

## OpEdNews

# Cost Cutting and the War on Drugs



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Ron Paul and Barney Frank - Cosponsors of HR 2306 by [Splice Today](#)

Thanks to the recession and debt crisis, progressives seeking to end the failed War on Drugs have some curious bedfellows, including the ultra-conservative Cato Institute, grassroots Tea Party groups, and even mainstream Republicans. Drug Policy Alliance founder and executive director Ethan Nadelmann draws interesting parallels between the decision to end alcohol Prohibition during the Great Depression in the 1930s and recent calls to end the prohibition on marijuana -- and possibly other drugs (<http://reason.com/blog/2011/04/15/reasontv-drug-policy-alliances>)

Like Prohibition during the 1930s, the War on Drugs is an immense burden on cities and states forced to lay off teachers and cops due to budget deficits. On June 23,

Representatives Ron Paul and Barney Frank have made the first attempt to tackle this fiscal disaster on a national level with the Ending Federal Marijuana Prohibition Act of 2011. The goal of HR2306 isn't to legalize marijuana, but to remove it from the register of federally controlled substances. It would allow states to decide how to regulate it. Obama, predictably, opposes the bill, insisting the War on Drugs is working.

Six weeks ago analysts predicted HR 2306 had no chance of getting out of committee. However the recent debt downgrade and market crash means there's a whole new ball game in Washington. Former sacred cows, such as defense spending, are no longer sacred with the Dow below 11,000. Lawmakers who oppose legislation that could save taxpayers \$41 billion dollars annually (according to a 2010 Cato Institute Study) will have a hard time answering to voters in 2012.

### **Pouring Money Down a Rat Hole**

Drug policy experts across the board recognize that using the criminal justice system to "punish" drug addicts -- as when Prohibition was used to punish alcoholics -- is like pouring money down a rat hole. Studies show that criminalizing addictive drugs significantly worsens the drug problem, in part by creating a highly lucrative black market. The financial incentive for drug dealing and money laundering is so massive that criminal penalties are no deterrent.

It's not just corner dealers we're talking about. Judging from past Department of Justice indictments for drug money laundering, nearly all major financial institutions in the US and some in Europe have a piece of the action (Merrill Lynch, JP Morgan Chase, Morgan Stanley, Union Bank, Bank of America, American Express, Wachovia, Thomas Cook, Citibank, Chemical Bank, Chase Manhattan, Barclays, Deutsche Bank, among others -- I blog about specific dates and fines at [The Scope of Corporate Drug Money Laundering](#) . Moreover the CIA role in trafficking heroin from Vietnam, Southeast Asia and Afghanistan and cocaine from Central America has been well documented by the 1989 Kerry Committee report, academic researchers Alfred McCoy and Peter Dale Scott, and the late journalist Gary Webb.

### **The Only Solution is Reducing Demand**

As retired Missouri Supreme Court Chief Justice and former police commissioner Ray Price pointed out at the 2011 American Bar Association (ABA) meeting in Toronto, the only effective strategy for curbing the drug problem is to lessen demand through prevention and treatment. According to Price, decriminalizing addictive drugs enables us to shift resources from criminal justice to public health, where they will do real good. At the same time it puts criminal dealers out of business, as it did bootleggers in the 1930s, reduces crime, and makes streets safer.

During the ABA Drug Control Panel, Price revealed that the federal government currently spends \$26 billion annually across several agencies on the War on Drugs. Of this 34% goes to treatment, 7% to prevention, and 36% to support local law enforcement.

Cities and states spend around \$30 billion annually on the drug war, with only \$9.5 billion of this coming from the federal government.

### **The Cato Institute and Drug Reform**

The extremely conservative Cato Institute is clearly in the forefront of the campaign to end the war on drugs. Their position is that the US should legalize -- not just decriminalize -- all addictive drugs. They justify their viewpoint in two comprehensive, well-researched papers: the *2010 Drug Prohibition White Paper* by Miron and Waldcock <http://www.cato.org/pubs/wtpapers/DrugProhibitionWP.pdf> and the 2009 *Drug Decriminalization in Portugal* by attorney and Salon columnist Glenn Greenwald (hold on, isn't Greenwald a progressive?) [http://www.cato.org/pubs/wtpapers/greenwald\\_whitepaper.pdf](http://www.cato.org/pubs/wtpapers/greenwald_whitepaper.pdf).

### **An \$88 Billion Windfall for Taxpayers**

In addition to citing numerous studies showing that criminalization of drug abuse worsens the drug problem, the White Paper calculates that the US could save \$41.3 billion dollars from legalizing addictive drugs, as well as collecting an additional \$46.7 billion in revenue from regulating and taxing drugs of addiction (like alcohol and tobacco). The difference between legalization and decriminalization is that drug smugglers and suppliers are still prosecuted under decriminalization. This, according to Cato, makes full legalization more beneficial to taxpayers - permitting the legal production and distribution of drugs allows them to be taxed.

