

MEMORANDUM

October 3, 1990

TO: Senator Dole

FROM: Kathy Ormiston

SUBJECT: Peterbilt Dealers Speech -- October 3

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Time and Place

Westfields Conference Center, Chantilly, VA ((703) 818-0300).  
Dinner will be from 7:30 to 8:30. They would like you to attend  
part of the dinner, if possible, and speak afterwards. (They  
will feed Richard and Wilbert.)

Norm Snow, who does public relations for PACCAR, will greet you  
at the door.

Format and Audience

They would like you to speak for 30 minutes including Q&A. Chuck  
Pigott, the Chairman of Paccar, likely introduce you.

There will be 300 Peterbilt dealers, general managers, and sales  
managers in the audience. Three people will be from Kansas:  
Wendell Doonen (Great Bend), Kenny Doonen (Wichita), and Leon  
Geise (KC).

People you should know: Chuck Pigott, CEO of PACCAR (he would  
like 5 minutes alone with you to discuss campaigns) and Jack  
Mcray, also of PACCAR. Both have done fund raising for you in  
the Northwest.

What They Would Like You to Talk About

Middle East, budget, and issues affecting trucks.

Other Speakers

Malcolm Forbes, Jr., Editor of Forbes, on Friday morning. Other  
speakers are from inside the company.

**WEDNESDAY, OCTOBER 3****Afternoon**

Registration 12:00 p.m.-6:00 p.m.  
Conference Lobby

Dealer Council Meeting 4:30 p.m.  
With All Dealers  
The Lincoln Forum

**Evening**

Reception 6:30 p.m.  
Lower Parking Area

Dinner 7:30 p.m.  
Grand Dominion Ball Room

Welcome  
Roger Howsmon  
General Manager

**THURSDAY, OCTOBER 4****Morning**

Buffet Breakfast 6:30 a.m.  
Fairfax Dining Room

Business Meeting 8:00 a.m.  
Washingtonian Room

Quality and the Customer  
Roger Howsmon

The Chairman's Message  
Chuck Pigott, Chairman  
PACCAR Inc

The Quality Team  
Scott Fowler, Marketing Manager

The Quality System  
Virgil Pound, Assistant General Manager

Break 9:30 a.m.  
Sunset Terrace

Designing in Quality 10:00 a.m.  
Chuck Koske, Division Engineering Manager

Quality Down the Line  
Barry Langridge, Operations Manager

Delivering Quality Service  
Steve Davis, Customer Service Manager

Quality Growth  
Daryl Gorup, Sales Manager  
Canada & Specialty Markets

After the Sale  
Ron Hollyoak, General Manager  
PACCAR Parts

Quality and the Mid-Range Customer  
Ed Caudill, General Manager  
PACCAR Sales North America, Inc.

Lunch 12:00 p.m.  
Fairfax Dining Room

**Afternoon****Recreation****Evening**

Reception 7:00 p.m.  
Lower Parking Area

Dinner 8:00 p.m.  
Grand Dominion Ball Room

The Peterbilt Games 9:30 p.m.  
Washingtonian Room

**FRIDAY, OCTOBER 5****Morning**

Buffet Breakfast 6:30 a.m.  
Fairfax Dining Room

Business Meeting 8:00 a.m.  
Washingtonian Room

Call To Order  
Scott Fowler

Seminars  
Grand Dominion I/II  
A. The Financing and Leasing Perspective  
Ron Morton, President  
PACCAR Financial Corporation  
Jim Shipler, President  
PACCAR Leasing Corporation

**Grand Dominion III/IV**

B. Red Oval Update  
Ray Paradis  
National Used Truck Manager  
Glen Hammer, President,  
WaCA

**Grand Dominion V/VI**

C. Dealership Environmental and Legislative Issues  
Hank Klefer, Vice President  
PACCAR Inc

Seminars 9:00 a.m.

Break 9:50 a.m.  
Grand Dominion Ball Room Conference Lobby

Seminars 10:10 a.m.

