

# **New Zealand Should Regulate and Tax Cannabis Commerce**

## **Final Report**

**The Drug Policy Forum Trust**

**30 March 1998**

## **New Zealand Should Regulate and Tax Cannabis Commerce**

*Laws and institutions are constantly tending to gravitate. Like clocks, they must be occasionally cleansed, wound up, and set to true time.*

Henry Ward Beecher, 1859

### ***NZ Drug Policy Forum Trust***

Scientists and professionals have been effectively excluded from the debate on recreational drug policy—both in New Zealand and around the world.<sup>1</sup> As a result, drug policies have been based almost exclusively on emotion, rhetoric, and politics. Indeed, it is not much of an exaggeration to say that if scientists had been excluded to a similar extent from the transportation and communication industries, we would all still be travelling by horse and buggy and communicating with smoke signals!

The last major source of scientific input into cannabis policy in New Zealand was the Department of Health's Blake-Palmer Committee, which recommended in 1971 that cannabis prohibition be continued *only so long as* it was clearly working. This advice has been ignored. Moreover, since the Minister of Health's Drugs Advisory Committee disbanded several years ago there has existed no independent source of evidence-based advice concerning drug policy in New Zealand. It is this gap that the Drug Policy Forum Trust is designed to fill.

The Forum is an independent group of physicians and professionals dedicated to ensuring that the drug policy debate in New Zealand is based on evidence and logic, not emotion. Forum trustees work in a variety of academic, governmental, and other “establishment” positions, employing in our (volunteer) work in drug policy the same principles of evidence and scholarly analysis used in our “day jobs”.

### ***Forum Discussion Paper***

In July 1997 the Forum published a discussion paper<sup>2</sup> arguing that the present blanket prohibition on cannabis is untenable and counterproductive, because it

- Impedes the application of effective public health and education measures by driving cannabis use underground.
- Creates a large and thriving black market, which preys on young people.
- Does little to discourage drug use; indeed, the glamorisation associated with prohibition encourages early cannabis use by young people.
- Burdens thousands of young New Zealanders each year with criminal records.
- Creates disrespect for the law and diverts scarce police resources—about 250,000 police hours and \$18 million each year to deal with about 20,000 cannabis offences.

---

<sup>1</sup> Hadorn D. Science and drug policy (commentary) *Int J Drug Policy* 1997; 8: 67-69.

<sup>2</sup> Available at <http://www.nzdf.org.nz> or for \$10 from DPFT, PO Box 12199, Wellington.

These points are expanded upon in our discussion paper.

The Forum reviewed several potential alternatives to blanket cannabis prohibition:

- prohibition with an administrative expediency principle, in which cannabis possession and use remain illegal, but authorities agree not to enforce the law under defined circumstances
- prohibition with civil penalties, in which cannabis possession and use remain illegal, but civil rather than criminal penalties are applied under defined circumstances
- partial prohibition, in which adults are permitted to possess and grow cannabis but for-profit commerce is banned
- regulation, in which cannabis is managed like alcohol and tobacco, i.e., subjected to taxation and rules concerning production, sale, and use

In our discussion paper, the Forum described the pros and cons of each approach in the New Zealand context. We received several dozen commentaries concerning this paper, both via the internet web site hosting the paper and in writing.

In our view, the only substantive criticism of our paper concerned the relatively short shrift we gave to a medicalisation option, i.e., in which cannabis would be made available only for medical purposes either via prescription or over the counter, as occurs with codeine. We accept this criticism. Cannabis is clearly an effective medicine for a variety of ailments, including nausea (especially in the setting of cancer chemotherapy), anorexia (especially in patients with AIDS), muscle spasms, glaucoma, and neuropsychiatric conditions.<sup>3</sup> Indeed, cannabis could well become the (cost-effective) drug of choice for some of these conditions for many patients.

Nevertheless, we continue to believe that the medicalisation model is not appropriate for New Zealand. A prescription-only policy would not be welcomed by doctors and probably would do little to reduce the black market. This latter drawback alone is fatal to the prescription approach—and to the other non-regulation models we considered as well. (Clinicians would of course be free to recommend cannabis to patients as appropriate under the regulation approach we favour.) A codeine-style over-the counter approach, while potentially able to substantially reduce the black market, would put pharmacists in the no-doubt unwanted position of serving as the source of cannabis supply. Moreover, cannabis is much more similar to alcohol and tobacco than to codeine with respect to use rates and, especially, the social context of usage.

