (Applause.)

END

10:15 A.M. EDT

TIME
2/20/89

- World's leading prod.
92% acetone → SA from US
80% MEK
- Am seizures
★ Photos
- case study - govt or industry old hand
done
moral rep. -
visit customers?

Ron Buzaco

633-1151

~~307~~ 307 - ~~7163~~
7160

Ken Thompson
State

Mark Golubock

11:30

Richard LaMagna

X3734 NSL

Judy Smith 272-9014

Crime

US Atty

Sun. W. Post - DC/Crips connection ^{Jay Stephens}

272-~~9000~~
9359

MLK texts - ~~546-0510~~

265-3175 v Phila. #

213/894-2434

US Atty's Office - Central Dist CA

Head of Narcotics - Jim Walsh

Final Report to the AG on Narcotics

Trapping - 213/894-0024

Feb -

Chuck Saphos - Head, Narcotics & Drug Abuse

633-2000 / 786-4700

272 9359

CBM - Phila. 879-2224

~~Mr.~~ Mr. Urquhart - Pres. Phila.

Warner Session - 225-7920 (w)

635-1063 (h)

Govt Activities

834-4480

Shawn Hill 34-5369

Ren Wright 727-3071

1101 14th St. NW

Suite 900

7005

Conrad

Mark

Hand papers - New Market - Hand papers
138-9600 / 138-9600
050-9329

COM - Philo - 819-9304

80% MEK -

~70% chems used in various production
in SA come from US

chem cos. not overly enthusiastic

2,500 shipments of chems
45 diff US exporters
250 diff customers in SA

threshold quantity - signif

some chems have no other applications

checking chem co export records, customs
records, SA govt. import records (records
~ reliable)

not a question of being united:
some really have not coop; some
have

CMA - somewhat coop; have also
done lobbying to reduce
some of the pressure on them

negotiated back + forth

Kodak, J.T. Baker good

Dec 1988 - Vienna Treaty

UN - INCB -

25

THE WHITE HOUSE
WASHINGTON

April 28, 1989

INFORMATION

MEMORANDUM FOR ANDREW H. CARD, JR.

FROM: EDWARD E. McNALLY *EW*

SUBJECT: TALKING POINTS ON CHEMICAL DIVERSION

- o In his recent remarks, the President emphasized that:
 - "U.S. chemical companies are justly proud of their products that vastly improve and help to extend life here and abroad."
 - "By and large, the chemical industry has supported [government efforts to reduce chemical diversion]."
 - "Unilateral action by us is not going to solve this problem."
 - He did not just single out chemical companies, but noted that "other nations," "bankers," "churches," "concerned parents" and others all had to do their part.
- o On February 20, 1989, Time reported on "The Chemical Connection" -- replete with a photograph of Dow chemical barrels seized at a jungle drug lab in South America. Time reported that:
 - "[t]he drug trade is a two way street" in which "the drug-consumer nations...[provide] vital raw ingredients for the scourge...that they often blame exclusively on coke-producing countries."
 - The "contraband" seized in February's landmark "Operation Primavera (referred to by the President) included containers marked with the logos of Dow Chemical Co. and Union Chemical Corp."
- o According to DEA, 15 renegade U.S. chemical distributors have recently been put out of business for illegally supplying industrial chemicals to "hundreds" of clandestine

drug laboratories in the United States.

DEA's "Operation Origination" resulted in the seizure of \$17 million in assets, including:

- RJM Laboratories, San Diego, California
- Burrito Brothers Chemical Co., Fort Worth, Texas

[Source: Michael McKinnon, Chief, DEA Dangerous Drugs Investigations Section]

- o Moreover, the U.S. produces approximately 60% of all chemicals worldwide, and ranks number one or two in production of three of the key chemicals needed to refine cocaine (MEK, Toluene, and potassium permanganate).
- o U.S. exports approximately 80% of all MEK (Methyl Ethyl Ketone) global shipments to Latin America.
- o U.S. exports approximately 90% of all Acetone (also a key cocaine precursor) global shipments to Latin America.
- o In the last two years, the U.S. has exported over 10,000 metric tons of MEK to Colombia. But a study of that nation's industrial requirements concluded that there was no legitimate need for MEK in Colombia.
- o Additional U.S. precursor chemical production and export data -- as well as information on the record chemical seizures in Operation Primavera -- is attached.

cc: David Demarest
Chriss Winston
Alixé Glen

THE WHITE HOUSE
WASHINGTON

April 28, 1989

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cc: David Demarest
Chriss Winston
Alixé Glen

THE WHITE HOUSE

WASHINGTON

April 23, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: EDWARD E. McNALLY *EM*

THROUGH: DAVID DEMAREST

SUBJECT: "SOUND BITE" VERSION OF THE IDEC REMARKS

I. SUMMARY

Attached for your consideration is a clean copy -- with suggested "sound bites" underlined in bold type -- of the text you approved for the IDEC address in Miami on Thursday.

II. DISCUSSION

Of all the events during this week's travels, your address in Miami holds some of the greatest potential for making real news.

The first set of sound bites suggested here addresses the crises in drug enforcement ("Drug trafficking is the world's second-most dangerous profession") and demand reduction ("...explosive cycle of drugs, dependency and dollars").

Beginning at page four, the second set of "underlined" sound bites addresses the two substantive areas most likely to make news:

- (1) The announcement that planning has begun for a hemispheric Summit on drugs. (p. 4).
- (2) A call to action for chemical companies to help stem the flow of precursor chemicals to cocaine source countries. (pp. 5, 6 and 8 -- "No one can be AWOL in the war on drugs").

[Note: Two sets of cards have been prepared for your trip. One includes the "sound bite" underlining suggested above. The other contains only sparse underlining, tracking the original, approved text exactly.]

24
(McNally/Dooley)
April 21, 1989
~~2:00 p.m.~~ 11:30 a.m.
Draft two three
(IDEC)

PRESIDENTIAL REMARKS: INT'L DRUG ENFORCEMENT CONFERENCE
BISCAYNE BAY MARRIOTT HOTEL
MIAMI, FLORIDA
THURSDAY, APRIL 27, 1989
9:10 A.M.

((PAUSE)) "This scourge will stop."

((PAUSE)) Those were the words with which I opened my presidency. And it is the continuation of that promise that brings me to Miami today.

((PAUSE)) Good morning. I am honored to be here to talk with you. And I am thankful to Jack Lawn and the distinguished enforcement chiefs who have come from throughout the Americas -- along with our friends and observers from Europe -- to join forces in a new tradition of international cooperation.

I am here today to talk about war. First, to see cocaine trafficking for what it is: an attack aimed at enslaving and exploiting the weak. Second, to confront what's become a World War. And third -- I hope -- to help end a nasty chapter in that war -- the diversion of precursor chemicals.

In the 19th Century, the scourge of the Americas was slavery. A struggle of good and evil, in which some sought to enrich themselves by enslaving the most downtrodden of their countrymen.

Today the scourge of this hemisphere is called cocaine.

As commanding officers, you know the havoc of which we speak. You see it every day on the streets of your cities and in mountain villages, in the haunted eyes and broken dreams of a generation of youth -- of children -- who have fallen victim to a seductive, nightmarish new form of dependency and slavery.

Our countries have suffered a terrible toll, many far worse than the United States. Drug trafficking is called the world's second most dangerous profession. The most dangerous is yours -- drug enforcement.

Earlier this year, I had a glimpse of what must be all too familiar to many of you. I joined Mrs. Everett Hatcher to grieve the death of her husband, a veteran DEA agent who was executed by cocaine cowards in the back streets of New York. A woman of considerable dignity, she put responsibility for Hatch's death squarely on those once naively excused as "casual" users of cocaine.

Well, cocaine users can no longer claim non-combatant status. There's blood on their hands. And -- thanks in part to the demand-side programs like those you'll hear about later this morning -- this message has begun to sear the consciences of the stockbrokers and students, the lawyers and the homemakers and athletes who finance our common enemy.

There are many ironies. Drug addiction does not discriminate against a person because of race, religion or financial status. It's the great equalizer, snaring sons and daughters of the rich, the poor, the middle class.

Sometimes the opposite occurs, and kingpins are reduced to paupers. The opulence of Carlos Lehder's lifestyle is but memory now as he begins his journey to the grave -- life without parole -- in an Illinois penitentiary. ~~Mexico's~~ ^{The} notorious Felix Gallardo -- once boasting of his power and wealth -- is also behind bars. in Mexico. Stripped of blood money, they are nobodies, no longer the stuff of myth. ✓

Your business, then -- our business -- is to pursue these outlaws to the ends of the earth. To create a world without refuge, to leave no sanctuary, in your countries or in mine. ✓

I've said it before: The war on drugs is no metaphor. We've been slower to recognize that it is also a World War, leaving no nation unscathed, one in which Hong Kong bankers, Bolivian growers, Middle Eastern couriers and West Coast wholesalers all play insidious roles. It is especially acute in this hemisphere, where an explosive cycle of drugs, dependency and dollars has escalated clear out of control.

The time for blame is behind us. For too long, a sharp divide has been drawn between "producing" and "consuming" nations. Well, "denial" is a natural part of human nature, and probably part of a country's nature as well. But let's face it. Americans cannot blame the Andean nations for our voracious appetite for drugs. Ultimately, the solution to the U.S. drug problem lies within our own borders -- stepped up enforcement, education and treatment.

And our Latin American cousins cannot blame the United States for the voracious greed of the drug traffickers who control small empires at home. Ultimately, the solution to that problem lies within your borders.

And yet, good neighbors must stand together. A World War must be met in kind.

And so today, as this historic conference concludes, I present you with an invitation that we ask be conveyed to your respective capitals. Just as you have gathered on seven occasions for IDEC, I ask that the leaders of the Americas join me in a special summit to address the scourge of our times. I

have asked our nation's new Drug Czar, William Bennett, to organize such a summit ^{and hold} ^{within} ^{next} ~~before the year is out.~~

IDEC demonstrates that we will put aside national differences to do what must be done. Together you have put cartels out of business, reduced the supply of cocaine, and, increasingly, educated our children about the dangers of drug use and trafficking. I commend Jack Lawn, and each of you, for having the foresight to establish this organization and for demonstrating the collective commitment to work together.

I've spoken often on the horrors of chemical warfare. Well, chemical abuse is also chemical warfare. Poisoning our streets. As deadly as mustard gas. And today we're opening a new campaign to rid the world of these toxins.

It starts in an unlikely source country. We're standing in it. The source country is the United States. That's right --

the United States. Our country is the world's leading producer of three of the key chemicals needed to produce cocaine.

Now, U.S. chemical companies are justly proud of their products that vastly improve and extend life here and abroad. But few Americans are aware that swollen barrels of dangerous chemicals -- clearly marked with U.S. corporate logos -- are routinely seized in the jungles of Colombia. To paraphrase Madison Avenue, and to state a simple fact: Without these chemicals, cocaine itself would be impossible.

IDEC held a panel discussion on this Tuesday. Those gathered here understand its importance. Traffickers have hit us where it hurts. Now we're going to exploit their vulnerabilities, crimping the flow of the chemicals without which they cannot produce.

We know it works in the field. Many of you participated in the "IDEC Six" operations last August, when the combined efforts of 30 nations saw the seizure of 155,000 pounds of highly flammable ether, almost 450,000 pounds of acetone, over 50,000 pounds of hydrochloric acid and nearly 14,000 pounds of MEK.

This past January, Colombian anti-narcotics officers under General Munoz-Sanabria -- who I understand is here today -- congratulations, General -- destroyed 25 cocaine laboratories and enough chemicals to make approximately 83 metric tons of cocaine. P

The damage that's done when 83 tons of coke hits U.S. streets is pretty obvious. What's not so well understood is the widespread environmental damage that U.S. precursor chemicals

wreak in the forests of the Amazon basin. Peru's Upper Huallaga ((WHY-AH-GA)) Valley is awash in U.S.-made chemicals. Countless acres are barren. Today once-blue waters run yellow, and local villagers are left to bathe in the toxic soup. Any manufacturers concerned about the legacy of defoliation in Southeast Asia ought to go see what their diverted chemicals are doing to the Andes today.

