

EXTERNAL AFFAIRS = AFFAIRES EXTERIEURES

If Noranda, which is wed to pyrometallurgical technology, constructs an acid plant, it will add to the present surplus of sulphuric acid in the North American market. The same environmental pressures on the nickel smelters would force them to generate enormous quantities of acid at the same time. This would depress already low prices and, combined with transportation costs, would cause operating losses to most, if not all, smelters.

Hudson Bay's smelter is too far from the market to economically produce sulphuric acid. In order to comply with the regulations it would be forced to develop and install a hydrometallurgical unit which produces easily stored sulphur. It is not certain that this process development can be brought about, and it will take several years of R&D to come to a conclusion.

Governments in LDC's and NIC's have not imposed stringent environmental regulations. Consequently some of Canada's main competitors are not faced with similar expenditures. On the other hand, American, European and Japanese smelters have been required to meet even more stringent environmental requirements. Responses have been varied: a considerable amount of American mining and smelting capacity has been permanently closed; European smelters are suffering losses (primarily, though, because of underbidding by Japanese and NIC's for concentrate supply); and Japanese tariff protection has been established to enable survival of the smelters.