STALEY NEWS

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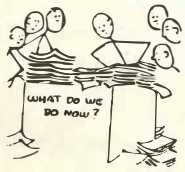
Divisional Superintendent Organization Extended

F. J. Rogier Made Superintendent of Dry Process

When our plant started in 1912 one superintendent was enough. The plant was small and the superintendent was intimately acquainted with all of his men and equipment. The number of products was small and the processing relatively simple. He knew the cost of supplies and how cases stood up in shipping. If he wondered about a job he had only to go out into the plant and observe it.



But the plant grew. Employment increased. New products were added, new processing tricks thought up and installed. There were more departments and problems and the days were too short for the superintendent to do everything he wanted done. As early as 1918 it was no longer possible for one man to know, watch and do everything for which a superintendent is responsible.

Mr. Staley met this situation by creating a new position, that of Plant Superintendent, and asking J. H. Galloway to fill it. Mr. Galloway did so and the pressure was relieved. But the growing continued. We built a new power house, oil refinery, elevator, pumping station and filter plant. We increased our grind, developed new products, added equipment, *started the soybean industry*. Then came the depression, the eight hour day, the N.R.A. and a host of legislation affecting employer—employee relations. The load on both superintendents was too great and in 1934 Harry Walmsley was called in from No. 17 building to be Mr. Galloway's assistant. The next year Dr. Greenfield left his position as head of the chemical engineering group to become Dr. Kutsch's assistant with the special assignment of coordinating all of our technical work.

But the work kept all four men pretty close to their desks and, at the same time, the need for close

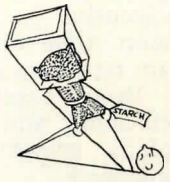
(CONTINUED ON PAGE 2)

Club Election Results in Close Contest

Horton Thanks The Three Who Put Him Over

On April 17th Gerald L. Horton was elected president of the Fellowship Club in an election that was whisker close. A light vote produced a total of 435 votes for Dan Dayton, who has served as governor and secretary, and 437 for Gerry.

The impression among local political wizards (of which we have a slight surplus) is that Horton's narrow margin was brought about by the fact that both candidates took similar positions on issues at stake. Both announced that they (1) stood for law enforcement and lower taxes on food and drink (2) advocated the abolition of the common cold to save on sick payments (3) pledged themselves to fight the house flvand swat such whereever found.



The career of the victor has been likened to that of the late governor of our state but seems already to have exceeded it. Both laid aside the judicial wig and assumed the governor's mantle and Mr. Horton has now gone on to become president.

Horton Will Adhere To Civil Service Principles, It is Claimed

Inasmuch as neither campaigned on the basis of "turn the rascals out" (since both held office last year) it is not expected that great changes will be made by the new administration. 'For Rent' signs have not yet appeared on the homes of committee members

Andy White was elected vice-president and Ed. Smith, our demon timekeeper, doubled back on a long trail to become secretary for his 20th term.

Bob Siweck, Earl Beals and Sam Williams were elected to three year terms as governors. This gives the Club two good starting pitchers and manager Horton expects to develope three more before the season is far advanced. Beals will be used at first base where his height should help offset occasionsl wild throws from the fielding.

Bottleneck Trouble

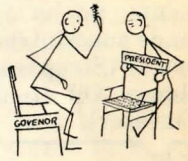
We Squeeze Through or Break Through

"Bottlenecks" have furnished lots of stories for the press in connection with our defense program but they were old stuff to us twenty years ago. To say that we were raised on the bottleneck may be a bad pun but is close to the literal truth.

Say you started out, as we did, with a 3,000 bushel plant and later found that you could profitably sell more than you were producing if—the cost of increasing capacity was not too high. You do some figuring. The steeps and mills will handle 2500 bushels but there are only enough reels and shakers for 3100. The cost of adding a few won't be prohibitive and (important) you have the floor space. So the Mill House will do.

But the Table House now? And the Feed House? How can they be stretch ed without great expense? Even if they can, how about the Kiln House?

Wise planning helps, of course, but wise planning will seldom tell you to to build a 4000 bushel plant when you are grinding—and selling—3000 bushels. Evenifyou probably wouldn't have the money. So you stretch the bottlenecks and, little by little, your plant grows up.



The problem is pressing right now because we could sell more starch if we could produce it. But we are grinding. Six days a week and there is no use thinking that seven unless we can do something about the Feed House.

Pressure Increases Volume—Ups Costs

Up to certain limits you can squeeze more production out of a corn plant without increasing equipment. You just pour on the coal and sit on the safety valve. The product gets through but processing and repair charges jump and waste increases. The only break you get is on fixed charges and overhead. They do not increase proportionally with the grind.