Business Meeting 11:00 a.m.

Washingtonian Room  
Malcolm S. Forbes, Jr., Editor-in-Chief  
Forbes Magazine  
Quality Selling  
Milt Foster, General Sales Manager  
Closing Remarks  
Roger Howsmon

Lunch 12:15 p.m.  
Fairfax Dining Room



TALKING POINTS  
PACCAR SPEECH  
CHANTILLY, VA  
OCTOBER 3, 1990

INTRODUCTION

0 GOOD EVENING. IT IS A  
PLEASURE TO BE HERE.  
0 YOU HAVE PICKED AN  
INTERESTING TIME TO COME  
TO WASHINGTON ——THAT IS,

INTERESTING IF YOU LIKE  
CRISIS.

0 ON THE INTERNATIONAL  
FRONT, THE DRAMATIC STEPS  
TAKEN BY PRESIDENT  
GORBACHEV IN THE SOVIET  
UNION TOWARDS FREEDOM  
AND WORLD PEACE HAVE  
UNFORTUNATELY BEEN OVER—  
SHADOWED BY THE BRUTAL

## **INVASION OF KUWAIT BY SADDAM HUSSEIN.**

**0 ON THE DOMESTIC FRONT, WE  
HAVE HAD ANOTHER WAR  
THAT IN MY OPINION HAS  
BEEN JUST AS DISRUPTIVE TO  
THE SECURITY OF AMERICA. I  
AM OF COURSE REFERRING TO  
THE BUDGET CRISIS THAT HAS  
PARALYZED CONGRESS, AND**



FOR MONTHS HAS THREATENED  
TO PARALYZE THE FEDERAL  
GOVERNMENT AND THE  
COUNTRY.

THE SUMMIT

0 AFTER FOUR LONG AND  
DIFFICULT MONTHS OF  
NEGOTIATIONS, THE BUDGET  
SUMMITEERS HAVE REACHED  
AN AGREEMENT. A LOT OF

YOU MAY BE ASKING WHAT  
TOOK US SO LONG? WELL,  
LET ME TELL YOU THAT ONE—  
HALF TRILLION DOLLARS  
WORTH OF REAL —— NOT  
SMOKE AND MIRRORS ——  
CUTS ADDS UP TO A LOT OF  
MONEY AND A LOT OF  
TOUGH DECISIONS.

O IT IS NOT A PRETTY  
PACKAGE. IF YOU SMOKE,  
DRINK OR DRIVE, YOU ARE  
GOING TO PAY MORE TAXES.

O ENTITLEMENT PROGRAMS,  
PARTICULARLY MEDICARE,  
FACE A SUBSTANTIAL HIT.  
BUT, WE DID NOT, AND I



REPEAT, DID NOT TOUCH  
SOCIAL SECURITY.

0 NO MEMBER OF THE BUDGET  
SUMMIT IS COMPLETELY HAPPY  
ABOUT THIS PLAN, BUT MOST  
OF US ARE IN AGREEMENT  
THAT THE ALTERNATIVE IS  
WORSE: A 32 1/2 PERCENT  
ACROSS—THE—BOARD CUT IN  
GOVERNMENT SPENDING,

OUT—OF—CONTROL INFLATION,  
SOARING INTEREST RATES,  
AND RECESSION.

TAXES

O I THINK THE PRESIDENT AND  
ALL REPUBLICANS CAN BE  
PROUD THAT WE HELD THE  
LINE ON INCREASING TAX  
RATES.

0 ALTHOUGH WE DIDN'T GET  
CAPITAL GAINS CUT, THE TAX  
PORTION OF THE PACKAGE  
CONTAINS A NUMBER OF  
PRO—GROWTH PROVISIONS,  
INCLUDING A 25 PERCENT  
DISCOUNT ON STOCK  
PURCHASES OF SMALL  
BUSINESSES, AN INDEXING  
PROVISION FOR SMALL



BUSINESS STOCK — A  
MODIFIED CAPITAL GAINS CUT  
—, AS WELL AS CREDITS  
FOR ENTERPRISE ZONES AND  
ENERGY INCENTIVES.

