

# British Crown Assaults Canadian Wheat Board in Grab for World Grain Control

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Acting through its Canadian and Australian Privy Councilors, the British Crown has launched a coordinated assault to destroy both the Canadian and Australian Wheat Boards, to the benefit of its assets in the international grain cartel. Combined, the two nations account for a stunning 65% of global wheat exports, control of which would give the Crown and its food cartel unchallenged dominance over world wheat prices and supplies.

As documented in this article, and in an accompanying article on the case of Australia, the assault on the two nations' wheat producers is moving in lockstep. "Single desk" wheat boards (export monopolies) were established in both nations in the 1930s, to protect their respective farmers, and to guarantee national food supplies. After a prolonged governmental and media campaign against the Canadian Wheat Board (CWB)—which controls 50% of world wheat exports—Prime Minister Stephen Harper's government in early 2006 tried to ram through a law which would have stripped the CWB of its single desk. Then, on Oct. 5, Queen Elizabeth II's Canadian Governor General made an almost unprecedented public intervention into the political fray with an "Order in Council" aimed at destroying the CWB. Meanwhile, in Australia, the government in 1999 corporatized the Australian Wheat Board (AWB), preparatory to its being privatized (which has not yet officially happened), and, in December 2006, the government of Prime Minister John Howard stripped the AWB of its export monopoly.

## The Strategic Setting

A 1994 study by *EIR*<sup>1</sup> documented how the international financial oligarchy centered in the British and Dutch royal families, known as the "Club of the Isles," controls a preponderance of the world's most powerful corporations in raw materials (including mining, petroleum and food), in finance, and in the media, among other fields. The Club's assets were estimated by insiders at US\$9 trillion in 1997, and have grown phenomenally since then. Merely a few of the names in its

corporate apparatus include:

**Mining:** Rio Tinto Zinc, BHP, CVRD, Anglo-American, De Beers, Lonrho, and Barrick Gold;

**Oil:** Royal Dutch Shell, BP;

**Banking:** Bank of England, HSBC, JP Morgan & Co., Lazard Brothers & Co., N.M. Rothschild & Sons;

**Food:** Cargill, Archer Daniels Midland, Louis Dreyfus, and Bunge and Born.

Coordinated by Queen Elizabeth's Privy Council in London, with its House of Orange cousins in The Netherlands, the Club rests upon the long-standing British imperial tradition of integrating its corporate elite with government ministers and the top echelons of Britain's intelligence services. This Anglo-Dutch entity is the primary force promoting globalization, free-market neo-liberalism, and the end of nation-states as the preeminent political institutions on the planet; its fronts include such "one-worldist" entities as the European Union and the World Trade Organization. At issue is control of the world's strategic raw materials in a time of global financial crisis, as the U.S. dollar faces imminent collapse.

A new world financial architecture will be created from the ashes of the current floating exchange-rate-system. The as-yet-unresolved question is who will determine the nature of the new arrangement, which will either be an agreement amongst sovereign nation-states, or be dictated by private financier power. It is in this context that the Canadian Prime Minister's Office and other Crown agents are being deployed against the CWB. Once the solidarity of Canada's greatest co-op has been destroyed, the international grain cartel (U.S.-based Cargill, and Archer Daniels Midland; EU-based Louis Dreyfus, and Bunge and Born), which controls the transportation and distribution infrastructure, will be free to crush the independent Western Canadian farmer, and to secure control of two of the world's most important bread baskets, in Canada, and in Australia.

## The Assault on the CWB

Canadian Prime Minister Stephen Harper (Conservative) and Agriculture Minister Chuck Strahl have trumpeted their intent to dismantle the CWB, established in 1935 and com-

1. "The True Story Behind the Fall of the House of Windsor," *EIR*, Oct. 28, 1994.



