

Ronald Reagan Presidential Library  
Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**Collection:** Turner, Carlton E.: Files  
**Folder Title:** [Chron File] August 1986-September  
1986 (5)  
**Box:** 2

---

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

THE WHITE HOUSE

WASHINGTON

August 13, 1986

MEMORANDUM FOR DAVID CHEW

FROM: CARLTON TURNER

SUBJECT: General Information on Drugs

On August 3, we provided the President, via your office, information on crack cocaine and heroin.

For general information, I have attached brief summaries on the following drugs:

- o Marijuana
- o PCP (Phencyclidine)

I am also enclosing for your use a description of most drug producing, trafficking, and consuming countries.

## MARIJUANA

Marijuana is the most widespread and frequently used illicit psychoactive drug in the nation.

### 1. Health Hazards

- o At doses commonly used, marijuana impairs memory, perception, judgment, and fine motor skills; increasing the risk of serious accident while performing complex tasks such as driving or operating machinery.
- o Marijuana impairs driving skills for at least 4-6 hours after smoking a single cigarette. When used in combination with alcohol, driving skills are even more erratic.
- o Although no instance of human lung cancer has been attributable solely to marijuana smoking, abnormalities suggestive of pre-cancerous lesions have been reported. Since most marijuana smokers also smoke cigarettes, the combined carcinogenic effect must also be investigated. There are more known carcinogens in marijuana smoke than in cigarette smoke. Marijuana has a significant negative effect on gas exchange in the lungs, greater than tobacco.
- o Smoking marijuana immediately accelerates the heartbeat and, in some persons, increases blood pressure. These changes pose a threat for people with abnormal heart and circulatory conditions, such as high blood pressure and hardening of the arteries.
- o Marijuana may have serious effects on reproduction. Some studies have shown that women who smoke marijuana during pregnancy give birth to babies with defects similar to the fetal alcohol syndrome.
- o There is increasing concern about the long-term developmental effects of marijuana use by children and adolescents. Clinicians use the term "amotivational syndrome" to describe the changes seen in some marijuana users. These include: apathy, loss of ambition, loss of effectiveness, diminished ability to carry out long-term plans, difficulty in concentrating, and a decline in school or work performance.
- o New studies show that, in animals, marijuana interferes with the body's immune response to various infections and diseases. The significance of this for humans is currently being investigated.

### 2. Prevalence

The most recent national surveys on drug abuse (1979-1982-1985) found a "leveling off" of the increases in marijuana use by youth, as well as an apparent decline in the number of persons currently using marijuana.

PCP  
(Phencyclidine)

1. Health Hazards

- o Phencyclidine (PCP) is an hallucinogenic drug - i.e. one that produces profound alterations in sensation, mood and consciousness that may involve the senses of hearing, touch, smell, or taste, as well as visual experiences that depart from reality.
- o Since its effects are highly unpredictable, including bizarre behavior and disorientation, there is a significant risk of accidental injuries and death such as drowning, falling and automobile accidents. PCP users may also commit homicides under the influence of the drug.
- o Because PCP is an anesthetic compound it produces an inability to feel pain which can lead to serious bodily injury.
- o Health hazards resulting from the use of PCP are complicated by the use of many other substances that are similar to PCP and produce the same effects, but are frequently more toxic than pure PCP. One of these, PCC (or 1-piperidinocyclohexane carbonitrile), a substance that is formed during the manufacture of PCP, is very toxic, and it frequently contaminates the PCP that is sold on the street.
- o Mothers who used PCP throughout pregnancy delivered babies who had visual, auditory and motor disturbances, as well as sudden outbursts of agitation and other rapid changes in awareness similar to responses in adults intoxicated with PCP.
- o Unlike other hallucinogens, PCP produces feelings of mental depression in some individuals; and when used regularly, memory, perception, concentration and judgment are often disturbed. In large doses it may cause permanent brain dysfunction.
- o PCP can induce a psychotic state in many ways indistinguishable from schizophrenia.

2. Prevalence of Use

- o In 1985 it was estimated that almost half a million persons used PCP in the past month, and more than 1 million in the past year. PCP use is most common in the age group 26-34 years.
- o Among high school seniors, PCP use in the past 30 days increased from 1.0 percent in 1984 to 1.6 percent in 1985.
- o Washington, D.C. is second only to Los Angeles as the city with the largest number of emergency room mentions for PCP abuse nationwide.

THE WHITE HOUSE

WASHINGTON

August 8, 1986

MEMORANDUM FOR JOHN A. SVAHN

FROM: CARLTON TURNER

SUBJECT: Countries Involved in Illegal Drug Problem

Attached is a list of 40 countries involved in the illicit drug traffic as suppliers, consumers, or donors to international drug control efforts. The list is not at all inclusive; in fact, almost every country in the world now has some form of drug abuse problem or is playing a role in the international traffic.

Most notably missing from the list is the U.S.S.R., which has been increasingly open about its drug abuse problem during the past six months.

August 8, 1986

### INTERNATIONAL SUMMARY

<u>Country</u>	<u>Role in Drug Traffic</u>
Afghanistan	<ul style="list-style-type: none"><li>- Major producer of hashish and opium; heroin processing in border area with Pakistan. Southwest Asian (SWA) heroin makes up 47% of U.S. supply.</li><li>- In 1985, produced 200-800 metric tons opium and 200-400 metric tons hashish.</li><li>- Consumer of hashish and opium.</li></ul>
Argentina	<ul style="list-style-type: none"><li>- Minor cocaine processing and transiting area.</li><li>- Use of marijuana and cocaine may be increasing.</li></ul>
Australia	<ul style="list-style-type: none"><li>- Producer of marijuana.</li><li>- 1985 donor to U.N. Fund for Drug Abuse Control.</li><li>- Serious consumption of heroin and marijuana.</li></ul>
Bahamas	<ul style="list-style-type: none"><li>- Major transshipment area for cocaine and marijuana.</li><li>- Some production of marijuana.</li><li>- Widespread consumption of marijuana and cocaine; heavy consumption of "rock" cocaine.</li></ul>
Belize	<ul style="list-style-type: none"><li>- Large marijuana producer - 645 metric tons in 1985.</li><li>- Conducted first aerial herbicidal <u>eradication program</u> in 1985.</li><li>- Heavy use of marijuana among youth and growing cocaine use.</li></ul>
Bolivia	<ul style="list-style-type: none"><li>- Major coca producing, processing &amp; trafficking country.</li><li>- In 1985, produced 34,250 metric tons coca; used to supply cocaine refining laboratories in Colombia and Bolivia. Bolivian laboratories supply only 15% of U.S. refined cocaine.</li><li>- Began demonstration coca <u>eradication program</u> in 1985.</li><li>- Heavy consumption of coca paste through smoking. Drug abuse is major health problem.</li></ul>
Brazil	<ul style="list-style-type: none"><li>- Major producer of ethyl ether for cocaine processing in South America; some cocaine processing in Brazil; and crossroads of South American cocaine traffic.</li><li>- In 1985, small-scale coca &amp; large marijuana production.</li><li>- <u>Eradication program</u>: initiated operations to destroy both coca and marijuana in 1985.</li><li>- Consumption growing rapidly.</li></ul>

