



# Bulletin

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## FOREIGN TAKEOVERS REVIEW POLICY

Under a new proposal announced to the House of Commons on May 2, by the Minister of National Revenue, Mr. Herb Gray, the Federal Government plans to review foreign takeovers of Canadian firms valued at more than \$250,000 or with revenues exceeding \$3 million.

The Government will have the authority to allow takeovers that are considered likely to result in "significant benefit to Canada". It will be able to negotiate with a foreign company or individual investor to get a better deal for Canada from such transactions. Takeovers that would not bring a significant benefit to Canada would be blocked.

Mr. Gray's statement to the House follows:

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While Canada has generally welcomed foreign investment, over the years we have adopted a number of measures to foster and protect the national

interest. Foreign investment in banks and other key financial institutions has been limited by law. Our broadcasting facilities, newspapers and magazines are subject to specific laws which effectively keep them under Canadian control. During the past decade we established voluntary guidelines for good corporate behaviour by foreign businesses operating in this country. This Government has also set up the Canada Development Corporation to help develop and maintain strong Canadian-controlled businesses. The tax reform of last year contained several measures deliberately designed to encourage Canadians to invest in their own country rather than abroad, and to encourage the growth of Canadian-controlled businesses. And the Government has announced its intentions concerning the production and trade of uranium.

Parliament will now be asked to add an important new measure to these policies. Foreign companies seeking to buy out or take over an existing Canadian business above a certain size will be required to demonstrate that the purchase will result in significant benefit to Canada. The Government is introducing legislation to establish a review process under the authority of the Minister of Industry, Trade and Commerce. In general terms the purpose will be to examine proposals for takeovers of Canadian businesses, to approve those that on balance will be of significant benefit to Canada, to negotiate with the proposed acquirer in those cases where he can reasonably be expected to make a greater contribution to Canadian development, and to refuse to allow those takeovers that would not bring significant benefit to Canada.

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Takeovers are the form of foreign investment least likely to add significant benefits to the Canadian economy. The extent of foreign control of a number of industries in Canada is large enough to make the acquisition of more Canadian businesses a matter of concern to the Government and to Canadians generally. If takeovers created only problems it

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would be a simple matter to deal with them — they could all be blocked. But takeovers can be of benefit to Canada, and it was this fact that persuaded the Government that, as a general policy, a review process is preferable to other approaches such as the designation of additional key sectors or mandatory Canadian shareholdings. This decision, of course, does not rule out entirely the possibility that other approaches might be required at some time in the future.

A takeover review process is more flexible in its ability to take into account both the benefits and costs of a foreign acquisition. Through its operation, it would permit the negotiating of greater benefits for Canada and increase the level of economic activity in Canada. Most other industrialized countries, even with lower levels of foreign ownership and control, have some kind of mechanism to ensure that foreign takeovers are in their national interest. Our review process will be familiar to the international business and investing community.

#### REVIEW PROCESS AND HOW IT WORKS

In order to clarify the Government's intentions, I shall now describe the review process and how it will be administered.

A foreign investor — and that includes any enterprise which is foreign controlled — will be required to file notice of any proposed takeover of a business with assets valued at more than \$250,000 or with gross revenues exceeding \$3 million. Investors will be required to provide relevant information with the notice. The investor may also take the initiative to make specific commitments to the Government concerning undertakings which would bring benefits to Canada.

The Government will then consider the proposed acquisition, taking into consideration these five factors:

- (a) the effect of the acquisition on the level and nature of economic activity and employment in Canada;
- (b) the degree and significance of participation by Canadians;
- (c) the effect of the acquisition on productivity, industrial efficiency, technological development, product innovation and product variety in Canada;
- (d) the effect of the acquisition on competition within any industry or industries in Canada; and
- (e) the compatibility of the acquisition with Canadian industrial and economic policies.

#### CABINET WILL DECIDE ISSUE

The assessment of the proposed transaction will be made by the Minister of Industry, Trade and Commerce, who will make the appropriate recommendation to the Cabinet.

If the takeover is clearly of benefit to Canada, the Government could then formally allow the acquisition. If, on the other hand, the Minister is unable to recommend this course, he would take steps to negotiate with the investor with a view to

increasing the benefits to Canada. This negotiation might then result in additional undertakings which would permit the Government to allow the acquisition. But if the Government still considered that the takeover would bring no significant benefit to Canada, it would not be allowed. This decision would be taken only after a thorough examination including the opportunity to make full representations.

