



Brewers Association of Canada

FOURTH QUARTER: JANUARY 1 - DECEMBER 31, 1991

This publication includes events occurring in or about the alcoholic beverage industries for the period January 1 to December 31, 1991. Members are invited to participate by providing relevant information for future bulletins and by advising us of any omissions in this issue.

Newfoundland

- February 15 The Newfoundland Liquor Corporation increased the levy on wines and spirits purchased by liquor license holders from 10 per cent to 11 per cent.
- March 7 Finance Minister Hubert Kitchen in his budget announced that the Newfoundland Liquor Corporation will have to raise an extra \$500,000 in revenues.
- March 20 The price of domestic beer increased by 30 cents per half dozen, 45 cents per dozen and 95 cents per two dozen. The increases are a result of higher operating costs, an increase in the commission paid to agents and the Newfoundland Liquor Corporation as well as increases in taxes.
- May Molson introduced "Canadian" in bottles with redesigned labels.
- June Molson introduced "Canadian Light" into the market replacing "Molson Light".

Prince Edward Island

- April Labatt introduced "Budweiser", a beer brewed under license from Anheuser-Busch, in half and one dozen bottles into the market.

April 9 In his budget Finance Minister Gilbert Clements did not announce any change in taxes on alcoholic beverages.

Nova Scotia

February 26 Donald Cameron, after being elected leader of the Conservative Party, assumed the position of premier replacing interim premier Roger Bacon.

February 27 Premier Donald Cameron announced a cabinet shuffle. Some of the members of his new cabinet and their respective portfolios are as follows: Tom McInnis, Deputy Premier, Industry, Trade and Commerce and Small Business Development; Gregg Kerr, Finance; George Moody, Health and Fitness; Joel Matheson, Attorney General and Solicitor General; Ken Streach, Transportation and Communications; John Leefe, Environment; Don McInnes, Consumer Affairs and Housing; George Archibald, Agriculture and Marketing; Neil LeBlanc, Government Services and Liquor Control Act; and Leroy Legere, Labour.

May 14 In his budget Finance Minister Gregg Kerr did not announce any change in taxes on alcoholic beverages.

November Labatt introduced ".5", a non-alcoholic beer containing less than .5 per cent alcohol by volume, into the market.

New Brunswick

April Labatt introduced "Budweiser", a beer brewed under license from Anheuser-Busch, in half and one dozen bottles into the market.

April 2 In his budget Finance Minister Allan Maher did not announce any change in taxes on alcoholic beverages.

September 23 Frank McKenna, leader of the Liberal Party, was re-elected premier.

October 8 Premier Frank McKenna announced his new cabinet. Some of the members are as follows: Edmond Blanchard, Justice; Bruce Smith, Solicitor General, Allan Maher, Finance; Sheldon Lee, Transportation; Allan Graham, Natural Resources and Energy; Gerald Clavette, Agriculture; Russell King, Health and Community Services; Vaughn Blaney, Advanced Education and Labour; Jane Barry, Environment; and Denis Losier, Economic Development and Tourism.

November Labatt introduced ".5", a non-alcoholic beer containing less than .5 per cent alcohol by volume, into the market.

November 13 Moosehead announced the purchase of Imported Beer Co. Ltd. , an Ontario firm that imports and distributes draught and bottled beers throughout Canada.

Quebec

January The SAQ announced an average increase in prices of 1.9 per cent on its products.

February 7 Employees at provincial liquor warehouses in Montreal and Quebec returned to work after being on strike since October 9, 1990.

March 28 Molson announced the closure of its west end Montreal plant.

April 1 The SAQ announced an average price increase of 3.6 per cent on its products.

April 10 Molson introduced "Exel", a non-alcoholic beer containing less than .5 per cent alcohol by volume, into the market.

May 2 In his budget Gerard Levesque announced a tax increase of 3.4 cents per bottle of beer and 15 cents for a bottle of wine or spirits effective July 1.

May 28 Environment Minister Pierre Paradis announced that by 1992 all wine, cider and possibly liquor bottles will be returnable and will carry a deposit.