Country	Role in Drug Traffic
Burma	<ul style="list-style-type: none"> <li>- Golden Triangle area of Thailand, Burma and Laos is a major producing, processing and trafficking region. Southeast Asian (SEA) heroin makes up approximately 15% of U.S. heroin supply.</li> <li>- In 1985, produced 420 metric tons of opium.</li> <li>- Herbicidal <u>eradication program</u> had measurable impact on poppy production in 1985.</li> <li>- Traditional opium use; other drug use unknown.</li> </ul>
Canada	<ul style="list-style-type: none"> <li>- Transshipment country for heroin and cocaine.</li> <li>- 1985 Donor to U.N. Fund for Drug Abuse Control.</li> <li>- Consumption of marijuana, cocaine and some heroin.</li> </ul>
Colombia	<ul style="list-style-type: none"> <li>- Major producing, processing &amp; trafficking country.</li> <li>- In 1985, produced 11,000 metric tons coca &amp; 2,500 metric tons marijuana.</li> <li>- Colombian laboratories supplied with coca from Peru, Bolivia, Ecuador provide 75% of U.S. refined cocaine.</li> <li>- Colombia also supplies roughly 49% of U.S. marijuana.</li> <li>- <u>Eradication programs</u>: In 1985, herbicidal eradication program destroyed 6,000 hectares of cannabis; manual coca eradication program continued.</li> <li>- NOTE: Marijuana production down to 2,500 metric tons in 1985 from 7,500-11,000 metric tons in 1981.</li> <li>- Coca paste mixed and smoked with marijuana is a major health problem.</li> </ul>
Costa Rica	<ul style="list-style-type: none"> <li>- Small scale marijuana production.</li> <li>- Increasing transshipment area for cocaine.</li> <li>- <u>Eradication program</u>: destroyed marijuana plantations</li> <li>- Some marijuana consumption.</li> </ul>
Egypt	<ul style="list-style-type: none"> <li>- Consumption area for Middle Eastern drugs (opium, heroin and hashish).</li> </ul>
Ecuador	<ul style="list-style-type: none"> <li>- Minor cocaine producing, processing, storage and transshipment point.</li> <li>- In 1985, produced 2,400 metric tons of coca.</li> <li>- Intensifying <u>eradication program</u> in 1986.</li> <li>- Consumption of cocaine slowing growing.</li> </ul>
Federal Republic of Germany	<ul style="list-style-type: none"> <li>- Some transshipment of heroin to the U.S.</li> <li>- 1985 donor to U.N. Fund for Drug Abuse Control.</li> <li>- Major consumer of hashish and heroin; increasing cocaine problem.</li> </ul>
France	<ul style="list-style-type: none"> <li>- Southern France noted for heroin laboratories and trafficking during "French Connection" era.</li> <li>- Consumption of hashish, heroin and cocaine.</li> </ul>

Country	Role in Drug Traffic
Guatemala	<ul style="list-style-type: none"> <li>- Small scale marijuana production.</li> <li>- <u>Eradication program</u> started in 1986.</li> </ul>
Hong Kong	<ul style="list-style-type: none"> <li>- Major financial center.</li> <li>- Heroin transshipment point and consumption area.</li> </ul>
India	<ul style="list-style-type: none"> <li>- Increasing role as processing center for SWA and SEA opiates into heroin; producer of marijuana.</li> <li>- In 1987 will play more important role in heroin traffic.</li> <li>- Increasing use of heroin; some use of marijuana.</li> </ul>
Indonesia	<ul style="list-style-type: none"> <li>- Transshipment country.</li> <li>- Some use of heroin and marijuana.</li> </ul>
Iran	<ul style="list-style-type: none"> <li>- Major opium producer and consumer; some processed for Middle East, Afghanistan, Pakistan and West, but most consumed domestically.</li> <li>- In 1985, produced 200-400 metric tons of opium.</li> <li>- Consumption of heroin is a major problem.</li> </ul>
Italy	<ul style="list-style-type: none"> <li>- Key role in processing and transshipment of SWA heroin, with strong links to U.S. distribution channels.</li> <li>- 1985 donor to U.N. Fund for Drug Abuse Control.</li> <li>- Major consumer country for heroin, cocaine and other drugs.</li> </ul>
Jamaica	<ul style="list-style-type: none"> <li>- Major producer of marijuana.</li> <li>- In 1985, produced 625-1,280 metric tons of marijuana.</li> <li>- Manual <u>eradication program</u> had measurable impact on marijuana production in 1985.</li> <li>- Consumption of marijuana and cocaine.</li> </ul>
Laos	<ul style="list-style-type: none"> <li>- Golden Triangle area of Thailand, Burma and Laos is major producing, processing and trafficking region for Southeast Asian heroin, which makes up approximately 15% of U.S. heroin supply.</li> <li>- In 1985, produced 100 metric tons of opium.</li> <li>- Traditional opium use; other consumption unknown.</li> </ul>
Lebanon	<ul style="list-style-type: none"> <li>- Refines SWA opiates into heroin and traffics in heroin and hashish to Western Europe and U.S.</li> <li>- Major producer of hashish: 720 metric tons in 1985.</li> </ul>
Malaysia	<ul style="list-style-type: none"> <li>- Transshipment country for SEA heroin.</li> <li>- Has death penalty for possession of small amounts of heroin.</li> <li>- Consumption of heroin considered national security issue.</li> </ul>



<u>Country</u>	<u>Role in Drug Traffic</u>
Mexico	<ul style="list-style-type: none"> <li>- Major producing, processing and trafficking country.</li> <li>- In 1985, produced 21-45 metric tons of opium and 2,500-3,000 metric tons of marijuana.</li> <li>- Provided 38% of U.S. heroin supply and roughly 32% of U.S. marijuana supply.</li> <li>- Cocaine transshipment.</li> <li>- <u>Eradication programs</u>: Improvements planned for 1986.</li> <li>- Consumption of marijuana.</li> </ul>
Morocco	<ul style="list-style-type: none"> <li>- In 1985, produced 30-60 metric tons of hashish.</li> <li>- Traditional use of hashish.</li> </ul>
N. Antilles	<ul style="list-style-type: none"> <li>- Financial services used by drug traffickers.</li> </ul>
Norway	<ul style="list-style-type: none"> <li>- 1985 donor to U.N. Fund for Drug Abuse Control.</li> </ul>
Pakistan	<ul style="list-style-type: none"> <li>- Major producing, processing &amp; trafficking country; Southwest Asia supplies an estimated 47% of heroin in U.S.</li> <li>- In 1985, produced 40-60 metric tons of opium and 200 metric tons of hashish.</li> <li>- Heroin laboratories also supplied with opium from Afghanistan.</li> <li>- Opium suppression program includes <u>eradication</u>.</li> <li>- Serious problem with heroin and quaalude use. Consumption of opium and cannabis.</li> </ul>
Panama	<ul style="list-style-type: none"> <li>- Financial, transshipment and marijuana production.</li> <li>- Conducted first-time aerial <u>eradication program</u> using herbicides in 1985.</li> <li>- Some consumption of marijuana.</li> </ul>
Peru	<ul style="list-style-type: none"> <li>- The major coca producing country.</li> <li>- In 1985, produced 95,000 metric tons of coca, but only provided approximately 5% of U.S. refined cocaine supply -- large quantities of coca are shipped to processing laboratories in Colombia.</li> <li>- Manual <u>eradication program</u> destroyed 5,000 hectares of coca in 1985.</li> <li>- Consumption of coca paste is a major health problem.</li> </ul>
Saudi Arabia	<ul style="list-style-type: none"> <li>- 1985 donor to U.N. Fund for Drug Abuse Control.</li> <li>- Some drug use and very fearful of increase.</li> </ul>
Sweden	<ul style="list-style-type: none"> <li>- 1985 donor to U.N. Fund for Drug Abuse Control.</li> <li>- Heavy hashish use; some heroin use.</li> </ul>
Switzerland	<ul style="list-style-type: none"> <li>- Major financial center.</li> </ul>

