

Political Economic Digest Series 21

Dear Political Economic Digest Series Participant,

Welcome to the twenty first issue of Political Economic Digest Series. In the last issue of Political Economic Digest Series we discussed about the role of education in the economic growth of a country but from a new perspective. In this issue, we will be discussing about the Marijuana its uses and its debate on legalization. We hope you'll enjoy this reading.

Marijuana since the Beginning of Time

Cannabis, has been found on every continent in this hemisphere, it was used long before its' first recorded uses. It's safe to believe, that no historian knows which peoples were first to experience her treasures.

In every society where people discovered Cannabis Hemp, they often discovered the five uses for Marijuana which include; hempen fibers, oil from the seeds, the seeds for food, a medicine, and for its narcotic properties. Cannabis use has existed for over ten thousand years, and is one of the oldest crops used for cultivation. It was cultivated in China as early as 4000 BC. Most cultures viewed Marijuana as a gift, or treasure, from the Divine Sprit, to be used during ceremonials, at which time it was either burned as incense, ingested for deep meditative and heighten awareness, smoked for pleasure, or worn for clothing during these ceremonies. Marijuana has been mentioned in many important documents over its recorded history, The Zend-Avesta, a sacred book used by the peoples of India dating back to 600 BC, spoke of Hemp's' intoxicating resin. The Chinese emperor and herbalist, Chen-Nung wrote about Hemp's medicinal uses 5000 years ago, his pharmacopeia recorded its effects on malaria, female disorders, and many other illnesses, Marijuana was referred to as, Ma-fen "Marijuana fruit", said; "if taken in excess, will produce hallucinations". The Anatomy of Melancholy, published in 1621 recommended Marijuana for depression. The New English Dispensatory, of 1764 suggested applying Marijuana roots to the skin for inflammation.

A western physician by the name of W.B. O'Shaughnessy published in 1839 of the benefits of cannabis for the treatment of rabies, rheumatism, epilepsy, and tetanus. He also reported that a tincture of Marijuana and alcohol taken orally was found an effective analgesic.

Henry VIII required the cultivation of one quarter acre of Marijuana for every sixty acres of land under tillage, for maritime purposes in England.

The British began cultivating Marijuana in its Canadian colonies in 1606; cultivation began for Virginia in 1611. The Pilgrims introduced cultivation to New England as early as 1632, they learned about the cultivation of Marijuana from the Native Americans people.

Marijuana Equals Freedom in the New World

Marijuana was already in the new world when the first European colonist arrived, thought to have been introduced from China by explorers, migrating birds from across the Bering Strait, or possibly drifting shipwrecks.

It is reported that the colonist were not eager to grow Hemp, however the European motherland wanted hemp, and cultivation was deemed mandatory. The Puritans at Jamestown grew hemp, as part of their contract with the Virginia Company. Jean Talon at the order of France Quebec colony minister confiscated all thread the colonist possessed and forced them to buy it back from him with hemp. Talon supplied the seeds to farmers, which had to be reimbursed after Marijuana crops were harvested. Mandatory cultivation of Marijuana continued throughout the New World, the General Court in 1637 at Hartford Connecticut, and the Massachusetts courts in 1639 ordered all families to plant one teaspoon of Marijuana seed. "That we might in time have supply of linen cloth among ourselves." Several colonies passed legal tender laws; Marijuana was so valued it was used to pay taxes.

Until 1776 many colonies passed laws to encourage farmers to produce Hemp, Virginia designed laws to compel farmers, fining those who did not comply. Lobbyist were hired to promote, and education the public about the importance of Hemp. Books were published that wanted to establish Marijuana as America's trademark product.

Colonies under the crown were banned from spinning and weaving Hemp, this fostered dependence to England, which was demanding raw materials from the colonies as a way to increase its labor forces. The exported fibers were then bought back as finished products from England. As the market was flooded with Hemp, immigrant weavers from Ireland arrived in Massachusetts, setting up shop and passing their skills to the peasantry. What may have seemed like a small movement grew into self-sufficiency from the British Crown, to the extent of a boycott of English fabric products. These were some of the conditions which lead into the War of Independence from the British. The American paper industry was born of hemp, linen, and cotton rags which provided writing materials throughout the war, essential for communication.

