

Canadian Wheat Board Alliance



Issue Notes < Origins of CWB and War Measures Act >

In the November 23, 2011 Senate debate the Hon. Bert Brown made inaccurate statements about the origins of the Canadian Wheat Board.

http://www.parl.gc.ca/Content/Sen/Chamber/411/Debates/032db_2011-11-23-e.htm#37

He claimed "*It actually was an organization that came about in World War I to provide wheat for Mother England.*"

This is not at all correct. World War I lasted from 1914 to 1918. During that time the British had a central buying agency which drove the futures price of wheat to zero. The Canadian Government responded with a "Board of Grain Supervisors" who refused to sell at discounted prices and raised the price of wheat to commercial levels. It was disbanded at the end of WW I and wheat prices collapsed in Canada.¹

After much farmer agitation, Ottawa put in a temporary Wheat Board for the 1920-21 crop year. By selling internationally it raised prices and was very popular in the west. The Arthur Meighen Conservative government disbanded it in 1921 and prices again collapsed. At the end of 1921 the US closed its borders to the flood of Canadian wheat and cattle.

The Conservative government then lost every seat in the Prairie Provinces and the Progressive and Liberal Parties were elected on the promise of restoring the Wheat Board.

The Hon. Senator also claimed "*In World War II, the government — I believe the Liberal government — passed a law to make it illegal for farmers to sell their grain to anyone but the Wheat Board.*"

This is not correct either. The Canadian Wheat Board Act was passed in 1935, four years before WW II started, with the single desk selling provision in place. The CWB Act was passed by the Conservative Government led by Calgary lawyer R. B. Bennett.

The single desk was proclaimed in 1942 for the 1942-43 crop year. The basic economic reasons for this were simple. Canada had no access to the American market since 1921 when the United States had closed its border to Canadian grain and cattle. With the outbreak of the Second World War in August of 1939 our remaining markets for wheat in Europe and Britain were closed.²

The major policy concern in Ottawa was that the price of wheat would again go to near zero because of restricted demand and several years of bumper crops stored on the prairies.

For further reading consult: The Manitoba Co-operator | October 20, 2011, page 9. [Ottawa accused of revising wheat board history - A historian says there was strong support for a mandatory board.](#)

¹ Leonard D. Nesbitt, *Tides in the West*, (Saskatoon, 1958), 24.

² In a letter to Mackenzie King Agriculture Minister James Gardiner explained "in Canada at present [June 1940] at least 250,000,000 bushels of last year's wheat. We have 70,000,000 bushels of last year's wheat which has already been sold to Britain but is still in storage in Canada. We have another crop coming on which in all probability, will amount to 400,000,000 bushels and will be available for storage during the month of September. At least 500,000,000 bushels of this wheat will be consumed, if consumed at all, outside of Canada, and so long as the military position is what it is today, any of it which is consumed will have to be consumed in Britain. It is obvious, therefore, that we have at least three times as much wheat in sight in Canada as we can dispose of in any one year while the war lasts, and while the military situation has resulted in a condition where we cannot market the wheat anywhere but in Britain." [Bold mine] quoted in C. F. Wilson, *A Century of Canadian Grain*, (Saskatoon, 1978), 651.