The following is a brief breakdown of the financial benefits of drug legalization:

#### Savings

- State and local savings: \$25.7 billion
- Federal savings: \$15.6 billion
- Savings from legalizing marijuana: \$8.7 billion
- **Savings from legalizing other drugs of addiction: \$32.6 billion**

#### **Tax Revenue**

- Projected revenue from taxing marijuana: \$8.7 billion
- **Projected revenue from taxing other drugs of addiction: \$38 billion**

### **The Portuguese Experiment with Decriminalization**

*Drug Decriminalization in Portugal* describes the Portuguese experiment with decriminalizing all addictive drugs in 2001. According to Greenwald, full legalization wasn't an option, owing to international treaties Portugal had signed. Under the 2001 law, police issue citations to addicts, rather than arresting them. They then have 72 hours to report to a Dissuasion Commission, which can order a range of sanctions, including

"absolution" (a finding that no drug abuse has occurred), a verbal warning, suspension of drivers and professional licenses, bans on visiting high risk locales or associating with known drug abusers, on-going monitoring for proof of abstinence, prohibition against foreign travel and suspension of welfare benefits.

Outcome studies show that the new law has resulted in surge in drug treatment in Portugal. Prior to 2001, the main barrier to treatment was addicts' fear of arrest and prosecution. There has also been a clear reduction in drug abuse in pre-adolescents and adolescents -- a formative age group for behavioral patterns that are key determinants of future drug abuse. The prediction by law and order proponents that decriminalization would lead to a massive increase in drug abuse never eventuated. Portuguese drug abuse rates, once among the highest in Europe, are now among the lowest. The other dire prediction, that druggies from all over Europe would flock to Portugal to get loaded, also proved unfounded. As of 2006, 95% of drug abusers receiving citations were Portuguese and 0% were from other European Union countries.

### **State and Local Support for Marijuana Decriminalization**

Unlike the federal government, states aren't allowed to run deficits. Since the 2008 economic collapse, both Democratic and Republican dominated states have been extremely proactive in reducing law enforcement costs by enacting drug liberalization legislation. This mainly takes the form of laws legalizing marijuana use for medical purposes and laws reducing personal marijuana use to a misdemeanor, punishable by a fine.

While marijuana decriminalization is typically associated with liberal Democratic states, it enjoys growing support in Republican states facing harsh budget realities. According to *Mother Jones* magazine, among Republicans, 61% support legalizing marijuana for medical use and 33% support total decriminalization. Approximately 50% of Americans overall support marijuana decriminalization. <http://motherjones.com/politics/2010/09/tea-party-marijuana-legalization>

### **Tea Party Support for Decriminalization**

The Georgia Tea Party also supports decriminalization (<http://www.facebook.com/topic.php?uid=115334838544068&topic=56>), as does a Kentucky Tea Party group called Take Back Kentucky. The latter, who were instrumental in Rand Paul winning a 2010 Senate seat, strongly back hemp legalization, in part as an alternative crop for tobacco farmers hurt by anti-smoking legislation (<http://www.willowtown.com/promo/blogfpnov10a.htm>).

### **Decriminalization to Reduce Budget Deficits**

Fifteen states and Washington D.C. have passed medical marijuana laws. This includes a number of traditionally Republican states (Kansas, Alabama, Tennessee, Nebraska, Alaska, Montana, and Nevada). Sixteen states (Alaska, California, Colorado, Connecticut,

Maine, Massachusetts, Minnesota, Mississippi, Nebraska, Nevada, New York, North Carolina, Ohio, Oregon, Pennsylvania) have passed laws making **any** marijuana possession (and in some states cultivation) for personal use a misdemeanor offense punishable by a fine. The California law was signed by Republican governor Arnold Schwarzenegger before leaving office last year. Local authorities in eight other states (Arkansas, Illinois, Texas, Wisconsin, Montana, Missouri, Michigan and Kansas) have made marijuana possession a misdemeanor within city limits.

Eight states are considering bills to fully decriminalize marijuana. Connecticut, the first state to enact paid sick leave, is also expected to be the first make marijuana possession a civil offense, like a traffic ticket, punishable with a \$150 fine.

### **Decriminalization Efforts in California**

With marijuana its largest cash crop, California has the strongest decriminalization movement. At \$14 billion annually, cannabis-generated revenue is double that of vegetables and grapes combined.

A decriminalization initiative on the November 2010 ballot was narrowly defeated (53.8% No to 46.2%). A recent analysis in the *Nation* attributed the defeat to a conspiracy theory circulating among pot growers and elderly users that the tobacco giant R J Reynolds was buying up land and planning a corporate takeover of California production and distribution once personal marijuana use became legal. This was despite an absolute denial by the cigarette manufacturer that have any interest in expanding into marijuana. <http://www.thenation.com/article/157001/alterd-state-californias-pot-economy>

### **Enter Big Pharma**

The rumors have some basis in reality, given the way Big Pharma has moved into the medical marijuana market. In 2007, the British drug company GW Pharmaceuticals [announced](#) that it had partnered with the Japanese company Otsuka to bring "Sativex" -- a liquefied marijuana sprayed under the tongue -- to the U.S. Sativex recently completed Phase II efficacy and safety trials studies, and the manufacturer is in [discussion with the FDA](#) regarding Phase III testing. Phase III is usually the final step before the drug can be marketed in the US.

Sativex is already in use in Britain, Spain, Germany, Denmark, Canada, the Czech Republic and New Zealand.