

André Magnan, *When Wheat Was King: The Rise and Fall of the Canadian-UK Grain Trade*. The University of British Columbia Press [[www.ubcpres.ca](http://www.ubcpres.ca)], 2016. viii + 205 pp., figures, tables, notes, references, index. Paperback, ISBN 978-0-7748-3114-7 Cdn 32.95.

This is not a book of business history. Rather it is a sociologist's account of the rise and fall of the Canada-UK wheat trade. Traditionally, business and economic historians have framed their analysis of the Canadian wheat trade as either a challenge or a defence of the staple thesis, which is most often associated with Harold Innis. Magnan is not in conversation with Innis or the post-Innisians (e.g. Doug McCalla, Robin Neill, M.C. Urquhart, Marvin McInnis and Frank Lewis), who have moved beyond the staple thesis, with its emphasis on external forces, to examine the endogenous factors in Canadian economic growth. Unlike Innis and the post-Innisians, Magnan is not interested in determining wheat's role in the economic development of the nation or its regions. Nor is he interested in wheat as a long-run factor in the integration of the nation. Rather, he is interested in "the evolution of the distinctive institutions of the prairie wheat economy – the Canadian Wheat Board [CWB] in particular – through the relationships of conflict and cooperation that have linked the region to world markets since 1870". (3)

This is not to say that the book should be ignored by business historians. One of the ongoing debates in the historiography is the role of the State in Canadian economic growth. Neo-conservatives/neo-liberals have long argued that the State has undermined the economic health of the nation, making it poorer than nature had originally intended. Magnan takes issue with this argument. For him, the CWB represents a successful case of government intervention in the market economy.

Magnan views the evolution of the CWB, and the Canadian wheat industry more generally, through the prism of "food regimes." As Magnan explains, a food regime is a historical constellation of "rules and social relations regulating the production and consumption of food across domestic and international spaces." (4) These food regimes determine the limits in which social actors – governments, farmers, industry, and social movements – operate. In this sense, Magnan acknowledges the importance of both the exogenous and endogenous factors in the rise and fall of the wheat trade over the last 150 years.

Since 1870, the Canadian wheat trade has passed through three epochs, each of which has been defined by a specific "food regime." The first period, 1870-1945, witnessed the forging of the Canada-UK wheat trade as the State put in place policies for coordinating western expansion through settlement, transportation, and trade protection. The climatic conditions of the southern prairies were ideal for growing high-protein, high-gluten Red Rife wheat, which was used in Britain to make cheap, high-calorie white bread. During this period, Magnan argues, the farmers had little power in the market, but they were numerous, organized and politically influential enough to convince the government to regulate the market in their favour. In response to the farmers' pressure politics, the government's institutions for regulating the wheat trade were deliberately designed to integrate the prairie region into the British market. When the first CWB was established on 31 July 1919 it continued the practice of collective marketing and close Canada-UK coordination which had been established by the Board of Grain Commissioners. In the years leading up to WWII, the second CWB was able to reconcile the Canadian government's desire to maintain the flow of prairie wheat to Britain with farmers' need for

protection against global grain companies. In the midst of food and financial crises brought on by WWII the government made the CWB the only legal buyer of wheat. The CWB's monopoly would be maintained for fifty years.

In the immediate aftermath of WWII, a second food regime emerged – i.e. “the mercantile-industrial food regime” – which lasted until 1995. This period was dominated by the US government and its support for American farmers. The extensive government subsidies to farmers led to huge surpluses of wheat. To deal with this problem, the US government signed international trade agreements and established commodity programs. Due to the amount of grain it controlled, the CWB crafted a niche role for itself by setting the world price for wheat. At the same time, the CWB challenged the system by selling wheat to communist countries like the Soviet Union (to which American farmers could not sell). During the period, Magnan writes, “single-desk marketing of the CWB embodied a very specific set of state/economy relations, which shaped not only the development of the grain economy but also the terms through which the Prairies would be integrated into food regime relations.” (164)

The beginning of the end of the second food regime occurred in 1972 when the US government struck a deal with the Soviet Union that cleared global grain reserves and sent world food prices skyrocketing. At the same time, British bakers began using new technologies that allowed them to substitute European grains for Canadian wheat. Within this environment, the CWB found that it could no longer control world prices. To make matters worse, in the late 1980s the Progressive Conservative government of Brian Mulroney put an end to the practice of providing a floor on prices paid by the CWB to farmers.

Within this highly competitive global environment, the CWB again proved to be highly innovative in matters of marketing. In 1995, for instance, the CWB negotiated a deal with the British baking giant Warburtons, which saw prairie farmers providing all the varieties of wheat that Warburtons needed to meet its sourcing requirements in exchange for higher prices. Other successes followed. Nevertheless, when the Stephen Harper Conservatives came to power in 2006, the CWB's days were numbered. The Harper government had an ideological aversion to big government with its preference for market-based solutions. As a result, on August 1 2012, the CWB was “stripped of its historic marketing monopoly...”. (2)

Over the course of its history the CWB functioned as an effective government agency in the market economy. Time and again, it re-invented itself in response to changing global political and economic conditions in order to promote and protect the interests of prairie wheat farmers. Magnan's scholarly study thus lends further support to the position that government action has made the nation economically stronger, and not weaker, than nature had intended.

**Matthew J. Bellamy**  
**Carleton University**