

**The War on Drugs**

**And**

**The Economics of Incarceration**

**1970-2001**

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## Table of Contents

Introduction	2
Economic Theory	4
War is Declared 1968 – Demand and Supply	5
Scarcity	8
More Demand and Supply 1980's	9
Mandatory Sentencing	10
Gains from Trades – Who Profits	12
Louisiana 1970 – 2001	16
Comparison of Southern Region States	20
Present Trend	20
Budgetary Issues	22
Trade Off's	24
Social Economic Costs of War	25
Conclusion: Escalate or Surrender?	29

## **Introduction**

The United States has the highest incarceration rate in the western world. It is four times that of the United Kingdom and France on a per capita basis. (Barrett & Greene 1989) “The inmate population in 1996 grew by 1,849 prisoners per week. One out of every 155 U.S. residents was behind bars, putting this country only second to Russia in its per capita rate of incarceration, according to criminologist.” (Palicki)

“The cost of this massive growth in incarceration is staggering. Americans will spend nearly \$40 billion on prisons and jails in the year 2000. Almost \$24 billion of that will go to incarcerate 1.2 million nonviolent drug offenders. Meanwhile, in two of our nations largest states, California and New York, the prison budgets outstripped the budgets for higher education during the mid-1990s.

The number of people behind bars not only dwarfs America’s historical incarceration rates; it defies international comparisons as well. While America has about 5 percent of the worlds population, almost one in four persons incarcerated worldwide are incarcerated in the US.” (Justice Policy Institute)

Steven D. Levitt reports in “The Effect of Prison Population Size on Crime Rates: Evidence From Prison Overcrowding Litigation” that overall in the same period during which the incarceration rate more than tripled, the reported rate of violent crime per capita almost doubled, while property crimes per capita rose 25 percent.

Such correlations have led commentators to label the increasing reliance on imprisonment a policy failure, recommending a moratorium on new prison construction,

alternative correctional programs, or decriminalization of drug offenses. (e.g., Nagel 1977, Rogers 1989, Zimring and Hawkins 1991, Selke 1993) (Levitt, page 1)

Since the late sixties we have heard the hue and cry of a war on drugs and crime in general. The overall effects of that effort results in the fact that in 2001 one out of every thirty-two people in this nation is either in jail, on probation or on parole. (Palicki) **The number of people in prison, jail or on probation in the U.S. increased threefold between 1980 and 2000, to more than six million and the number of people in prison increased from 319,598 to over two million in by 2001.** (Parkin)

Where was the first shot of this war? Was it at Fort Sumner or Pearl Harbor? New York or New Orleans? Was this a communist plot that needed a war declared to bring national attention to find a solution?

The National Center for Policy Analysis reports, “Americans got fed up with soaring instances of crime and decided to do something about it. Having lost theories of rehabilitation, as jails became revolving doors for criminals, voters elected politicians who supported certain justice and longer sentences. The result was a huge surge in prison construction, followed finally, by a dramatic drop in crime rates.” (NCPA) (Kaufman)

“Policy” defined by Webster is: 1. Political wisdom, diplomacy; prudence; 2. Wise or crafty management; or 3. Any governing principal or plan. (Webster) The War on Drugs was a change in public policy.

In political arenas when we see change in public policy it is normally because of a change in party politics or sometimes a horrific event or sometimes because it is determined that a policy has not achieved it’s goals and it is vacated for another new improved policy.

This paper is an attempt to document the facts about the War on Drug's beginning and to trace the economic effects of three decades of its perpetuity. It is also an attempt to analyze it using basic economic principles to explain its continued manifestation.

### **Economic Theory:**

The book "The Economics of Public Issues" by North, Benjamin, and Miller explains, "the chief focus of economics has always been on explaining the behavior of the private sector." However, in the last thirty years these principles have been applied to analyze public issues. **"One of the first things that economist had to learn about government decision making is that the cost of government policies are always higher than promised, and the benefits are always lower."**

The three economic principles used to examine the effects of the "War on Drugs" are scarcity, gains from trades, and supply and demand. This analysis is intended to raise such questions as "Do government policies create an economic market of its own? Or, do the same economic principles explain government behavior? Do any of these economic principles explain how bad policies continue with very little or no empirical evidence of success?"

In regards to supply and demand the authors advise "The tools of demand and supply are the most basic and useful elements in the economist's kit."

Another basic principle is scarcity. "We want more than what we have. We have limited resources but unlimited wants. So in order for anyone to have more of what they want they have to trade-off not having something else."

The last principle used is that somewhere, somehow through this complex system there is a “gains from trade that arise from voluntary exchange.”

Miller, Benjamin and North, in the Part Two Introduction of Supply and Demand analysis talks of what happens when government attempts to prohibit the exchanges that give rise to these gains from unfretted trade. What happens to voluntary exchange in a public issue? (The Economics of Public Issues, page 27)

### **War Is Declared 1968: Demand and Supply:**

“The tools of demand and supply are the most basic and useful elements of the economist’s kit. Indeed the lower the price of a good, the greater the quantity of that good demanded by purchasers – is the single most powerful proposition in all of economics. Simply stated the law of demand has the capacity, unmatched by any other proposition in economics, to explain an incredibly diverse range of human behaviors. (Miller, Benjamin & North, 2001)

Regardless of what the National Center for Policy Analysis reports, research does not support the idea that people got fed up with crime and declared a war. As with all other policy issues changes that ever occur there are two factors that usually decide it’s beginning and fate. One is politics and the other is economics. The War on Drugs was no exception.