### GAS TAX

0 FOR A LOT OF YOU HERE THE  
5 CENTS A GALLON MOTOR  
FUELS TAX WILL BE ONE THE  
HARDEST PARTS OF THIS

PACKAGE TO SWALLOW.  
UNFORTUNATELY, THE MEDIA  
HAS FAILED TO HIGHLIGHT  
THAT HALF OF THE MONEY  
RAISED FROM THIS TAX WILL  
BE SET ASIDE FOR THE  
HIGHWAY TRUST FUND. THIS  
INCREASE WILL DIRECTLY  
TRANSLATE INTO SIGNIFICANT

## INFRASTRUCTURE IMPROVEMENTS.

### ENTITLEMENTS

0 ALTHOUGH IT IS ALWAYS  
DIFFICULT TO MAKE CUTS IN  
PROGRAMS THAT BENEFIT THE  
ELDERLY, I THINK THE TIME  
HAS COME FOR US TO GET  
MEDICARE COSTS UNDER  
CONTROL. SINCE 1975,



MEDICARE COSTS HAVE  
DOUBLE EVERY FIVE YEARS. IF  
THIS GROWTH CONTINUES AT  
THE SAME RATE, WE'LL BE  
SPENDING MORE FOR  
MEDICARE THAN FOR DEFENSE  
AND SOCIAL SECURITY  
COMBINED.

0 ALTHOUGH MEDICARE CUTS  
DID END UP ACCOUNTING FOR

HALF THE CUTS IN ENTITLEMENT  
PROGRAMS, I THINK MOST OF  
YOU WILL BE SURPRISED TO  
HEAR HOW REASONABLE THE  
HITS ARE ON INDIVIDUAL  
SENIORS.

0 THE TWO MAIN BENEFICIARY  
CHANGES ARE 1) THE PART B  
PREMIUM FOR DOCTORS  
SERVICES WILL INCREASE

FROM \$28.60 TO 33.50 IN  
1991 — AN INCREASE OF  
\$3.60 AND 2) THE  
DEDUCTIBLES FOR PHYSICIAN  
SERVICES WILL RISE FROM \$75  
TO \$100 IN 1991 — AN  
INCREASE OF \$25. FOR THE  
ELDERLY WHO ARE TRULY  
UNABLE TO PAY FOR THESE



MODEST INCREASES, MEDICAID  
WILL PICK UP THE TAB.

0 AS A SENATOR FROM AN  
AGRICULTURAL STATE, THE  
FARM CUTS WERE THE MOST  
DIFFICULT PART OF THE  
ENTITLEMENT CUTS. STILL, I  
THINK MOST FARMERS  
UNDERSTAND THAT THEY WILL  
BENEFIT A LOT MORE FROM A

1 PERCENT CUT IN INFLATION  
AND A 1 PERCENT CUT IN  
INTEREST RATES THAN A 1  
PERCENT INCREASE IN TARGET  
PRICES.

PASSING THE AGREEMENT

0 NOW COMES THE TOUGH  
PART, GETTING THE VOTES TO  
PASS THIS AGREEMENT. THE  
EASIEST COURSE FOR

MEMBERS WILL BE TO FIND  
SOMETHING THEY DON'T LIKE  
AND USE THAT AS AN EXCUSE  
NOT TO VOTE FOR THE  
PACKAGE. AND BELIEVE ME,  
THERE HAVE BEEN A LOT OF  
PEOPLE — INCLUDING SOME  
SO—CALLED LEADERS —  
JUMPING ON THAT  
BANDWAGON.



O I HOPE, HOWEVER, THAT MOST  
MEMBERS WILL HOLD THEIR  
FIRE LONG ENOUGH TO FIND  
OUT WHAT IS IN THE  
PACKAGE. THEY MAY NOT  
LIKE IT ANY BETTER, BUT AT  
LEAST THEY WILL REALIZE THAT  
IT'S FAIR, IT'S TOUGH AND  
IT'S REAL.

