

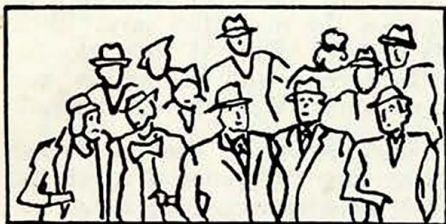
STALEY NEWS

VOL. 1—No. 23

BY AND FOR STALEY PEOPLE

August 1, 1938

LET'S LOOK AT OUR RECEIPTS AND COSTS STATEMENT



FROM CUSTOMERS
\$12,193,511.88

The six month's report of a business' progress is a case of "Don't look now" if viewed in the light of attempting to judge the finish by the progress at the half-way mark. It is, however, a good time to check up and determine what encouragement is offered

our combined efforts.

Our First Six Months

On looking at our receipts and costs statement for the first six months of this year ending June 30th, the first item is identified as *receipts*. This is the amount we received from our customers and refers to all the money received by our company from every source during that period.

The amount received from customers reflects, in a measure, the popularity of our products and the amount of business that we have been able to enjoy. It does not necessarily indicate a profitable period.

Costs

Charged against the receipts are seven groups of expense items which summarize all payments made in meeting our cost of operation during the first six months of 1938.

The first one, *Purchases*, shows the amount paid to others for *goods* and *services* required in the manufacture and distribution of our products. One of the functions of management is to control, as far as possible, these costs. To some extent this may be done by taking advantage of market conditions. However, at whatever time purchases are made, the price is one that is set by the company from which we buy.

Salaries and *wages* show all payments made to employees for their contributions of labor, brains and time. There is an intimate connection between this amount and the ones for *interest* and *dividends*. This connection is based upon the investment of money on the part of capital which made possible the accumulation of \$11,596.81 of equipment, materials and buildings for every Staley job.

Interest and *dividends* being a wage payment on the work performed by money in providing tools for us while our own pay checks are made possible by doing work made possible by the tools.

Salaries and *wages* are determined by the contribution each individual makes to the company based upon a careful consideration of wage standards on similar work elsewhere, adjusted to the cost of living in our

local community, plus or minus such amounts as good management, business conditions or relative competitive factors can provide or spare.

Interest and *dividends* are based upon promises made at the time money is obtained to maintain our operations. No dividend payments to holders of our common stock are included in our first six month's costs. Capital, like employees sometimes finds itself off of the payroll when the goods and services of industry are not in sufficient demand to include it on the payroll.

Our *depreciation*, of course, was "ear-marked" at rates prescribed by the government for the replacement of our physical equipment as it is worn out or becomes out of date.

Taxes show our contribution to the expenses of government and our company, just as private individuals, is finding that it takes a little more of what our joint efforts are able to produce to meet these payments.

The payments for *rentals* and *royalties* have provided us with the use of office and storage space in other cities and the use of methods of manufacture developed by others respectively.

The difference between our *receipts* and *costs* is our *corporate savings* which have been retained in the business to provide against future losses.

Many believe that management is the boss who determines what shall be spent or how much in wages shall be paid. The management merely acts as the paymaster who must find ways and means of making what the real boss, our customer, is willing to pay cover the cost of making what he wants to buy, accounting at the end for the use of the money paid in to those whose interests they are managing.

The report which follows is such an accounting, in a style made popular by Mr. Eakin and used for some time by our own management and in constantly increasing numbers by the managements of other companies.

RECEIPTS AND COSTS Six months ended June 30, 1938

Receipts	\$12,193,511.88		
Costs—			
Purchases	\$9,528,788.33		78.15c
Salaries and wages	1,469,411.82		12.05
Depreciation	382,615.43		3.14
Taxes	237,250.68		1.95
Interest	88,052.00		.72
Rentals and Royalties	23,659.37		.19
Preferred Dividends	155,452.50	11,885,230.13	1.27
Corporate savings	308,281.75		2.53



For each
\$1.00 of
receipts
we spent.