This country began using police to control the use of certain drugs in 1914. “Prior to 1914, the United States had a drug problem in the sense that many people were using drugs without being aware of the dangers. But there were no international black market, no organized crime involving drugs, none of the terrible violence and worldwide

corruption that we see today. Since drugs were criminalized we have all those things. Estimates are that the per capita use of drugs is twice what it was before drugs were criminalized.” (McNamera)

This war, however, began because of the need for a political platform in a very trouble nation. The “War on Drugs,” in name and in spirit started during the 1968 presidential campaign, when the country discovered how “drugs” could stand in for a host of troubles too awkward too discuss plainly.” (Baum 1996)

There seems to be no doubt that the “War” was an invention of the Republican Party in the 1968 presidential race. LBJ had decided not to seek reelection and the Republican camp was searching for an issue to use as a platform.

“All through the summer of 1967, <sup>1</sup>Santarelli and his Republican mentor (Nixon) debated what issue the GOP could make its own. Anti-Communism wouldn’t cut it; the president (Johnson) was escalating the anti-Communist war in Vietnam. The economy was thriving on the war. Inflation and unemployment were low. Landing a punch on the Democrats was going to be tough.” (Baum 1996). “Two months before the election, Nixon stood in the shadow of Disneyland’s Matterhorn and put the capstone on his law-and-order campaign by conjuring up a War on Drugs. ‘As I look over the problems in this country, I see one that stands out particularly,’ he told a rally of Republicans supporters. The problem of narcotics.” (Baum 1996)

“Until 1967, the federal government had a tiny role in drug enforcement and the justice department no role at all. There was no War on Drugs. Customs Seized what it could at the borders, the Treasury Department’s diminutive Federal Bureau of narcotics

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<sup>1</sup> Santarelli is Dan Santarelli who was then the republican counsel to the House Judiciary Committee. Later associate deputy Attorney General and then the administrator of the Law Enforcement Assistance Administrator.

made a feeble attempt at investigating heroin rings, and a wing of the Food and Drug Administration regulated pharmaceuticals.” (Baum, 1996)

“The Republicans in congress decided to help Nixon’s campaign with the vote on a new crime bill. While a troubled nation was trying to deal with Vietnam, desegregation, and the assassinations of Martin Luther King and Bobby Kennedy, Congress responded with a bill that weaken Miranda, allowed police to wiretap and instituted LEAA to funnel federal dollars to local police.” (Baum 1996)

The same president that was struggling with how to end the war in Vietnam declared the “War on Drugs.” (Blumenson & Nilsen) The Nixon administration was the first to officially declare it, though all other presidents since have continued to participate whole hardily with only a slight reluctance seen in the 1990s as shown by the following quote.

“Although President Bill Clinton has generally endorsed his predecessors emphasis on curtailing drug supplies, voices within the administration and the congress express increasing skepticism about the effectiveness of America’s international drug war.” (Falco, Mathea 1996). However, “Under Bill Clinton, the War on Drugs continues to consume more federal dollars than the Commerce, Interior, and State Departments put together.” (Baum 1996)

“Punishment has become a solidly bipartisan issue. In 1994, with crime on the decline for four years, Congress approved yet another major anti-crime package, raising drug penalties and providing billions of dollars for more prisons and police.” (Beiser)

**Scarcity:**

Once war was declared and the almost unlimited resources began flowing into the Federal, state and local agencies, the effect was an immediate increase in arrests and incarceration.

This rise would certainly be considered demand in the economic sense. The created demand for jail space was followed by a comparable increase in supply. The jails began to fill above capacity.

Prisoners and the legal community responded in the form of litigation to counter this action. In the 1970s and 80s overcrowding lawsuits are filed in 47 states and the District of Columbia. (Levitt)

This situation is causing a serious problem with the escalation of the “War Effort.” The demand for number of prisoners in jails, from the political need to show the public that government is winning the war on drugs, is increasing with every dollar spent.

As a youth growing up in the late sixties, I recall the news media declaring daily victories in Vietnam using “body count” as the gauge. This was the number of VC (the enemy) that was killed or captured. The “War on Drugs” substitutes “inmate count” for “body count”.

We have an over abundance of supply of prisoners as shown by overcrowding litigation. We now have created the demand for jail and prison space. We have a demand for jail space and litigation that causes it to become a scarcity. We want more than we have. (The Economics of Public Issues)

## **More Demand and Supply 1980's :**

### **War Declared Again:**

“On June 24,1982, Ronald Reagan stood in the White House Rose Garden and declared his War on Drugs. ‘I was not present at the Battle of Verdun in World War 1,’ he said. ‘But from that battle I learned of that horrendous time of an old French soldier who said something we could all heed.’ He said, ‘There are no impossible situations. There are only people who think they are impossible.’”

