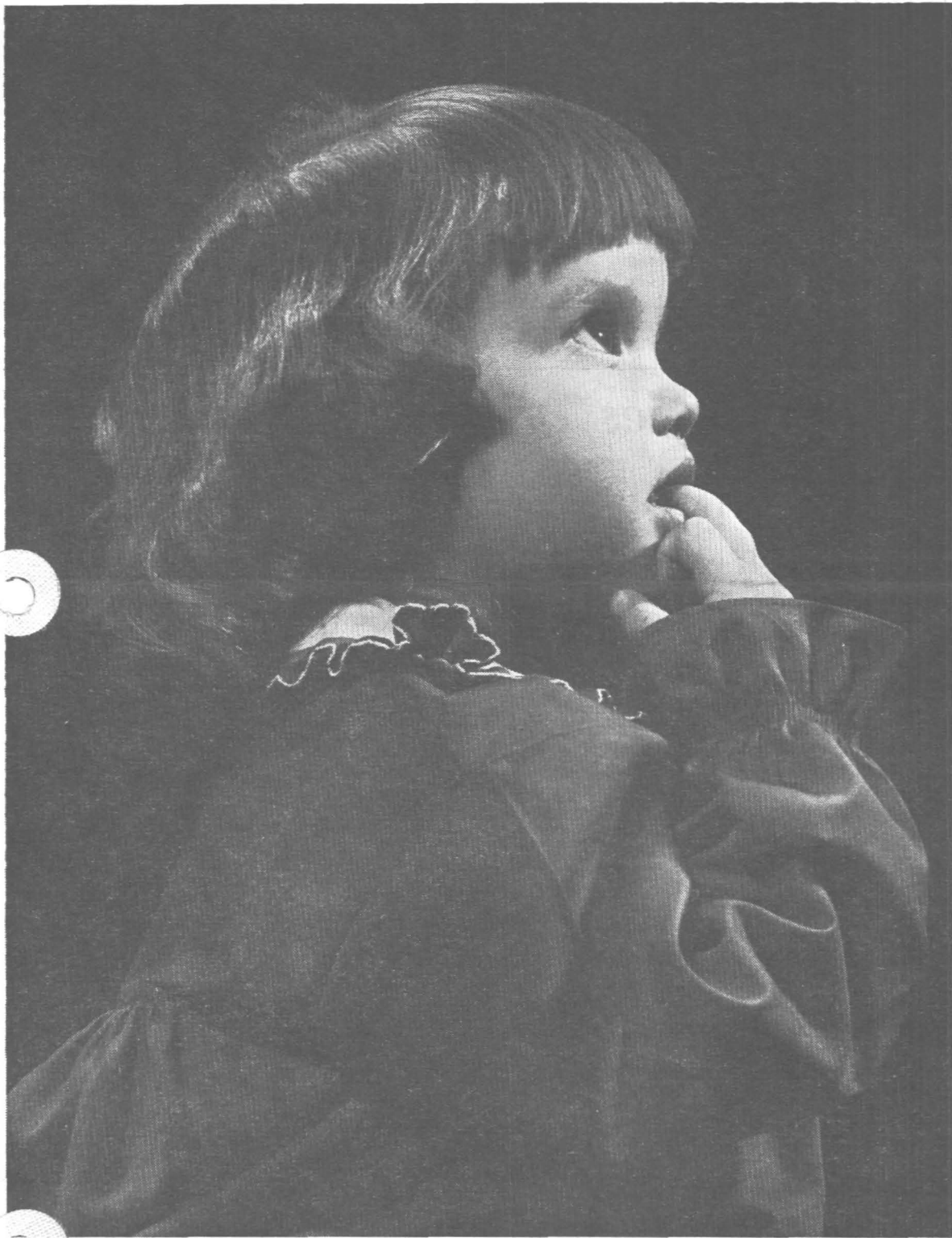


Season's Greetings

Bulk Rate
U. S. Postage
PAID
Permit No. 49
Decatur, Ill.

A. E. Staley Manufacturing Co., Decatur, Ill.—Return Requested



A kewpie doll, a tricycle, a string of beads, an icicle . . . a 'lectric train, a candy cane . . . does he really come down the chimney, Mommy?

Staley Honored for Dextrose Process

A Staley process discovery has won top honors as one of the year's most significant advances in judging conducted by Chemical Processing Magazine.

The revolutionary Staley process for production of dextrose with glucoamylase was selected for a John C. Vaaler process-methods Award in competition among 4,000 entries in 13 categories sent in by 100 of the world's leading chemical processors.

Awards were based on the importance of the development's contribution to better plant

operations, uniqueness, and the potential breadth of application throughout the chemical processing industry.

Also receiving top honors in processes and processing methods were American Cyanamid, U.S. Industrial Chemicals, Union Carbide, M. W. Kellogg (Div. of Pullman, Inc.) and National Helium.

In a full-page article, the Staley discovery was hailed for leading to "virtual abandonment of the old acid conversion method of producing dextrose.

The salute describes how the

Staley process has made possible more efficient production of crystalline dextrose of higher quality.

The Staley process is cited for overcoming the flavor, color and yield difficulties of the acid hydrolysis process.

The Staley dextrose process is coming into widespread use, under license, by major producers here and abroad.

It will be employed in the Company's new crystalline dextrose production center now under construction and slated to come on stream next spring.

Staley NEWS

Vol 6, No. 15

Decatur, Illinois

December, 1964

Once more the miracle of Christmas makes all that is good in life shine brighter, and all the rest seem somehow less important.

It brings a special meaning to each of us, and a universal feeling of joy and hope, peace and goodwill.

May all the blessings of Christmas be with you and yours, throughout this holiday season and the New Year.

A. E. Staley, Jr.

Expansion Work Beats Weather, Still on Schedule

If bad weather is supposed to hamper construction activity, someone forgot to tell folks around here about it.

Apparently undaunted by winter's first ugly flare-up, work on the Company's major expansion program continued on schedule toward first-of-the-year and late spring completion targets.

Work moved ahead full-tilt along the expanding corn grind cycle, which is already yielding increased grind levels, and at the Syrup Refinery, where despite construction obstacles record production is being attained to supply mounting corn sweetener demand.

Over at the dextrose plant, a slight storm-pause in construction was more than offset by "inside work" on installing the production equipment that's arriving almost daily, and by brickmasons boxing in upper floor rooms.

The west section roof and much of the north exterior wall is complete, setting the stage for an uninterrupted winter of activity enroute to a late spring startup target.

Additional corn grind capacity appears to be within a few weeks of reality, as a number of major installations near completion at the Feed House and Mill House.

At the expanded Feed House, the giant three-stage evaporator is in partial operation, and new

Zenith presses and a mammoth rotating feed cooler are nearly production-ready.

Installation of a new gluten dryer in the east section of the new addition will fully equip the Feed House for the bigger load to come.

Completion of a new combined fiber wash system at the Mill House will round out most of the major projects figuring in the corn plant expansion-modernization.

The last two in a series of new stainless steel steeps were activated this week to separate the added quantities of corn kernels needed for the expanded, more efficient grind.

At the Syrup Refinery, hub of expansion-modernization for the past two years, most of the production equipment recently installed is now in operation, and additional modernization work is underway.

(Cont. on Page 5)

Eight Staley Folks Advance This Month

Eight Staley employees were advanced in this month's promotions listing.

Rod Simms has been promoted from development engineer in Engineering Research to chemical engineer in Process and Methods Engineering. A chemical engineering graduate of West Virginia University, he joined the Company in 1960 as an associate development engineer and had been a development engineer since 1963.



Simms Fryman

Charles Baker has been promoted from senior mechanic at the Roundhouse to relief assistant foreman in Maintenance. He started in 1945 on the Extra Board, worked for a time in the Oil Refinery and for two years in the Control Lab before entering the apprentice training program at the Roundhouse in 1950.

Ralph Tozer, from physical inventory clerk, Production Planning, to manufacturing supplies inventory clerk, Production Control.

Linda Wainscott, from junior purchase order clerk, Purchasing, to research stenographer, Engineering Research.

