

**UNRAVELING AN AMERICAN DILEMMA:  
THE DEMONIZATION OF MARIHUANA**

A Masters Thesis  
presented to the  
Faculty of the Graduate School  
Pepperdine University

In Partial Fulfillment  
of the Requirements for the Degree  
Master of Arts

By  
John Craig Lupien  
April, 1995

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Abstract of Masters Thesis Presented to the Faculty  
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Chair: John McClung, Ph. D.

The primary goal of this thesis is to reveal a new perspective with regard to the dilemma of the prohibition of marihuana. In particular, the subject matter delves into the specific history of the hemp industry of the 1930s. According to this author's research, the circumstances surrounding the evolution of the marihuana issue in the United States were directly effected by certain developments in the hemp and wood pulp industries of the 1930s. Aspects of this thesis are not entirely original and the author is indebted to the efforts of previous researchers. However, the main arguments of this thesis have been based upon original material.

Chair: \_\_\_\_\_

Members: \_\_\_\_\_

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## **Introduction**

### **Hidden Motives**

Since the dawn of civilization, people have cultivated the plant known scientifically as cannabis and agriculturally as hemp for its fiber, seed, and pharmaceutical properties. Throughout the world, the records of archaeology and history reveal that humanity universally recognized the benefits of this unique plant. Such recognition ended abruptly in 1930, when the newly created Federal Bureau of Narcotics began to educate the American public about marihuana, as hemp had been known colloquially in the Sonoran region of Mexico.<sup>[1]</sup> Between 1930 and 1934, the Bureau compiled a body of misinformation which suggested that the use of marihuana was directly linked to crime, induced violent behavior, and caused insanity. Then, suddenly, in 1935, the Bureau flooded the nation with educational propaganda against marihuana use. During this act of demonization, the Bureau continuously cited its own accumulated body of misinformation as a precedent for legislation on the federal level. Through this

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<sup>[1]</sup>Jack Herer, *The Emperor Wears No Clothes* (Van Nuys, California: HEMP Publishing, 1991) p. 25. Herer also explains that “marihuana” is the Americanized spelling. The correct spelling is “marijuana.” To avoid confusion, the spelling which will be used throughout this paper, will be the Americanized version, “marihuana.” The use of “h” appears in the Marihuana Tax Act of 1937 and the records of the Federal Bureau of Narcotics. Also see the *Oxford English Dictionary* listing for “marijuana, marihuana.”

studied deception, the Bureau effectively lobbied for the passage of the Marihuana Tax Act of 1937, which considerably restricted the usage, distribution, and production of marihuana. Significantly, restrictions on marihuana automatically implied restrictions on the cultivation of hemp.<sup>2[2]</sup>

Several highly suspicious circumstances surround the Federal Bureau of Narcotics' demonization of marihuana in the 1930s. First, there never was a marihuana problem; this manufactured malady was a great media spoof. Secondly, the misinformation, which was disseminated to the public by the Bureau, was based on conjecture and hearsay; the objective truth and the scientific method were summarily discarded. Furthermore, the Bureau even suppressed and ignored information which was unbiased, objective, and contradicted its own special brand of demonization. The whole scenario of the Bureau's "marihuana education" program is an amazing example of how

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<sup>2[2]</sup>Richard J. Bonnie and Charles H. Whitebread II, *The Marihuana Conviction: A History of Marihuana Prohibition in the United States* (Charlottesville, Virginia: University of Virginia Press, 1974) pp. 93-126; Ernest L. Abel, *Marihuana: The First Twelve Thousand Years* (New York: Plenum Press, 1980) pp. 237-247; David F. Musto, *The American Disease: Origins of Narcotic Control* (New York: Oxford University Press, 1987) Chapter 9, "Marihuana and the FBN;" Jack Herer, *Hemp & The Marijuana Conspiracy: The Emperor Wears No Clothes* (Van Nuys, California: HEMP Publishing, 1991) pp. 15-30; Jack Frazier, *The Great American Hemp Industry* (Peterstown, West Virginia: Solar Age Press, 1991) pp. 40-71; Chris Conrad, *HEMP: Lifeline to the Future* (Los Angeles, California: Creative Xpressions Publications, 1993) pp. 38-55; Michael Schaller, "The Federal Prohibition of Marihuana" *Journal of Social History* 4, no. 1 (1970): 61-74. National Archives: Washington National Research Center, Suitland, Md, Record Group 170, Accession Number: W 170-74-0005 (boxes 1-5), "Marihuana Tax Act of 1937" [Hereafter cited as "Marihuana Tax Act of 1937," National Archives].

easily the American public could be deceived by a slick propaganda campaign. In retrospect, this trail of deceitful acts raises the possibility that the Bureau's decision to demonize marihuana may have been prompted by hidden motives.<sup>3[3]</sup>

By strange coincidence the final assault of the Federal Bureau of Narcotics on marihuana occurred simultaneously with its own awareness of the emergence of a new hemp industry in America in 1935. This new hemp industry was based on the commercial practicability of producing raw cellulose pulp from hemp for the manufacture of paper. The Bureau seems to have demonized marihuana for motives that went far beyond its mandate to legally regulate the production and distribution of the drug. Specifically, the Bureau provided the perfect vehicle for vested interests who wanted to terminate the movement to develop a hemp-based paper industry. Marihuana was demonized by the Federal Bureau of Narcotics in the 1930s because of the hemp plant's promising economic future.<sup>4[4]</sup>

This hypothesis, that the demonization of marihuana was a result of the hemp plant's economic potential, is not entirely original. In large part it is based on the observations of previous researchers. Their insights into why the Federal Bureau of Narcotics demonized marihuana in the 1930s are particularly relevant to this hypothesis. Because of this relevancy, it is necessary to briefly introduce the basic arguments of these

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<sup>3[3]</sup>The set of conclusions which have been presented in this paragraph will be developed and thoroughly explained in Chapter 2: "The Evolution of the Marihuana Issue in America;" and Chapter 3: "The Final Assault."

<sup>4[4]</sup>Herer, *The Emperor*, pp. 15-30; Frazier, *Great American Hemp Industry*, pp. 40-71; Conrad, *HEMP*, pp. 38-55; "Marihuana Tax Act of 1937," National Archives.

previous researchers. The arguments may be easily separated into two sets of explanations.

The first explanation was provided by the decriminalization movement, which started in the late 1960s.<sup>5[5]</sup> According to decriminalization scholars, the prohibition of marihuana should be understood as an unfortunate result of the ideological climate of the day. Typically, modern historians use the term Progressive to describe the ideological climate of the early twentieth century. This period of time was characterized by strong convictions favoring the ideals of Calvinistic Protestantism, Scientific Materialism, and Uninhibited Capitalism. Aspects of these three philosophies were blended in America and became manifest in Progressivism, the ideology of the predominantly WASP upper- and middle-classes.<sup>6[6]</sup>

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<sup>5[5]</sup>The following books are the foundation of the decriminalization movement:

Richard J. Bonnie and Charles H. Whitebread II, *The Marihuana Conviction: A History of Marihuana Prohibition in the United States* (Charlottesville, Virginia: University of Virginia Press, 1974).

Ernest L. Abel, *Marihuana: The First Twelve Thousand Years* (New York: Plenum Press, 1980).

David F. Musto, *The American Disease: Origins of Narcotic Control* (New Haven: Yale University Press, 1973; New York: Oxford University Press, 1987).

J. Kaplan, *Marihuana: The New Prohibition* (New York: World Pub. Co., 1970).

L. Grinspoon, *Marijuana Reconsidered* (Cambridge: Harvard University Press, 1971).

<sup>6[6]</sup>Henry Steele Commager, *The American Mind: An Interpretation of American Thought and Character Since the 1880's* (New Haven: Yale University Press, 1950); George E. Mowry, *The Era of Theodore Roosevelt and the Birth of the Modern America 1900-1912* (Harper & Row: New York, 1958); Richard Hofstadter, *The Age of Reform: From Bryan to F. D. R.* (New York: Alfred A. Knopf, 1966); Merle Curti, *The Growth of American Thought*, 3<sup>rd</sup> ed. (New York: Harper & Row, 1964); William E. Leuchtenburg, *The Perils of Prosperity 1914-32*, 8<sup>th</sup> Imp. (Chicago: University of Chicago Press, 1963).

For the everyday person caught in the grind of everyday life Progressivism translated into an endless quantification of one's value toward society. Value was measured by the job or work being performed by the person. Jobs or work were graded on the basis of the wealth they generated. This situation created a hierarchy in which the wealthy elite formed an plutocracy. In order to justify its existence this plutocracy actively promoted Progressivism. The essential tenet of this philosophy was based on the strategy of promoting the virtues of work and chastising the vices of idleness. To entice the masses to follow this ethic, the ideology was imbued with the assumption that hard work was the secret to material wealth and earthly paradise. From this syllogism, it was only natural that the acquisition of material wealth was portrayed as the ideal pursuit for people. This formula for success was the source of the modern American work ethic.<sup>7[7]</sup>

The Progressive mentality infected the predominantly WASP upper- and middle-classes of America. This socio-economic and cultural cross-section of American society was deeply affected by a latent xenophobia. This innate nativism definitely prejudiced the Progressive policy toward drugs during the first quarter of the twentieth century. Ideologically, the Progressives followed the notion that certain social customs were vices which impeded people from focusing on their work and generating more wealth. On the basis of this reasoning, the federal government was pressured to impose moral imperatives on the American populace by removing perceived vices through prohibitive legislation. The most well-known historical example of this type of Progressive social experimentation was the Eighteenth Amendment, the prohibition of alcohol. Ironically, Western cultures had always considered alcohol to be an acceptable vice. The failure of

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<sup>7[7]</sup>Ibid. Also see Richard Hofstadter, *Social Darwinism in American Thought*, rev. ed. (New York: George Brazillers, Inc., 1955).

prohibition during the 1920s is attributed to the previous consideration, since drinking was the customary accompaniment for most leisure activities in America.<sup>8[8]</sup>

Marihuana, unlike alcohol, was generally unknown to the American people until the 1960s. The drug was first discovered during the first decade of the twentieth century among Mexican immigrant communities in the Southwest, where marihuana was used both recreationally and medicinally. Shortly after the initial discovery of this customary practice, local officials succumbed to the influence of xenophobic prejudices and seized on marihuana use as a medium to suppress unwanted Mexican immigrants. To gain support for legislation suppressing marihuana, these local officials verified and spread rumors that the use of marihuana caused crime and violence. In time, marihuana began to appear in the cities. The same biased rumors inspired authorities in the cities to meld marihuana into the evolving Progressive policy toward narcotic drugs. Prohibition was the cornerstone of this policy. Thus, during the first quarter of the twentieth century, state and local laws were easily passed against the non-medicinal use of marihuana. However, after examining these early efforts to prohibit the drug, decriminalization scholars were quick to note the troubling absence of any scientific or historical evidence to suggest the existence of a true problem with marihuana. Instead, they traced the rationale for the isolated incidences of legislation on the state and local levels to xenophobia and the emerging Progressive policy with regard to narcotic drugs.<sup>9[9]</sup>

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<sup>8[8]</sup>Bonnie and Whitebread, pp. 21-27.

<sup>9[9]</sup>For a full explanation of the information contained in this paragraph see the works of the decriminalization scholars: *op. cit.*, note 5, p. 3.

In 1930, the newly created Federal Bureau of Narcotics adopted marihuana as a federal issue.<sup>10[10]</sup> According to decriminalization scholars, the Bureau proceeded on the basis of the previously given rationale for state and local legislation, freely citing the unfounded rumors of xenophobic officials and the prevaricated data of overzealous Progressives as a precedent for its action. The Bureau believed that this body of information was credible. Of course, this explanation implies that the people in the Bureau were totally ignorant of unbiased and objective data gathering techniques, otherwise known as the scientific method. By the 1930s, the scientific method was the standard applied to all questions needing objective answers, but for some reason this practice was ignored within the Bureau.<sup>11[11]</sup>

Despite the Bureau's puzzling disregard for objectivity, decriminalization scholars maintained that the Bureau's decision to demonize marihuana in the 1930s, and especially from 1935 on, was an unfortunate result of the ideological climate of the day, Progressivism tempered by the latent xenophobia of the middle- and upper-class WASP majority. The previous explanation tends to lose the historical truth by feeding the interpreter into the convenience of its logic, since it leads one to believe that the Bureau was merely acting as an extension of the general will of the people. To the contrary, the simplicity of such an explanation fails to take into account the fact that the Bureau created the prevalent public opinion through the final act of demonization. This act was definitely premeditated and the Bureau was primarily responsible.

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<sup>10[10]</sup>The Federal Bureau of Narcotics was an independent division of the Treasury Department.

<sup>11[11]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, pp. 127-153.

Until recently, the decriminalization thesis was the only academic explanation for the prohibition of marihuana. However, during the past decade a second generation of legalization literature has surfaced.<sup>12[12]</sup> This new movement presented a conspiracy thesis to explain why the Federal Bureau of Narcotics demonized marihuana in the 1930s. At first glance the conspiracy thesis seems like quite a stretch of the imagination from the decriminalization movement's attempt to describe a docile Bureau, which acted on the public's outcry against the evils of marihuana. Instead, the conspiracy thesis suggested that hemp was destined to become one of the largest cash crop ever grown because of its industrial value as a source of raw cellulose. According to Jack Herer, the leading proponent of this second generation of legalization literature, the Bureau was a tool of vested interests who sought to protect their business investments because they feared the loss of profits if hemp made a comeback as an industrial commodity.<sup>13[13]</sup>

The company which was cited as having the most to lose was E. I. Du Pont De Nemours & Company, hereafter referred to as Du Pont. During the company's one hundred year plus history it had transacted business with only two banks. One of these banks was the Mellon Bank of Pittsburgh. This bank was owned by the Secretary of Treasury, Andrew Mellon. On the basis of this banking connection, Herer assumed that Mellon's interests were in tune with Du Pont's interests in the most intimate manner financially. As the Secretary of Treasury, Mellon appointed his future nephew-in-law,

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<sup>12[12]</sup>The following books comprise the second generation of legalization literature:

Jack Herer, *Hemp & The Marijuana Conspiracy: The Emperor Wears No Clothes* (Van Nuys, California: HEMP Publishing, 1<sup>st</sup> printing 1985, 7<sup>th</sup> ed. 1991).

Jack Frazier, *The Great American Hemp Industry* (Peterstown, West Virginia: Solar Age Press, 1991).

Chris Conrad, *HEMP: Lifeline to the Future* (Los Angeles, California: Creative Xpressions Publications, 1993).

<sup>13[13]</sup>Herer, *The Emperor*, pp. 21-27; Conrad, *HEMP*, pp. 38-43.

Harry J. Anslinger, to head the Federal Bureau of Narcotics. The new Commissioner and his Bureau successfully lobbied for the prohibition of marihuana just as the new hemp industry began to emerge as a potential threat to Du Pont's business.<sup>14[14]</sup>

As further confirmation of Du Pont's intentions, Herer cited a Du Pont Annual Report from 1937. On the pages of this report, investment in the company was recommended by Du Pont's chairman, who somehow foresaw that "radical changes from the revenue raising power of government would be converted into instruments for forcing acceptance of sudden new ideas of industrial and social reorganization."<sup>15[15]</sup> Herer acknowledged the previous statement as a signal from Du Pont's chairman that the Marihuana Tax Act of 1937 was created to protect company interests. Apparently, Du Pont had patented processes and was developing others to make plastics from oil and coal, as well as paper pulp from wood. In all, these lucrative chemical patents accounted for eighty percent of Du Pont's business during the following fifty-year period. This meant that Du Pont had billions at stake, which were invested in processes to derive cellulose from raw materials other than hemp. If hemp had remained legal, Du Pont would not have had the market cornered on cellulose-based industries. With these thoughts in mind, Herer suggested that Du Pont conspired with Mellon to eliminate the competition.<sup>16[16]</sup>

In addition to Du Pont and Mellon, Herer also noted the significant role played by the nation's largest publisher, the Hearst syndicate, in helping to create the fundamental

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<sup>14[14]</sup>Herer, *The Emperor*, pp. 22-27; Conrad, *HEMP*, pp. 39-43.

<sup>15[15]</sup>Herer, *The Emperor*, pp. 22-24. Quoting E. I. Dupont de Nemours & Company, *Annual Report*, 1937.

<sup>16[16]</sup>Herer, *The Emperor*, pp. 22-24; Conrad, *HEMP*, pp. 40-43.

story line about the new narcotic menace, marihuana. When the Bureau was created in 1930, it adopted views similar to those of Hearst, gave them the authority of the federal government, and paraded them before the public as the truth. According to Herer, Hearst's brand of anti-marihuana journalism was initially influenced by his extreme prejudice toward Mexicans, African-Americans, and the jazz movement. However, later during the 1930s, Hearst recycled his old stories and used them as cover to protect his substantial financial interest in the paper industry.<sup>17[17]</sup>

The second generation conspiracy thesis sheds new insight on the central question of this thesis: *Why was marihuana demonized during the 1930s?* Specifically, the idea of a conspiracy is intriguing. And new original research reveals virgin information which supports the conclusions of the second generation conspiracy thesis.<sup>18[18]</sup> Evidently, during the 1930s, the idea that vested interests were exerting a controlling influence on the course of public policy was a serious topic both in the media and in the federal government. By the late 1920s, after a decade of Federal Trade Commission investigations into the lobbying activities of gigantic public utility holding companies, the truth about the corrupting influence of these vested interests was finally beginning to reach the public.<sup>19[19]</sup> The methods of persuasions employed by the private concerns were as blatant as courting government officials to as subtle as distributing propaganda to school children and placing editorials in newspapers. Building on such revelations, an enormous money trust was uncovered in 1933. Du Pont and the Mellon Bank were both

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<sup>17[17]</sup>Herer, *The Emperor*, pp. 24-25; Conrad, *HEMP*, pp. 42-43.

<sup>18[18]</sup>“Marihuana Tax Act of 1937,” National Archives.

<sup>19[19]</sup>*Congressional Record*, 71<sup>st</sup> Cong., 1<sup>st</sup> sess. (Washington, 1929) pp. 93-96, 1521-1546; John Loomis, “Who Owns the Daily Press?” *The Nation* 128 (Apr. 17, 1929): 446.

participants in this money trust, which was ultimately presided over by the nation's most powerful banking house, J. P. Morgan & Company.<sup>20[20]</sup>

At the height of these proceedings J. P. Morgan, Jr. appeared before the Senate Banking and Finance Committee Hearings and rendered the following opinion about the business of high finance.

“I state without hesitation that I consider the private banker a national asset and not a national danger. As to the theory that he may become too powerful, it must be remembered that any power which he has comes, not from the possession of large means, but from the confidence of the people in his character and credit, and that that power, having no force to back it, would disappear at once if people thought that the character had changed or the credit had diminished - not financial credit, but that which comes from the respect and esteem of the community.”<sup>21[21]</sup>

Throughout the investigations, special prosecutor Ferdinand Pecora made a mockery of Morgan's previous statement. From the testimony of the nation's leading bankers and the analysis of their company's records, Pecora revealed an intricate web of interlocking directorates among the nation's leading banks and corporations. Based on his observations, Pecora suggested the existence of an economic monopoly of national proportions.

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<sup>20[20]</sup>*Congressional Record*, 72<sup>nd</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1933) pp. 4777-4779.

<sup>21[21]</sup>Ferdinand Pecora, *Wall Street Under Oath: The Story of Our Modern Money Changers*, (New York: August M. Kelley Publishers, 1968) pp. 5-6.

<sup>22</sup>Charles A. Beard and Mary R. Beard, *America in Midpassage*, 2 vol. (New York: The Macmillan Co., 1939) pp. 156-191. Matthew Josephson, *The Money Lords: The Great Finance Capitalists 1925-1950*. (New York: Weybright and Talley, 1972).

Such an accusation was a common theme among the reactionary elements of the day, who frequently alleged that the American economy was controlled by a “money trust.” What these reactionaries observed during the early 1930s was the grand culmination of the Morgan inspired movement to consolidate business interests. Theoretically, the resultant monopolies would create financial stability amidst the chaos of competition. However, in reality, the situation pandered to self-interest. By controlling the boards of the nation’s leading corporations and industry committees, certain banks, particularly J. P. Morgan & Company, were able to exert an invisible influence over the course of economic development in America. Monetary gain always preceded all other matters.<sup>22</sup>

The implicit irony between Morgan’s lofty statement and the actual truth about the American business environment has a very profound relevance to this particular inquiry; specifically, the idea that the power to influence events does not lie in financial means, but rather in the trust of the public. Irony pervades this naïve belief. In economics money directs the final outcome of events. Time and time again, the historical record clearly demonstrates that business interests have taken precedence over the mandates of moral majorities and the consideration of the public’s welfare. The case is no different when applied to the Federal Bureau of Narcotics’ campaign against marihuana. Certain industries controlled by the money trust stood to lose billions of dollars in revenue if the new hemp industry was successful. The innate desire to protect their business investments motivated the leaders of the threatened industries to seek the aid of the Federal Bureau of Narcotics to ensure the failure of the new hemp industry. Acting on these hidden motives, the Bureau implemented an educational propaganda

campaign about the evils of marihuana. On the basis of the evidence presented by the Bureau, marihuana was effectively demonized in the minds of the American public and the Marihuana Tax Act of 1937 was passed by Congress. Together, the act of demonization and regulatory legislation destroyed the chances of the new hemp industry becoming established as a viable economy in America.

On the ensuing pages, an elaborate argument to support the main contention of this thesis, that the new hemp industry was politically assassinated by the money trust, will be presented. First, in order to justify the concept of demonization, which is central to this thesis, the history of the role of marihuana throughout the centuries in the world at large and in America, in particular, will be briefly provided. A thorough explanation of the origins of the new hemp industry will be included with this history. In the next section the material will trace the evolution of the marihuana issue in America. Continuing, the two previous sections will then be tied together and the focus will shift onto the final act of demonization, which resulted in the passage of the Marihuana Tax Act of 1937. For the final two sections of this thesis, additional evidence in support of the main contention will be presented by analyzing the immediate repercussions of the Tax Act and the aftermath of prohibition. When finished, this thesis should have created a foundation for further detailed investigations of what is a uniquely American dilemma, the prohibition of marihuana because of the hemp plant's economic promise.

## Chapter One

### An Old Path to a New Frontier

Over several millennia humanity and hemp have developed a unique symbiosis. During the twentieth century, however, certain dominant segments of American culture became avid proponents for the eradication of hemp from the face of this planet. These protagonists based their campaign on the premise that the cannabis plant posed a dangerous threat to humanity. Such a brazen assumption clearly contradicted the truth about the ageless symbiosis, that is that humanity benefited from the plant's peculiar properties. However, because these protagonists have been in a dominant position, they have been able to induce the American public into believing otherwise and, as a result, the truth about the symbiosis between hemp and humanity has become a relic of cultural amnesia.

The long historical relationship between hemp and humanity is readily evident in the etymology of the plant's names. Around 1000 AD, our English-speaking ancestors began to use the term *hanf* to designate what is known agriculturally as hemp. Earlier still, our Latin-speaking ancestors of the Roman Empire referred to the plant as *cannabis*. This latter term has since become the modern scientific term for the genus of the plant. In the Middle East, the Semitic cultures adapted the Latin *cannabis* into their own *kannab*. The civilizations of the Indian Peninsula named it *ganja* or *bhang*. The “an” and “ang” of these ancient Sanskrit words recur in the names of hemp in all the Indo-European and modern Semitic languages. Further East, in China the records of hemp

date back to 2700 BC, when its name was *Ma*. Eventually, by 1000 AD, the Chinese renamed the plant *Ta Ma*, which meant the “great hemp,” to emphasize the plant’s value to their society.<sup>22[22]</sup>

As this brief etymology attests, people have cultivated hemp since the dawn of civilization for the many benefits it bestows on humanity. Specifically, hemp provided people with fiber for textiles and paper; seed as a source of food and oil; and a psychoactive substance, which was used medicinally, religiously, and recreationally. Archaeologists have identified the remains of hemp seeds and fiber among the relics of Neolithic cultures which date back 10,000 years. The first historical mention of hemp in the Western world occurred in the writings of the Greek historian Herodotus when he stated:

“... I must mention that hemp grows in Scythia, a plant resembling flax, but much coarser and taller. It grows wild as well as under cultivation, and the Thracians make clothes from it very like linen ones - indeed, one must have much experience in these matters to be able to distinguish between the two, and anyone who has never seen a piece of cloth made from hemp, will suppose it to be of linen.”<sup>23[23]</sup>

In the same passage, Herodotus described the funeral rites of the Scythians, a nomadic people from the Russian steppe. According to Herodotus’s account, the Scythians burned

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<sup>22[22]</sup>Lyster H. Dewey, “Hemp,” *Yearbook of the United States Department of Agriculture*, 1913, pp. 289-290. The modern names are: bhang, ganja, hanf, hamp, hemp, chanvre, cañamo, kannab, and cannabis. Also see Jack Herer, *Hemp & The Marijuana Conspiracy: The Emperor Wears No Clothes* (Van Nuys, California: HEMP Publishing, 1991) p. 49.

<sup>23[23]</sup>Herodotus, *The Histories* B. 4: 71-76, trans. Aubrey de Sélincourt, ed. A. R. Burn, (Viking Penguin, Inc.: New York, 1972) pp. 294-295.

hemp seeds as incense. He noted further that the smoke produced a state of euphoria in those who came into contact with it.<sup>24[24]</sup>

Throughout history, the plant's psychoactive properties have consistently been incorporated into the rites of mystical religions throughout history. In Ancient Western Societies, the Mystery Religions of the Great Mother Goddess utilized hemp in their sacred rites. The use of the hemp's psychoactive properties persisted in the West as a feature of pagan religions and medicines until the Inquisitions of the twelfth and thirteenth centuries formally outlawed the use of cannabis for religious and medicinal purposes. A few centuries later, Catholic dogma was firmly established by Pope Innocent VIII, when in 1484, he issued a precedent setting bull which clearly labeled the users of cannabis as heretics and worshippers of Satan. Despite persecution against the religious and medicinal use of the drug, hemp remained an agricultural staple in the West, where it was highly valued as a source of fiber and seed.<sup>25[25]</sup> Ironically, after it was formally outlawed by the Pope in 1484, hemp took on a new historical importance.

By the sixteenth century, paper had become an integral part of Western civilization and hemp had made it all possible. The actual technique of making paper from hemp was an ancient Chinese secret. Buddhist documents from the third and fourth

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<sup>24[24]</sup>Ibid, B. 4: 71-76. Another citation occurs in B. 1: 202. Also see Ernest Abel, *Marihuana: The First Twelve Thousand Years* (Plenum Press: New York, 1980) pp. 3-35; Herer, pp. 49-56; Chris Conrad, *HEMP: Lifeline to the Future* (Los Angeles, California: Creative Xpressions Publications, 1993) pp. 2-22; Jack Frazier, *The Great American Hemp Industry* (Peterstown, West Virginia: Solar Age Press, 1991) pp. 1-47..

<sup>25[25]</sup>Abel, *Marihuana*, p. 61-109; Herer, *The Emperor*, pp. 49-56; Conrad, *HEMP*, pp. 2-22.

centuries AD are the oldest examples of paper. The ancient Chinese texts were printed on paper made primarily from a mixture of bark and old rags, which were mainly composed of hemp. With this formula for paper the Chinese became the first culture to mass produce books. One of the foremost experts on the history of paper making examined samples of the ancient Chinese book paper and found them to be 100 per cent hemp. In the eighth century, the Chinese art of paper making reached Persia and Arabia. Then, eventually, in 1150, the Moorish culture of Spain established the first paper mill in the West and by the sixteenth century the art of paper making was firmly established in Europe.<sup>26[26]</sup>

During the Renaissance, the prolific French Humanist, François Rabelais (1495-1553), in his classic, *The Histories of Gargantua and Pantagruel*, proclaimed, “Without it [hemp] how could water be drawn from the well? What would scribes, copyists, secretaries, and writers do without it? Would not official documents and rent-rolls disappear? Would not the noble art of printing perish?”<sup>27[27]</sup> The truths revealed in Rabelais’ previous statement extend beyond measure. There is no doubt that hemp played an active role in the history of the day. The great voyagers of the Age of Discovery relied on ropes and sails woven from hemp fibers to rig their ships. Once used, the sails were recycled and sold as rags to the paper manufacturers. The newspapers and pamphlets made from this paper fueled the democratic revolutions of the

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<sup>26[26]</sup>Andre Blum, *The Origin of Paper* (New York: R.R. Bowker Co., 1934) p. 16. Quoted from Frazier, *Great American Hemp Industry*, p. 52. Also see Abel, *Marihuana*, pp. 7-9.

<sup>27[27]</sup>William Irwin Thompson, *At the Edge of History*, (New York: Harper & Row, 1971) p. 124. Quoted from Frazier, *Great American Hemp Industry*, p. 52.

sixteenth through eighteenth centuries. Without hemp these revolutions might never have occurred. The same conclusions also apply to the evolution of capitalism and the pre-1870 phase of the Industrial Revolution. Both events relied on hemp as a source of canvas and rope for the rigging of trading vessels and as a source of paper for accounting ledgers, business contracts, and routine correspondence.<sup>28[28]</sup>

In America, hemp was an agricultural staple from the very beginning. The Founding Fathers knew the value of hemp. Both Thomas Jefferson and George Washington cultivated hemp and wrote about its benefits. By 1810, hemp was America's third largest agricultural commodity. Hemp fiber was in high demand among the producers of ropes and twines, linens and canvases, and even of paper. This demand led to the development of a strong industry in Kentucky, but like the other cash crops of pre-Civil War America, the Kentucky hemp industry was part of the Southern slave economy. Following the Civil War, the institution of slavery disappeared and the hemp industry was forced to pay for its labor. Initially, the new arrangement was feasible, but in time the winds of change forced the hemp industry to the brink of extinction.<sup>29[29]</sup>

The force behind these winds of change was the Industrial Revolution. As this economic revolution evolved in America, it exerted a powerful influence on the course of the hemp industry. This influence was set into effect through the introduction of technological improvements. In particular, the new technology revolutionized the productive capacity of industries. Today this increase in productive capacity is referred to as mass production. The primary prerequisite for mass production was a cheap and

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<sup>28[28]</sup>Abel, *Marihuana*, pp. 61-75; Frazier, *Great American Hemp Industry*, p. 52.

