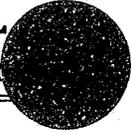


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S. HRG. 102-1093

# REVIEW OF THE NATIONAL DRUG CONTROL STRATEGY



HEARING  
BEFORE THE  
COMMITTEE ON THE JUDICIARY  
UNITED STATES SENATE  
ONE HUNDRED SECOND CONGRESS  
SECOND SESSION  
ON  
THE THIRD ANNIVERSARY OF THE NATIONAL  
DRUG CONTROL STRATEGY

SEPTEMBER 10, 1992

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# REVIEW OF THE NATIONAL DRUG CONTROL STRATEGY

THURSDAY, SEPTEMBER 10, 1992

U.S. SENATE,  
COMMITTEE ON THE JUDICIARY,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:34 a.m., in room SD-226, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr. (chairman of the committee) presiding.

Present: Senators Biden, Simon, Thurmond, and Hatch.

## OPENING STATEMENT OF CHAIRMAN BIDEN

The CHAIRMAN. The hearing will come to order. I apologize for the delay, but as you could observe by the number of lights that are on on our clock indicating there is activity on the floor of the Senate, there is a matter of some significant controversy before the Senate this morning that we are voting on at the moment, and that is on the product liability legislation, and that cloture vote after we scheduled this hearing was scheduled for 10 a.m. It is now 25 minutes of 11. The vote is still on, which means somebody is in trouble. But at any rate, I thank you all for waiting. Director, welcome, and welcome all of your staff and colleagues this morning.

Today, the Judiciary Committee holds hearings marking the third anniversary of the National Drug Control Strategy which was originally issued on September 5, 1989. As in each of the past 2 years, the committee convenes this hearing to take a step back and take stock of the national effort against drugs. This is an appropriate moment, it seems to me, to examine the questions, where are we making progress, where are we falling behind and, most importantly, where must we redirect our efforts, change our efforts, improve our efforts if progress is going to be made, and, overall, what is the status of our united effort in this country to deal with what most Americans would consider an epidemic.

I might add, I was in Chicago last night just for the night and met with some police officials who told me over the weekend, 1 weekend, 26 young men were murdered within the city limits—26, the vast majority of them drug-related.

So before we begin, I would like to, as I said, welcome you again, Governor, back to this committee.

As I said to the Governor on the way in, while he has got one of the toughest, most thankless jobs in Washington, it could be worse; he could be Governor of Florida right now. What a God-awful situation to be in for the people of Florida.

Today, I am releasing a 220-page report, which comes as no surprise to the Drug Director's office because I have been doing it every year, and it is entitled "The President's Drug Strategy: Has it Worked?" This report contains an analysis of the Nation's progress against the scourge of drugs during the 3 years since the first drug strategy was released. I do not intend to summarize this report in its entirety here, but I do want to make a few introductory comments before Director Martinez offers his testimony.

Let me repeat at the outset what I have said many times since the release of the first strategy. I believe the mere fact that the Nation now has a drug strategy in and of itself is a major success. Three years ago, there was no single document to focus the national debate on drug policy. There was no single office responsible for leading and coordinating the drug policy being carried out by more than 40 Federal agencies, and that is why I and other Senators wrote the law creating the office for the Drug Director more than a decade ago, although it didn't come to fruition until several years ago.

However, let me also repeat what I said 1 year ago on the second birthday of this strategy. After what is now a few years of effort, a national policy must be held to a high standard, not just have we started to fight the drug war, but quite simply, are we winning the drug war.

Initially, it is important to recognize what has been accomplished in the first 3 years of the national strategy. Across the board, we are devoting more resources to the war against drugs, and to show for that commitment we have more treatment capacity, more prison beds, more police and prosecutors, more education programs, more research in progress, and more arrests of drug traffickers. But as the study I am releasing today shows, notwithstanding the fact that unprecedented weapons have been devoted to the anti-drug effort, the overall picture that emerges after 3 years, in my view, is troublesome.

First, the decline of the country's overall use of all drugs has slowed to a crawl. The rate of decline in the year before the drug strategy began was six times the rate of decline last year, and some of that can be suggested as a consequence of the easy work was done at the front end and now we are left with the harder work, but nonetheless that is one of the facts.

In the important category of casual cocaine use, cocaine use actually increased by about 14 percent during the past year, after declines. On the hard core front, more Americans, about three million, are addicted to heroin and cocaine than before the strategy began. Drug overdoses, the inevitable result of hard-core addiction, have returned to levels that were occurring in the year before the strategy started. Coca leaf production, the raw material for cocaine, has risen consistently over the past year. It is up about 40,000 metric tons in the past 3 years.

Here at home, cocaine availability, after falling in the first year of the strategy, has rebounded, to give drug traffickers more potent cocaine at ever cheaper prices. And the 71,700 murders—71,700 murders—that have occurred in the United States in the past year, many of them a direct consequence of the drug epidemic, are more than any 36-month period in the Nation's history.

However, the overriding lesson of the past 3 years is not simply that there is a long list of goals that have not been achieved, and a longer list of areas where we must do much better. More than this, from the experience of the past 3 years, we need to learn what works and what does not work. In my view, that experience offers a few keys where the strategy must be, in my view, redirected.

For example—and I might add, some of you were here in the first meeting with the first Director, Dr. Bennett. I know my distinguished colleague from Utah was here. I, along with many others, indicated to him that no one knew what the answers to this problem were with any certainty, and that as long as we were coming up with concrete, solid initiatives, notwithstanding the fact that I disagreed with them, I would support them; I would try to change them, but I would support them.

But at some point early on in the history of this office, we would have to be willing to sit back and say, OK, did those initial strategies make sense, did they work. And if they didn't, I indicated to Professor Bennett I hoped, were he the Director, whoever the Director was, we would be willing to say, OK, my way did or didn't work, maybe we should try another way, and that is one of the purposes of this hearing today because we have now had 3 years' experience and billions of dollars later to determine with more accuracy than we had before, more ability to judge than we did before, what works and what doesn't.

For example, every American knows that many more police should be added where they would do the most good, in our neighborhoods and on our streets. Yet, we have had an ongoing debate about how much we should be doing with regard to direct aid to local law enforcement, and the administration's budget this year has sought to cut the aid program to put more police on the streets. In my view, no drug strategy can succeed when the Nation has lost control—and I am sure my colleagues at the witness table agree—over as many streets and as many neighborhoods as we have today, and we have lost control.

In another area, nearly 3 years ago I called for a strategy that would force hard-core addicts into one of two stark choices, get into treatment or go to jail and there get treatment. Yet, today, the Drug Director estimates that last year over one million treatable addicts remained untreated due to lack of facilities. In my view, no drug strategy can succeed when such a massive shortfall exists.

Many have argued from the outset that treatment must be made a special priority for pregnant addicts. Yet, today, the Nation's failure to address even this specific part of the treatment problem has left the Nation with as many as 900,000 more drug-impacted babies than before the first strategy. Since the strategy began, we have 900,000 additional drug-impacted babies.

Drug education among school-age children has been proven to be effective. Three years ago, I called for a strategy to inoculate all children against drugs with the only vaccine we have, comprehensive drug education. But over the past year, barely one out of every two school children received the drug education they need. Any gains made today will surely be short-lived unless drug prevention reaches all those who could be tomorrow's addicts.

As I said and many others observed nearly 3 years ago, "The fundamental need of the international drug strategy is to go to the source and strangle the drug supply," to quote the drug strategy I offered in January 1990. However, from the start, the strategy has been focused on seizing cocaine after it is manufactured. No strategy based on simply chasing the ever-changing routes and tactics of the drug traffickers, in my view, can achieve lasting success against the supply of drugs.

In each of these areas, the strategy has taken, in my view, a wrong turn and made false starts, despite urgings from many, including myself, that different courses should be chosen. And I might add, I cannot say to you, had all that I suggested been the emphasis of the first strategy that we would be better off today. I think we would. It seems to me there is evidence that we would, but I am not making that assertion. I am just pointing out what, in fact, has happened and what we didn't do and what maybe we should look to. I am hopeful, however, that we can begin to redirect the strategy. It seems to me we must do that if we are to get the battle against drugs moving strongly forward.

In closing, I want to emphasize that this fight against drugs is going to have to continue to be what thus far, with notable skirmishes, has been essentially a bipartisan endeavor we have had, this committee and your office, Director. I know that many consider that impossible or foolish, or both, in this town at this time.

But let me just say this. I have consistently had disagreements with the administration over the method and tactics that would produce the most effective strategy to win the fight, and this year is no exception, but that has not stopped a Democratic Congress and a Republican administration from moving forward.

In the course of discussing the first drug strategy with the first Drug Director, I made clear that I would assist in implementing the administration's strategy even though I disagreed with parts of it because it was possible they were right and it was too important and urgent a task not to begin at once. I have continued to have disagreements with the administration, but I have also continued to work with them because notwithstanding our disagreement about tactics, the administration officials who put together the strategy have been united with me and many others in our understanding of the ultimate goal, winning the fight against drugs.

Now, it has become clear to me, at least, that there are serious shortcomings with the strategy we have been pursuing and that we need to make adjustments in methods and tactics. I hope the administration will adopt the same spirit of bipartisanship that I have adopted and others have adopted in the last 3 years and join in the effort to get the fight against drugs moving, even if it might be in a different direction.

Director, again, let me thank you for appearing before this committee. I know that you and your deputies are as dedicated and committed to the triumph over the scourge of drugs as anyone, or more than anyone who does it on a daily basis in this entire country. But I hope we are not going to suggest that we are anywhere near there yet, and I am confident that this epidemic is beatable. It seems to me it is our duty and responsibility to now have our arguments in public, as we always do, and maybe both be willing

to admit that parts of it aren't working and that we might have to redirect it.

After the debate and fight is over about what the strategy should be, as it always is every year, I hope we can join together again in whatever the strategy ultimately adopted by the President and the Congress that we pursue. But I am very, very, very concerned that what is happening is that the drug problem and the most serious aspects of the drug problem are being pushed into the recesses of people's minds, not because they are not facing them squarely on a daily basis as they walk the streets and lock their homes and send their children off to school, but because they are becoming increasingly convinced that we are not capable, or no one is capable, of dealing with the problem.

The second thing that concerns me is what you and I, Bruce, discussed way back in the first strategy that the end result of this might be that although the problem could get worse, it could appear to get better because we have pushed it into the inner cities. We have pushed it into the neighborhoods and regions and areas where the carnage increases, but where significant portions of the American taxpayers are able to avoid looking. That is the second concern I have, and I think that is one of the unintentional by-products of the strategy we have been pursuing thus far. That is my view. We will have plenty of time to discuss and debate that not only today, but in the next months, as we always have.

Again, I welcome you, and I now yield to my colleague who has been involved in this issue for as long as I have and cares strongly about it, the Senator from Utah, Senator Hatch.

#### OPENING STATEMENT OF SENATOR HATCH

Senator HATCH. Well, thank you, Mr. Chairman. I appreciate that, and I welcome Governor Martinez and all of your support here to the committee this day. In particular, I want to take note of Kay James' presence on the panel. She is the most recent addition to the governor's senior staff, and I really have heard many fine reports from State and local officials about your dealings with them in the short time that you have been on the job.

Today's hearing presents an excellent opportunity to review the overall long-term progress made in the war on drugs in the last 12 years. In a word, illegal drug use is down. The problem is not solved, as the distinguished Chairman has said, and I particularly want to thank him for holding these hearings and for his long-term commitment to trying to resolve these problems.

Between 1979, as you will see on this chart over here, and 1991, use of illicit drugs among persons 12 years of age and older was cut by more than half, nearly 55 percent. According to the National Household Survey on Drug Abuse, 13.7 percent of those 12 years of age and older used an illicit drug in 1979, but in 1991 only 6.2 percent did.

Now, during that same period, marijuana use—marijuana use is the blue line, the middle line there—was cut by nearly two-thirds. In 1979, 12.7 percent of those 12 years of age or older used marijuana, but in 1991 only 4.8 percent did.

Cocaine use is the green line, the bottom line there. That also dropped by nearly two-thirds from 1979 to 1991. In 1979, 2.4 per-

cent of those 12 years of age and older used cocaine, but only nine-tenths of 1 percent used cocaine in 1991.

Now, this doesn't tell us everything, but it does give us some indication that there is progress being made, and that is very important. Like any war of this sort, there will be ups and downs. Certainly, as illegal drug use declines, further reductions become more difficult to achieve, and while there is much more to be done, any fair observer cannot help but be impressed by the progress to date.

So I want to compliment you for the work that you and your predecessors have tried to do, are doing, and will do in the future. It is almost an overwhelming job because of the overwhelming nature of the problems and the tremendous complexities of both the supply and demand side problems involving drug abuse and drug use. But I think you have really started well and you have got us moving in the right direction. Certainly, these figures show that.

Although there is a lot more to be done, I think we can get it done, and I think a lot of it is going to depend upon whether we as Members of Congress are going to make it possible for people out there in our society to look at the real values of society, for schools to be able to teach about the real values. I am not talking about religious values necessarily, although it is hard to separate moral and religious values from the values that will help us to overcome these types of problems.

But unless we are willing to make some major changes in what we do for our young people, then it seems to me we are not going to make any real headway over the long run on these problems. We have got to help them to understand that there is a better way, there are better values, there are better approaches that really will be meaningful in their lives, before they are going to quit experimenting and trying these types of things as a general rule.

So I am real concerned about what we do in that area as well. It isn't just a matter of interdiction, it isn't just a matter of rehabilitation and care or any of the number of other complex aspects of the drug problem. It is a matter of societal change as well.

Yesterday in our prayer meeting, Senator Nunn conducted the prayer meeting of the Senators and he brought out the impact of the effect of violence on television and drug use on television and what that is doing to our young people today. That is what I am talking about when I am talking about values. We are going to have to start encouraging those who are in charge of these great cultural institutions that there is a better way, there is a better thing to do, and that we ought to start trying to get across some of the positive values of our society.

So I want to thank you for the work you have done. I know that you feel it hasn't been accomplished yet. I know that I feel it hasn't been accomplished yet. I know that Senator Biden is, from time to time, very discouraged about our progress, but we are making progress. You do deserve credit for the hard work that you have done, and I hope that this committee and other committees on Capitol Hill will help you in a bipartisan way to resolve these problems for our society at large.

Kay, I just want to say again I am very impressed with what you have done so far. We said that during the confirmation process and I think you are making good prophets of us all, and we just hope

you will continue to work hard and continue to make the impact that we expect you to make and that you have made thus far. Mr. Walters and Mr. Carnes, we appreciate the work that you are doing as well.

So thanks for being here, and thank you, Mr. Chairman, for letting me say these few words.

The CHAIRMAN. Thank you, Senator.

At this point I wish to place a statement and questions by Senator Grassley in the record.

[The aforementioned follows:]

STATEMENT OF SENATOR CHARLES E. GRASSLEY  
HEARING ON THE REVIEW OF THE NATIONAL DRUG CONTROL STRATEGY  
SENATE JUDICIARY COMMITTEE  
SEPTEMBER 10, 1992

MR. CHAIRMAN, I AM PLEASED THAT THE COMMITTEE TODAY FOCUSES ON THE REVIEW OF OUR NATIONAL DRUG CONTROL STRATEGY. OUR WITNESSES ARE IN A GOOD POSITION TO EXPLAIN THE MEASURE OF SUCCESS WE HAVE ACHIEVED IN FIGHTING THE DRUG WAR.

MUCH HAS BEEN ACCOMPLISHED. USE OF ILLEGAL DRUGS HAS FALLEN DRAMATICALLY IN RECENT YEARS. THERE ARE STATISTICAL UPTICKS HERE AND THERE FOR VARIOUS REASONS. BUT THE OVERALL TREND IS CLEARLY IN THE DIRECTION OF REDUCED USE OF ILLEGAL DRUGS. IN FACT, THE NUMBER OF COCAINE USERS HAS DECLINED BY 67% SINCE 1985, AND BY 35% JUST SINCE 1988. AND SINCE THE NUMBER OF NEW, YOUNG USERS OF DRUGS HAS DECLINED SO EXTENSIVELY, THE CHANCES APPEAR GOOD THAT WE CAN STOP MUCH OF AN ENTIRE GENERATION FROM STARTING THE DRUG HABIT.

WE HAVE NOT ENTIRELY SOLVED THE DRUG PROBLEM, PARTICULARLY AMONG HARD-CORE ADDICTS IN THE NATION'S CENTRAL CITIES. BUT THE SUCCESS SO FAR HAS BEEN A GREAT DOMESTIC POLICY ACCOMPLISHMENT. AND IT IS AN ACCOMPLISHMENT NOT ONLY OF THE FEDERAL GOVERNMENT, BUT OF MILLIONS OF INDIVIDUALS WHO HAVE EXPRESSED THEIR FIRM CONVICTION THAT DRUG USE IS UNACCEPTABLE AND WILL NOT BE TOLERATED.

BESIDES TARGETING HARD-CORE ADDICTS WITH TREATMENT PROGRAMS, THERE ARE OTHER IMPORTANT MEASURES WE MUST TAKE. SUPPLY OF DRUGS REMAINS A CRITICAL PROBLEM, AND INTERDICTION AND LAW ENFORCEMENT EFFORTS MUST BE STRENGTHENED. COOPERATION WITH OTHER COUNTRIES IS A CRUCIAL FACTOR IN REDUCING SUPPLY.

WE MUST CONTINUE THE PROGRESS THAT HAS BEEN MADE. IT IS STILL TOO EARLY TO SAY THAT THE JOB IS DONE. OUR WITNESSES TODAY WILL PROVIDE INSIGHT ON THE FIGHT AGAINST DRUGS, AND I LOOK FORWARD TO THEIR TESTIMONY.

## SENATOR GRASSLEY'S QUESTIONS FOR DIRECTOR MARTINEZ

1. RURAL AREAS HAVE ONLY SOMEWHAT RECENTLY HAD TO CONFRONT DRUG USE. MANY RURAL LAW ENFORCEMENT AGENCIES HAVE BEEN OVERWHELMED BY THE DRUG TRADE. WHAT HAS BEEN DONE TO FIGHT DRUG USE IN RURAL AREAS?

2. WE HAVE SEEN A DECLINE IN DRUG-RELATED CRIME OVER THE LAST FEW YEARS. THIS IS LARGELY DUE TO MORE PRO-ACTIVE LAW ENFORCEMENT ACTIVITIES AT THE FEDERAL, STATE, AND LOCAL LEVEL. THE ORGANIZED CRIME AND DRUG ENFORCEMENT TASK FORCE PROGRAM WAS ESTABLISHED TO BRING TOGETHER THE DEA, FBI, AND MANY STATE AND LOCAL LAW ENFORCEMENT AGENCIES TO TARGET ORGANIZED CRIME. IS THIS PROGRAM WORKING AS INTENDED, GOVERNOR?

3. HURRICANE ANDREW CAUSED CONSIDERABLE DAMAGE TO OUR INTERDICTION EFFORTS. WHAT MEASURES ARE BEING TAKEN TO MINIMIZE DAMAGE TO INTERDICTION OPERATIONS FROM FUTURE STORMS?

4. I AM CONCERNED THAT NEEDLE EXCHANGE PROGRAMS OFTEN HAVE NO LIMITATIONS ON WHO RECEIVES FREE NEEDLES. DO YOU SHARE THIS CONCERN?

5. THE PROPONENTS OF NEEDLE EXCHANGE PROGRAMS OFTEN CITE THE SUCCESSES OF THE PROGRAM IN NEW HAVEN, CONNECTICUT. YET THE BULLETIN PUT OUT BY YOUR OFFICE, "NEEDLE EXCHANGE PROGRAMS: ARE THEY EFFECTIVE" REVIEWS THE NEW HAVEN PROGRAM AND CONCLUDES THAT MOST OF THE POSITIVE FINDINGS CITED ARE NOT SUPPORTED BY THE DATA. FOR THE RECORD, CAN YOU ELABORATE?

The CHAIRMAN. Governor, before we begin, not by way of debate, but by way of making sure everybody understands because you are going to be explaining this, the current use of illicit drugs, the chart put up by my distinguished colleague, shows the decline in the use of any illicit drug, marijuana, and cocaine beginning in 1979.

The point that should be made in the overall drug use chart by using a different mode of expression on a graph is if you drew a line on the chart I just put up, "Overall Drug Use"—if you drew a big black line between right in the middle of the four blocks between 1988 and 1990, that would reflect the drop that occurred from 1985 to 1988, from 22,980,000 to 14,478,000. That was before the drug strategy; that was that precipitous drop.

Then, beginning in between that point where I am talking about between the two blocks, if there were a line running all the way up dividing that chart, the drop from 12,948,000 to 12,647,000 reflects the progress we have made after spending \$32 billion in a drug strategy. We spent \$32 billion in a national strategy and we have gone down about 300,000 users. Before we had any strategy, it had dropped by roughly 8 million.

So I think, although there is success, I think success is relative and I think we should understand why. There may be an explanation why it took \$32 billion to get us down 300,000 persons in terms of overall drug use, compared to what we didn't spend—we spent some money; we didn't calculate it the same way. We spent considerable less money to get a reduction in 3 years of 8 million.

Actually, maybe the more accurate figure would be to go from 14 million to 12 million. So we spent \$32 billion to get the most generous reading from 14 million overall drug users, roughly, to 12-plus million drug users, and that is a drop of—the best we could do is 2 million people and we spent a lot less than that to get an 8-million drop. Now, it is going to be important for the public that we explain why that is the case, and I have a view that may be different than yours as to why in terms of progress made.

The second chart I would like to be put up here, again, because it is going to be a central theme—

Senator HATCH. Could I make one comment on that chart?

The CHAIRMAN. Sure, please.

Senator HATCH. I believe you are getting down to hard-core users now. There is no question about it.

The CHAIRMAN. Well, that may be the answer. I don't want to make my case as to why I think it is. The only point I am making is that what we all get from our colleagues and from our constituents is, hey, you have this new strategy, you went out and spent \$32 billion in 3 years in this strategy, what is the progress?

The chart I am not going to put up now and I will put up later—if you put up overall drug use in the year 1980, 1975, 1970, it is astronomically lower than any of those numbers up there, and the public didn't think things were all that great then. So I just want to make sure that we are real straight with the public here about the progress that is made and not made. I don't mean you are not trying to be straight, but that is measured in relative terms.

The second chart I would like to put up here—and we will be going back to this—is first-time heroin users. According to this

household survey—this comes from the Drug Director's office—in 1990, when asked, a little over 1.6 million people said, yes, I have tried heroin at some time in my life. Within 1 year, the number of people saying they have tried heroin has gone up 1.2 million people, according to the household survey, which I think is not totally accurate, and everybody admits is not—if anything, it undercounts.

Senator HATCH. Right.

The CHAIRMAN. So, again, progress. Lastly, even in the current illicit drug use, as I said in my opening statement, I grant that it goes down, but even by the estimates, I think we will hear candidly—we always hear candidly, but I think we will hear a candid estimate today—I may be guessing incorrectly—from the Drug Director's office that there is concern that we are getting up-ticks now, not only in cocaine use, which is shown there, but in other overall drug use.

So the only point I want to make here, Director, is that I really think in order for us to continue to be able to convince the public to spend great deals of money and, in my view and in your view, increasing the amounts of money on dealing with this problem, is we had better candidly lay out for them where we are relative to where it was 10 years ago, where we are relative to where it was when the drug strategy started, and where we realistically think it is going to go, because they are making hard choices on the floor out there. Are we going to spend in the next 3 years another \$32 billion to get a 300,000-person decline in overall drug use, or a 2 million-person decline? Maybe we should. Those are the kinds of judgments I think we are going to be making pretty soon and I think we have got to make the strongest case.

With that, I thank you, Governor, for your patience. Why don't you go with your statement and—

Senator HATCH. Mr. Chairman, could I just add one last comment?

The CHAIRMAN. Sure, please.

Senator HATCH. That alarms me, too, but I would like you to address, if you can, on these first-time heroin users how many of them are actually new drug users versus how many of them are people who have been on drugs for a long time, but suddenly move into heroin, because I think you find that that is where a lot of this is coming from.

