The Social, Economic, and Legal Implications of the Legalization of Marijuana

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Mentor: Mr. William Martin Date: April 28, 2015
Acknowledgements

I would like to thank the many people who have helped and supported me with my Global Scholars project, as well as my high school career:

My Family: Thank you for your endless support and love. I appreciate you always believing in me and helping me remember that things always have a way of working out. I can always count on you to make me be my best self. The foundation you have provided me with has helped and will continue to help me in all of my future endeavors. Mom, Dad, and Haley, thank you and I love you.

My Friends: From my friends at Park Tudor, to those at schools nearby, and those in neighboring states or across the country, thank you all for supporting me and always putting a smile on my face.

My Teachers: Thank you for your willingness to challenge me and help me while always accommodating and understanding my busy schedule.

My Mentor: Mr. William Martin: From our initial meeting to our email exchanges, your guidance through all stages of the project has been extremely valuable. The sources you provided me with were greatly important in the development of my project and the advice you offered as I faced challenges helped me move forward with success.

My Panelists: I am thankful for your honest and candid evaluations without which I could not complete the project. Your consideration of my work is greatly appreciated.

Dr. Guffin: It has been an honor to learn from you over the past two years. Our discussions have pushed me to examine myself and develop a better understanding of my personal values. Thank you for always supporting and acknowledging my pursuits both in and out of the classroom. I am forever grateful for your guidance.
Abstract

The issue of the legalization of marijuana is a topic of significant public discourse. General knowledge of the topic, especially by a majority of those in the community, has lead to a negative perception of marijuana and the legalization movement taking place in other states. This view of the issue is the result of the fact that people are often developing their opinions while lacking knowledge. Whether or not people want to know the details of the health effects and economic effects, it is important to have enough knowledge of the issue to begin to see the social cost. The main objective of my two-year independent research project, *The Social, Economic, and Legal Effects of the Legalization of Marijuana*, has been to take an impartial stance on the issue by gathering information which ultimately leads the reader to the often overlooked social issues while still allowing him to have his own opinion.

In order to provide knowledge on all aspects of the issue while maintaining a focus on the social costs, I divided my paper into four major sections. The first section discusses the history of marijuana in the United States from its introduction in the 1600s and its initial uses, to its rejection from society, and to its current presence in legislation across the nation. The history section provides the understanding that marijuana did not always have such a negative presence in society, but also the reason for its rejection.

The second section takes a look at the health and behavioral effects of marijuana on a person. This section is important because the physical and neurological effects of any substance are understandably of the upmost concern to the public. There are nearly an equal amount of reports which say that marijuana is harmless as those that say marijuana is harmful. While the most recent reports tend to favor the benign, non addictive conclusion, those that reach the opposite conclusion are still important.
The next section gives an economic view of the issue while also clarifying on terms such as “decriminalization” versus “legalization.” In taking an economic look at the legalization of marijuana, it is easiest to consider the prohibition of alcohol. To fully understand the effect marijuana has had on the economy thus far, it is important to understand some basic economic concepts such as an excise tax. Obviously this section is based on states which have already legalized marijuana, but it provides the basis for understanding potential future effects.

The final section of the paper focuses on marijuana policy in Indiana. This section breaks down marijuana related arrests into categories including age and race. By analyzing this data, it becomes clear that policy related issues aside, marijuana arrests continue to perpetuate the issue of race which continues to be an issue every day, not only in Indiana, but also in the United States.
Outline

Research Question: Do the advantages of legalizing marijuana outweigh the disadvantages when all aspects of the problem—social, economic, and legal—have been objectively analyzed?

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I. Introduction

People have many opinions on the issue of the legalization of marijuana, but often these opinions are formed without complete knowledge of all aspects of the problem. These aspects range from concern with social implications, especially those regarding behavior and effects on the general public, and details which effect policy reform and economics on both the state and federal levels. Additionally, all of these issues have been clouded and further complicated by political rhetoric and media reports. To begin to form an opinion on the issue, one must first understand the effects of legalization not only on society, but also on more specific and equally important matters such as policy and the economy. Thus, the question about which research was conducted is, “do the advantages of legalizing marijuana outweigh the disadvantages when all aspects of the problem- social, economic, and legal- have been objectively analyzed?” Through researching and giving attention to each of these three aspects of the problem, as well as including important information such as the history of marijuana in the United States, health effects, and clarification between terms, the issue of legalization in its entirety can be better understood.
History of Marijuana in the United States

While the question and process of legalization has entered the spotlight in media and news in the past few years, the existence and use of marijuana is evident in the beginning of recorded history. The plant’s use as a medicinal and euphoric dates back to nearly 7,000 B.C.E where cannabis-based materials were recovered in Northern China.¹

Marijuana was introduced to the United States in the 1600s as hemp. Hemp and marijuana both come from the Cannabis Sativa L. plant, but hemp refers to the industrial use of the seeds and stalk (known for being the strongest and most durable natural fiber) while marijuana refers to the leaf and flower part of the plant which is known for its medicinal and recreational use.² At the time of its introduction, American production of hemp was encouraged by the government for the production of rope, sails, clothing, and other products which were functional, easy to produce, and able to be traded. In 1619, the value of hemp became so recognized that the Virginia Assembly passed legislation, which required every farmer to grow hemp. Additionally, hemp was even allowed to be used as a medium of exchange in Pennsylvania, Virginia, and Maryland. Prior to and during the Civil War, domestic production of hemp thrived, but immediately following, imports and other domestic materials replaced hemp as an economic and production leader.³

By the end of the 19th century, the medicinal value of hemp became recognized, and it began being used as an ingredient in medicinal products and also was sold openly in public pharmacies.

