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FEDERAL DRUG STRATEGY



HEARING BEFORE THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES ONE HUNDRED SECOND CONGRESS

SECOND SESSION

FEBRUARY 5, 1992

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(102d Congress)

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FEDERAL DRUG STRATEGY

WEDNESDAY, FEBRUARY 5, 1992

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
Washington, DC.

The committee met, pursuant to call, at 10:05 a.m., in room B-318, Rayburn House Office Building, Hon. Charles B. Rangel (chairman of the committee) presiding.

Members present: Charles B. Rangel, chairman; Lawrence Coughlin, Lawrence J. Smith, Nita M. Lowey, Donald M. Payne, Ron de Lugo, Craig A. Washington, Robert E. Andrews, Benjamin A. Gilman, Michael G. Oxley, F. James Sensenbrenner, Jr., Tom Lewis, James M. Inhofe, Bill Paxon, and Jim Ramstad.

Staff present: Edward H. Jurith, staff director; Peter J. Coniglio, minority staff director; George R. Gilbert and Michael J. Kelley, staff counsel; James Alexander, press secretary; Rebecca L. Hedlund, Jennifer Ann Brophy, and Steve Skardon, professional staff; Richard Baum and Melanie T. Young, minority professional staff; Marianne Koepf, staff assistant; and Mary Frances Valentino, minority staff assistant.

OPENING STATEMENT OF HON. CHARLES B. RANGEL, CHAIRMAN

Mr. RANGEL. The committee will come to order.

I apologize to our distinguished witnesses for being late.

I welcome the distinguished gentleman from Florida who heads up the Office of National Drug Control Policy and look forward to his presentation that could assist the Nation and the Congress, through this exchange, to understand where we are in the so-called war against drugs.

I am concerned, too, that your office should let us know who handles your public relations work, because constantly we hear the negative things that come out, whether political or where your office is located, or whom you are not talking with, and I assume that there is someone telling us what you are doing that you are proud of, and at least when we leave the country we like to stress that part of our cooperation.

One of the things that concerns me—and my opening statement may make it unnecessary for me to ask any questions—is this idea of a survey, being the means to let America know how well we are doing. I hope that you can see fit to not only share with me what you think it means to evaluate—well, first, how you know what high school seniors are doing and not doing, and second, if you have the data this morning, good; if you do not, we will get it—how many homeless people, how many people in jail, how many addict-

ed people are out there who are not high school seniors. I think it would be really misleading if we only went to the successes in our society and did not have some degree of understanding that there is more to life than high school seniors, which brings me to the household survey.

Just for purposes of being provocative, I assume you call up people and ask them arbitrarily, "Are you doing drugs?" or "Are your parents doing drugs?" or "Are your children doing drugs?" and this is done in a scientific manner. Recognizing the community from which I come, I hope you will share with me the sophistication in which these inquiries are made and how and why we should rely on them.

It would be helpful, too, if you could share with me whether or not you have made any surveys in the emergency wards of the hospitals that service our cities and have asked any of the doctors, personnel directors, or what-have-you, how many of the illnesses and emergency cases that they treat are related directly or indirectly to drug abuse.

It has been reported to me by staff, who sometimes are reliable, that you have discounted any relationship between poverty, poor health, high school dropout rates, unemployment, and a variety of social ills, and drug abuse, and I assume this is one of those times where, once again, staff has misunderstood your remarks or that you were misquoted.

In any event, having shared these concerns with the director of the Office of Management and Budget, and having requested, in my capacity as a member of the Ways and Means Committee over a number of years, whether or not, from an economic point of view, he could share with me what the cost of drug abuse has been to our Nation, it has been reported to the Ways and Means Committee by the President's economic adviser, Dick Darman, and by the Secretary of the Treasury, in concurrence, that it is costing us over \$300 billion a year. This includes incarceration, treatment, lost productivity, and lost revenue. Directly related, of course, are poverty, joblessness, homelessness, hopelessness, and drug abuse.

If you have any idea, since it was not included in your prepared remarks, what Mr. Darman, Mr. Kemp, and the Attorney General intend to do about this as relates to enterprise zones, I wish you could share it with me, because I have been pushing them from the inception of this idea last year to recognize that there should be somebody to coordinate the efforts of the different departments and agencies that are going to bring about these enterprise zones which should be drug-free and an incentive for business.

So if you could include in your opening statement just which Cabinet officials you talk with, or you meet with, or exactly what is being coordinated, that would help me and stop me from asking a lot of foolish questions of the Cabinet officials who somehow say that they are not involved in this directly. I don't know any Cabinet official who really is directly involved at this point as relates to dealing with drugs.

So as the coordinator, I want you to know that if your office is not receiving the support from the administration that the Congress intended your office to have, we are here to help, and, of

course, if no help is needed, then you can share with us the fine work that is being done so that we can be supportive of that effort.

Mr. Coughlin, unfortunately, is not here, but there are so many outstanding people on his side of the aisle that are present that perhaps I could just call on my friend from Florida, Mr. Lewis, to greet you and to make whatever opening remarks he would deem appropriate.

OPENING STATEMENT OF HON. TOM LEWIS

Mr. LEWIS. Thank you, Mr. Chairman, and welcome, Governor, to the hearing today to discuss the administration's national drug control strategy.

Your chore and tasks are not easy, trying to move ahead with the problems in drug abuse throughout the country. Because of the recessionary problems that we have, you certainly are having trouble getting support, I believe, in certain areas where you need it.

I feel it is also important that we not forget the problems that we have with drug abuse on the streets of this country, and I would like to share with you some information that I gathered from some of your former constituents, my constituents. I recently asked several of them in the fields of law enforcement, prevention education, and treatment, many of whom have appeared before this committee, just how we are winning the war on drugs, and I am sorry to say that not one of them said yes. Their message to me was that we are winning several important battles but we have got a long way to go before we win the war.

Certainly, I guess, when you dovetail our recession problems which cause reductions in our budgetary applications, trying to coordinate with 40-some agencies, and move in the direction of getting drugs off our streets, yours is certainly not the most easy mountain to climb. But I feel that you and your Department certainly have the capabilities to do this with the selection of personnel that can do the job.

So I look forward to your comments, Governor, in discussing the drug strategy, and hopefully there will be certain questions that you will be able to better align the Members' thinking in this area.

Thank you.

Mr. RANGEL. Are there any committee members seeking recognition before we hear from the Governor?

OPENING STATEMENT OF HON. NITA M. LOWEY

Mrs. LOWEY. Thank you, Mr. Chairman, and I, too, would like to welcome Governor Martinez, and I look forward to working with you in crafting the best possible strategy, because clearly as I travel around my district—and I am just in the middle of a series of 22 meetings—we are not winning this war, and I think we have to work together cooperatively to make sure that we do.

In reviewing your proposal, I am encouraged by several aspects of it. I am particularly interested in your focus on alcohol abuse among minors. It is a very positive step, and in many of our schools where drug abuse has gone down, alcohol abuse is soaring.

But I do think it is really critical that we go beyond the symbolic endorsement of laws against the sale of alcohol to minors and

warnings to parents to participate in this effort. I have always felt that the Federal Government can play a much more active role in helping students who are threatened by alcohol abuse, and there is a lot more we can do in fighting other drugs as well in the classrooms, and student assistant services, DARE, should be focused on fighting alcohol as well as drugs. Somehow our youngsters still do not realize how serious alcohol abuse is, and I look forward to working with you in that regard.

Another aspect which I just want to address is the whole treatment part of the strategy. Although you do refer to treatment, you do not set a goal—I think it is very critical that we make treatment a goal, and I would like to work with you on that, because I think unless we clearly define our goals it is going to be more difficult to muster the support to focus on treatment and the importance of treatment.

Lastly, I just want to address the issue that our chairman, Charlie Rangel, and I have been talking about for several years and have introduced legislation in that regard, and that is converting the military bases into drug treatment centers, into boot camps, into prisons. Certainly, as we know, there is a lack of space in our prisons, and I frankly have not seen any action, and just turning it over to the State and saying, "Well, you go figure it out," I do not think is leadership.

As we reduce our military budget, we are going to have several bases, a lot of personnel, that could be utilized for fighting drugs, for boot camps, for our prisons, and I certainly would like to work with you on that effort, and I would look forward to hearing some comments on the progress of identifying those bases and turning them over into useful facilities.

I commend you on several of the worthy initiatives, I look forward to your comments, and I hope that we can work together to really get to work on this issue, and I thank you very much.

MR. RANGEL. Mr. Coughlin.

OPENING STATEMENT OF HON. LAWRENCE COUGHLIN

MR. COUGHLIN. Thank you, Mr. Chairman.

I am sorry that I had to host my airport authority and am a bit late in getting here.

We look forward to hearing the testimony today. I would ask that my statement be included in full in the record, but let me just say that the first obligation of any civilized society is to protect the welfare and the physical security of its people. Today's hearing gives us an opportunity to assess how well we have protected the American people from the scourge of drugs.

On September 5, 1989, President Bush declared that it was his intention to make the fight against illegal drug use and trafficking the administration's No. 1 domestic priority. I believe he deserves a great deal of credit, as do you, for leadership on this issue. The moral tone of the debate has been established—that the use and traffic in illegal drugs is wrong and it has got to be stopped.

From the beginning, the President's antidrug strategy has attacked the drug problem across a wide variety of fronts, and all of these efforts have been successful. We have seen a shift in the atti-

tude of the American people and a reduced level of tolerance for illegal drug use and for the criminal activity that is its constant companion.

The battle to deglamorize drugs perhaps has been won, but obviously we still have a struggle to continue that fight to prevent illegal drug use. We will win this fight because the individual citizens are armed with a strong sense of the difference between good and bad, right and wrong, and fact and fiction, and refuse to hand themselves over to the mavens of malcontent. We look forward to hearing your testimony.

Thank you, Mr. Chairman.

[The statement of Mr. Coughlin follows:]

STATEMENT OF REPRESENTATIVE LAWRENCE COUGHLIN ON THE REVIEW OF THE NATIONAL DRUG CONTROL STRATEGY, HOUSE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, FEBRUARY 5, 1992

The first obligation of any civilized society is to protect the welfare and physical security of its own people. Today's hearing gives us an opportunity to assess how well we have protected the American people from the scourge of drugs.

On September 5, 1989, President Bush declared that it was his intention to make the fight against illegal use and trafficking in drugs his administration's No. 1 domestic priority.

The President deserves a great deal of credit, for due to his leadership on this issue, the moral tone of the debate has been established: using and trafficking in illegal drugs is wrong and it must be stopped.

From the very beginning, the president's anti-drug strategy has attacked the drug problem across a wide variety of fronts:

It promotes meaningful and effective education programs to prevent people from using drugs in the first place:

It provides for effective and accountable treatment for drug users who need it and who can benefit from it;

It holds users of drugs accountable for the consequences of their own actions;

It targets, disrupts, and dismantles drug trafficking organizations;

It prosecutes and punishes drug dealers and traffickers; and

It enlists the aid of other nations in efforts to reduce the growth, production, and distribution of drugs.

However, increased interdiction efforts only have an impact on the supply of illegal drugs that are available for consumption in this country.

Consequently, the President's anti-drug strategy has also lead the way to the recognition that prevention, treatment, and other demand reduction efforts—that are meaningful, effective, and accountable—are what will ultimately be the real answer to our nation's drug addiction.

All of these efforts have been successful in contributing to the "sea-change" in the attitude of the American people and their reduced level of tolerance for illegal drug use and abuse, and the criminal activity that is its constant companion.

Despite the record since 1989, I certainly do not suggest that we are in a position to declare victory in the war on drugs.

However, I think we can say that the battle to de-glamorize drugs has been won.

This de-glamorization process—now evident among all classes of our society—is the best indication that the war against drugs, as laid out by the President's strategy, is winnable.

And even though I continue to maintain that this struggle can be won, it cannot be won single-handedly from Washington.

We will win because of the efforts of individual Americans who—through their power of moral leadership; through their insistence on user accountability; and through their distinguishing between actions that are right and actions that are wrong—take charge of their future: one block, one neighborhood, and one community at a time.

We will win because individual citizens are armed with a strong sense of the difference between good and bad, right and wrong, fact and fiction, and refuse to hand themselves over to the "mavens of malcontent".

Despite what the so-called experts say, these are powerful weapons. And, despite furious attempts to minimize values, the strategy has rightly placed them at the forefront of its efforts against illegal drug use.

Now that these most powerful weapons have again been unsheathed and put to work, we can use them as they were intended to be used; to forge a victory for every American.

Welcome, Governor. I look forward to hearing your testimony.

Mr. RANGEL. Governor, if there is no objection, your full testimony will be entered into the record as submitted to the committee, and you can share with us your views in any manner that you feel comfortable. Thank you once again for coming.

STATEMENT OF BOB MARTINEZ, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY, ACCOMPANIED BY JOHN P. WALTERS, ACTING DEPUTY DIRECTOR FOR SUPPLY REDUCTIONS, AND BRUCE M. CARNES, DIRECTOR, PLANNING, BUDGET, AND ADMINISTRATION

Mr. MARTINEZ. Thank you, Mr. Chairman and members of this distinguished committee.

Also at the table with me, of course, are Bruce Carnes and John Walters, members of my staff.

A little over a week ago, the President released the fourth National Drug Control Strategy, "A Nation Responds to Drug Use." Under the 1988 drug bill, the Office of National Drug Control Policy is required to produce a comprehensive strategy designed to reduce illegal drug use. The release of the first National Drug Control Strategy in September 1989 marked a new beginning in the Federal Government's war on drugs. For the first time, the Federal Government, as a whole, developed a coordinated, systematic, national response to the problems posed by illicit drugs in this country.

Reducing drug use is the single most important measure of our progress. With the support of the American people, State and local governments, and the Congress, we have made significant strides in reducing the number of drug users and preventing many from using drugs for the first time. Today, I would like to outline briefly some of the progress we have made and discuss some of the new initiatives we will undertake with the release of the fourth strategy.

In the fall of 1989, the President announced an ambitious campaign to end the scourge of drugs, ambitious indeed in light of the existing 14.5 million Americans who were then current users of drugs. Today, 2 million Americans have stopped using drugs, a drop of over 13 percent. In 1988, over 2.9 million Americans were current users of cocaine. By 1991, over 1 million had stopped using cocaine, a drop of over 35 percent. The number of current users of marijuana dropped by almost 2 million, a drop of over 35 percent. Among our most critical population, young people, current use of any illicit drug has shown more than 25 percent down since 1988.

Drug use by high school seniors has dropped to its lowest level since the high school senior survey began in 1975. The data showing reduced drug use by young people is especially encouraging, for it means we are having some success in reducing the next generation of drug addicts.