Teresa Freeman, from clerk-stenographer, Control Lab, to clerk-stenographer, Process & Methods Engineering.

William Fryman has been promoted from relief assistant foreman in Maintenance to area foreman at the Inositol plant. He joined the Company in 1946, and worked the next six years at Elevator A, the Syrup Packing House and the Tin Shop before entering the apprentice training program. He graduated an I & C Mechanic in 1957, in 1960 moved up to estimator in Engineering, and advanced to relief assistant foreman in 1962.

Donna French, from filing and statement clerk, Credit, to systems clerk, Corporate Information Systems.

Our Front Page Gal

All that's good and wholesome about Christmas is wrapped up in the wondering big brown eyes of our Cover Girl.

She's Teri, daughter of Brenda McCoy, Quality Control, and she's 21 months old two days before Christmas, so Santa's no stranger to her.

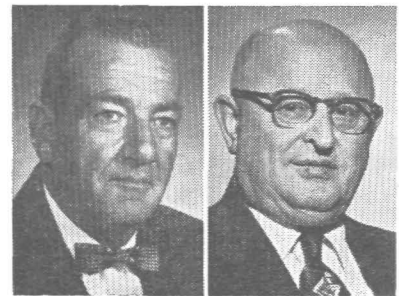
Others promoted:

Lee Nave, from messenger to Xerox & Addressograph Operator, Printing & Mailing.

'Life of Leisure' Lies Ahead For Three Staley Employees

Three Staley employees retired in October and early November after piling up 87 years service to the Company between them.

Senior retiree is **Martin Trolia**, who retired as a Carbon Operator at the Syrup Refinery, where he spent nearly all of his 34-year career with the Company. He started on the Extra Board.



Williams Trolia

Sam Williams retired as a Mechanic in the Tin Shop, where he worked his entire 31 years of continuous service with the Company. He started out as a helper in 1933.

Ralph Oberline retired as a Roof Meal Operator at the Feed House, where he worked all but one of his 22 years with the Company. He started on the Extra Board.



JUNIOR ACHIEVEMENT—Three daughters of Staley employees and three employee advisors get together at "weigh-in" of another pound of "KrunchCo" peanut brittle during production night for Staley Junior Achievers. Advisers Kent Mittleberg, Chuck Branney and Gilbert Anderson, left to right, look on as JA's Donna Barfield, daughter of Richard, 20 Bldg. shift foreman; Janet Lourash (Elzie, 5-10 Bldg.); and Darlene Henson (Clyde Doran, 4-6 Bldg.) attend to the business of getting production out.

Anniversaries of 370 Years Marked



Beasley

Sixteen Staley folks mark anniversaries of 370 years service to the Company during the month of December.

Leading the list are **Estol Beasley**, 17 Bldg., and **Bessie Neyhard**, Sales Order Service, both of whom complete 40 years service this month.

Others celebrating anniversaries:

35 Years

Morris Fisher, Plant Protection, Dec. 20
Troy Stratton, 5-10 Bldg., Dec. 18
Raymond Van Gundy, Garage, Dec. 20

25 Years

Oliver Alanen, Painesville, Dec. 18



Mrs. Neyhard Fisher Stratton Van Gundy



Alanen Howard Newberry Reidelberger

Jack Galloway, Electric Shop, Dec. 2
Sherwood Howard, Electric Shop, Dec. 2
George Newberry, Tin Shop, Dec. 2
Homer Reidelberger, Feed House, Dec. 3
Henry Sowa, Engine Room, Dec. 2

10 Years
Mrs. Berneta Renshaw, Credit Union, Dec. 7
Lester Royal, Engineering Research, Dec. 1

5 Years
Anthony Gromacki, Rsch, Library, Dec. 1
Jack Krohn, 20S Bldg., Dec. 2
David Mann, Aviation, Dec. 2



CREDIT UNION SITE—Tract on 22nd and North Sts., outlined by grey brand above, will be site of new office building to be constructed by the Staley Credit Union.

Dr. David Langlois to Head Chemical Market Development



Dr. Langlois

Dr. David Langlois has been named director of the chemical market development dept.

In his new position Dr. Langlois will direct the Company's program to develop new markets and additional applications in existing markets for Staley chemicals, starches and syrups in the food, pharmaceutical, agricultural and other industries.

Dr. Langlois, a member of the Staley technical staff since 1932, has been instrumental in many of the Company's technical developments over the years. Starting as an advanced research chemist, he moved up as group leader in carbohydrates research, technical information scientist, and director of market development services. He had held the latter post since 1962.

He received his BS and MA degrees from the University of Utah and his PhD from Pennsylvania State University.

Everybody Eligible to Win . . .

'News' Employee Annual Report Contest Opens

It's Annual Report Quiz time, when Staley employees can win stock or cash for demonstrating the best understanding of the Company's last fiscal year.

Prizes of one share of Staley Common Stock, a \$25 U. S. Savings Bond, and \$10 cash will be awarded to employees submitting the three top Annual Report Quiz forms to the Staley News.

The Quiz form is printed on Page 4 of this edition.

To enter, all you have to do is complete the form and return it to the Staley News, 22nd & Eldorado Sts., Decatur, Ill. Use the Company or regular mail.

Judges will select 10 finalists from the original entries. From

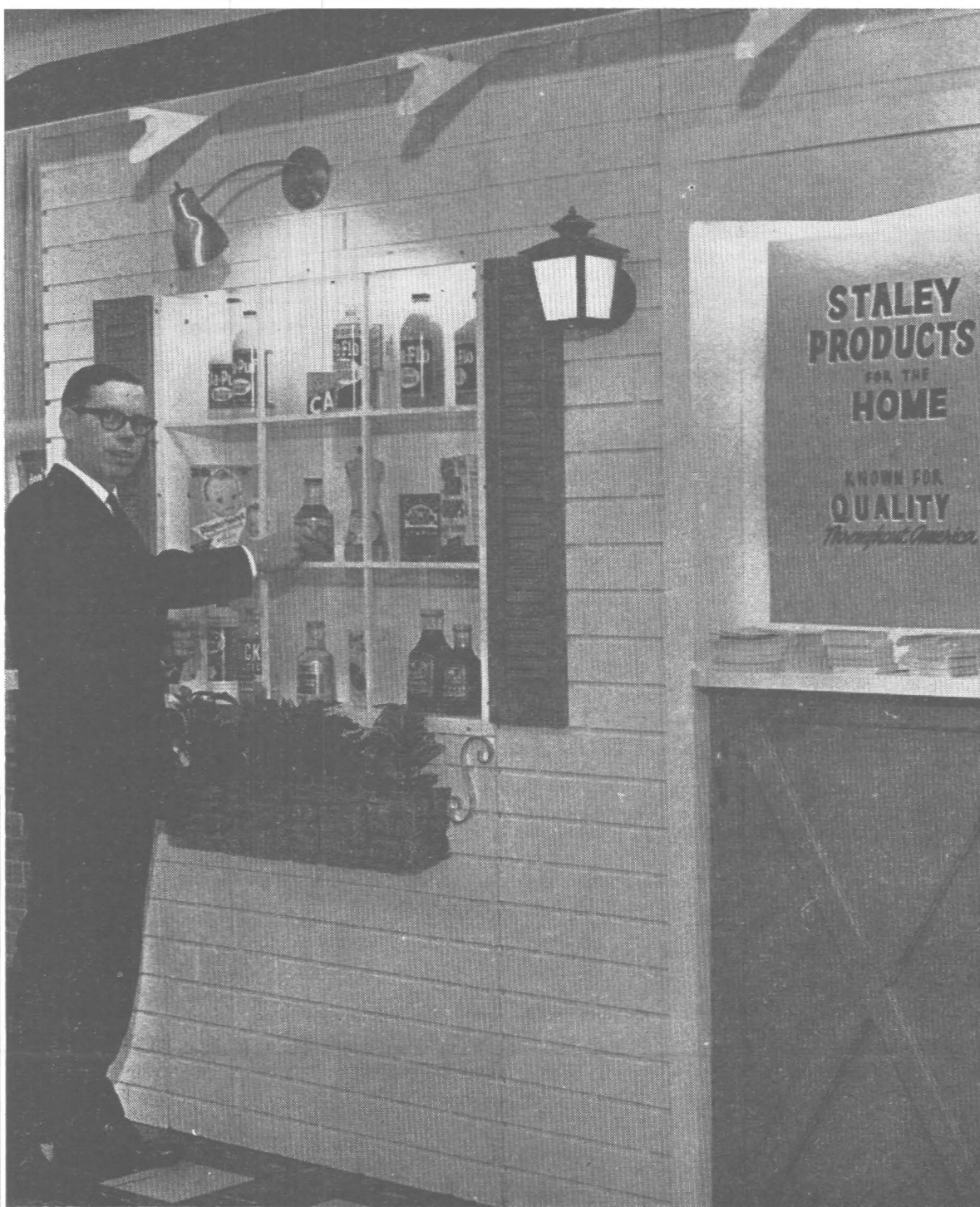
these, three top winners will be chosen on the basis of accuracy, achievement in overall understanding and clarity in presentation.

