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## Prairie Strong No Longer?

### Harper's Renewed Attack on the Canadian Wheat Board

*By Helen Forsey and Simon Enoch*

Since first forming government in 2006, the Harper government has made no secret of its distaste for the single-desk selling power of the Canadian Wheat Board (CWB). However, despite numerous dirty tricks and patently undemocratic maneuvers, the government has been unable to dismantle the CWB, mainly due to its minority position in parliament. Now with a newly minted majority, the Conservatives have designated the destruction of the CWB as one of their first priorities. Indeed, just one day after the May 2nd federal election, Agriculture Minister Gerry Ritz made it clear the majority Conservative government will soon move to eliminate the Board's single-desk marketing function.

The gutting of the Winnipeg-based Wheat Board and its sister agency, the Canadian Grain Commission, would be a disaster – and not only for prairie grain growers. It would be a giant step towards the dismantling of orderly marketing systems in other farm sectors, a further weakening of collective bargaining, a harsh

blow to Canadian democracy, and a threat to workers and consumers across Canada and even beyond.

Since many non-farmers know little about the issues involved, some background facts will help. The CWB was set up in 1935, when a rather different Conservative government listened to farmers and passed the Canadian Wheat Board Act. Ever since, the Board has been working to bring Western Canada's grain to the world. The largest of our farm marketing boards, it is also one of the biggest, oldest and most stable collective bargaining units in the country. As such, it represents a ripe field of temptation for Stephen Harper and his corporate backers to swing their ideological scythes and try to make off with the harvest.

The Canadian Wheat Board represents some 75,000 grain growers, and handles all Western wheat and barley destined for export and human use. The CWB is 100% self-supporting, and, with \$5 billion in annual sales, is

a real power in the international marketplace. Backed by the Canadian Grain Commission's excellent quality assurance, the Board uses its exclusive "single-desk selling" power — its much-maligned "monopoly" — to get the best possible prices, transportation rates, and quality premiums for its producers. The CWB is worth \$700-\$800 million annually to farmers, averaging almost \$10,000 per farm.

And it's not just farmers who benefit. A 2005 Price Waterhouse Coopers study credited the Board with a "huge" economic impact totaling \$1.6 billion annually, including some 14,000 non-farm jobs. The CWB moves 20 to 30 million tonnes of grain a year over Canadian rail lines and through Canadian ports in British Columbia, Manitoba, Ontario and Quebec, making it one of Canada's biggest rail shippers and one of our strongest East-West links. The Board has also been a crucial player in protecting grain customers — including Canadian consumers — from the risks of genetically modified (GM) wheat.

For years, the big American grain interests have been trying to destroy the Wheat Board and grab control of our grain industry for themselves. "They'd just love to add grain to the list of Canadian resources and jobs leaving Canada for bigger profits elsewhere," says Ken Sigurdson, former Manitoba coordinator for the National Farmers' Union and a co-founder of the Save My CWB Campaign." They've tried NAFTA challenges, they've tried the WTO, they've tried propaganda and political pressure. And time after time they've failed."

But now, with Stephen Harper's majority, those giant corporations must be celebrating. "Ever since coming to power, the Conservative government has been using every sneaky and undemocratic method imaginable to undermine the CWB and betray the farmers and workers who rely on it," says Sigurdson, who farms with his family near Swan River, Manitoba. "There's a whole raft of issues about how the government has attempted to manipulate this process."

That the Harper government carefully planned this manipulation became crystal clear in mid-June 2008, when lawyers for the Board made public a secret Cabinet document from August, 2006. The plan, which has been systematically implemented, recommended firing the CWB's highly capable and respected CEO, Adrian Measner, and replacing appointed pro-Board directors with anti-Board grain industry hacks. It urged government use of Orders-in-Council to get around legal democratic requirements, and eventual legislative changes to eliminate those requirements permanently.

The October 2006 gag order forbidding Board directors and staff from spending a penny to defend the single-desk system was a key element of that plan. The 2007 "non-binding" producer plebiscite on removing barley from CWB jurisdiction was part of the same scheme. Farmers fought back. The Board challenged the gag order in Federal Court, resulting in Judge Roger Hughes decision that the government's actions were in direct violation of the people's constitutional right to free expression.



Then, when the Harper cabinet followed up its dubious barley plebiscite with an Order-in-Council to remove barley from the CWB's marketing authority, the Friends of the Canadian Wheat Board, a producer group, went to court to stop it – and, as explained below, finally won.

Meanwhile, the government had been practising its election tampering skills. CWB director elections are the key to farmer control of the Board, with 10 of the 15 directors elected by grain producers and the other five appointed by government. Every two years, elections are held in five of the 10 Wheat Board districts, staggering the directors' four-year terms. Right in the middle of the 2006 director election campaign, the Minister issued an order removing almost 40% of the names on the producer voting lists. Later, in the barley plebiscite, the government's techniques included ambiguous wording of the options, traceable numbered ballots, no scrutineers, and predetermined interpretation of the results.

And all paid for by the taxpayer. During the 2007 plebiscite campaign, with pro-Board staff and directors muzzled by the gag order, the government spent \$1.2 million in public money on propaganda promoting its "dual marketing" option — what it likes to call "producer choice."

"Dual marketing' is a fraud if ever there was one," says Bruce Dodds, national organizer for the grassroots Save My CWB campaign. "Even the government's own anti-Board task force confirmed in 2006 that, without its single-desk selling power, the CWB would not survive as an effective bargaining agent for farmers. It would be like having a trade union without a check-off or the Rand Formula. Take the Rand Formula away from labour and call it 'worker choice'.