While the overall number of drug users has dropped dramatically since 1988, progress has also been made among our hardcore addict population, albeit more slowly. From very early on, we suspected that we were going to be fighting a two-front war, the first against casual drug users and the second against hardcore drug users. We knew that to address hardcore abuse we would need additional efforts than are needed to reach casual users.

At the heart of these efforts are many targeted programs, including the Capacity Expansion Program, the Drug-Free Schools Emergency Grants Program, and the Community Partnership Program. Strategy IV will again ask Congress to authorize and fully fund these programs, which are targeted toward populations of hardcore addicts and other at-risk populations. Programs to expand treatment capacity, to reach more students through drug education, to create more community partnership programs, and to remove drugs from public housing projects are all part of this effort.

To carry out these objectives, the President is seeking \$12.7 billion in drug-related funding for fiscal year 1993. This represents a 6.4 percent increase over last year and a \$6.1 billion or 93 percent increase since the beginning of his administration. If the President's drug budget is fully funded, more money than ever before will go to State and local governments for their drug control programs. Treatment and prevention programs reducing the demand for drugs will receive over \$4.1 billion in 1993. We will continue to expand programs targeting at-risk groups like adolescents and pregnant women, and we will increase emergency grants for drug-free schools by 100 percent, and we will increase by 15 percent the Federal funding for community partnership grants.

Let me add a word about congressional appropriations in fiscal year 1992. While Congress met the President's overall request for drug funding, it regrettably did not fund adequately critical programs which were requested by the President. I know, Mr. Chairman, that we have spoken at length about this issue, and, in fact, I have raised it with other members of this panel. However, I must again stress that it remains critical that Congress not only provide the overall level of funding requested but that it fully fund critical programs such as the Capacity Expansion Program, the Drug-Free Schools Emergency Grants Program, and the Community Partnership Program, to more quickly and effectively deal with hardcore addiction.

Last year's budget request asked for \$99 million for the Capacity Expansion Program. Congress appropriated only \$9 million. The administration requested nearly \$50 million for Drug-Free Schools Emergency Grants, but unfortunately we only got half of that. I mention this not to complain but because failure to get these funds will make it more difficult to reduce the level of hardcore drug use.

At this time, let me add a word about heroin. Based on historical drug use patterns, pharmacological factors in addiction, and current trafficking estimates, previous strategies warned that the use of heroin would increase in years ahead. In fact, the retail price of heroin has dropped slightly, though wholesale prices are up. The purity has increased, and the seizures have increased.

This data is cause for concern but not hysteria. The fact remains that most of the world's opium is produced in Asia, and the

number of United States consumers of illicit opiates represents about 6 percent of the worldwide market. Overall, although there may be some new users of heroin, the data compels us to conclude that the large majority are older users of other drugs, mainly cocaine, who recently switched to heroin. In fact, as we have testified before, the nature of cocaine addiction is such that some users will, in time, switch over to heroin use. This has been the pattern in previous waves of stimulant addiction.

We have taken a number of steps to address this phenomenon to reduce the likelihood that heroin use will spread to the non-drug-using population and to reduce its use by hardcore addicts. We are enhancing law enforcement and intelligence efforts in New York, a major heroin importation and distribution center. We have requested funds to target certain treatment programs to prevent crossover to heroin by heavy cocaine users. We are putting extensive data collection and monitoring programs in place so that we can obtain real time estimates of heroin use and heroin trafficking trends.

Second, we must be mindful that this fight against drug use and drug trafficking will not be won in Washington, DC. On the streets of major cities and small towns, law enforcement officials, treatment providers, teachers, parents, and mentors are out on the front lines eliminating drugs from their neighborhoods. This is where the real battles are fought and where ultimately the war will be won. More than 28 percent of the entire Federal budget for drugs—that is more than \$1 in every \$4—will go directly to the States through a number of mechanisms, including the block grant program.

In closing, let me reiterate a point the President made during the release of strategy IV last week. He made it very clear that our job is not over, that it is not time to declare victory. He also made it emphatically clear that he is determined to stay at the job until it is done. The President has shown great leadership. Later this month, he will meet with his Latin American nation counterparts in what will be the second Cartagena summit. I have no doubt that these meetings will only intensify the efforts already being done in source countries to stop the cultivation, production, and distribution of illegal drugs. The President has assured me that he will do what has to be done.

In Congress, Mr. Chairman, we look forward to working with you and members of the committee to ensure that we get the tools and money necessary to get the job done.

With that, Mr. Chairman, we will be delighted to attempt to answer the questions that you might have for me.

Mr. RANGEL. Thank you, Governor, and thank you for a very comprehensive statement.

Unfortunately, we don't get to talk with the President to follow through on this war, and we don't get too much publicity as to what the generals are actually doing who are conducting this war, and, as has been pointed out by Mr. Walters, so often whatever is being done by the Cabinet officials we hardly read it in our daily papers. But we will use this hearing as a vehicle so that we can better inform the public and our constituents.

How often do you meet with the President, since you have been there a year, to discuss the strategy and how things are going?

Mr. MARTINEZ. Mr. Chairman, I am a member of the senior staff, so I am at the White House every morning at 7:30 a.m. to discuss the day's agenda.

Mr. RANGEL. Do you meet with the President every morning?

Mr. MARTINEZ. Well, he doesn't go to that meeting every morning; no, sir; but whenever I need to see him, he is there.

Mr. RANGEL. I know you have access.

Mr. MARTINEZ. Let me also point out that when we released the strategy a week ago today, it wasn't just the President who stood there and talked to the Nation, but the Attorney General of the United States was there, Secretary Louis Sullivan was there, and Secretary Lamar Alexander was there, and it is clear that the Cabinet members are all behind the effort.

Mr. RANGEL. Governor, believe me, even I would have been there if I were invited. I just want to really see how we can save the President a lot of time.

It concerned me that your office, before you were appointed, was not a Cabinet position, because I thought that sent a message as to how important the President thought this issue is. But then I said, well, that is not really that important, that is technical; if the President really gives the support to this person, then that is more important than the title of being in the Cabinet, especially since the Director's offices were located next to the President. Then, when they moved you out to Connecticut Avenue somewhere, I said that is not important; after all, distance is nothing as long as you are invited to meetings.

So that is why I am anxious really to find out just how much time you spend either with the President or, if he is too busy, with the Chief of Staff, or, if he is too busy, with any Cabinet official, since you don't even have to talk with all of them—I mean the Secretary of State, say, as he talks about Cartagena.

In other words, I'm just giving you options. You can select any one that you want—the Secretary of State, in talking about international affairs; or maybe Dr. Sullivan, just to talk about the billions of dollars that are going to treatment and what is working and what is not working; or maybe sitting down with the Attorney General and talking about the Weed and Seed Program and what we are doing to try to train people and keep them drug free instead of jailing them; or maybe sitting with the Secretary of Transportation and finding out what is happening with the Coast Guard; or sitting with the Secretary of the Treasury and talking about Customs; or sitting with the Attorney General and DEA, the FBI; I don't care who, and I don't care where your office is. I just want to have a better understanding of who you are meeting with to coordinate this strategy. That is a home run pitch.

Mr. MARTINEZ. Mr. Chairman, first let me correct the address. We are at Pennsylvania and 17th, we are not on Connecticut Avenue.

Mr. RANGEL. That is closer.

Mr. MARTINEZ. That is closer.

Mr. RANGEL. Really.

Mr. MARTINEZ. Therefore, we have access to the system, where all our staff has been since before I took office.

Let me also assure you that I have the blue badge to roam all I want all over the White House premises, and I have access to the President at any time that we need to—

Mr. RANGEL. I know you have access.

Mr. MARTINEZ. And I have access to the Chief of Staff, and I have the ability to discuss it, Mr. Chairman—

Mr. RANGEL. Listen, I have access; the President is a former Member.

Mr. MARTINEZ. I understand that, but you have asked me to explain what we do, and I'm trying to get to the point.

I also have lunch and meetings with the Attorney General, the heads of all the agencies, with the people under the Cabinet members, whether it is DEA or it is Customs. We request and attend briefings with them. Therefore, this is a recurring pattern of activity.

So from our end, we haven't given up. What we are asking for is the support that we need for these special programs.

Let me point out to you, Mr. Chairman, how we are trying to tackle this problem.

Mr. RANGEL. Governor, my question is so simple, and I have got as much time after this meeting as you have, because—

Mr. MARTINEZ. Let me submit to you—if you would like, I would be delighted to send you the people I meet with, but I don't know that we ought to take this valuable time—

Mr. RANGEL. No, no, no, no. The people that I requested, as to when you meet with them—you don't meet with the Cabinet as a whole and say, "Hey, I'm the coordinator. The President has given me a mandate. This is what we are doing."

Mr. MARTINEZ. I go to Cabinet meetings; I go to DPC meetings.

Mr. RANGEL. I'm talking about dealing with our drug agenda.

Mr. MARTINEZ. I have talked to the Cabinet about this.

Mr. RANGEL. I'm trying to help.

Mr. MARTINEZ. I understand you are, but I think that if, in fact, you want the next hour and a half to simply go by, listing individual by individual, how many times I meet with them—

Mr. RANGEL. You see, I don't get anything from any of the Cabinet officials on any of the subject matters that the strategy involves. I mean, I will ask, "What is the education strategy? What is the health strategy? What is the Secretary of State doing with the producer strategy?" But I don't need all of them if I've got you. In other words, you would be dealing with them every day and having meetings, and when we get you, we get the whole Cabinet. That is the whole idea.

Mr. MARTINEZ. I am delighted you feel that way, because I do touch with all these bases.

Let me come back here.

Mr. RANGEL. Well, I touch bases too.

Mr. MARTINEZ. Yes. And we discussed the issues, and we got more money for next year, Mr. Chairman.

Mr. RANGEL. That money bothers me, because I'm concerned about accountability of the money. I'm not concerned about the number of jails that we are building or the number of people that go into treatment. I want someone to tell me what treatment is working so I can go home and pick up some votes, saying, "Those

Federal dollars are responsible for your son being drug free," and I don't know what programs there are. But maybe some of the Members will be more specific so that we can identify the programs that those dollars have supported.

Mr. Coughlin.

Mr. MARTINEZ. Mr. Chairman, let me answer that question. We have had two bills before Congress now for a number of years. One had to do with the fact that there needs to be a continued maintenance of effort by the States on drug treatment so that we don't get Federal money simply to replace State dollars. That bill hasn't been passed. We have also requested that the Congress pass legislation requiring that all States have a statewide drug treatment plan. That also has not been passed.

I called you last year asking for your help—

Mr. RANGEL. Governor, NIDA said that we don't need any legislation to get that data, that the administration could get it without legislation.

Mr. MARTINEZ. We called you to say that we needed the money for the Capacity Expansion Program—it would have helped the urban areas of this Nation where the addicts live—and we couldn't get it out of this House.

Mr. RANGEL. I agree.

Mr. MARTINEZ. That is \$100 million. I asked you directly for the help, Mr. Chairman.

Mr. RANGEL. Listen. I agree with you, Governor.

Mr. MARTINEZ. And I think we need to get that kind of help. I think what we have is too much silence here. We need to get support.

Mr. RANGEL. You are not saying that we actually need legislation in order to hold the Governors directly accountable for the block grants. We don't need any legislation.

Mr. MARTINEZ. This has to do with the methodology of how treatment is to be provided to make sure that everyone who lives in that State has equal access and make sure the Federal money is not simply substituted for the money that the State was spending.

Mr. Chairman, if we want to expand the treatment capacity system, which we must, then I think that we must also make certain that we are expanding it and directing it where it is needed. That is why I have called you for your help, not only for capacity expansion, if you recall, but emergency grants to the hardcore areas of our Nation where the kids need help. We didn't get that help, and we want that help this year.

Mr. RANGEL. I am saying that the General Accounting Office, at the request of this committee, shared with us that you can get the information that we need without legislation, and then we had the person from NIDA here, Dr. Schuster, and he agreed that we didn't need legislation to do it.

As to your last statement, you are 100 percent correct that you have asked for these funds to deal with hardcore addiction problems, but that was not really germane to the question that I am asking, and that is that we would like to go home to our district and close up treatment centers that are not working and support treatment centers that are. We know that someone is hired in HHS

to do this, but we just thought—when last have you discussed this with Dr. Sullivan?

Mr. MARTINEZ. Which one?

Mr. RANGEL. Just drug treatment.

Mr. MARTINEZ. We just had massive discussions during the development of the Strategy.

Mr. RANGEL. I mean you on a one-on-one, so that as you cover the Nation and the world, you would have a good understanding of what this \$11 billion—

Mr. MARTINEZ. Last week. We were together last week.

Mr. RANGEL. How long was that meeting? Did you talk about drug treatment?

Mr. MARTINEZ. We talk about everything, Mr. Chairman, like you talk with your colleagues, and I don't know exactly what you talk to them about, not publicly. Therefore, I talk to my colleagues constantly, so I probably do just as good a job.

Mr. RANGEL. Well, I'm not doing too well with my colleagues.

Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman.

I know that the New Drug Strategy was the result of a great deal of coordination between you and other members of the President's Cabinet and between those responsible for administering various parts of the drug strategy. That is your job, and I know that you have been doing it and coordinating the efforts at the Federal Government level for the drug strategy.

I want to get a bit specific, because the data that you have cited and the data that we have indicates that, while we are having really considerable success in both deglamorizing drugs and in reducing the level of drug use among casual users in the middle and upper income levels, we still have a hardcore problem that needs to be targeted. I just want to go through several programs to see if we have a package out there that is really a targeted package.

I look at the Weed and Seed Program, for example, which is about a \$500 million program; the Public Housing Drug Elimination Grants, in which you are asking for about \$165 million for this year; the Drug Emergency Grants, which is a \$60.3 million program; the FAST Program—Federal Alternatives to State Trials—which has been extraordinarily successful in my hometown of Philadelphia in reducing the number of drug-related homicides by almost 42 percent, which is a really remarkable performance—I don't know how much money is in that; and the Capacity Expansion Program, which is \$86 million. Does that group represent programs targeted to the hardcore users in our inner cities in particular?

Mr. MARTINEZ. Yes, sir, Congressman. Since 1989, we have increased spending for the at-risk population, the focus group. At that time, we were spending about \$339 million nationwide. The President's proposal this year has \$1.2 billion going to focus programs, capacity expansion. In fact, there are 22 programs that deal with hardcore use and difficult-to-reach populations that are targeting this population group, and the recommendation is \$1.3 billion, which includes many of the fine programs, Congressman, that you just pointed out.

In addition to that, with the Weed and Seed Program that has been announced by the President, the half billion which is being recommended, I believe some \$30 million is for the weed side while \$470 million is the seed side, which is to go in there and, after you clean up an area, make some improvements in the quality of life, providing some services that would assist those citizens once they have a more peaceful neighborhood.

