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FEATURED Q&A

How Would Legalizing Marijuana Affect Uruguay?

Q Uruguay's House of Representatives last month passed a bill, which is backed by the country's president and widely expected to pass the Senate, that would legalize marijuana and make Uruguay the first country to regulate the production, distribution and sale of the drug. Backers of the measure say it would help fight drug trafficking, while critics such as the U.N. International Narcotics Control Board have argued that it would have negative effects on the health and welfare of the country's population. What is the significance of this bill's probable passage in Uruguay? Are other countries in the region likely to pass similar measures?

A Peter Hakim, member of the *Advisor* board and president emeritus, and Cameron T. Combs, program assistant, both at the Inter-American Dialogue: "The outcome of the Uruguay initiative is uncertain, and retreat may ultimately be necessary. Even President Mujica calls it an 'experiment' and acknowledges it may fail. Black markets may be sustained by juveniles and tourists, who still would not be able to buy marijuana legally, or by people who want more than the government ration. Also, by blunting any remaining stigma and health anxieties, legalization could lead to more usage, although available research suggests this is unlikely. But Uruguay's legal cannabis may end up in neighboring Brazil and Argentina. Criminals could also write off the lost profits and turn to other illicit activities, or ratchet up sales of more risk-laden drugs. Yet marijuana legalization in Uruguay will hardly affect the bulk of the hemisphere's drug trade. The country is neither a drug producer nor a trafficking corridor. Compared to Brazil or the United States, Uruguay's drug market is virtually nonexistent. But Uruguay's courageous experiment will nevertheless be watched closely and may start a trend across Latin America, where several countries have

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Brazil to Import 4,000 Cuban Doctors for Underserved Areas

Brazil has agreed to bring 4,000 physicians from Cuba because a program to send Brazilian doctors to underserved areas failed to attract enough interest. Health Minister Alexandre Padilha said the doctors will go to the neediest areas first. See story on page 2.

File Photo: Brazilian Government.

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NEWS BRIEFS

Colombia Probing Cement Makers for Alleged Price Fixing

Colombian authorities have opened an investigation into the activities of five cement companies, including the country's largest cement maker, **Cementos Argos**, or Cemargos, amid allegations of price fixing, Bloomberg News reported Wednesday. The Superintendency of Industry and Commerce said it opened the investigation after monitoring "sustained and unjustified" cement price hikes since 2010.

Chilean Supreme Court Approves Extradition of Ex-Argentine Judge

Chile's Supreme Court on Wednesday approved the extradition of former Argentine judge Otilio Romano to stand trial for allegedly committing almost 100 human rights crimes during his tenure as prosecutor during Argentina's 1976-83 military dictatorship, the Associated Press reported. Otilio fled to Chile in August 2011 to avoid trial over accusations that he obtained confessions through torture and protected military members accused of crimes, but was denied political asylum last year.

Argentina Evicts Latam Airlines From Buenos Aires Airport

Latam Airlines, Latin America's biggest airline, said it has received an eviction notice to leave its hangar at Buenos Aires' main domestic airport, and that if acted on, its **LAN Argentina** operation would not be able to continue, BBC News reported today. The Chilean-Brazilian owned company is state-run **Aerolíneas Argentinas**' major competitor, and authorities said the eviction was "in the national interest." LAN Argentina said it has always paid rent on time and that it will take its case to court if necessary.

Political News

Protesting Teachers Block Mexican Lawmakers From Congress

Teachers incensed by education reforms in Mexico have blocked lawmakers from entering the country's Congress, forcing legislators to meet instead in a convention center, BBC News reported today. Late Wednesday, the Chamber of Deputies overwhelmingly approved a measure that would establish a central agency to evaluate educators' performance. Teachers have been blocking roads around the Congress all week and clashed with police officers on Monday. Other reforms that have raised the teachers' ire include measures to restrict the powers of the country's teachers' unions and a prohibition on buying and selling teaching positions. President Enrique Peña Nieto signed the reforms into law in February, and lawmakers are now debating how to implement them. Union officials say the changes could lead to large-scale layoffs and say they are a step toward privatization of the country's education system. Francisco Bravo, of the CNTE union, said 50,000 teachers had flooded Mexico City to protest the reforms. "Our demand is for them not to vote on the laws, that they suspend the process, and that we enter into negotiations that take the teachers' point of view into consideration," Bravo told Agence France-Presse. The school year started across Mexico on Monday, but more than 1 million students remain out of school because teachers are striking, particularly in Oaxaca state.

Peña Nieto

File Photo: Mexican Government.

Brazil to Import 4,000 Cuban Doctors for Underserved Areas

Brazil's government on Wednesday reached an agreement with the Pan-American Health Organization to bring 4,000 Cuban doctors to the South American country in order to provide better health services to underserved areas, *The Wall Street Journal* reported. Brazil's decision to import doctors from Cuba came after its "Mais Médicos," or "More Doctors," program to bring more Brazilian and other foreign doctors to needy areas failed to attract enough physicians. Under the program, Brazil is paying doctors 10,000 reais ($4,098) monthly to work for three years in city slums, rural towns and impoverished states. The first registration period for More Doctors ended Aug. 13 with only 1,096 Brazilian physicians and 522 foreigners signed up. Municipalities participating in the program had requested more than 15,000 physicians. Brazil launched the program after protesters took to the streets in massive demonstrations in recent months, with better health care services among their demands. In May, Brazil had said it was looking to import Cuban doctors, but Brazilian medical groups criticized it, questioning their Cuban counterparts' qualifications. Some also drew comparisons to Venezuela, where late President Hugo Chávez sent cheap oil to Cuba in exchange for thousands of doctors. On Wednesday, Brazilian Health Minister Alexandre Padilha said the Cuban doctors will go first to the neediest areas of Brazil. "Through this agreement with PAHO, we're going to expand the number of doctors in precisely those municipalities where there's greatest difficulty in bringing professionals," he said in a statement, *The Wall Street Journal* reported. Brazil will pay the Cuban government for the doctors, with the money being funneled through PAHO, said officials. The first Cuban doctors to go to Brazil for the program will arrive this weekend for three weeks of preparation. Brazil is expecting to spend 511 million reais ($209 million) to bring the rest to Brazil by February.

