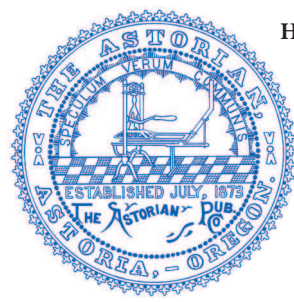


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OUR VIEW

Johnson would be a smart choice for Ways & Means

The Oregon Legislature has one role above all others: Write a balanced state budget.

With budget expert Richard Devlin set to leave the state Senate, state Sen. Betsy Johnson of Scappoose would be a logical choice to take over as co-chair of the Joint Ways & Means Committee. A longtime member of Ways & Means, she currently serves as a co-vice chair.

Because Democrats control the Senate, there is a 99.99999 percent chance that Senate President Peter Courtney, D-Salem, will appoint a Democrat to succeed Devlin.

Johnson is a Democrat but not constrained by rigid ideology or partisanship.

She teamed with Republican Sen. Tim Knopp of Bend to seek reforms in the Public Employees Retirement System. She was instrumental in the bipartisan transportation package approved this year. She speaks bluntly about the federal government's failed forest policies, which contributed to this year's massive wildfires.

As important as her legislative resume is her life experience.

Johnson founded and ran successful businesses, led a state agency and worked with nonprofits. Add in her training as a lawyer and she has an understanding of all three branches of state government — executive, legislative and judicial.

Above all, Johnson stands for political honesty. She says what she thinks, which sometimes rattles colleagues whose values are more politically malleable. If she doesn't know the answer, she'll say so instead of trying to bluff. Time and time again, she is the legislator who asks the common-sense questions that average Oregonians would be asking if they were in the State Capitol.

Johnson also displays a sense of humor in a Capitol too often ruled by ego. Her speech defending the western meadowlark as Oregon's state bird this year was a masterful combination of hilarity and poignancy.

We recognize that her forthrightness and independence might be a liability if the Senate Democratic leadership prefers to preserve the status quo. We hope that's not the case.

Dumping NAFTA would hurt Northwest farmers

President Donald Trump's ongoing experiments in "the art of the trade deal" are proving to be a white-knuckle experience. Currently in Asia for economic and diplomatic talks, the president and his administration have raised some valid points about trade imbalances. However, his tactics may ricochet back and hurt U.S. industries he is trying to help.

A case in point: U.S. farmers have realized a lot of benefits from the North American Free Trade Agreement, the 1994 pact between the U.S., Canada and Mexico.

It's also true that farmers who have benefited from the deal would also like it to be a bit better — but not blown to smithereens. Northwest wheat growers say the pact has opened up the Mexican market, increasing exports by 400 percent. At the same time, they have gripes about Canadian wheat pricing.

Everyone wants to keep what works, and fix what doesn't. But anytime you renegotiate, you run the risk of the other country's fix causing trouble. That's part of normal negotiations. These are hardly normal negotiations. By sometimes threatening an outright cancellation of NAFTA, the president puts political theatrics ahead of effective negotiating tactics.

Late last month, dozens of major agriculture trade groups warned the Trump Commerce Department that NAFTA withdrawal would cause "immediate, substantial harm to American food and agriculture industries and to the U.S. economy as a whole." Even the threat of such an abrupt turnaround in U.S. policy has our trading partners looking around for options for sales and purchases — in China, for example.

"If the president were to withdraw from NAFTA, I think that would cause a lot of problems in farm country," Ben Conner, director of policy for U.S. Wheat Associates, said. "The president has a lot more negotiating experience than I do, but if they're trying to make counterparts in Canada and Mexico concerned, it also has us alarmed."

Pick up the president's book, "The Art of the Deal." Written in 1987, the book outlines Trump's 11-step formula for negotiations. Step No. 5 is "use your leverage" — walk away if you can't get what you want.

"The worst thing you can possibly do in a deal is seem desperate to make it," Trump wrote. "That makes the other guy smell blood, and then you're dead."

Is Trump threatening to abandon trade treaties to gain leverage, or will he walk away in the hope of making a better, bigger deal some other day? Such doubts — whether about wheat, airplanes or the host of other products Northwest states export — are not beneficial.



SOUTHERN EXPOSURE

A life in the cannabis trade

By R.J. MARX
The Daily Astorian

Wayne Zallen, 64, is the owner of Hi Dispensary and a partner in Mystic Roots Cannabis on U.S. Highway 26 near Seaside. He is the owner of a cannabis-friendly RV park in Josephine County, "Smoke on the Water Lake Selmac," and has been profiled in national publications for his role as consultant and chief executive officer of Grow Condos, Inc. As a business owner on the North Coast, Zallen has made his goal to be part of the community, dedicating a portion of funds once a month to charitable organizations.



Q: Where you from?

A: I'm from Mineola, New York. I grew up in Ohio, moved to the Bay Area and then up to Medford, Oregon, where I raised my family.

Q: Were you a longtime advocate of cannabis?

A: I have been smoking pot since I was 16.

Q: You started in Ohio? It was illegal at the time.

A: Oh God, yes — it was the '70s.

Q: Did you ever get caught?

