

Canadian sources of supply before (95.8%) reported that they were satisfied with the Canadian suppliers. Most respondents (62.5%) who had not tried Canadian sources of supply before were interested in hearing more about Canadian companies and their potential to replace increasingly expensive European and Japanese products. Respondents who were not interested in sourcing from Canada cited company policy, satisfaction with current suppliers and the specific demands of customers as reasons for their lack of interest.

When questioned about preferred means of receiving preliminary product information, respondents interested in Canadian suppliers most frequently identified brochures (76.3%), personal contact by the company or by a manufacturer's representative (55.3% each) and industry publications (50%). The trade fair most frequently attended or participated in by these respondents is "The FSTC Annual Meeting and Paint Industries Show". The respondents also cited the "National Decorating Products Show" and the "National Art Material Trade Association International Conference". Industry publications most frequently read by respondents include *Chemical Week* and *Chemical Process Industries Purchasing*. Recommendations from personal contacts and information provided by manufacturers are the key factors used in the purchasing decision.

Most of the respondents (89.4%) interested in Canadian suppliers reported that they faced no barriers to sourcing products from Canadian manufacturers of colours, dyes, paints and varnishes. However, those that did report barriers identified the tariffs on imports from Canada and shipping delays. The Canada-U.S. Free Trade Agreement will remove the former over a five-year period commencing January 1, 1989.

In response to the question of the effect of the Free Trade Agreement on their purchasing policy, the majority (76.3%) of respondents interested in Canadian sources of supply reported that they did not expect the Agreement to have any effect. Approximately 13% of these respondents expected to increase their purchases from Canada while about 11% had not considered the impact of the Agreement.

A listing of U.S. importers who are interested in Canadian sources of supply of colours, dyes, paints and varnishes in general is found in Appendix 1.