MARKET STUDIES OF UNITED STATES

The Market Potential for Selected Canadian Manufactured Wood Products in Southern California
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The Market Potential For Selected Canadian Manufactured Wood Products in Southern California

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Introduction

1. INTRODUCTION

This report has been prepared for the Department of Industry, Trade & Commerce of Ottawa, Canada, at its request.

The objective of this report is to ascertain the potential for selected marketing of Canadian-manufactured wood products in Los Angeles, California, and surrounding area. The report refers generally to this area as the primary study area or, in some cases, the "60-mile circle." In addition to gauging the market potential for these products, we report extensively on current selling methods in this area and include pertinent tariff, transport and pricing information as set forth in the index of this report.

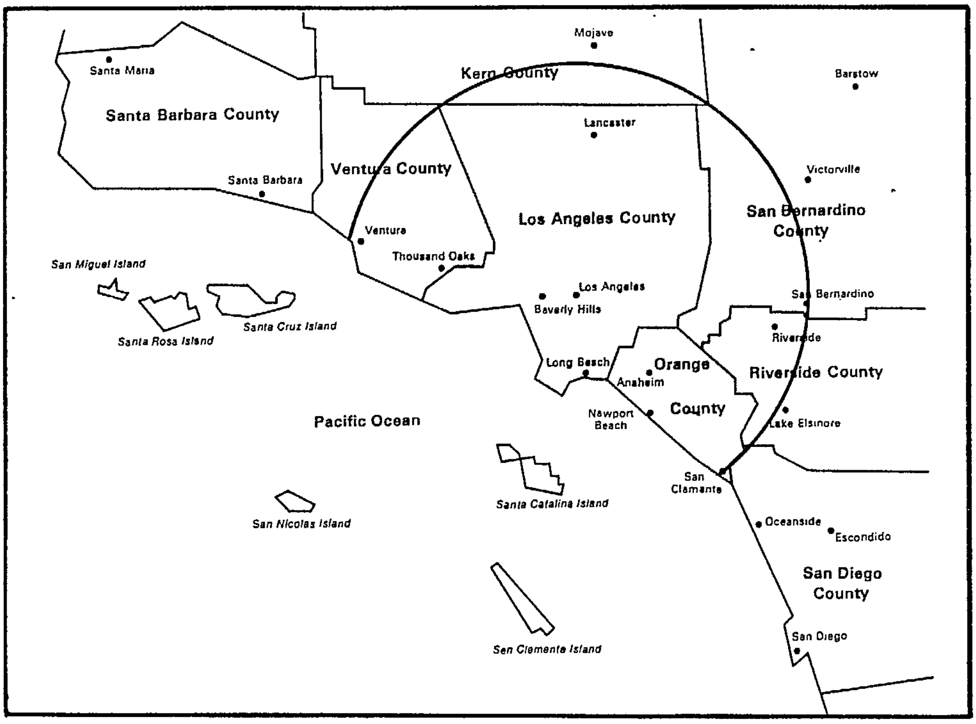
Along with our examination of the Los Angeles area, we investigate the specified market also in several other important territories of California in light of data uncovered in the course of our research.

And, finally we show how enterprising Canadian companies can successfully compete in this market, using statistical analysis, professional interview and personal experience, the many hours of which culminated in this report.

1.1 THE AREA UNDER STUDY

As requested by the Department, the primary area of study is the Los Angeles area, which consists of the city of Los Angeles and the "greater metropolitan area." This territory includes not only Los Angeles County, which encompasses the city itself, but also large portions of the four surrounding counties: Ventura County, Orange County, Riverside County, and San Bernardino County. These counties contain, in their own right, cities and various other industrial, business and residential areas which have grown together with Los Angeles in recent decades, forming one large metropolis. This region contains the largest center of population of the state and is shown on the map below.

PRIMARY STUDY AREA - "LOS ANGELES 60-MILE CIRCLE"



Most of this densely populated territory lies along the blue Pacific and falls within a sixty-mile radius of Downtown Los Angeles and is sometimes referred to as the "60-mile circle." (The significance of the "60-mile circle" as one of the world's most lucrative market areas is discussed in some detail in a following section.)

Even though this area contains and, in some cases, cuts across a number of independent local boundaries, it constitutes one unified geographic and economic unit and is traditionally treated as such for trade and manufacturing purposes.

Two secondary areas of study have also been included in the report for reasons of their accessibility and profitableness to Canadian suppliers and their relative proximity to the primary area. The secondary areas of study cover, in Northern California, the city of San Francisco and the immediately surrounding region, which form one geo-economic unit, and, in Southern California, the city of San Diego and surrounding region, which form a similar such unit.

The state of California occupies an area of 158,693 square miles, which comprises 4.5% of the total land area of the Unites States. The current population is estimated at 23.5 million, which represents 10.4% of the ca. 250 million total population of the United States. Just these figures by themselves are promising for the potential marketer, for they show that 10.4% of the population of a nation as large as the United States is concentrated in a unitary area representing only 4.5% of its total territory. The prospects of California as a target for the prospective marketer become even more attractive in view of the fact that almost half--10.5 million--of California's population lives within our primary area of study, the so-called 60-mile circle of Los Angeles, which covers about 3,500 square miles. The 60-mile circle, then, encompasses the first most populous region of the state.

The second most populous region of California lies within our secondary areas of study and is centered in and around San Francisco, where 5.47 million live in an area of 1,800 square miles, an area roughly equal to half of the 60-mile circle.

The third most populous region, San Diego and environs, lies also within the secondary areas of study and has a population of 1.76 million concentrated in the southwestern-most corner of the United States, bordering the Mexican state of Baja California in an area of ca. 600 square miles.

These figures place prospects for marketing in California in an even more favorable light; for they show that over 75%--17.4 million--of the population of the state can be reached in three highly concentrated coastal regions which are easily accessible by sea, air, road, and rail from Canada and which make up only 3% of the state's total land mass. With respect to accessibility, it should be noted also that the freeway system in California, particularly in our primary and secondary study areas, is the most advanced and well maintained that can be found anywhere in the world.

What we have, in effect, as following sections disclose in greater detail, are three concentrated, highly accessible sales territories potentially lucrative for Canadian and other interested marketers of manufactured wood products. These territories constitute 8% of the population of the United States yet occupy only 1.2% of its land area.

1.2 GROWTH AND BUYING POWER IN THE STUDY AREAS

Growth:

California is no longer the fastest growing state in the Union. Other states in the South and North West are now growing at a faster porportional rate than California, and all indications are that this trend will continue. However, projections evidence that California will still show substantial growth in the future, albeit at a somewhat reduced rate. Nonetheless, in spite of the shifting growth trend, no other state will be able to equal California in terms of overall population potential for any foreseeable time to come. According to estimates, California's population will increase 5% between 1980 and 1985. The overall projected increase by the year

2000 will be as high as 16%. This is 1.5% over the total national increase for the same period. This growth will take California's total population from 23.5 million in 1980 to 27.3 million by the year 2000, as shown in Table 1.2, page 72 of the Appendix.

Buying Power:

Despite California's slowing growth rate, our primary study area will continue to have the nation's highest concentration of total effective buying power. The total effective buying income for this area in 1980 was in excess of $89 billion. This places the primary study area $14 billion ahead of New York, the nation's second-highest concentration of effective buying income. Table 1.2a on page 73 of the Appendix shows the primary and secondary study areas in the national ranking.

Per-Capita Income:

Personal per-capita income in the primary study area is currently 16% above the national average and is exceeded only by Alaska and the District of Columbia. Recent estimates put per-capita income for this area at $10,576.50.

Retail Sales:

The primary study area is the national leader in sales of furniture, home furnishings, appliances, building materials, and hardware--as shown in the table directly following. No significant changes are predicted that would alter Southern California's position as the nation's number-one market for these products in the foreseeable future.

The estimated sales in furniture, home furnishings, and appliances for the primary study area for 1979 were $2.6 billion. This was $1.1 billion ahead of New York, which ranked number two in this market.

The estimated sales in building materials and hardware for the primary study area were $2.4 billion. This was $1.2 billion more than for Chicago, which ranked number two in these sales.

Table 1.2b

SELECTED RETAIL SALES 1979 - 1980

	Furniture/Home Furn.& App.Sales ($000's)	Market Rank	Bldg.Materials H'ware Sales ($000's)	Market Rank
Primary Study Area:				
Los Angeles	1,740,916	1	1,238,986	1
Orange Co.	547,444	11	605,501	9
Riverside/San Bernardino Co.	240,193	34	524,671	11
Ventura Co.	92,136	83	93,104	104
Total	2,620,689	-	2,462,262	-
Secondary Study Areas:				
San Francisco*	817,835	5	581,851	10
San Diego	447,294	14	489,357	14
Total	1,265,129	-	1,071,208	-

*San Francisco includes portions of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties.

Source: Sales Management, 1980 Survey of Buying Power

Gross Regional Product:

The gross regional product of the primary study area is exceeded by the gross national product of only twelve nations in the world. The per-capita gross product is exceeded by that of only three small, oil-rich nations: Kuwait, Qatar, and the United Arab Emirates.

1.3 NEW HOUSING AND RENOVATION

National Home Building:

In the United States, building permits declined approximately 25% during 1980. The 1.17 million new housing units included in building permits in 1980 represented the lowest annual volume since 1975. Comparing 1980 with 1979, single and multifamily housing permits were off 27% and 20% respectively.

In 1981 the national housing industry will not operate at its full potential of more than two million starts. Predictions show that 1.3 million building permits are expected to be issued in the United States, representing an 11% increase over the 1980 figures. High inflation, the energy situation, falling U.S. productivity, changing consumer moods and lack of real estate funds will keep housing starts at moderate recovery levels during 1981.

California Home Building:

In the State of California during 1980, 144,831 new building permits were issued for single and multifamily units. They represented an investment of $7.85 billion. 1981 predictions indicate that the State of California will show a 24% increase to 180,000 building permits which is more than double the expected national increase.

Southern California, covering counties listed in Table 1.3 set the pace for the state in 1980 accounting for 53% of the statewide volume. This region suffered a 30% decrease in 1980 over the 1979 figures.

1981 predictions indicate an increase of 23% to 95,000 starts. In other parts of California, homebuilding patterns were significantly different.

The Northern Coastal region contracted less in 1980 than other major regions of the state although it only showed 18% below the 1979 actual housing starts. Single family homebuilding was down 24% as compared to a 3% decrease in multifamily homebuilding. 1981 predictions indicate a 23% increase for this region.

The Central Valley of California which is primarily agricultural and not included in this study, suffered a more severe slowdown than other regions of the state.

The Modernization and Renovation Market:
Residential alterations and additions for the State of California in 1980 were valued at $1.23 billion. They showed a 12% increase from $1.10 billion in 1979. The Bureau of Building Marketing Research is predicting that the alteration trend will intensify in 1981 with particular emphasis on older neighborhoods where real estate prices may be less than in the suburbs. This trend will also be reflected as more consumers move closer to urban areas to save on gasoline costs. In addition, more modernization and renovation work is also expected to occur in smaller cities.

1.4. INFORMATION GATHERING

In the course of our research, exhaustive interviews were conducted for each phase of the marketing cycle from the manufacturer to the retailer of the selected products under study (for precise definition of these products see Section 2 of this report). Sampling for the interviews included at least 25% of authenticated sources in our study areas, the approximate percentages of which are given in following sections in addition to comprehensive lists of such sources. It should be remarked also that our research has led us outside California to other of the nation's largest manufacturers and retailers when these appeared encouraging for Canadian producers and marketers. Our investigation of trade shows and associations has also taken us outside California in some cases simply because many of the major ones are located elsewhere.

Products Under Study

2. THE PRODUCTS UNDER STUDY

2.1 DEFINITION OF SELECTED PRODUCT CATEGORIES

Dimensioned Lumber: Dimensioned lumber--often referred to as dressed lumber--includes all beams, boards, planks, etc., which (1) have been smoothed on at least two opposing sides, (2) sometimes have rounded edges, but (3) have received no contouring such as shaping and molding. Turning squares belong to this category and serve primarily as rough stock for contouring by lathe and other means into shaped and molded lumber. We are examining dimensioned lumber chiefly for use in the furniture and related industries.

Standard Millwork: Standard millwork--often referred to as shaped or molded lumber--includes all length stock which has been milled or shaped at least to some extent beyond the basic dressing of dimensioned lumber. Belonging to this category are such items as preshaped moldings for the home-building and the home-improvement industries and for the picture-frame industry. It involves also other types of shaped wood sections which are used in the furniture as well as in other industries.

Doors: This category includes all domestic and industrial doors which are made of wood or wood products and which are plain, flush faced, or ornamental.

Kitchen Cabinets & Bathroom Vanities: This category includes both "knock-down" and "do-it-yourself" cabinets and vanities in addition to finished products and their individual parts and components. A Knock-Down product is one which consists of all necessary finished parts, which are delivered dissassembled to a manufacturer or other buyer who is to reassemble them. A Do-It-Yourself product is one which consists of unfinished parts which are to be finished and assembled after delivery to the buyer.

5. Furniture Components: This category includes items which are provided at various stages of completion. The stages of completion range from precut and dimensioned length stock to shaped and drilled parts which are to be assembled or are to receive further shaping or finishing, as the case may be, after delivery to the buyer. Examples of items belonging to this category are wooden turnings, chair sides, and both knock-down and do-it-yourself furniture such as waterbeds, wall units, modular entertainment centers, cabinets and other individual pieces or assemblies of furniture.

2.2 DOORS AND STANDARD MILLWORK

Doors:

An estimated 1.8 million doors of all types will be sold in California during 1981. This figure is based on (1) predictions for new housing starts over the period and (2) on an estimated average usage of 10.5 doors for all single and multiple housing units to be built. In addition, homeowners are expected to install hundreds of thousands of replacement doors and new doors as they make additions to their homes.

There are no figures for replacement doors installed in California; but, according to the Bureau of Building Marketing Research, national sales for replacement doors in 1980 were $75.3 million. The bureau predicts that sales will increase to %86.7 million in 1981 and that, by 1985,sales will have exceeded $1.1 billion. It predicts also that more than half will be for do-it-yourself installations.

Door Manufacturing in California--The door industry in California arose from the demand for large quantities of low-priced doors by the tract-home builders. The doors for this industry are generally of hollow-core construction and are flush-faced. There are no production quantity "stile-and-rail" doors manufactured in California. Consequently, "stile-and-rail" doors, the medium to higher priced doors, are imported to California from other parts of the United States or from foreign countries. There are several manufacturers in California making medium to high priced "custom-quality" doors, but they do not cater to the mass market.

Door Imports to California--Many of the medium-priced "stile-and rail" doors sold in California are imported from the pacific Northwest, where several major manufacturers are located. Some California distributors told us that they import from foreign sources. No figures are available which show the percentage of total U.S. door imports sold in California. We did discover that

$15.7 million of doors were imported to the United States from various countries between January and September, 1980. Canada is the third-largest exporter of doors to the United States and supplied 10.8% of this overall total. Canada's major competitors were Taiwan, exporting 39.2% of the total, and Mexico, exporting 37.6%. Canada exported slightly more "stile-and-rail" doors than flush doors; Taiwan exported primarily the "stile-and-rail" type; and, Mexico exported fairly equal quantities of both types of doors. Since Southern California borders Mexico, a considerable number of Mexican doors enter the United States through California.

Future Trends in Door Sales--The demand for "in-stock" medium to higher priced doors is growing rapidly. The demand for quality and good workmanship appears to be part of the changing consumer attitude to home-related purchases. Indications are that the consumer will be looking for energy efficiency, stronger frames and panels for security, and more durable products. This trend relates to traditional door-making methods which flush-door manufacturers will find hard to match. Consumers are prepared to pay higher prices for home improvements which they see as an investment.

Indications are good, however, for Canadian manufacturers. The growing market for do-it-yourself door installation is also worth investigating. Here distributors and retailers respond most favorably to manufacturers who provide the most complete package for consumer installation. An ideal package should include full instructions and wood shims and nails. Many of the most successful new door systems on the market include non-handed doors with frames that fit over the existing frame.

Standard Millwork:

California has developed its own local patterns. These have become the standard for California millwork and moldings. The retailers and distributors we interviewed agreed that Canadian exporters would have to produce to California specifications in order to make sales. California distributors do import moldings and other millwork; however, in most cases, communication problems and the foreign supplier's general inability to produce consistently to standard lengths and pattern specifications has adversely affected these efforts.

Figures are not available for actual millwork imports to California. A brief examination of total U.S. imports in millwork shows that Canada is the second-largest exporter of softwood moldings to the U.S., supplying 7.25% of the total U.S. imports. Mexico is the largest exporter and is responsible for 87% of the total U.S. imports. Canada is the fifth-largest exporter of hardwood moldings to the U.S., providing 3.7% of the total. Malaysia is the largest exporter to the U.S. and is responsible for 47% of the total.

Quality Requirements--The distributors we interviewed stated that products intended for the construction industry are generally of a lower standard than products for the retail industry. Builders are traditionally very cost conscious and accept a lower quality of lumber. They are prepared also for relaxed standards in machining. The retail industry is more concerned with the renovation market and demands first-class materials and workmanship.

Distribution Channels for Doors and Standard Molding:

The same wholesalers and distributors generally supply both the new-building and the renovation markets. We conducted interviews with retailers to determine whether there are prospects for direct sales in these markets. The results showed that there are definite prospects for certain types of doors and that retailers are interested in Canadian products. Direct sales, however, of moldings and millwork are not practical.

Most of the retailers we interviewed were in the "home-centre" market and operate in both the primary and secondary study areas, (see Section 2.5 for discussion of the "home-centre" market). Many retailers prefer to buy the bulk of their moldings, dowels, doors, decorator items and even precut lumber from "stock" distributors. The better distributors provide the following services:

- Immediate deliveries from central stock warehouses, which are designed to reduce the retailer's need to hold large stocks.
- Drop-shipment programs which are designed to suit the retailer's individual requirements at different store locations.
- Price-coded items and in-store shelf stocking, which are designed to reduce staff requirements and speed up customer purchases; and
- Inventory control of the retailer's own stock, which is designed to further lessen the retailer's costs.

For details of interested retailers refer to page 112 of the Appendix.
It will be virtually impossible for Canadian manufacturers to compete with this type of service. directly from Canada.

Our interviews with distributors indicated that they are interested in both doors and moldings, but that they feel that medium to higher priced products would stand a better chance in the Californian market.

Quantity sales of "stile-and-rail" doors in various price categories are a definite possibility. Both distributors and retailers expressed an interest in "fir" as a preferred species for manufacture. They felt that the pronounced grain characteristics of "fir" would make a welcome change to the bland tropical species which are widely available at present. Distributors cautioned that Canadian manufacturers must be prepared to establish a reasonable warranty service to cover quality or defect problems they may experience. The names of several interested major distributors are given on page 95 of the Appendix.

<u>The Picture-Frame Industry:</u>

Picture-frame manufacturers are always interested in locating new suppliers of moldings. The problem for Canadian suppliers is that the sections to be supplied are often complicated and that California manufacturers like to buy sections in as advanced stage of completion as possible. This often means the addition of fabrics, natural-fiber sheet material, or fancy finishes. Mexico, with its low labor cost, is the main exporter of advanced moldings and completed picture frames to the U.S.

We do not see any prospects for Canadian manufacturers in this highly competitive and trend-conscious industry. The names of several picture-frame makers are given on page 119 of the Appendix.

2.3 KITCHEN CABINETS AND BATHROOM VANITIES

The Kitchen-Cabinet & Bathroom-Vanity Industry in the United States:

The industry experienced a downturn during 1979 and 1980 in the nation as a whole. This continued a trend which started in 1978 and was a result of decreased housing starts and high interest rates. Total housing starts in 1980 were approximately 1.2 million units as compared to 1.5 million units in 1979 and 2.02 million units in 1978. Consequently, demand for kitchen and bathroom cabinets decreased. At the same time, cabinet sales for remodeling jobs declined marginally.

Manufacturers have traditionally looked for increases in the remodeling market to offset downturns caused by reduced new housing starts. The manufacturers were unprepared for the downturn that occurred. Many manufacturers were forced to take a critical look at the way they do business. Despite the downturn in 1979 and 1980, most manufacturers feel confident that the future looks promising. Housing forecasts for 1981 range from 1.4 to 1.7 million new units. The largest gain is expected in single-family units, up 38% from the 1980 figures.

The kitchen and bathroom industries forecast a total of 4.8 million major remodeling jobs in 1981. This will represent a 15% gain over the 1980 total of 4.2 million units. A major remodeling job is defined as one which retails at $2,000.00 or above, with an average of 15 cabinets per installation. Minor remodeling jobs retail at under $2,000.00 and are estimated at 2.2 million units for 1981, up 38% from 1980 figures.

The trend toward cabinets of better quality, which we outline in following sections, indicates that the average price of major and minor remodeling jobs may increase in the near future.

