

sugar mill, or an electrified tea factory. One American firm only is in a position to quote for electrical installations, but it does not attempt to bid for the complete job, whereas the representatives of German and other Continental firms frequently undertake the actual construction of buildings or electrified sugar mills, and as a matter of course also secure the contract for the electrical installation. The important purchasers of electrical equipment prefer to have one large firm contract for an undertaking rather than deal with one firm for the concrete work, one for the steel work, another for the electrical installation, etc.

This handicap is one that will be extremely difficult for American firms to overcome unless they are fortunate enough to secure as their representatives one of the large general engineering firms, which are mentioned in the subsequent section of this report entitled "Marketing agencies."

SERVICE AND TECHNICAL ADVICE

Many orders are placed with firms having experienced technical staffs in Java, which supervise or actually carry out the electrical installation. In addition, consumers of heavy electrical equipment expect the manufacturers to maintain a trained staff and ample stocks of spare parts to service the equipment which they have purchased.

American manufacturers as a rule are not prepared to keep high-salaried electrical engineers in the Netherland East Indies on the chance that some business will come their way. Several American firms have tried it, but at present there are only two electrical manufacturers with representatives in the territory. The men who have been sent out in the past have found that the obstacles they had to overcome were too great.

STOCK

It is of course desirable for manufacturers interested in marketing their products in the Netherland East Indies to consider the question of stocks. The success of Continental manufacturers in certain lines is directly attributable to the fact that either their branch houses or their agents carry representative stocks. It is only logical that a prospective buyer prefers to buy locally instead of placing an order with the agent or representative of a company which takes from three to four months to fill his indent. It is of course not necessary to maintain stocks of power house or substation equipment, but the manufacturer who expects to sell motors up to 50 horsepower, electric-lighting fixtures, fuzes, switches, house-wiring equipment and accessories, domestic appliances, etc., must look for an agent that will carry stocks or else open a factory branch.

A CONSERVATIVE MARKET

New lines of electrical equipment are extremely difficult to introduce. In view of the fact that most American equipment is little known in the Netherland East Indies, the advantages and merits of these products must be thoroughly proved and tested before it is possible to interest prospective buyers. Manufacturers desirous of having their equipment tested and approved by the Bureau of Water Power and Electricity may do so by complying with the requirements