### ***Cannabis Policies Are In Transition Around the World***

---

<sup>3</sup> See the summary of a recent conference sponsored by the U.S. National Institutes of Health, <http://www.nih.gov/news/medmarijuana/MedicalMarijuana.htm>

Since publication of our discussion paper last July, further momentum has built around the world toward reforming cannabis policies. Just over the past few months, several events of importance have occurred,

1. The Australian Bureau of Criminal Intelligence released a report on drug policy in January 1998. As described in a story in the 3.1.98 *Financial Review*, entitled “We're losing drugs war, police admit”:

Australia's police chiefs have endorsed a milestone report which concedes that police are having almost no impact on the trade in illegal drugs and in many cases are making the situation worse.

The 160-page report, compiled by the Australian Bureau of Criminal Intelligence, looks at decriminalisation and more police tolerance of drug use. It also warns that “policing cannabis may be pushing cannabis users towards harder drugs”.

The *Sydney Morning Herald* also ran a story on the report (“It's softly, softly on cannabis law”, 16.1.98):

[The ABCI report] said decriminalisation of the personal use of cannabis and cannabis production “could result in a big reduction in the resources committed to controlling the drug”, noting that unlike other illicit drugs there was little crime associated with cannabis use.

It rejected the view that cannabis was a “gateway” drug which would lead to the use of harder drugs, suggesting that a less stringent approach to cannabis could discourage users from progressing to harder drugs. It suggested the link between cannabis and harder drugs was due to the increased likelihood of cannabis users being exposed to the availability of harder drugs either through other users or dealers.

“If this is correct, then preventing this exposure may reduce the number of cannabis users that progress to the more harmful drugs,” the report said.

2. In the United Kingdom, the House of Lords last month decided to study cannabis policy, as described in the *Guardian* (“Lords defy Straw over cannabis”, 11.2.98)

The House of Lords is to launch an inquiry into the case for decriminalising cannabis, reigniting debate on the issue in the face of pledges by the Home Secretary, Jack Straw, to retain the ban. . . .

Peers will take evidence from March until July and publish a report on their findings in October. Lord Perry of Walton, chairman of the sub-committee holding the inquiry, last night said he and fellow members had an open mind on the issue. The committee would call for factual scientific evidence and reject 'sociological prejudice'. . . .

Peers were influenced by a combination of increasing public debate on the matter and by the findings of a report by the British Medical Association which last autumn recommended the legalisation of cannabis-based drugs for medicinal use.

A separate inquiry into cannabis policy is currently being conducted in the UK by the respected Police Foundation under the auspices of Prince Charles, president of the foundation. Both studies are widely expected to arrive at conclusions aligned with those reached by dozens of similar commissions and studies but ignored by lawmakers, i.e., that strict cannabis prohibition policies are misguided and unworkable.

Police attitudes in the UK have also been evolving on the subject, as described by the *Independent on Sunday* (25.1.98):

Even the police have their realists. The nature of their work means they are not the most radical of people, so we should take note when senior officers such as Commander John Grieve of Scotland Yard say that they recognise that the anti-drug laws are not working, and call for change. There are probably many who agree with him, but public debate among officers has been discouraged.

So PC George Evans, who is serving with Greater Manchester Police, was probably speaking for many others when he wrote in *Police Review*, "We fail to understand that drug use has been part of human culture for centuries. Relaxing of the laws on drugs would result in large financial savings which could be used for education and treatment.

"Criminals would be hit as selling illicit drugs would become unprofitable. Instead we continue down the same well-trodden path which we know does not work. We continue to delude ourselves that this is the right thing to do. The truth is that we are frightened and lack the political will."

3. In a story entitled "All over Europe, cannabis is now on the agenda" (23.11.97), the *Independent on Sunday* reported that

To the surprise of campaigners, the European all-party Civil Liberties Committee has just voted in favour of decriminalising cannabis. . . . Ms d'Ancona, a former health minister, said: "The consumption of cannabis must be officially decriminalised so as to take account of the situation in most member states." She recommends that ministers should authorise member states or regions to develop a system where the sale of cannabis to adults may be regulated.