Entries must be received by Jan. 15, 1965 to be eligible.

Winners in the first everybody-eligible Annual Report Quiz last year were George Wack, first place; Clyde Sims, second place; and Sally Katzenmaier, third place.

Staley employees will be receiving their copies of the Company's 58th Annual Report in their homes this week.

The 14-page report details in words, charts and photographs the 1963-64 fiscal year ended Sept. 30.



OPEN HOUSE—Assistant Advertising Manager Bob Pence straightens a bottle of "Staley" Popcorn Oil in the picture window of the display house he designed to promote Staley consumer products to the nation's grocers. The house was recently erected for the first time in Decatur at the Northtown Bank during a salute to the Company.

Hazenfield Succeeds Monical As Oil Refinery Foreman

Delmar Hazenfield has been promoted to succeed retiring Ed Monical as Building Foreman of the Staley Oil Refinery.



Monical



Hazenfield

Hazenfield started work in the Refinery in 1936, the same year as 38-year-man Monical was promoted to a foreman's post there.

Monical had worked at the Refinery since joining the Company in 1926. He started as a stock man, then served as a kettleman, filler, packer and in clerical posts before advancing to assistant foreman.

He had been Building Foreman since 1947.

Hazenfield's 34 continuous-service career dates back to starch shovelling in the old Table House. He is among the last of the former starch shovelers still active.

He then worked for a time at the Garage before moving to the Oil Refinery, where he started as a deodorizer operator and was a winterizer operator before advancing to head refiner in 1945.

He was promoted to relief foreman in 1946, and had been swing shift foreman since 1955.

Staley Welcomes . . .

Robert Lents, programmer, Corporate Information Systems.

Thomas Maguire, messenger, Printing & Mailing.

Marcia Tichenor, filing & statement clerk, Credit.

Robert Young, retail salesman, Grocery Products, Kansas City.

Joseph Ballarino, systems analyst, Corporate Information Systems.

Thomas Cooley, shop clerk, Manufacturing.

Joe Hinesly, chief programmer, Corporate Information Systems.

Elmer King, senior applications chemist, Applications Research.

Richard McAllister, senior programmer, Corporate Information Systems.

Howard Patterson, research technician, Applications Research.

Denise Scott, messenger.

How Sweet It Is

Here's a tasty little morsel from the Wall Street Journal:

Corn sweeteners keep winning customers though their price advantage narrows.

Many users switched to corn sugar or syrup last year when kiting cane and beet sugar costs pushed the margin to 8 cents a pound; now its only 2 cents.

Still, corn sweetener use grows, per capita consumption this year is expected to reach 18.3 pounds, 8 percent over 1963.

Predicted use of sugar, at 96.2 pounds, is down slightly from 1963.

Congratulations . . .

Joe Cain, Grocery Products representative, elected president of the Fargo-Moorhead (North Dakota) Association of Grocery Manufacturers. Ninety-member group arranges store displays and product promotions.

Awards Dinner Slated for Jan. 28

The 18th annual Service Awards Dinner—a tribute to more than 2,000 Staley employees with 10 or more years

service—will be held Jan. 28 at the Masonic Temple.

President E. K. Scheiter, who marked his 45th year with the

Company in 1964, will present awards to employees with 10, 25, 30, 35, 40 and 45 years service.

Guest speaker for the evening will be William W. Allen, secretary of information for the Illinois Agricultural Assn.

Serving as master of ceremonies will be Henry Colbert, 4-6-9 Bldg. Foreman who is commemorating his 40th year with the Company.

Slated to be in attendance, in addition to the awardees, will be all active and retired employees with 35 or more years service, and active and retired employees with 26, 28, 30, 32 and 34 years with the Company.

Foremen's Club Christmas Party Set for Dec. 21

Benny Meroff & Co., well-known TV song-and-dance performers, are the featured attraction in the annual Foremen's Club Christmas Party, set for Monday, Dec. 21 at the Elks Club.

The traditional multi-course Christmas dinner will be served beginning at 6:30 p. m.



NEW OFFICERS—Newly elected officers of the Staley Women's Club are slated to take over Jan. 1. They are, seated from left, Betty Greutman, vice president; Betty Lou Roderick, president; and Donna Mundy, treasurer. Standing from left, Pat Fletcher, corresponding secretary; Doris Morgenthaler, recording secretary; and trustees Opal Doore, Opal Dick and Velda Lindsey.

Santa to Share Spotlight With 2nd 'Bearded Guy' For Many Staley Folks

Staley employees can expect not one but two visits from jolly ole bearded guys with surprise packages this year, and it might be wise to give them both some thought together.

Following jolly ole St. Nick's midnight ride with gifts to cheer the hearts of all, we'll get our annual "greeting" from jolly ole Uncle Sam—and for many Staley employees, this one won't be very pleasant at all.

Paymaster Ernie Williams estimates that some 600 Staley employees will receive the unhappy news that because of the change in withholding and taxation rates, they owe a wad of money this year.

This happens to some regularly—and they plan on it—but this year is unique in that a major portion of folks will owe money unless they made allowances on their exemptions for this year's changeover. Only one of five Staley fellows did so.

The rub stems from the fact

that beginning in March, federal income tax withholding was reduced to 14 percent of gross pay less dependency exemptions, although the rate at which we were taxed for the year was actually 16 percent.

The withholding rate and the tax rate were both set under the Tax Cut Bill signed into law last March.

The bill cut the rate to 16 percent for 1964 and 14 percent for 1965, but directed that the withholding rate be reduced immediately to 14 percent.

The withholding rate was 18 percent for the first two months of the year, but this isn't enough to offset the two percent deficiency over the next 10 months.

So a great many of us can expect a real shocker come tax-time. And now, while we're helping Santa with his planning, may be the time to give it some thought.

You can estimate how much you'll owe by using the table and chart below.

TO FIGURE YOUR TAX BILL

In order to estimate how much tax you'll owe for 1964, first figure out the amount of tax that'll be withheld in 1964. To do this: (A) add up the amount of tax that's already been withheld from your pay as shown on each of your 1964 pay statements; (B) then you must add this amount to your estimated withholdings for the remainder of the year. To determine the estimated withholdings, you will have to multiply the amount of federal income tax withheld from your last paycheck by the number of pay periods remaining in 1964. The sum of the amount actually withheld (A) and the estimated amount to be withheld (B) is filled in on line 7 below:

1. Enter amount of total income expected in 1964. _____
2. Enter deductions from 1963 Income Tax Return (Form 1040). _____
3. Subtract line 2 from line 1. _____
4. Enter exemptions (\$600 for each exemption). _____
5. Subtract line 4 from line 3. This is estimated taxable income for 1964. _____
6. Tax on amount in line 5. (Use schedule at right.) _____
7. Income tax expected to be withheld during 1964. _____
8. Subtract line 7 from line 6. This is estimated 1964 tax bill _____

1964 TAX RATE SCHEDULE

Schedule I

SINGLE TAXPAYERS not qualifying for rates in Schedules II and III, and MARRIED PERSONS FILING SEPARATE RETURNS.

