



## Will 2018 Be the Year the Canadian Government Legalizes Marijuana?

### Description

The Trudeau government made it very clear that July 1, 2018, is the hard deadline for legalization. Many investors bullish on the marijuana boom to come may think that questioning such a timeline is an exercise in insanity; after all, this is one promise Trudeau is expected to follow through on.

While I believe that Mr. Trudeau will move forward with the legalization process, the exact specifics of when and how legalization will be carried out remains largely uncertain. Those investors interested in discounting the future cash flows of **Canopy Growth Corp.** ([TSX:WEED](#)), **Aphria Inc.** (TSX:APH), or **Aurora Cannabis Inc.** (TSXV:ACB) may thus have a more difficult time doing so.

Last week, premiers from Canada's 10 provinces met to discuss their plans to legalize marijuana after the Federal Government tasked the provinces with handling the vast majority of logistics surrounding the legalization process. The outcome of the meeting was clear: the provincial leaders want more input and support from the Federal Government — support they believe is necessary for the July 1 deadline to be met. In fact, after last Wednesday's meeting, Manitoba premier Brian Pallister recommended a one-year delay to the process; while the premiers ultimately did not move forward with a formal request for a delay, the sentiment among Canada's provincial leaders does not seem to be rosy.

Another factor which has shaken the marijuana industry relates to the fact that the marijuana legalization timeline has already been pushed back. On April 20, 2016, the Liberal health minister Jane Philpott announced that legalization legislation would be introduced in the spring of 2017. Since we're now in the summer of 2017, it is useful to reflect on this promise.

Efforts to decriminalize marijuana in the interim, during the period of time which was set aside to work on this legislation, have been pushed aside in favour of the status quo.

In the summer of 2016, a task force was put together to begin the legalization process, and in December 2016, recommendations were released by the task force with respect to how marijuana ought to be produced, sold, marketed, and regulated.

Since this time, additional recommendations have been put forward, and a lot of speculation has begun to circulate with regards to specific measures that will be imposed on the industry, while a real

lack of concrete data has remained prevalent.

## Bottom line

With the Federal Government largely leaving the production, selling, marketing, and regulation of marijuana within each province up to the respective provincial authorities and somewhat withdrawing from the discussion over national security and federal regulation with respect to the legalization process, I remain cautious about the timeline for legalization.

Stay Foolish, my friends.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)
2. TSX:WEED (Canopy Growth)

## PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Investing

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