

Editorial

Who Benefits from Dismantling the Canadian Wheat Board?

Although it was not one of the “five priorities” set by the Conservatives during and after the last federal election, the dismantling of the Canadian Wheat Board (CWB) now appears to be at the top of the Harper government’s agenda. However, it seems that the Conservatives seriously underestimated the support for the CWB amongst Canadian farmers and have now backed themselves into a corner over the issue. In addition, Agriculture Minister Chuck Strahl’s initial insistence that the CWB monopoly on selling western wheat and barley could be eliminated without a plebiscite of eligible farmers not only contravened the law but also exposed the sham promise of the Conservatives and their Reform-Alliance predecessors to bring democracy to

Ottawa through regular referenda on important issues.

When confronted with the legalities of the Canadian Wheat Board Act (which he appears never to have read), Mr. Strahl was forced to back down and propose a plebiscite on ending the monopoly of the CWB on barley sales. As big producers increasingly dominate barley production, the Conservatives seem to think that opponents of the CWB monopoly could win such a vote. However, Strahl has refused to promise a similar plebiscite of wheat producers, knowing that such a vote is likely to go in favour of retaining the current status of the

See page 2: Who Benefits?

Farmers Rally Around the Canadian Wheat Board

On December 14, over 1,000 farmers rallied in front of the Canadian Wheat Board (CWB) offices in downtown Winnipeg denouncing government interference in CWB operations. The day started with a public meeting in the town of Oak Bluff. After a lively discussion and debate on the future of agriculture on the Prairies, the meeting passed a resolution calling on Agriculture Minister Chuck Strahl to rescind his threat to fire CWB President and CEO Adrian Measner. Strahl had threatened Measner with dismissal for refusing to submit to the government’s agenda of dismantling the CWB’s single-desk marketing system. He gave Measner until December 14 to respond to this ultimatum.

Carrying placards that read “Our board, our business”, “Chuck Strahl, not Measner” and “Keep

your hands off my board”, farmers converged at the CWB head office in the early afternoon. Butch Harder, a Manitoba producer and a former farmer-elected director of the CWB, was the first speaker. He urged farmers to stand united to defend the CWB, a marketing organization that empowers prairie producers in a global grain market dominated by five multinationals. Without the CWB, he noted, the only “choice” prairie grain growers would have is to which of those five multinationals they would turn over their grain. These companies, he continued, make profits for their shareholders by buying grain as cheaply as possible and selling it for as much as possible. The CWB, on the other hand, has only one objective – selling farmers’ grain at the highest possible price

See page 4: Farmers Rally

Who Benefits?...from page 1

CWB. It seems that Strahl was counting on the election of anti-CWB members to the CWB Board of Directors in the recent elections to make such a plebiscite unnecessary. Supporters of the CWB allege that Strahl's office even resorted to the illegal, last minute removal of the right to vote from 16,000 farmers who were already on the voters' list. However, despite all of the efforts of the Conservatives, four out of the five newly-elected directors support the single-desk status of the CWB, so that status cannot be legally changed without a vote by farmers.

The question naturally arises as to why the Conservatives are so determined to dismantle the CWB that they would risk the wrath of prairie farmers and the potential loss of several seats in parliament to ram it through. Why are they so determined to block the democratic will of farmers on this issue? To answer that question, it is only necessary to look at who would benefit from the dismantling of the CWB and, clearly, that is not prairie farmers.

The main beneficiaries of an end to the wheat board would be the big grain monopolies - particularly Cargill and ADM which are the biggest American grain companies. These monopolies, along with ConAgra, Louis Dreyfus and Bunge and Born, are contending among themselves to control all of the world's grain supplies. Canada and Australia, together representing close to 20 percent of world wheat exports, are the only countries where wheat is marketed through government-established marketing boards and is, therefore, outside of the control of one or another of these huge monopolies. The destruction of the CWB would greatly enhance the profitability of the big grain monopolies because they would be able to dictate prices to thousands of individual producers rather than having to deal with farmers collectively through the WCB.

Furthermore, with the refusal of the U.S. and the European Union to end their massive subsidies of grain exports, many developing countries are considering setting up their own centralized grain marketing boards, using the CWB as a model. If such a practice were to become widespread, the profits of

the handful of international grain monopolies would plummet. Therefore, they are determined to destroy the CWB as soon as possible.