If the amount on line 5 is:

Over—	But not over—	Enter on line 6—	of excess over:
\$ 2,000	\$ 4,000	\$ 340, plus 20 %	—\$ 2,000
\$ 4,000	\$ 6,000	\$ 740, plus 23.5 %	—\$ 4,000
\$ 6,000	\$ 8,000	\$1,210, plus 27 %	—\$ 6,000
\$ 8,000	\$10,000	\$1,750, plus 30.5 %	—\$ 8,000
\$10,000	\$12,000	\$2,360, plus 34 %	—\$10,000
\$12,000	\$14,000	\$3,040, plus 37.5 %	—\$12,000
\$14,000	\$16,000	\$3,790, plus 41 %	—\$14,000

Schedule II

MARRIED TAXPAYERS FILING JOINT RETURNS and CERTAIN WIDOWS AND WIDOWERS.

If the amount on line 5 is:

Over—	But not over—	Enter on line 6—	of excess over:
\$ 2,000	\$ 3,000	\$ 325, plus 17.5 %	—\$ 2,000
\$ 3,000	\$ 4,000	\$ 500, plus 18 %	—\$ 3,000
\$ 4,000	\$ 8,000	\$ 680, plus 20 %	—\$ 4,000
\$ 8,000	\$12,000	\$1,480, plus 23.5 %	—\$ 8,000
\$12,000	\$16,000	\$2,420, plus 27 %	—\$12,000

Schedule III

Unmarried (or legally separated) taxpayers who qualify as HEAD OF HOUSEHOLD.

If the amount on line 5 is:

Over—	But not over—	Enter on line 6—	of excess over:
\$ 2,000	\$ 4,000	\$ 335, plus 19 %	—\$ 2,000
\$ 4,000	\$ 6,000	\$ 715, plus 22 %	—\$ 4,000
\$ 6,000	\$ 8,000	\$1,155, plus 23 %	—\$ 6,000
\$ 8,000	\$10,000	\$1,615, plus 27 %	—\$ 8,000
\$10,000	\$12,000	\$2,155, plus 29 %	—\$10,000
\$12,000	\$14,000	\$2,735, plus 32 %	—\$12,000
\$14,000	\$16,000	\$3,375, plus 34 %	—\$14,000

ANNUAL REPORT QUIZ

FIRST PRIZE . . . A Share of Staley Common Stock

SECOND PRIZE . . . A \$25 U. S. Savings Bond

THIRD PRIZE . . . \$10 Cash

Everybody's eligible to compete—just answer the questions on this Quiz Form and return to the Staley News.

I. Answer "up" or "down" for each item listed. Each of the following is a major element in the Company's total performance. Did they go up or down last year? Answer individually for each.

- | | |
|----------------------|--------------------------------------|
| 1. Net Income | 4. Number of Stockholders |
| 2. Employee Payments | 5. Capital Invested per Employee |
| 3. Net Sales | 6. Expenditures for Property & Plant |

II. Fill in the Blanks.

1. The Company announced the start of construction on a joint venture soybean processing plant in _____, _____, to be completed _____.
2. Competitive pressures in consumer products were especially keen over the year, particularly in _____ and _____.
3. A number of new and improved products from Staley Research were introduced during the year. Name TWO, and the industry they'll benefit: _____.
4. A comprehensive study of all the Company's management and information systems last year resulted in launching a program to design and install an advanced _____.
5. The largest plant expansion program in Company history is slated for completion. _____.
6. Acquisition of Vico Products Co., Chicago, broadens our line for the _____ industries.

III. Write True or False after each of the following statements.

1. U.B.S. Chemical Division set an all-time earnings record for the second consecutive year.
2. Though not fully reflected in the year's statements, combined income for the foreign companies in which the Company has a direct interest was 4½ times the level of three years ago.
3. Twelve distribution centers and six packaging plants were activated by the Company last year.
4. This was the first full marketing year for "Sno-Bol" as part of the Staley grocery products line.

IV. In Your Own Words.

What do you think are the most important things we can do (or continue doing) to help improve the Company's performance in 1965? Use space below and additional paper if necessary.

.....
.....
.....

United Fund Drive Completed; Tops Records

1964 United Fund Standings

Division, Department	% Participation
11 Bldg. Corn Oil House.....	100
Small Machine Shop.....	100
5-10 Bldg. Syrup Refinery.....	100
17 Bldg. (Bulk).....	100
Reclamation.....	100
12-26 Bldg.....	100
Sewing Room.....	100
17 Bldg. (Packaging).....	100
Executive Div.....	100
Facilities Planning.....	100
Market Development.....	100
Refined Oil.....	100
Crude Oil.....	100
Feed Marketing.....	100
Public Relations.....	100
Law.....	100
Grain.....	100
Corporate Information Systems.....	97.3
Financial.....	96.7
101 Bldg. Soybean Extraction.....	96.5
29 Bldg. Oil Refinery.....	96.4
6 Bldg. Merco.....	96.2
16-116 Bldg.....	96.0
Engine Room.....	95.8
75 Bldg. Corn Oil Process.....	95.0
Grocery Products.....	94.1
Purchasing.....	94.1
Plant Manufacturing.....	93.9
Distribution.....	93.8
Shipping Inspectors.....	92.9
111-113 Bldg. Inositol.....	90.9
19 Bldg. Special Products.....	90.0
60 Bldg. Chemical Engineers.....	90.0
Extra Board—Men.....	88.6
Research, 59 Bldg. Dev. Engr.....	87.6
Brickmasons.....	87.5
Overseas.....	87.5
62 Bldg. Manufacturing.....	87.3
Industrial Relations.....	87.2
Garage.....	86.4
60 Bldg. Control Lab.....	84.7
Control Div.....	84.2
Machine Shop.....	84.0
34 Bldg. Warehouse.....	83.3
Extra Board—Women.....	83.3
22-47-48-49 Bldg.....	82.6
Electric Shop.....	82.4
Corn Div.....	82.1
Instrument & Control.....	76.7
Feed House.....	76.5
Boiler Room.....	75.0
20 Bldg. Starch Packing.....	74.6
4-6 Bldg. Mill House.....	72.1
Lubrication & Oil.....	71.4
62 Bldg. Office Janitors.....	68.8
Pipe Shop.....	68.4
Tin Shop.....	67.6
Elevator A.....	63.6
Plant Protection.....	62.5
Elevators C & D.....	59.2
Painters & Roofers.....	58.3
Wards.....	56.6
101 Bldg. Satellite.....	53.8
20 Bldg. Process.....	52.1
Millwrights.....	50.8
Civil Engineering.....	50.0
77 Bldg. Stores.....	44.4
59 Bldg. Development Engineers.....	39.4
Boilermakers (Roundhouse).....	28.6
77 Bldg. Plant Clean-Up.....	21.0

The 1964 Staley United Fund Drive rode to a successful finale by topping last year's totals in both dollars and number of employees giving.

The drive netted \$44,310, compared to \$43,547 a year ago, with 82.7 percent of all Staley folks participating, 2.5 percent increase from 1963.

Pacing the gain was an increase of more than \$4,500 from hourly employees, along with a 4.3 percent increase in the number of hourly folks contributing.

The statistics:

	Total Dollars Pledged	
	1964	1963
Management	\$32,758	\$32,421
Salaried	2,872	2,924
Hourly	8,679	8,201
TOTAL	\$44,310	\$43,547

Seventeen divisions and de-

To All United Fund Contributors:

Your personal generosity has played a significant part in bringing this year's United Fund Campaign to a successful close.

The combined gift of Staley employees reached a record high of \$44,310. Nearly 83% of us participated and gave more than ever before.

Hourly people deserve particular recognition and thanks. 77.4% of you helped this year, compared to 73.1% last year.

On behalf of those that will benefit, please accept my thanks for your generosity.

Sincerely yours,
Wendell D. Ray

Staley General Chairman
1964-65 United Fund Campaign

partments recorded 100 percent participation, and 16 others were 90 percent and above. The community campaign also shattered its goal, adding some \$15,000 for a 2.7 percent increase over its goal of \$551,960.

