

The Drug War's Connection to the California Budget Crisis

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“The reasonable man adapts himself to the world; the unreasonable man persists in trying to adapt the world to himself. Therefore all progress depends upon the unreasonable man. Progress is impossible without change, and those who cannot change their minds cannot change anything.”

- G. Bernard Shaw

Introduction

California is in the midst of the worst economic troubles in its history. Our highway system is finally clogging up, our dams are in need of repair, our prisons overcrowding, our healthcare costs are increasing and we are cutting money from our education programs. Surely, it is no easy task – as all of these issues are very important and need to be dealt with. However, the task would be far easier if California would take the first steps to end the War on Drugs, which has forced our prison system to be at 180% capacity and our courtrooms overwhelmed. It is my intention to prove that drug control as opposed to prohibition would ease California’s financial burden. First, I will take a look at the Governor’s plan and see where our budget needs work. Secondly, we will examine what costs are specifically created by the Drug War and how revenue will be created through legalization. Lastly, information for and against legalization should be analyzed and compared to determine the underlying sociopolitical problems created which in turn affect our fragile economy and society.

The Governor’s Infrastructure Plan

In his Strategic Growth Plan for California, the governor has outlined the California budget plan. Currently, the bill proposes \$10.4 billion for courts and public safety in the first five years, with \$4.6 billion coming from government bonds. They will receive another \$10.4 billion with \$5.2 from bonds in the second five years. K-12 and higher education will be receiving \$23.1 billion over the ten year stretch. All of this will be paid for with General Obligation or Lease Revenue bonds, besides the \$4.1 billion in existing bonds we already have.¹ The governors’ plan cuts spending by about \$4.6 billion, with the biggest reduction from health and human services programs of about \$2.7 billion. County governments were also given a \$1.3 billion cut.² The estimated cost of all \$29.3 billion in General Obligation bonds over a thirty year period is approximately \$1.9 billion per year.³

Although schools are receiving a multi-billion dollar increase in budget, they were also promised another two billion under the state’s educational finance formula. Schwarzenegger had to promise no further cuts with the teachers union to let this slide. Ironically, the budget also proposes colleges both attempt to reduce the number of incoming freshman and at the

¹ “Strategic Growth Plan Briefing Document.” Office of the Governor. January 18, 2006. <http://www.governor.ca.gov/govsite/pdf/press_release_2006/SGP_Overview.pdf>

² Broder, John. “Governor Seeks Big Cuts in California’s Spending.” *New York Times*. January 10, 2004.

³ “Moving Forward: What Does the Governor’s Proposed 2007-2008 Budget Mean for California?” California Budget Project. Page 51. February, 2007. <http://www.cbp.org/pdfs/2007/0702_chartbook_masterbullets.pdf>

same time increase student fees at all University of California and California State University campuses.² California has had a large amount of education budget cuts, and recent studies have found that the funding gap between corrections and higher education is becoming increasingly wider. From '84 to '94, California built twenty one new prison facilities, as opposed to one new university. Nationwide, spending on prisons had increased 209% in this time while spending for state universities had only increased 15%.⁴ It is truly depressing to find that a larger and larger bulk of our state's money is spent on prisons and courts as opposed to education and health services. Even though the 'improved' budget allocates far more to education, the schools themselves are also paying for the bonds.

"The prestige of government has undoubtedly been lowered considerably by the prohibition law. For nothing is more destructive of respect for the government and the law of the land than passing laws which cannot be enforced. It is an open secret that the dangerous increase of crime in this country is closely connected with this."

