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Breadbasket of Democracy

A question as old as the Constitution: Who should make the economic decisions in this country?

BY TED NACE

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Photograph by Lisa M. Hamilton

IN THE NEW RED-BLUE LEXICON of American politics, the Red River Valley of North Dakota seems aptly named. This is football-on-Friday-night country, where Clear Channel Radio sets the tone, and patriotic themes blend smoothly with corporate ones. Broad and pancake-flat, with topsoil measured in feet rather than inches, it possesses some of the most prized agricultural land in America. The roads run straight, the pickup trucks are big, and the immense Massey Ferguson tractors that ply the fields come equipped with global positioning system guidance, satellite radio, and quadraphonic sound. In 2004, George Bush carried North Dakota with 63 percent of the vote. It seems like the last place that one might go looking for a revolt against the powers that be.

Nor does a man like Todd Leake seem like the type of person to participate in any such uprising. “Extreme traditionalist” might be closer to the mark. Lean and soft-spoken, Leake has spent the past twenty-eight years farming the homestead established by his great-grandfather, a Canadian immigrant who arrived here over 120 years ago. “I guess you’d describe me as an umpteenth-generation wheat farmer,” he says, “because as far back as we can tell, on both sides of the family, it’s been farmers. And as far back as we can tell, it’s also been wheat.”

On a crisp, windy November day, Leake reflects on the events that turned him into a thorn in the side of the agribusiness establishment, especially the Monsanto Company. He gestures toward two symbols. The first, just visible through his kitchen window, is the outline of the North Dakota Mill, the only grain-handling facility owned jointly by the citizenry of any state. “Sort of the epitome of farmers cooperating,” he notes.

The other symbol offers a less inspiring vision, one of farmer fragmentation and disempowerment. It is a simple refrigerator magnet inscribed with the words, “MONSANTO CUSTOMER SUPPORT 800-332-3111.”

“They call it customer support,” says Leake. “It’s actually a snitch line, where you report that your neighbor is brown-bagging. Or where somebody reports you, and a week or two later you find a couple of big guys in

black Monsanto leather jackets standing in your driveway.”

Brownbagging is an old term in rural America. It refers to replanting seed from your own harvest, rather than buying new seed. Lately the term has come to possess a second meaning, that of a crime, a consequence of the U.S. Supreme Court’s 1980 decision in [Diamond v. Chakrabarty](#) allowing private companies to obtain patents for lifeforms, and the Court’s 2001 decision in [J.E.M. Ag Supply v. Pioneer](#) affirming that the saving of seed constituted a patent violation.

When Todd Leake first became aware of genetic engineering in the mid-1990s, the prospects sounded enticing, including heady promises that new biotech crops capable of producing industrial chemicals and even pharmaceuticals would expand agricultural markets and thereby raise farm incomes. “But when they finally came out with actual product,” he said, “it was all about selling more Roundup.”

[Roundup](#), Monsanto’s leading product, is the trade name of an herbicide based on the chemical glyphosate. By using genetic engineering to create glyphosate resistance in common crops, Monsanto made it feasible for farmers to apply Roundup directly to fields at any time in the growing season, killing weeds without killing crops.

By 2000, Monsanto had successfully introduced “Roundup Ready” corn, alfalfa, canola, soybeans, and cotton in the United States and elsewhere. Meanwhile, the company began field-testing and pursuing USDA permits for Roundup Ready spring wheat. Wheat is the world’s most widely cultivated food, and Monsanto wanted to introduce it as the crown jewel of genetically modified (GM) crops. North Dakota, which accounts for 47 percent of the U.S. acreage for spring wheat, was vital to the company’s plans.

But Leake wondered whether the new seed would end up actually hurting farmers. One worrisome possibility was that “Frankenfood”-averse European or Japanese markets would reject GM wheat, causing the price to collapse. Something similar had happened in the late 1990s, when the Japanese had begun rejecting soybean shipments containing transgenic material.

