

# STALEY NEWS

## 354 DAYS INCOME NEEDED TO MEET 1938 EXPENSES

Some years ago, one of our American railroads gave one of the best early interpretations of their income and expense statement that had been devised. It was, perhaps, one of the first real efforts made to prepare a statement which anyone but a "brain-truster" or a full-fledged accountant could comprehend.

One fact presented in their statement still comes to mind, "It takes every cent of income this railroad has for fifty weeks out of the year to pay our operating expenses. The other two weeks we work for ourselves."

Our own figures, broken down into their interesting presentation, reveal pretty much the same story. All the money we took in during 1938 was paid out, mostly to meet expenses, except for ten days of income.

|   |             |
|---|-------------|
| Our income during the year gave us an income from customers, every 24 hours, amounting to.....  | \$67,739.15 |
| It took this much to buy materials for a total of.....  | 279.14 days |
| Then it required all we took in to pay wages and salaries for the next.....   | 46.13 "     |
| The amount needed for depreciation took our combined receipts for.....  | 10.97 "     |
| Taxes required our total incomes for the next .....   | 7.8 "       |
| To pay our interest to bondholders and banks, it took all we collected for .....  | 2.5 "       |
| Rentals took only.....  | .7 "        |
| Promises made to preferred stockholders obliged us to turn over to them all we took in for.....   | 4.59 "      |
| And there was left a total of almost 12 days income. A portion of this was voted to common stockholders and amounted to our combined income for ..... | 1.8 "       |
| Taking our total incomes for..... to meet all payments.   | 353.63 "    |
| The remainder left in our business represented the amount taken in for about .....  | 10. days    |

**Dividends on Common Stock Small**

The amount paid to our common stockholders, out of the amount remaining after meeting all expenses may not seem like a large one. Especially since it was their only payment in 18 months, and because their last previous payment had followed a waiting period of the same time, and because they received no dividend payments at all during the entire history of our company, prior to 1930.

Their interest, however, is largely a speculative one. They get paid when and if the company's income warrants, and in proportion to business circumstances that affect the company, both past and future. So,—as owners of the business, there may be the best of reasons why it is not desirable for them to receive all there is left, after other costs have been paid.

### Obligations To Meet

In the case of our company, the dividends have not been large for two reasons: The first,—to provide the growth that our corn and soybean business needed to become competitive.

(Turn to Col. 3 on Back Page)

## THE POCKETBOOK of KNOWLEDGE BY TOPPS

WHO OWNS INDUSTRY?  
A SURVEY OF 150 LEADING CORPORATIONS SHOWED 6,490,000 INVESTORS, TWICE AS MANY AS EMPLOYEES!



A POPULAR PUNISHMENT FOR PETTY THEFT, IN CHINA, IS TO MAKE THE CULPRIT WEAR A WOODEN "HORSE COLLAR," UPON WHICH IS PRINTED THE NATURE OF THE CRIME COMMITTED..... INSTEAD OF BEING CONFINED, THE CRIMINAL HAS TO WALK ABOUT IN PUBLIC "CARRYING HIS CROSS"



ONE COLORFUL SPECIE OF BUTTERFLY FOUND IN SOUTH AMERICA, GIVES OFF THE STRONG ODOR OF VANILLA AS IT FLIES ABOUT



VIOLETS WERE CULTIVATED EXCLUSIVELY FOR FOOD, IN EUROPE, IN MEDIEVAL TIMES..... CHOPPED VIOLETS WERE CONSIDERED A DELICACY.....



IN THE PAST 15 YEARS, MOTOR VEHICLE LICENSE FEES AND GASOLINE TAXES HAVE RISEN 722 PER CENT

**NATIONAL SURVEY REPORTS ON OLDER WORKERS**

Sometime ago, the Staley organization was included in a national survey of industry made on the worker over 40. At that time, the figures applying to Staley workers were published in the "News." The results of that survey have recently been made public and disclose some interesting facts concerning workers over 40. Perhaps the most interesting fact shown, however, is that there is a greater proportion of workers over 40 in industrial employment now than before the depression.

The survey was based on statistics compiled from 2,485 questionnaires from representative industrial units employing a total of nearly two and a half million workers.

**No Decline In Employment At 40**

"A new factual picture of workers 40 and over emerges from this survey," the report says. "Contrary to unsubstantiated opinion, employment statistics as reported in this survey, compared with previous surveys of industrial workers for 1923 and 1928, show no decline in the proportion of industrial employment at the age of 40.