Country	Role in Drug Traffic
Syria	<ul style="list-style-type: none"> <li>- SWA heroin processing and trafficking to U.S.</li> <li>- Controls Bekaa Valley, the primary production area for hashish.</li> <li>- Drug use patterns unknown.</li> </ul>
Thailand	<ul style="list-style-type: none"> <li>- Golden Triangle area of Thailand, Burma and Laos is major producing, processing and trafficking region for Southeast Asian heroin which makes up approximately 15% of U.S. heroin supply.</li> <li>- In 1985, produced 36 metric tons of opium.</li> <li>- <u>Eradication program</u> had measurable impact on poppy production in 1985.</li> <li>- Also produces marijuana "Thai Sticks."</li> <li>- Drug abuse is serious health problem. Major consumer of opium, heroin and marijuana.</li> </ul>
Turkey	<ul style="list-style-type: none"> <li>- Major transshipment and staging area for opium, morphine base, and heroin from Southwest Asia to consuming nations.</li> <li>- Produces and uses hashish.</li> </ul>
United Kingdom	<ul style="list-style-type: none"> <li>- Major consumption country for heroin; growing cocaine and hashish consumption a problem.</li> <li>- Serious concerns over drugs in England and Ireland.</li> </ul>
Venezuela	<ul style="list-style-type: none"> <li>- Emerging role as trafficking area.</li> <li>- Consumption of cocaine and marijuana increasing.</li> </ul>

THE WHITE HOUSE  
WASHINGTON

August 12, 1986

NOTE TO MARY INGALS

FROM: CARLTON E. TURNER

SUBJECT: Attached photos of  
Drug Abuse Policy Office Staff

It would be very much appreciated if "WITH APPRECIATION" could be used instead of the other two choices.

The Drug Abuse Policy Staff has worked diligently over the past five years, and I feel they would appreciate this effort.

Let me know if this is a problem.

Many thanks.

Attachments (8)

THE WHITE HOUSE

WASHINGTON

August 14, 1986

MEMORANDUM FOR JOHN A. SVAHN

FROM: CARLTON E. TURNER

SUBJECT: Update of BLAST FURNACE

An interim assessment of operation BLAST FURNACE clearly shows that it has been a real success.

Reports indicate:

- o Major traffickers are still out of country or in hiding.
- o Cocaine sulfate production labs have ceased operations.
- o Air traffic supplying precursor chemicals and other essentials has significantly diminished.
- o Trafficking activity in the Beni Department has noticeably decreased.
- o Brazil, which shares a border of over 3,000 miles with Bolivia, has increased its river interdiction program to stop materials moving in either direction. Peru and Argentina are also increasing their interdiction operations.
- o Bolivian Police in the Chapare Region have been successful in reducing coca paste production, and paste buyers have fled the area.
- o Of the 25 to 35 major laboratories known to have been operating in Bolivia, BLAST FURNACE to date has located and destroyed seven major labs capable of producing six tons of cocaine per week.

As a consequence of BLAST FURNACE, the Press in Bolivia is now speculating on what will happen when BLAST FURNACE concludes. Bolivians want to keep the Blackhawk helicopters in Bolivia for future use. The Press is beginning to debate whether the Police or Armed Forces of Bolivia will control and direct all future anti-drug operations.

The mood in Bolivia, even among those opposed to U.S. troops and BLAST FURNACE, has changed from one of quasi-support of narco-traffickers to public repudiation of narcotics and traffickers.

Also the price of coca leaves per 100 lbs. is now \$20 to \$25. The cost of production is \$35 to \$40 per 100 lbs. Prior to BLAST FURNACE, leaves routinely sold for \$100 to \$120 per 100 lbs. Farmers are now willing to evaluate other crops.

THE WHITE HOUSE

WASHINGTON

August 12, 1986

Dear David:

It was good to see you again last week. You are the only interviewer who can make guests feel as comfortable by remote as in person. Perhaps we will have the opportunity to meet face-to-face in the near future.

I also enjoyed the "Good Morning America" segment this morning on people around the country taking action against illegal drug abuse. I hope - having been involved with this issue for some time now - you share in some sense of satisfaction regarding recent developments.

You efforts are greatly appreciated.

Best wishes,

Sincerely,



Carlton E. Turner, Ph.D.  
Director, Drug Abuse Policy and  
Deputy Assistant to the President

Mr. David Hartman  
Good Morning America  
ABC News  
1330 Avenue of the Americas  
NY, NYC 10019

THE WHITE HOUSE

WASHINGTON

August 12, 1986

Dear Susan:

I enjoyed our session on Sunday. As you mentioned, the segment was "sprightly." I hope the viewing public received some food for thought, as well.

I will let you know about the breakfast. The Mayor called my office today, as promised, to set things up. In the meantime, I will see on the Evening News.

Best wishes,

Sincerely,



Carlton E. Turner, Ph.D.  
Director, Drug Abuse Policy and  
Deputy Assistant to the President

Ms. Susan Spencer  
CBS News  
2020 M Street, NW  
Washington, D.C. 20036

THE WHITE HOUSE

WASHINGTON

August 12, 1986

Dear Ms. Timmons:

I hope you are enjoying your new position on "Good Morning America." It is always gratifying to see "one of our own" make it in the real world.

Thank you for your assistance with the segment on the President's recent drug initiatives. "Good Morning America" has been a good friend of our program through the years. Please do not hesitate to call on myself or my staff for assistance in the future.

Best wishes,

Sincerely,



Carlton E. Turner, Ph.D.  
Director, Drug Abuse Policy and  
Deputy Assistant to the President

Ms. Kimberly Timmons  
Executive Producer  
Good Morning America  
ABC News  
1330 Avenue of the Americas  
New York, NY 10019

THE WHITE HOUSE

WASHINGTON

August 11, 1986

Dear Karen:

I enjoyed our conversation Sunday. We have received positive comments about the program and have been pleased with follow-up press reports.

Please do not hesitate to call if I or my staff may be of assistance with future shows.

In the meantime, please give my regards - and those of my daughter - to Leslie when she returns from Kenya.

Best wishes,

Sincerely,



Carlton E. Turner, Ph.D.  
Director, Drug Abuse Policy and  
Deputy Assistant to the President

Ms. Karen Sughrue  
Executive Producer  
Face the Nation  
2020 M Street, NW  
Washington, D.C. 20036



THE WHITE HOUSE

WASHINGTON

August 12, 1986

Dear Tom:

These photos were taken last Christmas at the event in Washington. Although my daughters, Anne Marie and Elizabeth have your autograph, they have requested you sign the actual photo. Thus, could I impose on you for another autograph for the girls?

Hope things are going well for you and you enjoyed your vacation. Mine was spent working on the drug issue.

Sincerely,



Carlton E. Turner, Ph.D.  
Director, Drug Abuse Policy and  
Deputy Assistant to the President

Enclosures

Mr. Tom Brokaw  
NBC News  
30 Rockefeller Plaza  
New York, NY 10020

THE WHITE HOUSE

8-13-86

Dear (Name),  
I thank you for the words of encouragement.  
you are correct about the system but I  
have fought and won a few battles. The  
big battle now shows up. Prayers are a  
part of the big picture. You keep praying and  
I will keep sending you notes, and our  
Country. *Bob Rice* *Conf*

THE WHITE HOUSE  
WASHINGTON

August 12, 1986

NOTE TO DENNIS THOMAS

FROM: CARLTON TURNER

SUBJECT: Drug Initiative  
(Attached memo)

Jack Courtemanche should have call.

