The British Empire Threshes The Australian Wheat Board

by Alexandra Perebikovsky and Stephanie Nelson, LaRouche Youth Movement

Our own tragic folly in policy-shaping over the last decades taunts us now, like a sick joke at the expense of the poorest people. The nature of the global systemic financial and economic breakdown has brought back Holbein's "Death," whose impish grin once again accompanies the scenes of everyday life. His "Husbandman" could be any farmer in the world today, whose toil is mocked by the intentional collapse of agriculture under the free trade system of globalization. That is why today we face a world food shortage, whose approach could have and should have been foreseen.

In the middle of this growing crisis, the UN Food and Agriculture Organization (FAO) held a meeting June 3-5 in Rome, where a fight ensued between free-market policies and protectionist trade for food security. Although free-trade policies suffered a defeat, no effective remedy was established, and the 850 million people worldwide facing starvation found no alleviation.

Prior to that FAO conference, Schiller Institute chairwoman Helga Zepp-LaRouche issued a call for the world's policy-makers to kill the World Trade Organization (WTO) and double world food production. On the heels of that mobilization, LaRouche PAC issued a food policy memorandum, demanding the same two points and offering examples of where the needed food could be grown to immediately avert the starvation of hundreds of millions of human beings. Obvious potential lies in the world's foremost granaries: Argentina, Australia, Canada, and the United States. Were these and other countries allowed to produce at full capacity, one planting season would be sufficient to wipe out hunger. Unfortunately, the latest developments in these countries leave the future of farming in doubt.

The Imperial British Commonwealth delivered a crippling blow to Australia's wheat production in June, by a Parliamentary vote to dissolve the "single desk" of the Australian Wheat Board (AWB), leaving it completely deregulated. Under the single desk system, the AWB had a monopoly over Australian wheat exports, guaranteeing farmers a parity price for their crops, to the benefit of the small and family farmers who otherwise would have been crushed by grain cartels and speculators.

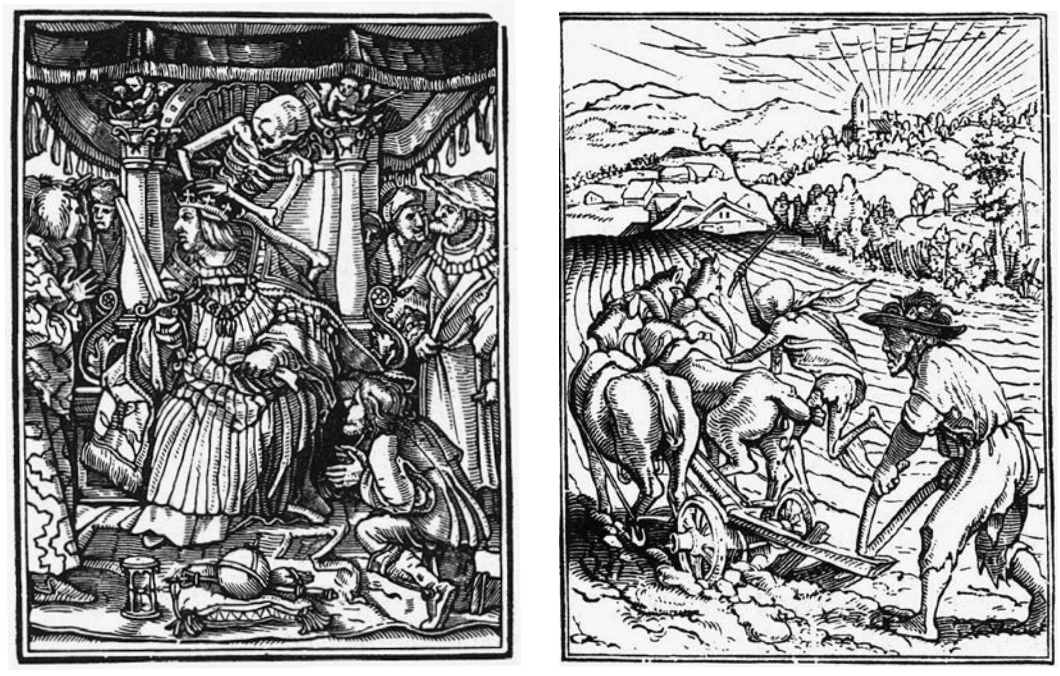
The Wheat Board: A Fight for Agricultural Protection

