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Harley [Davidson] - York, PA 11/10/99 Harley - Drafts

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Withdrawal/Redaction Sheet

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001. fax	Cover sheet. Home Phone and Page Numbers. [partial] (1 page)	11/09/1999	P6/b(6)
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COLLECTION:

Clinton Presidential Records
Speechwriting
Jeff Shesol
OA/Box Number: 21462

FOLDER TITLE:

Harley - York, PA 11/10/99 Harley - Drafts

2006-0467-F

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

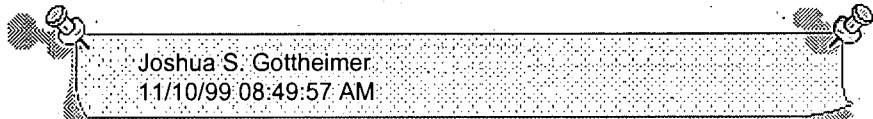
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Today we got even more news that our economic strategy is working.

We released new statistics showing that producer prices actually fell slightly in October. We continue to have the lowest ^{underlying} core inflation in more than three decades.



Joshua S. Gottheimer
11/10/99 08:49:57 AM

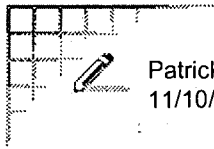
Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP

cc:

Subject: additional line -- doesn't matter where it goes.

I was pleased to see that prices paid by producers actually declined by one-tenth of one percent last month that means that the economy has now absorbed increases in energy and tobacco prices over the past year and producer price inflation has returned to stable levels.



Patrick M. Dorton
11/10/99 09:31:34 AM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP

cc:

Subject:

China (general): They are meeting with MOFTEC right now. Do not want to characterize negotiations. We hope to get a read out when negotiations break for the evening.

IF CHINA ENTERED THE WTO:

China (Harley): BOTTOM LINE: Greater market access on better terms
- making Harley more competitive in the Chinese market. Increased exports.

Tariff cuts of from current level (from 50% to 30%, or from 60% to 40% depending on the engine size) thus enabling Harley to be competitive in the Chinese market.

Unrestricted ability to wholesale and/or retail Harleys in the Chinese market within 3 years.

The ability to provide after sale services and maintenance and repairs, which was previously restricted by China - but is vital for Harley and other U.S. manufacturers for ensuring the quality and reputation of their brand.

Introduction of foreign provided personal credit financing in the market, helping Harley increase its exports to China and move units in the Chinese market through American-style credit instruments.

President Clinton Participates In "National Dialogue On Jobs And Trade Day"

Building A New American Consensus On Trade

November 10, 1999

Today, President Clinton will participate in "National Dialogue on Jobs and Trade Day" by travelling to York, Pennsylvania to tour a Harley-Davidson motorcycle plant. The President will participate in a roundtable discussion with workers, management, and Commerce Secretary William Daley. Following the roundtable, the President will address more than two thousand company workers on building a new consensus on trade between all Americans -- labor and management, government and industry, community leaders and ordinary citizens. In addition to the President's event, "National Dialogue on Jobs and Trade Day" will include 15 other similar events and more than 200 smaller events around the nation.

BUILDING A NEW AMERICAN CONSENSUS ON TRADE:

In his State of the Union address this year, President Clinton stated *"I think trade has divided us, and divided Americans outside this chamber, for too long. Somehow we have to find a common ground on which business and workers and environmentalists and farmers and government can stand together."* The "National Dialogue on Jobs And Trade Day" is an effort to find that common ground -- bringing labor and management, government and industry together all across the nation to talk about the benefits and challenges of trade. The President's agenda for the upcoming Seattle WTO also represents his attempt to build a new consensus. The President's agenda would expand economic opportunities by opening new markets to American goods and services. And, at the same time, the President's agenda for Seattle would help put "a human face" on the global economy by advancing the rights of workers and protecting our environment.

UNDERSTANDING THE IMPORTANCE OF TRADE:

- **Trade Is Fundamental To American Prosperity Today And In The Future.** Since 1948, eight separate rounds of international trade negotiations have helped make the last half century the period of the most rapid, sustained economic growth ever recorded. There remains great potential for further progress. Ninety-six percent of the world's consumers live outside the U.S., many in countries that are only now achieving the means to become significant purchasers of American products. The President's call for a new round of multilateral trade negotiations in the World Trade Organization would expand access to these and other markets for American manufacturers, farmers, ranchers, and service providers. Increased trade will continue to contribute to American prosperity in the 21st Century by:
 - Supporting higher paying jobs through exports in our most productive sectors;
 - Providing producers with a wider choice of suppliers, making them more competitive;
 - Providing consumers with more choice and value in purchasing decisions; and
 - Stimulating productivity, investment and economic growth through greater competition, exposure to new ideas, and access to capital.
- **Trade Has Contributed To The Continuing Strength Of The Economy.** America's successful engagement in the world economy has helped to propel the economy's remarkable record of sustained, non-inflationary growth. Market opening agreements have expanded commercial opportunities for many of America's most productive industries.
 - U.S. exports are up 51% over the past six years, in part due to market opening agreements.
 - Export expansion has accounted for more than one-quarter of U.S. economic growth between 1992 and 1998.
 - The U.S. has grown nearly twice as fast as all of the other countries in the G7. Real industrial production in the US is up over 34% since 1992, compared to a 4% gain for Germany and a 1% decline for Japan.
 - Increased trade has contributed to more than 19.6 million net new jobs being created since 1992 (through August 1999), and a 4.1% unemployment rate that is the lowest in a generation.
- **Trade Has Contributed To Higher American Living Standards.** By expanding exports and maintaining the world's most open major market, America has sustained the world's highest real per capita incomes.
 - Average real wages in the U.S. economy have grown 6.3% under President Clinton, and grew by 2.7% in 1998 -- the fastest annual growth in over 20 years.
 - From 1992 to 1998, export-related jobs paid 15% more on average than non-export-related jobs.

- The average per capita income of 265 million Americans is high even relative to countries like France, Germany, Japan, Canada, and Australia. The World Bank reports that U.S. real per capita income exceeded the average for 650 million people living in other such high-income countries by nearly 40%.
- Our incomes could be higher still by further opening foreign markets.

PROMOTING US TRADE OBJECTIVES IN THE WTO:

The new Round of World Trade Organization negotiations is set to begin in Seattle, Washington on November 30th. The President's agenda reflects his desire to make Seattle "a new type of Round for a new century: a Round that is about jobs and development." Working with the other nations of the WTO, the President wants the Seattle Round to be about expanding prosperity and improving the quality of life and work here at home and around the globe. This Round should ensure that the global trading system honors our values and meets our goals for the 21st Century. **The U.S. agenda in Seattle includes:**

1. Expanding Opportunities For American Agriculture.

Today, America is the largest exporter of agricultural products in the world, and those exports support 750,000 American jobs that pay higher than average wages. In Seattle, the United States will push for new opportunities for agriculture products:

- Work To Eliminate Export Subsidies
- Reduce Tariffs
- Ensure Market Access For Ag-Biotechnology
- Reduce Trade-Distorting Domestic Supports

2. Expanding Opportunities For American Goods and Services.

• Manufacturing: Further reduce trade barriers; Eliminate or Sharply Reduce Tariffs; Simplify Customs Procedures.

• Services: Seeking commitments for more openness in key sectors; Ensuring growth for key sectors; Preventing discrimination against particular modes of delivering services.

- Seek Immediate Tariff Cuts In Eight Key Areas
- Increase Transparency in Government Procurement

3. Ensuring Continued Freedom In The New Industries Of The Future.

• E-Commerce: Extend the 1998 U.S.-led moratorium on electronic transmissions; Ensure that WTO members take no action to inhibit the growth of e-commerce; Ensure that developing countries benefit from e-commerce.

• Promote Adoption of ITA-2: The Information Technology Agreement (ITA) eliminated duties on \$600 billion worth of technology products. ITA 2 would make additional information technology products tariff-free.

4. Putting A Human Face On The Global Economy.

President Clinton has worked to "put a human face" on the world economy. In Seattle, the United States will pursue a specific agenda to broaden participation in the benefits of trade among and within nations.

• Labor: The United States proposes the creation of a WTO Working Group on Trade and Labor during the Seattle Round. This Group would provide a mechanism within the WTO to ensure a commitment to internationally recognized core labor standards and to build consensus on issues important to the lives of working people all over the world. In addition, the U.S. supports a strengthening of the International Labor Organization (ILO).

• Environment: The United States will: conduct its own environmental review of the Round and urge the WTO to conduct a review as the round proceeds; pursue "win-win" opportunities that provide open markets and environmental benefits; insist that the WTO continue to recognize the right of members to take measures to meet environmental standards higher than those required by international standards; and strengthen the cooperation between the WTO and international environmental organizations.

• WTO Reform And Developing Country Institution Building: The United States will also pursue an agenda to make the WTO itself more open and accessible. The U.S. is also proposing measures to help developing nations by providing technical assistance on implementing trade policy and strengthening institutions in developing countries responsible for trade, labor, and environment.

5. Expanding The Community Of Nations That Benefit From And Play By The Rules Of The Trading System.

- Bringing More Nations Into Open Trading System
- Ensuring That Developing Countries Fully Benefit From The Open Trading System

National Dialogue on Jobs and Trade
Harley-Davidson: A Success Story for American Trade
November 10, 1999

- **The Success Of Harley-Davidson Is Evidence That American Innovation And Effective U.S. Trade Policy Can Reap Rewards For American Companies And American Workers.** Harley-Davidson is one of many U.S. companies that have benefited greatly from U.S. trade laws. In 1983, facing a surge of Japanese imports, the company received temporary relief under U.S. trade laws. Harley used this time to readjust and become more competitive. It improved manufacturing efficiency and product quality, and, as a result, was able to significantly increase its market share. Today, Harley-Davidson is the clear market leader, with a 56% share of the large motorcycle market.
- **The Harley-Davidson Experience Is An Example That U.S. Trade Policy Can Work.** When the motorcycle market shrank due to the 1981-1982 recession, Japanese producers continued to ship motorcycles, creating a glut of unsold bikes that artificially depressed prices and threatened Harley's viability. Following an investigation under Section 201 of the 1974 Trade Act, the U.S. International Trade Commission found in 1983 that increased imports of heavyweight motorcycles threatened serious injury to the domestic industry. This finding gave the President authority to impose temporary import relief to allow the industry time to adjust. A 45% tariff surcharge was imposed with a scheduled phase-out of five years. Harley's recovery was so successful, however, that it took the unprecedented step of asking that the tariff surcharge be repealed one year ahead of schedule, in 1987. Harley-Davidson has now gone on to further success as U.S. exports of motorcycles and parts have grown 15 percent annually from 1987 to 1998, reaching \$626 million last year or about 35% of industry sales.
- **Harley-Davidson Has Been A Great Success Story Of The 1980s And 1990s.** Today, Harley-Davidson motorcycles are in demand not just in this country but throughout the world. Twenty-two percent of motorcycles produced in the York, PA final assembly plant are produced for export, and much of Harley's growth is due to exports. In Japan, for example, the market for Harleys has been growing at an annual rate of 43% since 1996. Motorcycle exports have helped create numerous jobs for American workers, and by 2003, Harley-Davidson expects to double production from 1996 levels. The company has received numerous accolades, including being named one of the 100 best-managed companies by *Industry Week* magazine. At the same time, Harley-Davidson has also demonstrated good corporate citizenship, having recently received the Minority Suppliers Council's First Step Award in recognition of its commitment to racial and cultural diversity among suppliers. The company's biggest challenge now is to meet the growing demand for its products.
- **The Clinton Administration And U.S. Industry Have Worked Together To Create A Level Playing Field For American Exports.** With the U.S. industry leading the way in innovation, and the U.S. government helping to open markets for American exports, we can continue to expand U.S. sales overseas and create more jobs for American workers. The Clinton Administration has worked with Harley-Davidson to develop its export strategy – a major part of its strategic growth plan now that the U.S. market has matured – and to identify and remove obstacles to their sales in foreign markets such as Japan, Taiwan, Brazil, Malaysia, Thailand, Indonesia, and the EU. Market-opening initiatives include:
 - **Taiwan:** The use of large-size motorcycles is banned in Taiwan. Taiwan had proposed ending the ban, but had suggested enforcing engine emission standards similar to those on small motorcycles. This would have resulted in Taiwan's engine emissions standards being the strictest in the world and would have effectively served as a trade barrier for large-size motorcycles. As a result of negotiations regarding Taiwan's entry into the World Trade Organization, the U.S. industry will be able to sell large-size motorcycles in Taiwan soon after accession. The Administration is continuing to work with industry to remove the ban of motorcycles on Taiwan's two major highways.
 - **Brazil:** In 1995, Brazil unilaterally increased tariffs on imported motorcycles to more than 70%. The Administration addressed this issue during its participation in the 1996 Hemispheric Summit, and, as a result, Brazil decided to immediately reduce these tariffs by half – and gradually lower the tariff to 20%.

- **Japan:** Although Japan is the second-largest foreign market for U.S. exports of motorcycles, Japan currently has regulations that hamper sales opportunities for large-size motorcycles – including prohibitions on tandem riding (carrying a passenger) and a differential, lower speed limit for motorcycles on highways. These regulations do not appear to provide any safety benefits, and the Administration is working with industry to convince Japanese authorities to modify these rules. Previously, the Administration and others helped effect a change in operator licensing procedures for large-size motorcycles that were extremely burdensome.
- **Upcoming WTO Round:** During the upcoming round of negotiations, the Administration will likely be placing a high priority on lowering motorcycle tariffs. In particular, the U.S. will push for the lower tariffs in major markets like the European Union – which has tariffs that are over twice as high as U.S. import tariffs (6 percent versus 2.4 percent).

National Dialogue on Jobs and Trade Day
Events in Coordination with President Clinton's Visit to York, Pennsylvania
November 10, 1999

Today, President Clinton will participate in "National Dialogue on Jobs and Trade Day" by travelling to York, Pennsylvania to tour a Harley-Davidson motorcycle plant. The President will participate in a roundtable discussion with workers, management, and Commerce Secretary William Daley. Following the roundtable, the President will address more than two thousand company workers on building a new consensus on trade between all Americans -- labor and management, government and industry, community leaders, and ordinary citizens. In addition to the President's event, "National Dialogue on Jobs and Trade Day" will include 15 other similar events and more than 200 smaller events around the nation.

COMPANY PARTICIPATION: A number of events hosted by President's Export Council members (a group of industry and labor leaders who advise the President on trade issues) are highlighted below:

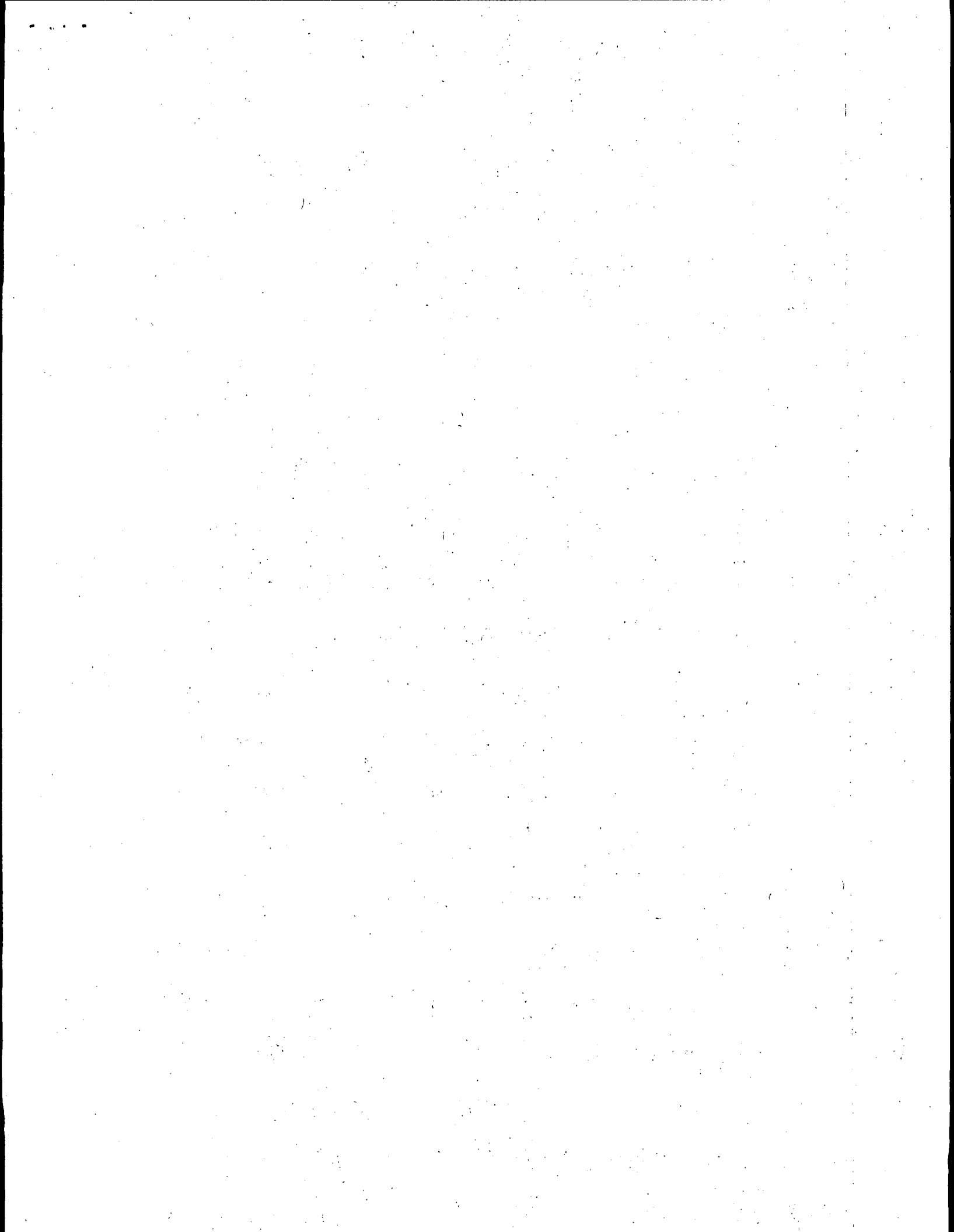
- **AT&T** - C. Michael Armstrong, CEO of AT&T and Chairman of the President's Export Council, and Jim Irvine of the Communication Workers of America will be meeting with a group of AT&T workers at their headquarters in Basking Ridge, NJ.
- **Boeing** - Phil Condit, CEO of Boeing and Bill Johnson, the vice-president of the Machinists Union (IAM) will be meeting with Boeing workers in Seattle, WA.
- **Delta Air Lines / BellSouth** - Leo Mullin, CEO of Delta Air Lines and Duane Ackerman, CEO of BellSouth, will be meeting with workers from both companies at Delta Air Lines Cargo facility in Atlanta, GA. Joining them will be Secretary of Transportation Rodney Slater, Special Envoy Buddy MacKay, Georgia Governor Roy Barnes and Atlanta Mayor Bill Cambell.
- **Cargill** - Ernie Micek, Chairman of Cargill, will host a conversation with Cargill workers at their headquarters in Wayzata, MN. At least five other locations will be connected by videoconference, including Blair, NE; Eddyville, IA; Wichita, KS; Chicago, IL; and Wahpeton, ND.
- **Monsanto** - Arnold Donald, President of Monsanto's Nutrition Division, will host a Brown-Bag lunch with workers at their headquarters in St. Louis, MO. This lunch will also be broadcast to a number of other Monsanto locations around the country. Asst. Secretary of Commerce Michael Copps will be joining Arnold Donald at this event.

OTHER CEO/WORKER MEETINGS ON TRADE: In addition, the following CEOs will also be meeting with workers at these companies throughout the day or participating in trade-related events (Administration Officials will be participating in these events as noted): Susan Corrales-Diaz, Systems Integrated (San Diego, California); Gregory Craig, Cook Inlet Energy Supply (Los Angeles, California); William Crowell, Cylink and David Aaron, Under Secretary of Commerce (Sunnyvale, CA); Jonathan Tisch, Loews Hotels (New York, NY); Joe Gorman, TRW (Virtually linked to Cookeville, TN); Mayor Charles Womack attending; Bill Steere, Pfizer and Robert Mallett, Deputy Secretary of Commerce (New York, NY); Sy Sternberg, New York Life Insurance (Orlando, FL).

OTHER TRADE-RELATED EVENTS FEATURING ADMINISTRATION OFFICIALS: The following senior Administration Officials are participating in other trade-related events throughout the day: Secretary Summers, U.S. Chamber of Commerce, Fall Meeting, Washington, DC; SBA Administrator Alvarez, Small Business Exporting Conference, Rockville, MD; Under Secretary Baker, Trade in Environmental Technologies events, (TBD); Commerce Deputy Under Secretary Biel, Northern Ohio/Southern Ohio DEC Conference, Dayton, OH; Commerce Deputy Assistant Secretary Cribb, Roundtable at Philadelphia College of Textiles, Philadelphia. The following local officials are also participating in trade-related events: Mayor Dennis Archer (Detroit, MI); Mayor Jesse Norwood (Prichard, AL); Mayor Miguel Pulido (Santa Ana, CA); Mayor Edward Rendell (Philadelphia, PA).

Other Trade-Related Activities On November 10

- A number of major companies will produce communications to be distributed by e-mail, video, etc. for the use of workers and others on November 10. These include companies such as Warner-Lambert, Motorola, Farmland, Procter and Gamble, Caterpillar, Champion International, Hewlett-Packard, Eastman Kodak and United Technologies. In addition, a number of VTM Schools from around the country that have been associated with the President's Export Council VTM program will hold special programs on November 10 focusing on trade and approximately 200 members of our District Export Councils (DEC) and clients of U.S. Export Assistance Centers (USEAC) have agreed to participate in the day in some way - either through CEO/Employee discussions or through internal communications.



Today, you're selling about a quarter of your bikes abroad. From Costa Rica to Korea, from Central Europe to the Middle East, the global market for motorcycles is growing. It's a big part of Harley-Davidson's future.

Today I want to talk to you about the ways we can make that future even brighter for you and for all American workers – by building a trading system that honors our values.

I believe we must forge a new consensus on trade. This dialogue today – and the one Secretary Daley has been leading across the country – is about finding the common ground where we can stand together. Labor and management. Government and industry. Community leaders and ordinary citizens. Working together, we can expand opportunity at home even as we expand trade abroad.

Revised Final 11/10/99 9:00am
Jeff Shesol

**PRESIDENT WILLIAM J. CLINTON
REMARKS ON TRADE
HARLEY-DAVIDSON COMPANY
YORK, PENNSYLVANIA
November 10, 1999**

Acknowledgements: Sec. Daley; Jeffrey Bleustein, Harley-Davidson CEO; Bobby Ramsey, Chief Shop Steward; Tom Buffenbarger, Pres., International Assoc. of Machinists; Willie Davidson, VP for Styling and grandson of William Davidson, one of the company's founders; all the companies and groups holding events around the country

As you may remember, York was the very first overnight stop Al Gore and I made back in 1992, on our campaign bus tour. I believe I met a good many of you back then, as I stood atop a stepladder outside the Yorktowne Hotel and spoke to a crowd about this size. I didn't get a chance to visit Harley-Davidson on that trip. I wish I had – especially because I gave away my one and only Harley jacket and didn't have a spare. Now I do. So I thank you all very much.

Harley-Davidson is more than an American icon – you're a great American success story. The company's recovery since the early '80s has been just remarkable. Back then, your goal was survival. Today, you're not just surviving – you're flourishing. You're setting company records for sales and earnings. You're one of the best-managed companies in America, according to *Industry Week*. And every one of you deserves a hand.

How have you done it? By investing in innovation; and forging a strong partnership between labor and management. By boosting product quality as well as productivity. But you do a lot more than build great bikes. You show all of us something about the dignity of work, the way that honest labor gives meaning and structure to our lives. Our task, as we approach the 21st Century, is to advance these same values in a marketplace that is much wider, and more full of possibility, than the Davidson brothers or Bill Harley could even have imagined.

In 1973, when the first Harley rolled off the assembly line here in York, America exported 6,300 motorcycles. By 1998, that number had increased more than ten-fold, to 66,000. Today, you're selling about a quarter of your bikes abroad. From Costa Rica to Korea, from Central Europe to the Middle East, the global market for motorcycles is growing. It's a big part of Harley-Davidson's future. Today I want to talk to you about the ways we can make that future even brighter for you and for all American workers – by building a trading system that honors our values.

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A strong global trading system is good for all the nations of the world. It is certainly good for America, where exports create millions of jobs... where exports support one in five manufacturing jobs... and where export-related jobs pay wages 15% higher, on average, than other jobs.

The challenges of the global economy are new and numerous. Those of us who believe trade can be a force for good have got to acknowledge that. But if we want to seize the opportunities of the global economy, we've got to rise to those challenges, not shrink from them. That's how Harley roared back into the lead. That's how you're going to keep moving forward. And that's how we're going to keep America, like Harley-Davidson, the "king of the road" in the 21st Century.

[On the panel discussion we just held, we heard from Don Albright, who coordinates your apprenticeship program. Don believes that education and training are vital to a high-tech enterprise like yours and to a high-tech economy like America's. He's exactly right. That's why education is at the heart of the budget debate in Washington and is at the top of my priority list. We've been working with the Congress on this issue, and with Chairman Bill Goodling, who, as you know, represents York. I am determined to keep the promise Congress and I made last fall to hire 100,000 qualified teachers to reduce class size. At the same time, we must demand more accountability for results. Then Don Albright can be sure his gauge lab will stay stocked with highly skilled workers.]