0 BEFORE MOVING ON TO THE  
MIDDLE EAST LET ME ADD  
ONE MORE POINT. THE  
POLITICIANS WHO ARE  
GRIPING THE LOUDEST ABOUT  
THIS BUDGET PLAN, WERE THE  
QUIETEST ONES IN THE ROOM  
WHEN IT WAS TIME TO PUT  
BUDGET REDUCTION OPTIONS  
ON THE TABLE. I WON'T

NAME NAMES HERE, BUT I  
THINK YOU KNOW WHO I AM  
TALKING ABOUT.

SADDAM'S NAKED AGGRESSION

0 WHEN I WAS IN THE MIDDLE  
EAST ABOUT FIVE MONTHS  
AGO ON A BIPARTISAN  
DELEGATION OF SENATORS,  
WE MET WITH SADDAM TO  
EXPLORE IF THERE WAS ANY



CHANCE TO IMPROVE  
RELATIONS WITH HIS REGIME.

0 DURING OUR MEETINGS, WE  
HEARD A LITTLE 'SERMON  
FROM SADDAM,' ON WHAT  
CONSTITUTED WHAT HE  
CALLED 'REAL GREATNESS' IN  
THE MODERN WORLD. SUCH  
'GREATNESS,' HE TOLD US,  
STEMMED NOT FROM MILITARY

POWER, BUT THE FORCE OF  
MORALITY.

0 HE SAID TO US, AND THIS IS  
A QUOTE: 'WHERE A PERSON  
IS JUST IN HIS POSITION, HE IS  
THE MIGHTIER ONE. . . .  
WHERE HE PARTAKES IN  
ATTAINING PEACE, NOT FOR  
HIMSELF BUT FOR MANKIND AS

A WHOLE, HE IS THE  
MIGHTIER.'

O THESE ARE NICE WORDS BUT  
ARE NOT VERY CONSOLING  
WHEN THE DICTATOR'S BRUTAL  
ACTIONS AND RECKLESS  
STATEMENTS HAVE SHOWN  
HIM CAPABLE OF  
ANYTHING —— AND I MEAN  
ANYTHING.



0 HE HAS, WITHOUT  
PROVOCATION, INVADED A  
FRIENDLY ARAB NEIGHBOR.  
0 HE IS SYSTEMATICALLY  
DESTROYING THAT COUNTRY  
BY MURDERING AND  
TERRORIZING ITS PEOPLE AND  
STEALING ITS PROPERTY.  
0 HE HAS TAKEN FOREIGN  
CITIZENS HOSTAGE —— MEN,

WOMEN, AND CHILDREN  
WHICH HE SAYS HE WILL USE  
AS HUMAN SHIELDS.

0 AND HE HAS THREATENED AN  
ALL OUT WAR AGAINST THE  
WORLD INCLUDING MASSIVE  
TERRORIST ACTIVITIES.

LONG—TERM COMMITMENT

0 THIS IS THE GREATEST  
CHALLENGE THAT PRESIDENT

BUSH HAS FACED SINCE HE  
TOOK OFFICE, AND HIS  
ACTIONS HAVE BEEN SWIFT,  
DECISIVE, AND EFFECTIVE.

0 THE PRESIDENT HAS MADE  
CLEAR THAT SADDAM HUSSEIN  
WILL NOT GET AWAY WITH  
HIS BLOODY GAMBLE; THAT  
AMERICA'S FRIENDS IN THE  
REGION ARE NOT GOING TO



BE OVERRUN; AND THAT  
AMERICA'S VITAL INTERESTS —  
— SECURITY AND ECONOMIC  
INTERESTS — ARE GOING TO  
BE PROTECTED.