“With a finely aimed chop at Jimmy Carter, Reagan added, ‘I want to get away from the fatalistic attitude of the late seventies and assert a positive approach.’ His federal government would abdicate all responsibility save the rough stuff. ‘We can put drug abuse on the run through stronger law enforcement, through cooperation with other nations to stop the trafficking, and by calling on the tremendous volunteer resources of parents, teachers, civic and religious leaders, and State and local officials.’

He then signed an executive order bringing Carlton Turner out of the shadows of his undefined advisor role and naming him director of a new Drug Policy Office, whose authority derived directly from the Oval Office.

‘Were taking down the surrender flag that has flown over so many drug efforts,’ Reagan said to applause. ‘We’re running up a battle flag.’

The reference to Verdun was odd: the battle is famous for killing a half a million men on each side while resolving exactly nothing.” (Smoke and Mirrors, page166)

## **Mandatory Sentencing:**

Beginning in the early 1980's, states began adopting mandatory sentencing laws to fight high crime rates. These laws require a minimum term of incarceration upon conviction. Despite the fact that mandatory sentencing laws have contributed significantly to rising prison populations, only a few states have studied the efficacy, impact and trade offs of these policies. (Journal of State Government)

Mandatory sentencing leaves judges little room to maneuver; those found guilty are automatically locked up for predetermined amounts of time. **'With the power of release taken away from parole authorities, and judge's discretion also removed, it was left to default of the legislatures to set sentencing policy,'** says Franklin Zimring, a criminologist at the University of California at Berkley. **"Punishment became a political decision."** Even archconservative US Supreme Court Justice William Rehnquist thinks these laws have more to do with politics than criminology. **"Mandatory minimums," he has said, "are frequently the result of floor amendments to demonstrate empathetically that legislators want 'to get tough on crime.'**" (Beiser 2001)

"Every case and every criminal is unique on its own merits," explained Judge Pegram Mire, 23<sup>rd</sup> Judicial District Court. "As a judge I see three goals that are to be accomplished when I sentence someone for a crime. One is to punish for the crime done, second is to apply some form of restitution or retribution to the victims, and third is to allow for the possibility of rehabilitation.

Mandatory sentencing ties judge's hands to be creative in accomplishing these goals when different circumstances apply to the same type crime. This has led to the

incarceration of many individuals that could be far better punished and possibly rehabilitated using other alternative means.” (Judge Pegram Mire Personal Interview. March 15, 2002)

The book *The Anatomy of a Drug War: Criminal Justice in the Commons* by Rasmussen and Benson, 1994, looks at the effects of the War on Drugs on the US judicial system from 1984 to 1989. The authors’ report, that not only is the War on Drugs a failure, it has also had very unsatisfactory consequences on the judicial system. James Thomas in a book review article in *The Economic Journal* (July 1995) advised that one of these consequences is the “high costs imposed on the judicial system, many of which were unintended but predictable by economist.

The most interesting feature of the book is that it uses a model of bureaucracy to explain how the incentive system imposed by the War on Drugs on police and drug enforcement agencies, judges, prosecutors, and defense lawyers positively encouraged the over-crowding of the common access judicial system.

**Thomas explains the use of the word commons in the subtitle to draw an analogy between the mis-allocation of *scarce* judicial resources (such as prison space) during the War on Drugs and the overgrazing that occurs when there is no pricing mechanism to ration the use of common grazing land.” (Economic Journal)**

“Indeed as much as prosecutors have incentives to demonstrate to their local constituencies that they are ‘tough on crime,’ imprisonment is a relatively attractive punishment. Even if they recognize that their actions add to the crowding problem, their personal benefits (the political support they get from ‘tough’ image) may exceed their personal cost (perhaps the anxiety associated with the recognition that they are crowding

prisons and raising costs to society at large). Thus, imprisonment is chosen relatively frequently. The effect is that prosecutors and judges as a group crowd the common-access prisons much as cattle owners crowd common access grazing land.” (Rasmunssen & Benson, page 21)

The only state to do a study on the effects of mandatory sentencing was released in 1993. The State of Delaware studied the effects of mandatory sentencing of drug offenders in their system from 1981 to 1991. (Rodriguez-Labarca and O’Connell 1993)

The intent of the mandatory sentencing of drug offenders was to reduce illicit drug activity in Delaware. The study failed to show any such consequence of the law.

*They report:*

- Police are seeing just as much drug activity. For example, there has been no decrease in drug seizures above 5 gram threshold weight;
- Hospitals are seeing more people with drug problems. The number of emergency room illicit drug reports and percentages of pregnancies with positive drug screens are increasing (Delaware Statistical Analysis Center 1993);
- And by late 1993, the number of prison admissions for drug traffickers hovered near record levels. (Journal of State Governments 1995).

### **Gains From Trades: Who Profits?**

Locking up inmates is not cheap. While the number of people against wholesale incarceration increases everyday, all of the industries that gain from this enterprise continue to exert political pressure to ensure that the influxes of prisoners continue.