Jim represents Phoenix House.

Attachment

THE WHITE HOUSE  
WASHINGTON

5 AUG 1986

August 4, 1986

MEMORANDUM FOR BILL HENKEL  
✓ CARLTON TURNER

FROM: DENNIS THOMAS  
SUBJECT: Drug Initiative

Jim Rosebush called to offer his assistance on our drug initiative -- I told him I would let you know.

Also, he suggested when Mrs. Reagan goes to New York, September 17th, to visit the Phoenix House we might want to have RR do a surprise visit with her. What think?

*TD* Jack Countermarche should have call.  
Jim represents Phoenix House.

CT  
8-7-86

From  
CT

THE WHITE HOUSE  
WASHINGTON

August 12, 1986

NOTE TO JACK COURTEMANCHE

FROM: CARLTON TURNER

SUBJECT: Attached speech from  
Mel Sembler

This is a speech Sembler will be giving to shopping center industry meeting throughout the U.S. Mel is President of International Council of Shopping Centers.

Attachment

BASIC IDEA EXCHANGE SPEECH

THANK YOU FOR THE LOVELY INTRODUCTION. I AM HAPPY TO  
BE HERE TODAY.....ETC.

\_\_\_\_\_ IS A LOVELY CITY AND IS REFLECTING THE  
GROWTH WE ARE EXPERIENCING NATIONWIDE.

ORIGINALLY, I HAD INTENDED TO TALK ONLY ABOUT OUR  
INDUSTRY AND ABOUT WHAT I SEE FROM MY VANTAGE POINT AS  
PRESIDENT OF ICSC. BUT AS I SPOKE WITH YOUR STATE  
DIRECTOR, \_\_\_\_\_, HE SUGGESTED -- BECAUSE  
OF MY LONG AFFILIATION AS ONE OF THE FOUNDERS OF THE  
STRAIGHT DRUG REHABILITATION PROGRAM -- THAT I ALSO TALK  
ABOUT KIDS AND DRUGS. SO, I'LL DO BOTH. I'LL DISCUSS  
WHAT I CONSIDER TO BE THE PLAGUE OF THE 20TH CENTURY--THE  
\$110 BILLION-A-YEAR NATIONAL DRUG HABIT. BUT FIRST, LET'S  
TALK ABOUT WHAT THE FUTURE HOLDS FOR THE SHOPPING CENTER  
INDUSTRY.....

IT IS AN EXCITING TIME TO BE IN THE SHOPPING CENTER BUSINESS. I HAVE BEEN IN THE RETAIL DEVELOPMENT FIELD FOR 25 YEARS AND FIND EACH SUCCEEDING YEAR MORE CHALLENGING.

OUR INDUSTRY HAS COME OF AGE--AFTER ONLY 30 YEARS WE HAVE BUILT MORE THAN 26,000 SHOPPING CENTERS IN NORTH AMERICA AND AN ADDITIONAL 3,000 ELSEWHERE IN THE WORLD. AND FROM THOSE CENTERS WE HAVE BUILT IN THE UNITED STATES, WE SELL OVER ONE-HALF OF ALL NON-AUTOMOTIVE RETAIL GOODS SOLD IN OUR COUNTRY. LAST YEAR THIS AMOUNTED TO ONE-HALF TRILLION DOLLARS.

OUR CENTERS EMPLOY HUNDREDS OF THOUSANDS OF SALES AND SERVICE PERSONNEL AND WITH NEW CONSTRUCTION, REHABS, AND EXPANSIONS, WE ARE AN IMPORTANT FACTOR IN THE CONSTRUCTION EMPLOYMENT FIELD. OUR CENTERS ARE MAJOR TAX PAYERS OF SALES TAXES, AD VALORUM TAXES, AND CONTRARY TO THE CURRENT BELIEF IN CONGRESS, FEDERAL INCOME TAXES.

WE PAY OUR WAY....WE ARE A VIBRANT FORCE IN THE NATIONAL ECONOMY AND IN OUR SOCIETY. WE AFFECT AND ARE AFFECTED BY SOCIETY IN A DIRECT WAY AND ARE NO LONGER MERELY AN INTERESTING SIDELINE: WE ARE AN IMPORTANT PART OF THE MAINSTREAM. JUST THINK ABOUT IT...RESEARCHERS TELL US THAT AMERICAN CONSUMERS SPEND MORE TIME IN SHOPPING CENTERS THAN ANYWHERE ELSE EXCEPT THEIR HOMES, THEIR WORKPLACES OR THEIR SCHOOLS. THAT'S A VERY PROVOCATIVE THOUGHT.

THIRTY YEARS AGO, WHEN OUR INDUSTRY BEGAN, THERE WAS NO CONSCIOUS OBJECTIVE TO BE ANYTHING MORE THAN AN EFFICIENT AND PROFITABLE MEANS OF DISTRIBUTING GOODS AND SERVICES. WE ACHIEVED THAT GOAL AND WE'VE DONE A LOT MORE..... SOME OF IT INADVERTENTLY..... WHEN WE DEvised PROGRAMS AND PROMOTIONS PRIMARILY TO ATTRACT PEOPLE TO OUR CENTERS; TO ENCOURAGE THEIR HABIT OF SHOPPING WITH US RATHER THAN ELSEWHERE.....



AND THEY CERTAINLY DID DEVELOP THAT HABIT, THANK GOODNESS!AND IT HAS BEEN A MEANINGFUL ONE...FOR SHOPPERS ... AND FOR US. SHOPPING IN OUR CENTERS HAS BECOME MORE THAN A HABIT, MORE THAN A CONVENIENT AND PLEASURABLE EXPERIENCE. SHOPPING HAS BECOME A NATIONAL PAST-TIME. AND SHOPPING CENTERS ARE AS APPEALING AND AS MUCH FUN AS SPORTING EVENTS OR TELEVISION. WE'VE CAPTURED THE HEARTS, THE MINDS, AND THE POCKETBOOKS OF THE AMERICAN CONSUMER.

IN DOING THIS WE REACH ACROSS ALL AGES AND ALL ECONOMIC AND SOCIAL LEVELS. WHEN YOU CONSIDER EXCITING NEW MERCHANDISING TRENDS .... APPEALING PROMOTIONS .... AND SPECIAL EVENTS THAT SIZZLE, IT'S NO WONDER SHOPPING CENTERS ARE AMONG OUR FAVORITE PLACES TO VISIT. WHEN YOU LOOK AT SOME OF THE HEADLINES IN TODAY'S PAPERS, IT IS NOT SURPRISING THAT MANY FIND SHOPPING CENTERS A SAFE AND PLEASANT PLACE TO FULFILL THEIR DREAMS...MAYBE EVEN MORE SO THAN HOME, WORKPLACE...OR SCHOOL.

