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IMPROVING GLOBAL DRUG POLICY:
UNGASS 2016 AND BEYOND

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P R O C E E D I N G S

MR. SARUKHAN: Good afternoon. Welcome to Brookings for what I think will be an extremely important and timely panel to discuss not only I think a very relevant series of papers that have been produced by the Latin American Initiative and the Center for 21st Century Security and Intelligence at Brookings, but also as we start moving towards next year's United Nations General Assembly Special Session on Drugs, I think a very timely document and series of appraisals and recommendations that will certainly arise from this unique group of papers, research papers, that have been assembled by Brookings.

Good afternoon. I'm Arturo Sarukhan, a senior nonresident fellow here at Brookings, and it's a great pleasure to have all of you join us.

We have a fantastic panel of experts and, in a certain way, even practitioners of the issues that we will be discussing here today. I'll start on my left.

Harold Trinkunas, who is the director and senior fellow of the Latin American Initiative here at Brookings. Then I have, this has changed a bit, but Vanda Felbab-Brown, who is a senior fellow and director of the 21st Century Security and Intelligence Center here at Brookings.

MS. FELBAB-BROWN: Just a member.

MR. SARUKHAN: Just a member. To my right, John Walsh, who's a senior associate for the Washington Office on Latin America, WOLA. Beau Kilmer, who is the senior policy researcher and co-director at RAND. No, Beau's at the end, sorry. Mark Kleiman, professor at University of California at the L.A. campus.

I hope that some of you have had the opportunity to look at the web page. The documents, all the documents, were released. They're up. There is a very, very wide berth of research on a number of countries. What we have done here today is

choose a smaller group of issues and countries that we will be discussing in this panel.

John will be presenting the drug liberalization example of Uruguay. Beau will talk about what has been going on in U.S. drug policy more broadly. Mark will be talking about the type of drug legalization occurring today in states like Colorado and Washington. Vanda will highlight the Russian and Chinese attitudes and positions towards drug policy. And Harold will provide an overview of this very ambitious project that has been launched here at Brookings.

Let me just very quickly say that I believe that no public policy in the world has failed so miserably in the last 30 years as drug control policy. As you all know, even though some of us believe that - or some of us have heard and read that - it may not be actually Einstein who said this, but, you know, the definition of madness is doing something over and over and over again and expecting different results. Well, in many ways, that's what we've seen with the way that we've gone about fighting drugs internationally.

The paradigms that have been used to fight drugs internationally, you don't have to be a rocket scientist or a Nobel Economics Prize winner to figure out that as long as the demand for drugs is completely inelastic and the supply of drugs is completely elastic, the only thing that happens by putting focus on supply-side policies is that you're creating incentives for bad actors to come into the equation.

So not only is this, I think, a very prescient exercise because of what has started to happen in the U.S. and some of the, I think, very now visible contradictions between what the U.S. is doing domestically and some of the international drug control policy positions that the U.S. maintains vis-à-vis especially countries in the Americas where marijuana is important, but also because, again, as I mentioned, we're starting to head towards UNGASS and the special session on drugs next year. It won't be an easy

path.

There are many very varied positions which I know that we will be talking about here today. Vanda will talk precisely about the positions of two of those either emerging powers or challenging powers that are taking on some of the status quo and some of the status quo of thinking on these issues. So I have a huge list of issues that I would love to talk about, but my role today is not to speak, but to be the air traffic controller.

So with that, we will start it off with Harold. Harold, please. And may I remind panelists that you need to make sure that once you're done you have to switch off your mics because if not it'll create interference.

MR. TRINKUNAS: Well, thank you very much, Arturo, for that wonderful introduction and framing of the issues and problems that we're talking about here today. Today, I'm basically going to provide an overview of the project and some of what motivated it, some of the issues that we see, and some of the findings that I think we can pull out of the 17 papers that comprise this Brookings project on improving global drug policy.

And what motivated the project, I think, as Arturo alluded to, is the sense that going into the 2016 UNGASS next year we've seen considerable change since the last time the U.N. General Assembly held a special session on the world drug problem in 1998. And the main thing that's important that's changed that I'd like to talk about first is sort of the geopolitics of drug policy.

If we think back to 1998, really the major powers -- the U.S., the Russians, the Chinese -- were basically all on the same page in adopting policies that were so focused on supply, n reducing supply. They were focused on punitive measures towards drug use, drug trade, drug trafficking. We see that as beginning to change now

and we think that sets up a dynamic for UNGASS 2016 in which there will be more disagreement among countries, and this creates a question for, I think, us to consider about what it would take for UNGASS 2016 to succeed and what the prospects for outcomes are short of that.

Basically, if we think back, there's always been a small number of European states that have advocated for liberalization of drug policy, especially towards drug users. But traditionally, they have not been seen as particularly consequential for the overall global policy, but they provided some important examples and set some important -- conducted important policy experiments in countries such as The Netherlands or Portugal or Switzerland that created the idea that there were alternatives.

But what's shifted since UNGASS, I think, 1998 is the increasing realization in the Americas, particularly in Latin American countries such as Mexico, Colombia, Guatemala, Uruguay, have all started pushing, started advocating for greater space for policy experimentation for the possibility of liberalization for alternatives. And there were a number of studies and reports done that culminated, I think, in really the OAS 2013 report on the drug problem that really staked out a claim for a more public health-centered approach to dealing with drug use.

So on the other hand, as our project shows, looking at the comparison of the different countries, this is not a trend that we see emerging in Asia or in Russia. Both China, Russia, and some of the other Asian countries still adopt very hard-line counternarcotics policies. Public sentiment there by and large does not support approaches based around public health or decriminalization.

In the United States, its own policies are becoming increasingly ambiguous as we see state-level reforms occurring, and Mark Kleiman will talk about that, as well as changes at the federal level, which Beau Kilmer will talk about.

So why are these changes occurring? So one thing that we see as having changed is a shift in markets and networks. The breakdown of the old division between supplier countries, transit countries, consuming countries, now more and more we see countries that experience all three. Examples in the Americas include, for example, Argentina and Brazil, which have cocaine consumption rates approaching those of the United States, where they've become involved in production of synthetic drugs, but are also still transit countries. We also see growth in consumption in Asia, as well.

There's also a second element of change in the past decades which is the uneven distribution of harms and costs. And it's not just the old North-South division, the old debate between the producing countries and the consuming countries. What we're seeing is that there's been increase in drug consumption across the world, particularly in Asia and the Americas, but in the Americas, it's associated with particularly high levels of criminal violence, which we do not see in Asia. And this may be part of what's driving the difference in public opinion and public perception about what the correct policies should be towards drugs.

And finally, there's a disagreement over what policies work. Even within Europe, for example, one of the cases that we look at is comparing Dutch and Swedish drug policy, opposite ends of the spectrum in their approaches. Clearly, there's still considerable room for disagreement, and we're also seeing this reflected among the major powers.

Let me turn now to the point that one of the things that should be clear from our study is that drug policies should be tailored to local circumstances and local politics. But taking that into account, there are still some elements that we would draw out from our project that we think are broadly supported by the findings from the 17 papers here.

The first point I would make is that law enforcement should focus primarily on the most violent criminals in militants rather than drug users. And in particular, law enforcement agencies need to think about their targeting policies, and my colleague Vanda Felbab-Brown has done a great deal of work on this, looking at how --

MS. FELBAB-BROWN: And Mark.