Roger Petry — professor at Luther College at the University of Regina — similarly argues that if there is "no statutory monopoly, farmers will contract with outside parties apart from the Wheat Board when prices are good, and contract with the Wheat Board when prices are poor, leaving the Wheat Board with no viable economic position over the long-term (as it will lose money over time and no longer be able to pool risk)."

Furthermore, while farmers might think they can do better in the absence of the Wheat Board, Petry suggests that "the prices they currently see on offer elsewhere are at a higher level precisely because there is a Wheat Board commanding higher prices due to its monopoly on wheat and barley. In the absence of the Wheat Board monopoly, prices would be much lower. It is analogous to a non-union person who gets paid a premium wage



because his or her workplace needs to compete with wages paid for labour in a unionized environment; in the absence of these unions, everyone's wages and working conditions would be much lower."

However, with the Conservative government's newly imbued majority power, it will no longer have to resort to backroom tricks and covert tactics to undermine the CWB. Indeed, as Minister Ritz has made clear, it will no longer have to even make the pretense of honouring the CWB's democratic structure.

Ritz has stated unequivocally that no new plebiscite on the future of the CWB need to be held, as "We already did that," Ritz stated. "It's called a general election. ... At the end of the day, I ask them to respect democracy as well." According to this novel theory, the federal election was also a referendum on the privatization of the CWB. Most Canadians could be forgiven if they were unaware of this.

"This is all about money and control," says Sigurdson. "U.S. agribusiness wants to 'integrate' Canada's grain industry with their own, and cherry-pick our prime production. Without the Wheat Board, the big grain companies would totally take over. Farmers would just be contract growers, restricted to the company's varieties, their chemicals, their prices and conditions. For transportation rates and service we'd be at the mercy of the railroads, with no representative body strong enough to take them on." Little wonder most grain producers — even Conservatives — continue to support the Board.

And the producers have won some important battles. In July 2007, the Federal Court ruled in favour of the farmers and stopped the government from removing barley from the Wheat Board's marketing authority, a

power explicitly reserved for Parliament. The government appealed — forcing the litigants to spend thousands more on legal costs — and lost again. Then, the Hughes decision quashed the ministerial gag order that had prevented the Board from effectively defending its role. Thwarted, Harper vowed to continue his push for “marketing choice,” threatening that anyone standing in the way “is going to get walked over.” Now, Harper has the parliamentary majority power to back up this threat.

What will Harper’s vision for the CWB mean? The Canadian grain industry, with its associated jobs and economic spin-offs, would go south — literally and figuratively. The huge economic benefits provided by the Board and the Grain Commission would be gone, leaving farmers and workers more dependent than ever on the grain companies and the railroads. Unions in the transportation, shipping, and administration sectors would soon feel the impact. With companies shipping where and when they pleased, much prairie grain would go overland to the U.S., seriously reducing east-west shipments and business at Canadian ports. The port of Churchill and the Hudson’s Bay Railroad, both 75-90% dependent on CWB shipments, could face bankruptcy, stranding many small northeast Saskatchewan and northern Manitoba communities.

With the Board gutted and the Grain Commission hobbled, foreign grain markets would no longer be able to count on Canadian quality and reliability. Much of our harvest would be mixed with American grain, and customers in Europe, Asia, and here at home would lose a strong bulwark against the risks of GM wheat.

Transnational corporations would get a global lock on grain supplies at a time when skyrocketing prices and shortages are already causing a massive global food crisis. As Roger Petry duly notes, to forgo the CWB monopoly in a time of restricted supply would be akin to OPEC dismantling itself during the onset of peak oil.

As for the rest of organized agriculture, all this is a foretaste of what a Harper majority will try to do to Canada’s supply-managed sectors: dairy, poultry, and

egg farming. In a brutally competitive global market, without the “cost of production” pricing maintained by supply management, Canadian farmers in these sectors would not be able to make ends meet. Industrial-style contract farming, like what we see already in pork production, would take over, with corporate agribusiness calling the shots and scooping up the profits. Regardless of the impacts on local production, food safety, or the environment, even more of our food would be imported, and Canadians’ shaky hold on food sovereignty would become even more tenuous.

“The threat to the Wheat Board is really an attack on collective bargaining and democracy,” says Bruce Dodds. “In the first half of the 20th century, two great social movements — for farmers and workers — struggled to win the right to control their own institutions and the products of their labour. Now we’re trying to defend what they won.”

While Harper’s majority power will make defence of the CWB even more difficult, the end of the Wheat Board is not a forgone conclusion. Harper may well back down if he believes there is a sufficient electoral cost to pay should he continue to pursue the destruction of the CWB. We have seen how quickly Harper will sacrifice his free-market ideology to pragmatic electoral considerations during the debate over the proposed foreign takeover of PotashCorp in Saskatchewan by BHP Billiton. Moreover, if Harper meets determined popular resistance to his privatization agenda straight out of the gate, it could prove invaluable as a means to derail future attacks on the public interest. If significant public opinion can be mobilized to defend the CWB, we may yet be able to keep this uniquely Canadian embodiment of farmer democracy and solidarity.

*Helen Forsey is a writer and activist living in eastern Ontario, Her most recent book, Eugene Forsey: Canada’s Maverick Sage is available from Blue Butterfly Books.*

*Simon Enoch is Director of the Saskatchewan Office of the Canadian Centre for Policy Alternatives in Regina.*