

THE WAR ON DRUGS

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The press and politicians frequently refer to the war on drugs. To describe it as a war makes sense. Like most wars, it is very expensive. It has regular and large numbers of casualties and it seems to go on forever. It is a war of which there are many victories as various drug busts announce, but like many wars, the final victory continues to be elusive.

The war is being waged on a number of different fronts: criminal sanctions against dealers and distributors is usually seen as the frontline in this war. Unfortunately, it does not seem to be working. For every dealer or distributor that is arrested or imprisoned, there seems to be another one ready to take his place.

The actual market remains stable even though the suppliers may be changing. The customers seem to be much the same. Accordingly, as one might expect, if there is a demand then there will be a supplier. Like any other market, the profit margin must be large enough to compensate for the risks of the commerce.

Whatever is being sold, there is always a risk involved. The risk may be because the market is not interested in the goods that are being offered for the drug trade, the risk is the heavy expenses and penalties that the suppliers face from criminal proceedings. But as long as there is a market, and the profit margin is high enough to compensate for the disadvantages of the trade, then the trade will go on. The profit margin has to be high to compensate for the disadvantages of jail terms and legal fees. All that the frontline of war, criminal proceedings does to the drug trade, is that it keeps the number of people involved in the drug trade constantly changing in personnel. The effect of the high profit margin that the trade needs to compensate for the disadvantages and risks, simply is passed on to the customer so that the actual consequence to the customers of the drug trade being illegal and likely to involve serious penalties, is that the drugs sold on the market are at a high price.

Ultimately, as to the effect to the consumers of the drug trade, the high profit margin which the dealers need to cover their risks, is much like a government tax, just like tobacco or alcohol. However, for the drug trade, instead of the government getting the additional tax that increases what the goods cost to the consumer, it is the dealer who is seeking a high profit margin. If the purpose was to keep the prices of illicit drugs high, slapping on a tax achieves much the same as keeping the drug dealers on a forced high profit margin.

The second front on the war on drugs is to try to attack, or at least discourage, the customers by something more than high prices. Courts and laws do not impose heavy penalties or risks to the consumers. The purchaser on the drugs market, who is a customer for marijuana, cocaine, heroin, or amphetamines or ice is under no serious risk under the law of criminal proceedings, although some times at least within Australia it can be embarrassing.

Organised sales of small quantities for individual use involves sanctions that are not serious. If a government was determined to take the war against drugs seriously by preventing the customers from buying rather than at the present time effectively solely by carrying the war by attack on the vendors for selling, the law may probably be no more effective than happened in the US during prohibition. Both distributors and dealers were seriously penalised including also the customers. But it did not work, of course, because the community could not accept criminal sanctions for an individual otherwise law abiding citizen who just wanted to have a drink or for that matter, to take a bottle of whisky home for his private consumption. But even so, prohibition was a serious endeavour to stop the trade in alcohol. Its failure was to treat the vendor and the customer equally. As long as the customers are enabled to buy, there is always going to be someone who will sell.

The next front in this “war” is the endeavour to stop the customer wanting to buy. After many years, the government has begun attacking the tobacco industry by trying to get the message across through very expensive advertising campaigns and by mandated packaging to show that smoking is a very bad idea. So far, the advertising campaign on cigarette packaging and some television and radio advertisements (not all that many) is not having a big impact on customers wanting to purchase cigarettes.

In the drug trade as distinct from tobacco, there is no significant amount of television or radio advertising discouraging customers although there is a quite effective degree of television and radio material advertising the penalties and risks of the drug trade. That advertising through radio and television news programs, is not getting much of a message through to dealers and distributors. It rather perhaps confirms the social idea that the drugs must be of interest because they are so expensive and the dealer and distributor is taking risks to bring the goods to the customer.

There are of course some news programs that emphasise the bad consequences of use of the drugs. They are usually, however, current affairs programs on health issues and not in ordinary news programs and not television or radio advertising. The many millions of dollars that would be required for an effective television and radio campaign would be a troublesome budget item for Federal and State Governments.

Customers who are already seriously addicted to the marketed drugs, are usually too late to be saved by advertising material however well presented or however graphic.

Accordingly, the next front of the belligerents in the war on drugs is treatment for the customers. This is equivalent to a field hospital for the wounded. If a customer manages to get his supplies and is available still alive as a purchaser in the market, he will probably need medical or hospital care or at least some sort of therapy. The most common therapy is to turn the government into the largest drug dealer. The methadone treatment is highly expensive and its justification is just that methadone keeps the drug addicts stable with a less serious but similar drug. This is nothing new. The tobacco industry has been paying taxes to the government to help the government to pay for all the medical treatment and therapy for heavy smokers. In fact probably in broad terms, the medical therapy and hospital expenses for treatment for smokers still outweighs the already considerable expenses of medical and hospital treatment for illegal drugs.

But the special expense or separate category of expense for hospitals and medical treatment for drug users are usually costed as part of the ordinary government expense of maintaining a medical services system and maintaining hospitals. It would be very difficult to work out the enormous cost to the community of therapy and

hospitalisation for drug users. But for the drug trade, there is no tax to compensate the government for the costs in hospitals and medical therapy or treatment for drug users. At least the government is getting something out of the taxes towards the enormous costs of smoking in hospitalisation and medical treatments.

