

The Costs of Prohibition

The state destroys wealth and wastes human initiative by forcing individuals to spend time and money endeavoring to circumvent unnatural impediments to the market instituted by the state. Recently state enforcers seized a tunnel equipped with electricity, ventilation and a rail system that connected San Diego, California, to Tijuana, Mexico. This tunnel was allegedly built to facilitate the transfer of drugs from production facilities in Mexico to willing and eager consumers in the United States. This was not an isolated occurrence, either, as at least 75 tunnels between the two countries have been discovered in the last 6 years alone.

Unfortunately for the consumers of the goods transported through these tunnels, the costs of the goods they desire to purchase are substantially higher than their natural equilibrium prices in a free market because so much additional capital is required to overcome the barriers to free trade that have been erected by the state. There is also the issue of the artificial scarcity that comes about when the government steals or destroys products such as the eight tons of marijuana and 325lb of cocaine seized in conjunction with this most recent tunnel discovery. Lest you think that the only losses are to the producers, distributors, and consumers of drugs, consider the enormous amount of capital that would be used for other endeavors if it did not have to be diverted to thwarting state prohibitions.

We also can not ignore the sobering issue of the violence which invariably comes about as a result of prohibition. This comes both from competing providers resorting to force in an effort to increase their market share in an unnaturally lucrative market and from the state initiating force against producers, distributors, and consumers alike. If we are ever to put a stop to this needless violence and astronomical waste of resources and wealth, we must put an end to all varieties of state prohibitions and recognize the immutable truth that where there is demand, there will always be supply.

— Parrish