In Seattle, in just three weeks' time, America will host a meeting of the World Trade Organization. We will launch the new round of global trade negotiations that I called for last January, in my State of the Union Address. As I have said, I want it to be a new type of round for a new century: a round that's about jobs and development and broadly shared prosperity; about improving the quality of life and work in America and around the world.

Since the very first trade round, in 1948, we have cut major industrial nations' tariffs on manufactured goods by 90%. It's no coincidence that this period has seen global trade grow 15-fold, as well as the most rapid, sustained economic growth ever recorded. Where tariffs remain too high, we can do better – beginning in Seattle. We will also work to make sure more nations play by the rules. We know how vital that was to Harley's big comeback. American leadership helps us make sure that the rules are strong and that they're followed – not just in York, Pennsylvania, but from York, England, to York, West Australia.

As I have often said, we must put a human face on the global economy – making sure it works for ordinary citizens. We need to ensure that working people everywhere – not just here in York, but everywhere – feel they have a stake in global trade, a chance at a better life, and an assurance that spirited economic competition will never become a race to the bottom for labor or the environment.

Some say that open trade is at odds with these goals. I believe the opposite is true: a strong system of trade, and a dialogue like the one we will start at Seattle, are our best means to achieve those ends. I am pleased that just last week, both parties in the Senate joined to ratify an

international agreement to eliminate the worst forms of child labor. And in Seattle, as I have proposed, America will urge the WTO to create a Working Group on Trade and Labor. Trade agreements should advance, not undercut, labor rights and standards.

You know, I haven't spent as much time on a Harley as some of you, and that includes the Secretary of Commerce. But I do know one thing about these machines. The raw power you can hear – you can feel – from blocks away is made possible only by the careful craftsmanship of your workers, on your factory floor. On the open roads of America and in the open markets of world trade, the quality of your products speaks for itself. I will keep working to ensure that more Americans, and more American businesses, can meet the tests of the new economy as boldly and ably as you have. Thank you.

Final 11/09/99 9:00pm

Jeff Shesol

PRESIDENT WILLIAM J. CLINTON

REMARKS ON TRADE

HARLEY-DAVIDSON COMPANY

YORK, PENNSYLVANIA

November 10, 1999

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[On the panel discussion we just held, we heard from Don Albright, who coordinates your apprenticeship program. Don believes that education and training are vital to a high-tech enterprise like yours and to a high-tech economy like America's. He's exactly right. That's why education is at the heart of the budget debate in Washington and is at the top of my priority list. We've been working with the Congress on this issue, and with Chairman Bill Goodling, who, as you know, represents York. I am determined to keep the promise Congress and I made last fall to hire 100,000 qualified teachers to reduce class size. At the same time, we must demand more accountability for results. Then Don Albright can be sure his gauge lab will stay stocked with highly skilled workers.]

In Seattle, in just three weeks' time, America will host a meeting of the World Trade Organization. We will launch the new round of global trade negotiations that I called for last January, in my State of the Union Address. As I have said, I want it to be a new type of round for a new century: a round that's about jobs and development and broadly shared prosperity; about improving the quality of life and work in America and around the world.

Since the very first trade round, in 1948, we have cut major industrial nations' tariffs on manufactured goods by 90%. It's no coincidence that this period has seen global trade grow 15-fold, as well as the most rapid, sustained economic growth ever recorded. Where tariffs remain too high, we can do better – beginning in Seattle.

We will also work to make sure more nations play by the rules. We know how vital that was to Harley's big comeback. American leadership helps us make sure that the rules are strong and that they're followed – not just in York, Pennsylvania, but from York, England, to York, West Australia.

As I have often said, we must put a human face on the global economy – making sure it works for ordinary citizens. We need to ensure that working people everywhere – not just here in York, but everywhere – feel they have a stake in global trade, a chance at a better life, and an assurance that spirited economic competition will never become a race to the bottom for labor or the environment.

Some say that open trade is at odds with these goals. I believe the opposite is true: a strong system of trade, and a dialogue like the one we will start at Seattle, are our best means to achieve those ends. I am pleased that just last week, both parties in the Senate joined to ratify an international agreement to eliminate the worst forms of child labor. And in Seattle, as I have proposed, America will urge the WTO to create a Working Group on Trade and Labor. Trade agreements should advance, not undercut, labor rights and standards.

You know, I haven't spent as much time on a Harley as some of you, and that includes the Secretary of Commerce. But I do know one thing about these machines. The raw power you can hear – you can feel – from blocks away is made possible only by the careful craftsmanship of your workers, on your factory floor. On the open roads of America and in the open markets of world trade, the quality of your products speaks for itself. I will keep working to ensure that more Americans, and more American businesses, can meet the tests of the new economy as boldly and ably as you have. Thank you.

Final 11/10/99 8:30am

**PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR ROUNDTABLE DISCUSSION
HARLEY-DAVIDSON COMPANY
YORK, PENNSYLVANIA
November 10, 1999**

I want to welcome everyone to the roundtable and to thank you for welcoming me to Harley-Davidson. I enjoyed the tour of the plant, I love the jacket, and I am very much looking forward to our dialogue this morning.

Jeffrey Bleustein [CEO, Harley-Davidson], I know you have some thoughts you'd like to share with us this morning. (I know you also have a new grandson, Noah; so if that's what you'd like to talk about, we'll certainly understand.)

[Bleustein will comment and then return the chair to you.]

Harry Smith [Pres., Local 175, IAM], would you like to add your thoughts to this discussion?

[Smith will comment and then return the chair to you.]

[Suggested remarks to begin the discussion:]

1. Currently, your plant exports about 22% of its production; so you see first-hand the benefits of global trade. But, less than 20 years ago, you also felt the impact of unfair trade. What do you think are the benefits of global trade and what concerns do you have about it?

2. Don Albright, you've been with Harley-Davidson for 35 years; and now you run the Apprenticeship Program. Please tell us what role you think training and education have – not only in your company, but also in our economy as a whole – and how we can improve the training and education we provide for workers.

3. You've told me about the labor-management partnership that you have forged here at Harley-Davidson. But it seems like more than a mere partnership: workers seem to have real authority and a stake in the company's success. How have you achieved that?

[Suggested closing remarks:]

I've learned a lot from this dialogue, and I appreciate the time you've taken to discuss your thoughts with me. I believe that there are vast opportunities for American workers as we work to open global markets; but I also understand the concerns of some workers and communities that trade may create some disruptions. I am committed to meet those challenges and also to keep open the dialogue that Sec. Daley began several months ago, the one we've continued today. This is a good start and it must continue.

Draft 11/09/99 6:30pm
Jeff Shesol

term editor
making
sure no one is
left behind

PRESIDENT WILLIAM J. CLINTON
REMARKS TO THE HARLEY-DAVIDSON CO.
YORK, PENNSYLVANIA
November 10, 1999

Acknowledgements: Sec. Daley; Jeffrey Bleustein, Harley-Davidson CEO; Bobby Ramsey, Chief Shop Steward; Willie Davidson, VP for Styling as well as the grandson of [TK Davidson,] one of the company's founders; all the companies holding events around the country

As you may remember, York was the very first overnight stop Al Gore and I made back in 1992, on our campaign bus tour. I believe I met a good many of you back then, as I stood atop a stepladder outside the Yorktowne Hotel and spoke to a crowd about this size. ~~I wish I'd had a chance to visit Harley-Davidson on that trip.~~ *but I wish I had* *I didn't go* *esp. b/c* Lately, I've really been wishing I had ever since I gave away my one and only Harley-Davidson jacket. I gave it to a Secret Service agent on his retirement; and while I was glad to do it, I've sure been wishing I had a spare. Now I do. So thank you very much.

~~The reason your merchandise is so popular is because Harley-Davidson is an American icon — a symbol of our freedom, of open roads and wide open vistas. But Harley-Davidson is far more than that. You're a great American success story. The recovery of Harley-Davidson since the early '80s has been just remarkable. Back then, your goal was survival. Today, you're not only surviving — you're flourishing. You're setting company records for sales and earnings. You're one of the best-managed companies in America, according to *Industry Week*. And every one of you deserves a hand.~~

How have you done it? ~~(By) boosting product quality as well as productivity. By expanding product lines and developing new technologies. By forging a strong partnership between labor and management. And you're succeeding, in no small measure, by selling nearly a third of your bikes abroad. In 1973, when the first Harley rolled off the assembly line here in York, America exported 6,300 motorcycles. By 1998, that number had increased more than ten-fold, to 66,000.~~ *Through innovation +* *Trade infusion you got it*

Exports mean to you? From Costa Rica to Korea, from Central Europe to the Middle East, the global market for motorcycles is growing. It's a big part of Harley-Davidson's future. Today I want to talk to you about making that future a brighter one for you and for all American workers — by building a trading system that honors our values.

I believe we must forge a new consensus on trade. This dialogue today — and the one Secretary Daley has been leading across the country — is about finding the common ground ~~where we can stand together. Labor and management. Government and industry. Community leaders and ordinary citizens. I believe that, working together, we can expand opportunity here at home even as we expand trade abroad. These goals don't work against each other. They go hand-in-hand.~~

A strong global trading system is good for all the nations of the world. It is certainly good for America, where our surging exports create millions of jobs... where exports support one in five manufacturing jobs... where export-related jobs pay wage that ^{are} 15 percent higher, on average, than other jobs.

The challenges of the global economy are new and numerous. ~~Trade can bring disruption or dislocation.~~ Those of us who believe trade can be a force for good have got to acknowledge that. But if we want to seize the opportunities of the global economy, we've got to rise to the challenge, not shrink from ^{them} it. That's how Harley roared back into the lead. That's how you're going to keep moving ^{forward} ahead. And that's how we're going to keep America, like Harley-Davidson, the "king of the road" in the 21st Century. ^{it's}

[On the panel discussion we just held, we heard from Don Albright, who coordinates your Apprenticeship program. Don believes that education and training are vital to a high-tech enterprise like yours and to a high-tech economy like America's. He's exactly right. That's why education is at the heart of the budget debate we're having right now in Washington and is at the top of my priority list. I am absolutely committed to keeping the promise that I made, and the promise that Congress made, to begin hiring 100,000 new, highly-trained teachers to reduce class size in the early grades. We need to work together to find a way to keep that promise, and also ^{at the same time} to demand more accountability for results.]

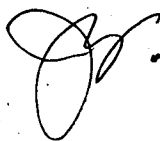
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Since the very first trade round, in 1948, we have cut major industrial nations' tariffs on manufactured goods by 90 percent. It's no coincidence that this period has seen global trade grow fifteen-fold, as well as the most rapid, sustained economic growth ever recorded. Where tariffs remain too high, we can do better – beginning in Seattle. We will also work to make sure more nations play by the rules. ~~We know how vital that was to Harley's big comeback.~~ ^{that's} American leadership helps us make sure that the rules are strong and ~~are followed~~ ^{followed} – not just in York, Pennsylvania, but ⁱⁿ York, England, ~~and beyond.~~ ^{to} ~~York, W. Australia.~~ ^{from}

As I have often said, we must also put a human face on the global economy – making sure it works for ordinary citizens. We need to ensure that working people everywhere feel they have a stake in global trade, a chance at a better life, and an assurance that spirited economic competition will never become a race to the bottom for labor or the environment. ^{not just here in York, but everywhere}

Some say that open trade is at odds with these goals. I believe the opposite is true: a strong system of trade, and a dialogue like the one we will start at Seattle, are ^{the} ~~our~~ best means ^{step} to achieve those ends. I am pleased that just last week, both parties in the Senate joined to ratify an international agreement to eliminate the worst forms of child labor. And in Seattle, as I have proposed, America will urge the WTO to create a Working Group on Trade and Labor. Trade agreements should advance, not undercut, labor rights and standards.

You know, I haven't spent as much time on a Harley as some of you, and that includes the Secretary of Commerce. But I do know one thing about these ~~impressive~~ machines. The raw power that you ~~can~~ hear – that you ~~can~~ feel – from blocks away is made possible only by the careful craftsmanship of your workers, on your factory floor. You do a lot more than build great bikes. You show all of us something about the dignity of work, the way that honest labor gives meaning and structure to our lives. Our task, as we approach the 21st Century, is to advance these same values in a marketplace that is much wider, and more full of possibility, than the Davidson brothers or Bill Harley could even have imagined. Thank you.

A handwritten signature, likely of Bill Clinton, consisting of a stylized 'W' and 'C' followed by a period.

Draft 11/09/99 7:30pm
Jeff Shesol

Karen
9/90b

→ *John*
→ *Rich*

→ *Jake*
- *Patrice*

**PRESIDENT WILLIAM J. CLINTON
REMARKS TO THE HARLEY-DAVIDSON CO.
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Tom Buggenbarger, Intl Pres
machinist

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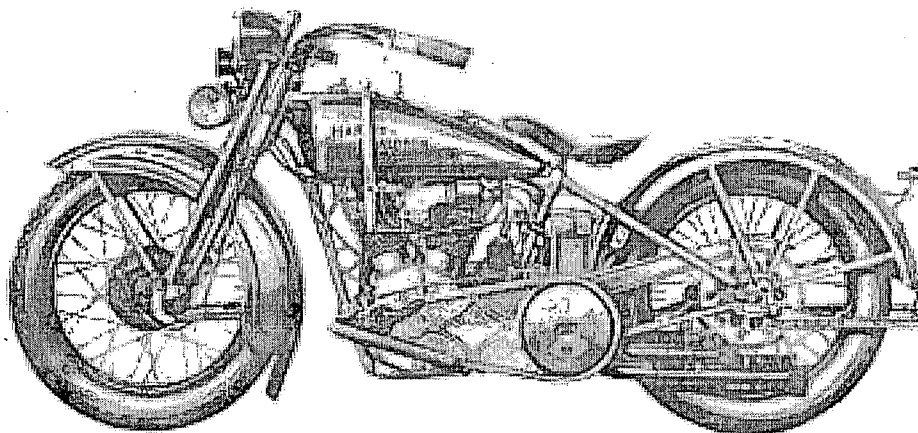
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John: hits people at their core
move it up to the front →
more weight

HARLEY-DAVIDSON



BACKGROUND AND HISTORY





BACKGROUND

Harley-Davidson began in a shed, went to war, became the symbol of American individualism and ended up "king of the road", all in only 95 years.

A 10' x 15' shed located in the Davidson family's Milwaukee backyard was the birthplace of Harley-Davidson. The Davidson Brothers William D., Walter and Arthur, and William S. Harley crafted their first motorcycle using the best available tools they had, mostly their hands and their ingenuity.

In 1903, three motorcycles were built and the Harley-Davidson Motor Co. began its journey.

A Call to Action

In 1909, Harley-Davidson introduced a more powerful motorcycle, incorporating a new engine that is the company's standard to this day: the V-Twin. Doubling the power of its predecessors, it carried riders at a then-unbelievable 60 miles per hour. By 1911, there were 150 other brands of motorcycles competing for space on America's roads.

Soon thereafter, a new use for motorcycles appeared on the battlefield. Already popular for police use, Harley-Davidson motorcycles supported the military in border skirmishes with Pancho Villa in the early 1900s. As motorcycles became more reliable, the United States called upon motorcycle manufacturers to support the infantry in World War I. By the end of the war, 20,000 Harley-Davidson motorcycles had been called into action.

The years following World War I saw major advancements in motorcycle design and Harley-Davidson led the way. In 1921, a Harley-Davidson became the first vehicle to win a race with an average speed of over 100 miles per hour. The Teardrop gas tank was introduced in 1926, and another standard, the front brake came into use in 1928. Meanwhile, engine design improved continuously.

The Great Depression devastated the motorcycle industry. Only two manufacturers, Harley-Davidson and Indian, survived through the 1930s. Though sales dropped sharply, Harley-Davidson survived, thanks to a strong dealer network, police and military use, conservative business management and strong exports.

In 1941, Harley-Davidson again answered the call to war. Its entire motorcycle output supplied American and Allied forces during World War II. Harley-Davidson built and shipped more than 90,000 motorcycles during the war and earned the coveted Army-Navy "E" award for excellence in wartime production.

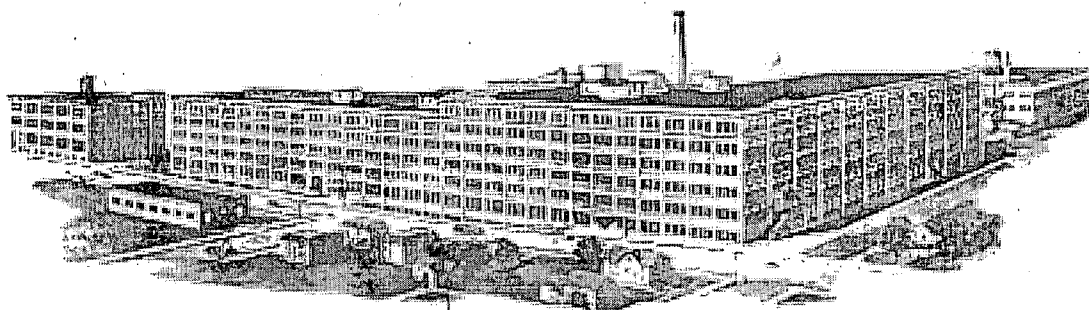
The King of the Road

Following World War II, Americans eagerly returned to motorcycling. To meet the exploding demand for its motorcycles, Harley-Davidson purchased additional manufacturing facilities in the Milwaukee suburb of Wauwatosa in 1947.

The 1940s and '50s brought changes for Harley-Davidson. The second generation of management rose through the corporate ranks as the original founders died, while the closing of Indian in 1953 made Harley-Davidson the sole survivor in the American motorcycle industry.

Harley-Davidson now was the undisputed "king of the road". But the company did not rest on its laurels. It leaped forward in 1957 with the introduction of the Sportster motorcycle and ushered in a new era that of the heavy-weight motorcycles.

The 1950s and '60s also saw the explosion of the American "motorcycle culture", with black leather jackets becoming not only a statement of fashion, but of a lifestyle. The tough "Wild Ones" image, made popular by the Marlon Brando movie of the same name, labeled motorcycle enthusiasts as "outlaws". (In fact only a tiny minority of all motorcyclists fit this image).





BACKGROUND

In 1965, Harley-Davidson ended family ownership with a public stock offering and then, in 1969, merged with the American Machine and Foundry Company (AMF), which was chaired by Rodney C. Gott, a Harley enthusiast.

The financial strength and resources of AMF aided Harley-Davidson's growth as it entered the 1970s. To meet the demands of an expanding market, the company moved its motorcycle assembly to York, Pennsylvania, in 1974, maintaining its engine manufacturing facility in Milwaukee. At the time of the merger with AMF, Harley-Davidson was producing 14,000 motorcycles per year.

Beginning in 1969 and on into the 1970s, huge numbers of low-priced motorcycles were imported from Japan, dramatically reducing Harley-Davidson's market share. The ferocious competition coupled with motorcycle quality problems, which surfaced as a result of the company's rapidly expanding production, created major problems for Harley-Davidson.

Innovative Management & Manufacturing

In 1981, 13 members of the Harley-Davidson management team purchased the company from AMF in a leveraged buy-out. They believed in a return to quality and introduced innovative new management and manufacturing techniques, many of which were learned from their Japanese competitors. Harley-Davidson began its turnaround by being among the first American companies to institute just-in-time inventory management, statistical process control and employee involvement programs.

Then, another blow was dealt by Japanese competitors who refused to limit production in the face of declining demand for heavyweight motorcycles (700cc+). They shipped their surplus inventory to the United States.

In 1982, Harley-Davidson proved threat of injury to the International Trade Commission (ITC). Then-President Ronald Reagan, on recommendation from ITC, imposed additional tariffs on imported heavyweight Japanese motorcycles, effective for five years. But in just three years, the company revitalized its manufacturing and streamlined its operations. This, combined with improved engines, new models such as the Electra Glide and Softail, and new styling developed by Willie G. Davidson, brought Harley-Davidson back to the forefront. By 1986, the company surpassed Honda and regained the top spot in the U.S. superheavyweight market.

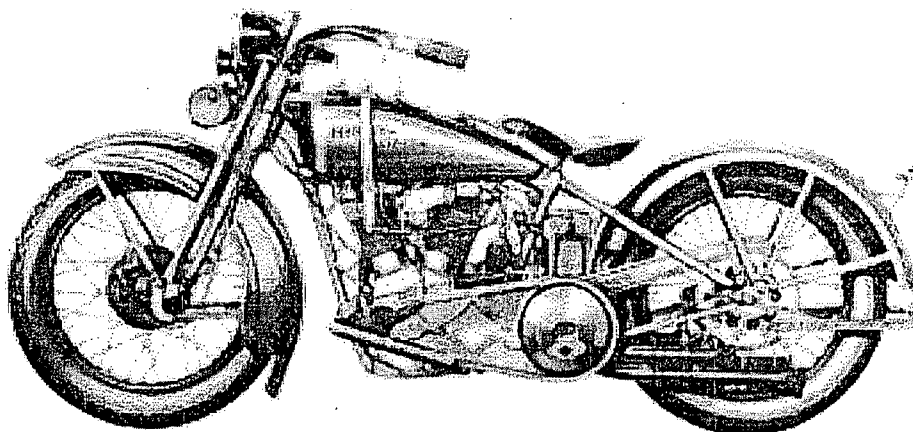
An American Success Story

Also in 1986, Harley-Davidson returned to public ownership with a highly successful stock offering, which provided the capital for the company to diversify. It acquired Holiday Rambler Corp., a leading producer of premium recreational vehicles and specialized commercial vehicles.

In March 1987, clearly in command of the domestic superheavyweight motorcycle market, Harley-Davidson petitioned the ITC to remove the tariffs one year early, an act unprecedented in American industrial history. Harley-Davidson was hailed by President Reagan as an "American success story".

U.S. market share continued to grow. By the end of the year, Harley-Davidson had 47 percent of the 651+cc superheavyweight market. By 1988, market share was 54 percent. Today it is 56 percent.

In Harley-Davidson's 95th year, the company continues to improve every phase of its operations. Demand for Harley-Davidson motorcycles is rapidly increasing in Europe, Japan, Australia and other countries. The international marketplace will be a major part of Harley-Davidson's future.





FACTS & FIGURES

Harley-Davidson, Inc., includes Harley-Davidson Motor Company, based in Milwaukee and Eaglemark Financial Services, Inc., based in Chicago, Illinois.

A Major Employer

Total employment at Harley-Davidson Motor Company is approximately 5,500. In addition, there are nearly 600 dealerships throughout the United States alone.

1997 Corporate Results

Net Sales	\$1.76 billion
Net Income	\$174 million
Earnings per Share	\$1.15
Number of Shareholders	50,374

Harley-Davidson Motor Company

• The One and Only:

Harley-Davidson is the only major American-based motorcycle manufacturer and a leading global supplier of premium quality, heavyweight (651cc+) motorcycles. The product line includes 20 traditional, factory custom and touring motorcycles, as well as police and military motorcycles.

• Famous Names:

Harley-Davidson Road King names are among the best known in the industry: Sportster, Super Glide, Low Rider, Softail, Dyna Glide, Wide Glide, Road King, Electra Glide and Tour Glide.

• Buell on Board:

In 1998, Harley-Davidson acquired Buell Motorcycle Company of East Troy, Wis. as a subsidiary. Buell Motorcycle Company designs and manufactures sport-touring motorcycles which are sold in North America, Europe, Australia and Asia. Currently there are 377 Buell dealers worldwide.

• Topping 100,000:

H-D shipped 132,285 motorcycles in 1997 and expects to ship 147,000 in 1998. The long-term goal: 200,000 motorcycles annually by 2003.

• A Global Player:

H-D sells 27 percent of its motorcycles overseas; 36,100 units to more than 30 countries in 1997, accounting for \$389 million in sales. The company has wholly owned subsidiaries in Germany, Japan and the United Kingdom. Market share in the heavyweight class is 41 percent in Australia, 11 percent in Europe and 17 percent in Japan.

• High on their Hogs:

With 400,000 worldwide members and over 1000 local chapters, the Harley Owners Group® (H.O.G.®) is the largest company-sponsored motorcycle enthusiast group. In 1997 alone, 100,000 H.O.G. members enjoyed three U.S. national rallies, two touring rallies and 46 state rallies. Some 25 percent of H.O.G. members live outside the U.S., and rallies in Norway, Canada, Australia, New Zealand, Brazil and Mexico broke attendance records. In June of 1998, H.O.G. celebrates its 15th anniversary with its biggest rally ever. Attendance is expected to exceed 50,000 members.

• Not Your Average Angel:

Company research shows the typical U.S. Harley owner is a male in his early 40s with \$69,000 household income who rides for recreation.

• Employee Enthusiasts:

All H-D employees take part in a gain-sharing program, paying cash incentives for attaining quality, profitability and product delivery goals. In 1997, more than 2,000 employees took training and education programs from the Harley-Davidson Leadership Institute. Courses help the company be more competitive and foster employees' personal growth and development.

• Dealers Everywhere:

Harley-Davidson motorcycles are sold through 1,132 dealers worldwide, including 598 in the U.S., 84 in Canada, 25 in Latin America and Mexico, 325 in Europe and 114 in Japan.

