

2017 Membership Dues are Due!

PO BOX 2103 Branchville NJ 07826-2103

# International Harvester Corporation



In 1902, J. P. Morgan (the financier) brokered and merged the *McCormick Harvesting Machine Company (founded 1847), the Deering Harvester Company (founded 1874),* with the *Milwaukee Harvester Company, Plano Manufacturing Company* and Warder, *Bushnell & Glessner Company* and created the *International Harvester Company* of Chicago Illinois. The new company was capitalized at \$120 million and instantly became the dominant player in the American "towed" harvester and binder market and, as its name suggested, played an important role in world markets as well. International Harvester was in essences a "TRUST", an Industrial Monopoly, controlling 85% of the agricultural equipment

market. As such, it eliminated competition, restrained trade, raised prices (and profits) and was in violation of the Sherman Anti-Trust Law. And, as with many large TRUSTS of the time, it was only given a slap-on-the-wrist by the US government.



During the early years of the twentieth century the company moved away from animal-powered equipment and toward motorized vehicles.. By 1910, when IH grossed

about \$100 million in annual sales, it had over 17,000 workers in the Chicago area, making it the leading employer in the region. By that time, IH had established its own steel mill on the city's far South Side, which it named Wisconsin Steel, as well as manufacturing plants in Sweden, Russia, and Germany and had added a line of trucks to the harvesters it was selling. In 1907 it had introduced the "Auto Buggy, basically a light truck intended for farm use and upgraded to the Auto Wagon in 1909. Initially, the Auto Wagon was only a side-line, but it would put the company on a path to becoming the nation's leading manufacturer of heavy trucks. Also during

Farmall's tricycle front end became the dominant tractor design in the United States from the 1930s through the 1950s. this period, farm tractors were evolving away from steam traction engine-sized monsters and toward smaller, lighter, more affordable machines...powered by the "new" internal combustion engine. These tractors were aimed at the small to medium farmer and led by the Ford Motor Company's general-purpose Fordson Tractor.

IH had been manufacturing a *motor cultivator*, which was simply a modified horse-drawn cultivator with an engine added for self-propulsion. In 1908 IH

began building general purpose farm tractors and marketing them under the brand names; Mogul, Titian, McCormick, McCormick-Deering and International. However their big breakthrough came in the early 1920s when they combined motorized cultivating with the other tasks of a general-purpose tractor (tractive power & belt work) to create the **Farmall**, a general-purpose tractor tailored to cultivating and they had essentially "invented" the

"row-crop tractor". In the late 1920s they simultaneously drove *Ford* out of the American tractor business and introduced their first track type tractor. The crawler was branded the *McCor-mick-Deering 10-20*...a modified tracked version of the Model 10-20 wheel tractor, aimed at the Ag market and carrying the trade name *TracTracTor*. The 1920s were financially the best years of the company's history.

During the Depression of the 1930's, IH maintained their leadership position in the AG equipment market, but *Allis Chalmers* and *Deere* gained market share at their expense. In the late 30s IH began to build heavier "integral design" crawlers and "timidly" entered the industrial and earthmoving markets.



By the 1940s they were one of Americas largest and most respected corporations, an institution on most farms...producing everything from tractors to milking machines...and with Blue Chip stocks that were considered as secure as government bonds. IH produced 122,000 trucks for the United States during WWII, and half-tracks, tank transporters, gun carriages, torpedoes, ammunition and various components for tanks etc. A limited amount of their crawlers went to war, but none of their AG equipment. Like many other patriotic manufacturers, they worked for limited profit (soon to become an IH standard) and very little of their war-time R&D would benefit them following the war!

Post WWII the company began to diversify, and some would say "lost its focus". They formerly entered the earthmoving industry....and unfortunately the consumer refrigeration and air-conditioning businesses (a failure that siphoned off large amounts of money). They also continued to produce their own steel thru the now highly "inefficient" *Wisconsin Steel Division*. In a management switch, the McCormick family stepped down and the company became a non-family run business...to its detriment. The 1947 37,500 lb. TD-24 crawler was *Internationals* answer to the *Caterpillar* D-8. It was

to be their banner product in the earthmoving market, but had a highly innovative and much ballyhooed planetary steering system that failed...causing high warranty and buy-back costs. Worse, it gave them a bad name that traveled thru their complete product line of trucks, Ag equipment and earthmoving equipment. Also, as R&D \$ shrunk, they became more dependent on auxiliary manufacturers to produce components and end-product. The earthmoving division, which was to be their shining star, became the corporate weak-link and began to drag the entire corporation down. During the 1950s, when annual sales passed \$1 billion, *John Deere* surpassed IH as the nation's leading maker of agricultural equipment. Worse yet, all divisions costs were higher than their competitors and IH was "not" the low-cost producer of "any" product.

