



Charles Grier, vice president of manufacturing for Dr Pepper, examines a bottle of fountain syrup. In the background is a Staley tank car.

Quality key to dextrose use as Staley supplies popular soft drink

A continuing improvement in quality of dextrose is attributed by one of the nation's best known soft drink bottlers as being responsible for its decision to use the product for the first time two years ago when it approved Staley as a supplier.

Until that time, Dr Pepper, the highly successful brand which has spurred to national prominence with its "misunderstood" slogan, had used only liquid sucrose (sugar), notes Charles Grier, vice president of manufacturing for Dr Pepper.

"We worked closely with Staley and other manufacturers for many years, evaluating dextrose," Grier explains. "Our standards were high. And companies such as Staley were constantly improving their processes in response to those standards."

Staley is today one of two companies supplying liquid dextrose to the Dallas-based company. And it is the only supplier of dextrose to both of the company's syrup operations in Dallas and

Birmingham, Ala., notes Staley's Jim Hurley, product manager, dextrose. The dextrose is produced at 44 building in Decatur.

Hurley and Grier concur on the high standards of Dr Pepper.

"The soft drink industry has a standard of quality for sucrose," notes Grier. "We apply those same standards to dextrose."

"When a shipment of dextrose arrives—such as a tank car from Staley—a sample is drawn and tests are run for purity, color, ash content, sediment, dextrose content and bacteriological content before it is unloaded.

"Only after we determine that the shipment meets our standards in each of these areas do we accept it—and we will send back any dextrose which does not meet all the standards we have set."

Dr Pepper's stringent demands for quality are better understood in light of its recent successes.

Colorful History

For decades after the company was founded in Waco, Texas,

in 1885—a full year before Coca Cola was formed—it achieved a modest success, but was popular primarily in various regions, attracting a group of devotees known as Dr Pepper "freaks" who just wouldn't drink any other soft drink.

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High demand sparks 6-month increases

Continued strong demand for sweeteners, starches, vegetable proteins and oils sparked second quarter and six months sales and earnings gains for Staley for the quarter ended March 31.

Second quarter sales were \$153.04 million compared to \$112.41 million for the same period last year. Net earnings for the quarter were \$2.38 million compared to \$2.18 million a year ago.

For the six months period, sales were \$274.95 million compared to \$206.49 million the previous year. Net earnings for the past six months were \$4.35 million compared to \$3.16 million.


President Donald E. Nordlund noted that corn refining facilities ran at full capacity throughout the quarter. Improved performance at Morrisville, where IsoSweet is produced, was cited as indicative of increased use of the high fructose sweetener by food and beverage processors.

Strong second half sales projections for Staley major product lines are expected to translate into a year-to-year earnings improvement.

	Six Months Ended	
	March 31, 1974	March 31, 1973
Net Sales	\$274,952,000	\$206,492,000
Depreciation & Non-Cash Charges	6,889,000	6,481,000
Earnings before Taxes	8,857,000	5,800,000
Income Taxes—estimated	4,507,000	2,638,000
Net Earnings	4,350,000	3,162,000
Net Earnings per Common Share	1.64	1.19
Average Shares of Common Stock	2,643,862	2,658,351

	Three Months Ended	
	March 31, 1974	March 31, 1973
Net Sales	\$153,046,000	\$112,418,000
Depreciation & Non-Cash Charges	3,769,000	3,426,000
Earnings before Taxes	4,819,000	4,311,000
Income Taxes—estimated	2,430,000	2,125,000
Net Earnings	2,389,000	2,186,000
Net Earnings per Common Share	.90	.83

(This is an unaudited interim statement)



STALEY NEWS

VOLUME XVI
NO. 4

DECATUR, ILLINOIS

APRIL, 1974

Starabic: a Staley success story

A Staley product that only recently was struggling along in an effort for sales is today a highly demanded product in the printing industry.

Starabic—developed by Staley research when the company

was considering new market applications of starches—is a replacement for gum arabic in the lithographic printing process. Sales for 1974 are now expected to be 12 times greater than projected. The change is a tribute to the combined

efforts and foresight of Staley research, sales and manufacturing in taking full advantage of a unique opportunity.