“Private, for-profit prison corporations are a multibillion dollar industry. Other companies reap hundred of millions of dollars annually by providing health care, phones, food, and other services in correctional facilities. Many small towns and rural communities, their traditional industries in decline, lobby for new prisons in their areas. Such forces are working actively to increase the number of citizens being locked up. Private prison companies contribute to a policy group called the American Legislative Exchange Council that has helped draft tougher sentencing laws in dozens of states, and the California Prison Guards Union doles out millions every election to tough-on-crime candidates.” (Beiser)

“Why the resistance to rethinking the War on Drugs? The answers are not simple, but consider these two factors: money and jobs. In the past six years the federal government has awarded \$8 billion to pay for building state penal facilities. Call it a bribe. As it swells the coffers, the flow of money to small towns and depressed areas corrupts the public conscience. A Florida state brochure estimates that a prison with 1158 beds is worth \$25 million a year and 350 jobs to a community. In Lexington, Kentucky, authorities promised this past year that two new prisons in the area would invigorate the local economy. Never mind that the drug laws there fill the prisons with nonviolent offenders. America needs its new cars, its fat construction contracts and jobs, any jobs, even those built on injustice.” (Pork Barrel Prisons)

Ralph Nader, campaigning for president in 2000 added his rhetoric to this public issue. “Speaking at Youngtown State University, Nader called the prison industry ‘one of the most ill-conceived ventures corporations has ever entered into. The goal of the criminal justice system should be to increase public safety, for profit prisons make a

mockery of this goal. By treating inmates as profitable commodities, corporate prisons obscure a public policy that should be aimed at reducing the incarceration rate through treatment and rehabilitation.”

Nader went on to say, “It doesn’t take a rocket science to figure what drives this industry, Politicians pander to fears of crime, the prison populations booms, and corporations view what should be a national crisis as a profit making opportunity.” (Common Dreams News Center)

James Brovard in “Pork Barrel Prisons” reports the new demand for jail keepers and the economic effects on this job title. “Since 1980, the number of prison guards and other correctional employees has grown from fewer than 100,000 to more than 400,000. In some states prison guard unions have done far more to rig the political game than the contractors who build prisons, or the private companies that run some of them. The California Correctional Peace Officers Association is the most powerful lobby in the state, or at least the most generous, donating more to legislators than any other entity.

Prison guards have milked the political system to turn themselves into a blue-collar aristocracy, with the senior guards pulling down salaries of \$52,000, plus ample overtime. Now a few guards earn more than some professors at the University of California.” (Pork Barrel Prisons)

Forbes Magazine reports in an article “Who’s Punishing Whom” as early as 1988 that “ Maintaining a prisoner in a state or federal prison now typically cost \$12,000 to \$24,000 annually, and prisons have emerged as the fastest growing major user of state revenues.” (Forbes)

We find in 2002 a new twist to the political economic principal of supply and demand. Brovard again reports in “Pork Barrel Prisons” a hopefully unique approach to filling jail space. “Money does corrupt, Drug war money corrupts absolutely, blinding politicians to the traditional duties of government. In Mississippi, drug warriors found they had more prison beds than convicts to fill them. Lobbyist for private prison companies, along with local sheriffs with jail space and the county governments, hustled state legislators to pass a bill to pay subsidies for ‘ghost inmates’ to compensate prisons for the shortfall of bodies. This was being done at the same time the legislators were cutting budgets for classroom supplies, community colleges and mental health services.” (Pork Barrel Prisons)

Debt to Society suggests in an article by Vince Beiser, “How We Got to Two Million” (referencing the fact that we have surpassed two million inmates incarcerated) identity’s the media as a culprit also. “The media, especially television, also have a vested interest in perpetuating the notion that crime is out of control. With new competition from cable networks and 24-hour news channels, TV news and programs about crime—dramatic, cheap to produce, and popular—have proliferated madly. According to the Center for Media and Public Affairs, crime coverage was the number one topic on the nightly news over the past decade. From 1990 to 1998, homicide rates dropped by half nationwide, but homicide stories on three major networks rose almost fourfold.” (Beiser)

Brovard continues to site other benefits governments and politicians reap from prison populations. “Local governments collect federal windfalls because most prisoners have zero income, thus making the locales appear to be poverty zones. Florence, Arizona

receives over two thirds of its budget from federal grants keyed to the number of convicts within its town limits. Prisoners are definitely a cash crop.” (Pork Barrel Prisons)

The April 14, 2002 Sunday Advocate reports headline “Fewer Inmates Mean Fewer Dollars.” “The Avoyelles Parish Sheriff’s office has had to lay off 50 employees in the past month and faces a \$300,000 deficit because of dwindling federal and state inmate population.

In Avoyelles Parish, there are five detention centers: the jail in Marksville, and a Bunkie prison, and female’s prisons in Cottonport, Simmesport and Bordeleauville. Last year the rural central Louisiana parish began losing those federal prisoners as a result of a court ruling.” (Sunday Advocate, April 14, 2002)

### **Louisiana 1970 -2001**

The following is an examination of the overall effect of this cycle using the economic theory as it applies to the State of Louisiana from 1970 to 2001. The rate of population increase is compared with the rate of increase in crime and budget monies spent on incarceration, K-12 education, higher education and highway funding.