The process is designed to ensure that the Government will make its decisions with a minimum of delay.

Written undertakings by the purchaser will be binding and the Government will be authorized to take action in the courts to ensure that they are observed. There will be appropriate penalties for failing to file notice of a proposed transaction.

The legislation will not, of course, apply to takeovers by Canadians — that is, acquisition of control of firms in Canada by Canadian citizens ordinarily resident in Canada, by landed immigrants who have lived here six years or less, or by firms which they control. Some companies have a very large number of shareholders, some Canadian, some foreign. Such companies would be able to apply for an advance ruling in order to determine their status as a Canadian-controlled company or otherwise.

#### CONTROL OF COMPANY

With regard to control, it is proposed that the acquisition of less than 5 per cent of the voting shares of a corporation whose shares are publicly traded will not by itself be considered to constitute control, nor will the acquisition of less than 20 per cent of the voting shares of a corporation whose shares are not traded publicly. There will be a presumption that ownership of voting shares above those levels will constitute control, but this presumption can be rebutted. Acquisition of more than 50 per cent of voting shares will automatically be considered acquisition of control, as will a takeover through the purchase of substantially all the property used in carrying on a business.

We shall encourage international organizations to pursue the study of the multinational enterprise and foreign direct investment with a view to cooperative international action. To this end we shall be examining whether specific Canadian initiatives might be appropriate.

Our objective as Canadians — which is to exercise greater control over our domestic environment — cannot be achieved by exclusive reliance on a takeover review process. As part of its response to this issue, the Government will continue to develop positive policies to encourage Canadians to participate more fully in the development of their country, and to encourage the growth of Canadian sources of capital, technology and management. Our policy is designed to ensure that this country continues to develop as rapidly as possible in a way which is consistent with Canadian needs and aspirations and which safeguards our vital interests.

## GIANT CANADIAN TRADE FAIR IN CHINA

The products of more than 200 Canadian firms will be exhibited in the first Canadian Trade Exposition in Peking from August 21 to September 2, according to an announcement by Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce at an April press conference.

This will be the largest industrial show ever sponsored by the Department. It will occupy about 200,000 square feet of space in the Peking Exhibition Centre - a modern complex with indoor and outdoor exhibit facilities, well equipped to accommodate exhibitors of all types of goods.

"A good cross-section of all industrial sectors will be represented covering all regions of Canada," Mr. Pepin said. The largest representation is from the electrical, electronics and utilities industries, which will have 39 exhibitors. There are 36 machinery manufacturers and 36 manufacturers of agricultural machinery and mechanical transport.

Chemical producers and metals and minerals companies have 24 representatives each. There are 20 manufacturers of wood and pulp products, 18 representatives of medical and educational equipment and engineering services, 14 agricultural produce and livestock firms, 13 transportation firms and three textile manufacturers.

Ontario will be represented by 110 companies, Quebec by 52, British Columbia by 27, Alberta and Manitoba by eight each and Saskatchewan and the Atlantic Provinces by five each.

It is expected that more than 250,000 Chinese

will attend, including representatives of the state-trading corporations, scientists and industrial technicians.

"This is our first opportunity to lay the foundation for a long-term market development in China," Mr. Pepin said. He pointed out that trade fairs were an important method of doing business in China. The Peking exhibit will stress technical competence, by means of lectures, seminars and other presentations employing slide films, motion pictures and actual demonstrations of products. "This is the most effective method of reaching the people who ultimately make the decisions on purchases and the Canadian firms are actively preparing presentations," Mr. Pepin stated.

Although many Canadians have indicated interest in attending the exhibition, only those who have a direct responsibility for an exhibit can be accommodated, owing to the large number of participants.

L.J. Rodger, the General Director, Office of Promotional Services of the Department of Industry, Trade and Commerce, the general director for the exhibition and other officials, are working closely with the Canadian Embassy in Peking, the Embassy of the People's Republic of China in Ottawa and with the representatives of the business community in the staging of this event.

The Department is preparing a 400-page catalogue that describes the exhibition, contains a picture and description of each of the products on display and a section devoted to Canada's cultural development.

## NEW ARCTIC OIL GUSHES

Two new oil discoveries in the Arctic Islands by Panarctic drill teams have been hailed by Indian Affairs and Northern Development Minister Jean Chrétien as further evidence of the rich resource potential of the Canadian North.