TODAY, WHEN CREATING THESE CENTERS, WE FACE A NEW ERA THAT CHALLENGES OUR CREATIVITY. CREATIVITY IN CONCEPT...IN DESIGN...AND IN EXECUTION. WE ARE FACED WITH A DIVERSITY OF POSSIBILITIES THAT DID NOT EXIST A DECADE AGO. TO MEET THIS CHALLENGE, SHOPPING CENTERS MUST MATCH RETAILING INNOVATIONS WITH EMPHASIS ON PROFESSIONALISM AND EXPERTISE. WE HAVE THRIVED AND WILL CONTINUE TO THRIVE BECAUSE THE RETAIL BUSINESS CONTINUES TO CHANGE. IT MUST, TO MEET THE EVER-CHANGING DEMANDS OF OUR CUSTOMERS... SO, WE CONTINUE TO SEE NEW AND CHANGING CONCEPTS TO ATTRACT THE CONSUMER DOLLAR. AND LAST YEAR'S THEME OF "OFF PRICE" HAS BEEN REPLACED BY THIS YEAR'S CRY FOR "VALUE RETAILING"--AS WE FIND NEW DEMAND FOR INNOVATIONS SUCH AS FOOD WAREHOUSES, HOME IMPROVEMENT WAREHOUSES, MEMBERSHIP CLUBS, HYPER-MARKETS, UNANCHORED SPECIALTY CENTERS, MIXED USE, DOWNTOWN RE-DEVELOPMENT ACTIVITY. ALL THESE CONCEPTS THRIVING BECAUSE FINANCING IS ABUNDANT AND AFFORDABLE....AND PREDICTED TO STAY THAT WAY...IN THE IMMEDIATE FUTURE.

POLITICAL AND ECONOMIC STABILITY HAS RETURNED....  
INFLATION HAS COOLED AND WE ARE POISED FOR CONTINUED  
GROWTH AND EXPANSION...YES, PERHAPS EVEN SOME  
OVER-EXPANSION..... IN CERTAIN AREAS OF OUR COUNTRY THIS  
GIVES ME SOME CONCERN. I THINK WE SHOULD ASK OURSELVES  
BEFORE WE BUILD OUR NEW PROJECTS.... CAN WE LEASE IT? AND  
WILL IT STAY LEASED? BUILD IT ONLY IF YOU CAN LEASE IT,  
NOT ONLY BECAUSE YOU CAN FINANCE IT. THE LENDERS WHO ARE  
ACTIVELY SEEKING TO RENT THEIR MONEY ARE ALSO RELYING ON  
YOUR EXPERTISE AND TRACK RECORD SO LET'S NOT OVER-BUILD  
OUR MARKETS.

THIS BRINGS TO MY MIND THE STORY OF THE TWO SENIOR  
REAL ESTATE BROKERS FROM.....

WHAT I AM SAYING TO YOU, LADIES AND GENTLEMEN, BUILD  
CENTERS IF YOU CAN LEASE THEM,...NOT JUST BECAUSE YOU CAN  
FINANCE THEM.

RETAIL SALES NATIONALLY SHOWED A 6% INCREASE FOR THE FIRST QUARTER OF '86. THIS IS A HEALTHY INCREASE, ALTHOUGH NOT ROBUST, IT SHOULD CONTINUE TO STRENGTHEN WITH MORE SPENDABLE DOLLARS AVAILABLE BECAUSE OF LOWER OIL PRICES....YET HIGH INSTALLMENT DEBT IS KEEPING THE CONSUMER CAUTIOUS. AS CONSUMER CONFIDENCE RETURNS, HOWEVER, SALES ARE PROJECTED TO FURTHER STRENGTHEN.

THESE ARE CHANGING TIMES ... AND INNOVATION AND PROFESSIONALISM IN DEVELOPING IS IN EVEN HIGHER DEMAND TODAY AS THE MARGIN FOR ERROR HAS BEEN DRASTICALLY REDUCED BY HIGH LAND COSTS, BY CONSTANTLY INCREASING DEVELOPMENT COSTS, AND OF COURSE BY OUR EVER PRESENT AND EVER KEENER COMPETITION.

WE ALSO FACE A CHANGING MARKETPLACE. OUR MARKET IS NO LONGER EASILY DEFINED....BABY BOOMERS ARE GRAYING...12% OF US ARE NOW OLDER THAN 65, MORE THAN THE ENTIRE POPULATION OF CANADA. 16,000,000 WILL BE OVER 85 BY THE TURN OF THE CENTURY....SINGLES, CHILDLESS COUPLES AND MINGLES (UNMARRIED PEOPLE LIVING TOGETHER) NOW COMPRISE 57% OF ALL AMERICAN HOUSEHOLDS.

TWO-CAREER HOUSEHOLDS NOW MAKE UP 42% OF OUR HOUSEHOLDS. THE ONCE TRADITIONAL ONE-BREAD-WINNER ARRANGEMENT ACCOUNTS FOR ONLY 29% OF OUR HOUSEHOLDS. THIS CHANGED MARKET REQUIRES A DIFFERENT APPROACH TO SHOPPING AND SHOPPING CENTERS. NOW, WITH MORE THAN HALF OF OUR COUNTRY LIVING IN HOUSEHOLDS WITHOUT CHILDREN, THIS GROUP HAS LITTLE NEED FOR A "BACK TO SCHOOL SALE" BUT A HIGH DEMAND FOR HASSLE-FREE SHOPPING. WE NEED TO REDUCE THE TIME AND NEED TO WANDER AROUND RETAIL STORES IN SEARCH OF SOMETHING. WE MUST UNDERSTAND OUR MARKET, AND WE MUST TARGET OUR MARKETING EFFORTS TO CORRESPOND WITH THESE DEMOGRAPHIC CHANGES.

WE HAVE BEGUN TO RESPOND TO THESE TRENDS....RECENT ICSC RESEARCH INDICATES THAT IN THE FIRST QUARTER OF 1986, OF THE CONSTRUCTION STARTS ON 462 SHOPPING CENTERS, 402, OR 85%, WERE UNDER 100,000 SQUARE FEET. 58 WERE BETWEEN 100,000 AND 400,000 SQUARE FEET AND ONLY TWO CENTERS WERE STARTED OVER 400,000 SQUARE FEET. THE EMPHASIS TODAY, IN RESPONSE TO MARKET NEED, IS IN THE SMALL CENTER DEVELOPMENT FIELD.

THIS CHANGING MARKET ENVIRONMENT OFFERS A FUTURE THAT IS AWESOME IN OPPORTUNITY BUT POTENTIALLY DEVASTATING TO THE UNINITIATED. TAKE ADVANTAGE OF THE LEARNING OPPORTUNITIES PROVIDED BY ICSC IDEA EXCHANGES, UNIVERSITIES, AND EDUCATIONAL FORUMS TO BETTER MEET THE CHALLENGES AND GUARD AGAINST MISTAKES OF THE PAST BY BEING BETTER EDUCATED IN OUR INDUSTRY.

SO HERE WE ARE. WE HAVE COME OF AGE AS AN INDUSTRY AND HAVE COME TO THE POINT WHERE WE MUST UNDERSTAND THAT IN ADDITION TO BEING THE BEST DISTRIBUTION MEANS EVER INVENTED, THE SHOPPING CENTER INDUSTRY MUST NOW TAKE ON YET ANOTHER ROLE. IT IS PART OF OUR MATURITY. WE'VE BECOME AN INSTITUTION THAT IS A MAJOR PLAYER IN TODAY'S SOCIETY, IN THE DAILY LIVES OF TENS OF MILLIONS OF PEOPLE ON THIS CONTINENT AND IN MANY PARTS OF THE WORLD.....

COMING OF AGE MEANS FACING NEW RESPONSIBILITIES... INDUSTRIES, LIKE PEOPLE, COME TO A BROADER UNDERSTANDING OF WHAT LIFE EXPECTS OF US.

IN AMERICA .... EXPECTATIONS ARE HIGH ABOUT OUR INDUSTRY, THE SHOPPING CENTER, AS A RESPONSIBLE CORPORATE CITIZEN, AND EACH OF YOU AS RESPONSIBLE, MATURE ADULTS, NEED TO FACE THESE EXPECTATIONS....ASSESS HOW WE CAN CONTINUE TO MEET THE COMMUNITY NEEDS...FOR GOODS AND SERVICES.... FOR LEISURE AND ENTERTAINMENT.... BUT NOW WITH OUR NEW-FOUND MATURITY, WE NEED TO BE PREPARED TO ADDRESS BROAD-BASED SOCIAL NEEDS AND CONCERNS.

