



## **Trump rails against Harley Davidson's decision to flee United States despite his backing**

Boyd Miles

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In early 2018, the motorcycle manufacturer said it would be forced to close a factory in Kansas City and downsize production at a facility in York, Pennsylvania, a move that cut roughly 260 jobs, due to weakening bike sales overseas.

Trump's tweet, sent Tuesday morning, sends a clear message that his administration plans on penalizing companies that shift production as a result of ongoing trade battles between the USA and foreign nations.

The company, which sold almost 40,000 motorcycles in Europe previous year, said it planned to absorb those costs rather than pass them on to customers and risk damaging sales. If they move, watch, it will be the beginning of the end - they surrendered, they quit!

"They'll be, actually, for over there, they're going to try to go around the tariff tax that way", Capra said.

Harley-Davidson says it plans to move production of motorcycles it sells in Europe overseas in response to growing trade friction between the United States and Europe.

Harley-Davidson said tariffs on motorcycles exports have increased by 31%, hiking prices by about \$2,200, on average, per motorcycle.

"I fought hard for them and ultimately they will not pay tariffs selling into the European Union, which has hurt us badly on trade, down United States dollars 151 billion".

"When I had Harley-Davidson officials over to the White House, I chided them about tariffs in other countries, like India, being too high ..."

Trump's sudden feud with Harley - an American manufacturer he feted at the White House just previous year - pitted a company driven by financial calculation against a businessman president who takes a deeply idiosyncratic and emotional view of global commerce.

"The problem isn't that Harley is unpatriotic - it's that tariffs are stupid; they're tax increases on Americans and they don't work", he said.

This is clearly targeted at Milwaukee-based Harley-Davidson, though Indian Motorcycles (and parent company Polaris) will also be impacted. But Trump says that's an excuse and threatened

the company with a "big tax" if they move their plant. Trump blasted Harley-Davidson in remarks Tuesday afternoon, accusing them of using the tariffs as an "excuse".

That company announced in a Securities and Exchange Commission filing Monday that European Union tariffs retaliating against Trump's tariffs will cost the company as much as \$45 million in the second half of 2018 alone. For that very good reason, Harley built a plant in India to produce motorcycles for the Indian market.

The EU's levies are only the latest blowback Harley has faced from Trump's trade policies. "No, it's not surprising at all", said Scott Lincicome, an worldwide trade attorney and an adjunct scholar at the Cato Institute who has been critical of Trump's approach.

In January, Harley-Davidson announced plans to close its Kansas City plant. I fought hard for them and ultimately they will not pay tariffs selling into the European Union, which has hurt us badly on trade, down \$151 Billion. He said they showed the need to modernize the World Trade Organization. During the campaign he often talked about the company and as president he invited Harley executives to the White House.

"We have companies that will lose more jobs here". "Harley-Davidson is a true American icon, one of the greats ..."

Additionally, retaliatory tariffs from the EU, Canada, Mexico, and more make it expensive to get finished goods into those markets.