L. E. TIPSWORD CAPTURES NATIONAL SAFETY COUNCIL AWARD

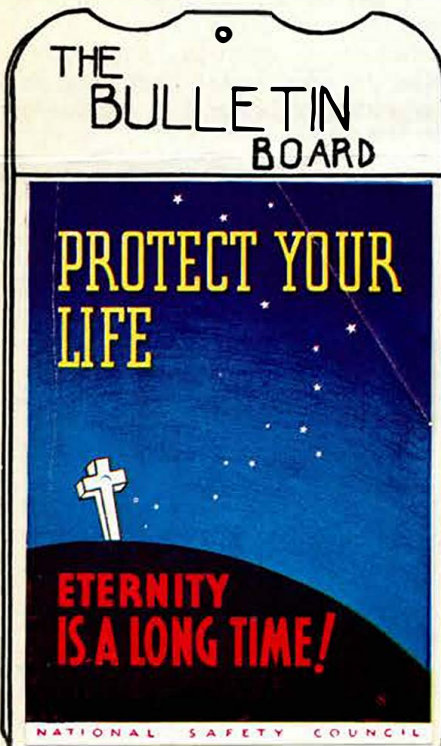
The "Industrial Supervisor", a monthly Safety Publication of the National Safety Council, each month asks its readers, "What would you do?" posing a knotty problem for its foremen readers to untangle in 100 or less words. The best answers are printed the following month.

In their July issue, five answers to their June problem were printed among which a clear concise solution accompanied by the following by-line:

L. E. Tipsword, Foreman, Plant Grain Inspection Department, A. E. Staley Manufacturing Company, Decatur, Illinois.

Two other Americans were similarly honored and awarded while the remaining winners were Canadians.

"Tip," as he is familiarly known to his Staley friends, has been devoting considerable time to home study and at present is concentrating on the presentation of ideas. The announcement of the award and the honor that accompanies it testifies to the success that is marking his efforts.



DECATUR HOSPITAL SERVICE CORP. MAKES MONTHLY STATEMENT

The June 30th, report of the Decatur Hospital Service Corporation showed a total income from the beginning of their operation to the present time of \$8,643.75 with disbursements of \$5,550.83 and a total of 2,489 paid subscriptions in force at that time.

Seventy-eight claims have been paid during their four and one-half months of operation totaling \$3,700. Accompanying their report was a description of hospital payments made on behalf of the various member bodies and the ratio these payments bore to their earned income or paid subscriptions. Of the 28 groups all but eleven had benefited by payments. On the date of their report the Staley group had received payments amounting to 90% of the money it had paid in.

Our present enrollment of 233 is just 33 more than half of our quota and the "News" has been asked to emphasize that memberships in the plan can still be obtained in the Credit Union office. If you have been uncertain upon this point or any other in connection with the cost of membership or the benefits to be obtained, any member of the Personnel Department will be glad to help you.



FOR SALE:

1935 DeLuxe Ford Coach with trunk and extras. Three new tires. Excellent condition, thoroughly guaranteed. Will take '30 or '31 model car as part payment. 1900 N. 35th Street.

Seven foot porch gate, reed baby buggy and gas water heater. 1651 N. Union.

Argus Candid camera with leather carrying case, lens filters, exposure meter, tripod support and small ABC developing set. Practically new and well cared for. Very reasonable. Marion Trow. Personnel Office.

30 Chester White pigs. Just weaned. Mosher Road, 3rd house north.

Six Springer Spaniel pups, registered. Reasonable. R. Ridlen, 1680 N. 31st.

IS

SAFETY YOUR BUSINESS?

Roy Rollins, Director of Safety

Everyone who has an idea on how to do a dangerous job in a Safer way sooner or later runs up against the man who says, "Well, we've been doing it this way for fifteen years and no one has ever been hurt. Why change it now?"

The answer is that it doesn't make any difference if a job has been done the same way for a hundred years without causing an injury. If the job is dangerous and if part or all of the danger can be removed it should be done regardless of the Safety record behind it. Good Safety engineering, and that means any change in materials or methods or machinery which will make a job Safer, should be our first concern, our first line of defense against accidents. Good Safety engineering on the part of all of us can eliminate hazards. We don't need posters or rules to make guards or Safety valves work. They work automatically.

Let's do the job the lazy way. Let's arrange our jobs and our machines so well that we can forget about Safety and still be Safe. Let's not keep on avoiding a hazard and saying, like parrots, "Well, we've been doing it this way for sixteen years now and no one ever has been hurt. Why change it now?"

* * * *

As this issue goes to press, twenty-four of the thirty-six departments in the Staley Safety Derby are still breezing along with perfect records. Departments which were favorites before starting time, however, are having a pretty rough time. Elevator A and the Feed Elevator, both of whom were rated high in the Process race, have been hit by penalties. In the Mechanical race only the Machinists, who were conceded a very slim chance indeed, and the Millwrights, who weren't even mentioned as contenders, have so far escaped penalties.