My point is that I think the Chairman has appropriately raised through the years very serious issues here. I agree with him. We fight together side by side on these issues. I would like to get it to be less partisan with regard to criticism of your office because I think you are doing the best you can and I think you are doing a good job. For instance, I think a 300,000 reduction in hard-core users is a pretty darn big reduction in a few years.

The CHAIRMAN. Well, that is not what happened. It is not 300,000 in hard-core users.

Senator HATCH. Whatever it is, if that is what it is.

The CHAIRMAN. It is just overall drug use. Hard-core use is way up.

Senator HATCH. My point is I think we are down to the point where we really have the rough times ahead of us. That is why I

mentioned values and help throughout our society. We can no longer afford to just justify a wide open, anything-goes type of a society and expect us to make headway on the drug problem.

So I am very interested in what you have to say. I can't stay the whole time, but I sure am interested in what you have to say.

The CHAIRMAN. Okay, your turn. Thanks.

**STATEMENT OF HON. BOB MARTINEZ, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY, WASHINGTON, DC; ACCOMPANIED BY JOHN WALTERS, DEPUTY DIRECTOR FOR SUPPLY REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY; KAY COLE JAMES, ASSOCIATE DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY; AND BRUCE CARNES, DIRECTOR OF PLANNING, BUDGET AND ADMINISTRATION, OFFICE OF NATIONAL DRUG CONTROL POLICY**

Mr. MARTINEZ. Thank you, Mr. Chairman, and good morning to members of the committee. Let me assure you, Senator, that we now have a copy of your proposed strategy and we will be taking a look at it, as we do each year.

The CHAIRMAN. I appreciate it.

Mr. MARTINEZ. And we appreciate very much the efforts that you and Senator Hatch put into this whole drug issue. As in other years, I am sure we will find many things in your report that we agree with, and we will be back in touch with you after we have had the chance to take a good look at it.

I also would ask, Mr. Chairman, that my full statement be made part of the record. I have got here just a summary that I would like to—

The CHAIRMAN. Your entire statement will be placed in the record.

Mr. MARTINEZ. I would like to take my time now to review with you the status of the war on drugs, particularly with respect to trends in drug use. I would also like to advise you of information relating to the supply and flow of drugs to the United States, and to tell you what we are doing to deal with it.

Bruce Carnes will quickly take you through some charts we have prepared. The information they contain is important and I urge the members of this committee—indeed, everyone who is concerned about drug policy—to pay careful attention to them. When he has finished, I will add a few words as plainly and as candidly as I can about what this means and where we need to go from here.

Mr. CARNES. Thank you, Mr. Chairman. I will quickly go through these; there are several. Some of these will be quite familiar to you. Some of them, I think, may not be. At the end of this, I am going to hook supply to demand. That is the kicker here.

The CHAIRMAN. OK.

Mr. CARNES. Our first chart is a chart, actually, that Senator Hatch put up a moment ago, and this is the level of current drug use, which is our basic drug indicator. We have talked about that chart a lot. There has been almost a 50-percent decrease since 1985 in current overall drug use of any drug, a big decrease in marijuana—actually, about a two-thirds reduction from its peak of cocaine use. That blip between 1990 and 1991 on cocaine use is a problem. We will come back to that in a second. But, overall, I

think this is an amazing—I would characterize it as, overall, a surprising achievement, given the fact that in the late 1980's everybody was thinking this was pretty much a hopeless situation.

When we look closer at the data, we see that particularly among young people there has been a significant and steady decrease in overall drug use. This is, for us, very good news. It means our prevention programs are working in the schools. It means that ultimately we are shutting down the pipeline into drug addiction.

Senator HATCH. How do you define "adolescent" there?

Mr. CARNES. This is 12 to 17.

Senator HATCH. Twelve to seventeen.

Mr. CARNES. It is National Household Survey of Drug Abuse data.

Now, this data is three different data sets. It includes the Household Survey, it includes the Partnership for a Drug-Free America data, and it includes the National High School Seniors Survey, and it just looks at cocaine. The point here that I want to make is not so much the number as the trend line. Each of these surveys has its own drawbacks and fixing the exact number is always a hard thing to do, but if we look at the trend lines we see here that they are all going the same way.

Now, the first chart, as you recall, showed us a blip in cocaine. So what we wanted to do was to go back and slice and dice this data to figure out where we were having the problems. Was it everybody or was it some people? And then we hoped ultimately to be able to target those people.

This is an age break and these are the numbers that you put up a moment ago, Mr. Chairman, on current overall drug use. The point that this chart makes is that if you look at what is happening among people below the age of 35, their drug use is continuing to decrease at a much faster rate than people above 35.

This raised various questions in our minds. Why are people over 35 continuing to use drugs? Ultimately, I think we have an answer for that, or at least we have a hypothesis for that.

The CHAIRMAN. Can I ask you a question not about the chart, but it relates to this age question? I asked my staff on the way in. I remembered some figures from years ago working on this and I am not sure they are accurate any longer, or appropriate. What is the average life expectancy of a heroin addict or someone addicted to cocaine? Are their life expectancies considerably less than the rest of the population, and is that relevant?

Mr. CARNES. It probably is relevant. Yes, their life expectancy is less. However, you can do heroin and live to a ripe old age. We saw recently in a survey that was conducted a 79-year-old woman who was a regular heroin user. The body actually manufactures its own opiates. It is a substance that is naturally occurring in the human body and people can build huge tolerances to it. It does not do to you what cocaine does. Cocaine burns you up, fries you up, seizes up your heart big time, very fast. Cocaine is pretty much a young person's drug. You can't do that very long and survive.

The CHAIRMAN. OK.

Mr. CARNES. Anyway, now I am looking at just the cocaine splits, and you see that this is the .8 to .9 increase between 1990 and 1991. We wanted to know where is that increase occurring. Well,

it is occurring among people above the age of 35. The red bar indicates that people under the age of 35—their use is dropping. This is telling us that we are dealing here with an older population of drug users, probably recidivist drug users, conceivably people who are trying to kick the habit but not succeeding.

When we look at the hospital data—this is kind of a proxy for addiction or heavy use—we see that, again, when you have got the age breaks you have got problems in all age categories. For those who are addicted users, you are seeing increases in their visits to the hospital across the board, both under 35 and above 35.

The CHAIRMAN. I hate to do this to you. This is incredibly important testimony and I don't want to break it up. The Senator and I have just been notified—remember when I said the vote went on until 25 of and someone must be in trouble? Well, apparently, someone changed or didn't change their vote and there is a motion to reconsider that very controversial vote, and it is only a 10-minute vote, which means we now have 5 minutes.

I hate to do it to you, but I would rather—even if it helps for you to start over again, that is fine because this is very, very important. I would like to break now and we will come back and try not to break again for a while, OK?

Senator HATCH. And if we have more, I would like you to start over because I think these charts are very important.

The CHAIRMAN. I agree, OK?

Mr. CARNES. Yes, sir.

The CHAIRMAN. Thanks. Sorry.

[Recess.]

The CHAIRMAN. Thank you very, very much. As you have noticed, all the lights are off, which means no one is in trouble. The vote is over and we are not going to have another vote for a while, so I thank you.

Mr. CARNES. Thank you, Mr. Chairman. I will quickly bring us up to where we were. This is the current overall drug use number. What we tried to do, particularly when we see the slowdown and the blip-up in the coke number, is ratchet the microscope down and try to find out what is going on inside those numbers to see where our problems are.

One of the first things we noticed was that we are having very good success with adolescents, and we are very heartened by that, but that has continued to go down steadily. Ultimately, we think that is going to have a big payoff in the number of hardcore users.

This is, again, another chart showing that whatever data set you use, it all shows the same thing, particularly with cocaine. It is all tending downward. When we look at age breaks, we see that people under 35, in fact, are continuing to decrease drug use. It looks like we have got a problem with people 35 and older. That is true not only for any drug; it is also true with cocaine. It is the people 35 and older that we have got a problem with.

Now, when we look at the hospitals, we see we have got a problem among addicted users across all age groups, but we are starting to get the hypothesis that you mentioned a moment ago, which is that we are seeing the bifurcation, if you will, of the drug war into two fronts. One is a front against casual use, one is a front against hardcore use, and the characteristic of these hardcore users

is many of them are older, probably long-time users perhaps relapsing.

When you look at the coke number in the hospitals, you see, for cocaine, that although we had increases for those above age 35 and below age 35, the increase was greater for those above age 35. Again, these are probably a cohort of people making their way through the system, probably relapsing, getting into trouble. These are probably long-term users. People generally do not decide at the age of 35 that it would be a good idea to start using coke. It is a young person's drug and this is probably long-term use.

When we do some other slicing and dicing, we see what we expected here that, in fact, most of the users, particularly among heavy users, are white, but what happened between 1990 and 1991 is troubling. The increase was bigger in absolute numbers and in percentage among black individuals and, in percentage, among Hispanic individuals. So we are seeing this front characterized as, many of them, older users, many of them minority individuals.

The CHAIRMAN. What is the relevance of that?

Mr. CARNES. The relevance of this chart is that we are trying to find where our populations are of hardcore users that need to be targeted. Once we can establish the characteristics of these people, then we can tailor programs that are designed to reach these people.

Right now, I think what we have shown is that the block grant mechanism has successfully driven casual use down, but we have got a residue of hardcore users that we need to target better, and we want to identify who they are, what they are, what they are like, so that we can tailor programs designed to meet their needs.

The CHAIRMAN. Let me ask you on that point—do you mind my interrupting you?

Mr. CARNES. Not at all.

The CHAIRMAN. It is easier for me, at least, to understand it as you go.

Mr. CARNES. Sure.

The CHAIRMAN. What the data shows is what I think instinctively everyone has been saying and you and I have been talking about for some years here of what was likely to happen to the problem, the easier targets to get to, et cetera. But as it relates to treatment, is there any different treatment regime that you would put in place for a black hardcore user and a white hardcore user, a black inner city hardcore user and a white suburbanite hardcore user? In that sense, is there any—

Mr. CARNES. There may be different treatment modalities that are better adapted to people that present different kinds of symptoms. They may be comorbid users; that is to say, they may have other kinds of drug abuse as well as just cocaine.

The CHAIRMAN. But that will not necessarily relate to whether they are Hispanic, black, or white, will it?

Mr. CARNES. That is correct. You are right. In terms of treatment regime, Mr. Chairman, I think what it tells us is that what we need to have are programs that are not block grant programs, but programs for treatment that provide a variety of treatment modalities that are located where the users are, where the addicts are, rather than just located scattershot, willy-nilly, around the land. In

many places, we have a surfeit of treatment capacity and in other places a shortage.

The CHAIRMAN. But, again, right now, the block grant just splits it up among the States and the States can target it within their States if they wish to, right? I mean, in other words, if it is clear that there is a greater increase in the percentage and the need for treatment in the inner city, the State can turn around and move most of that treatment money in the block grant into the inner city, right?

Mr. CARNES. That is correct, but the formula works so that the money is distributed on the basis of overall population, not on the basis of the population of drug addicts, so that you end up in some States where there is a low number of drug addicts with treatment capacity not used because of the formula. In other places where there are a lot of drug addicts—again, it is not addict population, but total State population that drives the dollars. So in some States you have a disproportionate number of drug addicts and the treatment isn't getting to them.

The CHAIRMAN. Because it is weighted toward the higher populations?

Mr. CARNES. Exactly.

The CHAIRMAN. But it is only weighted; it is not a direct—

Mr. CARNES. Yes, sir.

The CHAIRMAN. All right, thank you.

Mr. CARNES. When we look at the distribution in inner city and suburban area, we see not only that they are located mostly in inner cities, as you were mentioning a moment ago, but, in fact, the data show that we had the biggest jump there. Now, again, we are ratcheting down a pretty high-powered microscope here and the paramecium is getting like the lobster that ate L.A. These are not insignificant numbers, but they are magnified here for the sake of this presentation.

We have got a slew more of these charts that stipulate that among our user population, the characteristics of our hardcore users are that they tend to be older, they tend to be increasingly minority, they tend to be inner city, they tend to have lower education attainment, and we are seeing this split, if you will, into two wars. Now, that tells us who has got the problem, but it doesn't exactly tell us why.

The CHAIRMAN. Let me ask you a question about that just to find out whether or not what we have been saying for the last 3 years made any sense. The argument in the first year of the strategy was that it is a heck of a lot easier—I used to have this argument with Professor Bennett fairly frequently, as you will recall, that it is a heck of a lot easier to get to the suburban middle-class white kid or user, not just kid, through moral disapprobation than it would be to get to the counterpart in the inner city. So, to what do you attribute this bifurcation? Is it that?

Mr. CARNES. Yes, sir, I think that has a large part to do with it. I think that the prevention messages that are broadly spread through block grants to the schools are working in the broad expanse of the land. I think they are not reaching kids in the inner cities as much as they ought to. I think advertisements like the Partnership for a Drug-Free America ads are very effective ads,

and I think you see that the large population is turning away from drugs, but we have this problem with people whom we are not reaching as effectively as we ought to.

Now, as I said, we figured out pretty much who these people are and we think it has to do with relapsing and an aging population and targeting of the programs, but to us there has got to be more to it than that. What I want to show you now are supply side data.

This chart simply is a graphic representation of a model that we have devised that at the end of the day spits out a calculation on how much cocaine is available in the United States, an estimate.

The CHAIRMAN. Why don't you explain that first chart?

Mr. CARNES. At each stage of the cocaine development process—

The CHAIRMAN. There is something you can do to affect it.

Mr. CARNES. That is correct. Some is lost, some is consumed by the indigenous folk, some is seized at each stage along the process. So you gradually reduce down the amount of coca leaf, the paste, the cocaine HCL, and you end up with—

The CHAIRMAN. Just to make sure everybody understands, and particularly me, the cultivation area, the first block, the first rectangle—smaller rectangle, "eradicated"; that means that you end up in the second phase with a smaller total gross amount of coca leaf.

Mr. CARNES. You hope.

The CHAIRMAN. You hope, because you have eradicated something along the way—eradication as a consequence of government programs, whether they are indigenous or whether they are co-authored or funded, or funded by the United States and carried out indigenously, right?

Mr. CARNES. Absolutely right, yes, sir.

The CHAIRMAN. So then you have the leaf crop that gets down, and then part is consumed in the indigenous area?

Mr. CARNES. Yes, sir.

The CHAIRMAN. And I can't see from here—

Mr. CARNES. Some is lost—

The CHAIRMAN. Some is lost.

Mr. CARNES [continuing]. To spoilage or other accidents.

The CHAIRMAN. And the third is?

Mr. CARNES. Some is seized—

The CHAIRMAN. Seized, OK.

Mr. CARNES [continuing]. By folks and converted to paste, and there are various conversion factors that produce various yields.

The CHAIRMAN. All right, and you end up with?

Mr. CARNES. And you end up at the end of the day with cocaine on the beach heading our way. So if we take a quick review of the data, let us see what happened in 1991. This chart tells us the total number of hectares under cultivation for coca leaf, and between 1990 and 1991 that went down. That is good news.

The CHAIRMAN. Now, are you going to get to production versus—

Mr. CARNES. Yes, I am, sir.

The CHAIRMAN. OK.

Mr. CARNES. Next step, eradication. How much in South America—how many hectares were eradicated of the hectares under cul-

tivation for coca leaf? Well, 1990, big number; 1991, it went down. Now, that is not good news. I think we have to look at Peru here. There is an issue there. That produces a net of how many hectares actually have harvestable coca leaf, and that is only slightly down, but it is still down and it is down steadily. So, that looks like good news. We should have less cocaine, but, in fact—

The CHAIRMAN. It is down from 1990; higher than 1988, but it is down slightly in 1989 and 1990 and 1990 to 1991. There is a slight decrease?

Mr. CARNES. Those 2 years, yes, sir.

The CHAIRMAN. But it is still higher than where we were in 1988?

Mr. CARNES. Right, right.

The CHAIRMAN. OK.

Mr. CARNES. Now, that should be less cocaine. It is not. Why not? Because we had a net increase in the productivity of the plants in those fields. Their yield was up, so that although you had fewer hectares under cultivation, even after eradication you end up with a net increase in the tons of coca leaf produced.

The CHAIRMAN. Right.

Mr. CARNES. All right. You plug it through the formula, you convert it, and so forth, and so on, and those 331,000 metric tons of coca leaf convert to somewhere between, in 1991, 1,170 at the high level or 955 at the low estimate. That is the range that the INCSR report gives you. The International Narcotics Status Report from the State Department says this is the range that went up, for two reasons. Net yield from the plants went up and, second, they got more efficient at converting it into cocaine paste.

The CHAIRMAN. So, that is the material. Now, we are getting down to what ends up being the consumed product here.

Mr. CARNES. Yes, sir.

The CHAIRMAN. And so the total amount of what the average American talks about as cocaine that people are using is up about roughly 100 metric tons—

Mr. CARNES. 75 to 80, yes, sir.

The CHAIRMAN [continuing]. Or 75 to 80 from 1990 to 1991, notwithstanding the fact that eradication has been marginally more successful and notwithstanding the fact that fewer hectares are actually being—acres—a hectare is not an acre, but people know what we are talking about.

Mr. CARNES. Yes, correct.

The CHAIRMAN. OK, I have got you.

Mr. CARNES. Now, there is more; there is interdiction. This chart shows us a substantial increase in the metric tons of cocaine seized from that pile that we just looked at by Latin American forces, agencies, and that is up hugely. Just between 1990 and 1991, it is up 30 percent, a big increase.

This is the total number of metric tons of seizures. This number is the number of tons that Americans seized—basically, flat between 1990 and 1991.

The CHAIRMAN. OK. So, again, more cocaine is coming out of the labs, off the land, through the labs, out of the labs, to transit points in foreign countries. So, that is up.

Mr. CARNES. Yes, sir.

The CHAIRMAN. But the seizures of that when it hits—for lack of a better way of describing it, when it hits the port of embarkation, they are up. But at the point at which that material hits U.S. shores, the seizure of that material is only up marginally.

Mr. CARNES. Well, yes, it is up marginally, but keep in mind that a lot of the increase was, in fact, due to Americans assisting—

The CHAIRMAN. No. I understand that.

Mr. CARNES. Yes.

The CHAIRMAN. I am not suggesting it wasn't because of our cooperation down there. I am with you.

Mr. CARNES. The total amount seized by them and us is way up, but it is not up enough, so that after seizures you end up with a net increase, we estimate, of between 15 and 19 metric tons of cocaine between 1990 and 1991. Now, there are no estimates available for the amount that goes to Europe. There are no estimates available for the amount that State and local governments seize.

If you assume that that is a constant factor, though—and, actually, it probably has gone up a little bit—we still believe there was a net increase in the number of metric tons of cocaine flowing into the United States in 1991. Now, if you take the number of users that we had from the first chart, the increase, and you do computations about how much those guys are consuming, they tend to overlap. There tends to be a match between the amount that these users probably consumed and the amount of increase. Again, this is estimation. I am showing it here pretty finely sliced. I don't think it can be that finely sliced, but it explains what happened.

Now, the next question is—

The CHAIRMAN. Put another way, if, in fact, that number had gone down from 423, for the sake of argument, to 400, would we have seen, in your view, a reduction in—instead of the blip up in cocaine consumption nationally, would that have been further trend-lined down?

Mr. CARNES. That is exactly the question. What is the relationship between the supply and the demand? What is driving what here? Is it the supply that is fueling the use or is it the use that is causing the increase in supply? That is what our last chart shows.

This chart is a little complicated, to say the least. The bottom line represents a standardized price of a pure gram of cocaine.

The CHAIRMAN. Standardized in the U.S. domestic market?

Mr. CARNES. Yes, sir, on the street.

The CHAIRMAN. So you mean you are taking the price of a gram of cocaine in rural Iowa and New York City and you are coming up with a standardized price?

Mr. CARNES. Yes, sir. Economists love this stuff.

The CHAIRMAN. And we know how often they are right. [Laughter.]

Mr. CARNES. And if they love it, I love it.

Now, what this shows is that the price went down, then it went up, and then it started to come down. That is a reflection of the supply. What happened to use? Here, I am plotting DAWN data again, heavy users.

The CHAIRMAN. The green dotted line?

Mr. CARNES. The green dotted line is medical examiner reports, the red one is emergency room samples.

The CHAIRMAN. And when you say emergency room samples, the significance of that, so we just keep this, at least for me, logically—

Mr. CARNES. The significance of that is these are people, probably heavy users—

The CHAIRMAN. Who, because of their consumption, had a problem and ended up having to be taken or go into an emergency room?

Mr. CARNES. Right, got in trouble, had to go to the hospital. Now, you see these things generally parallel each other. Which caused which? First off, let me point out that in 1990—

The CHAIRMAN. The price goes down, use goes up, and emergency room visits go up.

Mr. CARNES. That is correct.

The CHAIRMAN. OK. That is what you mean by "parallel."

Mr. CARNES. That is correct. First off, let me say what has happened in 1990—this is Barco; I believe this is Barco cracking down on Medellin cartel big time.

The CHAIRMAN. Right.

Mr. CARNES. It drove the price up.

The CHAIRMAN. Yes.

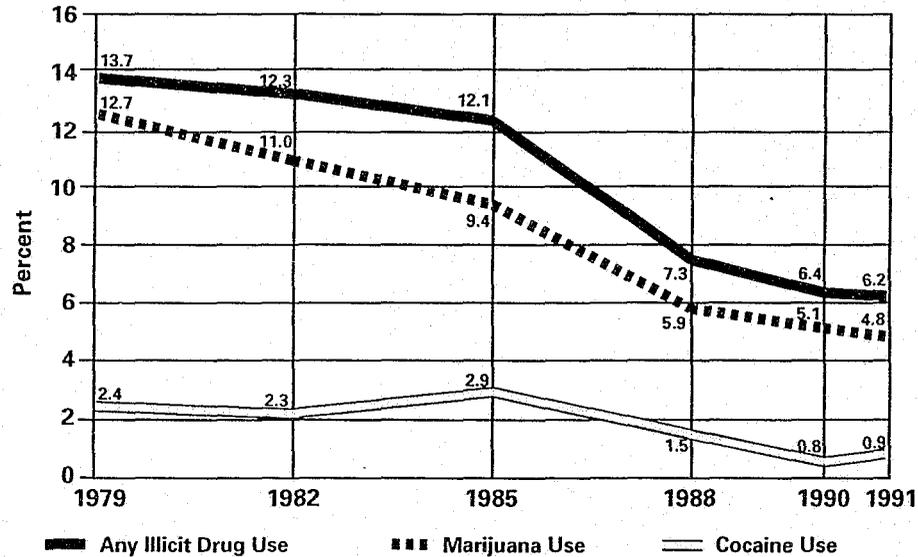
Mr. CARNES. Use went down. Now, if use were driving this—if use is fueling supply, if use is causing the supply to go up, then as use goes up, the price ought to go up. Increase in demand will make the price go up. That is not what happens. What happens is the price drops as use goes up. That tells you that the supply caused the increase in use.

Now, I have painted this in very bold and stark colors. Supply and demand interact, but I think we are at a point in the drug war, Mr. Chairman, dealing with the populations that we are dealing with now where supply is critical and reducing the supply is critical to achieving further significant reductions in use, and we have blip up in supply.