Nor are these chemical timebombs unique to South America. The problem here is so severe that last year's drug bill authorized funds for the Environmental Protection Agency to clean up hazardous waste at clandestine U.S. drug labs.

In January, DEA Task Force agents busted a heavily armed houseboat lab on California's Sacramento River. The lab had been dumping hydrochloric acid and other raw waste directly into the water, within splashing distance of swimming kids and within casting distance of those fishing for salmon and stripers.

Whether at home or abroad, we're not about to let the proud label "Made in the USA" become a badge of shame. Today, I pledge to you that the United States will lead the fight against illicit shipments of precursor chemicals. And I have asked the Attorney General to take a principal role in this new effort.

By and large, the chemical industry has supported us. As a result of last year's Omnibus Drug law, regulations are now being drafted to tighten controls on the chemicals needed to refine cocaine. And we are dedicating the resources necessary to the task. Whatever needs to be done, will be done.

Of course, unilateral action by us is not going to solve this problem.

7

That's why we also commend those governments, like Colombia and Venezuela, that have already adopted strict chemical controls. And we urge other nations to do so quickly -- as well as to approve the landmark UN Convention, which includes precursor chemical controls.

Many U.S. companies, including some chemical companies, have long recognized how drug abuse threatens productivity, corporate image and, ultimately, profits. Many in the American corporate community have donated countless hours and millions of dollars to stopping drug abuse. My son Jeb talks about the successful "Business Against Drugs" program here in Miami. The American people are proud of these efforts, and grateful.

But industry must do more. And I hope that parents groups and stockholders are listening today. We should reward responsible corporations. And not do business with those who -- as of today's warning shots -- permit their chemicals to end up in criminal hands.

We would like to see U.S. chemical manufacturers demonstrate their courage and civic responsibility by entering into a true partnership with our government as we try to stop narcotics at the source. ~~Perhaps you've seen the advertisements of one such company, encouraging idealistic young Americans to sign on because it "lets you do great things."~~ Well, these companies have the potential answers to a big part of our nation's drug problem. They should make it their job to provide them. No one

Bennett.
Brady.
Cicconi.

-- not parents, not churches, not bankers -- and certainly not chemical makers -- can afford to be AWOL in the war on drugs.

With so many cultures represented in this room, it's inevitable that there will be differences. But we share at least one compelling experience. Wherever you call home -- whether Bonn or Bogota or Boston -- people around the world are beginning to hear the cries of our children, pleading with us to stop the drugs.

Here in Miami last month one elementary teacher told of a writing assignment she gave her sixth-graders: "The topic was: 'If I Were In Charge Of The World.' Every single one of those 36 children wrote that they would get rid of the drugs. They would get rid of those people who are breaking the law. They would put more effective policemen on the streets."

My favorite speechwriter is a baseball great named Yogi Berra. He's been kidded for describing the 1969 Mets as "overwhelming underdogs." Well, maybe that's not such a bad description for the good guys in the fight against drugs. Tough challenges remain. But the children are with us, and the times are beginning to change. And Yogi's underdogs did win the World Series.

Thank you for coming to the United States. Please tell your leaders we are anxious to work with them. God bless you. And Godspeed in your noble work.

#



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Major Chemical Producers Toughen Stance on Drug Abuse

Companies have begun drug abuse testing of applicants and existing employees, in part to prevent accidents and keep product quality high, in part to save on costs of health care and absenteeism

Marc S. Reisch, C&EN New York

Most major chemical companies have instituted mandatory drug abuse testing of new hires over the past year and have either laid the foundation for or tightened operational procedures for coping with employee abuse of illegal drugs.

Of 22 major chemical producers that responded to C&EN's request for information, virtually every one has instituted drug testing procedures for new hires, many just since January of this year. An additional company, ICI Americas, is framing a corporate policy it plans to announce to employees in the next few months.

Most if not all of the companies have looked into

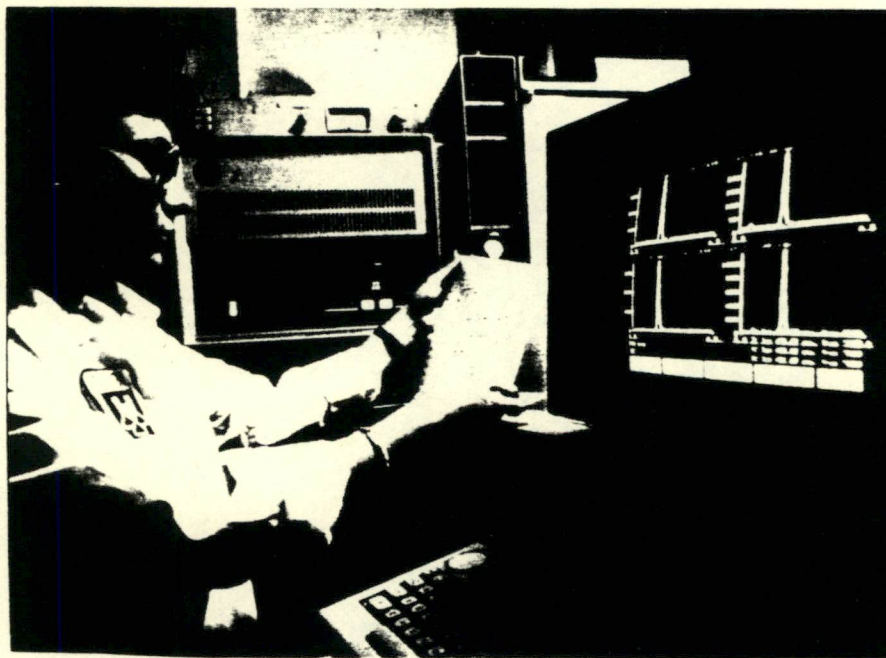
the legality of testing employees for use of illicit drugs and are grappling with their responsibilities to employees even as some union representatives and representatives of civil liberties groups voice concern over employees' rights to privacy.

Regardless of whether they subject employees to periodic, random, or for-cause testing for drug abuse, almost every company C&EN surveyed said it was sensitive to its employees' needs and had made provisions to help employees either rehabilitate or remain drug-free as part of their employee assistance program benefits.

Although the Chemical Manufacturers Association has no overall policy regarding how its members deal with drug or alcohol problems, Randal P. Schumacher, director of health and safety for the association, voices an industry feeling that "employees on drugs and alcohol are not the type of people we want running our critical processes."

Chemical companies are not alone in their opposition to drug abuse by employees. With the increased availability of drug screening services and the growth in the number of outside consultants prepared to deliver substance-abuse training to corporate medical personnel and staff psychologists, corporate scrutiny of "substance abuse" has been on the rise among all businesses.

It is drugs, not alcohol, that seem to be preferred by the younger generation. Thus, a number of executives express a fear that as younger people who grew up in the years following the 1960s enter the work force, drug abuse may



SmithKline Bio-Science Laboratories scientist uses GC/MS analysis to confirm positive tests from screening with immunoassay tests

Drug abuse testing: costs and concerns

Of chemical producers that test either prospective employees or existing employees for drug abuse, most say their programs were initiated recently and that they start with a screening test. The 22 companies responding to C&EN's survey generally identified the enzyme-mediated immunoassay test (EMIT) or radioimmunoassay (RIA) test of urine as their first screen (C&EN, June 2, 1986, page 7).

The reason for starting with a screening test is to eliminate the majority of negative findings quickly and cost-effectively, says Arnold B. Finestone, president and chief executive officer of Keystone Medical Corp., producer of an alternative drug screen, the KDI Quick Test, a dry chemical spot test. Finestone says most drug screens are essentially equivalent in accuracy.

False negatives and false positives generally run between 5 and 7%.

Initial drug screening tests cost between \$7.00 and \$20 per specimen test, whereas GC/MS testing ranges from \$40 to \$100 per specimen test.

Michael Kleinman, president of Professional Health Services, a broker that organizes and provides drug and other health-related testing services for a broad range of businesses, says that companies more regularly use and accept drug screening of new hires than they do of existing employees. However, there are exceptions. For instance, businesses for which safety is paramount, such as transportation and nuclear plant operation, do test existing employees more frequently than other noncritical businesses, he says.

SmithKline Bio-Science Laboratories is one of many companies that test urine samples for the presence of drugs for clients. According to a company spokesman, drug testing has grown enormously in the past few years and continues to grow rapidly. Still, only a small fraction of the firm's \$373 million in lab business comes from testing samples submitted by companies worried about drug-abusing employees.

Of the drug abuse testing SmithKline Beckman does for corporate clients, the spokesman believes that more testing is for prospective employees than for existing employees. He adds that the company's accuracy rate for testing approaches 100% (see page 26). The company uses a two-step process: an EMIT screen and a confirmatory GC/MS.

become a larger problem than it is today. As a result, businesses are mobilizing to limit their own liabilities and their employees' exposure to what some fear is a national drug abuse epidemic.

However, when employers speak about current drug abuse, they include alcohol, along with amphetamines, barbiturates, benzodiazepines, cocaine, methaqualone, opiates, phencyclidine (PCP), and marijuana.

There are many reasons for the sudden concern about the effect of illegal drugs in the workplace. A sharp increase in public awareness of drug abuse resulted from the recent "crack" epidemic, which has been blamed for an increase in street violence. With the incidence of drug abuse in society possibly expanding, business leaders fear the effects on their work force and the threat drug-abusing employees pose to the quality of a company's products, its productivity, and its competitive stance.

Employers also say they are concerned for the safety of company personnel, as well as the public at large, when employees may be mentally and physically compromised while under the influence of illegal drugs—or even a legal drug, alcohol. A number of chemical industry executives have raised the specter of Bhopal, and say they don't want to risk an accident the size of that infamous gas leak in India because an employee may be under the influence of drugs or alcohol.

Ultimately, employers are concerned, not only for their continued profitability but for their viability. Nor is their concern limited to the necessity of obeying regulations concerning their workers, the public, and the environment. It also includes the hidden monetary drain that drug and alcohol abusers can put on corporate hospitalization and sick leave plans.

According to a prepublication copy of the Sixth Special Report to Congress by the National Institute on Alcohol Abuse & Alcoholism, the annual cost to business in lost productivity and employment due to drugs, excluding alcohol, is \$26 billion. Alcohol abuse alone is a much costlier problem. The report estimates alcohol abuse costs businesses \$54.7 billion annually in lost productivity and employment.

Although these are large dollar figures, the Conference Board, a New York City-based business research group, has published numbers more understandable to a particular company's experience. In a 1986 report, "The Impact of Substance Abuse at the Workplace," James T. Wrich, president of the International Institute of Employee Assistance Programs, wrote that "on average, compared with their nonaddicted counterparts, substance abusers consume three times the medical benefits," and "are five times as likely to file workers' compensation claims." And he adds that "applying national averages to a hypothetical company with 1000 employees, each with an average salary of \$23,000, chemical dependency would cost that firm upwards of \$500,000 a year."

Applying statistical estimates based on a drug and alcohol abuse rate of 5 to 10% in the general population to an individual work force at any one company could be misleading. In at least one chemical firm, American Cyanamid, which has had a program in place long enough to draw some relevant statistics, experience indicates that actual confirmed use varies. According to Cyanamid's corporate medical director, Michael D. Utidjian, testing of potential new hires since May 1986 has turned up positive results indicating probable drug abuse in 1.6 to 17.2% of applicants, depending on the geographic location of the compa-

ny's work site and the nature of that site's business.