Staley Employee Gathers Rare Rocks While Opening New Mining Markets

Staley employees hold hundreds of different jobs, and they are known to have hundreds of different outside interests, or hobbies.

One lucky fellow, however, combines the two.

He is **Ray Reschetz**, a rock collector by hobby, whose job as section head in Market Development is to develop new markets for Staley starches and dextrans in, of all things, the mining of rocks and minerals.

Ray's work with miners takes him to many of the nation's best sources of rare rock and mineral forms.

He finds the samples he picks up at the mines extremely valuable in showing folks in Decatur just what he is talking about when he outlines starch and dextrin formulations desirable for applications as binders or for separation of minerals in mining.

After serving as examples of the new starch uses, the rock specimens become part of Ray's collection, which now numbers over 1,000 varieties. Some are used by children of some of his plant associates and neighbors on "show and tell" day at school.

Customers and prospects in the mining industry, aware of Ray's hobby, save interesting specimens for him.

Some are unique. Like a fossilized dinosaur bone, found in a Moab, Utah potash mine.

From the Guadalupe Mountains of Southeast New Mexico, another potash miner presented

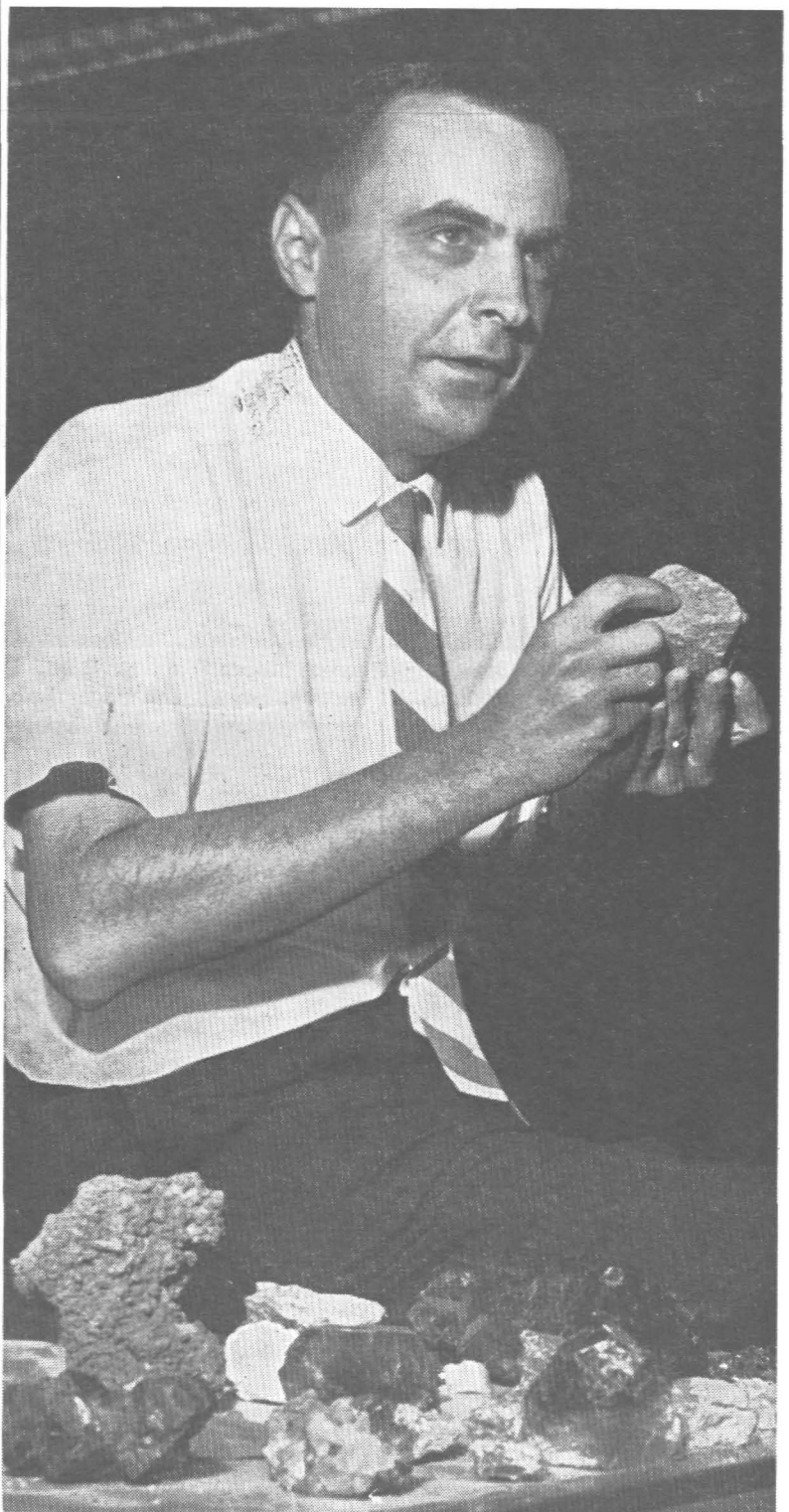
Ray with a piece of cubic iron ore—a geologic curiosity.

Other striking rocks in Ray's collection include fluorspar with zinc crystals imbedded in it, copper ore from Arizona, iron ore from Minnesota, natural gypsum, borax, ulexite, realgar, magnitite uncovered magnetic-

ally in a Missouri strike. Pecos diamonds, trilobites, and a fossilized seed pit.

Largely through Ray's efforts, Staley starches are coming into expanded use in these industries.

And of course his rock collection is blossoming—but for Ray, it's all in a day's work.



ROCKIN'—Ray Reschetz displays unique rock specimens beside his desk in Market Development.



WINNERS—Photos of Staley employees Teresa Freeman, left, and Nancy Kocher, right, won Staley draftsman Bob Buckles, Jr. top honors in recent color slide competition among Central Illinois amateur photographers. Buckles is president of the Decatur Camera Club.

EXPANSION WORK

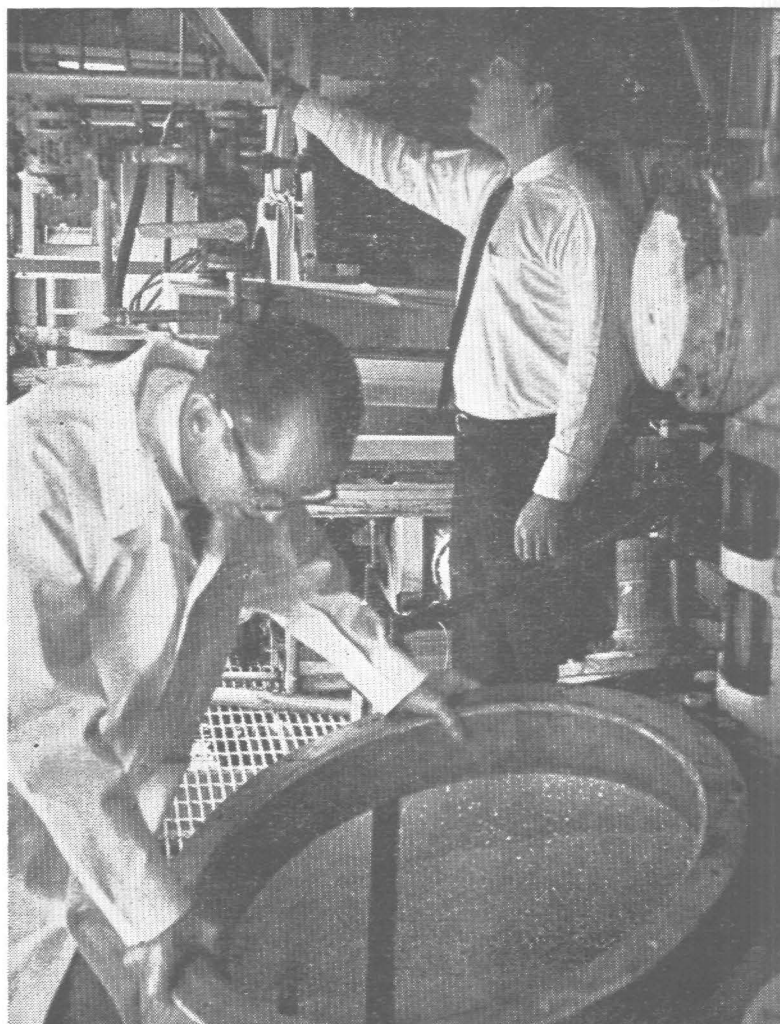
(Cont. from Page 1)

By spring, the Refinery will be geared to supply liquid ingredients for conversion to pure sugar from corn at the new dextrose plant while keeping pace with growing demand for liquid corn sweeteners.