[The charts referred to follow:]

# CURRENT USE OF ANY ILLICIT DRUG, 1979-1991

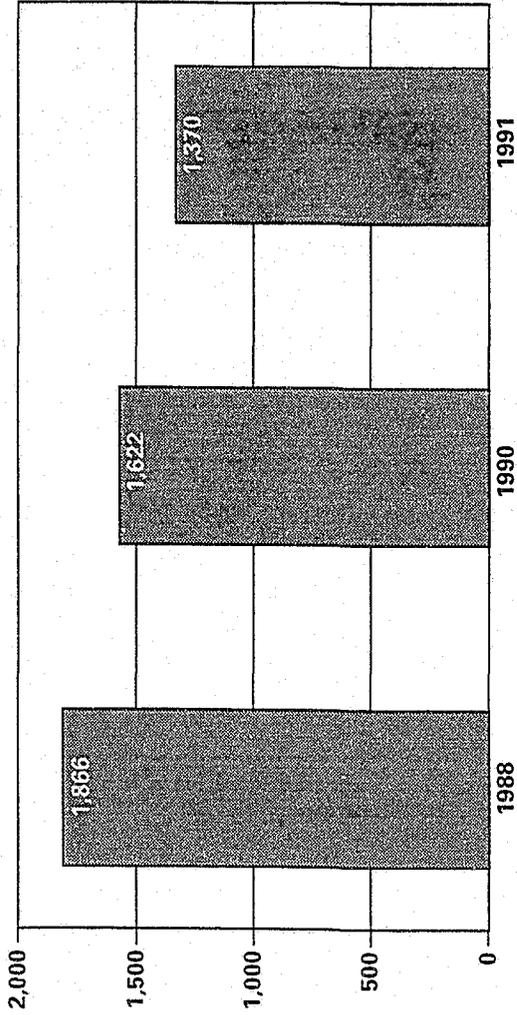
ESTIMATED PERCENTAGE OF PERSONS 12 AND OLDER



01-92 SOURCE: National Household Survey on Drug Abuse.  
 A-001.0 Estimates are subject to sampling and nonsampling errors.

## CURRENT USE OF ANY ILLICIT DRUG AMONG ADOLESCENTS

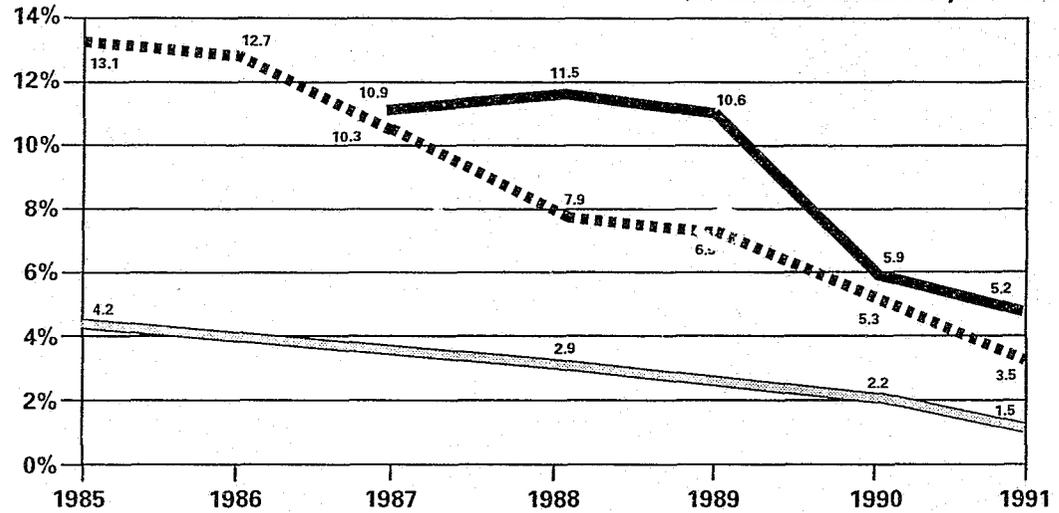
(estimates in thousands of users)



01-92 ■ SOURCE: National Household Survey on Drug Abuse.  
A-002.0 ■ Estimates are subject to sampling and nonsampling errors.

# TRENDS IN ADOLESCENT COCAINE USE, 1985-1991

(annual use as measured by three indicators)

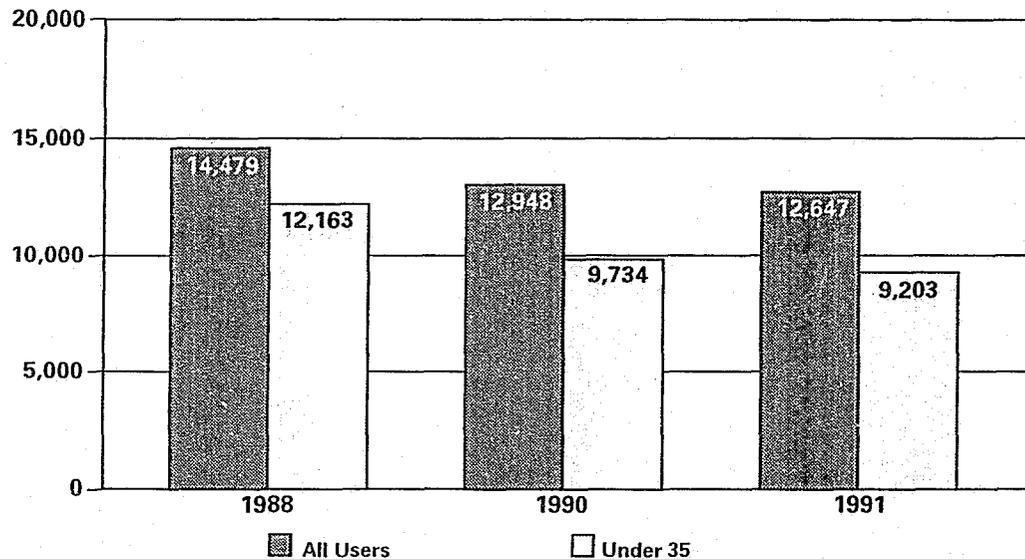


Household Survey (percent of 12-17 year-olds)
  High School Senior Survey (percent of seniors)
  Partnership Impact Survey (percent of 13-17 year-olds)

01-92 SOURCE: NIDA, 1988, 1991 Household Survey; 1991 High School Senior Survey; A-003.0 Gordon S. Black Corp. 1991 Partnership Survey.

# CURRENT USE OF ANY ILLICIT DRUG

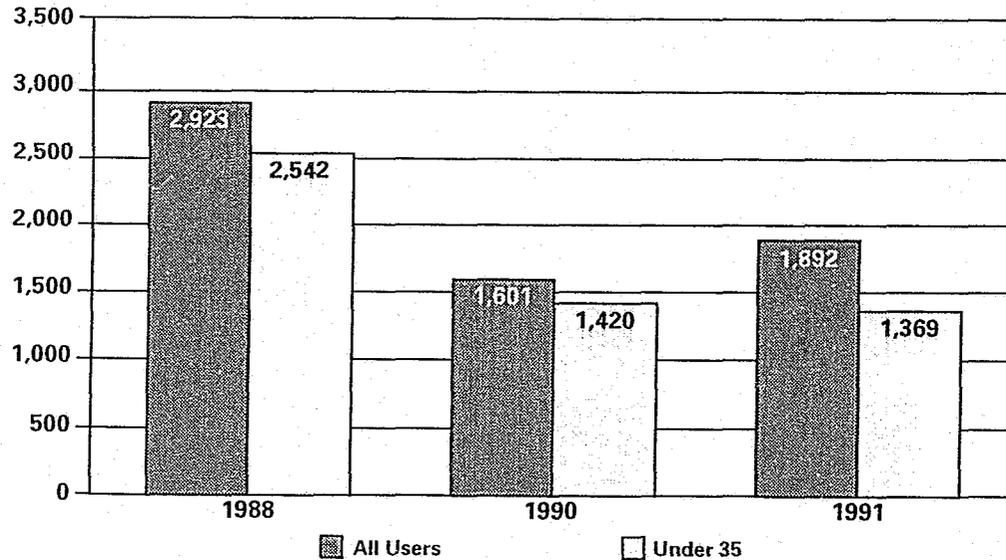
(estimates in thousands of users)



01-92 A-005.0 SOURCE: National Household Survey on Drug Abuse.  
Estimates are subject to sampling and nonsampling errors.

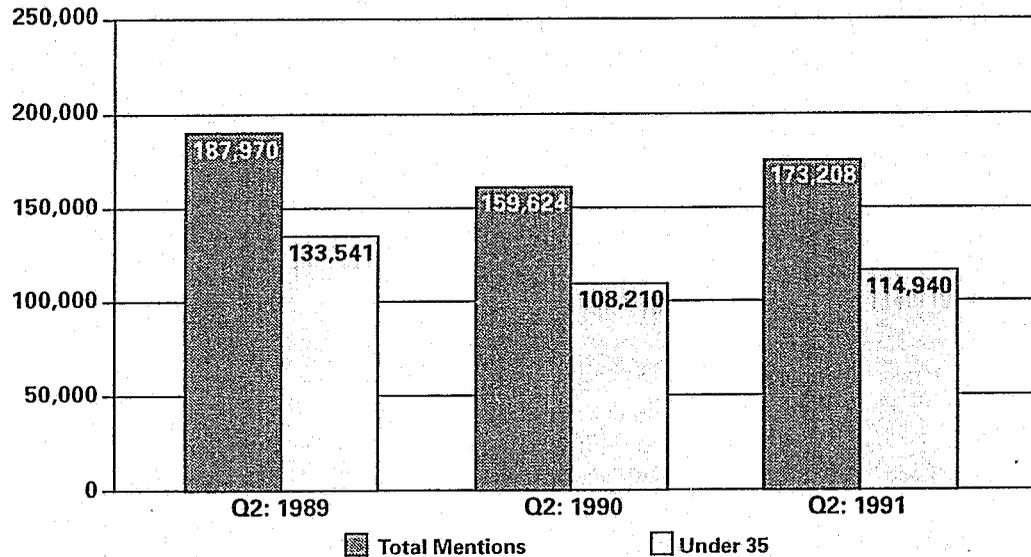
# CURRENT USE OF COCAINE

(estimates in thousands of users)



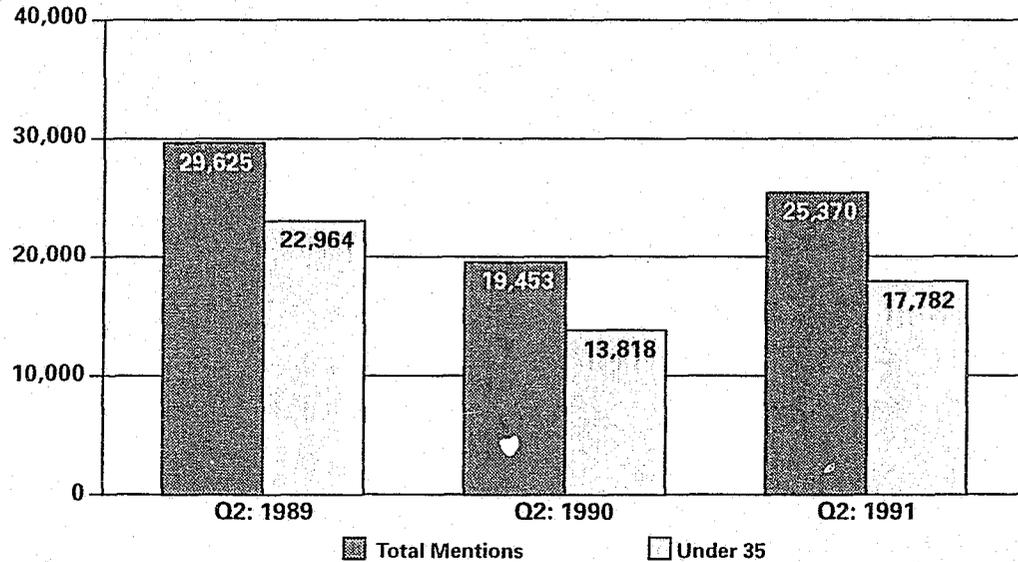
01-92 SOURCE: National Household Survey on Drug Abuse.  
A-007.0 Estimates are subject to sampling and nonsampling errors.

# DRUG-RELATED EMERGENCY ROOM MENTIONS



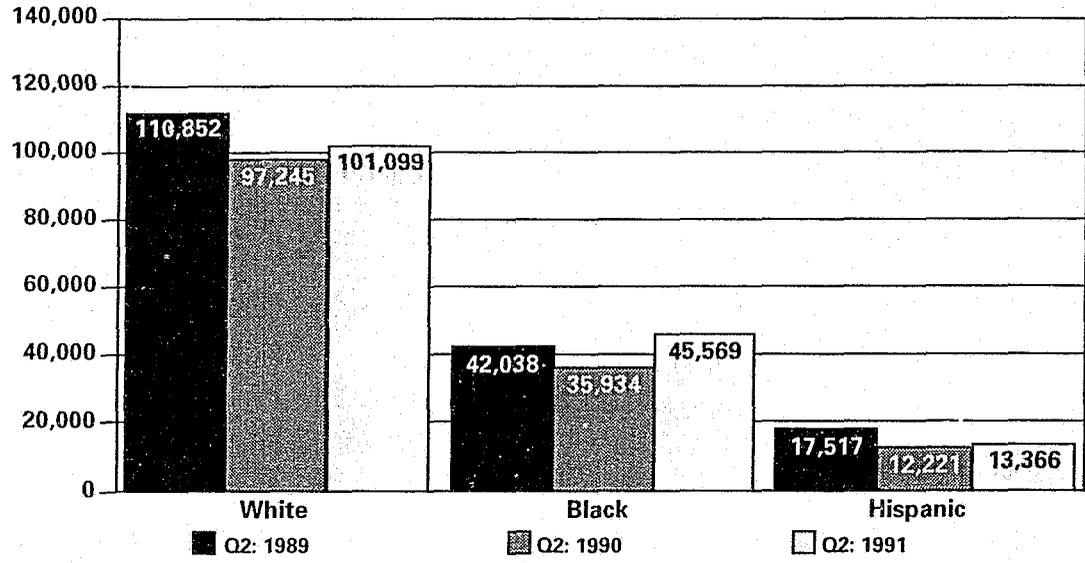
01-92 SOURCE: NIDA, DAWN, October 1991 data file.  
A-012.2 Estimates are subject to sampling and nonsampling errors.

# COCAINE EMERGENCY ROOM MENTIONS



01-92 SOURCE: NIDA, DAWN, October 1991 data file.  
A-015.0 Estimates are subject to sampling and nonsampling errors.

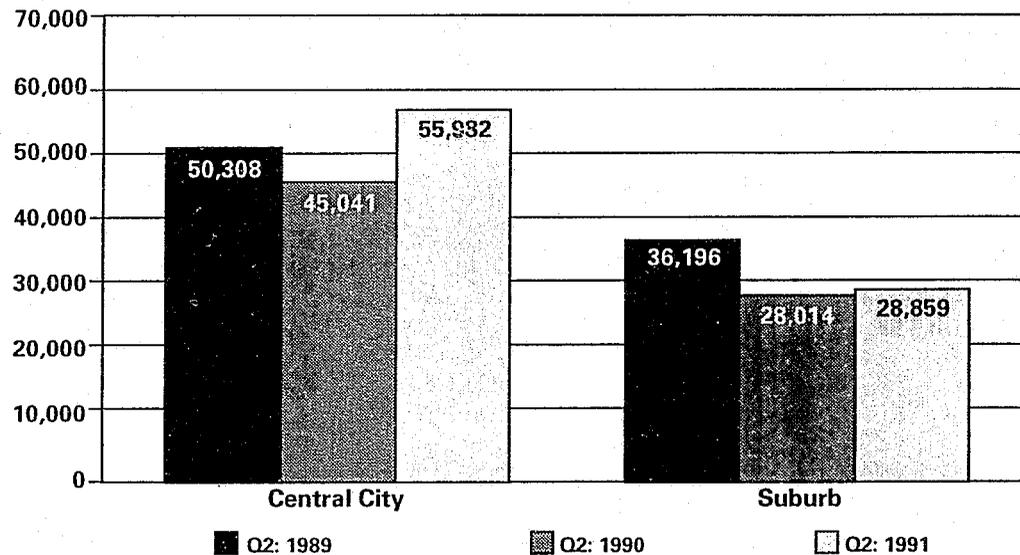
# TOTAL EMERGENCY ROOM MENTIONS, BY RACE



01-92 SOURCE: NIDA, DAWN, October 1991 data file.  
A-014.3 Estimates are subject to sampling and nonsampling errors.

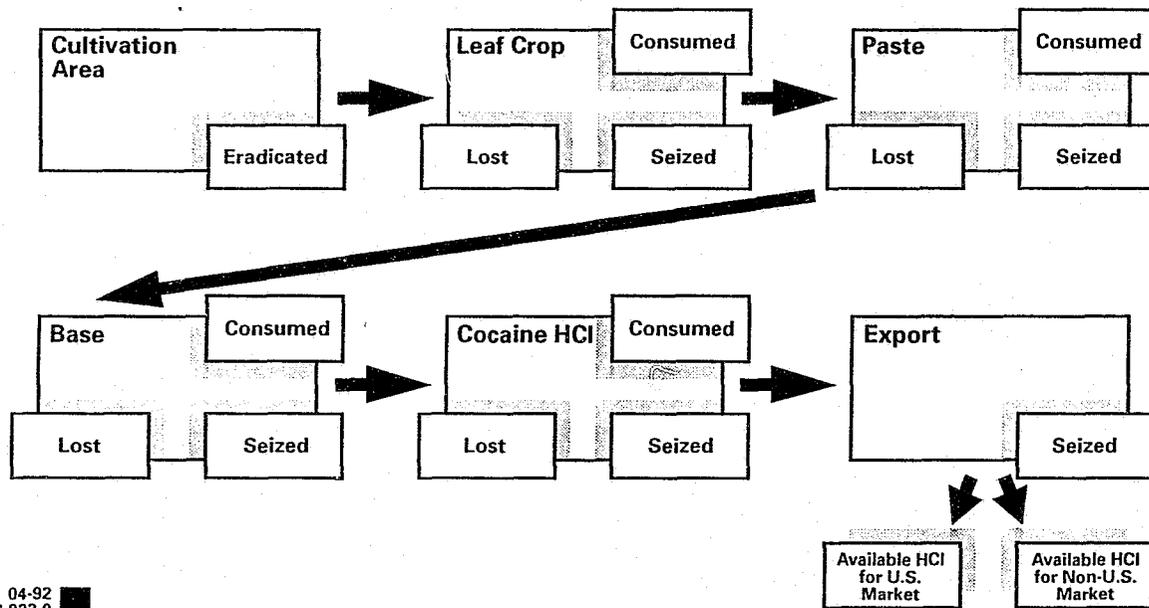
# TOTAL EMERGENCY ROOM MENTIONS

IN 21 LARGE METROPOLITAN AREAS  
(by city hospital site)



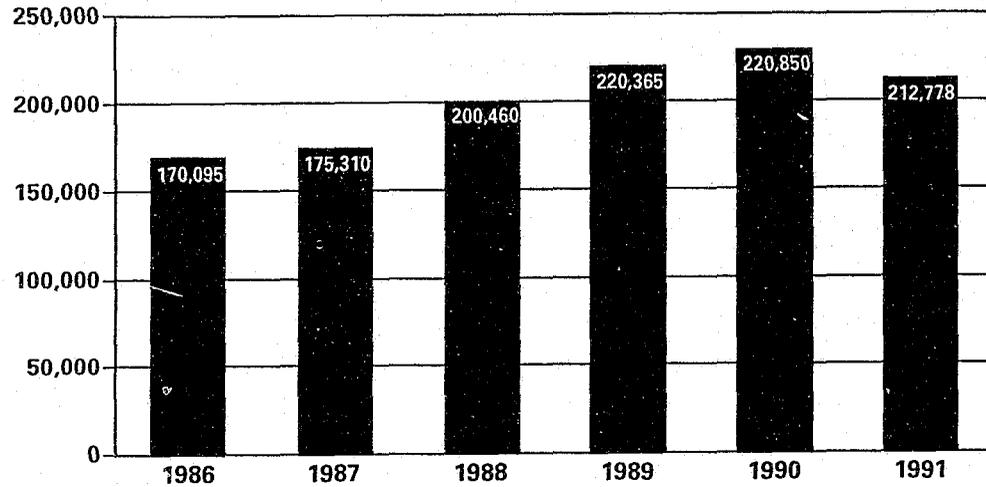
01-92 SOURCE: NIDA, DAWN, October 1991 data file.  
A-013.0 Estimates are subject to sampling and nonsampling errors.

# ONDCP COCAINE PRODUCTION MODEL



# TOTAL COCA CULTIVATION

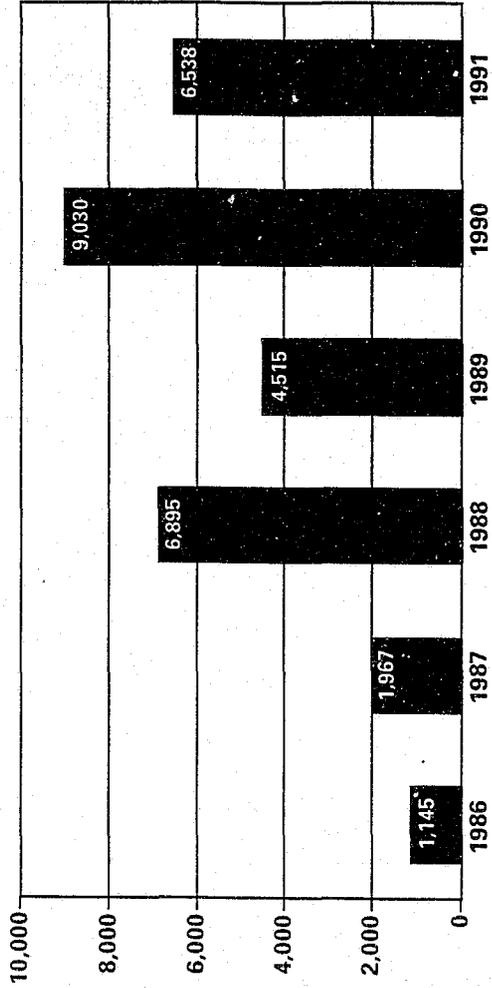
(hectares)



03-92 C-011.0 SOURCE: INCSR, 1990, 1992. NOTE: Reflects total area under cultivation in the countries of Bolivia, Colombia, Peru, and Ecuador.

