

The Rise and Fall

This past summer I was visiting with Harold Daniels, a man who lives in my area. Like usual we got talking about International Harvester, and Tenneco was brought up. Harold said he knew the man that started Tenneco from his many years with Glidden Paint Company. He said he sold Mr. Symonds (president of Tennessee Gas Transmission Company) the paint to put up their new logo "Tenneco". So with a lot of information from Mr. Daniels and the help of the Internet I came up with the following information.

Mr. Gardiner Symonds, who was born in 1903, received a degree in geology from Stanford University and then graduated number one in the very first graduating class of Harvard Graduate School of Business in 1927. Mr. Daniels said that Mr. Symonds was a member of the Chicago Corporation (a wealthy group of investors involved in several large businesses) in 1943 when their Tennessee division built a natural-gas pipeline from Texas to West Virginia, a government contract. When the Chicago Corporation wanted to get rid of this pipeline in 1947, Mr. Symonds got a group of investors and started Tennessee Gas & Transmission Company.

With Mr. Symonds as president, Tennessee Gas & Transmission Company invested in more natural gas lines and oil pipelines, Newport News (ship building company that did work for the Navy on nuclear submarines), automotive equipment, chemicals, and many more things that I didn't get to research. The automotive equipment included Walker muffler and Monroe shocks to name a few. They owned Bay petroleum, Speed petroleum, and Big and Little pipeline. In the early 1960's they owned the tallest building in Houston, Texas at 33 stories high. In 1966 they changed their name to Tenneco Inc. I had no idea that the Tenneco name came from the word Tennessee. I thought it was a true Texas company

In 1967 Tenneco decided to get involved in farming. They bought Kern County Land Company in California. With this purchase of a million acres of prime farm ground came J. I. Case that was owned by Kern County Land Company. Also in the deal was agricultural chemicals, Heggblade-Marguleas (a leading farm management firm), and the Packaging Corporation of America.

The next two paragraphs were taken from The New Republic magazine in 1971 by Peter Barnes. "Tenneco makes money out of its landholdings from all directions. First, of course, are the tax-privileged revenues from oil and gas that lie beneath the surface.

Then there is land development, the ultimate stage in the speculative game. Tenneco has half a dozen major developments planned or underway in California. One is the Pine Mountain Club, community in Los Padres National Forest, about an hour's drive from Los Angeles. Another 6000-acre development on the outskirts of Bakersfield will include an industrial park, a shopping center, a golf course and a retirement community. One of the company's cleverest gambits was to donate 370 acres near Bakersfield for a new state college. (Lands for UCLA and the University of California at Irvine were similarly donated by large landholders.) According to Simon Askin, executive vice-president of Tenneco, the college enhances the value of an additional 6500 acres of company land.

It is Tenneco's multi-faceted agribusiness operations, however, that cast the longest shadow over the small farmer's future. Tenneco's aim, says Askin, is to accomplish integration from the seedling to the supermarket. The company is already far advanced along that road. It grows, on magnificently irrigated former Kern County Land Company farmlands, an enormous diversity of crops, including corn, potatoes, barley, sugar beets, cotton, almonds, grapes, oranges, lemons, peaches, pears and plums. For capital inputs it has its own agricultural chemicals and farm machinery. For processing and packaging it has a huge new plant near Bakersfield, more than six times as large as a football field. It is currently testing a brand name identification program which, it hopes, will make the Tenneco Sun Giant label a household word in foods. In 1971 Tenneco received \$1.5 million in government payments for reduced crop production."

In 1968 Tenneco acquired two new divisions, Drott Manufacturing of Wausau, Wisconsin and Davis Manufacturing of Wichita, Kansas. By 1969 Tenneco had acquired 91 percent of Case common stock. Acquired in 1972 was David Brown a tractor of England. Through the 1970's everything was booming and in 1979 Case made an engineering agreement with Cummins Engine Co. to design a new line of advanced fuel-efficient diesel engines. In 1980 Case and Cummins Engine Co. announced their major joint venture, Consolidated Diesel Company in Rocky Mount, North Carolina. Sales were low in the early 1980's for them and most agricultural equipment manufactories. Announced in November 1984 and approved by the U.S. Justice Department in early 1985 was the acquisition of International Harvester agricultural equipment operations. In 1986 Tenneco purchased International Harvester Australia Ltd. and International Harvester Credit Corp. Also in 1986 Tenneco acquired Steiger Tractor Inc. of Fargo, North Dakota. 1987 brought Case a \$253 million loss when they sold their 94 Series Tractors 2 for 1 price. In 1988 Tenneco sold off its considerable petroleum and natural-gas-producing properties in order to concentrate on its diversified industrial operations. After more bad years in the early 1990's Tenneco announced in 1994 that it would offer 56% of Case through an initial public offering and allow Case to become a publicly held company. In 1995 Tenneco sold another 23% of Case. Tenneco stockholders received no Case stock from this transaction.

According to Mr. Daniels Tenneco changed chairman's several times after Mr. Symonds passed away in 1971. Each time they seemed to lose more of their power. Tenneco at one time was #5 on the Fortune 500 list. Some feel leadership did the same

thing to International Harvester. Sometime in the late 1980's and early 1990's Tenneco sold Kern County California business probably by liquidation because of all their Case debt. Effective December 12, 1996 El Paso Natural Gas Company bought the remaining Tenneco gas holdings and Newport News Shipbuilding once again became its own company. After checking the Fortune 500 list for 1998 I found Tenneco at #254 and guess what, Navistar (International) was at #292. Since Tenneco has split up it's last two remaining companies (automotive and packaging) it was not found on the Fortune 500 list for 2000 but International (old International Harvester and Navistar) has moved up to #189. To me it's really interesting to see how one day a company is so powerful and the next day nothing. Mr. Gardiner Symonds of Tenneco was like Mr. Alexander Legge of International Harvester, a true leader. My thanks to Mr. Harold Daniels for his information on this subject.

Darrell Darst



FIRST RED TRACTOR ROLLS OFF FARGO LINE

A federal bankruptcy judge has dismissed the Steiger Chapter 11 reorganization case, clearing the way for Tenneco to begin paying Steiger's debts and consolidating the operations with Case IH.

The first Case IH "red" tractor rolled off the assembly line at the Fargo plant on December 16. The plant will continue shipping red and green tractors for an indefinite period of time.