Gum arabic is an ingredient that comes from the acacia tree, indigenous to Central and West Africa. Before the development of Starabic, natural gum arabic was the only substance in wide use in offset printing to produce sharp images and such gums are also used in deep-etch photoengravings. But the "natural" gum arabic, being sporadic in quality, is often filled with foreign particles, and its availability fluctuates, depending on weather and political conditions in the regions where the acacia tree grows.

The development of Starabic was spearheaded by Dr. Charles Nevin, group leader, ink polymer/chemicals, Don Wilhelm, applications chemist, and Al Kryger, senior applications chemist, who foresaw far in advance of the present urgent need, an excellent potential market for a clear, high quality product which could be made throughout good and bad "natural" gum years. Patent applications for the product and its use have been filed, listing them as joint inventors.

Start Recalled

Dr. Ed Koval recalls the early days of Starabic. "These three believed they had developed a good

(Continued on page 3)

Tuna Bonus starts tests

Staley is the first consumer marketer to offer textured protein products specifically designed for use in two staples of the American diet—ground beef and tuna.

Tuna Bonus, companion to Burger Bonus for use in ground beef, went into controlled test markets during April in Madison, Wisc., and Fresno, Calif.

Rod Tinkler, manager, new business development, says that Tuna Bonus is aimed at gaining a share of a rapidly increasing market.

"Tuna has registered a 35 percent dollar volume sales increase in 12 months," Rod explains. "In 1972, tuna sales were \$438 million, and in 1973 they soared to \$650 million."

Rod notes that although some companies encourage protein extenders designed for ground beef to be used in tuna, Staley research has shown that consumers prefer

(Continued on page 3)



The use of textured soy protein in Burger Bonus is explained by Dr. Nancy Fogg, left, food technologist, and Barry James, marketing manager, protein division, to Mrs. Irene Allison, state chairman of the Women's Committee of the Illinois Farm Bureau. Nancy and Barry spoke on the new markets offered farmers by textured protein in an appearance before more than 200 members of local Farm Bureau Women's Committees at a meeting held in April at the Decatur Holiday Inn.

In the News...



Leading the troops into the big battle . . . P. 3



Staley people respond to Bloodmobile . . . P. 2



Raw material shortages hit Staley . . . P. 2



Joe Anderson



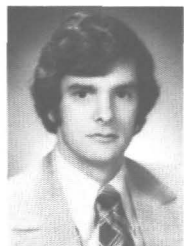
David Breen



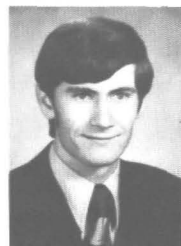
Robert Garretson



William Miller



Michael Treacy



John Baize



Rol Goodman



Lee Delhaute

On The Move



Lynn Elder



Larry Avery



Charles Cremer

INDUSTRIAL PRODUCTS

JOE ANDERSON from construction supervisor to senior plant engineer.

DAVID BREEN from industrial sales trainee to territory manager, sweeteners.

LES CARR from industrial engineer to senior industrial engineer.

MARSHA CORLEY from messenger, office, to shop clerk.

JAMES CRAWFORD from staff management accountant to management accountant.

MATTHEW FILLER from industrial sales representative to area manager, specialties.

ROBERT GARRETSON from senior industrial sales representative to area manager, specialties.

WILLIAM LYON from major account manager to area manager, specialties.

WILLIAM MILLER from foreman, sheetmetal, boiler makers, pipe shops to maintenance shop superintendent.

MICHAEL TREACY from specialty sales representative to territory manager, specialties.

AGRI PRODUCTS

JOHN BAIZE from retail feed specialist to area manager, specialty feeds.

JUDY CREEK from telephone operator to order editing clerk, protein division.

ROL GOODMAN from sales coordinator, refined oil, to industrial oils manager.

FRANCIS HERRON from chief clerk, refined oil, to sales coordinator.

HARRIETT HOUK from properties clerk to chief clerk, refined oil.

MARJORIE MILLER from secretary, export manager, to scheduling clerk, protein division.