**Information from the U S census shows the following population for the years:**

	<u>Population</u>
1970	3,644,637
1980	4,205,900
1990	4,219,973
2000	4,465,430

(US Census)

**State Correction System Adults Incarcerated:**

	<u>Capacity</u>	<u>Budget</u>
1974 *	4,373	\$13,674,813
1980	7,137**	\$67,850,556
1990	14,694**	\$147,839,666
2001	34,387**	\$417,115,107

**State Correction System Juvenile Incarcerated:**

	<u>Budget</u>
1970	\$4,934,854
1980	\$12,052,756
1990	\$40,440,302
2001	\$66,287,029

**Cost per prisoner:**

	<u>Adult</u>	<u>Juvenile</u>
1970 -	\$4.21/day	\$11.26/day
1980 -	\$22.88/day	\$43.29/day
1990 -	\$26.51/day	\$71.40/day
2001 -	\$33.23/day	\$106.20/day

\* First Year Capacity numbers provided

\*\* Includes State Inmates in Parish Jails

**Use of Parish Jails to House State Prisoners:**

	<u># Of Prisoners</u>	<u>Expenditure by State</u>
1976*	1,068	\$3,508,500
1980	821	\$2,473,886
1990	4,445	\$29,610,290
2001	15,104	\$134,549,065

**Total Louisiana Correction's System Budget Including Probation & Parole:**

	<u>Budget</u>
1974	\$25,907,727
1980	\$105,233,473
1990	\$260,216,371
2001	\$620,058,145

\* FY1976-77 was the first documentation of state prisoners in Parish jails/ budget info.

Lets analyze what affect the demand caused by prison litigation and the war on drugs had on the Louisiana Corrections budget and capacity from 1970 to 2000.

**Louisiana Population, Prison Capacity & Corrections Total Budget 1970-2001**

<u>Population</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2001</u>	
*	3644637	4205900	4219973	4465430	<b>23% Increase</b>
 Prison Capacity	 4373	 73137	 14694	 34387	 <b>686% Increase</b>
**					
 Total systems Budget	 25907727	 105,233,473	 260,216,371	 620,058,145	 <b>2293% Increase</b>
***					
 *	 Source US Census				
**	Source La Corrections Documentation				
***	Source La Corrections Documentation				

We see in the above chart that while the population of Louisiana has simply risen twenty three (**23%**) in the last thirty years the total budget for the state prison system has increased by an over two thousand (**2293%**) percent.

Prison Capacity has increase from a mere 4,500 in 1970 to over 30,000 in 2001. This represents almost a **700%** in that period in incarceration.

### **Comparison of Southern Region States:**

The following information comes from the report submitted to the Fiscal Affairs and Government Operations Committee at the Southern Legislative Conference, Council of State Governments for 2001. This conference consists of sixteen southern states. They are Texas, Louisiana, Arkansas, Oklahoma, Missouri, Mississippi, Alabama, Georgia, Florida, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, Kentucky, and Maryland. I did not have access to the same data to compare as with Louisiana. I will use the data supplied in this report to see if there are any trends that may be applicable to this argument. Christopher A. Keaton, Legislative Fiscal Analysis, Louisiana Fiscal Office compiled this report.

### **Present Trend:**

“While states continue to predict increasing prison populations over the next five to ten years, recent data suggest that the rapid growth rates of the past have slowed. During the last six years, the annual growth of inmates in state facilities has declined from 8.1% from 1995-96 to 1% from 2000-2001. This is not only a southern states trend but a national one as well.” (Keaton) The author contributes this decrease to lower crime rates and states’ efforts to control the amount of money being spent on correction. (I dare suggest that the economic lessons have way more to do with this trend than crime rates. Personal conversations with law enforcement officials infer that the drop in crime rates in the last decade have been skewed by new classifications of crimes that would effect especially the violent crime rates.)

Keaton contributes the growth in prison populations to such devices as “ Truth in Sentencing” legislation, the elimination of “good time” in which an inmate’s sentence is reduced due to good behavior, and longer prison sentences for habitual offenders.

Data provided is only shown from 1990 to 2001. There is no data supplied for prior years. **Only two of the sixteen states do not list drug offenses in their top three crimes for incarceration.**

Seven of the sixteen states report an increase in incarcerations for drug offenses while only three show a decrease in drug related incarcerations. Five states reported a stable figure for the ten-year spread, and one state did not furnish that information.

**Eleven out of the sixteen states reported over 50 percent of the inmate population was black.**

Keaton’s report contributes efforts of all states to control growth of prison populations by introducing alternative programs to incarceration. “These include pretrial diversion programs, intensive probation, drug courts which allow for immediate sanctions for substance abusers, home incarceration with the use of electronic monitoring for non – violent offenders, and work release programs for technical parole violators. Many states are starting to evaluate the effectiveness of such programs by tracking participants and comparing recidivism rates. Continued data comparisons and studies of these programs will be key in determining which methods could play a major role in controlling the future growth of prison populations.”

Cost per day to house an inmate varied from the low of \$27.50 in Alabama to the high of \$63.65 in North Carolina. (Keaton, page 17)

The report did supply information regarding the increase of inmate population from 1982 to 2001. In 1982 the number of inmates in the sixteen state facilities was 168,378. By 2001 that number had risen to 523,683. This is a 210 percent increase during this period.

