

Stockholders Told Long-Term Outlook Good

Sales Maintain Pace, Profits Show Decline

Company sales climbed to near record levels in the second quarter, but earnings were again hard hit by higher costs of labor and materials and lower prices for some of our main products.

Net sales of \$60,768,000 for the second fiscal quarter ended March 31 were \$560,000 short of the record second quarter total of \$61,328,000 achieved last year.

Net earnings of \$1,445,000 or 63 cents a share were below last year's second quarter when net earnings of \$2,391,000 or \$1.04 a share were reported.

Chairman A. E. Staley, Jr., noted while competition in the corn refining industry is always severe, there has been substantial price deterioration on corn syrups in recent months which has depressed margins to extremely low levels.

(Cont. on Page 4)



CHAIRMAN'S ADDRESS—Chairman A. E. Staley, Jr., flanked by Vice Chairman E. K. Scheiter and President Donald E. Nordlund, tells stockholders profits will probably mark the low point for the year in the current third quarter, but the fourth quarter should be better. Mr. Staley assured the stockholders the Company's past record of growth and strength will continue. He forecast a much stronger, more diversified Company in the next few years.

Chairman A. E. Staley, Jr., told stockholders at the annual meeting May 8 that profits in the 1967 fiscal year will be below the results of 1966 but will provide a base for future improvement.

Mr. Staley said the current third quarter, ending June 30, will probably mark the low point in the year as far as profits are concerned and the fourth quarter should be better.

The six months earnings statement, released in April, showed earnings of \$3,463,000 in the first half of this year, compared with \$4,555,000 in the same period a year ago.

President Donald E. Nordlund explained that two major factors behind the disappointing results in the first half of fiscal 1967 were significantly lower soybean processing margins and severe price reductions in corn syrup products.

These two industry wide problems were not surprises and, although no immediate solution is seen in the soybean processing area, the corn refining industry probably can recover some of its lost profits over the next six months, Mr. Nordlund said.

Despite the drop below last year's record results, expansion continues both overseas and domestically, Chairman Staley told some 200 stockholders. The new soybean plant in Spain and the new corn refining plant in Honduras are in operation and the Company is surveying several opportunities for other foreign investment.

On the domestic front, the dextrose plant capacity is being expanded and the Company has acquired potato starch plants at Houlton, Maine, and Monte Vista, Colo. The Houlton plant also includes tapioca starch processing facilities. The plants were formerly operated by the Morningstar Products Division of International Latex & Chemical Corp.

Chairman Staley and President Nordlund pointed out that research efforts of the Company continue undiminished and that new starches are being developed and introduced along with new grocery products.

Mr. Staley assured the stockholders the long-term outlook is good and the Company's past record of growth and strength will continue. He forecast a much stronger, more diversified and profitable Company in the next few years.

In response to a request from Mr. Staley, Vice Chairman E. K. Scheiter reported on his recent trip to Thailand, where he studied the planting, harvesting and processing of tapioca.

In addition, there was a question and answer session and stockholders re-elected all 12 Staley directors, then toured the Research Center.

(Related stories and photos on Page 3)

Kessler, Schuerman, Beaumont

Board Names Three New Vice Presidents

Three new vice presidents were elected by the Staley Board of Directors at its quarterly meeting here May 9.

The new officers are:

Nat Kessler, Vice President, Manufacturing

Robert L. Schuerman, Vice President, Materials Management

James H. Beaumont, Vice President Sales, Industrial Products

Kessler, who is general superintendent of the Company, has been a member of the board of directors since 1963 and a member of the board's executive committee since February. A native of St. Louis, he joined the Company in 1944 as a chemical engineer on graduation with a master's degree from Washington University, St. Louis.

Kessler served as technical supervisor of the Company's Painesville, Ohio, soybean plant, as senior chemical engineer, chief chemical engineer, director of process engineering, and plant superintendent before being named general superintendent in 1962.

