EAST OREGONIAN
OPINION

CHRISTOPHER RUSH
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KATHRYN B. BROWN
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DANIEL WATTENBURGER
Managing Editor

WYATT HAUPT JR.
News Editor

Founded October 16, 1875

OUR VIEW

Time to get real about marijuana

As President Donald Trump mulls his next choice for U.S. attorney general, we hope he chooses someone with a realistic view of legalized marijuana in Oregon and other states.

Billy Williams, the U.S. attorney for Oregon, will be a key player in the attorney general's future decisions. Williams will chair the Attorney General's Marijuana Working Group. His appointment was announced by Deputy Attorney General Rod Rosenstein on the same day that Trump ousted Jeff Sessions as attorney general.

Although it's not why Trump dumped him, Sessions vehemently opposed marijuana use. Marijuana remains illegal under federal law, but the Obama administration had told federal agencies to back off enforcement in states that legalized its use. Sessions rescinded that directive.

Sessions is now gone, recreational use of marijuana has been legalized in 10 states and medical marijuana in 33 states, and Trump has signaled he might support lighter federal enforcement.

Williams has been a vocal critic of

AP Photo/Andrew Selsky

Todd Golden, associate director of metrics for the Oregon Liquor Control Commission, displays a sample tag on an artificial pot plant at OLCC offices in Portland.

Oregon's approach to legal cannabis. His office has prosecuted people who tried to ship marijuana out of Oregon, which is illegal under state law as well as federal law. He criticizes Oregon's oversupply of legal marijuana, which he contends has refueled the black market. He says the state's cannabis regulations and recordkeeping have been inadequate.

His concerns are legitimate. But, like it or not, legal marijuana is a reality and it is past time for the U.S. Department of Justice to recognize that.

It is ludicrous that the federal government still classifies marijuana in the same category of dangerous drugs as heroin and LSD, and that Congress has been loath to support federal research into the medicinal uses of cannabis.

It is disruptive to the economy that federal law blocks legal cannabis businesses in Oregon, and other states, from many of the banks, credit-card processing and other financial avenues that other legitimate businesses use. For financial institutions that do handle marijuana accounts, the resulting paperwork can be almost prohibitively expensive.

Cannabis remains largely a cash-and-carry business — from buyer purchases to payment of taxes — and those large amounts of cash make businesses and tax collectors a target for thieves. Other businesses also are wary of working with cannabis firms for fear that federal law enforcement will prosecute them for "aiding, abetting and conspiring" in marijuana activities.

The cannabis industry in Oregon is maturing. Because the market is saturated with cannabis itself and shops selling it, prices have fallen in half — or more — and outlets gradually are consolidating. Business experts say these consolidations are necessary if local ownership is to remain viable when marijuana is legalized nationally and tobacco firms and other multinational corporations jump into the market.

America is headed that way. Almost two-thirds of Americans support legalizing marijuana.

At the Nov. 6 election, the rural Oregon towns of Ontario, Joseph, Klamath Falls, Gates, Sumpter and Clatskanie either rejected or rescinded prohibitions against selling recreational marijuana. Numerous other cities and counties voted to tax marijuana sales. Nationally, Michigan became the first Midwestern state to legalize recreational marijuana. In the South, Missouri approved medical marijuana.

Dozens of pot bills will be introduced in Congress next year, some with bipartisan support. During the next decade, the overwhelming majority of states are projected to have some form of legalized marijuana.

Yet the U.S. Department of Justice remains woefully behind the times.

YOUR VIEWS

Oregon wine makes a name for itself

Medford Mail Tribune

Oregon vineyards and wineries have labored for years in the shadow of the much larger and better-known California wine industry. Now federal regulators have ruled that a Napa Valley vintner can no longer use an Oregon label on his California-made wines. That's a victory for Oregon's growing and increasingly respected wine industry.

The Alcohol and Tobacco Tax and Trade Bureau, a part of the federal Treasury Department, ruled last week that Joe Wagner, owner of Elouan Winery and Copper Cane Wines and Provisions, must surrender nine wine labels, including Elouan and The Willametter Journal.

The unsuspecting wine consumer could be forgiven for being taken in by the label on The Willametter Journal, which says in part, "This Pinot Noir was cultivated and crafted to honor the unique area where it was grown. The Willamette region of Oregon's coastal range is a place credited over decades for its vibrant and fresh style."

But despite the flowery prose, The Willametter Journal is not an Oregon wine.

The grapes come from Oregon, but Wagner explained in an interview published Nov. 1 that the grapes were layered with dry ice and trucked to Rutherford, California, where the wine was made.