NORMA MILLER from senior clerk, refined oil, to secretary, soybean milling.

ROBERT MOOR from utility technician alternate to rail coordinator.

TONDA MOWRY from photocopyist to senior clerk, refined oil.

TARI STERLING from relief utility clerk to utility clerk.

CONSUMER

KATHLEEN ARCH from customer services clerk to supervisor, control order process, Oak Brook.

FAITH CRITES from senior accounts payable clerk to general accounting clerk, Oak Brook.

FRANCIS FINN from technical services representative to plant manager, Asmus, Detroit.

WAYNE GINANI from administration clerk to personnel specialist, Cicero.

SANDRA WOJDYLA from junior accounts payable clerk to senior accounts payable clerk, Oak Brook.

CORPORATE

BRENDA BRYANT from messenger, office, to telephone operator, corporate information.

LEE DELHAUTE from management accounting to supervisor, corporate accounting, control.

LYNN ELDER from project engineer to senior estimator, engineering.

RAYMOND GROVES from engineer draftsman to engineer design draftsman, engineering.

KATHERINE WEST from messenger to photocopyist.

RESEARCH & DEVELOPMENT

LARRY AVERY from associate applications chemist to applications chemist.

CHARLES CREMER from applications chemist to senior applications chemist.

INTERNATIONAL

DIANN JAYROE from secretary, technical services, to secretary, export manager.



These Decatur employees did their share to help make the 21st annual visit of the Red Cross Bloodmobile to the Decatur Plant in April a success with 433 pints of blood collected. Receiving their donor pins are, left to right, William Born, Stoy Bliss, Charles Paine, Bob Force and Carl Gaitros.

Employee cooperation sought

Shortages present problems

Although the oil embargo against the United States has virtually ended, other shortages continue to present problems at Staley.

That's the opinion of Wayne Martin, director of purchasing, who notes that Staley is, as are other companies, facing a shortage of raw materials.

The shortage includes petro-based chemicals, which are directly affected by the allocation and supply of petroleum materials. Wayne notes that even with the lifting of the embargo, the petro-based chemical shortage continues.

Other materials in tight supply or on allocation include other chemicals such as soda ash, caustic, dicalcium phosphate and phosphoric acid. Paper product shortages affecting Staley include multiwall paper bags and forms. Potato starch and steel are commodities in tight supply. Fabricated components used in expansion equipment are also scarce.

"Even when we have been able to find adequate sources of raw materials, the price has increased tremendously because of the overall shortage," Wayne says. "For example, the cost of fuel oil at Morrisville has jumped

more than 300 percent in the last year.

"Other raw materials have also undergone tremendous price hikes. But even more importantly, some materials are virtually unavailable."

The *Wall Street Journal* has described the traditional methods of purchasing raw materials as "obsolete" during this period of shortages, and says that many companies are involved in bartering.

Wayne confirms that Staley has had to barter some materials to get needed supplies.

Employees Can Help

Each employee can help overcome shortages during this period.

"Proper handling of materials becomes especially important," Wayne explains. "During a time of abundant raw material supply wasted materials represent an increased cost factor. Today, they are a two-edged sword—increased costs and the loss of materials that cannot be regained by simply re-ordering."

Wayne points to proper unloading of incoming supplies as one example of how employees can assist.

"If a rail car, for example, is not properly cleaned out and a material such as a petro-based chemical is sent back to the supplier, it means we have lost use of a material in short supply. Even though we get credit from the supplier for unloaded material, it cannot be replaced to Staley."

"A secretary who wastes paper should understand that she is decreasing the amount of paper available for use in other paper products."

"And if we can develop an energy conservation approach to our jobs, it not only decreases our energy requirements but increases the amount of petroleum available for petro-chemical production."

Positive Steps

Wayne concludes that Staley is taking positive steps to alleviate its shortages.

"Our research people are examining substitutes for our processes. Purchasing is working closely with vendors—on a daily basis—to assure continued operations with no disruptions in schedules. When absolutely necessary, we are 'bartering' some materials. Manufacturing people are taking steps to insure proper use of materials—both in handling, storage and during use in our various processes," he says.