# TOTAL COCA ERADICATION

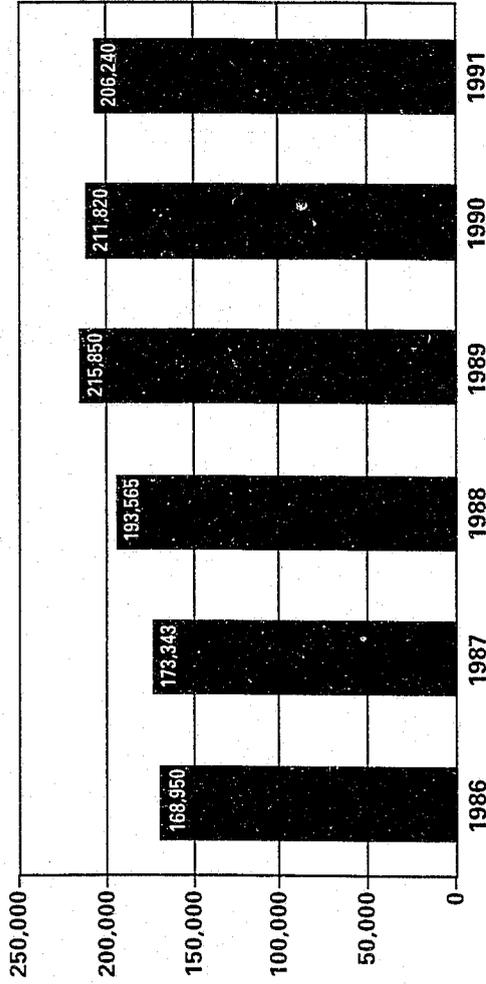
(hectares)



03-92 SOURCE: INCSR, 1990, 1992.  
C-013.0

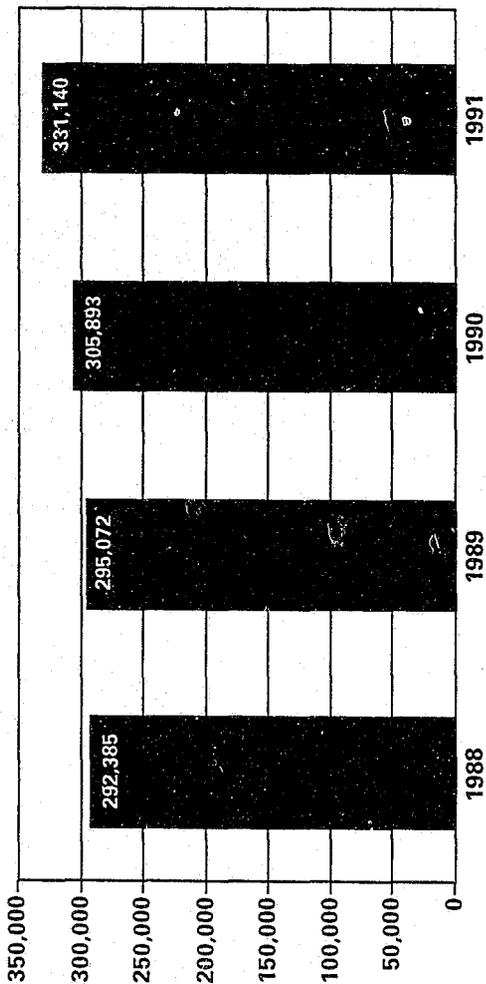
**HARVESTABLE (NET) COCA CULTIVATION**

(hectares)

03-92 SOURCE: INCSR, 1990, 1992.  
C-015.0

# TOTAL COCA LEAF HARVEST

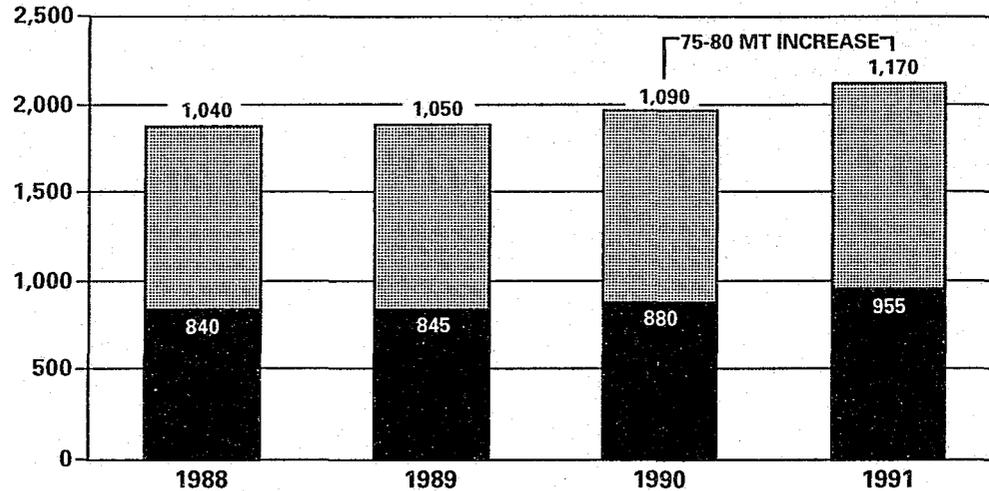
(metric tons)



03-92  
C-017.0  
SOURCE: INCSR, 1992.

# TOTAL POTENTIAL HCL PRODUCTION, 1988-1991

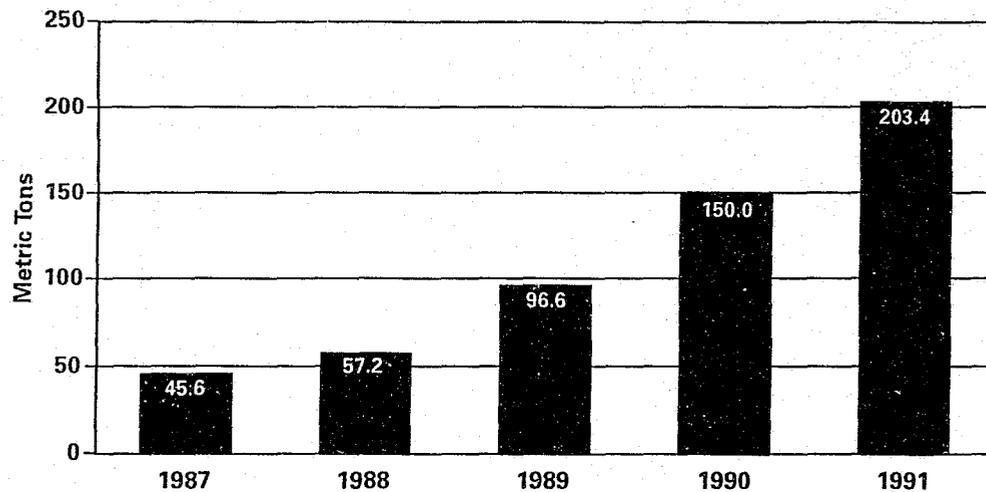
(metric tons)



03-92  
C-019.0

SOURCE: INCSR, 1992

## COCAINE SEIZURES IN LATIN AMERICA



03-92 SOURCE: Unclassified chart from CIA National Intelligence Estimate (NIE) 90/8-92, February 1992.  
C-025.0 Totals are based on United States Department of State reporting from South and Central American countries.

## SELECTED SEIZURE STATISTICS

(in metric tons)

### ALL COCAINE SEIZURES:

1989	1990	1991
202.8	277.2	322.4

### FEDERAL COCAINE SEIZURES:

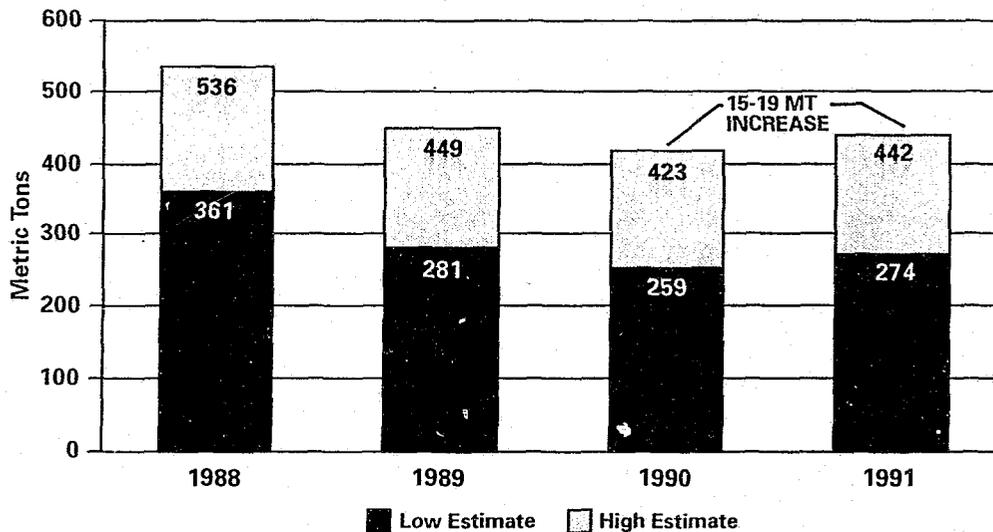
1989	1990	1991
99.2	106.7	108.2

08-92  
C-024.0

SOURCE: ONDCP compilation. All Cocaine Seizures include: United States Department of State embassy reported seizures by South American, Central American, and Caribbean countries; Interpol reported seizures in Europe; and Federal-wide Drug Seizure System (FDSS) reported seizures within the jurisdiction of the United States by DEA, FBI, and Customs, as well as maritime seizures made by the Coast Guard. Federal Cocaine Seizures include only the FDSS component of all Cocaine Seizures.

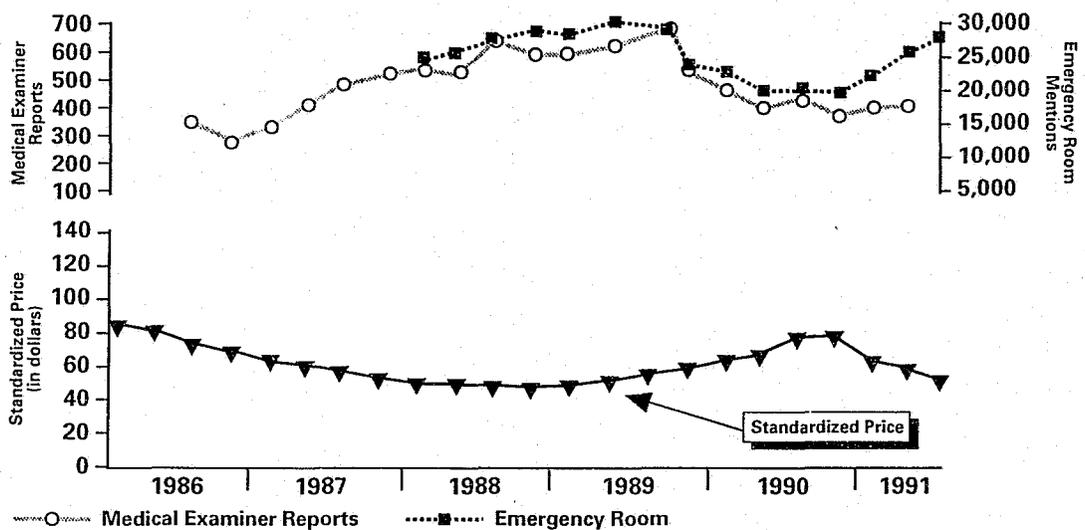
# ONDCP COCAINE AVAILABILITY ESTIMATES

POTENTIAL HCL



04-92  
C-026.0

# EMERGENCY ROOM MENTIONS AND MEDICAL EXAMINER REPORTS INVOLVING COCAINE AND STANDARDIZED PRICE OF COCAINE BY QUARTER



04-92  
C-009.1

SOURCE: Drug Abuse Warning Network and the System to Retrieve Information from Drug Evidence

The CHAIRMAN. I reach a slightly different conclusion, but I won't raise that right now. This has been very helpful in order to understand and focus, which is what the purpose of what you all are supposed to do, and doing well, is to figure out where we move.

My next question is going to be, and I am not going to ask it now, is where does all this lead us in terms of strategy, and based on where we are there, for whatever the reasons, what you have just laid out is this is not winning the war at this point. It may mean the battleground shifted, but in sum total this may—

Mr. CARNES. I think I come to a different conclusion. I think the war is being won, but I think that you are seeing these blips that occur and I think we have a notion where they are occurring and why.

The CHAIRMAN. OK. Well, we will go back to all that. Director?

Mr. MARTINEZ. Thank you, Mr. Chairman. I think as the—

The CHAIRMAN. Excuse me a minute. I want to point out that our colleague from Illinois has an amendment on the floor, or had it. It was delayed for a moment because of the double vote we had take place. He is going to have to leave. It is an amendment that is very cogent and relevant to what we have been doing in this committee, and he has to go back. He just got a note. He has got to go back in the next 10 minutes to take it up.

Senator SIMON. That is correct, and I thank you. Because this is pertinent here to precisely what is happening on the floor, let me just discuss what it is—I have an amendment on the floor that says after January 1, 1993, your offices cannot be used for political purposes. Frankly, what is going on now is not good.

You remember, Governor, when you came into my office and we discussed this and I said, you give me a commitment that you are not going to participate in political affairs and I will vote for you. I didn't get that commitment. I voted against you.

Now, when I look at what is happening, I am concerned. If you take the 63 major Federal agencies, the majority have fewer than 1 percent political appointees. For most of the offices, 1 out of 3,000 appointees is political. Topping the list of political offices is yours—42 percent political appointees.

When we have the Democratic National Convention, who is there to respond to what is going on at the Democratic Convention? Governor Martinez. If you want to be Secretary of Transportation and do that, I think that is fine, but not in the kind of an office you are in right now. At the Republican Convention—and I have nothing against her; she is a very fine, capable person—the Associate Director of the Office of National Drug Control Policy speaks.

We have a tradition that certain offices are not political, and I think this is one that should be part of that tradition. FBI, CIA—no legal requirements, but we have built up a tradition in that field. Even the Secretary of State—for example, Jim Baker while he was Secretary of State didn't appear at Republican Conventions. Sure, he is a Republican. I am a Democrat. But we learn that certain offices ought to concentrate on doing their job and not politics, and yours ought to be one of them.

If Bill Clinton wins, I am going to ask precisely the same question of Bill Clinton's nominee for the office of drug czar.

The CHAIRMAN. Well, if your amendment passes, you won't have to ask.

Senator SIMON. If my amendment passes, I won't have to ask, and I hope it can pass. But we simply have to do better, and that is the reason I am holding up your nominee, and I got your letter this morning saying that my criticism that we ought to be doing more on the demand side—and you say, "The outlook for confirmation appears uncertain, however, because you have demanded that Dr. Horn refrain from certain actions"—those actions ought to be very clear—"that you construe to be political or partisan in nature. Although Dr. Horn has assured you that he will abide by the law"—and I haven't questioned that—"and in no way mix partisan politics with the official duties of his office"—that is not what I am asking; I am asking more than that—"you continue to oppose his nomination. I want to emphasize that, if prolonged, this battle will have profound consequences for the national drug control strategy."

Now, if this was that important to you—November 1, 1991, Herbert Kleber, the Deputy Director for Drug Demand Reduction, resigns. Five months later, we get a recommendation from the White House for a replacement. All I am asking—and I will release the hold this afternoon—all I am asking is that Dr. Horn send me a letter, not that he isn't going to mix partisan politics with the official duties of his office, but that he just isn't going to engage in active partisan politics, period.

The CHAIRMAN. For anybody.

Senator SIMON. For anybody. That is what I want out of your office. Frankly, my strong feeling is, the day we get that commitment from you or your successor, we are going to get a better operation in your office.

The CHAIRMAN. Would you all like to respond to that?

Mr. MARTINEZ. I would like to finish my statement, if I could.

The CHAIRMAN. OK. Thank you, Senator.

Senator SIMON. Yes.

Senator THURMOND. Mr. Chairman, let me just take a moment. Governor Martinez is a senior official. Why single him out more than the rest of them? We can argue that on the floor, though. I won't take any more time now.

Senator SIMON. My response would be the distinguished former Federal judge who heads the FBI is a senior official. He doesn't engage in partisan politics. The head of the CIA doesn't engage in partisan politics. There are certain offices where, frankly, we ought to see that they do the job and concentrate on doing the job and not concentrate on getting certain people elected.

Anyway, that is my point. I know the Governor is going to disagree with my point, but that is the point I will make on the floor very shortly. You don't need to see the rerun of what happens over on the floor of the Senate, Governor; you will have heard it here already.

Mr. MARTINEZ. OK. Thank you, Senator.

Senator SIMON. Thank you, Mr. Chairman, for your courtesy.

The CHAIRMAN. Governor, thank you. As you can tell, your statement has been in your case necessarily, and for purposes of a clearer presentation, divided and we should be going back to you now, but my senior colleague wants to say a word, and rather than in-

interrupt you again, let me let the Senator from South Carolina speak and then—

Senator THURMOND. Thank you, Mr. Chairman. Mr. Chairman, I have got to leave. I have been in committees all morning and couldn't be here sooner, and I would like to make a little statement here before I leave now. Thank you very much, Mr. Chairman.

The CHAIRMAN. No problem.

#### OPENING STATEMENT OF SENATOR THURMOND

Senator THURMOND. Mr. Chairman, in its most recent budget request the administration once again backed up its commitment to fighting drugs with necessary resources. The drug czar's office requested \$12.7 billion for fiscal year 1993. This figure is almost twice the amount that was being spent to combat drugs prior to President Bush taking office.

How effective has President Bush been? Just think of where our Nation was 3 years ago. Fourteen million Americans were drug users. Narco-terrorists were paralyzing much of the world with fear. Young children were using drugs at startling levels. Since the first national strategy in 1989, our Nation has seen a 16-percent drop in drug use. We are seeing a 35-percent drop in the number of Americans who use cocaine. Drug cartels have been dealt major blows.

Furthermore, and perhaps most importantly, current drug use among teenagers is at its lowest level since we began collecting such data. Cocaine abuse among teenagers is down 63 percent since President Bush took office. These promising figures indicate that, as a nation, we are becoming less inclined to abuse drugs and less tolerant of those who do.

However, we realize that the war is ongoing, especially among hardcore adult users. While interdiction efforts have resulted in record seizures, cocaine availability and purity is rising. Some have argued that these statistics do not indicate a willingness to put up a good fight against drugs. Yet, the fact remains that the administration's drug strategy has resulted in a substantial recovery from the national drug epidemic.

In closing, our resolve to prevail in our efforts to end drug abuse must continue. The effort and commitment of the administration have remained constant. That is why the 1992 strategy sought \$12.7 billion in drug-related funding, a 6-percent increase over last year and a 93-percent increase since President Bush took office.

Despite the demonstrated level of commitment by this administration, there will be some who will criticize for political purposes. They will scoff at the good news and progress being made because only bad news furthers their political objectives. They will even criticize in the face of the House of Representatives' recent vote to cut the President's drug war budget by nearly \$1 billion.

This hearing provides the Judiciary Committee with an opportunity to rise above the political rhetoric so that we can better appreciate what still needs to be done. The witnesses gathered here today can provide us with important information on how we can assist the administration and the States in their effort to eradicate illicit drug use.

Mr. Chairman, I am going to have to leave now, too. I want to commend Governor Martinez on the great job he has done, and your able assistants, too, who have done a good job. And don't feel discouraged at any criticism or any efforts made to lower the morale in your office. Politics plays a big part in many things and it can play a big part in this drug question. Keep up your good work. We are proud of what you are doing.

Thank you very much, Mr. Chairman.

Mr. MARTINEZ. Thank you, Senator.

The CHAIRMAN. Thank you very much, Senator.

You have been very indulgent, Governor, and I appreciate it. Hopefully, there will be no further interruptions—I mean, there will be no—you know what I mean to say.

Mr. MARTINEZ. I understand, Senator, the charts that Bruce presented here are something that I asked be done early this year to gain the information to find out where it is we needed to go with the next strategy; what is it we needed to deal with, because there is, as Bruce indicated, clearly a two-front war. I think now we have got to come down and hone our talent in dealing with the most difficult part of that war.

So we think that, overall, we are going in the right direction. Overall, we are heading toward victory, but we are clearly not there. When you consider that in the 1980's we had some 23 million Americans that used drugs and today it is down considerably, and when you consider that at one time there were many who felt that we could not stop the sea from rising in terms of use of drugs and today it has receded, I think we can take pride as an American people that we have made some good progress, particularly when it comes to the young.

The data you have just seen tells us that we have reached a point in the drug war where, in order to achieve further significant reductions in drug use, particularly hard-core use, we will have to first find ways to further reduce the supply of drugs coming into this country.

As an aside, let me note that I am greatly concerned about the cuts in drug funding, especially in the areas of demand reduction, passed by the House. This is no time to be retrenching in any way when it comes to the drug war, especially in those programs that directly affect high-risk inner city populations. Mr. Chairman, I know that each year you have fought hard to get funds up to a good level, and we are hoping that the U.S. Senate will increase the funding for the drug war, particularly when it comes to the targeting of dollars for the inner city.

So why did supply go up? Not because we are interdicting less. In fact, we are interdicting more drugs than ever. But in some important cases, more drugs are coming our way from producer countries. We have seen this year a major effort by the cartels to expand their markets and push more drugs into the United States and Europe.

The Cali and Medellin cartels have made a major investment in getting into the heroin market and have substantially intensified their efforts to circumvent our air and maritime interdiction capabilities. But the biggest single problem may be in Peru, where continuing political instability has allowed coca production to rise over

the past several years. And if I may be frank, Mr. Chairman, it hasn't helped matters that the Congress has cut back our request for assistance to that country even before the Fujimori coup.

Several months ago, I directed my staff to conduct a strategic review of the supply situation. The charts you have just seen are, in part, a result of that review. Subsequently, I met with the heads of each of the supply reduction agencies, including Secretary of Defense Cheney, to brief them on what we have learned and how we believe we should proceed.

I asked the agency heads to develop recommendations and proposals for strategic and technical alternatives to deal with supply issues. Some of those proposals have become operational over the last several months; others will be initiated this fall. Within the limits of this open hearing, let me briefly summarize some of the recent measures taken to reduce the flow of cocaine and heroin.

At the San Antonio summit, I met with my counterparts from the summit countries to discuss additional actions we can take together to reduce the flow of drugs in this hemisphere. Under the auspices of the NSC, we have directed the Defense Department to undertake a comprehensive study of how to improve our counterdrug detection and monitoring capabilities. While we cannot discuss the outcome of this study in open session, I can say that DOD's activities will be increased significantly in the near future.

I asked John Walters, Deputy Director for Supply Reduction, to meet with DOD officials in charge of Joint Task Force Four in order to review detection, monitoring, and tracking capabilities in the Caribbean and the eastern Pacific transit zones, and discuss measures to enhance these capabilities.

In June, the President approved sending additional helicopters to Guatemala and the eastern Caribbean to improve our end game in response to new trafficking patterns. This action was necessitated in part by the success of OPBAT, an ongoing multiagency, multinational counterdrug operation in the Bahamas and the Turks and Caicos which has forced traffickers to seek new trafficking routes.

I traveled to the U.S. Southern Command in Panama to develop with General Joulwan and our Ambassador to Colombia new initiatives to disrupt cocaine and heroin flow. As a result of these efforts, we intend to provide an additional \$16.5 million package of enhancements to upgrade Colombia's capability to eradicate poppy and to interdict cocaine and to seize and arrest suspect aircraft and crews. This is in addition to a variety of types of assistance we have provided in the wake of the Escobar escape.

I have met privately with Presidents Gueverria of Colombia and Fujimori of Peru to discuss our counternarcotics programs and what needs to be done, and I also met with Bolivia's Foreign Minister and numerous Ecuadoran officials.

My office initiated an effort to improve our evidence-sharing with Colombia—a critical area because that country's new Constitution forbids extradition. As a result of that effort, we are now close to signing a declaration of intent with Colombia that establishes procedures governing entire new classes of drug criminals. I have sent members of my staff to Mexico to review activities of the Northern Border Response Force and ways to improve it.

In addition to the steps just described, last week I did visit our counternarcotics facilities and operations in Florida to assess the damage caused by Hurricane Andrew. I will be happy to discuss this with you later in the hearing if you wish. Let me note now that although the damage to operational components of our counternarcotics forces was extensive and totals in excess of \$60 million in Florida and Louisiana, we are moving smartly to repair the damage and most operational capabilities have been restored. The President's emergency supplemental appropriations request for Hurricane Andrew includes funds to repair these assets on a permanent basis.

To sum up, Mr. Chairman, although I continue to believe that we are fundamentally on the right path in pursuing a comprehensive drug strategy, we are going to have to make some significant mid-course corrections in order to drive those drug use numbers further down.

I will be happy to respond to your questions.

The CHAIRMAN. Thank you very much. Let me first suggest it is awfully hot in here and if anyone wishes to take their coats off, please don't make me the only one. Maybe it is just that this elevated dias makes it hotter.

One of the advantages of the five of us having spent so much time in this area is that your colleagues in the administration basically leave this problem to you and my colleagues have a tendency to leave it to me. That is the bad news. The good news is: At least we get a chance to have some discussion that isn't in the usual format of a hearing; at least for me it is beneficial.

Now, what I would like to do—and I kind of rearranged here my line of questioning—I would like to try to stipulate to a couple of broad points here, if I can. One is rather than us at this moment, at the outset, if you are willing to do it this way with me—and I understand if you are not—I would like not to spend so much time on talking about what we disagree on or what our mutual criticisms of each of the—what the Congress hasn't done and what the President hasn't done and what the President should have done and what the Congress should have done, because in most of those cases, I think, privately and even publicly we agree where we think the President was short, or the administration's proposals. I agree where I think the Congress was short and your criticisms. So, that is the first point.

The second point I would like to suggest as a way to start this dialogue is let us see what we do agree on as to what the nature of the remainder of the problem is, and then let us see, if we do agree—and I think we do—whether or not we have the same suggested solutions or strategies to deal with what we acknowledge are at least several major points we can agree on, having narrowed it down over 3 years, as to what the focus should be.

If you are willing to try it that way, Director, let me start off by saying it seems to me, at least between us, there is no disagreement on a couple of points. One, there is less overall drug use over the last 3 years. Caveat: The rate of decline has slowed. Do we agree on that?

Mr. CARNES. Yes.

Mr. MARTINEZ. We agree.