Active in community affairs, he is a member of the American Institute of Chemical Engineers and American Oil Chemists.

Schuerman has been director of the Distribution Division since 1962. In April, he was designated to head a newly-formed materials management group. (See related story on Page 3.)

Schuerman joined the Company in 1946 after four years with United Aircraft Corp. He



Nat Kessler



R. L. Schuerman



J. H. Beaumont

held engineering and Manufacturing posts from 1946 to 1950, was assistant manager of Industrial Sales from 1951 to 1957, and held managerial positions in Paper Sales and Technical Services from 1958 to 1962 when he became director of the Distribution Division.

The election of Beaumont as a vice president follows a reorganization of the Industrial Marketing and Sales Division. L. E. Doxsie, who has been vice president, Corn Division, will now be vice president, Industrial Marketing, and Beaumont, who has been Industrial Sales manager will now be vice president sales, Industrial Products.

Doxsie's responsibilities include the Corn Division, Market Development Division, Morning-

star Products Division, Vico-Asmus Products Department, and Special Products Department. Beaumont's responsibilities will continue in the industrial products sales area.

Beaumont joined Staley in 1955 as director of Public Relations and was named assistant Corn Division manager in 1962. Before joining the Company, Beaumont had been associated with the Decatur Herald and Review for 23 years, the last nine as city editor of the evening Review.

A native of Springfield, Ill., he attended Millikin University and the University of Illinois. He served in the U. S. Army during World War II, being discharged as a captain in 1946.

Other officers of the Company, all re-elected, at the quar-

terly board meeting are:

A. E. Staley, Jr., chairman

E. K. Scheiter, vice chairman

Donald E. Nordlund, president

Roy L. Rollins, group vice president

W. Robert Boyer, group vice president, Finance

James W. Moore, group vice president, Commodities

L. E. Doxsie, vice president, Industrial Marketing

J. A. Bralley, vice president, Research and Development

Charles C. Jensch, vice president, International

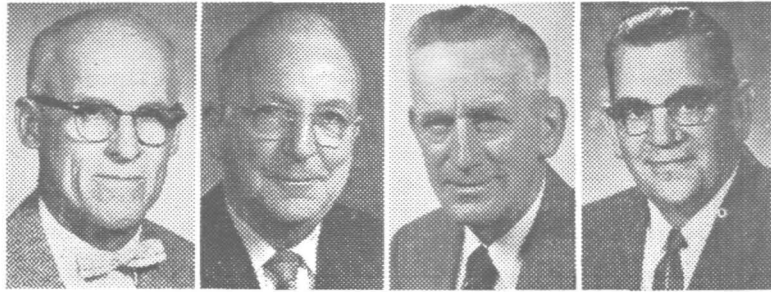
Henry M. Staley, treasurer

Thomas V. Fischer, secretary

Charles S. Locke, comptroller

John E. Stehr and **R. Gehl Tucker**, assistant treasurers

Edward C. Lane, **Richard A. Frymire** and **Gene F. Cottle**, assistant secretaries.



Stone Dayton Meyers Cheshier

Eight Retire to Leisure

Eight veteran Staley employees have retired in recent weeks with a total of 242 years service among them.



Lewis

Leading the list is Frank E. (Red) Lewis, who retired as plant loss monitor in the Control Lab after more than 44 years at Staley. He had been plant loss monitor for the past five years. Prior to that, he held a number of posts in the Control Lab where he was employed much of his Staley career. He started in the Packing House in 1922.

Ross O. Stone, a 40-year veteran, retired as a senior mechanic in the Electric Shop. Throughout his long career with the Company, he was employed in the Electric Shop as an electrician, mechanic and senior mechanic.

Daniel E. Dayton retired as a technical assistant in the Maintenance Section after nearly 34 years service. He had been technical assistant since 1957. Most of his years at Staley were spent in the Storeroom & Reclamation Group, where he held a number of posts. He started on the Extra Board in 1933.