Table 2.4

NEW CONSTRUCTION AND REMODELING
IN THE KITCHEN AND BATHROOM MARKETS 1980-1981

	1980 (units 000's)	1981 (units 000's)
KITCHEN MARKET:		
Major remodeling	4,200	4,830
Minor remodeling	1,900	2,280
New housing total units	1,275	1,600
Manufactured housing and Recreational Vehicles	325	375
Conversion, recycling and rental replacement	1,325	1,325
Total	9,025	10,410
BATHROOM MARKET:		
Remodeling	6,600	6,600
New housing, conventional	2,105	2,800
Condo conversions	50	100
Manufactured housing and Recreational Vehicles	325	375
Total	9,080	9,875

Source: Kitchen Business, December 1980

The Industry's Problems in 1980--A survey of the kitchen-cabinet and bathroom-vanity industry conducted by the National Kitchen Cabinet Association (NKCA) in January of this year showed that 51% of stock manufacturers and 49% of custom manufacturers reported sales losses in 1980. At the same time, 39% of stock manufacturers and 31% of custom manufacturers reported increased sales during the same period. The sales losses were considered a result of the recession and lack of planning. The sales increases were believed to be due to the following:

- Product improvement;
- Increased market penetration;
- Expanding product lines; and
- The willingness of consumers to pay more for quality.

Stock and custom manufacturers predict an average sales increase during 1981 of 21.5%. The industry is seen as dependant on the economy which is expected to strengthen progressively over the next few years. Mr. Dick Titus, Executive Vice President of the NKCA, advised that the industry is looking forward to the 1980s with guarded optimism.

How U.S. Manufacturers Handled the Downturn--Most American companies are responding to the 1980 downturn by changing their market strategies to fit the current economic climate. They are concentrating their efforts on preparing for the 1980s by implementing some of the following strategies:

- Expanding their markets geographically;
- Increasing their product lines;
- Adding European designs;
- Changing or adding channels of distribution;
- Increasing their sales force;
- Changing or increasing their product mixture; and
- Decreasing costs by eliminating unnecessary expenditure.

Kitchen Cabinet and Bathroom Vanity Production in California:

Production Manufacturers--According to our sources, only four major manufacturers are located in the primary study area; there are none located in the secondary study area. We interviewed these manufacturers and found that they produce low-priced cabinets for tract-home builders and some lower-priced units for retail sales.

We also discovered that these manufacturers are only interested in buying rough lumber and the most basic supplies, generally in small quantities. Net estimated sales for the manufacturers in the primary study area are $30 million per annum.

Custom Manufacturers--We investigated cabinet-making companies in the market areas. A cross section of interviews showed that almost all of these are small and are not interested in buying materials or components from Canadian sources. We were able to determine that California custom-cabinet makers experienced only marginal sales reductions during 1980. Several pointed out that the building recession had not been as severe in California as in many other parts of the country.

Our research showed that almost all "stock" (standard production) cabinets sold in the market areas are imported, either from the eastern U.S. or from various foreign sources. In addition, supply prospects for dimensioned lumber or components are not particularly attractive. Our efforts were, therefore, concentrated on examining distribution methods used for these imported products, in order to determine if there is a market for Canadian products.

Market Prospects and Distribution Channels in California:

We interviewed a selection of 50, mixed, distributors, dealers, "home center" retailers and some manufacturers with their own distribution organisations in the market areas. We obtained the following information:

Distributors--Distributors are the necessary link between manufacturing and retailing in the kitchen and bathroom industries. There is no set pattern to the number of different manufacturer's lines a distributor may carry. Some distributors we interviewed carried nine or ten lines; some carried just one. Most distributors carry stock of the lines that have proven successful

Most independent distributors we talked to are interested in new lines and in Canadian sources. Several had been visited by Canadian manufacturers over the last two years, but stated that there had been no follow up from the Canadian side.

Distributors stressed that they are only interested in working with manufacturers who will make a serious effort to support their sales efforts. Several mentioned Beckermann Kitchens as the one Canadian manufacturer they knew of; but felt that Beckermann was too expensive for the general market. Other distributors advised that they were impressed by the quality of Canadian products they had been shown, and that the designs were acceptable. Our research showed generally that the problem of price is easing as consumers are more prone to buy better-quality cabinets

Distributors appear to offer the best possibilities for Canadian manufacturers because they are more interested in medium to better-quality lines. In addition, they offer the most economically feasible access to the dealers who sell these products to the end users.

Dealers--Most of the dealers interviewed operate from showrooms where they maintain displays of the cabinet lines they are selling. Very few of them carry any stock. Most expect 6 to 8 weeks delivery from the stocking distributors they deal with. Most advised they are interested in new lines, and that they were aware of the industry in Canada, but few had met Canadian manufacturers. Most dealers will work only with "stocking" distributors. Both dealers and distributors gave us a very accurate picture of the type of cabinetry which is now selling in California, together with a profile of the cabinet of the 80s. This is discussed in some detail in a following section. Addresses of interested dealers and distributors are given on page 96 of the Appendix.

"Home Centers"--This rapidly growing industry does present sales possibilities for kitchen and bathroom-cabinet makers. Generally "home-center" retailers concentrate on lower-priced products, but this trend is changing slowly. Retailers advised that they are starting to include higher-priced merchandise as their sales grow. Several retailers advised that they are interested in direct sales from manufacturers but most will only buy through distributors. Refer to the discussion on "home centers" in Section 2.5 for an examination of their buying methods.

Manufacturers with Their Own Distribution Facilities-- We found that many out-of-state manufacturers have established their own distribution facilities in the market areas. We interviewed several of these manufacturers and found that they expressed interest in Canadian manufacturing sources. Interest ranged from dimensioned stock to components and assemblies. One of these manufacturers, Triangle Pacific Corp.- has its headquarters in Texas. The corporation operates 10 plants in widely spread locations throughout the U.S. Mr. Burt Root, Purchasing Director for the entire group informed us that he is interested in doing business with Canadian companies. He stressed that he is interested only in working with the principals and not with agents or brokers (who often know very little about the product). He said interested Canadian sources should call his corporation to discuss prospects.

Trends and Function in Kitchen and Bathroom Design:

Canadian manufacturers should be aware of the changes in kitchen and bathroom design which are already affecting the California and U.S. market and which will become more noticeable as the 1980s progress. These changes will affect cabinets installed in both new construction and remodeling. Consumers are becoming progressively more willing to pay higher prices for kitchen and bathroom cabinets. This is largely due to the influence of inflation and higher housing costs. Consumers now see money spent on these areas as an investment that will help to assure them of higher returns when property is sold.

At the same time, the concept of kitchen usage is changing. More and more working couples will be cooking together in the 1980s; cooking will no longer be considered a chore as the interest in food styles grows. The kitchen will become more of a social gathering place. Housing sizes are shrinking as costs escalate. Consequently, kitchen design, size, and layout will change.

Traditionally, Americans have preferred colonial type kitchens with dark finishes. Today the trend is moving towards streamlined modern design with more innovative use of space for storage and working. Consumers are showing an increasing interest in lighter wood finishes, the use of laminates and flexibility in cabinet design. This flexibility allows the consumer to change the layout inside cabinets after installation.

The Importance of European Styles--Many of the trend changes described above are tailor-made for European-style cabinet making. European manufacturers have always been faced with the need to supply the "complete" kitchen in a market where only the barest essentials are supplied in new buildings. The European "frameless" construction method, utilising 3/4" laminated particleboard was designed to promote extreme flexibility, also cabinets with backs are an integral part of the European construction system. (Many U.S. manufacturers produce cabinets without backs). European styles generally make more use of countertop working space than American styles. Many American manufacturers have reported losing sales to European companies. One distributor advised that sales of European style cabinets had grown from $8 to $10 million in 1974 to $250 million by 1980. As a result, there has been a move in the industry to produce European styles and, in many cases, to install European-type production lines.

The distributors interviewed explained that European manufacturers are now making a substantial impact on the market. They are selling well in the upper end of the market. Canadian manufacturers are ideally situated to take advantage of these trends. In Canada, seven of the top ten manufacturers already produce European style kitchens; Kitchen Business magazine predicts that within two years nine of the top ten manufacturers will produce European styles.

Canadian Companies Competing in the California Market:

The experiences of two Canadian manufacturers confirm the market potential for Canadian cabinetry.

International Kitchens, Vancouver, entered the California market in 1974. Gerhardt Digemann established the company's first U.S. office in San Francisco. In the first year of operation, sales were dismal, and only one kitchen installation was sold. Seven years later the company has established operations in San Francisco, Reno, and Hawaii. A further showroom is planned for the Pacific Design Center in Los Angeles and will open in May 1981. International Kitchens' showroom locations are interesting. The company concentrates on European-style, top quality cabinets. Showroom locations are all in areas where there is a higher than average income. Mr. Digemann felt that International Kitchens has taken advantage of the extensive advertising European manufacturers have used to promote their products in the U.S. International Kitchens holds no stock in the United States; the company makes drop shipments regularly to its distributors. U.S. manufacturers usually deliver in 8 to 9 weeks; International Kitchens is able to deliver within 14 days. The company has also established a very active dealer-education program.

Crestwood Kitchens from Richmond, British Columbia, is exporting medium to high-priced kitchens to the United States. At present, the company is supplying the state of Northern Washington only. Mr. Kruberg of Crestwood visited the California market in 1978 and talked to a selection of builders about his company's prospects. At that time he discovered builders were interested in low-priced kitchens and would accept lower quality products. He decided at that time that the prospects were not good for his products in California. Since Crestwood's initial investigation, the market has changed substantially as a result of the economic trends discussed earlier. Mr. Kruberg said it would be worthwhile for Crestwood to reconsider the California market now.

Increased Participation from European Firms:

Several leading European manufacturers have been actively selling to the U.S. market for some time. Poggenpohl and Allmilmo from Germany and Sweden, respectively, both distribute in the U.S. (Allmilmo has a branch office in Northern California). European styles have gained market acceptance in the U.S. largely as a result of these companies efforts. Both companies advertise extensively and concentrate on distributor and dealer education programs.

One leading French company, Cuisines Chabert Duval has recently come into the U.S. market and established an assembly plant in Maryland. Other French companies are also selling here most successfully. French exports to the U.S. were $27,500 in 1979, (the first year of French exports to the U.S.). During the first six months of 1980 they had reached $186,000. No further figures are available at this stage, but we understand that two other French manufacturers, Mobalpa and Parisot, are interested in setting up assembly facilities to service the U.S. market. Parisot is investigating Canada or Mexico as possible locations. It should interest Canadian manufacturers that Parisot does not consider Canadian-U.S. freight costs to be a problem.

Market Strategy for Canadian Manufacturers:

Canadian kitchen-cabinet and bathroom-vanity manufacturers can be assured there are excellent market opportunities in the study areas. To enter these markets, they first need to identify the type of product they can supply. There are openings for medium to higher-priced, European-styled products. Whilst there is a growing demand for this type of product, they should be aware that the market is competitive and price their products accordingly. To succeed in this type of market, manufacturers should work through recognised distributors who are interested in maintaining a quality image. After identifying the distributors they feel they can best work with, they should take serious note of the distributor's suggested delivery times, stocking procedures, and dealer education programs. Time spent in organisation before starting to sell will be time well spent. Manufacturers should be prepared to make a serious budgetary commitment for sales promotional work. In addition, manufacturers should be prepared to maintain a healthy level of sales development work in the market area for some time.

There are also openings for lower-priced products which could be finished or unfinished, K.D. or assembled. Sales in these categories should be more easily achieved by working directly with retailers or by using reputable sales representatives. The best customers for these products are individually-owned or chain "home-center" stores. The initial sale to "home-centers" may be more difficult and manufacturers should note that they should work out how they can offer a workable "drop-shipment" program before starting to sell; in this regard they may well need to work with a warehousing facility or with a distributor.

To achieve success in either market, Canadian companies need to realise that a substantial amount of energy and money must be invested initially to produce on-going sales in the future.

Trade Shows, Publications, Associations:

Please refer to page 124 of the Appendix for details.

2.4 THE FURNITURE INDUSTRY

The Size of the Industry in the United States:

We discussed 1980 prospects for the U.S. furniture industry with the National Association of Furniture Manufacturers. They informed us that figures developed over the years show that consumers spend an average 1.3% of their disposable income on furniture. This average has fluctuated at the most 1/10% in recent years, which indicates that furniture sales do not depend so much on economic changes as on demographic changes.

The value of total wholesale shipments reached a record high of $9.3 million for the industry in 1979 but dropped to $8.8 billion in 1980. They are expected to increase to $9.0 billion in 1981. The Association predicts that there will be some slight upward turn in the industry due to the coming of age of the "baby-boom" generation of the 1950s. The Association conservatively predicts a resultant annual increase of 3% in shipment values for the next ten years--2½% estimated as being the low for any one year and 4½% as being the high.

The United States imported $342.3 million of furniture and furniture parts for the nine months from January to September, 1980. This figure covers all types of home and business furniture made primarily of wood. Canada's share of these exports to the U.S. for the same period was $42.3 million. Canada, therefore, supplied 11¼% of the total world exports to the U.S. in wood furniture and furniture parts during this period.

The estimatesd wholesale value of furniture sold in California during 1980 was $1.46 billion. Estimates vary widely as to how much of this was imported to California and how much was produced there locally. Mr. Lee Hahn, President of the California Furniture Manufacturers'

Association, estimates that $0.5 billion wholesale is produced in California. The remaining $0.96 billion was imported to California either from other parts of the U.S. or from foreign countries. However, since we were unable to obtain a detailed picture of the respective manufacturing capabilities of either foreign or U.S. suppliers outside California, we were not able to determine exactly how the $0.96 billion imports were divided up among these various suppliers, or what percentage of the imports were used to supplement California manufacturers own production. It is reasonable to assume that the greatest portion of imports came from the eastern United States. Most furniture making firms are individually owned. 95% of those concerns interviewed refused to discuss their sales volume or the size of their staffs. This information was not available from public sources.

California Furniture Manufacturers and the Western Lifestyle:

The supply of furniture to California has always been fragmented. Traditionally, the centres of U.S. furniture manufacturing have been in the East and the South of the country. These manufacturing centres have now, however, started to shift slightly westward. The reason for this, in part, has been the impact of the western lifestyle on the rest of the country; it is reflected in the increasing popularity of California-style furnishings.

California has always been a state where new ideas are encouraged and new lifestyles take hold readily. This has stimulated an influx of designers into California. Contributing factors have also been the increasing cost of transporting products from the East; and the mild California climate which created the demand for casual furniture which can be used indoors and outdoors.

A strong, vigorous furniture industry has grown in California to take advantage of these opportunities. With intelligent marketing, California furniture has gradually gained a foothold in the East. Consumers saw and wanted the product but eastern manufacturers were slow to change their traditional styles. This two-way trade inevitably resulted in a levelling of prices which are now often structured to include east-west freight.

Furniture is now generally produced where manufacturing conditions are economically favorable. In this regard, Canada is really as favorably placed as any other supplier to the U.S. market.

Southern California is now acknowledged to be the cheapest place in the United States to manufacture many types of furniture. These products include contemporary-solid-wood frame furniture, upholstered furniture, bedding and parquet products. Costs in the primary study area are substantially lower than in Northern California. Despite low production costs in Southern California, manufacturers continue to look for new sources of supply. The reason for this is that the potential market for a specific product is often greater than an individual manufacturer's ability to supply. Therefore, in many cases, manufacturers prefer to utilize other production sources rather than expand their own facilities. For this reason, a sound component or whole furniture program begun in California can readily lead to supply on a national basis. The potential volume and profits from California distribution alone can be substantial; the volume and profits are even greater on a national basis.

Our research showed that many of the more adventurous manufacturers and distributors located in the primary and secondary study areas are interested in investigating supply potential from Canada in a variety of ways.

The Market System in the United States:

Component makers and furniture manufacturers who wish to penetrate the California market should have a basic knowledge of how the American marketing system operates. The system is centered around the regional "markets" which are held periodically in the nation's major furniture-marketing centers.

Regional Domestic Furniture Markets--Most established U.S. furniture manufacturers visit the industry's regional market centers at market time. Many of these manufacturers maintain showrooms at each of the market centers. Markets are held four times a year at the following locations:-

- January and July Markets: Atlanta, Georgia; Dallas, Texas; San Francisco, California.
- April and October Markets: High Point, North Carolina.

Of course, not all manufacturers and retailers attend each market; but, on the whole, the retailers and manufacturers come together approximately every 90 days at the above times and locations. Furthermore, major suppliers and subcontractors attend those markets which they feel are most appropriate for their individual needs. This enables them to gauge trends and to catch up with the latest techniques. It also provides an excellent opportunity to contact new customers as well as to consolidate existing relationships. Moreover, efforts made by a prospective supplier to meet prospective customers at the market usually register well with all concerned. Such efforts do not always lead to immediate orders, but they do pave the way for future business.

The major markets are the April and October markets held in High Point, North Carolina. The secondary markets are in January and July. Most manufacturers in California feel that it is necessary to attend all four markets if possible.

Benefits of the Regional Markets--The 90-day "market cycle" is a most useful tool for the industry. The benefits are as follows:

- New products are shown and can be put into production if commitments are made by retailers;
- Current economic trends can be gauged better, in order to control purchasing and inventory levels; and
- Marketing and promotional strategy can be explained fully and directly to retailers at the time.

The management of the domestic furniture industry relies heavily on these personal contacts as a means of doing business. Such person-to-person transactions are, then, very important and usually lead to new and expanding business.

Market Disadvantages--The above system of marketing does, however, also have some disadvantages. For example, most U.S. manufacturers have allowed the market system to become their master rather than their servant. Manufacturers feel it is necessary to show some completely new products at each successive market. This places a heavy strain on manufacturers and their suppliers and often means that research and development work for these new products must be carried out in a short period of time.

Canadians who plan to work with U.S. manufacturers should bear these time problems in mind. Communications, sample making and price negotiations often have to be concluded very quickly. Canadians should also realise that many U.S. manufacturers operate this way and do not regard it as being problematic.

Commercial Furniture Market--The U.S. commercial furniture industry meets in Chicago once a year in June, at Neocon, the commercial furniture show. The Canadian Consulate in Los Angeles holds periodic exhibitions at irregular intervals. The exhibitions generally concentrate on commercial furniture. The Conculates in San Francisco and Los Angeles are available to assist Canadian manufacturers who wish to hold one-on-one trade exhibits and promotions in their areas.

Potential for Canadian Manufacturers:

There are approximately 500 furniture manufacturers listed in the primary and secondary study areas; 72% are located in the primary study area, i.e., in the Los Angeles '60-mile circle', and 25% are located in the secondary study areas--25% in San Francisco and environs and 3% in the San Diego area, respectively. After eliminating from our study manufacturers whose products, for various reasons, do not fit within its scope, we were left with approximately 350 manufacturers. We interviewed 100 of these manufacturers in the primary and secondary study areas. The names and addresses of those companies we judged to represent the best potential for Canadian manufacturers can be found under "Buyer Data" on page 99 of the Appendix.

Results from Interviews--The following picture of the typical California furniture manufacturer's requirements in wood has emerged as a result of our interviews. Full results of the interviews are given on page 76 and in Table 2.4 of the Appendix.

Many manufacturers advised that softwoods are not popular at this time. We found, however, that 25% of the manufacturers interviewed use pine and will continue to do so. The preferred species is Ponderosa Pine. There is also a very limited demand for Hemlock Fir.

Maple is not popular, but there is some demand. Canadian Birch, however, has possibilities. Its prospects seem to be restricted only by availability from Canada. The most requested hardwood is Alder, for which there is heavy demand. Oak, currently the national favorite for contemporary wood furniture is also in heavy demand; and manufacturing in California is already restricted by limited supply in some cases.

During the last recession, U.S. mills cut back on the quantity of hardwood they processed; but they have now resumed former production levels. Competition for available supplies is intensifying. Canadians should note that, although they may not be able to supply dimensioned oak products, it is possible for them to purchase and re-export oak components and assemblies. This fact is ably demonstrated by the Taiwanese and Koreans, who are importing much of their raw oak from the U.S., are manufacturing furniture and furniture components from it, and then are selling the products back to the United States.

By far the greatest number of manufacturers buy their supplies through brokers. Most manufacturers would like, however, to buy directly from the mill whenever possible, but are often forced to deal with wholesalers, especially when they need emergency supplies.

Manufacturers prefer to buy in truck and trailer quantities. The possibilities for ordering vary from 2 - 3 loads per month to considerably smaller amounts which are required less frequently.

53% of the manufacturers interviewed require supplies of dressed or dimensioned stock. 47% require wood in the rough state which is outside the scope of this report. 29% of the manufacturers purchase hardwood or softwood frames for upholstery manufacturing. Canadian companies should note that some California upholstery manufacturers buy precut components for assembly into upholstery frames in their own plants. Only 9% of those interviewed were interested in assembled white-wood furniture or finished knock-down furniture.