The Importance of Marijuana and the War Efforts

In preparation of war, mandatory cultivation laws were passed, and colonist increased their production of Hemp, for paper and clothes. Colonists were convinced to take up arms, as they read pamphlets published on Marijuana paper. Thomas Paine in 1776 encouraged colonist to fight for freedom with Common Sense he writes "in almost every article of defense we abound. Marijuana flourishes even to rankness, so that we need not want cordage."

The founding fathers of this nation George Washington and Thomas Jefferson were both promoters of Hemp, as noted in their farm diaries spoke of their experiences as Marijuana farmers. Throughout Washington's' farm diary he spoke about the quality of seeds, always taking care to sow seeds in best areas on his farm. He documented the importance of cultivating seeds at the proper time taking care to pull the male plants from the females. In 1790's Washington began cultivating "Indian Hemp" which he said produced the best quality of plant, and noted its superior quality to common Marijuana mostly grown during that time. Both Washington and Jefferson disliked tobacco, and on occasion they would exchange gifts of smoking mixtures, Washington reportedly enjoyed smoking Marijuana flowers, however there is no hard evidence.

Jefferson was also a promoter of Hemp, and during his tenure as Governor of Virginia he kept reserves of Hemp, and in May of 1781 used Marijuana as currency when money from the government was in short supply.

Jefferson believed Marijuana to be a superior crop to tobacco, which he said exhausted the soil, used to much manure, provided no nourishment for cattle. Marijuana on the other hand "was of the first necessity to commerce and marine, in other words to the wealth and protection of the country." Around 1815 Jefferson received the first US patent for his Marijuana breaking machine, which reportedly did the work of ten men.

Kentucky was a large supplier of Hemp, primarily because the soil would not sustain a grain crop. In 1792 its legislature levied a tax of twenty dollars per ton on imported Hemp, this worked to Kentucky's' advantage and by 1850 domestic Marijuana crops increased and the amount of imported Marijuana dramatically decreased.

Marijuana Production in the 19th & 20th Centuries

The belief that Marijuana was one of the most important crops to the common wealth, continued throughout the 19th century. As production increased, more states like Illinois, California, and Nebraska began to grow Hemp, with more domestic Marijuana available, creative ideas for Marijuana use increased. In 1841, Congress ordered the Navy to buy domestic Hemp, and in 1843 they appropriated fifty thousand dollars to purchase American Hemp.

Marijuana Production was a hard and tedious process, its production was always relegated to the slaves in this countries. After the Civil War when labor was no longer free, there was a great decline in the domestic cultivation of Hemp. In 1861 G.F. Schaffer of New York patented the Marijuana Dresser, used to prepare Marijuana for manufacturing. After Schaffer invention, many improvements to his machine followed.