Utudjian says the highest percentage, 17.2% positive, was discovered in the course of testing potential new hires for labor-intensive assembly line jobs at a location in the New York City metropolitan area. The company found in this case almost as many positives for cocaine use as it found for marijuana use. By contrast, at a nearby work site at which the company employs new hires who are mostly for white-collar, middle and junior management, a year of testing has indicated positive for drug use in only 2.4% of the cases.

Nationwide, as a result of its pre-employment testing over the course of one year, Cyanamid rejected 6.8% of all potential new hires—185 people—because test results showed positive for drug use, says Utudjian. "My impression is that this 6.8% finding is generally indicative of other industries' findings," he says.

The theory behind testing new hires for drug abuse in the course of a regular pre-employment physical is to screen out pre-existing problems, Utudjian says. A positive finding is arrived at by first using the radioimmunoassay test of urine samples and confirmed with gas chromatography/mass spectrometry (GC/MS) of the same sample, he says. Urine samples are frozen and retained for three months so that Cyanamid "still has the smoking gun in case of a legal challenge." No legal challenge has yet occurred though, he says.

However, Utudjian cautions, testing has its limitations. Cocaine is an ephemeral substance and usually does not remain in the body after 48 hours of use. But evidence of marijuana, a much less serious but more prevalent drug, remains in the body a much longer time. So a sophisticated cocaine user can elude detection, Utudjian says.

For existing employees, Cyanamid does "absolutely no routine screening" and will request an employee to submit to a test only if he or she shows bizarre or aberrant behavior, or if there is a significant deterioration of job performance, he says. An employee who tests positive is offered rehabilitation treatment and may even have a second chance if he or she has a relapse, "depending on the length of employment and the period between relapses."

In a recently completed survey of almost 2000 employers, Robert L. Brady, president of Business & Legal Reports (BLR), Madison, Conn., notes that "we saw more testing of applicants for drugs than testing of employees." Aside from seeking to avoid problems by testing at the employment stage, Brady says, employers have fewer legal problems with pre-employment testing than with testing and disciplining existing employees. The courts have set higher standards of responsibility that companies have to employees that depend on them for their livelihood than to an applicant, says Brady, who is a lawyer. He predicts that many more firms will be doing drug testing of new applicants as a defensive measure, so they will "not get the dregs" that others are rejecting because of drug use.

Testing of existing employees is a complicated legal issue, he says. Employees may perceive testing of their urine as an invasion of their privacy and offen-

sive to contemporary standards of dignity. But if employees can be convinced that safety is an issue and the company takes measures to preserve its employees' privacy and dignity, "middle class Americans would be likely to put up with some inconvenience to develop drug controls," Brady says.

All employers should make sure they have a problem before they think about testing employees, he says. Even if drug abuse is a societal problem, it won't necessarily be a problem at any one company. He cautions companies to examine their absentee rate and discipline and accident records before they think about implementing a drug testing protocol.

At firms in which employers search their employees' lockers for illegal drugs, and 22% have done so, according to BLR's survey, employee cooperation depends on receiving prior notice and explanation. Employers also should have documented evidence to explain to employees the reason for conducting a search. At certain large industrial facilities, searches of plant facilities are not unusual because of theft problems, Brady adds.

Chemical producers have variety of drug screening programs

Company	Pre-employment	Existing employees			GC/MS confirmation ^a	Employee assistance programs
		For cause	Regular	Random		
American Cyanamid	•	•			•	•
Amoco	•	•	•		•	•
Arco Chemical	•	•			•	•
BASF	• ^b	• ^c		• ^d	•	•
Borden	•					• ^e
Ciba Geigy	•	•			•	•
Dow Chemical	•	•			•	•
Du Pont	•	• ^f			•	•
Eastman Chemical	•	•			•	•
Exxon	•	•			•	•
General Electric	•	• ^g			•	•
Hercules	•	•		• ^h	•	•
Hoechst Celanese	•	•				
ICI Americas ⁱ	•	•				•
Mobay	•	•			•	•
Mobil Chemical	•	•			•	•
Monsanto	•	•			•	•
Occidental Chemical	•	•				•
Phillips Petroleum	•	•	•		•	•
Rohm & Haas	•	•			•	•
Shell Oil ^k	•					•
Union Carbide	•	•			•	•

^a Gas chromatography and mass spectrometry. ^b Testing instituted at most manufacturing sites but not at all office sites. ^c No uniform corporate policy is in place at BASF yet, but company executives are working on one now. ^d Only two BASF sites test on random basis: Freeport, Tex., and Geismar, La. ^e Borden has no formal testing program and currently has an informal program to deal with alcohol and drug abuse. ^f Du Pont site managers may institute for-cause testing for drug abuse at their discretion but only according to a company policy manual. ^g GE's policy varies from division to division. ^h Only in explosives and aerospace divisions. ⁱ Only two sites do pre-employment drug screening. ICI Americas is preparing corporate policy on pre-employment screening and for-cause screening. It plans to institute a formal assistance program to deal with drug and alcohol abuse. ^j Regularly scheduled testing for pilots and drivers only. ^k Shell is reviewing a corporatwide policy on testing of employees for drug abuse.

Du Pont is one large chemical producer that has conducted such searches for illicit drugs. A company spokesman says that searches at two sites were conducted with the assistance of drug-sniffing dogs. "Dogs have been used only where there was a suggestion of a widespread problem," he says, adding that "it is the exception, not the rule."

One incident took place in early spring (C&EN, April 13, page 6) at Du Pont's Towanda, Pa., photographic products plant, and another drug search with the assistance of dogs took place in the parking lot of Du Pont's Seaford, Del., nylon fiber plant. "Legally," says the company spokesman, "it is within the company's rights to conduct a search." He adds that employees are advised of a search and the reasons for it. Individual site managers have the latitude to decide when to institute a search.

"Employees are advised, not about the time and the date, but just that a search is a possibility," says the spokesman. Sometimes drugs may be found on site with a very reasonable explanation, he says, as when an employee has a drug prescribed by a physician.

Mobay's Baytown, Tex., facility has had a policy of using drug-sniffing dogs to find illegal substances since 1975 or so, says Buddy Irby, health, environment, and safety manager at the facility, which produces polyurethane, polycarbonate, and industrial chemicals.

Irby says that "people" told Mobay managers that drug sales were taking place at a large construction site within the Baytown installation. After conducting a search using the dogs, Mobay found that it had a problem not just at the construction site, "but at our operating plant as well," notes Irby.

The company reacted by instituting an educational program and arranged a series of meetings with all employees. It also arranged a demonstration for employees of the dogs' drug-sniffing talent, showed how

a search might be conducted, and emphasized the company's policy of no illegal drugs on its site. At the same time, Irby says, Mobay started an employee assistance program, part of which included assistance for drug and alcohol abuse.

"We have had a few terminations" because employees refused either to take the drug tests or to rehabilitate, says Irby, "but the successes far outweigh the failures. The sad part of the program is that you can't advertise the successes. It's a personal thing between the employee, his or her counselor, a personnel representative, and the employee's supervisor."

Mobay continues to rely heavily on an ongoing educational program to keep its employees free of drug and alcohol problems, explains Irby. In addition, he says, employees know that "we may bring dogs in from time to time."

The company with which Mobay contracts for drug-sniffing dogs is Security Associates International, a Houston-based firm. According to Debbie Farmer, canine services manager for Security Associates, the company has offered the services of drug-sniffing dogs since 1976. Clients include school districts, refiners and manufacturers, nuclear plant operators, oil rig operators, and "quite a few petrochemical operations." The dogs can detect not only illicit drugs, but prescription medications, alcoholic beverages, and anything with black gunpowder.

Security Associates trains its own dogs, mostly Labrador and golden retrievers. "These dogs are not intimidating as German shepherds or Doberman pinschers might be. People come up to pet them all the time," says Farmer. The company's team of 12 dogs has a detection rate accuracy in the upper 80% area, she says. Depending on the location and type of facility, the cost of bringing one specially trained dog and its handler to a site generally is less than \$500, Farmer says.

Employers' rights, employees' rights

Do employers have the right to conduct a search of employees' desks and lockers? Do they have the right to require employees to submit to drug testing? According to Barry Steinhardt, executive director of the Pennsylvania branch of the American Civil Liberties Union (ACLU), they do. Courts consistently have held that an individual's protection against unreasonable searches and self-incrimination as contained in the U.S. Bill of Rights applies only to the government's treatment of its citizens and is not enforceable between private parties.

Steinhardt explains that the ACLU is working for legislation across the country to extend the rights of privacy

beyond the government and its citizens to employer and employee. Steinhardt says that an employer is essentially interested in an employee's on-the-job performance, which can be affected as much by fatigue or stress as by alcohol and drug abuse. Drug testing, he says, is an unreliable determinant of a person's ability to do a job—it does not prove an impairment and can show only that a person used a substance sometime in the past. In addition, tests can be inaccurate, he says. Periodic and random tests of an employee's ability to do his or her job safely may be the only objective criteria to measure that employee's performance, suggests Steinhardt.

According to Rodney W. Rogers, a spokesman for the 180,000-member Oil, Chemical & Atomic Workers International Union (OCAW) in Denver, drug searches by employers are an overreaction to perceived drug problems in the workplace. "Our members are not keen on working with people impaired by drugs in petroleum and chemical plants," Rogers says. "Nevertheless, we're interested in safeguarding our members' rights. We don't believe in the random invasion of people's lives." Drug testing should be initiated for cause only, and the reliability of tests should be thoroughly investigated to safeguard employee rights, he says.

BASF, although not using dogs to sniff for drugs at its job sites, does have a random drug testing policy. Because of press reports about the widespread use of illegal drugs in general, BASF set up a substance abuse screening program at two of its work sites, according to Joseph E. Blowin, senior vice president of human resources in the chemical division. All employees are subject to random testing at its Freeport, Tex., site (600 to 800 employees) and the Geismar, La., site (400 employees).

Blowin emphasizes that there's been no history of accidents and no real evidence of substance abuse at the two facilities. But because of the importance and the complexities of the two sites, Blowin says, management felt it had to take some action. Testing to date yielded positive results in less than 1% of cases, he says.

When testing employees for substance abuse, BASF screens urine samples first with an enzyme-mediated immunoassay test (EMIT), and follows up positive results with a more reliable GC/MS analysis to reduce any chance of a false positive, according to Wolfgang Hartz, BASF's corporate medical director.

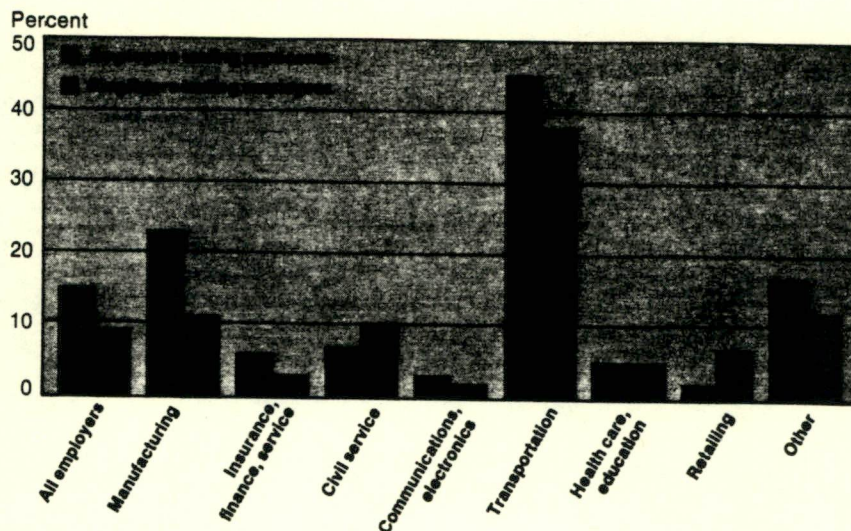
Because an employee's job is on the line, every precaution is taken to keep urine samples secure, Hartz says. Samples are taken under supervision and are processed in the presence of the employee. A security tape closes the vial.