• H-D Cafes:

Popular licensing attractions are the Harley-Davidson Cafes, located in New York City and Las Vegas. These successful restaurants provide enthusiasts with great food, souvenir merchandise and a chance to see rare biker memorabilia.

• Eaglemark Financial Services, Inc.:

In November 1995, Harley-Davidson, Inc. purchased Eaglemark Financial Services, Inc.. Eaglemark provides private label financial services programs, including Harley-Davidson Credit.

Eaglemark Financial Services introduced a new general credit card in 1997. When it comes to charging it, the new Harley-Davidson Chrome VISA Card leaves no doubt that the cardholder is a Harley enthusiast. More than 117,000 Harley customers carry the Chrome VISA card, which can feature a photo of the cardholder with their Harley.

Harley-Davidson Credit, Eaglemark's largest division, provides wholesale financing and insurance programs, including motorcycle floorplanning, parts and accessories trade acceptance and commercial insurance brokerage to Harley-Davidson's U.S. dealer network. It also provides the private Harley Card, an exclusive credit card for use in Harley-Davidson dealerships. Since its inception, Harley-Davidson® has financed the purchase of over 25,000 new and used motorcycles and issued over 100,000 Harley Cards.



SHARING SUCCESS WITH THE COMMUNITY

At

Harley-Davidson, we believe that being a leader in business includes contributing to the betterment of society. We support community causes as a corporation, and we encourage employees to get involved as donors or volunteers.

Charitable contributors are investments in the quality of life, benefiting all our stakeholders: customers, employees, suppliers, shareholders, government, and the community at large. Here is a look at Harley-Davidson's major charitable projects:

• Jerry's Kids:

In 18 years as a national corporate sponsor of the Muscular Dystrophy Association, the Harley-Davidson family of employees, dealers, customers and suppliers has raised more than \$25 million for the fight against neuromuscular disease. Not included in that figure are hundreds of thousands of dollars raised for MDA through our European and Asia/ Pacific families. In 1997, open houses were held at manufacturing facilities in Milwaukee and Tomahawk, Wisconsin; and York, Pennsylvania. All proceeds went to MDA.

• A Strong Foundation:

Each year, a portion of company earnings is earmarked for the Harley-Davidson Foundation, Inc., which contributes to community projects. Donations are overseen by a Charitable Contributions Committee, staffed by seven employees from throughout the company salaried and hourly, union and non-union. In 1996, the Foundation received \$1.6 million and invested it in six categories of projects: community revitalization, education, medicine, arts and culture, environment, and the Volunteer Matching Hours Program. Organizations that receive contributions include: the United Way of Greater Milwaukee, Business Against Drunk Drivers, Boy Scouts and Girl Scouts of America, the United Performing Arts Fund, Milwaukee Public Museum and Greater Milwaukee Education Trust.

• Dollars for Hours:

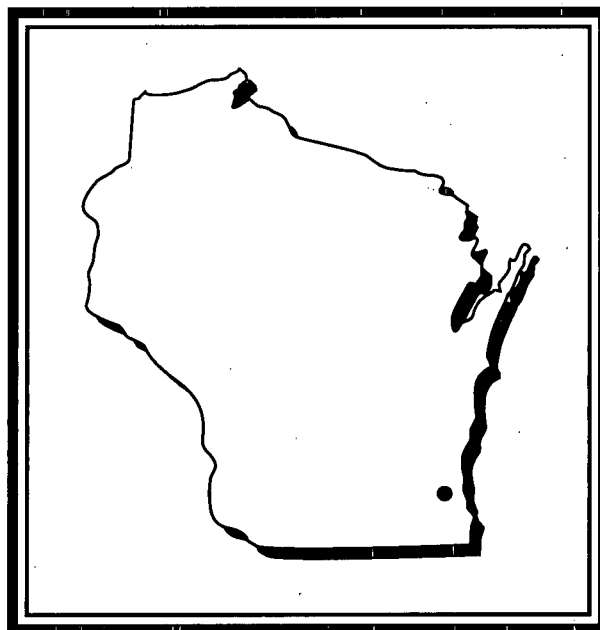
Through the Motor Company's Volunteer Matching Hours Program, employees are encouraged to volunteer and become involved in charitable organizations. Harley-Davidson then matches volunteer hours with monetary grants to those organizations.

• Tour de Cure:

Harley-Davidson is a Wisconsin sponsor of the annual Tour de Cure bicycle ride for the American Diabetic Association, held in cities nationwide. Rides are held in Milwaukee, Madison and Green Bay. In addition, Harley-Davidson dealers and Harley Owners Group® (H.O.G.®) chapters hold events on behalf of ADA each year.

• Right Next Door:

Harley-Davidson's Milwaukee employees are the leading contributors to the annual walk for the Next Door Foundation, a local service agency for children and families. In 1996, a total of 196 Harley-Davidson walkers raised \$11,203 for the foundation. The Next Door Foundation provides education, counseling, day care, head start, kindergarten, and support services.





IN WISCONSIN

Wisconsin is the home of Harley-Davidson, and Milwaukee is the site of the company's world headquarters. In addition to its own full line of 20 models of motorcycles, Harley-Davidson owns Buell Motorcycle Company in East Troy. Here is an overview of Harley-Davidson operations in Wisconsin:

Union Representation

Production workers at the manufacturing facilities in Wauwatosa and Tomahawk are represented mainly by the United Paperworkers International Union (UPIU) of the AFL-CIO, as well as the International Association of Machinists and Aerospace Workers (IAM).

Dealer Locations

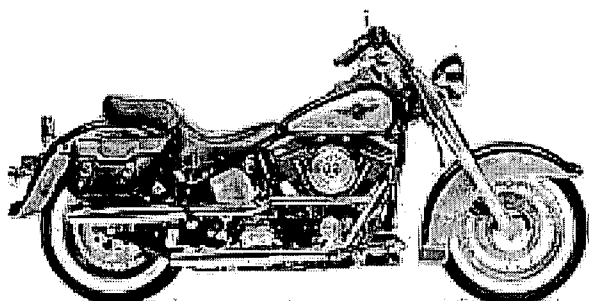
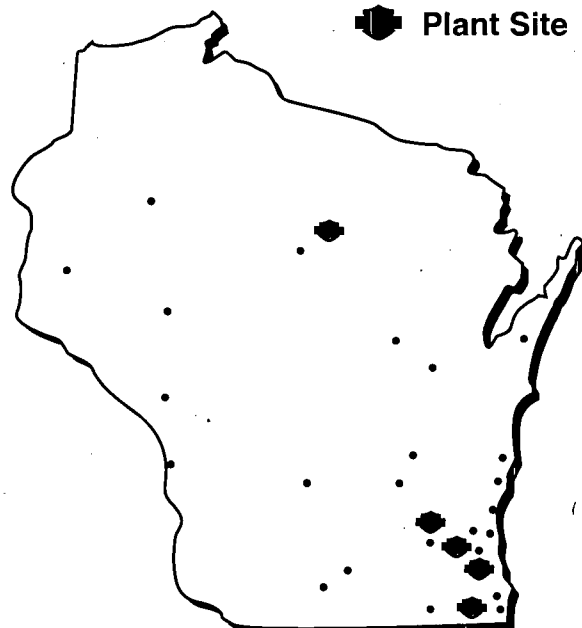
Harley-Davidson is represented by 26 independent dealerships in Wisconsin.

Location	Function
Milwaukee 3700 W. Juneau Ave.	Corporate headquarters, parts and accessories, sales, research and development
Wauwatosa 11700 W. Capitol Dr.	XL Engine and Transmission production; Product Development Center
Menomonee Falls W156 N.9000 Pilgrim Rd.	FL Engine and Transmission production
Franklin 10000 S. Franklin Dr.	Parts and Accessories Distribution Center
Tomahawk 426 E. Somo Ave.	Fiberglass parts production and painting

Total Wisconsin Employment **Approx. 2600**
(as of 03/98)

• Dealers

■ Plant Site



Massachusetts



IN PENNSYLVANIA

Every year since the mid-1970s, Harley-Davidson motorcycles have rolled out of Pennsylvania headed for destinations all over the globe. Harley-Davidson's Final Assembly Plant, has two final assembly lines for custom motorcycles and one line for touring motorcycles. The plant, which also performs motorcycle parts fabrication and painting, covers more than 200 acres and has over 1 million square feet under roof. The plant employs 2,600 people.

The York facility is also the home of the Harley-Davidson Antique Motorcycle Museum. The evolution of the motorcycle and the sport of motorcycling are represented in the museum's displays covering Harley-Davidson's history from 1903 to the present. The collection of more than 40 motorcycles includes military and police bikes, a dirt bike and moped, limited editions, custom models and Malcolm Forbes' favorite personal touring model.

Community Involvement

The York plant and its employees are major contributors to the betterment of the community. Besides supporting Harley-Davidson's corporate programs for the Muscular Dystrophy Association (MDA) mainly through its annual Open House every September, York employees actively contribute to state and local causes. The York plant is a United Way Pacesetter company. Employees strongly support the local Salvation Army with bell-ringer collections at plant gates and food donations throughout the year. In addition, the company is a major contributor to the Burn's Health Education Center, York College, Easter Seal Society and the York County Literacy Council, among others.

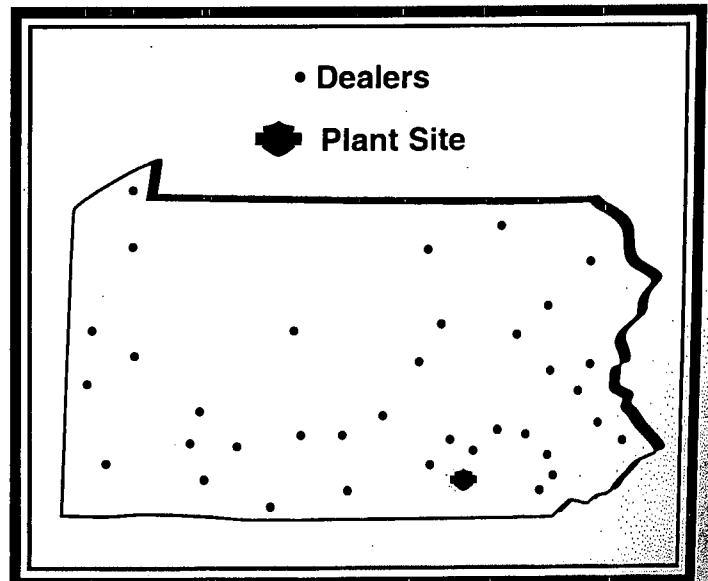
The Employee Rider Association also supports local causes such as the Margaret Moul Home for people with cerebral palsy, through organized riding events and fundraising activities.

Union Representation

Production workers at the York facility are represented by the International Association of Machinists and Aerospace Workers (IAM) Local 175 Tyson Lodge.

Dealer Locations

Pennsylvania is home to 40 Harley-Davidson motorcycle dealers.



York plant



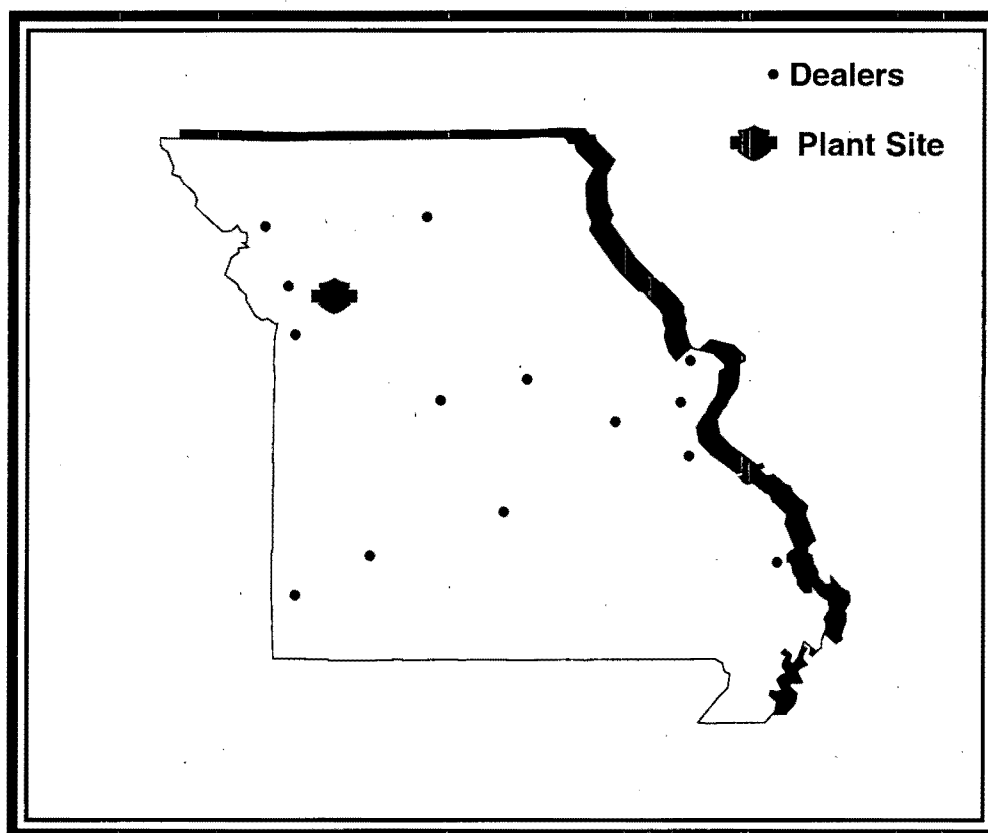
KANSAS CITY

Kansas City, Missouri is the new manufacturing plant of Harley-Davidson's Sportster motorcycles. "Ramp Up" production began in January 1998. This is a gradual process of increasing production as systems are developed and fine tuned. Full production is anticipated by July 1998, with 150 motorcycles assembled per day. The plant also will manufacture the gas tanks, fenders and frames used in Sportster production, as well as contain a cosmetic paint shop. Anticipated employment is 350 people by the end of 1998 and 450 once the plant is operating at full production. The new facility includes 350 acres and has 330,000 square feet under roof.

Union Representation

Production and maintenance workers at the Kansas City facility are jointly represented by the International Association of Machinists and Aerospace Workers (IAM) and the United Paperworkers International Union (UPIU).

Missouri has 14 Harley-Davidson motorcycle dealers.





INTERNATIONAL OPERATIONS

In 1995, Harley-Davidson expanded its international operations with the establishment of European headquarters in Windsor, England. This business unit is responsible for the Motor Company's activities in all markets of Europe. Prior to the new entity being established, these markets had been managed from the United States.

The multi-national composition of the Harley-Davidson Team in Europe Group is designed to manage the diversity of the region's customer base in Europe, Africa, and Middle East. Harley-Davidson Motor Company has subsidiary operations located in four European markets - the United Kingdom, Germany, Benelux, and France. The European corporate operations facilitate Harley-Davidson's sales and marketing objectives, finance, information technology, information systems, and human resources.

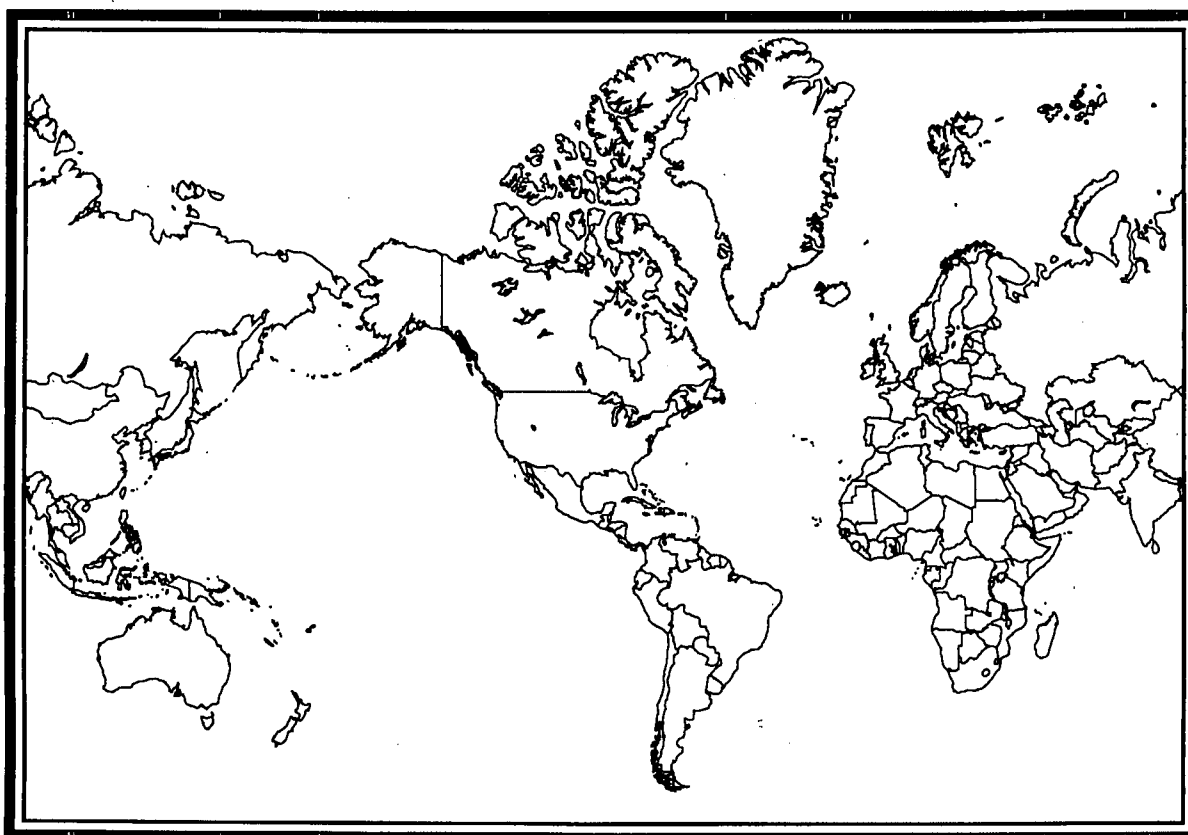
The European facilities allow Harley-Davidson to focus strongly on the potential of these important markets. Europe is the largest heavyweight motorcycle market in the world. The European 651+cc market is 18 percent larger than its United States counterpart.

There currently are 325 Harley-Davidson dealerships in Europe, and eight independent European distributorships located in Scandinavia, Italy, Spain, the Middle East, South Africa, and central Europe.

Harley-Davidson has categorized the Asia / Pacific region into three sub-regions: Japan, Australia / New Zealand, and an area classified as "Other Asia", which includes countries such as Malaysia, Singapore, Thailand and Hong Kong.

Harley-Davidson has a wholly-owned subsidiary in Japan that serves 114 dealers. Three Australian independent dealers / distributors serve 69 dealers in Australia and New Zealand. "Other Asia" is represented by independent dealers / distributors in Hong Kong, Korea, Malaysia, Singapore, Taiwan and Thailand.

Harley-Davidson motorcycles are becoming increasingly common throughout Latin America. They first were introduced to the Latin American market in the 1920s, when Harley-Davidson manufactured motorcycles for the Mexican police force. Today, Harley-Davidson is focused on development and expansion of the primary Latin American markets of Peru, Colombia, Costa Rica, Dominican Republic, Ecuador, Venezuela and Uruguay.





HISTORICAL PERSPECTIVE FOR THE U.S.A.

Purchaser Demographic Profile:

	1985	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
GENDER											
Male	98%	98%	96%	96%	96%	95%	95%	93%	93%	91%	91%
Female	2%	2%	4%	4%	4%	5%	5%	7%	7%	9%	9%
MEDIAN AGE											
Years	34.1	34.7	34.6	34.6	36.7	38.5	38.4	41.6	42.1	42.5	43.6
MARITAL STATUS											
Married	54%	55%	59%	56%	58%	62%	59%	65%	68%	67%	67%
Single	29%	25%	25%	27%	27%	23%	23%	19%	18%	17%	17%
Widowed / Divorced	17%	16%	16%	17%	17%	15%	18%	16%	14%	16%	16%
No Answer	x	4%	x	x	x	x	x	x	x	x	x
CHILDREN LIVING AT HOME											
None	41%	55%	54%	57%	58%	57%	57%	53%	54%	53%	54%
1-2	34%	37%	37%	36%	35%	36%	36%	38%	38%	39%	38%
3 +	6%	7%	8%	7%	7%	7%	7%	9%	8%	9%	8%
No Answer	19%	1%	1%	x	x	x	x	x	x	x	x
MEDIAN INCOME (000'S)											
Personal	\$28.0	\$30.7	\$31.3	\$36.4	\$38.5	\$40.3	\$42.7	NA	NA	NA	NA
Household	\$35.3	\$38.4	\$40.0	\$44.7	\$47.3	\$50.5	\$53.7	\$61.9	\$65.2	\$66.4	\$68.5
EDUCATION LEVEL											
Non-High School Grad	8%	9%	8%	8%	7%	6%	6%	5%	5%	4%	4%
High School Grad	41%	32%	34%	33%	34%	27%	28%	26%	25%	24%	24%
Some College / Trade Sc.	31%	41%	37%	38%	38%	40%	38%	39%	39%	38%	38%
College Grad / Post Gra.	19%	18%	20%	21%	22%	26%	29%	31%	31%	34%	34%



The 95th Anniversary

June 13, 1998, is a major milestone in Harley-Davidson history. It will mark our 95th year of being the premier manufacturer of the most desired heavyweight motorcycles in the world. The magnitude of the event is significant. More than 100,000 people are expected to flock to Harley-Davidson's hometown, Milwaukee, Wisconsin, to celebrate their solidarity, their love for motorcycles and the Harley lifestyle. Our 95 years of history have established us as an American icon, with world-wide recognition. Passionate Harley-Davidson riders around the world will journey to Milwaukee to join the festivities.

Harley-Davidson is also using the 95th Anniversary to celebrate its 18 years of support for the Muscular Dystrophy Association (MDA). To date, we have raised more than \$22 million for MDA. The 90th Anniversary Reunion activities alone raised \$1 million, and we hope to raise more than \$1.5 million this time.

Harley-Davidson's 90th Anniversary Reunion in 1993 drew more than 70,000 motorcycle enthusiasts to Milwaukee from around the world and has been touted as one of the largest and most successful events in motorcycle history.



The Ride

The 95th Anniversary Ride includes five week-long rides from cities across the country that start the first week of June. The five simultaneous fund-raising rides, hosted by Harley-Davidson Motor Company executives, will depart from:

Northwest:	Spokane, WA
Southwest:	Riverside, CA
Central:	Dallas, TX
Northeast:	York, PA
Southeast:	Orlando, FL

The rides are open to all motorcycle enthusiasts and will average 300 miles per day with MDA-fundraising events held at stops along each route. They will land in Milwaukee on June 9, 1998, just in time for the Harley Owners Group (H.O.G.) 15th Annual Rally.

The Rally

The Harley Owners Group will celebrate its 15th Annual H.O.G. Rally at Wisconsin State Fair Park in Milwaukee June 10-12, 1998. This event is exclusively for H.O.G. members, which has more than 400,000 members world-wide. Harley-Davidson expects 50,000 H.O.G. members to attend. Rally events will include entertainment, seminars, games and competitions. Throughout this week there also will be Harley-Davidson factory tours, demo rides, Buell Battletrax events, a Harley-Davidson corporate display at the Wisconsin Center and racing.

The Reunion

The day-long 95th Anniversary Reunion on June 13, 1998, will start with a spectacular parade of motorcycles winding their way through Milwaukee to the festival grounds. Harley-Davidson executives, government officials and celebrities will be leading the parade. The Reunion, from 9 am to 11 pm, will feature national and regional entertainment on eight stages as well as new and antique motorcycle displays, demonstrations, games, auctions, raffles and an evening birthday celebration at 8:30 pm. Comedian, host of NBC's Tonight Show and Harley-Davidson enthusiast, Jay Leno will act as master of ceremonies to the 95th Anniversary birthday celebration.

Veteran's Park Extends 95th Celebration

The 95th Anniversary Celebration at Veteran's Park on Milwaukee's lakefront provides a free location for the community to enjoy 95th Reunion activities. Harley-Davidson plans to link that site with the Summerfest grounds so everyone in Milwaukee can share in the festivities, including the birthday celebration ceremony.

International Celebrations

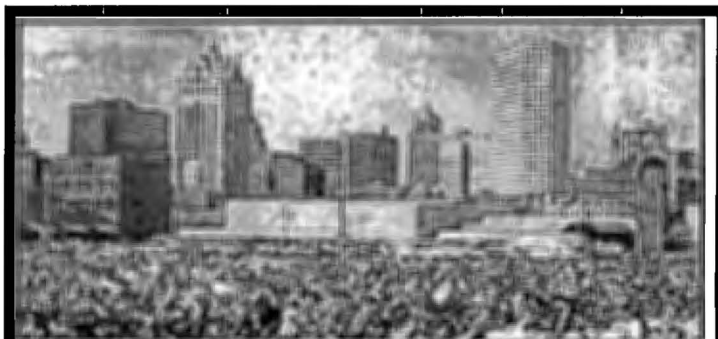
International events planned for the 95th Anniversary Celebration includes:

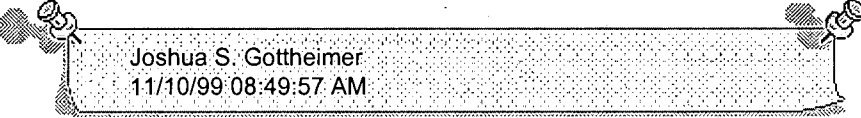
Europe: From June 17-19 there will be Gateway Rides from four corners of Europe to the June European H-D Festival in Faaker See, Austria. This 95th Anniversary celebration on June 20 in a mountain castle will feature concerts, displays, foods, beverages and fun.