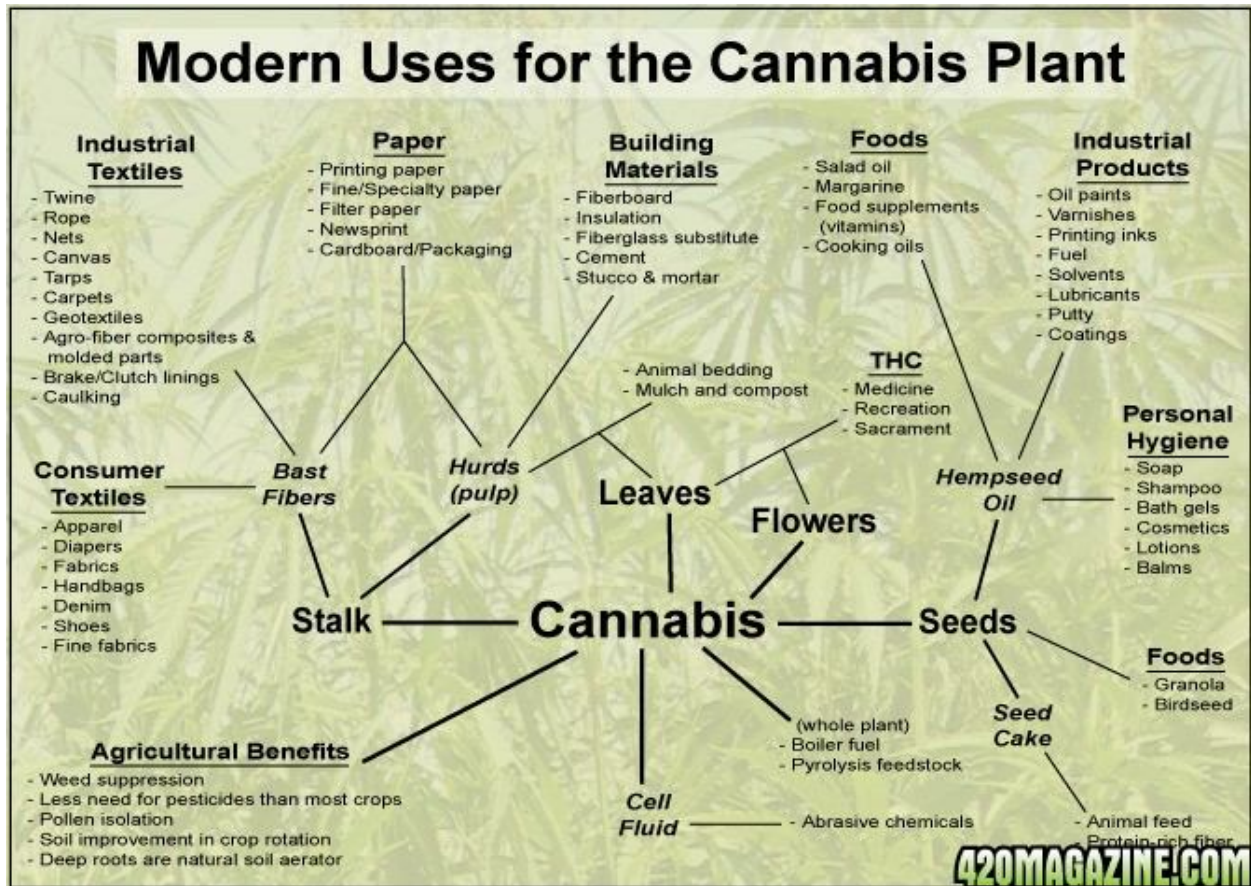
By the early 20th century, industrialization, lead to inventions, of machines that would do the work of many, this was caused by the abolition of slavery. One of the most important inventions to the

Marijuana industry was the Decorticator machine, it was hailed as the invention to revolutionize the Marijuana industry. In an article from Popular Mechanics magazine dated February 1938 spoke of Marijuana as a cash crop soon to be worth a billion dollars.

Unfortunately its praises came one year to late, the passage of the Marijuana Tax Act HR 6385 was enacted and this required a \$100 transfer tax on the sale of marijuana. The issue for those in opposition of this tax related to the underhanded manner in which this tax was enacted. Those thought to gain the most were Hearst who owned large timber holdings which feed the paper industry. DuPont who dominated the petrochemical market, which manufactured plastics, paints, and other products of fossil fuels and the Secretary of the Treasury and owner of Gulf oil Andrew Mellon who pushed legislation through congress giving tax breaks to oil companies. The Conspiracy was against Hemp, it threaten certain vested financial and industrial interest especially those in the paper and petrochemical industries.