*We Are Members of the
National Safety Council*

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For The Employees Of
**THE A. E. STALEY
MANUFACTURING COMPANY**
DECATUR, ILLINOIS
W. G. Reynolds, Manager of Personnel
J. M. Richey, Editor

All news and suggestions should be given the editor by the 10th and 25th of each month.

OUCH

There is that story about two men who hired a boat and went for a ride on the lake. When they had gone out quite a way from shore the boat sprang a leak. One of the men, on refusing to help bail, exclaimed, "Let the boat sink. What do we care, it isn't ours."

It was a comforting thought, if only for a moment. It is the same sort of thinking that leads some people to regard the little leaks in business as something for the company to worry about. "What's the difference, it belongs to the company," is what they say, dully shutting their minds to the fact that what helps the company helps them and what harms the company hurts them.

WHY WAIT

Jack Dempsey, the "Old Mauler", is recently reported to have given his secret of success in the prize ring. He said, "I studied the other fellow's style until I found his weakness, then concentrated my attack on that point. We can't quarrel with his success and perhaps it would be good logic in business.

What is the customer's weakness—price and quality. What is the best punch we have to reach it? The old one-two, price and quality. The company that concentrates on that attack will carry the fight to a quick decision.

That, doesn't mean dropping price as an arbitrary method. It means economy in manufacture that makes a price drop sound, with the profit left in. It means those little leaks which seem trivial when viewed singly. They surely do add up when all are considered. They concern us all, too, because waste increases the cost of production. High costs make high prices necessary and thus often prevent getting business.

And, it doesn't mean quality

that we think is good enough. It means *quality* that the customer says is good enough.

No need to wait for better business. We can make it better. People are still looking for bargains. That is the customer's weakness. The best bargain of all is **PRICE AND QUALITY**. Let's concentrate on it.

CANCEL ALL ACCIDENTS

First Aid On New Schedule
For Next Two Weeks

The First Aid schedule for the treatment of injuries between the 14th and 28th of August inclusive is as follows:

Week days, except Saturdays
7-12 a. m. and 1-4 p. m.
Saturday the 20th and 27th
7-12 a. m.
Sunday the 14th and 21st
9-10 a. m.
Sunday the 28th
9-11 a. m.

The regular First Aid schedule will be resumed thereafter.

All persons who are required to report for dressings are to report to First Aid between the above hours.

Emergency First Aid treatment required during hours other than those mentioned above will be taken care of in the Laboratory and subsequent care will be in charge of the First Aid staff as usual.

CREDIT UNION

REPORTS FIRST SIX MONTHS SERVICE

The recapitulation of the Staley Credit Union's loans during the first six months of 1938, as just completed, indicates that a total of \$110,229.47 had been loaned up until the first of July.

The purpose for which the money was loaned, the amounts for the various types of loans and the percent of the grand total that each represents is as follows.

Type of Loan	Amount	% of the Total
Rehabilitation		
Doctor and dentist.....	\$ 9,305.00	8.44
Hospital	3,889.25	3.53
Funeral expense	946.75	.86
Clothing bills	981.92	.89
Furniture bills	4,836.86	4.39
Back rent	669.25	.61
Grocery bills	3,203.50	2.91
Payments on notes, personal loans	6,976.25	6.32
Miscellaneous bills	10,819.22	9.82
Group total	\$41,628.00	37.77%
Miscellaneous Living Exp.		
Attorney and court costs.....	799.14	.72
Taxes and assessments.....	4,105.43	3.72
Vacation and travel.....	1,700.00	1.54
Helping relatives	2,277.20	2.07
School books and tuition.....	1,517.27	1.38
Coal	752.75	.69
Current exp. and miscel.....	17,258.27	15.66
Insurance	2,276.00	2.06
Moving and advance rent.....	1,507.50	1.36
Group total	\$ 32,193.69	29.20%
Purchases, merchandise & property		
Small business & invest.....	2,255.51	2.04
Furniture	2,243.22	2.03
Clothes	1,426.57	1.29
Tires and car repairs.....	1,810.21	1.64
Payments on homes.....	8,857.76	8.04
Remodeling and repair of homes	6,283.00	5.70
Feed, farm implements and stock	2,329.00	2.13
Buying and refinancing cars.....	11,202.51	10.16
Group total	\$ 36,407.78	33.03%
GRAND TOTAL	\$110,229.47	100.00%



Strange Fact No. 3—Automobile horns that can't be heard are now in use in Germany. Their sound is too high for the human ear but they operate a gadget on the vehicle ahead and call the driver's attention to their presence.—(John Kuhns.)