By the 1970's corporate sales had reached \$5.25 billion, but profits had stagnated...the company was struggling and finally sold off *Wisconsin Steel*, dropped out of the automotive (Travelall & Scout) & light truck market, dumped their profitable but ill-fated gas-turbine operation on *Caterpillar* and then endured a much deserved five-month UAW strike from 1979 to 1980. By the early 1980s, the company was losing huge amounts of money, the nation had joined a major global recession, double-digit inflation and interest rates choked the highly leveraged agricultural industry, the government shut down the lucrative grain shipments to Russia (retaliation against the invasion of Afghanistan) and in 1985 IH chose to sell its farm equipment division (as well as the International Harvester name) to *Tenneco Inc. (J I Case).* The Lawn & Garden division was sold to *MTD Products* and its fragmented construction equipment division was sold to *Dresser industries.* The lone surviving division, the truck business, was "reorganized" into *Navistar International Corporation* and continues today!

After 150+ years of operation and 50 years of poor management, low to no profitability, complacency and wrong-headed policies and decisions...*International Harvester Corporation* is ONLY A MEMORY!. Interestingly: as IH died a slow death in the 1980's, they became the 1st manufacturer to install a computer in an AG tractor!

	NJAE&MC - Upcoming Events
	Next meeting
	March 9, 2017 at the Administration Building, 7PM
Military Tran	sport Association Spring Swap Meet & Military Vehicle Show
-	April 22 and 23, 2017
	Plow Day
	April & May 2017, actual dates not confirmed
	New Jersey State Fair
	August 4 thru 13 2017

## Please patronize the local businesses that contributed to our club this past year. They are all right here in Sussex County and live in the community.

#### Tire King

Charley and Dan Kuperus at Tire King in Sussex, offer fast, professional, friendly service at the lowest prices east of the Delaware. Mention that you own an Oliver, like Oliver's or have seen one recently and you are treated like family. Tire King is more than just tires and offers a full range of services for your car, truck or tractor. Phone: 973- 875-5950

#### Ideal Farms

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#### The Plaza Barber Shop

Lenny Vance has been clipping local residents for 50 years in the same old barbershop located in the lake Mohawk Plaza. He knows all the latest fads and styles at a price you will not believe...just like the stories he may regale you with. No fancy colognes, hairdryers or chrome barber chairs, just a professional haircut at a fair price. Walk in anytime or call 973-726-9311

#### **Wilson Coal and Supplies**

Stop in and visit with the Wilson family on Limecrest Road to see the variety of stoves they have installed along with all the supplies you will need to heat your home. Judy will be more than pleased to answer any questions you may have regarding a new installation

or issues with your current heating system. Be sure and ask to meet the newest addition to the family, "COAL" the black Lab. Call 973-729-5555 if you have any stove related questions.

#### Solar Tire & Automotive Service

Cruise through downtown Lafayette into the suburbs on 15 north and on your left will appear Solar Tire and Automotive. Founded in 1988 by Rudy Solar Sr. and now operated by his son Rudy Jr. They have been providing professional and honest service to the community for 38 years. Have a body dent? Then see him at Newton Auto body at 15 Jefferson St in Newton. In business since 2010, Rudy has nothing but positive reviews from his clients. It pays to do business locally. Solar Tire & Automotive: 181 Rt. 15 North—973-579-3355....Newton Auto body: 15 Jefferson St—973-300-3355

#### **Chatterbox**

You don't have to travel to one on those new fancy expensive hamburger joints at the

mall to get a delicious hamburger. Great 1950's ambiance and friendly service with a menu that has entrées to please everyone in your family. Did someone say Milkshake? Open 7 day a week. Phone: 973-300-2300

## Telephone: 973/383-1717

A large variety of Automotive Parts, Paint, Tools, Batteries, Farm & Implement Parts, Bailing Twine, & Hydraulic Hoses!

Monday-Friday: 7:00 A.M. - 5:00 P.M.

Saturday: 8:00 A.M. - 12:00 P.M.



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**17 Morris Farm Road** 

### Lafayette, NJ 07848



# MARKETPLACE

1952 Ford 8N Tractor Call: John Stickle - 862/397-3782 Price Negotiable

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