Another concern was Monsanto’s record of suing scores of farmers whose crop was found to contain patented genetic material, even miniscule amounts that had arrived via spillage, wind-blown seed, or pollen drift. He found himself sympathizing with [Percy Schmeiser](#), the Canadian farmer who had been sued by Monsanto in 1998 for violating the company’s patent on Roundup Ready canola. Schmeiser had never bought Monsanto’s seed. He had only planted seed saved from his own fields. Apparently, his fields had been contaminated through [seed blown from passing trucks](#), but it didn’t matter: brown-bagging had turned him into a common thief.

When Leake talks about wheat, his tone shifts subtly, becoming almost reverential. “Wheat’s an amazing plant,” he notes. “It’s a combination of three Middle Eastern grasses, and that gives it a huge genome. In many languages, the word for ‘wheat’ is the same as the word for ‘life.’ There’s a ten-thousand-year connection between wheat and human beings, each generation saving seed. Now it’s in our hands.”

In January 2000, Leake began urging various organizations in North Dakota to oppose the introduction of genetically modified wheat. One of the groups he approached was the Dakota Resource Council, a network of local groups that originally formed in the late 1970s to deal with strip mines and power plants. (For full disclosure, I should note that I spent several years working for the council in the early days, first as a field organizer and later as staff director, until I left in 1982.)

Leake’s concern about GM wheat fit naturally within the DRC’s scope, but questions remained: what tactics should be adopted, and what objectives should be pursued? A reasonable political strategy might start from the assumption that GM wheat would inevitably come to be a presence in fields, freight cars, and grain elevators; hence, those concerned about negative effects would try to shore up protective regulations so that GM wheat would not contaminate non-GM wheat.

But Leake and the DRC opted to seek a different solution: an outright ban on GM wheat in North Dakota until all outstanding concerns were addressed. In the end, the radical strategy worked; the organizers had enough support to thwart Monsanto's plans. The story of why Leake and other opponents of GM wheat chose the riskier and more militant goal, and how they fought to achieve it, is one with implications beyond the issue of genetic engineering. It is also a story about a little-known strain of U.S. history, and about the ability of Americans to control their destinies.

AMERICA'S PRIMARY decision-making system, known as representative democracy, is two centuries old. Structured according to the terms and judicial interpretations of the U.S. Constitution, it nominally governs decisions on all elements of public life, from elections and schools to privacy and environmental regulations. But whatever its strengths, the Constitution leaves a fundamental issue open to interpretation: who controls important economic decisions, and how will they be made?

This ambiguity allowed the rise of America's other major form of decision making, corporate capitalism, which emerged between the Civil War and the First World War. That system is not democratic, nor does anyone claim it to be. It has given the managers of a few hundred large corporations the power to make many of the big decisions that will shape the future—what energy technologies should be invested in, what medical research should be turned into pharmaceutical products, how aggressively timber or mineral resources should be extracted, how workplaces should be organized, whether hundreds of independent radio stations should be consolidated, and so forth.

According to the generally accepted rationale, corporate managers respond to markets, and markets in turn respond more or less to public preferences as expressed through buying decisions. At times one even hears markets described as a sort of democracy, with customers voting via their dollars. But because for-profit corporations are legally mandated to maximize shareholder return, their managers tend to shut out considerations vital to the larger society. In the revealing language of neo-classical economics, social effects of a product are labeled "externalities," or marginal considerations rather than central ones.

In any case, as the conventional wisdom goes, what's the alternative? Surely a market system, whatever its imperfections, is preferable to an economy rigidly controlled by monolithic bureaucracies: that is, state socialism. And here the conversation typically ends.

Today, we rarely hear such simple questions as, "What is an economy for?" or "Should we trust our future to corporations?" But these were exactly the sort of questions that farmers in North Dakota decided to ask during the debate over GM wheat. As one farmer, Steve Pollestad, expressed it, North Dakotans had a choice. They could put the future of wheat "in the hands of people who are accountable to the citizens of North Dakota. Or, we could let Monsanto decide. And maybe we also could get Enron to run our utilities and Arthur Anderson to keep the books."

