

STALEY NEWS

VOL. 1—No. 13

BY AND FOR STALEY PEOPLE

March 1, 1938

COMPANY LOSS REPORTED FOR 1937

The third loss in 25 years of business was reported by our company on February 10th, in its Annual Report to Stockholders which was mailed to everyone with funds invested in the company at the close of 1937, to all employees and to the New York Stock exchange, on which our 4% bonds are listed for trading.

The invitation extended to employees to "Come in and ask" was accepted by the "News" and here are some of the things that developed from conversations with department heads of our company.

PURCHASES \$21,664,065.37

Mr. Cobb, our Purchasing Agent, whose office purchases approximately 15% of the supplies needed in our business states that:

"The average cost of the supplies purchased in 1937 was 10% higher than in 1936. Take the cost of coal alone — last year we purchased less coal than in 1936 but it cost us around \$20,000 more. In January, we began paying the mines two cents a ton more to take care of their increased costs due to Social Security and Old Age payments. Commencing April 1st, 10 cents a ton was added to the price because of an increase in the miners' wage scale. On May 1st, an additional cent a ton was added in the form of a federal tax on coal production."

"On top of this, we had to buy some 40,000 tons of nut and egg coal for storage because the miners were threatening to strike. While this strike did not materialize, this safeguard increased the average cost of coal we bought last year."

"Other increases were noted—steel went up 10%, tin 20%, and copper 10%."

"Our printing costs jumped between 12 and 15% and higher tinplate prices led to an increase

in the cost of our tin cans. Against these increases were several declines during the year 1937, following rapid price advances in the early part of that year. Burlap bags dropped slightly and cotton bags and filter cloth dropped materially."

"The balance was not in our favor, however. Many commodities advanced as much in one month during the spring of 1937 as they had formerly advanced during a year, only to drop materially later in the year. Like many companies, we were caught with high priced commitments on certain items which our reduced sales would not permit us to work off during 1937."

DO YOU WANT TO KNOW?

Editor's Note

In response to the invitation to "Come in and ask," about the business of our company discussed in the Annual Report to Stockholders which was sent to all employees on February 17th, with a letter from Mr. A. E. Staley, Jr., this department dropped in on some of the officers of the company and asked a few questions that may be of general interest.

In this issue of the "News" and, if necessary, the next few issues, we are going to discuss some of the things that we have learned and print some statements that these people were kind enough to contribute. These will be grouped under the main heads selected by Mr. Eakin and widely adopted by others for analyzing the results of their year's business.

In doing this, we want to answer individual questions that you may have in connection with any matters concerning this report. IF — YOU WILL MAKE THEM KNOWN. The door is open, drop us a line. It's your move, fire away.

TAXES \$255,153.98

Mr. Bass, in whose department the taxes are handled and where approximately 50 separate types of taxes are figured and paid each year to many more than that number of taxing units, had the following to say:

"We pay taxes to the Federal government as well as to practically every state in the union, and to the local taxing units in the communities where we operate or have stocks stored. We are taxed and pay for our share of the cost of building schools, sewers, streets, highways, lakes and other things on a list which never seems to be completed."

"In 1937 our total tax bill was smaller than in 1936 but, strangely enough, the list was longer and the amounts larger, (in most cases) than they were the year before. The explanation lies in the income and undistributed profits tax which we did not have to pay in 1937 because we did not make a profit."

INTEREST AND BOND EXPENSE, \$196,017.32; Dividends on Preferred Stock, \$317,542.60; Dividends on Common Stock, \$84,050.60.

Mr. Bass, who as Treasurer for our company gave the following information on the company's method of financing our operations:

"Our company secured the funds to build the plant and finance its operations through the sale of preferred and common stock, the floating of bond issues, and the savings of the common stockholders, supplemented by current short time loans from banks. At present there are outstanding two classes of preferred stock, the cumulative preferred \$5.00 series, of which there are outstanding 46,977 shares, and 10,860 shares of 7% preferred on which there was collectively declared \$317,542.60 during 1937. We also have 423,253 shares of Common stock outstanding of \$10.00 par value on which 20c per share was paid June 20, 1937. The payment to Common

stockholders amounted to \$84,650.60 and was taken out of our earnings for the first part of 1937 which showed a profit. The profit for the first part of 1937 was more than offset by losses during the last six months of the year."