4. Finally, in a series of articles published last month (21.2.98), the *New Scientist* described how the World Health Organization suppressed an analysis by international experts showing that cannabis was less harmful to health than alcohol or tobacco:

[T]he analysis concludes not only that the amount of dope smoked worldwide does less harm to public health than drink and cigarettes, but that the same is likely to hold true even if people consumed dope on the same scale as these legal substances. (p.4)

In response, WHO released a press statement asserting that it had deleted the report for scientific reasons, but a subsequent piece by one of the report's authors, Robin Room, Chief Scientist at the Addiction Research Foundation division of the Addiction and Mental Health Services Corporation of Toronto, confirmed that cannabis scored no worse or better than alcohol and tobacco on ten major aspects of health.<sup>4</sup>

In the same series, the *New Scientist* evaluated the results of Dutch cannabis policy, under which adults have been able to purchase cannabis openly since 1976:

The percentage who regularly use either cannabis or hard drugs is lower in the Netherlands than in many European countries, including Britain. . . . The Netherlands has fewer addicts per capita than Italy, Spain, Switzerland, France or Britain, and far fewer than the U.S. . . . Cannabis addiction and other problems are uncommon. . . . If there are serious problems caused by legalising marijuana, then twenty-plus years of the Dutch experiment has not revealed what they are. (pp.30-31)

Although the Dutch policy is technically one of prohibition with an administrative expediency principle, it is similar in practice to the regulatory approach envisioned here, especially with regard to reducing the black market and providing an effectively legal outlet for responsible adult use. We believe the lessons derived from the lengthy Dutch “experiment” can reasonably be considered relevant to a full regulation model.

These events, combined with further international moves to modernise cannabis policy, as described in our discussion paper, should encourage the New Zealand public and its politicians to accept that the time is right to revise our cannabis laws.

### ***Considering the Options***

In deliberating over the best system of cannabis control for New Zealand, we considered the objectives of a sound cannabis policy to be:

- Protection of public health.
- Minimisation of cannabis abuse, i.e. use of cannabis in such a way as to interfere with personal development or achievement (particularly among children), or to encroach upon the rights of others.
- Elimination of the illicit market in cannabis, with its attendant harms.
- Provision for effective cannabis education and treatment programmes.

---

<sup>4</sup> Room R. On contrasting marijuana with tobacco and alcohol. *Globe and Mail* (Canada); 5.3.98. The ten aspects of health were traffic and other accidents, violence and suicide, overdose death, liver cirrhosis, heart disease, respiratory diseases, cancer, mental illness, addiction, lasting effects on fetus.

A corollary to curbing abuse is to allow the *responsible* use of cannabis by adults, to the extent that such use does not infringe on the rights of others. This privilege is essential to any workable cannabis policy, and unless it is established none of the policy goals can be achieved. At the same time, individuals must bear full and ultimate responsibility for the consequences of their own actions.

In view of the above considerations, and in light of the submissions we received and the scientific literature we have reviewed (some of which is cited in the footnote next page), the Drug Policy Forum Trust has come to the conclusion that:

**Whereas:**

1. The use of cannabis by adults has become thoroughly ingrained in New Zealand culture, with approximately half of all people aged 15-50 having tried it. A similar proportion of young adults currently use cannabis at least intermittently. This rate and the attending social circumstances of use are similar to alcohol and tobacco.
2. Nothing short of scorched-earth defoliation will ever rid New Zealand of cannabis. (Even then, indoor hydroponic growing would expand dramatically.)
3. The adverse health effects of cannabis are no worse than those associated with alcohol and tobacco (indeed they are less severe).
4. Criminal sanctions are ineffective in reducing harmful drug use, and may even promote such use, whereas experience with tobacco use and drink-driving rates show that social sanctions can be effective.
5. Policies other than regulation are likely to result in perpetuation of a thriving cannabis black market, with its attendant harms. This includes *prohibition with an administrative expediency principle*, *prohibition with civil penalties*, and *partial prohibition*, all of which would leave the black market more or less intact.
6. Detailed plans and sophisticated analyses, including draft legislation, are available to serve as starting points for developing a cannabis regulation policy in New Zealand<sup>5</sup>.
7. Extrapolation from these analyses suggest that cannabis taxation could provide revenue in the range of \$50 million per year in New Zealand. A portion of this money could be set aside to fund effective education, treatment and evaluation programmes. In addition there would be savings associated with re-direction of police priorities.