"Finally, we are asking all Staley employees to cooperate by looking at their own jobs to seek ways they can conserve materials. Conservation of materials has always made good economic sense . . . now, it also contributes towards continual operations," concludes Wayne.

Staley's equal opportunity efforts explained

Editor's Note: In 1964, the Civil Rights Act was passed by Congress. Its intent was clearly stated and immediately felt across the nation . . . equal opportunity was to be the law of the land.

It will soon be 10 years—a full decade—since the passage of the Civil Rights Act. To find out what its impact on Staley has been and what our position is on equal opportunity Staley News interviewed George Prust, director of industrial relations.

News: Mr. Prust, what is the company's position on equal opportunity?

Prust: Simply stated, it is that we are an equal opportunity employer and we shall not discriminate in our employment, promotional or wage practices or treatment of employees because of

race, creed, color, religion, sex or age. To be successful, a company must perform well. Skin color, sex, age or religious belief doesn't really have anything to do with how well a person will perform a particular job. What a person can do and contribute on the job is the essential concern.

News: How does the company's non-discrimination policy apply to employees?

Prust: Each supervisor and manager is accountable for the implementation of our policy of non-discrimination in their areas of responsibility. Secondly, if this company is going to perform well, all of us have to work together effectively. Personal prejudices have no place in work relationships.

News: What is affirmative action?

Prust: "Affirmative action" means that we are committed to take extra measures to assure that

everyone understands that they will have an equal opportunity to work for and advance within the company. As in other major company efforts, it means that we set targets and formulate and implement plans to insure that tangible progress is made.

News: Could this approach "reverse discrimination"?

Prust: Some people think so. Extra steps must be taken to get enough tangible action that will help to overcome long-standing feelings of skepticism about opportunities really being open to everyone. This tangible action will also encourage other individuals to use the educational opportunities available to them, particularly at an early age, to prepare themselves for any number of different kinds of careers within industry.

News: What are some of the affirmative action steps we have undertaken?

Prust: We use a number of

specific recruiting approaches and resources designed to locate minority or women candidates for our openings. We maintain inventories of promotable internal candidates. We set targets to place qualified minority group employees in jobs where they were previously underrepresented and work hard to meet those targets.

News: Is there anything else regarding this important issue you would like to say to Staley people?

Prust: It is a difficult area. Our best efforts are sometimes not good enough in some people's eyes and too much in others. However, I believe it is important that everyone knows that Staley is serious about its commitment in this endeavor. Merit employment and the sound treatment of people are essential to the success of our business. Everyone in this company is in the "people business" and we all need to work towards making that business better.

Retirements

TOM CURRY, JR., Weighmaster, 28 building
EDWARD C. GROLLO, Weighmaster, 28 building
JAMES E. HOLMAN, Truck driver, 20 building
HANSEL V. WETHERHOLT, Sr., mechanic, electric shop



STALEY NEWS

The Staley News is published monthly for Staley employees by Corporate Public Relations, Decatur.

Manager, Employee Communications . . . Dan Hines
Manager, Visual Communications . . . Lee Jeske
Assist. Photographer . . . Roy Enloe

Sta-puf blue takes aim on Downey

It was christened the "champagne of fabric softeners," and if the enthusiasm shown by the gathering of more than 100 broker representatives is any indication, the roll-out of Sta-Puf blue into the Midwest should be another successful phase of the product's introduction.

The scene was consumer products headquarters in Oak Brook in April. Broker representatives from the Chicago metropolitan area, Wisconsin and downstate Illinois had been invited to hear about Staley's new concentrated fabric softener which has exceeded all expectations in test markets.

It was the first of a series of April meetings for the Midwestern roll-out. Others were held in Toledo, Louisville and Minneapolis. When Sta-Puf blue appears on grocery shelves in the new areas this July, it will be available in nearly 30 percent of the nation.

Growing Market

The fabric softener market is one of the fastest growing in the nation. Yet, nearly 50 percent of the homes in the country use no fabric softener.

Furthermore, concentrated fabric softeners constitute the largest share of the softener market.

In test markets in Columbus, Tampa, Scranton, Pa., and Phoenix, Sta-Puf blue exceeded cases sold, share-of-market, and profitability goals. And it did so without luring customers away from our regular Sta-Puf pink.