Due to its presence in pharmacies, the passage of the Pure Food and Drug Act in 1906 required the labeling of cannabis in any over-the-counter medications.\(^4\)

It was only a few years later, immediately following the Mexican Revolution of 1910, when the United States saw a huge influx of immigrants from Mexico. These immigrants were among the first to introduce the use of recreational marijuana to the American culture. This led to the association between low class immigrants and marijuana. People began to warn against the “Marijuana Menace” as terrible crimes were attributed to marijuana and the Mexicans who used it.\(^5\) This distinct initial incident which marks the beginning of the negative connotation people have towards marijuana and the reason for the social stigma which is more than ever present and evident today. It is important and interesting, however, to know that despite the American view against the immigrants, Mexico actually prohibited marijuana in 1920, 17 years before the U.S. federal government passed the Marijuana Tax Act which criminalized marijuana.\(^6\)

The fear of marijuana became even more extreme and widespread during the Great Depression in the 1930s. Extreme unemployment and growing concern with all immigrants led to increased governmental awareness and growing unease with the use of marijuana. This began an increase in research about the drug which led to the conclusion that marijuana was linked with violence and crime primarily committed by underclass communities. As a result, by 1931, 29 states had outlawed marijuana.\(^7\)

Just a year later, in 1932, the Federal Bureau of Narcotics, having been pressured by research reporting the link between marijuana use and crime, did not promote federal legislation, but


instead encouraged state governments to adopt the Uniform State Narcotic Act. This act was created due to the lack of restrictions in the Harrison Act of 1914, a revenue-producing act that did not give authority to the state police to seize drugs used in trade or punish those responsible. Between 1932 and 1937, the Uniform State Narcotic Act was drafted in at least five forms and ultimately made the law regarding control of sales and use of narcotic drugs uniform throughout the states.

As time progressed, many conflicting reports, both in and out of the United States, were published on the topic of marijuana and its effects on users. A 1933 study by a New Orleans physician, Dr. Fossier, concluded that, “marijuana was a highly dangerous drug with habit-forming properties.” On the other hand, a report from 1934 by Dr. Walter Bromberg, senior psychiatrist at Bellevue Hospital, concluded that marijuana was not a habit-forming drug and was far less responsible for crime than other drugs such as alcohol. Although these two reports were published within a year of each other, they came to opposite conclusions. The history of conflicting research conclusions has clearly been and still remains a problem as “scientific evidence and political ideology” often compete.

With the conflicting studies from the 1930s in mind, the events in the following fifty years show support for both sides of evidence. For example, in 1937, Congress passed the Marijuana Tax Act which criminalized marijuana. This restricted possession of the drug to people who paid an excise tax for certain authorized medical and industrial uses. However, by the 1940s,

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9 Ibid.
10 Ibid.
11 Ibid.
during World War II, imports of hemp, which was used to produce military necessities, became scarce, which prompted the U.S. Department of Agriculture to start the “Hemp for Victory” program. This program encouraged farmers to plant hemp by giving out seeds and granting draft deferral if they would stay home and grow hemp. Again, on the other hand, from 1951 to 1956, several stricter sentencing laws were enacted which set mandatory sentences for drug-related offenses. Under these laws, a first offense for marijuana possession had a sentence of two to ten years and a fine of up to 20,000 dollars.14

The 1960s and early 1970s were characterized by a growing popularity in the use of marijuana and the repeal of many mandatory sentences. The culture of the sixties had a more lenient attitude towards marijuana, and use of the drug became more widespread in white upper middle class, a distinct change from use of the drug being concentrated among immigrants. Additionally, studies commissioned by presidents Kennedy and Johnson concluded that marijuana did not induce violence or lead to use of heavier drugs.15 One of the most notable progressions during this time was that Congress recognized that the mandatory minimum sentences set during the 1950s did little to nothing to discourage the drug culture of the 1960s and that many of these minimum sentences were unnecessarily harsh. The Shafer Commission in 1972 determined that personal use of marijuana should be decriminalized. Although President Nixon rejected the recommendation, eleven states over the course of the 1970s decriminalized marijuana and many others reduced their penalties.16

In contrast to the progress made during the 1960s and beginning of the 1970s, the following twenty years, from the end of the 1970s through the 1980s, were marked by a tightening of