I have been to housing developments in Chicago in particular, where I have seen the housing authority go into building after building and weed it out, make it safe, go back in there and paint, and fix, and renovate, and secure that property, and you can just see the difference in the people that live there; it is like a new day.

So these are the kinds of initiatives that tend to work—securing an area and then coming back and maintaining it. Therefore, Congressman, there is a tremendous commitment to this concept.

One of the things the surveys have done for us is, they have gotten better, and I agree with the chairman, they have to get better; you have to be able to extract from them the problem areas and the good areas. One of the things we did this year was to count the homeless in the household survey; people who live in dormitories are also counted. We have also backup systems, whether it is the emergency Drug Alert Warning Network—which is real time, real incidents, and not necessarily a survey, but an episode—the drug use forecasting, which, again, are true episodes; ethnologists on the streets. So we don't just depend on a survey but we have it confirmed.

As a result of all of this, you develop a strategy to move in to deal with the hardcore problem. That is why we are confident that if we can get funding to focus on these programs, which are targeted toward this population that, for many reasons, have not been able yet to cope with the problem of drug abuse, we can make a gain with that population as well.

Mr. COUGHLIN. I welcome the changes that you have made in the surveys. Obviously, no polling is accurate down to the last wire. I admire what you have done in terms of improving the latitude of the surveys and at least helping to show which way the trends are going.

The Chicago program, which I am familiar with, is really a remarkable program by literally surrounding a building, going in and cleaning it out, and then coming in and rehabilitating it. I understand the neighbors all want to have that program applied to them. Is there an effort being made to expand this program?

Mr. MARTINEZ. Yes, we are very supportive of it. HUD has \$165 million that is being recommended for next year. That would certainly allow the various public housing authorities to move in that direction. Now, with the Weed and Seed Program, which is another area of possible assistance for that kind of concept, I believe that it should be expanded.

Obviously, this is still something that you have to work on with each housing authority to make their own decisions. Some cases are different from others. For instance, since housing properties are somewhat different, some may be highrises and some more of the garden variety, and therefore may require a different kind of activity.

But there is no question that, I think with all the programs that are out there—there are 24 different ones, not even counting the Weed and Seed—with \$1.27 million being recommended, we can make some marked gains with this population that deserves to have an opportunity in life, and I'm hoping that we can get that kind of support to fund those programs.

Mr. COUGHLIN. Finally, the Capacity Expansion Program, which was not funded up to the President's request last year, is really a targeted program to increase capacity in those areas, the core areas, where there are the most difficult problems. Is that correct?

Mr. MARTINEZ. Yes, sir, Congressman, and, as you know, we pursued this beginning in 1991. Had we gotten the funding in 1991 and then again in 1992, we would have had 35,000 additional people being treated this year.

Mr. COUGHLIN. In the hardcore areas?

Mr. MARTINEZ. In the hardcore areas. It is a way of appropriating the money that meets the requirements.

In essence, if you look at the way we distribute the drug treatment money on a national basis, we are underutilized; yet, we are oversubscribed in certain localities across the country, and we are trying to deal with that problem. That problem means the money needs to go where this demand is, and that is why this Capacity Expansion Program is so important if we are going to make a gain with the population that needs it.

Mr. CARNES. Could I add one thing, Mr. Coughlin?

The Governor is exactly right about this. The question here is not so much the total dollars that get appropriated for treatment but how you appropriate that money, where it goes. If it goes into the usual mechanism, it goes to places, as the Governor has pointed out, where there is already, according to the data that you get from HHS, excess capacity.

Mr. COUGHLIN. In fact, we have some treatment facilities that are not being fully utilized.

Mr. CARNES. According to the most recent survey that HHS released a couple of weeks ago, the utilization rate for treatment facilities in the United States is about 79 percent. On the other hand, there are waiting lists in some areas. What is wrong is that the money is not going where the people are who need the treatment, and that is what Capacity Expansion does. Twelve thousand people didn't get treated that the administration requested money for in 1991, 35,000 in 1992, and if the money is appropriated that we requested in 1993, if it is appropriated the way it was last year, there will be a shortfall of 27,000 people not treated, as opposed to the way we propose it.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. RANGEL. Tom Lewis.

Mr. LEWIS. Thank you, Mr. Chairman.

Governor, in my opening statement I responded to some battles won. Some of those were open sales of drugs on the streets, which I understand have fallen. Children have become more educated in the dangers of drugs, and more people are seeking treatment.

I am concerned about the free-drug area. As we know, 66 percent of the estimated 13 million drug users are employed. How are we as a nation progressing along the lines of a drug-free workplace?

Mr. MARTINEZ. This is a major endeavor not only in our office, but the President's Drug Advisory Council works with the business community throughout the country, and, as you know, the Federal Government also has the drug-free workplace policy as well.

Generally speaking, the large companies in this Nation, some 70 percent of them, have a drug-free workplace policy. Those which employ at least 5,000 people, they are covering quite well. The more medium-sized companies are probably at about 50 percent. But in companies under, I believe, 500 employees you have a dramatic drop in the number of companies that have drug-free workplaces.

What we are doing is, through the Department of Labor, the Small Business Administration, and the President's Drug Advisory Council working with chambers of commerce and trade groups, per se, and labor unions to find sponsors in every State that will assist in the training of small employers, and, having been one myself at one time, it is hard to divert resources for this purpose when you may not even have a personnel office, and this is what has to be dealt with.

We think that drug-free workplaces are important for a number of reasons. It is not just that the work force is drug-free and perhaps becomes more productive, but almost every employee who is a parent, a spouse, or a grandparent, becomes a better person in terms of education and prevention in their own families. So the drug-free workplace goes beyond simply keeping the workplace free of drugs, it makes that individual a much better individual in their home life to deal with that issue.

We believe—I have forgotten how many dollars are being appropriated for the drug-free workplace. Labor has what?

Mr. CARNES. Labor has approximately, I believe it is \$7.7 million.

Mr. MARTINEZ. \$7.7 million, and the last time I talked with the President's Drug Advisory Council, which is about 3 weeks ago, I believe they told me they will have, they believe, close to 30 States that are working with the major trade group in that State to find a corporate sponsor for that trade organization and to provide grants to local chambers within that State so that those local chambers can train their membership in terms of how to go about putting a drug-free workplace in place.

The elements of the drug-free workplace are not only education and prevention, but also employee assistance in the event that they have an addiction problem, and some of these companies will have some kind of drug testing that depends on the company's needs. It certainly is part of it, but that is up to that company to decide.

Mr. CARNES. It is about \$70 million in the Department of Labor to move this kind of effort along.

Mr. LEWIS. OK.

I also asked a number of people from my district—teachers and doctors—what we can do better, and you have responded to some of them in your drug policy response, that we can have increased funding for prevention and education and rehabilitation. The DARE program is one of our greatest successes out there.

Governor, you have a drug policy, and you requested some of the things I just mentioned. You have all the members of this committee here. We have differences in philosophies and politics, and I

hear you being battered back and forth on what I think are mundane things. I would like to ask you directly what you think this committee can do to help you to better win the war on drugs, and are you willing to make compromises in order to do this?

Mr. MARTINEZ. There is no doubt that to any proposal there will always be a viewpoint that may be different. I think the strategy is comprehensive. It has an allocation of resources, some 44 percent of our \$12.7 billion, for domestic supply control; 32 percent of the budget is for demand reduction activities, which is education, prevention, and treatment; and 24 percent is for interdiction and international. So we think there is a good split in the money that is there.

All the surveys tell us where we are succeeding, where we are not. I think where we are succeeding—and there is no doubt in my mind—is among the young people. We can look at survey after survey, and we can quibble about the numbers, but every one has the same trend, and these are the same surveys that have given us bad, bad news since 1975, except they probably are better because the surveying methodology has improved over time. Therefore, I think our information is better.

At the same time, because it is better, we know we have problems in certain localities, and we have spoken at length about some of those problems here today. If we could get the Capacity Expansion Program funding, if we could get funding for the Department of Education's emergency grants, if we could get full funding for the community partnership grants, which take the money into these neighborhoods where we do have difficulty, I believe we can make some significant gains. If we can get legislation passed about maintenance of effort by the States to be sure that Federal money simply doesn't replace their commitment, that will be very helpful. If we can ensure that States have a statewide treatment plan that can be evaluated, to ensure everyone who lives in a State, it doesn't matter what end of the State they live in, have access to the treatment system, that would be very, very helpful.

We believe that also moving now and dealing with the subject of alcohol and tobacco for minors will be helpful as well, as Congresswoman Lowey said, in establishing a pattern of what is right and what is wrong.

So these things, I believe, can all lead to more success. We are hoping that we can get the funding that is necessary, because I think it can do the work.

Mr. LEWIS. Thank you, Governor.

Mr. Chairman, I think it would be incumbent on this committee—and I would challenge it—to work with the Governor and do what we can if for nothing more than 90 or 120 days to see if we can't work together to get something done.

Mr. RANGEL. Well, as a result of Governor Martinez' testimony, Congressman Coughlin has assigned his staff and our chief counsel to work with his counsel to see whether or not we can get their legislation up earlier, target it, so we know ahead of time what they need.

I'm telling you, I would want more of this done so that when some of us feel the necessity to be critical, that you have a list of things that you ask of us as a committee and as a Congress that

you want as priorities, so that we can take them to the standing committees, Republicans and Democrats.

You have to realize that some of the impediments that you have in getting what you want, deal with people who have different ideas about how this war should be fought in the House and the Senate. We can label them Democrats and Republicans, but the problems we have in passing legislation have nothing to do with treatment. Bills are held up because of the death penalty and the rights of the Drug Enforcement Administration.

So if we can take these things directly to the leadership because we say these are the tools you need, we will be more than glad to do it.

Mr. Washington.

Mr. WASHINGTON. Thank you, Mr. Chairman.

Good morning, Governor.

Mr. MARTINEZ. Good morning.

Mr. WASHINGTON. If we could find a way to stop the United States currency that goes to Central and South American countries where the transfers take place for the large part, in the Andean countries and Venezuela and some of the other countries that are dropoff and pickup points, what impact would that have on the war against drugs?

Mr. MARTINEZ. If we can intercept the currency, the profits of drug trafficking?

Mr. WASHINGTON. No, sir; I'm starting on the other end. I have never met a drug dealer who sells drugs on credit. The farmers get cash when they transfer—just take coca, for instance. They don't send the coca leaves to someone else to process and say, "Pay me later when you get paid." They get paid for it at the time. Each step up the line when there is an exchange of whatever status the drugs are in, there is an exchange of money. The amount becomes larger as it comes up the line. My question is, if we could stop the dollars that get printed up the street there from going down there to begin with, what impact would that have on the war on drugs?

Mr. MARTINEZ. There is no question, Congressman, that if you deny them the money, you bankrupt them, and no one is going to be in business if they can't make money; that is why they are there. There is a major effort by Customs and DEA and Treasury as a whole to develop continuing sophisticated systems to impede the flow of money by the traffickers and intercept them as rapidly as possible.

You may recall, a few weeks ago there was a major hit up in New York with the Cali organization that ended up with some major money being intercepted and, I believe, some records. These are the kinds of things that have priority now, and I believe that as all the programs that are authorized come on line more of what you said, Congressman, will take place. It is a cash economy they are operating with, and, if they haven't got cash, you are going to dislocate them.

So we don't disagree with you at all, and we are hoping we can get it even faster.

Mr. WASHINGTON. Is that part of the strategy? I read through the summary, but I couldn't find it. Maybe there are some words that I am not familiar with, but I couldn't find a sentence or paragraph

that articulated it, maybe not the way I did but in some terms that made it clear that part of the strategy from the neighborhoods and from the law enforcement and from dealing with the hardcore, hard-to-reach people to the casual users and all that—you went through the litany of all of those, and I agree with almost all, if not all, of the things that you outlined, but I failed to find where we—going back to my military science and tactics days where, if you know you have a hill over here that needs to be captured before you can get to the valley over there to build a bridge so you can get your troops across, in a war that is what you do. Where is the strategy that is directed towards this hill that is called the money that goes to South America?

Mr. MARTINEZ. Part of that is getting each of the countries to adopt the U.N. agreement having to do with money laundering as well. That has been ongoing.

How many countries now have—

Mr. WALTERS. I think over 25 countries have signed the Vienna Convention.

Mr. WASHINGTON. Does that give us some sort of flow of information, Mr. Walters, where we could get at the cartels in terms of—

Mr. WALTERS. Yes, there are two kinds of money here, to make it simple. We have done a good job with our own legislation on the transfer of money, the reporting of cash transactions, and the seizure laws in this country. Every year the Justice Department and Treasury report record seizures in their accounts of cash and property. This is one way we take the resources away from the traffickers.

This has caused this other problem they have. They now have to move—and a number of them are moving; we haven't closed this off completely—they are moving hard currency, and it is not in large denominations, it is small denominations. This means for every quantity of cocaine, for example, you have, you generate three times the weight in currency when you have to move it. That is why Customs is doing outbound inspections.

We have some legislation that has not been acted on, to do everything from looking at outbound mail, including opening outbound mail, because we believe some of this money is actually mailed out of the country. We have operations that are designed to work with these countries through the records they have and seizures we have made of financial records to grab money that is en route.

We have also created—and the strategy talks about this—a special intelligence center for financial crimes in Treasury called FINCEN. That has been something new, and it has been up and running. It is beginning to do a comprehensive look at organizations that law enforcement has identified, and look at their financial structure through bank records, through property acquisitions, through the movement of currency; some of them use armored car services to move currency from a legitimate front corporation.

What this agency allows us to do is bring together all the law enforcement agencies, including IRS and Treasury experts from banking, and begin to take apart these records. As a result, we have had continuing efforts that have been successful. You have seen Polar Cap IV, which is a money laundering operation of over

a billion dollars in assets that have been identified and taken down.

We still need better tools for outbound shipments of currency, but the fact they have had to go to shipping currency in bulk is evidence that the domestic ability to stop the insertion of illegal profits into our economy has had an effect.

Mr. WASHINGTON. You would like an analogy to the success we have had with moving drug transactions from—Mr. Chairman, my 5 minutes have expired—moving drug transactions from indoors to outdoors when we have wire-tapping. We make them come out in the open, and therefore it makes it easier for us to be able to interdict them.

Mr. WALTERS. Yes. Moving money is more of a problem.

Mr. WASHINGTON. My time has expired. Maybe on my next round I will get to ask another question.

Thank you.

Mr. RANGEL. Mr. Sensenbrenner.

Mr. SENSENBRENNER. Thank you very much, Mr. Chairman.

When I turned the television on this morning, I saw Senator Biden berating you yesterday when you were testifying over on the other side of Capitol Hill. After his sound bite was on, there was an announcement there was going to be a major push, I presume, by Senator Biden, to spend quite a bit of money on heroin interdiction. You testified that only 6 percent of the illegal opiates produced in the world are consumed in the United States, so that means 6 percent of that money would end up helping solve a drug problem here and 94 percent elsewhere.