"It is evident from all the information submitted that industry evaluates its older workers very highly. It is apparent that workers 40 and over constitute a vital and dynamic part of industry, their skill and strong loyalties being of inestimable importance in the industrial unit."

Highlighting industry's general practice as regards workers 40, and over, the survey reveals nine points as follows:

1. No companies discharge workers when they reach 40.

2. Less than 1% of companies indicate that they give preference to younger workers when it is necessary to make layoffs; the statistics show that when layoffs are made, preference in retention was given generally to workers 40 and over.

3. 89.1% of companies have no maximum hiring age limit; 7.5% have such limits; 3.4% do not answer this point.

4. 38.3% of companies give preference in hiring to workers below 40, principally because of the training and apprenticeship requirements, and because of the physical demands made by certain tasks.

5. The results of this survey, when compared with similar surveys for earlier years, show no lessened proportion of employment of workers between 40 and 50, but do indicate a slight decrease in industrial employment after age 50.

6. A substantial portion of employees hired in 1938 are 40 or over.

7. A larger percentage of employees was 40 or over in 1938 than in 1937.

8. Employers have the following views on the work performance of employees 40 and over as compared with younger employees—

| Aspect                         | More  | Same  | Less  |
|--------------------------------|-------|-------|-------|
| Illness .....                  | 16.8% | 65.7% | 17.5% |
| Efficiency .....               | 33.7% | 50.9% | 15.4% |
| Cooperation .....              | 52.2% | 43.6% | 5.2%  |
| Accident Risk .....            | 13.8% | 55.9% | 30.3% |
| Psychological Adjustment ..... | 16.0% | 50.2% | 33.8% |

9. 63% of the replying companies provide group insurance.

From this survey one might conclude that, if life doesn't begin at 40, at least it doesn't end there.



The fellow who says, "I'm not getting paid to think. I'm just working here" may be a better prophet than he imagines. Once a man really makes up his mind that he is "just working here" the chances of his ever getting a chance to do anything more than that are reduced by about ninety percent. If you are wondering what connection this has with Safety the answer is plain. Men who get hurt are men who obviously didn't see the snake until it bit them. They were not thinking about how to do their jobs safely or they would have seen the danger in time. They were "just working here." So you see there are two dangers in believing that you are not being paid to think. The first is that you will never win any sort of promotion. The second is that you may not even be able to keep on "just working here." An accident may take the job entirely away from you.

Try to see how accidents might happen on your job. Then think about how they can be prevented. There are two rewards to be gained if you do. There are two penalties to be paid if you don't.

Goggles and respirators, like all other tools, get out of repair after they have been used for a time and, if you don't have them repaired promptly, they will not give you the kind of protection you should have. Goggle lenses become scratched and pitted by the chips that started toward your eyes and didn't get there. Respirator filters get clogged with the dust that started toward your lungs and didn't get there and the rubber exhalation valves deteriorate with age. Headbands get twisted and lose their snap. All of those things can be changed by a trip to the Safety Office. We have plenty of replacement parts to make all sorts of equipment as effective as it was when you got it. Bring in your cripples and let us throw away their crutches.

**OUR OFFICIAL BOX SCORE FOR SAFETY**

|                  | Jan. 1939 | Feb. 1939 | Feb. 1938 | This Year to Mar. 1 | Last Year to Mar. 1 | Percent of Change |
|------------------|-----------|-----------|-----------|---------------------|---------------------|-------------------|
| Total Injuries   | 261       | 266       | 204       | 527                 | 414                 | + 27%             |
| Eye Injuries ..  | 42        | 51        | 34        | 93                  | 91                  | + 2%              |
| No Goggles ....  | 6         | 1         | 10        | 7                   | 35                  | - 80%             |
| Reportables .... | 8         | 8         | 8         | 16                  | 22                  | - 27%             |
| Lost Time .....  | 5         | 3         | 1         | 8                   | 4                   | +100%             |
| Days Lost .....  | 38        | 17        | 8         | 55                  | 59                  | - 6%              |
| *Wages Lost ..   | \$212.80  | \$95.20   | \$43.52   | \$308.00            | \$320.96            | - 3%              |
| Late Reports ..  | 4         | 5         | 10        | 9                   | 20                  | - 55%             |

\* Figured at 70c per hour. Staley average rate for 1938.

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 W. G. Reynolds, Manager of Personnel  
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All news and suggestions should be given the editor by the 10th and 25th of each month.