“Design – Build, a construction trade magazine, estimates that 3,300 new prisons were built during the 1990s at a cost of nearly \$27 billion, with another 268 in the pipeline valued at an additional \$2.4 billion.” (Beiser 2001)

### **Budgetary Issues 1990 - 2000:**

“Over the last ten years expenditures in the region have increased 121.95 percent. With all sixteen states reporting, the average annual cost of housing an inmate in institution was \$16,245. Expenditures varied by type of confinement unit. The annual average cost of housing an inmate in a local jail was \$11,349 as compared to \$18,416 in a state-operated Level One institution, \$15,718 in a Level Two type institution, \$15,409 in a Level Three type institution, \$12,525 in Community Based type programs, and \$14,273 in other institutional settings.

Additionally, the average yearly expenditure per adult inmate for the southern states was \$17,745, with North Carolina spending the most at \$34,253 per inmate and Alabama the least at \$8,957 per inmate. North Carolina also spent the most on adult corrections per capita (\$135), while West Virginia spent the least (\$ 45).” (Keaton, page 14)

## Local Analysis: Ascension Parish 1970-2000:

### Ascension Parish Analysis of Population - Education K-12 -Highway Budget - 1970-2000

	<u>1970</u>	<u>1976</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>Increase</u>
Population	37,086		50,068	58,214	76,627	107%
			1982			
Jail Expenditures *	28,732	127,342	230,688	230,688	934,496	3152%
			1980			
K-12 Public Ed *	4,200,032		9,458,668	18,000,756	47,098,025	1021%
Highway Budget Expenditures *	473,171	571,530	N/A	2,815,422	2,532,966	435%

\* Local \$ only

Jail Expenditures records for 1970&1976 from Legislative Auditors Records. Records, 1982-2000 from Parish Audit reports

K-12 Figures From Ascension Parish School Audits, except 1970 is from Legislative Auditor's Audit

Highway Budget 1970 & 1976 from Legislative Auditor's Audit. 1980 Not Available. 1990 & 2000 from Ascension Parish Government Audit Reports.

*Population figures from US Census.*

## Crime & Justice Data Compared to Population 1970-1999\*

### Bureau of Justice Statistics Crime & Justice Data for United States and Louisiana 1970-1999

	1970	1980	1990	1999	Increase
Population In US	203,235,298	225,349,264	248,239,000	272,691,000	<b>34%</b>
Total Offenses Reported In US	8,098,000	13,408,300	14,475,600	11,635,100	<b>43%</b>
Population In Louisiana	3,643,180	4,199,542	4,219,973	4,372,000	<b>20%</b>
Total Offenses Reported	120,805	229,032	273,736	251,252	<b>108%</b>

Source Bureau of Justice Statistics [www.ojp.usdoj.gov/bjs/](http://www.ojp.usdoj.gov/bjs/)

### Trade-Offs

Miller, Benjamin, and North explain their book “The Economics of Public Issues” that given the existence of scarcity, people have to make choices of where they spend the

money available to be spent. They go on to emphasize that it is no different in the case of public issues. We have to face trade-offs.

With the limited amount of revenues available to be spent, the cost of incarceration has increased expenditures and limited expenditures in other areas of need.

## Louisiana Trade-Offs

### Public Expenditures State Of Louisiana for Prisons, Highways, K-12 & Higher Education

	1970	1980	1990	2000	
Total Systems Corrections Budget	25,907,727	105,233,473	260,216,371	620,058,145	2,293 % Increase
State * Highway Projects	130,785,509	340,377,746	507,124,234	569,929,801	167 % Increase
Education MFP ** K-12	274,420,454	796,254,748	1,723,471,170	2,394,347,446	873 % Increase
Higher Education Expenditures	98,000,000	361,000,000	527,000,000	844,000,000	761 % Increase

\* Project Summary from DOTD

\*\* Figures supplied by Dy Under Secretary Charlotte Stevens Dept Of Education  
 1970 DOTD figures from HB1 files in House of Representative Fiscal Office Library  
 Higher Education Figures supplied from HB1 files House of Representatives Fiscal Library  
 All Corrections Figured supplied by Undersecretary Trey Boudreaux  
 These figures represent only state dollars.

### Social Economic Cost of The War on Drugs:

“The U.S. War on Drugs is big business—a multi-billion dollar public/private venture that radically inflates the value of illegal drugs and is used to criminalize the

poorest people of color, trapping them in a cycle of addiction, unemployment and incarceration:

- \$27 billion for interdiction and law enforcement
- \$1.3 billion for Plan Columbia in 2000
- \$9.4 billion in 2000 to imprison close to 500,000 people convicted of non-violent drug offenses, 75 percent of whom are black
- \$80 to \$100 billion in lost earnings
- Untold billions in homeless shelters, healthcare, chemical dependency and psychiatric treatment, etc.”

(The U. S. War on Drugs)

There are few doubts that the War on Drugs has created a disproportionate incarceration rate on certain races. However, Monthly Review July-August reports this trend has started well before the war on drugs.

“As early as 1833, a report by Beaumont and Tocqueville on US prisons, remarked in general, it has been observed that in those states in which there exist one Negro to thirty whites, the prisons contain one Negro to four white persons.” (Monthly Review July-August 2001)

These trends continued in one form or another, especially in the south, and were part of the policy issues of the sixties that led to the passing of the Civil Rights Act.

