



FAX TRANSMISSION FORM

Office Telephone: 416-368-7616

FAX Number: 416-368-1986

TRANSMISSION TO:

Fair Businesses Practices Branch
(Name of Company)

Johanne D'Auray
(Contact)

819-953-4792
(Fax Number)

SENT FROM:

Melanie Ext. # 230

COMMENTS:

Further to my e-mail, here
are the responses CJA has gathered on
the trade perspective.

DATE:

4:00 pm

TIME:

October 6, 2000

Total number of pages including this page:

1A

September 18, 2000

Ms Myra McKeen
27 Queen Street East, Suite 600
Toronto, ON
M5C 2M6

Dear Myra:

Thank you for your September 15, 2000 fax. I am pleased to have the opportunity to be a Director on our Canadian Jewellers Association Board and I look forward to our first meeting in October.

With regard to your question on Diamonds being represented as "Canadian" or "of Canada", my opinion is as follows:

- (a) "Canadian" would mean the diamond is mined in Canada such as the term Australian Opals or Ceylon Sapphires. The customer would expect the term to mean "mined in Canada". This is straight forward and not misleading;
- (b) "Of Canada" or "made in Canada" would mean that not only was the rough diamond mined in Canada but a percentage of the cutting and polishing was done in Canada.

I trust this is the information you are requesting. However, please do not hesitate to call if you have any further questions.

Regards,
CHARM JEWELRY LIMITED



Richard D. Calder,
President

RDC/lsh

September 18, 2000 Comments from Norbert Brinkhaus

It's a complex issue. The industry at large is being misled right now.

Gemstones are known by their country of origin - always been that way.

There needs to be further clarification re: what's Canadian?

Goal should be to protect consumer, what we should do if they can't prove the origin of the rough ... cut from Canadian diamond, or cut and mined in Canada.

And to make one thing clear - that a stone that is mined in Sierra Leone or Sri Lanka or Brazil, and is cut in Canada cannot be sold as a Canadian Diamond.

Opal - Australian or Brazilian - no matter where it was cut

International issue - people in conflict diamonds from rebel supported countries - launder through intelligent paper work - and bring them into Canada and have them cut in Canada and sell as Canadian diamonds or made in Canada.

Mined and cut in Canada - there has to be proper and complete disclosure. Canadian mined diamonds, cut and polished in Antwerp - sold as Canadian - acceptable.

Must be able to substantiate the claim - Canadian diamond.



To: Ron Farro - Boas and Farro
Dan Panos - Corona Jewellery
Kathy McMurray - Prince Diamonds ✓
Peter Stein - Premier Diamonds ✓

From: Catherine Sproule
cc. Heather Resnick

Date: September 27, 2000

Subject: *Notice of Consultation - definition of a Canadian diamond*

of Pages: 6

You may have received a separate communication from Industry Canada - Notice of Consultation called "Diamonds and Made in Canada Representations."

If you have already responded separately, thank you!

If you have not responded, we would like to hear from you. The backgrounder is attached outlining their response requirements. And, we'll even make it easy! Just fax back your response to us at 416 368 1986 and we will forward your thoughts to the contact at the Competition Bureau. If you wish to have your opinions kept confidential just indicate that preference on the form.

The deadline for all responses to us is October 4. Your attention is much appreciated.

16 RIPLEY AVENUE
TORONTO, ONTARIO
M6S 3P1

FACSIMILE TRANSMITTAL SHEET

TO:	CATHERINE SPROULE	FROM:	DAN PANOS
COMPANY:	CANADIAN JEWELLERS ASSOCIATION	DATE:	10/5/00
FAX NUMBER:	(416) 368-1986	TOTAL NO. OF PAGES INCLUDING COVER:	2
PHONE NUMBER:	(416) 568-7616	SENDER'S REFERENCE NUMBER:	
RE:	CANADIAN DIAMOND	YOUR REFERENCE NUMBER:	

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

PLEASE SEE ENCLOSED AS REQUESTED.



FAX TO: CJA 416 368 1986

**Response to Industry Canada's Notice of Consultation
Diamonds and "Made in Canada"
Representations**

I, We believe that the true definition of a Canadian diamond is:

One that is mined, cut and polished in Canada.

The statement above represents the clearest definition of a Canadian diamond for consumers, the jewellery trade and government guidelines.

From: DAN PANOS

Signed: [Signature]

Prince Diamonds

221 Victoria Street, Toronto, Ont., Canada M5B 1V4 416-367-0471

Catherine Sproule
Canadian Jewellers Association
27 Queen Street #600
Toronto, Ontario

Dear Catherine:

As per our conversation on "Diamonds and Made in Canada" the following would be my recommendation.

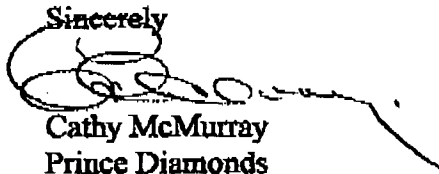
A diamond is a diamond when it is mined. When the mining process is taking place the mines purpose is to find rough diamonds. The mineral is considered a diamond. Therefore a diamond is a diamond in the rough state, even before the cutting process. If you just look at the long history of the Kimberlite mines or other mines in South Africa many wars and battles have been fought over valuable rough diamonds.

A Canadian Diamond or Diamond of Canada is mined in Canada. It does not matter where it has been cut or polished. Almost 80% of Russian rough is distributed by Debeers and cut in many different countries by different site holders. These finished diamonds are still referred to as Russian Diamonds. The same can be said for Congo rough, Sierra Leone rough, Angola rough, and others. If you compare the diamond to the colour stone industry, a Ceylon sapphire was mined but not always cut in Sri Lanka. Quite often Australian Sapphires have been cut in Bangkok. The cutting and polishing process should not affect the diamonds origin.

I strongly believe that the consumer seeking a Canadian Diamond would like to be assured of its origin but would not place value on where it was cut. Presently Canadian rough that is being cut and polished around the world is referred to as "Canadian Diamonds".

I hope this will help the Competition Bureau.

Sincerely



Cathy McMurray
Prince Diamonds