MR. TRINKUNAS: And Mark, as well, how going after high-value targets may affect the levels of violence associated with the drug trade by fragmenting organizations and leading to turf wars among subordinates. On the other hand, we do see over and over again that mass incarceration policies towards drug users and non-violent, low-level pushers tend to promote criminality rather than suppress it.

The second point we would make is that socioeconomic development efforts are very important for mitigating drug production and crime, but they should be set up so as to enhance political legitimacy and human rights, and they should precede efforts to eradicate drugs. We've looked at drug eradication cases across the globe in the papers presented in this book, and I think that there's also some very good lessons learned that can be drawn from that, but the importance of alternative livelihoods being in place before you pursue eradication because, otherwise, the result is increasing levels of militancy.

And finally, I would make the point that demand reduction strategies are important, but they need to avoid stigmatizing and punishing drug users. This is still the approach used in a number of countries, particularly in Asia, but such approaches tend to undermine efforts to counter the spread of communicable diseases, particularly HIV/AIDS. There's a number of public health measures that have shown to be quite effective and other drug prevention measures that should be focused on that are not punitive or stigmatizing in their approach.

The final point I'll make, because I think I'm probably running out of time, is that really the goal at UNGASS should be to inject realism into the global discussion of drug policy. And ultimately, the point of global drug policy should be to enhance the ability of states to deal with the harms and threats posed by the drug trade and drug use, but to do it in ways that increase the legitimacy of the state through policies that advance human rights, that bring states closer to their citizens.

And I'll stop there.

MR. SARUKHAN: Thank you, Harold. Beau?

MR. KILMER: Well, good afternoon. And first of all, I want to thank Vanda and Harold for all the time and effort they put into creating such a strong volume. I mean, it really is an honor to be a part of this project.

You know, drugs are back in the national spotlight in the United States, and they're the subject of serious discussions at various levels of government. Our chapter focuses on changes, recent changes, in drug use and drug policies in the United States and also makes the argument that what's happening in the United States is influencing conversations around the world, especially here in the Western Hemisphere.

I want to begin by talking about recent changes in drug use. A couple years ago, I led a project for ONDCP where we were trying to figure out how much money Americans were spending on cocaine, marijuana, heroin, and methamphetamine each year, looking at 2000 and 2010. Roughly each year, Americans were spending about \$100 billion on those substances. So over that decade, that's on the order of about 1 trillion.

Now, while it was fairly stable from 2000 to 2010 at about \$100 billion, what was interesting is that there was a real change in the composition in that early in the 2000s, cocaine dominated, but by 2010, the majority of spending on the drug where most

of the spending was distributed was with respect to marijuana on the order of about \$40 billion. And this is in 2010.

Now, the marijuana, we saw that kind of from 2002 to 2007, there really was no change. But after 2007, there was a very large increase in the number of past-month users from 2007 to 2013. And a lot of that can be attributed to those individuals who use on a daily to near-daily basis. These are your heavy users. That population from 2007 to 2013 increased by almost two-thirds.

With respect to heroin it's really hard to track the number of heroin users. I've done my best. And I think if you kind of look at a number of different indicators you'll see that use was probably fairly flat up through from 2000 to about 2007. Then you begin to see an uptick in the number of heavy users. And then you begin looking at a number of other indicators, for example heroin-related overdoses. And we saw that between 2010 to 2013 those tripled.

What hasn't been getting a lot of attention was the large drop in the amount of pure cocaine consumed in the United States between 2006 and 2010. It was nearly a 50 percent drop. And with my colleagues, John Caulkins and Peter Reuter, I mean, we argued that -- we put this up there with the 2001 Australian heroin drought as one of the biggest successes in modern drug history, yet we do not know how much of that decrease can actually be attributable to policy. There are a number of different hypotheses out there.

One, an increase in manual eradication from 2004 to 2008, not necessarily aerial eradication. Another hypothesis that's offered by Daniel Mejia in this volume is there was an increase in interdiction within Colombia. There is also a new paper that just came out on addiction that suggests it was a decrease in the amount of precursor chemicals available to those who were producing cocaine.

A fourth hypothesis is just that some of those that were participating in the industry in Colombia just shifted to kind of more profitable enterprises.

A fifth argument is just that there was just an increase in non-U.S. demand in Europe and in Brazil and in Argentina that just kind of moved some of that cocaine that would have been coming up here to other places.

A sixth hypothesis is that it was because of the increase in violence in Mexico that made it harder to move the drugs up.

And a final hypothesis is that there was a change in demand here in the United States. That may have been part of the story, but it's hard to explain why you would see such a sharp drop between 2006 and 2010.

Needless to say, this is very important, and we do need more research attention to this to figure out how much we can actually attribute this change to policy versus other factors.

Now I want to shift and talk about some of the big changes that have happened in U.S. drug policy kind of over the past decade. And I'm not going to talk about marijuana. I'm going to hand that over to Mark.

MR. KLEIMAN: Thanks. (Laughter)

MR. KILMER: But, you know, there are a number of them, but the first one is just the increasing access to high-quality treatment because of health care reform. You know, our colleague, Keith Humphreys, argues that this is going to revolutionize the care for substance abuse disorders because it defines screening, brief interventions, as well as treatment as an essential insurance benefit. It massively increases insurance coverage.

A second big change has been a move towards less incarceration for non-violent drug offenders. You know, at the federal level you had the U.S. Sentencing

Commission recommending that reducing the penalties for drug offenders and making the retroactive, so nearly half of the 100,000 drug offenders in federal prisons may be able to be released earlier than planned.

There's also significant shifts with the change in the disparities for crack and powder. But remember, there still is a disparity there. It has not been eliminated.

A third change in U.S. drug policy, and really starting at the local and state levels, has been an increasing number of jurisdictions are using frequent testing plus swift, certain, and fair sanctions to reduce heavy substance use amongst those individuals whose use is threatening public health and public safety. As Mark likes to say, these programs have the ability to reduce incarceration and crime at the same time.

Now, a lot of people are critical of these particular programs, because it really is right now kind of focused on the stick, and that stick has created a deterrent threat. But there is a possibility that everything we know about contingency management, you could bring in positive incentives. You could incorporate this with treatment. There's a lot of possibility here.

And the bottom line is whether it be formal treatment, swift and certain, or something else, you know, different policies or different actions are going to work for different people. And so we need to figure out which of these options work best for different types of individuals.

The fourth big policy change has been that there's been more flexibility towards harm reduction policies at the federal level. I mean, you saw it with the Good Samaritan Laws and also the federal government, ONDCP, really pushing to increase the availability of naloxone to police and first responders, who are dealing with the opiate overdoses. And also, most recently, from the federal government the argument that they're going to withhold funds to drug courts that prohibit individuals from getting

medication-assisted treatment. That's a really big deal.

My final thoughts are with respect to the signals that the United States is sending to other states and to other countries. I mean, after the initiatives passed in Colorado and Washington, no one really knew what the federal government was going to do. It wasn't until the Cole memo that came in August of 2013 which really made it clear that the federal government wasn't going to block the attempts to legalize in Colorado and in Washington. But realize what this did. This said that for the time being, the Obama administration was willing to tolerate for-profit companies to come in and produce federally prohibited drugs as long as they played by their rules. This sends a signal.

Also, with respect to the international conventions, we didn't quite know what the administration was going to do. In February of 2013, Attorney General Holder made some comment that they would consider the international implications. But we really didn't hear much until October of 2014, when Assistant Secretary of State Brownfield came out and talked about there's going to be this new flexible approach toward the international conventions in his statement that, you know, how can I be intolerant of a country that experiments with legalization if two states in my country are going down that same path? This also sends a signal.

