Is prohibition of cannabis worth the cost?

Sensible B.C. doesn't think so, and is seeking a referendum on decriminalization that asks our taxpaying residents to weigh in on the issue

**By Barbara Yaffe, Vancouver Sun**October 8, 2013

If B.C. taxpayers are smart, they will lend their support to an ongoing campaign to decriminalizing cannabis use.

The issue at hand is not about approving of the use of cannabis. Nor is it about whether people believe criminal sanctions should be doled out to users.

Such questions are best left to criminologists and ethicists.

Rather, taxpayers need to consider whether the existing prohibition has benefits sufficient to justify its hefty enforcement costs, as well as the whack of tax cash lost in the absence of a legal tax and licensing system.

The truth is, whether the substance is prohibited or legalized, many people - some 14 per cent of British Columbians, 12 per cent of Canadians - will keep right on toking up.

While even more may become users if pot is decriminalized, that could perhaps be controlled through public awareness campaigns, of the sort that have proven effective against tobacco use.

The issue for most people should come down to this: What is to be gained from changes flowing from a successful referendum campaign? And the answer to that is all about money.

Financial numbers related to decriminalization tend to be somewhat speculative because legalization is in its infancy in North America and revenue models have yet to be established.

But according to available data, producing a gram of marijuana costs 33 cents (under a government-sponsored setup), while retailing and distribution costs 10 cents. Total: 43 cents per gram.

Illegal marijuana fetches roughly $10 a gram on the street. If the price is kept at that level in a decriminalized environment, there is plenty of scope between production cost and sale price for heaps of government revenue.

At their convention last January, B.C.'s federal Liberals predicted Canadian governments could rake in more than $4 billion a year in revenue if marijuana were legalized, although some national estimates go as high as $7.5 billion.

A study by B.C. academics, published a year ago in the International Journal of Drug Policy, puts the annual value of B.C.'s cannabis trade at between $443 million and $564 million, with potential for the province to scoop $2.5 billion over five years in taxes and licence fees for growers.

Given the reputed potency of B.C. bud, it is also possible that a lucrative export industry

might develop.

Grow operations aren't especially labour intensive and the B.C. Liquor Control Branch could distribute the product, but other opportunities would sprout for entrepreneurs - who would be legitimate businesspeople instead of crooks.

The term ganjapreneur has been coined to describe these folks. Pot is being legally marketed in creative ways - in Colorado, for example, where Dixie Elixirs produces everything from soft drinks to truffles infused with marijuana.

And, of course, enforcement costs would be saved. Sensible B.C. reports 1,200 British Columbians were convicted of possession in 2011, costing taxpayers here $10.5 million. Even Canada's police forces are now advocating a protocol of fines be introduced to save the fuss and bother of criminally charging pot users.

Right now, the situation in B.C. - where cannabis is grown and distributed under the table to the great advantage of the criminals - is not yielding a whole lot of benefit to the province. At least not enough to justify the perpetuation of the current rules.

And most observers agree, criminalization is not significantly discouraging cannabis use.

So, as Sensible B.C. gathers signatures on its petition to trigger a decriminalization referendum - needing support from 10 per cent of voters in 85 provincial ridings by Dec. 5 - folks should be pragmatic, and apply a cost/benefit analysis.

Support then becomes a slamdunk.

byaffe@vancouversun.com