The announcement, made in Ottawa by Mr. Chrétien and in Calgary by Charles Hetherington, president of Panarctic Oils, states that two of the new finds occurred during the weekend of April 22-23, one at its Well Panarctic Tenneco et al Thor P-38, adjacent to its earlier gas discovery on Ellef Ringnes Island, and the other at its Panarctic Romulus C-42 well on Ellesmere Island. The week before, another oil showing was encountered in the Romulus C-42 well, following the discovery on February 24 of the first crude oil in the Arctic Islands.

At the Thor well, a drill-stem test at a depth of 3,870 feet brought sweet oil of 40 degree API gravity to the surface. Continued testing indicated that the pay thickness may not be sufficient to be commercial. The well is located on lands owned entirely by Panarctic.

The Romulus C-42 well, at a depth of 9,400 feet, drill-stem-tested gas to the surface with a recovery of 1,325 feet of light oil or condensate of 48 degree API gravity. A second test, at a depth of 10,142 feet, in a deeper formation, tested gas to the surface with a recovery of 510 feet of light oil or condensate of 54 degree API gravity. These recoveries of liquid hydrocarbons follow closely on the recent recovery of the first crude oil from the Arctic Islands encountered at the 3,425-foot level in the Romulus C-42 well.

Commenting on these recent events, Mr. Hetherington said that it was significant that crude oil had been found near Ellef Ringnes Island in the Central Sverdrup Basin as well as on Ellesmere Island in the Eastern Arctic.

These two discoveries are about 300 miles apart, but Mr. Hetherington said that this fact would undoubtedly quicken the search for oil, as well as gas, throughout the Sverdrup Basin. He also stated that hydrocarbon occurrences in a number of horizons in the Romulus well on the Fosheim Peninsula indicated favourable prospects for large areas on Ellesmere Island.

## DIPLOMATIC APPOINTMENTS

The Secretary of State for External Affairs, Mr. Mitchell Sharp, has announced the following appointments, which will take effect during the course of the next few months:

Mr. Yvon Beaulne of Ottawa, Ambassador and Permanent Representative to the United Nations in New York, to be Chief of Protocol in the Department of External Affairs, Ottawa.

Mr. Pierre-André Bissonnette of Montreal, Assistant Under-Secretary of State for External Affairs, to become Deputy High Commissioner in London.

Mr. Ralph Edgar Collins of Ottawa, Ambassador to the People's Republic of China, to be Assistant Under-Secretary of State for External Affairs.

Mr. D'Iberville Fortier of Montreal, Ambassador to Tunisia, to be Assistant Under-Secretary of State for External Affairs.

Mr. Jean-Louis Gagnon of Montreal, Director General of Information Canada, to be Ambassador and Permanent Delegate to UNESCO in Paris, replacing Mr. René Garneau, who is retiring from the Public Service in May.

Mr. James Russell McKinney of Summer Hill, New Brunswick, Permanent Representative to the Organization for Economic Co-operation and Development, Paris, to be Minister of the Canadian Embassy in Washington.

Mr. Arthur Redpath Menzies of Ottawa, High Commissioner to Australia, to be Permanent Representative and Ambassador to the North Atlantic Council, Brussels.

Mr. Alfred John Pick of Montreal, Ambassador to the Netherlands, to assume the new post of Ambassador and Permanent Observer to the Organization of American States, Washington.

Mr. Saul Forbes Rae of Portland, Ontario, Ambassador to Mexico, to be Ambassador and Permanent Representative to the United Nations in New York.

Mr. Peter Milburn Towe of London, Ontario, Minister at the Canadian Embassy, Washington, to be Ambassador and Permanent Representative to the Organization for Economic Co-operation and Development, Paris.

## LONDON'S LORD MAYOR TO VISIT

Sir Edward Howard, Lord Mayor of London, will pay an official visit to Ottawa next October.

A stockbroker and company chairman, Sir Edward was a Royal Air Force flying officer who took his training in Canada during the Second World War. It was there that he met his Canadian-born wife.

The visitors will follow the Ottawa visit with a private trip to Brantford, Ontario, where Lady Howard was educated and where her mother resides.

Sir Edward and the Corporation of London were hosts to a large group of Canadian mayors who visited London this month.

## CIDA SCHOLARSHIP PROGRAM

The Canadian International Development Agency has established a scholarship program for Canadians wishing to prepare themselves for careers in international development.

