

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

Staley NEWS

Vol. 6, No. 5

Decatur, Illinois

March, 1964

New Apprentice Program Signed

A new Standards of Apprenticeship agreement was given official approval Friday, Feb. 21 in a Union membership vote.

The new agreement is effective immediately and runs until Sept. 1, 1967. Bidding for the first apprentice class under the new pact is expected to open within the next 60 days.

Agreement on the apprenticeship program caps six months of talks by the Company and Union bargaining committees, during which time no new apprentices were added.

Dispute over interpretation of the old agreement last September led to suspension of starting new classes.

Included in the new agreement are protected rights for all employees covered by the former program, elimination of the Joint Apprenticeship Committee, and revised grading systems and accomplishment levels.

Bidding for first-year apprentice vacancies is open to employees holding title or recall rights to Helpers' jobs on Nov. 1, 1958 who are high school graduates under 35 years of age or who pass Company administered tests, and to all employees under 29 years of age with high school diplomas who pass qualification tests.

Instruction will be conducted either in or out of the plant, by Company personnel or outside educational institutions.

A cash bonus of \$50 a semester or \$100 a year is given apprentices for classroom work outside their regular hours.

Apprentices advance by completing annual requirements not to exceed 250 class hours, 1,900 experience hours, one-year seniority, and an overall average of 75 or better with grades of 65 or better on both craft and related instruction.

Length of apprenticeship programs may range from one to five years, and will be set by the Company based on the complexity of skills and knowledge needed for individual crafts.

At the end of the program, apprentices will be awarded certificates of completion by the Company and promoted to journeyman status.

Apprentice rates start, under the present schedule, at \$2.42 an hour, move up to \$2.52 the second year and to \$2.63 the third year. Fourth and fifth year rates are \$2.70 and \$2.795 respectively.

Annual Report Quiz Takes New Form

Your Annual Report Quiz is taking a new form this year—any employee, anywhere in Staley international, can enter.

The Quiz is printed on Page 8 of this edition of the Staley News. To enter, all you have to do is complete the Quiz form and return it to The STALEY News, 22nd and Eldorado Streets, Decatur, Ill. in the company or regular mail.

Judges will select 10 finalists from original entries. From these, three top winners will be chosen on the basis of accuracy, achievement in overall understanding and clarity in presentation.

First prize is a share of Staley common stock. Second is a \$25 U. S. Savings Bond, and third is \$10 cash.

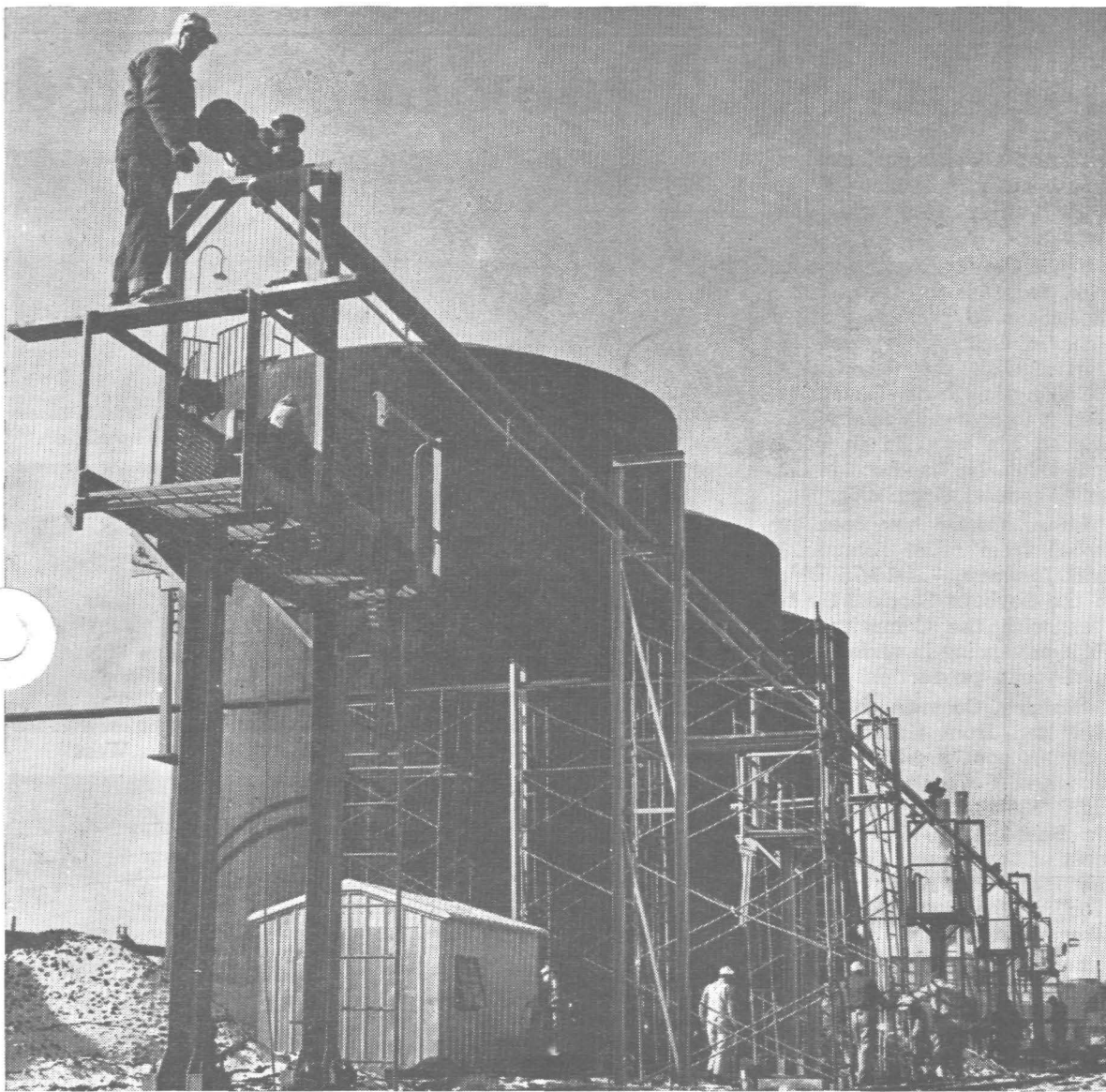
Entries must be received prior to March 15 to be eligible. Winners will be announced in the next issue of the News. Decision of the judges is final.

March Most Costly Month for Employees

Last year absence from work cost Staley employees \$426,121 in pay and benefits, and the month of March was by far the most costly.

Statistics show that during March, 1963 absenteeism jumped to more than five percent of total hours worked, compared with an average of less than four percent over the entire year.

Low months for absences were July, September and October, all under three percent of total hours worked.



NEW TANKS—Workmen extend piping over rail siding from the recently completed crude soybean oil storage tanks near the East Gate. (Story on Page 3).

Eleven Seek Top Fellowship Posts in March 26 Election

Officers and three governors of the Staley Fellowship Club will be named Thursday, March 19 in the Club's annual election. The president, vice president, secretary and three replacements on the nine-man Board of Governors will be selected by Club members from a slate of 11 nominees.

A four-way battle for the presidency shapes up as a focal point, with Charles Lavery's bid for reelection challenged by Walter Rade, Cedric Rybolt and Charles O'Dell.

Vying for the vice presidency are John Guysinger and Harry G. Utley.

Only uncontested post is secretary, where Harold Schable was the sole name-in-the-hat as nominations closed Feb. 13.

Running for three governors' openings are Hedgie Smith, Jesse Angel, John T. Creamer and Martin Siedman.

Governors are elected to three-year terms and officers for two. Three are added to the Board of Governors each year.

Officers and governors retiring from the Board are:

Charles Lavery, Millwrights, president

Wayne Glosser, Storeroom, vice president

Clifford Reynolds, Chemical Engr., secretary

Leslie Carr, Groc. Prod., governor

Dean Devore, Credit Union, governor

Don Carroll, Ass't. Foreman, Millwrights, governor

Governors continuing on the Board are:

Two years remaining:

Joe Hilberling, Electric Shop

Marion Foley, Ind. Engr.