You Pay A Price Either Way

We can, and do, steep corn 41 rather than the 48 hours which we

(CONTINUED ON PAGE 3)

More About Divisional Sup'ts

control in the process and better coordination between departments was becoming progressively greater. Our process was becoming so involved that trouble in one department could cause trouble in three or four more. Men with sound technical training and years of experience in our process were needed out in the plant; on the job. Because our plant falls naturally into divisions we decided to extend the idea of having Divisional Superintendents.

Maurice Durkee had been filling such a position for several years. Shortly after he came here to take charge of the Oil Refinery he was asked to supervise our soybean plant which was just across the railroad track. He continued in this capacity until 1937. By that time the Oil Refinery had grown into a new building some distance from the bean plant (which had also grown) and demanded so much attention that it was no longer practical to ask one man to supervise both. His present position is Superintendent of the Oil Refinery.

Harold Baker was next. He had spent a number of years in our chemical engineering department and a large portion of that time was devoted to the wet processing departments. So on July 1, 1940 he was made superintendent of those departments (Steep and Mill House, Table House, Oil House, Feed House and Elevator).

Neil Young, also a chemical engineer and the man who started soybean processing operations at Painesville, was made superintendent of our soybean division six weeks later. The departments for which he is responsible include Elevator B, No. 47 Bldg., No. 48 Bldg. and the Soyflour.

After the last two appointments the management settled back to see how the new idea would work. Proof that they were well pleased is illustrated by the fact that they extended it last month. Frank Rogier of the chemical engineering staff was appointed superintendent of the dry processing departments (Nos. 13 and 21, No. 16, No. 26 and all processing activities in No. 20).

This plan of supervision will provide better control of processing and losses, better coordination between departments and relief for the superintendent's office by freeing it of burdensome details and giving it more complete information than was available formerly. Where the plant superintendent had formerly to get reports from over twenty foremen will have complete reports from divisional superintendents and a better picture upon which to base his judgments. It is difficult for any executive to work effectively when more than eight or ten people are are reporting to him.

Better organization means greater efficiency and smaller losses. As our plant grows our need for both increases.

THANK YOU

After spending a term as governor and two as president of the Staley Fellowship Club I should like to take this opportunity to express my thanks to officers and members of the Club for the splendid cooperation which they gave me during my time in both offices.

It has been a real pleasure to work with everyone and I earnestly hope that whatever successes may have been accomplished were due to the fact that the Club was, and is, a *fellowship* organization.

The membership as a whole cannot realize the amount of time and effort which committee members spend each year to forward the Club's work and for that reason I wish to call attention to it and to especially thank all the committee members who have served and will serve so well.

Glenn A. Moran

For superior plants (cabbage, mangoes, peppers, tomatoes, sweet potatoes, etc, etc.) see our well known and justly renowned second baseman, Mr. John Galembach, at his residence in 1531 N. Clinton St.

A drop head Singer Sewing Machine with six drawers and all necessary attachments for only $18.00. Act quickly. Only one to a customer. Call 2-7425 or call at 340 S. 23rd. St.

Tony Fratini, Roundhouse or 2518 E. Division (Phone 3-3088) has a 45 by 190 foot lot in the 1700 block N. 35th. St. which he wil sell to the right person for a right price.

It still is not too late to see Henry Buckley for high grade excavating, grading, lawn seeding, plowing and such. Call 2-8416.

THANK YOU

I wish to congratulate Jerry Horton on his election to the office of President of the Fellowship Club and to thank my many friends for their loyal support in the recent election.

Dan Dayton

THANK YOU

I wish to thank everyone for their support in electing me president of the Fellowship Club.

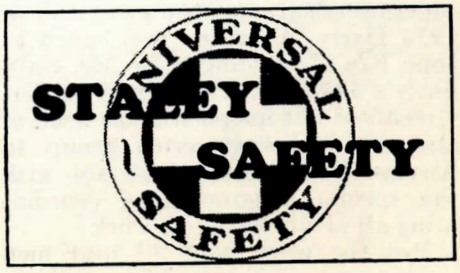
Because the verdict was very close I am inclined to look at my job for the coming year as that of a coordinator who will attempt to gain the cooperation and further the best interests of every member of the Club. Having served as governor I know how much depends on good committee work and the willing help of every member. We will try to do a good job for you.

Gerry Horton

THANK YOU

I'd like all of you to know that I very much appreciate the large vote given me by all my friends.

