

Should we legalize marijuana?

Lane Kenworthy

Fall 2011

Outline

Our policy, past and present

Outcomes

Wasted lives

Crime

Cost to taxpayers

Confidence in government

Freedom

Public opinion

Can our policy-making process get it right?

Our policy, past and present

Our policy, past and present

There are three main policy options:

Criminalization

Legalization

Depenalization

Other things we can do:

Taxation

Education

Treatment

Our policy, past and present

Marijuana, opium, and heroin were widely used in the United States in the late 1800s and early 1900s

After World War I, the climate of public opinion toward drugs and alcohol changed considerably and many were outlawed

Even as late as 1930, however, only 16 states had laws banning marijuana use

Our policy, past and present


In 1930 the Federal Bureau of Narcotics (FBN) was established as an agency to enforce drug laws

Once created, FBN officials began looking for ways to increase the agency's visibility and importance

The agency launched a media campaign to convince the public that marijuana use was dangerous

Beware! Young and Old—People in
All Walks of Life!

Marihuana Cigarette

This  may be handed you





by the friendly stranger. It contains the Killer Drug
"Marihuana"—a powerful narcotic in which lurks
Murder! Insanity! Death!



Courtesy of the U.S. Bureau of Narcotics

WARNING!

Dope peddlers are shrewd! They may
put some of this drug in the  or
in the  or in the tobacco cigarette.

WRITE FOR DETAILED INFORMATION, ENCLOSED 12 CENTS IN POSTAGE—MAILING COST

Address: THE INTER-STATE NARCOTIC ASSOCIATION

(Incorporated not for profit)

53 W. Jackson Blvd.

Chicago, Illinois, U. S. A.



Our policy, past and present

In 1937 Congress passed a law making marijuana illegal

Our policy, past and present

Current law re marijuana

Production: illegal, subject to criminal penalty
(imprisonment)

Sale: illegal, subject to criminal penalty

Possession and use

38 states: illegal, subject to criminal penalty

12 states: either legal or subject civil penalty (fine) for
small amounts

In a few states, production, sale, and use of small amounts
for authorized medical purposes is legal

Our policy, past and present

Current law re marijuana

De facto depenalization: Though depenalization is official policy in only 12 states, in many other states the penalty imposed for possession of small amounts tends to be quite lenient

Wasted lives

Wasted lives

Drug use and abuse can wreck careers, relationships, families

And it can kill

Tobacco kills an estimated 440,000 Americans each year

Alcohol is responsible for about 100,000 deaths per year

All illegal drugs combined: about 25,000

Wasted lives

The question: How much would use and abuse of marijuana and other drugs increase if we change our policy?

Wasted lives

Current marijuana use

About 40% of Americans try marijuana at some point in their life

About 12% are semi-regular or regular users

About 4% are heavy users

Wasted lives

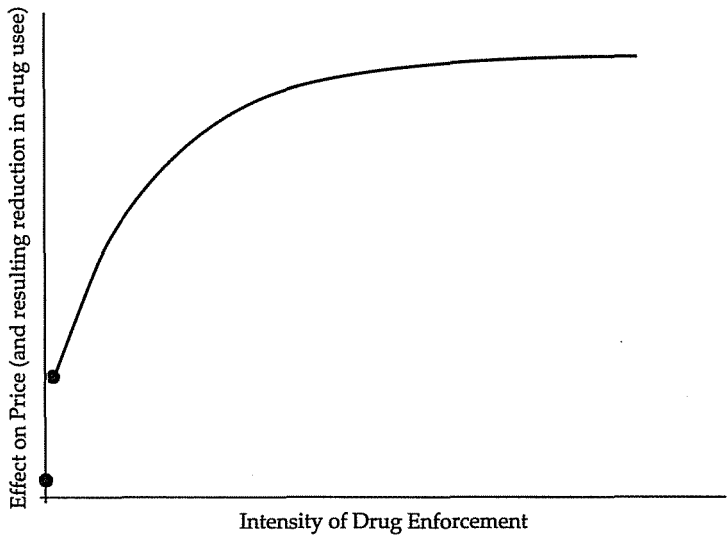
How does prohibition reduce drug use?

Higher (monetary) price of the drug

Fear of going to prison

Wasted lives

But there are diminishing returns to criminalization



Wasted lives

What does the evidence tell us about the likely effects of policy changes?