Jack Potrafka, Electric Shop

One year remaining:

Wayne Stanley, Machine Shop

W. F. Leek, Tin Shop

William H. Peterson, Pipe Shop

Each of the Fellowship Club's nearly 3,000 members is eligible

to vote. Polling place and voting hours are:

Extraction Plant: 4:10 a.m. to 4:50 a.m., 9:45 a.m. to 10:45 a.m., 5:10 p.m. to 5:45 p.m.

Plant Cafeteria Lobby: 5 a.m. to 9:30 a.m., 11:30 a.m. to 5 p.m.

Research Center: 7:30 a.m. to 8:30 a.m.

Office Bldg.: 3rd Fl. Conference Room; 11:30 a.m. to 2 p.m.

17 Bldg. Lobby: 2:15 p.m. to 3:15 p.m.

The slate of Fellowship Club nominees is pictured on Page 6.

Contract Signed With UBS Union

A new two-year union contract has been signed at the UBS Chemical Division's Cambridge and Marlboro, Mass. plants.

Company and United Mine Workers District 50 officials reached agreement in mid January on the new pact covering some 48 hourly workers. It is the first union contract for UBS.

Workers had certified the union in a National Labor Relations Board vote Oct. 11.

Terms of the new contract call for an 8-cent hourly increase this year and 8 cents next year.

'Total Systems' Progress Noted

Progress on the first phase of our "Total Systems Study" has been reported by Lee Crouse, manager of corporate information systems, and a team of 13 project leaders from the plant and office.

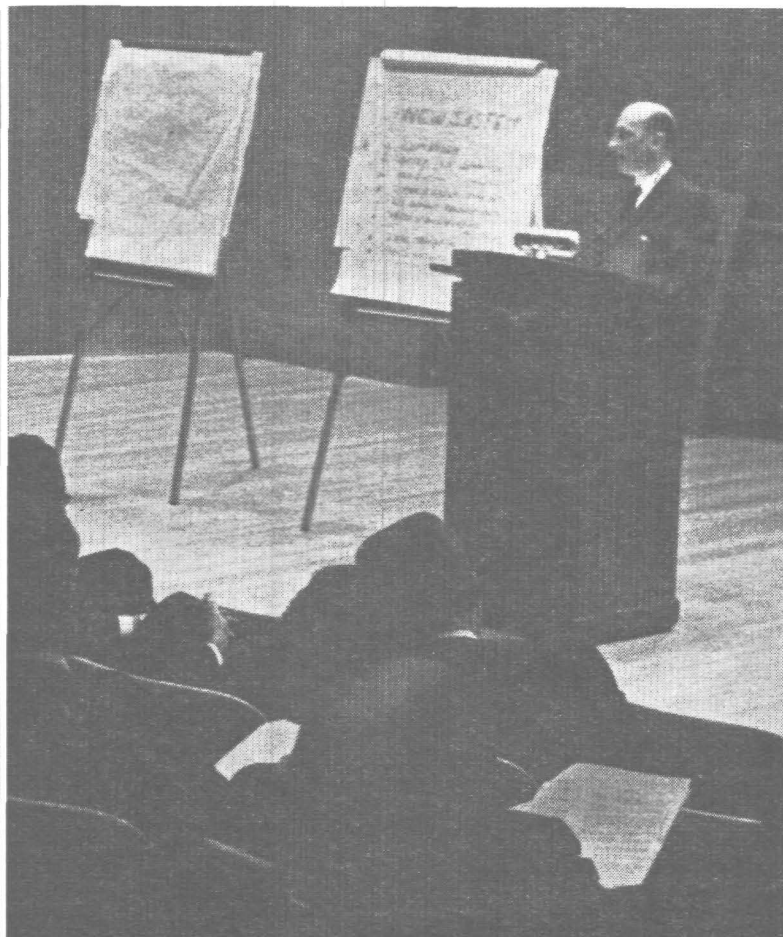
The team presented preliminary findings of their nearly-completed feasibility survey to groups of division managers and departmental representatives in meetings Jan. 11 and Jan. 22.

Overall goal of the program is to design Company-wide systems that provide management with the information needed for the systematic planning and control of all business activities.

Crouse said the purpose of the feasibility survey is to develop a plan of what can be done, how and when, to improve the Company's information systems.

For an example of the type of thing one facet of the program deals with, general information on one employee may now be recorded independently in Personnel, Manufacturing, the Extra Board and First Aid. All records would contain some of the same information, but none would be complete. Under the total systems approach, all general information on the employee would be entered once and kept in a central location.

(Continued on page 3)



TOTAL SYSTEMS—Project leader Tom Garren outlines proposed new system for sales order processing information flow. Some 75 departmental representatives attended a "Total Systems Study" progress report Jan. 22 in the Research Center Auditorium.



HONORED—Bob Lighthall presents Al Lukey with miniature Staley tank car mounted on an engraved trophy from his friends in the transportation industry.

Transportation Group Honors Lukey at Retirement Banquet

"He's the kind of guy who helps build a tradition of excellence in a corporation, and leaves behind a group that will perpetuate this tradition."

The speaker was President E. K. Scheiter. The subject: Al Lukey. The occasion: A testimonial dinner sponsored by some 200 of Lukey's friends from the transportation industry on the occasion of his retirement Jan. 31 as director of traffic after a 42-year career in our traffic department.

President Scheiter went on to salute Lukey for having directed big business within the company with a quiet dignity, and for having imbued his people with

the feeling that change is the essence of progress.

He expressed his appreciation, respect and admiration for an association that will long be remembered in the Company and in the hearts of all its people.

Then later on in the program when Ken Maltas exclaimed that he had "never met a man who didn't like Al Lukey," the audience's roaring applause indicated he hit the nail right on the head.

As a parting gift, Al's friends presented him with an engraved trophy on which a Staley tank car was mounted, and an electric organ for his "musical inclination."

Twenty-six promotions have been announced in the plant and office during the past two months.

Leslie Carr has been promoted from assistant to the packaging supervisor to packaging supervisor in Grocery Products. He started with the Company in 1951 on the Extra Board, and after a tour of duty in the Navy worked his way up in starch processing. He has been in Grocery Products since 1961.

Lester Carter has been promoted from relief foreman to shift foreman, #11-18-75 Bldgs. in the Soybean Section. He has been with the Company since 1939, advancing in various posts in soybean production.

Herbert Cochran has been promoted from trainee in the foreman pool to shift foreman in the Soybean Extraction Plant. Since starting on the Extra Board in 1945, he worked most of the time in the Extraction Plant as a roller mill operator until promotion to relief foreman last year.

Tom Gunnigle has been advanced from junior compensation analyst in Salary Administration to grocery products order programmer in Distribution. He started as a messenger in 1959, then worked in Control and as military sales coordinator in Grocery Products.

G. L. Kessinger has been promoted from applications chemist to laboratory head in the consumer products technical service section of Research. A University of Illinois graduate in food technology, he joined the Company in 1954 as a research chemist in the food laboratory.



Carr Carter Cochran Gunnigle



Kessinger Smith Van Scoyoc West

Jordan Smith has been advanced from trainee in the Maintenance Section to foreman of the Yard Dept. He has been with the Company since 1946, working most of that time in Maintenance.

Ray VanScoyoc has been promoted from shift foreman in the Soybean Extraction Plant to relief foreman in the Soybean Section. Since starting on the Extra Board in 1949, he has worked his way up in various posts in soybean processing.

Robert West has been promoted from foreman of the Instrumentation and Control Group to senior instrument engineer. A University of Illinois graduate, he joined the Company in 1955 as a design engineer.

Bill Wiegand has been advanced from management train-



Wiegand Woods

ee to inventory planning analyst in Distribution. He started here last August after earning his MS degree in marketing from the University of Missouri.

Lyle Woods has been promoted from assistant foreman of the Machine Shop to foreman of the Instrumentation and Control Dept. He joined the Company as assistant Machine Shop foreman in 1962.

Other promotions:

Josephine Bankus, from stenographer to secretary, Industrial Sales, Boston.

Rodger Bogardus, from research technician to associate applications chemist, Applied Research.

Powell Clary, from allowance and adjustment clerk, Credit, to tax assistant in the Tax Dept.

Lois Dalmases, from junior clerk-typist, Control Lab., to records and posting clerk, Facilities Planning.

Dawn Drury, from clerk-steno, Control Lab., to secretary to the director, Facilities Planning.