Gala Introduction

Sta-Puf blue was introduced to Midwest brokers with the flourish expected of such an exciting new product.

Building upon the opening of the movie "Patton" in which General George Patton inspired his troops with a "blood and guts"

message, Staley personnel came forward to make it evident they too were leading a battle—against Downey, the nation's leading fabric softener.

In each area, sales personnel dressed in army officer uniforms gave a Patton-like message. Don Brasuell, Chicago district manager, portrayed Patton at Oak Brook and Minneapolis, and Pat Kent, Eastern regional manager, played the "Patton" role in Toledo and Louisville. Ed Herzog, product manager for Sta-Puf blue, conducted a test showing the superior softening ability of Sta-Puf blue over other brands.

Favorable Tests

In consumer institute tests, it was shown users preferred Sta-Puf blue to Downey for softening and scent, Herzog noted.

Phil Skilnik, national sales manager, gave an overview of the advertising and promotional plans for Sta-Puf blue, which will be backed by one of the most extensive campaigns in Staley consumer history. This will include national TV advertising, introductory "cents-off" offers, ads in national magazines and in-store promotions.

They were followed by R. W. Brooks, vice-president, consumer products. Mr. Brooks recapped the theme of the meeting—Sta-Puf blue is a winner and reinforced the company's determination to provide the marketing and support needed to continue test market successes.



Clyde Hoyt



Thomas Walsh



Woodie Dumas



Estella Launtz

Anniversaries

40 YEARS

CLYDE HOYT, senior mechanic, I & C department.

THOMAS WALSH, senior mechanic, electric shop

30 YEARS

SAMUEL GREEN, utility lubricator, Satellite I, 101 building

25 YEARS

WOODIE DUMAS, shift leader, Vico, Chicago

ESTELLA LAUNTZ, secretary to chairman of the board

20 YEARS

CHARLES W. TURNER, group leader, technical services, research & development

15 YEARS

ROSEMARY NOEL, department secretary, technical services, industrial products

WILLIAM RENNERT, construction superintendent, industrial products

10 YEARS

GENE GRIFFITH, assistant production manager, starch/dextrins, industrial products

JUDY CREEK, order editing clerk, protein division

V. CARDENAS, case packer operator, consumer products

J.F. GORHAM, forman, Gunther

DOREN BALDWIN, operator, Gunther

5 YEARS

WILLIAM ASHWORTH, mill operator, Vico, Detroit

S. VIDAHOVICH, decaser, consumer products, Cicero

A. MENDOZA, utility service helper, consumer products, Cicero

JAMES COX, utility labor, 59 building

JERRY COLLINS, utility man, 118 building

ROBERT HACKERT, JR., utility man, 118 building

DONALD HOBBS, utility man, 75 building

RUDY SCOTT, carbon operator, 10 building

KENNETH PETIAUX, feed press puller, 9 building

RALPH HECKWINE, shift repairman, 1 building

JON LOVELACE, market development specialist, agriproducts

LINDA TROGOLO, purchasing clerk, purchasing

JANE SMITH, key punch operator, Staley Chemical

MARY GORDON, sample clerk/order reinforcement, Staley Chemical



Don Brasuell exhorts Midwestern brokers to win the battle against Downey as Sta-Puf blue moves into the concentrated fabric softener arena in 30 percent of the nation.

Tuna bonus in tests

(Continued from page 1)

an extender similar in texture and color to the product with which it is being mixed.

"Tuna Bonus, therefore, is in flake form and lighter colored than the Burger Bonus granules."

He says there has been a gradual stepup in the sales of Burger Bonus, but that a great amount of consumer confusion is created by the fact that 11 companies are now offering textured protein for use in ground beef in 80 test market cities.

"This is why we are so enthused about the introduction of Tuna Bonus as a companion to Burger Bonus. Our visibility on grocery shelves will increase since the 4-ounce Tuna Bonus package will be placed side-by-side with the standard 16-ounce Burger Bonus package and a new 7-ounce Burger Bonus package.