---

<sup>5</sup> For example, [U.S.] National Task Force on Cannabis Regulation, *The Regulation and Taxation of Cannabis Commerce*, Amherst MA, 1982.; Caputo MR, Ostrum BJ. "Potential tax revenue from a regulated marijuana market: A meaningful revenue source". *Am J Economics and Sociology* 1994; 53: 475-490; Levine HG, Reinerman C. "From Prohibition to Regulation: Lessons from Alcohol Policy for Drug Policy", in Bayer R, Oppenheimer GM, eds, *Confronting Drug Policy*. New York: Cambridge U Press, 1993; Evans RM, "The Many Forms of Legalization: Beyond 'Whether' to 'How'", in Trebach AS, Zeese KB, eds. *The Great Issues in Drug Policy*. Washington DC: Drug Policy Foundation, 1990; Garber AS. Potential tax revenues from a regulatory marketing scheme for marijuana. *J Psychedelic Drugs* 1978; 10: 217.

## **We Therefore Conclude That:**

1. New Zealand must learn to live with cannabis. Like it or not, cannabis has clearly become part of our culture. Its responsible use by adults should therefore be normalised.
2. In terms of use rates and social circumstances of use, tobacco, alcohol, and cannabis form a natural triad of frequently used social drugs. No other drug comes close to being included in this small group of substances. As such it makes sense to coordinate the regulation and control of these three agents. Details of regulation would vary from substance to substance, but the overarching analytic and empirical framework within which these regulations would be developed is common to the three substances, including a focus on harm minimisation and evidence-based policies.
3. Toward this end, a Tobacco, Alcohol, and Cannabis Authority (TACA) should be created and charged with responsibility for developing and enforcing regulations concerning the production, distribution, sale, and use of these three substances. Members of the Authority might be appointed by the Ministry of Justice in consultation with the Ministry of Health, and would include several full-time staff. TACA responsibilities would include those presently carried out by the Liquor Licensing Authority. Specifically, TACA would have regulatory jurisdiction over:
  - licenses for production, possibly including limits on hectares under cultivation
  - packaging and distribution, including labeling requirements
  - quality control and potency determination
  - age restrictions and limits on points of sale, places of use, and advertising
  - taxation rates
4. In addition, an Advisory Committee should be constituted to advise the Authority on the above issues. This Advisory Committee would be analogous to other quangos, such as the Liquor Review Advisory Committee, Toxic Substances Board, and Medicines Assessment Advisory Committee. The TACA Advisory Committee would consist of experts and other non-governmental employees, and would promulgate its advice in a public manner. TACA would be free to accept or reject this advice. The Advisory Committee would also maintain an overview of the adequacy of funding for drug education and treatment programmes, and for the evaluation of policy initiatives.
5. The legislation under which TACA is created would provide legal penalties for specified forms of misbehaviour caused by the deliberate taking of a drug. The forms of misbehaviour would be comparable to those currently deemed criminal if caused by alcohol, including driving while impaired.
6. Stringent penalties be applied for importing, producing or selling (for profit) alcohol, tobacco, or cannabis outside the regulatory framework, especially with respect to sale to minors. For consistency, home production for adult personal use and limited non-profit distribution would be permitted for all three substances.

7. Until such a regulatory framework is in place, police should place low priority on enforcement of cannabis laws. In particular, young people should not be burdened with criminal records for using or possessing cannabis.

### ***Route to Regulation***

#### **Single Convention Treaty**

As described in our discussion paper, adopting a regulatory/taxation approach to cannabis control will require that New Zealand take action with respect to the Single Convention Treaty of 1961, which forbids signatory nations from developing the sort of regulatory model for cannabis envisioned in this report.

Probably the most straightforward approach to dealing with this issue is to incorporate in the new legislation a clause which simultaneously “denounces” the SCT, as permitted under Article 46, while re-ratifying it with reservations concerning cannabis in accordance with Article 49. Two principal bases for this action could be articulated: (1) that New Zealand has determined that harm from cannabis use can best be managed using a regulation model and (2) by invoking the doctrine of “changed circumstances” put forth in the Vienna Convention of the Law of Treaties (Article 62). Much has changed with respect to our knowledge about cannabis—and, especially, the effects of cannabis prohibition—since the SCT was promulgated in 1961.