Albert Einstein, "My First Impression of the U.S.A.", 1921

Drug War Costs

One of the primary problems facing California right now is its overcrowded prison system. This is largely due to the Drug War, and complicated much further by mandatory minimum sentencing. Many first-time, non-violent offenders will receive minimum sentences from five years and up to twenty without parole. This is especially the case with "drug conspiracy" charges – where police charge someone barely involved with the entire amount of drugs in the conspiracy charge "which may involve dozens of people and many months or years of drug transactions."⁵ The *Boston Globe* reported that 84% of inmates in Massachusetts serving mandatory sentenced jail time were first time offenders. Even worse, they reported that while the average time served for a drug charge was five years, violent offenders served an average of only four years!⁶

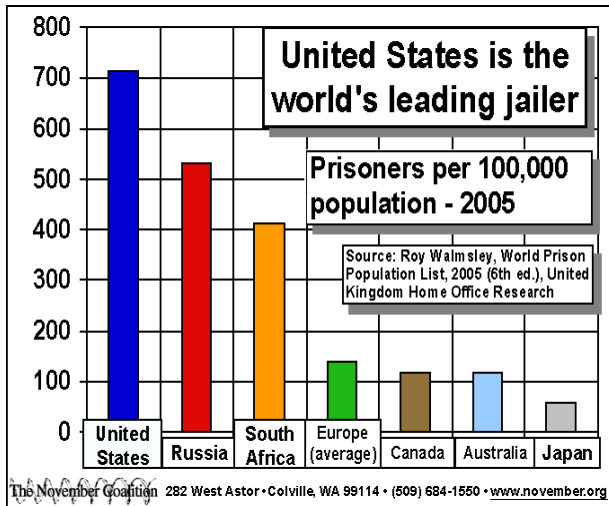
One of the most criminal features of this system is that the only way for someone to lessen their mandatory charge is through "substantial assistance," because when minimums were introduced in 1986, "the Federal government's most intense focus ought to be on major traffickers." It seemed justifiable so that they could bring down as much of the drug trade as possible. The person is not guaranteed how much of a reduction they will receive, and their

⁴ Associated Press, "High School Students in California Protest Spending on Prisons," *New York Times*, Oct. 2, 1998; (NB, 9-10/98, p. 28).

⁵ Thevenot, Chad. "Crises of the Anti-Drug Effort." *The Criminal Justice Policy Foundation*. March 18th, 1999. <<http://www.cjpf.org/drug/crises.pdf>>

⁶ Brelis, Matthew. "A Big-Time Bust." *Boston Globe*, Nov. 8, 1998. p. D1; (NB, 11-12/98, p. 15).

testimony can be used as evidence. Ironically, big-time dealers are able to get far more lenient sentences than the mules they pin it on. Multiple drug dealers facing life-sentences incriminated Aaron Clarence, a college student with no police record, to receive substantially shorter sentences. Even though there was no physical evidence against Aaron, he was sentenced to life imprisonment without parole.⁷ This has happened multiple times since the introduction of mandatory minimum sentencing.



America itself has the highest percentage of prisoners for its population, and California is 17th in the nation with 616 of every 100,000 in state prison.⁸ Yet, we are leading the nation in the incarceration of drug offenders, with 134 per 100,000 people in jail.⁹ We had the largest state prison growth in US history during the '80s, we had two thousand incarcerated drug offenders in 1980 and forty five thousand in 1999.¹⁰ However, the recent passing of Proposition 36, which allows treatment rather than incarceration for first time drug offenders has slowed our prison growth and saved the state approximately \$1.4 billion in its first five years.¹¹

“Our distrust is very expensive.”
- Ralph Waldo Emerson

The Drug War has become increasingly more expensive every year. According to the Physician Leadership on National Drug Policy, “incarcerating a drug addict costs \$25,900 annually” while treatment programs range from as low as \$1,800 to a maximum of \$6,800 per year. “Every dollar invested in drug treatment can save \$7 in societal and medical costs, said

⁷ Bikel, Ofra. (Producer & Writer) “Snitch.” *PBS’ Frontline*, Jan. 12, 1998.

⁸ “Profile of All Californians.” Public Policy Institute of California. August, 2006.

<www.ppic.org/main/publication.asp?i=702>

⁹ Macallair, Daniel and Chuck Terry. “Drug Policy and California’s Prison Population.” *San Diego Union Tribune*. August 15th, 2000. <http://www.cjcj.org/press/drug_policy.html>

¹⁰ “Reform in California.” *Drug Policy Alliance*. July 25th, 2006.