In 1929, the Australian government set up a committee, chaired by J.B. Brigden, to examine the pros and cons of Australia's protectionist policy. This report, entitled, "The Australian Tariff: An Economic Enquiry," exposed the intentions of the British Empire to keep Australia's population down to no more than 5 million people through imperial free-trade policies. Brigden's committee found that the Empire intended to create a landed aristocracy of Australian farmers to dig up and export vital raw materials back to London. Rather than capitulate to the imperial looting system, the committee recommended protectionist measures, which laid the foundations for the Australian Wheat Board.

In the early 1940s, the government of Prime Minister John Curtin, in collaboration with U.S. President Franklin Delano Roosevelt, took up this fight for protectionism, established the Wheat Board, and set a precedent for the legendary Country Party leader John McEwen's later reforms. Jock Campbell, an advisor to Trade Minister McEwen in the 1950s, summarized the findings of the Brigden report: "Australia would be a country where there would be a handful of people—I think they said 5 millions—and they would grow wool and beef and mine lead. There would be no manufacturing industry and the maximum the country could support would be 5 million who would live at an extraordinarily high level of average income because they were the world's best at it. Those who were lucky to have a slice of it would do tremendously well."

At the time, Australia already had a population of about 9 million people.

In opposition to this intentional policy of genocide, the government used the chaos and harsh conditions during the years leading up to World War II to establish the modern-day Wheat Board. The precedent for the AWB began in 1915, during World War I, when Australian farmers, devastated by the speculative actions of the grain cartels, pooled their wheat and demanded a floor price for their goods. In order to institutionalize that authority, a wheat board was established and maintained throughout the war. However, in 1921, the board was taken down by the government, and farmers, forced back into the horrid conditions of British free trade, were driven off



Two woodcuts from a series by Hans Holbein the Younger (1497-1543), the "Dance of Death": The Emperor and The Husbandman. Free trade and globalization today make a mockery of the farmer's toil, as of the ruler's self-delusions.

the land. Australia's next opportunity for establishing a wheat board came in 1939, when the modern-day "single desk" Australian Wheat Board was founded.

Under the leadership of Prime Minister Curtin, and later, Trade Minister McEwen, the Wheat Board acted as a regulatory agency mediating between the Australian farmer and the preying financial grain cartels. The Board would set a fair floor price for all wheat, farmers would deliver their grains into the AWB storage bins, immediately receiving a check for the grains, and the AWB, drawing from the wheat pool, would take care of its export and trade. This regulation upheld the livelihood of small and local farmers, regardless of grain quality or time harvested. On top of this, the Curtin and McEwen governments, explicitly against the free-trade imperial policies which had run Australian agriculture and industry into the ground over the previous two decades, ensured the establishment of credit for infrastructure and development projects to aid production and manufacturing. Over the intervening decades, this system proved so successful, that Australia became an industrial and agricultural powerhouse, which, today, exports over 15% of the world's wheat.

Since the 1980s, however, the hand of the British Commonwealth, grabbing for the riches of Australia's raw materials base, has reached directly into the heart of the nation in an attempt to dismantle the protective Wheat Board. In 1986, the Parliament enacted the first of a series of laws to aid in the deregulation and breaking down of the AWB. To enforce this legislation, in 1999, the Wheat Board was turned into a corporation, AWB, Ltd., and private interests were given power to veto the export of its wheat. With its new status as a private company, not directly tied to the government, the AWB was implicated as the greatest of over 2,000 offenders in the supposed Iraq "oil-for-food" crisis, and its grain export contract with Iraq was immediately terminated. Using this scandal and the "monopolistic actions" of the Board as an pretext, the Commonwealth shut down the Board's export monopoly in 2003, to make way for complete, unregulated free trade. The final bomb was dropped on June 19, when the Senate voted to eliminate the AWB's single desk, the last line of defense between the demoralized local family farmer and the predatory grain cartels.[1]

Battle at the Capital

Hundreds of Australian farmers, dependent for their livelihood on the regulatory measures of the Wheat Board's single desk system, turned out the week before the vote to hold rallies in Australia's capital, and protest the devastating legislation. As one farmer put it, "The dismantling of the Wheat Board means the difference between my planting a full crop this year, or just half of my crop, or even none at all!" The Australian LaRouche Youth Movement, following a week of meetings with parliamentarians about the AWB legislation, mobilized the lower 80% farmers as a force to intervene against the AWB takedown and to rally around a nine-point solution[2] for reviving the grain capability of the nation.