December 2 New advertising regulations were passed prohibiting drinking establishments from advertising happy hours. The new rules will also oblige brewers and distillers to implement alcohol-related educational programs if they want a permit to advertise.

Ontario

January 1 Andy Brandt was appointed chairman of the LCBO.

January 30 Consumer Minister Peter Kormos called on the LCBO to introduce a recycling system for its containers.

February 1 Workers at the Molson plant in Rexdale went out on strike.

February 23 Workers at the Molson plant in Rexdale voted in favour of a three-year contract ending their two-week strike.

March 5 Consumer Minister Peter Kormos announced that tough guidelines are being drafted to control sexism in alcohol advertising. In addition, revised LLBO guidelines are being drawn up to control underage drinking.

- March 18 Marilyn Churley was appointed consumer minister replacing Peter Kor-mos.
- April Labatt introduced ".5", a non-alcoholic beer containing less than .5 per cent alcohol by volume, on a test-market basis at the SkyDome in Toronto.
- April Molson introduced "Canadian" and "Canadian Light" in redesigned long-necked bottles.
- April 8 The price of domestic beer increased by one dollar to \$24.35 per 2 dozen, including deposit.
- April 15 The deposit on domestic beer cans increased by five cents to 10 cents per can.
- April 24 Molson introduced "Exel", a non-alcoholic beer containing less than .5 per cent alcohol by volume, in grocery stores, convenience stores and licensed outlets.
- April 29 Health Minister Evelyn Gigantes announced her resignation from the provincial cabinet. Fred Wilson replaces Gigantes as health minister.
- April 29 Price increases on domestic spirits averaging 60 to 75 cents per 750 ml bottle went into effect. The increases occurred as a result of higher wholesale prices which were passed on to the consumer.
- April 29 In his budget Treasurer Floyd Laughren announced a tax increase on alcoholic beverages. A five cent increase was imposed on each litre of liquor and wine and 50 cents for a case of 2 dozen bottles of beer, effective May 27.
- May Algonquin introduced "Formosa Springs Light" draught in bottles into the market.
- May Upper Canada launched its summer specialty "Wheat Beer" on draught in selected bars in southern Ontario.
- May 1 Heineken introduced "Buckler", a premium non-alcoholic beer containing less than .5 per cent alcohol by volume, in Ontario grocery stores, restaurants and bars.
- May 27 The price of beer, wine and spirits increased as a result of tax hikes announced in the provincial budget.
- June Pacific Western introduced "Pacific Real Draft", a cold-filtered draught beer containing 5 per cent alcohol by volume in bottles and cans at regular beer prices.

- June 21 The LCBO opened a full-service store in Ottawa. Staff has been trained to explain product contents and quality to customers. The store is the province's second of this type, the first having opened in Toronto two years ago as part of a pilot project.
- June 22 Brewers Retail stores across the province began accepting the return of all packaging for recycling including cartons, plastic bags, plastic rings on six-packs of cans and beer-bottle caps.
- July 30 Premier Bob Rae announced a cabinet shuffle. Some members of the cabinet and their portfolios are as follows: Floyd Laughren, Deputy Premier and Treasurer; Bob Mackenzie, Labour; Ed Philip, Industry, Trade and Technology; Ruth Grier, Environment; Shelley Wark-Martyn, Revenue; Marilyn Churley, Consumer and Commercial Relations; Gilles Pouliot, Transportation; Howard Hampton, Attorney General; Elmer Buchanan, Agriculture and Food; Frances Lankin, Health; Will Ferguson, Energy; Karen Haslam, Culture and Communications; Alan Pilkey, Correctional Services and Solicitor-General.
- September 19 Molson announced the purchase of exclusive rights to brew and sell Amstel brands. The agreement means Molson will produce "Amstel", "Amstel Light" and "Grizzly" at its Etobicoke plant.
- September 20 Amstel closed down its Hamilton brewery and ceased operations.
- October 23 Brick announced the completion of a licensing agreement with Henninger-Brau of Germany to brew "Henninger" in Canada.
- October 28 Brewers Retail announced the closing of 39 outlets across the province.
- November Labatt introduced ".5", a non-alcoholic beer containing less than .5 per cent alcohol by volume, across the province.
- December 2 Molson reduced the price of "Special Dry" to regular beer prices until the end of December.