Through the Hearst newspaper chains racist propoganda messages were abound, it was Hearst that coined the phrase "Marijuana Madness". Marijuana Madness is the belief to which the use of marijuana by colored people was said to cause excessive sex and violence, and threatened the safety of white women and children. Following this campaign against Marijuana it was not long before the complete prohibition of Marijuana was enacted.

Extracted from Marijuana Today <http://marijuanatoday.com/marijuanahistory.php>



Why we shouldn't legalize marijuana

Charles "Cully" Stimson

Marijuana is an addictive, gateway drug. It significantly impairs bodily and mental functions, and its use is related to increased violence. These are facts. Yet proponents of legalizing the drug studiously deny or downplay the well-documented dark side of marijuana trafficking and use. Instead, they promise benefits ranging from reduced crime to additional tax revenue.

Marijuana advocates have had some success in arguing that marijuana is a "soft" drug, similar to alcohol, and fundamentally different from "hard" drugs like cocaine or heroin. To equate alcohol with marijuana, however, is both uninformed and misleading. Their similarities run only skin deep.

A glass of wine with dinner, for example, has been shown to actually improve health. Not so with marijuana. Though it may have some palliative effects, marijuana has no known general healthful properties.

Instead, clinical studies reveal that long-term, moderate consumption of the drug impairs short-term memory, slows reaction time, increases the risk of heart attack, and can result in birth defects, strokes, and damage to the respiratory system and brain. Lacking curative or preventive powers, marijuana — unlike alcohol — is usually consumed to the point of intoxication. Prolonged use has a negative effect on cognitive ability that persists beyond the period of intoxication.

What about addiction? Legalization advocates note that alcohol and tobacco are addictive, yet legal. Yes, but marijuana is more likely to cause addiction. One study found that more than 30 percent of adults who used marijuana in the course of a year became dependent on it, exhibiting compulsive behavior and signs of withdrawal.

But think of the benefits to society, pot proponents then argue. Legalizing marijuana would slash drug-related crime, they assert. Yet if and when states legalize marijuana, local demand will increase. Meanwhile, some reputable growers, manufacturers, and retailers will refuse to produce or distribute the drug because of standing federal laws and the tort liability that attend to such a dangerous product. The vacuum will be filled by illegal drug cartels and a black or gray market.

Furthermore, the National Research Council has concluded that the “long-term use of marijuana may alter the nervous system in ways that do promote violence.” No place serves as a better example than Amsterdam. Though often touted as a well-functioning city with a relaxed attitude toward drugs, Amsterdam is also one of the most violent cities in Europe. In California, as well, the areas around cannabis clubs have experienced exponential increases in crime rates.

Pot pushers also offer pie-in-the-sky economic arguments on behalf of their cause. Taxes collected from marijuana sales will easily outweigh the social costs of legalization, they say.

In encouraging Californians to vote for the Regulate, Control and Tax Cannabis Act of 2010, the National Organization for the Reform of Marijuana Laws (NORML) predicted a billion-dollar windfall for the state in tax revenues and enforcement savings. A RAND Corporation study subsequently found these projections were riddled with unfounded assumptions. To date, no realistic cost-benefit analysis has been done, yet proponents keep repeating these groundless claims.

Finally, regardless of state law, marijuana remains illegal under federal laws, which states have no authority to allow their citizens to contravene.

Legalizing marijuana is not the answer. Rather, sound national drug policy includes international cooperation, research, strengthened law enforcement, treatment, and prevention and education. When President Ronald Reagan adopted a similar strategy, illegal drug use by young adults dropped by more than 50 percent.

Thus, the best option going forward is for states to commit to a comprehensive, unified approach aimed at preventing illegal drug use and reducing the number of drug users.

No state will likely be allowed to legalize marijuana on its own due to negative cross-state spillover effects. Yet even if a state could do so, legalizing marijuana would serve little purpose other than to worsen the drug problem.

Charles “Cully” Stimson is a senior legal fellow at The Heritage Foundation.

