

BRIEFING NOTE - Marijuana Legalization in Canada

Team #2

ISSUE:

- The recently elected Liberal government has committed to the legalization of marijuana. The issue is how to implement this policy change.

KEY MESSAGES:

- We are implementing changes to the legalization of marijuana that will require changes to the Criminal Code of Canada, Health Canada policy, and an implementation of a distribution and taxation framework that will benefit Canada as a whole.

CURRENT STATUS:

- The sale and possession of marijuana are currently illegal under the *Criminal Code of Canada*. This criminalizes many citizens and utilizes policing and justice resources that could be better used in other areas.
- Relative to other controlled substances such as tobacco and alcohol, the harms of marijuana are seen to be relative the same.
- Public acceptability of marijuana usage has increased to over 60% and this amount has increased over the past two decades.

BACKGROUND:

Legal:

- Currently, the Federal Controlled Drugs and Substance Act imposes policy on anything that contains or has on it a controlled substance and that is used or intended or designed for use.
- Except as authorized under the regulations, no person shall possess or obtain a substance.
- Every person who is in possession of marijuana is guilty of an offence punishable on summary conviction and liable for the first offence, to a fine not exceeding \$1,000 or to imprisonment for a term not exceeding six months to a maximum of \$2,000 and/or imprisonment not exceeding one year.

Health:

- Currently, possession of marijuana is a scheduled offence under the *Controlled Drugs and Substances Act*.
- The Margin-of-Exposure approach categorizes cannabis as a low-risk substance, as opposed to alcohol's classification as 'high risk'.
- According to The Report of the Canadian Government Commission of Inquiry into the Non-Medical Use of Drugs (1972), "the physical and mental effects of cannabis...appear to be much less serious than those which may result from excessive use of alcohol."

Economic Costs/Benefits

- A 2009 report from the RAND Corporation for the European Commission concluded global retail expenditures on cannabis ranged from €40-120 billion (\$60-180 billion CDN) – based on a global market of over 200 million consumers.
- RAND's 2009 report estimates Canada's annual retail cannabis market at 0.29% of GDP or €2.769 billion (\$3–4 billion CDN) – based on a market of 3 million annual consumers.

- Of these amounts, the government captures very little of the negative externalities associated with marijuana use; therefore, legalization, distribution and taxation could create additional revenue.

KEY CONSIDERATIONS:

- Public support for legalization is over 60% and the recent election of the Liberal Government has created a mandate for the development of policies that would allow for the legalization, distribution,
- The public perception of marijuana use has changed both domestically and internationally; the United States no longer opposes legalization to the extent it has in the past
- Legalization will lead to a substantial increase in revenue from taxation, as well savings to the criminal justice system

OPTIONS:

- The decriminalization of marijuana would require amendments to Criminal Code of Canada.
- Remove marijuana from the Controlled Drugs and Substances Act
- The distribution and possible taxation of marijuana presents several options:
- Development of a federal/provincial framework such as the distribution and taxation tobacco and alcohol that allows for the controlling of marijuana and capture of negative externalities.
- No regulation of growing and distribution of marijuana post-legalization.
- Legalization and utilizing the current federal framework for the distribution of marijuana for medicinal users. Taxation will be included as part of this framework for non-medicinal users.

RECOMMENDATIONS:

- Amend the Criminal Code of Canada and the Controlled Drugs and Substances Act. This will reduce the costs of criminalizing citizens and allow for a shift in policing and judicial resources towards other important matters.
- Options 1 is viewed as the best option as it leverages the current regulatory and distribution channels for alcohol already established by provinces. This option would also allow for the private sector to meet the marijuana demands for citizens and and possibly create jobs.