Manitoba

- February Great Western of Saskatchewan introduced "Lager" and "Light" in cans into the market.
- February 5 Premier Gary Filmon announced a cabinet shuffle. Among the changes, Eric Stefanson assumes responsibility for Industry, Trade and Commerce; Jim Downey, Rural Development; and Linda McIntosh, Co-operative, Consumer and Corporate Affairs.

- March 4 The deposit on domestic beer cans increased to the same level as beer bottles, from five to 10 cents.
- April 16 In his budget Finance Minister Clayton Manness announced an increase in the Environmental Protection Tax levied on non-returnable beer cans from five to 10 cents per container. No other tax changes were announced on alcoholic beverages.
- July 28 Bill 50, an amendment to the Liquor Control Act, went into effect permitting cocktail lounges to serve alcoholic beverages on Sundays without having to serve food.
- September 1 The Manitoba Liquor Control Commission announced a reduction in the price of some imported wines and spirits.
- October Molson introduced "Exel", a non-alcoholic beer containing less than .5 per cent alcohol by volume, into the market.

Saskatchewan

- January 3 Jack Klein was appointed labour minister, replacing Grant Schmidt.
- April 22 In his budget Finance Minister Lorne Hepworth announced a reduction in the Liquor Consumption Tax rate from 10 per cent to seven per cent effective April 1. No other changes in taxes on alcoholic beverages were announced.
- May Great Western introduced "Prairie 3.2", a low-calorie beer containing 3.2 per cent alcohol by volume, at a price of \$12.80 per dozen bottles.
- June 3 Rural Development Minister Neal Hardy and Highways and Transportation Minister Sherwin Petersen announced the relocation of the Saskatchewan Liquor Board and the Liquor Licensing Commission to the town of Hudson Bay. Approximately 83 positions will be affected by the move. Central warehousing operations will remain in Regina to provide service to liquor stores and franchised outlets.
- July The chairman of the board of the Saskatchewan Alcohol and Drug Abuse Commission, Dr. Paul Good, announced his resignation.
- August 30 Licensed liquor establishments were given the option of serving alcoholic beverages until 2 a.m. and off-sale outlets the option to sell beer, wine and coolers on Sundays between 12 noon and 12:30 a.m.
- September 25 Molson introduced "Exel", a non-alcoholic beer containing less than .5 per cent alcohol by volume, into the market. Molson also announced that its Regina plant will be the exclusive producer in Western Canada of "Exel".

- October 21 Roy Romanow, leader of the New Democratic Party, was elected premier, defeating Grant Devine, leader of the Conservative Party.
- November 1 Premier Roy Romanow announced the appointment of his new cabinet. Some members of the cabinet are as follows: Dwain Lingenfelter, Minister of Economic Diversification and Trade; Ed Tchorzewski, Finance; Louise Simard, Minister of Health and Minister Responsible for the Status of Women; Berny Wiens, Minister of Agriculture and Food, and Minister of Highways and Transportation; Carol Carson, Minister of Environment and Public Safety; and John Penner, Minister of Energy and Mines.

Alberta

- January 1 Bert Murray assumed the position of chairman and deputy chairman on the board of the ALCB.
- January 1 New liquor regulations went into effect allowing hotel bars in towns with 20,000 people or less to sell bottled wine and spirits to customers.
- January 17 Drummond received approval for federal and provincial assistance worth \$649,000 to help defray the \$3.6 million cost of modernizing and expanding its Red Deer brewery. The project will see Drummond put into operation a new technology for manufacturing draught beer.
- January 18 Labatt announced plans to dismantle its Edmonton-based Prairie regional office and move workers into smaller provincial divisions.
- February 8 The ALCB, as part of its ongoing review of operations, announced that it will eliminate 46 full-time positions by the end of the year.
- February 23 The ALCB closed its Meadowlark retail outlet and transferred staff to other stores.
- March The ALCB announced plans to close its Calgary warehouse on September 1 and make its St. Albert facility the only distribution centre in the province.
- March 27 The deposit on domestic and imported beer cans in the province increased to 10 cents from five cents. The can deposit is now the same as that on beer bottles.
- April 4 In his budget Treasurer Dick Johnston did not announce any change in taxes on alcoholic beverages.
- April 24 The price of spirits increased an average of \$1.80 a bottle as part of a regular price change by the ALCB. Currency fluctuations and different prices charged by suppliers are the main reasons for the price changes.