<sup>29[29]</sup>Abel, *Marihuana*, pp. 76-91; Conrad, *HEMP*, pp. 23-37, 304-305.

plentiful supply of raw materials. In order to satisfy this prerequisite, the producers of raw materials invested heavily in the development of mechanical technology. The innovations of machinery allowed the producers to cut their cost of labor while they increased their output. Mass production in agriculture led to the establishment of large scale farming operations. The cultivation of hemp never adapted to the new market conditions of mass production which settled themselves into the fabric of post-Civil War America and, as a consequence, the cultivation of hemp steadily declined to the point where it had virtually disappeared by the close of the 1920s. Only two small business concerns in Wisconsin continued to cultivate hemp for its fiber. These firms survived on the production required by the United States Navy and by the 1930s this business had dwindled to approximately 1000 acres of hemp per year.<sup>30[30]</sup>

From the context of Department of Agriculture reports, the most serious problem confronting the hemp industry as it entered the twentieth century was labor. Both the harvesting and processing of hemp were extremely labor intensive jobs. Once slavery was abolished after the Civil War, the cost of hiring labor caused the price of hemp to become uncompetitive in comparison with the lower prices offered for the fiber of other plants. The use of hemp fiber in clothing was being superseded by cotton and wool, both of which were more easily spun by machinery. Likewise, the use of hemp on ships had dramatically declined since the introduction of both wire cable ropes, which were stronger and lighter than ropes made from hemp, and by Manila hemp, *abaca*, which was

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<sup>30[30]</sup>Andrew A Wright and Lyster H. Dewey, *Hemp Fiber Production*, Dec., 1933; Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, Dec., 19, 1939, "Marihuana Tax Act of 1937," National Archives.

lighter and more durable in salt water. Furthermore, since ships were no longer powered by the wind, sails composed of hemp canvas were no longer required. Finally, hemp fiber, even though hemp was superior in strength and durability, was also being forced off the market as a material for twines and carpet warps by cheaper jute fiber.<sup>31[31]</sup>

The same cycle of extinction occurred in the manufacturing of paper from recycled hemp rags. In the 1840s, the Germans developed a process of producing paper from trees. At the time the new technique was hailed as a breakthrough. Historically, a short supply of rags had kept the price of paper relatively high. The German technique offered a cheap formula for converting raw cellulose from a seemingly endless supply of trees into paper. This new method quickly became established in the northeastern section of the United States, where there was an abundance of trees and water power to supply and operate the paper mills. Once harnessed, the free power and the abundant supply of trees allowed the paper manufacturers to offer larger quantities of their product at lower prices.<sup>32[32]</sup>

In a relatively short time, the demands of mass production severely depleted naturally occurring supplies of raw material. Guided by the obvious conclusion, that the supply of trees would eventually be exhausted, scientists began to discuss the possibility of developing alternate sources for the production of paper. Among the alternate sources, hemp was considered to be a favorable possibility from the outset. In 1908, the

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<sup>31[31]</sup>Lyster H. Dewey, "Hemp Fiber Losing Ground Despite Its Valuable Qualities," *Yearbook of the United States Department of Agriculture*, 1931, pp. 285-286.

<sup>32[32]</sup>L. Ethan Ellis, *Print Paper Pendulum: Group Pressure and the Price of Newsprint*, (New Brunswick, NJ: Rutgers University Press, 1948), pp. 1-2.

Department of Agriculture published a circular, *Papermaking Materials and their Conservation*, which suggested the use of hemp as an alternative source.<sup>33[33]</sup> Two years later, in 1910, the Department of Agriculture published an article, “Utilization of Crop Plants in Paper Making,” in their annual *Yearbook*. At the beginning of a specific section titled, “Plants That May Be Grown as Paper Crops,” the author presented the following statement:

“In addition to the waste materials that are available, evidence has been gathered that certain crops can probably be grown at a profit to both the grower and manufacturer, solely for paper-making purposes. One of the most promising of these is *hemp*.”<sup>34[34]</sup>

The previous suggestion was repeated again in a Department of Agriculture Circular, *Crop Plants for Papermaking*, which was published in 1911.<sup>35[35]</sup>

Along with this early governmental recognition, hemp also received some attention in technical publications. The earliest study was published in a 1904 edition of the *Pulp Paper Magazine of Canada*.<sup>36[36]</sup> The title of this study was “Paper from Refuse Hemp Stalks.” It reported very favorably on the prospects of utilizing hemp. Two years later the same magazine published another study, “Hemp Waste for Paper,” which

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<sup>33[33]</sup>F. P. Veitch, *Paper Making Materials and their Conservation*, United States Department of Agriculture, Circ. 41 (Dec., 1908).

<sup>34[34]</sup>C. J. Brand, “Utilization of Crop Plants in Paper Making,” *Yearbook of the United States Department of Agriculture*, 1910, p. 338 [Italics are mine].

<sup>35[35]</sup>C. J. Brand, *Crop Plants for Papermaking*, United States Department of Agriculture, Circ. 82 (Aug. 31, 1911).

<sup>36[36]</sup>Savero Ragno, “Paper from Refuse Hemp Stalks,” *Pulp Paper Magazine of Canada*, 2, no. 10 (Oct. 1904): 291-292.

reiterated the conclusions of the previous study.<sup>37[37]</sup> The private research continued and, in 1908, another article was published which stated that hemp was the second best plant material after cotton to use for the production of paper.<sup>38[38]</sup>

Eventually, the Department of Agriculture sanctioned an official inquiry into the economic potential of producing paper made from hemp. In 1916, the Department of Agriculture issued Bulletin No. 404, *Hemp Hurds as a Paper-Making Material*, a collection of individually authored scientific articles.<sup>39[39]</sup> The first study, written by Dr. Lyster H. Dewey, titled, “The Production and Handling of Hemp Hurds,” explained that the hurd was the woody inner portion of the hemp stalk. Hurds were only produced in a collectable quantity and fashion when the hemp was broken by a machine break. This new technology had been introduced around 1912, and, since then, it had been used to a limited extent in Kentucky. Among the processors of hemp it was customary to discard the hurds as waste material and, consequently, large piles of hurds had accumulated. According to Dr. Dewey’s estimates, 7000 tons were available to be sold in 1916, for which the farmer could receive from \$4 to \$6 per ton.<sup>40[40]</sup>

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<sup>37[37]</sup>“Hemp Waste for Paper,” *Pulp Paper Magazine*, Canada 4, no. 3 (Mar. 1906): 79-90.

<sup>38[38]</sup>W. B. Snow, “Quality of Paper for Permanent Use,” *Paper Trade Journal* 46, no. 12 (Mar. 1908). Also see; *Permanence and Durability of Paper: an annotated bibliography of the technical literature from 1885 A. D. - 1939 A. D.*, U. S. Bureau of Standards Technical Bulletin, no. 22 (Washington, 1940).

<sup>39[39]</sup>L. H. Dewey and J. L. Merrill, *Hemp Hurds as Papermaking Material*, United States Department of Agriculture Bulletin No. 404 (Oct. 14, 1916).

<sup>40[40]</sup>*Ibid*, pp. 1-6.

The second paper, “The Manufacturing of Paper from Hemp Hurds,” was written by Jason L. Merrill, a Department of Agriculture paper-plant chemist. He opened his report by stating that his purpose was to investigate the use of hemp hurds for the production of paper. Given the conditions of the current paper market, Merrill humbly acknowledged that the feasibility of his proposal would be governed by the condition that hemp-based paper could be produced more economically than wood-pulp paper. When Bulletin No. 404 was issued in 1916, hemp was not being extensively grown. As a result, the supply of hurds was so small that it was uneconomical for the farmers to market them to paper mills. Consequently, Merrill felt that it would be impossible for hemp to gain a foothold in the current paper market.<sup>41[41]</sup>

At the same time, Merrill also astutely observed the rapidly dwindling supply of timber, and noted that there would be a need for alternative wood sources in the future, especially since the forests were being cut three times as fast as they were growing. One solution to the problem was reforestation, but based on Merrill’s own research, such a solution would prove to be inadequate. Over time, the diminishing supply of wood pulp would lead to increased prices and provide an opening for alternative sources on the market. Based on this assumption, Merrill believed that hemp could become a practical alternative if necessary.<sup>42[42]</sup> Continuing, Merrill proceeded to explain that:

“Every tract of 10,000 acres which is devoted to hemp raising year by year is equivalent to a sustained pulp-producing capacity of 40,500 acres of average pulp-wood lands. In other words, in order to secure additional raw materials for the production of 25 tons of fiber per day there exists the possibility of utilizing the agricultural waste already

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<sup>41[41]</sup>Ibid, pp. 7-9.

<sup>42[42]</sup>Ibid, pp. 7-9.

produced on 10,000 acres of hemp lands instead of securing, holding, reforesting, and protecting 40,500 acres of pulp-wood lands.”<sup>43[43]</sup>

Despite his studies and these promising statistics, Merrill did not openly argue for increasing the cultivation of hemp. Instead, he realistically emphasized the fact that paper manufacturers could only afford to purchase hurds from the hemp industry, which in its current state did not produce enough hurds to make such a venture economical for either party.<sup>44[44]</sup>

With the future in mind, Merrill still conducted extensive experiments. During his investigations he produced twenty-four different pulps from the hurds which he deemed suitable for the production of paper. With these different pulps he then began to produce paper which eventually led him to the following conclusions:

“After several trials, under conditions of treatment and manufacture which are regarded as favorable in comparison with those used with pulpwood, paper was produced which received very favorable comment both from investigators and from the trade and which according to official tests would be classed a No. 1 machine-finishing paper.”<sup>45[45]</sup>

Certainly, with this statement Merrill effectively suggested that in the future and under different circumstances hemp might be considered a very good raw material source for the production of paper. But, during 1916, he did not believe such a development was possible.<sup>46[46]</sup>

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<sup>43[43]</sup>Ibid, p. 24.

<sup>44[44]</sup>Ibid, p. 24.

<sup>45[45]</sup>Ibid. p. 25.

<sup>46[46]</sup>Ibid, p. 25.

Examining Bulletin No. 404 in retrospect, it does not appear that the report was published with the intention of being promotional. Aside from scattered abstracts published in five issues of professional journals, Bulletin No. 404 was not accompanied by any sort of general media attention when it was released in 1916.<sup>47[47]</sup> Furthermore, there was never any serious activity within or outside the hemp industry to develop a market for the hurds after its release. The lack of response should come as no great surprise because the hemp industry was merely a fraction of what it used to be and, in 1916, there was not a problem with the supply of wood pulp.<sup>48[48]</sup>

Despite the prevailing abundance of cheap wood pulp paper, further research was still conducted during the twenties regarding the utilization of alternative sources. Not surprisingly, hemp continued to be considered as a possibility among the research community. In 1919, the work of two German scientists C. G. Schwalbe and Ernest Becker titled, “The Chemical Composition of Flax and Hemp Chaff,” was published in two prominent technical journals.<sup>49[49]</sup> According to this study, the chemical composition of hemp chaff, or waste, was suitable for the production of paper. These observations were analyzed further in 1921, when another study was produced by two more German

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<sup>47[47]</sup>Abstracts appear in: *Paper Mill* 39, no. 44 (Oct. 28, 1916): 42-44; no 45 (Nov. 4, 1916): 12, 14, 24, 26; *Pulp Paper Magazine Canada* 15, no. 2 (Jan. 11, 1917): 53, 62; *Paper* 19, no. 7 (Oct. 25, 1917): 18-19; *Chemical Abstracts* 11: 1299. Quoting Clarence J. West, *Papermaking Properties of Flax and Hemp*, Bibliographic Series Number 62, (The Institute of Paper Chemistry: Appleton, Wisconsin, 1939).

<sup>48[48]</sup>Ellis, *Print Paper Pendulum*, p. 130.

<sup>49[49]</sup>E. R. Schwalbe and Ernest Becker, “The Chemical Composition of Flax and Hemp Chaff,” *Z. Angew. Chem.* 32, no. 1 (1919): 126-129; *Chemical Abstracts* 13: 3315. Quoting Clarence J. West, *Papermaking Properties of Flax and Hemp*

scientists B. Rassow and A. Zschenderlein. This new study was titled, “Nature of Hemp Wood.”<sup>50[50]</sup> According to an abstract of the study which appeared in the *Paper Trade Journal*, hemp seemed to possess very favorable characteristics for the production of paper pulp.<sup>51[51]</sup>

The mere fact that this information was available to the public tends to suggest that hemp would have been readily recognized as an experimentally successful type of alternative source for the production of paper among interested parties. This observation proves to be extremely relevant because by the mid-1920s, research into utilization of farm wastes as an alternate source for the production of paper surfaced as a serious topic on the federal level. The possibility of utilizing hemp for the production of paper was intimately related to the ensuing Congressional debate regarding farm waste as an alternative source.<sup>52[52]</sup>

With respect to the open-ended definition of farm waste, it is interesting to recall that the hurds of hemp were considered to be farm waste in the Department of

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<sup>50[50]</sup>B. Rassow and A. Zschenderlein, “Nature of Hemp Wood,” *Z. Angew. Chem.* 34 (1921): 204-206; *Paper Trade Journal* 73, no. 15 (Oct. 13, 1921): 46-48; *World’s Paper Trade Review* 77, no. 14 (Apr. 1922): 1116, 1118; *Chemical Abstracts* 16: 1150. Quoting Clarence J. West, *Papermaking Properties of Flax and Hemp*.

<sup>51[51]</sup>Clarence J. West, *Paper Trade Journal* 73, no. 15 (Oct. 13, 1921): 46, 48.

<sup>52[52]</sup>The debates about developing alternative sources for the production of paper and similar cellulose products started during the 69<sup>th</sup> Cong., 2<sup>nd</sup> sess., 1927, and lasted until the 71<sup>st</sup> Cong., 1<sup>st</sup> sess., 1929.

Agriculture's Bulletin No. 404.<sup>53[53]</sup> Furthermore, several technical journals had reported favorably about utilizing hemp waste for the production of paper. In fact, some of the earliest articles on this topic bore titles such as "Paper from Refuse Hemp Stalks" and "Hemp Waste for Paper."<sup>54[54]</sup> Clearly, any definition of farm waste also included hemp. It is extremely doubtful that any party expressing an interest in utilizing farm wastes would have failed to make this connection. To assume otherwise would be to assume that they were uninformed about the finer aspects of their business.

Another possible alternative source which was specifically referred to during the debates and in the majority of the newspaper articles about farm wastes was flax.<sup>55[55]</sup> These references provide further evidence linking hemp to the alternative source debate. During the 1920s, a total of sixteen articles were published in technical paper trade journals which investigated the utilization of flax as an alternative source for the production of paper.<sup>56[56]</sup> In September, 1929, during the 78<sup>th</sup> meeting of the American Chemical Society in Minneapolis, Minnesota, a study was presented, titled "Physical and

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<sup>53[53]</sup>L. H. Dewey and J. L. Merrill, *Hemp Hurds as Papermaking Material*, United States Department of Agriculture Bulletin No. 404 (Oct. 14, 1916).

<sup>54[54]</sup>Saverio Ragno, "Paper from Refuse Hemp Stalks," *Pulp Paper Magazine*, Canada 2, no. 10 (Oct., 1904) : 291-292; "Hemp Waste for Paper," *Pulp Paper Magazine*, Canada 4, no. 3 (Mar., 1906): 79-90.

<sup>55[55]</sup>*Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) pp. 1247-1255, 5050-5055.

<sup>56[56]</sup>Clarence J. West, *Papermaking Properties of Flax and Hemp*, Bibliographic Series Number 62, (The Institute of Paper Chemistry: Appleton, Wisconsin, 1939).

Chemical Characteristics of Hemp Stalks and Seed Flax Straw.”<sup>57[57]</sup> Previously, the authors, E. R. Schafer and F. A. Simmonds, had been studying the utilization of flax for the production of paper. Noting the similarities between hemp and flax, the authors explored the existing literature regarding the production of paper from hemp. Based on their analysis of the existing literature, Schafer and Simmonds concluded that hemp possessed very favorable properties and that further research into the utilization of the plant for the production of paper was warranted.<sup>58[58]</sup> Given the context of this assessment, it seems safe to assume that individuals with an interest in alternative sources would have recognized the possibility of utilizing hemp whenever flax was mentioned.

Eventually, the topic of developing farm wastes as an alternative source for the production of paper caught the attention of Washington. On January 25, 1927, during the second session of the Sixty-Ninth Congress, Representative Cyrenus Cole from Iowa, took the House floor and introduced legislation calling for a \$50,000 appropriation for the Bureau of Standards to conduct research into the utilization of farm waste on a commercial basis. Opening his speech, Representative Cole posed the following set of questions to his audience: “... Can we not make something out of these wastes? Can these vast wastes be utilized? Is there anything that we can make out of them?” Then he answered:

“... I have been studying such problems ever since I have been in Congress. During all my time here we have had what we know as our

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<sup>57[57]</sup>E. R. Schafer and F. A. Simmonds, “Physical and Chemical Characteristics of Hemp Stalks and Seed Flax Straw,” *Paper Trade Journal* 90, no. 20 (May 15, 1930): 67-70.

<sup>58[58]</sup>*Ibid.*

farm problems. I have been thinking that we could in part solve some of these problems by making more things out of our products.

To me the farm problem is almost more industrial than agricultural... I believe the farm must be coupled with the factory and the factory with the farm... We must find more uses for our so-called raw products.<sup>59[59]</sup>

Through his quest to combine agriculture and industry, Representative Cole came into contact with the work being conducted at Iowa College. According to the Congressman, scientists at the College had successfully converted farm waste into industrial products, ranging from valuable chemicals to print paper and substitutes for lumber.<sup>60[60]</sup>

After consulting with officials from the College about this news, Representative Cole was told that all that was lacking was practical research on a commercial basis. Apparently, the College did not have the facilities to conduct experimentation of this nature. Recognizing the need to continue this promising avenue of research, Representative Cole formed the idea of involving the Bureau of Standards. With this plan in mind he took the initiative and invited Iowa College's chief engineering chemist, Dr. O. R. Sweeney, and the college president, Herman Knapp, to Washington, and introduced them to Secretary of Commerce Herbert Hoover, who scheduled a meeting for all with Dr. George K. Burgess, the Director of the Bureau of Standards. At this meeting, Dr. Burgess informed those in attendance that the Bureau was already investigating the utilization of farm wastes for industrial purposes and that he had even discussed such achievements and possibilities in his own annual report of 1926. Through this conference, Representative Cole was able to impress the importance of developing

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<sup>59[59]</sup>*Congressional Record*, 69<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1927) p. 2260.

<sup>60[60]</sup>*Ibid*, p. 2260.

research on the utilization of farm wastes for industrial purposes and secure the approval of the Bureau of the Budget for an appropriation of \$50,000 for the Bureau of Standards to continue its investigations.<sup>61[61]</sup>

On January 25, 1927, Representative Cole presented his \$50,000 appropriation bill on the floor of House. According to his data, the production of paper pulp offered the greatest possibility for commercial success with farm wastes. In particular, he argued that the Bureau of Standards possessed the necessary facilities to adequately proceed with commercial experimentation in the production of paper pulp. At the same time, he stressed the fact that the supply of wood pulp was rapidly diminishing and that the United States then imported the majority of its paper from Canada. Given the current situation, he opined it was inevitable that as the natural reserves of wood were depleted the price of paper produced from wood pulp would increase. The successful research into the utilization of farm wastes, specifically cornstalks, held out a realistic solution to the problem of maintaining a constant supply of raw materials. If allowed to develop, Representative Cole claimed that markets for farm waste to paper pulp producers could bring the farmers from \$4 to \$5 per ton for what was presently considered waste material.<sup>62[62]</sup> This figure was extremely close to the \$4 to \$6 per ton which Dr. Dewey had estimated in 1916, when he discussed the possibility of developing markets for hemp waste.<sup>63[63]</sup>

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<sup>61[61]</sup>Ibid, pp. 2260-2263.

<sup>62[62]</sup>Ibid, pp. 2261-2263.

<sup>63[63]</sup>L. H. Dewey and J. L. Merrill, *Hemp Hurds as Papermaking Material*, United States Department of Agriculture Bulletin No. 404 (Oct. 14, 1916) p. 6.

Significantly, Representative Cole introduced this appropriation bill during the midst of an agricultural depression. After the First World War, European agriculture recovered and recaptured markets which had been assumed by the American farmers. The loss of markets was coupled with increasing levels of production. The net effect was a decline in agricultural prices. By the mid-1920s, a serious depression had commenced among the American agricultural community and it was directly linked to overproduction. Representative Cole's idea was to develop new markets for the farmers in order to relieve them from the pressure of declining prices. This proposal was the first truly logical alternative to the agricultural depression. Specifically he reasoned:

“Our farm problems arise from what I may call an unbalance. For two generations, or ever since the enactment of the homestead laws and the land grant college laws, we have been stressing production. Under these enactments we have thrown open vast new areas of fertile lands and we have applied every effort to the increase of production. We now find that we can have overproduction, and overproduction creates the surplus that we are now trying to deal with.

We must now put the stress on the other end. I mean on marketing and consumption. We paid all too little attention to these essential things in the equation of prosperity. We must find new markets, and new markets may not mean going across the seas with shiploads of our products but in finding new uses for the abundant crops... The industrialization of agriculture, I repeat, is at the present time the one most important thing lacking and therefore the one most important thing we should be seeking.”<sup>64[64]</sup>

Evidently, the rest of Congress agreed with Representative Cole's assessment of the situation because they voted for the appropriation.

Before the legislation was finalized, though, the Department of Agriculture caused the appropriation to be stricken from the bill on the grounds that the federal

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<sup>64[64]</sup>*Congressional Record*, 69<sup>th</sup> Cong., 2<sup>nd</sup> sess. Wahington, 1927) p. 2262.

funding was a duplication of investigations already being conducted by the Department of Agriculture's Bureau of Forestry and Forest Products. This hostile and uncooperative posture toward the small appropriation of \$50,000 seems strange since the Bureau of Forestry did not specifically investigate farm waste. However, this agency did conduct experiments in search of alternative types of wood to use for the production of paper. Based on the similarities between the research project proposed by Representative Cole and those already being conducted by the Bureau of Forestry, the Department of Agriculture succeeded in having the appropriation dropped from the record. Upon discovering this action Secretary Hoover notified President Calvin Coolidge of the dilemma. Following the advice of Secretary Hoover, the President reinstated the appropriation through an executive order. By 1927, the Bureau of Standards began to seriously investigate the possibility of utilizing farm wastes for the manufacture of industrial products, such as paper and building materials.<sup>65[65]</sup>

The following year, during the second session of the Seventieth Congress, Thomas Schall, a blind Republican Senator from Minnesota, introduced new alternative source legislation. His bill, S. 4834, was a requisition for appropriations to build manufactories in parts of the country where farm wastes could be easily secured, and then, once built, to demonstrate the commercial practicability of making high-grade writing paper, newsprint paper, compo board, insulating board, and wall board. Among the possible farm wastes cited by the Senator were cornstalks, straw, and sugar cane.

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<sup>65[65]</sup>*Congressional Record*, 70<sup>th</sup> Cong. 2<sup>nd</sup> sess. (Washington, 1929) p. 1252. Quoting Blair Coan, "Process of Making Print Paper from Cornstalks Suppressed for Twenty Years," (1928).

According to Senator Schall, it was not unreasonable to help provide the American farmer with the opportunity to use what had previously been considered waste material for the production of industrial goods. During the course of the debate for S. 4834, Senator Schall printed an article in the *Congressional Record* which made a direct reference to hemp as a possible alternative source.<sup>66[66]</sup> Even though this article was the only direct reference to hemp, it still provides solid proof that hemp was recognized as an alternative source.

Senator Schall presented a wealth of information in support of developing markets for alternative sources, but during the second session of the Seventieth Congress his legislation never made it past committee. Despite this defeat, the Senator continued the fight into the next session of Congress and introduced another bill “authorizing an appropriation to encourage the utilization of farm waste for the production of paper by aiding farmers and local chambers of commerce to develop the manufacturing of paper pulp from waste crops.”<sup>67[67]</sup> This new bill, S. 561, was essentially the same as S. 4834 which the Senator had introduced during the previous session of Congress. Like its predecessor S. 561 died in committee.

Further alternative source legislation was presented in the first session of the Seventy-First Congress by Senator Daniel Steck from Iowa. On May 13, 1929, Senator Steck introduced S. 1 as an amendment to the pending farm relief bill. The Steck amendment was a more elaborate version of S. 561, calling for a government board to

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<sup>66[66]</sup>*Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) pp. 5053-5054. Quoting *The Kasson Call*, Jan. 23, 1929.

<sup>67[67]</sup>*Congressional Record*, 71<sup>st</sup> Cong., 1<sup>st</sup> sess. (Washington, 1929) p. 337.

make loans to cooperative associations of up to \$25,000,000 for the purpose of “assisting the cooperative association in the acquisition by purchase, construction, or otherwise, of facilities and equipment for the preparing, handling, storing, processing, and sale of cornstalks, wheat, oat, and rice straw, cotton stalks, cane stalks, and other like agricultural commodities.”<sup>68[68]</sup> Despite the Senator’s insistence, the rest of Congress did not feel that there was a need to create a separate amendment. Instead, an agreement was reached that interested parties could apply for loans through a subsection of the pending farm relief legislation.<sup>69[69]</sup> Not surprisingly, no action was taken on behalf of developing farm waste industries for the farmer in any of the subsequent Congresses.

At the time of the alternative source debate, hemp never received any serious attention because it was virtually extinct as an agricultural commodity and, therefore, yielded little farm waste. However, the lack of cultivation does not mean that interested parties were not aware of the potential benefits offered by the plant in relation to the on going search for alternative sources. For example, during 1930, the *Paper Trade Journal* ran an article which recapitulated the previous literature regarding the possibility of utilizing hemp for the manufacturing of paper. The material of this article also served as a topic of discussion during the 78<sup>th</sup> meeting of the American Chemical Society held between September 9 and 13, 1929.<sup>70[70]</sup> Thus, based on these opportunities of

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<sup>68[68]</sup>Ibid, p. 1183.

<sup>69[69]</sup>Ibid, pp. 1186-1187.

<sup>70[70]</sup>E. R. Schafer and F. A. Simmonds, “Physical and Chemical Characteristics of Hemp Stalks and Seed Flax Straw,” *Paper Trade Journal* 90, no. 20 (May 15, 1930): 67-70.

awareness, it would be extremely difficult to suggest that parties interested in developing alternative sources were unaware of hemp's unique paper producing properties.

The previous observation is particularly relevant since the Department of Agriculture's Bureau of Plant Industry issued a formal warning against the promotion of large-scale hemp cultivation in 1931, with reference to activity which had occurred during the past season of 1930.<sup>71[71]</sup> Evidently, the promoters cited by the Bureau of Plant Industry were advertising the potential of decorticating machinery to revolutionize the hemp industry. This new technology was critical to developing hemp as an alternative source for the production of cellulose.<sup>72[72]</sup> Apparently, the promotional efforts continued, because, in 1933, the new hemp industry became an economic reality. The primary force behind the new commercial activity was Frank E. Holton.<sup>73[73]</sup>

According to the Federal Bureau of Narcotics' records, Holton appeared in Mankato, Minnesota, in 1933, armed with an impressive array of statistics regarding the cultivation of hemp. Prior to his involvement with the commercial hemp industry, Holton had been a cashier at the Northwestern National Bank in Minneapolis. By 1917, he had moved on to "greener pastures," to become a participant in several speculative

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<sup>71[71]</sup>United States Department of Agriculture, "Warns Against HEMP exploitation," *The Official Record* vol. 10, no. 15, Apr. 11, 1931.

<sup>72[72]</sup>L. H. Dewey and J. L. Merrill, *Hemp Hurds as Papermaking Material*, United States Department of Agriculture Bulletin No. 404 (Oct. 14, 1916) pp. 1-6.

<sup>73[73]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, pp. 1-2, "Marihuana Tax Act of 1937," National Archives.

ventures during the 1920s. Eventually, during the early 1930s, he came into contact with Harry W. Bellrose, the President of the World Fibre Corporation, which was located in Chicago, Illinois. In addition, to being the president of this company, Bellrose was also the owner of the patent for the new Selvig hemp decorticating machine.<sup>74[74]</sup> Furthermore, Bellrose was a very active promoter of hemp as a raw material source for the production of paper, as well as other cellulose based industrial products such as artificial textiles, explosives, and plastics.<sup>75[75]</sup> After their meeting, Holton became interested in the prospects of the commercial hemp industry and purchased the patent rights to the Selvig machine within the state of Minnesota.<sup>76[76]</sup>

From the start, the National Citizens Bank of Mankato was very active in rendering assistance to Holton in his venture. Two members of the Bank's board of directors invested quite extensively in the new business enterprise. On October 3, 1933, the Northwest Hemp Corporation was organized under the laws of the state of Minnesota. According to the certificate of incorporation, the purpose of the new company was "to encourage and develop the growth of hemp and flax fibre plants, and to enter into

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<sup>74[74]</sup>This decorticating machine was created by John N. Selvig. In 1939, he was reported to be 64 years of age and to have been employed for the past 40 years as a research engineer by the Western Electric Company. Cornelius J. Kelley, Narcotic Agent, to James B. Biggins, District Supervisor, Oct. 6, 1939, p. 6, "Marihuana Tax Act of 1937," National Archives.

<sup>75[75]</sup>H. W. Bellrose, President of the World Fibre Corporation to Elizabeth Bass, District Supervisor, Oct. 14, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>76[76]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, pp. 1-2, "Marihuana Tax Act of 1937," National Archives.

contracts with growers for the planting of such products; to engage in the manufacture and distribution of hemp and flax fibre and to own and operate factories to handle and decorticate all such fibre plants, etc.”<sup>77[77]</sup>

In the spring of 1934, farmers planted the first crop of hemp for the new industry. The growing area was divided among three localities, Blue Earth, Mankato, and Lake Lillian. Decorticating machines were installed in each of the areas to facilitate the processing of the hemp after the harvest. When the time came to harvest the first crop, the inexperience of the farmers and organizers became readily apparent. First, Holton failed to supply the farmers with suitable harvesting machinery and second, the hemp was not allowed to ret (to soak to loosen the fiber from the woody hurd) properly before it was decorticated. Furthermore, the decorticating machines were not working as efficiently as Holton would have liked.<sup>78[78]</sup> Despite these problems, the company still harvested a total of 6500 acres of hemp. This figure quadrupled the amount of hemp harvested by all other commercial hemp enterprises in 1934.<sup>79[79]</sup>

Over the winter of 1934-35, Holton was able to keep interest alive in the hemp project. Farmers in the Blue Earth and Mankato localities still had a surplus of unprocessed hemp left from the previous year, and therefore they declined to grow in 1935. In their place, Holton was able to convince the farmers in the Lake Lillian area to

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<sup>77[77]</sup>Ibid, p. 3.

<sup>78[78]</sup>Ibid, pp. 3-4.

<sup>79[79]</sup>United States Department of Agriculture, B. B. Robinson, Assistant Plant Breeder Bureau of Plant Industry, to Commissioner Anslinger, Nov. 23, 1935, “Marihuana Tax Act of 1937,” National Archives.

grow 2000 acres of hemp. This time, there were no difficulties with the harvest, but again the hemp was not allowed to rot and the decorticating machines were still not working properly. After the harvest in 1935, the Northwest Hemp Corporation had accumulated between 8000 and 10,000 acres of unprocessed hemp. The surplus was left in shocks in the fields.<sup>80[80]</sup>

Stockholders began to grow impatient with the succession of failures in 1935. The directors of the National Citizens Bank of Mankato started a movement to oust Holton from his position as the company's president. The endeavor met with failure because Holton retained control of the stock and the principal assets, such as the promissory notes and the lien on the hemp still in the fields. While the company was in midst of this turmoil, M. J. Connolly, of New York, entered the picture in the fall of 1935. He had been involved in the promotion of fiber companies prior to his arrival upon the scene in Southern Minnesota. Along the way Connolly had acquired several patents for utilizing hemp fiber and its by-products, the hurds, for the production of raw cellulose.<sup>81[81]</sup> The specific patents possessed by Connolly were not identified in any documents, but they reportedly described processes for deriving raw cellulose from hemp. Interestingly, there are approximately six American patents and six European patents dating from 1925 to 1935, which deal with the derivation of raw cellulose from

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<sup>80[80]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, pp. 4-5, "Marihuana Tax Act of 1937," National Archives.

