

## 20 The Domestic Cannabis Industry

*“The Time has finally arrived – Dylan will be proud of Us”*

*“Those who laugh last — never quit!”*

### Issue/Problem

In this realistic proposal we will overview how the newly legalized Cannabis plant will be turned into a viable domestic farming and manufacturing industry.

As mentioned before, the target date for full legalization and decriminalization of marijuana by the U.S. Congress is July 1, 2009, but preferably sooner. I will not be reviewing those issues in this proposal as they were addressed earlier in Proposal #8, National Drug Reform. Hopefully you read the history of cannabis in that earlier piece, if not you may want to read it now. It provides a true reality check for many.

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In the case of the naturally growing plant cannabis or marijuana (I refer to it herein as M) we are actually talking about the restructuring of the existing, illegal \$87,000,000,000 (billion) dollar M Industry in America into a legal domestic industry with employment in farming, production, distribution, and sale. And it will generate tax revenue, too.

Although, our alleged drug fighting buddies in Mexico provide us with a considerable amount of M across our uncontrolled (and currently un-fenced) Southern border, it is also grown “privately” and illegally in all 50 states and the District of Columbia everyday!

And in case you have not heard, drug cartels have been growing M right in America’s national parks — and other remote areas for fun and profit. That is not a joke and our park rangers are under physical attack! The bad guys did it to cut down on the hassles of bringing tons of it across our wide-open Southern border. However, if Bush II succeeds in allowing Mexicans to drive big trucks right across our border, the bad guys may go back to doing it the old fashion way – smuggling in big trucks along with the cocaine and crystal-met!

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We are talking about a *God-given*, naturally growing plant (a weed) that is easier to grow than alcohol was to make during the Prohibition on Alcohol (that was in effect from 1919 to 1933).

And while the American farm industry has not been lobbying to grow cannabis as they have been with Hemp, it too will prove to be a viable crop to expand our small domestic farming industry. The issues of farm production, packaging, and distribution are overviewed here for common understanding on this somewhat controversial topic.

Under the NDR proposal M will become fully legalized in America (a change in policy that would be quickly followed by Canada and Britain) – to be easily available for medical and personal use and be fully decriminalized regarding possession and legalized for controlled sale.

I will only offer that over the last few decades, in researching and developing what became the NDR proposal, I have spoken with a few thousand people and was initially amazed at how little opposition there was to legalization of marijuana. That is regardless of age, race, religion, political party, social status or any other differentiator of people — even some very conservative church leaders acknowledged that they viewed it the same or less of a problem than alcohol for some in their congregations!

Remember that everything you're about to read has been reviewed and refined by the direct feedback of the American public – your neighbors.

### **The People's Sense**

For someone reading this material for the first time the following could sound as though it was coming from Mars — that is unless you were an adult in America prior to 1933! Some of this will sound a bit funny, but it is extremely serious and in fact what millions of law abiding Americans have been waiting decades to see happen.

Below, we will overview the approach to be used to initially set-up the legal Cannabis business in America. In this presentation I will refer to the National Drug Reform (NDR) Proposal. I will also use the terms cannabis, marijuana, and M – all with the same meaning.

## **The Legal Domestic Cannabis Industry**

*“The Time has Arrived”*

### **How We Will Produce the Product**

Overall, the newly legalized Cannabis Industry will be a great opportunity for small businesses.

Under the NDR, marijuana would be grown for domestic sale, consumption, and a legal export using the following three (3) methods:

1. Grown for personal use, only.
2. Grown by state Certified Micro Growers (CMGs), under controlled policies and procedures mirroring those currently used for Micro Brewers of beer.
3. Grown by the Individual States – America can grow all the M needed within our own borders if we so choose. Any future **legal** imports will have tariffs on them just like any other commercial product and Mexico will not receive any special treatment.

Some of the details and perspectives on these three methods are presented for common “understanding”.

### **Grown for Personal Use, only**

U.S. citizens would be allowed to grow M for personal consumption. Some people will only use M that they have personally grown! However, most people would not want to be bothered or have the space to grow it, just as most people do not produce their own alcohol or grow tobacco.