It's no coincidence that such sentiments grow out of the fields of North Dakota. Beneath the state's conservative surface are surprising currents of history, some quite radically divergent from the American mainstream. North Dakota's economy cannot be described as corporate, but neither can it be described as socialist. Perhaps the best way to describe it is with a term that doesn't appear too often in economics textbooks: democratic.

For residents from Amidon to Walhalla, civic participation means not just serving on political bodies such as the county commission or the school board, but also taking part in running economic institutions such as the local electric co-op or grain elevator. Farmers see nothing extraordinary in buying gas from a co-operative gas station, buying electricity from a rural electric co-operative, borrowing college money from the publicly owned Bank of North Dakota, and selling their milk to a producer co-operative. The theme of noncorporate economics pervades the state, extending even to agricultural processing co-operatives handling everything from noodles to tilapia. Indeed, as a matter of state law, corporate-owned farms are banned in the state.

North Dakota's unique economic arrangement grew out of a strain of radical populism that swept the state from 1915 to 1920. The revolt ignited in 1915 when a North Dakota state legislator named Treadwell Twichell told an assembled group of farmers seeking relief from the state, "Go home and slop the hogs." One of those farmers, A.C. Townley, couldn't go home to his hogs; he had already lost his farm in bankruptcy court. Instead, Townley and his friend Fred Wood sat down in Wood's farmhouse kitchen and drafted an audacious political platform. In essence, their call to arms urged farmers simply to bypass the corporate agricultural system altogether by creating their own grain terminals, flour mills, insurers, and even banks.

Townley was a charismatic speaker. Farmers flocked to his fledgling organization, the Non-Partisan League. To the delight of crowds, Townley shouted, "If you put a banker, a lawyer, and an industrialist in a barrel and roll it down a hill, you'll always have a son of a bitch on top."

Within three years the Non-Partisan League had completed its conquest of North Dakota's state government, capturing both the legislature and the governor's office. The league then proceeded to reorganize the infrastructure of agriculture—particularly finance, grain storage, and grain milling—taking the reins away from the corporate players and handing them over to new publicly owned institutions.

The ascendancy of the Non-Partisan League was relatively short, its decline a casualty of attacks by business groups and newspapers that branded the organization as socialist, the jailing of A.C. Townley on sedition charges, and infighting among its leaders. But the institutions of that era survived, and a populist undercurrent persisted. The most significant populist reform—the exclusion of corporations from farming—arrived via a 1932 ballot initiative in response to farm foreclosures, over a decade after the end of formal NPL rule. Once again, angry farmers, after examining the options, chose the most militant and far-reaching. Rather than passing laws to shield farms from corporate takeover, the 1932 initiative simply legislated corporations out of the picture entirely, making it illegal not just for banks to seize the land of bankrupted farmers, but for any corporation to hold any farmland whatsoever.

IN EARLY 2000, TODD LEAKE and the Dakota Resource Council launched their anti-GM wheat campaign from the steps of the North Dakota Mill in Grand Forks, the epicenter of the original farmer revolt. In choosing the mill, the council's aim was to signal that the anti-GM struggle and the original populist revolt were essentially about the same thing: preventing outside corporations from controlling wheat, the core of North Dakota's livelihood.

By January 2001, when the anti-GM campaign rolled into Bismarck, the state capital, it had collected tremendous momentum. Farmers, many of whom had traveled hundreds of miles despite rough winter driving, gathered in clusters in the halls of the state capitol. With scores of parka-clad men and women crowding the art-deco atrium, exchanging newspaper clippings and Internet downloads before filing into the hearing rooms of legislative committees, the sense of business-as-usual was broken. On near-unanimous votes, both houses of the state legislature enacted a new law making it illegal for corporate agents to arbitrarily enter and inspect farmers' fields.