“Prior to our national preoccupation with the war against illicit drugs, some improvement in race relations had led Americans to expect accelerating progress toward a color-blind society, as they contemplated the strides made since the passage of the

Civil-Rights Act of 1964. (Eldredge) The Civil Rights Act was passed under the Democratic administrations of Kennedy and Johnson.

Nixon, Johnson's successor, inherited another war beside Vietnam. This was the war of desegregation. Although not declared in the same light as a war, it was more of a domestic political reality than Vietnam and took on the aura of the Civil War because it was not overseas but in everyone's front yard. The country awoke everyday in the late sixties to another headline of riots and civil unrest on the streets of America.

Some academia feel that Nixon's "War on Drugs", whether intentional or unintentional, is simply a new form of slavery. "The racialized demographics of the victims of the war on drugs will not surprise anyone familiar with the symbiotic relationship between poverty and institutionalized white supremacy. Economic inequality and political disenfranchisement have been inextricably intertwined since the Trans-Atlantic slave trade. The racist enforcement of the drug laws is the latest strategy to sustain the status quo." (The U. S. War on Drugs)

"Today we annually spend \$15 billion in federal funds and \$33 billion in state and local funds to finance this war. Recent Federal Bureau of Investigation crime statistics report that in 1995 alone there was almost 1.5-million drug arrests, of which 500,000 were arrests for marijuana possession. Sixty percent of federal prisoners are incarcerated for drug offenses. This massive outpouring of money and effort has produced record numbers of drug seizures, asset forfeitures, and prosecutions. **By more meaningful measures, however, the Drug War has been an extraordinary failure. Drugs are more available at higher purity and lower prices than they were at the start of the**

**decade.** Drug dependence in the inner cities and among teenagers has continued to increase substantially. And the drug problem continues to produce massive amounts of crime, \$20 billion in annual medical cost, one-third of all new HIV infections, prisons filled with drug related offenders, and the attendant decimation of inner city communities. **By all accounts thus far we have been unable to spend and jail our way out of this problem.” (Blumenson & Nilsen 1998).** “The ‘New Slavery’ movement points out that of the 500,000 plus people incarcerated for non-violent drug offenses in 2000, seventy-five percent (75%) were black.” (Political Economic of a New Slavery) “Our hard won progress in race relations is threatened by the perception of many African Americans that the drug war is a racist plot.” (Eldredge1998)

A National Opinion Research Poll from the University of Chicago published 1997 suggest that based on the change in thinking of the average white person from 1956 to 1996 more blacks and whites should be living in the same neighborhoods without most of any social ills. (Everette, Eldredge) However this has not happened. “Urban Black ghettos are fiery reminders that, in spite of gains in education, housing and jobs, in spite of evidence that the black working poor and the middle and upper classes are no more involved with drugs than their counter parts among races, an ominous and growing presence, the black underclass, has emerged.” (Eldredge)

In the chart that follows on the next page, the question is asked whether drug crimes are in the top three reasons for incarceration today and the increase or decrease in black inmate prison population from 1990 to 2000 in the sixteen states surveyed in Christopher Keaton’s report to the Southern Legislative Conference. It also list what percent of total prison population is black.

### **Sixteen Southern States Black Population Percent 2001**

	<u>Top 3</u>	<u>1990</u>	<u>2000</u>	<u>% Of Total Prison Population Black</u>
Ala	Yes	28.7	34.7	<b>64</b>
Ark	Yes	7.71	26.43	<b>50.3</b>
Fla	Yes	24.34	17.9	<b>54</b>
Ga	No	16	16	<b>69</b>
Ky	Yes	N/a	N/a	<b>33.6</b>
La	Yes	16	14	<b>75.6</b>
Md	Yes	10.59	23.32	<b>78</b>
Ms	Yes	15	15	<b>72.29</b>
Mo	Yes	12.24	20.99	<b>42.5</b>
NC	Yes	31	31	<b>62.74</b>
OK	Yes	17.9	24.53	<b>32.8</b>
SC	Yes	20	20	<b>68</b>
TN	Yes	14.5	17.11	<b>52</b>
TX	Yes	18.75	25.02	<b>43.3</b>
VA	Yes	15.15	12.2	<b>66.2</b>
WV	No	7	7	<b>16</b>

Fiscal Affairs and Government Operations Committee Report 2001. (Keaton)  
Council of State Governments.

### **Conclusion: Escalate or Surrender?**

Eldredge reports, in his book *Ending the War on Drugs: A Solution for America*, 1998, the United States spends in federal and state budget dollars over \$45 billion annually on drug efforts. If we simply assume that this figure is accurate and that over the last 30 years the average spent was \$30 billion a year that would mean

\$ 900,000,000,000,000,000,000 has been expended on this public issue without even a moral victory much less a out and out surrender of the enemy.

“The United States has spared neither money or muscle in its efforts to staunch the flow of illicit drugs. Yet drugs are just as available today as they were in 1969, when President Nixon kicked off his war on drugs by ordering the inspection of every vehicle crossing the border from Mexico into the United States.” (Eldredge)

The apparent failure and the powerful forces that continue to drive this issue are remindful of past mistakes. Dan Baum, in his book *Smoke and Mirrors*, 1996, describes Dan Santarelli as saying in 1967, while pondering a political agenda for a Presidential campaign that the economy was thriving on the war. Inflation and unemployment were low. Landing a punch on the Democrats was going to be tough. The positive economic reaction to the war in Vietnam was part of the reason for its manifestation long after officials realized the failure of the intended foreign policy. People were making money off the deaths of 55,000 plus of our sons and daughters.