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policy and a shift in cultural opinion.\textsuperscript{17} In 1976, the parents movement against marijuana, which called for stricter regulation and prevention of use by teens, began, and it continued to gain strength so that by the 1980s, it had a significant enough presence and influence that it contributed to the War on Drugs. In 1986, President Reagan signed the Anti-Drug Abuse Act which raised federal penalties for marijuana possession based on the amount of the drug involved.\textsuperscript{18} With this increase in both penalty and anti marijuana culture, California’s passing of Proposition 215 which allowed for the sale and medical use of marijuana starting in 1996 was a climactic moment as this state law stood and continues to stand in tension with federal laws which prohibit the possession of marijuana.\textsuperscript{19}

\textit{Legalization Movement}

California’s legalization of the sale and use of medical marijuana brings into light both the need to clarify the effects of marijuana as they have been studied most recently, as well as understanding how this event has led to today’s legalization movement. In looking at the legalization movement, some key things to keep in mind and look at are how states which have legalized marijuana are seeing and dealing with changes in their economy, society, and crime rates. Given the fact that as of January 8, 2015, twenty-three states and The District of Columbia have enacted laws to legalize marijuana to be used for medical purposes, there is sufficient ground for comparison between the states which have enacted these laws and those that have not.\textsuperscript{20}

II. Effects on Health and Behavior

Clinical Information

The active chemical in marijuana is Tetrahydrocannabinol (THC).\textsuperscript{21} THC is found in varying degrees of potency. The chemical affects the brain as it interacts with receptors on brain cells called cannibinoid receptors. The body naturally makes a chemical called Anandamide that is similar to THC, and usually interacts with the receptors so it is used in normal function and development of the brain. The endocannibinoid system is constructed of brain cells (neurons) which communicate by sending chemical messages. These chemicals, called neurotransmitters, cross a gap between neighboring neurons before attaching to specific receptors.\textsuperscript{22} Figure 1 illustrates this process and provides a brief description of each part of the endocannibinoid system.\textsuperscript{23}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{endocannabinoid_system.png}
\caption{The Endocannabinoid System}
\end{figure}

When THC is present in the endocannabinoid system and attaches to the cannabinoid receptor, a person may experience a number of physical, therapeutic, and psychoactive effects.\textsuperscript{24} Each part of the brain controls a different function in the body, so there are many different effects. These effects are regulated by C1 and C2 cannabinoid receptors. Specifically, CB1 cannabinoid receptors are found in the brain and they regulate the drug’s psychoactive effects while CB2 cannabinoid receptors are located throughout the human body and they regulate many of the therapeutic effects.\textsuperscript{25}

Most of the body’s CB1 receptors are located in the frontal lobe region of the brain’s cerebral cortex and the cerebellum, which regulate emotional behavior and control motor coordination respectively. The brain stem, responsible for vital functions such as breathing, does not have any CB1 receptors so it is believed that it is impossible to overdose by ingesting marijuana. A 1995 report for the World Health Organization concluded that, “There are no recorded cases of overdose fatalities attributed to cannabis, and the estimated lethal dose for humans extrapolated from animal studies is so high that it cannot be achieved by recreational users.”\textsuperscript{26} This study makes conclusions regarding fatal overdose, not long-term effects.

\textit{Studies to Date}

Studies of short term effects of ingesting marijuana are often in agreement and rarely are disputed or questioned. While they vary from person to person and depend on a person’s

experience as well as the percentage of THC present in the marijuana consumed, short term effects are temporary and often range from enhanced relaxation to symptoms of a panic attack including rapid heart beat, dry mouth, and a sense of paranoia.27 A study done at the University of Alberta, Canada, in which a series of lengthy interviews with male and female cannabis consumers concluded, “Most adult marijuana users regulate use to their recreational time...their use is purposively intended to enhance their leisure activities and manage the challenges and demands of living in contemporary modern society.”28

Long-term effects, on the other hand, are frequently debated. Some reports have found evidence of negative effects including increased risk of depression, issues with memory, and respiratory problems.29 A 2005 study by Harvard Medical School researchers studying the brains of long-term cannabis users and comparing them to the brains of subjects with no history of cannabis use concluded that there were “no significant differences between heavy marijuana smokers compared to non-smokers.”30

An additional health effect that has made a significant impact on the legalization of medical marijuana is evidence that cannabis reduces the risk of cancer. While marijuana can be used to treat symptoms of pain, nausea, and help create an appetite in patients, the drug has also been linked with reducing the risk of cancer. A 2009 study in the journal Cancer Prevention Research reports that “moderate use of marijuana is associated with a significantly reduced risk of head

and neck squamous cell carcinoma.” Additionally, a 2006 study funded by the U.S. National Institutes of Health and conducted by the University of California at Los Angeles reported that “lifetime use of cannabis [is] not positively associated with cancers of the lung or aerodigestive tract, and further noted that certain moderate users of the drug experienced a reduced cancer risk compared to non-using controls.” It is also significant to note that as recently as 2011, the website of the National Cancer Institute (which is a branch of the federal government) reported that:

Cannabinoids may cause antitumor effects by various mechanisms, including induction of cell death, inhibition of cell growth, and inhibition of tumor angiogenesis and metastasis. Cannabinoids appear to kill tumor cells but do not affect their nontransformed counterparts and may even protect them from cell death.