Naturally this issue will need to be studied by relevant government departments.

#### ***Resisting U.S. Interference***

A related hurdle to reforming New Zealand’s cannabis policies will come in the form of resistance from the United States. As described in the *Sydney Morning Herald* in an article, entitled “The real drug war: Why the US won't let Australia reform its drug laws” (19.7.97), President Clinton has appointed a special drug enforcement official, Bob Gelbard, whose chief responsibility is to keep other countries in line with U.S. drug policies. The *Herald* described a 1996 meeting between Mr Gelbard and Professor David Pennington, who was then investigating drug law reform for Victoria's Premier, Jeff Kennett. Pennington described Gelbard’s message in support of continued cannabis prohibition as “heavy-handed” and “scathing”.

The *Herald* continues:

Gelbard's meeting with Pennington - revealed here for the first time - is a reminder that this country is not free to take radical action to solve its drug problems. Australians talk most of the time as though this country - indeed, the individual States - can decide the fate of their own narcotics laws. This is a delusion.

As a good citizen of the world and a loyal supporter of the United States, we have signed international treaties which pledge Australia to stick to the prohibition strategy that has brought us to the position in

which we now find ourselves, a sad situation nearly all local authorities - including Pennington - acknowledge must be changed.

But Australia cannot now make any radical break with the past or with our allies. The treaties are the work of the United Nations - and before that, the League of Nations - but the passion and policing are mainly American. Wherever a nation seems about to break ranks, the US will be there, cajoling or threatening. As a result, the UN and US between them have achieved a remarkable international consensus, the more astonishing for surviving the almost universal verdict that the strategy of drug prohibition has failed. . . .

Others have drawn the conclusion - and it's virtually a consensus now - that absolute prohibition of drugs and alcohol cannot work. But this worldly realism is emphatically rejected by the US and the UN, which have, between them, persuaded the world that with greater dedication, tougher measures and more treaties, success is still possible. So they have held the line for nearly 90 years in what must be seen as an absolutely successful diplomatic effort.

New Zealand politicians have in the past successfully resisted pressure applied by the United States, for example on the nuclear issue. Whether present-day politicians can withstand such pressure on the issue of autonomy in cannabis control policy remains to be seen, but by anticipating and preparing for Mr Gelbard's visit the chances are good that we will be 'permitted' to opt out of U.S.-inspired cannabis policies.

In arguing our case, New Zealand can point to several factors that put us in a special position to successfully implement cannabis regulation: New Zealand has (1) a relatively small population, (2) no contiguous borders (e.g., low potential for smuggling or problematic drug tourism); (3) climate and soil conditions conducive to cannabis growing in most areas of the country, (4) a history of social innovation, and (5) a low rate of use of heroin and cocaine relative to other OECD countries. Indeed, some observers attribute this low rate of hard drug use to the ready availability of cannabis, which reduces the incentive to use other drugs (i.e., cannabis is much preferred by most people).

### ***Role of the Media***

The importance of the media in pursuing cannabis law reform can hardly be overstated. A "democratic system failure" has occurred in that scientists and scientific evidence have been excluded from an important arena of public policy, with resulting harm to society and, especially, young people. It is with respect to just such failures of democracy that the Fourth Estate has its most important role, i.e., in relentlessly exposing such failures to the public. In this regard, the Ottawa *Citizen* and the UK's *Independent on Sunday* both launched campaigns last year for cannabis law reform.

In New Zealand, it is vital that the media be informed of the facts concerning cannabis and cannabis policies, and that they question assertions made by proponents of the status quo. For example, we anticipate that release of this report will provoke claims

that cannabis law reform would (1) harm children, (2) lead to greater drug-related problems, and (3) send the wrong message. Such claims—all of which are false—are often supported by personal anecdotes, but seldom or never by reference to major scientific studies on the subject. This fact must be exposed by the media to a greater extent than has occurred to date.