- April 29 Workers at the Molson Calgary brewery went out on strike.
- May Drummond introduced the "Drumball", a 19.5 litre keg of draught beer.
- May Following the success of pilot projects in other parts of the province, alcoholic beverages can now be purchased in Edmonton with credit cards at all liquor stores. The credit card service will be extended to Red Deer, Medicine Hat and to rural areas by August.
- May 17 Alberta's first private stand-alone cold beer store opened for business in Red Deer. Prior to the licensing of these stand-alone stores, beer drinkers could either consume on licensed premises, purchase beer warm at ALCB locations and chill it themselves or buy off-sales from a tavern or a brewery.
- July 1 The Liquor Control Amendment Act went into effect bringing in major revisions to provincial liquor rules. Among the changes: 23 license classes are combined into five broad categories, the previous eight permit classes are combined into four classes; and maximum hours of operation will be from 6 a.m. until 2 a.m. the next morning (was 7:30 a.m. to 1:30 a.m. on weekdays and 12 noon to 11:30 p.m. on Sundays). In addition, licensed beverage rooms, lounges and nightclubs will be allowed to open Sundays if food is served.
- July 9 A farmers' co-operative, the Alberta Wheat Pool, announced the purchase of a 50 per cent share of Drummond brewery.
- July 29 In a three-month experiment the ALCB has permitted one of its outlets to open at 8 a.m. instead of 10:30 am.
- August 22 Drummond announced that it has received permission from the Saskatchewan Liquor Board to sell beer in that province.
- August 30 Great Western of Saskatchewan introduced "Light", "Lager" and "Gold" in cans into the Alberta market.
- September Molson introduced "Exel", a non-alcoholic beer containing less than .5 per cent alcohol by volume, into the market.
- September 24 Molson brewery workers in Calgary voted to end their five-month strike.
- October 17 Drummond announced plans for a major expansion at its Red Deer plant.

British Columbia

- February 4 International Potter Distilling Corporation announced the sale of Pacific Western to Vancouver-based buyer Kazuko Komatsu. Meanwhile, Harry Moll announced his resignation as chairman, director and chief executive of International Potter effective immediately.

- February 27 The deposit on domestic and imported beer cans increased to the same level as beer bottles, from five to 10 cents.
- March 6 Pacific Western is considering using its spring water to make sake to sell within Canada and export to Japan.
- March 6 Mel Couvelier announced his resignation as finance minister. Premier Bill Vander Zalm appointed Elwood Veitch as the new finance minister.
- March 19 Minister of Labour and Consumer Services James Rabbitt announced that the Liquor Distribution Branch will be opening specialty wine boutiques. These new outlets will focus on specialized merchandise, as well as complimentary services including knowledgeable advice about wine, educational seminars, wine tasting and consulting services.
- April 2 Bill Vander Zalm announced his resignation as premier. Rita Johnston was chosen as his successor.
- April 15 Premier Rita Johnston announced a cabinet shuffle. Some members of the new cabinet are as follows: Larry Chalmers, Agriculture, Fisheries and Food; Russ Fraser, Attorney General; Howard Dirks, Development, Trade and Tourism; Dave Mercier, Environment; Mel Couvelier, Finance and Corporate Relations; John Jansen, Health; Jim Rabbitt, Labour and Consumer Services; and Lyall Hanson, Transportation and Highways.
- May John Jansen was appointed finance minister, replacing Mel Couvelier who resigned.
- May 1 Heineken introduced "Buckler", a premium non-alcoholic beer containing less than .5 per cent alcohol by volume, in B.C. grocery stores, restaurants and bars.
- May 21 In his budget, Finance Minister John Jansen did not announce any change in taxes on alcoholic beverages.
- June 12 The price on 18 out of 20 U.S. brands sold in the province increased as a result of an anti-dumping ruling by Revenue Canada. With the increases, a six-pack of Rainier jumps in price to \$6.50 from \$5.20, a six-pack of Olympia rises to \$5.45 from \$5.20 while Old Milwaukee goes up 65 cents to \$5.95.
- September 25 Molson announced a reduction in the price of "Canadian" from \$12.20 to \$11.95 per 1 dozen cans and "Special Dry" from \$12.90 to \$11.55 per dozen bottles.
- October Molson introduced "Exel", a non-alcoholic beer containing less than .5 per cent alcohol by volume, into the market.
- October 17 Michael Harcourt, leader of the NDP, was elected Premier defeating the Social Credit Party in the provincial election.

