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PACCAR Inc.

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Introduction

The story of PACCAR Inc. is the story of American ingenuity, resilience, and technological leadership, woven through more than a century of rapid industrial transformation. Founded in 1905 amid the burgeoning forests and steel rails of the Pacific Northwest, its humble beginnings as the Seattle Car Manufacturing Company laid the foundation for a business that would adapt and thrive through wars, depressions, and sweeping global change. From the earliest days crafting railway and logging equipment for the region's booming industries, PACCAR has demonstrated a unique ability to reinvent itself and to meet the challenges of successive eras.

Through successive generations of the Pigott family and visionary leadership, the company expanded beyond its roots. Each decade brought new milestones—from vital contributions to victory in World War II to bold acquisitions that propelled PACCAR into the heart of the trucking industry. The purchases of Kenworth and Peterbilt would ultimately chart a new course for PACCAR, positioning it to become one of the world's premier manufacturers of heavy-duty trucks. Strategic forays into international markets, the launch of a finance arm, and continual investment in technical innovation set PACCAR apart as an agile, forward-looking enterprise.

The present-day PACCAR stands as a global technology leader, renowned for the quality and reliability of its trucks under the Kenworth, Peterbilt, and DAF nameplates. With a presence on nearly every continent, the company not only supports a vast network of manufacturing, parts distribution, and innovation centers but also consistently achieves strong financial performance. PACCAR's reputation for product excellence and customer support yields half of its revenues from markets outside the United States, testifying to its status as a true multinational powerhouse.

Crucial to PACCAR's sustained success has been its commitment to innovation. Over decades, the company has invested heavily in research and development, from high-performance diesel engines to advanced electric, hybrid, and autonomous vehicle projects. The establishment of technical and innovation centers, including a footprint in Silicon Valley, reflects a determination to lead—not follow—in a rapidly evolving global landscape. PACCAR's partnerships with customers, dealers, and research organizations have helped it meet new regulatory challenges, raise environmental standards, and anticipate the future of transportation.

But the company's story is about more than markets, engines, or profit margins. PACCAR's longstanding focus on community involvement and corporate responsibility underscores its identity as a business deeply attuned to the well-being of employees and the broader world. Substantial support for education, healthcare, and local

initiatives—both domestically and internationally—reveals a culture where prosperity is measured not just by the bottom line, but by contribution to society.

This book invites you into the world of PACCAR—its enduring legacy, transformative milestones, present achievements, and bold vision for tomorrow. Through twenty-five chapters, we will explore the people, innovations, and values that have defined PACCAR since 1905, and consider how one American company remains at the forefront of a global industry in an era of unprecedented technological and social change.

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CHAPTER ONE: The Origins: William Pigott Sr. and Early Seattle

In the burgeoning landscape of the American Pacific Northwest, where towering forests met a rapidly expanding industrial frontier, the seeds of what would become PACCAR Inc. were sown in 1905. The man with the vision was William Pigott Sr., a seasoned industrialist with a keen eye for opportunity and a sturdy background in the steel industry. Pigott, who had arrived in Seattle in 1895, had already established himself, having previously co-owned a successful steel rolling company in Colorado. He saw Seattle, with its vast natural resources and growing demand for infrastructure, as a potential steel hub, much like the industrial titans of the East.

Pigott's initial foray into the Seattle market was with Railway Steel and Supply Company, which he opened in 1905. This venture wasn't about grand steel mills just yet, but focused on the practical needs of the booming logging industry. The company manufactured horse or oxen-drawn logging trucks - essentially sets of wheels placed under each end of a log to facilitate its transport out of the dense, hilly forests characteristic of the Pacific Northwest. In addition to these specialized logging trucks, Railway Steel and Supply also dealt in rails, railway supplies, pig iron, coke, wire rope, spikes, bolts, and various forms of steel. The firm even became the exclusive Pacific Northwest representative for Climax logging locomotives, known for their ability to navigate the uneven rail beds and steep grades of logging railroads. This combination of rail supply and specialized logging equipment allowed Pigott to carve out a niche in a demanding, but profitable, industry.