CIDA will offer up to eight scholarships during the academic year 1972-73 and will make additional awards in subsequent years. To be eligible, students must have completed a provincially-recognized post-secondary course of studies.

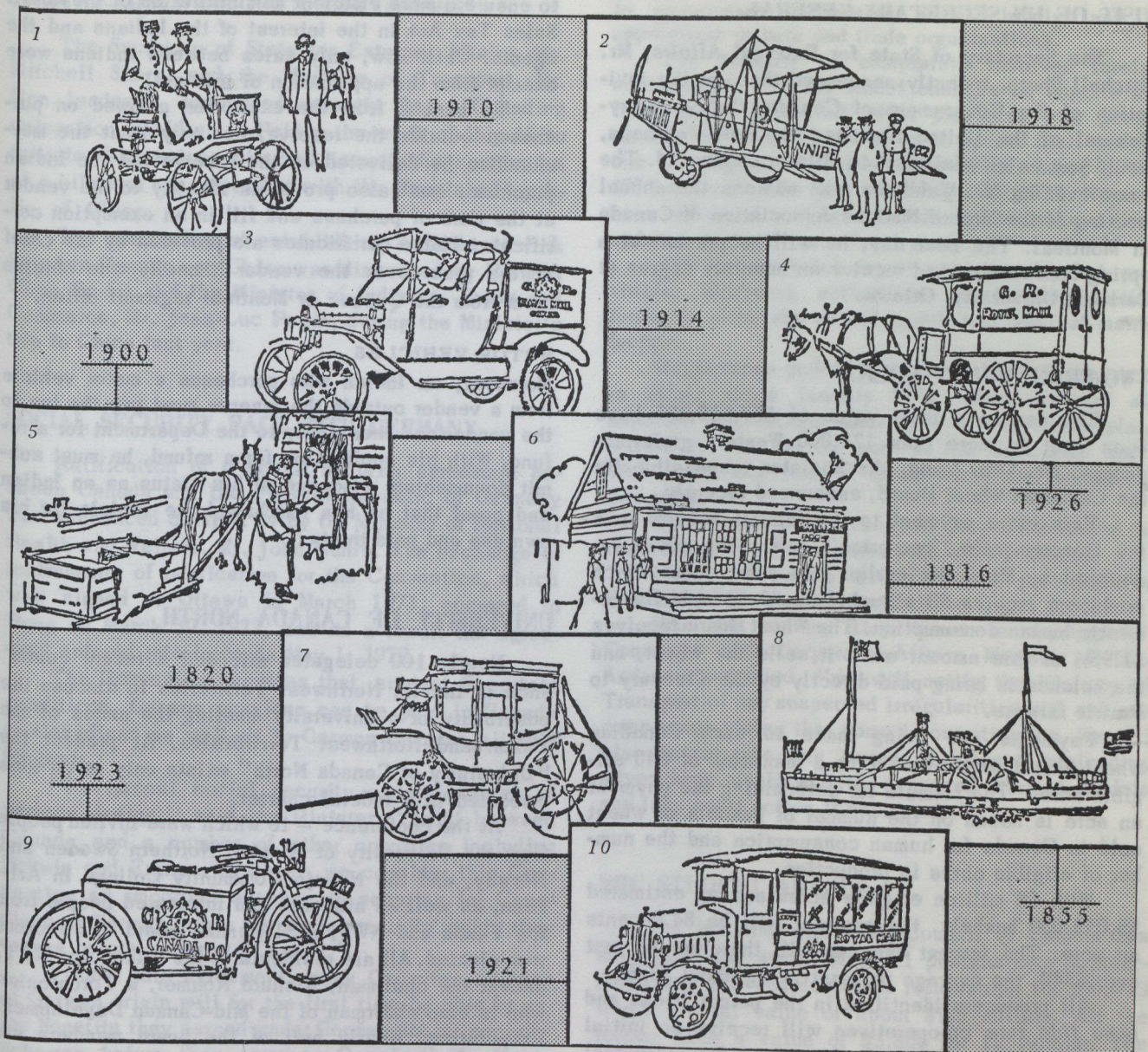
A scholarship committee established by CIDA will determine the amount of individual awards, which may not exceed a maximum of \$8,000 a year. Their decision will depend on the scope and nature of the proposed study program.

Scholarship winners will not be required to participate in a formal academic program. They will, however, be expected to spend time in both Canada and in a developing country studying the approved developmental topic. Although most scholarships will be for two years, in some cases a three-year program may be approved.