It is important to note that despite this evidence, the FDA has not approved the use of cannabis as a treatment for any medical condition.

A behavioral psychopharmacology study done by Harvard Medical School analyzed chronic marijuana users were when they were still smoking, during a period of withdrawal, and again after a twenty-eight day detoxification period. This study concluded that, “findings confirm

34 Ibid.
previous reports of an abstinence syndrome associated with chronic marijuana use and suggest that aggressive behavior should be an additional component of this syndrome.\textsuperscript{35}

Another aspect to consider is the link between marijuana use and mental illness, especially schizophrenia. While findings have developed over the past thirty years, researchers today “think that cannabis can trigger schizophrenia in people who are predisposed to the disease.”\textsuperscript{36} Additionally, people affected by schizophrenia are put at an increased risk for consuming marijuana.


III. The Economics of Marijuana

_Marijuana Mirroring Alcohol Prohibition_

In today’s debate over the legalization of marijuana, it is often helpful to step back from the issue and consider the issue of alcohol prohibition. Throughout history and still today, alcohol and marijuana have been the two most popularly consumed relaxants.\(^{37}\) Despite similarities, one should first recognize the health discrepancies between the two: marijuana is not toxic and there is evidence of some health benefits, while alcohol is an intoxicant which is toxic to healthy cells and organs.\(^{38}\) Heavy alcohol consumption can depress the central nervous system which can lead to unconsciousness, coma, and death. Additionally, alcohol consumption is strongly associated with increased risks of injury. According to the U.S. Centers for Disease Control, “alcohol plays a role in about 41,000 fatal accidents per year.”\(^{39}\) Alcohol also plays a primary role in acts of violence according to the Federal Bureau of Justice Crime Statistics which adds that “alcohol consumption plays a role in the commission of approximately one million violent crimes annually.”\(^{40}\) From 2006-2010, there were approximately 88,000 alcohol related deaths per year in the United States.\(^{41}\)

The next question that arises is: how did alcohol become legal in the face of so much negative information? To answer this question it is helpful to give a brief history of the era of


\(^{40}\) Ibid.

prohibition. Prohibition officially began in 1920 as a result of many people blaming alcohol for societies’ troubles. It is important to note that people had been advocating against the use of alcohol for nearly a century prior to the official beginning of prohibition. It is in this way that the history of marijuana which was advocated against as people blamed it for ruining society mirrors the prohibition of alcohol.\textsuperscript{42} The National Prohibition Act, also known as the Volstead Act, was passed and the following 13 years were characterized by bootleggers and an increase in gang violence. By 1933, the 21\textsuperscript{st} Amendment was ratified repealing prohibition.\textsuperscript{43}

Today, alcohol is heavily regulated and carries penalties for things such as underage drinking and driving under the influence.\textsuperscript{44} The age of consumption in the United States is 21. Additionally, there is a sin tax, or excise tax, placed on alcohol. The excise tax is best understood by discussing basic economic concepts.

\textit{Excise Tax}

To fully understand the effect marijuana (and alcohol similarly) has had on the economy thus far, it is important to understand some basic economic concepts. An excise tax is levied on some but not all commodities (this is different from a sales tax which is placed on all products). The long-run effect of an excise tax is a reduction of the supply of the commodity which leads to an increase in the price that consumers have to pay. This is best illustrated by Figure 2 which shows a typical supply and demand graph that also includes what happens when the supply curve is shifted up (or to the left). Excise tax aside, when a supply curve is shifted up (this shift can occur for a number of reasons and in the case of an excise tax it is classified as a shift as a result of a

\textsuperscript{43} \textit{Ibid.}
\textsuperscript{44} “Alcohol Deaths.” \textit{Centers for Disease Control and Prevention}. Centers for Disease Control and Prevention, 30 June 2014. Web. 18 Jan. 2015.
government action) there is less of a product supplied and there is an increase in price.\textsuperscript{45} This is seen as the original supply line (pink) is moved and the supply line (red) demonstrates a decrease in quantity supplied, a shift from q1 to q2, and price increases, a shift from P1 to P2. As a result of this shift of the supply curve, the demand curve does not shift, but instead there is a change in the quantity demanded because the only change experienced by demand is a change in price. This increase in price moves the quantity demanded from point d to point c because of the law of demand which says that at a higher price less of a product is demanded.\textsuperscript{46}

As illustrated by the graph, a per unit excise tax creates a wedge between the price that sellers receive and the price that consumers pay. The tax creates missed opportunities (this is seen by analyzing a production possibilities curve) and it leads to inefficiency by distorting incentives and creating missed opportunities for mutually beneficial transactions in which a consumer is able to comfortably buy and a producer is able to comfortably sell. While an excise tax is placed on producers, it is not entirely paid by the producers, and at least half of it is

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure2.png}
\caption{A simple excise tax}
\end{figure}

\textsuperscript{46} Ibid.
absorbed by consumers as the overall price of the product increases when supply decreases. While it is important to recognize that the tax is not entirely paid by one party, it is also significant to note that it doesn’t officially matter who pays the tax because the equilibrium outcome is the same in either case.\textsuperscript{48}

In this situation, the graph also illustrates the concept of a consumer and producer surplus. A consumer surplus measures the difference between what a consumer is willing to pay for a good and what he or she actually has to pay.\textsuperscript{49} On the other hand, a producer surplus measures the difference between the price producers receive for a good and the cost of producing the good. In this case, as the price increases, the consumer surplus decreases and the producer surplus increases.\textsuperscript{50} Because the producers must pay the excise tax to the government, the government is able to raise revenue. This revenue is used for a number of things which vary depending on what product they were raised from.