<<http://www.drugpolicy.org/statebystate/california/>>

¹¹ “Evaluation of the Substance Abuse and Crime Prevention Act.” *UCLA Integrated Substance Abuse Programs*. March 13th, 2006. <http://www.uclaisap.org/prop36/documents/SACPA_COSTANALYSIS.pdf>

PLNDP member Philip Lee, M.D., former Assistant HHS Secretary for Health in the Clinton Administration.”¹² With California’s current prison population – that means we spend about \$5 billion per year to maintain our prisoners. Simple legislation involving clean needle availability is beneficial as well. Individuals in areas with needle exchange programs have an increased rate of entering drug treatment programs.¹³ Also, clean needles cost pennies, while treating someone’s HIV for the rest of their life has an average cost of about \$150,000.¹⁴

Drug Control Revenues and the California Economy

Marijuana’s non-psychoactive cousin, hemp, is illegal to grow in most of the United States. On March 27th, 2006, Republican Chuck DeVore and Democrat Mark Leno introduced an “industrial hemp bill” to the California Assembly Public Safety Committee. A similar bill had passed through the Legislature in 2005, but was vetoed by the governor. This bill passed both the Assembly and the Senate, but was vetoed by Governor Schwarzenegger, again. He stated that since the federal government makes no distinction between hemp and marijuana it would directly oppose federal law, even though our current marijuana laws already do. Leno and DeVore vowed to bring back the bill once more in 2007.¹⁵ Hopefully the third time will be the charm, because more than 75% of the sales of hemp products are from California. However, most of these hemp-based products are produced by importing hemp byproducts from Canada. Dr. Bronner’s Magic Soaps spends close to \$200,000 per year importing hemp from Canada and estimates they would be able to cut that price in half if they bought from California farmers.¹⁶

Even with hemp being illegal since the 50s, the hemp market is estimated at around \$260 million a year. Hemp needs no herbicides, has four times the yield of an average forest, and is longer, stronger, and more moisture/UV absorbent than cotton. The estimated number of products hemp can be used for number up to twenty five thousand, and has been used for approximately 12,000 years for paper, textiles and canvas (which is derived from the word cannabis). If hemp had a chance to compete for the market in the past fifty years, perhaps it

¹² Associated Press, “Health experts: Treat, don’t jail, drug abusers,” Dallas Morning News, March 18, 1998.

¹³ National Institutes of Health Consensus Panel, “Interventions to Prevent HIV Risk Behaviors.” Kensington, MD: National Institutes of Health Program Information Center, February, 1997. p. 6

¹⁴ Dr. Day, Dawn. “Health Emergency.” Princeton, NJ: Dogwood Center. October, 1998. p. 7

¹⁵ Ragan, Tom. “Governor vetoes the legalization of hemp over the weekend.” Santa Cruz Sentinel. October 3rd, 2006. <<http://www.santacruzsentinel.com/archive/2006/October/03/local/stories/03local.htm>>

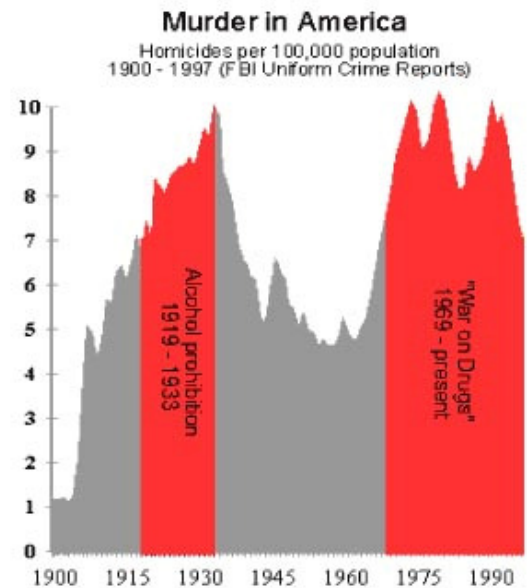
¹⁶ Editorial. “Victory for Hemp.” Orange County Register. March 26th, 2007. <http://www.ocregister.com/ocregister/opinion/abox/article_1629486.php>

would have been able to fulfill the 1938 Popular Mechanics prediction as “the new billion dollar crop,” which meant even more then than it does now.¹⁷