**BUSINESS STRIVES TO PROVIDE SECURITY**

Every man who works wants to get the best wage that can be paid. That's a natural and proper desire. But most men are more interested in achieving security, some assurance that their earnings will be regular and permanent.

Employees look to employers for this assurance. Managers of businesses cannot guarantee regular and permanent jobs but they try to make them regular and permanent and they are making progress toward that objective.

**Only One Approach To Security**  
 Various economic experts have developed theories for providing security. Many theories have been tried. So far, none have worked. The only real progress toward achieving security has come from the application of the old Maine principle which is, "Pay out less than you take in." Managers of sound businesses have found this principle is more practical than any other for increasing the security of a business and its employees.

The major responsibility of the managers of a business is to devise plans to assure security. There is no security for either employees or managers, or stockholders unless the business is made secure. In order to make a business secure, the managers must insist that the business pays out less than it takes in. So they make budgets.

**No Security Without Profit**  
 The managers of a good business make up their budgets by figuring wages at rates generally paid by the best companies and figuring the total to be expended. They add the cost of taxes, materials, repairs and replacements, power, freight, rent, sales advertising and all other expenses that have to be paid. If it doesn't add up right, they cut down the allowance for items that can be post-

poned. Finally, they arrive at a budget of expenditure that is less than they expect to take in.

At the end of the year, if things have gone as the managers have planned, they have paid all of their bills and have some money as a profit. The first consideration, in deciding what to do with that profit, is to provide for the security of the business, so the managers lay aside some of the money as a reserve fund for a rainy day.

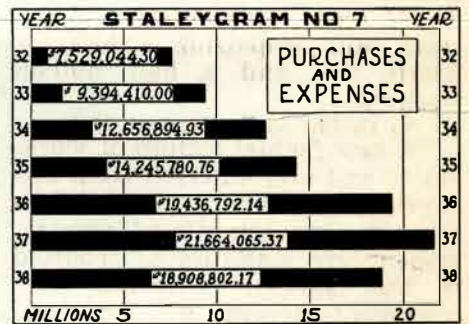
The managers are guided by conditions in deciding how much to lay aside. If the outlook is poor, they may put all the profit in the reserve fund. If the profit is small, they may put all of it in the reserve fund. If the profit is reasonably good, and the outlook is good, they put part of the money in the reserve fund and pay out the rest in dividends to stockholders.

If a business enjoys a succession of profitable years, it accumulates a sizeable reserve to finance them through slumps and maintain employment. If a business is unable to accumulate reserves, it may be forced to close up after a short period of poor business. Consequently, a business that has no reserves offers no security to employees.

**Present Law Takes Away Security**  
 Several years ago, Congress passed a law which, in effect, penalizes or fines businesses for build-

ing up reserves. This law requires that business pay stockholders all the profits each year or else pay a big slug of reserves to the government. The same kind of a law applied to individuals would force them to pay a fine for putting money in a savings bank for a rainy day. This law hinders the accumulation of business savings, may even prevent them.

Business men oppose this law because it threatens the security of all business and thereby threatens the security of employees, stockholders, managers and others depending upon business for their living.



Staleygram 7 illustrates a point mentioned with Staleygram 6. Namely, that the main difference between the lengths of the bars is due to the difference in the cost of our supplies, rather than improved business.



Although no major new construction was undertaken at Staley's last year, improvements and sundry additions required more than 300 thousand dollars.

In 1896, (the good old days) the campaign slogan was "A Dollar A Day."

When a fellow is "Luke warm" about Safety, his accident record is usually not so hot.

The sun is nearer the earth during the winter than in the summer. The difference in temperature is due to the glancing angle at which the rays strike the earth, it being much more oblique in the winter.

960 million dollars worth of electrical appliances are bought by the people in this country, in one year.



The Staley basketball quintet has been seeing some of its busiest moments in these last few weeks of the season. Their swan trip was played at Chicago against Chicago land's best, the Magic Chefs. Hampered by the flu and Delmar Cox's sprained ankle, they expected a thumping would spoil the fun which extra funds from several sources was expected to provide. Staley's captured the game in easy style, however, by a generous 42-31 margin.

★ ★ ★

The following night, Staley's crashed through to a 46-31 answer to the U. S. Mfg's Zone defense and the championship of the second half play in the Industrial league. The victory qualified them for the play-off for the league championship.