These basic principles of supply and demand and consumer and producer surpluses are important to understand as they are the driving force of our economy today, and they are extremely important in government’s deciding what action to take to generate revenue. It is easy to use alcohol and its excise tax to illustrate the point because, as previously discussed, it mirrors the current issue of legalizing marijuana enough that it can serve as a rough model to understand what actions (to be discussed later) can be employed and have been employed in the process of legalization of marijuana.

\textsuperscript{49} \textit{Ibid}.
\textsuperscript{50} \textit{Ibid}.
Fiscal and Opportunity Costs

In the recent events in the legalization of marijuana, one topic that should not be overlooked as it has both an effect on society and on the economy, are arrests made regarding both possession and sales of marijuana. While laws about how much marijuana one can possess and the penalties including both jail time and fines are changing and important to note, the demographic information including age, sex, and race regarding arrests is revealing of our legal system. The first clarification that needs to be made before a discussion regarding both arrest records and recent policy changes and their effects is between legalization and decriminalization and between recreational and medical use. This can best be clarified through a series of examples.
IV. Legal Implications

Legalization Versus Decriminalization

While voters in Colorado and Washington legalized the use of recreational marijuana in 2012, more recent additions to this list, as of November 2014, are Oregon and Alaska. In all four cases, only personal recreational use of marijuana by adults 21 and older is permitted. This legalization means that a person cannot be arrested, ticketed, or convicted for using marijuana as long as he or she follows laws set on age, place, and amount for consumption. Additionally, there are laws on licensure and taxation, which work to stop the still illegal sale of black market marijuana.

When marijuana is legalized for medical purposes, there are usually limits placed on the number of ounces that can be owned, or patients are given either a 30-60 day supply with the amount varying based on the patient’s needs. As illustrated in Figure 3, as of January 8, 2015, twenty-three states plus the District of Columbia have legalized medical marijuana. This is important because it is nearly half of the United States, yet marijuana remains a social taboo and a point of controversy. This social disparity will be discussed in more depth later. The table shows that most states have both a fee and very specific possession limits to control the use and consumption of the drug.

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53 Ibid.
With both levels of legalization as background, it is time to explore decriminalization.

“Decriminalization means that a state has repealed or amended its laws to make certain acts criminal, but no longer subject to prosecution.”55 According to the National Organization for the Reform of Marijuana Laws, decriminalization means “no prison time or criminal record for first-54

time possession of a small amount for personal consumption. The conduct is treated like a minor traffic violation.”

Decriminalization is important because it spares minor marijuana offenders from criminal arrest, prosecution, and incarceration. In addition, decriminalization has the added economic benefit of saving state taxpayers’ money and raising revenue as law enforcement agencies and courts would both save millions of dollars by respectively not enforcing possession laws and by not adjudicating these cases. “Reducing marijuana violations to a civil offense will reallocate law enforcement and judicial resources while simultaneously raising state revenue through the imposition of civil fines.”

To demonstrate the important point of the demographics of marijuana possession and sales arrests, attention will now be focused on primarily one state. Because this report is being written with the state of Indiana in mind, the arrest demographics of this state will be used for analysis. To start, one should know that Indiana currently has some of the harshest penalties in the country for marijuana. As made evident in Figure 4, most of the offenses are classified as felonies and offenses are accompanied by a significant incarceration period as well as a considerable fine.

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Additionally, marijuana in Indiana remains classified as a Schedule I substance among drugs which have a high potential for abuse and no recognized medical value. Commonly known substances which are also classified as Schedule I include heroin and methamphetamine while cocaine is classified as a Schedule II drug meaning it has a high potential for abuse, but less abuse than Schedule I drugs.  

A Closer Look at Indiana

Putting aside information that has been presented thus far including health effects and drug classification, an analysis of Indiana’s marijuana arrest records makes evident trends in demographics. First, one should recognize the increase in the number of arrests for marijuana

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possession. While the prevalence of marijuana use has remained essentially unchanged since 1986, it is evident that the number of arrests are rising quickly (approximately +2.6% per year). As previously discussed, these arrests all have significant fiscal costs, but more disturbing are the social costs. Marijuana arrests have a disproportionate impact on two demographic groups: young people and minorities. The first demographic group that will be discussed are young people. As illustrated in the graph below, most people arrested for possessing marijuana are young. Of those arrested in the five years of 2001-2006, 33% were 19 or younger, 60% were 24 or younger, 74% were 29 or younger, and 83% were 34 or younger.