A recent article appeared in the Los Angeles Times revealing that marijuana has become the nations’ biggest cash crop, beating out the current leaders corn, hay and soybeans. Even more poignant is that California is the nations’ biggest producer. Nationwide, it is estimated to be a \$35 billion industry, with California producing about 38% of the harvest! This comes out to approximately \$13.8 billion left out of our economy, and with no tax revenue.¹⁸ With the current sales tax, that equals about \$1.1 billion in possible state revenue. If it were given a hefty tax a la alcohol or tobacco, we could expect up to \$3 billion annually.

“Peace cannot be kept by force; it can only be achieved by understanding.”
- Albert Einstein

Even though marijuana has the most legalization support, regulation of all drugs could provide significantly larger revenues and far less crime. To put into perspective, the global drug trade is a \$400 billion per year industry, and accounts for approximately 8% of world trade.¹⁹ Currently, organized crime is the only group who profits substantially from this trade. Any gang or terrorist group can easily tap into this reservoir of cash but the problem is that rather than the deliberation and compromise usually involved in such capitalistic endeavors, the methods employed by these groups are far more violent. As the latest anti-drug commercials state, buying drugs is supporting terrorism. What they fail to mention is that the Drug War and the illegality of the drugs themselves is what opens up this market for exploitation by militant groups; it’s a matter of simple cause and effect. All prohibitionist rhetoric implies that illicit drugs are a fact of life. They illogically assume that banning these substances is a part of the social contract.



¹⁷ “Hemp Facts.” North American Industrial Hemp Council. October, 1997.
<http://naihc.org/hemp_information/hemp_facts.html>

¹⁸ Bailey, Eric. “Pot Is Called Biggest Cash Crop.” Los Angeles Times. December 18th, 2006.
<<http://www.latimes.com/news/local/la-me-pot18dec18,0,5264617.story?coll=la-home-headlines>>

¹⁹ “Terrorism.” Drug Policy Alliance. July 19, 2004. <<http://www.drugpolicy.org/global/terrorism/>>

Problems Created by the Drug War and their Effects on California

As was just mentioned, more crime is actually created by prohibition than there would be if the substances were legal and regulated. In a study done on murders in New York City in 1988, the authors found that approximately 53% of all homicides were drug-related (with about 39% involved in drug distribution). They also found that alcohol drinking had preceded at least half of all violent events, including rape, robbery, aggravated assault, manslaughter and murder.²⁰ According to 2004 Justice Department data, 67.3% of all property crimes are non-violent larceny thefts. The estimated value of lost property usually averages at around \$5 billion per year, and about 82% of the cases go unsolved. The FBI has reported that most of these larceny thefts are committed by drug addicts.²¹ Since the prices of these drugs are controlled by money-hungry uncaring drug cartels, the drugs are far more expensive than they should be. Addicts who do not have easy access to treatment resort to theft to support their habit. You don't hear about alcoholics and smokers who have to steal to support their habit because the capitalist system has kept the prices of these drugs affordable. This does not excuse their behavior, but if the drugs were regulated we would see many of these crime-related problems quickly vanish.