Robert Ferguson, from standard product and process accountant to permanent assets accounting, Cost Accounting.

Teresa Freeman, from utility clerk, Steno-Clerical, to clerk-steno, Control Lab.

Helen Greider, from credit and statement clerk to allowance and adjustment clerk, Credit.

Robert Hedden, from junior technician to technician, Chemical Research.

Russell Heitz, from messenger, Printing and Mailing, to assistant storekeeper, Research.

Mary Hullinger, from messenger, Steno-Clerical, to mail clerk, Printing and Mailing.

Arthur Mense, from assistant foreman, 20 Bldg., to shift foreman, 34 Bldg.

Harold Richards, from shift foreman, 34 Bldg., to shipping and reclamation foreman, 17 Bldg.

Barbara Taylor, from filing and statement clerk to credit and statement clerk, Credit.

Carol Trowbridge, from messenger to utility clerk, Steno-Clerical.

Charles Wilhelm, from export clerk to assistant export manager, Traffic.

Twelve Staley Veterans Retire Recently

Twelve employees retired in December and January after careers averaging more than 32 years per person.

Leading the list is **Al Lukey**, who retired as director of traffic after 42 years service, all in Traffic posts. He started in 1921 as secretary to the traffic manager, advanced to assistant traffic manager in 1927, in 1946 moved up to traffic manager and in 1957 to director of traffic. (See related story on this page).

A. Byron May retired as foreman of the Yards Dept. after 41 years service. After starting as a millwright helper in 1922, he advanced to millwright mechanic in 1929, moved up to assistant foreman in the Yards

in 1937, and was promoted to foreman in 1946.

Tom Carter retired as fireman in the Boiler Room after 40 years service. He started as a laborer in Reclamation, then went on to work most of his years with the Company in the Boiler Room.

Walter Carr retired as general utility man in Syrup Packaging, where he worked most of his 38 years with the Company. He started as a laborer in the Sugar House.

Clarence Marmor retired as 8 Bldg. operator after 37 years with the Company. He started in 17 Bldg., then worked most of his time in the Table House and the Mill House.

Jesse Harlin retired as a fireman in the Boiler Room after 34 years service. After starting on the Extra Board, he became a switchman in 1932, then moved to the Boiler Room in 1939.

F. W. Apperson retired as vice president and manager of the Grocery Products Division after 33 years service. He started as a package district manager in 1930, became a regional package sales manager in 1937, and in 1943 was named manager of the Package Sales Department, forerunner of the Grocery Products Division.

William C. Cook retired from Reclamation after 32 years service. He started as a switchman, then worked most of his years with the Company in the Garage Dept.

Marion Mattinson retired as stenographer in our Boston Office, a position she had held during her entire 30-year career with the Company.

Earl H. Schrader retired as manager of Industrial Sales' Kansas City Branch Office after 27 years service. He started as a salesman in 1936, moved up to district manager in 1944, assistant branch manager in 1952 and branch manager in 1960.

Von S. Lehew retired as fireman in the Boiler Room after 22 years service. After starting on the Extra Board and working a year in the Syrup House, he spent 20 years in the Boiler Room.

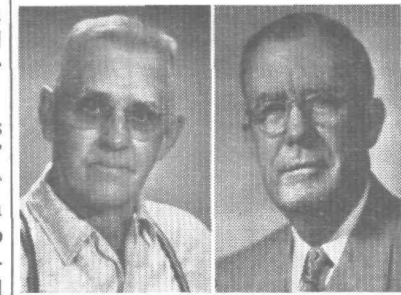
Faye Bentfrow retired from Syrup Packing, where she spent most of her 20 years with the Company. She started on the Extra Board.



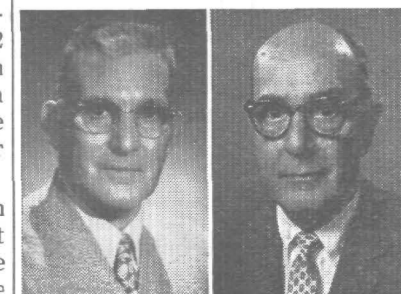
May Carter



Carr Marmor



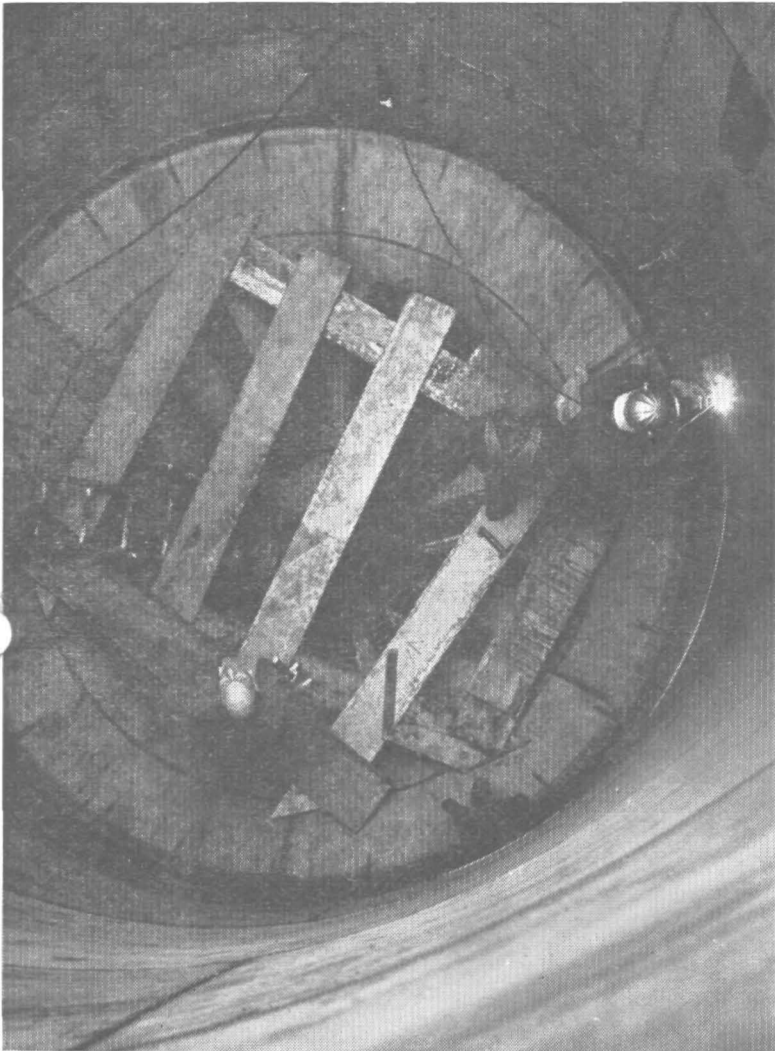
Harlin Apperson



Cook Schrader



TRIBUTE—F. W. Apperson displays a bottle of "Sta-Puf", one of the elements in Grocery Products' meteoric rise under his direction, to Henry Volle, who succeeded him as Division manager. A luncheon banquet featuring an official vote of thanks from President E. K. Scheiter commemorated Apperson's retirement.



STEEP TANKS—Workmen do some welding from inside new stainless steel tanks at the Steep House.

New Steep Tank Installation Highlights Expansion Activity

Expansion work centered on the Steep House, where the corn refining process begins, in this month's construction activity.

Highlighting the project was installation of four 6,500-bushel stainless steel steep tanks in an area recently built up from one floor to fifth floor height adjacent to the west end of the Steep House.

The 60-foot tanks were set in specially prepared concrete housing at the expanded west section of the Steep House. The new steep tanks are scheduled to be in operation by July.

Upon completion of this phase of the Steep House expansion, two wooden tanks in the newer west area will be replaced by larger stainless steel varieties. Wooden steeps in the remainder of the building will remain in operation.

When the entire project is completed in September, the Steep House will be equipped to handle the increased grind needed for dextrose production and expanded syrup output.

Meanwhile, activity shifted

Soybean Oil Tanks Erected

Three 400,000-gallon soybean oil storage tanks along with pumping and loading facilities were completed last week and are now in operation.

Located between the Soybean Extraction plant and the Oil Refinery across the road from the East Gate, the tank installation will hold crude oil from the Extraction Plant and other oils brought in for refining.