And, I mean, for those of us on the panel, we've been watching it. You know, a year ago, I moderated a panel at the OAS all about marijuana legalization. It's hard to imagine that that would have happened if the Cole memo would have said something else. Also, I have to leave this panel early to go back to the Organization of American States to talk about the tradeoffs associated with different policy regimes and the data needs that you need to consider if you're going to be going -- if you're thinking about doing something other than prohibiting marijuana.

And the bottom line is with respect to kind of what's going to happen with

marijuana policy in the United States, I think that trajectory is largely going to be affected by what happens in 2016, not only with what happens in terms of who wins the presidency, but also with California. We've got to put things in perspective here. If you take the populations of Washington, Colorado, Oregon, Alaska, and D.C., that's close to the population of the greater Los Angeles area. I mean, California would be a complete game-changer, and so we're going to have to pay attention to that.

But regardless of kind of what happens with respect to California or the elections here in the United States, I think we're going to continue to see an increasing amount of discussion about drug policy reform outside of the United States and especially in the Western Hemisphere. And I really hope that these conversations are not only infused with evidence, but also infused with honesty about the uncertainty that surrounds a lot of these policy options.

Thank you.

MR. SARUKHAN: Thank you, Beau. Mark?

MR. KLEIMAN: Thank you, Ambassador. So I was asked to talk about marijuana. Just two notes on that. I'm not going to talk about marijuana. I'm going to talk about cannabis.

The drug is called marijuana in the U.S. and in U.S. statute, because Harry Anslinger decided that giving it a Mexican Spanish name would make it scarier to the population. Then giving it its botanical name, I think we could have a more sensible conversation if we called it what the rest of the world calls it.

Cannabis policy is a fascinating topic. I did my dissertation on it. I've been working on it ever since. It never runs out of surprises. It's also not all that important compared to the problem posed by the hard drugs, particularly compared to the problem posed by alcohol. Cannabis is a relatively minor player, and I think it will remain

so, and I think it's important to maintain that perspective.

So we have a choice in the U.S. We're going to legalize it or we aren't. I think Beau's numbers are pretty convincing on that point. Prohibition has broken down. Forty billion dollars a year at least in illicit traffic. No political or enforcement will to put that genie back in the bottle. I mean, I talk to my friends in the anti-legalization camp and say, okay, what's your plan? You know, what's your proposed future for cannabis? And I hear a lot of crickets. So I think we are now with cannabis where we were with alcohol in 1929. This is gone.

So I think we're going to legalize, though I should note public opinion on cannabis legalization, which changed very radically between about 2006 and about 2012 has been absolutely frozen in place since. This is not gay marriage. This is not an overwhelming popular movement. There's been a bigger change in press discussion than there has actually been in public attitudes. It's a small majority for cannabis legalization, and at the moment, it's not growing. Still, I think their best guess is that cannabis will be legal nationally in the U.S. sometime in Hillary Clinton's second term.

(Laughter)

Which leaves us with a question, and it's a question that's not being debated now, which is given that we legalize cannabis, do we do so in a more public health-friendly or less public health-friendly direction? And this is the opposite valence to the point that Harold Trinkunas was making, right? So in talking about European policy toward the hard drugs, more public health-friendly means more liberal, more forgiving, less punitive.

In talking about a legal drug like cannabis, more public health-friendly means more restriction on the desire of the industry to sell as much of the drug to probably users as they possibly can. Remember, something like 80 or 90 percent of the

physical demand for cannabis, 80, 90 percent of the revenue in the cannabis industry is going to be people who have substance use disorder. So if you're selling a drug, whether it's legal or illegal, substance abuse disorder is not a diagnosis. It's your target demographic. And so churning a for-profit industry loose on that prospect seems to be not a prudent idea.

Ambassador Sarukhan used a quote frequently attributed to Einstein. I think it's actually an AA slogan that insanity is doing the same thing and expecting a different result. We legalized an addictive intoxicant once. It's called alcohol. Are we having fun yet? Why should we expect that commercial legalization of cannabis will go any better?

So everybody's interested in the question of whether to legalize and how to legalize and, therefore, we turn to Colorado and Washington, where they did that, and say, okay, so it happened. And people on both sides are making extreme claims, either nothing bad has happened or everything bad has happened. I want to make a different claim, which is that nothing has happened at all.

The commercial markets in Washington and Colorado still haven't displaced the medical markets, which in those states like California amounted to virtual legalization. Any adult in any of those states that wanted cannabis could get it, either by going to a crooked doctor of whom there are many -- actually, sorry, going to a crooked doctor of whom there are few, but they write a lot of recommendations.

In Colorado, there are 103,000 people with medical cannabis recommendations, half of them by 12 physicians. One physician wrote 8,000 recommendations. Obviously, there's just an epidemic of metastatic bone cancer in his practice, and he has a very sore recommendation writing hand, and he's going to prison because Colorado having legalized on the commercial basis now sees no reason to

tolerate dishonest doctoring. When the only way a patient could get cannabis was to get a recommendation from a doctor, there was a reluctance to crack down on the crooked docs. Now Colorado's going the other direction. So we can learn things like that.

We can learn from Colorado's mistakes around edibles. But, in fact, until the commercial price goes below the medical price and starts to seriously displace the black market, we haven't started the experiment in either Washington or Colorado. They'll say you could look back and when they basically legalized on a medical basis five years ago -- but we don't learn very much from the processes except that, as the project here has pointed out, yes, indeed, it was possible to set up a commercial market and get people to play more or less by the rules, except we discovered that all the testing labs are cheating. Right?

One of the advantages of legalization is that you get a product that says, you know, how much THC's in it, how much CBD's in it, except it's all lies. The processors hire the testing labs. They know that the highest price goes to the highest THC content, and the testing labs juiced their results. As Randy Simmons, who runs this process in Washington, said, you know, the plant's going to do what the plant's going to do. When somebody reports herbal cannabis at 30 percent THC, I say bullshit. But all that will settle down. They'll figure out how to do it.

So what are the important policy options that confront us as we go forward to a world of legal cannabis, as I think we will? I don't think that's certain, but I think we will. Most important is price. I have to disagree with Ambassador Sarukhan. I don't think demand for these drugs is at all inelastic. It's quite elastic to price. In particular, heavy demand is elastic to price because people are spending a lot of money.

If you're a casual smoker, the price of cannabis doesn't matter. It costs about \$2 to get stoned. If you're doing that once a week, like what? If you're smoking

eight joints a day, the price of cannabis matters to you. If you're a teenager, the price of cannabis matters to you. So I see no policy argument for allowing the legal price to fall below the illegal price because at the same price, I think people will buy the legal product, not the illegal product. We've got to do some enforcement to drive those illegal dealers out of business.

Note, this is counterintuitive. The value of cannabis enforcement goes up after legalization. When cannabis is illegal and you arrest a dealer, you're just creating a niche for another dealer. If you've got a legal market competing with an illegal market, arresting the illegal dealers pushes customers toward the legal market, and that's a highly desirable thing to do. So you want to keep the price up. That has to mean -- and cannabis is actually very cheap to produce. As Beau and John Caulkins have demonstrated, you could produce legal cannabis for pennies a joint as opposed to dollars a joint.

Cannabis is the dried leaf and flowers of a plant. That's a teabag. What's a teabag cost? That's what a joint's going to cost plus tax. So we need it legal to tax the living hell out of it or restrict production quantity. You could auction licenses to produce THC. One way or another you'd like get the price around \$10 or \$100 a gram of THC. In Washington and Colorado with restricted production the commercial prices were way above that, were way above the medical and illegal prices, and now they're collapsing.