Fortunately, the New Zealand media appear to be awakening to the situation. The most far-sighted perspective on the subject has come from *The Dominion* (Wellington), in its editorial “A deep breath on cannabis” (11.4.97), which stated flatly: “A new approach is needed, because the law in place now is not working”.

Similarly, *The Press* (Christchurch) criticised the government’s avoidance policy on the subject: “However low a priority the coalition publicly gives the debate, it will not go away. The Deputy Prime Minister, Winston Peters, says cannabis legislation is not a critical issue. It should be.” (14.4.97)

With such support from an informed press, the regulation of cannabis is a feasible goal.

### ***Near-term Opportunities for Action***

Two opportunities for advancing toward the goal of cannabis regulation are on the near horizon. First, the government plans to consider the recommendations of the Liquor Review Advisory Committee, which called for further liberalisation of New Zealand’s alcohol laws (e.g., permitting sales on Sunday and lowering the legal age to 18). As described in our discussion paper (Appendix C), the arguments advanced in support of these changes are essentially identical to those advanced in support of cannabis law reform. Accordingly, the government should consider addressing both issues at once.

The second opportunity for action will occur 8-10 June 1998 when the United Nations General Assembly meets in special session in New York to address international drug policy. As stated by Pino Arlacchi, Executive Director of the Office for Drug Control and Crime Prevention, the intended purpose of this session is to “start the real war against drugs and convince nations and people that there could be a drug free world”. Mr Arlacchi is referring here of course to cannabis and other illegal drugs, not socially sanctioned ones. But as it is obvious that visions of a drug free world are simply unrealistic, and as such cannot serve as the basis for sound drug policy.

Although the U.N. appears to envision the purpose of this special session as simply to agree how best to pull tighter the international noose of prohibition (around our own necks), we urge the New Zealand delegation to this session to insist that alternative policies be explored, especially the sort of cannabis regulation and taxation policy recommended by the Forum.

By exercising bold and decisive leadership, New Zealand can help lead the world out of the present horse-and-buggy era of cannabis policy.

## ***Summary of Recommendations***

The Drug Policy Forum Trust recommends that New Zealand politicians grasp the nettle and take control of cannabis commerce. Abdicating such control to the black market only magnifies the harmful health effects of cannabis. Accordingly, we recommend that:

1. New Zealand politicians and public should accept that cannabis has become part of our culture. Whatever harms are associated with cannabis are magnified by driving its use underground.
2. A Tobacco, Alcohol, and Cannabis Authority (TACA) should be created and charged with responsibility for developing and enforcing regulations concerning the production, distribution, sale, and use of these three substances.
3. An Advisory Committee should be constituted to advise the Authority, consisting of experts and other non-governmental employees.
4. The legislation under which TACA is created should provide legal penalties for specified forms of misbehaviour caused by the deliberate taking of a drug.
5. Stringent penalties should be applied for importing, producing or selling (for profit) alcohol, tobacco, or cannabis outside the regulatory framework.
6. Until such a regulatory framework is in place, police should place low priority on enforcement of cannabis laws. In particular, young people should not be burdened with criminal records for using or possessing cannabis.

## Appendix: Questions and Answers

*Q: Won't putting big companies in control of cannabis commerce cause more problems?*

A: First, it is by no means certain that large companies, like Rothmans or Brierleys, would come to control the market as they do now for tobacco or alcohol. Considerable opportunity for entrepreneurship would exist if barriers to legitimate commerce in cannabis were reduced. Indeed, small companies might well emerge as the dominant influence. Alternatively, a government monopoly on cannabis sales could be established, analogous to the alcohol-distribution system in Sweden and several American states.

Second, although New Zealand has done a relatively poor job in controlling its “legal drug barons”—in large part due to their political and financial influence—effective enforcement of appropriate control measures over advertising, event sponsorship, and related activities might be facilitated through a strong TACA. Past weaknesses in controlling alcohol and tobacco companies should not be considered a reason to eschew a regulatory approach. This weakness is not inevitable.

Third, and perhaps most important, regulation is an essential step toward true control over an industry's behaviour. The tobacco settlement currently under negotiation in the United States is a good example, in which tobacco companies are offering to pay \$368 billion (USD) for settlement of all claims against them, and to sharply restrict advertising. Many observers believe the alcohol industry is next in line for such treatment. Clearly such sanctions and controls cannot be imposed on an illegal market.