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*Prime Minister Stephen Harper has led the charge to dismantle the Canadian Wheat Board, which protects farmers from looting by the globalized food cartels.*

posed of 75,000 farmers in Western Canada (where Canada's wheat is grown), and to replace it with a CWB II, which would offer "marketing choice" to Canada's wheat and barley farmers. Currently, all such farmers must, by law, sell their produce to the CWB, under the single desk marketing system. The government's "free enterprise" sophistry ignores the wide-ranging benefits which the Wheat Board's single desk provides to its members, such as procuring, on average, Can\$350-400 million in additional annual profits due to increased bargaining power and marketing directly to the end consumer. When other benefits, such as freight rate caps, are included, these extra profits approach \$800 million. Instead, as stated in the 2006 Conservative Party Platform, the government promises to "give farmers the freedom to make their own marketing and transportation decisions and to direct, structure, and voluntarily participate in producer organizations," such as the CWB.

By claiming to offer farmers "the freedom to choose," Harper implies that the Wheat Board will survive his intended changes. He lies. Prof. Murray Fulton, of the University of Saskatchewan, conducted a study, *CWB in an Open Market*, examining the potential impact of introducing a dual-market system. In the abstract of his report he writes:

The most likely impact of removing the single-desk selling powers is that the CWB will cease to exist. The elimination of the CWB would transform the Canadian

grains industry, with the impact of this change felt in virtually every part of the system. The changes that would accompany the loss of the CWB's single desk selling power would make the Canadian system more and more like that in the United States. It is expected, for instance, that grain company and railroad competition would fall, that producer cars and short line railways would suffer, that the current freight revenue cap would disappear, and that less value would be returned to farmers. *Once these changes are made they are irreversible—it would be virtually impossible to go back and restore the system to what is currently in place [emphasis added].*<sup>2</sup>

Today, Canada produces 12% of the world wheat supply, but accounts for up to 50% of world exports. The regulated, single-desk CWB is an essential institution for western farmers. It provides high value-added services and a powerful selling advantage to those farmers, helping them market their products and get a fair return for their crops. All sales revenues (\$4-6 billion annually), less operating costs of 5-7%, are returned directly to the farmers. Of great import is the CWB's method of dealing directly with the end purchaser, thereby cutting the grain cartel out of immense profits. The Crown's intention to dismantle the CWB, for the benefit of the international financiers who dominate the world food supply, is a matter of the utmost importance for the sovereignty of our nation. It is a threat to our national security.

The destruction of the CWB will expose Canada's farmers to the Hobbesian world of the so-called "free market," which is increasingly dominated by a multinational cartel, of which four companies alone control 73% of the international grain trade: Cargill, Archer Daniels Midland (ADM), Louis Dreyfus, and Bunge. With the new arrangement, farmers would be forced to negotiate individually with the grain cartels, and at the same time compete against one another, thus heralding the end of the family farm in Western Canada. The inevitable result of the government's policy will be either widespread consolidation into a small number of giant factory farms and the consequent destruction of Western Canadian society, or the highly unlikely issuance of massive subsidies to maintain family farms, as the multinationals force prices lower than the cost of production.

### History of the CWB

"Canada would not have existed without the western wheat economy," wrote Dr. John Herd Thompson, in a 1996 study of the history of the CWB.<sup>3</sup> This was true at the founding of our nation, and it is still true today. Because of the impor-

2. [www.kis.usask.ca](http://www.kis.usask.ca)

3. [www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab\\_1.pdf](http://www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab_1.pdf)

tance of agriculture, the wheat trade has long been regulated. The precursor of the CWB was created in 1917 to alleviate the difficulties which farmers were experiencing at the hands of middlemen and market speculators. The CWB of today was born later, out of both the desperation of the Great Depression and the prior experience of pooling and joint selling in the western provinces.