It puzzles me very greatly that some people in Congress are talking about a new, expensive program when Congress itself has not been able to find the money to provide for treatment of 12,000 Americans who need treatment and we have to cut the drug-free school emergency grants by 50 percent because we don't have the money. I'm wondering if you would care to comment on that.

Mr. MARTINEZ. We have been watching the movement on the heroin number, on supply side and demand side, and there is no question, there has been more heroin intercepted, interdicted, by our law enforcement agencies of a purer quality than we have had in the past.

On the other hand, as we looked at the demand statistics, where there is a drug abuse warning network or medical episodes or any other surveys, and it does show that there has been an increase in the emergency rooms; the information also tells us a few other things. It tells us it is an older population, 35 years of age or older; it generally tells us they are not new users to drugs—they have been on cocaine or they have used some other drugs—and also that it is intranasal—snorting—which is what most would do with cocaine; and therefore we do believe that some of the heroin use is not someone just being introduced to drugs but someone who is shifting over from previous types of drugs.

That doesn't mean we are not concerned about it, but it isn't of hysteria nature, it is something that is a problem that has to be dealt with, and for that reason we are also recommending some programs on treatment that try to work with cocaine users not to shift over to heroin while providing drug treatment.

The reason we also have this information is because we did improve our drug-abuse warning network by expanding it, so it is now a national survey instead of a compilation of a handful of hospitals, to which we added seven hospitals in the Northeastern United States where the heroin population generally resides in larger numbers. As a result of that, we have better data than we had in the past.

So on the enforcement side, the high-intensity drug trafficking area of New York does have emphasis on heroin because so much of it comes through New York, and therefore that area has been beefed up. Customs, DEA, and State have also become more active in terms of dealing with Southeast Asia where the bulk of this heroin is coming from.

So I think we are, in essence, moving in that direction within the budgets that have been proposed by the President.

Mr. SENSENBRENNER. My point is really simple. If Congress can't find the money to provide for full funding of the Capacity Expansion Program so that everybody who does need treatment can find it, and if Congress can't find the money for full funding of the Drug-Free Schools Emergency Grant Program to try to prevent kids from going on drugs to begin with, it seems to me we shouldn't be going off spending money in a whole different area, as important as it may be.

I am not here to denigrate the importance of the anti-heroin program, but it seems to me if only 6 percent of the illegal opiates used in this world, according to your own testimony, are used in the United States, if we go after the supply interdiction program of heroin, we are going to be reducing illegal heroin use 94 percent in foreign countries, and it is kind of a backdoor foreign aid program, when we could be better spending this money expanding treatment capacity here in the United States as well as giving schools a little bit more help to prevent kids from getting on drugs to begin with, which I think is really the primary responsibility and the number one priority this Congress and this country should be getting behind.

Thank you very much, Mr. Chairman. I yield back the balance of my time.

Mr. RANGEL. Mr. Oxley.

Mr. OXLEY. Thank you, Mr. Chairman.

Welcome, Governor, and congratulations on what I consider to be a very well thought out and well crafted Strategy that we are debating here today.

I can remember when I first joined this committee long before your tenure here—as a matter of fact, long before your office even existed—talking about the need for education and how education ultimately would solve the drug problem, that we had to really keep our eye on the ball in the education area. Indeed, the figures that are evident now would seem to indicate that we have made some progress with that, that people are getting the message.

I was struck by the USA Today editorial of January 28 where it says that critics have instantly pounced on the President and you for being too optimistic. They go on to say they missed a little noticed point: the Nation has made progress against drugs but not so much by aiming at crime but by bombarding kids with facts, some-

thing that really was evident very, very many years ago. They go on to talk about, of more than half of 9- to 12-year-olds who had taken part in an anti-drug program or class, 92 percent had seen or heard anti-drug commercials, thanks to the Partnership for a Drug-Free America. Growing numbers of 13- to 17-year-olds surveyed see drugs as scary; 74 percent see drugs as scary.

I can remember talking to kids after Len Bias died, and, really, you could feel the change in attitude when somebody as well known and well regarded as Len Bias died of a drug overdose.

It indicated: "Students: detrimental to school work or athletics," 67 percent understand that now. They think people who use drugs "act stupid and foolishly," 69 percent, a huge increase over just a few years ago. Most teens say doing crack even once or cocaine occasionally or marijuana regularly is harmful.

Then they go on, I think, to point out perhaps the most poignant part of this editorial: "So let the politicians squabble. With or without them, parents, teachers, and private ad campaigns are winning the key battle of the drug war."

We have a great deal to be thankful for with the DARE program, with drug-free schools, just say no clubs, the Partnership for a Drug-Free America, and so forth, that it really, I think, emphasizes at the base level how effective these can be in dealing with it.

While there is always the case where somebody doesn't get the message, clearly the young people in this country have gotten the message and they are becoming more and more outspoken about their position on this. It is a very exciting thing.

The President is right, we are winning this war, and we are winning it in the trenches, we are winning it in the schools, we are winning it in the minds of these kids. It is going to take a while to work its way through our society, but I think it is quite clear—and your report clearly points this out—that these kids, 74 percent who understand that drugs are bad for them, are not going to be using drugs when they get into college or when they get into the work force, and the chances are less that their kids are going to do that. We saw that with smoking. It is a long, difficult process, but we are making that progress, and I think you should be congratulated for that.

The interesting thing about it is, the number of high school seniors who use drugs, according to the survey—which is, I think, a well regarded survey that has a track record—cut in half the number of high school seniors who use drugs—cut in half in 10 years. That is progress by anybody's measure. I would suggest that the real heroes in this are down at that grass roots level, dealing on a day-to-day basis with it, and I appreciate that.

Let me ask you, somewhat along the lines of one of my colleague's questions, the best way that our committee can be helpful to you. This committee was structured really as a select committee drawing from the various standing committees, and it seems to me, as the chairman always points out, that is really our strength. We have appropriators here, we have people on Ways and Means, we have people on the Commerce Committee that deal with the health care issues and so forth. It seems to me that that is our strength, that we can take that message that you give us today. Where can we use those funds that the President requested? How can we best

do that? How can we best, from your perspective, really be helpful to you in carrying that message to our colleagues in the Congress?

Mr. MARTINEZ. I think in the areas that I have spoken to where we either don't have authorization or we are underfunded, which deals with this population group that has not done as well as the ones you just pointed out—and rightfully so—we need help. We need to get legislation passed not only in terms of the President's budget but also focused to deal with the problem that is out there, which is the hard-to-reach population in many of our inner cities. Whether they are pregnant women, they are minorities, it doesn't matter, they are the hard-to-reach population, and I think education, prevention, and treatment is what is needed in those populations.

We have a program through the community partnership grants which allows neighborhoods to organize themselves for education, prevention, on drug issues, working with community policing, being part of the system, and we think it is important that it get full funding. We are asking \$114 million this coming year. These are specific proposals dealing with populations that need added assistance.

I think in the areas of supply control the agencies are receiving further funding, as John reported, at least with FINCEN and money laundering. Every agency is moving forward with more sophistication. As you can tell, the interdiction numbers tend to be larger in terms of being able to literally go from the core group to the secondary to the retailers in the drug industry. So all those are moving well.

Where we have concern is where we don't have the legislation, whether it is the maintenance of efforts by States or it is a state-wide drug treatment plan for all the States, or the Capacity Expansion Program, the emergency grants, and community partnerships. Those are the areas we really need to hump it so that we can get the money where it is needed.

Mr. OXLEY. Thank you.

Thank you, Mr. Chairman.

Mr. RANGEL. Mrs. Lowey—before I go to Mrs. Lowey, is the gentleman from Ohio suggesting that the successes that have been shared with us by the administration are reflected in his Congressional district? I mean you referred to a newspaper article, but do you sense that the reduction in demand exists in your district as well? Is that reflected in your district?

Mr. OXLEY. Well, I can only give you from personal experience, and that is, I have the strong feeling that the educational message has gotten across to the people that it was aimed at.

Mr. RANGEL. Do you get the impression that the amount of young people—anybody using drugs has been reduced in your district?

Mr. OXLEY. Absolutely.

Mr. RANGEL. OK.

Mrs. Lowey.

Mrs. LOWEY. Thank you, Mr. Chairman.

Governor, as you know, I have been advocating the use of unneeded military bases being turned into prisons, boot camps, drug treatment centers. In fact, as far back as 1989 I joined with the

chairman in securing passage of an amendment that calls on the Defense Department to give top priority to reusing these facilities. However, we have seen very little in terms of results.

Therefore, in June 1991 I once again wrote to the Secretary asking for cooperation in this regard. We haven't seen one military base at any point since that time being directed at least to see some investigation that it could be converted.

I then joined with Representative Kaptur in this last session in drafting report language to accompany the defense appropriation measure to again direct you, with the Secretary of Health and Human Services and the Attorney General, to identify a list of at least 10 bases, and you wrote to Members of Congress, and I was glad to see that you were taking interest in this subject. However, it seemed to me that the main thrust of your letter was to give the States the authority and ask the States to identify the potential sites.

First of all, I would be interested in knowing what activities your office is engaged in, plans to engage in, to coordinate the activities of the different agencies involved in this reuse process. Second, do you have a plan for reuse of the military facilities? And what is your estimation at this point of the extent to which it is likely to succeed?

In asking you those questions, I just want to once again emphasize that in talking about this at dozens of community meetings in my district, when you talk to them about getting kids off the streets, getting them off drugs, getting them out of their communities, giving them the opportunity to get trained for a job in the old CCC techniques, there is tremendous, tremendous support, and certainly on the Federal level there is such a lack of prison space that I find it really hard to understand why this is just being delegated to the States, unless you are thinking about the NIMBY approach and you don't want to get involved in that politically.

So I would be interested in knowing what you are doing, what kind of coordination is going on, what kinds of plans, and how do you feel about this? And, if you think it is a good idea, why isn't anything happening?

Mr. MARTINEZ. In working with the Department of Defense, I think we identified 6,500 different possible locations, from which we then short-listed from the 6,500, notified each of the Governors. One of the things we just started to do, more recently, is that we are now beginning to meet with the Governors' drug directors, and we had them all in town this week as well.

We have four groups working at using bases at this time—that is, going through the process of being able to use bases.

Mrs. LOWEY. Four groups within your Department?

Mr. MARTINEZ. No, no—for treatment, getting treatment providers somewhere in the country to utilize the bases.

Mrs. LOWEY. OK.

Mr. MARTINEZ. We don't use bases directly ourselves, not being an operating agency, but try to match it wherever we can and encourage governmental units to participate.

So we have now four that are going through the process of using former military bases.

Mrs. LOWEY. Could you expand upon that? What do you mean, "going through the process"?

Mr. CARNES. Let me jump in here for a second, Mrs. Lowey. Of the 6,500 sites, HUD and HHS scrubbed that list to identify sites that would be useful for the purposes intended. Now why HUD? Because the first priority for all excess and underutilized military facilities is homeless; that is written into the statute, so that has to be the first, the first place. That list was then reduced, and it was published and sent to all the States, all the drug treatment officials in the States and, as you mentioned before, up here as well, because we also wanted to try to move this along. We were concerned there wasn't enough action on this; here are some facilities that people might want to use.

So as people started to look at what facilities were available, then they began to match them up with what their needs were. The problem is, either the facilities are not where the addicts are or there is something wrong with those facilities; that is to say, there could be some toxic contamination because they had been used for various kinds of purposes by the Defense Department. It could be that there are pieces on high security military installations that are not appropriate for certain kinds of abuses. In some cases, in addition, States have felt, "Well, look at how much renovation we would have to do; it's not worth the money to move out there and do that."

In any case, getting the match is where we are right now. We have four matches. We have two in Pennsylvania; there is a former NIKE base in Pittsburgh that is going to be used; I forget what the second one is in Pennsylvania. There is one in Louisiana that is going to come on line. Those in Pennsylvania are going to come on line this year. And there is going to be one in Florida, where they have indeed found that match.

Again, the effort now is to make these available. We have done that. We are trying to work with the States to get them to see how their needs meet the available facilities.

Mrs. LOWEY. Well, my time has expired, so just in closing, as in dealing with so many of our problems today, I think what we really need on the Federal level is some leadership, and if you really believe that this is an important use for these military bases, then I think we have to see some real leadership.

When parents want to spend—I'm not sure if it is \$10,000 now or more to get their youngsters off drugs, if they have the money, they send them to Minneapolis, MN, I believe—and the chairman could correct me—because there are some outstanding programs there, even if they are coming from New York. So I am not sure that geography—you mentioned that if the addicts are in one place they have to be sent to another place. I'm not sure that they should limit us, but I ask you again if you could show us some real leadership on this, because to let those facilities just stay without any use at all when we have such desperate need seems terribly unfortunate to me.

Mr. RANGEL. Mr. Payne of New Jersey.

Mr. PAYNE. Thank you, Mr. Chairman.

I would just like to ask the Czar about the whole question of the Weed and Seed Program. I know when it started—and I see that

there is a request for \$491 million more—there was a heavy emphasis on the weed part. You know, Weed and Seed is a program where you weed out the criminals and then you seed in the good things. But the programs that began certainly dealt more with the law enforcement aspect and not so much the seed part.

But, more importantly, I tend to get a little confused here when I look at the strategy that was released where it talks about, "Some critics insist that until root causes of drug use have been addressed, the war on drugs cannot be won."

On the one hand, there are statements saying, for example, that the administration's approach to eliminate joblessness, drugs, crime, and other causes of hopelessness, and barriers will have to be done in order for us to win the war. That was from the overall strategy. But then I look at some of your statements where you say that we don't have to win the war on poverty, racism, poor health, high dropout rates, and so forth, that we cannot wait, that this is secondary and we have got to do some other things.

So I'm kind of confused, on the one hand, where there is an acknowledgment from your program on the strategy, from the national drug control strategy, saying that these things certainly must be addressed, but then on the other hand you are saying that these things are not necessarily primary and that we have got to do other things.

So what is the policy? Or what is your thinking? Or why are these documents so conflicting when they both come out of your office?

Mr. MARTINEZ. Congressman, it is my view, and I think it is the office's view, that we can work directly with individuals, regardless of income, to deal with the problem that afflicts someone if they, in fact, begin to use drugs, and I think the overwhelming majority of Americans, regardless of economic status, don't use drugs; whatever race or ethnic background, they don't; and some of them who are very poor do not use, do not sell; they have accepted that; that is the way they are. So I think you can work with people directly, regardless of circumstances, to deal with that subject.

We recognize, however, that there are opportunities that need to be fostered, and we acknowledge that. But to wait for the perfect neighborhood where everyone has high income, everyone has everything right, we won't deal with the issue if we wait for that moment.