25% of the manufacturers contacted had previously purchased Canadian materiel in various forms. Most of these had purchased dimensioned stock through a broker, while very few had had direct contact with Canadian sources. 70% of all those interviewed are interested in making contact with Canadian companies and are looking for possible supplies. Some manufacturers look for price savings, others are more interested in species types and quality. 95% of the manufacturers interviewed who had bought previously from Canada were very satisfied with the quality.

The average manufacturer prefers to pay in 30 days or less and expects to negotiate a discount.

Interview Results--As mentioned previously, full results of the interviews are given on the following page.

Specialist Manufacturers' Representatives:

Specialist manufacturers' representatives in California are responsible for sales in excess of $75 million worth of components and related materials per year.

Manufacturers may find specialist representatives the best way of establishing connections in the California furniture industry. These organisations generally work on a sales-commission basis, being paid by the supplier. With their knowledge of the industry, they generally negotiate commission rates which are acceptable.

The firms we interviewed represent possibly the best avaiable in the market areas; They all expressed interest in working with Canadian manufacturers. Robert Resnik of Robert Resnik Inc. has attempted to work with several Canadian companies in the past but has so far been unsuccessful; he has however established his own small distribution warehouse in Toronto for selected California made goods.

A list of specialist manufacturers'representatives is given on page 110 of the Appendix.

Purchasing Patterns for Wood by Californian Furniture Makers;

100 manufacturers were interviewed and the following is an indication of the way they purchase their raw materials:-

Purchasing Sources:

43%	-	purchase from:	a mill
72%	-	" " "	a broker (agent)
69%	-	" " "	a wholesaler (jobber)
29%	-	" " "	a frame or component maker

Quantities Required:

72% - require truck and trailer load or boxcar load.
21% - require less than full loads.

Degree of Wood Preparation required:

47% - require wood in the rough state.
53% - require wood dressed or partially worked.
29% - buy frames or components.
9% - buy complete furniture.

Interested in Canadian Wood Products:

25% - have purchased Canadian wood previously.
95% - were satisfied with quality.
70% - are interested in finding new sources in Canada.
2% - have been directly approached by a Canadian source.

Preferred Terms:

40% - prefer 30 days or less with a discount.
35% - prefer 30 days net
25% - prefer more than 30 days.

Component Manufacturers:

The component manufacturing industry in Southern California is sizable; however, it was not possible to determine sales in this industry. Component manufacturers primarily make component parts for the California furniture market. Our research indicated that most of these companies are situated in the primary study area; there are a few large companies located in the San Francisco area, but none of any size in the San Diego area.

This industry is extremely fragmented; many component manufacturers make their own proprietary lines as well as components for other furniture manufacturers. These proprietary lines range from complete furniture to "shrink-wrapped" architectural products for the "home center" market.

We interviewed 25 component manufacturers, each company employs a staff of approximately fifty workers. 75% of the companies interviewed are interested in supplies of dimensioned or rough Canadian lumber and stated that they could purchase in truck and trailer load quantities. 85% are already buying, or have used, Canadian stock; they usually purchase through lumber brokers, very few purchase directly from Canadian mills. (The Canadian company MacMillan Bloedel Limited was mentioned frequently when supplies of Hemlock Fir and pine were discussed). Component manufacturers are also interested in several species available from Canada, i.e. Hemlock Fir, Ponderosa Pine, Birch and Alder. One manufacturer is interested in buying complete chairs and tables in component form for assembly in his own plant. The names and addresses of interested component manufacturers are listed on page 108 of the Appendix.

Components from Mexico--Baja California, the Mexican state bordering California has always appealed to California furniture manufacturers as a potential source for components and complete wooded furniture. Despite the apparent advantages and low labor costs, few California manufacturers buy in Baja because, as we discovered in our interviews with manufacturers, few Mexican manufacturers have made the capital investment necessary for consistent production. Several California manufacturers who have invested in production facilities in Baja California have experienced major problems with Mexican labor regulations. California manufacturers who do buy in Baja California often arrange for their own supplies of raw materials to be shipped into Baja from the U.S.

Complete wooden furniture and components exported from Mexico to the U.S. attract a 15% duty rate, in addition a Mexican export permit must be obtained.

The Waterbed Industry in California:

The waterbed industry in California is a relatively new phenomenon in the context of the furniture market. Mr. Ray Delrich, Executive Vice President of the Waterbed Manufacturers Association, advised that the industry started in California in 1967 and that by 1980, national sales were estimated at $1 billion retail; California manufacturers account for approximately 50% of this volume.

Sales in the industry are continuing to expand rapidly as waterbed manufacturers have placed themselves in direct competition with regular furniture manufacturers. Estimates show that approximately 10 million people are sleeping on waterbeds. More than 1 million of these beds were sold in 1979. The industry's expected growth rate during the 1980s is 30% to 40%. The prospects for continued sales growth in California during the 1980s are particularly good. The western states contain the nation's largest concentration of 772 specialty "Floatation Sleep" (waterbed) stores.

Waterbed manufacturers in California are based mainly in the primary study area and around San Diego. California manufacturers started in a small way, consequently many have had difficulty in maintaining their rapid growth. Many are finding it necessary to restructure their organisations because small company management systems are no longer capable of fulfilling their needs. Sales forces are still being built and marketing programs are still being formulated.

Potential for Canadian Manufacturers--Demand for waterbeds creates a demand for wood products. Waterbed companies are now selling full suites of bedroom furniture to support bedframe sales. To help meet the heavy demand for matching furniture items, many manufacturers have been forced to look outside their own specialised production facilities for sources of supply. Several California waterbed manufacturers have made arrangements with furniture plants in the eastern U.S. to obtain the case goods they cannot supply themselves. Deliveries are coordinated so that the bedframes and conventional furniture arrive at the distributor's warehouse or the retailer's store at the same time. The California furniture industry has never been strong in case goods manufacturing. Our interviews with California waterbed manufacturers showed that they could be potential customers for Canadian dimensioned stock and possibly pre-cut component blanks. Waterbed frames generally have a high wood content. The most commonly used wood species in the industry is Ponderosa Pine. For names of California waterbed manufacturers see page 106 of the Appendix.

California manufacturers are working at full capacity to meet the demand for sales and there are, therefore, distinct possibilities for Canadian manufacturers who wish to enter the waterbed market itself here. One Canadian company, Wildwood from Calgary, Alberta, is already selling in the U.S. At the same time, several U.S. waterbed manufacturers are exporting to Canada. It appears that healthy competition is not a bar to entry in this industry.

The Unfinished Furniture Industry:

Unfinished furniture manufacturers separated themselves from the body of the furniture industry when they formed the Unfinished Furniture Association in 1979. Today, the association has in excess of 1000 members. Government statistics are published every five years for unfinished furniture and no private studies have so far been undertaken. From the little information available, it can be seen that sales for the industry increased from $27.9 million in 1972 to $50.1 million in 1978; these figures were for manufacturers' invoiced shipments and reflect a substantial growth rate of 80% over that five year period. No figures are available for the industry since 1979, but Mr. Ray Passis, editor of the Unfinished Furniture magazine, estimates that the industry is responsible for retail sales in excess of $1 billion and that sales will double within the next three years.

The industry held its second annual show in Las Vegas in March 1981. There were approximately 120 exhibitors, 40% of these were from the West Coast and 28% were from California; it was also estimated that approximately 3,500 people attended the show. The exhibitors and show management considered the show so successful that they are holding a second show in Chicago which will be aimed at the eastern segment of the market. This second show will be held in July.

Distribution Patterns in the Industry--At the outset, the department store and catalogue chain were the selling outlets for the industry. This pattern has changed dramatically over the last ten years. Today, catalogue chains are still involved but department stores are out of the business, in their place are a growing number of specialty stores and "home center" stores which concentrate on selling unfinished furniture.

This field is so attractive that a large number of traditional furniture manufacturers are offering unfinished products as a by-product of their regular production. Styles vary by region; retailers in the East sell mainly colonial pieces, whilst western retailers find that they have a demand for contemporary products and antique reproductions.

California Potential for Canadian Manufacturers--We interviewed several unfinished furniture manufacturers; we found the same potential for supplies of dimensioned stock and sometimes components, as exists in the furniture industry. Our interviews with "home center" retailers, who are potential major customers for unfinished and do-it-yourself furniture, revealed several major distributors in the industry.

In our opinion, Canadian manufacturers who wish to participate in the unfinished furniture industry should consider by-passing California manufacturers and supply the market direct themselves. Canadian manufacturers will find there is an attractive market in California. This market can be approached through active distributors or in certain cases by direct selling to retailers. Manufacturers should have a complete program in mind before approaching distributors or retailers. Manufacturers and distributors addresses are given on page 104 of the Appendix.

Canada's Competitors:

Readers should refer to Table 2 on page 75 of the Appendix which covers the product categories under study in this section. The table, taken from figures developed by the U.S. Department of Commerce, shows Canada's exports to the U.S. The figures cover the nine month period from January to September 1980. Canada's competitors in the various categories, with leaders listed in their respective position, are as follows. The dollar value of sales achieved is also shown in $ millions.

- Folding Chairs — Taiwan (4.7); Korea (1.5); Romania (1.2); Canada is in 18th place (0.6)

-	Non-Folding Chairs	Yugoslavia (35.1); Taiwan (20.1); Singapore (9.1); Italy (6.1); Denmark (4.5); Canada is in 6th place (4.1)
-	Wooden Furniture	Taiwan (42.5); Denmark (36.2); Canada is in 3rd place (35.0)
-	Wooden Furniture Parts	Taiwan (11.3); Yogoslavia (5.3); Italy (3.5); Canada is in 4th place (3.1)

A brief examination of these positions show that Canada's market share is low in product categories which are labor intensive, have a very low volume and, are very competitively priced, for example, folding chairs. Canada's market share increases as the quality and volume of the commodity increases. Canada has its strongest market share in the wooden furniture category. We were unable to determine just what the definition of this category is, but Canada's competitors in the category would seem to indicate that it contains, in part, better quality domestic and commercial furniture; both of these are strong categories for Canada.

2.5 THE HOME CENTER MARKET

Home Center Retailing:

Home center retailing began to emerge in the United States in the early 1960s. Home center retailers combined elements of mass merchandising and the cash and carry principal; they applied these ideas to the sale of building products and home-wares, with the idea of creating "one stop" retail outlets to service the building and home renovation market. During the 1970s, home centers became the dominant factor in the building supply market. New outlets evolved from traditional sources, such as lumber dealers and department stores. In addition, many entirely new organisations were formed.

In a recent profile of the industry for the 1980s, Home Center Magazine estimated that there are more than 26,000 home centers, owned by 8,900 firms, operating in the continental United States. 2,300 of these home centers are located in California; 50% of the total are located in the primary study area and 50% are located in the secondary study areas.

In 1980, the industry's sales were $37.4 billion; it is predicted that sales will be in excess of $50 billion by 1983. Our research showed that this industry presents excellent market potential for Canadian manufacturers.

Profile of the Home Center Store:

Home Center Magazine's profile defines a home center as having sales in excess of $1/4 million per annum; the store must carry the right type of product mix to make it a genuine "one stop" shopping place for all building and renovating needs. Actually, most home center retailers we interviewed carried far more than the qualifying number of products Home Center Magazine stipulated. Products they carried were: lumber, plywood, wall-paneling, moldings, doors and windows, roofing produts, handtools and power tools, floor coverings, plumbing products, K.D. and do-it-yourself furniture, lawn products garden products, kitchen cabinets, ceiling products, and sometimes major appliances. In addition, home center stores must have sufficient floor space to display products properly.

88% of all home center firms are independently owned and operated. Part of the remaining 12% is owned by public corporations or, corporations which are solely involved in home center retailing. Indications are that the number of individually owned stores is declining, while the numbers of chain owned stores is increasing. The market share of total outlets operated by firms with ten or more stores rose to 56% in 1979, as opposed to 45% in 1977. 3/4 of the home center retailers we interviewed in California operated more than five stores. We discovered seven firms with annual sales in excess of $100 million, four firms with sales in excess of $50 million, and six firms with sales between $10 to $25 million per annum.

Home center retailers report that the do-it-yourself consumer is their leading customer but that commercial builders and contractors are increasing their purchasing percentage; commercial accounts are only responsible for a very small percentage of sales.

Buying Patterns in Home Center Stores:

Most home centers employ at least three buyers who specialise in certain product categories. We interviewed approximately twenty-five home center firms; they ranged in size from national chains with their headquarters outside California, to individual privately owned stores. The buyers interviewed represented approximately 200 stores in California, or 9% of the market. We also interviewed two cooperative hardware chains with over 1,800 stores collectively in California.

Home center buyers cited competitive pricing and availability as the most important determining factors when selecting new merchandise. Home center retailers generally feel happier when buying from stockist distributors, in almost all categories. Buyers considered that distributors are able to perform some inventory, pricing and delivery functions more economically than they can.

We found buyers in home centers made more use of trade publications; most buyers said they actively look for new products in trade publications; they also attend relevant trade shows whenever possible. Most buyers welcome sales visits as an opportunity to see new products but warn that Canadian manufacturers should have a prepared program ready before making sales calls. To be effective, a program must cater for the particular retailer's distribution preferences, whether those are for drop shipments or for bulk deliveries. Home center buyers in California are serviced by several wholesale distribution houses. These wholesale distributors carry large inventories of thousands of home center items including wooden decorator items, such as do-it-yourself furniture and shelving. Most home center buyers look to these distributors when they need new products.

Retailers vary their purchasing patterns--they purchase 40% of the product categories under study from distributors, they also purchase 40% direct from manufacturers. Most retailers purchase 11% from a buying group of some sort. The remaining 9% is used in a variety of ways. It can be seen that despite home center buyers' stated preferences for dealing only with distributors, they do purchase a significant portion of their merchandise direct from manufacturers. The following list shows the percentage of home centers which carried the products in this study, according to Home Center Magazine:

- Lumber	91%	- Stairs	61%
- Molding	89%	- Windows	81%
- Kitchen Cabinets	78%	- Bath Vanities	83%
- Doors (exterior)	86%	- Doors (interior)	85%
- Free Standing Shelf Systems	47%	- Outdoor Furniture	47%
- Decorative Spindles	62%	- Decorative Beams	50%
- K.D. Furniture	28%	- Ready to Finish Furniture	26%

Possibilities for Canadian Manufacturers:

Home center retailers have been mentioned in most sections of this report when sales prospects have been discussed. Here, we present a brief review of these possibilities together with any previously unmentioned prospects.

Home center retailers, particularly some of the larger operators, are prepared to look at direct purchasing from manufacturers in Canada. Two items mentioned in this context were fir and hemlock stile-and-rail doors and K.D., or do-it-yourself kitchen and bathroom cabinets. In these cases, home center retailers are looking for lower priced items.

Prospects for moldings and architectural turnings depend on Canadian manufacturers selecting the right distributor. Acting on the advice of several retailers, we talked to several distributors who handle decorator and specialty items for home centers. We found most distributors will be interested to look at Canadian products. One distributor advised he had no gaps in his product range, but said that "new products make their own gaps".

Lists of home center retailers and specialist distributors are given on pages 94, 104, and 111 of the Appendix.

2.6 WHOLESALE LUMBER DISTRIBUTION

There are a large number of companies involved in wholesale lumber distribution in the study areas. Our investigations show that a great number of these wholesale dealers are involved only in supplying the local construction industry. We selected fifteen lumber dealers who are members of the Lumber Association of Southern California. Mr. Wayne Gardner, Executive Vice President of the Association, feels that most active Southern California dealers are members of the Association. We also interviewed fifteen dealers who are members of the Suppliers Chapter of the California Furniture Manufacturers Association.

We found that there is no clearly defined difference between the distribution system used for industrial quality and construction quality softwoods. In many cases, the lowest grades of industrial lumber are the same as construction lumber. Furniture makers often use construction grades when they are planning darker finishes; they are adept at camouflaging the most unlikely looking lumber.

On the West Coast, lumber is brought into the market areas by sea barge, road or rail. Barge traffic is limited to volume dealers who mainly handle the rougher grades of construction lumber. Smaller dealers use rail and road shipments. Most Canadian hardwoods are from the Eastern Provinces and supplies are brought to the market areas by rail or truck.

Most dealers we interviewed felt there was no particular advantage or disadvantage connected with bringing lumber from Canada; the success of these ventures depends on the abilities of the parties involved. Supply of special or improved grades depends on finding the right source in California, (if you are a manufacturer). Some dealers hold stock of improved grades, some will only bring such specialised material into the state to satisfy firm orders. It is difficult to label suppliers in California accurately. Perhaps, they can best be described as "dealers". In this industry, wholesalers can become agents, brokers can become distributors; it all depends on the circumstances of a particular deal. California manufacturers, being aware of this opportunism in the market and because they are concerned with buying at the best price, try to buy directly from a mill source, wherever their volume requirements make this possible. Sometimes, in these cases, manufacturers will work through California dealers who will make a small commission on the deal.

The dealers we interviewed handle a wide variety of Canadian lumber: pine, fir, and western red cedar, (used primarily in the construction industry) and, birch and maple, the more exotic Canadian hardwoods. Some dealers felt that the demand for Canadian hardwoods is down at present. They advised that this is due to the drop in popularity of early American furniture styles and the increase in the demand for open grain lumber species, for example, oak. Most Canadian hardwoods have closed grain.

A large number of dealers buy Canadian hardwoods dressed on four sides to cut down on the volume of the lumber and to cut shipping costs. Dealers we interviewed said that Canadian lumber accounted for between 5% and 25% of their total business. Most were interested in making contact with new mill sources. The business volume of the dealers we talked to ranged from $4 million to $30 million.

For lists of dealers' addresses, refer to page 116 of the Appendix. Canadian suppliers should also consider talking to some of the specialist manufacturers' representatives listed on page 110 of the Appendix. These firms also handle lumber sales, particularly for special grades, on a broker or agent basis.

2.7 PRICING POLICIES

During the course of the research for this study, we interviewed potential customers for a wide variety of Canadian manufactured wood products. In each case, there are several possible methods of transporting the goods to the marketplace; in addition, a variety of distribution methods are possible. The level of participation and, therefore, the cost to Canadian manufacturers will vary with the mixture of transport and distribution methods which is selected. For this reason, it is impractical to offer meaningful pricing policies. Manufacturers will need to be prepared to provide levels of pricing to suit the particular customer and set of supply circumstances they have before them. Manufacturers should, however, be aware of the following points:

- All U.S. business men we interviewed talked only in terms of U.S. dollars. Canadians must price goods for export to the United States in $U.S.

- Some U.S. purchasers may be prepared to buy products at an FOB, Ex-factory Canada price. Many respondents to the survey, however, assumed that Canadians would price products for delivery to specified warehouses or factories in the study areas.

- Canadian manufacturers should remember that an irrevocable letter of credit is a very good way of ensuring payment in initial dealings with a new customer. A variety of types of letters of credit are available to suit most business transactions.

- Respondents to the survey expressed preference for a wide variety of payment terms; as a general rule, Canadian manufacturers should find that payment of an account, in full at 30 days, is acceptable. Letters of credit can be arranged to accomodate most terms. Respondents would generally expect a discount for payment in less than 30 days. The size of the discount varied widely amongst respondents.

- Canadian manufacturers should be prepared to hold price levels for a reasonable period of time when embarking on a new program with a new U.S. customer.

Export Proceedures & Shipping

3. FEDERAL REGULATIONS & STATE AND CITY CODES

3.1 GENERAL

Generally, manufactured wood products imported into the United States are required to comply with regulations of various U.S. Federal Agencies. The Federal Agencies which administer regulations that regularly apply at the time of importation to manufactured wood products are the Consumer Products Safety Commission (CPSC) and the United States Customs Service.

3.2 CONSUMER PRODUCTS SAFETY COMMISSION (CPSC)

A consumer product offered for importation may be refused admission if such a product fails to comply with: an applicable consumer product safety rule; specified labeling or certification requirements; or is determined to be a hazardous product or contain a product defect which constitutes a substantial product hazard. Examples of manufactured wood products which may fall under such regulations or proposed regulations are--toys, portable ladders, cribs, furniture painted with lead-containing paint, and games.

Information concerning products subject to CPSC regulations or proposals for regulation may be obtained directly from the U.S. Consumer Products Safety Commission, Washington, D.C. 20207, or a U.S. customs broker.

3.3 CUSTOMS REGULATIONS

Very few manufactured wood products are subject to CPSC regulations. All manufactured wood products, however, are subject to U.S. Customs regulations. The Tariff Schedules of the United

States (TSUS) outline the tariff treatment applicable to merchandise imported into the United States and include descriptions of commodities accompanied by their respective rates of duty. Copies of the relevant pages of the current TSUS, as they apply to the products in this study, are shown in the Appendix. Column 1 rates apply to Canadian merchandise. In some cases, the tariff sections do not describe the products in this study which are covered by those sections. We discussed this problem with customs import specialists in Los Angeles who advised that furniture parts are generally subject to the same tariff classification as complete furniture items provided that the parts are of a quantity and assortment that permit assembly into a determinable number of finished items. They also advised that Section 727.35 - 727.40 covers kitchen cabinets and bathroom vanities.