The “War on Drugs” as intended was not necessarily a bad policy if it could have achieved even marginal success. However, its conception was political and therefore suspect. Nixon could have declared a War on Segregation, a War on Poverty, a War on Cancer, or a number of other issues that were as prominent of a problem as “Drugs” in 1967. This was a partisan decision.

We see the percentage increase of monies being spent in Louisiana for incarceration from 1970 to 2001 was over 2293%. Louisiana still has one of the highest poverty levels in the nation that only rivals with our illiteracy rate. Our highway system is marveled by none. Cancer is a concern. Could it be that the only ones that want to

continue the “War on Drugs” is the judicial system (law enforcement, courts and corrections included) and politicians?

Historically, another failure that comes to mind is the Prohibition Experiment. It only took 14 years for that mistake to cause enough hue and cries to be repealed. “Today’s War on Drugs has been waged for a quarter of a century with little or no success. The inescapable question is: How much longer will we persist with this failed policy?” (Eldredge)

Can economics help with any of the answers to the perpetuating of this failed policy? That answer is a profound yes. Again repeated is the sentence from “The Economics of Public Issues” by North, Benjamin, and Miller, “One of the first things that economist had to learn about government decision making is that the cost of government policies are always higher than promised, and the benefits are always lower.” The issue of the “War on Drugs” is certainly no exception to this.

It appears that government programs create a different set of principles for supply and demand. Instead of the lower the price of a good, the greater the quantity of that good demanded by purchasers, that creates this force in the private sector, we see the “hog trough” effect. A pig will usually eat as long as there is food in the trough. This is the supply and demand that exists in public policy. This can only be controlled by leadership.

As a conservative, honed by almost thirty years of experiences on the local, state and federal levels of law enforcement, I find it hard pressed to be on the liberal side of this issue. There will always be crime as long as there are human beings. Drugs are only a part of the problem. We must seek an end to this roller coaster ride that began far too

long ago. The trade-offs we must make in order for it to continue are not worth the unintended consequences. To stop the momentum driven by dollars is certainly not going to be an easy solution. Hopefully it will not have to come to a horrific event to put closure to the book.

Just as with alcohol there are two distinct sides to the issue. One of the sides, decriminalization, seems to make a lot of sense and has a direct economic benefit to the legalized entities that pay a lot of taxes for schools, roads, hospitals and law enforcement. The other makes just as much sense to the prohibitionist but creates an incurable undertow.

This “War” has done nothing to stop the issue at hand much the same as Prohibition could not stop the consumption of alcohol. Unlike prohibition, where at least the people that directly benefited from the sale and use of the illegal products were committing a crime, we seem to have an almost perfect economic balance between the lawlessness and the side that greatly benefits from the lawlessness without committing a crime. This concept is reinforced by the logical conclusion in the next paragraph.

Regardless of the intent of Nixon to enslave anyone, the evidence is clear that his drug policy has this factor as an outcome. The statistics show we are not locking up the white, rich or the most political. We are overwhelmingly, as a result of this policy, locking up the poor disenfranchised black population.

The “War” has acted as a catalyst to expand an already unbalanced prison population at a time when at least a major portion of us Americans were willing to admit to other policy failures and change. This continued trend of the “War” is a subtle one, yet unmistakable. This unfortunate outcome gives at least one rational reason for the

continuation of this policy in all the light of its bad consequences. If “ Prohibition” had the same outcome it too would probably be in effect today.

“Alonzo L. McDonald, in his foreword to Abraham Lincoln: Theologian of American Anguish, wrote, more than 100 years after Lincoln’s death: Lincoln was a master in understanding the paradox of choosing between ‘the lesser of two evils.’ He recognized well that frequently there is no feasible, absolutely ‘right’ answer. Therefore he considered it the responsibility of the leader to move firmly and consistently along paths that may not have been ideal in themselves...but which represented pragmatic steps advancing the lesser of two evils.” (McDonald, Eldredge)

Chris Keaton reports to the Southern Legislative Council, 2001 a decline in growth rates of incarceration in southern states and the nation as well. However, as late as May 7, 2002 a USA Today report based on the report from the Bureau of Justice Statistics “ Prison and Jail Inmates at Midyear 2001” identifies Louisiana with the highest prison rate of incarcerated per population with 795 out of every 100,000 in jail with at least a one-year sentence. Texas, 731/100,000, Mississippi, 689/100,000, Oklahoma, 669/100,000, Alabama, 592/100,000, Georgia, 540/100,000, and South Carolina follow Louisiana closely at 526/100,000.

I feel certain that further analysis would show these high rates of incarcerations are directly correlated to the number of prison cells built in the last thirty years and not supported by population or crime rate increases.

Whether Democrat or Republican, it is time for the leadership on all levels of this federalist system to step up to the plate and make the hard choices that will slow and eventually end this bad public policy. We have proved if nothing else by the gazillion

dollars spent, that we will never jail our way out of this problem. In economic terms we are no closer to equilibrium than we were thirty years ago.

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