Latin America: Rallies and Rides from Mexico City to Dallas and from Miami to Orlando will meet up with the scheduled 95th Anniversary Rides.

Canada: Rallies and Rides from Vancouver and Smithers, B.C.; to Sioux Falls, SD; and from Ottawa and Ontario, NS.; to Detroit, MI.

Asia / Pacific: Possible celebrations in Japan and Australia; TBA.





Joshua S. Gottheimer
11/10/99 08:49:57 AM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP

cc:

Subject: additional line -- doesn't matter where it goes.

I was pleased to see that prices paid by producers actually declined by one-tenth of one percent last month that means that the economy has now absorbed increases in energy and tobacco prices over the past year and producer price inflation has returned to stable levels.

Jeff Good Speech.
Jor

Remarks to Harley-Davidson Company Employees in York, Pennsylvania

May 6, 1987

Thank you, Vaughn Beals, and thank all of you very much. And let me answer that question about Nancy. [Laughter] The government gets one employee free: the First Lady. [Laughter] You've heard about politics making strange bedfellows; I found out politics, with their scheduling, can kind of break up some bedfellows. [Laughter] They've got her on another schedule today.

But let me say a special thank you, also, for that great music to the William Penn High School Symphony Band. I was a drum major of a band like that once in my hometown. We were marching in a Memorial Day parade, and the fellow on the horse that was supposed to be leading the parade rode back down the line to see how everything was coming along. And suddenly, I began to think the music was getting rather faint—and I'm pumping that baton. And the man on the horse caught up just in time to turn the band. They turned the corner, and I was going down the street all by myself. [Laughter]

Well, after being shown around this plant, it seems to me I've come to hog heaven. One thing's for sure: When it comes to motorcycles, this is the home of the all-American A-team. ~~Of course, that's not what a lot of people were saying about you just a few years ago. Some people said that you couldn't make the grade. They said you couldn't keep up with foreign competition. They said that Harley-Davidson was running out of gas and sputtering to a stop.~~ Well, the people who say that American workers and American companies can't compete are making one of the oldest mistakes in the world. They're betting against America itself, and that's one bet no one will ever win. You know, those people who place their bets on someone other than you is a little bit like the fellow that was going to the races. And for three nights he dreamed of the number five. So, when he got to the track, he opened a program to the fifth race, and he looked down to the number five horse. And the horse's name

was Five-by-Five. Well, that did it. He bet the whole bundle on that horse, number five in the fifth race, and the horse came in fifth. [Laughter]

Well, while others may bet on horses, I'll put my bet on you and on America. And that was what we did 4 years ago. You asked us to give you breathing room so you could finish getting into shape to meet unexpectedly strong foreign competition. It was like giving a boxer a few extra weeks of training before a fight. We looked at you carefully. We asked, "Is Harley-Davidson really serious about getting into shape?" And the answer came back a resounding "yes." ~~Harley was hard at work with new products and finding better ways to make better bikes. And Harley's shapeup was not relying just on the top management. Every one from the boardroom to the factory floor was involved.~~ No matter how we looked at it, we could see that everyone at Harley-Davidson was serious about getting into fighting shape. So, when I was told that you wanted a little more time to train, I said, "Yes, kick on the engine, Harley, and turn on your thunder!"

And that's just what you did. ~~You cut the hours of work needed to make a motorcycle by one-third. You cut inventory by two-thirds. You tripled the number of defect-free machines you shipped. And with productivity up, you kept price increases small, and on some bikes even lowered prices. You expanded your product line from 3 models 10 years ago to 24 today and once again became a leader in developing new motorcycle technology.~~ And each year, on virtually every continent of the Earth, you're selling more and more bikes compared to your competition. You're the only major motorcycle manufacturer in the world to have increased production last year. Like America, Harley is back and standing tall.

Last weekend I read a statement by Harry Smith, the president of Local 175 of the International Association of Machinists,

and said—who said—he said, I didn't—he said: "The tariffs helped to slow up the imports, and that helped us. But the backbone of our comeback as a company is our people here. They have a lot of skill and craftsmanship, and they went through a lot of hardship to get the company where it is today." Well, this is what we need to ensure a more competitive future for America, and this is precisely what I was talking about when I called for a "quest for excellence" in my State of the Union Address.

Earlier this year, I said it was time to begin a great American discussion about our future and how to prepare America for the world of the year 2000 and beyond. What kind of a country will we pass to our children? It includes being sure we make the best use of our science and technology; improving the climate for entrepreneurship and growth; working to build a fair, open, and expanding world economy; and finally, making sure that American education is the best in the world. Yes, it's a challenge for every American, the challenge of preparing America for the next century, and it's a challenge being met by those of you here at Harley-Davidson.

You know, when I heard your can-do spirit and then saw it confirmed here in my brief tour of your plant, it reminded me of something having to do back in a younger day of America, when Americans weren't the most popular people back overseas in the home countries from whence all of us sprang, because, I guess, when we did go back, we were a little brash as tourists. And this story has to do with an elderly couple who made their first trip back over there to the old country. And one point in their sightseeing, they were down below Mount Vesuvius—you know, Pompeii was buried in ashes from the explosion there—and the guide was telling them at great length about the force and the power and the heat energy and so forth—all that Mount Vesuvius had. And in the midst of all of this talk about Mount Vesuvius, the old boy turned to his wife and says, "Hell, we got a volunteer fire department home put that thing out in 15 minutes." [Laughter]

Well, you may not be putting out the fire of volcanoes, but you've shown you're just as effective. Just a few weeks ago, a year

ahead of schedule, you said to us you didn't need any more breathing room. You were ready to take on the world. And in doing that, you gave some folks in Washington an important lesson about how we go about buying and selling with other nations. You see, we've shaken hands on an agreement with most of the other nations of the world, ~~an agreement that sets the rules for international trade.~~ We have problems, of course, with some of those nations—the ones that don't let us sell to their people as freely as they sell to ours. But ~~the agreement, called the GATT agreement—that's the General Agreement on Tariffs and Trade—gives us~~ ways of dealing with those problems, and it also gives us ways of giving industries the kind of breathing room we gave you. And if they're as serious as you were about shaping up—now we're about to begin worldwide talks on how to make this agreement even stronger.

Because of the GATT agreement, when you were ready to sell more bikes around the world, no one stopped you. But now there are some in Congress who say, in effect, that the United States should break its word with the other countries. They say American workers need to run and hide from foreign competition, even if that means other countries will strike back by not letting you sell your bikes to their people. ~~Well, Harley-Davidson has shown how wrong that is, and what the truth is: American workers don't need to hide from anyone. America does best when America sticks by its word.~~ And American workers can take on the best in the world, anywhere, anytime, anyplace. No one is better than you are.

You may have heard that my temperature's up about some trade legislation that's before the Congress right now. On TV the other night, it was called one of the toughest trade bills of this century. I remember the last time we had a so-called tough trade bill. It was called Smoot-Hawley, and they said it would protect American jobs. Instead, after other nations were through retaliating, it helped us—or it helped give us, or at least deepened, the Great Depression of the 1930's. I'm probably the only one here that's old enough to remember that. I

was looking for a job then. [Laughter] Twenty-five percent were unemployed, including me.

 The Harley-Davidson example makes a very strong statement about how government, through the judicious application of our trade laws, can help the best and the brightest in American management and labor come together in ways that will create new jobs, new growth and new prosperity. Government's role, particularly on the trade front, should be one of creating the conditions where fair trade will flourish, and this is precisely what has been done here. Our trade laws should work to foster growth and trade, not shut it off. And that's what's at the heart of our fair trade policy: opening foreign markets, not closing ours. Where U.S. firms have suffered from temporary surges in foreign competition, we haven't been shy about using our import laws to produce temporary relief. Now, there are those in Congress who say our trade policies haven't worked, but you here at Harley-Davidson are living proof that our laws are working. The idea of going to mandatory retaliation and shutting down on Presidential discretion in enforcing our trade laws is moving toward a policy that invites, even encourages, trade wars. It's time to work to expand the world market, not restrict it.

Today, as many as 10 million American jobs are tied to international trade, including many jobs right here at Harley. For more than a century, when America's trade with the world has grown, America has created more jobs. When trade has declined, so have the number of jobs. So, when it comes to making new jobs, free and fair international trade is America's big machine. It's time to gun the engines, not put on the brakes. Your chairman, Vaughn Beals, summed it up when he said, and I will quote him: "We're sending a very strong message to our competitors and to the international industrial community that U.S. workers, given a respite from predatory import practices, can become competitive

in a world market."

The best way to meet foreign competition is also the right way: by sticking to our agreements with other countries and not breaking our promises, by making sure other countries also stick to their agreements with us, and by being the best. As America prepares for the 21st century, you've shown us how to be the best. You've been leaders in new technology. You've stuck by the basic American values of hard work and fair play. And I've heard that you have outstanding schools here in York that are teaching those values, too. I can't say that everyplace I've been, because we're still having a job getting some of our schools to catch up. Most of all, you've worked smarter, you've worked better, and you've worked together. And that's the American way.

You know, I received a letter not long ago. And I've been sharing this with some of your fellow Americans from podiums like this, because this letter pointed out something that I don't think any of us have ever stopped to think about. This man said that you can move to Greece, live in Greece, but you can't become a Greek. You can move to Japan, live there, but you can't become Japanese; or France and become a Frenchman; or German—or become a—all of these things. But he said, everybody or anybody from any corner of the world can come to America and become an American.

Well, as you've shown again, America is someplace special. We're on the road to unprecedented prosperity in this country, and we'll get there on a Harley. Thank you. God bless you.

Note: The President spoke at 2:27 p.m. in a warehouse at the Harley-Davidson plant. He was introduced by Vaughn Beals, chairman of the board. In his opening remarks, the President responded to an audience member who shouted "Where's Nancy?" Following his remarks, the President returned to Washington, DC.

HARLEY-DAVIDSON ROUNDTABLE PARTICIPANTS

- **JEFFREY BLEUSTEIN -- CEO OF HARLEY-DAVIDSON.** Jeff is the CEO, Chairman of the Board, and President of Harley-Davidson, Inc. Prior to his current responsibilities, Bleustein served the company in many capacities, including president and chief operating officer, executive vice president, and vice president of the parts and accessories division. He served in the engineering department between 1975 and 1984, during which the product line was significantly revitalized and expanded. Technical innovations, such as belt drives and vibration-isolated powertrains were developed during this period. He holds a bachelor's degree in mechanical engineering from Cornell and an M.S. and Ph.D in engineering mechanics from Columbia.
- **HARRY SMITH -- LOCAL UNION PRESIDENT AND MAINTENANCE PAINTER.** Harry started working at Harley Davidson in 1969. In that 30 years, he has worked as a production helper, machine operator, and currently, as a maintenance painter. He also serves at the President of Local 175 of the International Association of Machinists. He was elected to that position in 1997 and will serve through next month. He has been an officer of the union on-and-off for 25 years. He has participated in 25 years of negotiations with the company and believes that the union and management have very good relations. He says that his father taught him the importance of good relations in business. He is believer in free trade. However, he is concerned that tariffs in Brazil, for example, hurt U.S. workers. Currently, the bikes Harley sells in Brazil need to be mostly assembled there. He wonders why America doesn't have the same sort of tariff system - forcing other companies to manufacture their goods in America. He participated in a roundtable with President Reagan in the 1980s. He says that the actions taken then to stem the tide of imports were important to help save Harley-Davidson. He believes that Harley was concentrating too much on quantity and too little on quality. The actions taken under Section 201 of the trade laws allowed Harley the time to refocus on quality - which Harry thinks explains their success.
- **SCOTT FAHS -- BUFFER AND POLISHER.** Scott is 33 years old and has worked at Harley for 10 years. He currently is a buffer and polisher - that is, he prepares all the metal parts of the bike to be chromed. He is married and has three children (two daughters, ages 12 and 8, and a son, age 3). Scott sits on the Subcontracting Committee, which includes both workers and managers. The Subcontracting Committee helps the company determine whether it is worth while for the company to outsource on any particular issue. He would like to buy a Harley through the employee purchase plan, but with three children he has higher priorities right now. He registered to vote for the first time in 1992 so that he could vote for President Clinton. He was in the military for three years. He supports free trade, but has some minor concerns about foreign competitors setting up shop in the U.S.
- **TIM MAZYCK - POLISHING JACK OPERATOR.** Tim has worked at Harley-Davidson for more than 10 years. He works as a polishing jack operator - that is, he runs the polishing robot. In order to do that, he received 3-4 months of on-the-job training. He is married and has five boys. He would like to purchase a Harley Davidson, but he doesn't have any space to park it. He sees first hand the benefits of trade and that Harley can sell their products abroad. He is concerned that we have such low tariffs on imports and other countries have such high tariffs. He wants to be a screenwriter one day. Tim is African American.

- **DON ALBRIGHT -- GAUGE LAB INSPECTOR AND COORDINATOR OF APPRENTICESHIP PROGRAM.** Don works in Harley-Davidson's gauge lab, which makes sure that all of the instruments that the plant use are calibrated and precise. He has worked at Harley-Davidson since 1964. Up until three years ago, he worked as a tool and dye and gauge maker. In addition, earlier this year, he became the coordinator of Harley's Apprenticeship and technical training program. He believes that training is extremely important in today's high-technology economy. [He talked about the need for workers to understand laser cutting and robotics to work on a manufacturing floor.] He is also a firm believer in free trade. 14
- **PATRICIA KALLBACH - MATERIALS MANAGER.** Pat has been at Harley-Davidson for almost 3 years. Previously, she had worked at True Temper hardware. She moved to Harley because she knew it was a terrific place to work and it was local. She supervises about 100 people and is responsible for planning, scheduling, in-bound transportation, shipping, receiving, material handling, purchasing, capital equipment, and supplier quality at York facility. She said that she "lives trade on a daily basis." Her operation is responsible for sourcing Harley's ventures in Brazil, which is one of their main export markets. She is married and is a working mom, with two children (one boy, age 12, and one girl, age 8).
- **WILLIAM DANNEHL - GENERAL MANAGER, HARLEY-DAVIDSON YORK PLANT.** Bill Dannehl has been General Manager, York Operations for Harley-Davidson, Inc. since October 1, 1997. In this current assignment, he is responsible for all operations at the company's York, Pennsylvania vehicle assembly plant. The plant employees over 2,500 people and comprises over 1.2 million square feet of manufacturing and assembly operations. Prior to this most recent assignment, Dannehl has served the company in several operations capacities, including director of manufacturing for York Operations, product plant manager for Powertrain Operations in Milwaukee, and area manager of aluminum component machining also in Powertrain Operations. Dannehl joined Harley-Davidson in October 1993. Dannehl is married and has two daughters.
- **TOM BUFFENBARGER - PRESIDENT OF INTERNATIONAL ASSOCIATION OF MACHINISTS (IAM).** The son of an IAM member, Tom Buffenbarger assumed his first IAM leadership post in 1970, at age 20, when he was elected Shop Steward of his apprenticeship group at the General Electric jet engine group in Evendale, OH. Buffenbarger came to IAM Headquarters in 1986 to work in the IAM Organizing Department and two years later, was appointed Executive Assistant to the International President. He served in that position under International Presidents William Winpisinger and George Kourpias. Among his many responsibilities, Buffenbarger has chaired the IAM Blue Ribbon Commission and served as IAM Representative on the Constitutional Committee for our proposed unification with the United Autoworkers and the Steelworkers' Union. Tom Buffenbarger is 48. Tom and his wife, Linda, have two children, Amy and Andrew.



FAX TRANS MISSION

**U.S. DEPARTMENT OF COMMERCE
OFFICE OF BUSINESS LIAISON**

14TH & CONSTITUTION AVENUE, N.W., ROOM 5062
WASHINGTON, D.C. 20230
PHONE: 202/482-1360
FAX: 202/482-4054

To: Jeff Shesol
Fax #: 456-2505 Pages: (including this cover sheet.)
From: Eric Schwerin
Subject: HARLEY-DAVIDSON

COMMENTS:

Here's some background on Harley including
some of the briefing materials Secretary Daley
got before his trip to Harley in September.

Harley-Davidson Company Inc.

Milwaukee, WI

Background

The Harley-Davidson Company, after seeking U.S. government relief from Japanese competition, has turned its fortunes around, becoming the leading supplier of heavyweight motorcycles (over 800cc) in the United States. The company's main concern in the 1990s has been trying to keep up with demand without compromising product quality. Most Harley-Davidson dealerships report that their allocation of Harley motorcycles are sold-out through the end of 1999. The firm expects to double production from 1996 levels by 2003 in time for its 100th anniversary.

The demand for Harley-Davidson motorcycles extends overseas as well. This famous American motorcycle manufacturer has become an icon of Americanas as U.S. exports of motorcycles and parts have grown 5 percent annually from 1987 to 1998, reaching \$626 million last year. ITA has worked with Harley-Davidson to develop its export strategy, a major part of its strategic growth plan now that the U.S. market has matured. ITA has worked with Harley-Davidson to identify and remove obstacles to their sales in foreign markets.

Issues, Past and Present, on which ITA and Harley-Davidson have worked together

Market Access: Motorcycles in Japan

Japan currently has regulations that prohibit tandem riding (carrying a passenger) and set a differential, lower speed limit for motorcycles on highways. These regulations hamper sales opportunities of large-size motorcycles. DOC staff is working with industry to convince Japan's National Police Agency (NPA) to change these regulations. The regulations that ban tandem riding and lower the speed limit for motorcycles on highways are unique to Japan. Other countries have not seen the need to regulate these activities. Office of Consumer Goods has reviewed much of the safety studies on this issue, which generally conclude that tandem riding is not a safety hazard or concern and that the lower speed limits that are different for motorcycles than other vehicles on highways may actually increase accident risks. Thanks to DOC efforts, it now appears that the NPA will lift the speed limit restriction by March 31, 2001. Efforts are continuing on the tandem riding ban, and the U.S. Embassy will soon file a petition with Japan's Office of Trade and Investment Ombudsman.

Previously, DOC and others urged the NPA to change operator licensing procedures for large-size motorcycles that were extremely burdensome. In September 1996, the NPA enacted guidelines that would allow driving schools to issue licenses for riders using a large-size motorcycle after a completion of the class. These procedures will likely make riding safer. Moreover, the procedures have contributed to a significant increase in the number of licenses issued to riders using a large-size motorcycle.

Japan is the second largest foreign market for U.S. exports of motorcycles and parts. Harley-Davidson views expanding opportunities in the Asian markets as a key company strategy.

Taiwan Air Emission Standards for Motorcycles (Taiwan WTO Accession)



The use of large-size motorcycles is banned in Taiwan. Taiwan had proposed ending the ban but had proposed enforcing engine emissions standards similar to those on small motorcycles. This proposal would have resulted in Taiwan's engine emissions standards being the strictest in the world and would have effectively served as a trade barrier for large-size motorcycles such as those produced in the United States. Taiwan has a high per capita level of motorcycle usage, and Harley-Davidson believes that the market has great potential. The results of the WTO accession negotiations will allow the U.S. industry to sell large-size motorcycles in Taiwan soon after accession. Harley-Davidson officials are elated with the proposed agreement.

Malaysia Air Emission Standards for Motorcycles

Malaysia is contemplating adopting Taiwanese emission standards which, as mentioned above, would effectively cut Harley-Davidson motorcycles out of the market. DOC staff expressed our concerns about any proposed emission standards to the appropriate Malaysian authorities, who to this point have delayed any implementation plans.

Brazil Motorcycle Tariffs

In March 1996, officials from Harley-Davidson met with DOC staff to discuss a tariff increase in April 1995 by the Brazilian Government that was hampering its export sales. Harley-Davidson's export sales of motorcycles virtually stopped when tariffs were increased from 20 percent to 70 percent. DOC staff was able to include this issue in then-USTR Ambassador Kantor's briefing book during the Hemispheric Summit in March 1996. The Ambassador discussed the matter with Brazil's Minister of Foreign Affairs. The tariff on motorcycles was reduced to 35 percent as of April 1, 1996 and was scheduled to be reduced 3 percent annually until the tariff reaches 20 percent in 2001.

European Union Noise Standards for Motorcycles

In the late 1980's, Europe had planned to adopt unusually high noise standards on new motorcycles, without addressing the problem of after-market modifications. Although EU noise levels would not be greatly improved, sales of both U.S. and certain European manufacturers would have been severely restricted. Through DOC efforts, these restrictions were lowered and delayed, allowing U.S. firms ample time to make modifications so that they could sell motorcycles in the European Union.

Prepared by: John Vanderwolf, ITA/TD/TACGI/Office of Consumer Goods, x0348

TOUR OF HARLEY-DAVIDSON ASSEMBLY PLANT AND LUNCH WITH EMPLOYEES

DATE: Friday, September 24, 1999
TIME: 10:30 - 12:00 PM
FROM: Lucie Naphin, Director, Office of Business Liaison
Prepared by: Roger Kiley (x1360)

I. OBJECTIVES:

Tour of Harley-Davidson Assembly Plant and informal discussion on the benefits of trade with employees.

II. PARTICIPANTS:

Secretary Daley
Senator Ashcroft
Karl Eberle, VP and GM of Harley-Davidson
Bus participants
70-100 employees for the informal discussion in the cafeteria.

The plant has approximately 300 employees.

III. PRESS PLAN: Open

IV. SEQUENCE OF EVENTS:

10:30 - 10:55 AM -Welcome by Karl Eberle, followed by a tour of the assembly line.
10:05 - 10:45 AM -Secretary and party will be led to the employee cafeteria.
-Bus participants will get in one line for food and employees in another, and will sit down and eat together.
-Karl Eberle will introduce Sen. Ashcroft for remarks.
-Karl Eberle will introduce Secretary Daley for remarks.
-Secretary Daley will make brief remarks and open the discussion with employees.

V. ATTACHMENTS:

Background Materials on Harley-Davidson
Harley-Davidson Success Story

Harley-Davidson Company Inc.

Kansas City, KS
Milwaukee, WI

Background

The Harley-Davidson Company, after seeking and receiving U.S. government relief from Japanese competition, has turned its fortunes around becoming the leading supplier of heavyweight motorcycles (over 800cc) in the United States. The company's main concern in the 1990s has been trying to keep up with demand without compromising product quality. Most Harley-Davidson dealerships report that their allocation of Harley motorcycles is sold-out through the end of 1999. The firm expects to double production from 1996 levels by 2003, in time for its 100th anniversary.

The demand for Harley-Davidson motorcycles extends overseas as well. U.S. exports of motorcycles and parts have grown 15 percent annually from 1987 to 1998, reaching \$626 million last year or about 35% of industry sales. ITA has worked with Harley-Davidson to develop its export strategy, a major part of its strategic growth plan now that the U.S. market has matured. ~~ITA has worked with Harley-Davidson to identify and remove obstacles to their sales in foreign markets.~~

Country issues and concerns where ITA has assisted Harley-Davidson include Japan, Taiwan, Brazil, Malaysia, Thailand, Indonesia, and the EU. ~~Three issues on which ITA has done significant work concern Japan, Taiwan, and Brazil.~~ The issue in Japan has dealt with regulations for motorcycles on highways and motorcycle operating licenses. These issues have been addressed to Japan's National Police Agency through Deregulation negotiations and through Japan's Office of Trade Ombudsman. The issues with Taiwan have been the removal of a ban on the manufacturing and importation of large motorcycles, strict emissions restrictions, and a regulation prohibiting motorcycles on highways. Most of these issues were resolved during negotiations with Taiwan concerning its accession to the WTO. The final issue pursued by ITA was the lowering of tariffs on motorcycles in Brazil. When Brazil unilaterally and substantially increased tariffs on imported motorcycles, ITA and USTR quickly expressed the USG's concerns. As a result, Brazil decided to gradually lower these tariffs.

Talking Points

- ~~The Harley-Davidson Company has been a great success story of the 1980s and 1990s and an example that U.S. trade policy can work.~~
- ~~I commend how you and your 6,000+ employees have worked closely together to make quality products that are so popular here and abroad.~~
- ~~Your company has become an icon of Americana as U.S. exports of motorcycles and parts have grown 15 percent annually from 1987 to 1998, reaching \$626 million last year.~~
- ~~These exports have helped to create numerous jobs for U.S. workers. The opening of this plant in Kansas City is a testament to the success of this company.~~

Harley-Davidson, Inc., 3700 W. JunEAU Ave., P.O. Box 653, Milwaukee, WI 53201

NEWS

414/342-4681

For Immediate Release

Contact: Pat Davidson 414-343-8002

**HARLEY-DAVIDSON, INC. REPORTS RECORD SECOND QUARTER
SALES AND EARNINGS**

Milwaukee, Wis., July 12, 1999 - Harley-Davidson, Inc. (NYSE: HDI) today announced record sales and earnings for its second quarter ended June 27, 1999. The Company's second quarter sales were \$608.7 million, an increase of 17.7 percent over the second quarter last year. Earnings per share for the second quarter were 44 cents, a 22.9 percent increase compared to last year. "This is shaping up to be another record year," said Jeffrey L. Bleustein, chairman and chief executive officer of Harley-Davidson, Inc.