A story the other day, a farmer in Washington got an early production license, sold his first crop last year for \$21 a gram at the farm gate, selling his current crop for \$4 a gram. At that price you're going to get exports to other states, you're going to get massive increases in heavy use, you're going to have massive increases in use by minors. You want to keep the price up, and you got to do that with a THC tax.

Second is availability. Everybody assumes we should have stores. I see no reason that we should have stores. If you can get a pizza delivered, why can't you get an eighth delivered? Huge advantages not to having that sign out there advertising get stoned today. And I think there's every reason to think about alternatives to bricks and mortar.

Information and promotion. Of course, the industry's going to want to put out a particular set of messages. The question is what other set of messages do you want put out publicly or in the industry? Here's an idea that nobody's proposed yet: require that the retail clerks, if you're going to have stores, or the people on the phone if you're going to do it that way, have pharmacology training and substance abuse prevention training and a professional responsibility to give good advice to the customer.

Finally, just a radical idea, why not require anybody who wants to buy cannabis pass a little test showing they know something about cannabis? Give them a license. It doesn't have to have his name on it. It just could have a number. But say as the last question in that interview, all right, what's your quota? You remember from your test that five milligrams of THC is roughly an intoxicating dose. How often do you want to do that every month? We want you to set a quota. You get to set any quota you like, and you can change it any month you like. But until you change it, it's going to be enforced. And the clerk has to check whether you have quota elasticity, has to check whether you've still got credit on your credit card.

I don't know how many people that would keep from sliding into substance abuse disorder, but I want to stress what Beau said. Forty percent of the people who used cannabis in the last month in the U.S. used it virtually every day. Half of those people meet diagnostic criteria for substance abuse disorder.

This is not a benign drug. While we've been arguing about prohibition

versus legalization we've actually developed a substantial cannabis abuse problem in this country, and we need policies of legalization that will do something about that.

Thank you.

MR. SARUKHAN: Thank you, Mark. John?

MR. WALSH: Great. Thank you, Arturo, and thanks to Vanda and Harold for including me, and actually, I want to acknowledge my co-author on the paper that we wrote for this project, Geoffrey Ramsey, also at WOLA.

And I think Mark made it clear to say legalization, yes, doesn't say what kind of legalization and regulation. And I think the Uruguayan case is particularly interesting in this sense. We think it's important to understand where it came from in Uruguayan history, but also understand what Uruguay has done, which very briefly put is provide legal, regulated access to cannabis for people, Uruguayan citizens and permanent residents, 18 and older, through one of three sources: one is homegrown, up to 6 plants in your home; two is a cannabis club, 15 to 49 members, up to 99 plants; or three, access through sales at pharmacies with the product produced by licensed cultivators under strict government control.

The first two of those modes are somewhat up and running. The third, the pharmacy sales, is not yet. Another key point is that the access is exclusive. You have to register for any source of access, and you can only choose one. You can't choose two or three. You can only choose one.

All right. So the Uruguayan model is deliberately restrictive, is deliberately cautious. It has a huge advantage by comparison to U.S. models in terms of its outright ban on advertising and promotions. So all of that is not by coincidence. And I think it makes sense to understand Uruguay in this step as being very self-consciously bold, even audacious, but, at the same time, cautious and even humble. And I think

there's two sets of challenges, both at the international level and in terms of national politics, that speak to the challenges and how Uruguay has gone about this and also reflect the policy design it has chosen and the implementation challenges ahead.

So briefly, bold and cautious on the international front. Uruguay was the first country to do this. The Dutch never did it. Portugal hasn't done it. Nobody has done it. They've legalized and regulated not just access for users, but supply. So they knew that it was bold. They knew that there was no off-the-shelf model. And they knew that being bold and going first has its costs.

One is the international conventions very clearly say you can't do this. You can do medical and scientific purposes, but not recreational. So rather than take the tack of another country in a similar predicament -- the United States, which tried to argue that the conventions actually have flexibility for something like this -- Uruguay essentially argued to a higher authority essentially that there are human rights obligations in the U.N. charter take precedence over the drug control agreement. So they sort of sidestepped the issue. Clearly, the treaties do prevent a country or outlaw a country from doing this, yet Uruguay and the United States are moving ahead. So that's the bold part.

The subtle part is Uruguay has no interest in being a scofflaw or a rogue. And they've been very clear that their obligations under the U.N. charter and human rights take precedence and also that while they did not feel obliged to ask permission of anybody, they want to ensure that their neighbors especially understand what they're doing and, therefore, understand that Uruguay is going about this in a very cautious and deliberate way. That has implications for the design of the regime.

At the national level, it is also simultaneously bold and cautious. Bold in the sense that unlike the United States, where we're used to looking at the state level ballot initiatives, where the legalization is clearly a citizen-led popular issue, a bare

majority of U.S. public opinion supports legalization, that's not the case in Uruguay. Uruguay's leaders decided that the right thing to do, and they had the chance to do it, was to pass a law that legalized and regulated, despite lack of support in public opinion. That remains the case today. The public is still skeptical of the law, and the burden is on Uruguay's now new government to make sure that implementation actually achieves their goals.

So, again, bold, but cautious in that the government has been very clear since the beginning that if it's not working, we're going to change it and we're going to address it. So they haven't said we're right, we know this is the right thing to do, and we know exactly how we're going about it. Rather they've said we realize that there's no model for this, and we're making it up right now. We have good reasons for what we're doing, but if it doesn't work, we're going to revise.

In fact, at the national level in terms of public opinion has never been in favor, has been skeptical. At the same time, it hasn't been a politically super-salient issue. And the proof of that is that the new government is in the same party as President Mujica's government, who passed the law. The law may not have helped them win reelection and retain the presidency and both houses of the Congress, but it didn't hurt either. So now there's important political continuity in terms of carrying out the project.

So how did these international challenges and national political challenges relate to the design? I've already made it clear that they decided very deliberately to be cautious, very restrictive, with the idea that better to start with tight restrictions and loosen them if events permit rather than start looser and then try to tighten up later. So the regime in particular, exclusive choice of access, and the registry and traceability of the strains are to ensure their neighbors that if there is cannabis in their countries, it will be very clear whether it is or it is not Uruguayan cannabis. So

Uruguay, on the one hand, didn't feel the need to ask permission of its neighbors, but is very sensitive to the question of whether Uruguay's national experiment is affecting its neighbors.

So the other key features of the regime design, the exclusive access, the registry have been difficult issues at the local political level, because they raise concerns, particularly among more frequent users of cannabis. Why should I register? I'm just going to continue to do what I've done. So one of the key implementation challenges for Uruguay, because of the way they've designed the regime, is will the legal market actually take shape? Will enough users, particularly the heavy users who account for most of the market, will they shift and register in one of the three forms?

And right now, as Mark said, for the U.S. states, it's too early to say. There are about 2,400 registered home growers. There are about a dozen registered or in paperwork clubs, but the pharmacy sales have not yet begun. So the key question in particular relates to will enough people to register for the pharmacy sales to actually take off and create a legal market that siphons users out of the illicit market?

So Uruguay has huge challenges. On the international front, just to return to them and wrap up, the United States by being in the position it is, as we've heard, of accommodating the states going forward, has provided Uruguay a huge political space and cushion on the international level. As I said, Uruguay's elections have given it political continuity to continue the project and, in the case of needing to revise it, not have to worry that by revisiting the law they're going to open up the whole thing again.