O WE ALL KNOW THAT OUR  
EFFORT WON'T BE EASY. WE  
HAVE MADE AN IMPORTANT  
COMMITMENT THAT WON'T BE  
WITHOUT COST AND MAY

NOT BE RESOLVED QUICKLY.  
0 BUT OUR PURPOSE IS RIGHT,  
AND WE HAVE TO BE  
PREPARED TO DO WHATEVER  
WE HAVE TO, TO GET THE  
JOB DONE.

INTERNATIONAL EFFORT

0 BUT I WANT TO MAKE ONE  
POINT PERFECTLY CLEAR.  
WHILE THE UNITED STATES WAS

THE ONLY COUNTRY IN A  
POSITION TO REACT QUICKLY  
TO HOLD THE LINE ON  
SADDAM'S WAR MACHINE, THE  
EFFORT CAN NOT AND  
SHOULD NOT BE MAINTAINED  
BY AMERICA ALONE.

0 THE U.N. HAS BEEN AN  
EFFECTIVE FORUM FOR  
IMPLEMENTING THE



**INTERNATIONAL CONSENSUS  
THAT IRAQ SHOULD BE CUT  
OFF FROM THE WORLD. THE  
SANCTION ADOPTED LAST  
WEEK BANNING AIR TRAVEL  
TIGHTENS THE NOOSE AROUND  
IRAQ ONE NOTCH FURTHER.  
O I AM PLEASED WITH THE  
CONTRIBUTIONS OF TROOPS,  
SHIPS, SUPPLIES, AND**

FINANCIAL RESOURCES THAT  
MANY NATIONS HAVE MADE  
TO THE INTERNATIONAL  
EFFORT.

0 WHILE NATIONS LIKE KUWAIT  
AND SAUDI ARABIA HAVE  
MADE SUBSTANTIAL FINANCIAL  
PLEDGES, AND WHILE JAPAN'S  
OVERDUE COMMITMENT OF  
AROUND \$4 BILLION IS A

GOOD START, OTHER  
COUNTRIES LIKE WEST  
GERMANY —— WHICH I MIGHT  
ADD IS WILLING TO PAY THE  
SOVIETS AROUND \$8 BILLION  
TO GET OUT OF EAST  
GERMANY —— COULD DO  
MORE AND NEED TO OPEN  
THEIR WALLET A LITTLE  
FURTHER. THERE ARE NO 'FREE



LUNCHES' HERE AND THE  
BENEFITS OF THIS EFFORT —  
— PEACE AND ECONOMIC  
SECURITY —— INURE TO  
EVERYONE.

DON'T GUT DEFENSE

0 JUST A FEW DAYS BEFORE  
SADDAM'S TROOPS AND  
TANKS ROLLED INTO KUWAIT,  
A MISGUIDED MAJORITY OF

LIBERAL SENATORS DECIDED  
THAT WITH THE END OF THE  
COLD WAR, AGGRESSION  
WAS OVER AND AMERICA  
COULD LIVE WITH A  
SECOND—RATE DEFENSE. THEY  
VOTED NOT SIMPLY TO 'CUT,'  
BUT TO RECKLESSLY 'GUT,'  
AMERICA'S DEFENSE.

O MAYBE SADDAM DID US A  
FAVOR BY JARRING THE  
MEMORY OF THESE LIBERAL  
SENATORS WITH THE TIME—  
TESTED TRUTH THAT FREEDOM  
AND SECURITY SHOULD NOT  
BE TAKEN FOR GRANTED AND  
ARE NEVER CHEAP.



**O I THINK WE HAVE LEARNED  
THAT IT IS A LITTLE  
PREMATURE TO BE SPENDING  
A PEACE DIVIDEND WHEN  
WE'RE DEPLOYING THOUSANDS  
OF TROOPS TO SAUDI  
ARABIA.**

## FLOOR QUESTIONS

0 IF TIME ALLOWS, YOU MAY  
WANT TO TALK ABOUT SOME  
OF THE ISSUES I HAVE RAISED  
— OR OTHERS — AND I'D  
BE HAPPY TO RESPOND TO  
YOUR QUESTIONS.