I have been in and around, either publicly or privately, government for a long time in my own community of Tampa, FL, and I have seen model cities come and go; I have seen urban renewal come and go; I have seen the war on poverty come and go. If we had waited for all those to have worked and not dealt with the drug issue, we would have one heck of a lot more people addicted.

So what we are saying is, we have got to march on with programs that deal with the drug issue. All these other programs will certainly help, but we can't wait for all those to work some time in the future.

The Weed and Seed—of the half billion that has been recommended, about \$30 million is weed; about \$470 million—these are round figures—will be seed. So we think it will be a good infusion of emphasis and concentration on the seed side, and we hope that

by being able to go in there and clear an area, make it safer, and then have these other resources come in, be it education or whatever it may be, that it will have a telling impact, and we strongly support that as well.

Mr. PAYNE. In the first \$9 million for Weed and Seed on those few demonstration programs, one was in Trenton—one was in New Jersey, and one was out on the west coast somewhere—what percentage—what was the breakdown? I don't recall it being such a breakdown; I think it was more heavily on the weed part, wasn't it?

Mr. CARNES. That was a \$9 million initial sort of demonstration project that was undertaken first in 1991—1990 and then in 1991. In 1991, there was \$9 million, again in 1992, one project in Philadelphia that year, one in Kansas. That Weed and Seed project—I will have to go back into the files and pull out the split on all the various activities. It is funded out of the Bureau of Justice assistance, and it is not principally—at least it is not totally law enforcement. We have actually visited those programs, and they work in connection with other programs going on in those cities, and there is a very central part of these programs that is prevention related and reinforcement with community leaders with young people in trouble.

Mr. PAYNE. Right. That is very good, and I would hope that we would have that emphasis, because, as I indicated initially, the difference between the two strategies—and let me just clarify that the information that I talk about, saying that there needs to be a war on the poverty and the joblessness and hopelessness and all that, I attributed it to your office, Mr. Martinez, but it wasn't, it came out of the Budget Committee of the President.

So if the Budget Committee has one philosophy—and I agree, we can't wait, but I think that the vision has to be that we have got to deal with these programs, and I see that evidently that is going to happen with the new concept of the Weed and Seed. But I would hope that you might review that Budget Committee statement and just see how you can draw these two together so that we have one—

Mr. CARNES. Mr. Payne, could I respond to that for one second?

Mr. PAYNE. Yes.

Mr. CARNES. The contradiction is apparent, not real. The truth of the matter is that what we are saying in the strategy is that if you look around, the vast bulk of Americans, regardless of personal circumstance, do not use drugs, and we make the assertion, essentially a philosophical assertion, that poverty does not cause drug use. Most poor people don't use drugs. Being a single parent doesn't cause drug use. At the same time, however, we are prepared to acknowledge that these kinds of conditions can make life very tough for people and make the resistance to drug use that much tougher.

What we are trying to do in the Weed and Seed Program, without saying, yes, anybody who uses drugs, it is caused by something else, and we have got to fix that, what we are trying to say is, look, let's stipulate that for whatever reason people use drugs, we need to try to help improve the circumstances in their communities to help reinforce the message not to use drugs.

Mr. RANGEL. Would the gentleman yield?

Mr. PAYNE. Yes.

Mr. RANGEL. I don't think anyone can contradict anything that you have said. I mean the fact that drug use is not caused by poverty, we don't really need to say that; everyone knows that; it is not caused by unemployment or racism. The overwhelming number of people resist the temptation. But when you find it necessary to have a headline—you know, "Martinez: Ending Poverty Not Key To Winning the Drug War," and none of us hopes that we live long enough that poverty is going to be eliminated—but it interpreted as a very mean-spirited statement that we just don't have time to deal with those other problems, and that is not what you are saying. As a matter of fact, that is not what Weed and Seed is.

We do hope that, working together—what we are saying is, give someone a little more hope so that when you tell him, "Just say no," he can see something positive in saying no, because I challenge any of you to walk with me with some of the homeless, and we are not going to tell them to say no because it is too late. We are not giving them enough for them to have an option.

So it is language, and I think that whoever writes this Alcoholism and Drug Abuse Weekly is not being fair to the intent of your statement.

I thank the gentleman for yielding.

Mr. PAYNE. Just one final thing. There is a lot of very interesting and useful information that has been gathered by a private initiative under the Robert Wood Johnson Foundation in the 13 targeted cities. The reason that I am so interested in it is that Newark, NJ, was one of those targeted cities. That is my town, and we have a very serious problem with drugs, violence, homelessness, poverty, and all the other urban plights.

I think there is a tremendous amount of information that your Bureau could use, but, by the same token, at least for Newark, since I think we were probably one of the top proposals put in, I would like to work really closely to see whether Weed and Seed or some special effort—and perhaps we could even make that a demonstration project with the private funds, the \$3 million from the Robert Wood Johnson Foundation, and we are getting other private dollars from the Amelia Foundation; Ray Chambers, from our area, who has put a lot of funds into the READY program that takes these young kids from the drug areas and puts them in a special education program through the boys and girls clubs—a lot of collaboration.

But I would like to have someone on your staff, if we could really make a big demonstration program. I am talking about, you know, a few hundred thousand people, to see what really works as a prototype since we do have the infusion and the cooperation from the private side, the community side, the educators, and if we can get the Federal program, perhaps we might be able to come up with a winning strategy. So I would be anxious to work with you through the chairman.

Mr. MARTINEZ. We will be delighted to have staff work with you, sir.

Mr. PAYNE. Thank you.

Mr. RANGEL. And if you decide to do it, we would be prepared to have hearings at the appropriate time to show what advancement,

what setbacks, or what new direction we would go in so that there would be some kind of a model there. So I am willing to work with you on a bipartisan basis.

Mr. de Lugo, we might have one in the Virgin Islands too. We would visit more often in the winter.

Mr. DE LUGO. Mr. Chairman, we would love to have you. The more attention we receive on this matter in my community, would be appreciated, because as I listened to the remarks of my friend from Ohio I could only envy him. The drug problem in my community is not getting better, it is getting worse.

I agree with you wholeheartedly, Governor, on the importance of education, prevention, and treatment. As I have followed this—and I have seen the success of law enforcement and interdiction, which was so successful in your area—that's not enough, because all they do is move to another area.

In the report on the National Drug Control Strategy, it is pointed out that the success the program has had in the Bahamas and south Florida has proven effective, and now air and marine smuggling has simply shifted from there down to my area, the Virgin Islands and Puerto Rico. Those are the drugs coming through from South America.

In my community where, 8 years ago, we had no drug problem, today we have a terrible problem, primarily among the young kids. Also, if you want to see something which shocked me, \$3 million worth of cocaine was seized bound for the Virgin Islands. This was a cooperative effort. It originated with our local law enforcement agents in the Virgin Islands, who worked with the Federal authorities, and—get this—the police authorities in New Mexico. The drugs were not coming from Latin America, this was cocaine coming from the mainland down into my community.

I see what is happening in my community, and it is not unique to my community. I can walk into the community of any Member here and go into the schools, and the drug problem is only a question of degree. But I will tell you what is happening in the housing projects, in poor areas, and we know this. These kids are told, "If you want to be somebody, put on the gold chains. If you want to have girl friends and be a power in this community, put on gold chains. You had better go this way, and you will end up with a BMW by the time you are 12 years old."

Do you think I'm kidding? Who do you think they are using to move these drugs in the communities today? They are using kids who are 7, 8, 9, 10 years old.

So my question to you, Governor, is this. I am convinced we need to have law enforcement, yes, but law enforcement will not win it. What can win this is education, prevention, treatment, and recovery. My question is: What percentage of the effort in manpower, in all of the resources, what percentage is going into law enforcement, and what percentage is going into education and treatment?

Mr. MARTINEZ. Starting with your last question, we have about 32 percent of the \$12.7 billion that goes into education, treatment, and prevention. The Department of Education has some \$700 million. We are asking specifically within the education budget a doubling of emergency grants which go to targeted populations that have a disproportionate amount of problems, and we think this

would be very helpful to deal with the subject of which you just spoke. So we are interested in that; we are concerned with that.

We recognize that drug use and drug prevention programs are not necessarily uniformly equal in terms of successes on a national basis. I guess if you are in the middle of the forest you won't see the last tree as that forest declines in size. I think that is what is happening with drug use, that there was a much larger forest, and if you are in the heartland of it, as it declines, you are going to be the last one to know that it is getting smaller. We have pockets like that all over the country. We are not here to say otherwise, but we are saying that there is a better condition out there overall nationwide in terms of young people specifically stepping away from the use of drugs.

In the area of movement of drugs, there is no question that I think there is a growing success of law enforcement agencies working together to monitor, to take action, and there has been a lot of dislocation of routes. That is, as an area no longer is a main port of entry, it shifts to other areas, and we are working on regionalization to deal with the problem instead of simply on a country-by-country basis.

The upcoming summit in all likelihood will address regionalization concepts as well in terms of how we can deal with the moving pattern of those who traffic in drugs, and there is no question, because of activities in certain countries, that they have caused dislocation. There is no question, in the Caribbean and the Atlantic, because of many years of emphasis there by the Federal Government, that it caused dislocation to other parts of the United States. So all of these have to be altered, and staff and assets put in place where the new movement is. I think perhaps John here may want to answer a little more on that movement.

Mr. WALTERS. Yes. I take your point about being alarmed about cocaine coming from New Mexico, but in one sense—and I recognize there are still air drops going on in your vicinity, and it flows through the Virgin Islands, but the fact that somebody felt they had to import from New Mexico I think does show in a certain way a kind of progress, because no one had to import from the mainland for a long time.

For a long time, the Virgin Islands was on the other side of the lines in terms of trying to interdict drugs, and there is now more and more difficulty that traffickers are having in the Caribbean. The Caribbean as a whole now is becoming a success story, and, as you know, we are trying to attack the cocaine flow problem the way the military used to try to take bridges. We are trying to go from both sides, down in the source countries and in the United States, and we are pushing toward the center to squeeze them. The fact that we are able to do that in the Virgin Islands, I think, is an important step forward I think if we can stop making places like the Virgin Islands a river through which the cocaine flows, you have a better chance of keeping young people there from being involved.

Mr. DE LUGO. That is a very good point.

Let me ask one final question very briefly. With regards to the ship rider agreement, there exist some problems with the Caribbean basin countries. I understand that the U.S. Coast Guard would

have to have an arresting officer on board from one of these foreign countries if we went into foreign waters to make the arrest, and if we went into, let's say, Guadalupe, the problem was that Guadalupe could not give the authority to the arresting officer to go on board, they had to get the OK from France. Has that been cleared up?

Mr. WALTERS. I will have to answer that for the record. There have been some difficulties. We are working on agreements. We are trying to expand, as you know, the operation referred to as OPBAT which involves the Bahamas, Turks, and Caicos, where we have joint personnel operating on the interdiction force so that, no matter where they land, United States or in foreign territory, we can create a viable apprehension and prosecution. We are trying to expand that in a number of these areas. I don't know the current status; I will have to supply that for the record.

Mr. DE LUGO. Thank you.

Mr. Walters' response below was added subsequent to the hearing.

Under shiprider agreements, a law enforcement officer of one nation embarks on the other nation's patrol vessel, and is empowered to authorize its entry into the territorial sea of the shiprider's nation. Each agreement addresses maritime law enforcement cooperation in a particular geographic region, and recognizes each country's sovereignty. These agreements offer an opportunity to increase cooperation between the participants, and deny the traffickers the use of territorial seas for transit or safe havens.

The USG currently has in place shiprider programs in the British Virgin Islands and The Commonwealth of the Bahamas, and is negotiating one with Belize. Agreements are being sought with other Caribbean and Latin American nations where cooperation would benefit interdiction efforts, although the USG is not negotiating one presently for operations in the territorial seas around Guadeloupe. If such an agreement were negotiated, the matter of the appropriate government entity, whether in Guadeloupe or France, to authorize embarkation would be part of the agreement.

Mr. DE LUGO. Thank you, Mr. Chairman.

Mr. RANGEL. Governor, is the time and place set for the Cartagena II summit?

Mr. MARTINEZ. Yes, sir. February 26 and 27, in San Antonio, TX.

Mr. RANGEL. Thank you.

Will you be attending?

Mr. MARTINEZ. Yes, sir.

Mr. RANGEL. Mr. Paxon.

Mr. PAXON. Thank you, Mr. Chairman.

Governor, I would like to start by commending you and your staff and the administration and the President particularly for what I believe is a comprehensive, continuing effort to reduce the supply and the demand for drugs in this country. As a member of this committee for just 4 years—going on 4 years now—I have seen dramatic progress in my community, thanks in great part to the work of the President and the administration both under Mr. Bennett and now under you, Governor, and I just hope that we can continue these efforts in the coming years, because in our community in western New York State the efforts have resulted in progress.

As some of my colleagues have pointed out, we have seen not only change in numbers, and we can cite the number of current drug usage, adolescent usage, cocaine reductions, marijuana, what-

have-you, but more important to me for the long run is the change in attitudes, and that has been in some cases the toughest change but the one that shows the most progress for the long term, because we are making certain that the coming generations in this country understand the dangers of drugs and are willing to make the tough choices, particularly in schools today, the peer pressures in communities, to stand up against drug usage.

Governor, I also have to say something else, and that is, don't feel too bad about some of the reception you get some places on Capitol Hill, on the other side of the Hill or here, because for the past 4 years that I have been on this committee I have heard those same criticisms.

First, it was there wasn't enough money. We heard that for a long time. Now there is money being provided. Now they say, "Well, it isn't the question of money; are we getting results?" The results are there, and they show the progress.

Again, I am not so concerned in reviewing your calendar, whom you meet with, how often you meet with them, whom you have the chance to interact with at lunch or dinner. Governor, I want to know, are the results there? And, as far as I'm concerned, from what I have seen, progress is being made. We will never win the war on drugs; it won't be over until every single American refuses to use drugs, and that will never occur. What we do have to do is continue and intensify our efforts.

Again, in my view, we can't sit here and carp. Congress has to be part of the solution, and I'm hoping that you will continue to provide the leadership, and the President will, in leading this country, as you have done, and I'm proud of the kind of leadership we have seen from the administration.

There is one area where Congress has failed, Governor, and it is one that you don't have control over, but I hope you will be able to respond to part of this issue, and that is the issue of drug testing. We have tried, and tried, and tried again, some of us, to have instituted the ability to use our congressional budgets to provide drug testing in the workplace. When I have held drug town meetings in high schools across my district, the first question most students ask is: "Congressman, how do we know that you and your staff and the people in leadership positions aren't using drugs?" And I have a simple answer. In our office we have a drug testing program, and I have to pay for it myself. It applies to me and my staff. Unfortunately, Congress refuses—this Congress has refused to provide that funding so other offices can provide that testing.