The project was initiated last June to provide greater flexibility in marketing and refining soybean oils. Construction on the tanks started in December, 1963.

Formerly, crude oil awaiting refining and in some cases delivery was stored in tank cars. The 48-foot tanks' combined capacity of 1,200,000 gallons is equal to 150 tank cars full.

into high gear in the neighboring Mill House, where Staley and contractor forces removed Link-belt shakers from the 3rd floor to prepare for installation of new de-watering screens, installed a de-germinator to increase the first separation process phase, and prepared for installation of a new five-cycle combined fiber wash system.

In other construction news, work is progressing on schedule toward completion of the fifth line expansion in the Syrup Refinery, along with exterior building work.

Engineers report completion and installation of six enzyme tanks and general progress on other facilities, including piping projects, completion of a manhoist from the 4th to 10th floors, and installation of a hoist from the 1st to 4th floors

and

Progress Noted on 'Total Systems'

(Continued from page 1)

First step in the feasibility survey was to divide all Company activity into sub-systems of related procedures indicated by the actual flow of information, rather than by departments on the organization chart.

Teams in each sub-system analyzed the current information flow, then designed a system that in their opinion would best serve Company-wide information needs.

Crouse said the total systems approach has been gaining widespread acceptance in industry for the past ten years, based primarily on management's need for better, swifter and more useful information for decision-making.

Upon completion of the feasibility survey in March, the total systems team will determine data processing equipment needed to carry out the program, compare costs with potential benefits, and present their findings and recommendations for consideration.

If undertaken, the changeover to a total systems program would take perhaps four years,

Quarter Sales Up, Profits Are Down

Our sales are up, our earnings down, and the vegetable oil debacle at Bayonne, N. J. has little effect on either, according to the Company's first quarter financial statement.

Net income of \$1,123,000 on sales of \$45,591,000 was reported for the first quarter ending Dec. 31, compared with \$1,421,000 net on \$44,332,000 sales for the same period a year ago.

The disappearance of more than \$100 million worth of vegetable oils from tank farms at Bayonne first rocked the commodities world last fall.

Our Company has filed claims for \$2,623,408 on up to 25 million pounds of soybean oil that is apparently missing, and all appropriate steps are being taken to make full recovery.

Unlike concerns which had extended credit, our claim is for Staley-made, Staley-owned soybean oil, which the Company had consigned to its own account in care of its warehousing agent at Bayonne for delivery only on a cash basis.

The Staley Company holds warehouse receipts issued by American Express Warehousing, Ltd., all of whose stock is owned by the American Express Company.

The American Express Company has publicly stated that it "feels morally bound" for any "excess liabilities" of American Express Warehousing, Ltd.

The Company said because it is not possible at this time to determine whether the disappearance will result in loss, and if so, how much, no provision for loss has been made in the first quarter balance sheet and income statement, which reflects normal operations.

Principal contributors to the first-quarter sales gain were our commercial corn sweeteners and consumer household products, including "Staley" syrups, "Sta-Flo" spray and liquid starches, and "Sta-Puf" fabric softening rinse.

Our loss in net income was attributed principally to the difference between better than usual soybean margins in the first quarter last year, and poorer than usual margins during the same period this year.

Flash Answers . . .

Staley Folks Unanimous: Competition Helps Employees

We hear a lot these days about "business competition" and how it affects individual workers and our nation. Here is what six Staley employees had to say on the subject, when asked this question:

"Do you think competition helps or hurts employees in the long run?"



Roy Oathoat, Boiler Room: Business competition is bound to help the employee, not only on prices for the goods he buys but in the money he makes. If there is competition in prices and products, there will be competition for the best labor to make the products, and labor rates will go up. It's an example of the law of supply and demand in competition for labor, and competition for sales stimulates more sales, more business, and more labor needed.

O. O. Campbell, 5 & 10 Bldg.: Competition helps the employee. Without competition, there would be no incentive to improve products, and there would be fewer products and less opportunities for employment.



Luther Childress, #3 Bldg.: Competition helps the employee because it helps the company. To compete successfully, the company has to come up with a better product—one that the public will buy over another. This, in turn, stimulates the level of business, and that helps the employee in his wages and as a customer. Otherwise, we would have the same old stuff on the market, and we'd go nowhere.

M. A. Smith, Electric Shop: I think business competition is good for the employee. Competition keeps prices down. Without it, business would be pricing its products any way it wanted to.



Merrill Ray, Garage: Competition helps. The more the company makes, the more wages come up. Competition puts the company in position to make more money, because competitors work against each other to turn out better products and new products and as they promote sales of these products more people buy them and more workers are needed to make them.

Gerald Kite, Plant Protection: In the long run, business competition helps the employee. Competition acts to create more jobs, better products and better working conditions generally. When two or three businesses have everything their way, prices go up. If there wasn't any competition, there wouldn't be as many jobs.



JA'ers Rank High In Recent Judging

The Staley Junior Achievement Company has won two of three "Company-of-the-Month" awards in competition among Decatur's 15 miniature organizations.

Scoring is based on companies' financial position, attendance, accuracy of books, promptness in meeting payroll and general debts, safety record and cleanliness of work area.

The JA Company with most points for the six-month operating period becomes "Company-of-the-Year."

Staley JA'ers report sales of more than 1000 boxes of "Taste-Rite" peanut brittle for \$650 going into February.

Plant Safety Dips, Improving in 1964

Our plant safety record dipped slightly in 1963, but started the new year off with an improved month of January over the previous year.

There were a total of 56 lost-time accidents in 1963, compared with 43 a year ago. Accidents happened at the rate of 10.16 per million man-hours worked, as opposed to eight per million man-hours in 1962.

These figures compare with a rate of 11.24 for the food industry.

For the first month of this year, only two lost-time accidents were recorded for 21 days lost. There were nine in January, 1963, for 123 days lost.

Our 17th Annual Service



TELLIN' TALES—President E. K. Scheiter is ready with a comeback after introductory comments from his secretary of 40 years standing and toastmistress for the evening, Mrs. Doris Murphy.

For 108 Staley folks, the 17th annual Service Awards Dinner may have brought new meaning to the word "service," as they witnessed firsthand the fellowship that comes with long years of association and devotion to a common goal among some 400 other senior employees in attendance.

The 108 were "youngsters" celebrating 10-year anniversar-

ies with the Company, and official induction into a society of more than 2,000 with combined service years of 53,150, whose numbers account for a startling 60 percent of our total force.

Highlight of the evening was a message from President E. K. Scheiter, who last month joined the ranks of 45-year men. Mr. Scheiter saluted the awardees as the "people who built the

Company from the ground up," and traced our progress over the past year, noting that none of it could have happened "without the work, thought and loyalty of Staley people all along the line." He also outlined some of the challenges that now face the Staley Company and Staley employees (See page 7.)

