The Legalisation of Recreational Marijuana

Spring 2017
Background

The federal government ran on a platform which contained the legalisation and regulation of marijuana\(^1\). With their subsequent election in 2015, they have announced the 2017 implementation of this commitment to voters\(^2\). They have consulted at the federal level\(^3\) with many organisations, including the Canadian Medical Association\(^4\), about how this rollout will occur. They have announced an approach to doing so, have introduced legislation, and have given the provinces approximately a year and a half to identify any deviations from the federal framework that provinces wish to take.

It is clear from what medical research exists that marijuana is not a harmless substance. In fact, doctors have been extremely frustrated by the enactment of federal and provincial regulations around the prescription of marijuana for health problems, which effectively have placed physicians in the position of being a gatekeeper to marijuana use for many Canadians.

The evidence for medical use of marijuana is limited, and confined to highly specific indications. Physicians’ experience with marijuana is telling as we consider how governments could extend access to the public who seeks its use for recreational purposes. Most physicians are likely far more aware of the harms of marijuana use than they are of the research that would support its use, simply through their personal observations.

Nevertheless, the federal government is moving forward. Most analysts’ expectations are that marijuana will be treated much like alcohol and tobacco from a regulatory perspective. Some regulatory jurisdiction over its creation, production and manufacturing is at the federal level, but regulation concerning its advertising and distribution will fall to provincial hands. Most provinces have a consistent approach with alcohol and tobacco, in that many major differences in their regulatory approach are corrected over time. For example, if one province bans advertising, other provinces are relatively quick to follow suit.

Exceptions to this generalisation exist, however; the age at which someone could purchase alcohol is not uniform nation-wide, nor is the method of distribution of alcohol – largely privately sold in some provinces, and largely publicly sold in others.

This paper seeks to establish the position of New Brunswick’s doctors not on “medical marijuana,” nor the validity of moving to a legalised distribution system for marijuana, but rather on the ways in which the provincial government can successfully reduce the harm associated with the sale of recreational marijuana.

Current state in New Brunswick

Given the illicit nature of marijuana up until this point, accurate information on marijuana use in the province is difficult to obtain.

Statistics Canada asks Canadians if they have used marijuana in the past year. Nationwide, the proportion of Canadians who answered yes stands at 12.2%. In New Brunswick, that number is slightly lower than the national average at 11.6%. This represents 68,400 New Brunswickers who have consumed marijuana in the past year\(^5\). That number may be expected to rise both in actual fact, as marijuana use becomes more socially acceptable, and in survey response rates, as fear of potential prosecution disappears.

The New Brunswick Student Wellness Survey is conducted by the Department of Education and Early Childhood Development and the New Brunswick Health Council each year. In 2012-2013, 91% of students
in Grades 9-12 who had tried tobacco had also tried marijuana. Thirty-four per cent who were not smokers had tried marijuana. The survey’s interpretation is that marijuana is even more popular than tobacco among young adults in New Brunswick.6

Marijuana as an inherently harmful substance
Marijuana is a drug with several effects. Principally, cannabinoids affect brain chemistry much like other substances – for a temporary period, with specific pharmacokinetic properties. While marijuana strains vary in potency and effect, and the research on how specifically they impact various receptors in the brain is emerging, we know its use is attractive to many New Brunswickers for the effects it creates.

Marijuana has significant morbidity issues. Use correlates with addiction; worsening of substance use disorders; worsening of psychiatric disorders; cognitive impairment; and attention deficits.

We also know that over the long-term, its use can be quite damaging to the brain. And while not all marijuana is ingested through the lungs in the form of a burned product, those who do smoke marijuana may suffer from many lung-related impacts as well, though impacts on cancers and pulmonary function remain unclear and are the subject of recent research.7

Doctors remain concerned about the use of marijuana by expecting mothers and those who choose to breastfeed. While research continues to emerge, THC is present in human milk up to eight times that of maternal plasma levels, and that THC is absorbed and metabolised by the infant8.

The same research also advises that exposure to cannabinoids during critical periods of brain development, such as during pregnancy, can cause harm. Even low to moderate doses of cannabinoids during particular periods of brain development can have profound consequences for the brain, potentially leading to long-lasting changes in cognitive functions and emotional behaviours9.