Finally, Uruguay has built-in advantages in terms of its size, the relative strength of its political institutions, and support among most Uruguayans for a fairly strong state regulatory role in the economy. So all of those factors bode well for success, but it's by no means a given.

MR. SARUKHAN: Thank you, John. Vanda?

MS. FELBAB-BROWN: Good afternoon. It's a real pleasure to be here with you today for the launch of the results of the project that's been running for a year. And many thanks to Arturo for sharing the launch with us and all the authors who worked very hard, but also enormously stimulated our minds, our thinking. There were real lessons being shared and understood as well as showing the limitations of how much lessons can be shared and understood. And the authors have just done really fantastic jobs in terms of careful evidence and objectivity, and it's been a great privilege for Harold and me to be part of that project.

I will speak about Russia and China in conclusion to my remarks and bring them in through the perspective of the main theme of my talk today, which is Afghanistan. That's one of the chapters I wrote for the project, and we have several great criminologists who wrote the Russia chapter, Mark Galeotti at NYU, and the China chapter written by Sheldon Zhang and Ko-Lin Chin, along with the other 15 papers. They are online, and I encourage you to go read them.

They're fantastic papers and really show what Harold previewed, that a lot of the Latin American conversation about the push toward reform, casting it in terms of U.S. imposing policies that they find undesirable and counterproductive, and responding to the U.S. in one way or another really is missing a lot of the global dynamics, where China and Russia have in one way or another emerged as the new global drug cops, global cops with far more interest and wherewithal arguably than the U.S. And unlike the U.S., they are not seeing changes in domestic policies. And one of the spaces where we are seeing the new cops arriving is Afghanistan.

Now, Afghanistan is by far the world's toughest drug problem, at least since World War II. Only before World War II, during the Chiang Kai-shek era, did a

country -- China -- see a greater production of illegal drugs than we are seeing today in Afghanistan. You can look at Afghanistan through a number of measures, but let me highlight one, which is not even the absolute tonnage of opium or heroin being produced, but the economic dependence of a country on illegal drug production, and that's easily a third of the country's GDP.

Now, the U.N. will give you much smaller numbers. It's essentially because it doesn't take into account the spillover effects in production and value-added chains that take place in Afghanistan. But roughly, you can imagine a third of the country's GDP is depending on an illegal market. It's enormous. We have never seen that anywhere. Not in Bolivia in the '80s, never in Colombia.

And moreover, not only is this economic dependence extraordinary, it will only get worse as the country's experiencing more insecurity, has a very fragile, unstable, fairly paralyzed government who may well be motivated to suppress militants, avoid a civil war, take on some of the governance challenges, but is very much struggling today, and where much of the legal economic growth over the past decade has dissipated with the departure of U.S. troops and will, in fact, become even more pronounced. So, if anything, economically the country will, for a long time and immediately, be more dependent on the drug economy than it has been.

And so the temporary decreases in poppy cultivation and opiate production that we have seen have been driven by a combination of market forces, prices, acts of nature, such as poppy disease and bad weather, as well as counternarcotics policies. But by and large, they have not been sustained. They contributed to displacing or pushing the economy within Afghanistan around, but they have also popped up back in some of the places that were assumed to be a great success story, often through great coercion. In Nangarhar or parts of Helmand, for

example, poppy is swinging back. So production is responsive to exogenous factors, including policy, but not in a way that can break the structural drivers of the illegal economy and its fundamental political, social, and economic importance.

And among these many drivers, many structural drivers of the illicit economy, is also insecurity -- as well as continuing governance problems and corruption difficulties. But insecurity is critical.

Now, you often hear that what Afghanistan should have done is what Colombia did: A Plan Afghanistan, a massive eradication campaign. You cannot get to the poppy fields? Well, just spray them with glyphosate or some sort of fungicide. Well, Daniel Mejia's chapter from Colombia shows that eradication did help reduce cultivation, but came at enormous costs, and he argues that interdiction is far more cost-effective. I have similarly argued that forced eradication in the absence of alternative livelihoods is extremely politically costly and few governments will be able to afford it. Some can. China in the '50s did. Not many of us would want to live in the China of the 1950s.

Vietnam did a very effective eradication campaign, as James Windle shows in his chapter, but through extraordinary authoritarian means, as well as in the context of a population not being mobilizable by a militant group. When eradication was adopted in Vietnam there was not a militant actor who could protect the population, unlike, for example, in Burma -- Tom Kramer's chapter in the series.

And, in fact, what we saw in Afghanistan is what we saw in Colombia, but to a much greater degree in Afghanistan, namely that eradication became a key mechanism for the Taliban to entrench itself among the population, reverse the legitimacy of the government, and define itself as someone who better delivered human security to the population than the government forces, local or national, that were sponsoring eradication.

And so the Obama administration walked away quite fundamentally from eradication, defunded central eradication. And, again, in the global discussion of counternarcotics -- and that was the right choice. That was the right policy decision to be made. It's still the right policy to maintain today. But in the global discussion of the global cops versus reformists, this very significant supply-policy behavior change of the U.S. is often lost and doesn't really get sufficiently appreciated, as it should.

Now, walking away from eradication meant that interdiction was more strongly adopted and had complex effects. Daniel and I had many discussions about moving away from the notion that one interdiction is same as another. There are, in fact, many forms of interdiction, just like there are very many forms of legalization of cannabis. Different effects have different policies, whether it's fragmenting DTOs; under what circumstances does it lead to violence? Under what circumstances does interdiction lead to other effects? What kind of interdiction under what kind of circumstances?

Well, in Afghanistan, the first blanket interdiction led to the vertical integration of the industry. It really gave rise to big trafficking groups and empowered them politically, as well as strengthened the bonds between traffickers that were targeted and the Taliban. The response to that, the adaptation to that, the policy adaptation, was to focus on Taliban-linked traffickers, with the notion that this would accomplish two goals: primarily reduce funding to the Taliban and complicate its logistical networks. And that, to some extent, worked. It didn't work perfectly. The scale of interdiction couldn't quite match the scale of the networks, but the side effect, a very important negative side effect, was that the message sent was that the best way to be a criminal, a drug trafficker in Afghanistan, was to be a member of the Afghan government.

And that message had a lot of other repercussions in the sense of impunity, perversion of governance practices, in many officials literally believing they can

get away with land seizure, extortion, kidnapping, forced appropriation of assets, and murder. Very problematic policy. So how do you balance it so that, yes, your most important enemy is the Taliban, but other kind of rule of law and broader signals does one also send? Difficult issues for interdiction.

And alternative livelihoods were adopted and funded on some extraordinary scale. At one moment there was talk of the Nawa District in Helmand being carpet bombed with money. And in many ways, that just made things much worse. So, again, the issue is not alternative livelihoods, but how sequenced with eradication, how they should be structured, moving away from simple handouts, but thinking about addressing structural drivers of economy, addressing the complexity of the structural drivers, including value-added chains, including micro credit.

Now, with that I have one minute to bring in Russia and China. Russia in particular has been appalled by the situation in Afghanistan, alternating between blaming the West for its heroin and drug epidemic, its communicable disease epidemic, through the West's incompetence, to outright suggesting that the heroin production in Afghanistan and the Russian drug and disease epidemics are a Western ploy to destroy the Russian nation. And this might sound extreme, but it's not just an extreme phrasing. It very much reflects the sense in Russia that drugs are a matter of national security, that they are seen through the national security lens, and that drug use is at best a significant moral failure or possibly a crime. And so the level of a rigid doctrinaire approach that we see coming out of Russia, I would posit, is far more intense than what we saw from the U.S. in the heyday of its toughest drug policies of the 1980s.

