

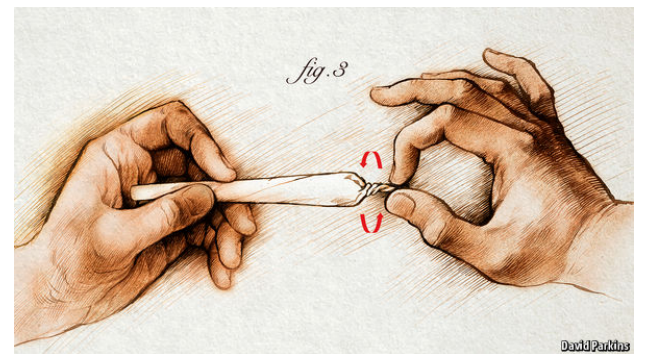
Regulating cannabis

The right way to do drugs

The argument for the legalisation of cannabis has been won. Now for the difficult bit

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IT IS like a hash-induced hallucination: row upon row of lush, budding plants, tended by white-coated technicians who are bothered by the authorities only when it is time to pay their taxes. Cannabis once grew in secret, traded by murderous cartels and smoked by consumers who risked jail. Now, countries all over the world have licensed the drug for medical purposes, and a few are going still further (see [article](http://www.economist.com/news/briefing/21692873-growing-number-countries-are-deciding-ditch-prohibition-what-comes) (<http://www.economist.com/news/briefing/21692873-growing-number-countries-are-deciding-ditch-prohibition-what-comes>)). Four American states have so far legalised its recreational use; little Uruguay will soon be joined by big, G7-member Canada in the legal-weed club. Parliaments from Mexico to South Africa are debating reforms of their own.



Those (including this newspaper) who have argued that legalisation is better than prohibition will welcome the beginning of the end of the futile war on weed. Cannabis accounts for nearly half the \$300 billion illegal narcotics market, and is the drug of choice for most of the world's 250m illicit-drug users. Legalising it deprives organised crime of its single biggest source of income, while protecting and making honest citizens of consumers.

Yet the repeal of prohibition marks the start of complex arguments about how to regulate cannabis. What sound like details for bureaucrats—how to tax it, which varieties to allow, who should sell it and to whom—are questions that force policymakers to decide which of legalisation's competing aims they value most. Trailblazers like Canada are writing rules that the rest of the world will copy; once laid down, they will be hard to uproot. Getting these decisions right will ultimately determine whether legalisation succeeds or fails.

Have your hash cake and eat it

Legalisation's proponents are an odd mix of libertarians, who want to maximise personal and commercial freedom, and conservatives, who grasp that prohibition is less effective than pragmatic legalisation and regulation. The hippies and hardliners created a powerful alliance for legalisation. But when asked to say exactly how the cannabis trade should work—at what rate to set taxes or whether to place limits on consumption, for instance—they can find themselves at odds.

Libertarians may ask why cannabis, which has no known lethal dose, should be regulated at all for adults who can make free, informed decisions. There are two reasons for care. First, cannabis appears to induce dependency in a minority of users, meaning the decision whether to light up is not a free one. Second, cannabis's illegality means that the research on its long-term effects is hazy, so even the most informed decision is based on incomplete information. When decisions are neither always free nor fully informed, the state is justified in steering consumers away, as it does from alcohol and tobacco.

Hence the libertarians must cede ground. States can tax users to deter consumption—though not so much as to make consumers turn first to the untaxed black market. The “right” level of tax will depend on a country's circumstances. In Latin America, where abuse is rare and the black market is bloody and powerful, governments should keep prices low. In the rich world, where problem use is more common and drug-dealers are a nuisance rather than a threat to national security, prices could be higher. One model is the United States after Prohibition: alcohol taxes were set low at first, to drive out the bootleggers; later, with the Mafia gone, they were ramped up.

A similar trade-off applies when determining what products to allow. Cannabis no longer means just joints. Legal entrepreneurs have cooked up pot-laced food and drink, reaching customers who might have avoided smoking the stuff. Ultra-strong “concentrates” are on offer to be inhaled or swallowed. Edibles and stronger strains help put the illegal dealers out of business, but they also risk encouraging more people to take the drug, and in stronger forms. The starting-point should be to legalise only what is already available on the black market. That would mean capping or taxing potency, much as spirits are taxed more steeply and are less available than beer. Again, the mix will vary. Europe may be able to ban concentrates. America already has a taste for them. If the product were outlawed there the mob would gladly step in.

In one respect, governments should be decidedly illiberal. Advertising is largely absent in the underworld, but in the legal world it could stimulate vast new demand. It should be banned. Likewise, alluring packaging and products, such as cannabis sweets that would appeal to children, should be outlawed, just as many countries outlaw flavoured cigarettes and alcohol-spiked sweets. The state should use the tax system and public education to promote the least harmful ways of getting high. The legal market has already created pot's answer to the e-

cigarette, which reduces the damage done by smoke to lungs.

In America the federal ban on cannabis means the task of writing its first regulations has fallen to overstretched civil servants in a few small states. Testing potency, setting safe-driving limits and solving a hundred other puzzles is no easier when the federal agencies that would normally advise them (such as the Food and Drug Administration, the world's most advanced pharmaceutical regulator) are sitting on their hands. And the absence of federal curbs on pot advertising means that the drug is more widely promoted than tobacco, by companies pleading the First Amendment. The federal government's wait-and-see policy sounds prudent; in fact it is irresponsible.

Be cautious, but be bold

Campaigners for and against legalisation need to adjust to the new reality, too. Those who would rather ban the drug should stop flogging the dead horse of prohibition and start campaigning for versions of legalisation that do the least harm (just as the temperance movement these days lobbies for higher taxes on booze, rather than a ban). Legalisers, meanwhile, should open their eyes to the fact that the legal marijuana industry, which until now has only had to prove itself more worthy than organised criminals, now needs as much scrutiny as the other "sin" industries that defend their turf jealously. Rather than one day having to take on Big Cannabis, it would be better to get policy on pot right from the start.

From the print edition: Leaders