### TOP FIGURE IN STATISTICS

Dr. Sylvia Ostry, who takes over next month as Chief Statistician of Canada. Dr. Ostry, whose appointment was recently announced by the Prime Minister (see Canadian Weekly Bulletin dated April 26, P. 3), is the first woman to become a deputy minister of a Federal Government agency.



## HISTORICAL STAMP BOOKLETS

Stage-coaches, early automobiles, airplanes and artists' sketches will adorn the 25-cent stamp booklets now available in Post Office vending-machines and at the counter. The new pictorial booklets are being gradually phased-in as current stocks of stamps are depleted.

The ten booklets bear historical designs pertaining to Canadian postal service on the front cover, with an accompanying description on the back.

1. One of the first motorized vehicles used by the Canadian postal service in 1910.
2. A Curtiss aircraft JN 4 (Canadian) used for air mail service in 1918.
3. A model "T" Ford used to convey mail in 1914.
4. A Royal Mail wagon used for letter-box collections in 1926.
5. A sketch by J. Arthur Lemay showing a rural postman delivering mail in the early 1900s.
6. An early Canadian Post Office, about 1816.
7. A stage-coach that carried mail about 1820.
8. The Eastern City, a paddle-wheel steamer used in 1855 to carry mail between Saint John, New Brunswick, and Boston.
9. A motor-cycle used for letter-box collection in 1923.
10. A Royal Mail truck used in 1921.

## VISIT OF UN SECRETARY-GENERAL

The Secretary of State for External Affairs, Mr. Mitchell Sharp, recently announced that, on the invitation of the Government of Canada, the Secretary-General of the United Nations, Mr. Kurt Waldheim, would pay an official visit to Ottawa on May 24. The same evening Mr. Waldheim will address the annual meeting of the United Nations Association of Canada in Montreal. The next day, he will be present at a spring convocation and receive an honorary degree at Carleton University, Ottawa.

## TWO-PRICE WHEAT POLICY

Cheques to a total value of \$57,530,385 have been sent to more than 175,000 Western grain-producers, Mr. Otto Lang, the Minister responsible for the Canadian Wheat Board, announced recently.

This extra payment to the farmers results from the Government's "two-price" policy for wheat announced by Mr. Lang earlier this year, under which producers receive \$3 a bushel on wheat sold for domestic human consumption. The Wheat Board receives \$1.95½ of this amount when it sells the wheat, and the balance is being paid directly by the Treasury to Prairie farmers.

Payments are being made to each Canadian Wheat Board permit-holder to a maximum of 640 eligible acres. The formula for determining the payment an acre is based on the number of bushels of wheat sold in Canada for human consumption and the number of eligible acres in production.

With 68 million eligible acres and an estimated 55,053,000 bushels, the payment will be 84.6 cents an acre. The largest cheques will therefore be just over \$540, the average payment being about \$325.

All producers identified in the permit books and *bona fide* farm co-operatives will receive an initial payment based on the eligible acres for individual producers. Adjustments for those eligible for additional payments will be mailed shortly thereafter.

"The principle of two-price wheat has been discussed for many years and I am pleased that we have now been able to make it a fact and bring this extra income to the Western grain producers," said Mr. Lang.

## TAX RELIEF FOR INDIANS

Indians living on reserves in Quebec are now exempt from the retail sales tax on consumer goods bought off the reserve, provided the merchandise is delivered on the reserve by the vendor for use and consumption by the purchaser. Such is the substance of a recent Order-in-Council passed by the Quebec government on the recommendation of the Minister of Revenue, Gérald Harvey. This measure is designed

to ensure a more efficient administration of the Retail Sales Tax Act in the interest of the Indians and the agents. Until now, only sales between Indians were exempt from the application of this act.

To benefit from the exemption allowed on purchases outside the reserve, not only must the merchandise be delivered on the reserve but the Indian purchaser must also prove his identity to the vendor at the time of purchase and fill in an exemption certificate. These certificates are provided by the chief of the reserve or the vendor himself, who obtains them from the Quebec or Montreal regional office.

## MOTOR VEHICLES

Moreover, an Indian who purchases a motor vehicle from a vendor outside the reserve must pay the tax to the vendor and then apply to the Department for a refund. With his application for a refund, he must submit documentary evidence of his status as an Indian and proof that he has purchased the vehicle for his own use and paid the tax.

