

# Soros backs Prop 19 for marijuana legalization

By Aaron Smith, staff writer

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NEW YORK (CNNMoney.com) -- Billionaire philanthropist George Soros has thrown his support behind Proposition 19, the initiative to legalize marijuana in California.

If voters approve Prop 19 on Nov. 2, then Californians ages 21 and older will be allowed to possess up to one ounce of cannabis, and cultivate the plant on a plot of land up to 25 square feet in size.

Soros, an advocate for legalizing cannabis since the 1990s, published his views on Prop 19 in a Wall Street Journal op-ed piece.

"Regulating and taxing marijuana would simultaneously save taxpayers billions of dollars in enforcement and incarceration costs, while providing many billions of dollars in revenue annually," wrote Soros, founder and chairman of Open Society Foundations, a pro-democracy organization.

He also wrote that legalization could reduce violent crime related to illegal drug markets. It could also reduce racial inequities, he said, noting that African-Americans bear the brunt of drug arrests -- even though they are "no more likely than other Americans to use marijuana."

Soros said the money spent on anti-marijuana law enforcement would be better spent on educating teenagers to stay away from marijuana and other drugs.

**Statewide impact:** Estimates vary widely as to the **potential impact** of this initiative.

Other efforts to legalize the drug in 2009 and earlier this year prompted the California Board of Equalization to provide an estimated annual tax revenue of **\$1.4 billion**. But that estimate doesn't apply to Prop 19.

Rather than being based on statewide legalization with a \$50-an-ounce tax on producers, Prop 19 would allow local governments to decide whether they want to legalize marijuana sales -- as well as their own tax rates and fees. This would create a patchwork effect throughout the state, making it hard to estimate the statewide financial impact.

Jeffrey Miron, a senior lecturer at Harvard University and senior fellow at the Cato Institute -- a libertarian think tank, estimated that the biggest financial impact would be on

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law enforcement, rather than tax revenue. According to his study, California could save \$960 million annually by legalizing the drug.

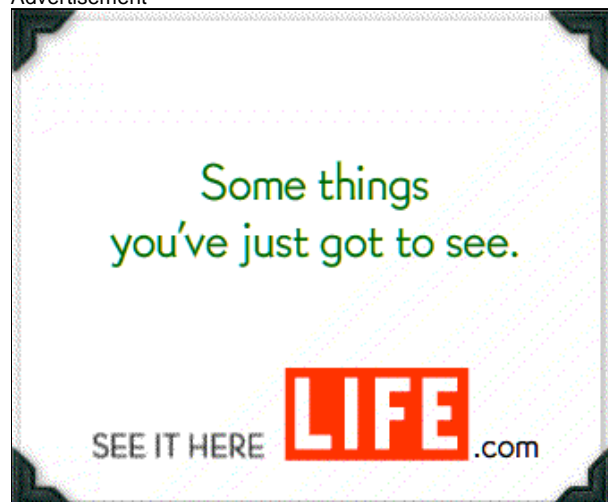
**Drug war impact:** Opinions are mixed as to what impact California legalization would have on the drug war **in Mexico**, which has killed more than 28,000 people since President Calderon took power in 2006.

A recent study from the non-partisan RAND Corp. downplayed the impact that legal marijuana in California would have on the Mexican drug market. But Soros said that Mexican cartels, which he called "the greatest beneficiaries" of marijuana prohibition, "would lose their competitive advantage if marijuana were a legal commodity."

Soros added that, "Some claim that [the cartels] would only move into other illicit enterprises, but they are more likely to be weakened by being deprived of the easy profits they can earn with marijuana."

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