The TSUS and the U.S. Tariff Act of 1930 form the basis of U.S. Customs law and are administered by the U.S. Customs Service. The tariff classification and value on which the duty is assessed is determined by customs import specialists who are located at various customs ports. These officers specialize in specific commodities.

Customs officers examine merchandise at the time of importation to ensure that merchandise complies with country of origin marking regulations. United States Customs general rule is that each imported product must be legibly marked in a conspicuous fashion with the name of the country of origin in English. The object of this is to show the ultimate purchaser in the United States the name of the country in which the article was manufactured or produced. Some products are exempt from this rule, for example sawn lumber. It is advisable to check if your merchandise complies with the marking requirements before exporting. If merchandise is not properly marked, it will be prohibited from entry into the U.S. Canadian manufacturers should note that marking merchandise whilst it is in the custody of the U.S. Customs is a costly operation.

The accurate determination of the tariff classification, value for duty or country of origin marking requirements for imported merchandise, require a specialized knowledge. Canadian exporters must have precise and reliable information on these subjects before quoting prices and exporting. For this reason, it is essential that the Canadian exporter should work closely with his U.S. Customs broker to ensure that his merchandise is cleared through customs under the most favorable classification and valuation possible.

Precise information on customs tariff classification, valuation, and marking regulations is also available from the Department of Industry, Trade and Commerce, Office of U.S. Relations, Ottawa. In addition, the Department can obtain definitive classification rulings on behalf of an exporter. The value of this type of ruling is that it stays in force until the exporter is notified otherwise. The advantage of a definitive ruling is that an exporter can determine the duty assessment for his products well in advance. We strongly urge Canadian exporters to take advantage of these services offered by the Department.

3.4 STATE REGULATIONS

There are no State of California regulations affecting the products in this study.

3.5 CITY CODES

None of the cities in the study areas have regulations affecting items within the scope of this report.

3.6 CONSTRAINTS

There are no quota constraints established by way of international trade agreement, or otherwise, which affect any of the products in this study.

4. DOCUMENTATION AND GENERAL EXPORT INFORMATION

4.1 GENERAL

Most Canadian merchandise exported to the U.S. is sold at landed prices, that is, a price which usually includes Canadian inland freight, U.S. Customs duty, and U.S. inland freight to the customer's city.

As U.S. customers consider Canadian suppliers to be domestic suppliers, Canadian exporters should compete on a U.S. domestic basis. They should not involve their customers in the U.S. Customs transaction. To accomplish this, the Canadian exporter acts as a U.S. non-resident importer with his U.S. Customs broker acting as his agent, thus avoiding any contact between the U.S. customer and the Customs authorities.

Arrangements must be made to clear all merchandise through U.S. Customs at a customs port of entry. Merchandise may be cleared at the border or bonded on to some interior U.S. port for clearance. It is important that the Canadian exporter instruct his transportation company to surrender the accompanying documents for customs clearance to a specific broker. This should be done when the merchandise arrives either at the border or the interior port of entry. If this is not done, the carrier is free to choose his own broker. When the merchandise arrives in the U.S., it is desirable to clear it as close to the border as possible. This will ensure that the merchandise is released rapidly under the "immediate delivery system" which is primarily used at land-border crossings to avoid delivery delays. The system also enables an exporter to exercise maximum control over the merchandise.

4.2 THE CUSTOMS BROKER

U.S. brokers who staff offices at all Canada, U.S. Customs ports maintain close ties with their Canadian exporting clients. This is sometimes not the case with U.S. brokers located at interior ports of entry, such as Los Angeles, where airfreight shipments in particular may take up to a week to clear customs. A shipment destined for Los Angeles by truck is often better cleared at the border rather than in Los Angeles. A broker in Los Angeles is farther from his Canadian principal than a broker located on the Canadian border. Should a problem in tariff classification or value occur, it is possible that the Los Angeles broker will be inclined to act with a greater degree of autonomy than the broker located on the border.

The degree of difficulty a Canadian exporter experiences will depend on the skill and enthusiasm of the broker he has selected; whether that broker is located on the border or in the market area. We advise exporters to discuss their programs with several brokers and compare the advantages offered before selecting. If landed prices are to be quoted profitably, it is essential that the question of brokerage fees, tariff classification, and delivery instructions should be settled in advance wherever possible.

The U.S. Customs broker acts as the Canadian exporter's agent, utilizing his customs bond to effect customs clearance of the merchandise. He pays the duty and charges the Canadian exporter a fee. Fees are usually based on a fixed scale. A typical broker's price list for customs transactions is shown on page 88 of the Appendix.

4.3 THE CUSTOMS ENTRY

Under the immediate delivery system, merchandise for customs clearance must be supported by sufficient documentation to obtain the release. The lodging of these documents is known as "the customs entry". Sufficient documentation and the duty deposit is required by the customs department within ten working days of the release of the merchandise to enable them to satisfy assessment and statistics functions; this is known as the "entry summary process". The final disposition for any entry is the "liquidation process". The general rule is that the liquidation process is completed within twelve months of the date of entry. The duty paid at the time of entry is considered to be a deposit only. For this reason, it is essential that exporters ensure through their brokers that entries are liquidated shortly after initial lodgement. This will avoid problems at a later date.

4.4 DOCUMENTATION

All commercial Canadian exports to the United States must be accompanied by Canada Customs export entry form B-13. This form is particularly important for Canadian manufacturers since it identifies goods that have been exported and if necessary allows them to be returned to Canada without duty payments.

Normally, the only other documents required when shipping to the U.S. are a bill of lading, a commercial invoice, and a U.S.

Customs invoice, number 5515. If the commercial invoices contain sufficient information on the transaction, the customs import specialist may waive the requirement to produce a 5515 invoice. Packing lists are required if invoices are not sufficiently detailed.

The aforementioned entry and entry summary are applicable to merchandise entered for consumption, i.e. use in the U.S. There are innumerable other types of entries for various customs transactions. Those which are the most useful are the following:

Temporary Free Importation--Certain articles not imported for sale may be admitted into the United States under bond without duty payments. Such articles must, in most cases, be exported within one year of the date of importation. This type of entry may be used for such things as non-saleable samples used for order-taking or as display material.

Warehouse Entry--Used primarily for warehousing merchandise which will not immediately enter into the commerce of the U.S., but held in bond without payment of duty until removed for consumption in the U.S., or re-exported.

Entry into a Foreign Trade Zone--The advantage of this type of entry is that goods may be landed, stored or sorted or have local content added, (such as packaging) without incurring customs duties or restrictions. Goods under this system remain nondutiable until they are offered for entry from the zone. In some cases, goods in a more advanced state can be reclassified and attract a lower duty rate.

There are currently two Foreign Trade Zones in California. One is located in San Francisco and the other in San Jose; a third is planned, in the near future, for Los Angeles.

Licenses--Licenses are not required for any of the products in this study.

4.5 VALUE - BASES OF APPRAISEMENT

Customs duty is based on the transaction value of the imported merchandise. Generally, it is the price actually paid or payable for the goods, with certain additions. The dutiable value of all merchandise should be discussed with a U.S. customs broker. It should be noted that any charges prepaid by the Canadian exporter on behalf of his U.S. customer, included in the price of the merchandise, will be included in the value for duty. Exceptions to this rule are freight charges incurred in the U.S. if these are shown on a separate invoice. If the cost of freight for ground transport in Canada is included, however, duty is payable. If the merchandise is airfreighted from the point of direct shipment to the U.S., the cost of the airfreight may be deducted from the value for duty.

Canadian manufacturers may be interested to note that Canadian wood products moving to the U.S. are subject to far lower duty rates than the corresponding U.S. products moving to Canada.

5. TRANSPORT AND SHIPPING TO THE CALIFORNIA MARKET

Our efforts were directed here at obtaining information on freight methods and costs to Los Angeles from the Ontario, Quebec, region and from the British-Columbia region. Toronto and Vancouver were the Canadian cities selected as shipping points from these regions, respectively.

5.1 SHIPPING METHODS

There are two main methods of moving manufactured goods and commodities from Toronto and Vancouver to Los Angeles, and San Francisco.

Rail Shipment: This is the cheapest way to move a large selection of goods or commodities almost anywhere in the continental U.S.

The two methods available by rail are boxcar and trailer-flat-car combination (piggy-back). When using the piggy-back method, containers can be equiped with a road chassis.

Timing--Opinions vary widely on the delivery time to be expected when using rail. The Santa Fe Railroad system stated that the minimum delivery time from Toronto to Los Angeles is 8 days. Some end users and road-freight companies said that that rail deliveries were uncertain and that they could take up to 3 weeks. Delays occur when there is congestion in routing.

Piggy-Back Method--When shipping by rail, most manufacturers and their customers will find it is preferable to use trailers with chassis attached. Greater flexibility results at both ends of the delivery. Also, many U.S. freight yards do not have facili- for unloading containers without chassis. Piggy-back facilities are available in both Los Angeles and San Francisco. The slight disadvantage of this method is that most rates are based on a two-trailer occupancy of the flat-car. Teaming with other shippers, however, is a possible solution when manufacturers are shipping less than two trailer loads. When comparing prices, this method was found to be the most economic means of moving the commodity used as our sample. (We obtained rates based on a commodity of 20,000 lbs. of unfinished furniture components, as shown in Table 5.2, page 63).

Boxcar--This method is suitable only for manufacturers who have access to a rail siding for loading, and it is best if the customer has one also. Delays and many extra costs occur if sidings are not available.

We found that the commodity chosen for our sample was not economical for shipment by boxcar. Railroad companies explained that this method can be more expensive. Los Angeles importers, in contrast, felt that the method can be cost effective if the right commodity is selected and loading with minimum weight and maximum volume can be achieved.

Road Shipment: This is the fastest way of moving goods into the market area. Two types of carrier are available:

Common Carrier--All common carriers operate on commodity rates. They are generally considered too expensive for bulk shipment of lower-priced items. This covers most of the product types discussed in this study.

Independent Truckers--Independent truckers are able to offer more competitive rates than common carriers for a variety of reasons, which are discussed below. Independent truckers appear to offer the most cost-effective method of moving lower-volume, heavy-weight shipments between Toronto and Vancouver to Los Angeles.

Timing--The trucking companies and independent truckers in our survey offer delivery Toronto - Los Angeles in 4 days and Vancouver - Los Angeles in 24 hours, in both cases delivery is right to the customer's dock.

Comparison of Independent Truckers and Common Carriers: We asked several independent truckers and brokers why common-carrier rates are so much higher than theirs. They gave the following reasons:

- Independent truckers generally operate with reduced overhead;
- They are not subject to union influence;
- There is less control of independent truckers by the U.S. Interstate Commerce Commission; and
- There is a greater desire to be competitive.

Brokers are available to arrange loads for independent truckers and obtain competitive rates for shippers. See page 89 of the Appendix.

We were, of course, interested in how California importers find the freight situation from Canada and we interviewed two companies who have been receiving shipments from Canada for some time:

Wayne Englander, of Klein Englander in Los Angeles, has been buying from Canada for several years. He purchases a variety of medium to high-priced office furniture, some made of wood. The shipments are from Toronto and Montreal and are made by truck and trailer loads or full boxcar loads whenever possible.

According to Mr. Englander, the most economical way to import is by full loads. He uses rail when bringing in high-volume, low-weight items, for example, such as sofas and office desks. He has paid as little as $15.00 per 100 lbs. for such freight. This is substantially lower than the price for shipping the sample commodity used in our price survey and, shows the marked differences that can exist for various commodities. Manufacturers should always look into the question of finding the best commodity rate for their product.

Mr. Englander's experience is that road transport is cheaper for smaller items; he specified metal office files. He pays approximately $2,900.00 per truck and trailer load from Montreal, using independent trucking companies exclusively.

Mr. Englander explained, however, that when manufacturers must ship smaller quantities, it is possible to reduce costs by utilizing Canadian freight consolidators. The consolidator moves the goods from eastern Canada to Vancouver and then down to Los Angeles.

Ed Paully, of Ed Paully & Associates, Los Angeles, also buys Canadian products. Mr. Paully imports truck and trailer loads of wooden components, which he uses in the assembly of office furniture at his Los Angeles plant. He currently pays $2,500 per load from Toronto to Los Angeles. Both interviewees were in agreement that, although present shipping rates from Canada are tolerable, they could buy more Canadian products, if the rates were lower.

Sea Freight: This third method is largely unexplored , to the extent it is utilized only by goods being shipped along the west coast between Vancouver and California ports. Our investigation showed that the number of tariffs offered is small, because sea routes for shipment between the areas under study are not widely used. One of the companies interviewed, however, believes that it would be possible to achieve reasonable tariff rates if there were more traffic along these routes.

The rate shown in the comparisons table on the next page is based on the lowest tariff currently being offered, although it is not for goods in our categories.

Our sample is based on the cost of 25 cubic meters shipped in a 20-foot container at a rate of $50.00 per cubic meter, and it includes bunker, wharfage and handling charges.

5.2 FREIGHT ESTIMATES: CANADA TO SOUTHERN CALIFORNIA

Two departure points were chosen for price sampling, they are Toronto--approximately 2,700 road miles from Los Angeles and San Francisco, and Vancouver--approximately 1,300 road miles from Los Angeles, and 970 miles from San Francisco.

We obtained freight estimates to Los Angeles and San Francisco, as shown in the table below. The cost differences between the two destinations were minimal; we have, therefore, used the Los Angeles figures in most cases. The exceptions are the road rates from Vancouver to San Francisco, which are given accordingly. Manufacturers should note that the figures are estimates only. Independent truckers quoted $1,000 more than the figure shown for freight from Toronto to Los Angeles and San Francisco; importers, however, advised that they have been able to consistently negotiate the lower rate, as quoted below.

Rates were based on a commodity of 20,000 lbs. of unfinished furniture components.

TABLE 5.2

FREIGHT RATE ESTIMATES: ROAD, RAIL & SEA

		Vancouver/L.A. and SFO.	Toronto/L.A. and SFO
Rail:	Boxcar based on 21,000 lb minimum -	$2,130	$5,054
	Trailer/flat-car (piggy-back) based on 40,000 lb*	$1,422	$2,122
Road:	Independent trucker based on truck and trailer load of any commodity -	$1,900 $1,500 (SFO)	$2,500
	Common Carrier -	$2,783 $2,380 (SFO)	$4,426
Sea:	20 ft. container -	$2,095	NA

*80,000 lbs. is the two trailer rate. Santa Fe Railroad states no 20,000 lb. rate is offered for our commodity. The 80,000 lb.

rate is based on two trailers per flat-car. It is usually possible to split the rate with another consignee.

5.3 WAREHOUSING, STORAGE AND DISTRIBUTION

There are approximately one-hundred warehouses operating in the Los Angeles area. The diversity in size and services offered will make it possible for a Canadian manufacturer to select the type of operation which suits him best. Many warehouses offer the following services: receipt of international shipments; short or long-term storage, under controlled conditions; inventory control; repacking, if required; and delivery facilities. For example, General Warehouse, Inc., declares that they handle the distribution for several British, Australian, and Continental companies. This enables these companies to concentrate on selling their products, knowing that distribution is being handled by other professionally.

Such services are used by many companies as a long-term solution to their distribution problems. The cost is estimated at 5% of the wholesale value of the goods. (General Warehouse, Inc., is currently handling manufactured wood products).

A price estimate prepared for the study is given on page 92 of the Appendix.

Storage for Bulk Commodities:

This section applies to shipments of dimensioned lumber arriving as deck cargo by sea from the Canadian west coast. It can be utilised by manufacturers or lumber distributors who want to parcel out deliveries from bulk shipments.

Louisiana Pacific Corporation operates a bulk-storage facility at the port of Los Angeles. (See page 91 of the Appendix. See also page 89 of the Appendix for the list of carriers and warehousing facilities consulted in this study).

6. QUALITY STANDARDS

Softwoods: Grades of Canadian dimensioned lumber are identical to those in use throughout the United States and conform to all applicable requirements of the American Softwood Lumber Standard PS-20-70. Species combinations, assigned stress values and spans developed by the National Lumber Grades Authority are in strict accordance with the applicable American standards as applied to species grown in Canada.

Hardwoods: We were advised by the National Hardwood Lumber Association that Canada and the United States use the same grading rules for hardwood. These rules are part of a standardized system which is in use throughout the world. Canadian mills constitute 30% of the membership of the National Hardwood Lumber Association.

Conclusions

7. MARKET STRATEGY

This study has discovered potential markets for products in most of the categories under examination. Prospects, buying patterns, and distribution channels vary on a product by product basis. For this reason, market strategies must be tailored to suit these products. We have indicated in broad terms what some of the strategies may be. The following recommended strategies should serve as guidelines, (the reader should refer also to Summary Section No. 7 for an outline of our findings):

Identify the type of product your company can best supply, using this report as your guide, and examine all problems associated with this type of product. The address lists in the Appendix are keyed into each section of the study and should enable you to make initial contact, which will give you an indication of your product's potential before visiting the market-place. After initial contact, it is usually beneficial to meet potential customers in person. Many consider first-hand experience of the market to be vital. In such cases, the most appropriate trade show for your product should be selected. Trade shows in the specified market areas, and in the U.S. in general, are now becoming quite specialised. Lists of available trade shows with brief comments are given at the end of this study. Some industries respond favorably to advertising in trade publications. There are also many who consider advertising a good way to reach the customer. As is the case with trade shows, publications are now highly specialised, and you must chose your industry segment carefully.

Above all, manufacturers must allocate sufficient human and monetary resources to the marketing venture, in order to have the best chance of success.

8. SUMMARY

Both primary and secondary market areas of California have promise for Canadian-manufactured wood products. The major manufacturing center in California is to be found in the primary study area. Retailing, on the other hand, is divided evenly between the primary and secondary study areas. The headquarters for most chains of California retailers are located in the primary study area. There are, nevertheless, several major independent retailers in the secondary areas.

The market potential of these areas will continue to expand, although not as rapidly as in the past. Early growth in the study areas has ensured that there are no markets that can seriously challenge California in the near future. California has the nation's highest buying power and spends the largest amount of money at the retail level. Also, California was less adversely affected by the latest recession than many other parts of the United States.

Canadian manufacturers will find there is a good potential market for their wood products, mainly in the medium to higher price range. There is a general trend toward products of better quality, particularly in homewares. This is partly a result of escalating costs in housing. There is also a potential for millwork and door and window sales; but suppliers are advised to deal through recognised distributors. As always, of course, the supplier must be prepared to remain competitive.

Sales of kitchen and bathroom cabinets are related, in part, to the state of the building industry; they require either in depth establishment of Canadian facilities in the market area of operation through stockist distributors. In this area of the market, manufacturers must be prepared to maintain a good sales image. Canadians can use their experience with European styles to good advantage here.

The furniture industry presents a possible market for Canadian manufacturers in several ways, such as in supplying California manufacturers with components ranging from precut blanks to whole assemblies, or in supplying finished products. Examples of the type of product that could sell here are knock-down or do-it-yourself furniture. These products could be aimed at "home-center" retailers. Our research identified a sizable market for waterbeds and unfinished furniture. These two industries each have their own individual markets. Canadian companies who decide to sell to established California manufacturers (rather than setting up their own operations), could consider "specialist selling representatives" as viable tools for entering the market.

The "home-center" market presents a number of possibilities in each of the product categories. However, manufacturers are well advised to market through an established distributor.

Dimensioned lumber has its share of prospects. Many manufacturers interviewed would like to purchase directly from Canadian mills, provided transportation is available at competitive costs. It should be noted that the wholesale distribution market for dimensioned lumber is extremely complex. There is no strict demarcation between mills, wholesalers, brokers, and agents. In many cases, suppliers fill all these roles at one time or another. The list of contacts provided in this study should enable Canadian suppliers to recognize how their respective products fit in.

Through our examination of tariff regulations and shipping methods and their affect on costs, we found that Canadian companies can export profitably to both the primary and the secondary study areas. We found that it is important, however, to select the most favorable tariff classification even though Canadian manufactured wood products are subject to very favorable duty rates, when entering the U.S.
It is important to "shop" for the best freight rate. Most California businessmen interviewed agree that current currency exchange rates give Canadian manufacturers a definite advantage.

9. CONCLUSION

Our research disclosed that there is significant potential in most of the categories of manufactured wood products selected for this study. There are also several products which Canadian manufacturers should consider that were not selected initially. The degree of potential varies with the product, and the method of marketing is different in each case.

The assessment of the market potential for products in the study has been based on a variety of factors which make California an attractive target for Canadian manufacturers in the 1980s. These factors are (1) the current size of the population and the economic trends that it generates, (2) the inventiveness of the active manufacturing industry in the primary study area which successfully exports its products and which often imports raw materials or services falling within the scope of this study, and (3) the exceptional growth potential in the unfinished-furniture and waterbed industries and the excellant prospects offered by the rapidly growing home-center industry.