<sup>81[81]</sup>*Ibid*, pp. 5-6.

hemp. Some of the patents also described the manufacture of paper pulp and plastics.<sup>82[82]</sup>

Before long, Connolly's schemes to use hemp for the production of raw cellulose attracted the attention of Joseph H. Gunderson, an officer of the Blue Earth State Bank located in Blue Earth, Minnesota, who was one of the original subscribers to the hemp venture, and V. A. Batzner, an officer of the Citizens National Bank of Mankato. More importantly, though, the plans interested Frank Holton. On October 3, 1935, the Northwest Hemp Corporation was restructured as the National Cellulose Corporation. The new company was a joint venture in which Holton controlled the finances and Connolly presided over the operations.<sup>83[83]</sup>

Once the negotiations were completed, Connolly began working on the new project. His first order of business was to install new machinery. After this task was completed, he began to process the hemp, turning out tons of pulverized hurds. Shortly thereafter, it became apparent that the operation was an exercise in futility because no one could be found to purchase the processed hurds. To make matters worse, a government cellulose expert visited the operation and reported that "Connolly had no idea what he was doing."<sup>84[84]</sup> After this assessment, Connolly's venture folded and he

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<sup>82[82]</sup>Clarence J. West, *Papermaking Properties of Flax and Hemp*, Bibliographic Series Number 62, (The Institute of Paper Chemistry: Appleton, Wisconsin, 1939).

<sup>83[83]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, pp. 5-6, "Marihuana Tax Act of 1937," National Archives.

<sup>84[84]</sup>*Ibid*, pp. 6-7.

left town. The company still existed, but it was forced to change its name to the Hemp Chemical Corporation, because its previous name was already taken by another corporation from the East.<sup>85[85]</sup>

Meanwhile, during 1935, two new commercial concerns had started operations in Nebraska and Illinois. The cultivation in Nebraska was conducted by the Nebraska Fiber Corporation, which was located in the vicinity of Harrington. It was a short-lived operation only lasting until 1936.<sup>86[86]</sup> The other new area of hemp cultivation was Illinois. During 1934, a fifty-acre tract of land was purchased by the Ball Brothers, mason jar manufacturers from Muncie, Indiana, and the Sloan Brothers, carpet manufacturers from New York City. Together they formed the Amhempco Corporation which was incorporated under the laws of New Jersey. The buildings on the land purchased by the Amhempco Corporation had been used for the production of paper from cornstalks by a previous venture. Obviously, the former company had not survived, but while it was in operation it had been involved in an effort to adapt alternative sources

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<sup>85[85]</sup>Ibid, p. 7.

<sup>86[86]</sup>B. B. Robinson, Bureau of Plant Industry, to Commissioner Anslinger, Nov. 23, 1935, "Marihuana Tax Act of 1937," National Archives. Also see: H. T. Nugent, Field Supervisor, to Commissioner Anslinger, Nov. 12, 1938, "Marihuana Tax Act of 1937," National Archives. The president of the Nebraska Fiber Corporation was Dr. J. M. Johnson. It was organized in 1935 for the purpose of cultivating and selling hemp to processors. In the spring of 1935, the company contracted for 4000 acres to be grown among local farmers. The harvest was successful, but afterwards the company was unable to find a purchaser. This development probably influenced the company's decision to cease its operations the following year.

other than wood for use in the production of paper.<sup>87[87]</sup> Considering the fact that the Amhempco Corporation purchased the site of the original operation, the new owners undoubtedly had a similar purpose in mind.

The Amhempco Corporation contracted to grow a crop of hemp for the 1935 season. The total acreage of this crop was 4200 acres.<sup>88[88]</sup> What happened following the harvest of this crop is not exactly clear, but apparently some of the hemp was processed. With this processed hemp, the company conducted experiments in an attempt to derive raw cellulose, but they were a failure because the two original investors were unwilling to provide sufficient funds for equipment and experimentation.<sup>89[89]</sup> The remainder of the hemp grown during 1935 was stored on the premises of the company.<sup>90[90]</sup>

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<sup>87[87]</sup>*Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) pp. 3011-3013. The company was the Cornstalks Products Company, Danville, Illinois.

<sup>88[88]</sup>Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, *Decortication of Hemp, Danville, Illinois*, Oct. 6, 1939, pp. 4-5, "Marihuana Tax Act of 1937," National Archives. Also see: B. B. Robinson, Bureau of Plant Industry, to Commissioner Anslinger, Nov. 23, 1935, "Marihuana Tax Act of 1937," National Archives.

<sup>89[89]</sup>Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, *Decortication of Hemp, by Matt Rens Hemp Co., Brandon, Wis.*, Dec. 19, 1939, p. 6, "Marihuana Tax Act of 1937," National Archives.

<sup>90[90]</sup>Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, *Decortication of Hemp, Danville, Illinois*, Oct. 6, 1939, pp. 4-5, "Marihuana Tax Act of 1937," National Archives. Also see: B. B. Robinson, Bureau of Plant Industry, to Commissioner Anslinger, Nov. 23, 1935, "Marihuana Tax Act of 1937," National Archives.

A significant commercial resurgence within the hemp industry occurred during the mid-1930s, primarily because of the economic potential of hemp as an alternate source for the production of paper. After the harvest of the 1935 crop, there was a certain sense of anticipation in the air. The timeless symbiotic relationship shared between hemp and humanity was evolving into the modern age. As if they were following an old path, scientists and entrepreneurs returned to hemp and discovered new frontiers of economic potential. This new frontier became a reality with the new hemp industry. It was a natural process in the evolution of the human-hemp symbiosis. However, just as this new frontier was being established in 1935, the hemp industry confronted a new problem which led to its eventual demise. The source of this new problem was the sudden and inexplicable media campaign against the use of marihuana which the Federal Bureau of Narcotics.

## **Chapter Two**

### **The Evolution of the Marihuana Issue in America**

In 1930, the Federal Bureau of Narcotics inaugurated a media campaign to bring the drug *marihuana* under the control of federal legislation. Over the next seven years the Bureau gradually built a case against the new drug. According to the Bureau, marihuana use was a threat of national proportions. Backed by an arsenal of statistics, the Bureau proceeded to inform the public of the impending danger and to recommend that the cultivation of marihuana be prohibited in this country, claiming that such action was its sworn duty. This claim is very strange because, prior to 1930, the issue of marihuana had never been considered to be of national importance. In fact, the available evidence suggests that there was never a true problem with marihuana. The reality of this observation is self-evident from the name, marihuana, which was nothing more than a localized-Mexican colloquialism for cannabis or hemp: the same plant which had evolved in a unique symbiosis with humanity throughout history. A simple examination tracing the evolution of the marihuana issue reveals that the Bureau's campaign to prohibit marihuana lacked both a historical and a scientific precedent. The importance of this fact is crucial to the present hypothesis, that marihuana was demonized because of the hemp plant's economic potential, because, without a historical or scientific precedent, the Bureau was without a valid motive for the action it took against marihuana.

Ironically, the same drug denoted by the term, marihuana, appears to have had a long and illustrious history of religious, recreational, and medicinal use among many different cultures. Knowledge of the drug disappeared in the West during the Middle Ages, but it persisted in the East. In the eighteenth century, the British encountered the Indian customs of using bhang, charas, and ganja, all of which were cannabis drugs. British officials stationed in India claimed that the Indian use of cannabis drugs caused insanity, crime, and violent behavior among the native population. Based on these allegations, the colonial governors typically lobbied for prohibitive legislation, but the home government always investigated the charges against cannabis and never found any evidence to support the claims of their officials.<sup>91[91]</sup>

During the nineteenth century, more middle and upper class British migrated to India as employees of the great trading companies and the home government. This new wave of foreign administrators associated the Indian custom of using cannabis drugs with the dismal conditions of life among the lower classes of India. Over time, this economically biased and racist assumption caught the attention of officials back in England who were members of the Temperance League. In 1893, these Progressively-minded officials lobbied for the formation of the Indian Hemp Drugs Commission to determine whether or not cannabis drugs should be prohibited in India. After a year of painstaking observation and questioning, the commission produced a comprehensive report on the use of cannabis drugs. Despite the rumors, no serious problems were found

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<sup>91[91]</sup>Ernest L. Abel, *Marihuana: The First Twelve Thousand Years* (New York: Plenum Press, 1980) pp. 122-132.

to exist with the consumption of cannabis drugs and, consequently, the commission advised against prohibition.<sup>92[92]</sup>

Earlier in the nineteenth century, the medicinal use of cannabis was rediscovered by a physician in the British Army, W. B. O'Shaugnessy. While stationed in India's Bengal province, Dr. O'Shaugnessy observed Indian doctors using cannabis medicines to cure a number of illnesses and diseases untreatable in the West. Based on his firsthand experience, Dr. O'Shaugnessy published a forty-page paper in 1839 on the therapeutic properties of cannabis. This study resurrected the medicinal use of the drug in the West.<sup>93[93]</sup> By the turn of the century, the extract of cannabis had become a main ingredient in many simple patent medicines. Eventually, the U.S. Department of Agriculture even published a circular about the cultivation of cannabis, for farmers interested in selling the crop to the pharmaceutical industry during the 1920s.<sup>94[94]</sup>

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<sup>92[92]</sup>Ibid.

<sup>93[93]</sup>Jack Herer, *Hemp & The Marijuana Conspiracy: The Emperor Wears No Clothes*, (Van Nuys, California: HEMP Publishing, 1991) pp. 61-62. In 1860 cannabis was listed as a treatment for: neuralgia, nervous rheumatism, mania, whooping coughs, asthma, chronic bronchitis, muscular spasms, tetanus, epilepsy, infantile convulsions, palsy, uterine hemorrhage, dysmenorrhea, hysteria, withdrawal from alcohol, and loss of appetite.

<sup>94[94]</sup>Mrs. Seymour Gertrude to Commissioner Anslinger (taken from 1937 folder), "Marihuana Tax Act of 1937," National Archives. Mrs. Gertrude informed Commissioner Anslinger of the existence of U. S. Department of Agriculture Farmer's Bulletin No. 663 (1915), which told farmers how to cultivate hemp and opium poppies for pharmaceutical purposes. Commissioner Anslinger had this document censored.

Significantly, until the late 1930s, cannabis medicines were available at local drug stores throughout the nation.<sup>95[95]</sup>

The medicinal use of cannabis first received federal recognition in 1906, under the Pure Food and Drug Act. Inspired by the Progressive ideology of the day, the legislators required that the ingredients of all medicines be printed on a label for the public to view. During the years following the passage of the Pure Food and Drug Act, lobbying was initiated for stricter legislation which eventually culminated in the passage of the Harrison Narcotic Act of 1914. At first, legislators included cannabis under the provisions of the act, but a formidable lobby arose and challenged the initial decision to include cannabis. This lobby was led by doctor and pharmacist associations, such as the American Medical Association and the National Association of Retail Druggists. During a 1911 hearing before the House Ways and Means Committee, Charles A. West, testifying for the National Wholesale Druggist Association, stated that cannabis was not habit inducing like the derivatives of the opiates and coca products.<sup>96[96]</sup> Testimony like West's caused Congress to drop cannabis from the provisions of the Act. In 1914, there was not a problem with cannabis drugs, otherwise, the politicians would have passed the Harrison Act in its original form.

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<sup>95[95]</sup>Chris Conrad, *HEMP: Lifeline to the Future* (Los Angeles, California: Creative Xpressions Publications, 1993) pp. 15-16; Abel, *Marihuana*, pp. 170-185; Herer, *The Emperor*, pp. 11, 31-32, 61-62.

<sup>96[96]</sup>David F. Musto, *The American Disease: Origins of Narcotic Control* (New York: Oxford University Press, 1987) p. 216.

Nevertheless, between 1914 and 1931, local movements succeeded in lobbying twenty-nine states, seventeen of which were west of the Mississippi River, for the passage of ordinances banning the non-medicinal use of marihuana.<sup>97[97]</sup> Initially, anti-marihuana legislation was sought in the Southwest. Local law enforcement officials spread rumors claiming that the use of marihuana among the Mexican population caused crime and induced violent behavior. Laws were easily passed on the basis of these rumors on the state and local level. The true motivation for such legislation was the oppression of the Mexican immigrants, who used marihuana. Later, during the 1920s, the use of marihuana became established in many cities as part of the African-American inspired jazz scene. The cultural revolution occurring within the jazz scene frightened Progressives, who hastily labeled marihuana a narcotic drug and lobbied for its prohibition. Throughout this period of time, from 1914 to 1931, local and state movements against the use of marihuana continuously failed to prove that there was anything harmful or dangerous about the drug. Instead, the movements were ultimately motivated by xenophobia and driven by the Progressive desire to correct society's ills.

In 1914, El Paso, Texas, became the first location in America to pass legislation prohibiting the cultivation, importation, and use of marihuana.<sup>98[98]</sup> The basis for this legislation typified the emerging attitude of the American Southwest toward the Mexican custom of smoking marihuana. Situated on the border, El Paso was a major center of

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<sup>97[97]</sup>Richard J. Bonnie and Charles H. Whitebread II, *The Marihuana Conviction: A History of Marihuana Prohibition in the United States* (Charlottesville, Virginia: University of Virginia Press, 1974) p. 51.

<sup>98[98]</sup>*Ibid*, p. 33.

interaction between America and Mexico. The Mexican immigrants were part of an economic underclass which lived in perpetual poverty. They were ruthlessly exploited by American capitalists who employed them as labors at sub-minimum wage. During the first quarter of this century, many Americans were economically displaced by the influx of half a million Mexican immigrants into the job market.<sup>99[99]</sup> Small farmers and labor unions were particularly threatened by the Mexicans who were hired at significantly cheaper wages by the larger commercial farming operations and local industries. Animosity developed as Americans lost jobs to the Mexicans. In time, the Americans discovered the Mexican custom of smoking marihuana, and, shortly thereafter, local authorities started a rumor that the drug caused crime and violence among the Mexican population.<sup>100[100]</sup>

The origin of this rumor appears to have been a common Mexican saying, “Esta ya ledio las tres” (“you take it three times”). According to local folklore, the first smoke induced a feeling of well-being; the second caused extreme elation coupled with activity; and the third supposedly made the smoker oblivious to danger, quarrelsome, delirious, destructive, and conscious of superhuman strength.<sup>101[101]</sup> Given such a reputation, marihuana quickly became a source of concern among local law enforcement officials. Unfortunately, in their haste to control a potential problem, local officials failed to take into account the dismal socio-economic conditions which confronted the Mexican immigrants in America. Rather than face reality, local officials were motivated by the

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<sup>99[99]</sup>Ibid, p. 38.

<sup>100[100]</sup>Abel, *Marihuana*, pp. 203-204, 212-213.

<sup>101[101]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, p. 33.

political expediency of a scapegoat like marihuana as they blamed the problems of crime and violence in the Mexican communities on the drug. By example, the following statement from a law enforcement officer stationed in the Southwest typified the emerging attitude toward marihuana: “Under its baseful influence reckless men become bloodthirsty, terribly daring, and dangerous to an uncontrollable degree.”<sup>102</sup>[102]

This type of racist and socio-economic bigotry spread like a contagious virus and it was the principal reason for the trend of anti-marihuana legislation on the state level, as well as the main rallying cry of the Federal Bureau of Narcotics for federal legislation against marihuana. Ironically, there was not a vapor of truth to any of the claims that the use of marihuana caused crime and violence. The veracity of the previous statement was a well known fact among the experts, but for some reason the truth was ignored through the whole period. For instance, in 1926, after about a decade of contact with El Paso, Dr. W. W. Stockberger of the Bureau of Plant Industry, explained that his agency’s knowledge about marihuana did not concur with the reports they had been receiving from El Paso. In fact, Dr. Stockberger’s description of the effects of marihuana contradicted the claim that marihuana induced violent behavior among users. He stated, “The reported effects of the drug on Mexicans, making them want to ‘clean up the town,’ do not jibe very well with the effects of cannabis, which so far as we have reports, simply causes temporary elation, followed by depression and heavy sleep.”<sup>103</sup>[103]

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<sup>102</sup>[102]Ibid, p. 37.

<sup>103</sup>[103]“Our Home Hasheesh Crop,” *Literary Digest* 89 (1926): 64.

Regardless of the truth, the authorities from El Paso were driven by their xenophobia to issue a complaint against marihuana to the federal government in 1915. Chiefly, the complaint urged for stricter regulations against the importation of marihuana from Mexico.<sup>104[104]</sup> And, despite its blatantly racist overtone, Dr. Alsberg (no first name given), the Chief of the Bureau of Chemistry, brought the complaint to the attention of the Secretary of Agriculture, who hastily presented an official request to the Secretary of Treasury. On September 25, 1915, a ban on the importation of marihuana for other than medicinal purposes was promptly implemented in Treasury Decision 35719.<sup>105[105]</sup>

Two years later, Dr. Alsberg dispatched his personal assistant, Reginald Smith, on a tour of eleven cities located along the southwestern border with Mexico. While he was on this tour Smith gathered information and conducted interviews regarding Treasury Decision 35719. Through this process, Smith discovered that marihuana was used infrequently for various medicinal purposes, such as child-birth, asthma, and gonorrhea among the Mexicans of “low birth.” He also found that, although, the drug was widely smoked for recreational purposes by the Mexicans as well as some “Negroes” and “lower class whites.” The total demand for the drug was easily met by local cultivation, street sales, and by general availability at grocery and drug stores. In his final assessment, Smith claimed that the drug was injurious to the health of the smoker and often caused

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<sup>104[104]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, p. 37. Under the stipulations of the Pure Food and Drug Act the Chief of the Bureau of Chemistry at the Department of Agriculture was responsible for overseeing the Act’s importation restrictions.

<sup>105[105]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, p. 37.

the user to commit heinous crimes.<sup>106[106]</sup> Closer inspection reveals that Smith based his grand assumptions on second-hand information, which he had gathered during interviews conducted with biased local officials who provided no first-hand evidence to support their testimony. Simply put, Smith's report lacked scientific credibility. This deficiency did not deter Smith from concluding that Treasury Decision 35719 was completely ineffective. And, in its place, he suggested that the more stringent Harrison Act be amended to include cannabis. Congress, however, ignored the alleged problem.<sup>107[107]</sup>

Meanwhile, by 1916, American military authorities stationed in the Panama Canal Zone began to suspect that army personnel were smoking marihuana. Eventually, in 1925, a formal committee was convened to investigate the alleged Canal Zone marihuana problem.<sup>108[108]</sup> And, after a series of firsthand experiments as well as an extensive examination of personal testimony and military files, the committee reached the following conclusion: "There is no evidence that marihuana as grown and used here is a 'habit-forming' drug in the sense in which the term is applied to alcohol, opium, cocaine,

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<sup>106[106]</sup>Ibid, p. 55.

<sup>107[107]</sup>Ibid, p. 54. Original source: Reginald Smith, *Report of Investigation in the State of Texas, Particularly along the Mexican Border, of the Traffic in, and Consumption of the Drug Generally known as 'Indian Hemp' or Cannabis Indica, Known in Mexico and States Bordering the Rio Grande as 'Marihuana'; sometimes also referred to as 'Rosa Maria,' or 'Juanita'* filed by R. F. Smith to Dr. Alsberg, Chief of the Bureau of Chemistry, Department of Agriculture, Apr. 13, 1917.

<sup>108[108]</sup>Abel, *Marihuana*, p. 205-207.

etc., or that it has any appreciably deleterious influence on the individual using it.”<sup>109</sup><sup>[109]</sup>

Ironically, the native custom of smoking marihuana in Panama was the same as the Mexican custom, but the truth remained classified and hidden from the public.

Mexicans were not the only scapegoats in the early efforts to prohibit the use of marihuana. African-Americans in the lower class communities of New Orleans had long enjoyed marihuana as a recreational pastime. Originally, the drug had been introduced by Caribbean sailors and West Indian immigrants. They passed the custom on to the African-Americans. Marihuana cigarettes, commonly known as reefers, were ritually smoked by the African-American musicians who created blues and jazz. Their music acted like a catalyst stimulating a positive cultural interaction between the African-Americans who shared their music, and the Latinos and whites who joined the jazz scene because of an admiration for the music. During the 1920s, jazz became a cultural phenomenon and quickly spread from New Orleans to other urban centers and, naturally, the use of marihuana followed the music. Jazz quarters soon became established in the midst of the nation’s inner cities, where crime and violence were perpetual problems. Local officials, searching for simplistic causation, blamed the endemic inner city crime and violence, not on the depressed socio-economic conditions of the lower class who lived in the troubled areas, but rather on their use of marihuana. This urban trend, to blame the woes of the inner city on the use of marihuana, was strikingly similar to the

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<sup>109</sup><sup>[109]</sup>United States Department of War, *Report of Committee appointed per letter from the Governor dated April 1, 1925, for the purpose of investigating the use of Marihuana and making recommendations regarding the same*. Balboa Heights, Canal Zone: December 18, 1925.

scenario which had unfolded in the Southwest, except, that in the cities the anti-marihuana fight gained a new perspective. Specifically, agitators deliberately classified marihuana as a narcotic.<sup>110[110]</sup>

Earlier in the century, Progressives sought to prohibit the use of opiates and coca products because of their addictive properties. To support their goals, Progressives created the negative terminology of narcotics and cast the addict in the role of society's most evil criminal. Eventually, the Harrison Narcotic Act was passed in 1914, based on the lobbying of the Progressives. Cannabis drugs were specifically omitted from the list of substances controlled by the Harrison Narcotics Act because they did not produce the negative effects commonly attributed to other narcotics. However, during the 1920s, marihuana was informally labeled a narcotic. This strategy first emerged in New Orleans and then later it surfaced in Chicago. Both of these cities possessed large and popular jazz quarters in which the smoking of marihuana was widespread. The Progressive majority of the predominantly WASP middle- and upper-class America generally feared the cultural revolution occurring on the jazz scene. Consequently, local officials seized the political opportunity to label marihuana a narcotic and campaign against the evils of the drug on the basis of the public's prejudices.<sup>111[111]</sup> Such action demonstrated their adherence to the ideological tenets of Progressivism and translated into easy votes in the

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<sup>110[110]</sup>Abel, *Marihuana*, pp. 214-220; Bonnie and Whitebread, *The Marihuana Conviction*, pp. 42-47; Herer, *The Emperor*, pp. 65-68; Conrad, *HEMP*, pp. 55, 197-198; "Facts and Fancies about Marihuana," *Literary Digest* 122 (Oct. 24, 1936): 7-8..

<sup>111[111]</sup>*Ibid.*

future. As with the scenario in the Southwest, there was a total disregard for the objective truth about marihuana in the urban movements.

Further misinformation about marihuana evolved separately from the Southwestern and urban movements during the first part of the twentieth century. Among the wealthier classes a new type of recreational drug, hashish, became popular. This drug was produced from the resin of the female hemp plant's flowers and, in many instances, it was combined with an opiate or a mild hallucinogen such as *datura* (a plant of the nightshade family). Consequently, the effects of cannabis were often confused with the effects of the other more powerful drugs which were often included in the "hashish" mixture.<sup>112[112]</sup>

Jacques-Joseph Moreau, a nineteenth century French doctor, became interested in experimenting with hashish on the premise that its pharmaceutical properties could induce a mental breakdown, and thus aid in the treatment of mental illness. He published his studies as, *Hashish and Mental Illness* in the mid-nineteenth century. During the course of his research, Dr. Moreau came into contact with the *Club des Hachichins*, an elite literary club founded by Theophile Gautier, which included the likes of such writers as Dumas, de Nerval, Hugo, Boissard, and Delacroix. Once a month in the lobby of the Hotel Lauzun, in the Latin Quarter of Paris, Dr. Moreau met with these authors and

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<sup>112[112]</sup>Abel, *Marihuana*, p. 148. Hashish had been reintroduced into the West by Napoleon during his Egyptian campaign. Silvestre de Sacy, one of the three scientists Napoleon included on his expedition, was the first Westerner to conduct experiments with hashish. Based on his observations, de Sacy noted that hashish could induce ecstasy, delirium, insanity, and even death

dispensed his hashish among them. During these meetings, Dr. Moreau and his subjects kept records of their thoughts and the effects of the drug as they entered altered states of mind. Through their work they helped create an image of hashish which probably damaged the public's perception of the drug. In particular, they attributed the negative effects of the harsher drugs, such as the addiction of opium or the hallucinations of datura, to cannabis, which was the main ingredient of hashish.<sup>113[113]</sup>

More importantly, this clique of writers helped to proliferate a myth about hashish which would become a weapon of propaganda in the anti-marihuana campaign. Specifically, these authors were fascinated with Silvestre de Sacy's hypothesis that hashish was the grass of which Marco Polo wrote as the secret elixir of the infamous Assassins, the arch-enemies of the Knights Templars during the Crusades. According to legend, the Assassins' leader, the Old Man on the Mountain, gave his zealots hashish before battle. Supposedly, the drug caused the user to become a berserk, blood-thirsty killing machine.<sup>114[114]</sup> Although the knowledge of hashish and its sensationalized myth remained confined to a limited audience, word of it spread from French literary circles to English, and finally on to America. In America, the writers of the *Bohemian* genera like Bernard Taylor and Fitz Hugh Ludlow were the first to openly dabble with the drug and employ its mythology in their fiction. In time, other journalistic ventures, such as medical and psychological journals, exploited the myth of the Assassins and introduced it

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<sup>113[113]</sup>Ibid, pp. 151-153.

<sup>114[114]</sup>Abel, *Marihuana*, pp. 148-149; Bonnie and Whitebread, *The Marihuana Conviction*, pp. 143-145.

to mainstream America.<sup>115[115]</sup> Eventually, by the late 1920s, this exotic fantasy about hashish was cited as if it were a historical fact by anti-marihuana proponents.<sup>116[116]</sup>

In retrospect, the legislation against marihuana on the state and local level, between 1914 and 1930, was the direct result of xenophobia and the Progressive mentality. This observation is particularly disturbing since the motivating factors for these laws were not historically or scientifically credible. Instead, each campaign against marihuana relied on rumors, prevarications, biases, and outright racism. In many instances local officials managed to pass laws against marihuana without the public's knowledge. If and when the media did cover an anti-marihuana campaign, no effort was made to provide the public with an objective story. Instead, the media played with the conventions of the myth of the Assassins, Progressive morality, and xenophobically inspired misrepresentations. In the end, both the media and local government were responsible for perpetuating these fallacies and creating a precedent for federal legislation in the future.

Despite the many incidents of anti-marihuana legislation on the state and local level, the federal government ignored all cannabis drugs until 1929. At this late date Congress included Indian Hemp on the list of drugs which were to be treated at two newly created narcotic farms. In retrospect, Congress's action was merely a token gesture of recognition, rather than an attempt to address a true problem. The clinics were

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<sup>115[115]</sup>Abel, *Marihuana*, pp. 172-175.

<sup>116[116]</sup>Two examples: A. E. Fossier, "The Marihuana Menace," *New Orleans Medical and Surgical Journal* 44 (1931); E. Stanley, "Marihuana as a developer of Criminals," *American Journal of Police Science* 2 (1931). Quoted from Abel, pp. 216-217.

established for the treatment of patients who had serious dependency problems with opiates. However, through some medium, the legislators became aware that Indian Hemp had been a topic during a recent international narcotic conference, and because of this they decided to include Indian Hemp in the final draft of the narcotic farms' charters.<sup>117[117]</sup>

Later, during 1929, the federal government formally acknowledged the existence of marihuana. Senator Morris Sheppard of Texas introduced the first federal anti-marihuana legislation. His bill, S. 2075, provided for the inclusion of marihuana in the Narcotic Drugs Export and Import Act which had been passed in 1922 without considering marihuana. In 1929, Congress's knowledge about marihuana was extremely limited, therefore, Senator Lawrence Phipps requested that the Surgeon General conduct a study on the marihuana problem as it would relate to the proposed bill, S. 2075. The subsequent report was entitled *Preliminary Report on Indian Hemp and Peyote*. This report was presented and accepted as if it were the final word on the subject of marihuana when, in reality, it displayed total disregard for the standards of objectivity and blatantly ignored the findings of both the *1925 Panama Canal Zone Report* and the *British Indian Hemp Commission Report*. In place of the well-established truth, the *Preliminary Report on Indian Hemp and Peyote* labeled marihuana a narcotic and presented the myth of the Assassins as historical fact. Furthermore, it lent official confirmation to the unfounded rumor that marihuana possessed the capability of inducing addictive, criminal, and even insane behavior. Needless to say, this document had a significant impact on the

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<sup>117[117]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, p. 56.

perception of marihuana in Congress, but apparently not enough, because S. 2075 died in committee.<sup>118[118]</sup>

Just as S. 2075 was being laid to rest, Congress took a giant step forward and created a new agency to oversee the nation's drug problem. On June 14, 1930, the Federal Narcotics Control Board and the narcotics division of the Bureau of Prohibition were terminated and their responsibilities were placed under the jurisdiction of the Federal Bureau of Narcotics, which became an independent division of the Treasury Department. Harry J. Anslinger was chosen to head the Bureau. The new Commissioner had already distinguished himself as a capable enforcer with the Bureau of Prohibition's narcotics task force, not to mention the fact that he was destined to become the nephew-in-law of the Secretary of Treasury, Andrew Mellon.<sup>119[119]</sup> From the moment of the Bureau's creation, Commissioner Anslinger decided to push for the total prohibition of marihuana, based on the premise that the need to control potential cannabis addiction outweighed the drug's limited medicinal value. In this context, one of the first orders of business for the newly created Bureau became the enactment of a uniform state narcotic law with cannabis included in its provisions.<sup>120[120]</sup>

The American Medical Association decided to draft the first uniform narcotic act in 1922, because of a lack of uniformity in record keeping, weak enforcement against violators, and growing hysteria in the public about addicts and crime. The following year

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<sup>118[118]</sup>Ibid, pp. 56-59.

<sup>119[119]</sup>Herer, *The Emperor*, p. 22.

<sup>120[120]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, p. 65-66.

a committee of fifteen Representatives from ten pharmaceutical companies and two representatives from the medical profession approved the original version of the uniform state narcotic law. Meanwhile, these efforts were overshadowed by the creation of the National Conference of Commissioners for Uniform State Laws. The larger movement was composed of two representatives from each state, who were appointed by their respective governors. In 1924, the Commissioners created a committee to draft a uniform state narcotic act. This led to the first draft of the Uniform State Narcotic Act in 1925, hereafter referred to as the UNDA (Uniform Narcotic Drug Act). Cannabis was included in the Act's provisions but nothing ever came of this draft. Further work was shelved until 1928, when a second draft was composed. In this version of the Act, the inclusion of cannabis was made optional, but again the Act failed to receive the attention of the Commissioners. This trend continued as two more drafts were written up and presented in 1929 and 1930.<sup>121[121]</sup>

After 1930, the newly created Federal Bureau of Narcotics made the fight to include marihuana in the provisions of the UNDA an issue of high priority. A policy of misinformation was hastily adopted and formalized in a slickly packaged media campaign. Ironically, this propoganda reflected the prejudice of xenophobic attitudes, the morality of Progressive policy toward narcotics, and the tendency for sensationalized stories, such as the myth of the Assassins. The Bureau's first move was to cite the *Wickersham Commission Report on Crime and the Foreign Born* of 1929. One volume of the report, the *Warnhuis Study*, attempted to justify the blatantly false and racist argument linking marihuana, Mexicans, and crime. Besides the *Warnhuis Study*, the

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<sup>121[121]</sup>Ibid, pp. 79-82.

Bureau brought forth media and police reports regarding alleged marihuana problems in several cities. Like the rumors about the Mexican use of marihuana from the Southwest, these reports had a definite racial and socio-economic bias. For further ammunition against marihuana, the Bureau also cited the findings of the erroneous *Preliminary Report on Indian Hemp and Peyote*.<sup>122[122]</sup>

Whether this material was truthful or believable was not the issue, especially when the point that it made supported the Bureau's position and goal. The Bureau officially unleashed this propaganda to the public in 1931 through two *Christian Science Monitor* articles.<sup>123[123]</sup> The headline of the first article read: "Drug Used by Mexican Aliens Finds Loophole in the U. S. Laws - Spread of Growth of Marihuana in Wake of Immigrants Causes Grave Concern at Washington - Effects Described in Wickersham Studies."<sup>124[124]</sup> Then, in a subsequent issue, a source within the Bureau claimed that: "Instances of criminals using the drug to give them courage before making brutal forays are occurrences commonly known to the narcotics Bureau."<sup>125[125]</sup> Through propaganda like this, the Bureau attempted to apply pressure on the recalcitrant pharmaceutical and medical interests which opposed the idea of restrictions on marihuana.