But 66 percent of the estimated 13 million current drug users in this country, as you know, are employed. Accordingly, your strategy has consistently stressed the need for every employer to implement a comprehensive drug-free workplace program including, where advisable and appropriate, drug testing. Could you just touch on how we as a nation are progressing along these lines in terms of drug testing and drug-free workplace programs?

Mr. MARTINEZ. There has been a marked increase in the number of workplaces that have a drug-free workplace concept, which in many cases does include drug testing, but certainly in every case it has education, it has prevention, and most of them have what they

call Employer Assistance Programs, which is part of the treatment and counseling portion of it. We believe it is an effective tool.

I think when you think back, there are only a handful of places that people congregate out of necessity. Under age 16, the bulk of the students show up in school because most States have required attendance. So this is certainly a place where you reach young people on a day-in and day-out basis. Once they are out of the school system, the next place is the workplace. That is where people show up on a daily basis.

In the case of kids, there is the grade at stake, to be there. In the case of the workplace, there is the paycheck. Therefore, they are two good places to communicate information on any issue but certainly on drugs as a key element. Therefore, I do believe that it has a positive impact to have a drug-free workplace system. Certainly the Federal Government has one, and I think it is effective. Therefore, I would encourage that companies that have not thought about doing it do so.

Mr. PAXON. Thank you.

Mr. RANGEL. The Chair would like to recognize the gentleman from New York, Mr. Gilman, but before I do, I would like to thank Mr. Paxon for his contribution to this debate. I agree with the Governor that one sees the forest based on their position in that forest, and I would like to remind the gentleman that this committee visited his district on the Canadian border based on his assertion that there were dramatic increases in drug trafficking. So we do have different signals coming from that part of our great State of New York.

Mr. PAXON. Mr. Chairman, there is absolutely no question that there are different problems in different parts of the country. As we have increased interdiction efforts along our southern border, as became very clear at that meeting, other parts of the country have seen an increase in trafficking.

Mr. RANGEL. And that has been your district.

Mr. PAXON. Certainly. Absolutely, Mr. Chairman. Again, we have a problem in America with drugs. Hopefully by reducing problems in some parts of the country we will see it overall, but the movement continues, and we will continue to work, with the help of the administration, in addressing those problems.

Mr. RANGEL. I knew that your assertions were correct when we went there.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman, and I want to welcome you, Governor, Mr. Walters, and Mr. Carnes, for once again appearing before the committee and for evolving another drug strategy. There is some good in it, some deficiencies that I see, and I am pleased to have the opportunity to make comments on it. But we do commend you for the efforts that you are making in trying to evolve a more effective national strategy. We can't do enough in that direction.

I am hoping that you have a good working team going at the top level and that we don't need treaties to get one agency working with another. We have seen enough of that turf battle in the past. Has that become a little smoother under your direction? Are they

working all together? Do you meet quite frequently now with the working team at the top?

Mr. MARTINEZ. Generally speaking, day in and day out, it does work well. There are occasions where I do meet with agency heads over some difference of opinion. I think that is the role that our office plays, whether it is in the budgetary process where we may not think enough money might have been requested for a particular program, and we get involved with that as well. But generally speaking, that has been the case. I thought in our own office we probably had too many committees, and we streamlined that to a much lower number but with better attendance and participation since there are fewer to attend.

Mr. GILMAN. How often do you bring together the heads of various agencies to try to keep a good coordinated effort? I am not talking about your own internal effort but with all the agencies involved.

Mr. MARTINEZ. I normally deal with Cabinet members on a one-to-one basis unless there is a conflict between the two agencies.

Mr. GILMAN. So there is really no working session of all of the top people who work on drugs? Is that what you are saying?

Mr. MARTINEZ. No. No. You know they all have assistant secretaries or DEA directors or whomever, and these are the operating personnel that John, or I, or Bruce works with. Now, if there is an issue with an agency, whether it is Secretary Sullivan or Secretary Alexander or whomever, then, obviously, we meet on that issue.

Mr. GILMAN. I would hope that you are bringing them all together on occasion and do a little something on a common strategy. I think that that could be beneficial.

But let me get into some other areas. First of all, I want to commend you for the additional resources that are put into all of this. We have tripled our effort since the late 1980's, and now we are into the early 1990's, I think we are up to \$11.5 billion. And I welcome your giving a lot more attention to education, but I hope that in doing so you are not decreasing the effort out there with regard to decreasing the supply side of all of this. I don't think we do enough in interdiction. I don't think we do enough in eradication. And I don't think we do enough in helping our local police agencies who are out there on the battleline. I think when we did away with LEAA and took away the opportunity for local agencies to get some assistance of hardware we did a great deal of harm to their effort. I continually hear from our police agencies, "You want us to do battle on the frontline, give us the wherewithal to do it." State budgets have cut back, local budgets have cut back, and there is very little out there in the Federal resources to assist local police efforts, and I would hope that you might address that in the future. They need help. They want to do the job. They are limited because they don't have the wherewithal to do it.

You might want to comment on that.

Mr. MARTINEZ. Well, as you know, the Organized Crime Drug Enforcement Task Force, which is one of the instruments used to coordinate Federal, State, and local governments, has been in place and this has been, in my view, a big boon to law-enforcement agencies that are not Federal, by virtue of being able to share informa-

tion, share resources and work together to deal with the issue of not only drugs, but crime as well.

And also, in the President's budget 28 percent of that \$12.7 billion that he is recommending is transfer payments to State and local governments.

Mr. GILMAN. But that doesn't trickle down very far to local police efforts, unfortunately. Somewhere along the line that doesn't get down to the local police efforts, and that is what I think the Governors' Conference and the Mayors' Conference also emphasized recently. A lot of those funds are bottled up in administrative costs and they are not getting to where they should go.

Again, I would hope you would take a look at all of that. Local police agencies are demanding more and more some attention to this effort, and they need help in that direction.

Did you want to comment on that?

Mr. CARNES. Yes, sir. Mr. Gilman, I think we had heard some of those same complaints, actually, a year or so ago, and I think in large part that was due to the fact that we ramped that program—there is a State and local law-enforcement grant program that under this administration has tripled to almost \$500 million. It goes to States and localities. That funding ramped up so fast that the States were not, I don't think, actually completely ready to get that much money. Now, I think in the course of the last year to 18 months States have realized that this administration is going to stay with this level of funding for that program. That they are now able to understand how the program is going to work, they know it is stable, it is not going to be yanked out from under them, and I am hoping that things are going to get a lot smoother.

Mr. GILMAN. I hope so. And I hope you would take a look at what local police agencies are telling us in this committee, the needs they have.

Now, this committee just recently returned from Latin America, as you know. We met with the Bolivian—

Mr. RANGEL. If the gentleman would yield on that point, Mr. Smith has to leave and I assured him that he would have an opportunity to question the witness. We will have plenty of time for a second round, and I would be glad to recognize you.

Mr. GILMAN. Well, just one last question.

We found in meeting with some of our Caribbean and Latin American people that they too are lacking attention to some very basic needs. For example, the defense people in Trinidad said they are 7 miles away from Venezuela and that there is a great deal of trafficking. They have been looking for some light plane with radar on it. A very expensive request. Instead of going out at night and sitting there waiting for a boat to bump into them before they can do anything, they would like to see what is going out in that stretch of water to be able to interdict.

Suriname—we met with the President just yesterday and we were down in Suriname a few weeks ago. They tell us they have a major problem. We recognize they have a major trafficking problem. I think we have a minimum, a paltry sum of about \$10,000 allocated for their effort.

These are areas I think you should be taking a look at to make certain that where there are troubled areas that we are not being

unduly miserly in the kind of assistance we provide to these nations.

Thank you. I am sorry my time has run. I do have a number of other questions, Mr. Chairman.

Mr. RANGEL. We will get back to you.

Mr. Smith.

Mr. SMITH. I appreciate the opportunity.

For nearly 7 years on Foreign Affairs, I was the chair of the International Narcotics Task Force and Ben Gilman was the co-chair. I have heard a lot of things in this room today, people taking credit for things that came out of this Congress. And I am glad Mr. Paxon came back. Although I appreciate the administration's moving forward on an issue which was dead in the water for many years, until some of us started churning the water, long before Governor Martinez ever arrived on the scene. It has nothing to do with him.

I can assure you that what bothers me in this whole process is that it is the Congress that started to increase these funds significantly. We started the State and local grant program that you just mentioned. That is something that Congress had a hand in forming and shaping. Under this Congress' lead, Ben and I tripled the funding for I & M in the last 5 years, from \$50 to \$151 million last year.

So it isn't just the administration doing this work. There has been a tremendous amount of involvement and leadership from Members of Congress who have been, frankly, disappointed that there was not so much leadership as we expected in past administrations.

Be that as it may, I would like to get to where we are today vis-a-vis your budget. You have, on the international level, about \$480 million in military, law enforcement, and economic assistance for the Andean countries. This is a drop of about \$18 million from last year. We know currently Bolivia is not meeting its targets, which is about the 10th year in a row in my institutional memory. I think Ben will back me up. Tenth year in a row Bolivia has not met its targets in terms of eradication under written agreements that we have renegotiated in order to make it look better for them because they never met their targets.

Peru is almost a total loss at the current moment. Almost no program is going forward, and their head of narcotics programs resigned last week. Herrera I think is his name.

Mr. MARTINEZ. Pizzaro.

Mr. SMITH. The Cali cartel has picked up from the Medellin cartel, so that there has been no interruption at all in the production and the trafficking from Colombia. Overall use in this country is not down, it is up. While the number of users has contracted, and we are all grateful that the number of people using drugs is down, but the amount of drugs is up. Interdiction is up, which means, since we only catch 15 percent or maybe 20 percent, that more is coming.

Does this mean, with your reduction of the money that you are budgeting and asking for, that you now agree that this is more of a lost cause in that region? Are you throwing up your hands because you are reducing the budget?

I mean, this is a problem. I can tell you that the disappointment that many of us have in our Latin and Andean policy, or in the results, is incredibly high. The results have been terrible. We all agree the Colombians have done an unbelievable thing in attempting to fight the traffickers in their country, but it hasn't succeeded all that much. The Peruvians have gone from trying at some point to doing nothing, and the Bolivians are slipping backwards once again. I mean this is a problem for us.

I agree with what Ben Gilman just talked about. Supply side to me is very important, as well as the education and treatment. Very important. But you cannot look down your nose at the supply and demand reduction but also the growth reduction.

You have asked for less money, and then you have asked for less money for the Customs Service, which is on the interdiction end, and you have asked for an increase in the Coast Guard which is about one-third of the inflation rate, in essence, giving them no additional assets.

I don't understand where your priorities are now. If you are going from one to the other, you are cutting on both sides, and I don't see where that is an effective strategy.

So I would like to know, first, what is your assessment of our Andean policy overall, since you have indicated you are cutting your budget request, and we know that there has been a tremendous backward retrenchment in those countries; and, second, why reduce the Customs Service, which has been very effective, and why give the Coast Guard less than it needs even for inflation by one-third?

Mr. MARTINEZ. Let me give an overview here and then we have two people here that can get down to the details. In the case of Customs, their S & E—their salaries and expenses—went up by, is it 8.1 percent?

Mr. CARNES. In addition, Customs' operations and maintenance account increased by 8.3 percent when considering fiscal year 1992 nonrecurring expenses.

Mr. MARTINEZ. So it has to do with asset acquisition, not the operations of Customs. So they will have their growth money and cover inflation at the same time.

The part dealing with reduction, I believe it was a \$30 million amount, which is related to Bolivia, which predated the Andean strategy—is that correct, John?

Mr. WALTERS. Yes.

Mr. MARTINEZ. And you may want to elaborate on that one.

Mr. SMITH. It is the last tranche of that money?

Mr. WALTERS. No. What happened was, before the Andean strategy plan was announced there was a \$30 million base program of aid in Bolivia. That part of the program competes with other priorities throughout the region, and you all know, and you have traveled to the entire Latin American area on various trips, how far we have to stretch that money to help countries that are in need, struggling democracies, places that are hit not only by drugs but by all of the other problems the Third World is hit with. And that money has been reduced in Bolivia partly as a result of the additional \$100 million they receive under the Andean strategy for economic assistance.

It is true that in some ways there is a loss of funds. When you are a Bolivian, you are losing \$30 million. But the fact of the matter is that the Andean strategy portion has been maintained, but the competition over the \$30 million, that was a base program in Peru, has been such that we have made a decision, the administration has made a decision to move some of that money elsewhere.

But I want to go back to the broader point you make because I think I have an opinion that is 180 degrees with yours. We are concerned that the Bolivians have not hit the eradication targets. We have been pretty tough on them. I think if you visited the Embassy and talked to the United States team working in La Paz with the Bolivians you would see as you were briefed—how tough we have been about the necessity of hitting those eradication targets.

But eradication is not the only thing going on, and you should also have been briefed about the continued and expanded efforts by the Bolivians to go after one trafficking organization after another in a systematic and comprehensive way and put them out of business in a way that has not been done in any nation in this hemisphere with that kind of frequency given the magnitude of the problem they face, and I include the United States in that.

I believe that you will see, when you see not only last year's INCSR but this year's INCSR, that despite the problems in hitting the eradication targets there has been a net reduction in cultivation of coca in Bolivia.

Second, in Peru—yes, Peru is a problem and the programs haven't produced yet—but the problem is we also haven't released the money for the programs until this fall. And as some of you on this committee know, there were added conditions to those moneys that we accept, and we will follow through on. But the Peruvian program can't be expected to produce results before we put the money in the country.

And one of the reasons we have taken so long is not only to comply with requirements that have been placed in the law, but because we wanted to negotiate with civilian governments to maintain control and appropriate focus there. They had a presidential election, and they have had hyperinflation. They have had a cholera epidemic, and they have the most violent insurgency in this hemisphere operating there. They are up to their waist in alligators and they are trying to get their way out of it.

In addition to that, the Peruvians have joined with us, the Ecuadorians and the Colombians in conducting an unprecedented air interdiction campaign, which, if you were in La Paz or in Colombia or at SOUTHCOM you heard about, that has reduced and interdicted the aircraft trafficking crucial to moving coca products out of that region for cultivation and processing in Colombia.

Last, on the Colombia issue, I think you cannot say enough about what the Colombians have achieved. They faced the most powerful criminal organizations maybe the world has ever seen. They decided they couldn't take them both on simultaneously. President Barco put his first effort on the Medellin cartel, it was the biggest, most dangerous threat. There is no question, you ask anybody, the magnitude of the operations of the Medellin cartel have shrunk substantially. Every single kingpin that existed in 1989, in September, when they declared war on the government and assassinated a

presidential candidate, is either dead or behind bars. And Colombia is rebuilding their judicial system that had their Supreme Court virtually destroyed.