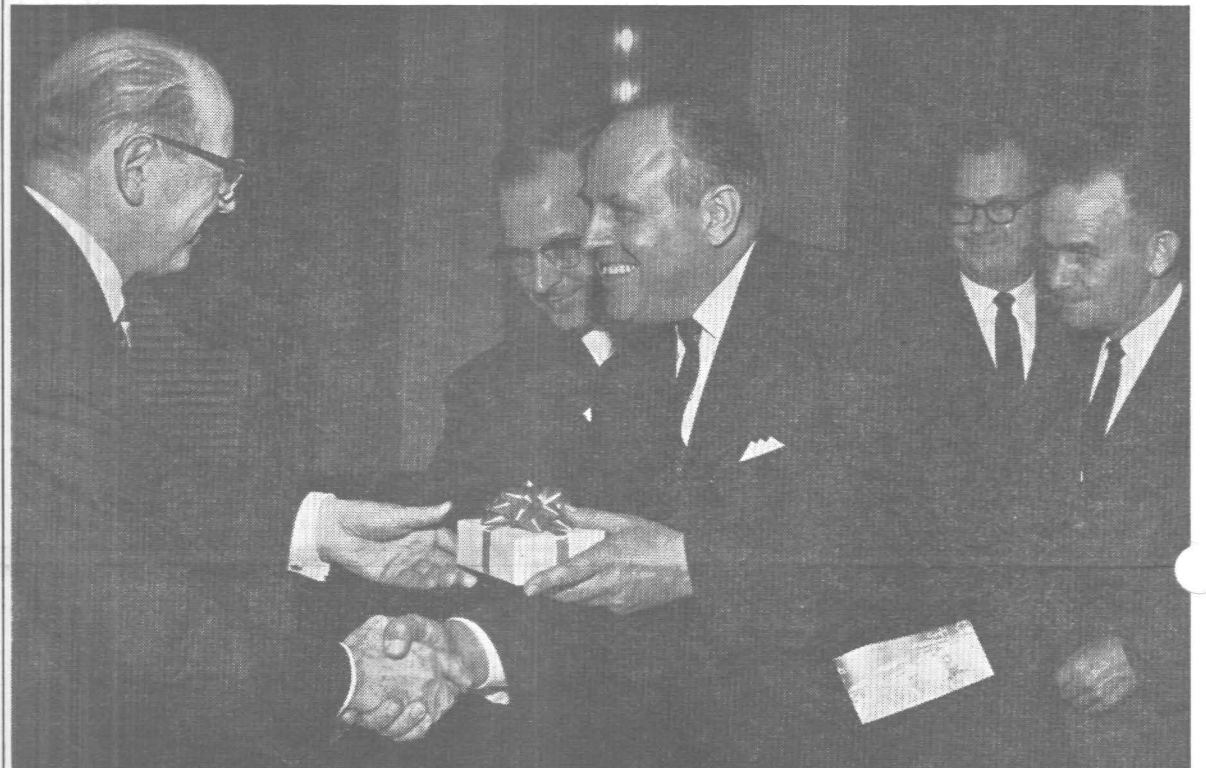
Prior to his talk, President Scheiter exchanged quips with



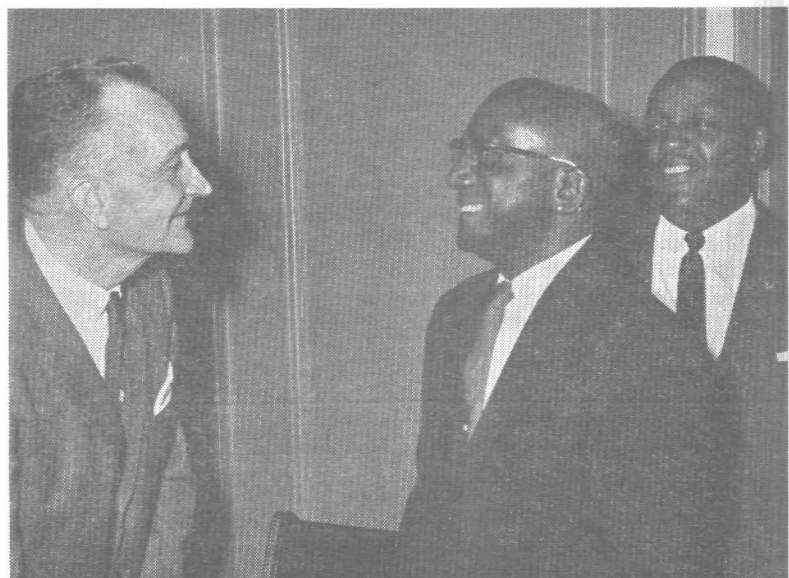
SOUNDS OF YOUTH—A medley of grand old songs from the "Jack and Jills" vocal group from Johns Hill Junior High seemed kind of fitting in ceremonies honoring lengthy service.



FLOWERS—Lynn Greenwood, left, has an interested audience in Nita Kilbourn.



MILESTONE—Accepting his watch commemorating 25 years service from President E. K. Scheiter is Delbert Owen. Next in line, far right, is Jim Dustin. Looking on are Ornan Williams and Gehl Tucker.



CANDID COMMENT—From left, George Owens, Makies Boyd and Phillip Jordan engage in a little lighthearted chatter.



FATHER-SON—Wilbur Reed, left, and Wilbur Reed, Jr., right, pause to inspect Harry Lichtenberger's ring.



PROUD MOMENT—"Ole" Olson views his 25-year award with pleasure, after presentation from President E. K. Scheiter.



Awards Dinner

his secretary of 40 years standing and toastmistress for the evening, Mrs. Doris Murphy.

Guest speaker Dr. R. C. "Scotty" Young, elaborated on the reasons why he, an emigrant from Scotland, was proud to be an American.

Young said the American "ethic," a basic sense of human values, along with an inert drive and courage to take chances for success, is the main ingredient that made America what it is today. He cited a lack of this "ethic" as the thing that thwarts our adversaries, but warned that asking what we have for granted is a grave danger to our nation.

Young said the United States doesn't get its story across to the underdeveloped nations it hopes to help because it inevitably tells what it has done and how far it has come, but fails to emphasize the type of personalities—the people—that accomplished these feats.

He called prejudice and hatred the things that most malign societies, citing most European countries as examples of class structures that retard growth

and prosperity. He said Americans had succeeded in constructing a society without castes, and predicted that in the years to come the American people would rid themselves of prejudice and hatred.

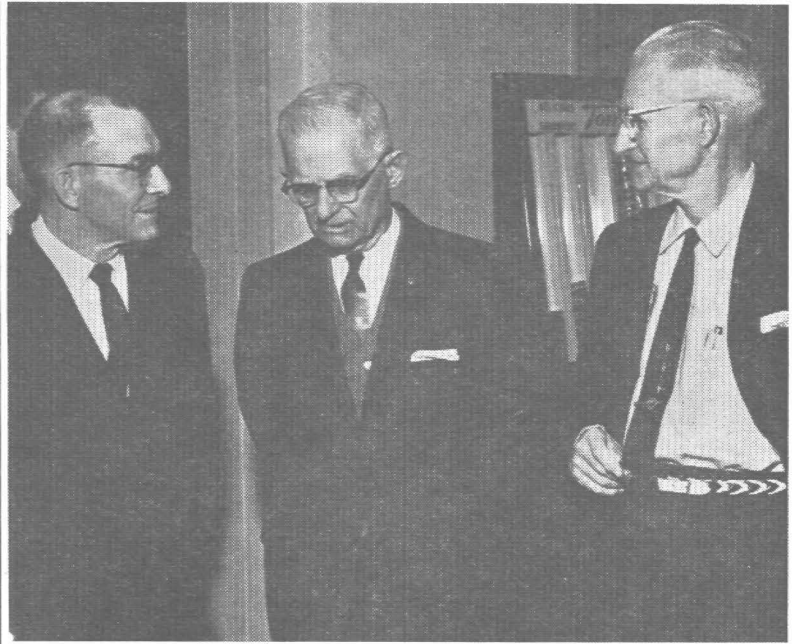
Young said our roll of service awardees read like a United Nations roster, and that this was one of the prime reasons for the U. S. being the envy of the world.

Rounding out the program was a medley of songs from the "Jack and Jills" vocal group from Johns Hill Junior High School, and introduction of the service awards groups.

Employees celebrating anniversaries of 10, 25, 30, 35, 40 and 45 years received their awards following the program. President Scheiter presented gold watches to the 25-year men.



FELLOWSHIP—Perhaps typifying the whole affair is this friendly handshake between Red Stockwell, left, and Jesse Parker.



REMEMBER WHEN—Theral Pritts, Hank Kleinschmidt and Walter Rinehart (left to right) compare notes on the year's happenings.



EARFUL—Bill Fenton, right, passes along some words of wisdom to Buck Scherer.



