

WAL-MART

WAL-MART STORES, INC.
CORPORATE OFFICES
BENTONVILLE, ARKANSAS 72716

Sam M. Walton
Chairman and Chief Executive Officer
15011 273-4210

March 14, 1985

Dear

Our country's international balance of trade deficit is a serious problem. I strongly believe the future of Wal-Mart, U.S. Manufacturing and our nation depends upon our ability to jointly correct this problem. Look at the facts:

BETWEEN 1981 AND 1984 --

- an estimated 1,610,000 American JOBS WERE LOST to imports.

In just one year (1983 to 1984) --

- Non-oil related IMPORTS GREW \$70 Billion, an increase of 33%

- The TRADE DEFICIT REACHED \$123.3 Billion, an increase of 78%

Something can and must be done to reverse this very serious threat to our free enterprise system and our great country. Our Wal-Mart Company is firmly committed to the philosophy of buying everything possible from suppliers who manufacture their products in the United States. We are convinced that with proper planning and cooperation between our nation's retail firms, such as Wal-Mart, and our manufacturers, many products can be supplied to us that are comparable, or better, in value and quality to those we have been buying offshore.

Wal-Mart is ready to offer our suppliers and manufacturers in the United States the same advantages we are providing overseas vendors. For example, we can provide our domestic suppliers with longer lead times for placing orders and offer them the same level of cooperation and planning we give overseas vendors. In turn, our American suppliers must commit to improving their facilities and machinery, remain financially conservative and work to fill our requirements, and most importantly, strive to improve employee productivity. Wal-Mart believes our American workers can make the difference, if Management provides the leadership.

In my opinion, products "Crafted With Pride in the USA" can be competitive with products anywhere in the world. Renewed commitments on our part, and on the part of our suppliers, will return production to the USA. We can restore our manufacturing capacity, improve our national economy and renew our pride in American craftsmanship. Many federal, state and local government agencies are ready and willing to assist us and even provide financial aid.

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Wal-Mart has experienced recent success in working with American manufacturers on bringing production back to our shores. For example, three years ago, we imported all of our dress shirts from Taiwan and Korea; this year, 40% will be produced in our 20-state trade territory. Next year, our percentage produced domestically will be much greater. We have made a commitment to a furniture manufacturer in Ft. Smith, Arkansas, which will likely save, not only the plant, but some 50 jobs in this very important trade center for Wal-Mart. Surprisingly, we have also learned we can produce men's flannel shirts on a competitive basis in the United States. We must ~~help American manufacturers survive~~ ~~be~~ ~~the~~ ~~entrepreneurs~~ ~~that~~ ~~fuel~~ ~~our~~ ~~economy~~. We cannot survive as a high tech, service-based economy only.

Our entire management and merchandising staff is committed to this "Buy American" program. If you are interested in working with us or supplying competitive American-made merchandise, we would appreciate your contacting Mr. Al Johnson, Executive Vice President, Merchandise and Operations, or one of our three General Merchandise Managers: Colon Washburn, Dean Sanders, or Bill Fields.

I am asking you for your reactions, suggestions and assistance in the "Buy American" plan. We realize certain lines of merchandise will continue to be bought overseas, and necessarily so. But our goal is to buy quality merchandise at a competitive price from our United States manufacturers. With your cooperation and long range planning, and with patience and determination on both our parts, we can carry out this program successfully.

Working together we can make a difference. Please let us hear from you.

Sincerely,



Sam M. Walton

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