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An even more troubling arrest statistic is one that reveals that minority groups are three to four times as likely to be arrested for possession of marijuana than whites. While the age disparity can be explained by the difference in use, this is not the case here. By looking at Figure 7 and Figure 8, one can clearly see that whites have the most usage in every category, but they also have the least number of marijuana possession arrests.\textsuperscript{64}


\textsuperscript{64} Ibid.

Ibid.
Criminal justice reporters have long known that drug arrests are conducted on a racially disproportionate basis, the report finds that the disparity has widened even further over the past decade.\textsuperscript{67} An analysis by the American Civil Liberties Union reveals that while annual marijuana arrests have risen over 10 years, the arrest rate for whites remained constant, meaning that the overall national increase in arrests is largely attributable to a whole lot more black people getting arrested.\textsuperscript{68} The American Civil Liberties Union published “The War on Marijuana in Black in White” in 2013 to detail the “staggering racial bias and financial waste of our country’s counterproductive fight against a drug widely considered less harmful than alcohol” and included facts such as “between 2001 and 2010, a black person was almost four times as likely to be arrested for marijuana than a white person was, despite approximately equal rates of use.”\textsuperscript{69}

The following statistics are useful in quantifying the issue and clarifying the effect it has on the public:

- In Indiana we spend about $150 million a year…arresting about 13,000 young people and minority people Indiana.\textsuperscript{70}
- Indiana’s incarceration rate has increased 40\% the past ten years, despite a decrease in crime.\textsuperscript{71}
- Indiana will need to construct a new prison facility within 5 years at the rate it is going. It will cost taxpayers about $1.2 billion.\textsuperscript{72}

\textsuperscript{72} Dr. Jon Gettman, U of MD professor and former Chairman, NORML, Criminal Sentencing Policy Committee Study on Marijuana at the Indiana Statehouse. July 2011. Print.
With all of the above information taken into consideration, one may consider reasons that Indiana has not yet legalized marijuana for either medical or recreational use or even decriminalized the substance. One reason, simply put, is the mindset of people in the state. Indiana is one of only two states that doesn’t allow alcohol sales on Sunday.\(^73\) Despite a growing national trend towards both decriminalization and legalization, Indiana continues to hold strongly to its beliefs and continues to follow its own patterns of taking time to make changes.

The most major effort being made in Indiana is by Indiana’s National Organization for the Reform of Marijuana Laws (NORML) chapter, founded by Steve Dillon, a criminal defense attorney in Indiana who chairs the criminal justice section of the Indiana State Bar Association.\(^74\) Evidence of progress being made by this organization in its time since 1974 is that “when NORML first started in Indiana, it was two to 10 year sentence for possession of under 25 grams of marijuana, for a first offense.”\(^75\) Today, the “new penal code will reduce marijuana possession penalties for 30 grams or less to a B misdemeanor level,” which means a person would serve six months as opposed to a year.\(^76\) Despite this, marijuana is still criminalized in Indiana and the racial disparities detailed above persist.

\(^{75}\) \textit{Ibid}.
\(^{76}\) \textit{Ibid}.
V. Findings

Conclusions Based on Research

While there is still data to be found regarding all aspects explored in the body of this paper including social, economic, and legal implications, information thus far is sufficient for a person to more accurately form an opinion. The preceding information is often absent in the media and news which are the primary vehicles to providing knowledge to the public. In each of the three main areas of focus, the research revealed significant trends which are important to take into account. The body of this paper allows the reader to understand that in the legalization process, more than just health effects should be considered. Perhaps the most important piece of information to be taken away from this paper are the effects the legalization process have had on the United States as individual states have had to face societal implications which are often overlooked.

The history portion of research revealed that the societal issues regarding marijuana reach back to its introduction when the American public and government associated the drug with immigrants. Although this mindset originated approximately one hundred years ago, it is evident in the demographics of those arrested that there is still a societal problem. The tumultuous history of marijuana in the United States makes clear the reasons that the drug is still considered a taboo by nearly half of the country, while also raising concerns as to why the public, in the face of new research, is unwilling to change its opinion.

When analyzing medical data on the health effects of marijuana as it affects the body both physically and psychologically, it is important to recognize that many reports, even those published within a year of each other, come to opposite conclusions. This demonstrates the
history of different findings in research on the effects of marijuana and its influence on public opinion and legal action. It seems that every time a report is published on a potential benefit of marijuana use, another article is published in opposition. This makes it difficult for the public to know who to trust. Despite this, there seems to overall be a general trend towards reports which conclude positive results. In the past twelve months, there has been more federally funded research on the positive health effects of marijuana than have been done in the past twelve years.

From an economic standpoint, it seems logical that marijuana should be legalized. By understanding the excise tax and with the knowledge that there is an excise tax placed on products such as alcohol, an average person is able to see economic benefits of the legalization movement. An excise tax raises revenue for the government which can use the revenue for a number of different projects from which society benefits. Additionally, in this case, the government would be raising money instead of losing money by enforcing extremely strict marijuana possession penalties that costs the American taxpayer a lot of money to fill prisons with people who have committed these crimes.

