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The Canadian government's commitment to reduce sulphur dioxide emissions by 50 percent in Central Canada by 1994 will have a major impact upon the nonferrous smelters, especially the nickel producers. These companies are confronted with R&D costs of over \$30 million to develop more affordable smelting technologies to reduce SO<sub>2</sub> emissions. Implementation costs are estimated to be in excess of \$350 million and could well increase operating costs, as well, by up to 15 cents a pound, which would affect their competitiveness.