Doctors have spent much time in the past trying to reinforce a public health approach as government seeks to regulate and extend the use of various harmful products. Doctors are among many who have argued for ever-stronger deterrents, including regulation, to the use of tobacco. Ironically, it is just as tobacco rates are dropping past the point of societal normalisation that the legalisation of marijuana is arriving, which has the potential to add new “smokers” to the roster of those suffering from lung-related diseases.

We have also argued for stronger regulation of alcohol. While taxes and regulatory burdens have minimised some impacts, we believe New Brunswick Liquor has placed profit above societal good as it increasingly markets and provides access to alcohol in additional venues. We believe the addition of alcoholic products to many grocery stores across the province, some of which are physically attached to well-regulated, staffed and publicly managed liquor stores, is a clear example of a failure to maintain an effective balance between profit and social responsibility. This is a point to which we will return later in this discussion.

Marijuana is an inherently harmful substance, and we need to treat it as such if we are going to enable its recreational use through legislation and state-sponsored distribution.
The clamour to sell marijuana

We know private producers, private retailers, publicly owned liquor distribution corporations, and pharmacies wish to be directly involved in the retail of marijuana. Lobbyists and advocates have started putting forth reasons in their own self-interest – essentially arguing whatever is best for their own bottom line is also what is best for the province.

Pharmacists argue that marijuana consumption has interactions with medications, and with so many New Brunswickers consuming a medication for some purpose, a consultation with a professional is always a good idea. Therefore, pharmacies might be best for retail options, at least for “medical marijuana”. This argument is logical.

Those who currently mail marijuana direct to consumers argue that not every person who wants recreational marijuana can access it through a retail outlet, especially if they live in a small community. They also argue that the sale of alcohol and marijuana together in the same physical location promotes the use of both. On the other hand, they argue that pharmacies add to the cost of the product, because they have overhead. These arguments are also logical.

At the end of the day, we believe the approach that should be taken is one that focuses on reducing the harm associated with its sale. When examining the approach we could take with harmful substances, the conceptual model proposed some years ago and widely quoted in many policy framework proposals on this issue is below.

A public health approach

Societal harms associated with certain substances are multi-faceted. Looking only at the health impacts, or the impacts on any single indicator, is not helpful. The New Brunswick government has received advice that it needs to be prepared to measure and monitor consumption as it affects “crime, driving accidents,
emergency room use and school performance.\textsuperscript{13} We would agree with this advice. Clearly, the scope of the issue and its ramifications are large.

We know the dangers of prohibiting certain substances, which are then produced, marketed, and sold on the black market. We also know that allowing free and unfettered access to products like tobacco and alcohol is also not a good approach. The best application of strict regulation to these issues helps dramatically reduce the societal harm associated with dangerous substances – the Goldilocks approach of regulation, as in “not too little, not too much.”

In fact, there are already two policy frameworks to build upon, which are referenced in this document. They explain conclusively their recommended approach to these issues. Experts with the Centre for Addiction and Mental Health have created a specific policy framework\textsuperscript{14} to be adopted by federal and provincial regulators that we believe is of great utility in New Brunswick. Specifically, they recommend delaying use until early adulthood; minimising the frequency of use; moving users from smoking cannabis to another delivery method; not using alcohol and cannabis together; and for several high-risk groups to avoid using cannabis entirely.

The Canadian Medical Association has also considered questions put forward by the federal government and has proposed specific policy planks\textsuperscript{15} to minimise harm associated with the sale of marijuana. Federal legislation will not encompass each and every one of the discussion questions they outlined, and there will be legislative or regulatory work that needs to be conducted at the provincial level, including questions of who will sell it and how it would be sold.

Therefore, our advice on these issues is limited to specific focuses for New Brunswick and our population, which add on to these key documents.

Specifically, we wish to address comments made in these documents, and offer additional thoughts of our own, related to:

- Pricing;
- Traffic accidents and fatalities;
- Provincial plans for revenue generation;
- Options for retail sale in a regulated environment;
- Learning from the regulation of other substances; and
- Taking the opportunity to better regulate other substances.

