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Montreal, September 29th, 2000

Industry Canada
Commissioner of Competition
Place du Portage I
50 Victoria Street
Hull (QC)
K1A 0C9

Attention: Mrs. Johanne D'Auray

Re: Competition Act when reviewing "Made in Canada" representations used in the promotion and advertising of diamonds

Dear Mrs. D'Auray:

Further to your letter dated August 9th, 2000, we would like to thank you for giving us the opportunity to express our position on the matter referred above. Birk's position is to the effect that if a diamond crystal is mined from any mine located in Canada, and the resulting polished diamonds that are produced from the rough crystal, have the inherent, unalienable right to be labeled a "Canadian diamond". Whether the rough is polished in Canada is not material.

No other rough or polished gemstone that is positively identified as being mined from a particular country or locale is required to be cut in that particular country or locale.

Examples, in addition to the ones listed in the Notice of Consultation (Burmese ruby, Ceylon sapphire, Brazilian emeralds, Australian opals) are numerous:

- Mexican opal
- Columbian emerald (carry a premium in the market)
- Kashmir sapphire (carry a premium in the market)
- Sandawana emeralds
- Montana sapphires
- Tahitian Pearls
- Chinese freshwater pearls
- Baltic amber
- Siberian amethyst

We do not believe, however, that it would negatively impact the industry if we were required to advertise as "Canadian-mined diamond". We applaud your concern, and tackling the issue head-on while the industry is in the early stages of development. We already put on our Birks Diamond Certificates "Mined in Canada" on those diamonds

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that we have the documentation (rough crystal weights and tracking/identification numbers) and written assurances of the cutters (on their invoices) from which we obtain Canadian diamonds. We have been informing our suppliers of these Birks requirements ever since the Canadian diamonds were put on the market (fall of 1998).

We think that ultimately consumers are concerned where the crystal comes from, not where it is cut.

We remain at your disposal should you require any further information.

Yours very truly,

HENRY BIRKS & SONS INC.



Sabine Bruchet
Vice President & gen counsel