Our research revealed little awareness of Canadian manufactured wood products in the study areas and, for that matter, in any other area of the U.S. to come to our attention, except with regard to commercial furniture. It was, however, widely recognized among west-coast lumbermen that Canada provides roughly 1/3 of all building lumber for the west coast. The reason for this lack of market awareness of Canadian capabilities for secondary manufacturing in wood appears to be because Canadians are not making sufficient effort to penetrate this market. Manufacturers should maintain a strong representative effort once selling activities have begun. One of the most widely held misconceptions is that freight is totally disadvantageous and prohibitive. However, we found that freight problems can be overcome with a little work. Canada shares a common border with the U.S., yet despite this she exports far less manufactured wood products to the U.S. than some countries with major ocean freight to contend with.

Most U.S. manufacturers, distributors and retailers are interested in being contacted by Canadian companies or their agents. We believe that American companies will not go out of their way to make the initial contact; and, in such a well-serviced market, there is little incentive for them to do so

We recommend that interested Canadian firms contact some of the appropriate companies (listed in the Appendix) to see if their product is competitive and profitable. The next few years will provide excellent opportunities for Canadian firms to establish themselves in a number of expanding fields. Initial penetration may be effected through working with an established distributor. Also, beyond the California market, there is potential for the entire U.S. market for some of the products in question.

Appendices

Table 1.2

CURRENT AND ESTIMATED POPULATION
CALIFORNIA, PACIFIC AND MOUNTAIN REGION STATES
TO THE YEAR 2000 (000's)

State	Pop 12/31/79	1985	1990	2000
Pacific Region				
Washington	3,911.1	4,618.9	5,090.2	6,023.8
Oregon	2,534.5	2,610.0	2,781.0	3,070.0
California	23,532.6	24,756.1	25,111.0	27,309.0
Mountain Region				
Arizona	2,495.5	2,926.0	3,261.0	3,882.0
Colorado	2,783.9	3,123.0	3,409.0	3,892.0
Idaho	914.7	979.0	1,061.0	1,195.0
Montana	800.9	843.0	894.0	977.0
Nevada	708.3	734.0	800.0	908.0
New Mexico	1,247.9	1,361.0	1,466.0	1,636.0
Utah	1,363.4	1,449.0	1,571.0	1,775.0
Wyoming	458.2	537.6	-	-
Total US	226,532,6	232,880.0	243,513.0	260,378.0

Projected figures assume 1970-75 immigration trends continue and that births remain at 2.1 per female. Net annual immigration to the US remains as a constant at 400,000 PA.

Sources: Sales Management Survey of Buying Power; 1980 Survey of buying power; US Bureau of the Census Statistical Abstract 1979; State of California, State Department of Finance; State of Washington Office of Financial Management.

Table 1.2a

POPULATION AND EFFECTIVE BUYING INCOME

IN THE STUDY AREA 1979-1980

	Population 1980 (Millions)	% US	Total E.B.I. ($000's)	Market Rank	Average H'hold E.B.I.
Primary Study Area:					
Los Angeles	7,444.5	3.3	61,425,789	3	21,804
Orange Co.	1,925.8	0.85	17,500,110	14	24,448
Riverside/San Bernardino Co.	1,538.0	0.68	10,175,776	30	18,610
Ventura Co.	529.9	0.22	3,564,208	83	20,758
Total	11,438.2	5.05	92,665,883	-	-
Secondary Study Area:					
San Francisco*	5,535.6	2.48	30,883,788	6	23,556
San Diego	1,857.5	0.82	14,125,990	20	20,054
Total	7,393.1	3.3	45,009,778	-	-
California Total	23,532.7	10.4	188,228,064	-	21,625
U.S. Total	226,504.8	100.0	1,618,642,884	-	20,685

* San Francisco includes portions of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Santa Clara counties.

Market rank indicates position in Sales Management's analysis of the top 300 metropolitan sales areas in the U.S.

Source: U.S. Bureau of the Census
California State Department of Finance
Sales Management, 1980 Survey of Buying Power

Table 1.3

NEW HOUSING PERMITS AUTHORIZED 1979-80 AND ESTIMATED PERMITS FOR 1981 (VALUATION IN THOUSANDS OF DOLLARS)

	Units 1979	Valuation	Units 1980	Valuation	Units 1981
So. California					
Singles	58,578	3,495,016	39,284	2,651,846	50,000
Multiples	53,416	1,913,395	37,786	1,789,304	45,000
Total	111,994	5,408,411	77,070	4,441,150	95,000
No. California					
Singles	28,717	1,765,862	21,709	1,452,591	28,000
Multiples	11,149	458,471	10,766	465,516	12,000
Total	39,866	2,224,333	32,475	1,918,107	40,000
California					
Singles	127,514	6,885,513	86,603	5,328,008	110,000
Multiples	82,565	2,801,772	58,228	2,524,918	70,000
State Total	210,079	9,687,285	144,831	7,852,926	180,000
United States					
Singles	981,000		713,000		770,000
Multiples	570,300	NA	457,800	NA	530,000
U.S. Total	1,551,800	NA	1,170,800	NA	1 300,000

*Southern California includes Imperial, Inyo, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara and Ventura counties.

*Northern California includes Alameda, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma counties.

*Source: Security Pacific Bank, Los Angeles

NA data not yet available

Table 2

CANADA'S POSITION AS AN EXPORTER OF WOOD PRODUCTS TO THE UNITED STATES

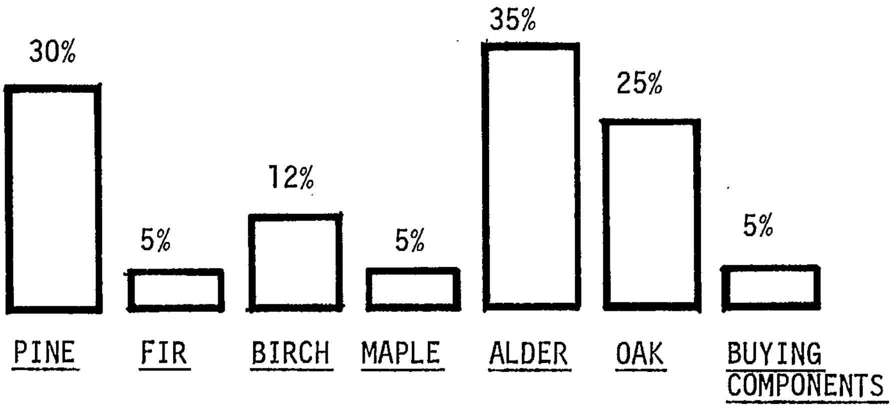
	Canadian Export to US ($US 000's)		Total Export to US ($US 000's)		Canadian % of Total Imports
	Sept 80	Jan-Sep 80	Sept 80	Jan-Sep 80	
Folding Chairs	3	69	965	12,531	.5%
Non Folding Chairs	566	4,110	12,641	100,319	4.1%
Wooden Furniture	4,185	35,052	25,049	234,824	14.9%
Wooden Furniture Parts	314	3,090	3,846	36,129	8.6%
Picture & Mirror Frames (wood)	15	125	3,171	28,309	.4%
Doors (flush)	111	715	583	5,959	12.0%
Doors (non flush)	75	989	946	9,761	10.1%
Window & Door Casings	18	234	19	498	47.0%
Window & Sash Units	32	200	361	2,281	8.7%
Fabricated Structural Wood Members	59	970	117	1,302	74.5%
Prefab buildings & Panel Assemblies for Prefab buildings	614	2,937	635	3,288	89.3%
Wood Blinds, Shutters, Screens & Shades	10	315	1,074	8,463	3.7%
Wood Moldings, Soft-wood - untreated	137	1,413	2,179	19,458	7.3%
Wood Moldings, Hard-wood - untreated	77	544	1,420	14,428	3.7%
Dowel Rods & Pins, Hardwood	21	395	1,970	10,822	3.6%
Fence Pickets & Rails	1,650	20,000	8,300	70,881	28.2%
Shingles & Shakes - Red Cedar	12,203	99,175	12,203	99,191	99.9%
Shingles & Shakes - not Cedar	844	7,493	844	7,498	99.9%

Source: U.S. Bureau of the Census - Department of Commerce
(Imports to the U.S. for 1980)
Figures based on customs value

Canadian Exports

Table 2.4

INDICATION OF WOOD SPECIES BEING USED
BY MANUFACTURERS SURVEYED



Note: Many of the manufacturers interviewed use several of the species listed.

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
	200.75		Wood fence pickets, palings, and rails, whether or not assembled into fence sections......	....	Free		Free
		20	Unassembled........	X			
		40	Assembled........	X			
	200.80		Wood railroad ties (except switch or bridge ties)......	....	Free		Free
		20	Treated........	M.bd.ft.			
		40	Untreated........	M.bd.ft.			
	200.85		Wood shingles and shakes........	....	Free		Free
		20	Red cedar........	Square			
		40	Other........	Square			
			Wood dowel rods and pins, plain, or sanded, grooved, or otherwise advanced in condition:				
			Plain:				
A*	200.91	00	Softwood........	Lin.ft..	2.5% ad val.		5% ad val.
	200.93	00	Hardwood........	Lin.ft..	Free		5% ad val.
	200.95		Advanced in condition........	....	14.4% ad val.	7.6% ad val.	33-1/3% ad val.
		20	Softwood........	Lin.ft.			
		40	Hardwood........	Lin.ft.			

Subpart B. - Lumber, Flooring, and Moldings

Subpart B headnotes:

1. This subpart covers lumber, wood siding, wood flooring, wood moldings, and certain wood carvings and ornaments, including such products when they have been drilled or treated.

2. For the purposes of this part, the following terms have the meanings hereby assigned to them:

(a) Lumber: A product of a sawmill or sawmill and planing mill derived from a log by lengthwise sawing which, in its original sawed condition, has at least 2 approximately parallel flat longitudinal sawed surfaces, and which may be rough, dressed, or worked, as set forth below:

(i) rough lumber is lumber just as it comes from the saw, whether in the original sawed size or edged, resawn, crosscut, or trimmed to smaller sizes;

(ii) dressed lumber is lumber which has been dressed or surfaced by planing on at least one edge or face; and

(iii) worked lumber is lumber which has been matched (provided with a tongued-and-grooved joint at the edges or ends), shiplapped (provided with a rabbeted or lapped joint at the edges), or patterned (shaped at the edges or on the faces to a patterned or molded form) on a matching machine, sticker, or molder.

Edge-glued or end-glued wood over 6 feet in length and not over 15 inches in width shall be classified as lumber if such wood as a solid piece without glue joints would be deemed to be lumber as defined above.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

G S P	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			(b) Softwood: Wood from trees of coniferous species (order Coniferae). (c) Hardwood: Wood from trees of non-coniferous species. (d) Drilled or treated: Drilled at intervals for nails, screws, or bolts, sanded or otherwise surface processed in lieu of, or in addition to, planing or working, or treated with creosote or other wood preservatives, or with fillers, sealers, waxes, oils, stains, varnishes, paints, or enamels, but not including anti-stain or other temporary applications mentioned in headnote 4 of this subpart. (e) Standard wood moldings: Wood moldings worked to a pattern and having the same profile in cross section throughout their length. 3. Lumber, including certain flooring provided for in this subpart, is dutiable on the basis of "board measure" for which the unit of measurement is the board foot. For the purposes of this subpart, a board foot is the quantity of lumber contained in, or derived (by drying, dressing, or working, or any combination of these processes) from, a piece of rough green lumber 1 inch in thickness, 12 inches in width, and 1 foot in length, or the equivalent of such piece in other dimensions. 4. The treatment of lumber or other products provided for in this subpart with anti-stain or other temporary applications which serve only for the purpose of maintaining the products in their rough, dressed, or worked condition until installation or further manufacture shall not affect their classification under any of the provisions of this subpart.				
			Lumber, rough, dressed, or worked (including softwood flooring classifiable as lumber, but not including siding, molding, and hardwood flooring):				
			Softwood:				
	202.03		Spruce (Picea spp.)...........................	....	Free		$4 per 1000 ft., board measure
		20	Rough....................................	M.bd.ft.			
		40	Dressed or worked........................	M.bd.ft.			
			Pine (Pinus spp.):				
	202.06		Eastern white pine (Pinus strobus) and red pine (Pinus resinosa)............	....	Free		$1 per 1000 ft., board measure
		20	Rough..............................	M.bd.ft.			
		40	Dressed or worked..................	M.bd.ft.			
	202.09		Other pine................................	....	Free		$4 per 1000 ft., board measure
			Lodgepole pine (Pinus contorta):				
		25	Rough..........................	M.bd.ft.			
		45	Dressed or worked..............	M.bd.ft.			
			Other:				
		65	Rough..........................	M.bd.ft.			
		85	Dressed or worked..............	M.bd.ft.			

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Lumber, rough, dressed, or worked, etc. (con.):				
			Softwood (con.):				
	202.12		Parana pine (Araucaria angustifolia)	....	Free		$4 per 1000 ft., board measure
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
	202.15		Douglas-fir (Pseudotsuga menziesii)	....	Free		$4 per 1000 ft., board measure
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
	202.18		Fir (Abies spp.)	....	Free		$4 per 1000 ft., board measure
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
	202.21		Hemlock (Tsuga spp.)	....	Free		$4 per 1000 ft., board measure
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
	202.24		Larch (Larix spp.)	....	Free		$4 per 1000 ft., board measure
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
	202.27		Cedar (Thuja spp., Juniperus spp., Chamaecyparis spp., Cupressus spp. and Libocedrus spp.)	....	Free		$3 per 1000 ft., board measure
			Western red cedar (Thuja plicata):				
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
			Other:				
		60	Rough	M.bd.ft.			
		80	Dressed or worked	M.bd.ft.			
	202.30		Other	....	Free		$3 per 1000 ft., board measure
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
			Hardwood:				
			Balsa (Ochroma lagopus) and teak (Tectona grandis):				
	202.32	00	Rough	M.bd.ft.	Free		$3 per 1000 ft., board measure
	202.33	00	Dressed or worked	M.bd.ft.	Free		$3 per 1000 ft., board measure
	202.34		Mahogany (Swietenia spp. or Khaya spp.)	....	Free		$3.10 per 1000 ft., board measure
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			
			Spanish cedar (Cedrela spp.), ebony (Diospyros spp.), lancewood (Oxandra spp.), and lignumvitae (Guaiacum spp.):				
	202.35	00	Rough	M.bd.ft.	Free		15% ad val.
	202.37	00	Dressed or worked	M.bd.ft.	Free		15% ad val.
A	202.38		Boxwood (Buxus spp.), Japanese maple (Acer spp.), and Japanese white oak (Quercus spp.)	....	0.8% ad val.	Free	15% ad val.
		20	Rough	M.bd.ft.			
		40	Dressed or worked	M.bd.ft.			

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty 1	LDDC	2
			Lumber, rough, dressed, or worked, etc. (con.):				
			Hardwood (con.):				
	202.40		Philippine mahogany (almon (Shorea almon), bagtikan (Parashorea plicata), red lauan (Shorea negrosensis), white lauan (Pentacme contorta and P. mindanensis), mayapis (Shorea squamata), tangile (Shorea polysperma) and tiaong (Shorea spp.)); meranti (Shorea spp.); red seraya (Shorea spp.); and white seraya (Parashorea spp.)........	....	Free		$3 per 1000 ft., board measure
		20	Rough........	M.bd.ft.			
		40	Dressed or worked........	M.bd.ft.			
	202.42		Alder (Alnus spp.), ash (Fraxinus spp.), aspen and cottonwood (Populus spp.), basswood (Tilia spp.), beech (Fagus spp.), birch (Betula spp.), black or tupelo gum (Nyssa spp.), huckeye (Aesculus spp.), cherry (Prunus spp.), elm (Ulmus spp.), eucalyptus (Eucalyptus spp.), hickory (Carya spp.), magnolia (Magnolia spp.), maple (Acer spp.), oak (Quercus spp.), sen (Kalopanax spp.), sweet (red or sap) gum (Liquidambar spp.), sycamore (Platanus spp.), walnut (Juglans spp.), willow (Salix spp.), and yellow poplar (Liriodendron spp.)........	....	Free		$3 per 1000 ft., board measure
			Maple (Acer spp.) (except Japanese maple):				
		10	Rough........	M.bd.ft.			
		15	Dressed or worked........	M.bd.ft.			
			Birch (Betula spp.):				
		25	Rough........	M.bd.ft.			
		30	Dressed or worked........	M.bd.ft.			
			Beech (Fagus spp.):				
		35	Rough........	M.bd.ft.			
		45	Dressed or worked........	M.bd.ft.			
			Oak (Quercus spp.):				
		50	Rough........	M.bd.ft.			
		55	Dressed or worked........	M.bd.ft.			
			Other:				
		65	Rough........	M.bd.ft.			
		70	Dressed or worked........	M.bd.ft.			
			Other:				
	202.44	00	Rough........	M.bd.ft.	Free		$3 per 1000 ft., board measure
	202.46	00	Dressed or worked........	M.bd.ft.	Free		$3 per 1000 ft., board measure

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Wood siding (weatherboards or clapboards), not drilled or treated:				
	202.47		Resawn bevel siding	....	Free		$2 per 1000 sq. ft., surface measure
		20	Western redcedar (Thuja plicata)	M.sq.ft.			
			Other:				
		50	Softwood	M.sq.ft.			
		80	Hardwood	M.sq.ft.			
			Other:				
	202.48	00	Western redcedar (Thuja plicata)	M.sq.ft.	Free		$3 per 1000 sq. ft., surface measure
	202.50		Other	....	Free		$4 per 1000 sq. ft., surface measure
		10	Softwood	M.sq.ft.			
		30	Hardwood	M.sq.ft.			
			Lumber and wood siding, drilled or treated; and edge-glued or end-glued wood not over 6 feet in length or over 15 inches in width, whether or not drilled or treated:				
	202.52		Softwood lumber and siding, drilled, or pressure treated with creosote or other wood preservative, or both, but not otherwise treated	....	Free		10% ad val.
		10	Drilled but not treated	M.bd.ft.			
		30	Other	M.bd.ft.			
	202.53	00	Hardwood, edge-glued or end-glued, not drilled or treated	M.bd.ft.	Free		10% ad val.
A	202.54		Other	....	3.8% ad val.	Free	20% ad val.
		20	Treated with creosote or other permanent wood preservative	M.bd.ft.			
		40	Other	M.bd.ft.			
			Wood flooring, whether in strips, planks, blocks, assembled sections or units, or other forms, and whether or not drilled or treated (except softwood flooring classifiable as lumber):				
			Hardwood flooring in strips and planks, whether or not drilled or treated:				
A	202.56	00	Oak (Quercus spp.)	M.bd.ft.	3% ad val.	Free	8% ad val.
	202.58		Other	....	Free		8% ad val.
		20	Maple (Acer spp.), birch (Betula spp.), and beech (Fagus spp.)	M.bd.ft.			
		40	Other	M.bd.ft.			
A	202.60		Other	....	6.8% ad val.	3.2% ad val.	33-1/3% ad val.
		20	Softwood	M.bd.ft.			
		40	Hardwood	M.bd.ft.			
			Wood moldings, and wood carvings and ornaments suitable for architectural or furniture decoration, whether or not drilled or treated:				
			Standard wood moldings, not drilled or treated:				
A*	202.62	00	Pine (Pinus spp.)	M.lin. ft.	1.5% ad val.		5% ad val.
	202.64		Other	....	Free		5% ad val.
		20	Softwood	M.lin. ft.			
		40	Hardwood	M.lin. ft.			
A	202.66	00	Other	X.......	7.5% ad val.	4.5% ad val.	40% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