THIS PAST APRIL, ICSC CONDUCTED... WITH YOUR HELP.... THE FIRST EVER INDUSTRY-WIDE PUBLIC RELATIONS PROGRAM TO MAKE OUR COMMUNITIES A SAFER PLACE FOR OUR CHILDREN. THIS COORDINATED EFFORT WAS CALLED "KIDS SAFETY WEEK". 2,800 SHOPPING CENTERS PARTICIPATED ACROSS THE U.S. AND CANADA. 75% OF OUR REGIONAL MALLS WERE INVOLVED IN THIS LANDMARK PROGRAM. HERE IN \_\_\_\_\_, YOU HAD EXCELLENT TURNOUT--67 SHOPPING CENTERS PARTICIPATED WITH 16,000 CHILDREN FINGERPRINTED. NATIONALLY, WE FINGERPRINTED AND GAVE SAFETY INFORMATION AND EDUCATION TO 1,500,000 CHILDREN DURING THIS ONE-WEEK PROGRAM...

BUT, THIS FIRST EFFORT BY THE SHOPPING CENTER INDUSTRY IS JUST THE TIP OF THE ICEBERG. WE HAVE SPENT THE LAST THIRTY YEARS AS DEVELOPERS--DESIGNING AND CREATING IMPORTANT AND IMPRESSIVE PROJECTS. NOW, CONFIDENT OF OUR NEW FOUND MATURITY, WE MUST TURN TO A LARGER TASK--WE MUST SERVE AS DEVELOPERS OF A BETTER LIFE. NOW, WE MUST UNDERSTAND OUR FULL POTENTIAL AND WORK HAND-IN-HAND TO PUT OUR ENERGIES TO PRODUCTIVE USE ON AN ON-GOING BASIS FOR A HIGHER GOAL.

AN EPIDEMIC HAS OVERTAKEN AMERICA....MORE PERVASIVE AND MORE DANGEROUS THAN ANY PERIL OUR NATION HAS EVER FACED. I SPEAK OF THE LARGE AND GROWING TRAFFIC IN ILLEGAL DRUGS. IT HAS TAKEN LIVES, RUINED CAREERS, AND BROKEN HOMES. IT HAS INVADED OUR SHOPPING CENTERS AND OUR SCHOOLS.



IT INCITES CRIME, TAINTS BUSINESSES, TOPPLES NATIONAL HEROES, CORRUPTS POLICEMEN, EDUCATORS AND POLITICIANS, AND BLEEDS BILLIONS FROM THE ECONOMY WHILE PAYING NO TAXES. IN SOME MEASURE IT INFECTS EVERY CORNER OF OUR PUBLIC AND PRIVATE LIVES....IT IS A NATIONAL SCANDAL AND IF WE SEEM POWERLESS TO STOP IT, IT IS BECAUSE SO MANY ARE WILLING TO SPEND THE MONEY AND BREAK THE LAW TO SUSTAIN WHAT HAS BECOME BY GOVERNMENT ESTIMATE, A \$110 BILLION-A-YEAR DRUG HABIT..... IMAGINE...THAT FIGURE REPRESENTS 22% OF ALL MERCHANDISE SOLD FROM OUR SHOPPING CENTERS....

WE HAVE MET THE ENEMY AND HE IS US....

FIFTEEN YEARS AGO MY WIFE, (WHO IS WITH ME HERE TODAY), AND I IDENTIFIED THIS PROBLEM AMONG THE CHILDREN IN OUR COMMUNITY. WE BEGAN WITH THE HOPE OF STARTING A DRUG REHABILITATION CENTER FOR YOUNG PEOPLE SINCE THERE WAS A TOTAL LACK OF PROGRAMS DESIGNED FOR CHILDREN AT THAT TIME .

SINCE THAT EARLY BEGINNING, WE HAVE OPENED EIGHT OF THESE PROGRAMS IN VARIOUS CITIES ACROSS THE U.S.-- WE HAVE TREATED OVER 5,000 CHILDREN AND PRESENTLY HAVE 900 CHILDREN IN TREATMENT. IN 1982, EARLY IN HER ADMINISTRATION, WE ASKED NANCY REAGAN, TO VISIT THE PROGRAM AND SEE THE DEVASTATING EFFECTS THAT DRUGS WERE HAVING ON KIDS. SHE CAME TO ST. PETERSBURG, MET WITH US AND FOUND OUT WHAT A MAJOR PROBLEM WE FACED. MRS. REAGAN ASKED THAT EVENING AS SHE CRIED WITH THE CHILDREN, "WHAT CAN I DO TO HELP?" AND I REPLIED--"HELP THE COUNTRY PERCEIVE THE PROBLEM CORRECTLY". SINCE THEN, MRS. REAGAN HAS BEEN AT MANY OF OUR PROGRAMS AROUND THE COUNTRY....SHE HAS BROUGHT FOREIGN DIGNITARIES AND FIRST LADIES FROM MANY COUNTRIES TO HELP THEM "PERCEIVE THE PROBLEM CORRECTLY"....AND, SHE HAS USED HER NATIONAL PLATFORM TO HELP THE COUNTRY UNDERSTAND AND WORK TO END THIS NATIONAL TRAGEDY.

EARLY IN THE '70'S WHEN WE BEGAN OUR CAMPAIGN, THE DRUG SCENE WAS EPIDEMIC-- TODAY IT IS PANDEMIC AND AFFECTS EVERYONE IN THIS ROOM.

IN THE 1950'S WE HAD A POLIO EPIDEMIC IN OUR COUNTRY....AT THAT TIME WE CLOSED PUBLIC SWIMMING POOLS, THEATRES, PLACES WHERE CHILDREN CONGREGATED BECAUSE OF THE SCARE OF POLIO. 29 CHILDREN OUT OF 100,000 HAD POLIO. TODAY, WE HAVE AN AIDS SCARE AND IT NOW AFFECTS 9 IN 100,000 PEOPLE. CHEMICAL DEPENDENCY IS FAR MORE WIDESPREAD THAN EITHER POLIO OR AIDS. TODAY, 10,000 OUT OF 100,000 CHILDREN (YES, 10% OF OUR CHILDREN) ARE CHEMICALLY DEPENDENT ON DRUGS AND ALCOHOL. IF THIS WERE POLIO, WE WOULD BE IN A STATE OF NATIONAL EMERGENCY.

A RECENT GOVERNMENT STUDY ESTIMATES THAT UNLESS THE TREND TURNS QUICKLY, ONE OUT OF EVERY FOUR CHILDREN WILL GO THROUGH A DRUG OR ALCOHOL TREATMENT PROGRAM BEFORE REACHING THE AGE OF 21. WE MUST ALL BE AWARE OF THE PROBLEM.