Thus, it is understandable why Cargill and ADM have financed much of the so-called "grassroots" opposition to the CWB over the past couple of decades. It is also understandable why the U.S. government and the European Union have put so much pressure on successive Canadian governments to dismantle the CWB. Responding to the demands of Cargill, ADM and other big U.S. agribusinesses, the U.S. government, has launched repeated trade challenges over the past 20 years, alleging that the CWB unfairly subsidizes Canadian wheat and barley producers. All of those challenges have been rejected by the relevant trade dispute bodies, but the challenges continue.

In addition to the U.S. agribusiness monopolies, the Canadian railway monopolies - CN and CP - are also major proponents of dismantling the CWB. At present the railways, which transport almost all of the wheat and barley produced in western Canada, must negotiate rates with the CWB, acting on behalf of all prairie farmers. If the wheat board did not exist, farmers would be forced to individually negotiate the transportation rates charged by the railways. It is obvious that, in such a situation, the railway companies would be able to set whatever rates they desired since they could literally hold farmers to ransom.

In these circumstances it is obvious that the seemingly irrational drive by the Conservative government to dismantle the Canadian Wheat Board, even at the risk of losing the next election, does not come from pressure from below, from their constituents, as they claim. Rather, the pressure is coming from the highest levels of the monopoly capitalist class, from the massive agricultural and transportation monopolies, which are striving to further maximize their profits at the expense of Canadian farmers. It is heartening to see that Canadian farmers are not taking this attack lying down but are determined to fight for their own interests. Farmers deserve the support of the entire Canadian working class and people in this fight.

History of the Canadian Wheat Board

The establishment of a board to market grains produced in Canada was first proposed following the First World War, during a period of tremendous instability in global wheat markets. However, it was the Great Depression and the utter devastation facing Prairie grain farmers in the 1930s that led, in July 1935, to the enactment of the Canadian Wheat Board Act. During the Second World War, delivery of grain to the CWB was made compulsory for all farmers as part of the federal government's overall war effort.

For the first 60 years of its existence, the CWB was a Crown Corporation, run by three to five commissioners appointed by the federal government. During this time, the Canadian Wheat Board Act allowed the federal government to add or remove grains from CWB jurisdiction. During the 1970s and 1980s, both feed grains and oats were removed from the board's mandate through votes in parliament.

During the 1980s and 1990s, western Canadian farmers began putting tremendous pressure on the board to reform. The majority of prairie farmers wanted an organization under their control, but they wanted to keep the CWB because of the market power it gave them in the global economy. A fringe group, Farmers For Justice, was also formed during this time, with the aim of completely dismantling the CWB. They argued that farmers would be better off selling their grain individually to the highest bidder rather than marketing collectively through the CWB. When that argument failed to gain much support, they instead began calling for the creation of a "dual market" – a system in which farmers could choose either to market through the CWB or sell their grain directly to grain companies. The dual market proposal has been debunked by several respected agricultural economists in Western Canada, who have pointed out that the value the CWB brings to farmers in global grain markets is precisely because it is the only seller of western Canadian wheat and grain. Once the monopoly is removed, they argue, the CWB might as well be removed as well.

Responding to these pressures and concerns about the nature and role of the wheat board, the CWB Commissioners held a series of consultations with

farmers across Western Canada and proposed a new model for the organization. In 1998, this new model was adopted and a new Canadian Wheat Board Act was introduced. The CWB was transformed from a Crown Corporation into an organization under the control of farmers. A 15-member board of directors was established to oversee the CWB; 10 directors were to be directly elected by farmers, and five directors, including the President and CEO, were to be appointed by the federal government. Farmer directors were elected for four-year terms, with a system of rotating elections – held every two years in five of the districts.

The new legislation enables farmers to change the CWB – by either adding or removing crops from its mandate – in two ways: either through a direct plebiscite of producers or through a majority recommendation of the farmer-controlled board of directors. While the federal government retains the power to appoint directors under the new system, the aim of the act is unambiguous: it is to promote and allow for farmer control of the wheat board. Since 1999, the President and CEO has been selected by farmer directors, who then forward their preferred candidate's name to Ottawa for formal appointment.

