



World Diamond Council

For more information please Contact:

Matthew Runci, 646-658-0246

Ashley Vanarsdall, 202-585-2130

INDUSTRY LEADERS WELCOME INTRODUCTION OF NEW CLEAN DIAMOND TRADE ACT IN SENATE

NEW YORK, NY: March 19, 2002 – Introduction in the Senate of a new bill aimed at eliminating conflict diamonds is a positive step toward ridding the world of this illicit and destructive trade, industry leaders said today.

The measure would, among other things, require the president to bar the importation of rough diamonds from any country that fails to take appropriate security measures. It would also give the president discretionary authority to bar importation of polished diamonds and jewelry containing diamonds for the same reason. In a number of respects, the Senate measure is broader than one approved by the House in December.

"For two years our industry here and abroad has worked hard for enactment of effective U.S. legislation as an essential part of our campaign to protect the legitimate diamond supply chain from abuse by outlaws," said Eli Izhakoff, chairman of the World Diamond Council (WDC). "By introducing a new version of their bill, S. 2027, Senator Richard Durbin, D-Ill., and his colleagues have re-energized the legislative process.

"We hope that this development leads to passage of a sound bill in both houses of Congress," said Matthew Runci, WDC executive director and president and CEO of Jewelers of America. "The United States, as the world's largest market for diamond jewelry, has both the opportunity and the obligation to exert leadership."

Last June, Senators Durbin, Mike DeWine, R-Ohio, and Russ Feingold, D-Wis., who all sponsored the measure introduced yesterday, sponsored a similar bill. It was supported both by the industry and by a coalition of humanitarian organizations concerned with the conflict diamond issue. Companion legislation was introduced in the House, where it had support

from a bipartisan coalition headed by Rep. Tony Hall, D-Ohio; Frank Wolf, R-Va.; Amo Houghton, R-NY; and Charles Rangel, D-NY. However, the Bush administration proposed significant changes, resulting in House passage of a narrower measure.

"Everyone involved shares a common goal," said Cecilia Gardner, executive director of the Jewelers Vigilance Committee and general counsel of the World Diamond Council. "There is a broad consensus that firm action is needed to create a durable monitoring system to assure suppression of the conflict diamond trade. We believe that the differences between the House and Senate measures can be reconciled and we urge the Bush administration to help bring that about."

Conflict diamonds come from areas of Africa beset by civil strife. Rebels, outlaws and other predators have used proceeds from the illicit trade to underwrite continued combat. Angola, Sierra Leone and the Democratic Republic of Congo have been victimized as a result. The large majority of African diamonds, however, come from stable countries such as South Africa, Botswana and Namibia. In global terms -- given production in such countries as Australia, Canada and Russia -- conflict diamonds represent a very small percentage of the supply.

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