"The worldwide heavyweight motorcycle market is in the midst of its eighth consecutive year of growth," said Jeffrey L. Bleustein, chairman and chief executive officer of Harley-Davidson, Inc. "Retail registration data through May shows the worldwide (65 lcc+) motorcycle market grew 13.9 percent relative to 1998, while registrations of Harley-Davidson® and Buell® motorcycles grew 30.6 percent during the same period. In fact, our U.S., Europe and Asia-Pacific markets are each experiencing double-digit retail registration growth."

"Based on the market's growth and our manufacturing capabilities, we have increased our production target for Harley-Davidson motorcycles for 1999 from 168,000 to 172,000 units. However, even with this planned production increase, it is unlikely that the Company will be able to sustain a thirty-plus percent rate of retail registration growth during the second half of the year."

Motorcycles and Related Products Segment

Second quarter sales of Harley-Davidson motorcycles were \$468.6 million, an increase of 16.9 percent over the second quarter last year. Shipments of Harley-Davidson motorcycles in the second quarter totaled 44,771 units, up 7,018 units or 18.6 percent over last year. With the increase in the Company's 1999 production target, the third quarter production target is 42,000 units.

Buell motorcycle sales for the second quarter totaled \$12.5 million on shipments of 1,512 units, compared to \$13.4 million on shipments of 1,497 units last year. During the second quarter, Buell motorcycle production was interrupted for five weeks until the parts associated with its recall campaign could be supplied to the market. As a result, Buell's motorcycle production target for 1999 has been reduced by 300 units to 7,700.

-more-

Harley-Davidson, Inc. - Add Two

Forward-Looking Statements

The Company intends that certain matters discussed in this release are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified because the context of the statement will include words such as the Company "believes," "anticipates," "expects" or "estimates" or words of similar meaning. Similarly, statements that describe the Company's future plans, objectives, targets or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this release. Certain of such risks and uncertainties are described below. Shareholders, potential investors, and other readers are urged to consider these factors in evaluating the forward-looking statements and cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this release are only made as of the date of this release, and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

The Company's ability to reach targeted production objectives and to increase or sustain growth rates in various areas depends upon, among other factors, (i) continued realization of production efficiencies at its manufacturing facilities; (ii) successful implementation of production capacity increases in its facilities; (iii) the sale of all motorcycles the Company has the capacity to produce; (iv) product availability; and (v) successful introduction of new products. In addition, the Company could experience delays in the operation of manufacturing facilities, work stoppages, difficulty with suppliers, natural causes or other factors. Risk factors are also disclosed in securities documents previously filed by the Company with the Securities and Exchange Commission.

Harley-Davidson, Inc. is the parent company for Harley-Davidson Motor Company, Buell Motorcycle Company and Eaglemark Financial Services, Inc. Harley-Davidson Motor Company, the only major U.S.-based motorcycle manufacturer, produces heavyweight motorcycles and offers a complete line of motorcycle parts, accessories, apparel, and general merchandise. Buell Motorcycle Company produces sport and sport-touring motorcycles. Eaglemark Financial Services, Inc. provides wholesale and retail financing, insurance and credit card programs to Harley-Davidson dealers and customers.

TABLES FOLLOW

Harley-Davidson, Inc.
Condensed Consolidated Balance Sheets
(In thousands)

	Jun 27, 1999 (unaudited)	Dec 31, 1998	June 28, 1998 (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$209,984	\$165,170	\$ 154,475
Accounts receivable, net	100,813	113,417	91,336
Finance receivables, net	369,218	360,341	302,247
Inventories	149,060	155,616	131,525
Other current assets	<u>49,745</u>	<u>50,419</u>	<u>44,565</u>
Total current assets	878,820	844,963	724,148
Finance receivables, net	426,000	319,427	346,097
Other long-term assets	<u>757,370</u>	<u>755,819</u>	<u>675,756</u>
Total assets	<u>\$2,062,190</u>	<u>\$1,920,209</u>	<u>\$1,746,001</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of finance debt	\$ 217,655	\$ 146,742	\$ 125,951
Other current liabilities	<u>324,273</u>	<u>321,773</u>	<u>294,454</u>
Total current liabilities	541,928	468,515	420,405
Finance debt	280,000	280,000	280,000
Other long-term liabilities	62,895	69,700	63,308
Postretirement health care benefits	73,934	72,083	70,164
Shareholders' equity	<u>1,103,433</u>	<u>1,029,911</u>	<u>912,124</u>
Total liabilities and shareholders' equity	<u>\$2,062,190</u>	<u>\$1,920,209</u>	<u>\$1,746,001</u>

651cc+ Motorcycle Retail Registrations (Units), thru May.

	<u>1999</u>	<u>1998</u>	<u>% change</u>
UNITED STATES	126,607	98,579	+28.4
HDI	59,408	43,955	+35.2
EUROPE	166,162	152,279	+9.1
HDI	10,037	8,756	+14.6
JAPAN/AUSTRALIA	27,515	30,314	-9.2
HDI	5,001	4,312	+16.0
TOTAL	320,284	281,172	+13.9
HDI	74,446	57,023	+30.6

HDI includes both Harley-Davidson and Buell motorcycles

Sources: Motorcycle Industry Council, Giral S.A., JAMA, ABS

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Dept. 574 ▼ 3700 W. Juneau Ave. ▼ Milwaukee, WI 53208
Phone: (414) 343-4600 ▼ Fax: (414) 343-4990

July 30, 1999

The Honorable Charlene Barshefsky
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Re: United States Trade Agenda

Dear Ambassador Barshefsky:

On behalf of the American motorcycle manufacturing industry, the United States Motorcycle Manufacturers Association (USMMA) would like to express its appreciation for your support of its members over the years and your continuing efforts on their behalf. The membership of USMMA, which includes Harley-Davidson Motor Company, accounts for more than 95% of the annual motorcycle production by American-owned manufacturers. I would also like to thank you for my recent appointment to ISAC4 and the opportunity to attend last month's plenary meeting of the Industry Sector and Functional Advisory Committees in preparation for the WTO Ministerial in Seattle later this year.

The purpose of this letter is to restate the American motorcycle industry's priorities in the upcoming negotiations, much of which has been shared previously with members of your staff as well as with Commerce Department personnel.

The following issues are of particular concern to American motorcycle producers:

Tariff Barriers:

American motorcycles are subjected to varying tariff rates around the world which place us at a great competitive disadvantage compared to foreign domestic producers. While the highest duty rates are generally imposed by developing countries (exceeding 150% in some cases!), the most significant tariff barrier our members face in the aggregate is actually imposed by the European Union. The EU's motorcycle duty is more than four times greater than the duty imposed by the United States on imports of European brand motorcycles, 6.6% vs. approximately 1.5%. While the EU's duty rate by itself may not seem high at first glance, its aggregate impact is far greater than the much higher duties imposed by developing countries. The reason for this is due to the fact that the size of Europe's heavyweight motorcycle market is greater than the size of the

The Honorable Charlene Barshefsky

July 30, 1999

Page 2

United States heavyweight motorcycle market. Further, Europe's market is far more price competitive than in the U.S., due to the sheer number of small and large size producers. Price competition has also been extremely keen due to Europe's economic problems. These factors account for the fact that while Harley-Davidson, for example, enjoys an approximate 46% market share in the United States, its market share of the European market is less than 6%. Although Harley-Davidson's annual motorcycle exports to Europe now exceed 20,000 units per year, their number could grow significantly -- at the expense of European competitors like BMW, Ducati and Triumph -- if Harley-Davidson motorcycles were not penalized by a duty more than four times higher than the U.S. motorcycle import duty. We request that the issue of the European Union's excessive motorcycle duties be part of the U.S. trade agenda.

Additionally, we would ask that your office also take note of the extraordinarily high duty rates imposed on large CBU motorcycles by developing countries. These rates are preventing Harley-Davidson and other American producers from establishing a market presence, let alone expand any existing sales. Given the economic turnaround that is now taking place in Southeast Asia in particular, these high rates serve no purpose other than to protect domestic producers. In particular, we would single out the motorcycle tariffs in India, China, Indonesia, Malaysia, Philippines, Thailand, Vietnam, Brazil, Argentina and Korea.

Technical Barriers to Trade

American motorcycle producers face certain technical barriers to trade stifling their export opportunities. Your office and the Department of Commerce have been very helpful in the past in addressing some of the more significant barriers, such as Japan's restrictive rider licensing test for operators of large class motorcycles, and Taiwan's misapplication of extreme, small motorcycle emissions standards to motorcycles of all types, regardless of engine size. (Most recently, Harley-Davidson and USMMA have been working closely with the Department of Commerce to eliminate another technical barrier to trade imposed by the Government of Japan, namely, its ban on tandem riding, i.e., motorcycles carrying a passenger, on motorways. This ban, the only one of its kind in the world, stifles the sale of American-made heavyweight motorcycles which are especially suitable for touring.)

Taiwan's attempt to apply emissions standards developed for very small motorcycles to motorcycles of all types regardless of engine size is part of a long term trend, in our opinion. We believe that countries will find it appealing, like Taiwan, to adopt unreasonably restrictive technical standards in the guise of improving the environment, when their primary purpose is to protect domestic producers from foreign competition. In Taiwan, for example, that country previously agreed to open its market to heavyweight motorcycles by ending its ban on motorcycles larger than 150cc, but steadfastly refused to adopt appropriate emissions standards for the different emissions "signature" of large class motorcycles, in contrast to the practice of

The Honorable Charlene Barshefsky
July 30, 1999
Page 3

other countries. The result was that while removing a de jure trade barrier, i.e., the 150cc+ motorcycle ban, Taiwan was erecting a de facto trade barrier in its place, by applying its small motorcycle emissions standard across the full spectrum of larger motorcycles, regardless of size. It was only after your office's vigorous intervention during the most recent accession talks that Taiwan acquiesced and agreed to develop a fair standard for large class motorcycles.

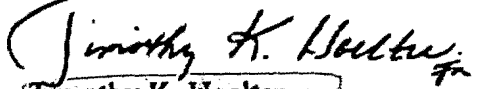
American motorcycle producers are seeing further examples in the world of countries such as India adopting so-called environmental standards which are believed to be nothing more than attempts to protect domestic producers. There is no transparency in their adoption, nor uniform enforcement. This trend is not necessarily limited to developing countries. There are similarly disturbing signs within the European Union which currently is developing next generation emissions standards. In this regard, it appears that one of our competitors is working closely with its government to take an extreme position in rulemaking, which unduly favors this competitor's particular type of automobile technology. If the latest proposals are adopted, Harley-Davidson and other American producers could be barred from the market entirely, or severely and unfairly disadvantaged due to mandated unnecessary and costly changes to the classical "look, sound and feel" of their motorcycles.

We believe these developments are part of a trend. We would urge the United States to be very skeptical of and challenge the motives of those countries seeking to impose unjustified extreme emissions and other technical standards on American motorcycle manufacturers, as compared to the world norms for such standards.

Thank you for the opportunity to express our views. We look forward to working with you and your colleagues in the months to come.

Very truly yours,

UNITED STATES MOTORCYCLE MANUFACTURERS ASSOCIATION


Timothy K. Hoelter
President and Secretary General

jn

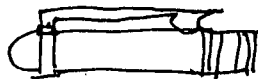
cc: The Honorable William M. Daley

FYI: J. Hayden Boyd
David H. Burns

**Talking Points on IP Issues
Trade Education Visit
York, PA**

- Harley Davidson claims that the exhaust sound of its V-Twin motorcycle engines is a trademark for its motorcycles and is seeking a federal trademark registration for that sound. Nine companies (Custom Chrome, Honda, Kawasaki, Mid-USA Cycle Parts, Nostalgia Motorcycle, Polaris Industries, Suzuki, S&S Cycle and Yamaha) object to Harley Davidson's registering that sound as its trademark and have filed oppositions with the PTO's Trademark Trial and Appeal Board (TTAB).
- The TTAB has not yet rendered a decision on the case.

JS



Joshua S. Gottheimer
11/09/99 11:30:06 AM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP

cc:

Subject:

----- Forwarded by Joshua S. Gottheimer/WHO/EOP on 11/09/99 11:30 AM -----

Carl Haacke 11/09/99 11:28:25 AM

Record Type: Record

To: Joshua S. Gottheimer/WHO/EOP@EOP

cc:

Subject:

this one is pretty cool:

✓ 1973 The US exported 6,300 motorcycles at a value \$5.4 million.

1998 The US exported 65,800 motorcycles at a value \$366.2 million.

more on the way.

Carl Haacke 11/09/99 12:53:27 PM

Record Type: Record

To: Jeffrey A. Shesol/WHO/EOP@EOP

cc: Joshua S. Gottheimer/WHO/EOP@EOP, Timothy E. Punke/OPD/EOP@EOP

Subject: Re: 

~~Total Exports in 1973 were \$91.8 billion (\$201 million in 1998 dollars) - by 1998 exports grew by 377% after adjusting for inflation to \$959 billion.~~

Since Feb 1973, the economy has created 53.4 million **new jobs**.

In 1973, exports accounted for 7% of the economy.

By 1998, exports of goods now account for 11%.

1981-1989: During the Reagan years exports grew 43 percent - after adjusting for inflation.

Today: Since Clinton came into office (1993-1998), exports have grown 158% - after adjusting for inflation.

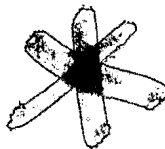
1981 - 1992: During the Reagan-Bush years exports made up 2.75% of the US economy.

Today: Exports account for 3.37% percent of the US economy.

Harley-Davidson

Kansas City, Missouri

Contact: Kal Demitros (414) 343-4587



Harley-Davidson produces heavyweight motorcycles and offers a complete line of motorcycle parts, accessories, apparel, and general merchandise. The Kansas City Plant has 400 union employees, and was recently named one of *Industry Week's* 100 Best-Managed Companies in the world. The company's economic impact on Missouri has been increasing dramatically, from \$44.5 million in 1996, to \$77.8 million in 1998. Exporting is responsible for a large part of this success. 30 percent of bikes made are for export. However, efforts to increase the foreign market have been stymied by tariff barriers as much as 4 times greater than the U.S. tariff, and by technical barriers that discriminate against foreign imports. However, working in partnership with the Department of Commerce, Harley has begun to work out these difficulties, with their Japanese market growing at an annual rate of 43% since 1996.



Harley-Davidson Motor Company

To: Jack Gearan

Date: November 8, 1999

Company Name: Whitehouse Staff

Fax: 202-456-2505
Phone: 202-456-2777

From: Bill Dannehl
Vice President & General Manager

Fax: 717-852-6794
Phone: 717-852-6701

Total Number of Pages: 19
(including cover sheet)

Subject: Historical Data on York Operations

Jack -

Attached are various notes on the history of the York facility. We did not have a consolidated document with the history, so we've pull together a compilation of facts from several sources. I'm not sure if this gets to heart of your concern, so if you need more information, please let me know. The information on trade statistics will be released in the press announcement from our corporate office. I will forward a copy of that to you when we receive it later this evening or early tomorrow morning.

Regards,

A handwritten signature in cursive script, appearing to read "Bill".

P.S. Jack, I've included our most recent quarterly earnings release - it provides some additional content

Site history

On 232 acres of land in York, Pennsylvania, the plant was built for the Navy under a facilities contract by the York Safe and Lock Company in 1941.

During 1946, the site was taken over by the Navy and used as an Ordnance Plant. Peak employment during World War II was 3,650.

Acquired by American Machine and Foundry in 1963, the plant produced military and bowling equipment

AMF purchased Harley-Davidson in 1969.

Trade taken + now ✓ ~~First Harley-Davidson motorcycle production unit rolls off York assembly in February, 1973~~

During 1970's, AMF produced huge quantities of Harley-Davidson motorcycles; 50,000 a year at production peak.

~~By 1981, Harley-Davidson's market share in the U.S. dwindled to 5.2%. The company experienced severe product quality problems.~~

AMF sold Harley-Davidson to 13 investors. Faced with a recession in 1981-82, the newly formed Harley-Davidson Motor Company, Inc. focused on ~~one goal: "survival"~~ Manufacturing strategy for the turnaround was centered on three strategic elements: just-in-time methodology, statistical operator control and employee involvement.

Harley-Davidson went public in 1985.

Where it says 6000+ (is that overall?) ✓ ~~Today Harley-Davidson York employs 2,700 employees; 2,300 are members of the International Association of Machinists and Aerospace Workers union.~~

~~H-D York produces over 600 motorcycles per day. York Final Assembly manufactures and assembles Dyna, Softail and Touring motorcycles. Our new final assembly plant in Kansas City, Missouri produced the Sportster family.~~

Our 1999 calendar year total company production is projected at 175,000 units. We have established a year 2000 production target at 193,000 units.

✓ ~~H-D York operates under a Partnering philosophy with our union. The innovative management/union relationships provides the foundation for our operations. The Partnership is driven by 23 elements of share decision making.~~

For Immediate Release

Financial Contact: Pat Davidson 414-343-8002

Media Contact: Kal Demitros 414 343-4587

HARLEY-DAVIDSON, INC. REPORTS RECORD THIRD-QUARTER PERFORMANCE AND ANNOUNCES UNIT PRODUCTION INCREASES

Milwaukee, Wis., October 11, 1999 -- Harley-Davidson, Inc. (NYSE: HDI) today announced record sales and earnings for its third quarter ended September 26, 1999. The Company's third quarter sales were \$623.2 million, an increase of 20.5 percent over the third quarter last year. Earnings per share for the third quarter were 42 cents, a 25.0 percent increase compared with last year. "During the third quarter we launched a completely redesigned Softail® family consisting of seven models, all of which are powered by our new Twin Cam 88B™ counterbalanced engine," said Jeffrey L. Bleustein, chairman and chief executive officer of Harley-Davidson, Inc.

"Based upon the positive reception of our new model year 2000 products by the motorcycle press, our dealers and our customers, and the continuing strength of the worldwide heavyweight motorcycle market, we have increased our Harley-Davidson® motorcycle production target for 1999 to 175,000 units," said Bleustein. "With this same confidence in the motorcycle market and our production capabilities, we are establishing a production target of 193,000 Harley-Davidson motorcycles for the 2000 calendar year."

Motorcycles and Related Products Segment -- Third Quarter Results

Third quarter sales of Harley-Davidson motorcycles were \$455.7 million, an increase of 18.9 percent over the third quarter last year. Shipments of Harley-Davidson motorcycles totaled 42,615 units, up 6,187 units or 17.0 percent over last year.

Buell® motorcycle sales for the quarter totaled \$16.7 million on shipments of 1,984 units, an increase of \$7.5 million or 915 units relative to last year.

Sales of Parts and Accessories (P&A), which consist of Genuine Motor Parts™ and Genuine Motor Accessories™, totaled \$109.6 million, a 21.5 percent increase from the year-ago quarter. Third quarter sales of General Merchandise, which consists of MotorClothes® apparel and collectibles, totaled \$40.9 million, up 22.2 percent over the same period last year.

Third quarter gross margin was 32.8 percent of revenue, down slightly from 33.1 percent of revenue last year. Additional costs associated with the most extensive product launch in recent company history and the effect of a higher proportion of lower margin Sportster® motorcycles resulted in a lower gross margin.

Third quarter operating margin for the Motorcycles and Related Products Segment was 15.4 percent of revenue, which is identical to last year's record third quarter operating margin.

"These record earnings and margin are noteworthy considering the significant investments that we are making in our future and the aggressive product launch that we executed during the quarter," said Bleustein.

The worldwide heavyweight motorcycle market continues to grow rapidly. In the U.S., total industry retail registrations have grown at 22.7 percent, while registrations of Harley-Davidson and Buell motorcycles have grown at 25.7 percent through August, increasing the Company's market share. Harley-Davidson and Buell are also gaining market share in both the Europe and Asia/Pacific markets. (See table that follows for more detail.)

Financial Services Segment

Harley-Davidson Financial Services, Inc. (formerly Eaglemark Financial Services, Inc.), a subsidiary of Harley-Davidson, Inc., reported third quarter operating income of \$7.5 million, up \$3.9 million compared to the year-ago quarter. The subsidiary financed 22.5 percent of the Company's U.S. motorcycle retail sales compared with 19.9 percent during the year ago period. It has further benefited from the increase in Harley-Davidson's U.S. retail sales volume.

Share Repurchase

During the third quarter, Harley-Davidson repurchased approximately 1.4 million shares of its common stock. This brings the 1999 year-to-date repurchase to a total of 2.4 million shares.

Nine Month Results

For the nine month period, sales totaled \$1,790 million, a 19.3 percent increase over the year-ago period. Diluted earnings per share were \$1.24, an increase of 26.0 percent compared to the first nine months last year.

Through the first nine months of this year, Harley-Davidson motorcycle revenue was \$1,361 million, an 18.8 percent increase, while Buell motorcycle revenue was \$45.3 million, a 29.9 percent increase compared with the same period in 1998.

For the first nine months of 1999, P&A revenue totaled \$284.4 million, a 22.1 percent increase, while General Merchandise revenue totaled \$97.6 million, a 14.6 percent increase compared with the same period in 1998.

Forward-Looking Statements

The Company intends that certain matters discussed in this release are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be statements that describe the Company's future plans, objectives, targets or goals. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this release. Certain of such risks and uncertainties are described below. Shareholders, potential investors, and other readers are urged to consider these factors in evaluating the forward-looking statements and cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this release are only made as of the date of this release, and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

The Company's ability to reach targeted production objectives depends upon, among other factors, (i) continued realization of production efficiencies at its manufacturing facilities; (ii) successful implementation of production capacity increases in its facilities; (iii) the sale of all motorcycles the Company has the capacity to produce; (iv) product availability; and (v) successful introduction of new products. In addition, the Company could experience delays in the operation of manufacturing facilities, work stoppages, difficulty with suppliers, natural causes or other factors. Risk factors are also disclosed in securities documents previously filed by the Company with the Securities and Exchange Commission.

Harley-Davidson, Inc. is the parent company for Harley-Davidson Motor Company, Buell Motorcycle Company and Harley-Davidson Financial Services, Inc. Harley-Davidson Motor Company, the only major U.S.-based motorcycle manufacturer, produces heavyweight motorcycles and offers a complete line of motorcycle parts, accessories, apparel, and general merchandise. Buell Motorcycle Company produces sport and sport-touring motorcycles. Harley-Davidson Financial Services, Inc. provides wholesale and retail financing, insurance and credit card programs to Harley-Davidson dealers and customers.

TABLES FOLLOW

Harley-Davidson, Inc.
Condensed Consolidated Statements of Income
(Unaudited)
(In thousands, except per share amounts)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	Sep. 26, 1999	Sep. 27, 1998	Sep. 26, 1999	Sep. 27, 1998
Net sales	\$623,193	\$517,198	\$1,790,476	\$1,500,889
Gross profit	204,658	171,139	606,786	498,542
Operating income				
Motorcycles and related products	95,907	79,870	287,524	234,167
Financial services	7,514	3,599	19,274	12,539
Corporate expenses	<u>(2,024)</u>	<u>(3,330)</u>	<u>(7,450)</u>	<u>(8,521)</u>
Total operating income	101,397	80,139	299,348	238,185
Interest income, net	2,090	1,056	5,571	2,442
Other income (expense), net	<u>(556)</u>	<u>1,287</u>	<u>(1,019)</u>	<u>(508)</u>
Income before provision for taxes	102,931	82,482	303,900	240,119
Provision for income taxes	<u>37,569</u>	<u>30,110</u>	<u>110,924</u>	<u>87,647</u>
Net income	<u>\$ 65,362</u>	<u>\$ 52,372</u>	<u>\$ 192,976</u>	<u>\$ 152,472</u>
Earnings per common share:				
Basic	\$.43	\$.34	\$1.26	\$ 1.00
Diluted	\$.42	\$.34	\$1.24	\$.99
Weighted-average common shares:				
Basic	152,196	152,434	152,770	152,069
Diluted	154,604	154,903	155,294	154,558

Harley-Davidson, Inc.
Condensed Consolidated Balance Sheets
(In thousands)

	Sep. 26, <u>1999</u> (unaudited)	Dec. 31, <u>1998</u>	Sep. 27, <u>1998</u> (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalent	\$163,834	\$ 165,170	\$ 122,146
Accounts receivable, net	125,554	113,417	112,305
Finance receivables, net	419,955	360,341	337,924
Inventories	166,812	155,616	145,019
Other current assets	<u>53,369</u>	<u>50,419</u>	<u>52,105</u>
Total current assets	929,524	844,963	769,499
 Finance receivables, net	 389,263	 319,427	 352,866
Other long-term assets	<u>766,991</u>	<u>755,819</u>	<u>695,492</u>
 Total assets	 <u>\$2,085,778</u>	 <u>\$1,920,209</u>	 <u>\$1,817,857</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of finance debt	\$173,974	\$146,742	\$ 132,413
Other current liabilities	<u>388,427</u>	<u>321,773</u>	<u>302,177</u>
Total current liabilities	562,401	468,515	434,590
 Finance debt	 280,000	 280,000	 280,000
Other long-term liabilities	66,652	69,700	63,510
Postretirement health care benefits	74,183	72,083	70,605
Total shareholders' equity	<u>1,102,542</u>	<u>1,029,911</u>	<u>969,152</u>
 Total liabilities and shareholders' equity	 <u>\$2,085,778</u>	 <u>\$1,920,209</u>	 <u>\$1,817,857</u>

Harley-Davidson, Inc.
Net Sales and Motorcycle
Shipment Data

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	Sep. 26, <u>1999</u>	Sep. 27, <u>1998</u>	Sep. 26, <u>1999</u>	Sep. 27, <u>1998</u>
NET SALES (in thousands)				
Harley-Davidson® motorcycles	\$455,650	\$383,336	\$1,360,733	\$1,145,554
Buell® motorcycles	16,749	9,234	45,314	34,893
Parts & Accessories	109,604	90,222	284,353	232,826
General Merchandise	40,919	33,473	97,625	85,164
Other	<u>271</u>	<u>933</u>	<u>2,451</u>	<u>2,452</u>
Total net sales	<u>\$623,193</u>	<u>\$517,198</u>	<u>\$1,790,476</u>	<u>\$1,500,889</u>
HARLEY-DAVIDSON UNITS				
Motorcycle shipments:				
United States	31,764	27,126	97,540	79,776
Export	<u>10,851</u>	<u>9,302</u>	<u>31,027</u>	<u>28,887</u>
Total	<u>42,615</u>	<u>36,428</u>	<u>128,567</u>	<u>108,663</u>
Motorcycle product mix:				
Touring	27.8%	26.3%	27.2%	25.1%
Custom	47.3	49.9	49.2	52.3
Sportster	<u>24.9</u>	<u>23.8</u>	<u>23.6</u>	<u>22.6</u>
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
BUELL UNITS				
Motorcycle shipments	1,984	1,069	5,509	3,916

Available 651cc+ Motorcycle Retail Registrations (Units).