The demand for logging equipment proved to be substantial, prompting Pigott to formally establish the Seattle Car Manufacturing Company on February 11, 1905, with an initial capitalization of \$10,000. This new entity essentially absorbed the logging truck and railcar business, inventory, and machinery from Railway Steel and Supply Co. Four months later, a plant was opened at Humphrey (now Youngstown) in West Seattle, on land leased from another of Pigott's enterprises, the Seattle Steel Company. This early period saw Seattle Car Manufacturing Company primarily focused on producing railway and logging equipment, particularly logging-specific railway cars. By 1906, the company was churning out ten cars a day, a testament to the rapid growth of the logging sector and the efficiency of Pigott's operation.

As Seattle Car Manufacturing Company gained traction and orders increased, Pigott recognized the need for expansion. The company's initial capitalization was increased tenfold to \$100,000 in January 1906, allowing for additional machinery and facilities. This allowed the company to broaden its product line beyond just logging equipment

to include a wider variety of wooden railway cars. The growing business soon necessitated another recapitalization to \$250,000. A significant step was the purchase of a 120-acre site near Renton, Washington, in the summer of 1907, where construction began on a new, more modern factory. However, fate, in the form of a massive fire on August 12, 1907, intervened, completely destroying the original Seattle plant and a significant portion of its inventory. Despite this setback, the company, though forced into receivership, managed to survive.

The Renton plant, intended to be the future, quickly became the present. The company began producing rolling stock for mainline railroads there. In 1911, to reflect its expanded product offerings beyond just logging cars, the company officially changed its name to Seattle Car & Foundry Company. This new name signaled a diversification, as the company started building more and more non-logging cars, including box, flat, and gondola cars, as well as cabooses, camp cars, and various types of dumping, push, quarry, and track construction cars. The company also innovated, designing air brakes and open car designs that enhanced worker safety during logging operations. Their refrigerated boxcars also played a role in safer food shipment.

A pivotal moment in the company's early history occurred in 1917. On July 1 of that year, Seattle Car & Foundry Company merged with its only major West Coast competitor, Twohy Brothers of Portland, Oregon. This merger, finalized in late August and becoming official on September 4, 1917, resulted in the formation of the Pacific Car and Foundry Company, a name it would retain for the next 55 years. The combined operations gave the new company plants in both Renton and Portland. The merger immediately paid dividends, as Pacific Car and Foundry secured orders for 2,000 steel boxcars from the United States Railway Administration, which had taken control of American railroads during World War I.

After the war, Pacific Car and Foundry diversified further, though train cars remained a crucial part of its business. The company increasingly focused on manufacturing motor car trailers and steel casings. The company's "Universal Trailer," a two-wheeled trailer pulled by a motor truck, quickly became an industry standard. While the Portland plant specialized in refrigerated cars and train car repair, the Renton plant continued to build a variety of train cars and motor trucks. Pacific Car and Foundry's commitment to high-quality goods and a loyal workforce helped it maintain a strong customer base and a good reputation.

In 1924, William Pigott Sr. made the decision to sell control of Pacific Car and Foundry Company to American Car and Foundry Company, a move that was partly driven by the financial challenges faced by the Twohy brothers. Pacific Car and Foundry operated as a wholly-owned subsidiary, retaining its name. Although initially profitable, the subsequent decline in demand for railroad rolling stock, exacerbated by the onset of the Great Depression, severely impacted the company's earnings.

Employment plummeted from 1,500 in 1923 to a mere 125 by 1934, with irregular work and wage cuts becoming common. The plant itself suffered from a lack of maintenance during these lean years.