For much of its history, the CWB functioned as a Federal government agency. However, in 1998 the government changed its management composition, allowing farmers to run the corporation directly, while ensuring a certain amount of oversight to protect the public interest. This oversight is now, in a gross abuse of power, being exploited to ultimately destroy the CWB. The government established a Board of 15 directors which “assumed overall responsibility to direct and manage the business and affairs of the CWB.” Ten directors are elected by the farmers, four are appointed by the government, while the president and CEO are appointed by the Federal government in consultation with the Board. The government’s role, apart from appointing these five directors, is supposed to be limited to reviewing and approving certain financial aspects of the CWB’s operations, and guaranteeing its pre-harvest payments to farmers, its borrowing, and its export sales; but technically, as ex-president and CEO Adrian Measner has observed, the 1935 Canadian Wheat Board Act “also gives the federal government the authority, through the auspices of the [Governor General in Council], to give direction to the CWB as to the manner in which it operates. However, this provision has rarely been used.” More importantly, he emphasizes that “*over the long history of the CWB this provision has never, prior to 2006, been used over the CWB’s objections*” (emphasis added).<sup>4</sup>

### Prime Minister Harper vs. the CWB

In May 2006, Bill C-300 was introduced into the federal Parliament, with the intention of creating a loophole to the requirement in the Canadian Wheat Board Act of 1935 that all Western Canadian wheat and barley producers sell their grain to the CWB. The loophole would have permitted farmers to sell their grain directly to grain-handling companies such as Agricore United (controlled by ADM) and the Saskatchewan Wheat Pool, which is allied with ADM subsidiary Töpfer. This action, on the part of the government, was illegal, as expressed in section 47.1 of the Act, which stipulates that, *before the government can introduce legislative changes to the Act, it must consult the Wheat Board directly and the farmers must approve the proposed changes by a plebiscite. The government did neither.* Fortunately, the bill was defeated by the opposition parties, which united against such blatant injustice.

Only weeks later, Minister Strahl refused to approve the CWB’s annual corporate plan because it was “based on a

strategic direction that envisages the maintenance of the single desk.” Strahl stated that before he would approve the plan, the CWB would have to “delete any reference to the maintenance of the single desk, and any activities in 2006-07 that . . . are geared to the maintenance of the single desk.”<sup>5</sup> The Minister made these demands in full knowledge of, and complete disregard for, the law. Undaunted by serious opposition from farmers and a majority of the Parliament, Harper and Strahl pushed ahead with the Conservative agenda. On Oct. 5, 2006, the Governor General, “on the recommendation of the Minister of Agriculture,” issued an Order in Council, directing “The Canadian Wheat Board to conduct its operations in the following manner:

“a) it shall not expend funds, directly or indirectly, on advocating the retention of its monopoly powers, including the expenditure of funds for advertising, publishing or market research; and

“b) it shall not provide funds to any other person or entity to enable them to advocate the retention of the monopoly powers of The Canadian Wheat Board.”

This directive has effectively placed a gag order on the CWB, preventing it from defending itself, although the CWB is free to promote the government’s position! *This Directive is a de facto violation of one of the most important principles in our Charter of Rights and Freedoms: the right to free speech.*

The timing of this despotic Order in Council coincided with the CWB’s biannual elections, thus sabotaging the CWB at a critical moment. Simultaneously, the government campaigned aggressively for its preferred candidates, spending tens of thousands of dollars, while Strahl crisscrossed the western provinces in their support. Meanwhile, Harper and Strahl unleashed a further scheme. On Oct. 17, fully six weeks after the start of the election period, Strahl announced the removal of 16,000 of the 44,578 names from the voters list, without consulting the CWB. These measures, happily, did not induce the desired results: The farmers overwhelmingly chose candidates who supported the single desk. In the meantime, the government had replaced three of its own directors with people who were openly against the single desk, hoping to destabilize the co-op and intimidate the farmer-elected directors into accepting the government’s free-market policies. The government has now effectively split the Wheat Board, with eight directors supporting the single desk, countered by seven government agents.

Strahl’s most recent act of sabotage was the unprecedented firing of Wheat Board CEO and President Adrian Measner, explicitly because he refused to support the government’s policy of eliminating the Wheat Board’s monopoly. In an interview with one of the authors, a current CWB director asserted that “Adrian Measner was fired because he upheld the law.”