Hartz says BASF also visited several laboratory testing facilities operated by outside contractors before allowing them to test the samples BASF would provide. Other companies tell C&EN they do the same. "We need to be sure we use an ethical lab with the highest level of performance," Hartz stresses. The laboratory holds on to samples for a period of time to ward off legal challenges to the testing result. No employee has challenged the results to date, he says.

BASF does not now have a uniform corporatewide policy on testing employees or new applicants for drug abuse, according to Nicola W. Palmieri-Egger, vice president of human resources policies. The company is, however, working on such a policy. At present almost all manufacturing sites have instituted drug testing as a part of the regular pre-employment physical, but that is not generally the case for the company's office sites.

Some employers, such as Mobil, have prepared extensive manuals documenting the need for a drug screening program, detailing procedural matters and describing company policy and specific courses of action in situations in which drugs may impair employees' work abilities. In its 70-page manual, "Control of Drug Use in the Workplace," prepared by its medical department, Mobil says it is concerned about

More employers test new hires than test existing employees for drug abuse



Source: Business & Legal Reports

the formation of a drug culture at company locations. According to the manual, "A 'drug culture' tends to develop in the workplace in which drugs are used, distributed, and sold. Stealing company property and dealing with fellow employees is not uncommon. If allowed to go unchecked, the 'drug culture' may encourage theft, loan-sharking, and gambling, thereby adding to other hazards associated with employees working while under the influence of intoxicants."

Mobil details step-by-step procedures it expects its supervisors to follow when they believe an employee may be abusing alcohol or illegal drugs. When Mobil Chemical employees specifically are concerned, the policy makes a point that "anonymous tips, rumors, or an employee's general work record are not sufficient grounds for requesting that an employee undergo drug/alcohol screening or searches." However, a supervisor may request that an employee undergo screening based on "information provided by identifiable witnesses, when used in conjunction with the observations of management/supervisory personnel."

If a supervisor requests that an employee undergo substance abuse testing, that employee receives a copy of what Mobil calls an "implementation report." The report contains relevant facts that led a supervisor to request a drug screening test. These include symptoms such as slurred speech, eyes that did not focus, and wandering concentration, in addition to a list of witnesses and their written statements.

Mobil Chemical asks its employees to sign a consent form for screening. A refusal is cause for dismissal. A positive test result generally means that an employee must complete a rehabilitation program to retain his or her job. Thereafter, the employee signs a "letter of conditional employment," and can be retested for a period of at least one year. A positive finding may result in the discharge of the employee.

Drug abuse can cost companies plenty

Of the 22 companies that responded to C&EN's survey of drug abuse policies, none could say in real dollar terms what employees' drug and alcohol abuse cost them.

Some said that their programs have not existed long enough to be subjected to a cost analysis. Others may not be fully aware of problems on their sites because they test existing employees only for cause. Without knowing the extent to which employees may abuse drugs or alcohol, those firms have no way of telling what it may cost them in terms of accidents, productivity, medical benefits, and absenteeism.

At least one company in a related industry, forest products manufacturer Champion International, headquartered in Stamford, Conn., has some substantial numbers on that company's costs related to drug and alcohol abuse. According to Sarah F. Mullady, director of employee assistance programs, Champion did a study, beginning in 1977, involving 20 of its employees who were identified as alcoholics at one of its facilities.

Those 20 employees ran up a medical bill of \$124,100 over a three-year period before 1977. Of the original 20, Mullady says 17 remained alcohol-free after a one-year rehabilitation program and were still with the company. Medical costs for the 17 remaining employees dropped to \$2800 for the year following their rehabilitation.

Other studies were more dramatic. According to Mullady, eight people at another mill were identified as alcohol and marijuana abusers in a 1985-86 study. Over a three-year period before the study, they collectively ran a tab of \$70,000 due to claims on workmen's compensation and lost time due to accidents. One year after treatment, those eight people had a bill of only \$500 for an entire year.

Over the same period in 1985-86, Champion did another study of 10 employees who were identified as abusers of alcohol, marijuana, and cocaine, Mullady says. The 10 were collectively absent from work a total of 412 days over the previous three-year period. They ran up hospital bills of

\$64,000 for the same period and drew on sick-leave benefits to the tune of \$12,500. One year after rehabilitation, the same crew of 10 were absent only one day, collectively ran up a hospital bill of \$300, and took no sick leave.

"I'm not a psychiatrist," Mullady says, "but I feel that the threat of job loss helps motivate people to change. And, she says, a rehabilitation program is not the only guarantee that employees will remain free of drug and alcohol problems. "They need support groups like Alcoholics Anonymous, because they come back to a society where drugs and alcohol are prevalent.

"Our ultimate objective is to rehabilitate and not terminate employees," Mullady says. "It is costly to retrain people to do complex jobs."

Executive drug abuse is a particularly difficult problem to identify. Managers cover up for managers, she says, and in many cases secretaries cover for managers as well. When a company identifies only lower-echelon substance abusers, it may be uncovering only part of the problem, she says.

Hercules also has put together a detailed guide for its supervisors on how to identify and proceed when they suspect drug or alcohol abuse by employees. In its explosives and aerospace manufacturing facility in Utah, employees are subject to random testing "even when the supervisor has not detected a job performance problem," because of the critical nature of the work they may do.

Thomas V. McCarthy, vice president of human resources for Hercules, explains that government contracts are frequently connected with the company's aerospace and explosives work. Because the need for security is so great, Hercules believes its random drug testing policy is necessary. "These are unforgiving areas. Employees are subject to immediate termination on double positive discovery of illegal drug abuse," says McCarthy. Hercules tests urine samples via an EMIT screen followed by a confirmatory GC/MS analysis.

In its Utah facility in particular, Hercules has negotiated an agreement with the union representing its employees setting the level for detectable drugs above which urine samples are considered positive.

In Utah, state law "fosters a business's ability to detect substance abuse by its employees," notes McCarthy. However, in Vermont, where two of Hercules' aerospace-related companies operate—Simmons Precision Products division and Champlain Cable division—the state precludes both pre-employment

and random drug testing and allows testing only under certain prescribed conditions, such as when drugs may have contributed to employee error in an accident.

As a matter of corporate policy in areas not described as "unforgiving," McCarthy says the company policy allows testing for cause, based on trained supervisor observation. An employee who tests positive is given the alternative of entering a rehabilitation program or termination. Following a rehabilitation program, the employee is subjected to testing twice over the next two years, and in the case of a double positive, that employee is subject to termination, he says.

As tough as Hercules' policy may sound, McCarthy says the company "doesn't always take prima facie evidence" as cause for dismissal. In one case, an employee who was asked to take a random test received double positive results of drug abuse. But that person was deemed a highly unlikely drug abuser, McCarthy says, and further testing showed that the employee had eaten food containing poppy seeds, which produced false positive results.

"We don't believe in arbitrary enforcement," he says. "Our policy must be humanely applied." The reason for Hercules' concern is that its "heritage is in the explosives business. It has influenced strongly the measures we feel we must take. There have been enough deaths caused by explosions to make us say: 'We'll try to make our facilities as safe as possible.'" □

AMOCO-DRUGS

MILWAUKEE (AP) -- AMOCO CORP. HAS BEGUN A DRUG AND ALCOHOL TESTING PROGRAM FOR ITS 40,000 U.S. EMPLOYEES THAT INCLUDES URINALYSIS TESTING AND ALLOWS THE ENERGY COMPANY TO SEARCH WORKERS' PERSONAL BELONGINGS.

THE SUBSTANCE ABUSE POLICY, ALREADY IN EFFECT IN SOME COMPANY DIVISIONS, PROVIDES FOR EMPLOYEE SEARCHES IF MANAGERS HAVE "REASONABLE CAUSE" TO BELIEVE A PERSON IS UNDER THE INFLUENCE OF DRUGS OR ALCOHOL.

SAID AMOCO SPOKESMAN CARL MEYERDICK IN CHICAGO. "WHEN THE COMPANY HAS REASON TO SUSPECT A PERSON HAS DRUGS IN HIS OR HER POSSESSION, IT IS CERTAINLY COMPLETELY WITHIN ITS RIGHTS TO CONDUCT A SEARCH," HE SAID.

NO EMPLOYEES WILL BE SUBJECT TO STRIP-SEARCHES OR OTHER BODY SEARCHES, MEYERDICK SAID. HE ADDED THE COMPANY MAINTAINS IT HAS BLAHS HAD THE RIGHT TO SEARCH EMPLOYEES FOR SUCH THINGS AS DRUGS OR WEAPONS.

ABOUT A QUARTER OF THE COMPANY'S DOMESTIC EMPLOYEES ARE COVERED BY THE PROGRAM, AND AMOCO IS NEGOTIATING WITH UNIONS IN HOPES OF HAVING THE REMAINING U.S. EMPLOYEES COVERED BY YEAR'S END, MEYERDICK SAID IN A TELEPHONE INTERVIEW. THE POLICY DOES NOT COVER INTERNATIONAL AMOCO DIVISIONS, HE ADDED.

"WE'RE NOT UNIQUE IN DOING THIS," MEYERDICK SAID, NOTING THAT THE FEDERAL GOVERNMENT AND SOME OTHER CORPORATIONS HAVE INSTALLED TESTING PROGRAMS WITH THE INTENTION OF HELPING WORKERS OVERCOME SUBSTANCE ABUSE.

HE SAID THE CHICAGO-BASED OIL COMPANY INVESTIGATED THE LEGALITY OF TESTING AND EMPLOYEE SEARCHES BEFORE IT BEGAN NOTIFYING ITS SUBSIDIARIES OF THE NEW POLICY ON JULY 1.

AP-WX-08-21-86 1928EDT

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Drugs

Dealing With Drugs

WHILE CONGRESS AND THE DEPARTMENT OF Transportation debate ways to test and punish transportation workers, railroad management and labor unions have quietly crafted a rehabilitation-based program that deals successfully — and constructively — with worker drug abuse.

The program, known as Operation Redblock, is based on the premise that employees will police their own workplaces if they believe a substance abuse program is designed to help them. Its primary goal is not to punish drug and alcohol abusers but to get them off the system and into treatment programs. Operation Redblock reflects a simple truth: The victims of impaired workers most often are fellow employees.

CSX Transportation Co., which adopted the program in 1987, was honored recently in Richmond, Va., at ceremonies attended by the secretaries of commerce and labor. The gathering was an eye-opener for many.

In the past three years, according to railroad labor unions, more than 300 workers were turned in to Operation Redblock by fellow workers, including 100 who were physically delivered to Redblock volunteers by their colleagues. And now that the program has been time-tested, more referrals are coming from the families of CSX employees. Moreover, some workers are seeking help from Redblock for family members who have drug and alcohol problems.

Employees who agree to treatment, and who successfully complete the program, return to work with no loss of seniority and no blemish on their records. The unions, of course, were skeptical at first that Redblock was merely a "snitch program" aimed at punishing abusers. At CSX that roadblock seems to have been overcome.

Meanwhile, the Reagan administration continues to endorse punishment-based programs requiring random drug testing. Although Congress failed to pass a transportation anti-drug bill, the Department of Transportation is expected to issue its own random testing rules this month.

CSX is justifiably proud of Operation Redblock, which costs approximately \$3.5 million to run on its system. In return for its investment, the railroad gets a healthier work force and reduces the odds of a major tragedy.

By contrast, the tragic Amtrak-Conrail crash at Chase, Md., in early 1987, caused by the actions of an engineer known to have violated substance abuse rules on several occasions, already has cost more than \$200 million in lawsuits stemming from the 16 deaths. With Redblock, says a CSX executive, "it wouldn't have happened here."