"The surplus as shown on our statements, represents prior years' earnings which the common stockholders have saved by leaving them with the company to be used by the management for plant expansions and working capital."

"Bond interest was paid at the rate of 4% per annum."

"Money needed for financing inventories was borrowed, as needed, from banks at current rates."

IF YOU WANT GROUP HOSPITALIZATION IT'S NOT TOO LATE

The Directors of the Decatur Hospital Service Corporation have announced that they are extending the Group Hospitalization enrollment period until the 15th of March. Already some 150 Staley people have joined and others plan to.

Those who purchased membership prior to February 15th, are now in the protected group. Memberships purchased too late to become effective on that date will go into force on the 15th of March when the membership drive closes.

If you would like to know more about this plan, ask someone who knows. Your Credit Union Directors, or members of the Personnel Office are in the best position to help you.

PLEASE PARDON

Fellowship Club Report Omitted Group Hospitalization

Thanks to an alert eye, an error in the Fellowship Club report printed in the Last issue of the "News," was pointed out.

In listing the expenditures of the "Club" by individuals and by the group for eight months, GROUP HOSPITALIZATION costs were not included. These should have been shown and are as follows.

Average cost per person, 12.91c per month.

Total group cost for eight months, \$1,829.

SURVIVOR'S CLUB FOREMEN GIVEN CREDIT

Just as sure as there is an underlying cause for every accident, there is an underlying reason why accidents don't happen. Recently one of the men in the Engine Room said, "Ask any of the boys and they will tell you that Earl Leek never lets a man take a chance. We don't have accidents because he pushes Safety day in and day out and we don't get a chance to forget the safety angle of our jobs." I think that we have one of the 'swellest' foremen in the Plant for that reason."

The same thought has been expressed by other men in departments where Safety is given its full measure of attention.

The Foremen in charge of the Perfect Departments who are entitled to extra large helpings when the credit is dished out are as follows:

Foremen	Department
Earl Leek	Engine Room
Doug. Williams	Reclamation
Miss Case	Cafeterias
Harry Casley	Elevator A
Phil Wills	16 Building

WHAT PRICE SPEED?

Here is what the National Safety Council found out about auto fatalities.

At 20 miles an hour, 1 accident out of 61 was fatal; from 20-29 miles per hour, 1 out of every 42 was fatal; between 30-39, 1 in every 35 proved fatal; from 40-49; the fellows who had accidents lost one life for each 25 mishaps and ONE OUT OF EVERY ELEVEN WAS FATAL TO THOSE GOING OVER FIFTY.

And that does not account for lost limbs, broken bones, wrecked homes and financial distress caused by those accidents.

Never use a dog eared tool,
With a dull tool never fool;
Neglect this bit of Safety First
And Luck'll do her dirty worst.

IS SAFETY YOUR BUSINESS?

Roy Rollins, Director of Safety

If it is:

You know that the surest way to have an accident is to quarrel with your job. Some days you come to work feeling bum and the weather is gloomy and the boss looks grouchy and the first job you get is one you don't like and you are tough because you have to work for a living and you stay mad just long enough to slam on a conveyor starter without seeing whether everyone is in the clear. And — someone isn't. And he is caught and injured.

Well—you feel like a heel and you say. "I just didn't think," but that doesn't cure anything and you know it. You are considered a careless fool but you know you aren't. Maybe you say, "I don't know what made me do it. I knew better." And you did — but anger fogged your mind long enough to let you slip. Machines ARE dangerous. They need your best thinking all of the time if they are to be operated safely. You can't think when you are angry. Better iron out your troubles before you start to work or you may have more after you get here. And they will be real ones.