**Pricing**

Pricing is likely one of the most important questions and concerns that cause anxiety. The reason why this is so relevant in New Brunswick is because of the very low median income in New Brunswick – just $29,000 – and the existence of a booming black market for tobacco and contraband cigarette production.

The point of legalising marijuana was to remove criminal elements associated with its production and sale, and reduce the likelihood that underage youth would access the drug. Pricing is very important to both elements of that equation. If the price is too high, black market sales will dominate, leaving the criminal element unchanged and the government-approved product on the shelf. One only need look to the insatiable demand for contraband tobacco from the economic analysis that New Brunswick tobacco consumers have made about high-priced cigarettes.
On the other end, if the price is too low, it risks not sending an appropriate message to those who consume it that would deter its use.

There are not many black-market alcohol producers in New Brunswick anymore, with the most common option for consumers being legal purchase through NB Liquor distribution outlets. But in a new industry, black market operators can be expected to try to compete with the legal production and sale for some time, as they increasingly fight for market share and relevance with a state-sponsored system.

To reduce the impact that the black market has on the legal sale of marijuana, the New Brunswick government should equip its successful Contraband Enforcement Unit to tackle illicit cannabis trafficking. We realises that this is a role currently performed by almost every police agency in the province, and that this is a large expansion in scope and purpose of the CEU. However, their approach and team has established effective methods of detecting illicit products entering the province, deterred local production and established links with many police forces operating in and out of the province. They are the best choice to harass and wind down the operations of medium- and large-scale producers of traffickers.

- **Recommendation**: After a year under the new regulatory system, the Province should double its investment in the New Brunswick Contraband Enforcement Unit and extend its operations to also focus on cannabis.

**Traffic accidents and fatalities**

We know the risk of impaired driving rises with cannabis use, and law enforcement does not have the same expertise nor experience with the detection and successful prosecution of those who are impaired by cannabis while driving as they do with alcohol and driving. At the same time, the risks for impaired driving with cannabis use are not nearly as severe as alcohol intoxication.16

New Brunswick continues to have a significant challenge with driving while impaired. There is good evidence to suggest that impaired driving is more of an issue in rural areas than urban areas, and New Brunswick is Canada’s second-most rural province. We expect driving while impaired by cannabis will not be any different, in that it will be prevalent.

We believe investments in training for the detection of cannabis-related impairment, driver education on the issue, and increased police presence are necessary and useful to protect the public.

- **Recommendation**: The Department of Public Safety and the New Brunswick Police Association should partner to protect the safety of New Brunswickers by ensuring law enforcement have adequate training, professional development, and the tools necessary to successfully detect and deter driving while under the influence of cannabis.

- **Recommendation**: The Department of Public Safety should partner with groups like MADD Canada to educate the public about cannabis impairment while behind the wheel, and work with the Department of Motor Vehicles and driver education firms to make awareness of the issue a feature of driver licensure and training.
Provincial plans for revenue generation

New Brunswick is counting on large amounts of tax revenue from the sale of marijuana\(^17\). It is banking on the production of marijuana quite literally, as it has invested millions of dollars in two marijuana-production companies\(^18\), which it believes could create thousands of jobs\(^19\). The government also believes there is a large sum of money to be accessed when it comes to the science behind the product, including research and testing.\(^20\)

Little research has been done on the correlation between high manufacturing activity in a sector and related consumption. For example, large Canadian provinces have maintained an active tobacco farming industry for decades, and the impact of that production on rates of tobacco use in the immediate area is unknown. It would seem to be common sense that the normalisation of the product for those who work around a substance all day would be high, and might encourage its consumption.

New Brunswick has several manufacturing operations that might offend the most health-conscious, including the world’s largest producer of French fries, and one of Canada’s largest breweries. The local production of a good or service that does not necessarily further the health of New Brunswickers is not a new initiative.

However, we would suggest provincial politicians temper their outward enthusiasm for the revenue potential of marijuana. We note there is not much elation over the promotion of tobacco as an industry of choice for the province, yet the two substances are highly similar. Enthusiasm for new jobs and investment is understandable, but we need to be conscious, particularly as the news is read by younger New Brunswickers, that our words have power. Praising investment in marijuana plants is akin to praising investment in creating a harmful substance. Given the sensitivity provincial leaders display about alcohol and gaming, one would encourage similar reservation in the promotion of marijuana.