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<sup>122[122]</sup>Ibid, p. 84-92.

<sup>123[123]</sup>Ibid, pp. 77-76.

<sup>124[124]</sup>*Christian Science Monitor*, Sept. 12, 1931. Quoting Bonnie and Whitebread, *The Marihuana Conviction*, pp. 76-77.

<sup>125[125]</sup>*Christian Science Monitor*, Oct. 3, 1931. Quoting Bonnie and Whitebread, *The Marihuana Conviction*, pp. 76-77.

For some reason, though, the media were unconcerned with marihuana and the fight to include the drug in the provisions of the UNDA. As a consequence, the ensuing debate remained confined to politics and had virtually no influence on the public. For instance, a *New York Times* article from 1931 simply stated that the Narcotic Survey Commission was asking the states to prohibit the cultivation of marihuana. If there had been a serious problem with marihuana, the article failed to mention anything specific.<sup>126[126]</sup> Meanwhile, on the other side of the political debate the pharmaceutical and medical interests led by the American Medical Association continued to oppose the inclusion of cannabis. When the UNDA was finally passed in 1932, the inclusion of marihuana was left to the discretion of the individual states. Evidently, the Commissioners were not convinced of a problem despite the efforts of the Bureau.<sup>127[127]</sup>

During 1933, the hemp industry appeared to become a concern of the Bureau when it requested a report on the hemp industry from the Department of Agriculture. This report, *Hemp Fiber Production*, was sent to the Bureau from the Department of Agriculture in December, 1933. According to the authors of this report, Dr. Andrew H. Wright and Dr. Lyster H. Dewey, the hemp industry was on the verge of extinction. Since 1928, the annual harvest of hemp had been a meager 1000 acres. This cultivation was primarily confined to the state of Wisconsin.<sup>128[128]</sup> In retrospect, the Bureau's request seems a little unusual since the Bureau had no formal jurisdiction over marihuana

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<sup>126[126]</sup>*New York Times*, Sept. 16, 1931, 37:2.

<sup>127[127]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, p. 85.

<sup>128[128]</sup>Dr. Lyster H. Dewey and Dr. Andrew H. Wright, *Hemp Fiber Production*, Dec. 1933, "Marihuana Tax Act of 1937," National Archives.

or the hemp industry. Later, during the spring of 1934, the potential threat of anti-marihuana legislation led Dr. Wright and Dr. Dewey to contact the Bureau with requests for information. Both men were confused as to whether or not the new anti-marihuana laws actually prohibited the legitimate growth of hemp for industrial purposes.<sup>129[129]</sup>

On April 7, 1934, the Commissioner responded to Dr. Wright's request by citing an example of a state law from Nebraska. This particular law had been enacted in 1927. According to the Commissioner, the law completely prohibited the cultivation of marihuana. Continuing, the Commissioner explained that cannabis did not rightly fall within the jurisdiction of the federal government, although with respect to this situation, the Commissioner stated that the Bureau was behind efforts to control the traffic of cannabis through the enactment of the optional marihuana clause in the UNDA. As the clause was written, it did not necessarily prohibit the cultivation of marihuana, but it did require the licensing of growers and producers. After this, the Commissioner noted that on the average 1400 acres of hemp had been cultivated in Wisconsin, Dr. Wright's home state, during the past few seasons and that there were no regulatory laws. This situation obviously upset the Commissioner. In his own words, he suggested that the Wisconsin

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<sup>129[129]</sup>Dr. Andrew H. Wright to Commissioner Anslinger, Mar. 28, 1934; Dr. Lyster H. Dewey to Commissioner Anslinger, Apr. 5, 1934, "Marihuana Tax Act of 1937," National Archives.

State Legislature should consider “a special regulatory measure to insure that the flowering tops of the plant shall not be available for improper or non-medical use.”<sup>130[130]</sup>

Despite this outward display of concern, the Bureau did not seem to be pressured by any sense of urgency. Upon an analysis of the Bureau’s public record, one historian was led to conclude that: “The Bureau saw no extraordinary danger in the use of marihuana between 1930 and 1934. It decried its use by Mexican-Americans but expressed belief the state laws could control this illicit activity.”<sup>131[131]</sup> During 1933, the Bureau primarily worked with the states to organize the Uniform State Narcotic Act. But, by April of 1934, only Florida, Nevada, New Jersey, New York, and Virginia had passed the optional marihuana clause. Through the rest of 1934, the Bureau continued to treat the marihuana issue secondarily, however, toward the end of the year, the Bureau

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<sup>130[130]</sup>Commissioner Anslinger to Dr. Andrew H. Wright, Apr. 7, 1934, “Marihuana Tax Act of 1937,” National Archives.

<sup>131[131]</sup>Michael Schaller, “The Federal Prohibition of Marihuana,” *Journal of Social History*, v. 4, no. 1 (Fall 1970): 65. Also see: Bonnie and Whitebread, *The Marihuana Conviction*, p. 98. Quoting from two public statements made by the Bureau, one which appeared in 1933 and the other in 1936. The 1933 statement explained the need for a Uniform Narcotic Drug Law and emphasized international obligations of the United States, the need for more effective coordination in law enforcement, and the impact the law would have on the incidence of morphine, cocaine, and opium addiction. In his latter statement, however, Commissioner Anslinger demonstrated the Bureau’s new emphasis as he devoted more than half his time to a discussion of the ‘worst evil of all,’ the marihuana problem. The statement from 1933: “Official Statement on the Need for Uniform Narcotic Drug Act,” Federal Bureau of Narcotics White Paper circulated to all legislators, July 1933. The statement from 1936: H. J. Anslinger, “The Need for Narcotic Education,” speech over NBC, 24 Feb. 1936.

began to refocus its attention on the drug. Starting in 1935, the Bureau suddenly unleashed an unprecedented media blitz based on the false premise that marihuana was a dangerous narcotic capable of inducing criminal and violent behavior. Except this time around, the Bureau's demeanor and actions were far more serious and combative than they had been during the initial campaign for the UNDA. Why this abrupt change of policy occurred has never been conclusively established.<sup>132[132]</sup>

Despite any actual verification, the new surge of anti-marihuana activity in 1935 has been linked to the Bureau's disappointment with the limited success of the UNDA. From the outset the American Medical Association and the pharmaceutical companies objected to the legislation and after the passage of the UNDA they successfully lobbied against the bill at the state level. Late in 1934, the Bureau decided to counter the opposition of the American Medical Association and the pharmaceutical companies. For this purpose the Bureau launched their propaganda campaign during 1935 to stimulate public support for the UNDA and further federal legislation against marihuana.<sup>133[133]</sup> This act resulted in the demonization of marihuana and the passage of the Marihuana Tax Act of 1937.

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<sup>132[132]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, pp. 94-100. The authors cite a combination of the following rationale as the motivating force behind the final assault of the Federal Bureau of Narcotics against marihuana: "1) bureaucratic exigencies; 2) moral crusade; 3) the Bureau believed its own propaganda." p. 94.

<sup>133[133]</sup>*Ibid*, pp. 94-100. The evidence cited by Bonnie and Whitebread to support this contention dated from 1935 and 1936. As such, the emergence of the Bureau's final assault against marihuana was preceded chronologically by their awareness of the new developments in the hemp industry.

The Federal Bureau of Narcotics naturally claimed that there was a genuine problem, but they failed to provide the hard evidence to substantiate their claim. Instead, the reality appears to be that the Bureau recycled the rumors, prevarications, and myths of the past; dressed them in the garb of authority; and paraded them before the public and the law-makers as a precedent for oppressive legislation on the federal level. Why did a branch of the federal government display such an utter disregard for the truth? Based on this alarming discrepancy, there seems to be good reason to question the rationale behind the Bureau's final assault against marihuana.

## **Chapter Three**

### **The Final Assault**

Commissioner Harry Anslinger seems to have become aware of the new hemp industry at approximately the same time that he focused the Bureau's energies on securing federal legislation against marihuana in 1935. Contrary to the traditional interpretation of history, the Commissioner's decision to lead this final assault against marihuana was directly affected by the development of new commercial enterprises in the hemp industry. From 1935 on, the Bureau actively re-wrote the history of hemp by demonizing marihuana. Ever since this act of deceit, the memory of the new hemp industry in the 1930s has been erased from the public record. In retrospect, the demonization of marihuana was nothing more than a premeditated act of historical sabotage designed specifically to ensure that the truth about hemp's economic potential never reached the investing public. The sudden cascade of insidious propaganda against the use of marihuana acted like a nebulous abstraction hiding the real motives which guided the Bureau. Ultimately, the final assault against marihuana was triggered by the monopolistic greed and economic insecurity of a few financially threatened industries. The reality of this history has been concealed from the public for roughly sixty years.

Early in 1935, the new commercial hemp ventures caught the attention of Helen Moorehead, the Secretary of the League of Nations Opium and Dangerous Drugs Advisory Committee, who had been working on the international front to control the traffic of drugs. Secretary Moorehead contacted the Department of Agriculture for

information on the domestic marihuana situation as it might relate to legitimate agricultural and industrial enterprises. In response to her requests, Dr. M. A. McCall, Assistant Chief of the Bureau of Plant Industry, supplied Secretary Moorehead with information pertaining to the commercial hemp industry. According to Dr. McCall, certain promoters had been active during the 1934 and 1935 seasons attempting to develop a hemp fiber industry in certain parts of Minnesota, Iowa, Wisconsin, and Illinois. This promotional activity had caused a tremendous increase in the total acreage of hemp under cultivation during 1934 and 1935.<sup>134[134]</sup> This correspondence was passed on to the Bureau. It provided them with their first report about the new commercial activity in the hemp industry.<sup>135[135]</sup>

Between 1935 and 1937, the Bureau actively gathered information on the new hemp industry, even though it possessed no real authority to do so. During this same period of time, the Bureau became aware that the new ventures in the hemp industry planned on cultivating the plant for its cellulose. This unique chemical compound was one of the most sought after raw materials in the industrial world, as it was and still is the primary ingredient for the production of paper, plastics, synthetic textiles, and building materials. Starting in the mid-1920s and continuing into the 1930s, a body of agricultural

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<sup>134[134]</sup>M. A. McCall, Assistant Chief of the Bureau of Plant Industry, to Helen Howell Moorehead, Secretary of the League of Nations Opium and Dangerous Drugs Advisory Committee, Foreign Policy Association, May, 22, 1935, "Marihuana Tax Act of 1937," National Archives.

<sup>135[135]</sup>*Ibid.* This document was the earliest dated evidence in the collection: "Marihuana Tax Act of 1937," National Archives, to suggest that the Federal Bureau of Narcotics was aware of the new developments in the hemp industry.

literature surfaced which seriously discussed the possibility of producing cellulose from typical farm crops.<sup>136[136]</sup> The possibility was praised as a major breakthrough in the media and it was looked to as a solution for the plight of the farmers, whose profits had steadily deteriorated since the close of the First World War. By 1927, the topic of utilizing farm wastes as an alternative source for the production of cellulose pulp reached the halls of Congress. Several comprehensive bills were debated in successive sessions of Congress. Eventually a compromise was reached in 1930, but nothing was ever done for the farmers.<sup>137[137]</sup> However, in the private sector certain promoters were advocating the cultivation of hemp during 1930.<sup>138[138]</sup> Specifically, they were promoting state of the art machinery for the production of fiber. This machinery was critical to the establishment of the new hemp industry because the waste material, the hurd, which remained after the hemp was processed for its fiber, was ideal for the production of cellulose pulp.

Apparently, without the Bureau's knowledge, the new commercial hemp industry came into existence with the organization of the Northwest Hemp Corporation in 1933.

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<sup>136[136]</sup>Check the *Reader's Guide to Periodical Literature* under: Farm Wastes: 1920-37. Three articles which represent this body of literature: Paul Paddock, "Wealth from Farm Waste," *Popular Mechanics* 51 (Jan, 1929): 67-70; Patrick Duffy, "Money from Farm Waste," *Popular Mechanics* 53 (May, 1930): 755-56; "New Uses for Old Crops," *Popular Mechanics* 62 (Sept., 1934): 354-57.

<sup>137[137]</sup>The debates began during the 69<sup>th</sup> Cong., 2<sup>nd</sup> sess., and concluded during the 71<sup>st</sup> Cong., 1<sup>st</sup> sess.

<sup>138[138]</sup>United States Department of Agriculture, "Warns Against HEMP exploitation," *The Official Record*, vol. 10, no. 15, Apr. 11, 1931.

The company's president, Frank Holton, became interested in the prospects of the commercial hemp industry after a meeting with H. W. Bellrose, the president of the World Fibre Corporation.<sup>139[139]</sup> During their meeting they discussed the commercial potential of hemp. Among the possibilities envisioned by Bellrose, one in particular stood out as the greatest advantage; that was the use of hemp for the production of paper. According to Bellrose, the paper industry was perfectly suited for hemp. In addition to paper, Bellrose also referred to the possibility of making plastics from the cellulose and textiles from the fiber.<sup>140[140]</sup> These productive interests were characteristic of the new commercial concerns in the hemp industry.

Starting in 1935, the Federal Bureau of Narcotics requested annual reports from the Bureau of Plant Industry on the hemp industry. These reports briefly informed the Bureau about the new activity. One of the new ventures was Frank Holton's Northwest Hemp Corporation. The Bureau discovered that this company had cultivated 6500 acres in 1934 and an additional 2000 acres in 1935.<sup>141[141]</sup> During 1936, it was reported to the

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<sup>139[139]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938 p. 2, "Marihuana Tax Act of 1937," National Archives.

<sup>140[140]</sup>H. W. Bellrose, President of the World Fibre Corporation, to Elizabeth Bass, District Supervisor, Chicago, Illinois, Oct. 12, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>141[141]</sup>B. B. Robinson, Bureau of Plant Industry, to Commissioner Anslinger, Nov. 23, 1935, "Marihuana Tax Act of 1937," National Archives.

Bureau that the Minnesota concerns did not cultivate any hemp.<sup>142[142]</sup> However, in 1937, the Bureau was notified of three new companies in Minnesota: Chemcco, Incorporated, the Central Fibre Corporation, and the Champagne Paper Company. Together, these three ventures had planted 3700 acres of hemp for the specific purpose of utilizing both the fiber and hurds for the manufacture of paper.<sup>143[143]</sup>

Another company active in the promotion of the hemp industry was the Amhempco Corporation of Danville, Illinois. The Bureau learned of this business in 1935, when it was reported to them that the Amhempco Corporation had planted 4200 acres of hemp. At this time, the Bureau also discovered that the Amhempco Corporation planned on using its stock of hemp for the manufacture of textiles and cellulose-based products.<sup>144[144]</sup> In 1936, the Bureau received an update and found that the Amhempco Corporation had planted an additional 1000 acres of hemp.<sup>145[145]</sup> A final report for the year of 1937 showed that the Amhempco Corporation was on record for having planted 7200 acres of hemp. This crop was the largest annual acreage harvested by any single commercial concern during the 1930s. Furthermore, in the Bureau of Plant Industry

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<sup>142[142]</sup>B. B. Robinson, Bureau of Plant Industry, to Commissioner Anslinger, Feb. 26, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>143[143]</sup>F. D. Richey, Bureau of Plant Industry, to Commissioner Anslinger, Dec. 31, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>144[144]</sup>B. B. Robinson, Bureau of Plant Industry, to Commissioner Anslinger, Nov. 23, 1935, "Marihuana Tax Act of 1937," National Archives.

<sup>145[145]</sup>B. B. Robinson, Bureau of Plant Industry, to Commissioner Anslinger, Feb. 26, 1937, "Marihuana Tax Act of 1937," National Archives.

report, it was stated that the Amhempco Corporation intended to utilize the waste material, the hurd, for the manufacture of paper and plastics.<sup>146[146]</sup>

From 1935 to 1938, the Bureau publicly acknowledged the new hemp ventures in its annual publication, *Traffic in Opium and Other Dangerous Drugs*. Behind this openness, the Bureau demonstrated a specific concern regarding the possibility of producing paper from hemp. In an undated letter from 1935, the Commissioner requested information from the Bureau of Plant Industry regarding the potential of utilizing hemp to produce paper.<sup>147[147]</sup> A response to this inquiry was not present in the Marihuana Tax Act file, but it is possible that the response was part of the general file from 1936, which happened to be mysteriously missing from the document collection.<sup>148[148]</sup> Whatever the response may have been, the truth of the matter was that hemp was ideally suited to become a major industrial cash crop because of its potential to produce cellulose, and, in particular, paper pulp.

In connection with this observation, it is interesting to note that between 1935 and 1938 the *Paper Trade Journal* abstracted a total of eighteen experimental studies and commercial patents regarding the utilization of hemp for the production of paper. Eleven

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<sup>146[146]</sup>F. D. Richey, Bureau of Plant Industry, to Commissioner Anslinger, Dec. 31, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>147[147]</sup>Commissioner Anslinger to B. B. Robinson, Bureau of Plant Industry, 1935, "Marihuana Tax Act of 1937," National Archives.

<sup>148[148]</sup>This file is presently lost. Interview between author and Drug Enforcement Agency Freedom of Information Specialist, Feb. 1994.

of these abstracts were printed between July and December of 1935.<sup>149[149]</sup> Certainly any response from the Bureau of Plant Industry pertaining to the topic of hemp for paper would not have failed to notice this new surge of commercial interest. Nor would it be difficult to suggest the possibility of awareness among the wood pulp paper industry.

During the final assault, the Federal Bureau of Narcotics was well aware of the hemp industry and its concern about the new law. For instance, late in 1936, the Bureau learned of experimental crops of hemp which were being cultivated under the supervision of the *Chicago Tribune*. The Bureau happened to discover these experiments because the *Chicago Tribune* reported on their progress in a section of the paper titled, “Day by Day Story of the Experimental Farms.”<sup>150[150]</sup> A letter dated September 28, 1936, from Commissioner Anslinger to the Bureau’s District Supervisor in Chicago, Elizabeth Bass, requested information regarding these experiments. Supervisor Bass quickly replied and informed the Commissioner that she had been referred to Frank Ridgway, who was in charge and personally interested in the hemp project.<sup>151[151]</sup> The following week Supervisor Bass visited the experimental farm and discussed its purpose with Ridgway. He informed her that the *Tribune*’s interests were directed “toward the manufacturing uses of the fiber, pith, etc. into commercial products.” Ridgway also expressed his lack

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<sup>149[149]</sup>“Ind. Tech. Sec.” *Paper Trade Journal* v. 101 (July-Dec., 1935). Also see “Ind. Tech. Sec.” *Paper Trade Journal* v. 102-106 (1936-1938).

<sup>150[150]</sup>Commissioner Anslinger to Elizabeth Bass, District Supervisor, Sept. 28, 1936, “Marihuana Tax Act of 1937,” National Archives.

<sup>151[151]</sup>Elizabeth Bass, District Supervisor, to Commissioner Anslinger, Sept. 30, 1936, “Marihuana Tax Act of 1937,” National Archives.

of knowledge about marihuana and that he did not know that hemp was the same plant.<sup>152[152]</sup>

This information was still too general for Commissioner Anslinger and he requested specifics on the following points: “1) Ascertain the demand for the machine that was used to harvest the MARIHUANA. 2) Find out the places in the United States where there is such a demand. 3) Find just what the hemp is used for in those sections.” He also requested that she try to talk to the growers and the manufacturers of the hemp.<sup>153[153]</sup> In her reply, Supervisor Bass stated the following opinion:

“Objections raised by the manufacturing druggists who have slight need of the extracts of the Cannabis in medicinal compounds will be trifling when compared with the country-wide protests that will be raised as with one voice by the experimental stations everywhere developing the use of the fibers of the Cannabis plant stems for every variety of textile.”<sup>154[154]</sup>

With regard to the specific information Commissioner Anslinger had requested, Supervisor Bass replied a second time since she was unable to contact Ridgway immediately.<sup>155[155]</sup>

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<sup>152[152]</sup>Elizabeth Bass, District Supervisor, to Commissioner Anslinger, Oct. 6, 1936, “Marihuana Tax Act of 1937,” National Archives.

<sup>153[153]</sup>Commissioner Anslinger to Elizabeth Bass, District Supervisor, Nov. 2, 1936, “Marihuana Tax Act of 1937,” National Archives.

<sup>154[154]</sup>Elizabeth Bass, District Supervisor, to Commissioner Anslinger, Nov. 3, 1936, “Marihuana Tax Act of 1937,” National Archives.

<sup>155[155]</sup>Elizabeth Bass, District Supervisor, to Commissioner Anslinger, Nov. 5, 1936, “Marihuana Tax Act of 1937,” National Archives.

During their second conversation, she discovered who had manufactured the harvesting machine. It had been constructed by the John W. Deere Company of Moline, Illinois. They had modified an ordinary small grain binder, extending its platform further than normal to account for the height of the hemp. The company had manufactured twelve to fourteen of these machines some years ago. One of the machines was in the possession of H. W. Bellrose, the President of the World Fibre Organization, and the several others had been given to the George Ball Glass Can Company of Indiana, the principal financial backers of the Amhempco Corporation. Ridgway also informed Supervisor Bass as to the optimal harvesting time, which was prior to the budding stage, and he also explained that the parts of the plant which were under consideration for commercial use were the fiber, hurds, and seeds.<sup>156[156]</sup>

The following day, Supervisor Bass sent Commissioner Anslinger a clipping from the November 4, 1936 edition of the *Chicago Tribune*, regarding the paper's experimental farm which had come to her attention too late to include with the previous report. The article addresses the difficulty of harvesting the hemp as well as explains that the fiber was to be developed into cloth, the hurds were to be made into cellulose products, and the seeds were to be pressed for their oil.<sup>157[157]</sup> At this point, the

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<sup>156[156]</sup>Ibid.

<sup>157[157]</sup>Elizabeth Bass, District Supervisor, to Commissioner Anslinger, Nov. 6, 1936, "Marihuana Tax Act of 1937," National Archives. The *Chicago Tribune* article was attached to the communication and its author was Frank Ridgway.

communication between the Bureau and the *Chicago Tribune* ends without any real closing of the business at hand.<sup>158[158]</sup>

Another example of the new hemp industry's concern becomes apparent on January 18, 1937, when Dr. Brittain B. Robinson of the Bureau of Plant Industry was contacted by the Champagne Paper Corporation. This particular company was considering the use of hemp fiber in the manufacture of cigarette papers and paper for Bibles. The company had become aware that legislation restricting the cultivation of hemp existed in some states. As a result, L. F. Dixon of the Champagne Paper Corporation requested information about the narcotic properties of the hemp. For example, he wanted to know if different botanical varieties of hemp existed and whether or not the type used for the production of fiber possessed the narcotic principle.<sup>159[159]</sup> There was no record of any reply; however, a letter from Commissioner Anslinger to the Department of Agriculture dated February 2, 1937, revealed that the Bureau of Plant Industry had passed the Champagne Paper Corporation's request for information on to the Bureau of Narcotics. In the Commissioner's response, he asked the Bureau of Plant Industry to provide the company with the information it had requested. And, to avoid any further confusion, he suggested that the Department of Agriculture should provide information regarding the analysis and identification of the drug and that only letters

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<sup>158[158]</sup>It is possible that any further information regarding the experimental work involving the *Chicago Tribune* would have been filed away in the 1936 general file which is presently lost.

<sup>159[159]</sup>L. F. Dixon, Champagne Paper Corporation, to Dr. Robinson, Bureau of Plant Industry, Jan. 18, 1937, "Marihuana Tax Act of 1937," National Archives.

requesting information regarding the enforcement of marihuana laws be passed on to the Bureau of Narcotics.<sup>160[160]</sup>

On June 12, 1937, an attorney from Mankato, Minnesota, G. P. Smith, contacted his local Congressman, the Honorable Elmer J. Ryan, regarding the cultivation of hemp. Smith's office was located in the same building which housed the National Citizens Bank in Mankato, Minnesota. This bank was the primary financial backer of the hemp projects in Southern Minnesota. Smith's letter was eventually provided to the Bureau by Congressman Ryan. Beginning the letter, Smith explained that he was interested in developing hemp as a cash crop. He stated that, over the past few years a considerable amount of hemp had been grown for cash in Southern Minnesota. He then proceeded to discuss the activity of the Farm Chemurgic Council and Chemical Foundation, stating that they had made significant progress toward developing the use of hemp for industrial products. He also spoke of "one of the largest paper manufacturers in the country" which planned on using hemp fiber in the production of paper and of another commercial group located in the East, which was interested in using the hurds as a raw material source for plastics. Finally, he emphasized that he had been told by a "leading paper manufacturer" that the growing of hemp in the Middle West was likely to develop into "a more important cash crop than soya beans."<sup>161[161]</sup>

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<sup>160[160]</sup>Commissioner Anslinger to A. F. Sievers, Senior Biochemist United States Department of Agriculture, Feb. 2, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>161[161]</sup>G. P. Smith, Attorney at Law, Mankato, Minnesota to The Hon. Elmer J. Smith, Congressman Minnesota, June 12, 1937, "Marihuana Tax Act of 1937," National Archives.

After Smith had made clear his seriousness and involvement in the emerging hemp industry, he posed a few questions to his Congressman. First, he mentioned that he had heard of a variety of hemp from which a narcotic drug could be produced, but he did not believe that the hemp raised for fiber purposes was the same variety. Second, he noted that he was aware of a bill which was in committee, House File No. 6385, the future Marihuana Tax Act. And, with regard to this pending legislation, Smith and his associates expressed the following concern, “We are unable to understand why such a bill should be proposed because according to our information it could serve no good purpose and would embarrass, if not kill, an important agricultural development.” Continuing the same line of thought, he explained that, “No one farmer raises any considerable acreage, the profits are not large and I do not believe any independent Minnesota farmer would care to raise any crop under the license and direction of a Federal Bureau.” In conclusion, Smith urged that the bill be killed.<sup>162[162]</sup>

On June 29, 1937, Commissioner Anslinger replied to Congressman Elmer J. Ryan, who had passed the letter on to the Bureau. The Commissioner explained that Smith had been misinformed regarding the narcotic properties of hemp. All varieties contained the narcotic substance. This situation made it necessary for the legislators to include domestic hemp used for commercial purposes within the purview of the law. He continued and explained that measures had been taken to ensure that the legitimate growth of hemp would not be hindered by the legislation. According to the Commissioner, the overriding purpose of the bill was “to bring out into the open all production and sale of the tops, leaves and seeds of the hemp plant which contain the

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<sup>162[162]</sup>Ibid.

dangerous drug marihuana and to prevent, if possible, the illicit production and sale of these tops, leaves and seeds.” Commissioner Anslinger concluded his letter by ensuring the Congressman that the bill would not interfere with legitimate industry.<sup>163[163]</sup> This correspondence ended with the Commissioner’s reply.

The surge of commercial interest in utilizing hemp to produce paper, plastics, and textiles crucially affected the Bureau’s decision to launch its final assault against marihuana in 1935. Without a doubt, the Bureau was fully aware of the promising economic potential of hemp, and, between 1935 and 1937, this observation was rapidly becoming an economic reality. It certainly seems rather ironic that the marihuana issue spontaneously mushroomed into “the greatest narcotic peril in America” during the same period of time.<sup>164[164]</sup> For instance, in 1938, during a conference held by the *New York Herald Tribune*, Commissioner Anslinger explained that:

“About 1935, we were stunned with the rapid wildfire spread of this drug; and by the following year it had become such a major menace as to call for the enactment of national control legislation. Nearly every State had suffered from the insidious invasion of this drug. It spread to new circles not previously contaminated by drug addiction; to young impressionable people.”<sup>165[165]</sup>

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<sup>163[163]</sup>Commissioner Anslinger to The Hon. Elmer J. Ryan, June 29, 1937, “Marihuana Tax Act of 1937,” National Archives.

<sup>164[164]</sup>Michael Schaller, “The Federal Prohibition of Marihuana,” *Journal of Social History*, v. 4, no. 1 (Fall 1970) p. 66.

<sup>165[165]</sup>U. S. Bureau of Narcotics, *Traffic in Opium and Other Dangerous Drugs for the Year Ended December 31, 1937* (Washington, 1938) p. 51.

Despite this claim, the Bureau's motives for carrying out the final assault against marihuana have never been satisfactorily established.<sup>166[166]</sup> This convenient state of institutional amnesia has resulted from the fact that the Commissioner and his assistants perjured themselves before both Congress and the public when they actively participated in the demonization of marihuana. Behind the veil of their specious representation there had not been any significant increase in the usage of the drug, nor was the national press reporting about a marihuana problem. The simple truth is, that prior to the Bureau's final assault, the American people were largely unaware of the drug.

Consequently, in the absence of public awareness, the Bureau was able to demonize marihuana. For this task they returned to the erroneous assumptions of state and local authorities who had campaigned against marihuana during the previous twenty-year period. None of the state and local campaigns were based on a true problem with the drug. Instead, a combination of latent xenophobia and Progressive ideas caused the state and local authorities to be blind to reality. This blindness resulted in the proliferation of falsehoods and misrepresentations about marihuana, which suggested that the drug was a dangerous narcotic capable of inducing crime, violence, and insanity. In 1930, the Bureau craftily adopted the mendacity of past anti-marihuana campaigns, doctored it up with new fallacies, and then, used the improved version to demonize marihuana from 1935 on. This process entailed the compilation of an assorted array of propagandistic misinformation, consisting of biased police reports, prejudiced court

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<sup>166[166]</sup>Richard J. Bonnie and Charles H. Whitebread II, *The Marihuana Conviction: A History of Marihuana Prohibition in the United States* (Charlottesville, Virginia: University of Virginia Press, 1974) p. 94. Also see op. cit. note 129.

sentences, and sensationalized media accounts, all of which labeled marihuana not only a dangerous narcotic but also a national menace. Importantly, because of the horrific nature of this material, it is now referred to as a “gore file.”<sup>167[167]</sup> Significantly, between 1935 and 1937, material from this gore file was wantonly cited by the Bureau as legal precedent for federal legislation against marihuana.<sup>168[168]</sup>

In order to disseminate this incidinary propaganda among the public, the Bureau enlisted the support of the Women’s Christian Temperance Union, the World Narcotic Defense Association, the General Federation of Women’s Clubs, the Young Men’s Club of America, the National Parent Teacher Association, and the National Councils of Catholic Men and Women.<sup>169[169]</sup> These groups provided the Bureau with the stamp of moral approval and indispensable aid in the overall effort to inform or, correctly, misinform the general public. In addition to employing the former institutions, the Bureau began to advise legislators about the dangers of marihuana.<sup>170[170]</sup> Besides these acts of deception, the Bureau also deliberately suppressed the availability of objective

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<sup>167[167]</sup>Jack Herer, *Hemp & The Marijuana Conspiracy: The Emperor Wears No Clothes* (Van Nuys, California: HEMP Publishing, 1991) p. 27; “Marihuana Tax Act of 1937,” National Archives. The file appeared to consist of a folder labelled “CRIME.”

<sup>168[168]</sup>Herer, *The Emperor*, pp. 21-26; Schaller, “The Federal Prohibition of Marihuana,” pp. 65-74; Bonnie and Whitebread, pp. 92-126; Ernest Abel, *Marihuana: The First Twelve Thousand Years* (New York: Plenum Press, 1980) pp. 237-247; Chris Conrad, *Hemp: Lifeline to the Future* (Los Angeles, California: Creative Xpressions Publications, 1993) pp. 38-55.

<sup>169[169]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, pp. 103-112.