* * *

It isn't surprising that we murder each other with automobiles. They are too new for us to understand. Most of us can remember when an automobile was a curiosity and all of us remember when 60 miles an hour was the incredible "Mile-a-minute" that only Barney Oldfield could attain. Suddenly, with little training, we have been put behind the wheel of a car capable of going 90 miles an hour and started on our way. Speed is fun but it is too tough for us. We have to think too quickly and we have to be right every time. Take it easy, boy. Find out what you are doing.

Published Twice Each Month
By and For The Employees Of

**THE A. E. STALEY
MANUFACTURING COMPANY
DECATUR, ILLINOIS**

J. M. Richey Editor

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

Side Glances

Why Is It True—

THAT:

Some people work all day, day in and day out, week after week with a first hand knowledge of the high standards of quality that their company maintains, and then stop in a store on the way home and buy a competitive product.

THAT:

These same people may not even give their own products a trial although their price is no higher than those manufactured by someone else.

THAT:

Some people do not realize that every box, can or jar purchased from a competitor is one less that his company will need to make and so in a small way is "cheating his own pocketbook."

DID YOU KNOW THAT:

The government estimates that an average of 40 cents out of every dollar received in wages goes for the purchase of food. If their figures are accurate, then our payroll in 1937 which amounted to over three million dollars meant 1¼ million dollars in trade to local grocers.

It is estimated that 8,000 people in Decatur are members of Staley families. This means that 1 out of every 7.5 persons who steps into a local grocery store is a good reason for stocking a complete line of Staley products.

PRIVATE ENTERPRISES

In America 7 per cent of the World's population lives on 6 per cent of the world's acreage. The unusual thing about this is that the American people have used the resources found in this country in such a way that we are able to afford and enjoy most of what the world has to offer for a happier life. All of this because of, or, if you like, in spite of the "American System."

We in America have:

- 60% of the world's communication facilities,
- 33% of the world's railways,
- 50% of the world's electrical energy,
- 50% of the world's gold bullion,
- 80% of the motor cars in use,
- 66% of the civilized banking resources,
- More purchasing power than all Europe with but 1/5 their population,
- More purchasing power than Asia with only 1/10 of their people,
- 1 telephone to every seven persons compared to 1 for every 35 in four other leading countries,
- 1 radio for every 6 persons against one for each 17 in these four other countries.

And we in America Consume:
48% of the world's coffee,
53% of the tin that is mined,
56% of the rubber that is produced,
72% of the world's silk,
36% of the world's coal,
66% of the crude oil,
60% of the wheat and cotton,
42% of the pig iron,
47% of the copper,
21% of the sugar supply.

All of which has been accomplished through private enterprise, (The American System) rather than State Control, (The European System).



FOR SALE:

Kerosene Range, would swap for studio couch. L. E. Tipsword. 2-4144

SERVICES FOR HIRE:

Moving van, Wm. Mossman 1424 E. Moore, phone 7583. Will accommodate anytime day or night. Reasonable to fellow employees.

LOST:

A Staley badge, number 134, finder please return to Wm. Kosick, Pumping Station. Home 568 S. Webster.



Traffic accidents took a death toll of 39,700 lives in 1937 and accidents in the home ran a very close second.

The wet milling industry uses about 17% of all the corn sold for commercial purposes.

(Some people could say what they think without opening their mouths)

Corn syrup mixed with cow's milk is the best substitute for mother's milk. Staley's Crystal White and Golden Table have both been accepted by the American Medical Association for this purpose.

Forty per cent of the average wage goes for food, 25 per cent for shelter, 15 per cent for clothing, 10 per cent for fuel and light and 10 per cent for savings, all of which is another reason why citizens should strive to keep local industries afloat.



By Bill Brumaster

CHAMPS:

Basketball interest reached its peak at the YMCA Monday February 14th, when Staleys played and defeated the Oakes Products, 46-41 in a hair raising overtime tilt. Both teams were matched for a three game play-off after having split the season between them. Championship play was halted at the two game mark with Staleys in possession of both victories and the league title.

Behind most of the game by as much as 9 points, the boys found their basket eye in the last five minutes of the regular game to stage a comeback rally that had the fans in continual applause as they whittled down the Oakes lead and went into a tie with the final whistle, 36-36. Continuing to display the best basketball that has been seen in this city this year, the boys massed ten points to annex the title 46-41.