An analysis of Indiana’s marijuana arrest records reveals a shocking societal truth which reflects an issue beyond the legalization of marijuana. The statistics which reveal the drastically unbalanced demographic of those who are arrested for marijuana related offenses exhibit the much larger social problem. Despite the fact that whites and minority groups have nearly an equal amount of use, minority groups are three to four times as likely to be arrested for possession of marijuana than whites. Overall, this evidence reveals a society that is not willing to accept its shortcomings and faults and is constantly looking for a scapegoat.

Fortunately, at this time there are enough states which have legalized marijuana either for medical or recreational use, or both, that there is sufficient ground for comparison between those
that have and those that haven’t. By looking closely at Indiana, many shortcomings of the state’s extremely harsh marijuana possession penalties are made evident. In having such harsh punishments, the state is filling prisons with people who have committed these crimes and in turn is costing taxpayers billions of dollars annually. Despite this, it is important to note that the general public is not unwilling to legalize marijuana. A statement by State Senator Karen Tallian saying, “the general public is much farther ahead than the legislature on this issue,” is very accurate in summarizing the public’s feelings about decriminalization and legalization.

Questions Which Remain

In my effort to answer my research question, I found that there are many more questions which I was unable to consider, but are very significant especially as this issue moves forward. The most general question that I am left with and which I will address in the implications/recommendations section is about how the so-called “marijuana revolution” will proceed both on the individual state level and on the federal level. This question brings up many specific questions which are outside the scope of this paper and thus could not practically be covered, but are worth considering and researching perhaps in a more specific paper.

As I considered the different directions that this issue could take, my questions began spilling out. Additionally, most of my questions focused on the path that Indiana should take as the state moves forward in the legalization revolution. My first question is, “Should Indiana initially legalize marijuana for medicinal purposes and then later consider extending legalization for recreational purposes? Or is it better to just immediately legalize for recreational purposes?” In considering the answer to this question, the economics would certainly need to be researched
to a more detailed level to create two different models which show the economic effects of full legalization versus legalization for only medical purposes.

I then began to consider what regulations would be placed on marijuana if it were legalized for recreational purposes. Obviously if it were legalized for medical purposes, a person would require a prescription to obtain the drug and it would be somewhat easier to regulate. However, if marijuana were made legal for recreational purposes, who would be able to have access to it? What age of person would be allowed to obtain marijuana? What would the maximum possession amount be? How could the public be ensured that they will remain safe whether or not they choose to participate in marijuana consumption? The answer to all of these questions could be found through researching Colorado, a state which has legalized marijuana for recreational purposes, and determining if the restrictions that they have in place are effective or not.

Another question that struck me was, “how can states move forward with legalizing marijuana if the Food and Drug Administration (FDA) has not approved marijuana as a safe and effective drug?” The answer to this question would require research on policy regarding how much freedom states have from the federal government. Additionally, if marijuana is being legalized, then those states which have legalized it would obviously make efforts to get the FDA to approve it. This brings up the question, “what efforts are currently being made and/or need to be made to get approval from the FDA regarding marijuana?” More research on policy would need to be done to determine what steps should be taken to get approval from the FDA.

A final aspect of the issue that was outside the scope of my research is the process that marijuana goes through to take it from the plant phase to the market. I would have found it very interesting to research dispensaries and use an economic model by treating the dispensary as a
firm to determine how the product moves through the phases to prepare it for the market. If given
time to more deeply research this aspect of the problem, I would also have liked to take a
business standpoint and see how dispensaries are marketing the product and to come up with
ways to make the product more “restriction friendly” as other states may be beginning to
legalize. For example, is there is a special kind of packaging, such as a child proof, that should
be used which would appeal to more recently legalized states which are still highly concerned
with safety? As I think more about the topic, an endless number of questions arise. This growing
topic has many different aspects on which research can be conducted, whether it be very specific
or more general.

Implications/Recommendations

The final conclusion from my research is that Indiana should take into account the
economic and social costs of current marijuana policies, and make progressive changes on the
issue of the legalization of marijuana. There is enough research which concludes that the health
effects of marijuana consumption are more positive than negative and there are enough states
which have already taken action that Indiana should be able to move forward on the issue.
Indiana is known as an extremely conservative state which is often one of the last to make policy
changes, but, given the national forward momentum, Indiana should not wait any longer to begin
making changes.

In changing the state’s policy, Indiana will obviously look at empirical evidence in areas
such as economics, but the state will face a challenge in considering philosophical implications.
In fact, many fundamental ethical theories that lay the foundation of western thought should be
considered when addressing the issue of legalizing marijuana. Each person is faced with the
challenge of achieving the *summum bonum*, and the methods used to achieve this good life differ from person to person. As a result, a person’s moral code, whether *a priori* or *a posteriori*, is forced to deal with making decisions regarding the purpose of marijuana and if it should be legalized.