The Netherlands legalized sale and consumption in "coffee shops" in 1976

Access remained limited and production remained illegal, so prices did not drop

Use roughly doubled



Coffeeshop

Soft Temple



Coffee SHOP



HASH

- * Moroccan Hash * €10.00
- Sachara €10.00
- a very strong stoned €8.00
- TBIZLA
- ashmond Blond hash €6.00
- Super Palm
- Out House Special

* Black Hash *

- Malaga Cream €15.00
- The best black Hash
- Monali Parvati €11.00
- Spicy but stoness High
- Nepal Tempel ball €11.00
- Great taste powerfull High
- Pakistan Palm €8.00
- Straight from the Desert
- Tempel Afgaan €7.00
- High Quality afgaan
- Afgaan
- Soft and Sticky €5.00

* Exclusive Hash *

- Sticky Fingers €35.00
- Moonsline isolator €15.00
- Isolator €30.00

* KILLER HASH *

WEED

* Indoor *

- Silver [redacted] Cup Winner €12.00
- The Best [redacted] Haze €11.00
- Black Widow Haze
- Real Powerfull Sativa €11.00
- Bubble Gum
- Strong indica Great taste €9.00
- Soma Diesel
- sweet strong stoned €9.00
- Kali Mist
- Very Smooth High €8.00
- Orange Bud
- a real nice Red Hair €8.00
- Blue Berry
- Pro smokers Only €8.00
- Fisherman's Friend €7.50
- This is very strong shit
- White Widow €7.00
- a nice strong Bio weed
- Prix d'ami Special skunk €6.00
- This is our house special
- Super Skunk €6.00
- This is a special offer for you!

* Outdoor *

- thai €5.00
- thai stick €6.00
- Jamaica €5.00

Pre Rolled JOINTS

* WEED *

- Silver Haze €7.00
- Bubble Gum €5.00
- Blue Berry €4.50
- White Widow €4.00
- Fishermans Friend €4.00
- Prix Special €3.50
- Super Skunk €3.50
- Purple Haze €3.50
- Jamaica €3.50
- THAI €3.00

* HASH *

- Isolator €7.50
- Royal Cream €4.50
- Nepal €4.00
- Super Palm €3.50

* Pure Joint *

- No tobacco €5.00
- Just Weed €5.00

Wasted lives

What does the evidence tell us about the likely effects of policy changes?

Portugal depenalized possession of marijuana in 2001

Production and sale remained illegal

Marijuana use and abuse have not increased

Wasted lives

What does the evidence tell us about the likely effects of policy changes?

In recent decades we've been much more aggressive than other rich countries in arresting and jailing users

But patterns of marijuana use over the past generation — rise in the 1970s, decline in the 1980s, rise in the 1990s, decline in the 2000s — seem to have been similar in most countries

Wasted lives

What does the evidence tell us about the likely effects of policy changes?

Some states in Australia have depenalized, whereas other haven't

Patterns of marijuana use are similar across these states

Wasted lives

What does the evidence tell us about the likely effects of policy changes?

In the U.S., 12 states have depenalized, while the other 38 haven't

Patterns of marijuana use are similar across these states

Wasted lives

What does the evidence tell us about the likely effects of policy changes?

In the United States, the number of people incarcerated in the U.S. for drug-law violations increased tenfold between 1980 and 2010

But drug prices actually declined and drug use decreased little if at all

Wasted lives

All in all, our experience and that of other countries suggests that depenalization of marijuana might not increase use by very much

Wasted lives

What about full legalization?

Casual use and problem use are far greater for our two legal drugs — alcohol and tobacco — than for marijuana or any other type of illegal drug

Legalization would likely result in a price drop of 70-90%, which might increase use approximately threefold



DRUGS AND DRUG POLICY

WHAT EVERYONE NEEDS TO KNOW

MARK A. R. KLEIMAN,
JONATHAN P. CAULKINS, ANGELA HAWKEN

Wasted lives

Would increased use of marijuana also increase use of more dangerous drugs? Is it a "gateway" drug?

CLEAR CHANNEL



MARIJUANA
A Gateway Drug to
METH

Clackamas County Sheriff's Office
Anonymous Tip Line

(503) 723-4949



Molalla Coalition Against Drug Crime www.hadit.com

Wasted lives

Is marijuana a "gateway" drug?

Yes

Those who smoke marijuana are much more likely to use and abuse harder drugs

There is a plausible causal link: (1) enhanced desire to try other mind-altering substances and belief that they don't do much harm; (2) enhanced connections with others who use and/or supply illegal drugs (the Netherlands' coffee shop approach aims to reduce supply connections)

Wasted lives

Is marijuana a "gateway" drug?

No

It's quite possible that the correlation is not causal: people may use both marijuana and other drugs because of some other factor, and they happen to try marijuana first because it's cheaper and more readily available

Only about 10% of people who try marijuana a few times go on to have any kind of substance abuse problem

Wasted lives

Is marijuana a "gateway" drug?