<sup>170[170]</sup>*Ibid*, pp. 103-112.

information about marihuana from reaching the public.<sup>171[171]</sup> But, without a doubt, the Bureau's most effective weapon during the final assault was its uncanny ability to plant its anti-marihuana propaganda throughout the presses of the nation.<sup>172[172]</sup> This last tactic of supplying the national media with false information effectively demonized marihuana in the eyes of public.

A survey of the media coverage during the final assault reveals that all of the articles about marihuana are traceable to the Bureau's gore file.<sup>173[173]</sup> None of the Bureau's propaganda represented the truth. Instead, the public was fed a steady diet of prefabricated horror stories about marihuana. For instance, starting in 1935, the Bureau often cited the following prevarication as factual data: "Police officials in cities of those states where it [marihuana] is most widely used estimate that fifty per cent of the violent crimes committed in districts occupied by Mexicans, Spaniards, Latin-Americans,

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<sup>171[171]</sup> "Marihuana Tax Act of 1937," National Archives. In a series of correspondence, which continued from 1935 to 1937 George Halliday, a New York-based journalist, expressed his dismay to the Bureau regarding the exploitation of the marihuana issue by certain morality groups such as the General Federation of Women. According to Halliday, there was no truth to the sensationalistic accounts of marihuana's evils being proliferated by these organizations. Halliday expressed the desire to publish a truthful account and contacted the Bureau since he figured that they would be interested in the truth. However, he was wrong on this point. The Commissioner politely informed Halliday that the Bureau had no need for such help.

<sup>172[172]</sup> Schaller, "The Federal Prohibition of Marihuana," p. 67.

<sup>173[173]</sup> Herer, *The Emperor*, p. 27; Schaller, "The Federal Prohibition of Marihuana," p. 66; Bonnie and Whitebread, *The Marihuana Conviction*, pp. 127-153; Conrad, *HEMP*, pp.46-48.

Greeks, or Negroes may be traced to this evil.”<sup>174[174]</sup> Similar prevaricated data was consistently disseminated to the public despite its overt prejudice and lack of truth. One theme which seemed to be particularly effective for the Bureau involved the strategy of suggesting that marihuana dealers sought out the youth of America, who in their innocence were more susceptible to the drug’s addictive powers.<sup>175[175]</sup> In the final assessment, though, none of the Bureau’s allegations against marihuana were ever historically or scientifically verified. This absence of truth was characteristic of all the Bureau’s inflammatory accounts describing marihuana’s evils.<sup>176[176]</sup>

During 1935, two new bills against marihuana were presented in Congress by Congressman John J. Dempsey and Senator Carl A. Hatch from New Mexico.<sup>177[177]</sup> Locally-inspired prejudice against the Mexican use of the drug seems to have prompted the introduction of this legislation. Within the Bureau, objection was raised to both bills by Acting Commissioner Will Wood and Chief Legal Advisor Alfred J. Tennyson, who felt that the proposed legislation might endanger the Harrison Act. This objection was overruled by their superiors in the Treasury Department, Assistant Secretary Stephen Gibbons and General Counsel Herman Oliphant, who approved the legislation. Apparently, though, the public outcry against marihuana was not strong enough or

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<sup>174[174]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, pp. 148-149.

<sup>175[175]</sup>Schaller, “The Federal Prohibition of Marihuana,” p. 74.

<sup>176[176]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, pp. 127-153.

<sup>177[177]</sup>The two bill were: S. 1615, Senator Carl A. Hatch, New Mexico; H. R. 6145, Congressman John J. Dempsey, New Mexico.

Congress knew the reality of the situation, because both pieces of legislation died before they reached the floor.<sup>178[178]</sup>

In the meantime, General Counsel Oliphant continued to search for a suitable means of establishing federal control over marihuana. Eventually, he decided that the government's ability to tax would provide the Bureau with the means they sought. Without notifying the public or Congress, the Bureau's legal team proceeded to draft a bill authorizing a prohibitive tax on transactions dealing with marihuana. As a model the drafters turned to the 1934 National Firearms Act, which prohibitively taxed the unlicensed transfer of machine guns. Their plan became a reality after the constitutionality of the National Firearms Act was upheld by the Supreme Court on March 29, 1937. Shortly following this decision, the Bureau unveiled the Marihuana Tax Act, on April 15, 1937.<sup>179[179]</sup>

Prior to the introduction of the Tax Act, the Bureau flooded its channels of propaganda with a foreign study on the Moslem custom of using cannabis drugs in the North African province of Tunisia.<sup>180[180]</sup> The study was conducted by a French hospital pharmacist, Dr. Jules Bouquet, upon the request of the Sub-Committee on Cannabis of the League of Nations Advisory Committee on Traffic in Opium and Other Dangerous Drugs. When the Bureau reproduced and disseminated this report through its propaganda channels, Dr. Bouquet was introduced as the world's foremost expert on cannabis drugs.

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<sup>178[178]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, p. 119.

<sup>179[179]</sup>*Ibid*, pp. 119-124.

<sup>180[180]</sup>League of Nations Advisory Committee on Traffic in Opium and Other Dangerous Drugs, Report prepared by Dr. J. Bouquet [O.C. 1542 (0)], 17 Feb. 1937.

But, his conclusions bore the same traces of latent xenophobia and Progressive morality which had influenced the evolution of the marihuana issue in America. For instance, Dr. Bouquet offered the following explanation for the local Moslem custom of smoking and ingesting cannabis drugs:

“The basis of the Moslem character is indolence; these people love idleness and day-dreaming, and to the majority of them work is the most unpleasant of all necessities. Inordinately vain-glorious, thirsting for every pleasure, they are manifestly unable to realize more than a small fraction of their desires: their unrestrained imagination supplies the rest. Hemp, which enhances the imagination, is the narcotic best adapted to their mentality. The hashish addict can dream of the life he longs for: under the influence of the drug he becomes wealthy, the owner of a well-filled harem, of delightful cool gardens, of a board richly supplied with exquisite and copious viands; his every longing is satisfied, happiness is his. When the period of intoxication is over and he is again faced with the drab realities of his normal shabby life, his one desire is to find a corner where he may sleep until a new orgy of hemp brings him back to the realm of illusions.”<sup>181[181]</sup>

In addition to racist bigotry, Dr. Bouquet associated the use of cannabis drugs with the “poorer classes in the urban communities: artisans, small traders, workmen, etc.” Continuing, Dr. Bouquet also claimed that the petty criminal classes were “ardent devotees of hashish.”<sup>182[182]</sup> On the basis of his biased observations of a socio-economic section of the Moslem culture in Tunisia, Dr. Bouquet stated that the use of cannabis drugs led to abandonment of work, propensity to theft, and the disappearance of reproductive powers.<sup>183[183]</sup> In the final assessment, Dr. Bouquet failed to produce any credible evidence to support his findings. Yet, despite this discrepancy, the Bureau still

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<sup>181[181]</sup>Ibid, pp. 33-34.

<sup>182[182]</sup>Ibid, p. 33.

<sup>183[183]</sup>Ibid, p. 40.

presented Dr. Bouquet's erroneous findings before Congress as scientific verification of the dangers posed by marihuana.

Back in 1931, the Bureau had done the same thing with the *Preliminary Report on Indian Hemp and Peyote*, when it briefly campaigned for the Uniform Narcotic Drug Act. Six years later the Bureau continued to rely on the same strategy, employing prejudicially falsified information to ensure the passage of the Tax Act. All of the evidence presented against the drug by the Bureau during the Congressional Hearings, except for Dr. Bouquet's report, were drawn from its gore file, the same body of misinformation which the Bureau had been diligently collecting and embellishing since 1930. During the hearings, Commissioner Anslinger drilled the legislators with shocking stories about the evils of marihuana. For instance, before the Senate Committee on Finance, Commissioner Anslinger cited a brutal murder and several other violent crime cases in which marihuana was blamed for the defendant's actions.<sup>184[184]</sup> None of the cases were scientifically credible. In fact, none of the material the Bureau offered during either of the hearings was credible. To pass the Marihuana Tax Act of 1937, the Bureau committed perjury before the highest legislative body in the United States by lying about the history and effects of marihuana.

To the Bureau's dismay, dissent was voiced during the Congressional Hearings on several occasions. In particular, the legislative counsel of the American Medical Association, Dr. William Woodward, vehemently opposed the new Tax Act. During the House Hearings, Dr. Woodward categorically denied each of the Bureau's arguments

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<sup>184[184]</sup>U. S. Senate, *Hearings on the Taxation of Marihuana Before a Subcommittee of the Senate on Finance*, 75<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington, 1937) p. 12.

against marihuana. Employing the Socratic Method, he questioned the Bureau's reliance on sensationalized media stories instead of scientific evidence. In answer to his query, Dr. Woodward proceeded to demonstrate that the perceived problem was a farce of the imagination:

“We are told that the use of marihuana causes crime. But yet no one has been produced from the Bureau of Prisons to show the number of persons addicted to marihuana. An informal inquiry shows that the Bureau of Prisons has no information to this point. You have been told that school children are great users of marihuana cigarettes. No one has been summoned from the Children's Bureau to show the nature and extent of the habit among children. Inquiry into the office of Education, and they certainly should know something of the prevalence of the habit among school children of this country, if there is a prevalent habit, indicates that they have had no occasion to investigate it and know nothing of it.”<sup>185[185]</sup>

Dr. Woodward also found that the Bureau of Mental Health and the Public Health Service were ignorant of a marihuana problem. The testimony presented by Dr. Woodward effectively explained why the Bureau had no credible evidence to present during the hearings. According to Michael Schaller, a historian observing this debate thirty-four years later, “There simply was no evidence of a marihuana problem, except in the eyes of the Bureau of Narcotics.”<sup>186[186]</sup>

Further dissent was registered by several representatives from the new hemp industry during the Congressional Hearings. These representatives lobbied for the exemption from the Tax Act of hemp cultivated for legitimate commercial operations. During the ensuing debate, Commissioner Anslinger argued that the plant, hemp,

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<sup>185[185]</sup>U. S. Congress, *Hearings Before the House Committee on Ways and Means on H. R. 6385*, 75<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington, 1937) p. 92. Quoting Schaller, p. 71.

<sup>186[186]</sup>Schaller, “The Federal Prohibition of Marihuana,” p. 71.

produced the drug, marihuana, and therefore the two were inseparable. In other words, any legislation dealing with marihuana also covered hemp. Eventually, a compromise was reached between the Bureau and these representatives. This compromise consisted of an agreement on the part of the Bureau to exclude the mature stalks of the plant from the stipulations of the tax, as long as the stalks were free of all foliage before they were transferred from the farmer to the processor. In return, the industry representatives agreed to comply with regulatory licensing and supervision. Both parties appeared to be satisfied with this decision and the hearings concluded.<sup>187[187]</sup>

Despite the gross misrepresentations, the Bureau easily convinced Congress to pass the Marihuana Tax Act. This feat was certainly aided by the crafty maneuvering of General Counsel Herman Oliphant. When he introduced the bill, he presented it to the House Committee on Ways and Means. According to Congressional procedure, a bill could be sent directly to the Senate via this powerful House committee. Interestingly, the Committee on Ways and Means was chaired by Representative Robert L. Doughton, a staunch ally of Du Pont.<sup>188[188]</sup> The rationale for this legislative sleight of hand was quite simple. If the bill had been debated in the House, representatives from the districts where

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<sup>187[187]</sup>U. S. Congress, *Hearings Before the House Committee on Ways and Means on H. R. 6385*, 75<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington, 1937); U. S. Senate, *Hearings on the Taxation of Marihuana Before a Subcommittee of the Senate on Finance*, 75<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington, 1937); “Marihuana Tax Act of 1937,” National Archives: Series of correspondence between the Federal Bureau of Narcotics and the various commercial concerns in the hemp industry.

<sup>188[188]</sup>Herer, *The Emperor*, p. 26. Information from an interview between Jack Herer and Jerry Colby, author of *Du Pont Dynasties*, (Lyle Steward, 1984).

hemp was to be grown would have offered opposition and possibly killed the legislation, while bringing national attention to the economic potential of hemp. However, this scenario was not allowed to occur. Instead, the bill's supporters astutely circumvented debate in the House and ensured the passage of bill.

On August 2, 1937, the Marihuana Tax Act was signed into law. In section 14 of the Tax Act the Bureau was given full jurisdiction over the issue of marihuana. This new responsibility was formalized through *Regulations No. 1*, which was a comprehensive code of licensing and taxing procedure.<sup>189[189]</sup> In particular, *Regulations No. 1* featured a transfer tax to control the distribution and traffic of marihuana. Hemp cultivated for legitimate industrial purposes was exempt from the transfer tax as long as the foliage was removed from the mature stalks of the harvested plants. But, if violated, *Regulations No. 1* stipulated that the Bureau possessed the legal right to confiscate, withhold, or destroy the hemp in question.<sup>190[190]</sup>

During the same amount of time that it took the Bureau to demonize marihuana and pass the Tax Act, the new hemp industry nearly revolutionized agriculture by developing the cultivation of hemp as a cash crop for industrial purposes. There would

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<sup>189[189]</sup>*Regulations No. 1 Relating to the Importation, Manufacture, Production, Compounding, Sale, Dealing In, Dispensing, Prescribing, Administering, and Giving Away Of MARIHUANA*, Under the Act of August 2, 1937, Public, No. 238, 75<sup>th</sup> Congress, Narcotic Internal Revenue Regulations, Joint Marihuana Regulations made by the Commissioner of Narcotics and the Commissioner of the Internal revenue with the approval of the Secretary of the Treasury, Effective date, October 1, 1937, (Washington, 1937).

<sup>190[190]</sup>*Ibid*, pp. 52-53.

seem to be an obvious correlation between the final assault against marihuana and the dawn of the new hemp industry. Historically, the acts of deception carried out by the Federal Bureau of Narcotics during its final assault against marihuana were indicative of the protective strategies exercised by the wood pulp industry whenever its investments or profits were threatened by economic changes.

At the close of the 1920s, the wood pulp industry was clearly dominated by the International Paper Company (between 1927 and 1935 the International Paper and Power Company). As a leading manufacturer of wood pulp, International dictated prices in the lucrative newsprint market and controlled a large stake in the production of Southern kraft pulp.<sup>191[191]</sup> Furthermore, it was capable of exercising a considerable amount of influence over the major presses of America through the American Newspaper Publishers Association.<sup>192[192]</sup> During the late 1920s, International's behavior directly affected the development of farm wastes as an alternative source for the production of paper; a movement, which, in turn, was inseparable from the natural progression of history leading up to the genesis of the new hemp industry. The following scenario of economic sabotage occurred for the simple reason that the wood pulp industry stood to lose a

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<sup>191[191]</sup>Ellis, *Print Paper Pendulum*, pp. 130-149. Also see: U. S. Senate, Letter from the Chairman of the FTC transmitting in response to S. Res. No. 337 (70<sup>th</sup> Cong.) *A Report on Certain Phases of the Newsprint Industry*, 71<sup>st</sup> Cong., Sp. sess., July 8, 1930, Senate Doc. 214; Thomas D. Clark, *The Greening of the South: The Recovery of Land and Forest*, (Lexington, KY: University of Kentucky Press, 1984) pp. 119-120.

<sup>192[192]</sup>John Loomis, *The Nation*, "Who Owns the Daily Press?" v. 128, n. 3328 (Apr. 17, 1929): 446. Also see Ellis, *Print Paper Pendulum*, pp. 8. "His organization [the newspaper publisher], the ANPA, is one of the most effective of pressure groups to whose desires official Washington gives careful heed."

considerable amount of investment and profit if farm wastes were developed as an alternative source for the manufacture of cellulose products such as paper and plastics.

In 1929, the International Paper and Power Company was involved in a plot to close the newsprint market to paper made from the cellulose of farm wastes. At this time the company already dominated the newsprint market and it was beginning to infiltrate the media by offering 15-year contracts to newspaper publishers in return for stock in their newspapers. Furthermore, it was alleged that these 15-year contracts were designed to close the newsprint market to paper made from the cellulose pulp of farm wastes. In order to set the standard with the 15-year contracts, International conducted negotiations with the largest consumer of newsprint, the Hearst media syndicate. Before anything was formalized, though, Senator Thomas Schall of Minnesota called for the Federal Trade Commission to investigate International.<sup>193[193]</sup> As a result of these investigations International promptly restructured its contracts and liquidated its interest in newspapers to avoid any further attention.<sup>194[194]</sup>

This act of retreat was not made in defeat. Instead, another solution had offered itself to the Hearst media syndicate and newspaper publishers in general. During 1930,

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<sup>193[193]</sup>*Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) pp. 1336-1339. Senator Schall's investigation was Senate Resolution 292, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess.

<sup>194[194]</sup>Federal Trade Commission, *NEWSPRINT PAPER INDUSTRY: Letter from the chairman of the FTC - Transmitting in Response to S. Res. No. 337 (70<sup>th</sup> Cong.) A Report on Certain Phases of the Newsprint Paper Industry*, 71<sup>st</sup> Cong., Sp. sess., July 8, 1930, Senate Doc. 214, p. 114.

Hearst purchased an interest in the production of newsprint.<sup>195[195]</sup> This development marked the beginning of a trend as more newspapers followed suit. The trend increased after the passage of the Holding Company Act of 1935. This piece of legislation forced holding companies with subsidiary interests outside of their primary realm of business to liquidate their assets in the subsidiary interests. Evidently, the production of newsprint had become a subsidiary business concern of public utility holding companies. This was the case with the International Paper and Power Company, which was primarily a public utility and secondarily a paper manufacturer. As a consequence of the new law, many changes occurred in the financial structure of the newsprint industry between 1936 and 1937. These transformations were embodied in a process of decentralization during which the nation's larger newspaper publishers purchased an interest in the production of newsprint. In the process, the newspaper publishers assumed the financial burden of manufacturing, since the production of newsprint carried one of the highest ratios between plant investment and unit sales.<sup>196[196]</sup> This financial burden undoubtedly influenced the intensity of the demonization of marihuana.

In particular, Hearst was one of the first and most active participants in the final assault.<sup>197[197]</sup> Certainly his new control of the production of wood pulp paper influenced

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<sup>195[195]</sup>*New York Times*, "Hearst Interests Acquire Canada stock, Relinquishing Shares in Their Own Subsidiary," Sept. 19, 1930, 39: 2.

<sup>196[196]</sup>John A. Guthrie, *The Newsprint Industry: An Economic Analysis* (Cambridge, Harvard University Press, 1941) p. 68. Also see: Ellis L. Ethan, *Newsprint Producers, Publishers, Political Pressures*, (New Brunswick, New Jersey: Rutgers University Press, 1960) p. 23.

<sup>197[197]</sup>Bonnie and Whitebread, *The Marihuana Conviction*, pp. 100-101.

his decision to attack marihuana; otherwise he could have lost a significant sum of money if hemp had emerged as a raw material source for the manufacture of newsprint as the plant's promoters suggested. This scenario of interlocking financial interests also applied to the investment bankers who provided the capital for the newspaper publishers, such as Hearst, to acquire an interest in the production of newsprint. In connection with these observations, it is interesting to note that, prior to the 1930s, Hearst had used his papers to attack the bastions of banking. However, by the time of the final assault against marihuana, Hearst had developed a new allegiance with this powerful business community.<sup>198[198]</sup>

Additional evidence was offered in 1929, which linked the wood pulp industry to the Department of Agriculture in the plot, described previously, to sabotage the development of farm wastes as an alternative source. The focus was not on hemp at this time, but what occurred was reflective of what happened to hemp during the 1930s. This plot emerged in 1927, when an appropriation of \$50,000 to conduct research into the utilization of farm wastes was secured for the Bureau of Standards. This appropriation was opposed by the Department of Agriculture on the grounds that the Bureau of Forestry and Forest Products already conducted the research. In reality, though, this government agency only searched for different types of wood to use for the production of paper. The simple truth of the matter was that the Bureau of Forestry and Forest Products was merely a government operated research center for the wood pulp industry. On an annual basis the Bureau of Forestry and Forest Products received approximately a million dollars for its specific research, yet during its twenty-year history very little progress had been

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<sup>198[198]</sup> Beard, *America in Midpassage*, p. 192.

made. Meanwhile, by 1929, the United States imported eighty percent of its wood pulp paper. This import market was worth \$275,000,000. In light of this potentially lucrative market for the American farmer, it seems rather puzzling that the Department of Agriculture would not endorse \$50,000 to conduct research for the development of farm waste for the production of paper.<sup>199[199]</sup>

A similar conflict of interest becomes apparent again in 1929, when Blair Coan, a Washington newspaper correspondent, revealed that the Department of Agriculture had suppressed information for twenty years, which suggested that white paper could be made cheaper and better from the cellulose of farm crops than from wood.<sup>200[200]</sup> With regard to the previous allegation, it is particularly relevant to recall the *Yearbook of the United States Department of Agriculture* from 1910, in which the following statement was made:

“In addition to the waste materials that are available, evidence has been gathered that certain crops can probably be grown at a profit to both the grower and manufacturer, solely for paper-making purposes. One of the most promising of these is *hemp*.”<sup>201[201]</sup>

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<sup>199[199]</sup>*Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) p. 1246, 1252.

<sup>200[200]</sup>*Ibid.*, p. 1252. In 1928, Blair Coan wrote: “About twenty years ago a chemist working in the Department of Agriculture discovered that white paper could be produced cheaper and better by using the cellulose of field crops than by the conversion of spruce wood. Also see: pp. 1336-1339, 5044-5050; and p. 24 of this thesis.

<sup>201[201]</sup>C. J. Brand, “Utilization of Crop Plants in Paper Making,” *Yearbook of the United States Department of Agriculture*, 1910, p. 338 [Italics are mine]; also see pp. 23-24 of this thesis.

This *Yearbook* article seems to have been the most extensive treatise written about the subject of alternate sources dating from the period of time twenty years prior to 1929. Based on this coincidence, there seems to be ample evidence to suggest that hemp was “one of the most promising” crop plants about which the Department of Agriculture was attempting to suppress the availability of agricultural and economic information from the public. Further inspection reveals that the Department was presented with similar data regarding the economic potential of hemp on several occasions during this twenty year period, and, in each instance the Department declined to act.<sup>202[202]</sup>

During the same period of time, the national press coverage of alternative sources for the production of paper also displayed opposition to the use of farm wastes for such an endeavor. Hemp was not openly referred to in the media coverage of alternative sources, but any individual interested in the production of paper from farm wastes would have known about hemp’s unique properties. Instead, the main topic was cornstalks, since there was an abundance of this type of farm waste. On March 2, 1929, the *New York Times* featured a prominent article on alternative sources in its March 10, 1929, Sunday edition. The headline read, “CORNSTALK PAPER NOT SATISFACTORY.” This article was released only eight days after Senator Thomas Schall had delivered his final speech on alternative sources before the Senate, which described the previously

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<sup>202[202]</sup>Lyster H. Dewey, “Hemp,” *Yearbook of the United States Department of Agriculture*, 1913, pp. 282-346; L. H. Dewey and J. L. Merrill, *Hemp Hurds as Papermaking Material*, United States Department of Agriculture Bulletin No. 404 (Oct. 14, 1916); also see pp. 23-32 of this thesis.

discussed conspiracy to stop government aid for the establishment of a farm waste industry for the agricultural community.

According to the *New York Times* article, newspaper publishers had found cornstalk paper to be a poor substitute for wood pulp newsprint. In addition to being a poor substitute, it was stated that the cost of production for cornstalk newsprint was much greater. These negative aspects led the article's author to conclude that farmers could expect little direct benefit from the development of farm waste industries. Instead, the author suggested that:

“Publishers of Cornbelt newspapers have been giving cornstalk newsprint a ‘ride’ and incidentally whooping it up for the utilization cornstalk waste as a means of industrializing farm communities and fattening the income of the farmer.”<sup>203[203]</sup>

Clearly, the author was attempting to dissuade potential investors by claiming that the entire operation was promotional. At first glance this appears to be a noble gesture, but a closer inspection of the article reveals a technical slip. While discussing the prices the farmer could expect for his farm waste the author stated that:

“Estimates of the recoverable value to the farmer of his waste stalks run all the way from \$5 to \$12 an acre, the figure most frequently being suggested being \$10. It is difficult to see where he can ever hope to realize anywhere near that figure.”<sup>204[204]</sup>

However, the correct figure was not \$5 to \$12 per acre, but rather \$5 to \$12 per ton.<sup>205[205]</sup>

How did such an error find its way into publication? The price by tonnage significantly

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<sup>203[203]</sup> *New York Times*, “Cornstalk Paper Not Satisfactory,” Mr. 10, 1929, III 2:4.

<sup>204[204]</sup> *Ibid.*

<sup>205[205]</sup> *Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) p. 1246.

increased the earning potential because for every acre of cultivation two to six tons of waste existed. Considering the context of the article and this specific error, it seems that there was a deliberate attempt to downplay the significance of developing farm waste industries.

A few weeks later another negative statement was printed in the *New York Times*. It was presented by the head of the Newsprint Institute, R. S. Kellogg, who noted that, “Cornstalk paper publicity goes merrily on.” In this release, Kellogg cited an official statement made by the Bureau of Standards regarding a promotional book on farm products in the industry. This particular book was heralded as the first to be printed on paper made from cornstalks. The official statement from the Bureau of Standards read as follows:

“A sample from the book, “Farm Products in Industry,” by G. M. Rommel, consisted of 25 per cent cornstalk fiber, 55 per cent sulphite fiber, and 20 per cent flax fiber.” - The question arises, therefore, why this paper should not be heralded as sulphite paper or flax paper with as much accuracy as it has been widely advertised as cornstalk paper.”<sup>206[206]</sup>

Obviously the wood pulp industry was concerned about the potential development of markets for alternative sources, otherwise why would the head of the Newsprint Institute have felt compelled to release such a derogatory statement to the editor of the *New York Times*?

In the end, the efforts of the wood pulp industry in conjunction with the Department of Agriculture successfully quelled the brief surge of Congressional interest in developing farm waste industries for the farmer. Instead, legislators and the wood pulp

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<sup>206[206]</sup>*New York Times*, “Cornstalk Paper,” Mr. 24, 1929, III 5:8.

industry decided to develop the Southern Pine as an alternate source for the production of paper.<sup>207[207]</sup> Coincidentally, the Southern Pine became a serious topic about the same time that cornstalks were ruled out as a possibility.<sup>208[208]</sup> In connection with this development, it is very interesting to note the positive reception given to the proposal to utilize the Southern Pine, as opposed to the negative reception encountered by farm waste legislation.

Starting in 1932, the Department of Agriculture released an influential report which supported the development of the Southern Pine as a source of wood pulp. This report also stated that hemp was unsuitable for the production of paper.<sup>209[209]</sup> Indications of the policy-to-be continued in 1934, when President Roosevelt gave his approval of the plans to develop the Southern Pine for the production of newsprint.<sup>210[210]</sup> The following year the Reconstruction Finance Corporation raised to the possibility of governmental aid for the development of industries to utilize the Southern Pine.<sup>211[211]</sup> Also during 1935, Roosevelt put the Civilian Conservation Corp to work reforesting the South, as well as sanctioning the federal purchase of forest holdings to be leased to private timber

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<sup>207[207]</sup>Suggestions began to surface during the alternative source debate for farm wastes: *Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) p. 1339.

<sup>208[208]</sup>*New York Times*, “‘Golden Rod Paper’ Fails,” F. 6, 1932, 32:3.

<sup>209[209]</sup>U. S. Senate, *National Pulp and Paper Requirements*, 74<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington 1933) Senate Doc. 115, p. 10.

<sup>210[210]</sup>*New York Times*, “Roosevelt Approves Development of New Southern Industry,” Je. 7, 1934, 2:6.

<sup>211[211]</sup>*New York Times*, “RFC to Aid South’s Pulp Mills,” F 1, 1935, 37:3; “RFC Aid Predicted on Pine Newsprint,” Mr. 8, 1935, 18:5.

concerns. By 1937, the American Newspaper Publishers Association was urging publishers to invest in the building of production facilities.<sup>212[212]</sup> The talk became reality in 1938, when a group of publishers in Texas were given a loan from the RFC and started the construction of a plant near Lufkin, Texas.<sup>213[213]</sup> This facility opened in 1940, and marked the shift of the forest products industry from the North to the South.<sup>214[214]</sup> To stress the significance of this economic shift, wood pulp grew to become the largest industry in five Southern states.<sup>215[215]</sup>

Meanwhile, following the demise of farm waste legislation in 1930, promoters began to stimulate interest in the cultivation of hemp. In 1931, the Bureau of Plant Industry countered this activity by warning farmers to be wary of the hemp promoters, insinuating that they were scam artists.<sup>216[216]</sup> Two years later, in 1933, the Bureau of Plant Industry canceled Lyster Dewey's hemp breeding project. Another suspicious event occurred in 1935, when a government cellulose expert visited the National

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<sup>212[212]</sup>*New York Times*, "Challenge Found in Newsprint Cost," Ap. 22, 1937, 15:3; "Publishers Foster U. S. Paper Industry," Ap. 23, 1937, 16:2; "Newspapers Printed on Slash Pine Paper," Je. 27, 1937, 19:1.

<sup>213[213]</sup>*New York Times*, "Paper Concern Gets Loan," N. 30, 1938, 32:2; "Texas Newsprint Near," D. 4, 1938, 36:1.

<sup>214[214]</sup>Michael Williams, *Americans and their Forests: A Historical Geography*, (NY: Cambridge University Press, 1989) pp. 287-288.

<sup>215[215]</sup>David P. West, "Fiber Wars: The Extinction of Kentucky Hemp," *Hemp Today*, ed. Ed Rosenthal (Oakland, CA: Quick American Archives, 1994) p. 40.

<sup>216[216]</sup>United States Department of Agriculture, "Warns Against HEMP exploitation," *The Official Record*, vol. 10, No. 15, Apr. 11, 1931.

Cellulose Corporation of Minnesota and condemned the operation.<sup>217[217]</sup> Based on the Bureau of Plant Industry's specialization, it seems likely that the expert was sent by the agency. Regardless, this official's action seems to have disillusioned investors and caused the company to fail. Most importantly, though, the Bureau of Plant Industry never backed the new hemp industry during the 1930s. Instead, the Bureau of Plant Industry consistently maintained that the new hemp ventures were merely promotional operations. In retrospect, it seems clear that the Bureau of Plant Industry's guiding purpose was to stop the new hemp industry from reaching its full potential.<sup>218[218]</sup> Each instance of sabotage was a continuation of the previously cited cases of opposition to developing farm waste as an alternative source for the production of paper.

When the new hemp ventures began to emerge as a real threat to the wood pulp paper industry in 1935, the Federal Bureau of Narcotics launched its final assault against marihuana. The sudden move on the part of the Bureau to demonize marihuana was indicative of the pattern of behavior which had been set before 1935, with regard to the

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<sup>217[217]</sup>National Archives, "Marihuana Tax Act of 1937," H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, pp. 6-7.

<sup>218[218]</sup>Helen Moorehead, Foreign Policy Association, to Commissioner Anslinger, Mar. 23, 1938. In regard to an interview held on Mar. 22, 1938 by Helen Moorehead and Dr. McCall, Dr. Barre, and Dr. Robinson of the Department of Agriculture Bureau of Plant Industry, "Marihuana Tax Act of 1937," National Archives. Also see: *Marihuana Conference*, Bureau of Internal Revenue Building, (Room 3003), Washington, D.C. Called by the Bureau of Narcotics of the United States Treasury Department, Presided over by Mr. H. J. Anslinger, Commissioner of Narcotics, and Mr. H. J. Wollner, Consulting Chemist, Treasury Department, Dec. 5, 1938.

development of farm wastes as an alternative source for the production of paper. In the fight against alternative sources, the International Paper and Power Company was a leader. Interestingly, this company was financially linked to J. P. Morgan & Company.<sup>219[219]</sup> It is important to note, that Du Pont was also financially linked to this powerful bank. Du Pont was a participant in the wood pulp industry as the primary supplier of the chemicals necessary for pulping. In addition to this interest, Du Pont had also cornered the market on the synthetic fibers and plastics made from cellulose derived from wood pulp.<sup>220[220]</sup> Furthermore, Du Pont was interested in the development of the Southern Pine as raw material source for its cellulose industries.<sup>221[221]</sup> Likewise, the International Paper Company, which had been reformed as a result of the Public Utilities Holding Company Act of 1935, also expanded its operations into the Southern region, especially from 1935 on, in anticipation of utilizing the Southern Pine.