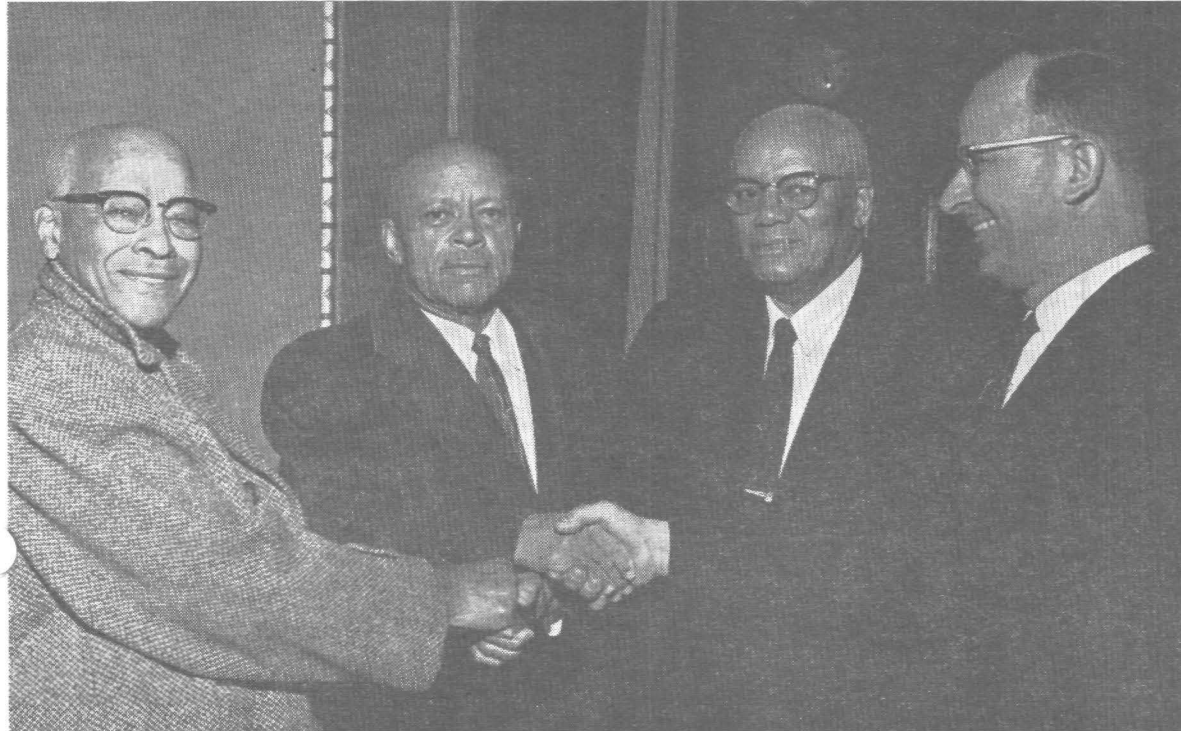
AMERICANS ALL—Guest speaker R. C. "Scotty" Young surveys the audience he described as reading like the United Nations' roster, as he outlines why he was proud to be an American.



YA DON'T SAY—Fred Deckard, right, and James Roderick and pleased and/or surprised (or both) at what an old compatriot had to say.



BACKSTAGE—Behind the scenes, making sure that everything went along as scheduled, were Kathleen Poe, left, assisted by "B" Renshaw.



GREETINGS—Exchanging greetings at the door are, from left, Charles Lawrence, Sr., and Ornan Williams, Charles Long, Luke Winston,



CONVERSING—Enjoying a little pre-banquet gab-fest were, from left, Charlie Ellis, Melvin Jones and Harry Waite.



Fellowship Election Slate

Here is the slate of candidates for the Staley Fellowship Club officers and governors election Thursday, March 26.

For President



Charles Lavery Millwrights Charles O'Dell Pipe Shop Walter Rade 101 Bldg. Cedric Rybolt 12-20 Bldgs.

For Vice President For Secretary



John Guysinger Electric Shop Harry G. Utley Millwrights Harold Schable Tin Shop

For Governors



Jesse Angel Oil Refinery John T. Creamer Pipe Shop Martin Siedman Proc. Research Hedgie Smith Oil Refinery

Three Promoted in Personnel Dept.

Three promotions have been announced in the Personnel Department of the Industrial Relations Division.



Pritts

Promoted were:

Dave Pritts, from assistant manager to supervisor of Salary Administration.

George Zurkan, from assistant training director to supervisor of training.

Tom Narut, from personnel assistant to employment supervisor.

Facilities will continue to be used. Pritts joined the Company in 1955 as a management trainee after graduation from Millikin University. He advanced in various posts in Personnel before joining Salary Administration last year.

Zurkan came here last April from Johns-Manville Fiber Glass, Inc., where he had been supervisor of manufacturing training. He is a production management graduate of Bowling Green State University.

Narut joined the Company last August after receiving his MA degree in counseling and testing from Southern Illinois University. He also completed undergraduate work at Southern.

All three will report to George Prust, manager of personnel.

Same Number Now

The phone number of our Decatur plant and office is now the same (423-4411) day and night, workdays and holidays alike.

Forty-eight Celebrate Anniversaries

Forty-eight Staley folks celebrate anniversaries of service careers totalling 885 years in January and February.

Leading the list is President E. K. Scheiter, who marked his 45th year with the Company Jan. 15.

Other celebrants are:

40 Years

Raymond K. Lenover, #20P., Feb. 29
Franz Saloga, Pipe Shop, Feb. 3
Kermit D. Shively, Corp. Acctng., Feb. 21
Marjorie White, Corn Div., Jan. 15

35 Years

Cecil W. Taylor, Credit Union, Feb. 12
Hansel Wetherholt, Elec. Shop, Feb. 27

30 Years

Robert Brix, #111, Feb. 14
Wendell E. Kurr, Elec. Shop, Jan. 20
David D. McCulley, Tin Shop, Feb. 8
Earl E. Riddle, Oil Ref., Feb. 11

25 Years

Paul Kalem, L & O, Feb. 26
Mildred E. Mullins, #17 PKG., Jan. 18
Katherine B. Starbody, #17 PKG., Feb. 10
Lyle F. Wiegand, Painesville, Jan. 23
Charles Willard, Rec. Room, Feb. 23

20 Years

Thomas E. Grinestaff, #5/10, Jan. 4
Roberta Noonan, Corp. Acct., Feb. 1
Virgil A. Schniederjan, #101, Feb. 7
Edna Sims, Ofc. Serv., Feb. 1
William Sterle, Chicago, Feb. 7
James A. Turner, #75, Jan. 21

15 Years

Vincent W. Durbin, Yards, Jan. 13
T. Leon Jones, Reclam., Jan. 5
Darrell Lee Larson, Mach. Shop, Jan. 17
L. Leon Lawrence, #17 BULK, Jan. 14



Scheiter Lenover Saloga Shively



Miss White Taylor Wetherholt Brix



Kurr McCulley Riddle Kalem

James W. Lowery, #16/116, Jan. 19
Donald G. Myers, Mach. Shop, Jan. 17
Herbert L. Roszell, Jr., Corn Div., Feb. 7
Robert A. Swift, #111, Jan. 12
Medford M. Tate, Extra Board, Jan. 13
Raymond L. Van Scyoc, #101, Jan. 13

10 Years

Mary Irene Burks, Extra Board, Feb. 26
Gene L. Kessinger, Rsch. Div., Feb. 1
Walter H. Randolph, Phil. Ofc., Jan. 1

5 Years

Lorraine J. Claus, Ofc. Serv., Jan. 28



Mrs. Mullins Wiegand

Lois D. Crouch, Rsch. Div., Jan. 19
Sara M. Dubson, Gro. Prod., Jan. 19
Letha J. Ehrenfelt, San. Fran., Jan. 19
Benjamin F. Harrington, Cleveland, Jan. 2
Doris J. Heiland, Rsch. Div., Jan. 20
Larry D. Kaufman, #34, Feb. 9
Geraldine Lancaster, Sales Order, Jan. 14
David P. Macarus, Eng. Rsch., Feb. 19
Willie F. Newbon, #5/10, Feb. 9
Janice E. Petzel, Industrial Relations, Feb. 9
Arthur E. Schoepfer, Eng. Rsch., #59, Jan. 2
Charles T. Strahle, Power Eng., Feb. 2

Credit Union Elects, Announces Records

The Staley Credit Union announced an all-time high in assets and reelection of officers and directors at its annual meetings Jan. 24.

Assets for 1963 reached \$5,742,866, for a seven per cent gain on the previous year's record performance.

Claude Cox, credit manager, was elected to his third one-year term as president.

Other officers now serving repeat terms are Carl H. Bomball, vice president, and Cecil W. Taylor, treasurer.

Other directors reelected were: N. C. Owens, Ralph Clifton, R. Gehl Tucker, Harry R. Atkins, P. L. Breyfogle, T. A. Wheatley, Richard E. Schuman, Henry A. Scherer.

Total membership in the Credit Union stands at 4,009. A total of 5,139 loans were made during the year.