A: I dropped 2 pounds off at a guy's apartment in Columbus when I was in college. I was on my walk back when I was busted. I didn't even have a seed on me. I did have some cash, but I didn't have a drop of marijuana. So they got me for conspiracy to possess. They thought I was going there to buy instead of to sell. So they had nothing on me. The records got expunged.

Q: Did you move into a more traditional career?

A: Yes, I had a totally traditional career. I graduated college with a degree in advertising and marketing. I went out to San Francisco to try to find my way and started an ad agency that dealt with car dealers only. I made a lot of money. The car dealers in the Bay Area were very receptive. I got bored with that, and then I went into the financial services.

Q: In what way?

A: In the late '70s and early '80s, I got into the mortgage banking business. At the time mortgage rates were 19 percent. I made a fortune doing that. Then I went into the restaurant business in Alameda, California. I sold all-beef Vienna hot dogs. All businesses are tough, but to make money in the hot dog business at a buck a hot dog, you have to sell a million of them. I sold it and the new owners turned it into a Chinese restaurant. I moved to Medford in 1992, where I was an Allstate agent for 15 years.

Q: When did you get into the marijuana business?

A: Me and a friend of mine would go in on pounds in Northern California. We did that for decades. It was pretty crazy.

Q: How did it play out?

A: I sold my insurance agency, got a whole bunch of new money from that, and then I went out and bought a rafting company because I love to be out on the river. Marijuana was medically legal in Oregon — this was when Obama said he wouldn't go after the medical people — so I started an indoor-grow warehouse in southern Oregon.

Q: How did you go about it?

A: Basically, I had to get patients and cards. We bought seeds on the internet from seed banks. We sexed them, sprouted them. We did that for nine years. Then the laws began to



Photos by R.J. Marx/The Daily Astorian

Hi Dispensary in Astoria undergoes renovations.



Wayne Zallen

change. Everything began to change.

Q: Why did you open a dispensary?

A: It was vertical integration.

Q: What's that?

A: It means I just moved money from one pocket to the other. Instead of buying from you, I'm buying from me.

Q: It's like growing and selling corn?

A: It's like having a vegetable stand.

Q: Why did you choose Astoria?

A: Good question. I do love the Oregon Coast and I love the fish. When we first became OLCC (Oregon Liquor Control Commission) licensed, I tried to buy a dispensary in Portland. At the time, Medford, in Jackson County, where I lived, had a ban on marijuana facilities. The owner had two, one in Portland and one in Astoria, and the one in Astoria did better than the one in Portland.

Q: So he was selling his two shops?

A: Yes. I made him an offer and his lawyer said write it up, so I wrote it up. Now I'm remodeling the whole thing. That's why I am here.

Q: Why did you start the other store in Seaside?

A: I started that with another gentleman from Seaside. He had an ad on Craigslist that he needed a partner. I said the only way I am going to make this work is to have a vested partner that lives in the area. He is there most days.

Q: You are the first person to open a pot-friendly RV park?

A: The people I bought it from had been there for 11 years. They lived in Palm Springs, California. I bought it from them, and we are open year-round. Even in the dead of winter my RV park is full.

Q: Why is that?

A: Because all around me there are hundreds of pot farms. The trim workers need a place to stay, so they

stay in my park. We sometimes call them "trimmigrants." They need a place to stay while they are trimming the weed for the farms.

Q: What's a trim worker?

A: They cut the buds off the sticks. They sit there for eight hours: trim-trim-trim-trim-trim, all day long. All they need is scissors. They make \$10 to \$15 an hour. They're coming from California and around the state. They even come from the East Coast to be in the weed business for six months of the year, then they go away. The only thing we don't have in the RV park is the weed. But I'm working on that. I have an application for that with the OLCC.

Q: Have you ever had any contact with organized crime?

A: No. We are too small on the big scale of things.

Q: Where do you see the pot business going or growing in the South County? Do you see people coming here for cannabis?

A: You see cruise ships coming into Astoria. There are people maybe our age and they haven't smoked pot since college or whenever: "Oh, honey, it's legal here in Oregon!" So they buy some weed, smoke it or eat it. We can see a huge spike in our numbers when the ships come in.

Q: Do you have a business philosophy?

A: One day a month we donate a percentage of our proceeds. We see huge spikes on that day. We've donated to the hurricane fund, we're donating to the Oregon firefighters, and then in November we will donate to the food bank in Astoria. It's just like any other business. We're just like mom and pop. I want people to see this as a normal business.

Q: Is there camaraderie in your business?

A: I asked my manager if he would set up a meeting with the other dispensary owners. They didn't want to do it, but that's how I do things.

Q: Where do you see the cannabis business headed?

A: I see prices going down. I don't know how much on the retail level, but on the wholesale level. A week or so ago a distributor came by and was asking for \$1,700 a pound. My manager said to me the same guy, same weed, was \$1,400 a pound a week later.

Q: What's the secret to your success?

A: I am just a businessman who happens to be in the pot business. And really most of the people in this business are not businessmen.

R.J. Marx is *The Daily Astorian's* South County reporter and editor of the *Seaside Signal* and *Cannon Beach Gazette*.