Du Pont and International were not alone in the migration as other large corporations entered the emerging Southern forest products industry.<sup>222[222]</sup> For instance, the St. Regis Paper Company another Morgan interest, as well as the Great Northern Paper Company and the Champion Paper Company, which were within Chase Manhattan's sphere of influence, also migrated southward. By 1935, the success of the

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<sup>219[219]</sup>*Congressional Record*, 72<sup>nd</sup> Cong., 2nd sess. (Washington, 1933) p. 4778.

<sup>220[220]</sup>Herer, *The Emperor*, p.23.

<sup>221[221]</sup>William Haynes, *Cellulose: The Chemical that Grows*, (NY: Doubleday, 1953) pp. 280-287.

<sup>222[222]</sup>Thomas D. Clark, *The Greening of the South: The Recovery of Land and Forest*, (Lexington, KY: University of Kentucky Press, 1984) pp. 114-132.

Southern Pine as a new source of wood pulp was quickly becoming the responsibility of the federal government and the financial institutions which supported the movement, and eventually provided the capital to develop the industry. To give an idea of this new responsibility, one estimate predicted an investment of \$500,000,000 would be necessary for the development of the Southern wood pulp industry.<sup>223[223]</sup> A simple cursory glance at the history of the government and these financial institutions prior to 1935, reveals that both had consistently adopted conciliatory strategies to protect and further their interests. Incidentally, the Southern forest products industry faced a serious economic challenge from the nascent movement to utilize hemp as alternative source for the production of raw cellulose.

The previous observation raises speculation about collusion between the Federal Bureau of Narcotics and concerned industrial leaders. Commissioner Anslinger had been appointed to his post by his future uncle-in-law Andrew Mellon, who at the time had been the Secretary of the Treasury. In addition to serving as the Secretary of the Treasury, Andrew Mellon along with his brother controlled the Mellon Bank which was financially linked with J. P. Morgan & Company.<sup>224[224]</sup> On a more personal level both Mellon brothers were a privileged members of J. P. Morgan & Company's "preferred list." This list was composed of corporate directors, government officials, and the heads of the nations largest banks. As a group, these preferred clients were kept informed on all aspects of the economy from which they shamelessly profited.

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<sup>223[223]</sup>*New York Times*, "South's Paper to Boom," N. 27, 1938, III, 9:8.

<sup>224[224]</sup>*Congressional Record*, 72<sup>nd</sup> Cong., 2nd sess. (Washington, 1933) p. 4778.

Among this privileged financial caste were individuals directly associated with International Paper, Du Pont, and other corporations financially interested in the development of the wood pulp industry and its expansion in the South. Hemp was undoubtedly unwelcome competition. Was it mere coincidence that the Bureau's position toward marihuana abruptly changed in 1935, when Commissioner Anslinger became aware of the surge of activity to develop hemp for the production of cellulose pulp? Or was the final assault against marihuana precluded by hidden motives stemming from the industrial and governmental endorsement of plans to develop the Southern Pine as a new source of cellulose pulp?

Certainly, there is reason to continue the inquiry. During the final assault, the Bureau redoubled its efforts to demonize marihuana. Its task was greatly facilitated by the fact that the media, and various morality groups, as well as bureaucrats and legislators were easily influenced by the financial institutions which controlled all facets of the wood pulp industry.<sup>225[225]</sup> This situation is best reflected in the phenomenal cooperative effort exhibited by the government and private concerns to develop the Southern Pine industry. The campaign against marihuana was an extra protective measure to ensure the success of the project. Initially, the Bureau's intense demonization of marihuana had the effect of seriously diminishing investment capital flowing into the development of the hemp industry. The following example serves to demonstrate the ramifications of this dilemma.

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<sup>225[225]</sup>For verification see *Congressional Record*, 71<sup>st</sup> Cong., 1<sup>st</sup> sess. (Washington, 1929) pp. 93-96, 1521-1546; 71<sup>st</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1930) pp. 12269-12278; 72<sup>nd</sup> Cong., 1<sup>st</sup> sess. (Washington, 1932) pp. 15195-15204; 72<sup>nd</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1933) pp. 4769-4780.

In Minnesota, after the National Cellulose Corporation failed, Joseph H. Gunderson assumed control of matters during 1936. Gunderson had invested heavily in the hemp venture from the beginning and throughout the past few years of failure he had maintained a vision of a grand industry. To keep this vision alive, he enlisted the financial aid of his associates and traveled to Delaware, where he organized a new company Chempc, Incorporated. The new company was listed under the liberal laws of Delaware, “to process, buy, sell, deal in and use fibre plants, etc., etc.” In addition to Gunderson, Dr. J. M. Johnson, of Hartington, Nebraska, who had organized the Nebraska Fibre Corporation during 1935 and had contracted to grow 3676 acres of hemp, also invested in the company, along with his son.<sup>226[226]</sup>

Once Gunderson returned to Minnesota, he proceeded with negotiations to purchase hemp and he began organizing for the production of fiber at the old Union Fibre Corporation plant at Winona, Minnesota. For the purchase of hemp, Gunderson contacted Dr. Johnson and easily purchased the Nebraska crop. He then offered to buy any of the 1934 and 1935 crops from Minnesota that the farmers wanted to sell. Chempc, Inc. concentrated its efforts on producing fiber from the Nebraska crops during 1936. The fiber which they obtained was transferred for marketing to the Harry H. Strauss organization, which later developed the Central Fibre Corporation and the Champagne Paper Company.<sup>227[227]</sup>

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<sup>226[226]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, p. 8, “Marihuana Tax Act of 1937,” National Archives.

<sup>227[227]</sup>*Ibid*, p. 8.

On February 24, 1937, the Central Fibre Corporation was organized by Harry H. Strauss and Lawrence F. Dixon. The purpose of the company was “to grow, cultivate and produce, sell and generally deal in flax, hemp, and other agricultural crops and products.” It was located in Blue Earth, Minnesota. That spring they contracted with local farmers and purchased 428,583 pounds of the 1934 and 1935 crops. Over the course of the summer and fall, they produced a total of 148,090 pounds of fiber which was classified as a mixture of hurd and short length fiber “tow.” Strauss’s other commercial enterprise was the Champagne Paper Company. Apparently, the fiber left at the Central Fibre Corporation mill in Winona, Minnesota was going to be shipped to a paper mill in Brevard, North Carolina, where Strauss planned to locate the Champagne Paper Company. The transfer was to occur once the plant was completed.<sup>228[228]</sup> Nothing else is stated about the Champagne Paper Company. However, in an article written by Strauss, “Paper from Flax and Hemp,” which appeared in the September, 1937, issue of the *Farm Chemurgic Journal*, he discussed the company’s intentions of producing Bible, cigarette, carbon, condenser tissues, and similar grades of paper from hemp.<sup>229[229]</sup>

During the Congressional Hearings for the Marihuana Tax Act a representative for Chempco, Incorporated was present. The use of term marihuana was a specific concern of this representative. Because of the demonization of marihuana, hemp now possessed a very deleterious stigma. Explaining his position during the Senate Hearings, he stated: “I do not think the use of the word ‘marihuana’ belongs in this measure,

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<sup>228[228]</sup>Ibid, p. 9.

<sup>229[229]</sup>Harry H. Strauss, “Paper from Flax and Hemp,” *Farm Chemurgic Journal* no. 1 (Sept. 1937): 32-36.

because that is the word that came up from Mexico and attached to these cigarettes. I see no use in it. This is hemp being grown, not marihuana.” According to the representative, there was a definite necessity to differentiate between hemp cultivated for legitimate industrial purposes and the drug marihuana. If this was not done, he feared that “...we might lose an industry purely by the phraseology of the measure.”<sup>230[230]</sup>

Meanwhile, in the spring of 1937, Chempco, Inc. had contracted with farmers to grow a new crop of hemp. About the same time, the Central Fibre Organization had been formed and the two companies entered into an agreement whereby the Central Fibre Corporation would buy and process all the hemp produced by Chempco, Inc. The other part of the agreement stipulated that the Central Fibre Corporation would market the fiber. This business transaction never occurred because Chempco, Inc. experienced a \$25,000 loss in 1937, which forced the company to cease operations. Before this loss occurred the company had purchased 2,611,259 pounds of the 1934 and 1935 hemp crops which were left in the field. In the end, Gunderson was forced to resign on account of defalcations.<sup>231[231]</sup>

Nothing was ever said about the circumstances of the \$25,000 loss suffered by Chempco, Inc. in the records of the Bureau. Considering the absence of an explanation, there is reason to believe that investors withdrew because of the public hysteria which

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<sup>230[230]</sup>U.S. Congress, *Hearings Before the Senate Committee on Finance on H. R. 6906*, 75<sup>th</sup> Cong., 1<sup>st</sup> sess. (Washington, 1937) pp. 28-32.

<sup>231[231]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, pp. 8-9, “Marihuana Tax Act of 1937,” National Archives.

had resulted from demonization of marihuana and the inevitable threat of government regulations. In retrospect, the emergence of these three commercial concerns was the apex of the new hemp industry in Minnesota. After this episode the activity in Minnesota never really recovered. Gunderson, Strauss, and Dixon were truly on the verge of establishing the cultivation of hemp as a cash crop for the production of paper, plastics, and textiles, when the Bureau destroyed their plans by frightening away their financial backers and their farmers, both of whom did not want to be associated with the supposedly insidious demon drug—marihuana.

In conclusion, marihuana offered the Federal Bureau of Narcotics a convenient means of protecting the special interests of the wood pulp industry. The demonization of marihuana which occurred during the final assault forever marred the public's perception of the hemp plant. It also allowed the Bureau to gain jurisdiction over the commercial hemp ventures. Potential investors did not want to risk their capital on a government controlled industry. Furthermore, farmers were especially wary of cultivating hemp because of the stigma of marihuana. Because of this impasse, the hemp ventures began to default after the passage of the Tax Act in 1937. To ensure that this process was finalized, the Bureau sabotaged the remaining concerns by using the stipulations of the transfer tax as a medium to stop business transactions. This underhanded tactic quickly drained the waning energy of the original promoters and forced them to abandon their dreams of developing hemp as a cash crop for the economically depressed agricultural community and as a raw material for the manufacture of cellulose products.

## Chapter Four

### The Immediate Repercussions of the Marihuana Tax Act of 1937

This chapter deals with the immediate repercussions of the Marihuana Tax Act of 1937. It is composed of an array of classified historical correspondence and reports held by the Drug Enforcement Agency.<sup>232[232]</sup> This correspondence and these reports shed new light on the Federal Bureau of Narcotics' true role in the prohibition of marihuana. By the end of this chapter it should be apparent that the Bureau had more than just a corollary interest in the new hemp industry.

After the passage of the Marihuana Tax Act of 1937, the Federal Bureau of Narcotics expressed a very specific concern regarding the new hemp industry. Evidence of the Bureau's anxiety can be witnessed in a Departmental memorandum which was circulated during the month of December, 1937. The basic premise for the memorandum was that the Bureau lacked a real understanding about marihuana as a drug and as a legitimate crop. Now, since the Bureau had been given jurisdiction over all facets of marihuana's usage, both legal and illegal, it had become imperative for them to learn about the hemp plant. In principle, this new desire to learn about the hemp plant seems highly suspect, since Commissioner Anslinger was basically admitting to the Bureau's general lack of knowledge regarding marihuana, even though they had previously serenaded the media and public with their self-acclaimed expert knowledge on the topic. The memorandum requested information on marihuana in six distinct areas: agricultural,

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<sup>232[232]</sup>“Marihuana Tax Act of 1937,” National Archives.

chemical, pharmacological, sociological, economic, and industrial. Information from the last two phases of the inquiry pertained to the hemp industry. Among the topics of interest concerning Commissioner Anslinger were the commercial uses for the hurds and the cellulose products that could be made from the fiber. He also wanted to know the advantages of using hemp over other raw materials and the prospects for hemp's use in the future.<sup>233[233]</sup>

There was not a direct response to this memorandum; however, it appears to have been in the possession of Dr. H. J. Wollner, the Bureau's consulting chemist, who presented another memorandum of the inquisitive sort back to Commissioner Anslinger on February 14, 1938. In this document, Dr. Wollner expressed some concern over the Bureau's new task of regulating marihuana. Specifically, he discussed three topics. The first topic dealt with marihuana's unknown drug properties and the fact that no one had developed a test which could accurately determine whether or not the active principle was present. Skipping to the third topic, Dr. Wollner noted that marihuana was a domestic plant unlike the drugs of foreign origin, such as opium and cocaine with which the Bureau was familiar. Returning to the second topic, Dr. Wollner observed: "That the agriculture of the plant marihuana caters to a legitimate industry." With regard to his second point, Dr. Wollner noted that there was good chance that the cultivation of hemp for various industrial purposes could be beneficial and that it could expand. He recommended that the Bureau proceed with research to discover whether or not a drug

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<sup>233[233]</sup>*The Marihuana Problem*, Dec. 1937, "Marihuana Tax Act of 1937," National Archives.

free hemp plant could be produced for industrial use.<sup>234[234]</sup> There is no record of this research ever having been conducted.

Shortly after the passage of the Marihuana Tax Act of 1937, the potential industrial advantages of cultivating hemp came to the attention of Henry Morgenthau, Jr., the Secretary of the Treasury, who promptly contacted Henry A. Wallace, the Secretary of Agriculture. Apparently, Secretary Morgenthau had become aware of the interest of certain unidentified paper manufacturers who were considering hemp as a potential raw material for the production paper. The Secretary mentioned some experimentation which the Treasury and Agricultural Departments had jointly conducted over the summer of 1937. These experiments revealed “that there was a tendency on the part of some of the Cannabis plants to be lower than others in narcotic content.” On the basis of this discovery, Secretary Morgenthau suggested that it might be possible to breed a strain of cannabis that was totally free of the drug. Such a project would be beneficial to agriculture and industry. In order to facilitate this avenue of research, the Secretary proposed that the Treasury Department and the Department of Agriculture should consider utilizing the appropriations that were available under the provisions of the Agricultural Adjustment Act of 1938, Title 2, section 202. This law provided for four million dollars to be devoted to the development and use of national crops. He concluded

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<sup>234[234]</sup>Dr. Wollner, Consulting Chemist, to Commissioner Anslinger, Feb. 14, 1938, “Marihuana Tax Act of 1937,” National Archives.

by stating that hemp would cease to exist as an agricultural commodity unless action was taken to insure its legitimate industrial usage.<sup>235[235]</sup>

Secretary Morgenthau received a reply from Secretary Wallace's Department on May 3, 1938. It was not positive. Acting Secretary W. R. Gregg did not think that it was feasible to expend any of the money appropriated by the Agricultural Adjustment Act of 1938, Title 2, Section 202, because the Act only allowed for the money to be spent on regular or seasonal crops in which there were surpluses. The Acting Secretary of Agriculture did express a degree of sympathy and agreed that the research which had already been started the previous summer should be continued, but there was one problem which promised to hold up the research. In 1938, the researchers were still searching for a satisfactory method of testing for the drug; therefore, further experimentation with respect to the production of a drug free variety of hemp would have to wait. Acting Secretary Gregg even went as far as to suggest that the Treasury Department take up the matter of developing a satisfactory method of testing for the drug. Despite the overall negativity of the response, Acting Secretary Gregg knew of research that was being conducted into the utilization of hemp hurds toward the production of cellulose at the Department of Agriculture's by-products laboratory in Ames, Iowa.<sup>236[236]</sup>

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<sup>235[235]</sup>Henry Morgenthau Jr., Secretary of the Treasury, to Henry A. Wallace, Secretary of Agriculture, Mar. 25, 1938, "Marihuana Tax Act of 1937," National Archives.

<sup>236[236]</sup>W. R. Gregg, Acting Secretary of Agriculture, to Henry Morgenthau Jr., Secretary of the Treasury, May 3, 1938, "Marihuana Tax Act of 1937," National Archives.

The records of these experiments do not seem to exist anymore in the Department's annual reports regarding these experimental projects.

Around the time of the previous correspondence further concern regarding the future of the hemp industry was expressed by Secretary Helen Moorehead. She interviewed Dr. M. A. McCall, Chief of the Bureau of Plant Industry, Dr. H. W. Barre, Principal Pathologist in Charge, Division of Cotton and Other Fiber Crops and Diseases, and Dr. Brittain B. Robinson, Agronomist, Division of Cotton and Other Fiber Crops and Diseases. Secretary Moorehead sought information pertaining to the research regarding a drug free strain of hemp. The Department of Agriculture's men explained to her that the research could not proceed until Dr. H. J. Wollner, the Federal Bureau of Narcotics' chief chemist, had perfected a method of detecting the drug. They also explained that the pressure from commercial interests to use hemp as a base for cellulose was impractical from an economic standpoint unless it could be produced for less than the present source, wood pulp, which sold for around three cents per pound. None of the men had seen any evidence that hemp could be used to produce cellulose competitively on the market against wood pulp. Furthermore, the men said that in the past their experience with hemp growers had been that they were promotional schemes designed to sell patents or stock. There was no evidence that this time around it would be any different. This opinion was no different from the one which the Bureau of Plant Industry had expressed in 1931, with regard to the initial efforts to promote the cultivation of hemp in 1930. In addition, the men also believed that the Tax Act would not interfere with the "honest growth of hemp."

According to Secretary Moorehead, all three men did express an interest in the matter and asked to be contacted if they could be of any further assistance.<sup>237[237]</sup>

The next event of consequence toward defining the Federal Bureau of Narcotics' marihuana policy occurred on December 5, 1938, when the Bureau convened the Marihuana Conference. Commissioner Anslinger and Dr. H. J. Wollner presided over the meeting of 23 government selected specialists. There was no one present from the various commercial interests. Instead, Commissioner Anslinger allowed Dr. Andrew H. Wright of the University of Wisconsin and Dr. Brittain B. Robinson from the Bureau of Plant Industry to represent the commercial interests in the discussions.<sup>238[238]</sup> The meeting opened with Commissioner Anslinger submitting the agenda. He began with a brief update as to the proceedings of the 1938 SubCommittee on Cannabis, of the Advisory Committee on the Traffic in Opium and Other Dangerous Drugs of the League of Nations, which convened in Geneva, Switzerland. The majority of his synopsis dealt with foreign research into the health hazards and the identification of the active intoxicant principle. With regard to the commercial uses of hemp, the SubCommittee was severely lacking in data; however, he did report that there was a rumor about a variety of hemp

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<sup>237[237]</sup>Helen Moorehead, Foreign Policy Association, to Commissioner Anslinger, Mar. 23, 1938, "Marihuana Tax Act of 1937," National Archives. In regard to an interview held on Mar. 22, 1938, by Helen Moorehead and Dr. M. A. McCall, Dr. H. W. Barre, and Dr. Brittain B. Robinson of the Department of Agriculture Bureau of Plant Industry.

<sup>238[238]</sup>Both men possessed biases. Dr. Andrew H. Wright was employed by the Matt Rens Hemp Company of Brandon, Wisconsin. In essence, he represented this company's specific interests. Dr. Brittain B. Robinson was employed by the Bureau of Plant Industry which had a record of opposing the new developments in the hemp industry.

which was grown in the Anatolian highlands of Turkey that had too low a resin content to be used for any type of illicit purposes. The Commissioner concluded by explaining that the SubCommittee had decided that the information which they had compiled was too incomplete for them to make any definite recommendation regarding the perceived problem with cannabis.<sup>239[239]</sup>

Following his summation, the Commissioner introduced Dr. Andrew H. Wright, who was to explain the agricultural aspects of the domestic hemp industry. The only point worth mentioning in Dr. Wright's testimony was the humble grievance which he registered for the absent commercial interests. Specifically, he referred to the negative public opinion that had grown up with regard to the cultivation of hemp for whatever purpose, legal or illegal. In his own words, he stated, "What they are concerned about is the public position, that indefinite intangible thing, public feeling about growing hemp at all." He continued and informed the committee members that some of these commercial interests had "already been subjected to some rather embarrassing situations." Along the same line of thought he expressed further fear that this negative public opinion could lead to hemp being placed on the weed eradication list. Neither Dr. Wright nor the growers favored such a development. These perceived problems concerned Dr. Wright, who feared that they could adversely effect the legitimate cultivation of hemp in the future.

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<sup>239[239]</sup>*Marihuana Conference*, Bureau of Internal Revenue Building, (Room 3003), Washington, D.C. Called by the Bureau of Narcotics of the United States Treasury Department, Presided over by Mr. H. J. Anslinger, Commissioner of Narcotics, and Mr. H. J. Wollner, Consulting Chemist, Treasury Department, Dec. 5, 1939.

Again, in his own words, he stated, “Those in the industry are naturally concerned. They have a stake in that they have what little they have invested in the business.”<sup>240[240]</sup>

After Dr. Wright’s brief testimony, Dr. Brittain B. Robinson was called upon to discuss some more specific aspects pertaining to the domestic hemp industry. During his turn, Dr. Robinson spoke about the history of the hemp industry and pointed out the traditional usage of hemp. With regard to the recent developments in the industry, he expressed the same skeptical attitude which he had already voiced in an interview with Secretary Moorehead of the Foreign Policy Association.<sup>241[241]</sup> Dr. Robinson’s opined that the commercial activity in Minnesota was of a promotional nature. He mentioned that similar activities had occurred before but he was not specific in his allegation. Aside from the activity in Minnesota, Dr. Robinson did not have any further information of relevance.<sup>242[242]</sup>

Despite the skeptical conferences and adverse correspondence, there was still plenty of activity in the hemp industry as the original investors and promoters tried to salvage their dreams. For instance, on October 12, 1937, H. W. Bellrose, the President of

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<sup>240[240]</sup>Ibid, pp. 20-22.

<sup>241[241]</sup>Helen Moorehead, Foreign Policy Association, to Commissioner Anslinger, Mar. 23, 1938. In regard to an interview held on Mar. 22, 1938, by Helen Moorehead and Dr. M. A. McCall, Dr. H. W. Barre, and Dr. Brittain B. Robinson of the Department of Agriculture Bureau of Plant Industry, “Marihuana Tax Act of 1937,” National Archives.

<sup>242[242]</sup>*Marihuana Conference*, Bureau of Internal Revenue Building, (Room 3003), Washington, D.C. Called by the Bureau of Narcotics of the United States Treasury Department, Presided over by Mr. H. J. Anslinger, Commissioner of Narcotics, and Mr. H. J. Wollner, Consulting Chemist, Treasury Department, Dec. 5, 1939, p. 31.

the World Fibre Corporation, contacted Supervisor Bass because of his deep concern for the future of the hemp industry. His anxiety stemmed from the passage of the Marihuana Tax Act. In this letter he mentioned the efforts of a Dr. Paul (no first name was given) from California, who had lobbied before the state legislature of California stating “that there were no ill effects from the Hemp Plant where it was grown for Fibre, ‘before’ it went to flower.” Earlier, Frank Ridgway of the *Chicago Tribune* had described this stage of the hemp plant’s development to Supervisor Bass as its “unripened” state. According to Bellrose, the California legislature tested Dr. Paul’s hypothesis and found that hemp in its unripened state indeed contained nothing injurious to anyone. He continued and pleaded that the Bureau consider a letter he was drafting which would describe all the commercial advantages of hemp fibers and hemp hurds before they proceeded forward with prohibitive measures.<sup>243[243]</sup>

In this second letter, Bellrose unveiled his grand scheme for the “rebirth” of the hemp and flax fiber industry. He began by explaining that this “rebirth” could only be accomplished through the means of mechanical decortication and that his company had just perfected a machine for this purpose. To bring the importance of this development to the attention of the Bureau, he compared the impact the World Fibre Decorticating Machine would have on the hemp industry to the effect the Eli Cotton Gin had on the cotton industry. It was to be nothing short of revolutionary. Looking to the dismal situation of the American farmer during the 1930s, Bellrose presented an argument reminiscent of the alternative source debate by stating that hemp was a crop for the

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<sup>243[243]</sup>H. W. Bellrose, President of the World Fibre Corporation, to Elizabeth Bass, District Supervisor, Oct. 12, 1937, “Marihuana Tax Act of 1937,” National Archives.

industry, not for the human stomach and, therefore, it presented a solution to the agricultural problem of overproduction with regard to food crops, because industrial crops always had markets. After this point he began to list the market opportunities for the various raw materials of the hemp. He began with the bast fibers which he claimed could be manufactured into “some four thousand textile articles.” Then he moved on to describe the commercial possibilities for the by-product known as the hurds. These contained roughly 78% alpha-cellulose which made them an ideal raw material source for such products as paper, TNT, rayon silk, cellophane, and some 25,000 plastic products. Of these the paper pulp industry was the most promising because it was a billion dollar industry and the United States imported around 80 per cent of its paper and paper stock.<sup>244[244]</sup>

The previous letter was the source for an article which appeared in the February 1938 edition of *Popular Mechanics*, titled “The New Billion Dollar Crop.”<sup>245[245]</sup> In content, this article was practically identical to the letter Bellrose sent to the Bureau in late 1937, pleading for them to reconsider their prohibitive legislation. Interestingly, the “billion dollar” reference pertains to the newsprint market and it may be traced to a bulletin published by the Newsprint Institute. According to this bulletin, the annual earnings of the newsprint industry were one billion dollars.<sup>246[246]</sup> Bellrose used this

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<sup>244[244]</sup>H. W. Bellrose, President of the World Fibre Corporation, to Elizabeth Bass, District Supervisor, Oct. 14, 1937, “Marihuana Tax Act of 1937,” National Archives.

<sup>245[245]</sup>*Popular Mechanics*, “The New Billion Dollar Crop,” 69 (Feb. 1938): 238-239.

<sup>246[246]</sup>R. S. Kellogg, *The Story of News Print Paper*, (Newsprint Service Bureau, NY 1936) pp. 48-49.

information to impress the Bureau and the public about the potential for the new hemp industry.

Continuing the previous letter, Bellrose's restated his concern over the passage of the Marihuana Tax Act of 1937. His office was being flooded with inquires regarding the new law and how it would effect the industry. The primary stimulus for all the concern was not the actual passage of the law, which had occurred virtually unnoticed, but an article which was written by Frank Ridgway in the October 11, 1937 edition of the *Chicago Tribune*. This article spelled out the prospective complications that the new law would create and suggested that it might be more advisable to just burn the crops than to try to persevere through the regulatory measures. The main problem that Ridgway foresaw was the transfer tax. The regulations stated that in order for hemp to be exempted from the transfer tax it had to be free of any foliage that contained the drug. This requirement was totally impractical, since it would mean that the farmer would have to strip the hemp stalk of its foliage before he could transfer it tax free to the processor. In either situation the farmer was stuck without a profit; he would either be taxed or forced to pay for additional labor.<sup>247[247]</sup>

After this last letter, Bellrose brought the problem to the attention of the Attorney General, who notified the Bureau. Acting Commissioner Will Wood responded to Bellrose on November 7, 1937. In his response, he expressed the Bureau's lack of concern regarding the complications of the transfer tax. Acting Commissioner Wood

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<sup>247[247]</sup>H. W. Bellrose, President of the World Fibre Corporation, to Elizabeth Bass, District Supervisor, Oct. 12, 1937, "Marihuana Tax Act of 1937," National Archives. The *Chicago Tribune* article was included in the file.

simply stated, that the legislators had taken the trouble to exempt the mature stalks from the transfer tax, and, that it was the Bureau's understanding that the foliage fell off during the retting process. His answer clearly demonstrates the Bureau's ignorance regarding the cultivation of hemp, because the foliage did not completely separate from the stalks during retting. The reason for the Bureau's insistence on maintaining the transfer tax is best stated in the words of Acting Commissioner Wood:

“I am sure that you would agree with me that the transfer of the entire plant could not be exempted from the operation of the act, because although the reputable manufacturers of hemp fiber would have no interest in the foliage of the plant, there are unscrupulous persons who would make use of such a loophole in the law, and under color of a legitimate transfer of fiber stalks, would be able to acquire and harvest all the resin containing foliage.”<sup>248[248]</sup>

Before Bellrose abandoned his dream of establishing a hemp industry, he tried one last time to convince Frank Ridgway that the hemp they were cultivating did not contain any of the active drug ingredients. In January, 1938, Ridgway contacted Commissioner Anslinger and proposed that the government conduct an experiment to see if Bellrose's contention was true.<sup>249[249]</sup> Supervisor Elizabeth Bass wrote to Commissioner Anslinger on March 5, 1938. Since Ridgway's letter in January, the Commissioner had responded and requested that Ridgway send several pounds of the

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<sup>248[248]</sup>Will Wood, Acting Commissioner, to H. W. Bellrose, President of the World Fibre Corporation, Nov. 7, 1937, “Marihuana Tax Act of 1937,” National Archives.

<sup>249[249]</sup>Frank Ridgway, Agricultural Editor for the *Chicago Tribune*, to Commissioner Anslinger, Jan. 21, 1938, “Marihuana Tax Act of 1937,” National Archives.

hemp to be tested by governmental chemists.<sup>250[250]</sup> Apparently, by March 10, no significant steps had been taken to analyze the marihuana samples and Ridgway was going to postpone any further cultivation until he met with Commissioner Anslinger. According to Supervisor Bass, Ridgway wanted to discuss some new developments regarding the hemp industry. In particular, he wanted to express the rapidly fading enthusiasm of the processors who were “fearing troubles with the government and small and not worthwhile profits.”<sup>251[251]</sup> The records of this meeting and the results of the tests are unknown.

Commercial activity continued in Minnesota as well. On October 11, 1937, Frank Holton contacted the Bureau regarding the new legislation and his company’s operations. He informed the Commissioner that his company had contracted farmers in Southern Minnesota to grow hemp during 1934 and 1935. According to Holton, they had experienced some difficulty at first since hemp was a new crop with which they had not been totally familiar. Now, though, they were proceeding with plans to utilize the seed, fiber, and hurd to produce oil, textiles, and cellulose. Recently, they had become aware of the marihuana problem because of the publicity it had received in the media and, as a consequence, they had learned of the new Tax Act regulating the growth of hemp. Specifically, Holton requested any information the Commissioner could provide him with

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<sup>250[250]</sup>Elizabeth Bass, District Supervisor, to Commissioner Anslinger, Mar. 5, 1938, “Marihuana Tax Act of 1937,” National Archives.