However, people being people, some will inevitably grow enough to sell some to their friends and acquaintances. It would probably be a small number and it is not worth wasting taxpayer money looking for them. However, if someone does get carried away they would eventually come to the attention of the police and courts, which would properly deal with them – fines only. Again, this would follow the same course as those individuals caught with a little too much moonshine, and selling it for fun and profit!

As mentioned in the NDR proposal, the relevant Federal drug enforcement agency will be renamed to the Bureau of Alcohol, Tobacco, Firearms and Cannabis (the ATFC) and have their charter prudently amended and expanded. It does sound odd at first, but it is a practical change that will need to be made.

### **Grown by Certified Micro Growers (CMG)**

This option may at first also sound strange, however in reality there will be quite a number (thousands) of individuals — entrepreneurs that will jump to take advantage of this newly legal business opportunity. There are small towns in America where this already goes on with little interruption (a wink) by local police since it provides needed income for local residents.

In some states the CMGs could actually be the only farming entities required, as they could become large farms. Each state will need to determine what works best for them, but it will be legalized in all states and DC – we will finally end this national stupidity and all the human harm it has done.

### **Grown by the Individual States and DC**

I initially imagined that this would be the primary method used in most states for crop production and distribution to the American public. The states will authorize certain local farmers, not agricultural conglomerates, to grow the crop under the proper controls. Again, these could be local growers not necessarily state run farms since the CMG approach would mean less overhead for the states.

Today, as for many decades, M has been the nation's #1 cash crop. Finally, it will become fully legalized, controlled, and prudently taxed.

### **Prohibited by Law**

This new industry must be kept in the realm of small business. The Pharmaceutical and Tobacco Industries will be prohibited by nationally enforced law from touching this grand opportunity for small business. Although, before too long the Pharmaceutical companies will be adding it to their products so that they work more effectively – go figure. And they will buy M from the states.

The M business would never be allowed to become a stock-holder involved enterprise. If anything the American public will be the perpetual stockholders of the Cannabis Industry.

## **How We Will Manage the Cannabis Business**

The retail availability of these products will closely follow the controlled procedures currently used in the production and distribution of alcohol in the U.S., specifically for hard liquor.

### Administration

- As stated before, production, and distribution would be controlled by the individual states, with minor federal oversight. The overall process would follow a standard federal program that is jointly developed by the state and federal legislators. The states will direct the industry, not the federal government.
- One suggestion is for an entity such as the **American Farm Bureau** could be responsible for coordinating this entire enterprise. There is absolutely no need to create an entire new government agency.

Be assured that this will not be rocket science and therefore will be quick (a few months) to develop and put in place. We are talking about growing a (controlled) crop, and the packaging and distribution of a product similar in nature to cigarettes and pipe tobacco. We of course already have vast experience in these areas due to our legal, tobacco-based, *nicotine-drug* business. Yes, that was sarcastic, and so true.

### Distribution and Reality

- It will be sold under the same laws and regulations as currently written for hard liquor per locality i.e., town, city, county, state, as appropriate.

HOWEVER, the nationally imposed age for use will be 18 years of age – post-high school graduation! This is not a joke – it is reality. Once again my fellow Americans, we are leaving Fantasyland. We can easily control this using driver's license coding to certify High School graduation has been accomplished. Otherwise the person will wait until they are 21 years old to legally purchase such products.

Yes, of course that has holes in it, but no more than our existing laws on youth access to alcohol and cigarettes – and they kill 1,000-plus of our people every single day! M, on the other has never caused the death of a single person, even in the Netherlands where it has been fully legal since the mid-1970's.

Further, the Canadian government came to this very legal-age conclusion after a multi-year national study. If our National Drug Office (that has for

decades been controlled by industry lobbyists) would quit pushing Canada and the UK not to make possession a minor parking ticket level offense, it would have been done a few years ago.