"And our future sales efforts will feature joint promotions of Tuna Bonus and Burger Bonus, establishing us more clearly as the major supplier of high quality textured protein in the consumer's mind."

Mira-Tex 405, produced in 48 building at Decatur, will be used in Tuna Bonus.

It is produced by a process unique to Staley. Also, the finished product allows a rapid hydration of the flake—up to one-third more quickly than a granule

form. The extended soy protein thus saves the user time as well as offering savings by extending the tuna. Staley is the only company with a flake form of textured soy protein.

(Continued from page 1)

product," Dr. Koval says. "Tests were run with many printers, and while the product performed satisfactorily, it did not receive general acceptance."

The initial disappointing response from potential customers, who had a comfortable supply of the traditional natural gum arabic at that time, plus other technical problems, helped put the future of this new product into serious jeopardy.

However, Don and Al convinced Drs. Nevin and Koval that they could solve the various problems. Their enthusiasm won the day, and Starabic production was continued.

The technical problems were solved, but acceptance of Starabic as a replacement for gum arabic in lithography was still slow. Then a series of unforeseen events occurred to spark today's skyrocketing demand.

The first was a drought in Africa which continues to kill large numbers of the acacia trees which are the source of the natural gum arabic. The general disruptions, caused in part by the Middle East war caused further drastic decreases in the supplies of gum arabic available in this country.

Caught in a squeeze, printers turned to Starabic as the only reasonable alternative to gum

arabic in the western world, notes Jack Gogek, manager specialties, industrial sales.

"Starabic is a result of our research people anticipating a market," Jack says. "We didn't wait until the printing industry was forced to look for a replacement for gum arabic. As a result, Staley is able to capitalize on events and establish a leadership position."

Jack said even if the drought should end and more gum arabic becomes available, he expects sales of Starabic to remain high. He credits the quality of the product, its price advantages and the firming up of relations with the printing industry made possible by our quick response to filling orders as being factors contributing to the burgeoning success of this product.

Team Effort

"Special praise must go to the manufacturing and support personnel who made this possible. Close cooperation between our Morrisville and Decatur employees who make the product has helped immensely, and Ron McCoy, inventory and production planner, dry products, has worked hard and successfully to keep transportation arrangements on schedule.

"And our sales force, working closely with Don and Al, did a great job in presenting Starabic to the industry—it all adds up to an amazing success story," Jack concludes.

And back in the research and development lab—from which many similar contributions have come—are a group of guys who knew all along they had the pieces to make it happen. That's why Starabic is another example of the way Staley technology contributes to our way of life.



The new look of scouting is more than a slogan for the Staley-sponsored Explorer Post, which does work in food technology. Fruits of the post's efforts were evident when scouts William Eversole, left, and Joanie Metcalf presented a soyflour pancake mix developed by the post to Staley President Donald E. Nordlund. The post used the mix in pancakes at their annual Scout-o-rama in Decatur. The post is open to both boys and girls and the scouts pick an area of interest in which to work. Staley advisors for the post are Cameron Ferguson, associate development engineer, Tom Hurst, senior food technologist, and Jim Keyes, plant bacteriologist.

Staley news flashes

Staley President Donald E. Nordlund discussed developments in world food demand and its impact on Staley as well as the American consumer in a recent feature in the Chicago Sunday Tribune.

The Staley president explained that increased world demand for food has created a shift in the supply-demand situation.

"The demand for more food was always there, but it wasn't met because, until recently, many nations didn't have the financial ability to serve it," he said.

He continued that it will be some time before the price fluctuations of the past 12 months stabilize, but he predicted continued high world demand for corn and soybeans.

The demand for worldwide protein consumption is expected to double from the current 70 million tons a day to 140 million tons a day by the turn of the century, the Staley executive observed.

He emphasized that this will create a need for increased production of vegetable protein for direct human consumption as well as continuing high markets for protein to be consumed by animals in the form of feed.

President Nordlund noted that before the recent price surge, the average American wage earner spent about 15 percent of his take-home pay for food compared to about 25 percent by the European wage-earner. Mr. Nordlund said he expects the American percentage to increase to 20 percent.