## UNIVERSITY OF CANADA NORTH

Nearly 100 delegates attended a recent conference in Inuvik, Northwest Territories to discuss the possibility of a university meeting the needs of the Yukon and Northwest Territories. At present the "University of Canada North" exists only as an idea embodied in a federal charter.

At the conference - to which were invited people from the University of Alaska, Northern Sweden and Norway, and the Navajo Community College in Arizona, as well as students and interested people from the Yukon and NWT, a 31-member board of directors was elected. All are residents of the Yukon and NWT, except the chairman, Richard Rohmer, a Torontonian who is also chairman of the Mid-Canada Development Corporation. Nearly half of the board members are native peoples from both territories.

## PAN-AMERICAN MEDICAL MEET

Health and Welfare Minister John Munro, has announced a \$16,000-health grant to the Association of Canadian Medical Colleges and the University of Toronto, which will provide financial support for the fourth Pan American Conference on Medical Education, to be held in Toronto from August 28 to 30.

The Conference, which has as its theme "Research in Medical Education", is expected to attract 400 delegates from Latin American, American and Canadian medical schools and related health science faculties. It will stress methods and techniques that can be applied in evaluating medical education and which will have an indirect impact on the cost, quality and distribution of health services.

## CANADA-CHINA AIR PACT DISCUSSIONS

The Secretary of State for External Affairs, Mr. Mitchell Sharp, and the Minister of Transport, Mr. Don Jamieson, announced recently that a Canadian delegation would go to Peking the week of May 15 to initiate discussions directed toward the conclusion of a bilateral air agreement with the People's Republic of China.

The possibility of establishing a direct air-link between Canada and China was discussed by Premier Chou En-lai and the Minister of Industry, Trade and Commerce, Mr. Jean-Luc Pepin, during the Minister's trip to China last year.

## SOCIAL SECURITY PACT WITH GERMANY

Ratification of a social security agreement between Canada and the Federal Republic of Germany was announced on April 24 by the Minister of National Health and Welfare, Mr. John Munro. The exchange of instruments of ratification for the Convention, which was signed at Ottawa in March 1971, occurred in Bonn on March 30, 1972, and as a result the agreement entered into force on May 1, 1972.

The Convention provides that, subject to certain conditions, German pensions can be paid in Canada to Canadians as well as to German citizens eligible for them.

"Reciprocal social security understandings of various design," said the Minister, "exist between Canada and a number of other countries including Britain and France. However, we consider this Convention an important advance in securing for Canadians of German origin the social security rights they earned before coming to Canada."

"Under this agreement, many Canadian citizens of German origin will for the first time be able to enjoy benefits they earned under German social security schemes before they came to Canada," Mr. Munro stated. "Canadian programs involved include the Canada Pension Plan, the Old Age Security Plan and the Quebec Pension Plan. Eligible Canadians living abroad have been receiving payment under these three plans for some time."

## OLD NEW-CAR TRICKS

The Department of Consumer and Corporate Affairs has distributed a report suggesting that federal and provincial authorities exercise firmer control and updating practices used by some automobile manufacturers and distributors.

The report followed an extensive investigation carried out by the Department as a result of complaints by consumers that many buyers of new cars found their vehicles to be older than they were represented to be. The report has been distributed

to government authorities at all levels, and to appropriate private and trade organizations.

The majority of complaints involved foreign automobiles, because model changes on imports are less easily identified. Most provinces now permit manufacturers and distributors to update their models one year; thus a model actually manufactured in the 1971 calendar year may be designated 1972. Reports have indicated instances in which models have been updated two, and even three, years.

The departmental report recommends that provincial licencing authorities require registration forms to show the actual month and year of manufacture.

Regulations under the Motor Vehicle Safety Act, in effect since January 1971, stipulate that all imported automobiles must have a compliance plate affixed to them on the post of the right front door. The month and year of manufacture are marked on this plate.

The Ministry of Transport has been asked to consider giving the requirements wide publicity.

Fines of up to \$200,000 are provided for breaches of the Act and regulations.

"As far as my Department is concerned," Consumer and Corporate Affairs Minister Robert Andras commented, "we will notify the Ministry of Transport of any suspected irregularities with vehicle compliance plates that come to our attention. We will also investigate any cases of alleged misleading advertising dealing with supposed current models and take court action if necessary."