The CHAIRMAN. Second, there is less teenage drug use. Third, hardcore drug consumption—the numbers have risen and are on the rise, not among teens, but just hardcore. I can see, Bruce, you are not sure of that. I mean, do we agree on that?

Mr. CARNES. No; I don't think we do, Mr. Chairman. I would say that what we—our chart showed not hardcore use, but current use, OK? And then I showed an increase in the DAWN number, but that is not the total number of individuals who are hardcore individuals. It is just those people who are going into the hospitals.

I will concede this—

The CHAIRMAN. Can you put that last chart up? Again, I want to try to eliminate as much of the argument we have here just to try to figure out where our disagreements are.

Mr. MARTINEZ. Senator, I think as he gets the chart up, in a way I think we have a similar concern. I think you pointed out it went up. We kind of believe it didn't go down from where it is.

Mr. CARNES. It didn't go down.

The CHAIRMAN. Well, explain that chart to me again.

Mr. CARNES. This is not the whole universe of hardcore users. This is just a subset of it and I put it up here because it dramatizes how their behavior moves with the price. I will say this: Our calculation of hardcore users is that it is essentially flat. It is not going down any appreciable amount.

The CHAIRMAN. OK, hold on just a second here now.

Mr. CARNES. You are saying 2 million; we are saying 1.8.

The CHAIRMAN. I am confused. I was going to put up a whole series of charts we had and question from that just to see where we disagree, but it is confusing because our charts deal with slightly different slices of the pie and it can confuse the devil out of things.

But in terms of drug overdose, drug overdose is up, right?

Mr. CARNES. Right.

The CHAIRMAN. And that is usually a pretty clear indicator that—

Mr. CARNES. It is an indicator, but it is one component of that hardcore universe, but I will concede that that piece is up.

The CHAIRMAN. OK. So the extent of our disagreement is that—where is that first-time use chart? Hold on just a second here. Put this chart back up on heroin.

Mr. CARNES. Yes; I have got an answer for that.

The CHAIRMAN. Yes, because I am interested in that.

Mr. CARNES. I was hoping we would get to that part.

The CHAIRMAN. I am sorry if this seems a little truncated here, but it seems to me it is the best way to try to figure out where we disagree.

Mr. MARTINEZ. I think we can agree on the basic principles.

Mr. CARNES. Can I respond to that chart?

The CHAIRMAN. I would like you to. That is why I put it up.

Mr. CARNES. Let me draw an imaginary 1988 heroin number. That 1988 heroin number would be 1.9 million. The 1988 number is right here. Now, something is wrong with this data set and I will show you what is wrong with it. This is lifetime heroin use; that is the source of these numbers. In 1988, it was 1.9. In 1990, it is 1.6-something. Where did they all go? They did not die.

The CHAIRMAN. I am getting as you speak probable answers, and so I am going to let you speak and then I am going to take a moment to find out what my staff is suggesting.

Mr. CARNES. They did not die. I think there is something wrong with the 1990 number. There were two problems in the "Household Survey" data that came out in 1991 that showed a mistake in the 1991 frequent coke user number. HHS went back and revised that number. It was flat and did not go up. We also told them there was a mistake in the 1990 heroin number. That number can't go down. That number should have gone up.

Now, I will go ahead and agree that this number is right and I will agree that the 1988 number should be around here. I think the 1990 number should actually be higher. We end up at the same point, but I don't think the jump is right because these people didn't just die.

The CHAIRMAN. I have got you. So let us assume you are correct before I ask my staff on this. Assume you are correct, and for the sake of discussion at this moment let us say you are. Nonetheless, the disagreement between us would be the extent to which the number went up between 1990 and 1991, not whether or not the number went up between 1990 and 1991.

Mr. CARNES. That is right.

The CHAIRMAN. So you are saying it is something less than 1,232,000, maybe half of that.

Mr. CARNES. I will concede the total is right.

The CHAIRMAN. Right. I mean, if you concede the total is right—but the increase—

Mr. CARNES. It is probably not as big.

The CHAIRMAN [continuing]. Is probably not as big, is the point.

Mr. CARNES. And I think they are probably coke users.

The CHAIRMAN. Pardon me?

Mr. CARNES. I think they are probably coke users switching into heroin.

The CHAIRMAN. Then let me modify what I think we agree on. The number of hardcore consumers in heroin did go up, but the end number that is on that chart of 2.8 or 2.9—

Mr. CARNES. It is 2.9.

The CHAIRMAN [continuing]. 2.9 million, we are both, knowing it is imprecise, are stipulating to as the probable range.

Mr. CARNES. No; that is not the hardcore number. That is a number of people who admit that they used heroin once in the past year.

The CHAIRMAN. Right. I am sorry. I misspoke, but that number is 2.9 and the increase in the number of those people—

Mr. CARNES. In their whole lifetime, right.

The CHAIRMAN. Yes, and the increase—

Mr. CARNES. Past-year use is 701,000.

The CHAIRMAN. So we agree that the number of people who have tried at least once in their lifetime cocaine went up.

Mr. CARNES. Right.

The CHAIRMAN. It is just that it didn't go up as high from 1990 to 1991. It did go up that high from 1988 to 1991. Now, your office has been suggesting to us—correct me if I am wrong, and Dr. Bennett's point from the outset was that 1 in 4 people who try heroin

end up becoming addicting to heroin. Is that a thumbnail sketch you all are still using?

Mr. CARNES. I don't know that one, but if that is what he said—

The CHAIRMAN. Well, we can go back to that. Now, in terms of, again, things we generally agree on, you are saying as it relates to hardcore drug users that it is probably flat. We are saying it has gone up. So our difference is—

Mr. CARNES. It didn't go down.

The CHAIRMAN. We agree it didn't go down.

Mr. CARNES. Right.

The CHAIRMAN. OK. Now, the sum total of the charts that you put up, which are consistent with what we were going to ask about, saw two points. One is that there were 15 metric tons of cocaine more last year, roughly, than before.

Mr. CARNES. Roughly, right.

The CHAIRMAN. So the total number of metric tons of cocaine, notwithstanding increased eradication, notwithstanding increased seizures, is up. So the consuming population has 15 more tons to consume—potential consuming population.

Mr. CARNES. Right.

The CHAIRMAN. And that has, at a minimum, helped fuel or bring back into the hardcore stream hardcore users.

Mr. CARNES. I think so, yes.

The CHAIRMAN. So the question now is—let us just stick on those points for a moment, if we can, if you are willing. What do we do about this? I mean, how does it affect our strategy? In the past, you have indicated to me, Bruce, and all of us have agreed, but it has been one of the major points you used to make, and still, I assume make, that it is the hardcore addicts who consume most of the drugs in terms of volume—

Mr. CARNES. Correct.

The CHAIRMAN [continuing]. Commit most of the drug-related crimes—

Mr. CARNES. Probably.

The CHAIRMAN [continuing]. And cause most of the human tragedy that most people out in the street are most concerned about. Is that a relatively fair statement?

Mr. MARTINEZ. That is correct.

Mr. CARNES. Yes.

The CHAIRMAN. I mean, the numbers we have been using for the last 10 years are that the average heroin addict commits 200 crimes a year. Whether that is 100 crimes or whether it is 220 crimes, it is a whole lot of crimes committed by that addict.

Mr. CARNES. Yes, and I think coke users are doing a lot more of the crime than the heroin users.

The CHAIRMAN. By the way, I agree with that. I was going to go to the coke users next. So addicts account for a whole heck of a lot of—whatever number we put on it, we agree a lot of violence in society is a consequence of the hardcore drug users in society. And on the hardcore front, I believe the drug strategy—what I would have hoped we could have achieved on it—and this is one of the things we keep going back to, our disagreements.

Now, one of the first lines of attack on hardcore addicts, in my view, over the last 3 years—and I don't know that you disagree with it—is to get more police on our streets; at the very least, attempt to stop the violence associated with hardcore drug use.

In your opening statement, Director, I was gratified to hear your support for the community policing programs, the old-fashioned approach to the cop on the beat, that notion. However, as you know, we have a disagreement overall, not just from your agency, but overall, between—"we" meaning me; I will speak for me. In the drug and crime strategies that I have introduced over the years, I have a disagreement with the administration on how much money we should be spending and whether or not we should have cuts.

Granted, the administration has a disagreement with the Congress on cuts on treatment programs, et cetera, but I want to focus for the moment on cops and the effect on hard-core drug users and the violence that is spun off by them. As I read the budget, the administration has suggested cuts of about \$116 million in the President's budget proposal for Federal aid to States and local law enforcement, and there has been a resistance to the drug testing mandate that would condition \$450 million of Federal law enforcement aid on the States spending about \$250 million on this one drug testing program.

I know you have since capped that mandate at about \$45 million, but it is a cut. You have since, as I said, capped the mandate at about \$45 million, so my question is this. Do your comments here today suggest that there is any change in the approach in terms of local aid to State and local law enforcement agencies in terms of total dollars they will have at their discretion, and is there any relationship between that aid, in your view, as to its potential impact on the hardcore drug population that we are all agreeing we have to begin to—not begin—we have to target more? That is kind of a convoluted question, but I hope you understand it.

Mr. MARTINEZ. Senator, there are a number of things within the drug budget or drug initiative and some that have taken place outside the drug budget. One of the things I would like to say is that there is an advantage in trying to interdict as much of the drugs as possible before they hit our shoreline, where it breaks up to grams instead of having it in kilos and in tons. Also, it means, I think, that there are fewer drugs on the street. There is likely to be less arrests on the street, which has an impact on our population that gets arrested and our populations in prison.

Having said all that, we recognize that there has to be local law enforcement. In recent months, the Justice Department has deployed outside of the drug budget a number of Federal officials, the FBI in particular, to assist local communities across the countries, including right here in Washington, DC, in terms of bringing assistance.

OCDETF that has been around for some time tries to coordinate and work together with law enforcement to provide a cohesive effort. The Weed and Seed Program which is pending before Congress has, I believe, some \$500 million proposed. I think 30 percent of that would be the enforcement side, targeting, again, inner city areas. I think that would be of help here.

Although we didn't prevail, we did seek to keep the local HIDTA dollars in the budget. Among all the things we had to argue over, we didn't prevail on that one within the administration. But I think it shows that we recognize that there has to be resources that do go into these areas, not only for demand reduction—and it is going to be a different kind of demand reduction because, as Bruce has pointed out, these are older users. We are not going to find them in the 12th-grade class, 11th-grade class. We are going to have to find them sometimes in the workplace. Sometimes, they are unemployed. We are going to need some kind of an outreach program to get them into a treatment system. We have to work with the youth organizations like Boys and Girls Clubs, things of that sort that reach a population you can't get in the classroom. So all these things will have to go hand in hand.

I think what is aggravating the inner city problem, as well is the cities and States, is they have had to trim back their budgets. They don't have as many dollars out there for local police or State police. That is having probably an adverse impact.

The CHAIRMAN. Well, you are on point, but I want to kind of narrow the point and maybe slightly reframe the way I asked the question. Bruce indicated the economists love some of these charts. Using an economist's phrase, I am talking about the macro impact of police on—the relationship between hardcore reduction and police, if there is any, in terms of the violence that flows from it, because we are stipulating, A, there is a real hardcore problem that isn't going down; at least I think it is going up. And, B, from what we did before—I haven't said this before, but you have all testified before we are all kind of sitting here kind of holding our breath as to what is going to happen with heroin, for a whole range of reasons—what is coming out of Southeast Asia, what are friends in Medellin and other places are deciding is a nice offshoot to keep their business growing about getting into the heroin business, et cetera, about the triads and a whole range of things.

So we are looking for this to have more to deal with instead of less to deal with in terms of the problem. So, you have got that. We are saying that is associated with—cocaine is more associated, but that is associated with violence and the number of crimes committed. In come the police, OK?

Now, my question is this: On two fronts, the net impact upon the ability of States, strapped, local communities, strapped, as well as we are federally—but the net impact is that, A, there is a direct proposal that results in about \$116 million less—and this is why I want to find out that is not true, if it is not—I see Bruce shaking his head—\$116 million less for State and local law enforcement coming from the Federal level.

And, B, as a consequence of mandating that the States do drug testing—and you have now capped that, I know, but the end result is the mandate would require them to spend more money on testing that they may be spending now on other areas of the drug war, and the net result is it will, as I read it, and I may be mistaken—it would result in a net reduction in the amount of Federal dollars they get if they don't spend those moneys. And if they do spend them, it still ends up a net reduction; in other words, what they are going to get in return for spending it. If they don't spend that

money, they get cut back because they didn't spend the money in terms of Federal dollars.

So it seems to me, looking at the budget, and not just yours alone, but overall the picture for the Governors and the mayors next year, if the budget were to pass as it is, is that they will have net fewer Federal dollars to spend on State and local law enforcement. Is that a correct—am I reading the budget correctly, not is it right or wrong? First of all, is that correct?

Mr. CARNES. Yes.

The CHAIRMAN. OK. Now, my next question is—

Mr. CARNES. But your numbers are way off.

The CHAIRMAN. OK. Well, help me with the numbers, Bruce.

Mr. CARNES. All right. The first point I would make is that the main program that provides Federal dollars for State and local law enforcement has been sextupled by this administration.

The CHAIRMAN. We are not disagreeing with that.

Mr. CARNES. It went from \$70 million in 1988 to \$474 million in 1993.

The CHAIRMAN. No question, and I am not going to argue about how we wanted to make it even more and how part of that was bumped by us, but it went up, no question.

Mr. CARNES. The total that I show for the cut in State and local law enforcement, directly targeted to State and local law enforcement, is \$29 million.

The CHAIRMAN. OK.

Mr. CARNES. The principal component of that is \$36 million of State and local HIDTA money, and the Governor has already indicated that we recommended that that money be provided.

The CHAIRMAN. I understand.

Mr. CARNES. But, basically, the bottom line is—

The CHAIRMAN. Again, rather than argue about whether or not it is 116 or 29, we are talking about a net cut.

Mr. CARNES. Yes.

The CHAIRMAN. Just like sometimes I have to make arguments against what seem to be the interests of my colleagues, Democratic and Republican, in this body, you are being honest enough with me to say you went in and you made the argument that that cut not take place, at least \$36 million in HIDTA not take place, and you didn't win that fight. You are not going to win all the fights.

Now, let us talk about how do we in terms of the strategy that we are now focusing more of our attention—I won't categorize in terms of resources—on dealing with the hardcore drug user population. How does this impact on that?

Mr. CARNES. Well, I don't think it does because the net dollars going to State and local governments from the Federal Government goes from \$3.3 billion to \$3.5 billion. In other words, I believe those cuts for that particular program are more than offset by increases in other programs that are also law enforcement-related. In many cases, they happen to be for Federal agents who will be in State and local task forces, DEA programs, for instance, and other Federal law enforcement officers who are moving into the localities to deal with the problem—net plus up of dollars to States and locals.

Mr. MARTINEZ. I also believe, to bring some relief to the cities, that if, in fact, some of the initiatives that have already started

and others that we believe will start dealing with flow, that we can assist perhaps in an indirect way—

The CHAIRMAN. "Flow" meaning—

Mr. MARTINEZ. Cocaine coming to the United States.

The CHAIRMAN. Cocaine coming into the country, ending up on the streets.

Mr. MARTINEZ. Exactly, and I think that with some of the things that we already have going and what other items that we cannot discuss here that we hope we will be going, that we will have a positive impact, and therefore bring some degree of relief to inner cities and to law enforcement personnel.

The CHAIRMAN. All right. Sticking on this macro level for a moment here, can we stipulate that if we had all the money in the world to spend, it would be a positive initiative to increase the number of local police on the street corners, in the communities, as it relates explicitly to dealing with the violence that comes as a consequence of the hardcore drug use?

Mr. MARTINEZ. Senator, as a former mayor that had responsibility for a fairly good-sized law enforcement unit, there is nothing more important to a neighborhood than to have the presence of law enforcement personnel, and personnel that they get accustomed to seeing there, not necessarily driving through, but participating, which is community policing or some version of it.

The CHAIRMAN. Again, I want to make clear to you all, this is not—I hope we have dealt with this long enough to know this is not a setup. I am trying to find out whether or not we should be thinking—I mean, you know, we are going to have a real problem, as we all know, making this strategy gain as much adherence, money, dollars, attention over the next 3 years if we don't stop now and look.

One of the things we started off saying was, hey—way back, everybody kind of said local cops on the street are helpful things in this drug war. There are some critics out there saying, you all are making—Biden; you, the administration—making a mistake in putting more money into local cops just on the substance of the issue of whether or not that is a helpful thing to deal with the drug problem.

We are agreeing, though, are we, still that if we had all the money in the world—I am not asking you to cut the priorities at this point—it would be more helpful if the mayor of Chicago, instead of having a net reduction in the number of folks standing on the street, for whatever reason, had twice as many police standing on the street corners and patrolling the neighborhoods? Is that still, as a general principle, a truism as far as you are concerned in terms of impacting on the hardcore problem and the violence?

Mr. MARTINEZ. That is generally true, with the caveat that there are still a lot of cities that have not moved toward community policing and are still engaging in traditional drive throughs, and that is not going to help much.

The CHAIRMAN. I understand that. John, you are shaking your head.

Mr. WALTERS. Yes, with one important point, and I think I would just elaborate on what the Governor said. I think there is a growing sense in the country, as you know, that we need community po-

licing, but there is not a clear consensus about what community policing means. It is not simply responding to 911 numbers; it is staying on the street and establishing order.

If you look at the example of Charleston, SC, that has been talked about and that has been on "60 Minutes," it is essentially directed not at finding low-level dealers and gathering them up, or street sweeps; it is a demand reduction activity. The presence of law enforcement in open-air drug markets breaks the connection between the supplier and the buyer just by standing there; arrest as few as possible because, as you know, we spend a ton of money on jailing these people.

Now, what we are trying to do in the other program you talked about of drug testing at the State and local level is try to say, with that program and the expansion of use of treatment block grant money in the prison system, is saying there is one single way that we right now are most effective in getting our hands on hardcore users; that is, the criminal justice system.

The CHAIRMAN. I agree.

Mr. WALTERS. They cycle through there for the very reasons of crime you mentioned.

The CHAIRMAN. You are preaching to the choir.

Mr. WALTERS. The problem is treating criminal junkies, which is not a high priority in most places because people rightly don't believe those people have as high a call on our resources as a variety of other citizens. But the problem is, if you want to drive the hardcore user number down, you have got to get these people, and they don't walk in frequently.

The CHAIRMAN. Well, by your own admission, though, there are a million who are treatable, ready to walk in, who have no place to walk into, right? I mean, they are your numbers, if I am not mistaken—900,000-some.

Mr. CARNES. Yes, roughly.

The CHAIRMAN. Yes.

Mr. WALTERS. But the problem here is we need to provide a testing capacity to get them into treatment and to keep them in treatment.

The CHAIRMAN. Agreed.

Mr. WALTERS. And we need to provide more law enforcement on the street in the sense of providing order not in the sense simply of making more arrests, and that is important because we will spend sums of money and make no difference if we just scoop people up.

The CHAIRMAN. I couldn't agree with you more. As you remember, the first strategy I suggested was we should have mandatory drug testing that we pay for. We should do it at a Federal level in the Federal prison system, as well as in the State prison system.

Ms. JAMES. Senator, I was just going to add to that.

The CHAIRMAN. Yes.

Ms. JAMES. When you go into the cities and you go into the communities that have, in fact, turned around and you look at the elements that are making that community successful, there are a couple of things that always work. Having the cop on the street, out of the cruiser, there in the community standing beside the people who are taking back their communities does work.

The CHAIRMAN. Right.

Ms. JAMES. It is one of the best prevention techniques we know. It also helps the people who live in those communities reclaim their streets and, you know, I would go so far as to say that when we look at how to develop strategies that are going to have the most profound effect in our urban areas, it is putting the cop back on the street walking the streets with the communities.

The CHAIRMAN. OK. Now, we agree on that. We also agree on the testing program. The disagreement we have had on the testing program is where does that main responsibility lie, with the Federal level or the State level. That has been one of the disagreements from the very first strategy we have had.

As a matter of fact, as you will remember, John, my argument with the first Director was we should have mandatory testing of every single solitary person in the prison system. You and I both know, out of the million-plus in the prison system, almost 97 percent of those are in the State system. So it is easy for the Federal Government to say, you all test, we will all test, when, in fact, on a 10-to-1 basis the costs fall to the States. So we don't disagree with that.

One of the problems the Governor just said, as did Ms. James, is that what you have is these local communities have less and less money. They are making cuts, and even if they agree to our collective judgment about what community policing means, they can't do it now because they have got to keep someone in a cruiser because one person in a cruiser—they used to have two people, or they used to have 1.1 or 1.3 or 1.5. They don't have them now. They have had to cut their budgets. They are not getting any more of the help from us. Whether we should or shouldn't in terms of responsibility of government is a debate we will have and can have.

But the end result is one of the reasons why they are in a cruiser in some places is because they have to cover the same amount of ground and one person can't cover the same amount of ground that 1.3 people used to be able to cover and they are in a cruiser.

And the second thing is—I am not going to get into you all with this because you don't have a dog in this fight—I have been in Los Angeles and Chicago, Philadelphia, medium-size and small cities, Wilmington, DE, and other places. You talk to these cops who have been on the street for 10 years, local cops, and there is another problem here. They say, hey, man, I get off in 28 minutes; my shift ends. It looks like there may be something happening over there. I have got a .38 caliber pistol. I know they have in the back of their truck 7 AK-47's, 12 street sweepers, 19 automatic and semiautomatic weapons, and in pure fire power, I tell you man, it ain't worth it. It doesn't seem to be working. Obviously, if someone is in trouble and in jeopardy, I am going to help, and a lot of them still do it anyway, but they will tell you, the more senior guys and women, hey, man, I don't know; this doesn't come out equal. I am not walking in with a street sweeper, I am not walking in with an AK-47, I am not walking in with all these weapons.

Again, I am not going to get into the gun control argument with you all here, but the end result of all that, it seems to me, Ms. James, is that what you have is, at least in one piece of this war that we all agree is a useful piece to have in place, we are having,

at a minimum, to rob Peter to pay Paul. Whether it is \$28 million or \$116 million or \$150 million, we are cutting that money to say let us put it into the treatment piece or let us put it into the testing piece or let us put it into whatever other piece, when we acknowledge that that piece should be increased and the police piece should be increased.

I am just trying to again make sure we are in agreement that if the five of us could sit down without constraints and draw up a strategy and we had an unlimited budget, what we would do—to use your phrase, Ms. James, we know certain things work. Certain things we have figured out improve the circumstances of the war.

Mr. CARNES. In a resource unconstrained world, we would put the money in there.

The CHAIRMAN. OK.

Mr. MARTINEZ. One thing that is helping at least a little bit on the citizen side has been that Congress has been appropriating—and we certainly are asking for more money—for the partnership grants, which brings the people in the neighborhood.

The CHAIRMAN. I understand that, but I would like to stay on this just a little while longer, again, not for the sake of argument, but for the sake of agreement. From our standpoint, all other things being equal, and they aren't, it would be useful for us to be able to aid—or from whatever source they could get it, for local communities, particularly the cities, particularly the place where your chart showed you have identified as you kept slicing the data more thinly, as I think you should have—and it makes sense and it is helpful to give us some insight.

Just for purposes of treatment, we are figuring out where the hardcore folks are left. We are also figuring out where the hardcore folks are for purposes of interdicting the violence that flows from their presence. And it is fair to say, is it not, that that is tending more and more to be located in major metropolitan areas and tending to be more in deprived neighborhoods, economically deprived areas? I am not making the argument that it is there because they are deprived, but just so we know where that is.

Mr. CARNES. Right.

The CHAIRMAN. So, again, if we had unlimited resources, we would say to the local police agencies we are going to help you with your budget, assuming no one had a federalism problem in terms of who does what; we would give you more money so you could put more folks in community policing circumstances.

Mr. MARTINEZ. The one thing that I would like to perhaps just go back a little bit in history in my early years of being mayor is this, that the Law Enforcement Administration was still in place at that time, with a tremendous amount of money going down to cities. Of course, that was a period of major expansion and drug use at the same time.

