

Will We See Pot Get Legalized This Week?

Description

If Bill C-45 is going to be passed before the summer, it's going to have to happen this week. The House of Commons is not in session after this week and won't be back until September, which means that the modifications to the pot bill and its exact wording will have to be sorted out in the coming days; otherwise, cannabis legislation may not be passed until the fall.

It was a little over a week ago that the Senate had [passed the bill](#), but not before making dozens of modifications to it. The House did give the green light to many of the changes, but key ones surrounding home cultivation and selling marijuana-branded clothing remain outstanding and could prove to be sticking points.

Some provinces want to be able to restrict home cultivation, specifically Manitoba and Quebec; however, the Liberal government feels there are already enough ways provinces can restrict it without the need of an outright ban being necessary.

When it comes to cannabis swag, the Senate has expressed concern that it could be appealing to children and thought it would be better to ban it altogether. The challenge for cannabis companies, particularly recently listed ones, like **Green Organic Dutchman Holdings Ltd.** (TSX:TGOD), is that there are limited ways to [promote](#) their products, and without being able to use a logo on some form of advertising, it makes it difficult to build a brand.

There are other issues that need to be sorted out, but these two are notable ones that might bring about a lot of debate. The big question at this stage is how important these modifications are to both the Senate and the House.

It's possible that the Senate may very well decide to simply accept the House's version of the bill and then the legislation is ready to go. That would be the quickest scenario in which we would see cannabis get legalized. If that doesn't happen, then we've got a full week for the two sides to come to an agreement.

Conservatives may see this as an opportunity to stall the bill and buy some more time in an effort to sway others into not going through with it.

Bottom line

If we don't see the bill get passed this week, then it's likely it won't happen until sometime in September at the earliest.

That means that the two- to three-month lead time that will be needed for provinces to get ready to sell pot will put the effective date at around November or even December, which is not ideal for the Liberals, given we've heard July 1 being mentioned from the government as a date when cannabis would be ready, and then later it was updated to "this summer."

Ultimately, it won't make a big impact on cannabis companies whether there is a two-month delay in a process that, at this point, appears to be inevitable. However, with cannabis being back in the headlines, it will help build some more hype in the industry, which could help a stock like **Aphria Inc.** (TSX:APH), which has been struggling this year.

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