And today, when Russia is heading to UNGASS, it speaks about the need to eliminate the planetary drug centers of the world, of which Afghanistan is one. And it insists that there is no space for recreational use, for sure. There needs to be one

single attitude, which is eliminating the threat and evil and corruption, moral corruption, that drugs bring.

Now, China has become a fellow policeman of drugs in Asia in a very different manner than Russia. It is far less vociferous than Russia. It doesn't use global Star Wars language of planetary threats, but, nonetheless, in many ways, influences significantly attitudes of other Asian countries. But it also need to be recognized that by and large in East Asian countries there is no momentum for reform, there is very little sympathy for users. They are seen as committing a social offense and moral failure. And it's only the spread of HIV/AIDS that is somewhat softening public government attitudes, but also public general citizen attitudes toward thinking about some harm reduction measures, moving toward drug treatment centers that are more focused on treatment as opposed to being forced labor camps, de facto prisons, but very, very little of that.

And this is taking place where in China, over the past year, more than 60,000 users have been arrested and put into treatment centers -- read "prisons" -- where traffickers are regularly given death sentences, one of the few offenses today for which you can get that sentence in China. We see that also in Indonesia. We see it endorsed by a very liberal reformist President Joko, man of the people, seen in the West as the liberalizer in having not one ounce of any empathy in a public resonance for the push to move toward different policies.

My last statement, 17 papers on our website from across the world, including North Africa that we didn't talk about; 5 continents; 2 functional studies; legalization breakthrough scenarios, not just pot. What happens if cocaine is legalized? And as well as a paper on U.N. treaty reforms. Go on the website, read the papers, engage with our blog, please give us your input. I'm looking forward to carrying this

conversation, what it means for UNGASS, individual reforms, and specific countries forward.

Thank you very much.

MR. SARUKHAN: Thank you, Vanda. (Applause) And we're going to open up for sort of a debate up here and then we're going to start the Q&As, but if you could please accompany me in giving our panelists a big hand for their presentations. (Applause)

I know that you're going to probably have to run in a few minutes, so why don't we start? I would like to give the panelists -- I think you've seen there's a treasure trove not only of what has been presented here, but what's online in terms of the panoply of research and studies that have been put up today. But I'd like to give the panelists a few minutes if there are issues which -- because many of them are complementary, so I don't know if any of you would like to react to the presentations of your colleagues up here.

No? Good.

MR. KILMER: Well, I mean --

MR. SARUKHAN: Yes, Beau.

MR. KILMER: -- the one thing I would add, I'm sorry, with respect to cannabis legalization and alternatives to prohibition, and Mark was talking about a number of different options, and he and I worked together on a project for the state of Vermont. Vermont has a very high prevalence rate. They kind of see the writing on the wall that they're going to be engaged in these conversations. So we did some work for them to help them understand that tradeoffs associated with a number of different options for those who are seeking to do something other than prohibiting marijuana.

And if you really kind of look at the discussions in the United States, so

much of the focus is either on prohibition or these for-profit models. And so the one thing I would add on to what Mark said is we spent a lot of time in that monograph really trying to walk through some of these other options, whether there'd be a state monopoly or, you know, allowing nonprofits to produce and sell or for-benefit corporations. So I think the only thing I would add is that there are a lot of other options out there that even if -- and remember, nonprofit doesn't mean no taxes. You can still get revenue, but there are a lot of other options out there.

MR. SARUKHAN: Harold?

MR. TRINKUNAS: I would just add to what Beau said. I thought one of the most fascinating things in both Beau's and Mark's papers was the way that legalization was designed in Washington and Colorado has created lobbying around the kind of legislation. And this lobbying is led by for-profit organizations, therefore, shaping legislation not only in those states, but in states to come around maximizing commercial opportunities in a certain sense, which is something we see, of course, broadly in the American political system around legal goods. But I think this makes the issue of public health especially salient that Mark raised.

MR. KLEIMAN: Yes, I would summarize that as the slow morphing of the marijuana movement into the cannabis lobby. Man, I expect that when we have national legalization the law's going to be written by the National Cannabis Industry Association, which just hired its first full-time Washington lobbyist, who's a Koch brothers alumnus.

MS. FELBAB-BROWN: Indeed, this political economy lens or bringing politics into policy is very important. I mean, a lot of the thrust of the effort, a lot of the traditional discourse calls for reform that you hear is to bring evidence and to try to remove some of the mythology, ideology, fervor out of the discussion. But a discussion

of evidence and policies cannot escape thinking about how politics do play a role. What kind of lobbies will emerge?

And it's not just a matter of legal markets. I mean, we seen it in how alternative livelihoods are being delivered. For example, China is fairly active now in trying to provide alternative livelihoods in Myanmar and perhaps even thinking about doing so in Afghanistan in a way that's very, very different than the way Thailand did alternative livelihoods and that very much reflects Chinese agricultural interests. Not surprising.

And so the political lens --what kind of inclusion is there in policy-making? Are there groups that are systemically marginalized? What are the land tenure arrangements? Is the taxation system labor-intensive and taxes capital very little? These broader issues of social contract, what kind of state, what kind of relationship between state and citizens, are very much underpinning what kind of policy designs, what kind of drug policy designs are chosen and approved.

And so one of the key thrusts of the chapter that Harold and I wrote on the geopolitics and the changing geopolitics of the drug trade is precisely emphasizing that for policy improvements to truly include human rights the basic notion is to be that the state become often far more inclusive in consulting the wider body of politics than is the case in many parts of the world.

MR. SARUKHAN: John?

MR. WALSH: Yes, building on the remarks about there are many potential regime types, I think it's also important to note, as Uruguay had said since the beginning, we are doing this because we think it's right for Uruguay, but we don't pretend that we're going to be a model for anybody else. At the same time, they realize that they are blazing a trail that opens a door for others to follow in a way that there may be many

potential regime types, but also a certain regime may work decently well for one country and not for another. So what Uruguay is -- its particular innovation now might not fly in Colorado and vice versa. You know, what Uruguayan lawmakers and government officials saw in Colorado, somehow we want something different. We want something more restrictive and tighter.

So I think there are different potential regimes. They also fit differently in different cultures, different societies, different institutional makeups, and sort of cultures vis-à-vis not just drug use, but also how they view the role of government. So I think the way of looking at it is even wider. And if a regime doesn't work in a particular jurisdiction, it doesn't mean that the whole thing is a failure. I think we have to be very careful about evaluating what success looks like and not extrapolate from one or even two or three different cases to say, well, there's no way this can work.

MR. SARUKHAN: Vanda?

MS. FELBAB-BROWN: Beau spoke about or quoted Assistant Secretary Brownfield and treaty flexibility, which seems to be one of the key -- perhaps -- outcomes of UNGASS, though Russia doesn't agree with that. But I want to highlight two of our papers by Martin Jelsma on treaty reform and the cost of interpreting a treaty flexibly. There are real spillover costs. There are legitimacy costs. And another fantastic paper, just like Martin's, by John Caulkins about the spillover effects that come with policy design and the costs of saying one shoe does not fit all, let's all do different things.