Grover Roderick



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The First Quarter Earnings Are Good

Last year our first quarter earnings of $694,187.87 provided us with more than half of our net earnings for the year. We are hoping that the same ratio does not hold for this year's first quarter earnings of $488,722.34 because a year's net of less than $1,000,000. is not sufficient to keep us on an even keel. Usually we have one bad quarter. Usually that is the third one. In any case we must make enough during other quarters to carry the poor one.

If the total contrasts badly with last year's first quarter, at least it is good by comparsion with other first quarter earnings during the last five years and—it was arrived at after a reserve for income tax at the rate of 30% was deducted. Last year we set aside 19% to pay income tax and before the year was out the rate was 24%, making an upward readjustment necessary. The rate is still 24% but talk of increasing it to 30% is so general in Washington that a large number of companies are setting aside that amount of first quarter earnings to provide for it.

The largest share of our first quarter's business came from defense urged industry. Industrial sales, in practically every direction, were good. Sales of refined oil and export sales were tied for second as sourses of revenue. Soybeans and package goods were among the also rans.

The fact that we are moving to open up plant bottlenecks and increase production speaks a few words for what we expect of the second quarter. So far as we can see (which is not too far as British positions in the Mediterranean become more endangered and Japan makes up its mind what to do in the Pacific) our second quarter should produce earnings which will be somewhere close to those reported for the first.

More About Bottleneck Trouble

would prefer but we pay the price in poor separation and loss of germs and starch The alternative is to add steeps. Enough to help, though, would cost $80,000. and that isn't the whole story. They would have to go in the space occupied by the Tin Shop and the cost of a new shop would be considerably more than $80,000. So that's out, at least for now, and we'll continue to do a poor job of steeping during periods of high grind. The Mill House is in fair shape, thanks to the $200,000 addition six years ago, but we *could* use a few more shakers.

Then you come to the Table House. It's a 40,000 bushel house and *that's all*. But its capacity can also be increased if you're willing to sacrifice the quality of the job it does. We are, thanks to our Mercos, so we run the flow over the tables too fast to allow all the starch to settle and then use the Mercos to recover starch from gluten tailings. Even this method has its limits and we are close to them. When we reach them we'll need more tables or Mercos so some new stunt we don't know about now. Incidentally we're awfully short on gluten settler space. The last time we got in that bind we developed the Dorr thickener for use in our process. Another Dorr thickener would help right now. That will be $35,000, please

Feed House Trouble

The Feed House, as always, furnished the most substantial headaches. Overcrowding the Feed House is practically an occupational disease in our industry. Everyone does it because you can get away with it a long time and feed is not the product that makes your bread and butter. But there is a limit here also and we are squarely up against it. Lack of filtering and drying capacity leaves us, after a six day capacity grind, with so much feed on the floor that the whole seventh day is needeed to pick it up and process it. That is the reason we don't even try to grind seven days.

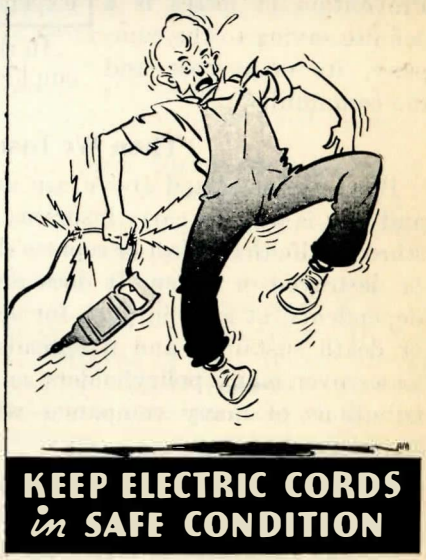
And Priorities

We've about decided that we can afford some new filters and driers but —in A. D. 1941 money doesn't talk unless it is backed up by a priority number. Ours isn't so—we can order the filters we want and hope (1) the manufacturer accept the order (2) the government doesn't change his mind after he does (3) someone *with* a priority number doesn't grab them when they are finished (4) we get them within 18 months. Or—we can order a less satisfactory type and wait four months for them. We'll probably take the latter course as the lesser evil. New driers present much the same problems.

On a six day grind the Oil House cries for help too. An expeller does a nice job of squeezing out oil but is, itself, unsqueezable. It will press 240 lb. of cake an hour and that's all. More expellers or bigger ones would do the job but the triple bugaboos (space, cost and priorities) are guarding that avenue of escape closely. Meanwhile a high grind increases processing losses in the Oil House.