> *The first Cuban doctors in the program will arrive in Brazil this weekend for three weeks of training.*

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PAHO's representative in Brazil, Joaquín Molina, said the Cuban physicians are "experienced doctors who have already worked in Portuguese-speaking countries and are specialized in family medicine." Brazil currently has 1.8 doctors per 1,000 residents, fewer than most of the world's developed nations as well as Mexico and Argentina.

Economic News

British Virgin Islands Enters Talks With U.S. on Tax Evasion Law

Officials of the British Virgin Islands have started talks with U.S. authorities about the Foreign Account Tax Compliance Act, a U.S. law designed to crack down on tax evasion, BBC News reported Wednesday. The British overseas territory has about 30,000 people and some half a million registered companies. It is among the world's largest jurisdictions of offshore trusts. The law, known as FATCA, comes into force next year and requires more disclosure about the assets of U.S. taxpayers held abroad. The British Virgin Islands' premier, Orlando Smith, said that his administration was negotiating an intergovernmental agreement with the United States in an effort to comply with the law. "We are of the very considered opinion that this course is the best one to adopt for the BVI," said Smith. Last week, officials in the Cayman Islands agreed to provide information to the United States on U.S. taxpayers with accounts there, as required under the law. Authorities in the Bahamas and Bermuda also said they would comply with FATCA.

The British Virgin Islands has about 30,000 people and some half a million registered companies.

Featured Q&A

Continued from page 1

already decriminalized marijuana or simply turned a blind eye to its use. But few nations can match the competency of Uruguay's institutions to manage legalization's complexities. It is the United States, however, that should pay particular attention to developments in Uruguay, which may offer some important lessons. With marijuana recently legalized in two U.S. states, Washington is going to find it increasingly difficult to promote prohibition and strict enforcement in Latin American when a majority of its citizens favor the course of toleration."

A Brad Hittle, former chief of the Source Country Branch at the White House Office of National Drug Control Policy: "The bill is a judgment that enforcement of anti-marijuana laws has failed. It would authorize state control of production, distribution and sale of marijuana, but stop short of removing controls to the same extent as for alcohol and tobacco, possibly to prevent the rise of big marijuana: privatized with efficient production, effective marketing and rapid expansion of a consumer base. Uruguay's calculus seems to be that some risks to public health and welfare are worth taking if the marijuana trade can be wrested from criminal hands. The difficulty is that unless legal marijuana can be sold competitively with the illegal product, or prohibitions against illegal sales are effectively enforced, there is little reason for the consuming public to change suppliers and no reason to reduce consumption. Uruguay's plan would require marijuana users to register and purchase from designated pharmacies. These would be major privacy and convenience disincentives to overcome in competition with illegal sellers who deliver to anonymous clients. Beating established traffickers on price will also be difficult. One estimate for regulated marijuana puts it at twice the street price, police officials recently told *Clarín*. The significance of the bill is that it will put Uruguay in contravention of the U.N. Single Convention on Narcotic Drugs and the 1988 Vienna Convention against the Illicit Traffic of Narcotic Drugs and Psychotropic Substances. It opens the door to a broad review of international counter-drug policy. With international anti-drug regimes under considerable pressure from legalizers, and the United States in a difficult position with respect to marijuana in Colorado and Washington, political consequences to Uruguay are likely to be minor. Other Southern Cone countries have similar or higher consumption rates than Uruguay and are also frustrated with supply reduction. Some variation of the Uruguayan legislation could emerge there if it becomes clear that the international regime is on the ropes and there is a green light to seek national solutions."

> "The bill is a judgment that enforcement of anti-marijuana laws has failed."
>
> — *Brad Hittle*

A Hannah Hetzer, policy manager of the Americas at the Drug Policy Alliance: "In the past few years, there has been a growing momentum toward acknowledging the failures of the war on drugs and calling for alternatives to the current approach, which has had extremely high costs in human lives, public health and public safety, especially in Latin America. In becoming the first country to legally regulate marijuana, the Uruguayan initiative takes this broad regional discussion on alternatives to drug prohibition one step further and represents a con-

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Featured Q&A

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crete advance in line with growing global anti-drug war rhetoric. Regulating marijuana will enable Uruguay to invest the millions of dollars now flowing into the pockets of drug traffickers into education, treatment and prevention of problematic drug use. Instead of ignoring the problem of drug abuse and drug trafficking, Uruguay is taking an important step toward responsible regulation of an existing reality. More and more, sitting presidents are calling for alternatives to the war on drugs. In May, the Organization of American States produced a report, commissioned by heads of state of the hemisphere, which predicted a likely hemispheric move toward marijuana legalization in the coming years. Those who favor continuing the current approach—which has only resulted in high levels of crime, violence, corruption, incarceration and consumption of drugs—are increasingly finding themselves in the minority. The growing discontent with the unintended consequences of drug prohibition goes hand-in-hand with an interest in exploring alternatives. The Uruguayan model could become an example for other countries to learn from and, eventually, follow."

> "Uruguay is taking an important step toward responsible regulation of an existing reality."
>
> — ***Hannah Hetzer***

The Advisor *welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.*

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