MR. SARUKHAN: Yes, I think precisely on this note, it is clear the fact that one size does not fit all, that building consensus on the road to UNGASS next year is going to be extremely difficult. You know, talking about Brownfield's statement, well, if you look at what President Obama said during his pit stop in Jamaica on the way to the Summit of the Americas when he was asked about whether the United States would align

or try and align its foreign policy, drug control policies, to some of the stuff that's happening domestically, the President was unequivocal in his response saying that that's not in the cards in the near future.

So there's a lot of debate going on. And as a recovering diplomat, let me see if -- you know, there are three issues that I think would be very interesting to very quickly discuss here, if any one of you wants to take a stab at them.

One of them is there's been one issue that we've sort of parsed over, but which is extremely important because I think that it makes the difference between models that succeed and models that don't, and about practices that can succeed and practices that don't succeed, which is the rule of law or the weakness, endemic or structural, of the rule of law in some of the countries that are looking at the experiments, thinking about this, this whole debate in the United States that has been put out there by some of those in favor of legalizing in Colorado and Washington, that in a sense that you legalize Colorado and Washington, you're helping Mexico and others. Because by, you know, legalizing the stuff, you're going to eliminate profits from the drug syndicates operating throughout the region. You know, this is an issue that I think needs a great deal of discussion.

The other issue is how does the U.S. work towards UNGASS next year and how it starts building a basic platform of consensus that will -- I think the worst outcome for the United States in particular is that UNGASS next year becomes a miserable failure and nothing comes out of it because then there will be -- I think, a lot of countries will start going on their own way.

And then the last one is how does -- and, you know, I'm a former Mexican diplomat and a citizen of Latin America or of the Americas. You know, there is a challenge in the Americas despite the fact that the United States has changed some of its

eradication policies in the Americas, where especially in public opinion throughout the region it is increasingly difficult for governments to go to public opinion and Congresses and say we have to continue to expend the Churchillian blood, sweat, and tears in confronting cannabis production and trafficking where you're seeing, at the same time, Colorado and Washington happening in the United States. And that disconnect is creating and will continue to create some important reverberations for inter-American affairs.

Three issues that I don't know if some of you would like to sort of address and then we'll go into the Q&A.

MR. TRINKUNAS: This came up at lunch. I had the privilege of having lunch today with Francisco Thoumi. He's in the audience.

One way to think about the international drug control regime is it's a series of policies written by and for strong states and imposed on weak states. And the kind of drug control policy that you can carry out in China or Britain or the United States is simply not the kind of policy you can carry out in lots of places. And it seems to me that not only human rights, but also the rule of law ought to take precedence over drug control, and that would call for a very different international regime than the one we have. I have no idea whether UNGASS has any interest in doing anything about that.

MR. SARUKHAN: Anyone else want to -- John?

MR. WALSH: Yes. First, I think on the rule of law question, if you look at a legal regulated regime, for instance, the institutional requirements are actually pretty severe. If you're going to actually, as Mark said, enforce legalization, you need pretty subtle enforcement capacity. So it's not that you're dispensing with enforcement. The regulatory role needs to be much more subtle and fine. The benefits are because you don't have the blunt instrument of prohibition. It's a much more fine-tuned system. But

that doesn't require no state. It requires a very capable state. So I think that that's a very important issue.

On UNGASS, I think to imagine that there is -- the fact is that the so-called Vienna consensus, meaning Vienna, Austria, where much of the U.N. drug policy apparatus sits, it doesn't exist, if it ever did. The idea that there's a global consensus now when you have countries who have a death penalty and carry it out for drug offenses and you have countries, including parts of the United States, where the same act is perfectly legal and can make you money, that suggests that there isn't an underlying consensus anymore.

The meeting in New York next year is not going to resolve that one way or the other. I think it's going to lie bear that there is no longer a consensus. What the way forward is, countries like Uruguay are going to continue ahead unless their domestic public opinion comes back. Same thing with the United States.

So I think the idea that there is a consensus is no longer tenable, if there ever was. UNGASS is going to lay that bear.

MR. SARUKHAN: Yes, very quickly.

MR. TRINKUNAS: Just, again, recommending Martin Jelsman's paper on treaty reform, I think one of the points that he raises and other people have raised is the conversation would be very different if beyond the Vienna consensus that's dominated so far you includes other U.N. organizations, such as UNDP or the World Health Organization. They might bring some different perspectives to the table. I don't know if that's going to be able to happen before UNGASS, but it would be a different kind of UNGASS.

And the second thing is I do recommend the Jonathan Caulkins paper on the fragmentation issue, because he goes exactly to that. What happens if countries

start defecting, especially on the harder drugs?

MR. SARUKHAN: Well, we'll open it up to questions. Please, we've got very little time, so please be very brief. A question is followed usually by a question mark. I'd ask you to refrain from comments unless they're extremely relevant to the question with a question mark at the end. And I would ask you identify yourselves for the benefit of the panel.

The gentleman in the blue shirt right here.

MR. RICO: Bernardo Rico, World Bank. As difficult as it is to put the marijuana issue aside, as you probably know for Latin Americans, most Latin Americans anyway, particularly the transit countries, the issues are cocaine, heroin, meth, and precursors. And there's a divide between what people are talking about in this country, what's happening in the different states in the U.S., and legalizing recreational use as opposed to what Latin American countries are probably trying to argue for in the legalization of harder drugs. How do you see that evolving?

Because, to me, putting aside the other opposite end of the world -- China and Russia and the others -- that is the next issue or if it's not the issue. I mean, marijuana still has to be worked out in this country and other places, but it's the harder drugs and how that works out and how the treaties are interpreted.

MR. SARUKHAN: Thank you. I'm going to take sets of three questions that I will ask the panelists to respond. The gentleman in the purple shirt here.

MR. THOUMI: I'm Francisco Thoumi from the International Narcotics Control Board. Now, the international regime from its origin had its goal to eliminate international trade. I mean, it started with the opium wars in China. You are going to have different types of policies in different countries. We have to somehow strengthen the control on international trade. I mean, in order to allow for one country to have a

particular policy in which certain productions are tolerated and so on, you have to make sure that there is no diversion to other countries.

At the same time, there will be a need to strengthen the anti-money laundering capabilities in the world, offshore centers and so on. How do you plan to try to deal with those issues? That would be the question that you want.

MR. SARUKHAN: Thanks, Francisco. Yes?

MS. THOMSON: Hi. My name's Sarah Thomson. I'm a consultant at the World Bank. I had a question to look maybe perhaps at the broader picture and it was mentioned, you know, this has been 30 years this war on drugs. How can we learn from this and how can we take away lessons from how this has largely failed as far as the overall U.S. policy and how U.S. policy, the war on terror and the war on poaching? And how can we, I guess, realize underlying themes on these sort of failed policies?

And also, I was wondering what does this mean for the reform of criminal justice? You know, if this means that maybe people with substance abuse problems, they have substance abuse programs. So could this perhaps also lead to mental health reform, et cetera, et cetera? Thank you.

MR. SARUKHAN: Panelists, please?

MR. KLEIMAN: So let me say a word really about the first question and the third. I never answer Francisco's questions. They're always too hard. (Laughter)

I don't think anybody's got a plausible theory about legalizing the hard drugs. I mean, legalizing cannabis is not that hard. You're going to have some public health damage from it, but it's controllable because the damage from the material is limited. I have never seen anybody write down a sensible, workable policy for legalizing cocaine.

I keep hearing the war on drugs has failed, and I certainly agree that the

hyper militarized enforcement approach has failed. Does anybody in this room think that we'd have a 50 percent reduction in cocaine use in the U.S. between 2006 and today if cocaine were legal? Do you think the legal cocaine industry wouldn't have done marketing and pricing things to prevent that collapse in demand?