The alcohol trade similarly has heavy taxes to the government which provides some contribution to the government for the costs of hospitalisation or treatment or therapy for long-term alcoholics.

Since the war on drugs is not achieving anything against the customers, it would seem sensible for the government to be able to collect money by way of a tax from the dealers and distributors to help the cost to the public for the drug users' therapy and hospitalisation.

The issue is substantially the same whether it is cocaine, tobacco, or alcohol. There is going to be a continuing cost for hospitalisation and therapy and treatment for those addicted to alcohol tobacco or illicit drugs.

Governments have not been willing to provide the same basically sensible solutions. King James I tried to persuade British citizens in the 17th Century that tobacco was an evil and that it should be discouraged. Eventually governments have accepted that there are real health problems in tobacco which has increased the government's interest in taxes from tobacco. King James I imposed taxes on tobacco – or rather an excise in respect of the importation of tobacco – but that was and remained primarily a revenue raising method not a means of funding healthcare.

Both alcohol and tobacco have very large healthcare and treatment care costs and governments try to raise money for those healthcare and hospital costs to the extent that the public will accept the level of those taxes.

The war is ongoing. It is clear it will never succeed in a victory. The risks of the trade by criminal proceedings has not stopped the dealers. Criminal procedures have only the effect of increasing the price of the drugs on the market, and it seems the profit margins on the hard drugs: marijuana (if it is still thought of as a hard drug),

heroin, cocaine and amphetamines, could provide a very large revenue source for the costs of hospitalisation and treatment, and for that matter for education. But that would require the dealers to be legalised and regulated to turn them into tax gatherers.

Criminal proceedings increases the price to the customers. The prices have not priced the customers for the hard drugs out of the market.

The government has a double whammy. They do not get any revenue from the high price of drugs but also the government has an enormous cost in the salaries and expenses of the policing of drug crimes. Every drug dealer who is sent to jail, for increasingly long periods in the ineffective criminal procedure against the drug dealers and distributors, costs the government an enormous amount for every year which every felon serves. Any hospital or TV advertising executive would be delighted to have as an annual income the amount of money which every year each individual jailbird costs.

As has been repeatedly referred to in relation to the cost of illegal immigrants being held in custody, the cost to the country for each illegal immigrant in each detention centre is higher per capita than maintaining that person in a 5-star hotel. Sending a felon to jail for 6 years would cost enough to build a drug-related hospital.

The cost of the drug trade is not just the cost in healthcare to the addict and the loss of income from drug addicts who cannot work anymore, the largest cost of the drug trade is the cost of the law enforcement agencies, federal police and state police, the enormous legal costs of crown prosecutors and crown solicitors working up the trials and conducting the always long drug conspiracy trials, and then the quite extraordinary cost of keeping the felons in jail for years after conviction.

As the experience of prohibition in the USA established: if the public wants some product, criminalising the trade does not work. There is not enough public will to criminalise the customers. If the customers are not criminals, then the dealers and distributors are supplying to customers who are not criminals.

We cannot fill our jails and courts with the customers of the drug trade. There will continue to be great costs of enforcement, and great costs of jail terms and prisons. Every million dollars spent on every big drug bust is that much money that the government cannot spend on education or payment for the costs of medical treatment or rehabilitation of the drug addicts. There is almost universal acceptance that victims of the drug trade should be helped. Education as to the bad effects of hard drugs has not stopped the trade. Medical treatment and hospitalisation is a continuing expense and rehabilitation is expensive.

Since a drug trial is going to cost more to the government than a murder trial, and a that criminal investigations in the drug trade is much more expensive than any number of break and enters or bank hold ups. Should we not follow from the experience of the tobacco industry and from alcohol producers in getting the customers to pay high taxes at least equivalent to the profit which the drug dealers and distributors make? The taxes have to be assessed so that they are really a discouragement to the purchaser but on the other hand, endeavour to compensate the government or the country from the enormous cost of the drug trade by spending the money raised not on the dealers and distributors as compensation for their risks but to compensate the government for cost of hospital and medical care that the addicts need and hopefully education.

A high powered and well run advertising campaign on radio, television and newspapers to educate the customers of the drug trade would be a much cheaper way of trying to stop the drug trade, than the now very expensive and generally unsuccessful war.

The social consequences of disease and illness is much the same for tobacco and alcohol abuse on the one hand and illicit drugs on the other. It may be a difficult calculation as to which costs the most. Criminalisation is not working against drugs, as it never did against tobacco or alcohol abuse. Illegal and legal abuse substances need hospital care, medical services. Both could use as much education as can be afforded. We are apparently making a distinction that people who work in the tobacco and liquor industry are nicer people than hard drug dealers. That is just a consequence of criminalisation.

Governments have a choice. Should we spend millions on police, trials, lawyers and costs of maintaining prisoners for years or do we need to spend millions on education or advertising the harm that hard drugs do, and hospitals, and treatment. It seems there are not enough millions to do both.