S'NO PICNIC—Staley tractor operator zeros high lift in on one of the snow mountains that obscured the Administration Bldg. parking lot in the final stages of an all-night battle to keep road and rail ways open after the "big snow" of Jan. 13 and 14. Some 600 truck loads of snow and 750 man-hours later, combined forces from the Garage and Yards declared victory over what many called the worst snow in 50 years around here. It took removal of enough snow to put a four-inch layer on some 15 miles of city sidewalk to keep our processes in operation.

The Automation Conflict: Problem or Solution ???

Fewer workers on a given job, each higher paid, and each producing more. This, in a nutshell, is today's industrial pattern. Our Company is no exception.

Automation and its place in our lives has been the basis for controversy between labor and management for 200 years, and it still stands as a crucial issue.

What is this thing called automation?

Old dictionaries don't show it. New ones call it "the science of operating and controlling a mechanical process by a highly automated means." "Auto" is from automatic, "ation" from operation.

In practice, the meaning of automation depends on your point of view.

On one side, automation takes the blame for job combinations, job elimination, changed working conditions and the necessity for acquiring new skills.

The next guy says that automation has accounted for the fact that, since the turn of the century, only three times as many workers turn out nine times the total goods, and that these more productive workers are paid seven times as much while their cost of living is less than twice as much as in 1900.

Automobiles, for example, are produced with only one-fifteenth the man hours needed 50 years ago. But today many workers can afford to drive the cars they help to build.

At Staley, there is evidence on both sides of the automation conflict.

The record shows that, since 1957, 196 jobs have been eliminated, while 113 new ones were created by new processes and combinations.

Since 1957, the number of people on our hourly payroll has declined, while product sales have increased. Over the same period, employee payments have increased about 26 per cent, and average capital investment per employee (what it costs to provide tools and equipment) has risen from \$21,648 to more than \$26,000 today.

The record also shows that the decline in hourly workers needed, a product of automation, has been accomplished without permanent layoffs.

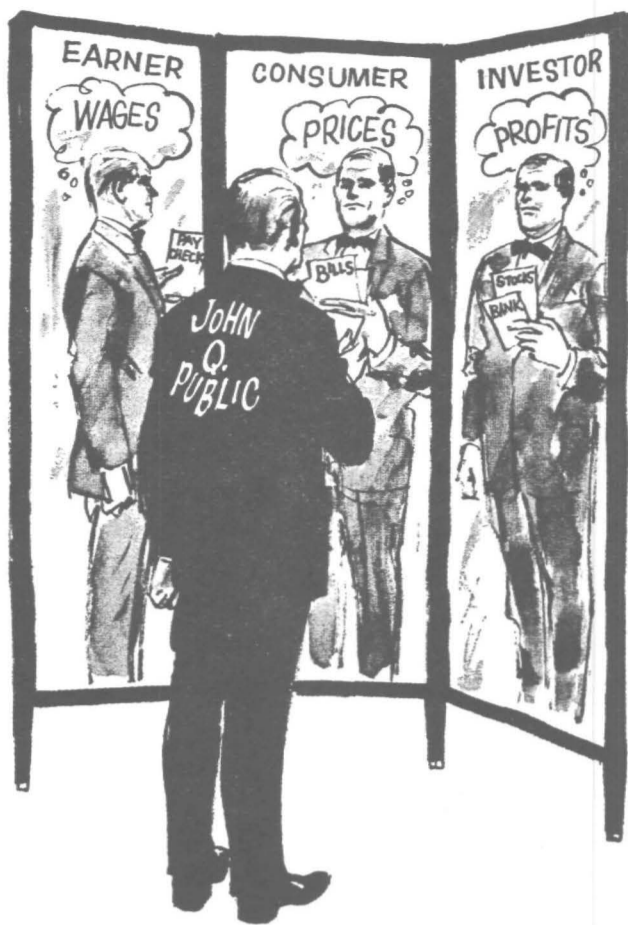
It has been the product of normal retirements, deaths, and employees leaving for other jobs. Company officials foresee that this will continue to be the case.

In the total view, alternately advanced by labor and management, we see automation and its impact on the employee as part of the problem, or the only solution to a problem that faces our nation.

On the basic problem, however, all forces seem to agree. We must move ahead faster, if we are to provide jobs for a population that will double by 1980, and if we are to retain our nation's position as a leader in a fiercely competitive and rapidly changing world.

Both unions and management agree that we are faced with a life-or-death struggle on a world-wide scale, a sector of which has declared its intent to bury us. We must move forward—faster than we have moved—to survive in this struggle. This is our only hope of long range security.

How to do it, and what role automation will play, is the question that remains to be resolved.



Competition Viewed as U.S.' Favorite Participation Sport

One school of thought has it that competition is actually our national "sport."

The "rules of the game" are our laws, and Government is the "umpire."

The "league" is composed of 10 million business "teams."

The winners, those that can compete profitably according to the rules, prosper. The losers, those that cannot, perish (or go to jail for breaking the rules).

There are literally hundreds of rules, made by and for the "players," the public.

Some, like the Sherman Anti-Trust Act and the Clayton Act, force competition among the teams and forbid dominance by one team that could restrict competition in a given field. There'll never be a "Yankee dynasty" in this league.

Other rules, like Fair Trade Laws and the Federal Trade Commission, prevent price discrimination. Still others, like those enforced by the Food & Drug Administration, compel safe and sanitary production.

Players in this economic league are all "free agents"—

Corn Millers Gear For Sales Struggle

The corn milling industry is undergoing a major facelifting to gear itself to survive under fiercely competitive conditions, according to a recent article in Barron's, a financial magazine.

Faced with a swelling tide of duty-free imports, "indistinguishable" industrial products, and rising raw materials and processing costs, the millers are "mechanizing every step of the production process from the moment the corn enters the refinery until it is carried away to the consumer," the article said.

Growing emphasis on research and development is also taking hold throughout the industry, it stated.

Cited as an example of current moves to compete successfully was Corn Products' announced expenditure of \$200 million over the next four years for labor-saving facilities.

they can join the team that bids highest for their services. And their rights, too, are guaranteed by a carefully defined set of rules.

Competition is intense on all levels of the league, increasing with the size stakes. Our Company team is the Big League, a high-stake loop with every team fighting to stay up there, and the league as a whole fighting to retain leadership in furious competition with other growing leagues in the world-wide ballgame.

President Scheiter Cites Path to Progress . . .

Our Challenge in Days of Change

"Never has competition been so keen, price cutting so rampant, technological change so swift, finding better ways of doing things so urgent, and the penalty of standing still such certain, sudden death."

This is how President E. K. Scheiter outlined the challenge that confronts our Company and our nation in a talk at the 17th annual Service Awards Dinner, Jan. 23.

"This past year," he said, "like all the ones before it, illustrated again that growth and progress consist of change. Growth is inevitably a matter of leaving the familiar behind."

"And yet is it not strange how each of us as individuals tend to resist change, particularly as we get older? Do we reluctantly accept it and go along, or do we eagerly seek change for the sake of improvement?"

"We find companies who resist change, even when all around there are irrefutable evidences

Domestic competition based on price alone was attributed to the similarity of industrial products among major corn processing companies. Under these circumstances, a company's ability to produce at less expense is a necessity for the growth of any company within the industry.

This is the first in a series of special 'News' coverage of important issues in today's changing world of industrial relations.

In future editions we will cover other issues that will probably figure in this year's contract negotiations.

We will appreciate your comments, and also your suggestions on other subjects you would like to see discussed in future articles. Just write or call the editor, Staley News.

Economic Growth Hinges On Employees' Three Big Roles

Out of the many economic theories—all concerned with the problem of sparking continued growth and prosperity for our nation and its people—an interesting sidelight problem develops.

Seemingly, it all revolves around employees, some 70 million of us. We play three different roles in the business cycle on which our fate rests.

As employees, per se, we work for money. We want as much as we can get.

"We take the money we earn to the marketplace, where we demand—deservedly so—the best possible product for the lowest price. That's the product we buy."

Then as investors, we demand the highest possible return on our money.

Out of our ranks, 17.5 million of us are union members. More than 16 million of us are stockholders with direct interest in the profitability of business. Every one of us with an insurance policy or a savings account in a bank, savings and loan or credit union is an investor, because these institutions pay us a dividend only by loaning our money at a slightly higher rate to businesses or other individuals.