Also, given that the regulatory environment in which cannabis lives is uncertain, and tax revenues for the product have fallen short of expectations elsewhere, it may be unwise to count on many millions of new dollars in provincial revenues from either job creation or consumption taxes. We note tax revenues have not been as high as expected in Colorado, especially considering the regulation, surveillance, monitoring and public education costs associated with the drug.\(^21\)

We know there is an ability for provincial governments to raise tax revenues – called “sin taxes” – from products we know to be harmful, such as tobacco and alcohol sale, and gaming. We also know the actual cost to society, and often the provincial government itself, of access to these products is usually far more expensive to the public purse than revenues generated. It is important to consider taxation as a policy tool to lower harmful use of these products, rather than a veritable profit stream.

Consider the impacts of alcohol on society. The New Brunswick government published a paper in 2015 outlining the cost to society of alcohol, which contained the following quote:

> It was estimated that alcohol abuse in Canada cost $14.6 billion in 2002, or $463 for every Canadian. This included $7.1 billion in disability and premature death, $3.3 billion in direct health care costs and $3.1 billion in direct law enforcement costs. In New Brunswick, the estimated cost associated with alcohol misuse in 2002, including expenses for health care, law enforcement and social costs, was $597 per capita. This yields an overall cost of about $448 million. The direct health care cost attributable to alcohol that year was estimated to
be $121 million. In 2012-13, NB Liquor reported a net income of $164 million from liquor sales.\textsuperscript{22}

And while we certainly receive revenue from tobacco, the Province is currently embroiled in a lawsuit to recoup some of its costs associated with paying for the health care costs of tens of thousands of New Brunswickers who have commonly suffered extreme morbidity and death because of tobacco smoking. It’s clear that provincial revenue from harmful substances is far outstripped by provincial expenditures.

- **Recommendation**: While the province should not ignore the economic potential of marijuana production, it should speak about such economic potential in a cautious manner.

- **Recommendation**: The Province needs to examine carefully the costs of gaming, alcohol, and tobacco to the health, education, and social systems versus their revenues to gain a clearer picture of what inference could be drawn to the use of marijuana and its economic impact on the province.

- **Recommendation**: The Province needs to outline plans for investment in marijuana-control measures, such as law enforcement and retailer training, to address the spike in issues created by the coming legalisation of marijuana. If we have some expectation of potential revenues created by the legalisation of marijuana, we should have an equally good idea as to its cost.

**Options for retail sale in a regulated environment**

We cannot support any approach by pharmacists to allow the sale of recreational marijuana in a pharmacy. While it is obviously a drug and may be used in combination with medications, which can have dangerous impacts on patients, we do not believe co-locating its sale with medications would be an effective approach and risks normalising it as both a medication and a recreational substance. We do not expect the provincial government to allow pharmacies to offer marijuana, especially for recreational purposes.

We expect that the sale from manufacturers who mail marijuana directly to consumers will likely continue. We do not expect this method to be the primary method for satisfying the recreational cannabis demand from tens of thousands of New Brunswickers, however.

Therefore, when we look at realistic options, we understand there are three potential retail distribution mechanisms being considered. They are a publicly owned and managed dispensary model; a private-sector dispensary model; or a hybrid.

We note the private sector’s enthusiasm to get involved, which has resulted in the creation of storefronts in Saint John, Fredericton, Moncton, and multiple other communities across Canada. We also note the takedowns of these operations in some cities, including Saint John. The private retailers are content to move ahead, in what has become a legislatively lame-duck situation, with illegal sale in hopes the Crown will not press charges before new legislation comes.
It is our opinion that indeed, the private retail of marijuana should remain illegal in New Brunswick, and that a publicly-owned and operated approach is preferable. One notes the sale of tobacco in convenience stores and tobacconists, and the decades of ever-tougher legislation and regulation over its retail sale in those environments, as reasons why we do not want to repeat mistakes made in the past when we have a fresh start with a different, but analogous, product.

Government monopolies work because they:

- Reduce the profit motive to promote sales;
- Reduce the political influence;
- Limit the number of sales outlets and their hours; and
- Have better-trained staff.23

No private businesses compare on any of the above metrics to government monopolies. When most New Brunswickers think about a government monopoly over the sale of a controlled substance, many thinks of NB Liquor.