<sup>251[251]</sup>Elizabeth Bass, District Supervisor, to Commissioner Anslinger, Mar. 10, 1938, “Marihuana Tax Act of 1937,” National Archives.

about this new development.<sup>252[252]</sup> The Commissioner's response was to send Holton a copy of *Regulations No. 1*.<sup>253[253]</sup>

During 1936, Holton's main problem had been the hemp crops of 1934 and 1935, which were still lying in the farmers' fields. The farmers were quickly losing their patience with Holton, when Chempco, Inc. and the Central Fibre Corporation had offered to purchase from their crops. Needless to say, the sale was welcomed by both Holton and the farmers who actually sold it for less than the contracted \$15 per ton. After these deals, they still had a significant quantify of hemp on hand, which continued to be a bone of contention among the farmers. As a result of the situation Holton found himself in, he decided to reorganize his company. The new firm of Cannabis, Incorporated, was formed on April, 9, 1937, in order to "manufacture and prepare hemp and other fibre from raw material sources, etc., etc." Holton moved the new firm to Winona, Minnesota where he occupied an old woolen mill. Over the course of the spring and summer months of 1937, he conducted experimentation in adapting the woolen mill machinery for the manufacture of hemp products. This endeavor achieved very little success, and, in the end, Holton settled upon producing mops.<sup>254[254]</sup>

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<sup>252[252]</sup>Frank Holton, president of the Northwest Hemp Corporation, to Narcotic Division, Treasury Dept., Oct. 11, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>253[253]</sup>Commissioner Harry J. Anslinger to the Northwest Hemp Corporation, Oct. 19, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>254[254]</sup>H. T. Nugent, Field Supervisor, *Report of Survey: Commercialized Hemp (1934-35 crop) in the State of Minnesota*, Oct. 1938, pp. 10-11, "Marihuana Tax Act of 1937," National Archives.

In 1938, the Federal Bureau of Narcotics estimated that a total of 11,000 tons of hemp remained in storage on farms and at decorticating plants throughout southern Minnesota.<sup>255[255]</sup> The Bureau sent an agent to inquire into this situation and report back. Specifically, this agent was to ascertain whether or not the Marihuana Tax Act of 1937 was being violated. According to the report produced by Field Supervisor H. T. Nugent, the regulations had been violated in three basic ways. First there was the problem of registering. The commercial interests applied as Class 3, “dealers of mature stalks without foliage.” This classification was wrong according to Supervisor Nugent because the foliage was never removed from the stalks and thus they should have registered as Class 1. Second there was the issue of the transfer tax. The regulations allowed for the tax free transfer of stalks that did not have any of the drug carrying foliage. As with the first problem, Supervisor Nugent observed that the stalks were never free of foliage; therefore they were taxable, but the tax was never paid in many instances. Finally, he noted that the crops still in the fields had not been properly safeguarded, which was another violation.<sup>256[256]</sup>

In conclusion, Supervisor Nugent pointed to the dilemma the Bureau faced with the remaining stacks of hemp. There were two parties involved in this issue, the farmers who physically possessed the crops and Holton who legally controlled the crops. According to Supervisor Nugent, Holton’s company was in no position to purchase and decorticate the remaining hemp, even though, he was planning to transfer it to Mississippi, where he intended to use it for a textile blend with cotton. Holton’s plans

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<sup>255[255]</sup>Ibid, p. 14.

<sup>256[256]</sup>Ibid, pp. 14-18.

evidently did not impress Supervisor Nugent and the only solution seemed to be for the farmers to take Holton to court in order to gain legal control of the hemp. Supervisor Nugent noted that a committee had been formed by the farmers in the Lake Lillian area and that they had elected Ojai A. Lende, Attorney at Law, to represent their interest in the matter. Supervisor Nugent's opined that the just solution was to compensate the farmers and to remove the hemp as soon as possible because of the threat of pilfering.<sup>257[257]</sup>

The earliest record regarding the legal action of the farmers in the Lake Lillian area occurred in a letter from Lende to Senator Henrik Shipstead of Minnesota, dated, January 27, 1938. In this letter, Lende informed the Senator that hemp crops had been raised under contract during the 1934, 1935, and 1936 seasons in Yellow Medicine County, Minnesota. The growing had been contracted by the Northwest Hemp Corporation which had since experienced financial difficulties that had kept it from fulfilling its contractual obligations. As a result, there were now 3000 tons of hemp being stored on the farms throughout the county waiting for a market. This hemp has since been identified as marihuana and federal legislation has been passed to control the traffic of the plant. The law abiding farmers had duly applied for licenses to sell their hemp as was stipulated in the new Tax Act, but they had never received their licenses. In the meantime, the farmers had found a buyer, Chempco, Inc., and they were anxious to sell their hemp. Since Lende was their legal representative, he was contacting the

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<sup>257[257]</sup>Ibid, pp. 18-20.

Senator with the hope of getting the matter of licensing speedily resolved for the farmers.<sup>258[258]</sup>

Still, by March 23, 1938, the issue had not been resolved. In another letter, this time addressed to the Bureau, Lende again asked for the necessary authorization to sell the crops. Apparently, all the Bureau had done was send Lende information regarding the Marihuana Tax Act of 1937. From this information, Lende learned that if the hemp was free of foliage it was legally transferable and he expressed the belief that the hemp in question was certainly free of foliage.<sup>259[259]</sup> The Bureau insisted on inspecting the hemp before proceeding with authorization. The inspection showed that there was still foliage, and, based on this observation, the Bureau decided to test it for the drug principle. Late in April, Lende was still awaiting an answer from the Bureau and he proposed that if there was any drug content that the Bureau supervise the shipment of the hemp.<sup>260[260]</sup> May and June passed and still no action had been taken by the Bureau. In July, Lende pleaded for some sort of decision to be made, stating that the depression “fell severely upon the farmers of Yellow Medicine County.”<sup>261[261]</sup> After this letter, Commissioner

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<sup>258[258]</sup>Ojai A. Lende, Lawyer, Granite Falls, Minnesota, to The Hon. Henrik Shipstead, U.S. Senator, Minnesota, Jan. 27, 1938, “Marihuana Tax Act of 1937,” National Archives.

<sup>259[259]</sup>Ojai A. Lende, to the Federal Bureau of Narcotics, Mar. 23, 1938, “Marihuana Tax Act of 1937,” National Archives.

<sup>260[260]</sup>Ojai A. Lende, to the Federal Bureau of Narcotics, Apr. 27, 1938, “Marihuana Tax Act of 1937,” National Archives.

<sup>261[261]</sup>Ojai A. Lende, to the Federal Bureau of Narcotics, July 5, 1938, “Marihuana Tax Act of 1937,” National Archives.

Anslinger personally responded and informed Lende that the Bureau was investigating the matter.<sup>262[262]</sup>

Supervisor Nugent carried out the investigation and presented a report on the matter on August 26, 1938. In the report, he conferred with Lende, and explained that the Bureau would entertain the notion of a government supervised transfer of the hemp, but that first he needed to gather information about the purchaser, Chempco, Inc. Supervisor Nugent discovered that the company was in serious financial difficulty and that it was no longer in the position to make the purchase. The lost opportunity can probably be attributed to the fact that the sale between the farmers and Chempco, Inc. had been proposed over a year prior to this investigation. Given the lapse of time, the market for the crops had been lost and the hemp remained stacked in the fields. There was a degree of sympathy evident in Supervisor Nugent's report toward the farmers' situation and he expressed the intent to find a solution. He also noted that something had to be done because the farmers were violating the provisions of the Tax Act because they had not reregistered, but is that really any wonder, considering the lack of concern the Bureau had displayed toward their predicament.<sup>263[263]</sup>

The situation had not changed by December 1938, when Lende wrote to Commissioner Anslinger to notify him of legal action which he was taking in behalf of

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<sup>262[262]</sup>Commissioner Anslinger to Ojai A. Lende, July 1938 (the exact day was smudged during the coping process), "Marihuana Tax Act of 1937," National Archives.

<sup>263[263]</sup>H. T. Nugent, Field Supervisor, *Hemp Situation in Minnesota*, Aug. 26, 1938, "Marihuana Tax Act of 1937," National Archives.

many of the farmers to release them from the contractual obligations.<sup>264[264]</sup> Two months later, Lende informed the Commissioner of his successful litigation and stated that he had released a total of 5400 acres from the contract obligations. He also noted that there were another 3000 acres of hemp which remained under the contracts. This acreage belonged to farmers around the Mankato and Winnebago areas who had expressed the desire to continue working with Frank Holton. After divulging this information, Lende dropped a bomb in the lap of the Commissioner, which is apparent from the question mark enumerating the disclosure in the margin of the document. In essence, Lende stated that he was proceeding with plans to seek an adjustment from Congress for the damages that his clients had suffered in the hemp venture.<sup>265[265]</sup> The Commissioner was a bit confused by this abrupt development and he made note of his confusion in a reply to Lende in which he stated, “I cannot understand on what basis it is expected that the Federal Government should pay for these harvested crops of hemp...”<sup>266[266]</sup>

Commissioner Anslinger received an answer to his query indirectly through Senator Shipstead, who was similarly broadsided with this development. In a letter addressed to the Senator, Lende began to explain the rationale behind his decision to sue the government in the following words, “You remember that I stated to you that there was a market for this hemp in processed form but the passage of the Tax Act completely

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<sup>264[264]</sup>Ojai A. Lende to Commissioner Anslinger, Dec. 23, 1938, “Marihuana Tax Act of 1937,” National Archives.

<sup>265[265]</sup>Ojai A. Lende to Commissioner Anslinger, Feb. 1, 1939, “Marihuana Tax Act of 1937,” National Archives.

<sup>266[266]</sup>Commissioner Anslinger to Ojai A. Lende, Feb. 1939 (the exact date was smudged in the copying process), “Marihuana Tax Act of 1937,” National Archives.

destroyed the market and virtually confiscated this hemp for the growers.” Based on this assessment, Lende and his clients felt that Congress should compensate them for the “actual out of pocket money which the growers have sustained in the production of this hemp.” Lende informed the Senator that he had contacted Congressman August H. Andersen, Congressman Elmer J. Ryan, and Congressman Harold Knutson, all from Minnesota, about bringing up the matter of compensation during the next session of Congress. Furthermore, he stated that the Bureau of Narcotics possessed the data regarding acreages grown by individual farmers which was necessary to carry out the appropriations.<sup>267[267]</sup>

Senator Shipstead promptly contacted Commissioner Anslinger and requested his opinion regarding both the matter of compensating the farmers as well as regarding their right to sell the hemp they still had on hand.<sup>268[268]</sup> In his reply, Commissioner Anslinger candidly explained that there was no basis for the federal government to compensate the farmers of Minnesota for the damages they had sustained and he also stated that the farmers were free to apply under the provisions of the Tax Act for permits to sell their crop of hemp, “provided that it is substantially free of flowering tops and leaves.” At the same time, though, the Commissioner failed to inform the Senator that Lende had already attempted to procure the necessary licensing, and that the Bureau had denied him.<sup>269[269]</sup>

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<sup>267[267]</sup>Ojai A. Lende to The Hon. Henrik Shipstead, Feb. 16, 1939, “Marihuana Tax Act of 1937,” National Archives.

<sup>268[268]</sup>Senator Henrik Shipstead to Commissioner Anslinger, Feb. 22, 1939, “Marihuana Tax Act of 1937,” National Archives.

<sup>269[269]</sup>Commissioner Anslinger to Senator Henrik Shipstead, Feb. 27, 1939, “Marihuana Tax Act of 1937,” National Archives.

As a result, the farmers represented by Lende lost a market for their crops of hemp. Furthermore, the delay probably caused the prospective purchaser, Chempco, Inc., to lose \$25,000, and cease operations.

Lende received a reply from Senator Shipstead, who informed him that the Bureau was going to investigate the matter further, but in a letter from Lende to the Senator it is apparent that the Bureau had taken no steps toward such an investigation. In fact, Lende was beginning to become irate with Bureau's lack of concern and he asked for information as to whether or not there might be other districts in the country which were facing similar difficulties.<sup>270[270]</sup> The Senator passed this letter on to the Commissioner, requesting the information which Lende asked for regarding other hemp growing areas.<sup>271[271]</sup>

The Commissioner promptly sent the Senator the information he had requested on March 6, 1939. Without being specific, he informed the Senator that there were approximately 371 producers of hemp registered under the Marihuana Tax Act. He also stated that problems had only arisen in Minnesota with respect to the application of the Tax Act and to the availability of markets to sell the crop.<sup>272[272]</sup> The Senator relayed this information on to Lende, who requested specifics about the locations and names of the

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<sup>270[270]</sup>Ojai A. Lende to The Hon. Henrik Shipstead, Feb. 27, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>271[271]</sup>Senator Henrik Shipstead to Commissioner Anslinger, Mar. 1, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>272[272]</sup>Commissioner Anslinger to Senator Henrik Shipstead, Mar. 6, 1939, "Marihuana Tax Act of 1937," National Archives.

individuals involved in the operations cited by the Commissioner.<sup>273[273]</sup> This request was passed on to the Commissioner, who discovered that he may have created a problem by divulging this information. Apparently, the area which the Commissioner had referred to was Wisconsin, where hemp was raised for its fiber. The problem was that the Bureau was never informed as to whether or not the hemp had been free of foliage when it had been transferred from the field to the mill. This situation presented an embarrassing dilemma for the Bureau since they had given the farmers in Minnesota so many difficulties on this point.<sup>274[274]</sup> Regardless of this situation, the Commissioner released the names and locations of the three major commercial interests in Wisconsin: Atlas Hemp Mills in Juneau, Badger Fibre Company in Beaver Dam, and the Matt Rens Hemp Company in Brandon. He also explained that hemp was raised in Kentucky on a small scale for the production of seed.<sup>275[275]</sup>

In his next letter, Lende displayed a certain degree of antipathy toward the Bureau's handling of the matter, and, in particular, he directed his displeasure toward the Commissioner. Quoting from previous correspondence on February 7, Lende noted the Commissioner's opinion absolving the government of any responsibility for the failure of the hemp industry:

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<sup>273[273]</sup>Ojai A. Lende to The Hon. Henrik Shipstead, Mar. 20, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>274[274]</sup>Memorandum to Acting Commissioner Wood and Commissioner Anslinger, Mar. 27, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>275[275]</sup>Commissioner Anslinger to Senator Henrik Shipstead, Mar. 28, 1939, "Marihuana Tax Act of 1937," National Archives.

“This hemp may be sold under the provisions of the Marihuana Tax Act provided that it is substantially free of flowering tops and leaves without respect to the transfer of the act. Accordingly, the passage of the Marihuana Act of 1937 did not destroy the market for hemp.”

He continued and explained that the Bureau had found that the foliage of the hemp stacked in Minnesota did contain the drug principle. Despite this discovery, Lende continued to petition the Commissioner for permission to sell the hemp. He was denied and in the meantime there was no change in the situation. The hemp remained in the fields where it was left unguarded and open for looters. From the context of the letter it was apparent that Lende was becoming impatient. He had never received the information regarding the other producers and manufacturers and no progress had been made toward obtaining permission to sell the crops. Expressing his anger, Lende stated:

“If I can find a market for the hemp I have in mind to dispose of that hemp and tell Mr. Anslinger that he can go to the region below and let him present the country with a spectacle of arresting half a thousand farmers in Minnesota for selling an agricultural crop grown off from their farms which were grown long before Congress ever thought of the Marihuana Act.”<sup>276[276]</sup>

In another letter, Lende cited an article about a marihuana arrest which had been recorded in the Minneapolis Journal of April 5, 1939. According to Lende, there was a possibility that this marihuana had been obtained from the hemp stacked the fields of Minnesota. Based upon this assumption, Lende proposed that the Congress should

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<sup>276[276]</sup>Ojai A. Lende to The Hon. Henrik Shipstead, Mar. 31, 1939, “Marihuana Tax Act of 1937,” National Archives.

consider the hemp a risk to the public health and that they should confiscate it.<sup>277[277]</sup> The Senator passed this letter and the previous one along to the Bureau.<sup>278[278]</sup> Commissioner Anslinger replied on April 12, 1939. He notified the Senator that he had given Lende the names of three companies in Wisconsin in a previous letter. In defense of the Tax Act, the Commissioner explained that the crops in Minnesota had been harvested prior to the passage of the Act and, therefore, the Act could not have killed the hemp industry. This excuse was extremely naïve. The Commissioner understood the difficulties of establishing a new industry and knew that it was first necessary to have the hemp grown before any further work could be done. Specifically, the industry needed additional time to experiment and perfect the technology to produce cellulose pulp from the hemp. Such an endeavor required investment capital. Commissioner Anslinger was aware of this necessity and used the Tax Act to stop it from occurring.

Finally, with regard to Lende's desire to sell the remaining crops, the Commissioner insisted that Lende provide him with information on any prospective purchaser. Upon the delivery of such information the Commissioner promised to consider the transfer of the crops.<sup>279[279]</sup> This transfer eventually occurred during the Second World War, when the British Government contracted with a new venture,

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<sup>277[277]</sup>Ojai A. Lende to The Hon. Henrik Shipstead, Apr. 10, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>278[278]</sup>Senator Henrik Shipstead to Commissioner Anslinger, Apr. 12, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>279[279]</sup>Commissioner Anslinger to Senator Henrik Shipstead, Apr. 19, 1939, "Marihuana Tax Act of 1937," National Archives.

Hemlax Fibre & Company, of Sacred Heart, Minnesota, to cultivate hemp for naval cordage.<sup>280[280]</sup>

In Illinois a slightly different situation developed, but, in the end, the result was the same as it had been in Minnesota. Like the commercial concerns in Minnesota, the Amhempco Corporation of Danville, Illinois, intended to produce fiber for textiles and hurds for paper and alpha-cellulose products.<sup>281[281]</sup> This project is of particular interest because one of the buildings on the land purchased by the Amhempco Corporation was used for the production of paper from cornstalks by a previous venture. The former company, the Cornstalks Products Company, had not survived, but while it was in operation it had been involved in an effort to adapt alternative sources, other than wood, for use in the production of paper.<sup>282[282]</sup> Ironically, this company had also been involved in the previously described conspiracy to suppress alternative source legislation in 1929, which would have appropriated government aid for the development of farm waste industries.<sup>283[283]</sup>

Considering the fact that Amhempco Corporation purchased the site of the original operation, its organizers probably had a similar purpose in mind. However,

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<sup>280[280]</sup> Harry D. Smith, District Supervisor, to Commissioner Harry J. Anslinger, June, 11, 1941; Harry D. Smith, District Supervisor, to Commissioner Harry J. Anslinger, July, 3, 1941, "Marihuana Tax Act of 1937," National Archives.

<sup>281[281]</sup> Bureau of Plant Industry to Commissioner Anslinger, Dec. 31, 1937, "Marihuana Tax Act of 1937," National Archives.

<sup>282[282]</sup> *Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) pp. 3013-3015.

<sup>283[283]</sup> *Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess. (Washington, 1929) pp. 5044-5050.

when the Marihuana Tax Act of 1937 was passed, the principal financial backers of the company filed for bankruptcy leaving about 300 creditors.<sup>284[284]</sup> Closer inspection reveals that the Amhempco Corporation, like its predecessor, the Cornstalks Products Company, was formed as a stock selling racket and as a device to secure a piece of the new market if one developed. Furthermore, both operations were financially connected to the investment banking house of J. P. Morgan & Company.<sup>285[285]</sup> Apparently, the most powerful banking house in the nation also thought that hemp might be commercially cultivated for its cellulose.

After the passage of the Tax Act, the Bureau, in conjunction with the Treasury Department, made a visit to Danville, in order to observe and discuss the operations of Amhempco Corporation with the company manager, M. G. Moksnes. During a meeting, Moksnes explained that Amhempco Corporation had been formed for the production of fiber, which would be shipped to the Massilon Company and used along with wool and hair for the production of rugs. The Amhempco Corporation also intended to utilize the hemp hurds for the production of cellulose, which could be used in the manufacture of plastics and paper.<sup>286[286]</sup>

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<sup>284[284]</sup>Cornelius J. Kelly, Narcotic Agent, to Thomas F. Cummins, Acting District Supervisor, Apr. 1, 1940, "Marihuana Tax Act of 1937," National Archives.

<sup>285[285]</sup>Charles A. Beard, "A New Morgan Thesis," *New Republic*, v. 89 (Ja. 20, 1937): 350-353; *Congressional Record*, 70<sup>th</sup> Cong., 2<sup>nd</sup> sess., pp. 5044-5049; 72<sup>nd</sup> Cong., 2<sup>nd</sup> sess., p. 4778.

<sup>286[286]</sup>M. G. Moksnes to Clinton Hester, Assistant General Counsel Treasury Department, Feb. 7, 1938, "Marihuana Tax Act of 1937," National Archives.

No further correspondence between the Bureau and Amhempco Corporation occurred during 1937. Then, on February 7, 1938, Moksnes informed the Bureau that the Amhempco Corporation had ceased to do business. Continuing, he informed Hester that he intended to reorganize the business and that he needed to be advised as to the proper procedure of licensing under the Tax Act. In particular, he wanted to know if the growers of the 1937 crop were required to be licensed because they had harvested their crop prior to the enactment of the law. Along with these questions, he informed the Bureau that he intended to produce fiber for the cordage trade, textiles, and the paper industry.<sup>287[287]</sup> There was no record of any reply and the correspondence ceased again for approximately a year and eight months.

The story of Amhempco Corporation starts again in the fall of 1939. A memorandum left by A. L. Tennyson, Chief of the Bureau's Legal Section, recorded the events of a meeting between himself and Arthur S. Nestor, who represented Fibrous Industries, Inc., of Chicago, Illinois. This meeting took place on the afternoon of September 22, 1939. Nestor stated that his company licensed the rights to use a hemp decorticating machine and contemplated licensing this machine to the Illinois Hemp Company of Moline, Illinois, which had been formed for the purpose of buying and decorticating hemp and selling the fiber and hurd on the market. The problem that Nestor wanted to bring to the Bureau's attention involved the matter of a contract that the Illinois Hemp Company had entered into for the purchase of 18,000 tons of hemp which was being held by the Trustees in Bankruptcy for the Amhempco Corporation. He also informed Tennyson that the Illinois Hemp Company planned on continuing its operations

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<sup>287[287]</sup>Ibid.

once this stock of hemp had been decorticated by entering into grower's contracts with farmers for future crops of hemp.<sup>288[288]</sup>

Nestor stated that he had already discussed these plans with Dr. Brittain B. Robinson of the Bureau of Plant Industry, who had suggested that he present the matter to the Federal Bureau of Narcotics. Responding, Tennyson explained the provisions of the Marihuana Tax Act to Nestor, taking special care to stress the clause referring to the transfer tax, which stated that the tax was applicable to all transfers of hemp that still had foliage attached to it. He continued and described the problems that the Bureau had experienced with the hemp grown in Minnesota. This reference naturally led Tennyson to inquire about the nature of the hemp that the Illinois Hemp Company wished to purchase from the Amhempco Corporation. If the hemp in question still retained foliage, Tennyson informed Nestor that the approval of the Commissioner would be necessary before the transfer could be legally conducted according to the stipulations of the Tax Act. Tennyson further explained that Commissioner Anslinger would require specifics regarding all facets of the proposed business deal and that any additional growing of hemp would require the same type of approval.<sup>289[289]</sup>

At the conclusion of their discussion, Nestor expressed his desire to comply with all existing regulations. He then proceeded to inform Tennyson that the hemp industry had great potential to benefit the American farmer. To support his contentions, Nestor produced letters addressed to the Illinois Hemp Company from the Goodyear Tire &

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<sup>288[288]</sup>A. L. Tennyson, Chief Legal Advisor, to Commissioner Anslinger, Sept. 22, 1939, pp. 1-2, "Marihuana Tax Act of 1937," National Archives.

<sup>289[289]</sup>Ibid, p. 2-3.

Rubber Company, the Ford Motor Company, and companies manufacturing rope and paper.<sup>290[290]</sup> After displaying these letters, Nestor expressed the belief that the foliage could probably be removed from the hemp at little additional cost to the company and that he would discuss this matter with his engineer once he returned to Chicago. In closing, Tennyson suggested that Nestor should not proceed with any transfers of hemp until the Bureau had been able to conduct a thorough investigation of his proposed plans.<sup>291[291]</sup>

Commissioner Anslinger passed Tennyson's memorandum on to James Biggins, the District Supervisor of Illinois, and requested that he investigate the Illinois Hemp Company and Fibrous Industries, Inc. Evidently, the situation that had occurred in Minnesota was still fresh in the Commissioner's mind because he advised Supervisor Biggins to "carefully inquire" into the identity of the individuals involved in these

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<sup>290[290]</sup>It is highly possible that the letter from the Ford Motor Company pertained to the topic of utilizing hemp for the production of a methanol fuel for its automobiles. Chris Conrad, *HEMP: Lifeline to the Future* (Los Angeles, California: Creative Xpressions Publications, 1993) p. 40: "In the 1930s, the Ford Motor Company operated a successful bio-mass fuel conversion plant, using cellulose at Iron Mountain, Michigan. Ford engineers extracted methanol, charcoal fuel, tar, pitch, ethyl-acetate and creosote from hemp. These fundamental ingredients for industry could also be made by fossil fuel-related industries." Conrad cites information from: Hugh Downs, "Dope hope for oil imbroglio?" on ABC radio, Nov. 1990. In this scenario hemp biomass energy conversion would compete with petrofuels.

<sup>291[291]</sup>Ibid, p. 3-4.

companies.<sup>292[292]</sup> Supervisor Biggins assigned Narcotic Agent Cornelius J. Kelly to the investigation and Agent Kelly submitted his report on October 6, 1939. In the report, Agent Kelly stated that Nestor accompanied him to Tilton, Illinois, which was in the vicinity of Danville, where the Illinois Hemp Corporation's plant was located. According to Agent Kelly, the old stocks of hemp were stored inside a fenced off enclosure and the total amount was estimated to be 10,000 tons. He also noted that this hemp was not totally denuded of foliage. Agent Kelly emphasized the previous statement to Nestor and to an engineer that had accompanied Nestor. The two men explained to Agent Kelly that another 6000 tons of hemp existed on farms throughout the area and that the foliage most likely also remained attached to this hemp. Nestor expressed his desire to comply with the provisions of the Tax Act and began to confer with his engineer about methods of removing the foliage, to which Agent Kelly responded, that these matters would best be brought up with the Commissioner.<sup>293[293]</sup>

Following his visit to the plant, Agent Kelly conducted a study of the Fibrous Industries, Inc. From Agent Kelly's investigation, the Bureau learned that the Fibrous Industries, Inc., had been chartered on April 19, 1939, as a holding company. Surprisingly, Nestor's name did not appear in relation to this company. Agent Kelly contacted Nestor to ask about this situation. In an attempt to explain his absence, Nestor informed Agent Kelly that he had acquired the exclusive patent rights to the Selvig

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<sup>292[292]</sup>Commissioner Anslinger to James Biggins, District Supervisor, Chicago, Illinois, Sept. 27, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>293[293]</sup>Cornelius J. Kelly, Narcotic Agent, to James Biggins, District Supervisor, *Decortication of Hemp, Danville, Illinois*, Oct. 6, 1939, p. 1, "Marihuana Tax Act of 1937," National Archives.

Decorticating Machine. Nestor continued and stated that the Fibrous Industries Inc. was created after he had secured these rights and that he had assigned the rights to license this decorticating machine to the company. At the moment, Nestor stated that he was not connected to the company except for his role as general manager, however, he informed Agent Kelly that he planned on becoming the president and increasing the capital once he settled some business matters. Nestor then proceeded to inform Agent Kelly that several dummy officers with nominal shares in the company had been listed as the company's management.<sup>294[294]</sup>

After discussing the business of the Fibrous Industries, Inc., Agent Kelly investigated the Illinois Hemp Corporation. He discovered that the Illinois Hemp Corporation had been chartered on January 14, 1939. In addition to this disclosure, Agent Kelly learned that the firm's attorney was Elmer Johnson, a member of the Iowa State Legislature and a prosperous and reputable businessman. Agent Kelly interviewed the Vice-President of the Illinois Hemp Corporation, Wilbur E. Wright, who oversaw the operations of the company's plant in Tilton. According to Wright, the Illinois Hemp Corporation had paid Fibrous Industries, Inc. \$6500 for the rights to use the decorticating machine and that his company also contracted to pay a royalty of one half cent per pound on all finished hemp products to the Fibrous Industries, Inc.<sup>295[295]</sup>

During this period of time, the decorticating plant and the hemp had remained in the possession of the creditors of Amhempco. These creditors had come together on April 1, 1938, and hired R. D. Acton to act as the trustee for their possessions. After this

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<sup>294[294]</sup>Ibid, pp. 2-3.

<sup>295[295]</sup>Ibid, pp. 3-4.

action, Acton became the owner of the hemp located at the plant in Tilton and on the surrounding farms. According to Agent Kelly, there was approximately 16,000 tons of hemp in Acton's possession, which he had contracted to sell to the Illinois Hemp Corporation in January of 1939. He also stated that the Illinois Hemp Corporation had been permitted to use approximately 7500 square feet of the plant and parts of certain buildings to place and operate their decorticating machinery and conduct their business. Agent Kelly then reported that no payment was to be made for the hemp until it had been processed and that operations were slated to begin on October 15, 1939. Following this disclosure, Agent Kelly took it upon himself to ask Wright, the Vice-President of the Illinois Hemp Corporation, whether or not his company had registered under the provisions of the Marihuana Tax Act of 1937. Wright replied that he had not and that he would confer with Elmer Johnson, his company's attorney, about registering before they commenced operations.<sup>296[296]</sup>

About a month after Agent Kelly's report had been submitted, Nestor wrote to Commissioner Anslinger. In his letter, Nestor explained that he had conferred with two engineers and traveled to Wisconsin and Danville for the purpose of discussing the problem presented by the foliage on the hemp. As a result of his inquiries he formulated the following conclusions:

1. That the men interested in the handling of hemp in Illinois and Wisconsin are of too high a type to ever remotely be party to selling, or giving away any parts of the hemp plant that could be used for marihuana.
2. That they can be depended upon to do all things needed to prevent any persons from obtaining, from their plants, any of the leaves, flowers or seeds of the plant.

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<sup>296[296]</sup>Ibid, pp. 5-6.

3. That they universally hold the opinion that the real danger of supply does not lie from the production of licensed growers, or operators, but from unlicensed small growers and from roadside growth.

4. That the law is not interpreted alike by any two of them. One understanding that the law allows him to do things a certain way and another construes the law as nearly opposite.

5. That some operators claim that at the time of the hearing by the Committee a meeting was held at which were present representatives of the Treasury Department and the Bureau of Narcotics, also several processors of hemp. That an understanding was arrived at as to the matter of handling the plant—and they contend that they have been following such plan since that time.

6. That there are several individual opinions as to how the foliage problem could or should be handled.

7. That the conditions in Wisconsin are different than the conditions in Illinois, - and Illinois is unlike the conditions in Minnesota or Kentucky. Kentucky, however, for the time being, presents no problem.

8. That they are of a unit in their desire to carry out the intention of the law and to cooperate with the Bureau.<sup>297[297]</sup>

In connection with his conclusions, Nestor mentioned that he had contacted Elmer Johnson, the attorney of the Illinois Hemp Corporation, who had suggested that a meeting be convened between the Bureau and the members of the hemp industry to discuss the matters of handling of growth, transportation, possession and disposal of certain parts of the hemp plant. Nestor also stated that he had mentioned Johnson's suggestion to several other parties and to Dr. Andrew H. Wright of the University of Wisconsin, claiming that they all expressed an interest in the proposal of a meeting.<sup>298[298]</sup>

Commissioner Anslinger promptly acknowledged Nestor's letter and stated that he agreed that the matter seemed to justify the convening of a meeting. However, the

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<sup>297[297]</sup> Arthur S. Nestor, Fibrous Industries, Inc., Chicago, Illinois, to Commissioner Anslinger, Nov. 22, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>298[298]</sup> Ibid.

Commissioner was of the opinion that the meeting should take place in Washington, D.C., where government experts from the Department of Agriculture and the chemical section of the Bureau would be available for questioning. In addition to this suggestion, the Commissioner requested that Nestor grant him some time to gather information regarding the current situation confronting the hemp industry.<sup>299[299]</sup> Simply put, the Commissioner was stalling.