That victory served as a prelude to the action still to come: the proposal for a ban on GM wheat until all lingering issues were resolved. Here, too, the farmer-led juggernaut seemed unstoppable. In January 2001, Todd Leake and others testified before the House Agriculture Committee on the need for the moratorium, and the mood among the legislators was so overtly favorable that when the beleaguered Monsanto lobbyist rose to testify, the chairman of the committee handed him a bottle of whisky, commenting, "Jim, I think you're going to need this." The committee voted 14-0 to support the ban, and several days later the entire North Dakota House of Representatives followed the recommendation of the Agriculture Committee, with Republicans and Democrats alike overwhelmingly voting to put the kibosh on GM wheat.

The polity had spoken. Democracy had flexed its muscle. Or so it seemed. By March 2001, Monsanto had marshaled its allies to block the ban in the state senate, aided by the timely intervention of U.S. Agriculture

Secretary [Ann Veneman](#), a former board member of Monsanto subsidiary Calgene, and [President George Bush](#), who met personally with Republican members of the North Dakota state senate during a brief visit to Fargo that month. [In the wake of that pressure, the ban on GM wheat was watered down to a study of the issue.](#)

It seemed to many that agribusiness had won the day, that the populist impulse had fallen short; worse, it appeared that the efforts of Leake and company had served merely to provoke Monsanto. After the senate vote, the company began flying legislators on special “fact-finding” junkets, working its vast network of grain-marketing organizations, seed and herbicide dealers, research contracts, public relations firms, and pro-agribusiness farm organizations such as the Farm Bureau. The goal: to build public support for Monsanto’s GM-wheat proposal, and to head off any ban in future legislative sessions.

But the anti-GM activists hadn’t given up. In between the other demands of farming life, they crisscrossed the state, holding town meetings and forums, writing letters to the editor, raising the issue with grain elevator boards and wheat marketing associations, and speaking to as many farmers as would listen.

By all the conventional ways that political resources are measured, Monsanto had the advantage, and yet in those small-town cafés where the political conversation never ends, the anti-GM advocates sensed they were winning. [And if farmers themselves turned against GM wheat, then all of Monsanto’s political success in blocking a legislative ban would be rendered meaningless.](#) While Monsanto had experienced across-the-board rejection of its genetically engineered food products throughout Europe and Japan, the company had never faced heavy opposition from U.S. farmers themselves. [It was absolutely crucial that North Dakota farmers accept Roundup Ready spring wheat. But it wasn’t happening.](#) And during the election cycle following the defeat of the GM-wheat ban, three pro-GM legislators, including Monsanto’s leading ally in the state senate, Terry Wanzek, were ousted by anti-GM opponents.

Meanwhile, North Dakota farmers had joined forces with a wide network of activists across the globe. One North Dakota farmer, Tom Wiley, traveled to Europe, Australia, and even Qatar to spread the message of revolt. In Torun, Poland, he told a radio audience, “You fought hard for your independence. Don’t give up your freedom to the biotech corporations. Saving seed is a basic human right.”

[On May 10, 2004, Monsanto bowed to the prevailing political sentiment. It issued a curt press release announcing the withdrawal of all its pending regulatory applications for Roundup Ready wheat and the shifting of research priorities to other crops. The main factor in the decision, the company noted obliquely, was “a lack of widespread wheat industry alignment.”](#)

IT IS FEBRUARY IN THE RED River Valley, the desolate core of winter, with snow blowing like sand across the stubble-tufted fields. Although preparation of those fields remains months away, Todd Leake seems restless to begin planting. More than a year has passed since Monsanto announced its abandonment of Roundup Ready wheat, and farming has returned to normal. Yet Leake knows that [the central issues—Monsanto’s power to introduce genetically modified wheat, and the fate of seed-saving—](#)are far from settled.

Ultimately, Leake insists, conventionally accepted notions of law and property must be challenged, particularly the idea that lifeforms can be patented. “Whatever rights corporations are claiming so that they can try to control our seed stocks,” he says, “have to be subordinated to the right of farmers to plant and replant this seed.”

“Seed?” he continues, “That’s literally the future of humanity. Patents? Corporations? Those are just inventions on paper.”

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