Additionally, the world demand for sweeteners is increasing at a time of rapidly rising sugar prices, creating potential for Staley corn sweeteners.

Tribune financial editor Nick Poulos noted that Staley "has a long and notable history in the agribusiness industry," and he cited many of the contributions made by the company to the world's food delivery chain.

High demand for lecithin, a co-product of soy oil, has placed Staley in a "soldout" position, according to Dick Lockmiller, general manager, protein division.

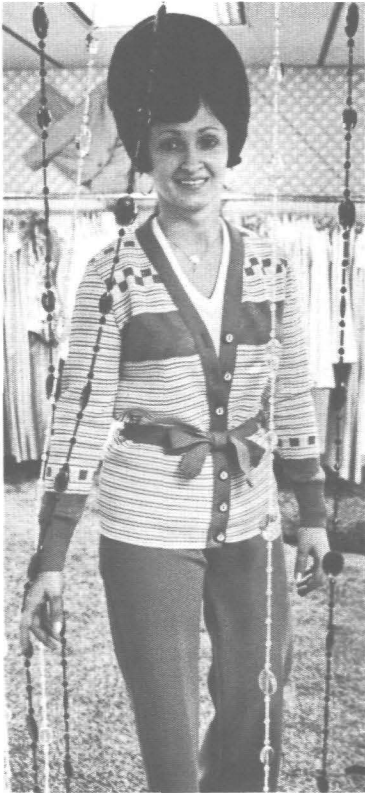
According to Lockmiller, the position reflects several recent trends in the use of lecithin which is utilized primarily as a fat emulsifier in chocolate and margarine.

First, there has been less soy oil refined industry-wide in recent months, and the yield is down because of the quality of beans now available. Coupled with these factors, many food processors are now attracted to the "natural" qualities of lecithin for use in food instead of man-made chemicals.

This all adds up to an increasing demand, says Lockmiller, at a time of tight supplies.

He notes that the highly publicized claims on behalf of lecithin as a guard against high cholesterol are "difficult to prove" and have had little effect upon the market.

Nearly 55-60 million pounds of lecithin are sold each year, Dick concludes.



'Artists and models' is the theme of the 1974 Women's Club Style Show to be held May 16 in Decatur at the Sheraton Inn. Setting the mood will be such models as, left to right, Jackie Dorman, secretary, labor relations; June Frymire, secretary, paper-textile sales; and Linda Scott, secretary to plant superintendent. Photo coverage will appear in the May issue of the News.

Dextrose at Dr Pepper

(Continued from page 1)

Its unique fruit-like flavor—the exact blend is kept secret—is still almost the same as when the company was founded. Yet, only seven years ago, sales were only \$28 million and net income was \$2.8 million. This year, sales will top \$100 million and profit will be \$10 million or better. What prompted the upswing?

According to *Fortune Magazine*, Dr Pepper began "thinking big."

Woodrow Wilson Clements was elected as president. A Dr Pepper veteran, he instilled a new philosophy best described as, "This is a marketing industry."

The personification of the salesman—which he once was—Mr. Clements was to make two major changes. He streamlined the distribution system, and increased the emphasis upon advertising.

But, Mr. Clements and Dr Pepper did not rely upon traditional advertising. Instead, after a survey revealed that very few people really knew what Dr Pepper was—some thought it a medicine, others a pepper—the company decided to have a little fun. The "misunderstood" theme was born.

Today, it is a rare person who has not seen one of the humorous commercials which emphasize bizarre circumstances. One, for example, has a Simon Legree-type character forcing a maiden into a deserted shed and forcing her to drink Dr Pepper, which she, of course, loves. Another involves an operatic theme reminiscent of a Romeo and Juliet tragedy averted only by the decision of the young lovers to drink Dr Pepper.

Hit Commercials

The commercials were a hit and the rest is history. Public acceptance of the drink grew and Dr Pepper began to think of becoming the top soft drink in the country.

There is still a long way to go. The company has approximately 5 percent of the soft drink market. But Dr Pepper is now expanding into the Far East, where it has become an instant success in Japan. And a bottling agreement has been signed with Coca Cola bottlers in New York, ironically at the same time the parent company of Coke is introducing its own soft drink to compete with Dr Pepper.