I can recall not only myself as mayor, but the police chief and others saying that we had to get Federal involvement to stop the flow of drugs. They just could not get it done on the street because they were being overwhelmed. So I think what we do have to keep in mind is that, although I am certain there is help needed in the inner cities in community policing, there is no doubt that we have got to stop the flow and reduce the amount that gets in here.

The CHAIRMAN. I am not trying to slice this in a way—I am just trying to take it a piece at a time. Bruce, as you said with your charts, I am going to slice this fairly thinly just to make sure we agree on the points. I am not making the point I just made to say to you that that means that we don't need to be doing more on interdiction and we don't need to be doing more on going to the source, et cetera.

I just want to make sure, if we were going to deal with the part that affects the local impact at that place, is having additional police on the street a useful thing, because some are arguing that it is not. We are going to be faced with the argument that we were faced with at the outset of this strategy, which was that the answer to this is legalize it. The answer to this is to either push it into the corner of the cities and then let us stay out of the cities as individuals, or legalize it to take the violence out of it, et cetera. That is what we are going to be faced with. One of the pieces of the rationale for legalizing it is, hey, enforcement doesn't have any positive impact.

Mr. WALTERS. But in that regard, too, I think you can say, by the very data you see here, the greatest drug use is where you have what we are seeing here—it is a little oversimplification, but not much—de facto legalization, open-air drug markets that are operating.

The CHAIRMAN. That is a good point.

Mr. WALTERS. And I think if you want to say what can we do most to stop heroin and cocaine, in all of our major cities close and keep closed all open-air drug markets. That is the most significant thing we could do locally.

The CHAIRMAN. OK. Well, I wasn't going to get to this at the moment, but let us skip—and, again, please give me the benefit of assuming that I am not trying to make this case to make a case against any other piece of the strategy at the moment, OK?

I was going to get back to this, but the open-air drug markets—and you were one of the first people who was arguing about this, at least before this committee. Remember, we talked about Aromingo Avenue up in Philadelphia and you all went up there, and so on.

Does it not make sense for us—not for you, for me, to make the call for, assuming it doesn't rob other things you want being done, more aid to targeted high-impact areas to deal with open-air drug markets? I mean, were I to draft such legislation and focus it, is that something that, whether you could publicly or not at the time because you can withhold judgment on it now because no one knows what it looks like—isn't that something that you would be happy to see happen, assuming that it didn't take away other pieces of your strategy and I could find the money?

Mr. CARNES. Assuming that is how you do it.

Mr. MARTINEZ. That is right.

Mr. WALTERS. Assuming that it is not devoted to street sweeps because that will be endlessly costly and won't work.

Mr. MARTINEZ. Yes; that is correct.

The CHAIRMAN. When you say street sweeps, define what you mean.

Mr. WALTERS. I mean, moving through there and arresting everybody.

Mr. MARTINEZ. On a Friday afternoon, you pick up everybody in town.

Mr. WALTERS. And then you have got to put them in jail. What you have got to do is close them by maintaining a presence.

The CHAIRMAN. Right. What we are talking about is having a police officer or officers, A, standing on the corner, B, sitting in a cruiser, whatever, in those open-air markets on a constant basis.

Mr. WALTERS. Right, yes. It has to be understood as essentially, as I said, a demand reduction activity and not supply reduction.

The CHAIRMAN. Right.

Mr. WALTERS. It is not to get arrests.

The CHAIRMAN. Precisely.

Mr. WALTERS. It is to make the number of successful sales reduce.

The CHAIRMAN. OK, good. As you well know, one of the arguments I have had both within my own outfit and outside this outfit is that I want to put more direct aid to local police. When I speak to your former colleagues, Governor, the mayors, the thing that they still say, with all their economic problems, Democrat and Republican—the single most serious economic impact on their cities is drugs. Whether that is true—I believe it is true—they believe it is true.

Mayor Daley says, of everything you could do for me in Chicago—more money for a new airport, which I badly need; more money for inner city highway construction; more money for water treatment plants—if you could wave a wand and give me all that we needed in order to take the drug problem from where it is now to where it was back in 1970, you would do more for me in terms of economic development of my city, more in terms of my ability to make this city generate revenue, more in terms of on-and-on than anything else you could do. Now, that is my paraphrasing him. I don't want to get him in trouble or misquote him.

Not only he says that, but the mayor of Philadelphia, the mayor of Los Angeles, the mayor of New York City. I mean, you get the same basic message. And it seems to me if that is part of the message, notwithstanding these other important things we should do, one of the things at least I should be, and hopefully you should be doing as well, is taking the message to build up public support for that.

The next edge of the debate is, OK, how much should the Federal Government do relative to how much the State government should do, and that is another debate, but we should at least acknowledge, it seems to me, the first piece, and I will come back to that.

Now, let us go to the roughly 1 million treatable addicts, which is an estimate that I believe comes from your office, the 1 million treatable addicts who are not now in treatment all around the country. Now, you have repeatedly referred to your drug treatment program as a capacity expansion program, as a strategic strike.

Now, I agree with your characterization; it is a strategic strike, targeting resources to new drug hot spots. In fact, according to your drug strategy, page 198 of the budget summary, \$47 million out of the proposed \$86 million will go to the Weed and Seed Pro-

gram, a program which is to target about 20 cities in the year ahead.

Now, in fact, I have called for a similar strategic strike ability for your office, and that was the reason behind the Drug Emergency Act I and many other Senators on the committee have offered, a \$300 million program for areas hardest hit by drugs. This was also the reasoning that led us to open the door to supporting drug treatment efforts through the High Intensity Drug Trafficking Areas Program.

Now, as I said, I don't disagree with the idea of the Capacity Expansion Program. In fact, the Senate has passed legislation authorizing the program. The problem, it seems to me, is one of matching priorities to the task facing the Nation, and I believe that first and foremost we have to build up the general treatment system.

Your own strategy points out that the drug treatment shortfall is about 1 million treatable hardcore addicts. Now, in addition, your strategy points out, as I read and understand it, that your total drug treatment program will be able to treat an additional 100,000 addicts. That is on page 48 of the drug strategy summary.

In other words, even if the hardcore addict total does not increase this year, your proposal, I assume, based on economic constraints, but your proposal will mean that there will be a shortfall of about 900,000 treatable hardcore addicts. Now, do you believe that this treatment shortfall of about 900,000, about 1 out of every 3, is a localized problem? In other words, is your strategic strike approach attempting to go that way, and would you, if you had it, argue for more dollars for that program?

Mr. MARTINEZ. One of the things that, in looking at the ability to treat, you will find—and I think the last year we had a report on was 1989—that on a 50-State basis, you would end up with a good number of the States, a majority of the States, having excess treatment slots, not necessarily in every locality, but on a statewide basis.

The reason is the block grant money does get to the State, but then they make a judgment there in terms of how they redistribute within that State through the executive and legislative process of that respective State. As a result of that, we find that there are excess treatment slots in certain localities in most of the 50 States, and what we are trying to do is not alter the block grant concept which has been institutionalized here, but try to find a way to get the money into those localities that clearly have a line and need the help, which is not necessarily uniform in each area of a State.

The CHAIRMAN. I agree. Now, again, to refine, if I can—and this is probably boring the hell out of everybody but me.

Mr. CARNES. I think it is interesting.

The CHAIRMAN. We have gone through and we have stipulated that we are getting a clearer picture of the nature of the hardcore addict population, up, down, leveling. You say level, I say up, but we agree not down. It is aging, it tends to be older. It appears to be increasingly, in terms of percentage of it, located in major metropolitan areas, and whether it is in the major metropolitan areas or not, nationwide there are about 1 million treatable—and let us define what you mean by "treatable"—hardcore addicts, 900,000 of

which at the end of this year, for a range of reasons, will not be treated. Am I right so far?

Mr. CARNES. In very broad contours, I don't disagree with that.

The CHAIRMAN. OK. Now, tell me, Bruce, what you mean by "treatable."

Mr. CARNES. By "treatable," we mean if we were to take the total number of people who have an identifiable, real problem with drugs, that number we would estimate at about 5.6 million.

The CHAIRMAN. Right.

Mr. CARNES. We think that about half of those can benefit from treatment.

The CHAIRMAN. So "treatable" basically means benefit from treatment?

Mr. CARNES. That is correct.

The CHAIRMAN. OK.

Mr. CARNES. The other half of those will die. Half of those will quit by themselves. Roughly, the universe we are looking at is somewhere in the neighborhood of about 2.7 million people that we think could benefit from treatment. The system nationwide, including public and private facilities, will treat 1.9. There is a shortfall. You say 900,000; we would probably say 800,000. There is a shortfall.

Your other question—I would straightline the block grant and I would go categorical and capacity expansion. I wouldn't put it in a block grant. There are too many places where they don't have the need for it.

The CHAIRMAN. Now, let us talk about that for a second. I am not sure I disagree with that. I think I may agree with you because the tendency, I suspect, which has been—as you know, my repeated concern for 3 years now, is that once we started to get this identifiable problem and the locus of the problem on hardcore treatment, Governors and State legislators, with limited dollars either from the State or from block grants, are going to have to satisfy constituencies that aren't going to want all that money to go into inner city areas, or the proportion of the money going into that area that represents the proportion of the problem. Do we agree on that generally? Is that one of our generalized concerns?

Mr. CARNES. Right, yes.

The CHAIRMAN. So let us talk about what you have recommended to deal with what we now both agree again are the general contours of the problem and the contours of the solution. Your recommendation as it relates to the treatment, as I read it and have had explained to me by my staff as they read your budget proposal, is that roughly 100,000 additional hardcore addicts—whether we start at 800,000 or we start at 1 million, 100,000 additional treatable hardcore addicts will, if this budget becomes law, have access to treatment, and the vehicle through which we will disseminate that additional money to get those 100,000 people will be a targeted program. Is that what you are saying?

Mr. MARTINEZ. That is correct.

Mr. CARNES. Yes, sir, several targeted programs, CEP being one of them.

The CHAIRMAN. Right, OK. Now, assume for the sake of argument that I agree with you on the vehicle by which you target the

program. What is your estimate when you have run some of these models, if you have, would be the impact on the hardcore population, and thereby the impact on violence in society, if we were able to increase the capacity by 800,000, like you think the number is?

Mr. CARNES. It would be amazing.

The CHAIRMAN. It would be very positive, wouldn't it?

Mr. CARNES. Yes.

Mr. MARTINEZ. In a number of areas, not only crime, not only the social impact, but there would be less child abuse, less spousal abuse.

The CHAIRMAN. And you know my inordinate respect for your abilities, all of you. You and I have been dealing with this for a long time, Bruce. You immediately went like, hey, what are you asking me such a dumb question for? Of course, it would have a significant impact. Now, it seems to me that as a matter of policy, that is one of the places where we could get the biggest bang for the buck.

Mr. CARNES. Only if you get supply down. Getting the supply down is a necessary precondition for getting that treatment to work.

The CHAIRMAN. That was the next point.

Mr. CARNES. You can't leave these guys knee deep in cocaine and say stop using cocaine.

The CHAIRMAN. All right, and that was the point of your whole series of charts that you have concluded after 3 years, or maybe concluded early on, but you have concluded after 3 years of watching the impact of supply and demand that there is a direct correlation between the supply and those demanding.

Mr. WALTERS. Given the character of the users.

The CHAIRMAN. Yes, given the character of the users.

Mr. CARNES. Elasticities vary depending on which part of the user population you are dealing with.

The CHAIRMAN. We are talking about the hardcore user population.

Mr. CARNES. There, yes, supply will affect it.

The CHAIRMAN. That is what I am trying to focus on now in the beginning of this discussion, OK?

Mr. CARNES. Yes.

The CHAIRMAN. So what is the additional cost in the budget that you are proposing to get to this additional 100,000 treatable addicts?

Mr. CARNES. \$340 million.

Mr. MARTINEZ. That is all the at-risk treatment.

Mr. CARNES. That is all treatment.

The CHAIRMAN. That is all treatment?

Mr. CARNES. Yes, sir.

The CHAIRMAN. Now, what portion of that is this targeted money we are talking about, roughly? I am not going to hold you to anything. You can supply it for the record.

Mr. CARNES. I would say more than half of it because the block grant is straightlined.

The CHAIRMAN. Right.

Mr. CARNES. There is money going into the Veterans Administration, but the rest of it is targeted.

The CHAIRMAN. So to target this additional 100,000 treatable hardcore addicts, we are going to be asking the taxpayers to come up with another \$150 to \$200 million—a fair, rough estimate?

Mr. CARNES. Roughly. We can correct—

The CHAIRMAN. I agree. Again, this is just to try to go through this strategy and make sure at least I understand what you are saying. Now, if we were to try to up that number from 100,000 new treatment slots and capabilities to 800,000, the treatable addict population that is not being treated this year, I assume that we are talking, at the top end, 8 times 200,000. Does it increase in direct proportion? Is it 1-for-1 or do you get savings as you move it?

Mr. CARNES. The way we run the model is that if we can get supply down, the hardcore user number will go down willy-nilly. It will go down by itself.

The CHAIRMAN. Right. Let us assume for the sake of this discussion that the supply were to stay constant next year.

Mr. CARNES. Yes. I think if the supply were to stay constant, I don't think you will ever get to the point where you will have enough money to pay for the treatment that you need. You have got to have the point where these two things intersect.

The CHAIRMAN. I have got you. Now, will we not have enough money to pay for the treatment that we need or will we not have enough money to pay for the treatment for this 800,000 population, or are they one and the same?

Mr. CARNES. I am not sure I understand the question, but I don't—

The CHAIRMAN. In other words, you are saying there are 800,000 treatable addicts that aren't getting treatment, roughly. I said over 1 million, but roughly 800,000.

Mr. CARNES. Right.

The CHAIRMAN. When you say unless these lines converge, which is more capability in treatment and less supply—you are saying unless they are moving one up and the other down, we are never going to have enough money through the treatment regime to deal with the hardcore problem.

Mr. CARNES. Right.

The CHAIRMAN. What I am asking you is do you mean there is not enough money to deal with the 800,000 number that I have been focusing on or the 5.6 million, or whatever number we agree on, addicts in the population.

Mr. CARNES. The 800,000, for two reasons. No. 1, I think that actually if the supply comes down, your 800,000 will by itself probably shrink in 2 to 3 years maybe to 400,000 or 500,000, so that your target 2 or 3 years out is not 800,000, but an additional 400,000 to 500,000. So you are not looking for that total chunk of money to start with.

The second thing is unless you get the supply down, if that supply is still there, there is no amount of treatment that you could provide that is going to work because you can't get—

The CHAIRMAN. Now, you say "work." I mean, if we applied enough to have another 800,000 treatment slots, it would have a

positive impact even if the supply didn't go down, wouldn't it, or would it?

Mr. CARNES. It would not reduce significantly the drug use problem.

Mr. MARTINEZ. I think you just face a lot more relapses because of the availability, its cheapness, easy to acquire, the environment they live in, and therefore the relapses will be there in much greater number.

Mr. CARNES. Right.

The CHAIRMAN. Rather than me disagreeing and or not agreeing and talk about what I think—I just want to make it clear my stipulating to all this does not mean I agree with you.

Mr. CARNES. Right.

The CHAIRMAN. So when I come back to you and you say, hey, Joe, you said such-and-such—let us just keep going on building this model for me, at least, as to what your thinking is so I understand it clearly.

So if we are able to—and we will get to this in a minute—assuming, on the supply side, we do what you say and it has the impact you hope, that means the trendline in supply is going to come down, OK? So for purposes of this discussion about treatment, let us assume that all your supply side strategy is kept intact and it works as you hope it will work.

Mr. WALTERS. I think what the Governor indicated in his statement—we think we have to do more on the supply side than the last strategy.

The CHAIRMAN. I agree. I am talking about this strategy. I am talking about the strategy being proposed.

Mr. WALTERS. Right.

The CHAIRMAN. Let us assume the strategy you are proposing will have the effect you hope, which is that supply, whether it comes down this way or it comes down this way, is going to come down, OK?

Mr. CARNES. Right.

The CHAIRMAN. We are going to get to that as a separate piece to talk about that, too.

Mr. CARNES. We want those two lines to intersect 3 years out.

The CHAIRMAN. I have got you. That is your objective.

Mr. CARNES. Yes, sir.

The CHAIRMAN. And you have put, hopefully, the drug strategy on a path that the line relating to supply is going to reach that point of intersection within 3 years with the path you have now.

Mr. CARNES. Yes, sir.

The CHAIRMAN. What I want to ask you is this: Notwithstanding the fact that your supply line drops as you hope—and, again, we will go back and discuss that all by itself. Leave that as a constant; we pass it exactly the way you want it and it has the effect you want over the next 3 years.

What happens in terms of the timing if we were to increase—kept that all in place—we were to increase the treatment line? In other words, instead of shooting to have it intersect 3 years out, we shot at 2 years or 1 year or tomorrow and we said this strategy—we are going to give all there is in terms of the interdiction piece, supply, but instead of coming up with \$150 million to target rough-

ly 100,000 new treatment slots, we are going to come up with—what would eight times that be—we are going to come up with \$1.2 billion to next year try to move to deal with the entire 800,000 treatable population.

Mr. CARNES. That would be good if the system can swallow that much money. I don't know if they can.

The CHAIRMAN. Now, we are back to the next question. What I always used to get from Dr. Bennett was that, hey—first of all, in the beginning we used to have arguments about whether treatment worked or not.

Mr. CARNES. Right.

The CHAIRMAN. I don't mean you and me; we, generically, used to have that argument, OK? Then we got to the point where we kind of agreed it worked and there was a debate about how much it worked, and then we got to the point that, yes, it may work a lot, but there ain't enough folks out there to make it work because the infrastructure has been drawn down or it never existed. Or, you know, even if you spend the money, you can't provide the regime of treatment within a year's budget cycle, et cetera.

So, that is the question I would like to focus on now, and that is this: Assume that—I have now lost the entire listening audience on this issue, but I really think it is important because I think this forces this body, at least, to focus on what it is going to want to do.

My question stipulates your supply line comes down because you get all your supply side budget and it works the way we hope, and I know you are not saying you are guaranteeing it is going to work that way, but let us assume it does, OK?

Mr. CARNES. Right.

The CHAIRMAN. No. 2, we have rejected your proposal to aim at 100,000. We have decided for the sake of this question that Congress comes along and says, we will give you the supply side budget, we are increasing the budget and appropriating 800,000 slots. What is your best estimate—and maybe you can't answer it now, but for the record answer it for me, because you have always been candid with me—what is your best estimate of the ability of the system to absorb within a year that money to provide the treatment for those folks?

Mr. WALTERS. You are proposing to target or to block grant it?

The CHAIRMAN. Target. I am now talking strict target. I am agreeing with Bruce's assertion that, A, we keep the block grant basically where it is, and just as you are targeting the 100,000, I am saying for purposes of this question we don't target 100,000, we target 800,000. What is the ability—and you may not know off the top of your head this answer, but give me a generalized answer and maybe take some time to think it through to submit in writing. But what is the ability of the system to absorb these 800,000 treatable folks even if it had the money, to absorb it within 1 year, within one budget cycle?

Mr. MARTINEZ. I don't know that we have a number for it. Some things come to mind, and I visit a lot of treatment centers across the country and there are some great ones out there. I really have been to some that are just superb. I have been to others that are not much beyond detoxification and are certainly not going to keep

somebody in recovery. So I don't think personally there is an infrastructure out there that can lead to a quality program for whoever it is that gets to it, not because there aren't good people out there, but the system hasn't called for that kind of training, that kind of employment, and that kind of a feed system into the treatment community.

It doesn't mean it can't occur over time, and I think it would once you set in motion where it is going, just like in schools that project populations of students and you begin training teachers to meet that population. So I think the same thing can be done with that.

You have the problem siting; that is, zoning problems that crop up in every community about where you put the treatment facilities. That is an issue that clearly has to be dealt with. I think if you run ahead of the supply curve too far, in essence, we may be seeing people simply going through a rotary system in terms of in and out because the supply is so great that you are not having an impact. So I think the growth of treatment needs to a great degree sort of coincide with the ability to deal with the supply side. Otherwise, we will end up, I think, with an awful lot of money being spent but not necessarily reducing that population.

The CHAIRMAN. Well, frankly, Governor, I don't see a direct correlation that way, and I won't bother to argue that issue; that is, the correlation between essentially suggesting that we may be wasting the treatment dollar if we don't increase the number of treatment dollars essentially in proportion to the number of dollars and/or success we are having in lowering—I don't think that necessarily follows, but I will leave that aside for a minute.

I also don't think that the analogy to knowing what the student population is going to be and training teachers is—I think the more accurate analogy is we now know we have a whole hell of a lot more students than we have teachers, and how quickly can you get teachers into the school that are going to know what they are doing. That is the more appropriate analogy, in my view, rather than sitting here saying in 2 years we are going to have this problem, we are going to have 50 percent more students and we had better gear up our teachers. We have 50 percent more students, to use your analogy, now.

Mr. MARTINEZ. It is a question of finding that professional and well-trained personnel to put out there. Otherwise, it becomes a job center, but not necessarily a treatment center, and I think what we want to do is avoid it becoming a job center.

The CHAIRMAN. Let me just say to you what treatment folks tell me and see if—obviously, treatment folks are going to tell me that they can absorb a whole lot more help usefully now than they have gotten. Can you, Bruce, suggest to me whether or not—or John, or any of you—can you suggest to me whether or not it could absorb all the dollars for 800,000 additional slots? Is it agreed it could absorb reasonably more than the 100,000?

Mr. CARNES. The treatment system has always gratified me in its ability to absorb increasing amounts of money. We doubled it. We didn't think they could absorb that and they absorbed it.

The CHAIRMAN. But the question is did they absorb it in a relatively useful way.

Mr. CARNES. I would like to answer that for the record, but I have got to guess that if we are talking targeted programs, the answer is: No, they couldn't absorb all that money the first year. There is not enough infrastructure there to absorb it. Could they absorb more than we are proposing? Yes, probably, but I don't know how much.

The CHAIRMAN. OK. Well, I would like you for the record to take a shot at telling me what that number is because, again, I am being starkly pragmatic about this in that I think that we are going to have to—you and me, who have been extremely supportive of the law enforcement side, are going to have to demonstrate that we believe, if we do, the treatment quotient here, but do it in a way that doesn't lend itself to what is going to be the nature of the argument up here, maybe, which is you are spending too much money on enforcement and interdiction. We could have an arbitrary percentage. You know I have never bought into that argument. I have defended your position on that argument, OK?

Mr. CARNES. Yes.

The CHAIRMAN. But I do believe—my prejudiced view, observing some of the same data you have been observing for the last several years, is that it would be very, very beneficial and have direct pay-offs if we did considerably more dealing with that—we are talking about hardcore, still—hardcore treatable population than we are now doing, and I am trying to figure out as honestly as you can give it to me what your hard-edged view is as to how many above 100,000 that would be.

I am not saying you have to propose it. I am not even saying you do propose it, and you will still come back to me and say, whether it is 150,000 or 400,000, but, Joe, I don't want the money there, I want it somewhere else. That is not what I am asking you. I am asking you for, as professionals, to give me an answer as to what you think the infrastructure could absorb in this next year's budget that would be beneficial relative to the hardcore population, all other things being equal.

Mr. CARNES. Reserving the right to go back and correct this for the record, I am going to go way out here and pay for this one later. In a resource-unconstrained world, quadruple it. Do it in 2 years, not 3 years.

The CHAIRMAN. OK, and you get a "Get-out-of-jail-free" card on that one.

Mr. CARNES. Thank you. I am going to need it.

The CHAIRMAN. I understand that, but again this is helpful to figure out. So now we have kind of agreed on two pieces here.

Mr. CARNES. Right.

The CHAIRMAN. If everything stays constant in all other aspects of the budget and we had an unconstrained budget, we would, as Kay had suggested, have more help for local policing, and as John suggested, not being sweeps, people permanently there on Aromingo Avenue and wherever it is in other cities, and we would be funneling this roughly 800,000 treatable, not now treated addict population into treatment programs, some of which would be better than others. Some will yield higher percentages of impact on what is ultimately our concern—not just those individuals, but violence

on society and the thing that is scaring and worrying and, I think, polarizing the community as it is, violence.