## NRC STUDENT AWARDS

The National Research Council of Canada has announced the award of 1,921 postgraduate scholarships and 165 postdoctorate fellowships for 1972-73 worth a total value of about \$9.5 million. All the former have a value of \$3,800 for 12 months. The latter are valued at \$7,400 for single and married fellows and \$8,600 for married fellows with children, for 12 months.

Of the 1,921 scholarships awarded, 1,867 are for graduate work at Canadian universities and 54 for graduate work at universities abroad. Of the 165 postdoctorate fellowships awarded, 97 are for work in Canada and 68 are tenable in other countries.

## POPULATION AND MOTHER TONGUE

The 1971 census counted 21,568,311 people living in Canada on June 1, an increase of 7.8 per cent since the previous census in 1966. About half - 47.8 per cent - of the increase occurred in Ontario; British Columbia accounted for 20.0 per cent, Quebec 15.9 per cent and Alberta 10.6 per cent.

Although Canada has continued to grow, the na-

tional growth-rate has been on a downtrend over the past 20 years. It was 14.8 per cent between the 1951 and 1956 censuses, easing down to 13.4 per cent between 1956 and 1961 and dropping to 9.7 per cent between 1961 and 1966.

With the 1971 census results as a benchmark, and taking into account births, deaths, immigration and estimated emigration since the census, the population of Canada at noon on April 21, was estimated at 21,815,978.

#### AGE GROUPS

The population increased in all age groups over nine years of age, but decreased in the nine-and-under group from the 1966 census to that of 1971.

On June 1, 1971, there were 4,070,160 children under ten years old, comprising 18.9 per cent of the total population. Five years earlier there were 4,498,244 accounting for 22.5 per cent.

Canadian residents of working age (15 to 64) increased to 13,443,008, or 62.3 per cent of the total population from 11,883,575, or 59.4 per cent, while those over 65 increased to 1,744,405, or 8.1 per cent, from 1,539,548, or 7.7 per cent.

The combination of population expansion and legislation reducing voting age to 18 from 21 produced an increase of 23.2 per cent in the number of Canadian residents of voting age. The total on June 1, 1971 was 13,872,498, or 64.3 per cent of the whole population.

#### LANGUAGE SPOKEN

The language first learned and still understood by 60.2 per cent of Canadian residents counted in the 1971 census was English - compared to 58.5 per cent in the 1961 census. The population with French as its mother tongue declined to 26.9 per cent from 28.1 per cent and that claiming other mother tongues also declined, to 13.0 per cent from 13.5 per cent.

Alberta had the largest gain in English (to 77.6 per cent from 72.2 per cent); Nova Scotia had the smallest (to 93.0 per cent from 92.3 per cent). Ontario at 77.5 per cent was unchanged, and in Quebec there was a decrease to 13.1 per cent from 13.3 per cent.

The French percentage declined in all provinces

except British Columbia, which had a slight rise to 1.7 per cent from 1.6 per cent, and Newfoundland which remained unchanged at 0.7 per cent. The declines were slight in Quebec (to 80.7 per cent from 81.2 per cent) and in New Brunswick (to 34.0 per cent from 35.2 per cent).

There was a considerable decrease between 1961 and 1971 in "other" mother tongue percentages in the Prairies. Manitoba showed a decline to 26.8 per cent from 30.0 per cent, Saskatchewan to 22.5 per cent from 27.1 per cent, and Alberta to 19.5 per cent from 24.6 per cent.

#### FACTORY FENCE MERCURY CONTROL

New regulations designed to reduce water pollution in Canada were announced recently by Mr. Jack Davis, Minister of the Environment. The legislation will control the discharge of mercury from chlor-alkali plants entering waters frequented by fish.

Based on the best available pollution-abatement technology, the rules were developed after consultation with provincial governments and industry; they will affect 14 Canadian plants using mercury cells in the production of chlorine.

The regulations, which are issued under the Fisheries Act, will reduce the emissions of mercury in the liquid effluents by 98 per cent.

Mr. Davis said that by controlling the amount of mercury discharged, the regulations would be in keeping with the federal philosophy of checking pollution "at the factory fence".

"By creating standards that are national in scope we eliminate pollution havens," he said.

Because the new rules measure the pollutant in pounds and not in degrees of concentration as in the past, no plant will be able to comply simply by diluting its effluent with water. The regulations call for daily record-keeping and regular reporting by companies of their consumption of mercury.

"These regulations are only a beginning and will be revised and tightened up as experience and new technology dictates," said Mr. Davis.