Congratulations to Cox, Chamberlain, Cozad, M. Smith, Scott, Page and their coach, Leck Ruthrauff.

VOLLEYBALL STANDINGS.

Centennial League

	won	lost	pct.
Torrence AC.....	11	2	.846
Staley Cubes	10	3	.769
Staley Syrup Packers	3	10	.231
Centennial Dads	2	11	.153

Johns Hill League

Staley Lions	10	2	.833
Staley Office	8	4	.666
Post Office	5	7	.416
Osgoods and Sons ..	1	11	.083

FOR SALE — 1936 Standard Chevrolet Sedan, dual equipment. 18,000 miles, excellent condition. Morris McKown, Garage.

FOR SALE—Safety Shoes, size 10D. Very reasonable, worn only 2 days. Call Phil Potter, 213.

WORK LAWN NOW TO GET BEST RESULTS

J. E. Underwood
Garden Supervisor

PRUNING TREES AND SHRUBS

As spring nears the subject of pruning comes to mind. There are three chief reasons why this should be done, these are; to maintain the shape of the plant, to remove dead or diseased parts and to encourage the production of fruit or blossoms.

It is impossible to give specific directions for pruning all shrubbery and trees since the pruner must know the habits of the plant but the following should be helpful:

THE SPRING BLOOMING WOODY PLANTS usually produce their flowers from buds formed the fall before. Cutting back such plants in winter or early spring removes their flowers. This is true for most fruit trees, lilacs, forsythia, spirea van houtte, (Bridal Wreath) and weigela. The proper time to prune these is after they bloom.

SUMMER BLOOMING SHRUBS usually produce their flowers on shoots that grow early in the same season. This includes grapes, quince, hybrid roses, hibiscus, mock orange, hydrangea, red spirea and others. Pruning should be done on these in winter or early spring.

FRUIT AND SHADE TREES are preferably trimmed in late winter or early spring but moderate pruning may be done at any time except during dry weather.

GRAPES must be pruned before the sap begins to flow as they bleed freely when pruned late. The usual time is early in February. If pruning is planned later, several twigs should be cut as a test for bleeding before proceeding with the work. In no case should the work proceed if bleeding takes place.

USE A SHARP KNIFE OR SHEARS when pruning vines and shrubs and cut at an angle just above the live bud leaving no dead wood below.

USE A SAW for the heavy work first cutting up from the lower side of the branch half through the limb, then complete by cutting to meet from the top. This prevents tearing the bark as the limb falls.

Seven separate operations on the lawn are necessary to secure the best cultivation of the grass and if carefully performed will result in a thick rich stand of grass that will retain its beauty through out the summer. These steps are as follows:

ROLL THE LAWN

as soon as the last frost has left the ground. This will reunite the roots of the grass with the soil from which they have been separated by alternate winter freezes and thaws. Rolling should not be done until the surface of the ground has dried because damp rolling packs the soil and keeps out the air and moisture needed by the roots.

RAKE GENTLY TO REMOVE THE ACCUMULATION OF ODDS AND ENDS OF

winter neglect. This should be done one week after the rolling takes place. Low spots in the lawn should be filled at the same time with a mixture of good garden loam to which a little sand has been added.

ADD FERTILIZER

This should be rich in nitrogen. If possible get one with not less than 4% nitrogen, 6 is better. This should be spread not to exceed 2 pounds to each 100 square feet. The best way to do this is by spreading on several light dressings rather than making a one coat job of it.

SPRINKLE

as soon as the fertilizer has been spread. If the two dressing method has been used, two sprinklings are necessary. Enough water should be used to wash all the fertilizer off of the grass.

SEED

all bare spots and thin areas one week after the previous step.

ROLL

once over, immediately after the seed has been broadcast. This will press the seed into the soil so that it will have contact with food and moisture.

CUT

but do not cut too early in the spring. Let your lawn get a good start and it will stand the season in better shape.