If we take alcohol as our base case as what a legal addictive intoxicant looks like, I claim that we have succeeded on every other drug because no drug does nearly as much damage as alcohol. So I think we need to be very cautious.

I think it's true if we wanted to get rid of most of the damage the drug policy's doing to the Americas through legalization we'd have to legalize something other than cannabis. (Audio skips)

SPEAKER: -- policy since slavery and Jim Crow. A question and a comment for Mr. Kleiman. By the way, my profession overwhelmingly supports the end of alcohol prohibition. Last year not one police officer was hurt, killed, or corrupted by the production, marketing, and sale of alcohol. There are no moonshine stills essentially next to a meth lab, so this has been an overwhelming success in terms of reducing crime, death, et cetera, from the old alcohol prohibition.

My question is your assertion that use will go up based on price. I've spoken to eight doctors, board-certified on addiction psychology, and they've told me that the price doesn't matter in that my drug of choice today is, say, Crown Royal. If you make the price of my bottle of Crown Royal \$2, I'm not going to drink much more than I drink today because price is not the issue. Most of us, according to these doctors, are not that stupid. I would ask what doctors or doctor groups, associations did you consult to make the assertion that marijuana use is going to go up when the price goes down?

MR. SARUKHAN: Thank you. Ambassador?

MR. TOWELL: I'm Timothy Towell, a -- what did you call it? -- recovering

diplomat, 32 years in the State Department; two tours in Bolivia, as in cocaine, the Bolivian desk, cocaine; twice in Paraguay, cocaine from Bolivia transiting; money laundering under the guise of free trade, you've heard all that stuff; and in Brazil.

I'm concerned about the national security issue of all this brilliant stuff. And I will read the 15 papers or 18, I forgot which number you gave me. But I'm concerned about not the experts in this room, but everyone out there who tends to think it's a Mexican problem. I'm sitting next to a NAFTA diplomat here. NAFTA is so important to the United States of America and our national security. And I heard you when you were ambassador defending Mexico's fighting against it and lightly criticizing the United States, politely, for being the demand side and the problem. Joe Biden's a million dollars to Central America is not going to do it either.

What do we do to make sure the people out there that think Mexicans or Colombians or Central American people are brown people with moustaches that take a siesta against a cactus and are shooting everybody and killing children and doing awful things by exporting wicked stuff to the United States when we're the problem because we're the demand side of the equation?

MR. SARUKHAN: Thank you. Would the panelists like to address any or all of these questions?

MR. KLEIMAN: Well, I'm delighted to hear that's somebody on the legalization side has finally recognized that there is cannabis dependence. That seems like progress to me.

Yes, of course, dependent users are going to run into problems as prices go up. One advantage of raising price is that fewer people who are now casual users will become dependent users, and, you know, that that's the best verified generalization economics and the random opinions of addiction specialists aren't especially relevant

here. But, yes, indeed, if you raise prices enough the very heaviest users will suffer from that.

Some of them will go into treatment. As has been pointed out, treatment's going to be a lot more available. How viable the treatment is, is a different question. But, of course, the tradeoff between preventing more people from sliding into dependent use and somewhat damaging the people who continue to use very heavily, I would suggest that the falling effective price of THC over the last 10 years is one of the causes of the big increase in heavy daily use.

MR. SARUKHAN: Vanda.

MS. FELBAB-BROWN: Ambassador, thank you for the raising issue of demand. And, indeed, the papers explore it, and many of us would agree or recognize that demand reduction measures have been often underfunded, neglected. Very often they are conducted in an appalling manner. I spoke about the labor camps in China essentially forcing users go cold turkey with all the harm effects and the spillover effects on problems in terms of communicable diseases as users are afraid to come forward, et cetera.

We lost Beau, who can speak perhaps more to the issue of what we know about what works with respect to demand, and what doesn't work. Mark can join that conversation as well. And one of the things we know is that early intervention seems to make a big difference. That applies to whole sorts of other markets, including in wildlife. Waiting to teenage years might be too long. We also know that appealing to either issues of altruism, like don't do drugs because that feeds terrorists or that funds terrorists, does very little. It essentially has to be about personal self-interest as well as broader peer pressure, about mechanisms to strengthen self-confidence and reduce susceptibility to peer pressure, as well as very personal messages.

But nonetheless, demand reduction will not bring use of drugs to zero, just like it didn't do it with cigarettes, it didn't do in other markets. And that, too, is very culturally and politically sensitive. What works as a good transmission mechanism in one setting does not resonate as a message, as a persuasive message in other settings. So, again, tailoring, but knowing that there are limits. More needs to be done, much better needs to be done, but it will not bring use to zero.

MR. SARUKHAN: Mark?

MR. KLEIMAN: One thing we do know about demand reduction, this is the point that Beau made, most users of any drug, legal or illegal, don't commit any crimes around it. Most users of any drug, legal or illegal, aren't dependent on it. The minority who become dependent account for a very large fraction of the total volume.

And with respect to expensive illegal drugs, a substantial fraction of those people do wind up committing crimes, as a result of which if we could make our criminal justice system do a better job at discouraging continued drug use by criminally active heavy users, we could substantially reduce the total demand. I've calculated about 40 percent of the cocaine demand in the U.S. is by people who are under criminal justice jurisdiction. And the HOPE Program that Angela Hawken has evaluated shows that you have about an 80 percent reduction in drug use in that population. A very, very simple and easy to administer program.

Beau's done the evaluation of Sobriety 24/7. I should point out that alcohol, which is the drug we legalized, accounts for about half the homicide in the U.S., not alcohol dealers shooting each other, but drunks shooting each other. And it's very valuable to get them to do less of that. One of the things that Beau has found is that when you require problem drinkers, in this case primarily drunk drivers, to stop drinking -- not stop driving, but stop drinking -- you reduce domestic violence county-wide by 12

percent.

So I think figuring out a way to crack down appropriately on the problem users is a good alternative to continuing to put lots of dealers in prison. Take away their best customers instead.

MR. SARUKHAN: John, last words?

MR. WALSH: Yes. Addressing the Mexico question and also going back to your question, Ambassador, about the impacts on Mexico. I think one of the big reasons that the so-called Vienna consensus is done is because the United States, which was the architect and chief enforcer of the global drug control regime since its outset, is changing. It's maybe clearest in the case of cannabis, but also in terms of criminal justice reforms, and the United States' message, therefore, is changing. And in the case of cannabis, maybe it's unclear, but other countries are saying, hmm, maybe there's space for us.

At the least what was seen as a sort of set piece that couldn't be changed is now there are a lot of moving parts. And the so-called consensus that was led by the United States is crumbling. What will replace it exactly remains to be seen, but there's clearly political space to experiment with different kinds of policies now, including in a legal regulated sense.

So I think that's a much more honest debate, and at least we're at that point.

MR. SARUKHAN: Harold has asked for the last last words, so Harold.

MR. TRINKUNAS: No, I just wanted to thank all the participants in our project, my co-director, Vanda Felbab-Brown, for pulling together such a great set of papers. I think Ambassador Sarukhan for leading us today in this panel discussion and thank all our panelists for what I found was a fascinating discussion.

I highly recommend you go to the website,
www.brookings.edu/globaldrugpolicy. Look up the papers. I think you'll find it's a
wonderful collection.

MR. SARUKHAN: And time is tyrannical even in a democracy, so I'd ask
you just to join me in thanking our terrific panelists for this discussion. (Applause)

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