MORE IMPORTANTLY, WE MUST GET INVOLVED IN THE SOLUTION. YOU CANNOT PICK UP YOUR NEWSPAPERS TODAY WITHOUT READING OF DRUG KILLINGS, DRUG BUSTS, DRUG RELATED CRIME, OR GOVERNMENTS BEING INFLUENCED BY THE ILLICIT DRUG INDUSTRY. I IMPLORE YOU--GET EDUCATED, GET INVOLVED, GET DRUGS OUT OF THE WORK PLACE, OUT OF THE COMMUNITY, OUT OF OUR SHOPPING CENTERS, AND OUT OF THE REACH OF CHILDREN. LIKE SCHOOLS, LIBRARIES, DRIVE-IN MOVIES AND OTHER PLACES WHERE OUR CHILDREN CONGREGATE, SHOPPING CENTERS ARE VICTIMS OF THIS PLAGUE. BECAUSE MALLS PLAY SUCH AN IMPORTANT PART IN OUR EVERYDAY LIVES, IT IS NOT SURPRISING THAT DRUGS ARE FOUND THERE. IT IS NOT ENOUGH TO SIMPLY LISTEN AND NOD OUR HEADS. WE MUST ACT. AS MAJOR PLAYERS IN THE CONTEMPORARY SOCIAL, POLITICAL AND BUSINESS WORLDS WE HAVE AN OBLIGATION--BOTH AS BUSINESSMEN AND WOMEN, AND AS INDIVIDUALS--TO PLAY A ROLE IN THIS WAR AGAINST DRUGS.

AS MALL OWNERS AND OPERATORS THERE ARE QUITE A FEW THINGS WE CAN DO. WE CAN INSTRUCT OUR SECURITY PERSONNEL TO KEEP AN EVER-WATCHFUL EYE ON UNSUPERVISED GROUPS OF CHILDREN AND TEENAGERS. INFORMED SECURITY PERSONNEL IN THE MALLS AND PARKING LOTS CAN, BY THEIR MERE PRESENCE, DISCOURAGE DRUG USE AND DRUG DEALS. I IMPLORE YOU, TOO, TO ADOPT STRICT FOLLOW-UP PROCEDURES FOR KIDS CAUGHT WITH DRUGS. THESE KIDS MUST BE HELD ACCOUNTABLE. PARENTS, GUARDIANS AND YES, EVEN POLICE, MUST BE CALLED. MERCHANTS WHO SELL DRUG PARAPHERNALIA MUST BE REMOVED FROM OUR CENTERS EVEN IF WE ARE REQUIRED TO INVOKE LEASE CLAUSES PROHIBITING DISPLAY OR SALE OF SUCH ITEMS.

I AM CONVINCED THAT WE CANNOT STOP THE SUPPLY OF DRUGS BECAUSE OF THE TREMENDOUSLY HIGH PROFIT, THEREFORE WE MUST STOP THE DEMAND. WE MUST MAKE THE INDIVIDUAL RESPONSIBLE FOR HIS OR HER DRUG ABUSE.

AS IF DRUG ABUSE WEREN'T ALREADY FRIGHTENING ENOUGH, TODAY THERE IS A NEW, EXTREMELY PURE AND TERRIBLY ADDICTIVE DRUG CALLED CRACK SWEEPING THE COUNTRY. THIS DEADLY NEW DISTILLATE OF COCAINE IS MORE POTENT AND ALMOST INSTANTLY ADDICTIVE. COCAINE HAS BEEN ESTIMATED TO HAVE 4 OR 5 MILLION REGULAR USERS IN OUR COUNTRY.

THE PROBLEM IS CLOSE TO HOME AND IF NOT PRESENTLY IN, IT WILL BE SOON. IN MY OWN COMMUNITY OF ST. PETERSBURG IN THIS PAST SATURDAY'S NEWSPAPER, IT WAS BEEN REPORTED THAT IN THE FIRST FIVE MONTHS OF 1986, CRIME HAS INCREASED 80% OVER THE SAME PERIOD IN 1985....AND THIS ALMOST UNBELIEVABLE INCREASE WAS ATTRIBUTED TO DRUGS. LET ME READ YOU A QUOTE FROM THE POLICE SPOKESMAN...."THE POLICE DEPARTMENT CAN'T DO IT ALL...IF THE COMMUNITY SITS BACK AND SAYS -- I DON'T SEE ANYTHING, I DON'T WANT TO GET INVOLVED -- THEN CRIME WILL INCREASE."

WE MUST BECOME INVOLVED. WE MUST GO BEYOND TREATMENT TO PREVENTION. ALTHOUGH WE HAVE LEARNED PAINFULLY HOW TO TREAT THE DISEASE OF CHEMICAL DEPENDENCY, WE HAVE NOT YET LEARNED HOW TO PREVENT IT. NOW WE MUST EXPAND OUR EFFORTS AND MARSHALL OUR FORCES ACROSS AMERICA TO PREVENT DRUGS FROM TAKING AWAY A GENERATION OF CHILDREN. OUR HOPE IS THAT ONE DAY WE WILL BE ABLE TO SEE ALL OF AMERICA'S YOUNG PEOPLE MAKE THE PASSAGE INTO ADULTHOOD WITH CLEAR EYES AND A CLEAR MIND.

WE CAN ACCOMPLISH THIS WITH A NATIONAL AWARENESS OF THE SERIOUSNESS OF THE DRUG PROBLEM AND OF THE NECESSARY CORRECTIVE ACTION. I AM CONVINCED THAT IF THE TIDE OF THE DRUG EPIDEMIC IS NOT TURNED WITHIN THIS GENERATION, THE AMERICAN DREAM WILL BECOME THE AMERICAN NIGHTMARE.

THERE ARE A NUMBER OF NATIONAL ORGANIZATIONS DEDICATED TO ERADICATING DRUG AND ALCOHOL ABUSE AMONG OUR CHILDREN.

LEND YOUR SUPPORT TO ORGANIZATIONS SUCH AS MADD -- MOTHERS AGAINST DRUNK DRIVING, OR PRIDE -- PARENTS RESOURCE INSTITUTE FOR DRUG EDUCATION, TO STRAIGHT OR TO THE NATIONAL FEDERATION OF PARENTS OR OTHER FINE NATIONAL PROGRAMS. MANY OF THESE ORGANIZATIONS HAVE CHAPTERS IN EACH CITY. TALK WITH THEM. GIVE THEM YOUR TIME AND YOUR TALENT.

A POLICE INSPECTOR IN DETROIT RECENTLY QUOTED IN NEWSWEEK MAGAZINE SAID--"IN 1941 THE JAPANESE BOMBED PEARL HARBOR AND WE WENT TO WAR. TODAY, LITTLE WHITE PACKETS ARE BEING DROPPED ON THIS COUNTRY AND NOBODY SEEMS TO GIVE A DAMN."

LET ME ASSURE YOU, I GIVE A DAMN..... WE ALL MUST GIVE A DAMN...

NOW, WE ALL MUST ACT -- OUR LIVES AND OUR CHILDRENS' LIVES DEPEND UPON IT.... EACH OF YOU CAN MAKE A DIFFERENCE..... LET'S START NOW.

THANK YOU.



THE WHITE HOUSE  
WASHINGTON

August 12, 1986

NOTE TO PETER WALLISON  
FROM: CARLTON E. TURNER  
SUBJECT: Executive Order

Attached is a draft Executive Order  
for your review. My staff and I  
have made some corrections.

Attachment

8-9-86 4:00 p.m.