	<u>1999</u>	<u>1998</u>	<u>% change</u>
UNITED STATES (August YTD)	207,529	169,090	+22.7
HDI	95,755	76,190	+25.7
EUROPE (July YTD)	242,086	213,345	+13.5
HDI	15,156	12,957	+17.0
JAPAN/AUSTRALIA (July YTD)	40,084	39,155	+2.4
HDI	7,067	6,379	+10.8
TOTAL	489,699	421,590	+16.2
HDI	117,978	95,526	+23.5

HDI includes both Harley-Davidson and Buell motorcycles

Sources: Motorcycle Industry Council, Giral S.A., JAMA, ABS



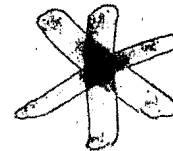
Harley-Davidson Motor Company, 3700 West Juneau Ave., PO Box 63, Milwaukee, WI

NEWS

414/342-4680

Contact: Kal Demitros
(414) 343-4587

FOR IMMEDIATE RELEASE



**HARLEY-DAVIDSON SELECTED BY *INDUSTRY WEEK* MAGAZINE AS ONE OF THE
WORLD'S 100 BEST-MANAGED COMPANIES**

MILWAUKEE (September 1, 1999) Harley-Davidson, Inc. (NYSE: HDI) is on the fourth annual list of *Industry Week's* 100 Best-Managed Companies. Chosen by editors at *IW*, the list includes the world's 100 best-managed companies. The report appeared in the August 16, 1999, issue of *Industry Week*.

Candidates for *Industry Week's* 100 Best-Managed Companies were culled from the *Industry Week* 1000, a list of the world's largest publicly held manufacturing companies based on revenues. Waltham, Mass.-based Primark supplied the data for the *IW* 1000, which was published in June.

Each company was selected after a lengthy evaluation that included the following four steps: analysis of the company's financial performance; review of a questionnaire that each *IW* 1000 company was given an opportunity to complete; research into each company's practices in areas such as philanthropy and safety; and voting by a panel of more than 100 business leaders, analysts, and academicians.

"*Industry Week's* 100 Best-Managed companies demonstrate superior, consistent financial performance," says John Brandt, editor-in-chief of *IW*. "We also honor these companies for investing heavily in such areas as research and development, new markets, employees, and society."

-more-

Harley-Davidson Named IW 100 Best-Managed Companies - add one

Industry Week's 100 Best-Managed Companies will be recognized at the 100 Best-Managed Companies Awards Celebration and Executive Summit in Arizona early next year.

Harley-Davidson Motor Company produces heavyweight motorcycles and offers a complete line of motorcycle parts, accessories, apparel and general merchandise. Buell Motorcycle Company produces sport and sport-touring motorcycles. Eaglemark Financial Services, Inc. provides wholesale and retail financing, insurance and credit card programs to Harley-Davidson dealers and customers and similar programs for other leisure product manufacturers.

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U.S. Department of Commerce
Office of Speechwriting

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Washington, DC 20230

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TO: Jeff Schessel

COMPANY: _____

FROM: Ilene Zeldin

PAGES (incl. cover): _____

COMMENTS: My home phone is P6/(b)(6)

P6/(b)(6)

My pager is

[001]

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Pin

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COMMERCE NEWS

UNITED STATES DEPARTMENT OF COMMERCE

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REMARKS BY
COMMERCE SECRETARY WILLIAM M. DALEY
NATIONAL TRADE DAY
YORK, PENNSYLVANIA
November 10, 1999

Text as Prepared For Delivery

Six months ago, President Clinton asked me to begin a national dialogue on trade. I wanted to get out of Washington, and be with normal people. I have met thousands of Americans in 15 cities. And what I heard was that even in an economy as great as ours -- thanks to this President -- not everyone agrees trade is good for the country.

People have fears about trade. They know too well the layoffs, and not the payoffs. I wanted to take the President on one of my stops, because he needs to hear this, before we go into trade negotiations with other countries. Obviously, he is a busy man, but I picked some places I thought he might like.

I visited a furniture showroom in North Carolina, very appealing to new homeowners. I visited many schools, very appealing to an education President. I even went to Al Mac's dinner in Massachusetts that, Mr. President, had great burgers. Although it's better you did not go there, because we had protestors with bull horns, and it was a pretty noisy lunch.

But, to convince the leader of the free world to join me, all I had to do was suggest we visit a Harley-Davidson plant. Absolutely, I never heard a yes answer from the White House so fast.

By the way, I did not even have to promise him a ride on a Deuce!

Jeff Bleustein mentioned my ride. The truth is, we were in a hurry that day. But as Commerce Secretary, obviously I felt obliged to promote exports. So, I put on a helmet, got on a Softail, and the driver took me a few blocks. Then he started to turn back, because we had a bus-load of CEOs waiting, and I motioned him -- forget them, go another five miles, they'll wait!

2

The President felt leading up to the World Trade Organization talks in Seattle, we should have a national trade day.

Today, there are 20 big companies and 200 smaller companies holding events like this across the country. Transportation Secretary Slater is in a hangar in Atlanta, meeting with 1,000 Delta and Bell South employees, along with the Governor, and Mayor, because Delta now flies to 28 countries. In Minneapolis, at Cargill, they are having a Coffee with the Chairman.

Of course, today is an historic day for UPS -- one of your suppliers. Their chairman is on Wall Street ringing the bell, as their stock goes public today. So they will hold trade day later in the month. And every employee will be told it takes just 40 international packages a day, to create one UPS job -- likely a union job.

And I want to show you what Farmland in Kansas City is doing. This is one of their pay stubs. Every pay stub they send to their 17,000 employees will now carry a trade message. Right under where it shows how many vacation days -- the part everybody reads -- it says: "In the past six years, Farmland's international sales grew from \$200 million to \$4.1 billion. Farmland wins with trade."

Obviously, Farmland employees will now see the payoffs to trade, right in their paychecks. And I think as we have these kind of dialogues with American workers across the country, we can build a pro-trade consensus in our country.

Let me end on this. In the last years of the 19th century, America moved from an agricultural to an industrial society. And our president at the time, President McKinley, saw all these new products and he told Americans: we must broaden our commercial relations with other nations and engage in trade agreements.

In the last weeks of the 20th century -- America's century -- we have a President who wants to lead our country and the entire world into more trade in the 21st century. I just hope every American is with him, and understands what you know in York, Pennsylvania -- that trading globally, means prospering locally. Thank you very much.

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Phone: (202) 482-8287

Fax: (202) 482-8289

TO: Jeff Schessel

COMPANY: _____

FROM: Ikne Zeldin

PAGES (incl. cover): _____

COMMENTS: FYI. I thought you
might like to see this, too--

the CEO's remarks from Harley-Davidson.

To: Eileen Zeldin
Eric Schwerin

President Clinton's Visit to Harley-Davidson
J. Bleustein's Remarks

7:30 PM 11/8/99

Thank you.

On behalf of all of us in the Harley-Davidson family, it is my privilege and a great honor to welcome President Clinton and Secretary Daley.

Let's show them how much we appreciate their visit.

(APPLAUSE)

I would also like to welcome the many guests that are here with us today representing local, county, state, and national elected officials. (More? Board? Union?) In particular, I would like to recognize

_____, _____, and _____

We can be very proud that President Clinton and Secretary Daley have identified Harley-Davidson as a leading example of a company with a strong partnering relationship between management and labor - - - and a company that understands the importance of trade.

International trade is absolutely essential to Harley-Davidson's continued growth - - - and it is fundamental to America's worldwide competitiveness.

As a Company, we depend heavily on the relationship we have forged with the Department of Commerce and the U. S. Trade Representative's Office.

We are working together to level the playing field overseas - - - by reducing import duties and eliminating other trade barriers to the sale and use of our motorcycles.

For example, in Japan there used to be unusually difficult license requirements for riding motorcycles - - - and even laws forbidding two-up riding on any highway. Both of these regulations were significant barriers to our growth in this market.

But with the assistance of Secretary Daley's staff at the Department of Commerce, we were successful two years ago in getting much more reasonable licensing requirements enacted. And we hope that later this month the prohibition against two-up riding will also be overturned!

With this track record of cooperation and success, I was delighted to receive the invitation from Secretary Daley to participate in his educational tour on trade.

In April, I and a number of other Milwaukee business and labor leaders met in a public forum with the Secretary to discuss the dynamics of trade and its importance to our country. Then in September, the Secretary visited Harley-Davidson in Kansas City. He toured factory with Karl Eberle and union leaders and talked informally to all of our employees about the value of international trade. He really captured our hearts by taking a ride on authentic American iron.

The dialogue in both visits revolved around the fact that international trade is a prerequisite for any company that wants to be competitive in the world marketplace . . . and thus assure jobs at home.

And now I am certain you are all anxious to hear more on this topic from our special guests.

Please welcome Secretary of Commerce, Mr. William Daley . . .

▷ Elene Zeldin
wed. - Harley Davidson
482-5035

- Commerce Andy
on metro trade
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TO: Jeff Shesol

COMPANY: _____

FROM: Irene Zeldin

PAGES (incl. cover): 20

COMMENTS: Here are the pages
you'll need for the export #s on
Seattle & York for the speech on
Wednesday.

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

1998 Highlights

- Export sales by 253 selected U.S. Metropolitan Statistical Areas (MSAs) totaled \$536.4 billion in 1998, down 0.9 percent from the \$541.0 billion recorded by these same metro areas in 1997. This is the first time since MSA-level export measurement was instituted that the 253-MSA group has collectively experienced an export decline.
- The 1998 drop in MSA exports reflected an overall decline in U.S. merchandise exports, which was largely due to Asian economic difficulties. Total 1998 U.S. exports of goods were \$680.5 billion, which was \$7.1 billion less than the value of merchandise exported the previous year.
- Notwithstanding last year's reversal, exports continue to benefit a large number of metro areas throughout the United States. ~~A total of 108 metro areas--over 40 percent of the MSAs for which data are available--realized export growth in 1998 despite challenging world market conditions.~~ Of the 145 MSAs which experienced export declines, 77 recorded export decreases under 10 percent.
- A total of 93 metro areas posted 1998 export sales of \$1 billion or more--only one less than the 94 MSAs that were members of this "billion-dollar club" in 1997. These 93 metro areas were responsible for over 71 percent of total U.S. merchandise exports in 1998.
- Another 36 metropolitan areas recorded 1998 export sales ranging from just over \$500 million to just under \$1 billion. An additional 97 MSAs generated exports between \$100 million and \$500 million.
- The Seattle-Bellevue-Everett, Washington metro area was the nation's top exporting metropolis in 1998, selling a total of \$34.0 billion in merchandise to foreign markets. This marks the first time that any metropolitan area has exceeded \$30 billion in export sales in any one year.
 - The Seattle area was followed by Detroit (\$27.0 billion), New York City (\$26.6 billion), and 1997's top exporter, San Jose (\$26.1 billion).
 - Rounding out the top ten metro exporters were Los Angeles-Long Beach (\$25.6 billion), Chicago (\$22.9 billion), Houston (\$19.1 billion), Miami (\$12.9 billion), Minneapolis-St. Paul (\$11.7 billion), and Boston (\$9.6 billion).
- ~~Four major metro areas--Seattle, Atlanta, Detroit, and Cincinnati--expanded 1998 exports by \$1 billion or more.~~ For the second straight year, Seattle had by far the largest dollar increase, posting a gain of \$7 billion. Atlanta recorded the next-largest increase--\$1.3 billion.
- Four other MSAs posted 1998 export increases between \$500 million and \$1 billion, while 26 more metro areas registered export increases in the \$100-\$499 million range.



- As in previous years, the metro areas that posted the largest percentage increases in export sales during 1998 were almost exclusively small and mid-sized cities scattered throughout the United States.

- Two MSAs--Kenosha, WI and Terre Haute, IN--more than doubled their sales abroad in 1998.
- Eight other MSAs increased their export sales by more than 50 percent, including Eugene-Springfield, OR (up 96 percent); Newburgh, NY-PA (up 89 percent); Columbia, MO (up 76 percent); Texarkana, TX-AR (up 76 percent); Lafayette, IN (up 67 percent); Lawrence, KS (up 55 percent); Biloxi-Gulfport-Pascagoula, MS (up 53 percent); and Roanoke, VA (up 53 percent).

1993-98 Trends

- From 1993 to 1998, exports from the 253 MSAs for which data are available rose by \$166.5 billion. This represents a gain of 45 percent--marginally below the 46.4 percent increase in total U.S. merchandise exports over this period.
- Over the 1993-98 period, the number of MSAs in the exclusive exporting "billion-dollar club" rose from 76 to 93, a gain of nearly 25 percent.
- Of the 253 metro areas for which 1993-98 export data are available, 230--some 91 percent--recorded larger export sales in 1998 than in 1993.
- Forty-four MSAs registered export increases of \$1 billion or more over the 1993-98 period.
 - Two metro areas--Detroit and Seattle-Bellevue-Everett--each expanded their export sales by \$10.2 billion from 1993 to 1998.
 - Other MSAs with large gains in export sales were San Jose (up \$9.9 billion), Chicago (up \$8.5 billion), Houston (up \$ 6.8 billion), Los Angeles-Long Beach (up \$5.5 billion), Miami (up \$4.7 billion), San Diego (up \$4.2 billion), Atlanta (up \$4.0 billion), and Dallas (up \$3.6 billion).
- Twenty-six metro areas registered 1993-98 export increases ranging from just over \$500 million to just under \$1 billion. Top MSAs in this group included Albany-Schenectady-Troy (NY), St. Louis (MO-IL), Norfolk-Virginia Beach-Newport News (VA-NC), Denver (CO), Salt Lake City-Ogden (UT), Akron (OH), Riverside-San Bernardino (CA), Tucson (AZ), Fort Lauderdale (FL), and Nashville (TN).
- Eighty-two MSAs boosted export sales between \$100 million and \$500 million over the 1993-98 period. The leading metro areas in this group were Terre Haute (IN), Huntsville (AL), Flint (MI), Omaha (NE-IA), Santa Rosa (CA), Kokomo (IN), Colorado Springs (CO), Kenosha (WI), Jersey City (NJ), South Bend (IN), Rockford (IL), and Portland (ME).

- **Over the 1993-98 period, a total of 54 metro areas increased their merchandise sales abroad by 100 percent or more.**
 - Wheeling (WV-OH) recorded the fastest export growth of the 253 MSAs, posting a 1993-98 gain of 1,253 percent. Exports from the metro area hit nearly \$100 million in 1998, up sharply from the modest \$7.4 million registered in 1993.
 - Wheeling was followed by Terre Haute, IN (731 percent increase from 1993 to 1998), Albuquerque, NM (up 560 percent), Champaign-Urbana, IL (up 349 percent), Kenosha, WI (up 345 percent), Lafayette, IN (up 285 percent), St. Joseph, MO (up 275 percent), Sherman-Denison, TX (up 237 percent), South Bend, IN (up 227 percent), and Wilmington, NC (up 226 percent).
- **Another 79 MSAs recorded increases in export sales of 50 to 99 percent over the 1993-98 period.** Of all 253 MSAs for which export data are available, only 23 metro areas had lower export sales in 1998 than they registered in 1993.

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

		(Thousand \$)					1993-98 Changes		1997-98 Changes	
Metropolitan Statistical Area	1993	1994	1995	1996	1997	1998	\$	%	\$	%
1 Akron, OH	1,434,942	1,606,289	1,931,665	2,260,275	2,353,272	2,266,101	831,159	57.9	-87,171	-3.7
2 Albany--Schenectady--Troy, NY	676,206	831,366	1,061,194	1,101,029	1,666,230	1,613,036	936,831	138.5	-53,194	-3.2
3 Albany, GA	26,396	31,810	31,497	52,462	57,321	36,918	10,522	39.9	-20,403	-35.6
4 Albuquerque, NM	256,689	335,481	270,083	740,349	1,564,622	1,694,402	1,437,713	560.1	129,780	8.3
5 Alexandria, LA	15,789	16,933	18,692	21,631	17,935	23,482	7,693	48.7	5,547	30.9
6 Allentown--Bethlehem--Easton, PA	1,273,865	1,371,116	1,492,805	1,477,243	1,808,893	1,535,030	261,165	20.5	-273,864	-15.1
7 Altoona, PA	42,604	46,388	74,185	80,175	85,888	80,555	37,951	89.1	-5,333	-6.2
8 Anchorage, AK	128,779	198,192	150,417	108,977	213,149	145,987	17,209	13.4	-67,161	-31.5
9 Ann Arbor, MI	2,218,083	2,075,769	1,157,910	1,311,134	1,520,885	1,594,936	-623,147	-28.1	74,051	4.9
10 Appleton--Oshkosh--Neenah, WI	529,528	507,733	593,726	608,521	647,857	658,018	128,490	24.3	10,161	1.6
11 Asheville, NC	232,281	228,597	185,185	236,684	294,162	232,955	674	0.3	-61,207	-20.8
12 Atlanta, GA	3,870,589	4,739,124	5,811,439	5,891,451	6,604,616	7,904,635	4,034,046	104.2	1,300,019	19.7
13 Augusta--Aiken, GA--SC	227,432	326,302	405,183	443,888	433,793	519,588	292,156	128.5	85,795	19.8
14 Austin--San Marcos, TX	1,721,514	2,128,774	2,929,208	2,743,135	3,354,809	3,802,387	2,080,874	120.9	447,578	13.3
15 Bakersfield, CA	480,657	780,377	730,542	721,273	835,593	695,336	214,679	44.7	-140,257	-16.8
16 Baltimore, MD	1,783,407	1,868,968	2,209,168	2,110,417	2,171,305	2,330,989	547,582	30.7	159,684	7.4
17 Baton Rouge, LA	564,618	457,982	569,620	552,852	577,138	509,935	-54,683	-9.7	-67,203	-11.6
18 Beaumont--Port Arthur, TX	87,690	97,015	118,907	115,378	133,422	127,201	39,511	45.1	-6,221	-4.7
19 Bellingham, WA	206,777	210,652	253,540	275,374	316,687	256,449	49,672	24.0	-60,238	-19.0
20 Benton Harbor, MI	338,674	368,814	369,319	317,239	260,607	275,890	-62,784	-18.5	15,283	5.9
21 Bergen--Passaic, NJ	3,924,948	4,387,000	4,784,006	4,499,879	4,789,763	4,228,644	303,696	7.7	-561,119	-11.7
22 Biloxi--Gulfport--Pascagoula, MS	108,136	281,603	281,040	119,916	76,868	117,892	9,756	9.0	41,024	53.4
23 Binghamton, NY	316,229	474,878	558,094	443,250	513,287	440,177	123,948	39.2	-73,110	-14.2
24 Birmingham, AL	533,867	453,848	550,543	625,776	941,394	533,796	-72	-0.0	-407,599	-43.3
25 Bloomington, IN	113,646	115,745	127,555	198,832	166,756	75,319	-38,326	-33.7	-91,437	-54.8

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

		(Thousand \$)					1993-98 Changes		1997-98 Changes	
Metropolitan Statistical Area	1993	1994	1995	1996	1997	1998	\$	%	\$	%
26 Boise City, ID	1,022,745	1,289,820	1,634,972	1,338,529	1,407,314	1,114,357	91,611	9.0	-292,957	-20.8
27 Boston, MA--NH	6,472,471	7,095,349	7,902,660	8,715,804	9,570,608	9,556,326	3,083,855	47.6	-14,281	-0.1
28 Bremerton, WA	45,022	54,582	109,800	79,868	102,371	76,190	31,168	69.2	-26,181	-25.6
29 Bridgeport, CT	1,125,870	918,847	952,929	788,587	981,387	895,036	-230,834	-20.5	-86,351	-8.8
30 Brockton, MA	107,000	113,105	143,965	159,707	268,693	342,263	235,263	219.9	73,570	27.4
31 Brownsville--Harlingen--San Benito, TX	1,904,366	2,113,362	2,245,917	2,612,577	2,697,106	2,421,261	516,895	27.1	-275,845	-10.2
32 Buffalo--Niagara Falls, NY	1,135,153	1,569,651	2,295,800	2,262,228	2,667,262	2,222,669	1,087,516	95.8	-444,593	-16.7
33 Canton--Massillon, OH	250,177	315,936	377,170	405,985	421,568	359,544	109,368	43.7	-62,023	-14.7
34 Cedar Rapids, IA	342,382	363,795	402,216	391,100	429,826	537,649	195,267	57.0	107,823	25.1
35 Champaign--Urbana, IL	87,762	89,341	103,421	214,409	423,556	393,951	306,189	348.9	-29,605	-7.0
36 Charleston--North Charleston, SC	597,253	388,467	501,582	595,061	827,611	837,895	240,642	40.3	10,284	1.2
37 Charleston, WV	178,939	277,596	394,362	412,150	393,392	396,693	217,754	121.7	3,300	0.8
38 Charlotte--Gastonia--Rock Hill, NC--SC	1,563,725	1,782,827	2,087,970	2,291,296	2,588,757	2,628,936	1,065,211	68.1	40,179	1.6
39 Charlottesville, VA	113,836	123,035	157,362	140,238	195,369	191,363	77,527	68.1	-4,006	-2.1
40 Chattanooga, TN--GA	218,310	237,267	301,012	273,466	331,361	337,090	118,781	54.4	5,730	1.7
41 Chicago, IL	14,446,576	17,333,603	21,083,418	22,030,068	23,209,949	22,929,360	8,482,784	58.7	-280,589	-1.2
42 Chico--Paradise, CA	71,041	77,167	70,137	78,133	58,136	59,652	-11,388	-16.0	1,517	2.6
43 Cincinnati, OH--KY--IN	3,898,151	4,056,506	4,256,653	4,784,140	5,674,148	6,682,463	2,784,312	71.4	1,008,315	17.8
44 Cleveland--Lorain--Elyria, OH	3,582,759	4,093,323	4,706,991	5,075,165	5,510,954	5,347,009	1,764,250	49.2	-163,945	-3.0
45 Colorado Springs, CO	664,289	900,712	954,692	856,994	1,006,014	1,103,172	438,883	66.1	97,157	9.7
46 Columbia, MO	42,935	50,174	51,134	57,875	74,905	131,476	88,541	206.2	56,570	75.5
47 Columbia, SC	212,915	300,390	343,311	310,848	328,546	346,618	133,702	62.8	18,072	5.5
48 Columbus, GA--AL	183,841	172,772	245,350	253,155	282,322	276,459	92,617	50.4	-5,863	-2.1
49 Columbus, OH	1,167,013	1,295,468	1,358,161	1,497,160	1,660,657	1,753,185	586,173	50.2	92,528	5.6
50 Corpus Christi, TX	186,763	153,571	162,390	241,770	387,234	308,673	121,910	65.3	-78,561	-20.3

