

EXHIBIT D

TAXATION OF MARIHUANA

HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FINANCE UNITED STATES SENATE

SEVENTY-FIFTH CONGRESS

FIRST SESSION

ON

H. R. 6906

AN ACT TO IMPOSE AN OCCUPATIONAL EXCISE TAX
UPON CERTAIN DEALERS IN MARIHUANA, TO IMPOSE
A TRANSFER TAX UPON CERTAIN DEALINGS IN MARI-
HUANA, AND TO SAFEGUARD THE REVENUE THERE-
FROM BY REGISTRY AND RECORDING

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Senator BROWN. I think you can work that out.

Mr. HESTER. No; they just write a letter to the collector, that is all.

Mr. OLMAN. And of course we were afraid of the transfer tax, and so on.

I was interested in the question you asked the doctor, Mr. Chairman, and that was with reference to supervision or inspection. I believe that we are in a position to give the Government a great deal of help in supervising and inspecting and reporting the growth of hemp.

Senator BROWN. For your producers?

Mr. OLMAN. In our vicinity. I think you.

Mr. HESTER. Fine.

Senator BROWN. How long a time will you gentlemen want, to submit to the committee such representations as may be agreed upon? Would Wednesday morning be about right?

Mr. HESTER. That would be fine.

Senator BROWN. Suppose, Senator Herring, we agree on 10 o'clock Wednesday morning for an executive session on this measure, unless there is a serious disagreement. If there is you gentlemen, who are in disagreement, can come in.

Mr. OLMAN. I am sure there will not be.

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

Senator BROWN. Before we adjourn, I desire to place in the record a letter regarding the pending bill addressed to Senator Harrison by Dr. William C. Woodward, of the American Medical Association, Chicago, Ill.

AMERICAN MEDICAL ASSOCIATION,
BUREAU OF LEGAL MEDICINE AND LEGISLATION,
Chicago, July 10, 1937.

HON. PAT HARRISON,
Chairman, Committee on Finance, United States Senate,
Washington, D. C.

SIR: I have been instructed by the board of trustees of the American Medical Association to protest on behalf of the association against the enactment in its present form of so much of H. R. 6906 as relates to the medicinal use of cannabis and its preparations and derivatives. The act is entitled, "An Act to impose an occupational excise tax upon certain dealers in marihuana, to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording."

Cannabis and its preparations and derivatives are covered in the bill by the term "marihuana" as that term is defined in section 1, paragraph (b). There is no evidence, however, that the medicinal use of these drugs has caused or is causing cannabis addiction. As remedial agents they are used to an inconsiderable extent, and the obvious purpose and effect of this bill is to impose so many restrictions on their medicinal use as to prevent such use altogether. Since the medicinal use of cannabis has not caused and is not causing addiction, the prevention of the use of the drug for medicinal purposes can accomplish no good end whatsoever. How far it may serve to deprive the public of the benefits of a drug that on further research may prove to be of substantial value, it is impossible to foresee.

The American Medical Association has no objection to any reasonable regulation of the medicinal use of cannabis and its preparations and derivatives. It does protest, however, against being called on to pay a special tax, to use special order forms in order to procure the drug, to keep special records concerning its professional use and to make special returns to Treasury Department officials, as a condition precedent to the use of cannabis in the practice of medicine in the several States, all separate and apart from the taxes, order forms, records, and reports required under the Harrison Narcotic Act with reference to opium and coca leaves and their preparations and derivatives.

If the medicinal use of cannabis calls for Federal legal regulation further than the legal regulation that now exists, the drug can without difficulty be covered under the provisions of the Harrison Narcotic Act by a suitable amendment. By

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such a procedure the professional use of cannabis may readily be controlled as effectively as are the professional uses of opium and even leaves, with less interference with professional practice and less cost and labor on the part of the Treasury Department. It has been suggested that the incorporation of cannabis into the Harrison Narcotic Act would jeopardize the constitutionality of that act, but that suggestion has been supported by no specific statements of its legal basis or citations of legal authorities.

Respectfully,

Wm. C. Williamson,
Legislative Counsel.

(Whereupon, at 11:35 p. m., Monday, July 12, 1937, the subcommittee adjourned.)