Rounding out our busiest construction season is the installation of Number 24 Boiler. Exterior walls are essentially complete, and work on the boiler itself will continue through the winter.

The new boiler is expected to be ready next spring, although its capacity won't be put to the big test until next winter.

Portrait of a Staley New Product Development



Lester Royal, foreground and Byron Capito check out Pilot Plant production run on new "Staysize".

"Recognize a need and then fill it". That's a pretty simple formula for business success. And often the most difficult to accomplish.

Behind announcement to the world that a need has been filled stands months, perhaps lifetimes, of dedicated effort by the best minds available.

A glimpse of the complexities involved and the teamwork needed can be seen in the success story of new "Staysize" 109, a unique starch development from Staley Research that solves for the first time a major problem in the field of paper-making.

The sequence leading to Staysize's successful introduction to the paper industry over the past month or so is the story of scores of Staley people, in Research, Sales and Manufacturing.

Gone are the days when a lone researcher might pop out of his lab brandishing a test tube and proclaiming, "Eureka, I've found it".

Product development today is a precise science involving many specialists with interdependent functions, like the wheels of a watch.

The Staysize story, like many new product developments got its start in the field.

In this case, it was with an Eastern Paper manufacturer telling Regional Manager Ray Kilty how Staley would really have something if we could come up with a surface sizing starch that had the advantages but not the costly shortcomings of oxidized varieties.

Thus, a need is established.

Sales sends word back to the Paper Lab, where Bob Powers and his team review it. The properties of the new product are discussed with people in the Starch Modifications Laboratory now under Hans Wolf.

The search for the new product begins.

Jim Lotzgesell prepares scores of samples and the Paper Laboratory tests them one by one.

Finally, new starch modifications are prepared that begin to hit the mark. Then the product that will do the job best is found and Starch Modifications reports that it can be produced consistently and economically.

Some big hurdles are passed but even bigger ones lie ahead.

The Paper Lab takes a sample supply to the Pilot Plant, where Applications Research requests that Bill Hagenbach's Engineering Research team produced pilot quantities under simulated plant conditions, to see how the starch can be manufactured in large quantities most efficiently.

Lester Royal from Martin Seidman's Process Research Group and Byron Capito from Ed Koval's Process Development Group teamed on this phase.

The pilot product is then taken to Paper Mills, where our technicians supervise mill trials.

The mill trials and customers reactions give Paper Industry Sales an idea of whether or not the product will sell.

Any of these steps can spell disaster for the potential innovation. Few get this far. Even if it works, it may not be priced competitively.

In this case, everything was in balance.

Next step, commercial production. This brings on Chemical Engineering, in this case Mylo Roberts and Ron Willenbrink, who coordinate startup of limited production using a new process at 16-116 Bldgs.

The commercial production runs are then bagged and sold

to paper mills by our Paper Industry sales people.

If it sells, more production follows. Hopefully, still more.

With Staysize, it has been more again, as the product is selling "far beyond" even the optimistic expectations of Paper Sales Manager George Moore.

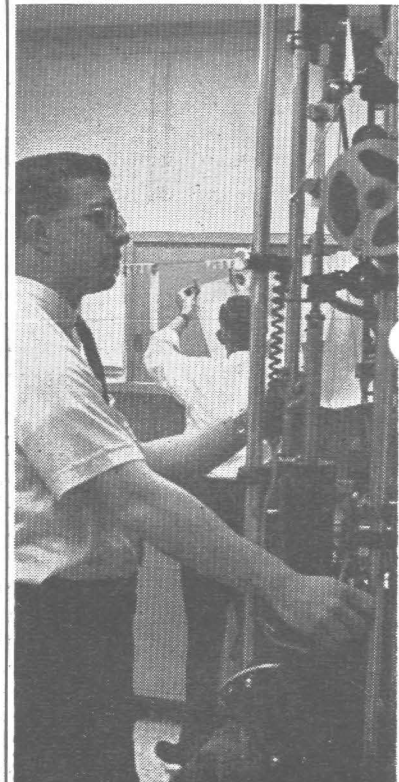
At this stage, things look real rosy. But even a new product that fills a big need is of little value if the users don't know about it.

Advertising and product publicity is employed to support a vigorous personal contact program by our technical reps. Through a mass media campaign charted by Bob Meador papermakers learn of the new discovery and what it can do for them, followed by supporting evidence and technical service in personal sales contact.

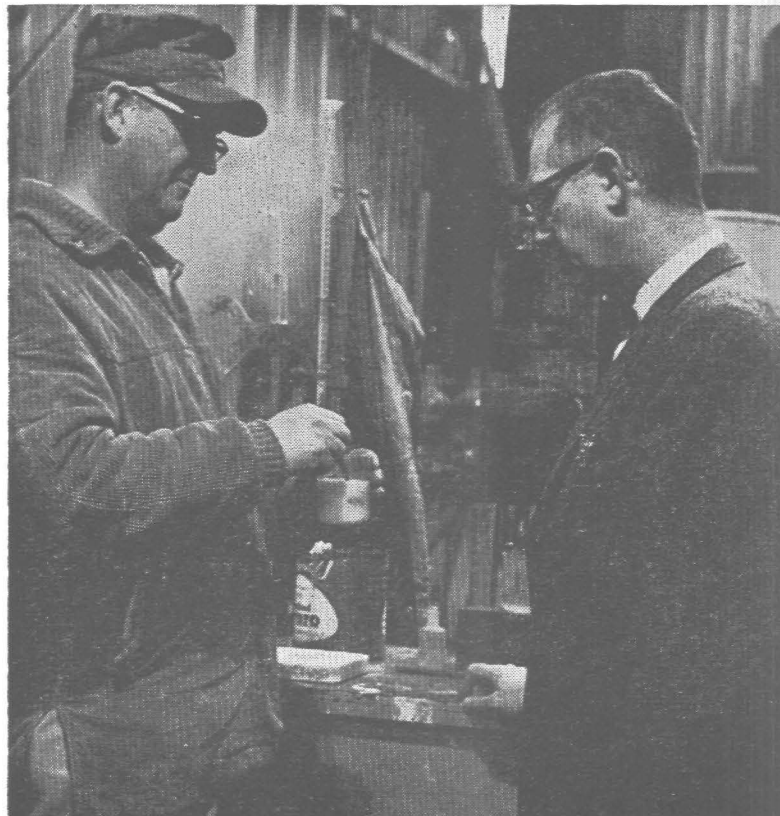
From the field, to the bench, to the pilot plant, to field testing, to manufacturing, back to the field—thousands of hours, hundreds of people later—another new product bearing the familiar Staley shield of quality and dependability joins some 600 others developed over the years to meet the needs of some 60 industries and the vast consumer public.