Executive Order No. \_\_\_\_\_ of September \_\_, 1986

**Drug Free Federal Workplace**

**WHEREAS** the use of illegal drugs, on or off duty, by federal employees sets a bad example in the federal workplace, and creates suspicion and distrust within an agency or department that disrupts its smooth and efficient functioning;

**WHEREAS** the use of illegal drugs, on or off duty, by <sup>any</sup> federal employees is inconsistent not only with the law-abiding behavior expected of all citizens, but also with the special trust given to such employees as servants of the public;

**WHEREAS** ~~federal~~ employees who use illegal drugs, on or off duty, are less productive, less reliable, and prone to greater absenteeism than their fellow employees who do not use illegal drugs;

**WHEREAS** the use of illegal drugs, on or off duty, by federal employees impairs the efficiency of federal departments and agencies by undermining public confidence in them, and thereby making it more difficult for other employees who do not use illegal drugs to perform their jobs effectively;

**WHEREAS** the use of illegal drugs, on or off duty, by federal employees can pose a serious health or safety threat to members of the public and to other federal employees;

**WHEREAS** the use of illegal drugs, on or off duty, by <sup>a</sup> federal employees evidences a lack of personal integrity and a willful disregard for the law;

**WHEREAS** the use of illegal drugs, on or off duty, by federal employees in certain positions evidences an unreliability, an instability, and a lack of judgment that is inconsistent with access to sensitive information, and renders such employees susceptible to coercion, influence, and irresponsible action under pressure so as to pose a serious risk to national security, the public safety, and the effective enforcement of the law;

**WHEREAS** <sup>any</sup> federal employees who use illegal drugs must themselves be primarily responsible for changing their behavior and, if necessary, begin the process of rehabilitating themselves, and will only take such steps if made accountable for their unsuitable and illegal use of drugs;

**WHEREAS**, for these reasons, the use of illegal drugs by individuals in federal service undermines the efficiency of the

service and renders such individuals unsuitable for such service;  
and

**WHEREAS** standards and procedures should be put in place to ensure fairness in achieving a drug-free federal workplace, to allow an appropriate response to be made to the use of illegal drugs by a federal employee, and to protect the privacy of federal employees:

**NOW, THEREFORE**, by virtue of the authority vested in me by the Constitution and statutes of the United States, including Section 3301 (2) of Title 5 of the United States Code; Section 7301 of Title 5 of the United States Code; [Section 1753 of the Revised Statutes of the United States (5 U.S.C. 631); the Civil Service Act of 1883 (22 Stat. 403; 5 U.S.C. 632, et. seq.); Section 9A of the act of August 2, 1939, 53 Stat. 1148 (5 U.S.C. 118j); and the act of August 26, 1950, 64 Stat. 476 (5 U.S.C. 22-1, et. seq.)] and as President of the United States, and deeming such action in the best interests of national security, public safety, law enforcement and the efficiency of the federal service, it is hereby ordered as follows:

**Section 1: Drug Free Workplace**

*No federal employee is permitted to use illegal drugs.*

- (a) (All federal employees are required to refrain from the use of illegal drugs.
- (b) The use of illegal drugs by <sup>any</sup> federal employees whether on duty or off duty is *per se* contrary to the efficiency of the service.
- (c) Employees and applicants who are ~~found to be~~ using illegal drugs are not suitable for employment or continued employment with an agency.
- (d) An agency shall deny employment to applicants who are using illegal drugs.
- (e) An agency shall initiate action to remove from employment federal employees who are found to use illegal drugs, *provided that*, removal is not required if the employee comes forward and requests rehabilitation assistance as set forth in Sections 2 and 3 of this order, prior to the agency learning that the employee is using illegal drugs.

**Section 2: Federal Drug Testing Program**

The head of each agency <sup>MAY</sup> shall establish a drug testing program to identify employees or applicants who use illegal drugs under the following criteria.

- (a) Drug testing is appropriate for covered employees and applicants for covered positions:
  - (1) Before appointment or selection;
  - (2) Periodically after appointment when selection for testing is based on the application of neutral criteria such as random selection.
- (b) Drug testing is appropriate for any employee:
  - (1) When there is a reasonable suspicion that the employee is using illegal drugs; or
  - (2) In an examination authorized by the agency regarding an accident or safety investigation.
- (c) Before conducting a drug test, the agency shall inform the employee to be tested of:
  - (1) The opportunity to submit supplemental medical documentation that may support a legitimate use for a specific drug; and
  - (2) The availability of drug abuse counselling for those employees who request such prior to the first administration of the test for that employee.
- (d) An applicant's refusal to take a drug test authorized by this order shall be grounds for the agency not to hire the applicant. An employee's refusal to take a drug test authorized by this order shall be grounds to remove the employee from his position.
- (e) The results of a drug test and information developed by the agency in the course of the drug testing of the employee shall be admissible in evidence in processing the adverse action against the employee or for other administrative purposes. Preliminary test results may not be used in administrative or disciplinary proceedings. Positive test results are preliminary results until confirmed as positive (by both initial and confirmatory testing) or by an admission of the employee.
- (f) Programs should contain procedures for timely submission of requests for retention of records and

specimens; procedures for retesting, and procedures to protect the confidentiality of test results.

- (g) Programs should be conducted in accordance with procedural guidelines promulgated by the Secretary of Health and Human Services after consultation with the Director of the National Institute on Drug Abuse.

### **Section 3: Rehabilitation**

<sup>Any</sup>  
~~All~~ employees currently using illegal drugs who cannot voluntarily cease such activity on their own must seek rehabilitation services from their agency prior to the agency learning that they are using illegal drugs, or be subject to removal in accordance with the terms of this Order. Employees who come forward and seek rehabilitation prior to the agency learning that they are using illegal drugs will not be removed from the service but may, in the discretion of the agency head, be reassigned to a position not covered by section 6(d) of this order.

### **Section 4: Voluntary Drug Testing**

Agency heads may establish programs which enable any employee to voluntarily submit to drug testing.

### **Section 5: Coordination of Agency Programs**

- (a) The Office of Personnel Management may promulgate government wide regulations to guide agencies in the implementation of the terms of this order.
- (b) The Attorney General is requested to render to the heads of departments and agencies such advice as may be required to enable them to establish drug testing programs.

### **Section 6: Definitions**

- (a) This order applies to all agencies of the Executive Branch.
- (b) For the purposes of this order, the term "agency" means an Executive agency, as defined in 5 U.S.C. § 105; the Uniformed Services as defined in 5 U.S.C. § 2101(3); or any employing unit or authority of the Federal government, other than those of the judicial and legislative branches.
- (c) For the purpose of this order, the term "illegal drugs" means a controlled substance, as defined by section

802(6) of Title 21, United States Code, the possession of which is unlawful under chapter 13 of title 21, United States Code.

- (d) For the purpose of this order, the term "employee in a covered position" means:
- (i) an employee in a position which an agency has designated Special Sensitive, Critical-Sensitive or Noncritical-sensitive under Chapter 731 of the Federal Personnel Manual or an employee in a position which an agency head has designated or in the future designates as sensitive in accordance with Executive Order 10450 of April 27, 1953 as amended;
  - (ii) an employee who has been granted access to classified information or in the future is granted access to classified information pursuant to a determination of trustworthiness by an agency head under Section 4 of Executive Order 12356 of April 2, 1982;
  - (iii) individuals serving under Presidential appointments;
  - (iv) members of the Senior Executive Service as defined in Subchapter II of Chapter 31 of Title 5, United States Code;
  - (v) law enforcement officers as defined in 5 U.S.C. § 3321(20);
  - (vi) individuals employed under Schedule C in the excepted service under the authority of section 213.3301 of Title 5, Code of Federal Regulations and Executive Order 10577;
  - (vii) individuals serving in positions covered by the Performance Management and Recognition System of Chapter 54 of Title 5, United States Code;
  - (viii) members of the uniformed services as defined in 5 U.S.C. § 2101(3);
  - (ix) air traffic controllers as defined in 5 U.S.C. § 2109; and

- (x) other positions that the agency head determines involve law enforcement, national security information, public safety, or other similar functions.

**Section 7: *Effective Date***

This Order shall become effective on the date of its issuance.

RONALD REAGAN

THE WHITE HOUSE

September \_\_, 1986