Extracted from <http://dailycaller.com/2012/07/19/why-we-shouldnt-legalize-marijuana/> and <http://dailycaller.com/2012/07/19/why-we-shouldnt-legalize-marijuana/2/>

Marijuana isn't a gateway drug and doesn't increase aggression

Mitch Earleywine

In a recent Daily Caller article entitled “Why we shouldn't legalize marijuana,” The Heritage Foundation's Charles Stimson urges voters to avoid ending cannabis prohibition. However, Stimson has been badly misinformed and his arguments are based on a serious misreading of the scientific evidence. His first sentence suggests that cannabis is an addictive gateway drug. Real research, published in the peer-reviewed scientific journals mentioned below, says otherwise. In fact, numerous polls of scientists and extensive research on humans and animals reveal that the plant's addictive potential is less than that of caffeine. (See Nutt et al., 2007 in the respected medical journal *Lancet* and Gore and Earleywine's chapter in the Oxford University Press book *Pot Politics*). No study has ever suggested that 30% of those who try it become dependent.

The notion that cannabis is a gateway drug has been so roundly disputed that modern scientific journals rarely publish work on this issue anymore. Most people who try the plant not only do not go on to use hard drugs, they do not even go on to use the plant regularly. Many who use hard drugs do so before they try cannabis, and the vast majority of those who try cannabis have never even seen hard drugs. (See Blaze-Temple and Lo, 1992, in *The British Journal of Addiction* as one of many, many examples.) In fact, a study published in the August issue of *The Journal of School Health* asserts that it is actually alcohol use that is a predictor for progression to harder drugs.

The thought that marijuana increases aggression is also in error, as has been established for decades. Laboratory research shows that those who have recently ingested the plant are no more aggressive than those who ingested a placebo, even when they are provoked. (See Myerscough and Taylor, 1985, in *The Journal of Personality and Social Psychology*, and Taylor et al., 1976 in the journal *Aggressive Behavior*.) Once the legal drug alcohol is taken into account, there is no link between cannabis and hostility.

Stimson's other misstatements and half-truths also lack empirical support, but I'm sure you get the idea. I have occasionally admired The Heritage Foundation's support for free markets, individual liberties and smaller government. Surely these people do not want to jail citizens for owning a plant. An educated voter is the best kind. Let's make sure no one is misinformed before casting a ballot on this, or any, issue.

Mitch Earleywine, Ph.D., is a professor of psychology at the State University of New York at Albany.

Extracted from <http://dailycaller.com/2012/07/22/marijuana-isnt-a-gateway-drug-and-doesnt-increase-aggression/>

A BRIEF HISTORY OF Medical Marijuana

PATRICK STACK AND CLAIRE SUDDATH

On Oct. 19, the U.S. Justice Department announced that federal prosecutors would not pursue medical-marijuana users and distributors who comply with state laws, formalizing a policy at which the Obama Administration hinted earlier this year. Currently, 13 states allow doctors to prescribe medical marijuana to patients suffering from ailments ranging from AIDS to glaucoma, and in Maryland a prescription can soften punishment if a user faces prosecution. But until now those laws didn't provide any protection from federal authorities.

Should Professors Cheech and Chong ever receive university tenure teaching the medical history of their favorite subject, the course pack would be surprisingly thick. As early as 2737 B.C., the mystical Emperor Shen Neng of China was prescribing marijuana tea for the treatment of gout, rheumatism, malaria and, oddly enough, poor memory. The drug's popularity as a medicine spread throughout Asia, the Middle East and down the eastern coast of Africa, and certain Hindu sects in India used marijuana for religious purposes and stress relief. Ancient physicians prescribed marijuana for everything from pain relief to earache to childbirth. Doctors also warned against overuse of marijuana, believing that too much consumption caused impotence, blindness and "seeing devils."

By the late 18th century, early editions of American medical journals recommend hemp seeds and roots for the treatment of inflamed skin, incontinence and venereal disease. Irish doctor William O'Shaughnessy first popularized marijuana's medical use in England and America. As a physician with the British East India Company, he found marijuana eased the pain of rheumatism and was helpful against discomfort and nausea in cases of rabies, cholera and tetanus.