*Q: Should people with cannabis convictions be barred from obtaining cultivation licenses under the regulated system?*

A: This is something TACA would need to decide. Practically speaking, barring people from growing cannabis on the basis of past cannabis crimes would be unlikely to do much good, as a “friend” could always be nominated to apply for the license. Moreover, TACA might wish to take advantage of the “facts on the ground” in terms of the individuals and areas that have demonstrated the ability to grow high-quality cannabis year after year. This consideration is particularly relevant in the setting of rural communities in the North and East, whose livelihood and economic well-being is often largely dependent on cannabis commerce.

*Q: If the cannabis black market were eliminated, wouldn't gangs start selling heroin and cocaine instead? Or turn to burglary, etc.?*

A: Gangs might try (as they do now) to sell hard drugs, but there isn't much of a market for them in New Zealand—nor would gangs likely succeed in creating such a market. The cannabis experience is nothing like that associated with heroin and cocaine, and very few people would be interested in using these latter drugs if cannabis were readily available. As far as gangs turning to burglary, etc. most people—including gang members—see a distinct difference between selling a widely

available substance to willing consumers, on the one hand, and breaking into houses, on the other. In any case, it is obviously fallacious to argue that we must keep cannabis illegal in order to prevent gangs from turning to worse forms of crime. Evidence from the Netherlands does not support the concern that making cannabis more freely available to adults might increase hard drug use amongst young people. The following table shows government figures for heroin addicts beginning five years after the (effective) regulation of cannabis:<sup>6</sup>

Year	Average age (years)	Percentage under age 22
1981	26.8	14.4
1982	27.3	9.9
1983	27.8	9.4
1984	28.2	7.3
1985	28.9	6.2
1986	29.6	5.1
1987	30.1	4.8
1988	30.8	3.4
1989	31.6	4.8
1990	32.3	2.5
1991	33.1	2.3
1992	33.6	2.9
1993	34.4	2.6
1994	35.2	2.2
1995	36.2	1.6
1996	37.0	1.2

These figures show quite clearly that availability of cannabis has coincided with a reduction of young people becoming addicted to opiates.

*Q: What age limits should be imposed on cannabis purchase/use? And what about points of sale?*

A: Again, these are issues for TACA to decide. In all likelihood the minimum age for cannabis purchase/use would coincide with that for alcohol. This might be reduced to 18 in the current legislative session if the recommendations of the Liquor Review Advisory Commission are acted upon. Regarding points of sale, liquor stores or adults-only cafes are two possibilities. Pubs would likely not be designated points of sale in order to minimise the concomitant use of cannabis and alcohol.

*Q: We already have enough trouble with alcohol and tobacco; why add a third drug?*

A: Cannabis is already with us. Indeed it is everywhere, and has been for decades. This is one of the major signs that our current approach isn't working. The question at issue is whether the public's demand for cannabis will be satisfied through a legal or an illegal market. Legislation cannot repeal the law of supply and demand. Moreover, according to evidence reviewed in our discussion paper (Appendix A),

---

<sup>6</sup> From 'Gemeentelijke Geneeskundige en Gezondheidsdienst Amsterdam', 1997.

liberalising cannabis availability to adults would not substantially increase the use of cannabis. Rather, the *pattern* of distribution and sale would change under regulation. By taxing cannabis, New Zealand will be able to capture much of the financial windfall currently going to the underground (criminal) economy, directing a substantial portion of this into effective drug education and treatment programmes.

*Q: Wouldn't a move toward cannabis regulation send the wrong message to young people?*

A: First, laws and regulations are not designed to “send messages”. This is the role of parents/family/iwi, churches, schools, and other social institutions. Second, we must recognise that at present young people are receiving very mixed messages with respect to social policies surrounding recreational drugs. Young people easily see through the hypocrisy and dishonesty of an approach that encourages the use of the most harmful drugs (alcohol and tobacco) while dealing harshly with those who prefer cannabis. Third, regulation does not imply endorsement; rather, society has an obligation to regulate and control widely used substances with significant potential for harmful use. Abdicating this responsibility to the black market itself sends the wrong message: that New Zealand society cannot cope with this ubiquitous weed in a manner consistent with sound scientific evidence and reasoned analysis. This message should be rejected.