SCHEDULE 2. - WOOD AND PAPER; PRINTED MATTER
Part 1. - Wood and Wood Products

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Subpart C. - Densified Wood and Articles Thereof				
			Compression-modified or densified wood, whether or not impregnated with synthetic resin, and articles of such wood:				
A	203.10	00	Blocks, plates, sheets and strips	Lb.	9% ad val.	5.8% ad val.	50% ad val.
A	203.20	00	Tool handles including knife, fork, and spoon handles, and handles and backs for brooms, mops, and brushes	Lb.	9¢ per lb. + 7.3% ad val.	4.5¢ per lb. + 3.5% ad val.	50¢ per lb. + 40% ad val.
A	203.30	00	Other	Lb.	9¢ per lb. + 7.3% ad val.	4.5¢ per lb. + 3.5% ad val.	50¢ per lb. + 40% ad val.
			Subpart D. - Wooden Containers				
			Subpart D headnote: 1. The provisions of this subpart do not cover -- (i) luggage, handbags, or flat goods (see part 1D of schedule 7); (ii) furniture (see part 4A of schedule 7); (iii) cases for musical instruments (see part 3B of schedule 7); (iv) cases or containers imported and classifiable with articles provided for in part 3E of schedule 6 or in part 2 of schedule 7; or (v) cases suitable for pipes or for cigar or cigarette holders (see part 9B of schedule 7).				
A	204.05	00	Baskets, of wood	No.	14.7% ad val.	7.7% ad val.	50% ad val.
			Casks, barrels, hogsheads, other coopers' products, and parts thereof, all the foregoing of wood:				
A	204.10	00	Casks, barrels, and hogsheads	No.	3.3% ad val.	2.8% ad val.	15% ad val.
	204.15	00	Staves and hoops; tight barrelheads of softwood	X	Free		Free
A	204.20		Other		7.3% ad val.	5.1% ad val.	33-1/3% ad val.
		20	Coopers' products	X			
		40	Other	X			
			Complete packing boxes, cases, and crates, and other containers and holders chiefly used for packing, transporting, or marketing merchandise, all the foregoing (except baskets and coopers' products) of wood, whether wholly or partly assembled or not assembled:				
	204.25	00	Packing boxes and cases with solid sides, lids, and bottoms	No.	Free		15% ad val.
	204.27	00	Containers designed for use in the harvesting of fruits and vegetables	No.	Free		Free
A*	204.30	00	Other	No.	16-2/3% ad val.		33-1/3% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Jewelry boxes, silverware chests, cigar and cigarette boxes, microscope cases, tool or utensil cases, and similar boxes, cases, and chests, all the foregoing of wood:				
A	204.35	00	Cigar and cigarette boxes..........................	No......	3% ad val.		60% ad val.
			Other:				
A	204.40	00	Not lined with textile fabrics................	No......	14.2% ad val.	6.7% ad val.	33-1/3% ad val.
	204.50	00	Lined with textile fabrics....................	Lb......	1.7¢ per lb. + 3.7% ad val.	1¢ per lb. + 2.9% ad val.	5¢ per lb. + 20% ad val.
			Subpart E. - Miscellaneous Products of Wood				
A	206.30		Wood doors with or without their hardware...............	....	7.5% ad val.		33-1/3% ad val.
		20	Flush doors..	No.			
		40	Other..	No.			
			Forks and spoons, of wood:				
A	206.45	00	Of mahogany (Swietenia spp. or Khaya spp.)..........	X.......	6.4% ad val.	4.5% ad val.	33-1/3% ad val.
A*	206.47	00	Other..	X.......	5.3% ad val.		33-1/3% ad val.
			Tools; tool bodies; tool handles, including knife, fork, and spoon handles; handles and backs for brooms, mops, and brushes; all the foregoing of wood:				
A*	206.50	00	Broom and mop handles, 3/4 inch or more in diameter and 38 inches or more in length...........	No......	3% ad val.	Free	33-1/3% ad val.
A	206.52	00	Paint brush and paint roller handles...............	X.......	3% ad val.	Free	33-1/3% ad val.
A	206.53	00	Brush backs..	No......	6% ad val.	4.4% ad val.	33-1/3% ad val.
A	206.54	00	Other..	X.......	8% ad val.		33-1/3% ad val.
A*	206.60	00	Picture and mirror frames, of wood......................	X.......	6% ad val.		33-1/3% ad val.
			Wood blinds, shutters, screens, and shades, all the foregoing, with or without their hardware:				
A	206.65	00	Consisting of wooden frames in the center of which are fixed louver boards or slats, with or without their hardware.........................	X.......	16-2/3% ad val.		33-1/3% ad val.
	206.67	00	Other..	X.......	14% ad val.	8% ad val.	50% ad val.
			Toothpicks, skewers, candy sticks, ice cream sticks, tongue depressors, drink mixers, and similar small wares, all the foregoing of wood:				
	206.85	00	Toothpicks...	X.......	6% ad val.		25% ad val.
	206.87	00	Other..	X.......	8% ad val.		33-1/3% ad val.
			Household utensils and parts thereof, all the foregoing not specially provided for, of wood:				
A	206.95	00	Of mahogany (Swietenia spp. or Khaya spp.)..........	X.......	8% ad val.	7% ad val.	33-1/3% ad val.
			Other:				
	206.96	00	Coat and garment hangers......................	X.......	7.3% ad val.	5.1% ad val.	33-1/3% ad val.
A*	206.98	00	Other...	X.......	5.1% ad val.		33-1/3% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

G S P	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Subpart F. - Articles Not Specially Provided For, of Wood				
			Subpart F headnote:				
			1. This subpart covers all products of wood which are not provided for elsewhere in the tariff schedules.				
A	207.00		Articles not specially provided for, of wood...........	....	7.3% ad val.	5.1% ad val.	33-1/3% ad val.
		20	Wood carvings....................................	X			
		25	Shoe lasts, shoe trees and shoe stretchers........	X			
		35	Pencil slats.....................................	Gross			
		45	Complete window and door casings..................	X			
		55	Window units and sash, of wood, whether or not knocked-down, open, or glazed................	X			
		60	Fabricated structural wood members................	X			
		65	Prefabricated buildings, panel assemblies and three-dimensional assemblies for prefabricated buildings...........................	X			
		70	Ladders and scaffolding...........................	X			
		80	Other..	X			
	207.01	00	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)...................................	X.......	Free		

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

GSP	Item	Stat. Suf-fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2

PART 4. - FURNITURE; PILLOWS, CUSHIONS, AND MATTRESSES; NONTEXTILE FLOOR COVERINGS

Subpart A. - Furniture, Pillows, Cushions, and Mattresses

Subpart A headnote:

1. For the purposes of this subpart, the term "furniture" includes movable articles of utility, designed to be placed on the floor or ground, and used to equip dwellings, offices, restaurants, libraries, schools, churches, hospitals, or other establishments, aircraft, vessels, vehicles, or other means of transport, gardens, patios, parks, or similar outdoor places, even though such articles are designed to be screwed, bolted, or otherwise fixed in place on the floor or ground; and kitchen cabinets and similar cupboards, seats and beds, and sectional bookcases and similar sectional furniture, even though designed to be fixed to the wall or to stand one on the other; but the term does not include --
   - (i) antique furniture provided for in part 11B of schedule 7;
   - (ii) articles of concrete, of stone, or of ceramic ware (see parts 1 and 2 of schedule 5);
   - (iii) lamps and other lighting apparatus (see part 5 of schedule 6);
   - (iv) floor coverings (see part 2B of schedule 2, part 5 of schedule 3, and subpart B of this part);
   - (v) blinds, shutters, curtains, screens, and shades (see parts 1E and 2B of schedule 2);
   - (vi) furnishings provided for in part 5 of schedule 3;
   - (vii) mirrors (see part 3 of schedule 5);
   - (viii) waste paper baskets;
   - (ix) game tables and equipment, or toys (see part 5 of this schedule);
   - (x) safes (see part 3F of schedule 6);
   - (xi) refrigerators, freezers, dishwashers, stoves, clothes washers or dryers, television sets, radios, and phonographs (see parts 3F, 4, and 5 of schedule 6);
   - (xii) furniture specially designed for X-ray work (see part 2B of schedule 7); or
   - (xiii) furniture specially designed for sewing machines (see part 4E of schedule 6).

GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty LDDC	Rates of Duty 2
			Furniture designed for hospital, medical, surgical, veterinary, or dental use; dentists', barbers' and similar chairs with mechanical elevating, rotating, or reclining movements; and parts of the foregoing:				
A	727.02	00	Dentists', barbers' and similar chairs with mechanical elevating, rotating, or reclining movements, and parts thereof......	X.......	5.1% ad val.	3.9% ad val.	35% ad val.
A	727.04	00	Other......	X.......	7.7% ad val.	5.3% ad val.	40% ad val.
A	727.06	00	Furniture designed for motor-vehicle use, and parts thereof......	X.......	3.8% ad val.	3.1% ad val.	25% ad val.
	727.07	00	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)......	X.......	Free		
			Furniture, and parts thereof, not specially provided for:				
			Of unspun fibrous vegetable materials:				
	727.11	00	Of rattan......	X.......	16% ad val.		60% ad val.
A	727.12	00	Other......	X.......	16% ad val.		60% ad val.
			Of wood:				
A*	727.15	00	Bent-wood furniture, and parts thereof......	X.......	11% ad val.	6.6% ad val.	42.5% ad val.
			Other:				
			Chairs:				
			Folding:				
A*	727.23	00	Director's chairs......	No......	7.7% ad val.	5.3% ad val.	40% ad val.
A	727.25	00	Other......	No......	7.7% ad val.	5.3% ad val.	40% ad val.
			Other:				
A	727.27	00	Of teak......	No......	7.2% ad val.	3.4% ad val.	40% ad val.
A	727.29	00	Other......	No......	7.7% ad val.	5.3% ad val.	40% ad val.
A*	727.35		Furniture other than chairs......	....	4.4% ad val.	2.5% ad val.	40% ad val.
		20	Convertible sofas, sofa beds, and similar dual-purpose furniture......	X			
		40	Other......	X			
A	727.40		Parts of furniture......	....	8.5% ad val.		40% ad val.
		20	Bedsprings......	X			
		40	Other......	X			
A	727.45		Of textile materials, except cotton......	....	14.9% ad val.	7% ad val.	80% ad val.
		20	Bedsprings......	X			
		40	Other......	X			
			Of rubber or plastics:				
A	727.47	00	Of reinforced or laminated plastics......	X.......	12.8% ad val.	6% ad val.	65% ad val.
	727.49	00	Furniture, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6)......	X.......	Free		65% ad val.
A	727.50	00	Other......	X.......	2.4% ad val.		25% ad val.
	727.51	00	Furniture, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6)......	X.......	Free		25% ad val.
A	727.52	00	Of copper......	X.......	5.6% ad val.	4.2% ad val.	45% ad val.
A	727.55		Other......	....	8.5% ad val.	4% ad val.	45% ad val.
		20	Convertible sofas, sofa beds, and similar dual-purpose furniture......	No.			
		40	Bedsprings......	No.			
		60	Other......	X			
	727.56	00	Furniture, except of leather, if certified for use in civil aircraft (see headnote 3, part 6C, schedule 6)......	X.......	Free		45% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

CUSTOMS BROKERS

INTERAMERICAN WORLD TRANSPORT CORP.

1200 Aviation Blvd.,
Hawthorne, CA 90250............................ (213)776-7880

CASTELAZO AND ASSOCIATES

5420 W.104th.Street,
Los Angeles, CA 90045.......................... (213)776-6031

JOHNSON AND ASSOCIATES

313 E.Beach Avenue,
Inglewood, CA 90302............................ (213)678-3222

LUDWIG HERMANN INC.

1213 Arbor Vitae,
Inglewood, CA 90301............................ (213)776-1180

INTERAMERICAN
WORLD TRANSPORT CORPORATION

12000 Aviation Blvd. Hawthorne, California 90250 (213) 776-7880 Telex: 65—3560

IATA AGENTS
FMC NO. 2094
LICENSED CUSTOMS
BROKERS

IMPORT SERVICE FEE SCHEDULE

TYPE OF ENTRY	OCEAN	AIR
INFORMAL ENTRIES-VALUE UNDER $250.00	$ 50.00	$ 37.50
FORMAL ENTRIES (CONSUMPTION)-VALUE UP TO $4,000.00	65.00	60.00
TEMPORARY IMPORTATION BOND ENTRY (TIB)(MIN.)	100.00	100.00
WAREHOUSE ENTRY-VALUE UP TO $4,000.00	75.00	75.00
EACH ADDITIONAL $1,000.00 VALUATION	3.00	3.00
INBOND ENTRIES (I.T., EXPORT-WDLSS)	35.00	35.00
DRAWBACK ENTRY (MINIMUM)	75.00	75.00
PERSONAL EFFECTS (MINIMUM)	100.00	100.00
CARNETS (MINIMUM)	50.00	50.00
WAREHOUSE WITHDRAWALS (MIN.)	55.00	55.00
ADDITIONAL SERVICES (IF REQUIRED)		
ADDITIONAL TARIFF CLASSIFICATIONS	3.50	3.50
ADDITIONAL INVOICES	15.00	15.00
QUOTA ENTRIES	10.00	10.00
CLEARANCE FROM GENERAL ORDER	25.00	25.00
CF 3311 AMERICAN GOODS RETURNED	10.00	10.00
FOOD & DRUG RELEASE	15.00	15.00
FISH & WILDLIFE RELEASE	15.00	15.00
POSTING BOND FOR MISSING DOCUMENTS	10.00	10.00
PRO-FORMA INVOICE	12.50	12.50
BANK GUARANTEE	20.00	-
FOB/CIF STATISTICAL PROGRAM	10.00	10.00
MANIPULATION PERMIT (MIN.) PLUS LABOR	25.00	25.00
IMMEDIATE DELIVERY PERMIT	10.00	10.00
T.I.B. EXTENSIONS	35.00	35.00
T.I.B. CANCELLATIONS (MIN.)	50.00	50.00
MESSENGER SERVICE	10.00	5.00
LIQUIDATION SERVICES (MIN.)	25.00	25.00
CUSTOMS BONDS		
SINGLE ENTRY BOND & SERVICES (MIN.)	25.00	25.00
SINGLE ENTRY BOND & SERVICES PER $1,000.00	3.00	3.00
BOND RIDER	5.00	5.00
WAREHOUSE BOND (MIN.)	30.00	30.00
WAREHOUSE BOND PER $1,000.00	3.00	3.00
TEMPORARY IMPORTATION BOND (MIN.)	50.00	50.00
T.I.B. PER $1,000.00	15.00	15.00

TERM BOND PRICES AVAILABLE UPON REQUEST.

Effective 4/1/81

TRANSPORT AND WAREHOUSING COMPANIES

AMSTAR TRANSPORT,
8 Cedar St., Thornhill
Ontario. L3T RV 9
....Toronto/Los Angeles (416) 224-1172
(independent)

TIME D.C.,
4500 East Bandini Blvd.,
Los Angeles, 90040, Ca. (213) 268-8211
....Vancouver/Los Angeles
Toronto/Los Angeles
(common carrier)

DELTA VAN LINES,
Terminal Annex,
P.O. Box 54548,
Los Angeles, 90054, Ca. (213) 726-3601
....Vancouver/Los Angeles
(common carrier)

CONSOLIDATED VAN LINES,
12903 Lakeland Road,
Sante Fe, 90670, Ca. (213) 944-6381
....Vancouver/Los Angeles
Toronto/Los Angeles
(common carrier)

TRANSCON FREIGHT LINES,
9750 So. Norwalk Avenue,
Santa Fe, 90670, Ca. (213) 685-9070
....Toronto/Los Angeles
(common carrier)

SANTA FE RAILROAD
5200 E. Sheila Street,
Los Angeles, 90040, Ca. (213) 267-5110
Rate Quote Department

GENERAL STEAMSHIP COMPANY,
624 So. Grand Avenue,
Los Angeles, 90017, Ca. (213) 688-1200
....Vancouver/Los Angeles
(One of the few companies that can handle
container freight shipments)

CLARKE TRANSPORT CANADA, INC.,
P.O. Box 4760,
V6B 4A4,
Vancouver, (604) 669-4646
(Broker specializing in
consolidation)

M & M TRUCK BROKERS, INC.,
1377 Richelieu Blvd.,
Otterburn Park,
Province Quebec,
J3G 4S6, (514) 467-9726
(broker)

TRANSPORT BROKERS INC.
919 McGarry Avenue,
Los Angeles, 90021, Ca. (213) 627-1041
....Vancouver/Los Angeles
Toronto/Los Angeles
(broker)

WAREHOUSE/STORAGE & DISTRIBUTION COMPANIES

Interamerican Public Distribution Corporation,
6277 East Slauson Avenue,
Los Angeles, 90040, Ca. (213) 723-9061

Pacific Coast Warehouse Corporation,
4814 Loma Vista Avenue,
Los Angeles, 90058, Ca. (213) 583-4183

General Warehouses, Inc.,
4151 Bandini Blvd.,
Los Angeles, 90023, Ca. (213) 268-2565

BULK COMMODITY STORAGE FOR SEA ARRIVAL

Louisiana Pacific Corporation,
Berth 126
1903 Wilmington-San Pedro Road
Wilmington, 90744, Ca. (213) 775-6391

INFORMATION ON TRUCKING LINES AND SERVICES

Companies who wish to obtain the widest range of information on van lines and route networks should subscribe to: The Motor Freight Directory. The directory is published annually by G.R. Leonnard & Co.,Inc., 1072 North Allen Avenue, Pasadena, California 91104, Phone: (213) 681-1590, at a subscription cost of $35.00. This source is possibly the best in the U.S. and covers Canada too.

CALIFORNIA WAREHOUSEMEN'S ASSOCIATION

PCWC DISTRIBUTION

Pacific Coast Warehouse Corporation

WAREHOUSING • TRUCKING • DISTRIBUTION

4814 LOMA VISTA AVENUE • LOS ANGELES, CALIF. 90058 • TELEPHONE (213) 583-4183

Peter Louch & Associates
1954 Parnell Avenue
Los Angeles, lalifornia 90025

Dear Mr. Louch:

As you requested in our recent telephone conversation, we are pleased to enclose pertinent information regarding storage, handling and accessorial charges that would apply to your wood products.

Over fifty-four years we have developed and grown into the largest, most respected distribution center in Los Angeles. We think that this is a direct result of our philosophy and dedication to the concept we must react and be the most responsive to your specific needs (and those of your customers). We take great pride in our ability to offer you the following specialized services:

.........Operating in excess of one million square feet of clean and sanitary Class A sprinklered, reinforced concrete storage facilities.

.........Maximum security protection by A.D.T. fire and burglar alarm systems.

.........District Security Company maintains offices on site and patrols the premises.

.........Direct access to in-house computer completely on line eliminating delays in order processing and inventory up-dates.

Rates on your products are as follows:

Wood Products, 150 lbs., @ 18 cu. ft.

<u>Storage</u> per month	<u>Handling</u> in & out
90¢ ea.	$1.50 ea.

Accessorial charges we feel would apply are as follows:

Special Labor for non-routine services - $19.35 per hour
Truck Receiving - 5.8¢ per cwt, minimum $1.65
Rail Car Unloading - $19.35 per hour

Marking or Stenciling - 5.6¢ per pkg., minimum 78¢ per shipment (charged only when necessary to mark packages)

Order Withdrawals - $2.24 per order
Line Item Charges - 28¢ per line on each stock withdrawal
Will Call Charges - $4.50 per shipment

We receive and handle both pool car and pool truck shipments. We are equipped to pick up piggyback trailers from railroad terminals, deliver to our docks and unload. The charge for this is $135.00.

Pacific Coast offers your organization the daily availability of its own private fleet of trucks to accommodate your most demanding requirements in terms of delivery commitments. The fleet has full operating authority and is totally under our control and direction to provide us maximum flexibility in terms of meeting delivery deadlines. Primarily, our trucks deliver within a radius of 150 miles from our warehouse. While we have the capacity to deliver statewide, we normally use slected common carriers for points other than Southern California.

We appreciate your consideration of our services and welcome the opportunity to be of service to you.

Sincerely,

PACIFIC COAST WAREHOUSE CORPORATION

Dale T. Konrad
Vice President,
Sales & Operations

DOORS AND STANDARD MILLWORK

KIDDE MERCHANDISING EQUIPMENT GROUP,

1683 Blake Ave.,
Los Angeles, CA 90031........................(213)223-3161

AMERICRAFT

(subsidiary of American Standard Co.)
3102 W. Adams,
Santa Ana, CA 92704..........................(213)589-6436

AMERICAN WHOLESALE HARDWARE

1500 West Anaheim St.,
Long Beach, CA 90801.........................(213)435-2445
J.F. Anderson, President
Norman R. Orwig, Vice President, Sales

DIAMOND INTERNATIONAL CORP.,

P.O. Box 15377
Sacramento, CA 95813.........................(916)482-4660

W. Koslo, President
R.D. Cushman, Vice President

GLESBY BUILDING MATERIALS, CO., INC.,

15119 Oxnard St.,
P.O. Box 230,
Van Nuys, CA 91408...........................(213)785-2166
George Gottesman, President

INLAND LUMBER COMPANY,

P.O. Box 190,
21900 Main Street, Grand Terr.
Colton, CA 92324.............................(714)7830021
Fred S. Thomson, Chmn.
Gary Thomson, President

KELLEHER LUMBER COMPANY,

1543 Fifth Avenue,
San Rafael, CA 94901.........................(415)454-6059
Harry Lyon, President,
Jeff Barnes, Sales Manager.

DOORS AND STANDARD MILLWORK

CARROLL MOLDING CO.,

5382 Industrial Drive,
Huntington Beach, CA 92649.................... (714)594-8731
Bill Horn
Gene Parker

Generally acknowledged to be the largest distributor of moldings in California. Works with most of the large chain 'home-center' stores. Interested in new sources.

