

-----Original Message-----

From: Keith Paremain [mailto:Keith.V.Paremain@PWGSC.GC.CA]

Sent: September 22, 2000 10:27 AM

To: D'Auray, Johanne: #CB - BC

Cc: William Cunningham

Subject: Diamonds are from wherever

Johanne,

Further to your letter to our Director, Mr. A. W. Cunningham, the Canadian General Standards Board (CGSB) is pleased to submit the comments in the attachment to this e-mail.

<<Competition Act.diamonds.doc>> Keith V. Paremain

Re Competition Act wrt "Made in Canada" and the representations used in the promotion and advertising of diamonds.

Diamonds are a commodity like many others commodity's which are mined or extracted from the ground.

The Competition Bureau is addressing apparent concerns wrt the perception of the origin(s) of the product from the consumer's point of view.

To respond to the questions posed by the Competition Bureau one has to determine what the consumer's interest is with respect to the country of origin and processing of the commodity.

Is the consumer's interest in the origin and processing based on simple curiosity (wish to know where it came from), patriotism (supporting ones own economy), altruism (not buying from a country with a poor human rights or environmental record) or the value of the investment being made (based upon origin and/or processing being recognized as having higher value in one country versus another)?

Most purchaser's of diamonds and other commodities are primarily interested the in the value and the selling price. The value of this type of commodity is based upon the costs of extraction, transportation, processing, applied overhead, taxes and tarrifs. The selling price includes all of the forgoing plus profit.

Stating that a product is mined or processed in a certain geographical location provides little information unless quantified. The purchaser should be informed of the percentage of the product, at whatever state it is in, that was developed in Canada or other country.

National Standard of Canada CAN2-147.3-82 provides a nationally accepted definition of Canadian Content. This standard identifies what percentage of the value of the commodity or product has been added in Canada.

Percent Canadian content is a far more realistic descriptor for a purchaser than any of the 7 descriptions provided on pages 3 and 4 of the Notice of Consultation, Diamonds and "Made in Canada" Representations