Substance abuse is a national problem that reaches far beyond the transportation industry. Operation Redblock is a hopeful sign that substance abuse is best addressed by rehabilitating sick workers, not firing them.

Journal of Commerce
11/5/88

Drug Testing

New Drug Test Kit Is Quick and Easy

NEWARK, N.J. — A small New Jersey company sees profit in the fight against drug abuse, and has launched a disposable and cheap drug-test kit as easy to use as making a cup of coffee.

It was while brewing a cup that Raymond F. Akers Jr., a founder of Drug Screening Systems Inc. of Blackwood, came up with the idea for his kit.

"Quite honestly, it was one of those, Ah Hah! things," he said.

"While making a cup of coffee in a Mr. Coffee machine, I said, 'Hey, why not do something like this?' And that was it."

The urine to be tested is poured through a disk-shaped filter, which collects enough concentration of an illegal narcotic to be detected.

The filter is chemically treated to hold any drug traces. A chemical applied to the filter paper turns it red if any drugs are present.

Drug Screening is one of a number of companies coming out with quick on-site drug tests.

It may face stiff competition from pharmaceutical giant Hoffmann-La Roche Inc. of Nutley, which plans to put its Ontrak system on the market in October, said Albert Seidner, director of drug abuse marketing for Hoffmann-La Roche subsidiary Roche Diagnostic Systems.

Ontrak costs about \$2 per test for a specific drug. Urine is placed on a channeled slide and a chemical is added. The tests come in packages of 40 or 100 and are being tried out by criminal justice agencies, said Mr. Seidner.

Patents have been issued for the Hoffmann-La Roche product, he said. They have been approved for InstaScreen, said Akers' patent lawyer, Carl Spivak of Philadelphia, but not yet issued.

"We provide everything you need to do a test," said Mr. Akers, who founded Drug Screening with his father Raymond F. Akers Sr. in March 1987. It went public in May with a \$3 million offering and trades on the Nasdaq.

The kits contain gloves, two collection cups, the strainer, chemical disk and reagent vials. A bottle is included to send a positive sample to a lab for confirmation. The test costs roughly \$5 and takes fewer minutes to perform, Mr. Akers said.

On-site tests reduce the chance of a mix-up because the samples do not have to be sent to a lab. Nor does the tester have to wait the usual days or weeks for the sample to be returned. (AP)

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PPG, Grow Group Announce Merger

Journal of Commerce Staff

PITTSBURGH — PPG Industries and Grow Group Inc. have announced an agreement for a merger through PPG's Coatings & Resins Group.

The merger is valued at an estimated \$300 million including PPG's assumption of Grow Group debt.

Under the agreement, approved by the boards of both firms, Grow Group shareholders will receive \$16.62½ per share of common stock, with about 14 million shares outstanding on a fully diluted basis, a PPG spokesman said.

Grow also granted PPG an option to purchase approximately 2.8 million shares of Grow's authorized but unissued common stock at \$16.62½ per share.

New York City-based Grow Group is a manufacturer of trade paints and chemical coatings, with annual sales of more than \$380 million.

PPG, headquartered in Pitts-

The transaction 'will complement and strengthen the business of each entity.'

— Vincent Sarni, chairman
PPG Industries

burgh, is one of the world's largest producers of flat glass, fiberglass, coatings, chemicals and medical electronics, with 1987 sales of \$5.2 billion.

PPG Chairman Vincent Sarni said the transaction "will complement and strengthen the business of each entity. Grow Group will fit exceptionally well within PPG's Coatings and Resins Group."

The merger is conditioned upon, among other things, PPG's right to terminate the merger agreement, for any reason, during a 10-business-day due diligence period ending on Sept. 6, 1988.

Journal of Commerce 8/23/88

Steph
FINAL

PRESIDENTIAL REMARKS: INT'L DRUG ENFORCEMENT CONF.
BISCAYNE BAY MARRIOTT HOTEL
MIAMI, FLORIDA
THURSDAY, APRIL 27, 1989
9:10 A.M.

((PAUSE)) "THIS SCOURGE WILL STOP."

((PAUSE)) THOSE WERE THE WORDS WITH WHICH I OPENED
MY PRESIDENCY. AND IT IS THE CONTINUATION OF THAT
PROMISE THAT BRINGS ME TO MIAMI TODAY.

- 2 -

((PAUSE)) GOOD MORNING. I AM HONORED TO BE HERE TO TALK WITH YOU. AND I AM THANKFUL TO JACK LAWN AND THE DISTINGUISHED ENFORCEMENT CHIEFS WHO HAVE COME FROM THROUGHOUT THE AMERICAS -- ALONG WITH OUR FRIENDS AND OBSERVERS FROM EUROPE -- TO JOIN FORCES IN A NEW TRADITION OF INTERNATIONAL COOPERATION.

I AM HERE TODAY TO TALK ABOUT WAR. FIRST, TO SEE COCAINE TRAFFICKING FOR WHAT IT IS: AN ATTACK AIMED AT ENSLAVING AND EXPLOITING THE WEAK.

- 3 -

SECOND, TO CONFRONT WHAT'S BECOME A WORLD WAR. AND THIRD -- I HOPE -- TO HELP END A NASTY CHAPTER IN THAT WAR -- THE DIVERSION OF PRECURSOR CHEMICALS.

IN THE 19TH CENTURY, THE SCOURGE OF THE AMERICAS WAS SLAVERY. A STRUGGLE OF GOOD AND EVIL, IN WHICH SOME SOUGHT TO ENRICH THEMSELVES BY ENSLAVING THE MOST DOWNTRODDEN OF THEIR COUNTRYMEN.

TODAY THE SCOURGE OF THIS HEMISPHERE IS CALLED COCAINE.

- 4 -

AS COMMANDING OFFICERS, YOU KNOW THE HAVOC OF WHICH WE SPEAK. YOU SEE IT EVERY DAY ON THE STREETS OF YOUR CITIES AND IN MOUNTAIN VILLAGES, IN THE HAUNTED EYES AND BROKEN DREAMS OF A GENERATION OF YOUTH -- OF CHILDREN -- WHO HAVE FALLEN VICTIM TO A SEDUCTIVE, NIGHTMARISH NEW FORM OF DEPENDENCY AND SLAVERY.

OUR COUNTRIES HAVE SUFFERED A TERRIBLE TOLL, MANY FAR WORSE THAN THE UNITED STATES.

- 5 -

DRUG TRAFFICKING IS CALLED THE WORLD'S SECOND MOST DANGEROUS PROFESSION. THE MOST DANGEROUS IS YOURS -- DRUG ENFORCEMENT.

EARLIER THIS YEAR, I HAD A GLIMPSE OF WHAT MUST BE ALL TOO FAMILIAR TO MANY OF YOU. I JOINED MRS. EVERETT HATCHER TO GRIEVE FOR THE DEATH OF HER HUSBAND, A VETERAN DEA AGENT WHO WAS EXECUTED BY COCAINE COWARDS IN THE BACK STREETS OF NEW YORK.

A WOMAN OF CONSIDERABLE DIGNITY, SHE PUT RESPONSIBILITY FOR MR. HATCHER'S DEATH SQUARELY ON THOSE ONCE NAIVELY EXCUSED AS "CASUAL" USERS OF COCAINE.

WELL, COCAINE USERS CAN NO LONGER CLAIM NON-COMBATANT STATUS. THERE'S BLOOD ON THEIR HANDS.

AND -- THANKS IN PART TO THE DEMAND-SIDE PROGRAMS LIKE THOSE YOU'LL HEAR ABOUT LATER THIS MORNING -- THIS MESSAGE HAS BEGUN TO SEAR THE CONSCIENCES OF THE STOCKBROKERS AND STUDENTS, THE LAWYERS AND THE HOMEMAKERS AND ATHLETES WHO FINANCE OUR COMMON ENEMY.

THERE ARE MANY IRONIES. DRUG ADDICTION DOES NOT DISCRIMINATE AGAINST A PERSON BECAUSE OF RACE, RELIGION OR FINANCIAL STATUS.

IT'S THE GREAT EQUALIZER, SNARING SONS AND DAUGHTERS OF THE RICH, THE POOR, THE MIDDLE CLASS.

SOMETIMES THE OPPOSITE OCCURS, AND KINGPINS ARE REDUCED TO PAUPERS. THE OPULENCE OF CARLOS LEHDER'S LIFESTYLE IS BUT MEMORY NOW AS HE BEGINS HIS JOURNEY TO THE GRAVE -- LIFE WITHOUT PAROLE -- IN AN ILLINOIS PENITENTIARY.

THE NOTORIOUS FELIX GALLARDO -- ONCE BOASTING OF HIS POWER AND WEALTH -- IS ALSO BEHIND BARS IN MEXICO. STRIPPED OF BLOOD MONEY, THEY ARE NOBODIES, NO LONGER THE STUFF OF MYTH.

YOUR BUSINESS, THEN -- OUR BUSINESS -- IS TO PURSUE THESE OUTLAWS TO THE ENDS OF THE EARTH. TO CREATE A WORLD WITHOUT REFUGE, TO LEAVE NO SANCTUARY, IN YOUR COUNTRIES OR IN MINE.

I'VE SAID IT BEFORE: THE WAR ON DRUGS IS NO METAPHOR. WE'VE BEEN SLOWER TO RECOGNIZE THAT IT IS ALSO A WORLD WAR, LEAVING NO NATION UNSCATHED, ONE IN WHICH HONG KONG BANKERS, BOLIVIAN GROWERS, MIDDLE EASTERN COURIERS AND WEST COAST WHOLESALERS ALL PLAY INSIDIOUS ROLES. IT IS ESPECIALLY ACUTE IN THIS HEMISPHERE, WHERE AN EXPLOSIVE CYCLE OF DRUGS, DEPENDENCY AND DOLLARS HAS ESCALATED CLEAR OUT OF CONTROL.

THE TIME FOR BLAME IS BEHIND US. FOR TOO LONG, A SHARP DIVIDE HAS BEEN DRAWN BETWEEN "PRODUCING" AND "CONSUMING" NATIONS. WELL, "DENIAL" IS A NATURAL PART OF HUMAN NATURE, AND PROBABLY PART OF A COUNTRY'S NATURE AS WELL. BUT LET'S FACE IT. AMERICANS CANNOT BLAME THE ANDEAN NATIONS FOR OUR VORACIOUS APPETITE FOR DRUGS. ULTIMATELY, THE SOLUTION TO THE U.S. DRUG PROBLEM LIES WITHIN OUR OWN BORDERS -- STEPPED UP ENFORCEMENT, EDUCATION AND TREATMENT.

AND OUR LATIN AMERICAN COUSINS CANNOT BLAME THE UNITED STATES FOR THE VORACIOUS GREED OF THE DRUG TRAFFICKERS WHO CONTROL SMALL EMPIRES AT HOME. ULTIMATELY, THE SOLUTION TO THAT PROBLEM LIES WITHIN YOUR BORDERS.

AND YET, GOOD NEIGHBORS MUST STAND TOGETHER. A WORLD WAR MUST BE MET IN KIND.

AND SO TODAY, AS THIS CONFERENCE CONCLUDES, WE ARE PRESENTED WITH A HISTORIC OPPORTUNITY.

ALLIES IN ANY WAR MUST CONSULT -- AS PARTNERS. AND JUST AS YOU HAVE GATHERED ON SEVEN OCCASIONS FOR IDEC, I ASK THAT THE LEADERS OF THE WESTERN HEMISPHERE, WHOSE NATIONS ARE AFFLICTED BY THIS SCOURGE, JOIN WITH ME TO WORK TOGETHER TOWARD A HEMISPHERIC COMPACT ON DRUGS -- A MUTUAL COMMITMENT OF RESOURCES AND ENERGY TO ENSURE A BRIGHTER DAY FOR THE CHILDREN OF THE AMERICAS.