4. [www.cwb.ca/public/en/hot/judicial/pdf/affidavit\\_ameasner.pdf](http://www.cwb.ca/public/en/hot/judicial/pdf/affidavit_ameasner.pdf)

5. [www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab\\_20.pdf](http://www.cwb.ca/public/en/hot/judicial/pdf/measner/Tab_20.pdf)

## Attacks on the CWB From the Private Sector

While the government proceeds according to this free-market agenda, it is getting plenty of help from operatives in the private sector who are linked to the international grain cartels:

**The National Citizens Coalition:** The NCC claims to be a grassroots organization, but is actually an extreme right-wing think-tank which promotes free enterprise and free trade, whose former president is none other than Prime Minister Stephen Harper. It is virulently anti-union, anti-regulation, anti-“big government,” anti-public health care.

The NCC is part of a nest of right-wing organizations in Canada (and in Australia) in the stable of the Mont Pelerin Society, the British Crown think-tank perhaps best known for designing the privatizations in Britain under Conservative Prime Minister Margaret Thatcher, and which is the “mother organization” for the deregulation/privatization movement worldwide, in which the nation-state’s assets are sold off for a song to “private enterprise.”

**The Media:** The anti-CWB *Calgary Sun* and *Edmonton Sun*, along with dozens of other daily and weekly publications, are owned by Sun Media, which, in turn, is owned by Quebecor, Inc., one of the biggest media conglomerates in Canada, posting annual revenues over \$10 billion. Sun Media’s publications are known for their right-wing outlook. **Brian Mulroney**, the former Prime Minister who brought the Free Trade Agreement (FTA) and North American Free Trade Agreement (NAFTA) to Canada, is the chairman of the Board of Quebecor and its subsidiary Quebecor World, the second-largest printing company in the world. Mulroney is also the mentor and closest advisor of Quebecor President and CEO Pierre Karl Péladeau.

Mulroney is one of the most powerful men in Canada. He holds numerous influential Directorships, among them a spot on the International Advisory Council of JP Morgan Chase & Co., along with Henry A. Kissinger and George P. Shultz. He also sits alongside business magnate Peter Munk on the Board of Barrick Gold, whose International Advisory Board features former U.S. President George H.W. Bush. Mulroney is a protégé and business associate of Paul Desmarais, Sr., who controls Power Corp., one of Canada’s predominant companies, which controls assets in the range of \$280 billion. He is also an associate of the New York Council on Foreign Relations and a member of the Bilderberg Group. Finally, Mulroney sits on the Board of ADM, one of the companies which would benefit most from the destruction of the CWB.

The media role in the campaign against the CWB is clearly shown in the case of journalist Wendy Holm. On Oct. 26, 2006, before the House of Commons Select Standing Committee on Agriculture and Agri-Food, Holm, an award-winning Western Canadian journalist, economist, and agrologist, testified that on July 27, she had attended a rally of farmers in Saskatoon, in support of the Canadian Wheat Board. “Later that afternoon,” she said, “Chuck Strahl emerged from the



www.agr.gc.ca

*Chuck Strahl (left), Canada’s Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, meets with U.S. Secretary of Agriculture Mike Johanns in Washington in 2006. Strahl refused to approve the CWB’s annual corporate plan, unless it adopts his free-market credo, in violation of the law.*

invitation-only meetings he had been having across the street, with those who agreed with the Harper government’s views on the Canadian Wheat Board—to hold a press conference.

“I attended as a freelance columnist with the *Western Producer*, and asked the minister whether his government was prepared to implement dual marketing without a supporting vote of producers and in violation of Section 47.1 of the Act. I then returned to B.C. [British Columbia] to write my column.

“That Monday, I was about to file my August *Western Producer* column when I received a phone call from my editor, who seemed shaken. She said they’d received a call from Chuck Strahl’s office—and from one other person—suggesting that my presence at the rally indicated bias on the part of *Western Producer*. My monthly column, which had appeared on the op-ed page the second issue of every month for the past 12 years, was dropped permanently the next morning.”

It turns out that *Western Producer* is owned by Glacier Ventures International (GVI), which controls dozens of community newspapers across the western provinces, and which bought up all of the Canadian media of the Hollinger International Corp. of Conrad Black. GVI has become “the primary source of essential agricultural information for Western Canadian farmers and ranchers.” The second of the two calls which ended Holm’s career at *Western Producer* could trace back to Glacier’s Board of Directors, on which sits Brian Hayward,