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Economics and the Drug War

by Bart Frazier

It is becoming ever more apparent that the war on drugs has been lost. Doomed to fail from the moment of its inception, the war the U.S. government has been waging has not been against drugs, but against people and the laws of economics. The results have been violence, corruption, and a militarized society.

A basic law of economics states that when there is less of something that people want, that item will become more expensive. Because drugs are illegal and their supply restricted, their price rises. As the price of drugs goes up, people who were previously on the fence about dealing drugs find dealing worth the risk. Higher profits always attract new suppliers, whether the market is legal or not. Intensifying the drug war makes it more profitable to be a drug dealer. The drug war creates drug lords and drug cartels.

The ironic thing about prices is that the street prices of drugs are the barometer by which the drug warriors gauge their effectiveness. If the street price goes up, they conclude that there are now fewer drugs on the streets and that they are “winning” the war. They might as well call “the drug war” a dealers’ jobs program.

Criminals making incredible profits buy politicians, bureaucrats, and police. There is simply no way around it. As long as drugs are illegal, there are going to be government officials who are willing to help the drug dealers for a price. The drug war corrupts the government.

By making drugs illegal, the government precludes participants in the drug market from using the legal system. Disputes can no longer be settled in court. Competition among rival businesses is not settled by efficient marketing and a quality product, but by violence. It is the only recourse of competitors. Drug dealers can’t go to the police to report theft, fraud, blackmail, or even murder, because they put themselves at risk by doing so. The drug war incites theft and violence.

The drug war also makes criminals out of good people who use drugs. Using illicit drugs is frowned on by most, but a person has the right to ingest anything he wants as long as he does not infringe on the rights of others in the process. The vast majority of the millions of people whom

the government has incarcerated are people who have not violated the rights of others. They have simply put something in their bodies that the government doesn't approve of. The drug war criminalizes nonviolent activity.

The police state has swelled in large part because of the war on drugs. Every year, SWAT teams across the country kick down the doors of homes looking for drugs. Armed with tanks and military weapons, they inevitably end up killing people in the process. As a senior editor at *Reason* magazine, Radley Balko, states, it's "an epidemic of isolated incidences." The drug war militarizes society.

We have seen this all happen before. When the passage of the Eighteenth Amendment prohibited the sale of alcohol, the booze still flowed and organized crime took over where legitimate business was forbidden. As the booze flowed, so did the blood. Chicago was particularly hard hit by Prohibition, with Al Capone spreading murder and corruption throughout the city.

The economics of the drug market cannot be altered. The war on drugs produces violence in the streets, puts thugs in charge of a whole sector of the economy, and violates the rights of peaceful citizens. This has been going on for decades. If drugs were legalized, the drug trade would be disciplined by the market and not by violence. People would be free to use drugs, as is their right. And the police state would lose its primary excuse for bashing down people's doors and seizing their property. Why continue this madness? It is time to legalize drugs.

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