One ethical theory relevant to the legalization of marijuana is the school of Utilitarianism called Quantitative Hedonism. This ethical theory claims that all pleasure is sensual and that it varies by degree. These pleasures are governed by four sanctions: physical, political, moral, and religious. This theory, articulated by Jeremy Bentham, will have an outcome that benefits the greatest number of people, sometimes at the expense of the minority. Evidence on the issue of the legalization of marijuana pleasure clearly shows that at this time, the minority demographics are arrested in greater number and with greater frequency. This raises the question of whether keeping marijuana criminalized in Indiana is actually benefitting the greatest number of people at the expense of the minority.

Epictetus proposed the ethical theory called Stoicism in which the *summum bonum* is that tranquility, serenity, and composure will lead to wisdom and happiness. Ultimately, a person needs to place emphasis on commanding one’s desires rather than letting them rule us. Additionally, the theory says that a person has the will power to do this, known as the unconquerable will. This applies to the issue of the legalization of marijuana because in considering lowering penalties for marijuana possession, the concern of whether or not people will be able to control themselves arises. According to Stoicism, people have the ability to command their desires, so the philosophical concern over the possession of marijuana can find consolation.
The branch of philosophy which is most related to the issue of the legalization of marijuana is ontology. This branch of philosophy deals with theories of being. The most important question in this branch as it relates to this issue is “who am I.” When a person is considering consuming marijuana whether for recreational or medical purposes, his or her morals are tested as he or she is forced to consider why he or she is consuming marijuana in the first place. Likewise, a state which legalizes marijuana or is trying to do so often searches for justification in making its decision. For example, the tax money gained from legalizing marijuana can be used to benefit the greater good of the state.

Should a scholar choose to follow up on this project, I would advise them to pick a specific aspect of the problem of legalizing marijuana. In my paper, I discussed the economic, legal, and social implications of the issue and I looked specifically at the issue in Indiana. It would be beneficial to pick one of the three aspects and go into further depth. It might also be particularly interesting to research one of the three aspects in two different states to see how they compare. It would be interesting to research the economics in Colorado and compare them to the economics in Indiana because the two states have opposite policies and this research could help lead to a conclusion and possibly even an economic model for Indiana to follow.
Works Cited


Works Consulted


Outcomes

After I chose my topic for my Global Scholars project, I was worried. I knew that I was interested in the topic and that I would enjoy researching the different aspects so I could piece together a more detailed understanding of the legalization of marijuana, but I had some reservations. These included the fact that I would have to publicly speak on a topic which is somewhat considered inappropriate by the community. As I began research, I even considered changing topics so I would not have to deal with telling people my topic and receiving some sort of joking comment as the response. Additionally, in the initial stages of my research, I had some issues accessing information on certain websites when at school and even communicating with my mentor because the information in an email was blocked by the school server. This caused me to think that if I could not access information at school, then perhaps I should not be accessing it all. I wrestled with myself for about a week and throughout the initial stages of writing my paper as I was trying to accept the fact that in researching something interesting, I would be unable to avoid the public’s opinions.

Fortunately, after discussing my concerns with my parents and Dr. Guffin, I regained my confidence and was able to fully devote myself to the process of researching and writing. The research on this topic allowed me to become informed on the health, economic, legal, and social aspects of this current and ever developing issue. Additionally, I learned a lot from the process of researching and writing a major report. I learned that regardless of how organized the research is, it will still take a significant amount of time to actually write the paper. I also became aware of the challenges of researching a topic that is continuing to develop. On more than one occasion, I had to change information in my paper due to progress being made in the legalization process.
This initial roadblock was a result of a larger problem that I realized I had to deal with: perfectionism. I used to think being a perfectionist was a desirable quality, until in this situation of self-directed learning, I noticed some problems. Part of being both a human and a perfectionist is procrastination. As a perfectionist, I procrastinate because I am often paralyzed at the beginning of something which has some aspect of uncertainty because I do not like to start something which may get messy and not be perfect the first time. This led me to analyze my entire high school career and allowed me to come to the conclusion that my success in the classroom has been due to the fact that taking notes, doing homework, and getting A’s on tests are all activities which do not require me to take any of the risks that are present in self-directed learning. This is a quality that I am not proud of, but through the process of writing this paper, I have been able to better understand my work ethic and develop it throughout each phase of the project.

My mentor, Mr. William Martin, was especially helpful in guiding me through this process. Our initial conversation was extremely helpful as I was able to create an outline for my research so I could direct my attention to the most important aspects of the issue without becoming too broad. Additionally, my mentor provided me with resources which provided me with Indiana specific information that I otherwise would not have been able to access. While I did not “neglect” my mentor, I feel as though I did not take full advantage of his willingness to offer assistance. I regret making this mistake, but I am thankful for all of the help that Mr. Martin provided me with.

Now that I truly understand the scope of a major project, I will learn from my mistakes and be able to develop a better, more efficient method for researching. More importantly, I will remember the struggle that I went through in the beginning phases of my project when I was
concerned about how the community would perceive my topic and the fact that I overcame my apprehensions. My ability to overcome my internal challenges as well as the completion of the project itself are the most rewarding parts of the project and give me a sense of accomplishment that I will not forget.