The Staley Company last year paid its stockholders—of whom some 200 are also Staley em-

ployees—a four per cent return on their investments.

That's about the same rate as the Staley Credit Union pays, and less than many savings and loan associations.

The way it stands, things would appear to be in proper perspective, for the time being at least. Staley is paying a return on investments, is able to sell its products at a competitive price and pay employees going wages, and work on programs and processes that show promise for future growth to the investor.

Without the prospect of future growth, a four per cent return would be insufficient; the investor could earn the same return with less risk at a savings institution.

Taking all these things into account, if we had to pay additional wages without effecting manpower economies; or if we increased dividends without more income; or if our prices weren't competitive, the balance would be upset and everybody would be in trouble.

The only alternative anyone has been able to come up with is figuring out ways for employees to turn out more and better goods at less expense, so that employees can make more money to invest and to buy the products that their company and every other company makes.

that the companies that do not change their products, that do not change their ways of making them, do not change their marketing practices, soon die and are forgotten.

"Technological advancement—finding better ways to do things—has always been an agonizing process."

The quill penmen of Paris rioted against the introduction of the printing press centuries ago. A mob in Danzig drowned the inventor of a weaving loom in 1661.

"And still the struggle goes on. To this day, there are those who seek to delay or prevent technological progress."

"They do not understand that the quest for new knowledge, and the use of it for man's benefit will not be denied."

"They do not realize that the search for new and better ways of doing things will sweep by them—if not in one company, then a competitor's; if not in this country, then another; if not today, then tomorrow."

"The problems which accompany technological advancement cannot be ignored, but they must not be allowed to block progress. The penalty is too severe. The difficulties of changing to new ways are surely better than the certain disaster of clinging to the old ones."

"And although the difficulties

can become highly complicated under such circumstances, the underlying problem is not. It is simply that the world is changing. The danger is that this change may be taking place faster than we realize—or worse—faster than we are willing to recognize.

"Perhaps there was a time when we could stand still, but if so, it is long gone. In today's world we must have high quality, better methods, better equipment and better training."

"We must have flexibility to adapt to change quickly, freedom to act, and above all, men and women with the insight and initiative to build the kind of tomorrows we all want from the difficulties of today."

"We cannot stop the clock. We cannot keep things as they are, much less go back to what they were—for all would soon be swept away with the ashes of the past."

"Looking around this room, and back on 45 years with the Staley Company, I am confident that good sense, common understanding, and great strength which you have shown on so many occasions will see us through."

"The continued growth and long service we celebrate here tonight, the great Company of which we are all a part, is your accomplishment."



NEW IDEA—Redeeming their coupon for new "Staley" Serve Easy aerosol packaged waffle and pancake syrup are Bill Winter, plant protection, and his wife Della.

Staley Folks Try New 'Serve Easy'

Staley folks seem to think the Company's new idea "Serve Easy" pushbutton syrup is a pretty good idea.

That's the consensus of employees who offered their reactions on the new innovation to Grocery Products after using their free pack of Serve Easy.

All employees were given a coupon for Serve Easy last month, as the product entered advanced stages of test marketing.

Employee reaction together with information received from other phases of marketing and consumer acceptance tests will form the basis for a decision on general manufacture and national distribution of the "first" waffle and pancake syrup packaging.

Grocery Products team have been working on development of the product for more than a year.

It had previously been test marketed in Fresno, Calif., Hartford, Conn., Toledo, Ohio, Springfield, Ill., and Springfield, Mass.

Serve Easy offers a spill-proof, no-mess way of spreading waffle and pancake syrup with its push-button discharge and specially engineered spout. It comes in a brightly packaged can with the words "New Idea" emblazoned across the cap.

Corn Research Work Slated for Presentation

The work of the Corn Industries Research Foundation, Inc. (CIRF) will be outlined by the foundation's administrative vice president at the Thursday, March 12 meeting of the Staley Technical Society.

Dr. William J. Hoover will detail the organization's activities in industry-wide research, technical services and public information. The Washington-based foundation is sustained by the nation's 11 corn wet milling companies.

Chairman **A. E. Staley, Jr.** and President **E. K. Scheiter** serve as trustees in the organization.

E. C. Lane Named to Head New Feed Marketing Division

Realignment of our feed marketing activities and the appointment of **Ed Lane** to head a newly created Feed Marketing Division was announced recently by President **E. K. Scheiter**.



The new division replaces the previous soybean division, with Lane taking over most of the former responsibilities of **E. E. Rhodes**, who left the Company last month. The new division will operate under the broader direction of **James W. Moore**, manager of commodities.

Lane had served as manager of the Feed Sales Department since it was formed in 1955. He joined the Company in 1952 as merchandising manager in Feed Sales.

As manager of Feed Marketing, Lane will be in charge of sales, trading and hedging ac-

tivities relating to our feed business. The new division includes the soybean meal, corn feeds and specialty feeds sales departments, and the department of feed nutrition.

Lane will also be responsible for coordinating grain buying, manufacturing and sales at the Company's Painesville, Ohio soybean plant.

Prior to joining the Company, Lane was assistant manager of soybean meal sales for Central Soya, Ft. Wayne, Ind. He is a Wyoming native and an economics graduate of the University of Wyoming.

Company Drivers Hit Safety Peak

Staley automobile drivers piled up the equivalent of 882 years accident-free driving in 1963, highest total recorded in the past three years.

In 1962 the fleet drivers compiled 849 years safe driving, compared with 800 years in 1961.

Of 193 drivers, 162, or 83 percent, received awards for at least one year of accident-free driving. There were 32 chargeable accidents recorded during 1963.

Top safe driver in the Company is **H. A. Mitchell**, Industrial Sales, Atlanta, who has 27 years accident-free driving to his credit.

Second, with 21-year perfect driving records are **D. J. Schneider**, Grocer Products Western Territorial Manager, and **J. A. Stigers**, Grocery Products, Cleveland.

Ad Account to Maxon

Maxon, Inc., Chicago and Detroit, has been assigned all advertising programs for our growing line of grocery products.

The agency formerly shared grocery products accounts with Erwin Wasey, Ruthrauff & Ryan, Chicago, which recently became a division of Interpublic, Inc.

Annual Report Quiz

COMPLETE THIS FORM—AND BE A WINNER!

All you have to do to qualify is answer the questions on this Quiz Form and return to the Staley News

FIRST PRIZE . . .
A Share of Staley Common Stock

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

THIRD PRIZE . . .
\$10 Cash

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 of the 10 listed.

- | | |
|----------------------------------|---|
| 1. Net sales | 6. Employee Payments |
| 2. Net earnings | 7. Depreciation |
| 3. Cash dividends | 8. Federal Taxes |
| 4. Number of stockholders | 9. Long-term Debt |
| 5. Capital invested per employee | 10. Expenditures for Property and Plant |

II. Fill in the blanks.

- Increased Corn Division sales can be attributed in a large part to increased demand for _____.
- Our newest foreign subsidiary, incorporated last year and now in operation, is _____.
- Among 1963's executive appointments was a new vice president in charge of Marketing. His name is _____.
- Staley maintains branch sales offices in _____ U. S. cities outside Decatur.
- Most of the duty-free tapioca imports to the U. S. come from _____.

III. True or False. (Write "T" or "F" after each statement)

- UBS Chemical Division recorded record sales and earnings in 1963.
- Decatur hourly employees received a 7 cent an hour wage increase in July, and Painesville hourly employees received a 6 cents an hour increase at the same time.
- Staley dextrose will be produced by an enzyme conversion process developed by Staley research.
- Sales and profits in Grocery Products reached all-time highs in 1963.
- Resin emulsions for gloss latex paints are an important factor in UBS Chemical Division's growth prospects.

IV. Part 1: Fill in the blanks; Part 2: Answer in your own words (use an additional sheet if necessary) Our Company's sales have increased by nearly \$50 million, or more than 37 percent during the past ten years, but our Company's net earnings have only see-sawed back and forth between \$_____ and \$_____. How do you account for this? (Use space below and additional paper if necessary).

Your Name: _____

Department: _____

Return completed Quiz to:
The STALEY News
22nd & Eldorado Streets
Decatur, Illinois