This intriguing arrangement was made possible because the

Coca Cola bottlers are independent franchise operations.

In any case, growth is the theme at Dr Pepper. It has retained its loyal core of devotees and attracted new users along the way. Consider Waco, birthplace of Dr Pepper. Waco's 95,000 residents drink more than 1.5 million bottles of Dr Pepper each year. That's 250 bottles for every man, woman and child in Waco.

The people at Dr Pepper headquarters in Dallas aren't forgetful of its origins and such fantastic loyalty.

One part of the building has a replica of the Old Corner Drugstore in Waco, where Dr Pepper was born, a story which itself is shrouded in the drink's mystique. During the 1880's, a young man in Virginia fell in love with the daughter of a Mr. Pepper who owned the drugstore where the boy worked.

In true melodrama fashion, the father fired the young man who went to Waco to seek his fortune. While working at a drug store there, he concocted the recipe for a unique new drink.

The drink had no name, but patrons suggested the old Virginia doctor might be impressed should the young man name the drink after him. He did, and Dr Pepper was born.

The young man—whose name no one seems to recall—reportedly returned to Virginia to marry the girl and in 1885 sold the idea for his drink to a Waco chemist, Robert S. Lazenby, the founder of

the Dr Pepper company. A romantic beginning for a unique success story . . . one in which Staley dextrose will continue to play a part.

A Continuing Role

Currently, Dr Pepper uses dextrose as a 20 percent replacement for sucrose, notes Grier.

"We expect our use of dextrose to remain high, even if the currently unstable world sugar situation should improve," Grier continues.

"Dextrose and other corn-based sweeteners represent a dependable source of quality sweeteners from a domestic base. Although some sucrose is produced domestically, the majority still comes via exports."

Grier notes that the world demand for sweeteners is also increasing—another reason for using a domestically produced sweetener, free from price and supply fluctuations of sugar.

Not only will the use of Staley dextrose remain at high levels, but Dr Pepper has also approved the use of IsoSweet high fructose sweetener.

But whether it be dextrose, IsoSweet or a yet-to-be-developed Staley sweetener, the "misunderstood" drink wants no misunderstanding about one thing—quality is the byword at Dr Pepper. And, as Jim Hurley concludes, that's the way Staley wants it, as we build another link in our role as a supplier in the world food delivery chain.

Housekeeping keeps work areas safe

Neatness in the plant or office is more than eye-appealing—it's just good safety sense.

That's why the "Take Time to be Safe" theme this month is good housekeeping, says Steve Lockhart, loss prevention supervisor.

"Each year, thousands of industrial accidents occur as a result of poor housekeeping," explains Steve. "These accidents are caused by slippery floors, insecure or improper storing of materials, improper disposal of waste or scrap materials and general untidiness and sloppiness."

No work area is immune from the ill effects of poor housekeeping, Steve continues.

"For example, a simple act such as leaving a desk drawer open

is a hazard that someone might trip over."

"An oil spill left unattended can lead to a fall. Dirty machinery or poor maintenance not only increases the stress on equipment but can lead to overheating and possibly fire."

"Accumulations of waste paper are a fire hazard—whether in the office or factory. The list is endless."

Steve suggests employees take their own housekeeping inventory and do whatever is necessary to "clean it up and make it safe."

"The investment of a small amount of time will have big dividends—in safety and pleasing work environment," he concludes.

Housekeeping Check List

	Yes	No
1. Work area free of clutter, paper?	_____	_____
2. Are there items which might cause falls—open desk drawers, cables or wires across walk areas, protruding objects?	_____	_____
3. Machinery or equipment kept clean and in good working order?	_____	_____
4. Rubbish and scrap off streets or floors?	_____	_____
5. Hoses, ladders, and equipment stored properly after use?	_____	_____
6. Oil and water kept off floors, ladders and manhoist landings?	_____	_____
7. Firelanes and passageways clean and free of obstructions?	_____	_____
8. Areas around emergency equipment such as fire apparatus, etc., kept clear?	_____	_____
9. Drums, pipes and lumber stored in racks?	_____	_____

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