The original documents are located in Box C9, folder "Presidential Handwriting, 12/31/1974" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

HE 5-1

THE PRESIDENT HAS SEEN.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

INFORMATION

DEC 31 1974

MEMORANDUM FOR THE PRESIDENT

FROM: Roy L. Ash

SUBJECT: MEDICINAL OPIATE REQUIREMENTS

Over the past few months, various members of Congress, representatives of the pharmaceutical industry, and medical professionals have been expressing increasing concern about the adequacy of supplies of opiates for medicinal use in 1975.

A task force representing all of the interested agencies -- originally established some eighteen months ago by then Counselor Laird -- has been working on the problem and recommendations they have and will be making in the future should assure adequate supplies to meet all medicinal requirements.

BACKGROUND

Faced with the prospect of inadequate supplies of opium gum to meet legitimate domestic medicinal requirements (principally codeine, used for mid-level pain relief and as a cough suppressant), the Administration recommended and Congress approved the release of approximately 60% of our stockpile of opium in December 1973. At the time, it was hoped that this release, combined with normal imports of opium gum, would satisfy requirements for at least three years.

However, due to a very poor 1974 crop in India -- the world's only remaining exporter of opium gum -- and more rapid than expected growth in worldwide demand for codeine, the opium stockpile release has been used more quickly than anticipated. Thus, we again face a potential shortage in the second half of 1975, since the expected Indian allocation and the remaining authorized stockpile release will be insufficient to meet legitimate requirements.

Yet, there appears to be sufficient raw material to meet worldwide needs in 1975. The projected U. S. shortage exists despite this worldwide sufficiency because our current law permits the importation of only opium gum, while the trend -- strongly supported by us -- has been toward bypassing the opium gum stage and extracting alkaloids directly through the poppy straw process.

PROPOSED SOLUTION

However, if the Attorney General (or his designee, the Administrator of the Drug Enforcement Administration) concludes that there is insufficient opium gum to meet U. S. requirements, he can declare an emergency and authorize importation of semi-finished or finished products to fill the projected gap. The Task Force has recommended, and the Administrator of DEA accepted, just such a solution: the emergency importation of poppy straw extract, a liquid which comes from the first stage of a poppy straw processing plant. Notification of this tentative decision will appear in the Federal Register shortly; we expect little public reaction.

The emergency import has been restricted to poppy straw extract, rather than extending it to morphine or codeine, for three reasons: 1) it represents the smallest departure from existing policy and from the sense of Congress embodied in the law; 2) it allows us to apply the standard opium gum control procedures, and therefore minimizes the potential for diversion; and, 3) it requires maintenance of a domestic processing capability which could have strategic importance in time of national emergency.

I am confident that this solution will be effective in heading off any short-term shortage. The Task Force is continuing its consideration of a number of further steps which may be taken; I will monitor their progress and keep you apprised of significant developments.