Meanwhile, inside the Parliament, Sen. Barnaby Joyce, the leading official campaigning for the rights of the farmers,

1. Technicalities require a second vote which expects the legislation to pass.

2. Citizens Electoral Council leaflet, "Australia Must Act Now to Address Global Food Crisis" (www.cecaust.com.au).

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Farmers in Canberra, Australia protest against the takedown of the Australian Wheat Board, June 15, 2008. The current incarnation of the AWB was established in 1939, to protect farmers from British free trade policies.

led an all-out fight to save the Australian Wheat Board from going under. Joyce argued that the passage of the bill would lead to the utter destruction of the small and local wheat farmers, while allowing for the complete and unchecked plunder by grain cartels. In an exchange between Joyce and Sen. Nick Sherry (Tasmania, Minister for Superannuation and Corporate Law), regarding the new structure for the wheat board, it became clear that not a single position had been established on the Board for a wheat farmer.[3]

Under questioning from Joyce, Sherry admitted: "There is no specifically allocated person on the board, but the selection criteria include that as one of the criteria against which a recommendation will be made to the minister." Joyce shot back: "You have now confirmed that no one on the board need necessarily have any experience in wheat, and the board could be totally selected without anyone having any experience in wheat. Yet this is the body that is going to have the Australian wheat industry in its hands. . . ." Sherry was also forced to concede that members of the Board do not have to be Australian citizens.

With the new system, Australian agriculture is subjected to a free-for-all in terms of marketing and wheat export! Major grain cartels are given the right to cherry-pick the types of wheat and farming they want to buy up. This leaves the door open for large corporations to take over the Australian wheat industry, kick small farmers off the land, and drastically reduce the amount of wheat being produced and exported.

The takedown of Australia's Wheat Board comes on top of a years-long takeover and destruction of small farms in the nation. For years, the government has refused to implement the necessary infrastructure projects, such as developing the Murray Darling River basin system, in order to have flourishing agriculture throughout the entire region. As a matter of fact, under the guise of "environmentalism"[4] and "river health," the federal and state governments have created a speculative "free market" in water rights. They now pay desperate farmers up to $2,000-5,000 per megaliter for their water rights ($40 was a typical cost per megaliter, up until recently), and then divert the water from the parched farmland to flow unused into the ocean—this in the midst of one of the worst droughts in a century! Australia, if its potentials are activated, can and must help to double the food production of the world! It is completely insane, that in the middle of the world's greatest hunger crisis, the British Commonwealth is doing everything possible to eliminate Australia's ability to become a major granary for our poverty stricken world.

What About the Other Granaries?

The remaining three major granaries are facing their own uphill battles. Canada is especially threatened by the recent vote in Australia. It has its own wheat board, and the decision against the AWB is viewed as a precedent for the British imperialists who want to do the same to the Canadian Wheat Board. The implications for the world's food supply should conjure up the image of Holbein's wicked "Death" again. Canada accounts for 50% of the world's wheat exports, so that Canada and Australia combined are responsible for 65% of world wheat exports. If farmers continue to be subjected to free-trade policies that make it impossible for them to make a living, and multinational cartels take over with the intention

3. Commonwealth Senate Hansard in Canberra, Australia, June 19, 2008. A transcript can be found at: www.aph.gov.au/senate/work/journals/index.htm.

4. Environ-mental-ism is a highly contagious disease which spread rapidly throughout nations all over the world in the 1960s and 1970s. It was believed to have been acquired from the incidental mating of one unfortunate man with a monkey. The offspring is present-day Al Gore.

to decrease the food supply, humanity will face an unimaginable crisis.