While NB Liquor is a government monopoly, we believe it has done a poor job in balancing societal responsibility with access to its goods and resulting profits. In recent years, it has behaved far more as a private business than a Crown corporation, rapidly seeking new markets, advertising with multiple audiences in mind, and constructing ever-more-appealing storefronts.

As NB Liquor expands access to alcohol province-wide, we know the challenge that poses to those who have trouble with alcohol in our society. There is good evidence to suggest the more accessibility to harmful substances is offered through supply-side mechanisms, the higher demand will be, especially from the most vulnerable.

We also know the co-location and co-sale of alcohol, tobacco and marijuana is one of the most studied issues associated with its retail, and that public health research is clearly not in favour of the co-location of any of these three substances. Therefore, we support the recent view of the marijuana legalisation working group that it is best to not sell marijuana and alcohol in the same physical retail location.24

While we believe a Crown corporation should be the main organisation who controls and oversees the sale of government-sanctioned marijuana, it is difficult to recommend that job be taken on by NB Liquor for the above reasons.

NB Liquor does have a variety of elements which we would like to see replicated by any Crown corporation which does maintain a monopoly on marijuana retail sale. Their staff is well-trained at identifying consumers who are already under the influence; who do not meet specific age requirements; and store density is carefully considered and assessed by a central planning agency, not through the open and competitive market.

We believe all these things are essential to the public health imperative of selling marijuana, and the eventual public monopoly for marijuana retail must be able to match or beat NB Liquor’s ability to perform on these tasks.

- **Recommendation**: We believe a Crown corporation should have a strict monopoly to manage the sale of marijuana in the province.
• **Recommendation**: If NB Liquor is chosen to be that supplier, that monopoly must be overseen differently than the current sale of alcohol with an eye to the above issues. To begin with, we believe no such Crown corporation can be subject to a profit target when it comes to the sale of marijuana.

• **Recommendation**: Whatever is decided regarding the distributor of marijuana, we believe distribution points should not co-locate the sale of marijuana, alcohol, or tobacco through its stores or affiliated outlets.

**Learning from the regulation of other substances**

There is some risk that the addition of cannabis to a regulated environment may increase its use, or the use of other products like tobacco. In fact, most of the nation’s current policy experts were not alive when tobacco was first regulated as a substance, and it is nearly guaranteed that no New Brunswicker is alive from when the government first attempted to regulate alcohol. While most New Brunswickers have seen incremental increases to regulation over time, few of us have truly participated in the design of net-new legalisation of a currently banned substance.

Therefore, it is essential we learn lessons from the first regulatory efforts associated with other harmful substances. For example, it is of great concern to physicians that there is any debate over patients smoking marijuana in a hospital because it is a ‘medication.’ While policies have since arrived, this fight was already fought over tobacco decades ago, and it is a shame to have regressed simply because of the introduction of marijuana.

We also have learned from other substances that large, non-targeted anti-cannabis campaigns would be a very poor idea. These campaigns have been shown to have the potential to unintentionally stimulate interest in and increase the use of cannabis.25

New Brunswick has a strong track record in regulating the use of tobacco, and is currently a leader in Canada when it comes to protecting our health from tobacco. New Brunswick has an opportunity to learn from its own experience and avoid repeating mistakes made with regulating substances in the past.

The current drive to ensure plain packaging on tobacco, without marketing to any element of the public, is a lesson we should learn as we look to the regulation of marijuana.

• **Recommendation**: Government should approach public education campaigns with caution. While the public certainly needs education on cannabis, including driving while high and the co-use of cannabis and alcohol, it must take such education to the public in a way that does not unintentionally encourage its use.

• **Recommendation**: Marijuana should be subject to the marketing bans and plain package initiatives of tobacco from Day One.

**Taking the opportunity to better regulate other substances**

While society is interested in the regulation of substances which are currently regulated, often additional regulation is a real burden. For example, increasing taxes and banning the use of tobacco in public places
are seen as major moves by the public, when public health advocates would argue the evidence pointed to these iterative steps years ago.

