

## GOVERNMENT PURCHASES

The importance of Government purchases in the Netherland East Indies should not be overlooked by American firms desiring to obtain a share of the electrical trade of that territory. The Government, which in 1928 supplied a third of the power used in the territory, is probably the largest individual purchaser. Government purchases are divided into two classes: Goods purchased locally and those purchased in the Netherlands.

Local purchases of electrical equipment are made through the Government Purchasing Department (I. C. A.), Bandoeng, and usually include transmission-line materials and small substation and telephone equipment. The bulk of the power-plant equipment is purchased through the technical branch of the Department of Colonies at The Hague. Local purchases can be made only from firms established or registered in the Netherlands. No American firm can expect to get a share of this business unless it is represented in the territory. The I. C. A. is usually governed in its choice of equipment to be purchased by the recommendations of the Bureau of Water Power and Electricity.

Purchases in the Netherlands can only be made from firms that are represented in the Netherland East Indies by an electrical engineer, either their own representative or agent. Bids are submitted to the Department of Colonies on a certain date, and the electrical engineer representing the manufacture must submit a copy of the bid one month later to the Bureau of Water Power and Electricity at Bandoeng. The bids are opened in Bandoeng, and the recommendations of the local bureau are cabled to The Hague.

Goods purchased locally are first inspected by the Bureau of Water Power and Electricity, while goods purchased in Europe are inspected by a representative of the Department of Colonies. The Netherland East Indies Government also has a representative in the United States, and in cases where goods are purchased there, they are also inspected during manufacture.

As explained previously, Government purchases are important. An American firm interested in the Netherland East Indies markets should satisfy the Government regulations, which means that it must first secure the service of a firm of electrical engineers as agents or else keep its own factory representative in the territory.

## PUBLIC-UTILITY PURCHASES

A few American firms are obtaining a small volume of business from the public-utility companies, but the bulk of this business goes to German firms which are indirectly connected with the companies through having the same secretaries or through financial connections. Two of the largest companies, A. N. I. E. M. and G. E. B. E. O., purchase the bulk of their requirements twice a year by a joint order. Preference will always be shown Continental manufacturers who are interested financially or otherwise in enterprises in the Netherland East Indies. American firms will have to face this additional handicap.

## GENERAL ENGINEERING FIRMS

No American electrical manufacturer is represented by an organization in the Netherland East Indies that is in a position to quote for the complete construction of a large installation such as a power house,