AND I HAVE DIRECTED THAT OUR NATION'S NEW DRUG CZAR, WILLIAM BENNETT, TAKE THE LEAD IN COORDINATING THIS VITAL INITIATIVE.

IDEC DEMONSTRATES THAT WE WILL PUT ASIDE NATIONAL DIFFERENCES TO DO WHAT MUST BE DONE. TOGETHER YOU HAVE PUT CARTELS OUT OF BUSINESS, REDUCED THE SUPPLY OF COCAINE, AND, INCREASINGLY, EDUCATED OUR CHILDREN ABOUT THE DANGERS OF DRUG USE AND TRAFFICKING. I COMMEND JACK LAWN, AND EACH OF YOU, FOR HAVING THE FORESIGHT TO ESTABLISH THIS ORGANIZATION AND FOR DEMONSTRATING THE COLLECTIVE COMMITMENT TO WORK TOGETHER.

I'VE SPOKEN OFTEN ON THE HORRORS OF CHEMICAL WARFARE. WELL, CHEMICAL ABUSE IS ALSO CHEMICAL WARFARE. POISONING OUR STREETS. AS DEADLY AS MUSTARD GAS. AND TODAY WE'RE OPENING A NEW CAMPAIGN TO RID THE WORLD OF THESE TOXINS.

WE'RE GOING TO START RIGHT HERE -- IN THE UNITED STATES. BECAUSE ALL TOO OFTEN THAT'S THE ORIGINAL SOURCE OF THE BASIC INDUSTRIAL CHEMICALS NEEDED TO PRODUCE COCAINE.

Now, U.S. CHEMICAL COMPANIES ARE JUSTLY PROUD OF THEIR PRODUCTS THAT VASTLY IMPROVE AND EXTEND LIFE HERE AND ABROAD. BUT FEW AMERICANS ARE AWARE THAT ILLEGALLY DIVERTED BARRELS OF DANGEROUS CHEMICALS -- CLEARLY MARKED WITH U.S. CORPORATE LOGOS -- ARE ROUTINELY SEIZED IN THE JUNGLES OF COLOMBIA.

IDEC HELD A PANEL DISCUSSION ON THIS TUESDAY. THOSE GATHERED HERE UNDERSTAND ITS IMPORTANCE. TRAFFICKERS HAVE HIT US WHERE IT HURTS.

NOW WE'RE GOING TO EXPLOIT THEIR VULNERABILITIES, CRIMPING THE FLOW OF THE MATERIALS WITHOUT WHICH THEY CANNOT PRODUCE. NO CHEMICALS, NO COCAINE.

WE KNOW IT WORKS IN THE FIELD. MANY OF YOU PARTICIPATED IN THE "IDEC SIX" OPERATIONS LAST AUGUST, WHEN THE COMBINED EFFORTS OF 30 NATIONS SAW THE SEIZURE OF 155,000 POUNDS OF HIGHLY FLAMMABLE ETHER, ALMOST 450,000 POUNDS OF ACETONE, OVER 50,000 POUNDS OF HYDROCHLORIC ACID AND NEARLY 14,000 POUNDS OF MEK.

THIS PAST JANUARY, COLOMBIAN ANTI-NARCOTICS OFFICERS UNDER GENERAL MUNOZ-SANABRIA ((MUN-YOAZ SA-NA-BREE-AH)) -- WHO I UNDERSTAND IS HERE TODAY -- CONGRATULATIONS, GENERAL -- DESTROYED 25 COCAINE LABORATORIES AND ENOUGH CHEMICALS TO MAKE APPROXIMATELY 88 METRIC TONS OF COCAINE.

THE DAMAGE THAT'S DONE WHEN 88 TONS OF COKE HITS U.S. STREETS IS PRETTY OBVIOUS.

WHAT'S NOT SO WELL UNDERSTOOD IS THE WIDESPREAD ENVIRONMENTAL DAMAGE THAT PRECURSOR CHEMICALS WREAK WHEN THEY ARE DUMPED IN THE FORESTS OF THE AMAZON BASIN. ONE OF TODAY'S DELEGATES, THE DIRECTOR OF NARCOTICS ENFORCEMENT FOR PERU'S NATIONAL POLICE, HAS TOLD THE DEA THAT AS MUCH AS 175,000 POUNDS OF SULFURIC ACID IS DUMPED INTO THE TRIBUTARIES OF THE UPPER HUALLAGA ((WHY-AH-GA)) VALLEY EACH YEAR.

ANYONE CONCERNED ABOUT THE LEGACY OF DEFOLIATION IN SOUTHEAST ASIA OUGHT TO GO SEE WHAT ILLEGALLY DIVERTED CHEMICALS ARE BEGINNING TO DO TO THE ANDES RIGHT NOW.

NOR ARE THESE CHEMICAL TIMEBOMBS UNIQUE TO SOUTH AMERICA. THE PROBLEM HERE IS SO SEVERE THAT LAST YEAR'S DRUG BILL AUTHORIZED FUNDS FOR THE ENVIRONMENTAL PROTECTION AGENCY TO CLEAN UP HAZARDOUS WASTE AT CLANDESTINE U.S. DRUG LABS.

IN JANUARY, DEA TASK FORCE AGENTS BUSTED A HEAVILY ARMED HOUSEBOAT LAB ON CALIFORNIA'S SACRAMENTO RIVER. THE LAB HAD BEEN DUMPING HYDROCHLORIC ACID AND OTHER RAW WASTE DIRECTLY INTO THE WATER, WITHIN SPLASHING DISTANCE OF SWIMMING KIDS AND WITHIN CASTING DISTANCE OF THOSE FISHING FOR SALMON AND STRIPERS.

TODAY, I PLEDGE TO YOU THAT THE UNITED STATES WILL LEAD THE FIGHT AGAINST ILLICIT SHIPMENTS OF PRECURSOR CHEMICALS. AND I HAVE ASKED THE ATTORNEY GENERAL TO TAKE A PRINCIPAL ROLE IN THIS NEW EFFORT.

BY AND LARGE, THE CHEMICAL INDUSTRY HAS SUPPORTED US. AS A RESULT OF LAST YEAR'S OMNIBUS DRUG LAW, REGULATIONS ARE NOW BEING DRAFTED TO TIGHTEN CONTROLS ON THE CHEMICALS NEEDED TO REFINE COCAINE.

AND WE ARE DEDICATING THE RESOURCES NECESSARY TO THE TASK. WHATEVER NEEDS TO BE DONE, WILL BE DONE.

OF COURSE, UNILATERAL ACTION BY US IS NOT GOING TO SOLVE THIS PROBLEM. THAT'S WHY WE COMMEND THOSE GOVERNMENTS, LIKE COLOMBIA AND VENEZUELA, THAT HAVE ALREADY ADOPTED STRICT CHEMICAL CONTROLS. AND WE URGE OTHER NATIONS TO DO SO QUICKLY -- AS WELL AS TO APPROVE THE LANDMARK UN CONVENTION, WHICH INCLUDES PRECURSOR CHEMICAL CONTROLS.

MANY U.S. COMPANIES, INCLUDING SOME CHEMICAL COMPANIES, HAVE LONG RECOGNIZED HOW DRUG ABUSE THREATENS PRODUCTIVITY, CORPORATE IMAGE AND, ULTIMATELY, PROFITS. MANY IN THE AMERICAN CORPORATE COMMUNITY HAVE DONATED COUNTLESS HOURS AND MILLIONS OF DOLLARS TO STOPPING DRUG ABUSE. MY SON JEB TALKS ABOUT THE SUCCESSFUL "BUSINESS AGAINST DRUGS" PROGRAM HERE IN MIAMI. THE AMERICAN PEOPLE ARE PROUD OF THESE EFFORTS, AND GRATEFUL.

BUT INDUSTRY MUST DO MORE. AND I HOPE THAT PARENTS' GROUPS AND STOCKHOLDERS ARE LISTENING TODAY. WE SHOULD DEMAND THAT U.S. CORPORATIONS ACT RESPONSIBLY, AND THAT THEY NOT TOLERATE THEIR CHEMICALS ENDING UP IN CRIMINAL HANDS.

WE WOULD LIKE TO SEE U.S. CHEMICAL MANUFACTURERS DEMONSTRATE THEIR COURAGE AND CIVIC RESPONSIBILITY BY ENTERING INTO A TRUE PARTNERSHIP WITH OUR GOVERNMENT AS WE TRY TO STOP NARCOTICS AT THE SOURCE.

THESE COMPANIES CAN MAKE AN IMPORTANT CONTRIBUTION TO OUR NATION'S FIGHT AGAINST ILLEGAL DRUGS. THEY SHOULD MAKE IT THEIR JOB TO JOIN IN. NO ONE -- NOT PARENTS, NOT CHURCHES, NOT BANKERS -- AND CERTAINLY NOT CHEMICAL MAKERS -- CAN AFFORD TO BE AWOL IN THE WAR ON DRUGS.

WITH SO MANY CULTURES REPRESENTED IN THIS ROOM, IT'S INEVITABLE THAT THERE WILL BE DIFFERENCES. BUT WE SHARE AT LEAST ONE COMPELLING EXPERIENCE.

WHEREVER YOU CALL HOME -- WHETHER BONN OR BOGOTA OR BOSTON -- PEOPLE AROUND THE WORLD ARE BEGINNING TO HEAR THE CRIES OF OUR CHILDREN, PLEADING WITH US TO STOP THE DRUGS.

HERE IN MIAMI LAST MONTH ONE ELEMENTARY TEACHER TOLD OF A WRITING ASSIGNMENT SHE GAVE HER SIXTH-GRADERS: "THE TOPIC WAS: 'IF I WERE IN CHARGE OF THE WORLD.' EVERY SINGLE ONE OF THOSE 36 CHILDREN WROTE THAT THEY WOULD GET RID OF THE DRUGS.

THEY WOULD GET RID OF THOSE PEOPLE WHO ARE BREAKING THE LAW. THEY WOULD PUT MORE EFFECTIVE POLICEMEN ON THE STREETS."

MY FAVORITE SPEECHWRITER IS A BASEBALL GREAT NAMED YOGI BERRA. HE'S BEEN KIDDED FOR DESCRIBING THE 1969 METS AS "OVERWHELMING UNDERDOGS." WELL, MAYBE THAT'S NOT SUCH A BAD DESCRIPTION FOR THE GOOD GUYS IN THE FIGHT AGAINST DRUGS. TOUGH CHALLENGES REMAIN.

BUT THE CHILDREN ARE WITH US, AND THE TIMES ARE BEGINNING TO CHANGE. AND YOGI'S UNDERDOGS DID WIN THE WORLD SERIES.

THANK YOU FOR COMING TO THE UNITED STATES. PLEASE TELL YOUR LEADERS WE ARE ANXIOUS TO WORK WITH THEM. GOD BLESS YOU. AND GODSPEED IN YOUR NOBLE WORK.

#

FINAL

(McNally/Dooley)

April 25, 1989

10:30 a.m.

Draft five

(IDECBLD)

PRESIDENTIAL REMARKS: INT'L DRUG ENFORCEMENT CONFERENCE
BISCAYNE BAY MARRIOTT HOTEL
MIAMI, FLORIDA
THURSDAY, APRIL 27, 1989
9:10 A.M.

((PAUSE)) "This scourge will stop."

((PAUSE)) Those were the words with which I opened my presidency. And it is the continuation of that promise that brings me to Miami today.

((PAUSE)) Good morning. I am honored to be here to talk with you. And I am thankful to Jack Lawn and the distinguished enforcement chiefs who have come from throughout the Americas -- along with our friends and observers from Europe -- to join forces in a new tradition of international cooperation.

I am here today to talk about war. First, to see cocaine trafficking for what it is: an attack aimed at enslaving and exploiting the weak. Second, to confront what's become a World War. And third -- I hope -- to help end a nasty chapter in that war -- the diversion of precursor chemicals.