We Bet We'll Break Through

These problems look pretty tough right now and no good answers are apparent. But we have faith in our ability to find them. This is really another outcropping of our bottleneck problem and if we hadn't found answers to it a number of times in the past we'd still be grinding 3000 bushels a day rather than 50,000. Bottlenecks can be bottlenecks or challenges to our ingenuity. We are seeing them as challenges and we are out to do battle. Be they ever so tough they are more pleasant than the problem of how to keep the plant running four days a week on a 35,000 bushel grind. The knowledge that that problem too may have to be faced again at some future time keeps us from being too enthusiastic with our money as we go about opening up the bottlenecks.



Insurance, Eleven Kinds

R. S. Bass, Treasurer

The margin of profit in anv business is too small to absorb loss of property (especially when the property is well centralized) or to permit a suspension of production for a long time without serious losses. Since all businesses are faced with the element of risk, the uncertainty of fortune and the possibiiity of misfortune, we necessarly look for means to lighten the blow which might result from the hazards to which we are exposed. The economic side of this problem may be solved in two ways.

First We Prevent

The first is to reduce the risk as much as possible and thus decrease the probability of losses. However, there is a limit to the extent by which a risk may be reduced. The second plan for alleviating the possible results of the various uncertanties is the purchasing of insurance.

Guided by the expert advice contributed by our various insurance carriers' inspectors, engineers, and service men and by The National Safety Council, Underwriters' Laboratories Inc., etc., our company has spent large sums of money in prevention and control of losses from misfortunes and accidents. Prevention of losses is a definite saving to the company, its employees and the community.

Prevention and insurance are our shields against some of the uncertainties of life for our business.

INSURANCE CARRIED BY OUR COMPANY DURING 1940

Kind	Cost
1. Fire, tornado, and sprinkler leakage on buildings and equipment	$ 17,654.33
2. Fire and tornado on grain	8,813.48
3. Loss of profit and fixed expenses while shut down because of fire, explosion or loss of power (use and occupancy)	16,786.76
4. Boiler explosion and breakdown of turbines and certain other machinery	8,778.49
5. Fidelity bonds	2,641.68
5. Public liability and products liability	2,150.00
7. Automobile—public liability and property damage, fire, theft, and collision	7,932.10
8. Fire, tornado, and sprinkler leakage on stock stored in public warehouses	2,965.51
9. Workmen's compensation and occupational disease insurance	19,241.33
10. War risk and marine insurance on foreign shipments	60,979.86
11. Staley company's contribution on group life insurance (contributory only)	8,771.45
Total	$156,714.99
Approximate number of employees	1900
Expense per year per employee	82.48

In this discussion and in the above figures, state and federal employment insurance or compensation was not considered.

Then We Insure

However, as stated above, we cannot prevent all losses and that is why we carry insurance. Insurance does not restore the life that is lost or replace the wealth that is burned or destroyed or stolen. It does repay employees or their dependents, at least in part, for accidental bodily injuries or death sustained and it spreads the effect of physical losses over many policyholders so that the premium contributions of many companies will repay the few that have large losses.

Suppose a fire, tornado, explosion, or other catastrophe destroyed all or a large part of our plant. Without insurance we could not rebuild or repair the damage until new capital could be raised. It would mean the loss of jobs for most of us with a consequential irreparable loss to the community.

While we mentioned above two ways of alleviating losses, we should not miminize the importance of either prevention or insurance. Close cooperation between the insured and the insurance carrier is one of the most valuable aspects of modern insurance practice. This is not only true in workmen's compensation and public liability but also in fire, boiler and machinery, etc. The management at Staley's does not deem it sufficient to have our plant examined only by inspectors of insurance companies. Consulting with our own engineers and the engineers of the insurance companies and devoting practically all their time to prevention and safety, are George Leonard, Fire Chief, his assistants and Roy Rollins, Safety Director. First aid is furnished by two registered nurses, Mrs. Lucille May and Mrs. Evelyn Thompson, cooperating with our workmen's compensation carrier.

Our company contributed in 1940 an amount equal to more than $82.00 for every employee to protect the employees' lives and jobs and, at the same time, preserve the company's assets. This figure does not include the cost of first aid expense, safety department expense, or our fire prevention program.

Many hazards are insurable but those which our management deem advisable to cover are fire, lightning, windstorm, explosion, burglary, embezzlement, war risk and marine, public liability, products liability, workmen's compensation, and group life insurance. In order to be insurable, these hazards must be: (1) Accidental, that is, a loss must be neither necessary nor impossible, (2) Regular, that is, it must be expected neither too frequently nor too rarely, (3) Sporadical, that is, occurence must be in scattered instances, scattered as to both location and time, and (4) Statistically measurable and computable, or, at least estimable.