Now, let me move, if I can, to the international front. Now, we have had a disagreement over the last couple of years not on whether or not we should be doing more on the interdiction front, but the—and, again, it is a difference in degree and it is generated, I suspect, at least in part, by a resource problem.

What I want to try to do here is find out, like we just did, in an unrestrained resource circumstance, if you agree and I agree that the hard-core drug problem and violence in America would be positively impacted upon and it would be worth in terms of dollars for impact to be spending more money, if we could, on local policing and on treatment of that treatable hard-core population that is treatable.

Now, this sounds probably so rudimentary to people listening, but we weren't here 3 years ago, necessarily. You know, there were still outstanding debates about whether or not the things we have just said are true. I don't mean with you all; I mean just generally, the Nation trying to grapple with this problem.

Mr. WALTERS. Also, the public doesn't recognize—they think we just want supply reduction and we don't want demand reduction. They don't recognize that with cooperation with Congress, but the President has proposed over his administration a doubling of the treatment budget.

The CHAIRMAN. Agreed.

Mr. WALTERS. We do have a balanced approach.

The CHAIRMAN. Agreed. Now, let us talk about the international side and see what we can agree on. The differences in the past have been not whether or not it is a useful expenditure of dollars to deal with the supply side, but the nature of that help, those dollars.

If you will just allow in layman's terms to sort of try to—and so if you agree, unless you think it may be misleading—agree on what the pieces of that are in terms of dealing with the supply side. One piece is the source, meaning the field and the laboratory. Put those in one category. We could divide it a thousand ways.

Another piece of the supply side is the distribution networks, the wholesale and retail outlets that take this product that ends up being a consumable product and distributing it. And the third piece, as I kind of look at it, is the piece where—what I call Customs, Coast Guard, military, and that is trying to deal with it domestically as it arrives at our border.

There is a fourth piece. The fourth piece is our DEA internal investigation units; I mean, units to try to infiltrate and deal with the cartels and, at home, dealing with the distribution networks. But I will leave that one aside for just a moment because that is more clearly in the policing category.

The disagreements that I think we have had in terms of degree so far over the last 3 years is how much emphasis to put on what kind of aid to give to the supplying countries, particularly in Latin America, where the emphasis should be. Because of the help, in my view, and the pressure of the President and the administration, and getting the money Congress was asked for for that help, we had in one of Bruce's charts a chart that showed a real blip, a real

downturn, in the total amount of coca leaf that was being produced and the total amount of finished product that was making it to the street, resulting in a decrease in supply and the strange phenomenon for a while there of an increase in price and a reduction in consumption.

Now, at that point our debate was—and I am going back in this not to say if we had done what I have done, it would have been different, OK? That is not the purpose of this. It is to find out whether or not what I was arguing before is being reconsidered and makes any sense now.

I argued then that this was a great opportunity to try to step in in a more significant way in terms of dollars and help and deal with the coca farmer, and we got into all those discussions and debates about coffee agreements and cut flower agreements and international trade questions and crop substitution and infrastructure help for getting those folks off of the farm, if you will, and back into the villages and the cities.

Now, again, all the rest of your strategy remaining constant but for the interdiction piece now, tell me how you are allocating resources for purposes of interdiction as it relates directly to aid to the Andean countries and what you expect to flow from the aid we are giving. Whether it is military aid, whether it is direct economic assistance, what are the components of your strategy that are designed, if they are designed at all, to get at the amount of coca leaf that is produced, because now it is back to a break-even point?

Now, the coca farmer who was leaving the farm—I mean, to overstate it, they stopped growing coffee and grew coca leaf because they got a bigger return, although not much, relative to the total price and profit made in this area, but for them, more by growing coca.

We got to a point a year-and-a-half ago where they were losing money planting a coca crop. So there at least is theoretically the incentive to do something else. Now, we are back at the point, I think we all agree and DEA tells us, that a coca farmer can make the same margin of profit, roughly, that he or she would make—and this is the peasant, the campecino; this is not the drug dealer, necessarily, and the giant cartels. It now at least breaks even or pays to be back in the business of cultivating coca leaf.

What is your international program designed to do? Where are you focusing the monies as it relates to the Andean countries?

Mr. MARTINEZ. Just about a little over half of it now is for some form of economic assistance. As you know, Senator, late last year Congress passed the Andean trade preference as well, which we hope will have some impact. And, of course, coffee prices happen to be somewhat depressed right now, you know, in terms of its value in the marketplace.

Unlike what it was 3 or 4 years ago where you were getting \$600, \$800 a cargo, which is 100 pounds, which is way up here, it is staying near that breakeven point. So, up here, they were really taking it in terms—

The CHAIRMAN. On the chart you are showing me, there is a place where it went below the breakeven and lost. In what time frame was that?

Mr. MARTINEZ. That was March of 1990, and then again in November 1990, and then again in November-December 1991.

Mr. WALTERS. This is just in the Chapare in Bolivia.

Mr. MARTINEZ. The Chapare.

The CHAIRMAN. But is that generally reflective of the trend lines throughout the Andean region?

Mr. WALTERS. The data for Peru are not as reliable because of the nature of the Ouyaga Valley. There have been press reports that the profit on leaf has dropped over the last several years in Peru 84 percent. The cost of chemicals for processing has gone up 150 percent and, as a result, there have been reports of people migrating somewhat out of the valley. However, there has not been massive production and cultivation.

I think what is important about this chart—I am sorry we couldn't blow up everything—is that the dots along here, and this is a little busy, show what is the estimated breakeven point, and then month by month the coca price in the Chapare, and then this triangle connected line is the mean and the trend line. What we have been doing over the course of these years is creating for the farmer the overall slide that drives the price, and we are right near now on an annual basis of driving the price at and below the cost of production.

The CHAIRMAN. One of the things that seems to have happened in terms of your strategy that we are at least coming closer together, you and me, in terms of what the priorities should be—and, again, I don't want to go back on whether I would have been right or you were right, but now do I read it correctly in that you have some shift here in terms of reduced military units in Colombia and Bolivia, and you seem to have shifted some of that money directly to police efforts? Is that right or wrong?

Mr. WALTERS. Yes.

The CHAIRMAN. Am I taking too much solace from that?

Mr. WALTERS. Well, look, I am a little sensitive on this because I think the administration has unfairly taken hits about militarization here, not by you necessarily, but in general. As you remember, and you know this from the beginning, the reason for allowing—first of all, our police aid comes out of FMF, a military assistance program, and we give it both to police and to military. So you have got to disaggregate these things.

But, as you know, at the beginning we allowed these countries to use the assistance for enforcement generally, recognizing if we are going to go effectively to the source, you needed airlift, you needed to control territory, you needed to control rivers and coastal waters. Frequently, police units, while they are hybrids in some of these countries, did not have the expertise, equipment, or capacity to carry those out alone.

So we allowed countries, and we made separate agreements through democratic regimes, to decide what extent they wanted to use the military. Was there history here? The air force and the navy had been used in Bolivia. There had been similar uses of various armed forces in Colombia.

In the course of that experience, the first year of the Andean strategy, a strategy which, as you point out, over half of the money going to the source countries is in economic assistance, and has

been this year and in next year's request and for the whole 5 years of the program, but the enforcement money—the first year, there was a division in Colombia, in particular, that allowed more money to go to the military. This was also during the period of Barco's crackdown, where he had the military and the police working together aggressively to go after the cartel after the Galan assassination.

In the year following, we and the Colombians together—and members of the Congress have been active here, too, we were not happy that the military was doing enough, given the resources. They went through an election and they needed security. They had insurgents. The military was diverted. We didn't want to be in the position, and Congress didn't want the United States in the position of funding militaries for counterdrug activities when they weren't doing them.

So we went to the Colombian government and they said, cut the army out; we will use some air force units, we will use some navy units on riverines as we have expanded, but no money for the army this year. Now, especially since the Escobar escape, the Colombians have deployed the army in a much greater role. The police are carrying the bulk of the freight, but they are using the army. So we are now looking at trying to provide assistance to support what is really being devoted in terms of resources to counternarcotics, and we are only assisting them. They are spending a lot more money than we are paying for in Colombia.

Now, in Bolivia we made clear from the beginning—and the governor was even present at some of these meetings with the Bolivians, we went through a long and painful process, because of the different history of the army in Bolivia being a threat to democracy and they are having trouble, whether they wanted to employ the army.

We said consistently—and we took criticism that we were trying to force them. There was domestic political strife in Bolivia over this. We said we are not telling you you have to use the army, but if you use the army and you choose to do it, they have got to be deployed against counternarcotics effectively. We are not going to just allow you under this program to give money to the army.

The Bolivian government made a decision to employ the army. They trained a couple of units; they did one operation. We were not satisfied with the results. I think parts of their government were not satisfied with the results. We said, no more. Now, they have come back and said, well, we want to maybe try to do some modified operations in training, but we and they together in a partnership reduced the money to the army.

They still have the air force providing airlift, they still have the riverine operations conducted by small parts of their navy. We have been working, I think, fairly to try to make sure that these resources are shepherded well. There have been collateral issues, so-called end use monitoring in order to make sure that these monies were used in a manner that went totally for drugs and not for other purposes. Congress added some conditions and strengths. If you buy a helicopter or a truck, we want the Federal Government to monitor how those are used out in the field.

Now, some of this is fair in terms of making sure that the bulk of the effort is being used in the drug area, but it gets a little difficult when you train and give somebody a uniform and they go out there and work, and even some of the police forces are multifunction. When they stop doing drugs, do they take the uniform off? Do they stop the truck, especially when they are contributing a majority of the effort on their own part?

So we have had some GAO investigations that we have been back and forth on this. We have tried to tighten it up. We have tried to work with the relevant committees in this body and the other to get workable end use monitoring provisions here. We are not trying to—and I think you know this—we are not trying to shift money out of drugs for another purpose.

The CHAIRMAN. I know you are not; I absolutely, positively know you are not.

Mr. WALTERS. On the other hand, we also cannot be in a position where there are so many strings on this money that you cannot ask for it to be used effectively in the field by countries which—it is a mixed record, more mixed than we would like, but at least a significant portion of these countries, I think, because you were there at the beginning—it is surprising how far they have come in this short period of time and a lot of them are trying pretty hard, and I think in mostly good faith. There are problems and we are not hiding them.

The CHAIRMAN. My concern has been, as you recall, not so much the problems generated by the complicated circumstances of the role of the military in each of these countries, but whether or not we could better spend that money other ways in those countries, not that the money being spent was being spent for a purpose that had a political consequence to it either in that country or a political consequence of our foreign policy apparatus in this country. So, that is not why I am asking.

You have explained very lucidly and cogently the development of your rationale and how you ended up with this, what appears to be some shift to policing organizations and your concern about how to police monies to military organizations. Let me leave that piece aside now.

Where else are you spending money in these countries to deal with the supply side? There is eradication that is being conducted by the military and/or police organizations. There is the attempt to break up these hydra-headed monsters called cartels in-country. That is military and police money that we are helping with, although it is not the major portion of the money they are spending that we are helping with. That is a second purpose; to get at the laboratories, military and policing efforts.

Tell me what, if anything, we are doing to deal with trying to get to the farmer, to get him out of the cultivation business, other than having the net effect of these other things being done, driving down the price that he gets for his coca leaf because he doesn't have anybody to sell it to, or fewer people to sell it to or distribution networks that have been interrupted, or whatever. What else are we doing as it relates to that part, if anything?

Mr. MARTINEZ. I think it is divided into two categories. Like in Mexico and Colombia and Guatemala, where there isn't an overly

large peasant population that cultivates, those governments eradicate, including spraying, to get the work done. Bolivia and Peru, where you have tens of thousands of peasants there, they are somewhat more sensitive as to how they need to go about it, for fear of a clear revolt by the peasants, particularly when there is not an infrastructure yet to market some other product. So it is not just growing something.

I have been there a number of times. I have been out to the field a number of times. It is how you even get it to shipment without spoilage, and how do you get it sold, so that it is not just finding a substitute crop or a substitute economic alternative program, but it is a question of transportation, it is a question of communication, it is a question of marketing, and all these things have to go at the same time.

Bolivia has been somewhat more aggressive with eradication; a lot of it is voluntary. Some of the peasant farmers have given up their land in return for some remuneration to do something else. In Peru, it basically has been nonexistent. Of course, they have a much larger population that is involved with farming.

So there is no question that in order to, I think, get the farmer off coca cultivation—

The CHAIRMAN. Excuse me. I apologize, Governor. What I have been asking my staff to do is try to pursue what I am asking you to pursue, and that is that your numbers indicate that, basically, John, we are down to a breakeven point for the farmer out there in the field. It seems to be a fairly propitious—

Mr. MARTINEZ. In the Chapare area, Bolivia.

The CHAIRMAN. Pardon me?

Mr. MARTINEZ. The Chapare area of Bolivia.

The CHAIRMAN. Right, but we are not in the range where we were, or are we—in the rest of the Andean region, are we in the range we were four years ago in terms of the benefit to a farmer growing a coca leaf? I mean, the trend line is down throughout the region, isn't it, or is it?

Mr. WALTERS. Yes, it is down. I think that is also reflected in the fact that the initial chart Bruce showed of the area under cultivation peaked and started to decline. There isn't as much planting going on, where there was in the 1980s when this was a gold rush. They were increasing cultivation.

The CHAIRMAN. Right.

Mr. WALTERS. And the reason that leaf production dropped off is, as you know, coca is a bush and not a flower. It takes about 3 years to reach maximum capacity. So while it peaked about 2 years ago, this year the actual output will probably peak for the plants that are already in the field. Now, we have to factor in eradication, and so forth, but essentially the economic attraction to this product at the farm looks like it has peaked and it is going down.

The CHAIRMAN. Right. That is generally what I am—again, I am not trying to hold you to any real precision here.

Mr. WALTERS. And the economic assistance that you are talking about generally takes two forms in what we propose for Peru and what is happening in Bolivia—Peru has been a different problem, as you know, but balance of payments assistance to the Government, which creates so-called counterpart funds that they use for

various projects that we work on agreeing being supported, but they are social and economic projects and direct development assistance where things like fresh water wells are—

The CHAIRMAN. Roads and water and—

Mr. WALTERS. I mean, the infant mortality rate for Bolivia is the second highest in this hemisphere. Where we have an agricultural research station, alternative crops are developed, and alternative infrastructure to get those crops to market. They have had an expansion of things like pineapples and other fruits. We have done some electrification in some areas, some micro-industries. There is a very good aid program in that area. There is a very good aid program that has been expanding, we think, for two reasons.

One, it is safe to do this. There aren't insurgents and the aid and the development people are not targets. That is not true in the Ouyaga Valley right now. Second, we are driving the leaf price down. Every year, there is less and less of a potential future for being a coca leaf farmer, so there is more receptivity.

Now, we have a ways to go yet, but the most recent operation that you know about, Ghost Zone, is a first attempt to control the second largest production region in the world on a sustained basis—riverine, air, and roads. It has been working very well. They have committed hundreds of their own personnel. There are improvements that need to be made, but nonetheless it is the first sustained control of a production area, and at the same time there are economic and development assistance projects that have been started and are being expanded in that area, so it is not a matter of starving peasants out. It is still difficult.

The CHAIRMAN. Okay. Again, in the same way we talked about demand, let us assume for the sake of this question that everything that is being done on what I will refer to as the police and enforcement side of the interdiction effort in-country is worthwhile doing and is working out the way you hoped it would work out, and the increases, to the extent they exist, in that piece of the equation—you get all of it.

Let me ask you this question. Let us look at the economic side of that help. Again, assuming we had the dollars, is more economic assistance—without cutting the paramilitary and military and enforcement assistance in those areas, would that be useful, and if so, in what areas would you direct it, economic assistance?

Mr. WALTERS. Look, the reason we have been hesitant about fully embracing the conclusions that the supply data show and that our trajectory can be maintained is, as Bruce alluded to, Peru. Chapare is the second largest growing area, but by far 60 percent of the coca, or more, is in Peru, and there is no effective reduction in the flow out of Peru.

Now, the Peruvians have done some things. They have done some air interdiction. They have now taken some municipal airfields. But, one, we have a democracy problem in Peru. Until democracy is restored, the administration—I think Congress supports this; I know you do—is not going to continue with business as usual. We have kept minimal counternarcotics assistance and food to feed people that are starving, humanitarian assistance. But the rest of the assistance, economic assistance and military assistance, we have stopped.

Peru has, as you know, serious economic problems. We would like to be able to help them. That is the one area where probably more economic assistance could be used effectively. But until they become a restored democracy and until they, frankly, if it is going to be counternarcotics economic assistance, start performing better on narcotics—and they are taking small steps. We want to be fair here not because I want to front for the Peruvian Government. That is not my job. My job is to work for the American Government and the American people.

But the problem is, as we talked about in the last hearing—and I think there is a section of that quoted in your strategy—if you are going to go to the source, the source of coca leaf of the world is the Ouyaga Valley in Peru, and if you can't work there, you are going to have a hard time cutting down the flow.

Now, we will try to do it, but unless we get democracy restored it is going to be hard. We need more enforcement assistance, and we have fought—you have been candid; I will be candid. I think we have fought a ridiculous battle with some Members on the Hill on the conditions for releasing enforcement assistance to Peru, not that the concerns are ridiculous, but there are only so many strings you can put on this before it is tied up like Gulliver and you can't move.

We want to support human rights. I think it is made clear by our actions we want to support democracy. We want to support accountability, but the problem is if we are going to require them—and Fujimori has made this complaint—to clean up every past case of human rights abuses or significant numbers before he was president, as well as keep everything under control now, as well as restore democracy, as well as provide registers, as well as recreate the courts and institutions—they can't try anybody now because the court system is so corrupted.

If we want to work there, we are going to have to have reasonable expectations, or we ought to just say we can't work there. The consequence of that is to create an independent, essentially invulnerable narco-operating area in the major coca-growing part of this hemisphere. And no matter what you do, I think it is clear in Colombia and Bolivia, even if we got really good and we put enough resources into stopping all trafficking, it will make all the traffickers that remain move to the Ouyaga Valley. So we have to constrict the whole process, and that is a problem.

The CHAIRMAN. Again, for the sake of discussion, let us assume I agree with every single word you said. My question is this: Given what you have said and the Congress giving you all that you ask for on the international side, is there a relationship in terms of bang for the buck of any additional economic aid, with all the constraints you have laid out, that would be a worthwhile endeavor in terms of impacting, in any sense of direct proportion, on the supply that makes its way to these shores, in your view?

Mr. WALTERS. It may be. The problem is we are already going to have problems both getting and expending the request we made for the 1993 budget.

The CHAIRMAN. You and I are entitled, because we have taken on this responsibility for each of our institutions, to daydream a little bit once in a while. I am not asking you to be practical here

in terms of what the House and Senate or the White House will or will not do. I am not trying to be confrontational either.

I am asking you as an expert in this area, if you were just able to write it the way you wanted it and I could assure you you would have the money, which I can't, obviously—the purpose of this is to reconsider the parameters of the strategy to deal with this awful problem we face in the country, and it seems to me a worthwhile thing for us to do is not going in saying we know what our practical constraints are based upon dollars. Ultimately, you have got to do that, but in terms of what would be the best strategy, I don't think we at this point, you and I, should be doing that. I think we should be saying, OK, what could we do if we could write it.

Then we have got to make the hard cuts. That is when we start the debate. I am trying to find out here, to restate my basic premise of this hearing, where do we agree on the weapons that could be best used in the strategy. What are the useful ones and what are the ones that aren't useful?

Mr. WALTERS. If you could tie it to reductions in the flow, I would increase economic assistance. I mean, one could guess because Peru has a \$20 billion debt. I would not recommend, for their own economic well-being, that we kind of take over the debts of Peru. They need to continue with their economic reforms. They need to know that there are—I think we sometimes disrupt economies and damage them severely if we do too much meddling outside their political and institutional process. Certainly, they could use more economic assistance, but I would not offer that now unless it were tied to specific reductions in the flow with regard to counternarcotics.

The CHAIRMAN. OK. As you know, I agree with that. Any of the economic assistance I have talked about, I have insisted that it be directed tied to impacting upon production.

Mr. WALTERS. Yes, but I would make it in terms of flow.

The CHAIRMAN. In flow, OK.

Mr. WALTERS. I don't want it to be in terms of, you know, we will try to do "x" or we will put more people over there. I want it to be where we actually produce outputs.

The CHAIRMAN. Let me say it another way—tied to results.

Mr. WALTERS. Yes.

The CHAIRMAN. So you would not, I assume, as a matter of principle, disagree with economic assistance that was conditioned upon a result, correct?

Mr. WALTERS. Right.

The CHAIRMAN. Now, not now, because I have really trespassed on your time way beyond what I think you anticipated—you haven't had any lunch; I have kept you straight through here. I want to ask you because at least—I mean, I hope we are demonstrating one thing here that notwithstanding the concerns of my senior colleague from South Carolina and some of my Democratic colleagues, my purpose is not to have a partisan fight with you in a Presidential year. I mean, that is going to be there, no matter what. That ain't my fight. That is not your fight now. It is to try to figure out, after 3 years, what do we do.

So what I would like to do, and I would like to ask you, Director—I know your schedule is busy. I have at least as many more

questions to try to narrow this down, which I hope you think has been useful here, to go as I have already asked. That is not fair to you to keep you here until 6 tonight, when there is no reason you could have reasonably planned that would happen.

Are you willing to come back to, in public—I know you are always available to me to do this privately, but I think it is important that the public know where we are on this. Are you willing to come back in the very near future, in the next week or so, and do what we did today on the remainder of the international piece and then to talk about the local piece in terms of what the local/State cooperation is, and then try to tie in—and also comment on some of the proposals that I am proposing, once we agree on what we can agree on, to sort of summarize where we agree, assuming we had this, because the next fight is, once we agree on—and I think we have gone a long way agreeing on, all things being equal, what the increased focus should be. Then we are going to have to make some hard cuts we are going to disagree on.

We are going to say, OK, but we are really practically only going to get this much and where is the best place to put it. I think that discussion should be conducted in public, too, as the start of this process. So my question to you is do you want to go more today or would you be willing to come back, and I am not holding you to a specific time now, but to have a continuation of this hearing in the near time frame so we have a floor from which we know we are starting and where we are disagreeing and where we are agreeing?

Mr. MARTINEZ. Senator, my preference would be to do it today, but if we have to do it some other day, we don't mind coming back. We have to work out a day on it, looking at schedules and all that.

The CHAIRMAN. Is it reasonable—do you think, all of you, that could come back any day within the next week or 10 days? I am not giving you a date, but I mean when you leave here am I going to be confronted with the notion that you have now gone and there is no reasonable prospect of getting you back before October 15 or something? If that is the case, I will trespass on your time until dinner time. I don't mean as a punishment; I mean because it is going to take time to get through this thing. That is what I am trying to get at.

Mr. MARTINEZ. You know, I will have to—

The CHAIRMAN. And maybe you don't have to be here for all of it, Bob. It would be useful if you could—

Mr. MARTINEZ. I am sure we could work that out, but one thing that I would ask, Senator, is that—clearly, each Senator is independent and well-spoken, but if we could stay with the subjects we haven't already covered instead of starting all over—

The CHAIRMAN. No, no. What will happen—we have done this long enough—what will happen is exactly what happened here today. We will have broader participation at the outset and as we move not very far into the process, other Senators have primary responsibilities, like this is mine, in other committees and we will end up right where we are, at least if past is prologue.

Mr. MARTINEZ. Well, we will work on another day.

The CHAIRMAN. I do not intend to go back in my questioning to rehash where we agree or don't agree. Just so you know what my

objective here is, I want to continue to do this in the other three pieces of what I consider existing strategy, and then I want to say, like we did here, OK, this is what I think we all agree on now; I think we should do this and make this the priority and not this, given the limits; tell me why I am wrong. I promise you that is my intention. There are no land mines being laid out here by me on this.

We are going to have plenty of time, as we know from the past, to fight about the budgets and which is the better budget for next year. So, on that condition, are you willing to come back relatively soon?