Conclusion: yes, but the effect seems to be pretty minor

Wasted lives

A legal drug can be regulated to ensure quality and safety

Nobody dies anymore from poisoned alcohol

This isn't a significant problem with marijuana, though

Crime

Crime

Legalization of use and/or selling and/or production obviously would reduce crime by making currently-illegal activities legal

But the main question of interest here is the potential impact on violent crime

Crime

Revenues from sales of illegal drugs are about \$60 billion a year. By reducing the price, legalization would reduce the profit from dealing. It thus would reduce the incentive for dealers to kill each other.

But dealing-related violence comes mainly from harder drugs — cocaine and crack, meth, heroin — rather than marijuana, so changing marijuana policy might not reduce violent crime

Crime

If legalization increases drug use, that might cause more crime

Drugs impair judgment. Half of all violent crime is committed by people under the influence of alcohol

And addicts commit crime to finance their habits, though this applies more to hard drugs than to marijuana or alcohol

Crime

Evidence

Did Prohibition (depenalization) of alcohol from 1919 to 1933 increase violent crime?

Yes: bootleggers killed one another to secure their turf

No: violent crime and homicide from drunkenness decreased

Overall, the data suggest little or no change in violent crime during or after Prohibition

Crime

Evidence

Most other industrialized countries have relatively tough antidrug laws, yet much lower rates of violent crime

Australia's laws, for instance, are about the same as ours, but drug-connected violence and homicide are far more common in Los Angeles than in Sydney

Crime

Evidence

New York City, 1990-2010

Violent crime decreased by 80%, twice the amount in other large American cities

This happened despite no change in drug policy or in drug use

According to Franklin Zimring (*Scientific American*, 2011), the key was more police and new police tactics such as hitting crime "hot spots" hard and careful computerized tracking of crimes

Cost to taxpayers

Cost to taxpayers

Prohibition has significant financial costs, which should be considered in weighing policy options

RETHINKING AMERICA'S ILLEGAL DRUG POLICY

John J. Donohue III
Benjamin Ewing
David Peloquin

Working Paper 16776
<http://www.nber.org/papers/w16776>

NATIONAL BUREAU OF ECONOMIC RESEARCH
1050 Massachusetts Avenue
Cambridge, MA 02138
February 2011

Cost to taxpayers

Legalization might save about \$8 billion a year in enforcement and imprisonment costs (according to Miron 2005)

Each year 500,000 to 750,000 Americans are arrested for possession of small amounts of marijuana. This requires lots of police and administrators

About 40,000 are in prison or jail for marijuana-related crimes (500,000 for all drug crimes), though it's not clear how many of these are for possession. Each inmate costs about \$25,000 per year

Cost to taxpayers

A tax on legalized marijuana might raise about \$6 billion a year
(Miron 2005)

The Budgetary Implications of Marijuana Prohibition

June 2005

Jeffrey A. Miron
Visiting Professor of Economics
Department of Economics
Harvard University
Cambridge, MA 02138
781-856-0086
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The Marijuana Policy Project provided funding for the research discussed in this report. Daniel Egan provided excellent research assistance.

Executive Summary

- Government prohibition of marijuana is the subject of ongoing debate.
- One issue in this debate is the effect of marijuana prohibition on government budgets. Prohibition entails direct enforcement costs and prevents taxation of marijuana production and sale.
- This report examines the budgetary implications of legalizing marijuana – taxing and regulating it like other goods – in all fifty states and at the federal level.
- The report estimates that legalizing marijuana would save \$7.7 billion per year in government expenditure on enforcement of prohibition. \$5.3 billion of this savings would accrue to state and local governments, while \$2.4 billion would accrue to the federal government.
- The report also estimates that marijuana legalization would yield tax revenue of \$2.4 billion annually if marijuana were taxed like all other goods and \$6.2 billion annually if marijuana were taxed at rates comparable to those on alcohol and tobacco.
- Whether marijuana legalization is a desirable policy depends on many factors other than the budgetary impacts discussed here. But these impacts should be included in a rational debate about marijuana policy.

Cost to taxpayers

Suppose legalization of marijuana could save about \$15 billion a year

Is that a lot?

It's only 0.1% of our GDP

But it could do a lot of good if directed toward education and treatment

Confidence in government

Confidence in government

Ineffective policies can undermine the public's confidence in government

(Some conservatives and libertarians might be tempted to think that isn't a bad thing. But even they want people to have confidence that government can do some things well, such as protecting property rights or fighting wars.)