In the 19th Century, the scourge of the Americas was slavery. A struggle of good and evil, in which some sought to enrich themselves by enslaving the most downtrodden of their countrymen.

Today the scourge of this hemisphere is called cocaine.

As commanding officers, you know the havoc of which we speak. You see it every day on the streets of your cities and in mountain villages, in the haunted eyes and broken dreams of a generation of youth -- of children -- who have fallen victim to a seductive, nightmarish new form of dependency and slavery.

Our countries have suffered a terrible toll, many far worse than the United States. Drug trafficking is called the world's second most dangerous profession. The most dangerous is yours -- drug enforcement.

Earlier this year, I had a glimpse of what must be all too familiar to many of you. I joined Mrs. Everett Hatcher to grieve the death of her husband, a veteran DEA agent who was executed by cocaine cowards in the back streets of New York. A woman of considerable dignity, she put responsibility for Hatch's death squarely on those once naively excused as "casual" users of cocaine.

Well, cocaine users can no longer claim non-combatant status. There's blood on their hands. And -- thanks in part to the demand-side programs like those you'll hear about later this morning -- this message has begun to sear the consciences of the stockbrokers and students, the lawyers and the homemakers and athletes who finance our common enemy.

There are many ironies. Drug addiction does not discriminate against a person because of race, religion or financial status. It's the great equalizer, snaring sons and daughters of the rich, the poor, the middle class.

Sometimes the opposite occurs, and kingpins are reduced to paupers. The opulence of Carlos Lehder's lifestyle is but memory now as he begins his journey to the grave -- life without parole -- in an Illinois penitentiary. The notorious Felix Gallardo -- once boasting of his power and wealth -- is also behind bars in Mexico. Stripped of blood money, they are nobodies, no longer the stuff of myth.

Your business, then -- our business -- is to pursue these outlaws to the ends of the earth. To create a world without refuge, to leave no sanctuary, in your countries or in mine.

I've said it before: The war on drugs is no metaphor. We've been slower to recognize that it is also a World War, leaving no nation unscathed, one in which Hong Kong bankers, Bolivian growers, Middle Eastern couriers and West Coast wholesalers all play insidious roles. It is especially acute in this hemisphere, where an explosive cycle of drugs, dependency and dollars has escalated clear out of control.

The time for blame is behind us. For too long, a sharp divide has been drawn between "producing" and "consuming" nations. Well, "denial" is a natural part of human nature, and probably part of a country's nature as well. But let's face it. Americans cannot blame the Andean nations for our voracious appetite for drugs. Ultimately, the solution to the U.S. drug problem lies within our own borders -- stepped up enforcement, education and treatment.

And our Latin American cousins cannot blame the United States for the voracious greed of the drug traffickers who control small empires at home. Ultimately, the solution to that problem lies within your borders.

And yet, good neighbors must stand together. A World War must be met in kind.

And so today, as this conference concludes, we are presented with a historic opportunity. Allies in any war must consult -- as partners. And just as you have gathered on seven occasions for IDEC, I ask that the leaders of the Western Hemisphere, whose nations are afflicted by this scourge, join with me to work together toward a Summit on drugs -- and a brighter day for the children of the Americas.

And I have directed that our nation's new Drug Czar, William Bennett, take the lead in coordinating this vital initiative.

IDEC demonstrates that we will put aside national differences to do what must be done. Together you have put cartels out of business, reduced the supply of cocaine, and, increasingly, educated our children about the dangers of drug use and trafficking. I commend Jack Lawn, and each of you, for having the foresight to establish this organization and for demonstrating the collective commitment to work together.

I've spoken often on the horrors of chemical warfare. Well, chemical abuse is also chemical warfare. Poisoning our streets. As deadly as mustard gas. And today we're opening a new campaign to rid the world of these toxins.

We're going to start right here -- in the United States. Because all too often that's the original source of the basic industrial chemicals needed to produce cocaine.

Now, U.S. chemical companies are justly proud of their products that vastly improve and extend life here and abroad. But few Americans are aware that illegally diverted barrels of dangerous chemicals -- clearly marked with U.S. corporate logos -- are routinely seized in the jungles of Colombia.

IDEC held a panel discussion on this Tuesday. Those gathered here understand its importance. Traffickers have hit us where it hurts. Now we're going to exploit their vulnerabilities, crimping the flow of the materials without which they cannot produce. No chemicals, no cocaine.

We know it works in the field. Many of you participated in the "IDEC Six" operations last August, when the combined efforts of 30 nations saw the seizure of 155,000 pounds of highly flammable ether, almost 450,000 pounds of acetone, over 50,000 pounds of hydrochloric acid and nearly 14,000 pounds of MEK.

This past January, Colombian anti-narcotics officers under General Munoz-Sanabria -- who I understand is here today -- congratulations, General -- destroyed 25 cocaine laboratories and enough chemicals to make approximately 88 metric tons of cocaine.

The damage that's done when 88 tons of coke hits U.S. streets is pretty obvious. What's not so well understood is the widespread environmental damage that precursor chemicals wreak when they are dumped in the forests of the Amazon basin. One of

today's delegates, the director of narcotics enforcement for Peru's national police, has told the DEA that as much as 175,000 pounds of sulfuric acid is dumped into the tributaries of the Upper Huallaga ((WHY-AH-GA)) Valley each year. Anyone concerned about the legacy of defoliation in Southeast Asia ought to go see what illegally diverted chemicals are beginning to do to the Andes right now.

Nor are these chemical timebombs unique to South America. The problem here is so severe that last year's drug bill authorized funds for the Environmental Protection Agency to clean up hazardous waste at clandestine U.S. drug labs.

In January, DEA Task Force agents busted a heavily armed houseboat lab on California's Sacramento River. The lab had been dumping hydrochloric acid and other raw waste directly into the water, within splashing distance of swimming kids and within casting distance of those fishing for salmon and stripers.

Whether at home or abroad, we're not about to let the proud label "Made in the USA" become a badge of shame. Today, I pledge to you that the United States will lead the fight against illicit shipments of precursor chemicals. And I have asked the Attorney General to take a principal role in this new effort.

By and large, the chemical industry has supported us. As a result of last year's Omnibus Drug law, regulations are now being drafted to tighten controls on the chemicals needed to refine cocaine. And we are dedicating the resources necessary to the task. Whatever needs to be done, will be done.

Of course, unilateral action by us is not going to solve this problem. That's why we commend those governments, like Colombia and Venezuela, that have already adopted strict chemical controls. And we urge other nations to do so quickly -- as well as to approve the landmark UN Convention, which includes precursor chemical controls.

Many U.S. companies, including some chemical companies, have long recognized how drug abuse threatens productivity, corporate image and, ultimately, profits. Many in the American corporate community have donated countless hours and millions of dollars to stopping drug abuse. My son Jeb talks about the successful "Business Against Drugs" program here in Miami. The American people are proud of these efforts, and grateful.

But industry must do more. And I hope that parents groups and stockholders are listening today. We should reward responsible corporations. And not do business with those who permit their chemicals to end up in criminal hands.

We would like to see U.S. chemical manufacturers demonstrate their courage and civic responsibility by entering into a true partnership with our government as we try to stop narcotics at the source. These companies can make an important contribution to our nation's fight against illegal drugs. They should make it their job to join in. No one -- not parents, not churches, not bankers -- and certainly not chemical makers -- can afford to be AWOL in the war on drugs.

With so many cultures represented in this room, it's inevitable that there will be differences. But we share at least one compelling experience. Wherever you call home -- whether Bonn or Bogota or Boston -- people around the world are beginning to hear the cries of our children, pleading with us to stop the drugs.

Here in Miami last month one elementary teacher told of a writing assignment she gave her sixth-graders: "The topic was: 'If I Were In Charge Of The World.' Every single one of those 36 children wrote that they would get rid of the drugs. They would get rid of those people who are breaking the law. They would put more effective policemen on the streets."

My favorite speechwriter is a baseball great named Yogi Berra. He's been kidded for describing the 1969 Mets as "overwhelming underdogs." Well, maybe that's not such a bad description for the good guys in the fight against drugs. Tough challenges remain. But the children are with us, and the times are beginning to change. And Yogi's underdogs did win the World Series.

Thank you for coming to the United States. Please tell your leaders we are anxious to work with them. God bless you. And Godspeed in your noble work.

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News Clips

Office of
American Republics



Combating the drug menace

Environment is latest coca victim

By Clara Germani
Staff writer of The Christian Science Monitor

Uchiza, Peru
In more ways than one, drug trafficking is a dirty business.

There are no smokestacks, no factory whistles, or any of the usual signs of major industry here in the jungle mist of the remote eastern Andean slopes.

But the multibillion-dollar cultivation and production of coca are devastating to the delicate rain-forest region known as the *ceja de selva*, or eyebrow of the jungle, environmentalists say.

In the upper Amazon Basin valleys of Peru and Bolivia, deforestation, erosion, and pollution on a grand scale are being added to the list of social ills - violence, corruption, addiction - associated with drug trafficking.

"Everyone views coca as a problem of drug trafficking. But it is also an



JOAN FORBES - STAFF

August
1988

ecological problem. It's the main cause of soil loss in the high jungle, it's a major cause of deforestation and ... pollution," says Marc Dourojeanni, a professor of forestry at the National Agrarian University in Lima, who has held government environmental posts and is

Please see COCA back page

COCA from front page

currently an environmental official with the World Bank.

Problems like these threaten the Amazon Basin from the Brazilian Atlantic to the spine of the Andes. But in coca-growing regions like Uchiza, here in the Upper Huallaga Valley, the jungle was untouched until the coca boom of the 1970s. An aerial survey of the area makes it easy to see the multiple problems this single economic development has caused:

- Scorching earth on every ridge and smoke plumes on the horizon signal the slash-and-burn clearing used for coca crops. Clearing for coca just since the 1970s is responsible for 10 percent of this century's total deforestation in the Peruvian Amazon, Mr. Dourojeanni says in a recent study that compiles what little coca research has been done.

- The Huallaga River is a muddy brown, choked by the unusually heavy erosion peculiar to the hasty cultivation of coca. Planted on steep hillsides, coca plants are stripped of leaves in harvests four times a year - leaving no foliage to protect soil in the constant jungle rain.

- Green-plastic camouflaged coca labs nestled along streambeds dump millions of gallons of kerosene, sulfuric acid, acetone,

and other toxic substances into waterways. Stretches of the Huallaga River are believed sterile because of poisoning from these chemicals and an excessive dumping of agro-chemicals, which peasant farmers use.

"I think the possibility is slim" that anything can be done to reverse the devastation, Dourojeanni says. "We're facing losing all of the high jungle of Peru and Bolivia... the area of most biological diversity in the world."

Scientific data on coca are sketchy - mainly because its mass production is recent and illegal. In Peru, for example, the dangerous Shining Path guerrillas act as protector for peasant coca growers. Outsiders, like scientists or development workers, are often killed.

Studies in the first half of the century showed coca to be "the Attila of tropical agriculture" because of the deep furrows and gullies it causes. One Bolivian agriculture official estimates that 20 percent of the soil in the Yungas coca-growing region has been lost in the past 15 years.

Today, the large-scale cultivation adds to the indirect effects of coca. It is believed that for every acre of coca, a grower - who would not be in the jungle if it weren't for coca profits - clears two more acres for subsistence crops and living space.

Even crop acreage estimates

are guesswork. Dourojeanni's report, to be included as a chapter in a new book on coca's effects on society, cites studies that place the Peruvian crop at somewhere between 270,000 and 440,000 acres. The US State Department estimates that coca cultivation is increasing 10 percent annually.

The rate of expansion of coca cultivation is unequalled historically by any other crop in Peru, says Buenaventura Marcelo, a National Agrarian University re-

'Environmental awareness is not a question that applies at all' to coca cultivators. - *Head of the Ecology Institute in Bolivia*

searcher. Coca is a lucrative crop that lures poor peasants to the jungle mountains.