Faced with the fact that the very illegalization of these drugs is what creates a vast amount of the crime and corruption, I would like to address a few prohibitionist arguments. They claim that legalization would send the wrong message, and that we have a moral obligation to keep these dangerous drugs out of people's hands. Let's not forget about the legal pornography industry that the government regulates, but that doesn't mean it is supported. It's also easy to realize that the government is regulating alcohol and tobacco, which cause hundreds of thousands of deaths per year in America, yet the total amount of deaths from all of the other illegal drugs is only in the thousands. One study actually found a strong correlation between the amount of strong spirits consumed per capita and the violent mortality rate.²²

“Annual drug deaths: tobacco: 395,000, alcohol: 125,000, 'legal' drugs: 38,000, illegal drug overdoses: 5,200, marijuana: 0. Considering government subsidies of tobacco, just what is our government protecting us from in the drug war?”
- William A. Turnbow

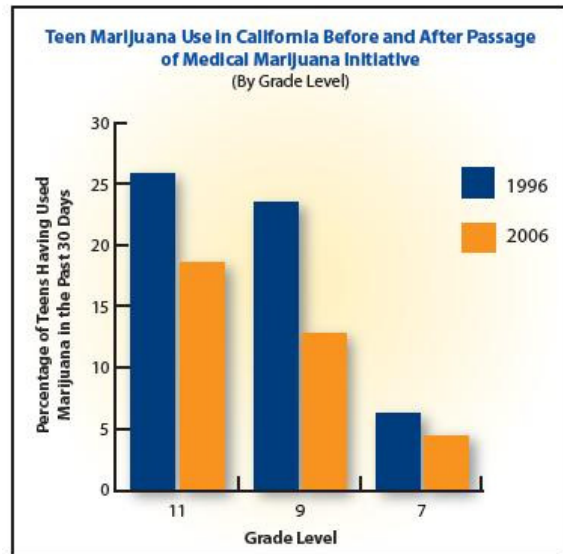
²⁰ Goldstein, P.J., H.H. Brownstein, P.J. Ryan, and P.A. Bellucci, "Crack and Homicide in New York City, 1988: A Conceptually Based Event Analysis," Contemporary Drug Problems 16. Winter, 1989. P. 651--687.

²¹ "Law and Order." Citizens Against Prohibition. 2007.
<http://www.citizensagainstprohibition.org/Law_and_Order.cfm>

²² Razvodovsky, Yu. "Association Between Distilled Spirits Consumption and Violent Mortality Rate." Drugs: education, prevention and policy. Volume 10, Issue 3 August, 2003. P. 235 – 250.

Another argument put forth by the prohibitionist camp is that legalization will cause our society to become rampant with drugs. The evidence does support the theory, however. Although the drug czar and popular newspapers may cite seemingly convincing statistics that the Dutch decriminalization policy has completely failed, the statistics are taken completely out of context and even made up. The most common citation is that marijuana use of 18-21 year olds in the Netherlands jumped from 17% to 45% in the first year, but it is not mentioned that the drug use has significantly dropped since that time. In the most recent study funded by the Dutch government, it was found that only 15.6% of those twelve and older have ever used marijuana in their life. Compare that to the rate of approximately 33% in the US.²³ Also, their policy keeps users from becoming exposed to harder drugs – one coffee shop owner was quoted as saying, “Here, if you want cannabis you go to a coffee shop. In other countries if you want it you have to go to a man who might try to sell you heroin or cocaine as well. It separates the two scenes completely.”²⁴ Another Dutch citizen noted that the US prohibition strategy is “mopping the floor when the faucet is running.”²⁵ When the Drug Czar Barry McCaffrey was in Sweden promoting anti-drug legislation, he claimed that the Netherlands had a much higher per capita crime rate than the US, with 8.2 murders per 100,000 people here and 17.6 there. In reality, a place most prohibitionists seem to know nothing about, the Netherlands’ murder rate is 1.3 per 100,000 people.²⁶

The final argument presented by the prohibitionist camp is that it will send the wrong message to our children. This is a claim that cannot be evaluated effectively before legalization and has no factual basis. However, the Marijuana Policy Project has found a correlation that states who have instituted compassionate medical marijuana laws have experienced a dramatic reduction in the amount of teen users compared to states where it remains completely illegal. In California, teen marijuana usage was on the rise before 1996, yet from then to 2006, use has dropped more than



²³ “Drug Use in the Population of 12 Years and Over in the USA and Netherlands.” Center for Drug Research at University of Amsterdam. 1997 and 2001. <<http://www.cedro-uva.org/stats/national.nlusa.html>>

²⁴ Younge, Gary. “State-Sanctioned Drug Scheme.” The Guardian. June 24, 1998.

