



Making the Case for Cannabis as an Ethical Investment

Description

Cannabis stocks are all the rage this year with companies like **Canopy Growth Corp.** ([TSX:WEED](#)) and **MedReleaf Corp.** (TSX:LEAF) giving investors terrific returns and being surrounded by tremendous hype, as the industry expects enormous growth once pot becomes legalized next year. The high-growth industry certainly offers terrific prospects that would be envied by many tech stocks. However, a big hurdle for some investors is investing in “sin stocks,” or what could be perceived as unethical industries and businesses.

It's for this reason that I am going to make a case for why it would be ethical to invest in pot stocks.

Regulated companies will keep marijuana out of the hands of minors

Multiple provinces have come out with some sort of proposed framework for how cannabis will be regulated in their part of the country, and so far the consensus has seen a minimum age of at least 18 to consume cannabis. Many users of marijuana started smoking in their teen years in high school, and some started even prior to that. If cannabis companies are successful, and pot is obtained through regulated dealers, then that can help prevent pot from being used by children.

By having kids to wait until adulthood to make the decision of whether to smoke pot or not, it will allow users to be more informed of the risks and benefits.

Licensed producers will make the product safer

When users buy drugs off the street, there is a danger that pot could be laced with fentanyl and other substances that could put people at risk of overdose and death that normally wouldn't happen with regular pot. A corporation that is growing and selling marijuana would have much more of an incentive both financially and legally to make sure its products are safe, as opposed to pot that is sold by an illegal dealer off the street.

Minimizing or eliminating the black market could keep money away from criminal organizations

There's a lot of money in pot, and you can be certain that pot sales to the underground are helping to

fund criminals and gang activity. The more money that flows into a regulated pot market means less money for criminals and could lead to potentially safer streets.

The counterargument

Although legalization may have the above benefits, that does not take away from the potential risks involved with consuming the drug or the potential health issues that may come as a result of it. Like tobacco and alcohol, marijuana can cause harm to an individual as well as to others. However, one needs to look no further than the prohibition era to see why trying to prevent pot usage completely might be a wasted effort.

I'm not advocating that pot is a safe or healthy drug, but that by being produced and sold from a company like Canopy Growth or MedReleaf will ensure a safer alternative than what would be available through the underground. Tobacco and alcohol companies are publicly traded, and it would be difficult to argue that cannabis is a more harmful drug than either of those.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

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

Category

1. Investing

Tags

1. Editor's Choice

Date

2025/08/20

Date Created

2017/10/24

Author

djagielski

default watermark