The sea change in American attitudes toward pot came at the end of the 19th century, when between 2% and 5% of the U.S. population was unknowingly addicted to morphine, a popular secret ingredient in patent medicines with colorful names like "The People's Healing Liniment for Man or Beast" and "Dr. Fenner's Golden Relief." To prevent more of the country from being washed over with a morphine-induced golden relief, the government introduced the Pure Food and Drug Act in 1906, creating the Food and Drug Administration. While it didn't apply to marijuana and merely brought the distribution of opium and morphine under doctors' control, the regulation of chemical substances was a major shift in American drug policy.

It wasn't until 1914 that drug use was defined as a crime, under the Harrison Act. To get around states' rights issues, the act used a tax to regulate opium- and coca-derived drugs: it levied a tax on nonmedical uses of the drugs that was much higher than the cost of the drugs themselves, and punished anyone using the drugs without paying the tax. By 1937, 23 states had outlawed marijuana: some to stop former

morphine addicts from taking up a new drug, and some as a backlash against newly arrived Mexican immigrants, some of whom brought the drug with them. Also in 1937, the Federal Government passed the Marihuana Tax Act, which made nonmedical use of marijuana illegal. Only the birdseed industry, which argued that hemp seeds gave birds' feathers a particularly shiny gloss, was exempted, and to this day birdseed producers are allowed to use imported hemp seeds treated so they don't sprout.

With an exception during World War II, when the government planted huge hemp crops to supply naval rope needs and make up for Asian hemp supplies controlled by the Japanese, marijuana was criminalized and harsher penalties were applied. In the 1950s Congress passed the Boggs Act and the Narcotics Control Act, which laid down mandatory sentences for drug offenders, including marijuana possessors and distributors.

Despite an easing of marijuana laws in the 1970s, the Reagan Administration's get-tough drug policies the following decade applied to marijuana as well. Still, the long-term trend has been toward relaxation. Since California became the first state to legalize medical marijuana in 1996, a dozen states have followed. Critics say the legalization of medical marijuana has sparked an underground pot culture in states that sanction its use — Los Angeles County district attorney Steve Cooley has estimated that there are about 1,000 illegally operated marijuana shops in that city alone. And although the Justice Department's newly unveiled policy will keep authorities from cracking down on those with legitimate marijuana prescriptions, all other smokers still run the risk of prosecution.

Extracted from TIME Magazine <http://www.time.com/time/health/article/0,8599,1931247,00.html>

NEW BILLION-DOLLAR CROP

Popular Mechanics

February, 1938

AMERICAN farmers are promised a new cash crop with an annual value of several hundred million dollars, all because a machine has been invented which solves a problem more than 6,000 years old. It is hemp, a crop that will not compete with other American products.

Instead, it will displace imports of raw material and manufactured products produced by underpaid coolie and peasant labor and it will provide thousands of jobs for American workers throughout the land.

The machine which makes this possible is designed for removing the fiber-bearing cortex from the rest of the stalk, making hemp fiber available for use without a prohibitive amount of human labor. Hemp is the standard fiber of the world. It has great tensile strength and durability. It is used to produce more than 5,000 textile products, ranging from rope to fine laces, and the woody "hurds" remaining after the

fiber has been removed contain more than seventy-seven per cent cellulose, and can be used to produce more than 25,000 products, ranging from dynamite to Cellophane.

Machines now in service in Texas, Illinois, Minnesota and other states are producing fiber at a manufacturing cost of half a cent a pound, and are finding a profitable market for the rest of the stalk. Machine operators are making a good profit in competition with coolie-produced foreign fiber while paying farmers fifteen dollars a ton for hemp as it comes from the field.