- It would not be sold as beer and wine are sold unless the given locality allows hard liquor, beer, and wine to be distributed via the same outlets.
- Some states maintain separate distribution facilities for hard liquor as opposed to beer and wine, which allows for better control over who gets what. In usage, there are many more outlets for beer and wine than for hard liquor. That is how we sell alcohol products in Virginia. We have the state-operated Alcohol Bureau of Control (ABC) outlets for hard liquor. M would be sold in ABC stores in Virginia, at least.
- States that currently allow all three general types to be sold via the same outlets may decide to add M products to the inventory or separate them for control purposes. Then hard liquor and M would flow through the same outlets.
- There could eventually be consumer, retail outlets similar to those that exist today in the Netherlands. The states may determine it is more cost effective to use that approach rather than create more state jobs and incur the related overhead costs.
- Overall, this legalization will really help the restaurant industry!

### Production

They must hear this very clearly: The American Tobacco companies will not own, run, control or directly profit from the new Cannabis Industry. Although they will do everything in their power to capture that business – absolutely not!

- Before very long the majority of the M consumed in America will be grown domestically. This will be a boost to the farming industry, providing a significant new crop with the related jobs, income, buying power, etc.
- M will be distributed in various forms, much the same as cigarettes and pipe tobacco. Primarily in a loose form like pipe tobacco and in a pre-made cigarette form, although probably smaller in unit size!
- Each state will probably produce their own crop, thus helping their own independent farmers. It will also create packaging and distribution jobs, although to cut overhead some states may determine to develop cooperative programs with neighboring states in preparation, packaging, and possibly distribution.

The Tobacco companies could provide as needed practical support during the start-up period, only. They could assist the states in establishing the packaging and distribution functions.

Traditional, tobacco growing states will make up their own minds regarding the tobacco companies. This could get some farmers free and clear of tobacco farming. Also, the introduction of Hemp agriculture could also move some farmers to a non-publicly harmful and viable new crop.

### Quality Control

- The quality and purity of the M crops would be strictly controlled. Existing users of imported, illegal marijuana sometimes suffer the bad side-effects of whatever insecticides and/or miscellaneous debris is harvested along with the crop in other countries.
- It is well-known that some dealers like to lace M with trace amounts of cocaine or other substances in an attempt to hook their unsuspecting clients on stronger drugs. Think about that fact parents. That danger will be removed from our streets.

### Pricing and Taxes

Perspective – An ounce of ‘decent’ marijuana circa 1976 could cost \$35. In 2007 it can cost \$400 to \$600 per ounce and probably still costs about the same amount to grow. Do the math.

- The legal M industry companies will have a minimum or non-profit (but tax paying) structure. They will be organized as Income Generating Entities (IGEs). There will be more background on them in the next proposal. Adding corporate profit margins on top would unnecessarily increase overall costs, decreasing margin for tax revenue, increase the market price to the consumer, and decrease the net funds available for better public uses.
- It will be produced in various grades or strengths just as is beer and hard liquor. And it would be priced accordingly.

Note: Product pricing must be reasonable. It will not be overpriced in a covert attempt (by the screamers and various lobbies) to price it out of reach of the general public. Overpricing would only promote an under-market and crime, which are key parts of today’s drug problem we are trying to resolve in the first place.

- Pricing would include normal considerations for cost of production (paying

the growers), packaging and distribution, taxes, and profit for the retail seller, as applicable.

- Each state will control and benefit from their portion of the M business from the production, sale, and state taxes generated.
- State and Federal taxes generated could be designated for specific funding purposes, such as National Health Care Insurance for ALL Americans!

Other Items

- There will be no public advertising of M on television or radio, much like hard liquor with the exception of specialty magazines and of course the Internet that is used today to advertise everything. This approach will also help keep overhead costs down and satisfy some public concerns. Word of mouth and the Internet will be sufficient.
- M related products e.g., pipes, etc., would be manufactured in America, by private (small business) companies. They would be sold in retail outlets and by mail order — as they already are! Any imported paraphernalia will pay a tariff.

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As I have stated before, we do not live in Fantasyland. Therefore, Americans will now cease to live with such foolish rules, and to have our citizens prosecuted under laws that were obviously made there in the past.

**Peace, Love, Dove....**