

carpets, but they did agree that demand is greater for wall-to-wall, machine-made carpets among Canadians, than it is for the hand-knotted carpet.

In 1995, of the 1% which Canada constituted in the global market for hand-knotted carpets, carpets from Iran represented 40% of the market, carpets from China represented 25% of the market, and carpets from India represented 20% of hand-knotted carpet market.

3.8 What does RUGMARK mean to importers in Canada of carpets from India, Nepal and from other regions of the world?

Carpet importers support labelling of carpets in general, but would prefer to have one label, not several competing labels declaring child labour-free merchandise, claiming this will only undermine consumer confidence in the system of labelling. One importer suggested that without leadership in the industry, the industry could find itself marketing labels, not carpets. Labelling, the industry acknowledges is inevitable, principally because of the U.S. government's foreign policy position on child labour. One importer confided that his suppliers in India will identify his carpets as he wants; if he were to ask for RUGMARK labels, he would be able to get them and not necessarily only those labels which are registered.

At the moment, many Canadian carpet retailers dispute the child labour problem. They do not deny that it exists, but understand it to exist out of necessity in economic terms. This introduces a challenge to a RUGMARK campaign, but does not pose a threat. Educating the consumer will likely result in increased demands for guarantees of child labour-free carpets to which the retailer will be required to provide the assurance.

3.9 How would the private sector monitor its source of carpets?

Importers interviewed have said that they would rely on the exporter from whom they buy their carpets to guarantee child labour free carpets. They believe they have no other way. With the RUGMARK registration process, the RUGMARK office in Canada would be able to verify all RUGMARK labelled carpets from a master list. However, counterfeit labels bearing numerical codes previously registered with RUGMARK would present some challenge to this verification process. Upon receipt of the master list of RUGMARK labelled carpets exported to Canada, staff of RUGMARK Canada would contact the importer to confirm the shipment, and in some cases conduct inspections.

3.10 How could small traders in Canada be organized?

Small traders could be organized with the assistance of the five large importers of hand-knotted carpets in the country from whom many of them already buy their carpets. The small importer/retailer, without any linkage to one of the five principal importers, subject to public pressure over time would be expected to seek out RUGMARK for guidance and support. Small