Meanwhile, on December 5, 1939, Commissioner Anslinger contacted District Supervisor James J. Biggins, requesting that he investigate the operations of the Matt Rens Hemp Company of Wisconsin in an effort to discover how they handled their hemp. The Commissioner requested this information for the meeting which had been proposed by Nestor. Apparently, the Commissioner was fearful that the Matt Rens Company was transferring their hemp from the farms to the mill without paying the transfer tax, which would create an embarrassing dilemma for the Bureau for obvious reasons.<sup>300[300]</sup> Once the report was delivered, Commissioner Anslinger informed Nestor that he would arrange for a meeting in Washington, D.C., provided that a sufficient number of commercial concerns were interested in such a meeting.<sup>301[301]</sup> After this communication there is no further discussion of the proposed meeting, the reason being that Nestor had been unable to secure a market for the hemp fiber which he had begun to produce back in October of

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<sup>299[299]</sup>Commissioner Anslinger to A. S. Nestor, Fibrous Industries, Inc., Dec. 5, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>300[300]</sup>Commissioner Anslinger to Jame J. Biggins, District Supervisor, Dec. 5, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>301[301]</sup>Commissioner Anslinger to A. S. Nestor, Fibrous Industries, Inc., undated-after Jan. 10, 1940, "Marihuana Tax Act of 1937," National Archives.

1939.<sup>302[302]</sup> No doubt the delays and the hindrance of regulations stifled the original enthusiasm for the venture.

Later in 1939, Dr. Andrew H. Wright of the University of Wisconsin contacted the Bureau and discussed the matter of convening a conference. Dr. Wright claimed that certain promotional people interested in the decortication of hemp from a purely promotional standpoint were responsible for proposing the conference.<sup>303[303]</sup> In connection with this communication, he also sent a letter to Agent Kelly, describing the matter in more detail. Dr. Wright stated that, at present, the regulations and application of the Marihuana Tax Act of 1937 were satisfactory. To date, the enforcement of the law had not inhibited the legitimate commercial production of hemp fiber and it had also served its purpose to protect the public from the illicit use of marihuana. The current pressure for a conference was being created by individuals who were involved with the hemp industry from a promotional standpoint. In his own words, Dr. Wright expressed the following concern, “I seriously question the need for giving consideration to a request from any individual or individuals who have a promotional interest.”<sup>304[304]</sup>

The real reasons for Dr. Wright’s behavior are apparent in the fact that he was employed by the Matt Rens Hemp Company of Wisconsin. This company was the oldest

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<sup>302[302]</sup>A. L. Tennyson to Commissioner Harry J. Anslinger, June 27, 1940, “Marihuana Tax Act of 1937,” National Archives.

<sup>303[303]</sup>Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, Dec. 21, 1939, “Marihuana Tax Act of 1937,” National Archives.

<sup>304[304]</sup>Dr. Andrew H. Wright, University of Wisconsin, Department of Agronomy, to Cornelius J. Kelly, Narcotic Agent, Dec. 18, 1939, “Marihuana Tax Act of 1937,” National Archives.

of the surviving hemp concerns, having been established in 1916. Its operations were conducted on a much smaller scale than the hemp ventures in Minnesota and Illinois. During its history, the Matt Rens Hemp Company had contracted to sell its processed fiber to the United States Navy for cordage and caulking.<sup>305[305]</sup> Dr. Wright represented the interests of the Matt Rens Hemp Company when he was critical and sarcastic in his descriptions of the other commercial concerns, claiming that they were promotional, and, therefore, that they should be ignored. Furthermore, when he stated that the Tax Act had not hindered the commercial cultivation of hemp, he was partially right, because the Bureau never enforced the provisions of the Tax Act in Wisconsin.<sup>306[306]</sup>

Ironically, the Wisconsin concerns were allowed to violate the stipulations of the transfer tax while the Minnesota and Illinois ventures were forced to strictly comply by the Federal Bureau of Narcotics. Why was the Bureau inconsistent? First, the three concerns located in Wisconsin never seriously mobilized to develop hemp as a cash crop for the production of cellulose products like the ventures in Minnesota and Illinois. In addition, the U.S. Navy was the main client of the Wisconsin concerns. If the Bureau had given the Wisconsin industries trouble like they had in Minnesota and Illinois, then they might have faced the indignation of the Navy. On the basis of these two rationale, the Bureau chose to ignore the hemp industry in Wisconsin.

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<sup>305[305]</sup>Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, Dec. 19, 1939, "Marihuana Tax Act of 1937," National Archives.

<sup>306[306]</sup>H. M. Lundien, MEMORANDUM ON FILE, *Hemp Industry in Wisconsin*; Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, Dec., 19, 1939; Cornelius J. Kelly, Narcotic Agent, to James J. Biggins, District Supervisor, Nov. 20, 1940, "Marihuana Tax Act of 1937," National Archives.

Reviewing the history of the immediate repercussions of the Marihuana Tax Act, the Federal Bureau of Narcotics displayed several alarming discrepancies in its handling of the new hemp industry after the passage of the legislation. First, it stalled on research for the benefit of the hemp industry. Then, the Bureau hampered the conduct of legitimate business by strictly enforcing the stipulations of the transfer tax. And finally, the Bureau displayed a propensity to be selective in its enforcement of the provisions of the Tax Act. Taken as a whole, these dealings effectively put an end to the new hemp industry.

## **Conclusion**

### **The Aftermath of the Prohibition of Marihuana**

Following the passage of the Marihuana Tax Act of 1937, the prohibition of marihuana became a cultural reality. The aftermath of this prohibition is replete with the same irony which pervaded the original demonization of marihuana during the 1930s. Throughout this thesis, the main argument has centered on the hypothesis that the Bureau responded to events occurring in the hemp industry rather than to a real problem. Coincidentally, the preponderance of evidence suggests that there was not a problem with marihuana. Instead, the Bureau seems to have demonized marihuana in order to protect government and private investment in the Southern wood pulp industry. Since the passage of the Tax Act in 1937, the Bureau has been forced to continuously defend its economically inspired propositions and promote further dubious rhetoric to ensure that marihuana remained illegal. Throughout this era of persecution and prohibition, commercial concerns have continued to express a desire to utilize hemp as a source of raw cellulose for the production of paper.

Within a year after the passage of the Marihuana Tax Act of 1937, Fiorello La Guardia, the mayor of New York City, commissioned a team of distinguished scientist to study the effects of the usage of marihuana. His concern stemmed from the abundance of sensationalistic newspaper accounts that New York's youth was "teetering on the brink of

an orgy of marihuana-induced crime and sex.<sup>307[307]</sup> To the great dismay of Commissioner Anslinger, the findings of the La Guardia Commission contradicted the arguments which the Bureau had presented during its final assault against marihuana. Specifically, the report stated that:

Marihuana is used extensively in the Borough of Manhattant but the problem is not as acute as it is reported to be in other sections of the United States.

The distribution and use of marihuana is centered in Harlem.

The majority of marihuana smokers are Negroes and Latin Americans.

The practice of smoking marihuana does not lead to addiction in the medical sense of the word.

The sale and distribution of marihuana is not under the control of any single organized group.

The use of marihuana does not lead to morphine or heroin or cocaine addiction and no effort is made to create a market for these narcotics by stimulating the practice of marihuana smoking.

Marihuana is not the determining factor in the commission of major crimes.

Marihuana smoking is not widespread among school children.

Juvenile delinquency is not associated with the practice of smoking marihuana.

The publicity concerning the catastrophic effects of marihuana smoking in New York City is unfounded.<sup>308[308]</sup>

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<sup>307[307]</sup>Ernest L. Abel, *Marihuana: The First Twelve Thousand Years* (New York: Plenum Press, 1980) p. 249.

<sup>308[308]</sup>La Guardia Commission, *The Marihuana Problem in the City of New York* (Metuchen, New Jersey: Scarecrow Reprint Corp. 1973) pp. 24-25. Quoting from Abel, p. 249.

Not surprisingly, Commissioner Anslinger attacked the conclusions of the La Guardia Commission, claiming that they were not credible.<sup>309[309]</sup> In addition, he produced another biased foreign study, which described the use of cannabis drugs in India.<sup>310[310]</sup> But above and beyond any of its previous acts, the Bureau blackmailed the American Medical Association into conducting research to support its position against marihuana.<sup>311[311]</sup> In order to coerce the AMA, the Bureau prosecuted doctors for unwarranted prescriptions.<sup>312[312]</sup> The Commissioner's scathing denunciations, the

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<sup>309[309]</sup>*La Guardia File*, "Marihuana Tax Act of 1937," National Archives.

<sup>310[310]</sup>R. Chopra and G. Chopra, "Cannabis Sativa in Relation to Mental Diseases and Crime in India," *Indian Journal of Medical Research* 30 (1942): 155-171.

<sup>311[311]</sup>Eli Marcovitz and Henry J. Meyers, "The Marihuana Addict in the Army," *War Medicine* 6 (1944): 382-391; "Army Study of Marihuana," *Newsweek*, (Jan. 15, 1945). The study reported that marihuana users exhibited undesirable qualities, such as a lack a discipline and motivation. The experimental procedure compared data gathered on 35 soliders (34 African-Americans and 1 caucasian), who performed routine menial tasks, such as sweeping out warehouses. The 34 African-Americans were allowed to use marihuana while the caucasian subject acted as the drug-free control factor. According to the report, the African-Americans were both unmotivated and undisciplined. Needless to say, the use of marihuana was cited for the lack of motivation and discipline, which was observed among the African-Americans.

<sup>312[312]</sup>Jack Herer, *The Emperor Wears No Clothes* (Van Nuys, California: HEMP Publishing, 1991) p. 28. "Why you ask, was the AMA now on Anslinger's side in 1944-45 after being against the Marihuana Tax Act in 1937? Answer: since Anslinger's FBN was responsible for prosecuting doctors who prescribed narcotic drugs for what he, Anslinger, deemed illegal purposes, they (the FBN) had prosecuted more than 3,000 AMA doctors for illegal prescriptions through 1939. In 1939, the AMA made specific

prejudiced findings of the foreign study, and the AMA's bogus study helped to offset the impact of the La Guardia Report.

During this same period of time, further activity occurred in the hemp industry. It began in 1942, after the United States had entered the Second World War. One of the first results of the war was that the United States Navy's source of fiber for rope had been lost when the Japanese overran the Philippines and the Indian Ocean. This development effectively stopped the importation of Manila hemp and jute into the United States. Over time, Manila hemp and jute had gradually replaced native grown hemp in the production of Naval and Army ropes because of their cheaper cost. At the outset of America's involvement in the Second World War both of these raw material sources were lost due to the Japanese offensive. As a result the government initiated a campaign to raise hemp in America for the military.<sup>313[313]</sup>

Toward this purpose, the United States government set up the War Hemp Industries Board as a branch of the Commodity Credit Corporation. This new board was authorized to promote and oversee the cultivation of hemp, as well as the production of fiber. During 1942, the Department of Agriculture purchased and distributed 3000 bushels of hemp seed for the purpose of cultivating 350,000 acres of hemp. In addition, the Department of Agriculture created a film titled, *Hemp for Victory*, which they instructed farmers to watch and they also distributed an agricultural manual in January,

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peace with Anslinger on marijuana. The results: Only three doctors were prosecuted for illegal drugs of any sort from 1939 to 1949.”

<sup>313[313]</sup>Chris Conrad, *HEMP: Lifeline to the Future* (Los Angeles, California: Creative Xpressions Publications, 1993) pp. 56-58.

1943, titled, *Hemp*, Farmers' Bulletin No. 1935. These promotional tactics were combined with the expenditure of \$25,000,000 on harvesting and decorticating machinery, all of which was placed under the supervision of the War Hemp Industries Board, which oversaw the contracting of growers, the distribution of seed, and the production of fiber.<sup>314[314]</sup>

With the advent of governmental control, the private hemp industry seems to have disappeared except for a few scattered business operations. During its brief period of activity, the government raised 168,000 acres in 1943, and then diminished its cultivation to 60,000 acres in 1944. By 1945, there was no longer a need to continue with operations because of the war's end, so the government exited as quickly as they had entered into the business. However, with the end of governmental control of hemp production, several private commercial concerns attempted to continue with projects of their own. Ironically, these new companies appear to have been interested in the possibility of producing paper.

One of the commercial concerns was located in Washington, Iowa. Deputy Commissioner Will Wood became aware of this private project in August of 1944, at which time he wrote to District Supervisor Allyn B. Crisler of Minneapolis, Minnesota, and requested that the Supervisor should proceed with an investigation of the matter. Toward this end, District Supervisor Crisler sent Narcotic Inspector Paul G. Brigham to Washington, Iowa, to gather information about the hemp project. In a report submitted on August 11, 1944, Inspector Brigham discovered that the decorticating facility, in Washington, Iowa, was owned by Walter T. Ostjen. Next, the Inspector revealed that

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<sup>314[314]</sup>Ibid.

Ostjen was legally represented by Elmer Johnson, who had been involved with the Illinois Hemp Corporation. Furthermore, the Inspector learned that the Governor of Iowa, Bourke B. Kiskenlooper, had been instrumental in establishing the decortivating facility at Washington.<sup>315[315]</sup> One other point Ostjen mentioned was that the company intended to try to market both the fiber and the hurd.<sup>316[316]</sup> The history of the hemp project in Washington, Iowa ends after this report.

Another case arose in Minnesota, when the Northwest Flax Industries, Inc., contacted the Bureau in December, 1944. This company asked whether it would be possible for them to purchase stocks of unused hemp held by the War Hemp Industries, Inc., of Minnesota. According to their letter, they were interested in using this hemp for the production of paper. With the intent to begin operations, the Northwest Flax Industries, Inc., requested information regarding the licensing and regulations that would apply to their proposed business.<sup>317[317]</sup> After this letter the correspondence ends.

Curiously, a War Hemp Industries' mill located in St. Paul, Minnesota, was taken private by several entrepreneurs. During the early 1950s, the Bureau effectively used the stipulations of the transfer tax to bring the mill's operation to a standstill for over a year

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<sup>315[315]</sup>Paul G. Brigham, Narcotic Inspector, to A. B. Crisler, District Supervisor, Minneapolis, Minnesota, Aug. 11, 1944, p. 1, "Marihuana Tax Act of 1937," National Archives.

<sup>316[316]</sup>Paul G. Brigham, Narcotic Inspector, to A. B. Crisler, District Supervisor, Feb. 3, 1945, "Marihuana Tax Act of 1937," National Archives.

<sup>317[317]</sup>R. L. Lapham, Secretary-Treasurer, Northwest Flax Industries, Inc., Winona, Minnesota, to Federal Bureau of Narcotics, Dec. 27, 1944, "Marihuana Tax Act of 1937," National Archives.

forcing the company into insolvency.<sup>318[318]</sup> Based on the sequence of interest and action, it seems plausible to suggest that the Northwest Flax Industries, Inc., may have been associated with the privately operated War Hemp Industries mill. If the two hemp concerns were associated, then the Bureau would have exhibited its peculiar bias for utilizing the stipulations of the transfer tax to smother yet another industrial enterprise interested in developing hemp for paper.

By the end of the 1950s, hemp was no longer commercially cultivated in the United States.<sup>319[319]</sup> Not only was it too difficult to comply with the onerous regulations of the Marihuana Tax Act, but other prohibitive measures had also been enacted which hindered the growth of the nascent hemp industry. First, the Bureau had supported the movement to have marihuana classified as a noxious weed.<sup>320[320]</sup> Needless to say, this negative association caused irreparable damage to the agricultural status of hemp. Secondly, during the final assault, the Bureau had continued to press for the adoption of the Uniform Narcotic Drug Act. By 1940, almost every state had enacted this legislation including the marihuana clause. And finally, as a result of the Bureau's intense

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<sup>318[318]</sup>David P. West, "Fiber Wars: The Extinction of Kentucky Hemp," *Hemp Today* ed. Ed Rosenthal (Oakland, CA: Quick American Archives, 1994) pp. 41-42.

<sup>319[319]</sup>*Ibid*, pp. 41-42. The Matt Rens Hemp Company of Brandon, Wisconsin, continued to cultivate hemp for the production of fiber until 1958. Competition from synthetic fibers made the business unprofitable. Furthermore, during an interview conducted in 1994, Willard Rens, the son of the company's founder, Matt Rens, made the following statement regarding the political climate, "I don't think I would have enjoyed being in the business another five years because of the marihuana problem."

<sup>320[320]</sup>*Noxious Weed File*; Dr. H. J. Wollner, Consulting Chemist, to Commissioner Anslinger, Feb. 14, 1938, p. 3, "Marihuana Tax Act of 1937," National Archives.

demonization of marihuana, most states had passed laws by 1940, which totally prohibited the cultivation of marihuana for whatever purpose.<sup>321[321]</sup>

Meanwhile, during the years following the Second World War, the Bureau continued to lobby for stricter laws against marihuana on the federal level. Their main argument remained focused on the unsubstantiated claim that marihuana posed a grave danger to the youth of America. Specifically, the Bureau argued that the use of marihuana was a stepping stone to the use of heroin. In 1951, Commissioner Anslinger stated that: “Over 50 percent of those young addicts started on marihuana smoking. They started there and graduated to heroin; they took the needle when the thrill of marihuana was gone.”<sup>322[322]</sup> On the basis of the stepping stone theory, the Bureau was able to impress Congress enough to pass two new anti-narcotic bills, the Boggs Act of 1951 and the Narcotic Control Act of 1956. Both pieces of legislation included marihuana within their purview. Furthermore, these laws made the possession of marihuana a felony.<sup>323[323]</sup>

During the 1950s and early 1960s, marihuana legislation had very little impact on the vast majority of the American public, who continued to be ignorant of any drug related problem. However, by the mid-1960s, the use of marihuana became a widespread phenomenon on college campuses throughout the nation. No longer was the use of

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<sup>321[321]</sup>For a thorough listing of federal and state marihuana laws see William B. Eldridge, *Narcotics and the Law* (Chicago, 1967). Quoting Schaller, “The Federal Prohibition of Marihuana,” p. 74, footnote no. 71.

<sup>322[322]</sup>U. S. Congress, *House of Representatives, Hearings Before the House Committee on Ways and Means on H. R. 3490*, 82<sup>nd</sup> Cong., 1<sup>st</sup> sess (Washington, 1951) p. 206. Quoting from Abel, p. 253.

<sup>323[323]</sup>Abel, *Marihuana*, pp. 251-256.

marihuana confined to minority groups such as the African-Americans and Mexicans. Instead, white middle- and upper-class American youths were indulging in the drug. Commenting on the new marihuana craze, a writer from the *New York Times* stated:

“Nobody cared when it was a ghetto problem. Marihuana - well, it was used by jazz musicians in the lower class, so you didn’t care if they got 2- to 20 years. But when a nice, middle-class girl or boy in college gets busted for the same thing, then the whole country sits up and takes notice.”<sup>324[324]</sup>

As a result of this new concern the marihuana laws were reexamined.

Starting in 1962, before the marihuana phenomenon fully emerged, Presidential commissions began to question the validity of the Bureau’s position on marihuana.<sup>325[325]</sup> The findings of these commissions basically reaffirmed the truth about marihuana: that it was not addictive; that it did not cause crime; and that it was not a stepping stone to the use of heroin. By the early 1970s, independent scholars began to examine the historical and scientific basis for anti-marihuana legislation.<sup>326[326]</sup> This academic inquiry gradually revealed that the federal prohibition of marihuana had not occurred because of a true problem with the drug. Instead, these scholars discovered that, during the first quarter of the twentieth century, marihuana had been classified as a narcotic by overzealous

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<sup>324[324]</sup>*New York Times*, Feb. 15, 1970. Quoting from Abel, *Marihuana*, p. 255.

<sup>325[325]</sup>1962, President Kennedy’s Ad Hoc Panel on Drug Abuse; 1963, President Kennedy’s Advisory Commission on Narcotics and Drug Abuse; 1967, President Johnson’s Commission on Law Enforcement and Administration of Justice; 1972, President Nixon’s Commission on Marihuana and Drug Abuse (issued: *Marihuana - A Signal of Misunderstanding*, 1972)

<sup>326[326]</sup>These scholars created the decriminalization movement.

Progressives, who had reacted out of xenophobic fear rather than rational scientific observation. These scholars also found that, when the Federal Bureau of Narcotics was created in 1930, the new agency had merely adopted the xenophobic attitudes of the Progressives. In addition, they further noted that the Bureau had failed to produce any evidence of a true problem with marihuana. The research of these scholars and the advice of Presidential commissions helped to justify the movement to decriminalize marihuana during the 1970s.

Another interesting development occurred during this same period of time. In 1974, Jack Frazier published an article titled *Hemp Paper Reconsidered*.<sup>327[327]</sup> This study effectively reawakened Americans to the economic potential of hemp. In particular, Frazier reintroduced the public to the 1916 Department of Agriculture Bulletin No. 404, *Hemp Hurds As Paper-Making Material*. This publication had stated that hemp was ideal for the production of paper. Furthermore, Frazier rediscovered the 1938 *Popular Mechanics* article “The New Billion Dollar Crop,” which specifically focused on the industrial potential of manufacturing paper from hemp. Since the publication of Frazier’s article many movements have evolved with the single purpose in mind of developing hemp for the production of paper. Recently, the June, 1991, edition of *Pulp & Paper*, a technical trade journal, featured an article titled “It’s Time to Reconsider Hemp.” In the article it was stated that hemp still presented an ideal solution “... to meet

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<sup>327[327]</sup>Jack Frazier, *The Great American Hemp Industry* (Peterstown, West Virginia: Solar Age Press, 1991) p. 48. Frazier’s article first appeared in the British journal: *Ecologist*, 1974.

pending shortages of fiber, energy, and environmental quality.”<sup>328[328]</sup> Less than two year ago, in the July, 1993, edition of *Pulp & Paper*, another significant article was printed, which described government sponsored research regarding the production of paper from hemp in the Netherlands. The author noted that, “As a relatively low-input crop that can be grown at a wide range of latitudes, hemp seems very suitable for mass production of nonwood cellulose.”<sup>329[329]</sup> Finally, within the last few years the hemp industry has begun to re-emerge in America. A company from Portland, Oregon, is presently manufacturing paper from hemp. However, because strict regulations governing the cultivation of marihuana are still enforced in America this company has been forced to import its hemp from China.<sup>330[330]</sup>

Ironically, during the period of time between the decriminalization movement of the early 1970s and the present, the Presidential Administrations of Ronald Reagan and George Bush initiated what society commonly refers to as the war on drugs, and, of course, marihuana was a prime target. The battle plan entailed the proliferation of bureaucratically-self-serving scientific studies and politically-inspired moralistic admonitions.

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<sup>328[328]</sup>Jim Young, “It’s Time to Reconsider Hemp,” *Pulp & Paper*, (1991). Quoted from Frazier, p.48.

<sup>329[329]</sup>E. P. M. de Meijer, “Hemp Variations as Pulp Source Researched in the Netherlands,” *Pulp & Paper*, v. 67, no. 7 (July, 1993) p. 43.

<sup>330[330]</sup>Tree Free EcoPaper. 121 SW Salmon #1100, Portland, OR 97204. Quoted from Conrad, p. 125. Also of interest Tim Maylon and Anthony Henman, “No Marihuana: Plenty of Hemp,” *New Scientist* (Nov. 13, 1980):433-435.

For instance, during the mid-1970s, at Tulane University, government sanctioned researchers claimed that the use of marihuana caused the death of brain cells. Their conclusion was based on the analysis of the brain cells of Rhesus monkeys which had been subjected to marihuana smoke and then compared to the brain cells of a control group of monkeys which were drug free. The findings of the Tulane project have been one of the main weapons of the Drug Enforcement Agency in its post-decriminalization propaganda campaigns against marihuana.<sup>331[331]</sup> Needless to say, the general public found this information extremely troubling.

Following the disturbing revelations from Tulane, the National Organization for the Reform of Marihuana Laws (NORML) and *Playboy* requested an accurate accounting of the research procedures. Initially, the requesters were denied but after six years of suing the government for this information they finally received the material. What they discovered was one of the most horrendous examples of scientific deception ever concocted:

“... Rhesus monkeys had been strapped into a chair and pumped the equivalent of 63 Colombian strength joints in ‘five minutes through gas masks,’ losing no smoke

The monkeys were suffocating! Three to five minutes of oxygen deprivation causes brain damage - ‘dead brain cells.’

The Heath Monkey study was actually a study in animal asphyxiation and carbon monoxide poisoning.”<sup>332[332]</sup>

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<sup>331[331]</sup> Herer, *The Emperor*, p. 78. The Federal Bureau of Narcotics was renamed the Drug Enforcement Agency during the 1960s.

<sup>332[332]</sup> *Ibid*, p. 78.

Similarly flawed research projects, like Dr. Gabriel Nahas's studies, which tried to link the use of marijuana with chromosomal damage, have consistently received the support of the government.<sup>333[333]</sup> Through the 1970s and 1980s, and now into the 1990s, the government has continued to expend billions of tax-payers' dollars to basically misinform the public about the effects of marijuana in order to ensure that the drug remains illegal.

All the while, reputable scientists have presented credible evidence to the contrary.<sup>334[334]</sup> The most recent research shows that the "...active ingredients of cannabis are used-up in the first or second pass through the liver. The leftover THC metabolites then attach themselves, in a very normal way, to fatty deposits, for the body to dispose of later, which is a safe and perfectly natural process."<sup>335[335]</sup> Furthermore, researchers have shown that the psychoactive chemicals in marijuana have natural receptors in the human brain.<sup>336[336]</sup> How did such an evolutionary development occur without some unique

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<sup>333[333]</sup>Ibid, pp. 78-79. Also see; Gabriel Nahas, *Marijuana: Deceptive Weed* (New York: Raven Press, 1973).

<sup>334[334]</sup>Herer, *The Emperor*, p. 79. "Dr. Thomas Ungerlieder, M.D., UCLA, appointed by Richard Nixon in 1969 to the President's Select Committee on Marijuana, re-appointed by Ford, Carter and Reagan, and currently head of California's "Marijuana Medical Program; Dr. Donald Tashkin, UCLA, M.D., for the last 14 years the U.S. government's and the world's leading marijuana researcher on pulmonary functions; and Dr. Tod Mikuriya, M.D., former national head of the U.S. government research programs in the late 1960s."

<sup>335[335]</sup>Ibid, pp. 79-80.

<sup>336[336]</sup>Richard Restak, "Brain by Design," *The Sciences*, v. 33, n. 5 (Sept/Oct. 1993): 27-33.

symbiotic relationship having been shared between humanity and hemp? Considering the truth, the current attempts to overwhelm the public with misinformation about marihuana is quite deplorable.

Until the marihuana laws are repealed, the economic potential of hemp will not be realized in the United States. The tragedy of this situation seems to rest on the untimely demonization of marihuana by the Federal Bureau of Narcotics between 1935 and 1937. If the Bureau had not proceeded with this action, then there was a very good chance that the hemp industry of the 1930s would have established itself and prospered. In light of this tragedy, the following question was posed: *Why was marihuana demonized during the 1930s?* Throughout this thesis reasonable doubt has been raised regarding the Bureau's true motives for demonizing marihuana. Specifically, the main contention of this thesis has remained true to the hypothesis that the Federal Bureau of Narcotics demonized marihuana during the 1930s in order to protect the wood pulp industry.

On the basis of the present research, the guiding impetus for the demonization of marihuana rested on the economic control of a vital raw material—cellulose. At the time, when the new hemp industry was emerging, the production of cellulose was monopolized by the wood pulp industry. Responsibility for the demise of the hemp industry during the 1930s would seem to reside with the upper echelon of management in the several dominant banks and corporations, as well as with officials in the federal government, all of whom were associated with the wood pulp industry. Prior to and during the 1930s, the wood pulp industry demonstrated hostile behavior whenever its fiscal domain was threatened by economic changes. If hemp became established as an alternate source for the manufacture of paper and other cellulose based products, such as building materials,

textiles, and plastics, these business managers, bankers, and government officials faced the stark reality of significant financial losses.

Two factors, in particular, made the wood pulp industry vulnerable during the 1930s. Within the established wood-pulp industry decentralization was occurring, while outwardly the industry and government promoted the utilization of the Southern Pine as a new source of wood-pulp. Both of these processes required a tremendous outlay of capital, which came from both private and public sectors. Sharing a similar purpose, business and government worked in unison to ensure the safety of their investment.

The government clearly possessed a dubious record with regard to its support of the wood-pulp industry and opposition to the development of alternative sources other-than-wood for the production of cellulose. A similar historical distinction emerges, in 1935, when the Federal Bureau of Narcotics launched its final assault against marihuana at approximately the same time that the new hemp industry was mustering the necessary resources to establish itself. During the span of the next two years, the Bureau destroyed all hope of establishing an industry based on cellulose produced from hemp. This feat was accomplished through the demonization of marihuana and the subsequent passage of the Marihuana Tax Act of 1937.

If there had been a real reason for the final assault against marihuana, then maybe what happened to the hemp industry would be acceptable, but there is not. Instead, it was shown how hemp was considered to be one of the most promising alternative sources, and that private investors tried to create an industry based on the plant's economic potential. Consequently, while analyzing the history of the hemp industry during the

1930s, a web of problematic economic influences was discovered which begs for further analysis.

The present situation with regard to the prohibition of marihuana has created a unique dilemma. American agriculture and industry have been prohibited from developing markets for a plant which offers a variety economic opportunities. Other countries around the globe have already taken the initiative to develop hemp-based industries and are presently demonstrating the value of such endeavors. The most prominent of these countries is China, where hemp is recognized as the most valuable nonwood alternative source for the production of cellulose pulp. Paper in China commonly contains five percent to twenty-five percent hemp pulp, which is usually combined with recycled material to add strength. One-hundred percent hemp pulp is also used for the production of finer grades of paper. In addition, the Chinese utilize the entire plant, pulping both the bast fibers and hurds.<sup>337[337]</sup> Considering such progress, why does America proceed to drain the natural resources of our own country, as well as those of willing foreign countries, when another more practical option exists? Given the circumstances described in this thesis, it would seem appropriate to suggest further examination of the history of the prohibition of marihuana, in addition to new research into the economic potential of hemp.

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<sup>337[337]</sup>D. Paul Stanford, "China, Hemp and Fiber," *Hemp Today* ed. Ed Rosenthal (Oakland, CA: Quick American Archives, 1994) pp. 199-201.

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### **About the Author**

John Craig Lupien was born in Mountain View, California on March 22, 1969, to Brooks H. Lupien and Celia R. Lupien. For the first seventeen years of his life he lived in Cupertino, California. When he reached the age of eighteen, he moved to Malibu, California, where he attended Pepperdine University from 1987-1992. In the summer of 1992, John moved to Harrison, New York where he currently resides. At the moment, he is employed as research assistant at the Westchester County Records and Archives Center and is awaiting the completion of his Master of Arts degree in History.





and marijuana, are able to take advantage of an enormous renewable resource that boosts their economies and lessens their country's impact on the global environment. Hemp "can be used to produce more than 25,000 products, ranging from dynamite to cellophane."<sup>3 5</sup> This statement was made in 1938 when PopularMechanics released an article toting the wonders of industrial hemp, claiming it was the new billion dollar crop.<sup>80</sup> See generally, JOHN CRAIG LUPIEN, UNRAVELING AN AMERICAN DILEMMA: THE DEMONIZATION OF MARIHUANA, Ch. 4 (1995), available at <http://www.iahushua.com/T-L-. J/DMH-4.html>. The Demonization of Marijuana. Why has marijuana become such a taboo topic in American culture? by Emma Grace Saylor Concordia University Chicago Feb 12, 2018. Know Your Meme.<sup>81</sup> It makes no sense at this point. There are multiple states that have legalized marijuana, and there weed is freely smoked and entrepreneurs are finding themselves creating new and original businesses to help market it. Yet in other states where it is illegal it is demonized and teenagers and adult are finding themselves sitting in prison for years for merely possessing it or selling it in order to get by.