- November 5 Premier Michael Harcourt announced a new cabinet. Some members of the cabinet are as follows: Glen Clark, Finance; Bill Barlee, Agriculture, Fisheries and Food; Anne Edwards, Energy and Mines; Moe Sihota, Labour; David Zirnhelt, Economic Development; Elizabeth Cull, Health; and Colin Gabelmann, Attorney General.
- November 5 As a result of ministry reorganizations, the Liquor Distribution Branch and the Liquor Control and Licensing Branch, both formerly part of the Ministry of Labour and Consumer Services, were placed under the jurisdiction of the Ministry of Attorney General.
- November 8 Pacific Western began shipping "Dragon Dry" and "Pacific Pilsner" to China.

Canada

- January 1 The federal government's long-awaited Goods and Services Tax (GST) went into effect. The seven per cent GST replaces the Federal Sales Tax of 19 per cent for alcoholic beverages. As well, the excise duty on beer was raised by 45 per cent resulting in an increase in beer prices across the country.
- February 1 Canadian brewers began making excise payments once monthly instead of each day.
- February 6 Canada filed a complaint against U.S. federal and state beer laws with the GATT in Geneva.
- February 26 In his budget Finance Minister Michael Wilson did not announce any changes in taxes on alcoholic beverages.
- March 6 At the request of British Columbia brewers, Revenue Canada commenced an investigation into claims that three U.S. brewers (Pabst, Stroh and Heileman) are dumping beer into the province at the expense of locally brewed beer.
- April 21 Prime Minister Brian Mulroney announced a cabinet shuffle. Some of the members of the cabinet are as follows: Joe Clark, Minister responsible for Constitutional Affairs; John Crosbie, Fisheries and Oceans; Donald Mazankowski, Deputy Prime Minister and Finance; Perrin Beatty, Communications; Benoit Bouchard, Health and Welfare; Michael Wilson, Industry, Science and Technology and International Trade; William McKnight, Agriculture; Otto Jelinek, National Revenue; Barbara McDougall, External Affairs; Jean Corbeil, Transport; Jean Charest,

Environment; Pierre Blais, Consumer and Corporate Affairs; Kim Campbell, Justice Minister and Attorney General; and Marcel Danis, Labour.

- May 29 The GATT Council approved Canada's request for an international investigation into U.S. discrimination against Canadian beer exports. A neutral panel will be set up to rule on the complaint raised by Canada.
- June 4 Revenue Canada in a preliminary decision ruled that three U.S. brewers, Heileman, Stroh and Pabst, are dumping their products in British Columbia.
- August 30 Revenue Canada in its final determination of dumping upheld a June provisional ruling of dumping against American brewers Heileman, Stroh and Pabst.
- October The Canadian International Trade Tribunal (CITT) ruled that dumped imports of beer by Heileman, Stroh and Pabst have caused material injury to the production of beer in British Columbia. As a result of the decision, the Canadian government will continue to impose anti-dumping duties on imports into B.C.
- December 6 Canada announced its acceptance of the GATT Panel Report which found that a number of provincial liquor board practices are not in conformity with Canada's national GATT obligations.