MOLDING CENTER,

6501 Lankershim Blvd.,
North Hollywood, CA 91606................... (213)877-3933
Mr. White

Supplies the building industry. Interested in new sources.

T & M COBB CO.,

16382 Red Hill, Suite B,
Irvine, CA 92714..............................(714)979-4341
Don Haynes, Vice President

Interested in truck and trailer loads of 'stile-and-rail' doors.

DANT & RUSSELL INC.,

1221 S.W. Yamhill St.,
Portland, ORE 97205...........................(800)547-1943
Jack Dudrey,
Harold Bogert

AMERICAN FOREST PRODUCTS CORP.,

(formerly Bendix Forest Products Corp.,)
14103 Park Place,
P.O. Box 6345,
Cerritos, CA 90701............................(213)773-9200

CARMEL ARCHITECTURAL PRODUCTS,

1173 N. Armando,
Anaheim, CA 92806.............................(714)632-6862
Larry Koeneke, Vice President

Interested in exclusive distributorship on millwork, moldings, louvered doors, and fir and henlock doors.

DOORS AND STANDARD MILLWORK

MODERN MATERIALS, INC.,

6280 Artesia Blvd.,
Buena Park, CA 90620........................ (714)523-9500
Stephen H. Anderson, President

PACIFIC COAST BUILDING PRODUCTS

P.O. Box 160488
Sacramento, CA 95816..........................(916)444-9304
David J. Lucchetti, President

REDWOOD EMPIRE, INC.,

P.O. Box 1300,
Morgan Hill, CA 95037.........................(408)779-7354
Roger Burch, President

SEQUOIA SUPPLY COMPANY,

Division of Wickes Corp.,
1010 Second Avenue,
San Diego, CA 92101...........................(714)238-0304
Ernest Warns, Vice President

SO-CAL COMMERCIAL,

2444 Saybrook,
Los Angeles, CA 90040.........................(213)685-5170
Paul Simon, Vice President

STANLINE, INC.,

12851 Alondra,
Norwalk, CA 90650.............................(213)921-0966
Stanley Frahm, President

KITCHEN CABINETS & BATHROOM VANITIES

CAROLINA HERITAGE LTD.,

2902 San Pablo Ave.,
Berkley, CA 94702.............................(415)848-6775
J.A. Beland, President

KABINET KINGS

8820 Lankershim Blvd., Sun Valley,
CA 91352..................................... (213)767-2446
Tim Rissler

KITCHEN CABINETS & BATHROOM VANITIES

BILT-RITE CABINET CO. INC.,

15206 S. Grevillea Avenue,
Lawndale, CA 90260............................(213)772-2581
Mr. A. Sacks

KITCHEN METRICS,

541 8th Street,
San Francisco, CA 94103.......................(415)626-0842
Max Dettenhofer

Interested in buying Canadian cabinets through a distributor.

KEN TOPPING HOME IMPROVEMENTS,

1901 Lawton,
San Francisco, CA 94122...................... (415)731-3930
Marcia Pollitt

Fully assembled ranges of cabinets.

ALTMAN'S EUROPEAN KITCHENS,

4646 Convoy,
San Diego, CA 92111...........................(714)268-3723

HOMEWOOD BUILDERS LTD.,

5191 3rd Street,
San Francisco, CA 94124.......................(415)822-6818
Mark Noifi, Owner

MILES & CO. INC.,

1417 Ocean Avenue,
San Francisco, CA 94112.......................(415)585-7400

Components and wooden cabinet doors.

UNITED BUILDING PRODUCTS INC.,

351 11th,
San Francisco, CA 94013.......................(415)431-9100
Michael Grund

Interested in new kitchen range.

CEDAR MANUFACTURING CO.,

94 Galli Drive,
Novato, CA 94947............................ (415)883-1242
Louis Vahle

KITCHEN CABINETS & BATHROOM VANITIES

TRIANGLE PACIFIC CO.

16803 Dallas Parkway,
P.O. Box 220100,
Dallas Texas 75222............................(800)527-5903
Mr. Burt Root, Director of Purchasing

Interested in a variety of supplies and components.

DIAMOND INDUSTRIES

630 S.W. Maple Street,
P.O. Box 547, Hillsborough,
Oregon, 97123.................................(503)648-3104
Mr. Olson, Director of Purchasing

Pre-cut particle board

INTERNATIONAL PAPER CO.

Cabinet Division,
P.O. Box 579, Longview,
Washington, 98632.......................... (206)423-2110
Mr. Warren Morris, Purchasing Officer

Kitchen components

THE FURNITURE INDUSTRY

Furniture Manufacturers:

CONSOLIDATED WOOD PRODUCTS,

1839 East 42nd Street,
Los Angeles, CA 90058..........................(213)233-8211

LAGUNA MFG.,

17622 Von Karman,
Irvine, CA 92714............................ (714)540-6384

BEELNER & THOMAS,

475 East Duarte Road,
Monrovia, CA 91016.............................(213)357-6051
Mr. Terry Tauscher

HAYES MANUFACTURING CO.

1036 47th Ave.,
Oakland, CA 94601..............................(415)534-4511
Rich Stephan, Purchasing Officer

Dimensioned stock, maple, alder, walnut, oak.

ARCADIA CHAIR CO.,

1546 W 130th,
Gardena, CA 90249..............................(213)770-4353

CAL MODE FURNITURE,

9909 Jefferson Blvd.,
Culver City, CA 90230..........................(213)839-1109
Leonard Cohen

Dimensioned stock

DANNA OF CALIFORNIA,

1445 W. Sepulveda Blvd.,
Torrance, CA 90510.............................(213)775-6587
Arthur Izzo

Dimensioned alder

EASY REST, INC.

4408 Worth Street,
Los Angeles, CA 90063..........................(213)263-9086
Cindy Sanchez, Purchasing Officer

Dimensioned alder, components

THE FURNITURE INDUSTRY

Furniture Manufacturers:

L & H MFG. CORP.,

140 N. Orange,
City of Industry, CA 91744.................... (213)961-7221
Charles Woods, President

Dimensioned alder

DEPENDABLE FURNITURE MFG. CO.

45 Williams Avenue,
San Francisco, CA 94124.......................(415)822-3232

MICHAEL KAYE FURNITURE MFG. INC.,

320 S. 6th Ave.,
City of Industry, CA 91746....................(213)968-9535
John Signorelli, Director of Purchasing

Components, oak, dimensioned alder

R.B. CREATIVE SYSTEMS INC.,

(Division of R.B. Furniture)
2323 So. East Main Street,
Irvine, CA 92714.............................(714)979-4000

Dimensioned alder and upholstery frames. Complete furniture. Hardwood and softwood.

DE VILLE FURNITURE MFG. CO. INC.,

12024 Center Street,
South Gate, CA 90280..........................(213)633-0100

Dimensioned alder, pine.

STROUDS FURNITURE MFG.,

5021 Elton Street,
Baldwin Park, CA 91706........................(213)962-7179
Mike Vega, Purchasing Officer

Dimensioned alder, pine.

BRENTWOOD PRODUCTS INC.,

19129 South Hamilton Avenue,
Gardena, CA 90248............................ (213)321-4573
Ben Olin, Owner

Dimensioned alder, oak, rough pine.

THE FURNITURE INDUSTRY

Furniture Manufacturers:

GILLESPIE FURNITURE CO.

5700 Avalon Blvd.,
Los Angeles, CA 90011..........................(213)234-2001
Art Rubino, Purchasing Officer

Dimensioned pine, oak.

MISSION FURNITURE MFG. CO.

652 SO. Imperial Street,
Los Angeles, CA 90021..........................(213)627-8021
Stanley Rainier, Purchasing Officer

Dimensioned pine, oak.

FILBAR FURNITURE MFG. CO.

2828 Butler Ave.,
Lynwood, CA 90262..............................(213)636-1171
Bud Lambert, Secretary/Treasurer

Dimensioned hemlock, particle board.

BABY LINE FURNITURE,

6235 Sth. St. Andrews Place,
Los Angeles, CA 90047..........................(213)759-9191
Bill Lobb

Turning squares, dimensioned stock, pine, alder.

HLK CORPORATION,

4811 Sth Alameda Street,
Los Angeles, CA 90058..........................(213)233-7224
Louis Moreno, Vice President

Dimensioned pine

McFLEM CHAIR MFG.,

200 West 138th Street,
Los Angeles, CA 90061...................... (213)532-3262

Dimensioned pine.

THE FURNITURE INDUSTRY

Furniture Manufacturers:

B P JOHN FURNITURE CO.

2001 East Dyer Road,
Santa Ana, CA 92705............................(714)979-2000
Lance Shout, Purchasing Manager

Dimensioned pine, possibly components.

WILSHIRE BEDDING CO. INC.,

424 Roosevelt Ave.,
Montebello, CA 90610...........................(213)726-9300

Dimensioned pine, alder, fir.

BEMCRAFT MFG. CO. INC.

2682 Lacey Street,
Los Angeles, CA 90031..........................(213)225-7171
Sol Bernstein, owner

Components, maple.

CHRO MODERN,

4920 Sth. Soto Street,
Los Angeles, CA 90058..........................(213)583-2323
Ms. Rosie Villagomel, Purchasing Officer

Rough alder, oak, maple.

MIRIDAN MANUFACTURING CORP.,

1837 E. Santa Barbara Ave.,
Los Angeles, CA 90058..........................(213)234-1033
Nathan Teper, President

Rough oak, alder, pine.

GLENN OF CALIFORNIA,

751 E. Artesia Blvd.,
Carson, CA 90746.........................   (213)770-2200
Marc Densler, Purchasing Officer

Rough oak, walnut, ash.

THE FURNITURE INDUSTRY

Furniture Manufacturers:

CALIFORNIA FURNITURE SHOPS LTD.

6241 Telegraph Road,
Los Angeles, CA 90040........................(213)726-6767
Skip Hem, Director of Materials

Turning squares, maple, dimensioned birch

ALBRIGHT & ZIMMERMAN,

15043 Califa Street,
Van Nuys, CA 91411............................(213)786-9631
Ken Strain

Dimensioned yellow birch

SHEFFIELD CHAIR COMPANY,

2100 East 38th Street,
Los Angeles, CA 90058........................(213)232-4161

Upholstery frames

SUNSHINE DESIGNS INC.,

20651 Annalee Avenue,
Carson, CA 90746..............................(213)979-7378

Plywood, particle board

CAL-HABITAT FURNITURE MFG. INC.

1933 South Broadway,
Los Angeles, CA 90007........................(213)747-0361
Barry Lazar, President

Finished components, complete K.D. items

FASHION FURNITURE,

17211 Valley View Ave.,
Cerritos, CA 90701............................(213)773-9191
Joel Sax, partner

Component trim for upholstered furniture, dimensioned alder.

CHARLTON FURNITURE CO.

107 West Carob Street,
Compton, CA 90220.............................(213)636-7165
Morris Loeb, President

Components for upholstery. Finished occasional pieces in oak and pine.

THE FURNITURE INDUSTRY

Furniture Manufacturers:

KANOWSKY MANUFACTURING INC.

4141 North Freeway Blvd.,
P.O.Box 13486,
Sacramento, CA 95813..........................(916)929-9029
Ray Jimenez

Component trim for upholstery, dimensioned alder.

Unfinished Furniture/Wholesale Distributors:

AMERICAN WHOLESALE HARDWARE INC.

P.O.Box 380,
Long Beach, CA 90801..........................(213)435-2445
Gene Anderson.

Stocks over 40,000 items for home center retailers. Could be interested in buying shelving.

SOUTHERN CAL. COMMERCIAL

P.O.Box 22124,
Los Angeles, CA 90022........ ....(213)685-5170
Paul Simon.

Stocking distributors who do not carry any Canadian lines at present, but interested in buying.

STAN TAFHMANN AND ASSOCIATES

1810 14th. Street,
Santa Monica, CA 90404........................(213)450-4199
Stan Tafhmann.

Sells some items ex stock, others ex manufacturers facilities. Specialises in decorator items. Buys glass and metal shelving from one Canadian company. Interested in more contacts.

THE FURNITURE INDUSTRY

Unfinished Furniture/Manufacturers:

MAYWOOD FURNITURE CORP.

1299 E.Phillips Blvd.,
Pomona, CA 91769..................................(714)629-9701
Henry Buckingham, Larry Schwimmer.

Interested in expanding product line. Handles dining and case-goods in hardwoods and softwood. Company buys completely machined components for assembly in L.A. plant.

FROCH'S WOODCRAFT SHOP

6659 Topanga Canyon Blvd.,
Canoga Park, CA 91303...........................(213)883-4730
Abe Froch.

Interested in dressed alder and pine. Produces contemporary and colonial furniture. Sells through own shops.

LEVINS FURNITURE MANUFACTURERS

743 E.Manchester Avenue,
Los Angeles, CA 90001...........................(213)753-9946
Timothy Henry.

Interested in alder dimensioned stock.

VAL'S UNFINISHED FURNITURE MFG.

4420 Santa Ana Street,
Cudahay, CA 90201..............................(213)585-1179

VARGAS FURNITURE MANUFACTURING CO.

8255 Beach Street,
Los Angeles, CA 90001...........................(213)581-3818

WILLIAMS BROTHERS FURNITURE

13838 S.Figueroa Street,
Los ANgeles, CA 90061...........................(213)321-6322

CAL-WOOD MANUFACTURING,

1515 Holt Avenue,
Ontario, CA 91761...............................(714)983-1981
Bob Givens, president.

THE FURNITURE INDUSTRY

Unfinished Furniture/Manufacturers:

WOODPECKER MANUFACTURING CO.

1302 Slauson Avenue,
Los Angeles, CA 90001............................(213)582-5570

WAMBOLD MARKER

21101 Superior Street,
Chatsworth, CA 91311............................(213)888-7514

Currently using only oak, but always interested in new sources.

Waterbed Manufacturers:

AMERICA THE ELEGANT

3101 S.Harbor Blvd.,
Santa Ana, CA 92704..............................(714)540-1752

Buys dimensioned pine directly from mills, interested in new sources.

BEAU GENTRY'S WATERBEDS

700 N.Marshall Avenue,
El Cajon, CA 92020...............................(714)579-7222

B.P.JOHN

2001 E.Dyer Road,
Santa Ana, CA 92705..............................(714)979-2000

A regular furniture manufacturer turned waterbed maker. Company interested in dimensioned lumber.

CORONADO WOOD PRODUCTS

1922 E.Pomona,
Santa Ana, CA 92705..............................(714)835-5306
Gabe Coronado.

Manufacturers waterbeds but buys in matching bedroom items. Currently purchases $50,000 per month K.D. bedside tables with drawers. Interested Interested in Canadian sources but must be competitive.

THE FURNITURE INDUSTRY

Waterbed Manufacturers:

FRANCO MANUFACTURING

4090 Leaverton Court,
Anaheim, CA 92807..................................(714)630-5144

TREND WEST

2883 E.Victoria Street,
Compton, CA 90221..................................(213)639-6603
Richard Martinez.

Company buys dimensioned pine in large quantities; employs over 500 people, is possibly the largest waterbed manufacturer in the U.S.

LATIN INDUSTRIES

888 E.First Street,
Pomona, CA 91767...................................(714)623-4456

Company is exporting to Canada.

WATER AND WOOD

15000 Figueroa Street,
Gardena, CA 90248..................................(213)532-8230
Mike Miles, Red Houghton.

Interested in buying case-goods in component form to match with waterbeds. Also interested in dimensioned lumber. Like to buy direct from mill.

VIKING WATERBED MFG.

9618 N.22nd. Avenue,
Phoenix, AZ 85021..................................(602)944-5553

THE FURNITURE INDUSTRY

Component Manufacturers:

A-Z AUTOMATIC WOOD TURNING

1813 E. Charter Way,
Stockton, CA 95201............................ (209)948-9685
Bill Wakeland, owner.

Interested in hemlock and pine, quality is most important.

B & W WOODTURNING CO. INC.

2113 E. 37th. Street,
Los Angeles, CA 90058.......................... (213)233-6143

Interested in selected hardwoods cut to length for lathe.

MANSION INDUSTRIES

A subsidiary of Michael Reagan.
14711 E. Clarke Ave.,
Industry, CA 91746............................. (213)968-9501
Bill Aitken.

ANGELUS FURNITURE CO.

2911 Whittier Blvd.,
Los Angeles, CA 90023.......................... (213)264-1200
Robert Quintana jr.

Hemlock turning squares, ready for the lathe.

A & S WOODTURNING

15031 Maple Ave.,
Gardena, CA 90246.............................. (213)532-7776
Tom Skinner, owner

SKINNER WOODTURNING CO.

1112 E. 108th. Street,
Los Angeles, CA 90059.......................... (213)566-3161
Phillip Skinner, owner

Turning squares, pine. Has bought previously from Canada and found prices were competitive.

THE FURNITURE INDUSTRY

Component Manufacturers:

LEEPER'S WOODTURNING

3013 N. Santa Fe Avenue,
Compton, CA 90220............................ (213)537-3173
Ron Halton

KING WOOD PRODUCTS

5370 Alhambra Avenue,
Los Angeles, CA 90032......................... (213)221-5125
Mr Allman

Interested in P.C.birch, produces small turnings only.

IMPERIAL WOOD PRODUCTS

8520 Roland St.,
Buena Park, CA 90621.......................... (714)522-8560
Mr Copelman.

Interested in P.C.birch, produces small turnings only.

MCMURTRIE BROTHERS

1024 S.Westminster Avenue,
Alhambra, CA 91803............................ (213)289-9231
Jack McMurtrie, owner.

Interested in hardwoods and softwoods, buys dimensioned and cut to length. A major supplier to the furniture industry.

H.W.HULL AND SONS

14601 South Broadway,
Gardena, CA 90247............................. (213)321-1521
Bob Hull, owner; Paul Kawakami, purchasing.

Has been buying Canadian turning squares, interested in complete chairs in component form for assembly in L.A.plant.

ANATOLI PARQUET

4609 Hampton St.,
Vernon, CA 90058.............................. (213)585-6071
Yan Katz, partner.

Interested in oak dimensioned stock, also in component chairs for assembly in L.A.

THE FURNITURE INDUSTRY

Specialist Manufacturers Representatives:

WESTERN DIVERSIFIED SALES

532 Colorado Blvd.,
Santa Monica, CA 90401........................(213)451-8789
Bob Weinstein, Nate Gill

BILL GALLIEN AND ASSOCIATES

7005 Tujunga Blvd.,
P.O.Box 3917,
North Hollywood, CA 91605.................... (213)980-4180
Bill Gallien, Jim Gallien, Sherill Spencer.

MONARCH WOOD PRODUCTS CO

17600 Crusader Ave.,
Cerritos, CA 90701........................... (213)865-5266
Edward Radomski

FOURWOOD CORPORATION

5627 Sepulveda Blvd.,
Suite 214,
Van Nuys, CA 91411........................... (213)994-0662
Chuck Goodman, Phil Stevens, Don Baker

MARSH WEITZ AND ASSOCIATES

3547 Stonehill Place,
Sherman Oaks, CA 91423....................... (213)873-3737
Al Weitz

ROBERT RESNIK INC.

1355 Market Street,
Space 582,
San Francisco, CA 94103...................... (415)863-1214
Robert Resnik

THE HOME CENTER MARKET

ANGELS DO-IT-YOURSELF HOME CENTERS

10960 Wilshire Blvd.,
Los Angeles, CA 90024........................(213)726-0622
George Handgies, V.P.merchandising.

Angels prefer to deal with distributors. Corporation operates 17 stores in market areas.

THE AKRON

3540 Wilshire Blvd.,
Los Angeles, CA 90010.........................(213)383-7000
Donna Runyon, buyer.

Interested in European style casual furniture, shelving etc.

DIXILINE LUMBER CO.

3250 Sports Arena Blvd.,
San Diego, CA 92110..........................(714)224-4161
Jim Inglis, V.P.merchandise

Interested in direct purchase stile and rail doors, made of fir. $60-120 price range.

ARMSTRONG'S BUILDING MATERIALS INC.

11321 W.Pico Blvd.,
Los Angeles, CA 90064........................(213)477-8023
Cathy Armstrong.

OLES HOME CENTERS

3395 E.Foothill Blvd.,
Pasadena, CA 91107............................(213)351-9666
Barry Silverman.

K-MART

3100 Big Beaver Road,
Troy, Mich 48084..............................(313)967-3811
Mr Cashman, home improvement buyer;
Mr D.G.Edel,furniture and decorator items.

K-Mart has 225 stores in its Western Division.The corporation is always interested in new decorator and building lines. All approaches must be made through the corporation's head office in Michigan.

THE HOME CENTER MARKET

THE HANDYMAN

P.O.Box 82266
San Diego, CA 92138............................(714)560-6666
Mr Dave Kosler

Buys mainly from distributors interested in any well thought out program involving furniture or decorator items. Handyman has a chain of 80 stores.