With the introduction of marijuana comes the ability to right past wrongs. We believe cannabis should not be sold to those under 25 because of its effects on brain development, but the first argument against such an age restriction is that residents can smoke tobacco at the age of 19. This ignores the fact that evidence points to far more harm to brain development from tobacco than used to exist, and we have not increased the age of eligibility for consumption accordingly.

Therefore, if we are to agree on the age of 21 from a perspective which balances both recreational access for young adults and their clinical brain development, we should strongly consider the age at which tobacco could be purchased to be 21 as well. This could be phased in over time, and could also be the case with alcohol. The age of majority for alcohol purchase in the USA is 21, so this is not unthinkable. (It is less clear that alcohol has a similar clinical impact on the brain in terms of its development in early adulthood, though many physicians would make this case.)

If we are to require marijuana to be sold in plain packaging, now would be an excellent time to require the same of tobacco companies. This only makes sense, but requires federal cooperation.

- **Recommendation:** From a medical perspective, we believe marijuana should not be sold to young adults under 25, but balancing societal access and preventing illicit purchase by young adults may necessitate an age of legal sale at 21.

- **Recommendation:** If the age for legal marijuana purchase becomes 21, we believe the age of legal purchase for tobacco should also be set at 21 for anyone born in the year 2000 or later.

- **Recommendation:** Tobacco should be sold in plain packaging at the earliest available opportunity.

**Summary**

It is our view that the opportunity to minimise the harms associated with marijuana consumption should be the Province’s first objective as it considers how to regulate a new world in 2018. While revenue generation is attractive, we believe the Province could pay many times over in health, social, and justice costs if access is expanded without strong consideration to the effects such access has. The principles of access associated with alcohol – the more access exists, the more problems it causes – will certainly extend to marijuana.

Doctors urge caution in a new regulatory environment, and believe the Province can act now to ensure it is legislatively in the best interests of its citizens.
Summary of Recommendations

1. **Recommendation**: After a year under the new regulatory system, the Province should double its investment in the New Brunswick Contraband Enforcement Unit to expand its focus to cannabis.

2. **Recommendation**: The Department of Public Safety and the New Brunswick Police Association should partner to protect the safety of New Brunswickers by ensuring law enforcement have adequate training, professional development, and the tools necessary to successfully detect and deter driving while under the influence of cannabis.

3. **Recommendation**: The Department of Public Safety should partner with groups like MADD Canada to educate the public about cannabis impairment while behind the wheel, and work with the Department of Motor Vehicles and driver education firms to make awareness of the issue a feature of driver licensure and training.

4. **Recommendation**: While the province should not ignore the economic potential of marijuana production, it should speak about such economic potential in a cautious manner.

5. **Recommendation**: The Province needs to examine carefully the costs of gaming, alcohol, and tobacco to the health, education, and social systems versus their revenues to gain a clearer picture of what inference could be drawn to the use of marijuana and its economic impact on the province.

6. **Recommendation**: The Province needs to outline plans for investment in marijuana-control measures, such as law enforcement and retailer training, to address the spike in issues created by the coming legalisation of marijuana. If we have some expectation of potential revenues created by the legalisation of marijuana, we should have an equally good idea as to its cost.

7. **Recommendation**: We believe a Crown corporation should have a strict monopoly to manage the sale of marijuana in the province.

8. **Recommendation**: If NB Liquor is chosen to be that supplier, that monopoly must be overseen differently than the current sale of alcohol with an eye to the above issues. To begin with, we believe no Crown corporation can be subject to a profit target when it comes to the sale of marijuana.

9. **Recommendation**: Whatever is decided regarding the distributor of marijuana, we believe distribution points should not co-locate the sale of marijuana, alcohol, or tobacco through its stores or affiliated outlets.

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cannabis and alcohol, it must take such education to the public in a way that does not unintentionally encourage its use.

11. **Recommendation**: Marijuana should be subject to the marketing bans and plain package initiatives of tobacco from Day One.

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14. **Recommendation**: Tobacco should be sold in plain packaging at the earliest available opportunity.
References

16 Hall, W. “What has research over the past two decades revealed about the adverse health effects of recreational cannabis use?” Addiction 2015; 110:19-35. October 7 2014.