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

Metropolitan Statistical Area	(Thousand \$)						1993-98 Changes		1997-98 Changes	
	1993	1994	1995	1996	1997	1998	\$	%	\$	%
51 Cumberland, MD--WV	54,899	64,261	53,813	45,917	48,329	42,576	-12,323	-22.4	-5,753	-11.9
52 Dallas, TX	4,817,639	5,679,711	6,870,414	7,096,879	8,645,861	8,449,592	3,631,952	75.4	-196,269	-2.3
53 Danbury, CT	316,699	392,956	421,570	531,920	482,881	425,912	109,213	34.5	-56,969	-11.8
54 Danville, VA	172,994	202,727	155,744	89,127	104,366	74,946	-98,048	-56.7	-29,420	-28.2
55 Davenport--Moline--Rock Island, IA--IL	1,102,558	1,098,869	1,291,031	1,576,123	1,933,861	1,745,777	643,219	58.3	-188,084	-9.7
56 Dayton--Springfield, OH	2,479,867	2,671,309	2,404,844	2,201,505	2,271,464	2,253,016	-226,850	-9.1	-18,447	-0.8
57 Daytona Beach, FL	140,472	110,299	85,855	111,657	137,453	142,793	2,321	1.7	5,340	3.9
58 Decatur, AL	42,335	54,468	65,584	91,563	109,502	124,547	82,212	194.2	15,044	13.7
59 Denver, CO	930,960	1,089,812	1,385,282	1,502,865	1,738,062	1,806,282	875,322	94.0	68,220	3.9
60 Des Moines, IA	337,183	348,931	378,549	426,017	450,544	476,103	138,920	41.2	25,560	5.7
61 Detroit, MI	16,780,889	27,469,655	27,314,657	27,531,231	25,967,413	27,004,696	10,223,807	60.9	1,037,282	4.0
62 Dubuque, IA	93,056	177,562	180,740	183,518	181,238	162,636	69,579	74.8	-18,602	-10.3
63 Eau Claire, WI	289,716	465,708	399,923	320,596	507,339	583,376	293,661	101.4	76,037	15.0
64 El Paso, TX	2,967,027	3,561,263	4,120,777	5,212,689	5,833,929	6,544,562	3,577,535	120.6	710,633	12.2
65 Elkhart--Goshen, IN	419,879	460,350	501,534	367,465	414,687	411,381	-8,499	-2.0	-3,306	-0.8
66 Elmira, NY	70,199	116,822	139,478	196,874	241,789	205,477	135,278	192.7	-36,312	-15.0
67 Erie, PA	311,584	285,448	490,770	321,857	598,192	621,182	309,598	99.4	22,990	3.8
68 Eugene--Springfield, OR	157,946	173,094	190,328	168,902	190,499	373,861	215,915	136.7	183,362	96.3
69 Evansville--Henderson, IN--KY	448,534	487,403	525,072	545,088	588,001	595,378	146,844	32.7	7,377	1.3
70 Fargo--Moorhead, ND--MN	111,848	137,259	155,010	181,892	208,530	158,071	46,223	41.3	-50,459	-24.2
71 Fayetteville--Springdale--Rogers, AR	250,352	433,823	669,265	801,203	732,763	597,658	347,306	138.7	-135,106	-18.4
72 Fayetteville, NC	54,327	57,909	66,594	65,411	105,346	96,431	42,104	77.5	-8,915	-8.5
73 Flint, MI	958,924	1,032,050	1,451,712	1,318,809	1,475,349	1,417,794	458,871	47.9	-57,555	-3.9
74 Florence, AL	29,806	25,748	29,537	25,245	35,872	36,980	7,174	24.1	1,107	3.1
75 Florence, SC	66,283	117,220	249,016	121,576	75,768	71,407	5,124	7.7	-4,360	-5.8

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

Metropolitan Statistical Area	(Thousand \$)						1993-98 Changes		1997-98 Changes	
	1993	1994	1995	1996	1997	1998	\$	%	\$	%
76 Fort Collins--Loveland, CO	284,314	354,462	373,863	468,124	433,279	340,741	56,427	19.8	-92,539	-21.4
77 Fort Lauderdale, FL	1,321,448	1,506,662	1,774,654	1,864,518	2,143,001	2,086,614	765,166	57.9	-56,388	-2.6
78 Fort Pierce--Port St. Lucie, FL	73,494	92,293	114,172	107,601	118,527	108,740	35,246	48.0	-9,787	-8.3
79 Fort Wayne, IN	640,584	770,882	1,029,423	991,375	1,078,161	1,192,796	552,212	86.2	114,635	10.6
80 Fort Worth--Arlington, TX	1,600,206	2,052,001	1,915,014	2,372,703	3,045,861	3,455,904	1,855,698	116.0	410,043	13.5
81 Fresno, CA	673,105	763,407	714,388	691,808	739,752	822,654	149,549	22.2	82,902	11.2
82 Gainesville, FL	62,603	65,747	91,619	88,265	79,609	70,187	7,584	12.1	-9,422	-11.8
83 Gary, IN	225,347	267,481	310,599	303,193	336,851	356,041	130,694	58.0	19,190	5.7
84 Grand Rapids--Muskegon--Holland, MI	1,704,960	1,993,494	2,304,077	2,656,497	2,933,117	3,063,523	1,358,564	79.7	130,406	4.4
85 Greeley, CO	276,023	501,823	582,938	558,790	693,942	631,755	355,732	128.9	-62,187	-9.0
86 Green Bay, WI	134,097	187,290	212,672	188,950	281,895	224,618	90,521	67.5	-57,278	-20.3
87 Greensboro--Win.-Salem--High Point, NC	2,453,096	2,773,310	3,356,262	3,495,639	4,050,787	4,037,151	1,584,054	64.6	-13,636	-0.3
88 Greenville--Spartanburg--Anderson, SC	1,462,112	1,745,020	2,305,311	2,720,417	3,076,918	3,124,156	1,662,044	113.7	47,238	1.5
89 Hamilton--Middletown, OH	49,285	66,255	78,348	90,125	98,240	83,152	33,866	68.7	-15,088	-15.4
90 Harrisburg--Lebanon--Carlisle, PA	339,161	535,012	600,973	775,520	964,423	952,919	613,758	181.0	-11,504	-1.2
91 Hartford, CT	1,926,097	1,967,053	2,167,603	2,415,985	3,219,819	3,758,126	1,832,030	95.1	538,308	16.7
92 Hickory--Morganton, NC	335,244	397,915	476,069	464,329	501,193	529,898	194,654	58.1	28,705	5.7
93 Honolulu, HI	187,788	215,516	228,239	265,744	269,476	172,220	-15,568	-8.3	-97,257	-36.1
94 Houma, LA	58,294	53,768	60,043	57,998	86,367	128,555	70,261	120.5	42,188	48.8
95 Houston, TX	12,284,566	13,388,170	16,247,880	16,541,463	18,595,875	19,118,959	6,834,393	55.6	523,085	2.8
96 Huntington--Ashland, WV--KY--OH	136,550	162,404	237,186	193,938	218,721	138,892	2,342	1.7	-79,829	-36.5
97 Huntsville, AL	573,554	672,092	828,966	899,068	1,071,849	1,055,333	481,779	84.0	-16,515	-1.5
98 Indianapolis, IN	2,626,626	3,003,834	3,555,925	4,012,775	4,301,806	4,771,265	2,144,640	81.6	469,460	10.9
99 Jacksonville, FL	404,853	500,396	604,066	676,985	721,337	777,167	372,314	92.0	55,830	7.7
100 Jackson, MI	95,465	96,270	98,478	128,123	135,023	159,093	63,627	66.6	24,069	17.8

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

		(Thousand \$)						1993-98 Changes		1997-98 Changes	
Metropolitan Statistical Area		1993	1994	1995	1996	1997	1998	\$	%	\$	%
101	Jackson, MS	141,226	154,261	203,013	231,401	318,106	219,597	78,371	55.5	-98,510	-31.0
102	Jackson, TN	108,016	132,547	175,311	155,210	167,765	241,754	133,738	123.8	73,989	44.1
103	Jamestown, NY	156,924	209,364	256,550	241,231	283,505	285,866	128,942	82.2	2,361	0.8
104	Janesville-Beloit, WI	76,567	76,346	80,212	107,079	128,468	125,211	48,644	63.5	-3,257	-2.5
105	Jersey City, NJ	986,218	1,351,240	1,159,861	1,140,757	1,319,371	1,402,771	416,553	42.2	83,400	6.3
106	Johnson City-Kingsport-Bristol, TN-VA	1,356,660	1,580,778	1,677,497	1,566,532	1,698,562	1,587,388	230,728	17.0	-111,174	-6.5
107	Joplin, MO	52,132	44,601	50,324	71,445	73,538	68,214	16,081	30.8	-5,324	-7.2
108	Kalamazoo-Battle Creek, MI	650,331	868,951	897,345	836,062	919,453	929,692	279,362	43.0	10,239	1.1
109	Kankakee, IL	79,077	85,979	137,808	113,717	118,704	108,316	29,238	37.0	-10,389	-8.8
110	Kansas City, MO--KS	2,225,901	2,578,560	3,350,170	3,985,073	3,817,637	3,631,718	1,405,818	63.2	-185,918	-4.9
111	Kenosha, WI	126,851	117,674	133,918	154,262	232,092	564,780	437,928	345.2	332,687	143.3
112	Knoxville, TN	580,408	689,179	633,188	764,137	884,213	858,349	277,941	47.9	-25,865	-2.9
113	Kokomo, IN	1,727,480	1,858,413	1,648,872	2,056,420	2,213,079	2,180,689	453,209	26.2	-32,390	-1.5
114	La Crosse, WI--MN	90,558	93,073	276,217	273,185	297,792	229,955	139,397	153.9	-67,837	-22.8
115	Lafayette, IN	75,176	74,908	116,206	133,218	172,701	289,098	213,922	284.6	116,397	67.4
116	Lafayette, LA	93,649	148,704	192,720	164,843	202,220	190,354	96,705	103.3	-11,866	-5.9
117	Lake Charles, LA	56,088	55,911	64,560	48,199	77,907	74,267	18,178	32.4	-3,640	-4.7
118	Lakeland-Winter Haven, FL	187,020	199,173	237,674	241,525	243,586	233,291	46,271	24.7	-10,296	-4.2
119	Lancaster, PA	406,093	469,339	581,528	626,225	620,250	591,005	184,911	45.5	-29,246	-4.7
120	Lansing-East Lansing, MI	185,665	208,627	224,039	202,209	217,475	185,976	311	0.2	-31,499	-14.5
121	Laredo, TX	4,061,824	4,157,378	2,897,822	3,440,673	3,959,112	3,633,572	-428,253	-10.5	-325,540	-8.2
122	Lawrence, KS	5,239	6,244	4,081	5,738	6,474	10,002	4,763	90.9	3,528	54.5
123	Lawrence, MA--NH	822,630	806,417	841,678	1,033,637	1,810,176	1,544,924	722,294	87.8	-265,251	-14.7
124	Lexington, KY	624,190	1,078,566	1,235,009	1,499,919	1,886,843	1,838,057	1,213,866	194.5	-48,787	-2.6
125	Lima, OH	294,120	166,192	226,000	207,330	241,975	264,114	-30,007	-10.2	22,139	9.1

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

Metropolitan Statistical Area	(Thousand \$)						1993-98 Changes		1997-98 Changes	
	1993	1994	1995	1996	1997	1998	\$	%	\$	%
126 Lincoln, NE	188,537	207,173	208,814	225,253	264,561	261,723	73,186	38.8	-2,838	-1.1
127 Little Rock--North Little Rock, AR	200,140	218,994	193,609	210,392	349,367	262,343	62,202	31.1	-87,024	-24.9
128 Longview--Marshall, TX	84,954	97,254	121,157	144,152	183,591	226,503	141,550	166.6	42,912	23.4
129 Los Angeles--Long Beach, CA	20,013,560	22,224,815	24,730,952	24,437,945	25,816,445	25,554,700	5,541,140	27.7	-261,745	-1.0
130 Louisville, KY--IN	1,673,848	1,798,847	2,199,762	2,327,058	2,449,114	2,290,365	616,517	36.8	-158,748	-6.5
131 Lowell, MA--NH	867,467	890,091	1,079,890	1,119,945	1,396,475	1,449,779	582,313	67.1	53,304	3.8
132 Lubbock, TX	98,634	165,123	258,747	189,012	262,179	225,110	126,476	128.2	-37,069	-14.1
133 Lynchburg, VA	143,246	152,545	192,137	258,838	439,179	442,788	299,542	209.1	3,609	0.8
134 Macon, GA	160,523	173,276	197,552	220,086	241,348	253,268	92,744	57.8	11,920	4.9
135 Madison, WI	357,688	417,083	497,462	522,408	602,973	587,782	230,094	64.3	-15,190	-2.5
136 Manchester, NH	107,047	115,303	146,299	198,254	237,847	219,700	112,653	105.2	-18,147	-7.6
137 Mansfield, OH	367,636	349,888	394,924	412,978	443,963	430,683	63,048	17.1	-13,280	-3.0
138 McAllen--Edinburg--Mission, TX	1,510,195	1,826,431	1,617,131	1,579,743	1,872,870	1,791,764	281,570	18.6	-81,105	-4.3
139 Melbourne--Titusville--Palm Bay, FL	315,249	315,942	310,089	634,964	408,798	538,531	223,281	70.8	129,733	31.7
140 Memphis, TN--AR--MS	2,055,082	2,729,489	4,163,838	3,786,080	3,636,922	3,615,478	1,560,396	75.9	-21,444	-0.6
141 Miami, FL	8,264,304	9,266,746	10,200,815	10,681,236	12,692,289	12,943,363	4,679,059	56.6	251,075	2.0
142 Middlesex--Somerset--Huntdon, NJ	2,840,561	3,035,891	3,448,093	3,628,085	4,385,353	4,879,701	2,039,140	71.8	494,348	11.3
143 Milwaukee--Waukesha, WI	2,337,305	2,913,545	3,506,904	3,717,211	3,837,641	3,570,258	1,232,954	52.8	-267,382	-7.0
144 Minneapolis--St. Paul, MN--WI	9,003,818	8,863,531	11,071,822	12,383,979	12,006,701	11,652,410	2,648,592	29.4	-354,291	-3.0
145 Mobile, AL	356,695	395,276	415,827	459,850	498,716	426,057	69,362	19.4	-72,659	-14.6
146 Modesto, CA	201,050	236,678	279,172	359,601	387,537	378,369	177,319	88.2	-9,167	-2.4
147 Monmouth--Ocean, NJ	373,366	410,213	471,773	478,196	504,839	508,841	135,476	36.3	4,002	0.8
148 Monroe, LA	77,149	107,119	167,801	133,964	101,932	69,262	-7,886	-10.2	-32,669	-32.1
149 Montgomery, AL	157,829	231,009	244,101	192,870	185,518	135,288	-22,540	-14.3	-50,230	-27.1
150 Muncie, IN	64,330	107,404	158,266	137,554	157,616	105,313	40,984	63.7	-52,302	-33.2

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

Metropolitan Statistical Area		(Thousand \$)					1993-98 Changes		1997-98 Changes		
		1993	1994	1995	1996	1997	1998	\$	%	\$	%
151	Naples, FL	55,574	55,985	75,004	75,954	35,031	20,548	-35,026	-63.0	-14,483	-41.3
152	Nashua, NH	290,191	235,398	282,232	291,331	339,817	364,527	74,336	25.6	24,710	7.3
153	Nashville, TN	1,104,101	1,310,492	1,412,348	1,445,492	1,767,089	1,868,718	764,617	69.3	101,630	5.8
154	Nassau--Suffolk, NY	2,803,216	2,866,271	3,558,627	3,680,169	4,208,483	4,438,638	1,635,422	58.3	230,155	5.5
155	New Bedford, MA	141,561	154,503	186,770	165,767	153,427	161,901	20,340	14.4	8,474	5.5
156	New Haven--Meriden, CT	1,035,551	1,075,478	1,106,349	1,012,437	1,179,752	1,200,362	164,812	15.9	20,610	1.7
157	New London--Norwich, CT--RI	136,538	141,454	178,198	157,457	192,130	191,411	54,872	40.2	-719	-0.4
158	New Orleans, LA	2,034,209	2,326,231	3,037,819	3,316,761	2,770,835	2,776,175	741,965	36.5	5,339	0.2
159	New York, NY	28,192,822	23,543,749	27,131,084	27,970,507	29,082,571	26,578,439	-1,614,383	-5.7	-2,504,133	-8.6
160	Newark, NJ	4,287,435	5,205,487	5,640,024	5,044,167	5,201,844	4,866,092	578,657	13.5	-335,752	-6.5
161	Newburgh, NY--PA	382,276	152,835	148,874	153,254	222,140	419,346	37,070	9.7	197,206	88.8
162	Norfolk-Va. Beach-Newport News, VA-NC	677,160	807,674	1,005,516	1,256,850	1,396,907	1,587,335	910,175	134.4	190,428	13.6
163	Oakland, CA	4,181,478	5,113,244	6,372,463	7,309,195	6,920,395	6,263,891	2,082,413	49.8	-656,504	-9.5
164	Odessa--Midland, TX	50,028	68,283	118,157	92,080	99,731	96,487	46,459	92.9	-3,244	-3.3
165	Oklahoma City, OK	478,853	488,563	485,803	483,903	519,966	552,487	73,634	15.4	32,522	6.3
166	Omaha, NE--IA	299,778	393,250	425,917	608,290	691,431	753,747	453,969	151.4	62,316	9.0
167	Orange County, CA	5,653,368	6,715,982	8,041,081	8,309,267	8,798,326	8,198,869	2,545,501	45.0	-599,457	-6.8
168	Orlando, FL	930,364	848,512	968,816	1,218,957	1,662,795	1,477,338	546,975	58.8	-185,457	-11.2
169	Panama City, FL	90,908	121,159	216,486	174,787	221,084	246,749	155,841	171.4	25,664	11.6
170	Parkersburg--Marietta, WV--OH	298,771	313,640	186,564	211,945	262,286	246,616	-52,155	-17.5	-15,670	-6.0
171	Pensacola, FL	38,763	34,048	32,207	36,836	59,842	47,881	9,118	23.5	-11,961	-20.0
172	Philadelphia, PA--NJ	5,869,148	6,545,836	7,896,893	7,727,940	8,027,797	8,397,192	2,528,044	43.1	369,395	4.6
173	Phoenix--Mesa, AZ	4,498,943	5,561,094	6,780,426	7,912,060	11,108,393	8,102,758	3,603,814	80.1	-3,005,635	-27.1
174	Pine Bluff, AR	125,339	152,459	153,662	152,837	139,233	129,708	4,369	3.5	-9,525	-6.8
175	Pittsburgh, PA	2,989,745	3,150,610	3,982,169	3,933,687	4,352,159	4,079,202	1,089,457	36.4	-272,958	-6.3

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

Metropolitan Statistical Area	(Thousand \$)						1993-98 Changes		1997-98 Changes	
	1993	1994	1995	1996	1997	1998	\$	%	\$	%
176 Pittsfield, MA	77,168	112,240	151,883	175,533	219,279	203,587	126,419	163.8	-15,693	-7.2
177 Portland--Vancouver, OR--WA	5,698,522	6,448,827	8,931,312	9,234,315	8,926,454	8,283,280	2,584,758	45.4	-643,174	-7.2
178 Portland, ME	355,191	319,516	373,121	339,152	617,447	755,580	400,389	112.7	138,133	22.4
179 Portsmouth--Rochester, NH--ME	464,982	470,165	553,568	574,770	485,980	555,163	90,181	19.4	69,183	14.2
180 Providence-Fall River-Warwick, RI-MA	1,141,673	1,246,010	1,241,014	1,296,244	1,601,815	1,670,610	528,937	46.3	68,795	4.3
181 Provo--Orem, UT	170,393	200,188	201,586	301,871	360,463	320,369	149,976	88.0	-40,094	-11.1
182 Racine, WI	365,127	403,153	335,106	493,169	991,958	482,501	117,374	32.1	-509,458	-51.4
183 Raleigh--Durham--Chapel Hill, NC	1,620,884	1,758,673	2,093,206	2,609,828	2,713,071	2,665,615	1,044,731	64.5	-47,456	-1.7
184 Reading, PA	300,573	271,606	293,424	326,184	429,540	454,171	153,597	51.1	24,631	5.7
185 Redding, CA	32,253	28,626	40,979	53,002	39,286	31,816	-438	-1.4	-7,470	-19.0
186 Reno, NV	184,087	213,652	368,210	314,589	399,724	384,448	200,361	108.8	-15,276	-3.8
187 Richland--Kennewick--Pasco, WA	220,336	271,567	146,594	228,095	457,909	309,182	88,846	40.3	-148,727	-32.5
188 Richmond--Petersburg, VA	4,012,151	5,260,571	5,389,333	5,609,352	5,571,698	5,396,007	1,383,857	34.5	-175,691	-3.2
189 Riverside--San Bernardino, CA	1,093,799	1,458,850	1,856,457	1,982,060	2,067,878	1,861,225	767,426	70.2	-206,653	-10.0
190 Roanoke, VA	164,042	195,937	231,349	238,327	285,157	436,741	272,699	166.2	151,584	53.2
191 Rochester, MN	53,026	72,680	93,938	92,866	131,825	171,985	118,959	224.3	40,160	30.5
192 Rochester, NY	3,091,529	3,143,662	3,860,521	4,307,694	4,694,459	4,489,782	1,398,253	45.2	-204,677	-4.4
193 Rockford, IL	521,617	616,148	641,363	721,885	758,706	926,475	404,858	77.6	167,769	22.1
194 Sacramento, CA	1,075,601	1,087,947	1,448,342	1,908,648	1,669,522	1,731,873	656,273	61.0	62,351	3.7
195 Saginaw--Bay City--Midland, MI	855,414	776,807	1,035,565	1,254,464	1,654,394	1,557,900	702,486	82.1	-96,494	-5.8
196 Salem, OR	66,294	72,944	111,956	123,013	160,610	138,755	72,461	109.3	-21,854	-13.6
197 Salinas, CA	294,512	321,950	359,860	337,623	393,214	350,484	55,973	19.0	-42,730	-10.9
198 Salt Lake City--Ogden, UT	1,660,879	1,808,673	1,838,151	2,111,534	2,593,603	2,494,809	833,930	50.2	-98,794	-3.8
199 San Antonio, TX	563,928	656,276	771,089	1,049,965	1,342,822	1,640,833	1,076,905	191.0	298,011	22.2
200 San Diego, CA	4,357,749	4,867,278	5,860,940	6,719,405	7,810,003	8,591,625	4,233,876	97.2	781,622	10.0

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

Metropolitan Statistical Area	(Thousand \$)						1993-98 Changes		1997-98 Changes	
	1993	1994	1995	1996	1997	1998	\$	%	\$	%
201 San Francisco, CA	9,264,899	9,303,816	8,133,685	8,560,407	9,978,536	9,123,241	-141,658	-1.5	-855,295	-8.6
202 San Jose, CA	16,171,568	19,942,678	26,822,812	29,331,297	29,057,194	26,111,924	9,940,356	61.5	-2,945,270	-10.1
203 Sta. Barbara--Sta. Maria--Lompoc, CA	424,029	420,154	565,199	647,995	623,344	501,280	77,252	18.2	-122,064	-19.6
204 Santa Cruz--Watsonville, CA	664,332	857,420	1,408,245	1,943,147	2,298,471	1,800,807	1,136,475	171.1	-497,664	-21.7
205 Santa Rosa, CA	409,067	485,151	572,939	681,825	856,330	862,652	453,585	110.9	6,322	0.7
206 Sarasota--Bradenton, FL	186,881	187,364	182,765	180,243	184,778	208,502	21,622	11.6	23,725	12.8
207 Savannah, GA	442,485	423,262	567,521	459,392	633,410	665,684	223,199	50.4	32,274	5.1
208 Scranton--Wilkes-Barre--Hazleton, PA	266,618	328,151	431,874	391,991	442,414	438,238	171,620	64.4	-4,176	-0.9
209 Seattle--Bellevue--Everett, WA	23,815,649	21,752,982	17,815,388	21,391,133	27,005,836	34,003,330	10,187,681	42.8	6,997,493	25.9
210 Sharon, PA	44,057	40,417	60,688	56,909	83,870	81,123	37,066	84.1	-2,747	-3.3
211 Sheboygan, WI	207,104	244,346	258,743	283,284	320,927	316,398	109,294	52.8	-4,529	-1.4
212 Sherman--Denison, TX	34,709	36,149	90,719	147,489	172,401	116,902	82,193	236.8	-55,499	-32.2
213 Shreveport--Bossier City, LA	108,427	134,649	169,130	172,614	180,761	143,305	34,879	32.2	-37,456	-20.7
214 South Bend, IN	179,719	160,344	389,474	494,800	522,082	586,871	407,152	226.5	64,790	12.4
215 Spokane, WA	254,379	269,398	310,892	347,879	445,684	392,689	138,310	54.4	-52,995	-11.9
216 Springfield, IL	23,906	29,804	35,099	35,549	44,371	38,582	14,676	61.4	-5,789	-13.0
217 Springfield, MA	389,756	434,774	512,080	530,286	567,952	442,124	52,367	13.4	-125,828	-22.2
218 Springfield, MO	81,121	103,823	120,178	120,349	141,448	174,408	93,287	115.0	32,960	23.3
219 Stamford--Norwalk, CT	3,366,569	3,452,702	4,937,571	4,424,293	3,387,626	2,778,936	-587,633	-17.5	-608,690	-18.0
220 Stockton--Lodi, CA	287,530	320,347	355,658	357,792	341,576	339,944	52,414	18.2	-1,632	-0.5
221 St. Joseph, MO	36,880	39,198	49,581	94,413	116,366	138,302	101,421	275.0	21,935	18.9
222 St. Louis, MO--IL	3,399,997	3,673,337	3,997,678	4,497,447	4,711,500	4,315,509	915,512	26.9	-395,991	-8.4
223 Syracuse, NY	1,374,087	1,600,940	1,894,295	1,665,452	1,846,740	1,514,849	140,763	10.2	-331,890	-18.0
224 Tacoma, WA	1,115,321	774,869	1,098,921	1,179,693	1,403,801	1,254,287	138,966	12.5	-149,513	-10.7
225 Tallahassee, FL	16,093	18,727	24,235	27,238	32,729	47,605	31,512	195.8	14,876	45.5

