

War On Fun Fail: After Tax, Soda Sales Rise in Mexico



By Hank Campbell — May 5, 2016



When former New York City mayor Michael Bloomberg

was trying to convince scientists and the public that soda was a special cause of obesity and diabetes could be prevented with more taxes, it got tied up in litigation. Mexico liked that tax idea also and went ahead and implemented it without a pesky court striking their belief down as "capricious" and "arbitrary," the way it ended in the Big Apple.

Soda companies are like Big Tobacco, went the social engineering refrain. But that has been the same refrain used by an alarming number of people who are trying to control how everyone else behaves, and the public has become jaded by such hyperbole. Only 13 percent of Americans were even born when Big Tobacco was hiding research about the dangers of cigarette smoking, so like Population Bomb claims from the same period that framing comes across as quaint, at best, or weirdly out-of-touch, at worst, among younger people.

Mexico [has an alarming obesity problem](#) [1] and they can't blame that on Big Tobacco one, so when America's most populous city said the science was settled, the Mexican government wanted to believe it, and so officials passed a new tax and waited for diabetes numbers to plummet. As readers here know, that did not happen because it could not happen; there is no magic bullet food ban for preventing diabetes(1), since people have to eat sensible diets and exercise or they will get fat, which is the biggest risk factor for Type II Diabetes. Mexicans love soda and have continued to drink it. Rather than go into decline, sales have gone up.

Predictably, the Mexican government has stopped complaining about soda intake and obesity, mostly because the increased sales [has gained them \\$2 billion](#) [2] in tax revenue since early 2014. Like with cigarettes, the government has made itself reliant on that tax revenue(2) even though it's from a product they supposedly want to run out of business.

Social authoritarians in the country say the sales boost is just because of warmer weather and that

their WHO-based food evangelism will win in the end. History and experience says that is unlikely to happen. Taxes unfairly impact poor people but if they want a soda, they are still going to buy it. And they clearly want it.

Other countries were considering special soda taxes also, and this result in Mexico will make such legislation even more likely; governments gain more revenue and they can claim it won't hurt companies.

They can even claim calorie consumption *has* gone down, thanks to government efforts. By seven calories per day.

Happy Cinco de Mayo!

NOTES:

(1) Everyone except the guy who runs CrossFit, and the thugs he employs to bully people on the Internet, anyway. [CEO Greg Glassman thinks Coke will cause Obesity but apparently not Pepsi](#) [3].



(2) In the U.S., 70 percent of the cost of a pack of cigarettes is taxes, making the government's claims to be interested in ending smoking seem hollow.

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[1] <http://www.theguardian.com/cities/2015/nov/13/fat-city-obesity-crisis-mexico-capital-sugar-tax?source=acsh.org>

[2] <http://www.marketwatch.com/story/soda-sales-in-mexico-rise-despite-tax-2016-05-03-54855635?source=acsh.org>

[3] <http://acsh.org/news/2016/03/01/an-open-letter-to-crossfit-ceo-greg-glassman-2/>