"Environmental awareness is not a question that applies at all" to coca cultivators, says Mario Baudoin, head of the Ecology Institute at the University of San Andrés in La Paz, Bolivia. "The choice is between starving and making an above-average salary." He explains that for centuries, coca was grown on the steep hillsides by Indians using traditional, environmentally sound methods like terracing,

which permits the good drainage coca needs but preserves soil. (Coca for traditional use is still legal in both Bolivia and Peru.)

"The traditional cultivators are much more aware because they've lived with their actions for centuries, which isn't the case in most present-day cultivation," explains Mr. Baudoin. "The coca boom has brought thousands of nontraditional farmers, who probably have come into a new environment they hate and where they don't want to be."

"The greatest absurdity," Dourojeanni says, "lies in the fact that coca can be cultivated and decent levels of production can be maintained without causing a natural disaster. The technology exists and has been practiced for centuries."

But if national narcotics laws and international anti-narcotics assistance can't stop the cultivation of coca, scientists reason, not much can be expected from environmental regulation.

National parks and forests - protected by law but without enforcement budgets, have been invaded by coca growers. And in some instances, the government itself is environmentally ignorant, says Dourojeanni. He cites a case last year in which a Peruvian judge ordered that sulfuric acid, acetic acid, and ammonia confiscated by police from a coca lab be dumped in the

Huallaga River.

While narcotics enforcement operations - like seizures of coca labs and crop eradication programs - have so far hardly put a dent in coca cultivation, some people worry that they could indirectly cause more environmental degradation.

The environmental effects of coca growing even figure into the controversial United States push to use herbicides to eradicate coca. US State Department officials say the detrimental effects of coca-processing chemicals and agro-chemicals already outweigh any damage a herbicide could inflict.

"But my big worry is that they'll [coca growers] just go over the next hill" and slash and burn new areas, says Barbara D'Achille, an environmental writer for the Lima daily, *El Comercio*.

For Ms. D'Achille and other environmentalists, the largest part of the solution lies in controlling the demand for coca products in the United States.

But environmentalists say there are some anti-coca measures that would directly benefit the environment. Among their suggestions are controls on the sale and transport of chemicals used in coca processing and increasing national park and forest budgets so protection could be part of the defense against coca growing.



USIA W. ELESS FILE

*GLP305 12/21/88
COCA DAMAGE TO BOLIVIAN ECOSYSTEM FEARED EXTENSIVE (940)
(Last of two articles)
By Norma Romano-Benner
USIA Staff Writer

Washington -- Although coca production is damaging the environments of both Bolivia and Peru, which account for almost 100 percent of the world's coca supply, environmentalists are concerned that only the impact on Peru has been studied in depth.

In Peru, according to environmentalists Carlos Lopez and Marc Dourojanni of Lima's National Agrarian University, narcotics traffickers have fouled the rivers and streams of the Upper Huallaga Valley with toxic waste and pollutants for the past 18 years.

They refer to the Huallaga River, which cuts across the valley, as "the traffickers' chemical dump." A 1986 evaluation, says Dourojanni, shows that 57 million liters of kerosene, 32 million liters of sulfuric acid, 16,000 metric tons of lime, 3,200 metric tons of carbide, 16,000 tons of toilet paper, 6.5 million liters of acetone, and 6.4 million liters of toluene were dumped into the river.

In contrast, there is little information on the environmental impact of coca cultivation and cocaine manufacture in Bolivia, although all of the 17 environmentalists interviewed for this article said the destruction of the Bolivian Amazon Basin was "perhaps even graver than that occurring in Peru."

Douglas Pool, of Development Strategies for Fragile Lands, recently conducted an environmental impact study of Bolivia's El Chapare region and Peru's Upper Huallaga Valley for the Agency for International Development (A.I.D.).

Pool's study was to help A.I.D. find substitution crops for coca, and he acknowledged that environmentalists have not conducted a quantifiable study of the impact that coca's cultivation and cocaine's manufacture have had on the region's flora and fauna.

"We know that there's a problem, a huge problem. We also know why this problem is growing, but frankly, I don't know of anyone who has done anything comparable to what Dourojanni has done in Peru."

With 75,000 to 100,000 hectares of coca under cultivation, and with the large amount of chemicals needed to produce coca paste, Pool added, "there's bound to be a major

USIA WIRELESS FILE

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problem to the soils and water sources of the Bolivian Amazon Basin."

Like their counterparts in Peru, Pool said, coca-growing Bolivian peasants are given easy access to biocides -- herbicides and pesticides -- by the drug bosses, who then use sulphuric acid, kerosene, lime, acetone, and other chemicals to make coca paste. The paste is then shipped to Colombia, where it is refined into cocaine.

The cocaine manufacturers routinely dump unused chemicals into the Mamore and the Chimore, two important Bolivian rivers that feed into the Amazon.

"As in Peru, the consequences are obvious," said Pool. "These waters are the lifeline for thousands of indigenous groups. What we don't know is precisely what kind of damage this pollution is causing to humans, animals, and native plants."

The study Pool conducted for A.I.D. says coca "is a highly exploitive crop that removes nutrients from the soil."

In fact, the study says, it is not widely recognized that when coca is eradicated, the land it was on must lie fallow for five to 10 years before it can again be productive, and crop substitution activities are generally carried out by clearing nearby fallow land.

"Coca is currently planted in many instances on highly erodible soils, without the necessary precautions to conserve the land," according to the study. "As current land in coca loses its productivity, coca producers (unless deterred) will move to increasingly fragile lands."

To counter the problem, A.I.D. recommended that Bolivia withdraw some of the most "fragile" Chapare lands from agricultural production of any sort.

Stuart Hudson of the National Wildlife Federation, an ecologist who recently visited the Chapare region to assess the environmental damage caused by Amazon road construction, said the Inter-American Development Bank and the World Bank have made the need to conserve the environment clear to the Bolivian government.

"But when you are talking about a business that yearly brings in 2,000 million dollars in revenues, you know how futile it is to talk in terms of conservation," Hudson said.

"The coca trade is adding insult to an already injured environment....," he added. "When the coca invasion began in the early 1970s, towering trees were replaced with about 5,000 million narcotics-producing coca bushes in Peru alone. That's an environmental risk. It's sad."

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USIA WIRELESS FILE

Spurred by Secretary of State Shultz's visit to Bolivia in August, when he pledged increased U.S. support for the country's eradication efforts, A.I.D. recommended alternative crops to lure coca-growing peasants into other agricultural economies, among them cacao, macadamia nuts, a species of the palm tree called "dende," citrus, and coffee.

But A.I.D. points out that success in eradication is contingent not only on alternative economic opportunities, but on successful law enforcement interdiction and/or elimination of international demand for cocaine.

A.I.D. said peasants from the Chapare and the Upper Huallaga were willing to consider other crops because they "apparently perceive coca production as a profitable, but risky enterprise, due to price fluctuations, health and social costs, and insecurity related to interdiction efforts and potential violence...."

Pool agrees with this assessment. "What the peasants and other farmers want is security....," he said. "They are more than willing to interplant in existing coca fields."

Once the substitute crops turn a profit, he said, the farmers will switch to them and quit cultivating coca.

In the meantime, Pool, Hudson, and other environmentalists hope Bolivia enforces a recent anti-narcotics law that calls for crop alternatives, among other things.

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WINSTON
REVISIONS
(FROM PHIL BRADY,
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24
(McNally/Dooley)
April 21, 1989
~~2:00 p.m.~~ 11:30 a.m.
Draft two three
(IDEC)

PRESIDENTIAL REMARKS: INT'L DRUG ENFORCEMENT CONFERENCE
BISCAYNE BAY MARRIOTT HOTEL
MIAMI, FLORIDA
THURSDAY, APRIL 27, 1989
9:10 A.M.

((PAUSE)) "This scourge will stop."

((PAUSE)) Those were the words with which I opened my presidency. And it is the continuation of that promise that brings me to Miami today.

((PAUSE)) Good morning. I am honored to be here to talk with you. And I am thankful to Jack Lawn and the distinguished enforcement chiefs who have come from throughout the Americas -- along with our friends and observers from Europe -- to join forces in a new tradition of international cooperation.

I am here today to talk about war. First, to see cocaine trafficking for what it is: an attack aimed at enslaving and exploiting the weak. Second, to confront what's become a World War. And third -- I hope -- to help end a nasty chapter in that war -- the diversion of precursor chemicals.

In the 19th Century, the scourge of the Americas was slavery. A struggle of good and evil, in which some sought to enrich themselves by enslaving the most downtrodden of their countrymen.

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As commanding officers, you know the havoc of which we speak. You see it every day on the streets of your cities and in mountain villages, in the haunted eyes and broken dreams of a generation of youth -- of children -- who have fallen victim to a seductive, nightmarish new form of dependency and slavery.

Our countries have suffered a terrible toll, many far worse than the United States. Drug trafficking is called the world's second most dangerous profession. The most dangerous is yours -- drug enforcement.

Earlier this year, I had a glimpse of what must be all too familiar to many of you. I joined Mrs. Everett Hatcher to grieve the death of her husband, a veteran DEA agent who was executed by cocaine cowards in the back streets of New York. A woman of considerable dignity, she put responsibility for Hatch's death squarely on those once naively excused as "casual" users of cocaine.

Well, cocaine users can no longer claim non-combatant status. There's blood on their hands. And -- thanks in part to the demand-side programs like those you'll hear about later this morning -- this message has begun to sear the consciences of the stockbrokers and students, the lawyers and the homemakers and athletes who finance our common enemy.

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The time for blame is behind us. For too long, a sharp divide has been drawn between "producing" and "consuming" nations. Well, "denial" is a natural part of human nature, and probably part of a country's nature as well. But let's face it. **Americans cannot blame the Andean nations for our voracious appetite for drugs.** Ultimately, the solution to the U.S. drug problem lies within our own borders -- stepped up enforcement, education and treatment.

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And yet, good neighbors must stand together. A World War must be met in kind.

[[And so today, as this historic conference concludes, I present you with an invitation that we ask be conveyed to your respective capitals. Just as you have gathered on seven occasions for IDEC, I ask that the leaders of the Americas join me in a special summit to address the scourge of our times. I have asked our nation's new Drug Czar, William Bennett, to and hold within next organize such a summit before the year is out.]]

IDEC demonstrates that we will put aside national differences to do what must be done. Together you have put cartels out of business, reduced the supply of cocaine, and, increasingly, educated our children about the dangers of drug use and trafficking. I commend Jack Lawn, and each of you, for having the foresight to establish this organization and for demonstrating the collective commitment to work together.

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~~It starts in an unlikely source country. We're standing in it. The source country is the United States. That's right~~

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Bennett.
Brady.
Cicconi.

-- not parents, not churches, not bankers -- and certainly not chemical makers -- can afford to be AWOL in the war on drugs.

With so many cultures represented in this room, it's inevitable that there will be differences. But we share at least one compelling experience. Wherever you call home -- whether Bonn or Bogota or Boston -- people around the world are beginning to hear the cries of our children, pleading with us to stop the drugs.

Here in Miami last month one elementary teacher told of a writing assignment she gave her sixth-graders: "The topic was: 'If I Were In Charge Of The World.' Every single one of those 36 children wrote that they would get rid of the drugs. They would get rid of those people who are breaking the law. They would put more effective policemen on the streets."

My favorite speechwriter is a baseball great named Yogi Berra. He's been kidded for describing the 1969 Mets as "overwhelming underdogs." Well, maybe that's not such a bad description for the good guys in the fight against drugs. Tough challenges remain. But the children are with us, and the times are beginning to change. And Yogi's underdogs did win the World Series.

Thank you for coming to the United States. Please tell your leaders we are anxious to work with them. God bless you. And Godspeed in your noble work.

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