Children between the ages of 5 and 14 have the lowest accidental death rate while persons over 65 have the highest.

The fundamental rule for getting along with people is keeping their bad side to yourself.

10,000 Staley Journals are mailed each month to customers, friends and employees.



By Bill Brumaster

The Crystal Whites, managed by Clyde Smith, captured the first half championship of the Staley Softball league with eight wins and one loss, thereby nominating themselves for participation in the championship play-off for the season to be held at the close of the second half which got under way July 27th.

* * *

It is understood that four winners will be selected for the season's finale, with play being between the two champions, to name championship and second place title holders for the year, and between the two teams finishing in second position during each half to determine third and fourth positions.

* * *

The teams, their managers during the first half and final standings are as follows:

Team	Manager	W	L	Pct.
Crystal White	Clyde Smith	8	1	.888
Salad Oil	Hugo Brix	7	2	.777
Sausage Flour	Walt Tilinski	6	3	.666
Grits	Art Long	5	4	.555
Cubes	Ira Cox	5	4	.555
Gluten Feed	Jed Ellis	4	5	.444
Bean Meal	Norv Cranc	3	6	.333
Golden Table	Ivan Condor	3	6	.333
Edsoy Oil	Bergandine	2	7	.222
Stayco	Clifton	2	7	.222

* * *

A special attraction is being planned for softball fans in the nature of an All-Star game played between the players of two teams selected from the entire league roster. Players will be named as a result of a poll of the players themselves. The program will be a double feature event with the night-cap game between a super-colossal, all-star, all-girl team from Hill's Bowling Alley and the Peoria Girls All-Stars.

* * *

This attraction is tonight, Aug. 1. Johnny Anderson, who is in charge of arrangements, has announced that the WPA band will be on hand to add the final touch of color.

IF YOU ARE INTERESTED IN PHOTOGRAPHY
SAYS TED—

In the last issue of the "News" brief mention of depth of focus was made and its relation to the F opening on your camera. Because so many otherwise good pictures have that "fuzzy" look caused by poor focus and because the proper relationship between the shutter speed and the lens opening is so important, a fuller explanation of this little understood phase of photography is in order.

Effect of Aperture

Aside from regulating the volume of light that passes through the lens of the camera, the size of the aperture (F number) has another effect. It regulates the depth of field or the area in which a clear definition of the subject is produced in the finished picture. This is commonly called the depth of focus.

A large lens opening produces a limited depth of field (or focus) while the smaller the opening the greater the depth. If your plan for a picture wishes to include everything in it in focus, then you should use the smallest aperture possible under the lighting conditions remembering that this will also limit the amount of light that enters the camera and may have to be compensated for by increasing the time of the exposure. When you wish to concentrate the focus on a central object you should use the larger apertures remembering that the light is being increased and provide against over exposure by increasing the shutter speed.

If the light is poor it is not always possible to take snapshots with the small aperture unless you use a tripod to steady the camera during the longer time required for a time exposure.

Moving Objects

In taking shots of moving objects, a large aperture should be used in connection with fast shutter speeds otherwise your object will be blurred. A walking person can be stopped (shot without blurring) by using F6.3 on a bright day with 1/50 of a second shutter speed. More rapidly moving objects, such as runners, will require about 1/500 of a second for the shutter speed with a lens opening of F3.5.

Relation of Shutter Speeds

The shutter limits the light that enters a camera and the amount can be determined by the numerical relationship between the actual figures. 1/25 of a second keeping the shutter open twice as long as 1/50, or four times as long as a shutter speed of 1/100, etc. By the same mechanics, twice as much light will be admitted by 1/25 as with 1/50, etc.

The F Stops Or Lens Speeds

The F stops of cameras have a similar relation to each other. For example, F 8 lets in half as much light as F 5.6, the next larger stop, and F 11 lets in half as much light as F 8, F 16 admitting half as much light as F 11 and F 22 permitting half as much light to pass as F 16. These lens openings are the usual ones found on cameras. Occasionally some other variation may be used. In that case the speed of the lens, or the amount of light that is admitted by it decreases as the larger numbers are selected and increases as the smaller numbers are used. Each opening shown on the lens will double the amount of light falling on the film over the preceding opening or will halve it depending on the conditions just mentioned.

The following table is convenient for keeping this information in mind. The row below the line gives the lens openings. Reading from left to right, each will pass half as much light as the preceding number. The number above the line indicates the number of times more light that will be admitted than is admitted by the smallest opening (F22) shown.

Relative amount of light	16	8	4	2	1
F Opening	5.6	8	11	16	22