If government can't effectively prohibit drug use, perhaps it's better not to try

Freedom

Freedom

Libertarians believe the government has no business preventing people from harming themselves. It should only prevent us from harming others

Production, sale, and use of narcotics should be allowed

Laws should punish actions that endanger or harm others, such as driving while intoxicated

Freedom

Others feel that's a limited conception of freedom

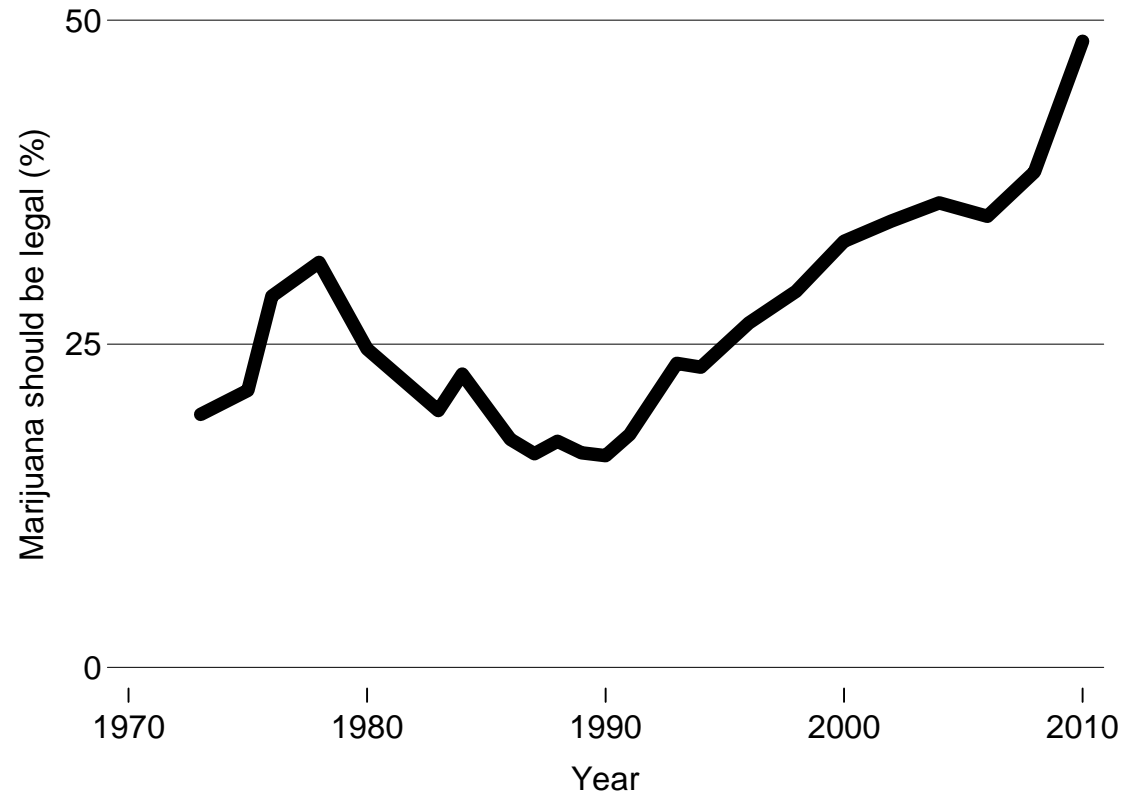
Some restrictions on our behavior limit our freedom in one way but enhance it overall

Vaccinations

Seat belt requirements

Public opinion

Public opinion



Question: "Should marijuana be made legal?" Other response option: not legal. Source: General Social Survey (GSS), sda.berkeley.edu/archive.htm, variable = grass.

The Crowd at

Woodstock

1969



SPECIAL COLLECTOR'S EDITION

A LOU ADLER PRODUCTION

**CHEECH AND CHONG'S
UP IN SMOKE**





AMNESIA

Handwritten notes on a yellow notepad.

Small text on a menu or sign on the table.

Small text on a wristwatch.

**Can our policy-making
process get it right?**

Can our policy-making process get it right?

Suppose we decide that the optimal reform is legalization of marijuana coupled with a big increase in spending on education and treatment

Our policy-making process is complicated. Seldom does it produce optimal policy

Policy makers might end up passing a reform that includes the legalization but not the money for treatment and education. That could conceivably make things worse rather than better

Can our policy-making process get it right?

That doesn't mean we should abandon the quest for improved policy

It just means we should be wary

Summary

Summary

Prohibition of marijuana has significant financial costs but does reduce drug use and abuse

Legalization

- would be unprecedented in the modern world

- might increase the share of Americans who are heavy users from 4% to about 12%

- probably would have little impact on violent crime

Experience in other rich countries and in some U.S. states suggests that depenalization would reduce enforcement and prison expenses with limited increase in drug use and abuse