However, the Pigott family's involvement with the company was far from over. In a testament to family loyalty and a belief in the company's underlying potential, Paul Pigott, William Pigott Sr.'s son, reacquired a significant interest in Pacific Car and Foundry Company from American Car and Foundry in 1934 for \$50,000. This repurchase, which took place on March 31, 1934, was seen by the Pigott brothers, particularly Paul, as a personal victory. Paul Pigott, who had worked in the business since his boyhood, had never fully reconciled himself to its earlier sale.

Under Paul Pigott's renewed leadership, the company embarked on a path of expansion and innovation, proving the initial skepticism of some bankers, who had questioned buying a "rust pile," unfounded. Pigott immediately initiated the production of refrigerated boxcars, or "reefers." These boxcars, designed to transport perishable goods to distant markets, proved to be highly profitable despite the prevailing economic conditions of the Great Depression. The income generated from these reefers provided sufficient capital for further acquisitions and diversification.

A notable expansion came in 1932 with the introduction of the "Carco" line of power winches. These winches were specifically designed for crawler tractors used in the logging industry, and quickly became a staple in forestry, construction, and pipeline applications. The development of Carco winches was linked to metallurgist Alex Finlayson, who was working for Pacific Car and Foundry and developed "Carco Metal" in 1936. This new metal, with low carbon content but high in manganese, was twice as strong as basic steel and excellent for annealed castings, possessing a degree of elastic strength while remaining lightweight. Carcometal was patented and used in the design of a line of winches, arches, and hoists that offered superior service and extended machine life. The first Carco production model winch, the HS-101, was a groundbreaking innovation, featuring the first fully housed gear train and anti-friction bearings in an oil bath, significantly reducing maintenance and downtime. This product line would later become the foundation for PACCAR's Winch Division.

The approach of World War II brought a new set of demands and opportunities for American industry, and Pacific Car and Foundry was no exception. The Renton plant played a significant role in the war effort, contributing to the manufacturing of 1,500 Sherman tanks by 1945. Pacific Car and Foundry produced 926 M4A1 Sherman tanks between May 1942 and November 1943. The company was the only West Coast manufacturer of Sherman tanks and had the capability to cast almost all the necessary parts in-house. Many of the Sherman tanks produced by Pacific Car and Foundry were utilized as training tanks at various bases in California, while others were deployed to the Pacific Theater. Beyond tanks, Pacific Car and Foundry also produced railcars for the transportation of war materials and manufactured special vehicles and mechanical

components for the war effort. The company even subcontracted for Boeing, building aluminum wing spars for B-17 bombers, and later for B-29s, contributing significantly to aircraft production.

As World War II neared its end, Pacific Car and Foundry made a strategic acquisition that would fundamentally reshape its future. In 1945, the company entered the heavy-duty truck market with the purchase of Kenworth Motor Truck Company of Seattle. Kenworth, founded in Seattle in 1923, had already established a reputation for producing powerful diesel trucks known for their quality and reliability. This acquisition, completed in January 1945, laid the groundwork for PACCAR's eventual focus on truck manufacturing, even though rail cars, logging equipment, steel, and winches remained its primary products at the time.

The company continued its expansion in the heavy-duty truck sector in 1958 with the acquisition of Peterbilt Motors Company. Peterbilt, established in 1939, was a significant competitor to Kenworth, specializing in heavy-duty trucks and buses. This purchase greatly expanded Pacific Car and Foundry's capabilities in the heavy-duty truck market. In the same year, the company diversified into a new market altogether with the acquisition of Dart Truck Company. Dart, based in Kansas City, Missouri, specialized in large "off-highway" construction equipment, including earthmovers and giant dump trucks, primarily for the mining industry. These strategic moves in the mid-20th century, particularly the entry into truck manufacturing, set the stage for Pacific Car and Foundry's transformation from a regional heavy equipment manufacturer to a major player in the global transportation industry. By the late 1950s, Pacific Car was involved in numerous businesses, though it continued to be recognized as a leading builder of refrigerated and insulated railway cars.

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