L.P.HOME CENTERS

(division of Louisiana Pacific Corp.)
3140 Rosecrans,
El Segundo, CA 90245...........................(714)530-6120
John Shick, General Manager.

BOISE CASCADE BUILDING MATERIALS CENTERS

P.O.Box 4,
National City, CA 92050........................(714)474-3341
Alex Thompson, Harold Morgan, buyers.

CHANDLER LUMBER CO.

P.O.Box 7817 Van Nuys Blvd.,
Van Nuys, CA 91407.............................(213)997-7900
Johnny Johnson, buyer.

WICKES, BUILDERS EMPORIUM DIVISION

2162 Michelson Drive,
Irvine, CA 92715...............................(714)975-0808
Jerry Schwartz, home decor buyer;
Shelley Reynolds,kitchen and bathroom buyer.

Builders Emporium has 56 home centers in its Western Division.The corporation has bought Canadian and is interested. Wickes owns Yorktown Kitchens but is interested in well thought out kitchen programs despite this.

ANAWALT LUMBER

10865 Sutter Avenue,
Pacoima, CA 91331..............................(213)899-2575
Hal Anawalt.

THE HOME CENTER MARKET

TERRY BUILDING CENTERS

18551 Oxnard Street,
Tarzana, CA 91356...............................(213)885-632
Bob Lund, home products buyer;
Scott Schledorn, lumber buyer.

Interested in doors and shelving. Would consider direct mill purchases of various lumber types.

NEIMAN REID LUMBER CITY

12925 Riverside Drive,
Sherman Oaks, CA 91423..........................(213)781-5111
Mr Pi Bliss.

Company has 12 outlets in market areas, interested in yellow cedar and western red cedar plus turning stock.

WILLIS CASHWAY LUMBER CO

528 S.Greenwood Avenue,
Montebello, CA 90640............................(213)728-0531
Mr Willis, owner.

PANEL-IT-STORES OF AMERICA

6322 Slauson Avenue,
Culver City, CA 90230...........................(213)839-5213
Ken Bass, general manager.

Kitchen cabinets and wall panelling.

JONES LUMBER CO

10711 S.Alameda Street,
Lynwood, CA 90262...............................(213)564-6656
Mr Rod Jones.

ALL AMERICAN HOME CENTER

7201 E.Firestone Blvd,
Downey, CA 90241................................(213)927-8666
Mr R Welk.

The largest single home center store in California with sales of approximately $20 million. Interested in Canadian products but will only buy through a distributor.

THE HOME CENTER MARKET

MAR VISTA LUMBER CO.

3860 Grand View Blvd.,
Los Angeles, CA 90066........................(213)870-7431
Mr George Schwartz.

Interested in doors, moldings, and kitchen cabinets but only through recognised dealers.

CLEVELAND WRECKING CO.

3170 E.Washington Blvd.,
Los Angeles, CA 90058........................(213)269-0633
Mr L.Geisser, manager.

VIKING SALVAGE

3025 Fierro St.,
Los Angeles, CA 90065........................(213)254-6741
David Del-Bourgo.

ACE HARDWARE STORES

2200 Kensington Court,
Oakbrooke, Ill 60521.........................(312)887-6600
Jim Reid, building materials buyer.

The Ace Hardware group currently has 350 member stores in Southern California and 541 in Northern California. Canadian manufacturers or suppliers who wish to sell to Ace stores must discuss their prospective programs with Head Office in Oakbrooke. Ace is continually looking for new merchandise in several of the product categories of this study.

TRUE VALUE HARDWARE STORES

2740 Clybourne Avenue,
Chicago, Ill 60614...........................(312)975-2810
Ed Kantowicz, Fred McCarthy, outdoor living buyer.

True Value currently has approximately 750 members in California. Prospective suppliers should have a fully prepared program ready before contacting the Head Office. Programs should include facilities for direct delivery to individual stores.

DIAMOND INTERNATIONAL

P.O.Box 15377,
Sacramento, CA 95813.........................(916)482-4660
Richard Cushman, Frank Dirk.

Diamond International controls 63 home center units in the market areas.

THE HOME CENTER MARKET

GOODMAN LUMBER COMPANY

445 Bayshore Blvd.,
San Francisco, CA 94133........................(415)285-2800

One of the largest individual home centers in San Francisco

SAN DIEGO GLASS AND PAINT CO.

1827 Main Street,
San Diego, CA92113.............................(714)239-9251

NATIONAL LUMBER AND SUPPLY INC.

5645 E.Firestone Blvd.,
South Gate, CA 90280...........................(213)869-3501

84 LUMBER COMPANY

20011 East Walnut Drive,
City of Industry, CA 91789.....................(213)965-2054

WHOLESALE LUMBER DISTRIBUTION

LANE-STANTON-VANCE LUMBER CO.

14710 E.Nelson Avenue,
City of Industry, CA 91744....................(213)968-8331
Dick Lambert, Donald Moreland, Charles Wilson.

Interested in new mill sources. Specialises in custom milling hardwood squares, furniture dimension parts, and softwoods.

MACBEATH HARDWOOD COMPANY

7653 Telegraph Road,
Montebello, CA 90640..........................(213)743-3301
Vincent Cortese

Interested in Canadian birch, interested in new sources.

UNITED WHOLESALE LUMBER

P.O.Box 820,
Montebello, CA 90640..........................(213)726-1113
Miles Butterfield, Bill Bittner.

Sells to retailers, wholesalers, furniture manufacturers, interested in new mill sources.

STAHL LUMBER COMPANY INC.

3855 E.Washington Blvd.,
Los Angeles, CA 90023.........................(213)263-6844
Milan Michie, Kenneth Tinckler

SUMWOOD INC.

5855 Green Valley Circle #106,
Culver City, CA 90230.........................(213)645-5870
Mr J.H.Forgie.

Buys mainly specialised grades, birch, hemlock, western red cedar. Interested in new mill suppliers.

SIMMONS HARDWOOD LUMBER COMPANY INC.

1150 Mines Avenue,
P.O.Box 368,
Montebello, CA 90640..........................(213)685-5880
Dave Walther.

Buys mainly from brokers, interested in new sources. Main species birch.

WHOLESALE LUMBER DISTRIBUTION

WEST COAST PLYWOOD LTD. dba FOREST FABRICATORS
AND TEMPO OF CALIFORNIA

1055 W.Fifth Street,
Azusa, CA 91702..................................(213)334-2961
Frank Ullrich, Carole Bausch.

AMERICAN FOREST PRODUCTS CORP.
FORM formerly BENDIX FOREST PRODUCTS CORP.

14103 Park Place,
P.O.Box 6245,
Cerritos, CA 90701...............................(213)773-9200
Frank Quattrochi,Mgr softwood div.

Specialises in general softwoods.

FAR WEST FIR SALES CO.

16300 Gothard Street,
P.O.Box 1970,
Huntington Beach, CA 92647.......................(213)629-5206
John Weston.

Specialises in general softwoods.

FIR & PINE LUMBER CO.

13024 Mollett Street,
Santa Fe Springs, CA 90670.......................(213)921-9411
Mr R.C.Gaylord.

Handles some Canadian birch.

ED. FOUNTAIN LUMBER CO.

6218 South Hooper Avenue,
Los Angeles, CA 90001............................(213)5831381
Ed.Fountain Jr., president.

Interested in spruce, Alaskan yellow cedar, pine. Reputed to be one of the most active wholesalers.

FREMONT FOREST PRODUCTS

13215 E.Penn Street,
Whittier, CA 90607...............................(213)945-3486
Peter V.Speek, president.

Handles hemlock, douglas fir and cedar for industrial and building industries.

WHOLESALE LUMBER DISTRIBUTION

NICKERSON LUMBER AND PLYWOOD CORP.

12906 Saticoy Street,
North Hollywood, CA 91605..................(213)875-2511
Charles McKeon, sales manager; Robert Lopez.

PRODUCT SALES CO.

2202 N.Pacific Street,
Orange, CA 92665...........................(213)687-3782
Larry Kennington.

SOUTHBAY FOREST PRODUCTS

164 Healdsburg Avenue,
Healdsburg, CA 95448.......................(707)433-3313
Gerry Jones.

Mainly interested in western red cedar,carries large inventory.

DOOLEY FOREST INC.

15000 East Nelson Avenue,
City of Industry, CA 91744.................(213)336-1261
Joseph Dooley, Dennis Dooley, Jim O'Connell.

PICTURE FRAMES

AARON BROTHERS

960 North La Brea Avenue,
Los Angeles, CA 90038........................(213)874-8700
Dave Thompson, Marty Goodside, buyers.

LUCID LINES INC.

9035 Venice Blvd.,
Los Angeles, CA 90034........................(213)559-0500

CUSTOM CRAFT FRAME CO.

21275 Deering Court,
Canoga Park, CA 91304........................(213)999-6191

NATIONWIDE PICTURE FRAME MANUFACTURERS

624 Poinsettia Street,
Santa Ana, CA 92701..........................(213)836-1320

TRADE SHOWS

The Furniture Industry:

Note: The following furniture trade shows are discussed in the narrative. The adresses given below are those most commonly quoted in connection with the trade shows at those locations; in some cases there are several market buildings at a location.

SOUTHERN FURNITURE MARKET

P.O.Box 828, High Point, NC 27261.
Robert Greenberg.

ATLANTA MERCHANDISE MART

240 Peachtree Street, Atlanta, GA 30303.
Sam Williams.

DALLAS MARKET CENTER

2100 Stemmons Freeway, Dallas, TX 57207.
William Cooper.

HICKORY HOME FURNISHINGS MART

P.O.Box 1483, Hickory, NC 28601.
Henry W. Brown.

WESTERN MERCHANDISE MART

1355 Market Street, San Francisco, CA 94103.
Leonard Rogers.

NORTHWEST HOME FURNISHINGS MART

121 Boren Avenue North, North Seattle, WA 91809.
Mrs Perkins.

Note this show is gaining influence in the West largely due to the rapid population growth in the Pacific Northwest.

NEOCON

Merchandise Mart.,Suite 830, Chicago, Ill 60654.
Jim Bidwell, Rachel Riley.

TRADE SHOWS

The Unfinished Furniture Industry:

THE UNFINISHED FURNITURE SHOW

c/o American Exposition Inc.,
1850 Oak Street,
Northfield, Ill 60093..........................(312)446-8434
Ray Passis.

This is the only show held exclusively for unfinished furniture, it is two years old. The show is held in Las Vegas, during January. This year there were 3 1/2 thousand visitors. The show is proving so popular that the organisers are arranging for a mid-year show to be held in Chicago.

The Waterbed Industry:

THE WATERBED SHOW

c/o Waterbed Manufacturers Association
1411 W.Olympic Blvd., Los Angeles, CA 90015...(213)384-3179
Ray Delrick, Exec.V.P.

This show is the only show held exclusively for the waterbed industry. It is held annually, usually during January, in a different location each year. This year it was held in Los Angeles, at the Convention Center.

Woodworking Machinery and Furniture Supply Fairs:

WOODWORKING MACHINERY AND FURNITURE SUPPLY FAIR

c/o Marketing/Association Services Inc.,
9911 Pico Blvd.,
Los Angeles, CA 90035.........................(213)556-0513
Robert Lieban, Arthur Schwartz.

This is the only show for the woodworking industry in general, held in the market areas. The show is held bi-annually, in odd numbered years, at the Los Angeles Convention Center. The 'odd year' concept was adopted to ensure that there is no conflict with the Louisville (Kentucky) Show and, the Atlanta (Georgia) shows which are both held in even numbered years.

TRADE SHOWS

Woodworking Machinery and Furniture Supply Fairs:

The organisers of all three shows advised that attending visitors generally come from within a 500 mile radius. The L.A.show however, caters for the whole of the West Coast market and draws additional custom from the inland Western States.

The L.A.show is advertised widely in the leading trade magazines. In addition some 45,000 mailing pieces are sent out to the trade. The show is organised on a broad base and exhibits cover a wide variety of services, supplies and, equipment. The show has attracted an international following with extensive exhibits from many major wood producing nations. Canada has taken a substantial space in the 1981 show, which will be held from September 24th-27th, 1981.

We recommend this show to Canadian manufacturers and suppliers as an excellent way to make positive contacts in the industry. Several of the 'Specialist Manufacturers Representatives' we discussed in this report, will have booths at this show.

INTERNATIONAL WOODWORKING MACHINERY FURNITURE SUPPLY FAIR
LOUISVILLE, KENTUCKY

600 Talcott Road,
Park Ridge, Ill 60068.
Marvin C. Park.

Show held during September in even numbered years. Show concentrates on broad spectrum covering supplies and equipment. This show is considered the major event by the industry.

WORLD WOODWORKING EXPO '82
ATLANTA, GEORGIA

Cahners Exposition Group,
8687 Melrose Avenue, Suite M 38,
Los Angeles, CA 90069
Tom O'Gorman.

Show will be held in late August 1982. Show is held during even numbered years and concentrates on imported machinery and trade supplies. It is rumored that the Atlanta show will combine with the Louisville show in 1984. The venue for both shows will become Louisville.

TRADE SHOWS

Woodworking and Machinery Supply Fairs:

Venue	Year	Tot.Sq.Ftge.	Duration of Show	Attendance last Show	% Visitors from:		
					East	West	Other
Louisville KY	Even	225,000	5 days	21,000	96%	4%	N/A*
Atlanta GA	Even	120,000	4 days	8,000	N/A	N/A	N/A
Los Angeles CA	Odd	105,000	3 days	10,500	19%	68%	13%

* N/A = Not available.

Building Industry, Home Center, Kitchen & Bathroom Shows:

NATIONAL HOME CENTER, HOME IMPROVEMENT '82
CONGRESS AND EXPOSITION

600 Talcott Road,
Park Ridge, Ill 60068..........................(312)823-3183
Marvin Park, Exposition Manager.

This show is the major event for the home center industry. There are over 1200 exhibitors at the show which is held annually in Chicago. There is no equivalent show held on this scale in the study areas. The show is held in March.

NATIONAL KITCHEN AND BATH CONFERENCE
& MULTI HOUSING WORLD

American Institute of Kitchen Dealers,
124 E.Main Street,
Hackettstown, NJ 07840.........................(201)852-0033

These two shows are currently held at the same time in the same location. The location is changed every year, the 1982 show will be held in March, in Dallas.
The Kitchen and Bathroom Conference is the only event organised exclusively for this industry. Canadian manufacturers will meet a complete cross section of the industry at this show, which is considered to be a must.
The Multi Housing World show is aimed at appartment, condominium and townhouse builders and includes a complete range of support supplies.

TRADE SHOWS

Building Industry, Home Center, Kitchen & Bathroom Shows:

NATIONAL ASSOCIATION OF HOME BUILDERS

15th & M Street,
N.W.Washington, DC 20005........................(202)452-0200
Wayne Stetson, V.P.Conventions & marketing.

This show is held annually in the Las Vegas Convention Center, it takes place during the fourth week in January. The show is considered the leading national conference for builders and building materials. We recommend this show to Canadian Manufacturers.

PACIFIC COAST BUILDERS CONFERENCE

235 Montgomery Street,
San Francisco, CA 94104.........................(415)981-1067
Eleanor Schulte, Exhibit Sales.

This show, held annually in the study area, is the largest regional conference and exhibition for builders in the U.S. The organisers advised that recent surveys show that 75% of their attendees do not also visit the nearby Las Vegas show. The show draws its custom almost exclusively from the 14 Western States. Last year there were 185 exhibitors in 33,000 sq ft of space. The show attracted 3000 visitors.

NATIONAL ASSOCIATION OF PLASTIC FABRICATORS CONVENTION

c/o National Association of Plastic Fabricators,
1701 N Street,
N.W.Washington, DC 20005....................(202)753-5459
Jill Wettrich.

The Association holds Spring and Fall conferences each year. The 1982 Spring conference will be held in Nashville, Tennessee. The Associations 1983 technical conference is being held in Toronto. The Association has several Canadian members; its conventions feature very little in the way of displays and are only of interest to kitchen and bathroom manufacturers.

ASSOCIATED BUILDERS AND CONTRACTORS SHOW

444 N.Capitol Street, Suite 409,
Washington, DC 20001........................(202)637-8800
Norman Erbe, Exec.V.P.

This show is held in the MGM Hotel, Las Vegas, one week after the National Association of Homebuilders Show. It is an annual event.

PUBLICATIONS

Trade publications are highly specialised in the U.S. Often a particular industry is serviced by many publications: those given below were most often mentioned during interviews. Our research revealed that many potential customers,in all product categories covered by the study,read trade magazines. Canadian companies who wish to sell directly to retailers or distributors should consider the possibility of advertising in the appropriate trade publication.

Building Industry/Home Centers

HOME CENTER MAGAZINE

300 West Adams Street,
Chicago, Ill 60606............................(312)977-7200
Don Hunter

BUILDING SUPPLY NEWS

5 South Wabash Avenue,
Chicago, Ill 60603............................(312)372-6880

MULTI HOUSING NEWS

1515 Broadway,
New York, NY 10036............................(212)869-1300
Marshall D.Siegal.

HOMECENTER NEWS

425 Park Avenue,
New York, NY 10022............................(212)371-9400
Paul Maier.

PLYWOOD & PANEL MAGAZINE

1100 Waterway Blvd.,
Indianapolis, IN 46202........................(317)634-1100
Kay Oldham, Advertising Manager.

Kitchen and Bathroom:

KITCHEN BUSINESS

1515 Broadway,
New York, NY 10036............................(212)869-1300

PUBLICATIONS

Furniture Industry:

WOODWORKING AND FURNITURE DIGEST

Hitchcock Building,
Wheaton, Ill 60187..............................(312)665-1000

WOOD AND WOOD PRODUCTS

300 West Adams Street,
Chicago, Ill 60606..............................(312)977-7200
Carl Brooke

FURNITURE DESIGN AND MANUFACTURING

400 North Michigan Avenue,
Chicago, Ill 60611..............................(312)222-2000
Kim Sargis, Advertising Manager.

FURNITURE PRODUCTION

804 Church Street,
Nashville, TN 37203.............................(615)255-7667
Martha Huggins.

FURNITURE TODAY

200 South Main Street,
High Point National Furniture Mart,
P.O.Box 2754,
High Point, NC 27261............................(919)883-6117

This publication is aimed at the retail furniture trade.

HOME FURNISHINGS DAILY

7 East 12th.Street,
New York, NY 10003..............................(212)741-4379
Polly Perkins, Advertising Manager.

Unfinished Furniture:

UNFINISHED FURNITURE MAGAZINE

1850 Oak Street,
Northfield, Ill 60093...........................(312)446-8434
Ray Passis.

PUBLICATIONS

Waterbed Industry:

WATERBED MAGAZINE

2706 Harbor Blvd., Suite 205,
Costa Mesa, CA 92626............................(714)754-6277
Ann Stanley.

INDUSTRY MAGAZINE

P.O.Box 19531,
Irvine, CA 92713................................(714)549-4834
Eileen Cannon.

ASSOCIATIONS

AMERICAN PLYWOOD ASSOCIATION

7011 S 19th Street,
Tacoma, WA 98466................................(206)565-6600

NATIONAL PARTICLE BOARD ASSOCIATION

2306 Perkins Place,
Silver Spring, MD 20910.........................(301)587-2204

WESTERN WOOD PRODUCTS ASSOCIATION

1500 Yeon Building,
Portland, OR 97204..............................(503)224-3930

LUMBER ASSOCIATION OF SOUTHERN CALIFORNIA

1915 Beverly Blvd.,
Los Angeles, CA 90057...........................(213)483-6450

FIR AND HEMLOCK DOOR ASSOCIATION

1500 Yeon Building,
Portland, OR 97204..............................(503)224-3930

NATIONAL BUILDING MATERIAL DISTRIBUTORS ASSOCIATION

55E Monroe Street,
Chicago, ILL 60603..............................(312)332-7127

ASSOCIATIONS

NATIONAL LUMBER AND BUILDING MATERIAL DEALERS ASSOCIATION

1990 M Street, Suite 350,
N.W. Washington, DC 20036........................(202)872-8860

NATIONAL KITCHEN CABINET ASSOCIATION

136 St. Matthews Avenue,
Louisville, KY 40207............................(502)896-2231

AMERICAN INSTITUTE OF KITCHEN DEALERS

124 Main Street,
Hackettstown, NJ 07840..........................(201)852-0033

CALIFORNIA FURNITURE MANUFACTURERS ASSOCIATION

1933 South Broadway,
Los Angeles, CA 90007...........................(213)747-9224

Lee Hahn, President
Association has a suppliers chapter

UNFINISHED FURNITURE MANUFACTURERS WHOLESALERS AND RETAILERS ASSOCIATION

1850 Oak Street,
Northfield, ILL 60093...........................(312)446-8434

WATERBED MANUFACTURERS ASSOCIATION

1411 West Olympic Blvd.,
Los Angeles, CA 90015...........................(213)384-3179

Ray Delrick, Executive Vice President

Canada

(aussi édité en français)