They have now turned to the Cali cartel and they have hit downtown Cali, and they have worked with us to coordinate an effort in New York to go after the same cells in this country as they have penetrated, and we are now attacking the Cali cartel. They still have work to do on the Medellin infrastructure. They admit that, and they will continue it. They lost over 470 police officers last year in the line of duty. They are paying with blood. They are paying with treasure. And they have been consistently helping us.

And from the interdiction figures for next year, which we are finally completing, out of an estimated production of about 970 metric tons we estimate, and we will have to refine these numbers, that over 400 metric tons were interdicted with the help of our allies and our own forces before they ever got to the streets of the United States. That is not 10 percent, that is not 15 percent, that is improvement and progress. This strategy has been a success and we hope to work with Congress and this committee to maintain that support, not only at the summit, but in funding and the support and the provisions to make these programs more workable that we have been discussing with you, Congressman, over the years.

Mr. SMITH. Mr. Chairman, I certainly appreciate that very efficient rundown of where the successes have been. We don't deny there were, and I pay tribute to the Colombians when I talk in my opening statement about what they have done. But the bottom line is 970 metric tons is up from what the production used to be. That is No. 1. You cannot cite the one side without citing the other.

No. 2, Peru has been funded significantly year after year after year. Telling me now that we held up money for a few months, therefore you can't expect any success, that is nonsense. We had money flowing into that country for years on a large basis. You can't tell me that when they shut down it was because we stopped pumping any money in there. Mr. Fujimori was elected well over a year ago. This has been a problem for us. You ought to admit it. You ought to come clean with the American people. We have some problems there.

Mr. WALTERS. I admitted the circumstances. I didn't blame Congress for Peru. I tried to go through the circumstances in Peru that have been a problem in starting the program. But you can't say the results haven't been there and we have put in all the money, because the money hasn't flowed yet.

Mr. SMITH. Well, I disagree. You can say the results haven't been there. The American people were entitled to better results and more of an attempt by this administration, and the Government in general, to put pressure on them to pony up, to belly up, to do whatever it takes.

The Colombians have tried. The problem was of such magnitude it is going to take a long time. We all bemoan the people that they have lost. But to start talking about this as being some huge success, frankly, does not give the American people the accurate understanding of what actually is occurring.

Mr. WALTERS. I disagree entirely. Look at the numbers.

Mr. SMITH. Then we disagree. But when the INCSR report comes out, and I sat on it like Ben did for years, year after year after year when we were pumping more and more money into there, as the Chairman knows, and the figures for production went up, went up, went up, went up; hectares planted went up, went up, went up—you can't tell me that this is a success story.

Mr. WALTERS. Last year, there was a 10-percent reduction in the surface area cultivated.

Mr. SMITH. Do you know—

Mr. WALTERS. The reason production went up is because of the age of the plants.

Mr. SMITH. Let me make one equation, Mr. Chairman. Just one equation and I am finished.

The amount of additional increases in funding for the Latin American program, including in places like giving more money to the Bureau of International Narcotics Matters, was directly in proportion to the increase in the number of hectares planted and the increase in production of cocaine. Not inverse, but perverse. It was in direct proportion to the increases. As we increase the money to this program, the number of hectares grown and the number of production tons went up. Now that to me is not a success.

Thank you, Mr. Chairman.

Mr. WALTERS. The number of hectares went down last year. It will continue to go down. The reason net production has been up is because it takes 3 years for the plants, once they are planted, to reach maximum production. You know that because you know the INCSR.

The harvesting rate has not changed. They farm the same number of crops they always did. The only difference is that potential production is up because of the age of the plants, and that is 3 years ago those plants were planted when there was a boom. There is a contraction in the market.

You were there. You were in Bolivia. You heard the numbers. Despite the failure to reach the eradication targets, which we will push, production is down. Interdiction is up, and the amount of cocaine reaching the United States is substantially less. Those are the numbers.

Mr. SMITH. How do you measure that?

Mr. WALTERS. We measure it by the estimates of crop yield and production, the accounts of what is seized between a route from the production sites and within Latin America and on its way to the United States. Those have been produced regularly every year.

The news is now good, and now we don't want to talk about the numbers. But we produced the numbers and we need to make sure the American people know—do a better job of understanding them and hearing them.

Mr. SMITH. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Andrews.

Mr. ANDREWS. Thank you, Mr. Chairman. Governor, I want to ask you a little more about the education side of this. I take it as an assumption that the falloff in casual drug use has been somehow intimately connected with the educational efforts that have been going on, and for that I commend you and all those involved, and thank you.

On page 7 of the "Executive Summary" you indicate that this year you will be asking for \$656.9 million for educational prevention programs. What is the breakdown there between—within that \$656 million of moneys going to school districts and entities out in the country versus money actually being spent by Federal departments?

Mr. CARNES. One second, Congressman, I will have that split for you.

The amount going out to the local education agencies in the Drug Free Schools portion is \$654 million. That is prevention. And that is split four ways, there are four programs within that, and that is also in the Strategy. Page 30 of the National Drug Control Strategy budget summary gives that detailed breakout.

There is also money through rehabilitation services that goes out to service providers. Approximately \$94 million there.

Mr. ANDREWS. What are the criteria for allocating that \$654 million? Is it a competitive application process?

Mr. CARNES. Part of it is a competitive discretionary grant program. Part of it, by far the vast majority of it, over \$500 million of it is formula driven, based on population, by LEA within a State.

Mr. ANDREWS. Do you know the aggregate total of requests from competitors for that competitive portion? In other words, if you had met all the requests in the competitive proposals, how much more would you have spent?

Mr. CARNES. I think we could spend actually—you will have to let me correct this for the record, but my guess is from what I last heard we could probably spend two to three times—we have applications requesting two to three times the dollars that are available.

Mr. ANDREWS. So, if you were to meet every request, you would be somewhere in the neighborhood of \$1.5 billion?

Mr. CARNES. No. No. No. You are talking about the discretionary part and I am only talking about the discretionary. The discretionary piece that we are talking about is in this current year \$25 million. We asked for \$50 million, we got \$25 million. We are asking for \$60 million next year.

Mr. ANDREWS. How much of the need do you think the formula-driven portion is meeting? Need defined as at-risk school districts or high-risk school districts that would like to implement these kinds of programs. How much would it cost to make the formula cover everybody?

Mr. MARTINEZ. You are talking about all school districts?

Mr. ANDREWS. All school districts we would define as at-risk or at greater risk.

Mr. MARTINEZ. To our knowledge, they are all covered.

Mr. CARNES. Yes. Every school district receiving Federal money must have a drug prevention program in it. Between 80 to 100 percent of LEA's in the country participate in the Drug-Free Schools Program and receive money. And each school must have a program that is appropriately directed at kids from K through 12.

Now, the second part of your question is what about at-risk kids. We need more money for at-risk people. That is what that discretionary program is about. That is why we want to double that program to get \$60 million so that we can target those at-risk kids.

Mr. ANDREWS. The final question I would have is what I will term the compliance cost. If receiving a dollar of Federal money in a school district brings with it an obligation to have a program to meet the National Strategy, how much is it costing out of State and local educational resources to comply with that? Do we know?

Mr. CARNES. This program provides an administrative set-aside out of Federal funds for the State to administer the program. I think it is in the neighborhood of 5 percent. I could be wrong. What other additional funds that the States pay, I am not aware, but I can supply it for the record.

Mr. ANDREWS. I would be interested in that.

Mr. Carnes' response below was added subsequent to the hearing.

Compliance costs are almost entirely covered by the 5% Federal set-aside for the State to administer this program. Contributions by State and local governments to pay for the administrative costs of this program are negligible.

Mr. ANDREWS. Thank you very much, Mr. Chairman.

Mr. RANGEL. Governor, I think it would help this committee if somebody could pull out the programs, those 22 programs that you talked about or any other—

Mr. CARNES. We have a chart here, if you would like to see it.

Mr. RANGEL. No. No. No. Please, Dr. Carnes. It would be a lot simpler if you could just indicate by congressional district, by number, where those programs are, so that we can call an informal meeting with the Members to get a feel for where these successes are. And we would be glad at any time, of course, to include you or not, or you can send staff or whatever that you feel most comfortable with, so that we won't have to go have hearings every place that you have a program. We will just ask the Member to go out and check these programs and come back and to let us know so it could be effective.

Now, the legislation to establish enterprise zones that Jack Kemp has been talking about for years is in the Ways and Means Committee. Even though I am the chief House sponsor, I have problems enticing business people to come into areas of crime, high unemployment, and high addiction. So we worked out the Weed and Seed concept where we would target these communities with a combination of law enforcement, social service, and community assistance programs in an effort to attract businesses. I am very excited, even though it is only a pilot demonstration project.

It is difficult for me to see who will really be in charge of coordinating these efforts between the agencies and departments to make certain that the private sector and local government and the Federal Government are working together on this and we don't have overlapping. I was hoping, with all of the hearings that we had, that someone in your office would be involved, if not formally, at least to have you better informed as to how these things are getting off the ground. And, if you start now, you can help us, perhaps, in the legislation, in getting language in there that you feel comfortable with, so that when it comes before the committee we will not have to go to all of these Cabinet officials who probably would not know about this little speck in their budget, but we can go to one person and say, "And how are we coming along with that?"

And last—for me, that is—I hope we can develop the type of rapport where perhaps this committee could draft questions that we would ask you to take to the Secretaries. We don't want to be pulling Secretaries down here from all the agencies and departments knowing that their jurisdiction is so broad that they have to spend a lot of time preparing for us and we have to rotate who chair the hearing based on the bells and floor votes. It would seem to me in working with Mr. Coughlin, if we could work out something where we would ask you to bring to us the feeling of half a dozen different Cabinet officials on a periodic basis, not that you have any problem with access, but it would enhance whatever access you already have by allowing you to tell them that it is those guys on the Hill, they are always asking a lot of questions. And you would be saving them time in going to all of the committees, because our committee includes members from all the key standing committees with any jurisdiction so that we don't have to go to all the committees to find out what the problems are.

That is an offer that has not been refined, but if you can assign a staff person to work with our staff people, we can do that plus other ideas that you may have that would save you some time that you now spend coming to the Hill and allow us to work more closely together.

Mr. MARTINEZ. On the first point, on enterprise zones, it happens to be an area that I know quite a bit about, since when I was mayor of the city of Tampa, we declared one and had legislation at my recommendation passed in the State of Florida. So I actually operated with an enterprise zone, and I am quite familiar with what makes it go, what can't make it go, and the incentives required to make it go. I think we were one of the few operating enterprise zones in the country at that time. I don't know how many may be out there right now based on local and State initiatives.

But we will work with the proper agencies. You know we are not an operating agency in terms of having huge staff to go around the country. But we certainly have a great deal of interest—I have a great deal of interest because, quite frankly, I have a lot of experience in that field in my previous lives. So we look forward to working with it.

In terms of bringing information to you—

Mr. RANGEL. Could you not have somebody from the operating—

Mr. MARTINEZ. We will have someone assigned.

Mr. RANGEL [continuing]. Agency assigned to you to keep you updated, since you probably will know more about the enterprise zones than they would?

Mr. MARTINEZ. We will have someone assigned to the whole concept of Weed and Seed.

Mr. RANGEL. OK.

Mr. MARTINEZ. We have a person in mind now and it is a question of getting him on board.

Mr. RANGEL. Good.

Mr. Coughlin.

Mr. COUGHLIN. Thank you, Mr. Chairman. Just a couple of observations, if I might.

I think I can safely say that recently when the committee was at a conference in Santa Cruz, Bolivia, it was certainly the feeling of this member, and I think it was generally supported by the committee, that Bolivia is doing a fairly good job, or making a substantial effort, at interrupting and disrupting the trafficking organization. I would think we have the same opinion of Colombia in terms of the country's level of effort.

Peru is a different question. It is an economic basket case. They have got a roaring insurgency that ties into the drug traffickers, and it is difficult to expend money down there when you don't know whether the programs are working or not.

The second observation I might make briefly is that when you look at your pie charts it shows 32 percent of the funding for demand reduction, 24 percent for international, and 44 percent for supply reduction. To me that supply reduction figure is always misleading because a lot of that is deterrent. It is not just supply reduction, it is demand deterrent money. And somehow, if you could take that 44 percent and break out the portion—I don't know how you do it, but an estimated portion that is demand deterrent, that is really an important difference.

Mr. CARNES. My daughter goes to the University of Virginia, and when they had that bust down there, those fraternities, I want to tell you the money that was spent on law enforcement there had more dollar value on what it did for deterrence and demand reduction than it did on law enforcement. That was the point of what whole law enforcement episode. It wasn't to bust some guys who were breaking the law so much as it was to drive home the point about drug use, and I think it has had an effect. According to her, it has had a big effect.

Mr. COUGHLIN. Absolutely. I guess what I am pointing out for the media here is that when they hear 44 percent goes into supply reduction, it is a misleading figure, and somehow we ought to break out what portion of that is deterrent.

Finally, and you can respond, but could you submit for the record a list of the legislation implementing the Strategy that has not been enacted by Congress, and a list of the programs that support the Strategy that have not been fully funded by Congress up to the budget request and the amount that they are lacking, so we can try and work with other committees to remedy that?

Mr. MARTINEZ. We will, Congressman.

Mr. RANGEL. Mr. Washington, and Mr. Gilman.

Mr. WASHINGTON. Thank you, Mr. Chairman. I have one, hopefully brief, question and then one comment.

Dr. Carnes, I was intrigued by, I think, the colloquy you had with—I have forgotten—I believe Mr. Payne or one of the other members. Do you, or do we know what does cause drug use?

Mr. CARNES. No.

Mr. WASHINGTON. So then it follows that we don't know—we can't look at things that exist in a community and say that they don't.

Mr. CARNES. We can't say that they do. And the point is whatever the cause is, and probably the cause varies from person to person, there is a real sense in which whatever the cause is it doesn't matter.

Mr. WASHINGTON. Sure.

Mr. CARNES. We have got to help those people get off drugs.

Mr. WASHINGTON. Sure.

Mr. CARNES. It is important to try to find out, if we can, what causes drug use. We spend hundreds of millions of dollars trying to research that question, on brain chemistry to find out if there is genetic disposition or what have you. But meantime, it doesn't matter.

Mr. WASHINGTON. I agree. I agree, and that brings me to the observation, if I may, Mr. Chairman, and I will be finished. Let me start by saying perhaps I am overly sensitive in this area, and if so, then it is an error of the heart and hopefully not of the head, for which I apologize in advance. But if you look on page 2 of the "Executive Summary," there is permeated, at least in the mind of this person based upon the way I read and understand the English language, a couple of assumptions that I think that we all as political people and people who are of good will attempting to do a job take as given in context and go on. But to the casual observer reading this statement along with the notions and the connotations about poverty and those things, one could arrive at the conclusion that vis-a-vis the two fronts that are suggested here there could be—let me underline the word "could," I don't like to use emphasis because I think words in their context emphasize themselves, but let me make a special point of underlining the word "could" only for that purpose, Governor—reach the conclusion that if these connotations are allowed to be carried out to their logical conclusion it could suggest a schism in the approach that we use in fighting what is one community.