From the farmers' point of view, hemp is an easy crop to grow and will yield from three to six tons per acre on any land that will grow corn, wheat, or oats. It has a short growing season, so that it can be planted after other crops are in. It can be grown in any state of the union. The long roots penetrate and break the soil to leave it in perfect condition for the next year's crop. The dense shock of leaves, eight to twelve feet above the ground, chokes out weeds. Two successive crops are enough to reclaim land that has been abandoned because of Canadian thistles or quack grass.

Under old methods, hemp was cut and allowed to lie in the fields for weeks until it "retted" enough so the fibers could be pulled off by hand. Retting is simply rotting as a result of dew, rain and bacterial action. Machines were developed to separate the fibers mechanically after retting was complete, but the cost was high, the loss of fiber great, and the quality of fiber comparatively low.

With the new machine, known as a decorticator, hemp is cut with a slightly modified grain binder. It is delivered to the machine where an automatic chain conveyor feeds it to the breaking arms at the rate of two or three tons per hour. The hurds are broken into fine pieces which drop into the hopper, from where they are delivered by blower to a baler or to truck or freight car for loose shipment. The fiber comes from the other end of the machine, ready for baling.

From this point on almost anything can happen. The raw fiber can be used to produce strong twine or rope, woven into burlap, used for carpet warp or linoleum backing or it may be bleached and refined, with resinous by-products of high commercial value. It can, in fact, be used to replace the foreign fibers which now flood our markets.

Thousands of tons of hemp hurds are used every year by one large powder company for the manufacture of dynamite and TNT. A large paper company, which has been paying more than a million dollars a year in duties on foreign-made cigarette papers, now is manufacturing these papers from American hemp grown in Minnesota. A new factory in Illinois is producing fine bond papers from hemp. The natural materials in hemp make it an economical source of pulp for any grade of paper manufactured and the high percentage of alpha cellulose promises an unlimited supply of raw material for the thousands of cellulose products our chemists have developed.

It is generally believed that all linen is produced from flax. Actually, the majority comes from hemp--authorities estimate that more than half of our imported linen fabrics are manufactured from hemp fiber. Another misconception is that burlap is made from hemp. Actually, its source is usually jute, and practically all of the burlap we use is woven by laborers in India who receive only four cents a day. Binder twine is usually made from sisal which comes from Yucatan and East Africa.

All of these products, now imported, can be produced from home- grown hemp. Fish nets, bow strings, canvas, strong rope, overalls, damask tablecloths, fine linen garments, towels, bed linen and thousands of other everyday items can be grown on American farms.

Our imports of foreign fabrics and fibers average about \$200,000,000 per year; in raw fibers alone we imported over \$50,000,000 in the first six months of 1937. All of this income can be made available for Americans.

The paper industry offers even greater possibilities. As an industry it amounts to over \$1,000,000,000 a year, and of that eighty per cent is imported. But hemp will produce every grade of paper, and government figures estimate that 10,000 acres devoted to hemp will produce as much paper as 40,000 acres of average pulp land.

One obstacle in the onward march of hemp is the reluctance of farmers to try new crops. The problem is complicated by the need for proper equipment a reasonable distance from the farm. The machine cannot be operated profitably unless there is enough acreage within driving range and farmers cannot find a profitable market unless there is machinery to handle the crop. Another obstacle is that the blossom of the female hemp plant contains marijuana, a narcotic, and it is impossible to grow hemp without producing the blossom. Federal regulations now being drawn up require registration of hemp growers, and tentative proposals for preventing narcotic production are rather stringent.

However, the connection of hemp as a crop and marijuana seems to be exaggerated. The drug is usually produced from wild hemp or locoweed which can be found on vacant lots and along railroad tracks in every state. If federal regulations can be drawn to protect the public without preventing the legitimate culture of hemp, this new crop can add immeasurably to American agriculture and industry.

Extracted from <http://www.druglibrary.org/schaffer/hemp/popmech1.htm>

Questions to think about

- 1) Is there a possibility of using marijuana as an important cash crop in Nepal?
- 2) Should marijuana be legalized , decriminalized or should it be banned?