★ ★ ★

The first game of the play-off found the boys colder than hula-hula dancers at an Eskimo barn dance. They trailed all the way until the score was tied in the last forty minutes of play. Then, with the score 27-27, Beany, (call me Dead-eye) Smith started one from his heels that traveled half the length of the floor clean through the net to put the game on ice.

★ ★ ★

Two nights later, the U. S. boys put up one of the best games Staley's encountered all year but it was just short of being good enough (35-31). Delmar Cox sparkled on rebounds to collect over half of his team's total. The rest of the boys were at their peak, both under the basket and on the floor. Their sense of timing and passing were never better and maintained their ability to control possession of the ball. As a crew, their play clearly indicated the champions that they proved to be although only 4 points and a referee separated both teams at the end of the game.

★ ★ ★

Meanwhile the big news of bowling play happened. Roy Rolins collected a 266 to tie the season's high score set by Buster Woodworth earlier in the year. As

## FEBRUARY PLANT PAYROLL \$126,227.63

Bill Kutch's chief aide in charge of wages and hours records, Walter Lichtenberger, trod over with the figures for the month of February which he had just finished. Walter was all smiles because the calculations were for what he calls "A perfect month." The only month in the year with four even weeks and 28 days when wages and hours can be broken down into the figures he needs without having to use a bunch of fractions.

Walter supplies the figures that we need for reports to the State Department of Labor. That is why he happened to be over. Since the *Staley News* happened to be the chief worry at that time, it occurred that some of his figures might be of interest to others than the Labor Department.

### Good Averages For Short Month

February is a short month. The number of hours worked and the wages paid are not as large as the other 11 months. It was a pretty good month, nevertheless and gives some idea of how wages and hours go.

Walter found four departments with the full 40 hours, Shipping Inspection, Brick Masons, Soy Flour and Sauce and Civil Engineers. This involved 12 people. The rest of the departments came fairly close to perfect months, excepting the Office Cafeteria and the Extra Board. The Extra Board had the lowest average with slightly under 29 hours for its 142 workers. The Office Cafeteria had almost 31 hours.

The average for all hourly employees in the plant came to 37.59 with a total of 182,388 hours worked. This brought an income totaling \$126,227.63 to hourly workers during the month.

Roy went to the alleys for his last chance at the record he needed only 28 pins to set a new mark. The crowd milled around giving their best encouragement with plenty of reverse English. Roy toed the line, rubbed the ball on the end of his nose for luck and let go. He got 27 pins to dust off a tie. The pin he needed to break the record, wobbled and wobbled, took several deep breaths, a deep sigh, straightened up and smiled. Then everybody relaxed as Roy's Executives marked up a win over the Millwrights.

## STALEY EXPENSES—(Contd.)

As far back as 1918 and '19 there was the Syrup Refinery which was built. Later, during the years between 1925 and '28, there was the Power House, the Engine Room, the stacks, and the changing over of our boilers. At that time too, between 1926 and 27, the construction of Elevator C took place. Again in 1929 and '30, our growth and demand for more space was the forerunner of No. 20 Building and the transfer of the offices into new quarters.

### Processing of Soybeans Expands

In the other field of our operations, there was almost a parallel development in our soybean plant. In 1922, our infant plant was so small that it took an entire year to process as much as we now handle in a day. Large development took place here about 1931 with the first substantial expansion. Then in 1936 and 1938 came the building of the new Oil Refinery and the installation of its equipment. Tying together both the corn and soybean processing was the construction of our New Laboratory in 1938.

### Money Needed

All of these things took money. More than could be provided out of the earnings of our company. As a result, 6 million dollars was borrowed to complete the financing of these additions. Since their conclusion, funds have been used from current income to pay off the loans. At the close of 1938, the debt remaining amounted to 3 million 155 thousands dollars.

The repayment of loans, then provides the second reason why common stock dividends have not been large.

These are the things which the ten days of undistributed income have done and are expected to do for us. It is the only way, so far devised, that any business has found to grow, or survive.



4-room partly modern house. Good condition. Cheap. 2649 E. Eldorado. Call 8155 for appointment.

20 acres with 4-room house, barn, hen house, brooder houses, 12 acres (now in pasture). (In oil territory, 11 miles south of Shelbyville) on gravel road. Plenty cheap. Joe Jenkins, Packing House.

Five horsepower garden tractor. Will sell or trade for a smaller one. Cheap. E. W. Timmerman, R R No. 5 or call Co. 839 ring 3.

One acre ground in Greenwich Gardens, one mile north of Staley's. Reasonable. E. W. Timmerman, R R No. 5 or call County 839 ring 3.