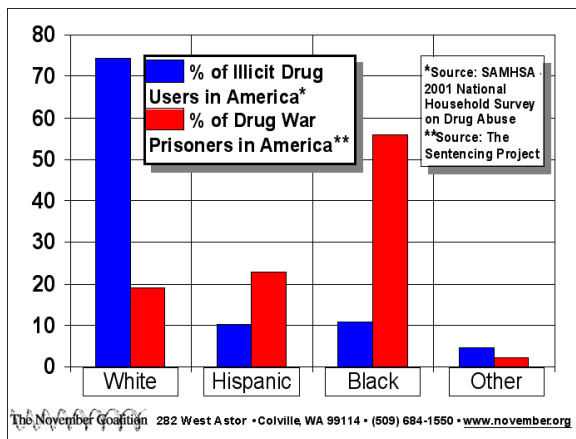
²⁵ Swagel, Will. “An Overview of Dutch Tolerance.” Little Rock Free Press. February 3rd, 1999.

²⁶ “Health and Welfare.” Netherlands Central Bureau of Statistics. 2007. <<http://www.cbs.nl/en-GB/menu/themas/gezondheid-welzijn/cijfers/default.htm>>

50% in some groups.²⁷ The war on drugs is causing more damage to children than the drugs themselves. It has been found that more than half of women entering prison on drug offenses have children to take care of. Judge James Rosenbaum said, "Absolute gender equity in sentencing has turned out to be a war on children."²⁸ In 1998, there were 2.4 million children that had their parents behind bars, and the number can only keep growing with our current system.²⁹

"An individual who breaks a law that conscience tells him is unjust, and who willingly accepts the penalty of imprisonment in order to arouse the conscience of the community over its injustice, is in reality expressing the highest respect for the law."

- Martin Luther King, Jr.



One of the most disturbing problems caused by the drug war is an abhorrent amount of racism. During the time Nixon became president and anti-drug laws started to come into full effect, the incarceration rate remained stable at around 110 per 100,000 in America since the repeal of the Alcohol Prohibition Act.³⁰ H.R. Haldemann, Nixon's chief of staff, wrote in his diary, "[President Nixon] emphasized that you have to face the fact that the whole problem is really the blacks. The key is to devise a system that recognizes this while not appearing to."³¹ It's

depressing that this was the motivation for the beginning of the Drug War and it is obvious the plan was executed successfully. The Human Rights Watch found that blacks are incarcerated for drug offenses at a rate 8.3 times greater than whites.³² The Drug Policy Alliance noted that in 1986, when mandatory minimums were enacted, that the average federal drug sentence for African-Americans was 11% higher than for whites. In 1990, only four years later, this figure disgustingly increased to 49% longer average sentences compared to whites.³³

²⁷ "Marijuana Use by Young People: The Impact of State Medical Marijuana Laws." Marijuana Policy Project. 2005. <<http://www.csdp.org/research/2005TeenUseReport.pdf>>

²⁸ Rigert, Joe. "Justice blind to children." Minneapolis Star Tribune. Dec. 15, 1997.

²⁹ "Behind Bars: Substance Abuse and America's Prison Population." National Center on Addiction and Substance Abuse at Columbia University, New York, NY. January, 1998. P. 2 <www.casacolumbia.org>

³⁰ Blumstein, A. and J. Cohen. "A Theory of the Stability of Punishment." Journal of Criminal Law & Criminology 64. 1973. P. 198-207

³¹ Baum, D. "Smoke and Mirrors: The War on Drugs and the Politics of Failure." Boston: Little, Brown and Company. 1997.