Moreover, Argentina's impressive grain production has recently been replaced by soy monoculture, so that soy now accounts for 54% of all Argentine cropped land area, with a devastating effect on its soil. Large "sowing pools"—speculative investment funds—have also been organized, and have seized control of the soy export business. In March of this year, the government of President Cristina Fernández de Kirchner issued a decree to raise export taxes on soybean and sunflower seeds, in defense of the general welfare. In reaction, a phony "people's" movement has been organized against the "tyrannical" government, with agriculture producers going on strike (in the middle of a grave food crisis!). Implicated in this is George Soros, identified by LaRouche PAC as the top British agent meddling in the U.S. Presidential campaign.[5] Soros owns one of Argentina's largest sowing pools, Adecoagro. The Kirchner government has pointed its finger repeatedly at these funds as the financial interests behind the strikes.

5. See The Soros Dossier: "Your Enemy, George Soros," elsewhere in this issue.

In the United States, storms hit the Midwest in early June, causing vast flooding in an area with an incredible concentration of grain and livestock production, processing, shipping, and farm machinery manufacture. The total damage is yet to be calculated, but it will inevitably hit the global food system very hard. Natural disasters never have good timing, but with starvation and food riots occurring around the world, the flooding of one of the world's largest corn and wheat belts is an especially devastating blow. The tragedy is that the damage could have been contained, had the proper infrastructure been built. Similar but less severe flooding struck the same area in 1993, drawing attention then to the inadequate infrastructure in the region. At that time, Lyndon LaRouche issued a call to restore the Army Corps of Engineers and finish the flood control and development projects in the upper regions of the Mississippi River basin, through a retooling of the auto industry.

Whether it is decreasing food production while population levels rise, refusing to build vital infrastructure, or continuing with deregulation and free trade, we have no excuses for the deadly effects of these policies but our own folly. We have the capability to scrap this system of lunacy and save civilization, but we must act *NOW*!

Defend the Canadian Wheat Board!

"The history of the Canadian Wheat Board (CWB) is grounded in the experience of farmers prior to World War I," according to the CWB's website. "Many farmers at the time felt captive to the railways, the line elevator companies, and the Winnipeg Grain Exchange for the delivery, weighing, grading, and pricing of their grain. They wanted greater power and protection for themselves in the grain marketing system. They developed a strong confidence in cooperative strategies and government intervention for addressing their needs…" (www.cwb.ca).

The first CWB, established in 1919, utilized a two-payment system: one payment in the Spring and another in the Fall, depending on price levels. The Federal government guaranteed any shortfalls due to low prices, effectively setting a floor price for the farmers' produce. The second, and current, CWB, now representing over 75,000 farmers, was established in 1935 to protect the farming community from the ravages of the Great Depression. Its role has changed a great deal over the years, but its function in promoting the interests of Canada's Western farmers has endured.

In the 1960s, the CWB began making direct deals and entering into long-term contracts with its customers, such as the governments of Russia and China, thus circumventing the speculators and middlemen, a decision which the grain cartels have never forgiven. Today the CWB is the world's single largest grain exporter, and the last of the big international Wheat Boards; in 2007 it exported 21.5 million tons of grain.

The current Conservative government of Stephen Harper is committed to terminating the CWB, but recently received a major setback. A Federal Court Judge ruled on June 20 that the Harper government had violated Canada's Charter of Rights and Freedoms, when it issued a directive in 2005 forbidding the CWB from promoting or defending its own existence in the media, while the government organized a massive media campaign aimed at manipulating farmers into supporting the dissolution of the Wheat Board's mandate. Unfortunately for Harper, the CWB remains exceptionally popular among Western farmers, and it can only be eliminated through a farmer plebiscite, something which is highly unlikely for the near future. However, with the dissolution of the Australian Wheat Board, the CWB will come under increasing pressure.

With the floods now hitting the U.S. breadbasket, the grain cartels pushing for completely liberalized trade, and many countries facing food shortages, the world cannot afford to lose the CWB, which could be a precedent for other nations, such as Argentina, which have shown interest in reviving grain marketing boards of their own, in defense of the general welfare. *—Rob Ainsworth*