Toward a Regulatory Policy for Cannabis
Mexican Senate
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Good morning, Senators and guests:

Thank you so much for the invitation to participate in this forum, which deals with a crucial issue.

The regulation of cannabis is an urgent topic of discussion for Mexico for two key reasons:

First, because cannabis prohibition makes no sense in practice. If the goal of prohibition is to protect public health, then it is evident that prohibition has been a disastrous policy: Cannabis use has not declined in all the decades that prohibition has been in force, and in some cases, such as in Mexico, it seems to have increased. Also, because of prohibition, the state has no control whatsoever of the content, production, or distribution of cannabis: there is no way to ensure that cannabis will not be sold to minors, or that consumers know exactly what they are buying. Also, it’s impossible for society to take advantage of the known benefits of cannabis.

The second reason is that prohibition has generated massive violations of human rights. In the name of prohibition, as stated in the preamble of the bill proposed by Secretary of Interior Olga Sánchez Cordero, in this country — just as in the United States — criminalization has focused on the most vulnerable. Besides, the war on drugs and prohibition have created a huge illicit drug market that empowers organized crime, enabling them to corrupt the authorities and ensure impunity. This cycle, combined with the massive amount of resources invested in the war on drugs, has contributed to a bloodbath in this and other countries that will not stop unless we change the underlying policies.

I remind you that recently a court in the United States tried El Chapo—an individual who was certainly responsible for terrible atrocities. But, I ask: who here believes that this trial is going to do anything to reduce the rampant violence or corruption in Mexico? Who believes that it will reduce drug use or distribution anywhere? A similar story has played out repeatedly Colombia. After Pablo Escobar’s killing in 1993, the Cali Cartel became the country’s biggest traffickers. When the leaders of that cartel were arrested, the paramilitary groups grew stronger. And so on. It is fundamental that countries in Latin America, a region that has suffered so much because of the war on drugs, start questioning these decades-long policies and begin to explore alternatives.

Regulating cannabis will not solve all of those problems, but it is a step towards a new direction—and is a path that several other jurisdictions have already followed. Mexico can learn from those experiences to ensure that regulation is as successful as possible.

My organization, the Drug Policy Alliance, has been involved in all of the examples of cannabis regulation through ballot initiatives in the United States, as well as in Uruguay’s process, so we have some lessons to share:
First, I would like to stress that the regulation of cannabis in several states of the United States has been successful. Among the positive results, we can now say that:

- The number of marijuana arrests in the states that regulate cannabis has dropped dramatically. Nationwide, these numbers are still high and affect people of color disproportionately, but we have reduced harm in the states that regulate cannabis.
- The states that regulate cannabis are collecting revenue that they can now use to invest in more effective and positive policies.
- Drug use among minors has not increased. Even if the use rates have gone up in general, data indicates that the population that has most increased its use is that of senior citizens.
- There has been no meaningful increase in fatal road accidents associated with cannabis use.
- Data indicates that in the states where there is meaningful access to legal cannabis, opioid overdose rates are lower.

In fact, contrary to the warnings of critics, the sky did not fall because of cannabis regulation in these states. Maybe that is why more than 60% of Americans support the regulation of cannabis, and we are seeing ever more prominent figures like governors and presidential candidates also support regulation.

Now, there are some issues that need more research and work, and which I suggest the Senate consider during this debate:

The first concerns the impact of regulation on the vulnerable groups that have been most impacted by prohibition. In the US, we have fought to ensure that, as states implement new policies, they also adopt the following measures to begin to repair the harms of prohibition:

- Expunge the records of people convicted of cannabis-related offenses.
- Reinvest revenue from cannabis regulation in the communities that have been most impacted during prohibition. In Mexico, there should be a systematic assessment of the communities harmed by prohibition to guide reinvestment of resources.
- Ensure that the new legal market does not only benefit big businesses, but also those who have been the most harmed by prohibition.

In California, for example, we have achieved policies that prioritize licensing for lower-income people and small businesses. A way to do this is by restricting all of the licenses related to certain aspects of the market—for example, distribution—to small or medium-sized businesses. Another way to do this is by making licenses available to small and medium businesses first, delaying availability of licenses to larger businesses, as California has done with growers. It is important to also establish mechanisms to help these businesses get started, and limit vertical integration to make sure that the entire market does not end up controlled by only a handful of powerful groups.

Another important issue has to do with advertising by cannabis businesses. In the US, advertising is protected speech, but it has generated some criticism and resistance to regulation. In Uruguay, there is a more tightly controlled market that allows no ads. I noticed that the bill presented by Secretary Sanchez Cordero does not allow advertising, which could blunt some of the criticism of regulation in Mexico.

Finally, two more issues are currently the topic of discussion in the United States.
The first is how to determine if a person is driving under the influence of cannabis. Today, there is no effective blood test for this, because THC can remain in the bloodstream even weeks after its use, so a blood test could not indicate if the driver is currently intoxicated. I would recommend that you pay close attention to this in your bill, to avoid new injustices. We need new methods to determine effectively whether a driver is unfit to drive because of cannabis intoxication.

The other issue that states are still working out, and varies depending on the context, is the ideal tax rate. The price of cannabis should be low enough and cannabis should be accessible enough to radically shrink the size of the illicit market. At the same time, states want to collect revenue and use taxes as a way to dis-incentivize the use of cannabis. Mexico will have to conduct its own analysis of various options to get to the ideal balance for its context.

In conclusion, cannabis regulation itself will not solve the serious security and health problems in Mexico. But regulation does have the potential to improve the lives of many: people who are currently criminalized or abused in the name of cannabis prohibition and people who don’t have access to medical cannabis. By regulating, Mexico will be able to better shape how cannabis is produced, distributed, and consumed, and therefore protect public health. By regulating cannabis, Mexico will also demonstrate regional leadership, and take an important step toward reforming the misguided policies that have caused such devastating harm in recent decades.

Congratulations for starting this very important conversation. My organization would be very pleased to help in any way that is useful to you.

Thank you again for your interest.