The Harper government is now clearly defying the legislation in both spirit and principle. After firing one of the previously appointed directors (a lawyer with a background in transportation regulation) for defending the CWB's single-desk system, Agriculture Minister Chuck Strahl appointed Ken Motiuk to the board. Motiuk is a well-known anti-CWB advocate, who recently told a parliamentary committee that even if the majority of farmers vote to retain the single desk it should still be abolished. Strahl also appointed Bruce Johnson to fill a vacancy on the board. Johnson is best known to prairie producers for losing millions of dollars of farmers' money following the privatization of the Saskatchewan Wheat Pool (SWP) in the 1990s. Johnson, who was the senior financial person hired after SWP incorporated, was fired in 1999. He went on to set up an agricultural processing firm funded by the Saskatchewan government, which went bankrupt within two years.

Farmers Rally...from page 1

within any market and returning that money to farmers.

Larry Bohdanovich, of Grandview, Manitoba then took over from Harder and spoke. Bohdanovich is a co-chairperson of Real Voice for Choice, the group that organized the rally. Real Voice for Choice was established in Saskatoon in September as it became clear that the Harper government had set its sites on dismantling the CWB's single-desk. The organization has involved thousands of farmers from across the Prairies in actions aimed at defending the CWB, including rallies, farmer meetings and letter-writing campaigns. The group is also targeting Conservative members of parliament, especially those who have said in the past they support farmers' right to determine the future of the CWB.

Bohdanovich noted that in 1998 the CWB was transformed from a Crown Corporation into a farmer-controlled organization, with 10 of the 15 members of the board of directors elected by farmers. The remaining five directors are appointed by the federal government, including the President and CEO, although it is the farmer directors who actually select the President and CEO. Director elections were just held for five of the 10 farmer districts, he continued, with the highest voter turnout since the election process began. Farmers overwhelmingly voted for candidates who supported the single-desk. Bohdanovich then invited the two farmer-elected directors from Manitoba, Bill Toews and Bill Nicholson, to come forward and presented them, on behalf of the farmers of Western Canada, with the key to the CWB. "This is our organization", he told the cheering crowd. "We are the ones that should determine its future."

Bohdanovich went on to list the actions taken by Chuck Strahl and the Harper government regarding the CWB over the past few months. These include firing an appointed director who refused to renounce single-desk selling without consulting the farmer-elected chair of the board, threatening to fire Measner and trying to gag all CWB employees.

After brief remarks from the two elected directors, the crowd began chanting "We Want Measner! We Want Measner!" To great applause, Adrian Measner made his way to the front of the crowd, where he was joined by all the members of the Baker family, a young farm family from the Beausejour area. Susan Baker thanked Measner for

his over 30 years of service to western Canadian farmers as an employee of the CWB and presented him with a basket of bread, pasta and beer made from Prairie wheat and barley. Her husband Andy presented Measner with a shovel, engraved with a message urging the staff at the CWB to shovel out Chuck Strahl, Stephen Harper or any politicians who tried to interfere in the board's operations.

Measner thanked the Bakers and all the farmers present. He also, on behalf of the CWB staff, thanked the tens of thousands of Prairie farmers who have sent messages of support and publicly opposed the Harper government's attempts to destroy the board. Measner pointed out that the real issue was not whether or not he keeps his job but, rather, who should determine the future of grain farming on the prairies – farmers or politicians? He expressed regret that Chuck Strahl has refused repeated attempts by both the board and staff of the CWB to meet to discuss pressing issues. He then confirmed to the crowd that he would not back down from his principled defence of single-desk marketing. He had replied to Chuck Strahl's ultimatum just before joining the rally, he said. "Based on my 32 years of experience, and based on the direction given to me by the farmer-elected board of directors, I will continue to support the single desk [model of selling]," he told the crowd, which erupted into wild cheers.

The rally ended with CWB staff handing out cookies and coffee they had donated as a thank-you to farmers for their support.

Modern Communism

**Bulletin of the Manitoba Regional Committee
of the Communist Party of Canada
(Marxist-Leninist)**

Editor: Ken Kalturnyk

To contact the Manitoba Branch of CPC(M-L):

Fax: 477-6741

Email: mrc-cpcml@mts.net

Internet: www.modern-communism.ca

Produced by volunteer labour