

# State Governments Are Creating Their Own Drug Cartels

Politicians just don't learn.

People die as police fight drug dealers. Marijuana dealers form gangs and fight among themselves.

It's so stupid. Especially because marijuana is relatively harmless.

Finally, some states legalized it, hoping to put an end to the black market. But legalization hasn't ended the violence.

Why? Because many states impose so many unnecessary rules.

California is one of the worst.

"The illicit market is approximately two to three times the size of the legal market," says cannabis industry lawyer Tom Howard in my new video.

Illegal sales thrive in California because politicians make distribution pointlessly difficult.

Howard advises clients who want to open a dispensary, "You have to have a \$50,000 safe, a \$200,000 security system, and a \$100,000 consultant help you make an 800-page application."

Every single plant must be weighed, tagged, and tracked from seed to sale.

This information is "not being used to benefit anybody," complains grower Jason Downs. "It's just a waste of everybody's time, money."

While legal sellers struggle, clueless California Gov. Gavin Newsom complains: "Illegal cannabis grows! They're getting worse, not better."

His solution: California taxpayers now will spend \$100 million to bail them out!

Much of what government does is tax people to try to fix problems that government caused.

Politicians are so arrogant and ignorant that they even lose money when they take over profitable illegal industries.

Bookies once let people bet on horse racing without going to the track. Politicians called them criminals and said government would put an end to the "crime" of off-track betting by running that business themselves.

New York claimed they'd use their profits to "promote the public welfare." But the state's rules were so bureaucratic that New York *lost* millions on its off-track betting parlors.

Other states manage to lose taxpayer money running liquor stores (Alabama, certain counties in Maryland), and even on sports betting (Oregon).

Only governments can mismanage so badly.

Back to marijuana: Illinois' rules are probably the worst.

"Only 'social equity veterans' in Illinois can get a license," explains Howard. In other words, new licenses are supposed to go to prior "victims of the drug war."

But the bureaucrats' rules are so complex that a full year after legalization, *zero* new licenses have been issued.

Meanwhile, politically connected people grabbed every existing license.

One billionaire from the Wrigley gum family "paid \$155 million for six dispensary licenses," says Howard. Illinois is "creating a cartel."

*Vice News* confronted Illinois bureaucrat Toi Hutchinson, the governor's cannabis adviser. She denied that her licensing program is a failure. "It's delayed, but it's not done yet," she said. "The fixes that we've been able to do almost in real time...another thing that is not normal for government. I don't know how to solve for racism and capitalism and structures that have existed for 100 years."

She blames *capitalism* for *her* failure to allow capitalism to work?

Arrogant government workers have little knowledge and no shame.

Howard says Illinois is "like [old] Russia, where they had the state pick and choose winners and losers."

Other states have bad rules, too.

"Florida and Arizona are millionaires' clubs," says Howard. "You have to not only grow it; you have to be able to produce it and process it. You have to own your own dispensary. If you have \$40 or \$50 million, it's great."

Massachusetts requires all dispensaries to black out windows lest anyone see the marijuana. Stores must also check everyone's IDs multiple times.

Legalization doesn't have to be stupid.

Oregon and Colorado have reasonable rules, and in Oklahoma, “anyone can get a cannabis license,” says Howard, “provided you’ve lived in Oklahoma for two years.”

The result?

“You get a lot more innovation—more entrepreneurs coming into market. Some go out of business, and some do very well....It’s free market capitalism.”

That works! If only politicians would let people try it.