Wagner said his company changed the labels on his wine after regulators told him he couldn't claim an Oregon appellation, such as Willamette Valley, a federally recognized American Viticultural Area. But other wines, such as Elouan Pinot Noir, continued to be sold with Oregon on the label. The popular wine app for smartphones, Vivino, lists Elouan No. 23 among the top 25 "Oregon Pinot Noir wines" as ranked by Vivino users. So apparently the wine is good, but it's not made in Oregon.

Unfortunately for Wagner, Oregon law says all wine labeled as Oregon wine must be made in the state, not just grown here. State Rep. David Gomberg, D-Otis, brought the matter to the attention of the Legislature in September, showing colleagues a case of Elouan wine labeled as "Oregon Coast" Pinot Noir — not a recognized AVA and where no pinot noir grapes are grown — and listing the Willamette, Rogue and Umpqua valleys, which are real AVAs, underneath that heading.

Let the buyer beware — and let Wagner's company learn some geography.

OTHER VIEWS

The monopolization of America

DAIVD LEONHARDT
Comment

The popular telling of the Boston Tea Party gets something wrong. The colonists were not responding to a tax increase. They were responding to the Tea Act of 1773, which granted a tea monopoly in the colonies to the well-connected East India Co. Merchants based in the Americas would be shut out of the market.

Many colonists, already upset about taxation without representation and other indignities, were enraged. In response, dozens of them stormed three ships in Boston Harbor on the night of Dec. 16, 1773, and tossed chests of East India tea — "that worst of plagues, the detested tea," as one pamphlet put it — into the water.

A major spark for the American Revolution, then, was a protest against monopoly.

A strong strain of anti-monopoly sentiment has run through our politics ever since. America was born as "a nation of farmers and small-town entrepreneurs," historian Richard Hofstadter once wrote, "anti-authoritarian, egalitarian and competitive." Hostility to corporate bigness animated Thomas Jefferson and Teddy Roosevelt, as well as the labor movement, Granger movement, Progressive movement and more.

Of course, monopolies and other corporate giants have fought back against these assaults on their power, and sometimes succeeded for years or decades at a time. It happened during the age of Rockefeller and Morgan. Over the past 40 years, it has happened again.

The federal government, under presidents of both parties, has largely surrendered to monopoly power. "The 'anti' in 'antitrust' has been discarded," as legal scholar Tim Wu puts it in his new book, "The Curse of Bigness." Washington allows most megamergers to proceed either straight up or with only fig-leaf changes. The government has also done nothing to prevent the emergence of dominant new technology companies that mimic the old AT&T monopoly.

This meekness has made possible the consolidation of one industry after another. For a long time, though, it's been hard to figure out precisely how much consolidation. The available statistics just aren't very good, which isn't an accident. In 1981 — around the time the Reagan administration was launching the modern pro-monopoly era — the Federal Trade Commission suspended a program that collected data on industry concentration.

Fortunately, researchers in the private sector have recently begun filling in the gaps. On Monday, the Open Markets Institute — an anti-monopoly think tank — is releasing the first part of a data set showing the market share that the largest companies have in each industry. The main theme in the charts: Big companies are much more dominant than they were even 15 years ago.

Mergers are one big reason. Another is the power of network effects — in which the growth of, say, Facebook makes more people want to use it. True, a few industries have become less concentrated, but they are exceptions. If anything, the chart understates consolidation, because it doesn't yet cover energy, telecommunications and some other areas. It also doesn't cover local monopolies, such as hospitals that are dominant enough to drive up prices.

The new corporate behemoths have been very good for their executives and largest shareholders — and bad for almost everyone else. Sooner or later, the companies tend to raise prices. They hold down wages, because where else are workers going to go? They use their resources to sway government policy. Many of our economic ills — like income stagnation and a decline in entrepreneurship — stem partly from corporate gigantism.

So what are we going to do about it? It's time for another political movement, one that borrows from the Boston Tea Partiers, Jefferson, T.R. and the other defenders of the economic little guy.

The beginnings of this movement are now visible. Top Democrats believe that anti-monopolism can be a political winner for their party. It's a way to address voters' anxiety over high drug prices, digital privacy and more. "The control of business over certain segments of the economy," says Sen. Amy Klobuchur, D-Minn., a potential presidential candidate, "I think it will be a much bigger thing going into 2020."

Klobuchar has offered a good bill that would raise the legal standards for merger approval. But preventing future mergers won't be enough. Eventually, the government will probably need to break up existing giants, as it did to the old AT&T and Standard Oil. One obvious candidate is Facebook, which has gobbled up Instagram, WhatsApp and other businesses.

And corporate bigness doesn't need to be a partisan issue. Sen. Mike Lee of Utah is among the Republicans who have expressed concern about it. Conservatives, after all, are supposed to care about the ideals that monopolies undermine — like market competition, economic dynamic and individual freedom.

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David Leonhardt is a columnist for the New York Times.

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