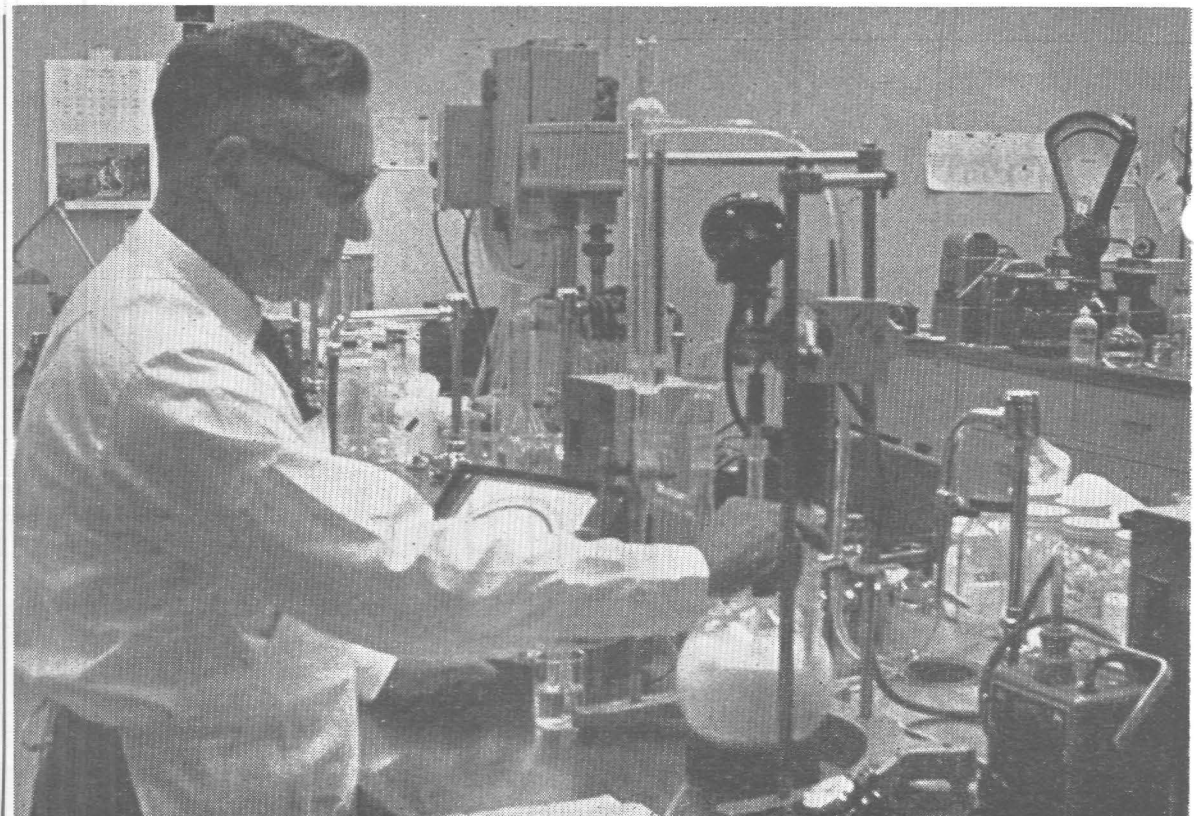
Paper Industry Sales Manager George Moore, on as Rollie Best conducts test on a coater in the Paper Lab.



Sales trainee Bob Sullenberger adds to technical insight by working in Paper Lab. He's operating the Lab's tensile tester.



Chemical Engineer Mylo Roberts and Operator John Duddlestone confer on "Staysize" formulation at 116 Bldg.



Jim Lotzgesell prepares scores of samples in the Starch Modifications Lab.

Employees and the 'Flow-of-Work Pattern'

A replacement part is needed in Manufacturing. One employee requests it, another fills out a requisition.

Someone else looks over sources of supply, selects the best, places an order.

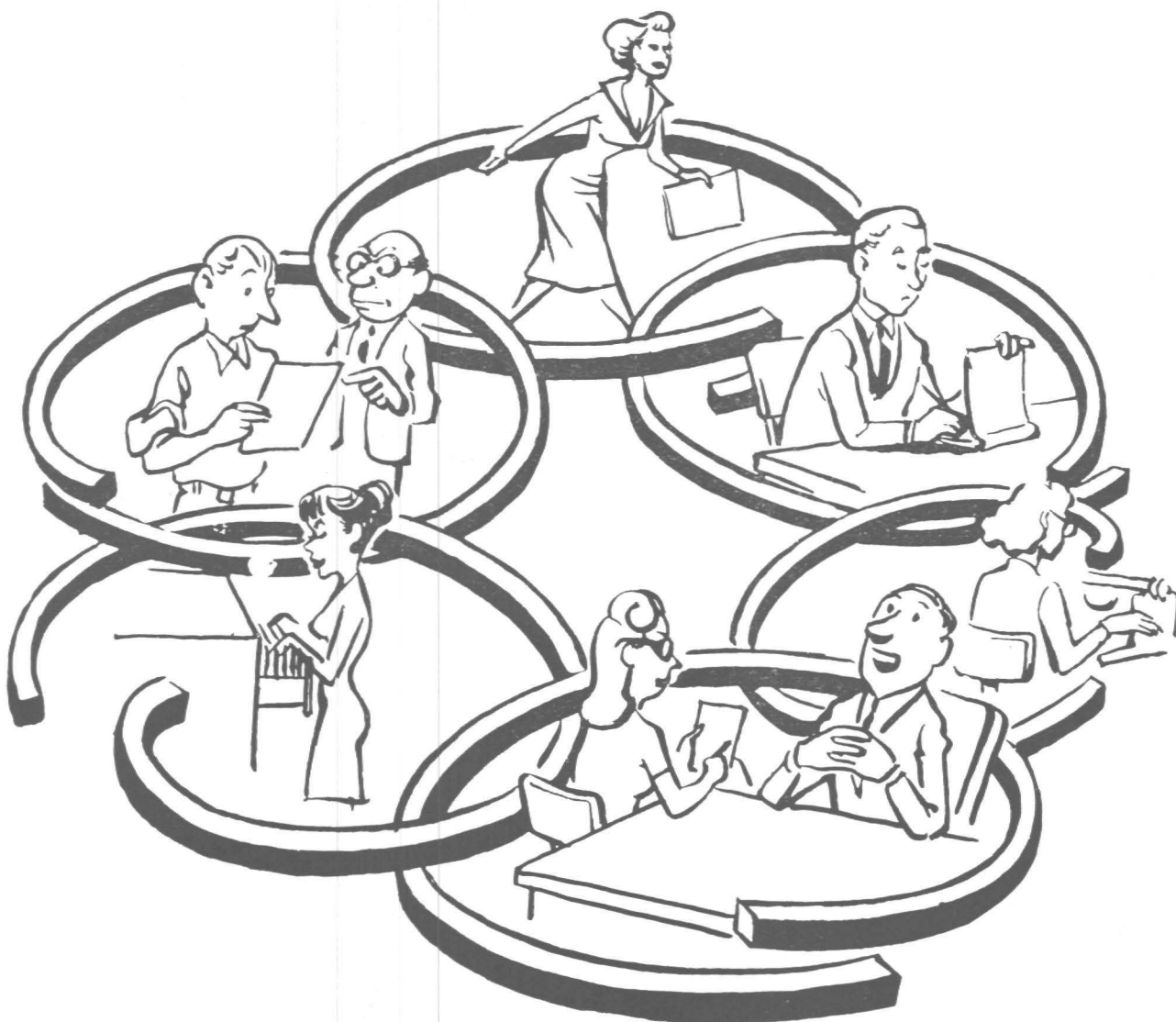
The material is received by another Employee, inspected, and forwarded back to the person requisitioning it.

Then the bill is paid by still another employee, and recorded by another as expense in the Company's accounting books and reported as such to management.

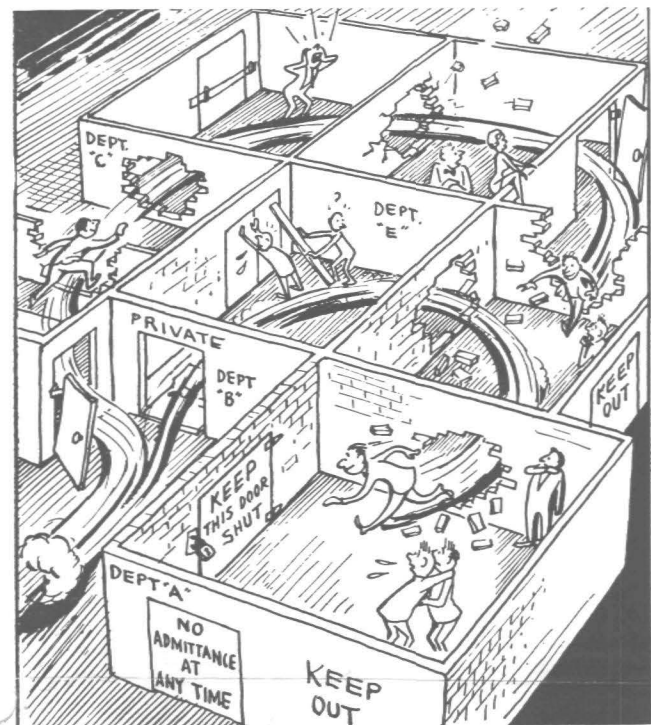
This is an example of what is known as a "systems cycle" or "flow-of-work pattern".