³² "Punishment and Prejudice: Racial Disparities in the War on Drugs." Human Rights Watch. May, 2000. <<http://www.hrw.org/reports/2000/usa/>>

³³ "Mandatory Minimum Sentences." Drug Policy Alliance. 2007. <<http://www.drugpolicy.org/drugwar/mandatorymin/>>

Even worse are some of the repercussions of having a drug offense on your record. Besides the fact that the US is the only democracy in the world in which some people who have served their sentence cannot vote upon release, an estimated 13% of African American males cannot vote due to felony convictions, which is seven times the national average.³⁴ In 1968, Congress passed the Higher Education Act, which provides about \$40 billion in financial aid to about seven million students every year. However, in 1998, Representative Mark Souder authored and passed an amendment which denies financial aid to anyone with a drug conviction. Besides only punishing working and middle class families who rely on financial aid, it disproportionately affects blacks due to our racist Drug War. In 2001-2002, 43,000 students lost their financial aid due to this discriminatory act.³⁵ Lastly, in 1996, the Housing Opportunity Program Extension Act of 1996 allows the eviction of anyone from public housing if any of that family's members receive a drug conviction, even grandchildren.³⁶ All of these are unjust laws that disproportionately affect our African-American population even more than the Drug War already does.

Lastly, corruption caused by the Drug War is inevitable. From 1994 to 1998, the number of law enforcement officers now in prison quintupled.³⁷ In a 1999 report to Congress, the US Customs Service claimed that the enormous amount of money available to drug traffickers makes law enforcement and Customs officials at great risk for corruption.³⁸ From 1998 to 2000, California was the host of the worst case of police corruption in US history, in what is known now as the "Rampart Scandal". After an officer was accused of stealing about eight pounds of cocaine from an evidence locker, he agreed to provide investigators with information on other illegal police activity for a reduced sentence. Over one hundred convictions were overturned as police misconduct, including beaten confessions, murder, drug dealing and planting evidence.³⁹ It does not only affect law enforcement. Senators Richard Shelby, Rod Grams, and Richard Lugar are all staunch supporters of the Drug War. These three have something in common; their sons were arrested for either marijuana or cocaine charges. They were all let free within a couple of days.⁴⁰ Also, our president has admitted to cocaine use in the past but never suggested he should be in any sort of prison. Things are different for the rest of the populace.

³⁴ "Voting Rights." Drug Policy Alliance. July 7th, 2004. <<http://www.drugpolicy.org/law/felon/>>

³⁵ "Higher Education Act." Drug Policy Alliance. 2007. <<http://www.drugpolicy.org/safetyfirst/higheredact/>>

³⁶ "Forced Evictions." Drug Policy Alliance. 2007. <<http://www.drugpolicy.org/drugwar/evictions/>>

³⁷ Nelson, Jack and Ronald Ostrow. "Illegal Drug Scene Spurs Rise in Police Corruption." Los Angeles Times. June 13, 1998.

³⁸ Johnson, David. "US Customs Admits Its Own Drug Corruption." New York Times. February 17th, 1999.

³⁹ "Police Corruption." Drug Policy Alliance. 2007. <<http://www.drugpolicy.org/law/police/>>

⁴⁰ Browne, Harry. "Congressional Relatives Receive "Get Out of Jail Free" Pass." Liberty Wire. July 10th, 2001. <<http://www.liberty-page.com/issues/drugs/hbcongrel.html>>

"If a law is unjust, a man is not only right to disobey it, he is obligated to do so."
- Thomas Jefferson

Conclusion

California is at a crossroads. Our budget problems have kept us clamoring to figure out how to solve them, while we've ignored the large amount of problems we've created with a war on our own people. Our courts and public safety systems have received more and more funding since the 1980s, while we have consistently cut the education budget since Gray Davis was put into office. Not only would drug regulation free up our prison system and cut unneeded spending, but it would infuse a large amount of money into the Californian economy and provide another source of desperately needed revenue. It is a war that is not only hurting our state, but our entire country and its people. California has been a hub of drug reform and will continue to be, but the longer we take the more money we waste and more lives we ruin. It is all a matter of people educating other people, taking a look at the facts, and deciding that change needs to happen.