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Raise Your Glass to Home Brew

By Zack Gross

Opinion is divided over the matter of globalization. Leaders in the business community see our free trade world as an opportunity to make profit, thanks to a lowering of trade barriers to their corporate reach. Leaders of civil society around the world point out that few tangible benefits have come to ordinary people with the growing power of the private sector. In fact, the rich continue to get richer, while the poor continue to fall behind.

As the summer holidays come upon us, with warm weather and a bit more spare time, Canadians turn to thoughts of "a cool one" – a beer! Little did we know that our own domestic brands have also become a victim of globalization, with only the Moosehead brand remaining as a large brewer still owned by Canadians. Labatt's beer left us long ago, bought up by the Belgian Interbrew corporation in 1995 and subsequently purchased by a Brazilian company. In 2005, US-owned Coors purchased Molson's and even more recently, Sapporo of Japan bought up Sleeman's.

Molson's, established in 1786, is actually the oldest brewery in North America, having been. While Canada has a proud tradition of beer-making, including pioneering a number of malting and brewing techniques, the Czech Republic leads the world in per capita beer consumption, followed by Ireland and Germany. We Canadians stand humbly in 17th place, with Yukoners leading the way at well over one beer per adult per day. Quebeckers and Newfoundlanders come in at second and third, respectively.

Statistics Canada notes that beer sales in our country currently stand at over \$10 billion per year. It points out that the percentage of "foreign" beer sold in Canada is often understated as foreign owned brands are brewed here

Global beer companies further confuse our beer-addled minds by running commercials that include the Canadian Rockies, polar bears, sasquatches, Canadian celebrities and other devices to give the impression that we are being offered a truly Canadian brand.

Steven Poirier, President of New Brunswick-based Moosehead Breweries said, in a speech in May, that he estimates that 90% of our beer is controlled by foreign brewers – "probably the highest percentage in the world!"

Established in 1867, Moosehead accounts for about 5.5% of our national beer sales. Poirier likens this state of affairs to the recent foreign takeovers of Canadian economic giants such as Alcan and BCE. Profits that stayed in Canada and head office and supplier jobs that were created by the beer industry are now going down the drain.

Poirier wraps himself in the flag, declaring “I am Canadian” (not to be confused with Molson’s Canadian). He says: “From lager to lumber to lobster, we are no longer isolated and no longer protected”. He cites on-line petitions that have started up, calling upon consumers to boycott foreign brands. Moosehead sales in Ontario are up 20%, an indication, he says, that beer drinkers are becoming activists.

But he may be fighting a losing battle - it is not the “imported brands” that Canadians are buying so much as the traditional brands that have changed owners. His challenge is to get consumers to abandon their long-held habits of drinking Labatt Blue or Lite or Molson Canadian.

A smaller trend has been toward the consumption of imported brands, where it is clear that what is being consumed is made in another country and owned by a foreign brewer. With the strengthening of the Canadian dollar and the vastly increased global travel undertaken by Canadians, there is now a greater demand for, and greater availability of, imported beer. Current statistics show that, by market value, Mexican beer is the most popular import in Canada, followed by brands from the Netherlands, the US, Belgium, Germany and the United Kingdom. Canadian-made beers are also becoming more popular outside our country, especially in the US.

The Canada-US Free Trade Agreement of 1989 and NAFTA in 1994 are not the origins of the problem of alcohol ownership, say the director of Carleton University’s Centre for Trade Policy and Law. William Dymond goes way back to the GATT (General Agreement on Trade and Tariffs) Agreements of 1947, which should have promoted reduced tariffs on trade goods, such as alcohol, but were slowed by the fact that Canadian provinces regulate alcohol production, sales, distribution and consumption. The provinces discriminated against foreign alcohol with higher prices, less shelf space and limited amounts, favouring Canadian products. After NAFTA was signed, US and other global companies moved in and bought Canadian companies, turning Canadian beer foreign.

In his new book, *Fermenting Revolution: How to Drink Beer & Save the World*, Christopher O’Brien calls “globalization” essentially selfish, rewarding the few while demeaning the many and devastating nature. Beer, he says, exemplifies the movement that struggles against this – co-operation, protection of nature and the nurturing of equitable communities.

While that point of view may be a bit “over the top,” I will admit that my last beer purchase was Moosehead Light – and the world now seems to be a better place!

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