It is one of several that are currently being traced, analyzed and refined by Staley employees for every Company activity.

Put together, these flow-of-work patterns will be the framework for our Total Information System.



Systems cycles link up the various skills of the organization.



"Flow-of-Work" Pattern thinking counteracts straight department thinking.

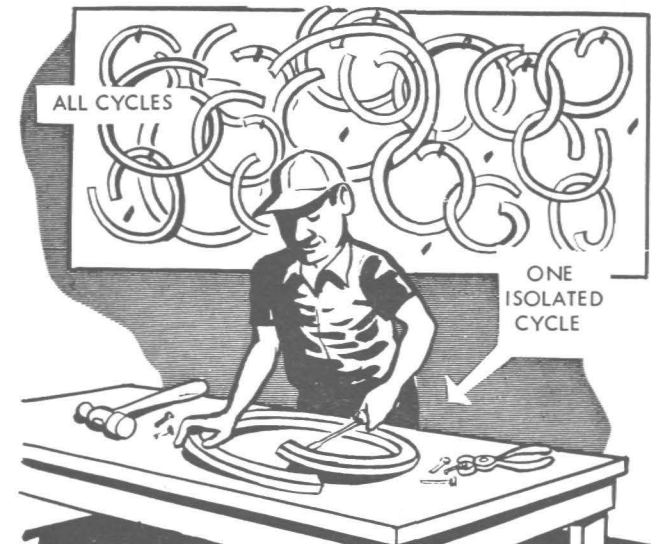
As you can see from the purchasing illustration above, a flow-of-work pattern involves not one, but a number of departments in the Company.

This takes it beyond the departmental approach business has always used to improve methods for getting the overall job done. The flow-of-work approach follows the whole function through, and doesn't stop at departmental lines.

To develop a flow-of-work pattern, systems analysts work with employees engaged in the various activities, tracing everything that is done in a given task, from department to department, from beginning to end.

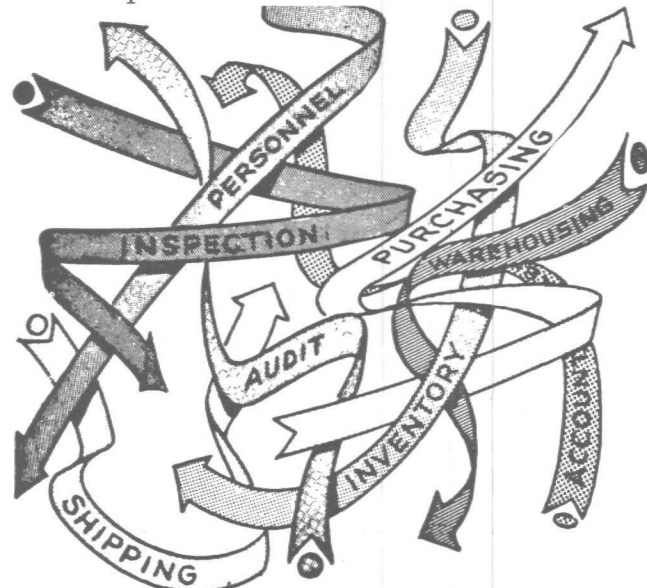
All flow-of-work patterns start with a need—a part, a person, a paper, etc.—and end with meeting that need.

They are often difficult to see happening. We see men and women, working at desks, in the plant, holding meetings, keeping records, filing them; repairing, installing and operating equipment, processing data—thousands of jobs in dozens of departments.



Identify all cycles. Improve one at a time.

What the systems man must do is dig into every activity, trace it from the basic need to its fulfillment, and come up with a logical pattern of work that will fit in with all of the others. The pattern will make good use of work that is done in other patterns, and be useful in turn to other patterns.



Without the systems cycle as a technique, it's hard to find clear patterns of activity.

You can get an idea of what it must look like and what is involved by picturing each flow-of-work pattern as an open-end circle, like a horse-shoe.

The systems people are the blacksmiths, forging patterns out of the information they gather, then linking all patterns together to get the job done with the least overlap and waste.

The result is the most efficient route from receipt of an order to delivery of a finished product, making each part of each pattern, or each of the jobs we do, a more effective link in the overall system.

Linking all flow-of-work patterns with minimum overlapping, as you can see, makes each job even more important than ever before. It won't make the jobs easier, but it makes them more interesting and less burdened by excess paperwork and waste motion.

The flow-of-work approach is quite a step forward from the way business has always gathered, used and kept information needed to get the job done in the past.

It would be a difficult, perhaps impossible, step without the aid of modern computers to store and sort all of the information involved.

How It All Got Started

A Total Information System is the newest and regarded as the most advanced of all business systems, but the only thing really "new" about it is the "Total" part.

Systems themselves are as old as business. Fact is, most of us are engaged in systems work in one or more ways on our jobs.

Every form, every report, every procedure—even the verbal understandings—these are all systems. They are simply ways for getting the job done in an organized manner.

Systems were probably born the day two cavemen got together in a stonehammer "mass production" venture, and they've been with us ever since, growing as business grew.

It is said that without them, business—indeed civilization itself—would be a mob scene. We might still be in the stone age.



Freddy Flintstone started it all.

Christmas-time at Staley; Season for Traditions



Johnny Shyer selected his finest tree, cuts it down.



Tree is hauled from forest, loaded on Staley truck.



AGLOW—Office employees Mary Frydenger, left, and Nancy Klebe admire towering Administration Bldg. Christmas tree. This year's tree will be erected later this week.

Many Meanings of Christmas For Staley Folks Everywhere

Christmas-time here, as across the world, means a great many things to different people. Many of Staley employees' activities of the season, have however, over the years become traditions.

Every year about the 15th of December, the tallest fullest tree is selected from thousands on 48-year-man John Shyer's Christmas tree farm for mounting in the Administration bldg. lobby. (See story at right).

In other departments, certain employees can always be counted on to head the decoration committee, bring goodies to share, or organize an after-work carol sing or some such thing.

Representatives of the Staley Foremen's Club place a wreath at the grave of A. E. Staley, Sr. each December, and in a homespun prayer reaffirm their pride and enrichment at having known him, worked with him, and shared his dreams.

This ceremony has been carried out every year since Mr. Staley passed away on December 26, 1940.

Members of the Staley Women's Club each year open their hearts and their pocketbooks to bring cheer to the hearts of the underprivileged children of the community.

The sum of these and many more heartwarming aspects of the magic season is a feeling—one which few could describe but that all wish would be apportioned over the entire year.

7200 Icicles Later: A Decorated Tree

Twenty-four work hours from three crews, 7200 icicles, 300 ornaments, 120 lights and 500 feet of tinsel. That's what it takes to prepare a giant red pine to brighten our Administration Building lobby for Christmas.

The project begins with a crew journeying to John Shyer's Christmas tree farm. John always earmarks one of his finest specimens for the Company.

After cutting, the tree is loaded on a truck, then squeezed through the administration building's double front doors, sprayed to reduce flammability, mounted, then turned over to another crew for decoration.

After the major decoration is complete, final decorative touches are added by many of the secretaries around the building, and the tree is set aglow to greet employees and visitors through the Christmas season.

In addition to the tree, Staley's main lobby is decorated with some 30 feet of greenery around the archways.



REMEMBERED WELL—Leaders of the Staley Foremen's Club deliver a wreath and a prayer to founder A. E. Staley each year during the Christmas season. He died Dec. 26, 1940. "Buck"

Scherer is shown reading his homespun prayer in last year's ceremony. Looking on are, left, Paul Strong and Carl Waltens; right; Ed Lashinski and Ornan Williams.