We had drug problems in the black community in the 1950's. I agree with the gentleman from New York. One person on drugs is a drug problem. It doesn't seem to me—we can't quantify it in terms of what percentage of the population must be involved in drug abuse or drug use before it becomes a problem. Unfortunately, we didn't recognize the problem in the 1950's with heroin in New York and Houston and many of the other metropolitan centers, and that may be one reason why we are where we are now. But that is neither here nor there.

But, if you take, and you have had an opportunity to look at page 2—and maybe it is just my overly sensitive frame of mind, and this is certainly not criticism—it seems to suggest that education and prevention efforts are going toward front one, which is defined as the casual user. It arrives at the conclusion that the chronic user is chiefly in the inner city in minority neighborhoods and that the way we are going to fight that battle is law enforcement. That is what it says. I mean that is the way I read it and, like I say, maybe I am overly sensitive. And I know that you don't mean it literally that way. That we are going to put the law enforcement money over here in the ghetto and we are going to put the education money out here in the other community.

Perhaps, then if I am incorrect in what I have read, you can point it out. And if not, you can allay my fears by making it clear, which I am sure you mean, that we are going to fight both of these battles with the same resources on both fronts.

And one final point. It may very well be—and all these things are true, I don't disagree with any of them, about the chronic user being resistant to anti-drug messages. That may very well be because we have sent the wrong people into the community, as we have done with AIDS and other things. We didn't take people from the community, we sent some social worker from Harvard or somewhere down into the community to try to talk to the guy who was shooting up with a needle in his arm. That is not the person, you know and I know, Governor, that it takes to get across to him. Maybe some former addict or something like that.

It may be the way we package the message. It may not be the resistance on the other end, it may be the way that the message is going to that individual that we need to change.

Mr. MARTINEZ. Thank you, Congressman. Being of Hispanic background, I am obviously sensitive to anything that in any way tries to characterize anyone. First, the general funding that the Congress has provided through the appropriations process goes to all school districts. What we are trying to do is make a case, and it has been on capacity expansion, it has been on treatment, it has been on community partnerships, which I will come back to, and it has been emergency grants for education. We don't have anything here that has to do with enforcement.

Our thrust is, if it is getting better, the force is getting smaller, so to speak. We don't want the people now who are outside of it to say it is over with. We want to identify where we have problems and we have got to put money in there into special programs, special initiatives. And this is really what we are trying to do, is make the case that we need money going into where we have problems.

The community partnership program is to address what you are saying, people who live there, organize themselves, decide through their own empowerment how it is they can work in that community. This is not for outsiders to come in. This is for those who live there to organize them.

So we feel, if it is not as artful as it could have been, that we are trying to make the case that it hasn't been won, this war hasn't been won. We have won battles, we haven't won the war. And this is an area that we have got to put money in.

But all of these special things we are asking for, as I have said a number of times here today, all have to do with demand reduction. We are not saying send in more law enforcement. Weed and Seed, as you can see, which is not a part of this paragraph here, has seed money in there, much more so than weed money.

So we don't disagree with you at all, Congressman. But this whole thrust is to point out that this isn't over with. We have got to put money in and these are the kinds of programs that are going to work.

Mr. WASHINGTON. Thank you, Governor. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. Just a few brief comments.

Governor, you started off your opening statements about where you are succeeding and where you are not succeeding. Where do

you feel the biggest problem is in your not succeeding in your efforts?

Mr. MARTINEZ. I think, you know, generally speaking, if you analyze the surveys, it falls in a number of categories. It does fall among those who tend to be older. Thirty-five years of age and older, they are having a greater problem statistically than those who are under 35 as well as those who are inner city, those who are minority, those who drop out of school—all those population groups, and that is why I guess I may have spent a disproportionate amount of time here today talking about the programs that will address those issues and asking for your help to get it passed. And I think if we can do that, you know, it is not going to be a silver bullet, but I think it is going to give us some bullets to move forward and cure some problems that are in those neighborhoods. That is where we see the main problem.

This is not to say that outside the inner city that there are no drug users because that is not the case. We still know that 68 percent of people who use drugs are gainfully employed. They, numerically, make up the largest number. They don't use the most drugs necessarily, but they make up the largest number.

The private sector, through the drug-free workplaces, is beginning to have an impact on the work force. So I think that is not being underwritten by government. It is being underwritten by the private sector, and I think that is going to have its impact. I believe the Partnership for a Drug-Free America that continues to raise the equivalent of \$1 million a day to reach the broad population will continue to work to reduce drug use. And I might add here, to the credit of the partnership, Congressman, that they are planning a special project, it is my understanding, for the New York City area, that metro area, devising some new strategies in terms of communication for the population there. So again, here is a private sector, through its givings, targeting problem areas.

So that is generally where we see the more difficult road in terms of making certain that we continue to make progress.

Mr. GILMAN. What do you need from the Congress to bring about the implementation of that program?

Mr. MARTINEZ. Well, we obviously are strongly supporting the President's budget. And then, as I have said before here today, that it is not only the amount of money, it is the focusing of the money. You know, we don't want to buy Edsels. We want the money to go where it is going to have high impact, and we believe these programs that I have spoken about, capacity expansion, community partnerships, the emergency grants, all targeted programs, will take us a long way and we will begin the process of more dramatically dealing with a problem that exists in these pockets across our country.

I hope to work with you to get it passed. I know you have great interest there and we want to make sure that these moneys get where it can do the most good.

Mr. GILMAN. Just one last comment. As I mentioned earlier, this committee did travel to Latin America. We went to the Bolivian conference. We went to Trinidad. We went to Suriname. We went to the Dominican Republic. We also visited Venezuela. Let me just comment on our conclusion of that trip.

We saw two contrasting aspects—and I am just quoting from a paragraph in the “Executive Summary”—two contrasting aspects of the hemispheric efforts in our war against drugs. On one hand, the cultivation, the processing, and trafficking of illicit drugs remains at high levels throughout the region. Bumper crops of coca leaf cultivation are expected in Peru, and Bolivia has failed to achieve its coca eradication efforts for 1991. Law enforcement interdiction efforts, while on the increase, have yet to have a meaningful impact on the easy availability of drugs throughout our Nation. Increased drug enforcement and financial investigations in the traditional drug source countries of Colombia, Bolivia, and Peru have caused trafficking organizations to shift their operations to nations such as Venezuela, Trinidad, and Tobago, and Suriname where the law enforcement establishment is often unprepared to respond to the financial resources and ruthlessness of the traffickers. The political will of these nations as well as the international community has yet to be fully mobilized to respond to the drug trafficking threat.

We will be submitting our report to you, and I hope that you will take a good hard look as you prepare for Cartagena II. I think that our Andean meeting was intended to be—in Bolivia, was intended to be preparatory to that. There was an important communique that came out of it, and we hope that you will take a good hard look at all of that as you prepare for the Cartagena II summit.

Thank you, Mr. Chairman.

Mr. RANGEL. Thank you, Mr. Gilman. And thank you, Governor. I think Mr. Washington amplified the areas that you and I—that you and the committee, rather, can better focus on to understand the targets that we want to achieve together. We want you to know that Congress is prepared to accept the burden, even those things we cannot do, to be challenged by your office, not only in terms of legislation that would be targeted, but some of the political questions that you are going to have to wrestle with. We are prepared to go to those districts, individually or collectively, to take a look at the jewels in those areas that you are proudest of as examples of what is working. Perhaps in a nonpartisan way, where things are just jammed up, and there needs to be some movement—someone has to go there. We are prepared to do that.

But I think we made a tremendous breakthrough. There are some people who are so afraid of entitlement programs that they hold the question of homelessness and poverty and unemployment in utter contempt, and anything that sounds like getting close to a solution of those problems, they want to disassociate themselves from it. Perhaps that is why Mr. Washington and I sometimes are oversensitive when people say that poverty and hopelessness are not the reasons for drugs.

We agree with you. But we also believe that certain areas have to have different approaches, and you agree, so we look forward to working with you. Thank you for staying with us.

Mr. MARTINEZ. Thank you, Mr. Chairman.

[Whereupon, at 12:38 p.m., the committee was adjourned, to reconvene subject to the call of the Chair.]

APPENDIX

STATEMENT OF

GOVERNOR BOB MARTINEZ

DIRECTOR

OFFICE OF NATIONAL DRUG CONTROL POLICY

BEFORE THE

SENATE JUDICIARY COMMITTEE

FEBRUARY 4, 1992

Thank you Mr. Chairman, Members of the Committee.

A little over a week ago, the President released the fourth National Drug Control Strategy, "A Nation Responds to Drug Use." Under the 1988 drug bill, written in large part by this Committee, the Office of National Drug Control Policy is required to produce a comprehensive strategy designed to reduce illegal drug use.

The release of the first National Drug Control Strategy in September of 1989 marked a new beginning in the Federal Government's war on drugs. For the first time, the Federal Government as a whole developed a coordinated, systematic, national response to the problems posed by illicit drugs in this country. Reducing drug use is the single most important measure of our progress. With the support of the American people, State and local governments, and the Congress, we have made significant strides in reducing the number of drug users and preventing many from using drugs for the first time. Today, I would like to outline briefly some of the progress we have made and discuss some of the new initiatives we will undertake with the release of the fourth Strategy.

In the fall of 1989, the President announced an ambitious campaign to end the scourge of drugs -- ambitious indeed in light of the existing 14.5 million Americans who were then current users of drugs. Today, 2 million Americans have stopped using drugs, a drop of over 13%. In 1988, over 2.9 million Americans were current users of cocaine. By 1991, over a million had

stopped using cocaine, a drop of over 35%. The number of current users of marijuana dropped by almost 2 million, a drop of over 35%. And among our most critical population, young people, current use of any illicit drug is down more than 25% since 1988. Drug use by high school seniors has dropped to its lowest level since the High School Senior Survey began in 1975. The data showing reduced drug use by young people is especially encouraging for it means we are having some success in reducing the next generation of drug addicts.

While the overall number of drug users has dropped dramatically since 1988, progress has also been made among our hard-core addict population, albeit more slowly. From very early on, we suspected that we were going to be fighting a two-front war -- the first against casual drug users, and the second against hard-core drug users. We knew that to address hard-core abuse, we would need additional efforts than are needed to reach casual users. At the heart of these efforts are many targeted programs, including the Capacity Expansion Program, the Drug-Free Schools Emergency Grants Program, and the Community Partnership Program. Strategy IV will again ask Congress to authorize and fully fund these programs which are targeted toward populations of hard-core addicts and other at-risk populations. Programs to expand treatment capacity, to reach more students through drug education, to create more community partnership programs, and to remove drugs from public housing projects are all part of this effort.

To carry out these objectives, the President is seeking \$12.7 billion in drug-related funding for fiscal year 1993. This represents a 6.4% increase over last year and a \$6.1 billion or 93% increase since the beginning of his Administration. If the President's drug budget is fully funded, more money than ever before will go to State and local governments for their drug control programs. Treatment and prevention programs, reducing the demand for drugs, would receive over \$4.1 billion dollars in 1993. We will continue to expand programs targeting at-risk groups like adolescents and pregnant women. We will increase emergency grants for drug-free schools by 100%. And we will increase by 15% the Federal funding for Community Partnership Grants.

Let me add a word about Congressional appropriations in Fiscal Year 1992. While Congress met the President's overall request for drug funding, it regrettably did not fund adequately critical programs which were requested by the President. I know, Mr. Chairman, that we have spoken at length about this issue and, in fact, I have raised it with other Members of this panel. However, I must again stress that it remains critical that Congress not only provide the overall level of funding requested, but that it fully fund certain critical programs, such as the Capacity Expansion Program, the Drug-Free Schools Emergency Grants Program, and the Community Partnership Program, to more quickly and effectively deal with hard-core addiction.

Last year's budget request asked for \$99 million for the

Capacity Expansion Program. Congress appropriated only \$9 million. The Administration requested nearly \$50 million for the Drug-Free Schools Emergency Grants. But, unfortunately, we only got half of that. I mention this not to complain, because I know that much work was done on this by several Members of this Committee, including you, Mr. Chairman, and Senators Hatch and DeConcini. I mention this only because failure to get these funds will make it more difficult to reduce the level of hard-core drug use.

At this time, let me add a word about heroin. Based on historical drug use patterns, pharmacological factors in addiction, and current trafficking estimates, previous Strategies warned that the use of heroin could increase in years ahead. In fact, the retail price of heroin has dropped slightly (though wholesale prices are up), the purity has increased, and seizures have increased. This data is cause for concern, but not hysteria. The fact remains that most of the world's opium is produced in Asia and the number of U.S. consumers of illicit opiates represents about 6 percent of the worldwide market. Overall, although there may be some new users of heroin, the data compel us to conclude that the large majority are older-aged users of other drugs -- mainly cocaine -- who recently switched to heroin. In fact, as we have testified before, the nature of cocaine addiction is such that some users will, in time, switch over to heroin use. This has been the pattern in previous waves of stimulant addiction.

We have taken a number of steps to address this phenomenon to reduce the likelihood that heroin use will spread to the non-drug using population, and to reduce its use by hard core addicts. We are enhancing law enforcement and intelligence efforts in New York, a major heroin importation and distribution center. We have requested funds to target certain treatment programs to prevent cross-over to heroin use by heavy cocaine users. We are putting extensive data collection and monitoring programs in place so that we can obtain "real time" estimates of heroin use and heroin trafficking trends.

Second, we must be mindful that this fight against drug use and drug trafficking will not be won in Washington, D.C. On the streets of major cities and small towns, law enforcement officials, treatment providers, teachers, parents, and mentors are out on the front lines, eliminating drugs from their neighborhoods. This is where the real battles are fought, and where ultimately the war will be won. More than 28% of the entire Federal budget for drugs -- that's more than one in every four dollars -- will go directly to the States through a number of mechanisms, including the block grant program.

In closing, let me reiterate a point the President made during the release of Strategy IV last week. He made it very clear that our job is not over, that it is not a time to declare victory. He also made it emphatically clear that he is determined to stay at the job until it is done. The President has shown great leadership. Later this month, he will meet with

his Latin American nation counterparts in what will be the second Cartagena Summit. I have no doubt that these meetings will only intensify the efforts already being done in source countries to stop the cultivation, production, and distribution of illegal drugs. The President has assured me that he will do what has to be done. In Congress, Mr. Chairman, we will look to you and Members of the Committee to ensure we get the tools and money necessary to get the job done.

Thank you for this opportunity to appear before this Committee. I am prepared to answer any questions you and your colleagues may have. Thank you.

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