Mr. MARTINEZ. We will call back and see how we can arrange a date for it, or a time.

The CHAIRMAN. OK. Well, then, I would suggest, then, that I should let you get some lunch, and I will immediately be in contact with your office and even if you—I mean, I think it is important you be here, Governor, but it is not critical that you have to be here for all of the time, but I am talking about another, probably, 2- to 3-hour chunk of time to go, OK?

Mr. MARTINEZ. OK.

The CHAIRMAN. OK. We will adjourn—yes, John?

Mr. WALTERS. Can I just make one other point, at the risk of—and you have been very gentlemanly and this has been, I think, helpful, but at the risk of kicking that in a way I shouldn't—and I regret he is not here, but I have to say one thing about Senator Simon's comments because I have been at the office from the beginning.

I am proud of the people I work with. I think they are professionals. They work very hard. You have been a gentleman about this in most cases, but I don't want to let the record stand without a response. The number of political appointees in the office is small; it is in the White House. As you know, we had to start and create the office in 6 months and write the strategy. We used the best people we could find without regard to whether they were political or career.

During Governor Martinez' tenure, in fact, the number of political appointees has gone down. There is a high number, but there is not a bifurcation, and I think the people, as you have seen by the work done here today—and it reflects a lot of work, as you know, from staff that are not at this table—are first-rate. We fought very hard and they work very hard, and I object to the suggestion that because the percentage of political appointees in the office is what it is that the office is a dumping ground, is incompetent, is not dedicated, and is not carrying out the interests of the American people.

I will be happy to have that conversation with Senator Simon if he comes back and we have a hearing, but I think it is extremely unfair, leaving aside the issue of whether you think the directors and senior officers of the office ought to be able to engage in partisan politics. In what some people think were the good old days of Bill Bennett, I will tell you he campaigned like crazy and one of the people he campaigned against was Senator Simon.

The CHAIRMAN. I don't know anybody who thought they were the good old days on this score. [Laughter.]

And, again, I cannot speak, nor will I presume to speak for Senator Simon, but just let me make two points. I don't think that Senator Simon is saying that your work product is unprofessional. I don't think Senator Simon is saying that the work product of the office is skewed, like some have suggested in the past reports from the CIA and others in other areas has been. I don't think that is what he is saying. He may be; I don't think that is what he is saying.

I think what he is saying, at a minimum, is, because I am so concerned about getting—this is the one chance we have at the beginning of every year to have a very in-depth, hopefully intelligent, and hopefully enlightening about the strategy and where we differ. I have been fastidious thus far in staying away from talking at the same moment—not that it is inappropriate, but at the same moment as we are discussing that to discuss the political question, which does concern me. I have tried to keep them separate not because I don't think the other warrants being discussed and addressed, but because this is hard enough to follow for the public at large and it is complicated enough purely on the substance without getting into the second piece.

But, at a minimum, I think the thing that you just—the way in which you read Senator Simon may be an overwhelming rationale as to why there should be just a total focus on policy and not on politics and on political appointees, and that is part of what he is saying is the perception—whether or not they are being political, because there is such a high percentage of people, relatively speaking of other agencies, of political appointees in the operation, it, at a minimum, lends itself, the agency—that lends it to being criticized, arguably unfairly, for whether or not it is political, No. 1.

No. 2, we all know the press, God bless them, on crime and drug issues has reached—and maybe they are right—a conclusion different than the one you and I have reached, and that is there is probably not much that can be done about drugs and crime, and the only reason administrations and Congresses talk about drugs and crime is for the politics of it. I don't believe that, you don't believe that, but I think that is the general feeling out there.

Lastly, because we are now into the second stage—my characterization—of this battle, the easy part has been done. It was hard to get us set up. It was hard to get a national strategy underway, but it was easy at that point to rally people, to rally the public, to rally the Congress, to rally the President and to force the focus.

Now, we are \$32 billion down the road. It is 3 years later. The problem, as you and I both knew, was going to be here three years from the time we started. I remember the first comment I made in an opening statement with this new agency was that it took more than a decade to create this problem to the extent that it is and it is going to take more than a decade to solve it.

The public understandably wants quick answers. So we are now at the point, John, where the public is tiring. Politics is being intensified, and let us just assume for the sake of discussion Democratic Presidential candidates are being as political as Republican Presidential candidates, but we would all agree—

Mr. WALTERS. And Vice Presidential candidates.

The CHAIRMAN. And Vice Presidents. Let us assume all that to be true. One thing we agree on is the nature of the way in which Presidential politics is conducted in 1992 is different than it was in 1962. I mean, there is a greater desire to politicize, it seems to me, and less willingness on the part of everyone to discuss hard-core issues.

The combination of those factors means what I said to the Governor when he was sworn in. We are going to have a whole, hard, tough time when we get confronted—and I predict to you we will within the next calendar year—with efforts in the House and Senate to eliminate the drug director's office, just wipe it out. I think that would be a serious mistake.

But for all the reasons, whether it is appearance or substance—and I suspect Ms. James came up here fully expecting me to say something to her because of my disappointment with her appearance at the Republican National Convention. I will save that fight with her for later.

But at a minimum, all it does is either, at a minimum, give an excuse for people who want to criticize you to criticize you and, at a maximum, cause you—not you, but the agency, to find itself skewing the results that have occurred in more favorable political terms. They are the extremes. At a minimum, it doesn't embolden the public and it gives your opponents an excuse to criticize the work product, at a minimum, more than if there were not as many political appointees and more than if the major people in the agency operated just like you operate personally—you, personally.

I don't know that you have ever showed up in a congressional district at a political fundraiser. You may have. I don't remember it. I don't know that you have been ever been around, and I am going to get you in trouble when I say this. I would like Kay and I would like Bob and I would like everybody else working to work it just like you and Bruce are working. If everybody operated the same way you guys do, I am happy.

Mr. MARTINEZ. Senator, let me add something here.

The CHAIRMAN. I don't mind you going into this. I just want you to know this is not the dog I want to have a fight with right now.

Mr. MARTINEZ. I understand.

The CHAIRMAN. Not fight, but if you want to raise it, then fine.

Mr. MARTINEZ. You know, I obviously concur with all that John said. As you know, I was here some 18 months ago and this subject came up and I think I was forthright. Like Senator Simon says, I took a no vote, but I said I was—the Bush-Quayle campaign; I have not gone anywhere in this country to speak against an incumbent of this House, or of either House for that matter. I have done basically, on a few occasions, the Bush-Quayle campaign. I have never badgered a Member of this Congress. I have disagreed with the funding of the House.

The CHAIRMAN. I think that is true.

Mr. MARTINEZ. And somehow it appears when—you know, I recognize Dr. Bennett went into Illinois, and he probably didn't like what Dr. Bennett said about him, but I didn't do that. I didn't do any of that. So I think that there may be an over-reaction there based on past history. I can assure you that I am committed to the President. I think you know that, and I said that I would be that

way some 18 months ago. But I also have not gone out and said that Senator Biden—

The CHAIRMAN. I understand that. Again, I don't think it is a particularly good idea at this juncture to fight that fight. I think we are going to get a chance to fight that fight, and it may be that if the legislation being proposed passed, your problem will be solved. Everyone's problem may be solved in a way that you may not want it solved, but it will be solved.

What, really, people are looking for and I think you are going to find—regardless of who the next administration is, whether you are all still in place or whether it is different people, I think you are going to find that there is a growing consensus, not based on what you actually have done or not done, necessarily—you, the agency—but on what the perception is and how it complicates things, there is a growing consensus among Democrats and Republicans in the House and the Senate that essentially the drug director and everyone else in his or her office should express their political preference in a voting booth and no place else; should be to the job what the FBI Director is to the job.

I assume the FBI Director strongly supports President Bush. I assume that; I take that for granted. But he doesn't show up and speak at a convention, and if he did, by the way, this country would be in an uproar; it would go bananas. If the Chairman of the Joint Chiefs of Staff were a speaker, not against anybody, just for the President at a Republican Convention, I think there would be a minor convulsion that would take place.

Ms. JAMES. And, Senator, I took two no votes in order to have the opportunity to speak at that convention.

The CHAIRMAN. I understand that, I understand that.

Ms. JAMES. And, Senator, I would also say that when I spoke on the issue of drugs, the comment that I made was that I was so delighted to have the opportunity to work on an issue that had total nonpartisan and bipartisan support. I have made statements publicly that both Republicans and Democrats die from drugs. Both Republicans and Democrats care very seriously about how to resolve that issue in America today.

And I think that it is very unfair of Senator Simon, after having worked through this issue, to raise it as a point of honor or character today that somehow I have reneged on some pledge that I have made to him, which is absolutely untrue. I took a no vote from Senator Simon so that I could have the opportunity to stand before the American people at the Republican Convention and talk about issues other than the drug issue that I care about deeply.

The CHAIRMAN. Well, let me just say this, Ms. James, and not speaking for Senator Simon. Again, maybe I misunderstood, but if I knew you were going to be speaking at a Republican Convention, I would not have let your nomination come up. You would not even have gotten a chance to get a vote because I would have done what I have not done in 20 years, exercise the limited degree of my authority to be able to prevent you from being able to have had a vote.

At this point, I am not saying to you that you misled me or you lied. Let us just assume for the sake of discussion I misunderstood, OK? Let us assume I misunderstood just for the sake of discussion,

but we are where we are now. I am just telling you what is going to happen as we go forward. It is going to complicate matters.

Ms. JAMES. Senator, I think one thing that we all agree on and that is that this issue is too important to be politicized, and I think that is a commitment that you have from this staff and from you.

The CHAIRMAN. What we don't agree on is what constitutes politicizing.

Mr. MARTINEZ. I was just going to mention that, clearly, I think you said it earlier that this whole office is up for reauthorization next year and I think a lot of things have to be looked at. We are basically a policy unit, unlike the FBI. We don't have any soldiers. I mean, we don't maintain records. We don't send anyone out to investigate anyone at all.

One of the tools that we have is the ability to speak out. Now, the question is do you strengthen the office in terms of being able to exert more over other agencies that we are asked to coordinate with other than the budgetary process, which is the main instrument we have. So I think it is something that is a legitimate discussion, but I think it ought to be done in the whole in terms of what it is in the next authorization ought to be a part of the office, and if, in fact, through the public debate, that is a consideration, what takes place in terms of calling the HHS Secretary or Secretary of Education or anyone else and saying, look, we have got this problem about implementation. It may have to be more than just simply persuasion when, in essence, you don't have a voice anymore to necessarily execute it.

The CHAIRMAN. The only thing I can assure you is we will have a chance to discuss this in this committee. Again, for the time being, assuming the Senator is correct for the moment and the horse is out of the barn anyway—assuming he is right and assuming you are right, it doesn't matter in terms of impact on policy.

The only thing that matters at the moment to me is you and I, Governor, have to come up with a final version of a document that looks something like this that says this is our drug strategy and this is the money we are going to spend, and we have got to convince a lot of people that that is what we should do. That, for the time being, is the totality of my focus.

There is time to deal with—whether it turns out to deal with it as you think it should be or Senator Simon, whom I am inclined to agree with, thinks it should be, there is time to deal with that other issue. I just want to focus in the next week or so on—

Mr. WALTERS. Look, I know you didn't want to go into this. I respect that. I didn't want to go into it myself, but I didn't want, by my silence or our silence, to suggest that we don't feel that we have a justifiable position on the issues that he raised.

The CHAIRMAN. OK.

Mr. WALTERS. I didn't want to divert us at the beginning, but I didn't want it to stand unchallenged.

[The prepared statement of Mr. Martinez follows:]

**STATEMENT OF**

**GOVERNOR BOB MARTINEZ**

**DIRECTOR**

**OFFICE OF NATIONAL DRUG CONTROL POLICY**

**BEFORE THE**

**COMMITTEE ON THE JUDICIARY**

**UNITED STATES SENATE**

**SEPTEMBER 10, 1992**

Mr. Chairman, members of the Committee, three years ago this month President Bush released the first National Drug Control Strategy. That Strategy was the first attempt by the Federal government to bring together all its resources -- law enforcement, interdiction, and drug treatment, prevention and education -- and deploy them in a coordinated and highly efficient manner in our unyielding war against illicit drug use. We made it clear in that Strategy that the overall level of drug use would be the most important single measure of our success or failure.

On that score, there have been some dramatic successes -- primarily among casual users and young people. Since 1988, two million Americans have stopped using drugs, a decrease of 13 percent. The number of Americans using cocaine has dropped by more than 35 percent since 1988. The most dramatic improvement has occurred among this country's most important resource, our young people. Since 1988, half a million adolescents have heeded the unambivalent anti-drug message sent forth by parents, churches, schools, government agencies and community leaders and have stopped using drugs. In fact, current overall drug use among this group has decreased by 27 percent during that period.

As you know, the most difficult group of drug users to reach has been hard-core users, especially those over the age of 35. These individuals, the drug users of the 60s and 70s, have ignored widely disseminated anti-drug messages and appear to be immune to

such things as positive peer pressure and moral persuasion. Unfortunately, the data with respect to the size of this population is sketchy. It is clear that, at worst, this group has remained stable in recent years, at somewhere around 2 million. What we know, however, is that we do not currently have the treatment capacity to adequately address the needs of this group. That is why we have asked the Congress every year since 1989 to provide funds for more targeted treatment slots, a request that the Congress has consistently rejected. While we will in no way become complacent in our efforts to reduce casual drug use, the future success of our Drug Control Strategy lies in winning over this group of hard-core users to our anti-drug message.

Even among hard-core users, there have been a few bright spots. A review of data from the DAWN (Drug Abuse Warning Network) and DUF (Drug Use Forecasting) surveys indicates that, overall, there has been a downward trend in the percent of drug-related emergency room mentions and in the percent of male arrestees testing positive for drug use in several major cities. These cities include Los Angeles, Washington, D.C., Dallas, Chicago, and New Orleans.

Earlier this year, you asked me to compare our efforts in the drug war to a football game. You asked whether we were moving the ball, or facing a fourth down and ten situation on our own five yard line. When the President submitted his FY 1993 budget request

earlier this year, we were on the drive. The request for drug spending was a continuation of the offensive ONDCP has been pursuing in the drug war since its inception. But, despite a clean handoff, House appropriators have fumbled the ball, cutting more than \$900 million from the President's 1993 request. If enacted, the Congress will give us a drug budget smaller than the FY 1992 enacted level and less than the President's request in every major funding category. I don't want to beat this football analogy into the ground, but the fact is that we are all part of one team. We are all fighting for one goal -- the elimination of the drug scourge from our society.

Today's hearing is very timely. The Senate will soon consider the appropriations for the Departments of Labor and Health and Human Services, and Foreign Operations. The message we need to send to the American people is that we are still fully engaged in the battle to take the drug dealers off of our streets, provide treatment to those in need, and remove the cloud cast by the illicit drug trade from our schools and neighborhoods.

I realize that the FY 1993 budget allocations are tight, but it is imperative that you understand how severely the House cuts, if enacted, would damage our Strategy. First, the House voted to cut \$480 million from the President's request for drug-related law enforcement. If enacted, this cut means that fewer special agents would be available for interagency law enforcement efforts,

thousands of badly-needed prison beds for drug offenders would not be built, fewer DEA agents would be available to target drug kingpins and domestic cocaine and heroin organizations, new funding for DEA State and local anti-drug task forces would be severely restricted, and formula grants for State and local law enforcement efforts to recapture our streets and neighborhoods would be cut. The Senate, as you know, has already acted in this area and was somewhat more generous -- cutting the President's request by "only" about \$130 million. But even with the Senate mark, less will be available to fight drugs than if the President's request had been funded in full.

In the area of drug treatment, the House cut over \$100 million from the President's request. This means that, if enacted, approximately 35,000 drug users would not receive treatment. In addition, outreach efforts to convince intravenous drug users to enter treatment would be denied to 10,000 addicts. When combined with similar cuts in FY 1991 and FY 1992, and assuming the enactment of the House-passed cuts for FY 1993, the Congress will have denied drug treatment to 80,000 persons in need over three years.

Finally, the House also voted to cut the President's request for drug prevention by over \$70 million, which would eliminate emergency grants to provide drug education to children in about 100 school districts where severe drug problems exist.

The most draconian House cuts, however, are in the international interdiction portion of the drug war. Here, the House slashed \$263 million, or almost 10 percent, from the President's request. If enacted, these cuts would do great harm to our Andean Strategy, the first systematic, internationally coordinated assault on the cocaine trade ever undertaken. While there have been a number of setbacks this year in our Andean plan, we should remember that drug seizures in Latin America quadrupled between 1987 and 1991 and that the Colombians alone seized almost twice as much cocaine in 1991 as in the record year of 1990.

Unfortunately, the House-passed cuts would reduce our cooperative efforts with drug-producing nations to interdict drugs at their source, and thus allow more drugs to enter the U.S. Alarmed at this prospect, I asked my staff to calculate the consequences of allowing one additional ton of cocaine to reach the street. While these numbers are only rough calculations, we estimate that, for every additional ton of cocaine that enters the United States, almost 18,000 Americans (and 900 adolescents) will use the drug for the first time, 300 people will end up in jail, over 600 employees will use drugs on the job, more than 2,700 citizens will be assaulted or otherwise victimized by criminals involved with drugs, and eight people will die. The cuts contained in the House-passed Foreign Operations appropriations would, we estimate, increase these numbers by a factor of fifty.

The timing of these cuts is especially alarming because the Drug Enforcement Administration has recently reported that cocaine prices are up and purity is down in four of the major drug import cities in the U.S. This suggests that our interdiction efforts can be effective in reducing the flow of drugs to the U.S. and that cuts of the magnitude proposed by the House would wreck havoc on our overall Strategy.

Today I appeal to this committee and to the Senate leadership to enact the President's FY 1993 budget request in these areas. Adoption of the President's anti-drug budget is essential if we are to stop the scourge of drugs in our Nation. If we are to achieve the ten-year goals set forth in our first Strategy, we must maintain the level of growth established in previous budgets.

Ultimately, our challenge is to keep the public's attention focused on the problem of drug use. Public opinion surveys, however, suggest that this is becoming increasingly difficult. Three years ago, when the President declared war on drugs in his Oval Office address to the Nation, over 60% of Americans cited "drugs" as the nation's most pressing problem. Today, fewer than 5 percent cite the drug problem as our most urgent concern. Fortunately or unfortunately, as the Nation turns its attention to other issues, the resulting vacuum gives the proponents of such counterproductive ideas as needle exchange programs and drug legalization an opportunity to mount their soapboxes and make their

pitch to an unsuspecting public. These proposals should be dismissed outright, rather than accorded the respectful audience that they have received of late.

The Federal commitment to the war against drugs now consumes almost \$12 billion and requires the efforts of over 66,000 dedicated Federal employees. This commitment must continue in the years ahead. To ensure the public's support of our efforts, however, we must do everything in our power to guarantee that these resources are used wisely. This Administration has advocated policy changes consistent with that goal.

For example, we advocated changes to improve the effectiveness of drug treatment and prevention. Remarkably, until the enactment of the ADAMHA Reorganization Act earlier this year, there was no requirement in Federal law for treatment programs that receive Federal funds to demonstrate success. Under the new law, in order to receive its allocation under the Federal block grant, a State will have to submit a statewide assessment of needs that includes a description of what the State has done to improve the quality of its treatment and prevention activities. This means that Federal drug treatment funds will no longer go to programs with high failure rates, when more promising options are available. I want to thank the members of this Committee, especially Senators Hatch and Kennedy, for their insistence that these provisions be contained in the final conference report.

Another example of how this Administration wants to ensure the prudent use of taxpayer funds in the war against drugs is the Weed and Seed initiative. For the first time, this Administration wants to make a wide array of Federal resources available to those who live and work in Enterprise Zone neighborhoods -- employee tax credits and other incentives to create much-needed jobs; job training, education, and drug treatment to prepare area residents for these jobs; and heightened law enforcement efforts to help maintain the law and order that is a prerequisite for economic growth.

Under legislation pending in both the House and Senate, these Weed and Seed resources would be an essential element of any urban Enterprise Zone. The President understands that entrepreneurs need more than tax incentives to overcome their reluctance to invest their hard-earned dollars in areas where drive-by shootings and open air drug markets are the norm, and where many prospective employees are unqualified due to lack of education or drug use. Thus, Weed and Seed seeks to improve the lives of those who live in our most drug-ravaged communities by combining and coordinating the best of what the Federal government has to offer with the worthy concept of Enterprise Zones.

Community policing is another idea whose time has come. The goal of community policing, I would like to emphasize, is not to build upon or expand existing police bureaucracies, but rather to

make these organizations more responsive to the needs of local communities. Good community policing programs mean solving problems through more police walking the beat, getting to know the neighborhoods and engaging the people who live there. Police should be seen as role models, not adversaries, and I believe community policing will achieve that and help cut crime. By community policing, we do not mean more uniformed officers staffing administrative positions in central headquarters. Again, with community policing we are talking about common sense reforms that improve the quality of government expenditures in this time of runaway deficits.

Mr. Chairman, contrary to those who want to diminish the accomplishments of the past three years, the President's National Drug Control Strategy has helped us turn the corner on the drug problem. Drug use is no longer trendy, as it was during the 1970s and early 1980s when respected experts, such as President Carter's medical advisor, saw nothing wrong with cocaine use. Each year, fewer and fewer young people view drugs favorably. More and more employers test their employees for illegal drugs, and offer assistance to those who need it. Drug use, in other words, is slowly but surely being exorcised from our society.

With the cooperation of the Congress, I believe we can move the National Drug Control Strategy to a new level of effectiveness -- maintaining and improving upon our successes with casual users

and young people and gaining some real ground among heavy users.

Thank you for the opportunity to address the Committee. I would be happy to respond to any questions.

## ADDENDUM

As you know this year, with your strong support, we have established the Counterdrug Technology Assessment Center (CTAC) under the leadership of my Chief Scientist. Since that time, CTAC has been working with the entire counterdrug law enforcement community to develop a Counterdrug Enforcement Research and Development (R&D) Program. In early August, we published a Counterdrug Enforcement Research and Development Blueprint of which you have a copy. We are in the process of formulating ONDCP's R&D Strategy as requested by the CTAC enabling legislation.

CTAC's R&D Blueprint contains several sections on the significant progress made toward developing a comprehensive counterdrug enforcement R&D program including a plan to obligate the FY92 appropriated funds for technology transition. The R&D Blueprint, prepared with the direct involvement of the S&T working groups, stresses the need for solving the problem of technology transition to the inventories of the counterdrug enforcement agencies.

CTAC has identified two goals central to the implementation of the comprehensive R&D program: the advancement of technology clearly tied to validated end user requirements, and an infrastructure support mechanism to evaluate and assess technological approaches - early in the development stage. Infrastructure support consists of (1) testbeds for evaluation of technology and (2) drug signature phenomenology definition to provide the illicit drug and precursor signatures for use for technical performance parameters within the operational environment.

Three technology thrust areas have been identified. These thrust areas are: Wide Area Surveillance, Non-Intrusive Inspection, and Tactical Technologies. Specific "core" projects will be pursued by CTAC which offer near-term fielding of technology for multiple agency applications within these thrust areas. CTAC will also serve as the catalyst for prototype technology transfer within the counterdrug community.

CTAC will use the S&T Committee and the working groups as the interagency, counterdrug enforcement community fora for discussing and developing the consolidated R&D requirements list, and to review ongoing and programmed counterdrug R&D plans and budget request submissions.

CTAC will assist the drug enforcement agencies with the formulation of coordinated and cohesive acquisition strategies for the rapid fielding of promising technology through the use of 'core' projects.

We now hope to have in place a coordinated plan to gain better control on the R&D efforts of all agencies which have a counterdrug mission. Through the CTAC, we expect that this coordinated effort will provide useful R&D to counterdrug agencies.

The CHAIRMAN. We will try to do this as quickly as we can in the next week to 10 days, OK, to finish this up, this first round? Thank you all for your cooperation, and I thank all those of you who sat through, missing lunch as well.

[Whereupon, at 2:40 p.m., the committee was adjourned.]

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