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

Metropolitan Statistical Area	(Thousand \$)						1993-98 Changes		1997-98 Changes	
	1993	1994	1995	1996	1997	1998	\$	%	\$	%
226 Tampa--St. Petersburg--Clearwater, FL	1,295,739	1,835,814	2,116,050	1,921,833	2,273,787	2,471,471	1,175,732	90.7	197,684	8.7
227 Terre Haute, IN	67,300	88,796	163,625	253,692	264,698	559,337	492,037	731.1	294,639	111.3
228 Texarkana, TX--Texarkana, AR	26,687	24,643	52,232	64,068	31,379	55,059	28,372	106.3	23,680	75.5
229 Toledo, OH	836,073	986,928	1,177,715	1,207,523	1,261,051	1,056,631	220,558	26.4	-204,420	-16.2
230 Topeka, KS	121,126	125,199	133,011	130,153	140,659	160,251	39,125	32.3	19,592	13.9
231 Trenton, NJ	223,768	237,502	392,472	267,847	343,383	276,918	53,150	23.8	-66,465	-19.4
232 Tucson, AZ	487,123	638,118	671,723	800,052	1,060,526	1,253,420	766,297	157.3	192,894	18.2
233 Tulsa, OK	1,273,004	1,240,953	1,485,149	1,549,608	1,626,410	1,558,061	285,058	22.4	-68,348	-4.2
234 Utica--Rome, NY	188,304	269,316	237,987	277,993	238,793	240,297	51,993	27.6	1,504	0.6
235 Vallejo--Fairfield--Napa, CA	171,715	263,959	238,118	277,981	384,854	398,845	227,131	132.3	13,991	3.6
236 Ventura, CA	640,298	698,678	953,381	967,263	1,128,883	1,192,466	552,167	86.2	63,582	5.6
237 Visalia--Tulare--Porterville, CA	119,559	107,684	120,628	143,732	160,545	178,099	58,540	49.0	17,553	10.9
238 Washington, DC--MD--VA--WV	7,250,600	7,969,303	8,350,435	8,083,517	7,980,732	7,347,782	97,181	1.3	-632,950	-7.9
239 Waterbury, CT	187,546	179,607	207,604	221,590	251,993	258,787	71,241	38.0	6,794	2.7
240 Waterloo--Cedar Falls, IA	102,706	149,661	194,611	200,919	282,797	200,772	98,065	95.5	-82,026	-29.0
241 Wausau, WI	122,465	113,578	117,278	148,856	184,797	158,918	36,453	29.8	-25,879	-14.0
242 West Palm Beach--Boca Raton, FL	764,833	834,284	897,955	955,846	1,156,049	958,964	194,132	25.4	-197,084	-17.0
243 Wheeling, WV--OH	7,365	10,755	9,029	15,125	77,099	99,662	92,297	1253.1	22,563	29.3
244 Wichita Falls, TX	49,571	65,093	80,715	77,030	91,189	105,281	55,710	112.4	14,092	15.5
245 Wichita, KS	1,443,978	1,540,558	1,727,720	1,916,812	2,273,438	1,689,151	245,173	17.0	-584,287	-25.7
246 Williamsport, PA	105,194	123,284	150,363	150,991	182,460	171,219	66,025	62.8	-11,241	-6.2
247 Wilmington--Newark, DE--MD	3,423,784	3,720,373	4,361,106	4,551,096	5,140,642	5,027,356	1,603,571	46.8	-113,287	-2.2
248 Wilmington, NC	147,065	180,669	211,670	301,741	422,892	478,664	331,599	225.5	55,772	13.2
249 Worcester, MA--CT	1,017,883	603,793	757,553	685,676	772,107	745,539	-272,344	-26.8	-26,568	-3.4
250 Yakima, WA	135,845	147,573	168,856	176,029	213,127	256,707	120,862	89.0	43,580	20.4

EXPORT SALES OF U.S. METROPOLITAN AREAS, 1993-98

		(Thousand \$)					#16	1993-98 Changes		1997-98 Changes	
Metropolitan Statistical Area		1993	1994	1995	1996	1997	1998	\$	%	\$	%
251	York, PA	751,821	952,005	973,936	945,100	1,015,403	1,089,079	337,257	44.9	73,676	7.3
252	Youngstown--Warren, OH	189,253	185,275	225,932	223,130	322,969	296,555	107,302	56.7	-26,414	-8.2
253	Yuba City, CA	62,847	61,461	70,525	73,969	78,468	86,433	23,586	37.5	7,964	10.1

Metro Sample Subtotal	369,926,230	412,272,575	467,658,417	494,486,601	541,006,499	536,380,627	166,454,397	45.0	-4,625,873	-0.9
Other Metropolitan Areas	19,963,536	24,124,634	30,744,923	30,793,258	33,363,528	30,397,473	10,433,937	52.3	-2,966,055	-8.9
Non-Metropolitan Areas	25,932,851	29,367,120	34,188,840	36,891,974	41,567,392	40,376,943	14,444,092	55.7	-1,190,450	-2.9
Crossovers	10,146,130	11,085,648	13,376,086	16,339,329	19,942,030	21,602,733	11,456,602	112.9	1,660,703	8.3
Unknown	38,889,608	35,565,632	37,062,258	44,315,900	51,718,549	51,716,473	12,826,865	33.0	-2,076	-0.0
Total U.S. Merchandise Exports	464,858,354	512,415,609	583,030,524	622,827,063	687,597,999	680,474,247	215,615,893	46.4	-7,123,751	-1.0

Note: All figures show sales by exporters of record located in the indicated area. The sales location may or may not coincide with the location of production.

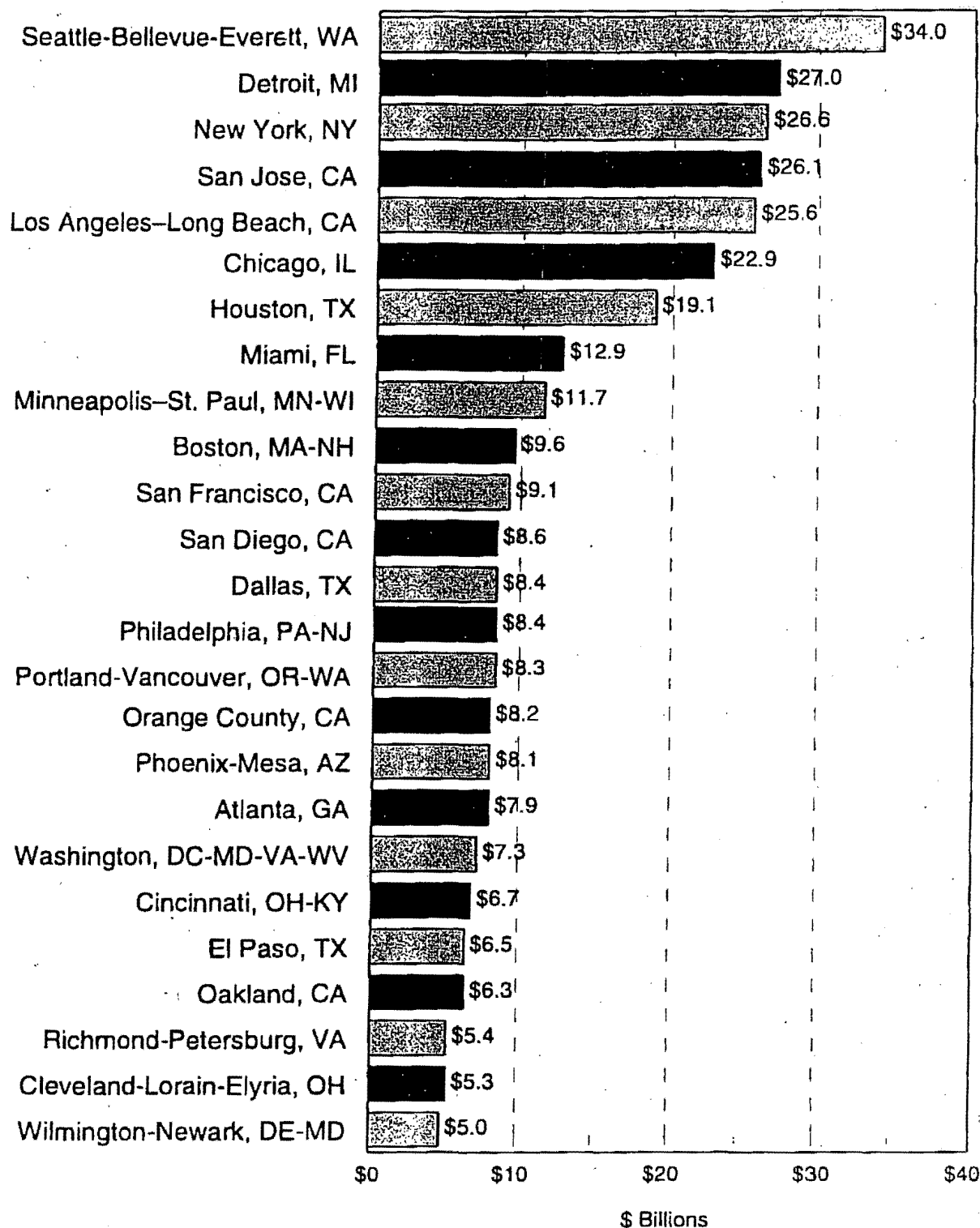
Source: U.S. Census Bureau, Exporter Location Series

Prepared by: Office of Trade and Economic Analysis, International Trade Administration, U.S. Department of Commerce

Top 25 Metro Area Exporters, 1998

Ranked by 1998 Dollar Value

(\$ Billions)

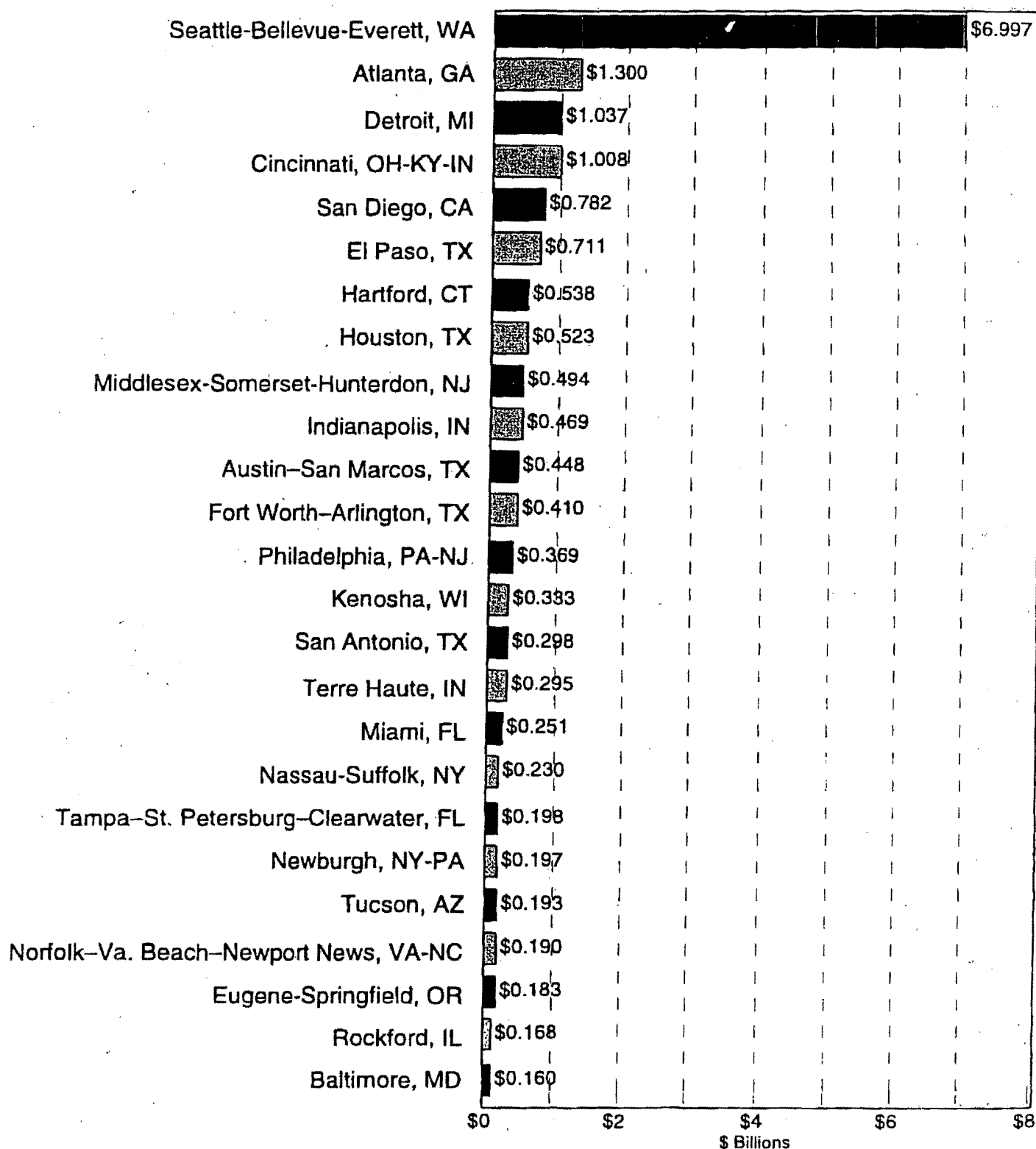


Source: Exporter Location Series, U.S. Census Bureau. Prepared by International Trade Administration, U.S. Department of Commerce.

Greatest Dollar Gains for Metro Areas, 1997-98

Ranked by Growth in Merchandise Export Value

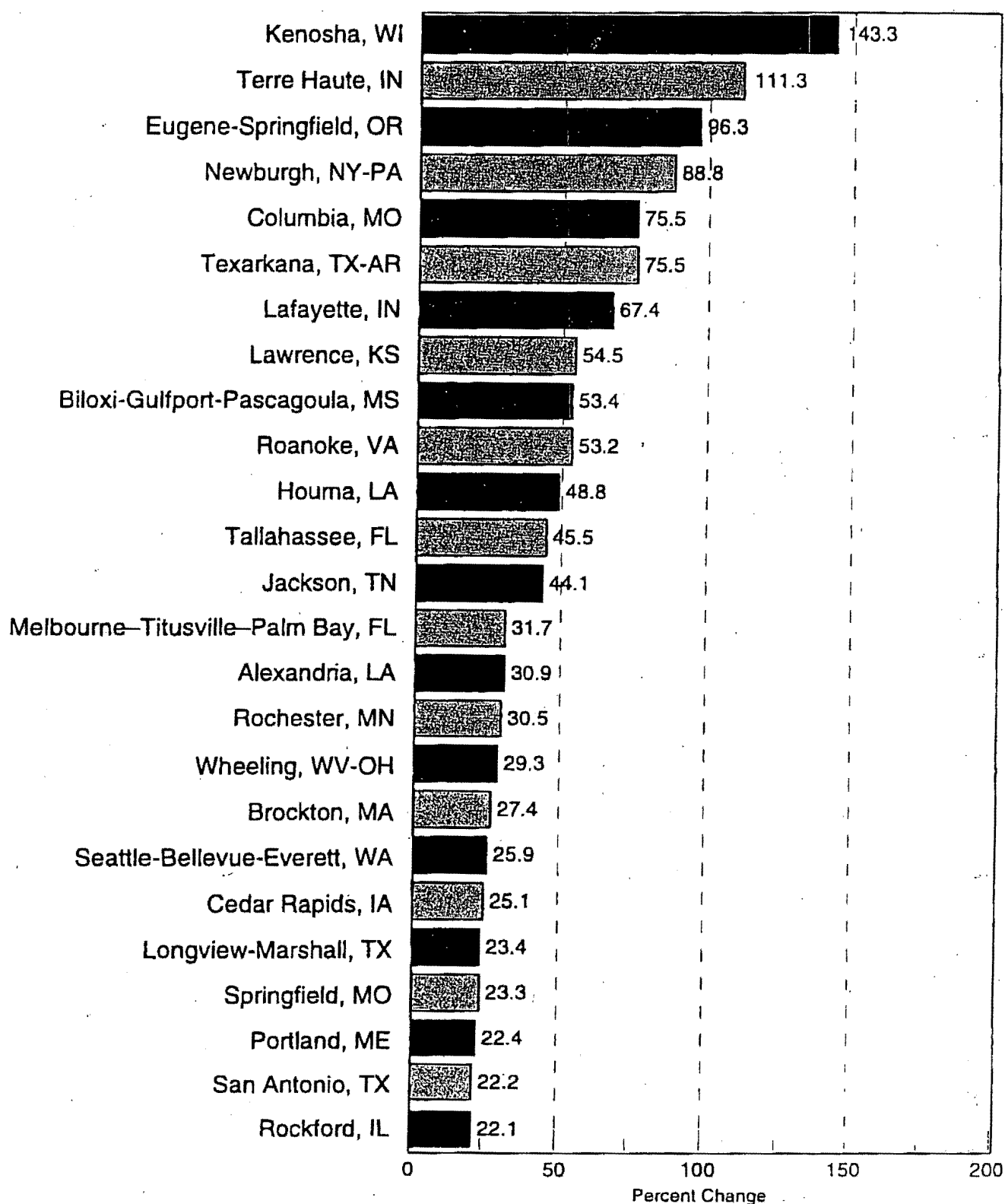
(\$ Billions)



Source: Exporter Location Series, U.S. Census Bureau. Prepared by International Trade Administration, U.S. Department of Commerce.

Fastest-Growing Metro Area Exporters, 1997-98

Ranked by Percentage Growth in Merchandise Exports

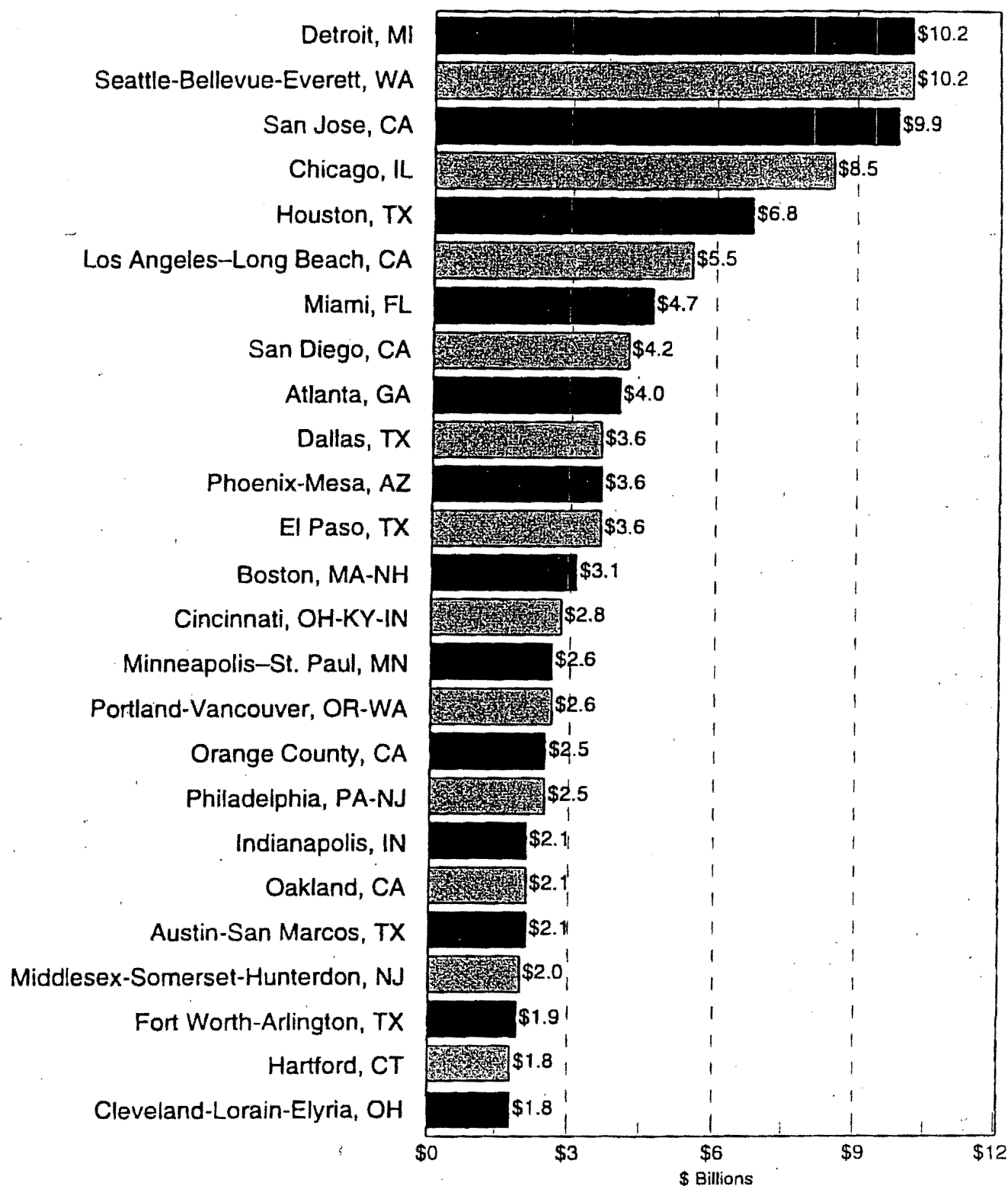


Source: Exporter Location Series, U.S. Census Bureau. Prepared by International Trade Administration, U.S. Department of Commerce.

Greatest Dollar Gains for Metro Areas, 1993-98

Ranked by Growth in Merchandise Export Value

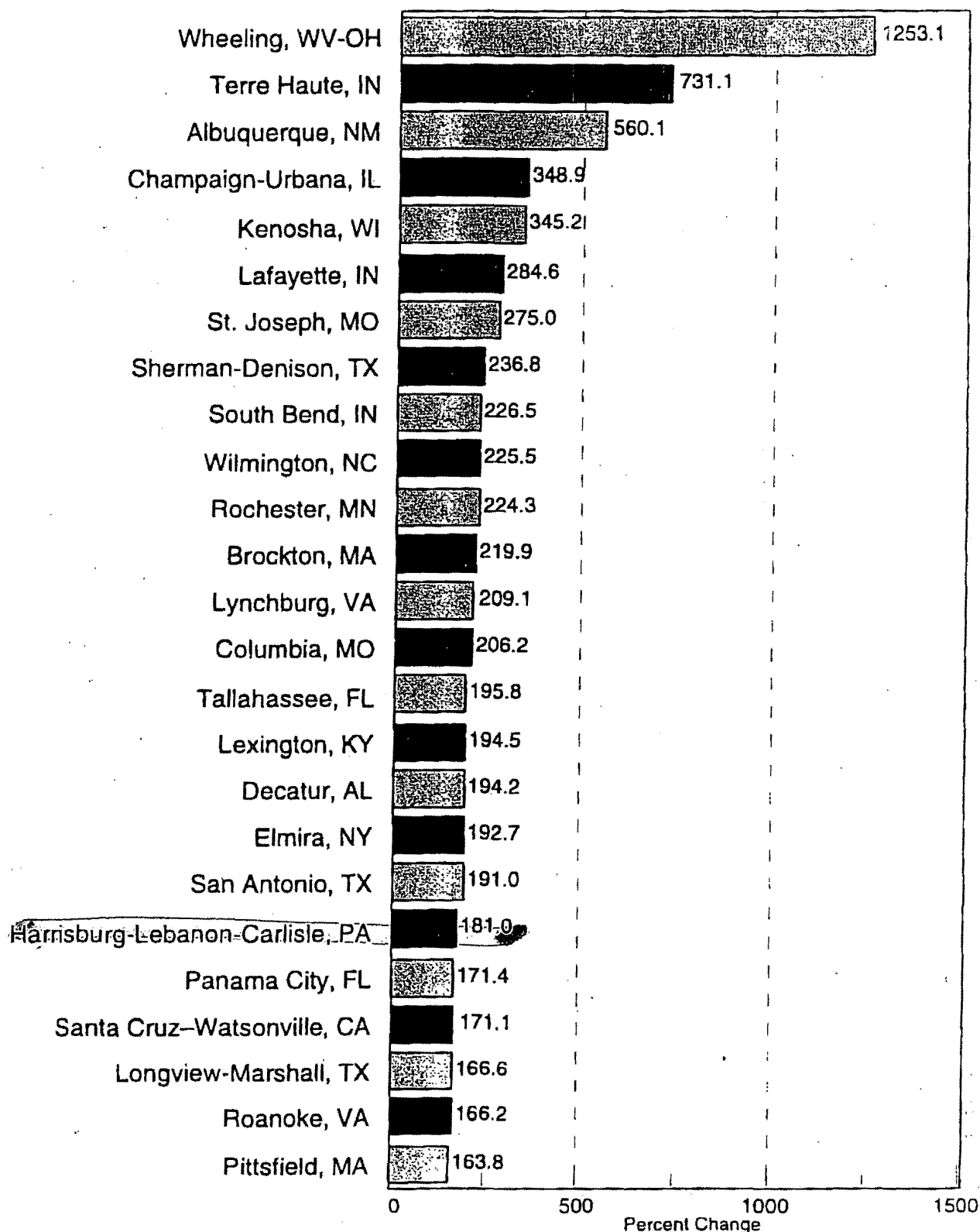
(\$ Billions)



Source: Exporter Location Series, U.S. Census Bureau. Prepared by International Trade Administration, U.S. Department of Commerce.

Fastest-Growing Metro Area Exporters, 1993-98

Ranked by Percentage Growth in Merchandise Exports



Source: Exporter Location Series, U.S. Census Bureau. Prepared by International Trade Administration, U.S. Department of Commerce.