Phillip C. Meyers, a 33-year employee, retired as press puller in 111 Building, where he had

worked since 1941. Prior to that, he held several posts in the Glutamate Plant and the Extraction Plant. He joined the Company in 1933, starting on the Extra Board.

James O. Cheshier, palletizer and trucker in 48-49 Buildings, retired with 31 years service. For most of his years at Staley, he worked in the Formula Feed House and Soy Flour Processing phases of Company operations. He started as a peddler in the old Table House.

John A. Lampitt, a 21-year employee, retired as Merco operator in the Mill House. After starting on the Extra Board, he moved to the Mill House two months later and was employed there the rest of his career. He held posts of cleaner, shaker and reel tender, pump operator and Merco operator.

Harold W. Brightman, mill operator in the Mill House, retired after 20 years at Staley. He worked in the Mill House and 48-49 Buildings throughout his career after a brief stint on the Extra Board.

Riley M. Morrison, another 20-year veteran, retired as Flash Drier assistant operator in the Feed House. With the exception of brief periods on the Extra Board and with Plant Clean-up, he was employed in the Feed House, where he held posts of cleaner, feed press puller, gluten meal operator and Flash Drier assistant operator.



INTERNATIONAL DIVISION CHAMPS—Winner of the International Division title in the Staley employees bowling league was this team of, left to right, front, Bob Christerson, Russ Trowbridge and Gene Nixon. Left to right in back are Frank (Red) Lewis, Bill Riemer and Don Carroll.

Staley JA Group Reaps Top Honors

The Staley-sponsored Junior Achievement firm, JADCO, completed a highly successful year of operation by being named co-recipient of Company of the Year honors at the annual Junior Achievement dinner May 18.

In addition to this honor, three members of the Staley JA group won individual laurels. They included:

Dave Thompson, president of JADCO, who was named President of the Year

Irene Bockstahler, who was named Vice President of Production of the Year

Patty Merrill, vice president of sales for JADCO, who won the top JA scholarship of \$200.

Upon liquidation, JADCO returned a 12 per cent dividend to its shareholders, including a 5 per cent regular dividend and a 7 per cent liquidation dividend.

JADCO members prepared, packaged and sold two kinds of salad dressings, French and Russian, which they distributed under the name of "Chef's Delite."

Sales of these products for the school year totaled \$1,286 and the firm had profits of \$345,

enabling it to pay the overall 12 per cent dividend. When the firm capitalized in October, it sold 50 shares of stock at \$1 per share.

Staley supports the JA program and provides interested employees to act as advisers to the students.

In a letter to this year's employee advisers, Vice President

Nat Kessler, who is a member of the JA Board of Directors, commended the advisers for their outstanding work with the student group. This year's advisers included:

- Les Carr, Grocery Products
Dan Comp, Distribution
Bob Garretson, Safety
Jack Magmer, Purchasing.

11 Employees Promoted

Eleven employees have received promotions recently.

Jerry C. Haddock has moved up to programmer in Systems. He joined the Company last year as a management trainee. A native of Oklahoma, he is a graduate of the University of Oklahoma.

Shirley A. Hildebrand, a technician in Applications Research since joining the Company last year, has been promoted to associate applications chemist. A native of Mattoon, she holds a B. S. degree in chemistry from Eastern Illinois University.

Charles A. O'Dell has been promoted to relief assistant foreman in the Maintenance Section. He had been a senior mechanic in the Pipe Shop for two years and a shop employee for 11 years. He joined the Company in 1948 starting on the Extra Board.

William J. Schoettle, a Personnel assistant since joining the Company in 1966, has moved up to assistant employment supervisor in Personnel. A native of Belleville, he holds a B. S. degree in business administration from Millikin University.

Other promotions:

Dean E. Cox, from purchase order coordinator to technical assistant, Maintenance

Paul A. Imel, from chief clerk to purchase order coordinator, Maintenance



Haddock Hildebrand



O'Dell Schoettle

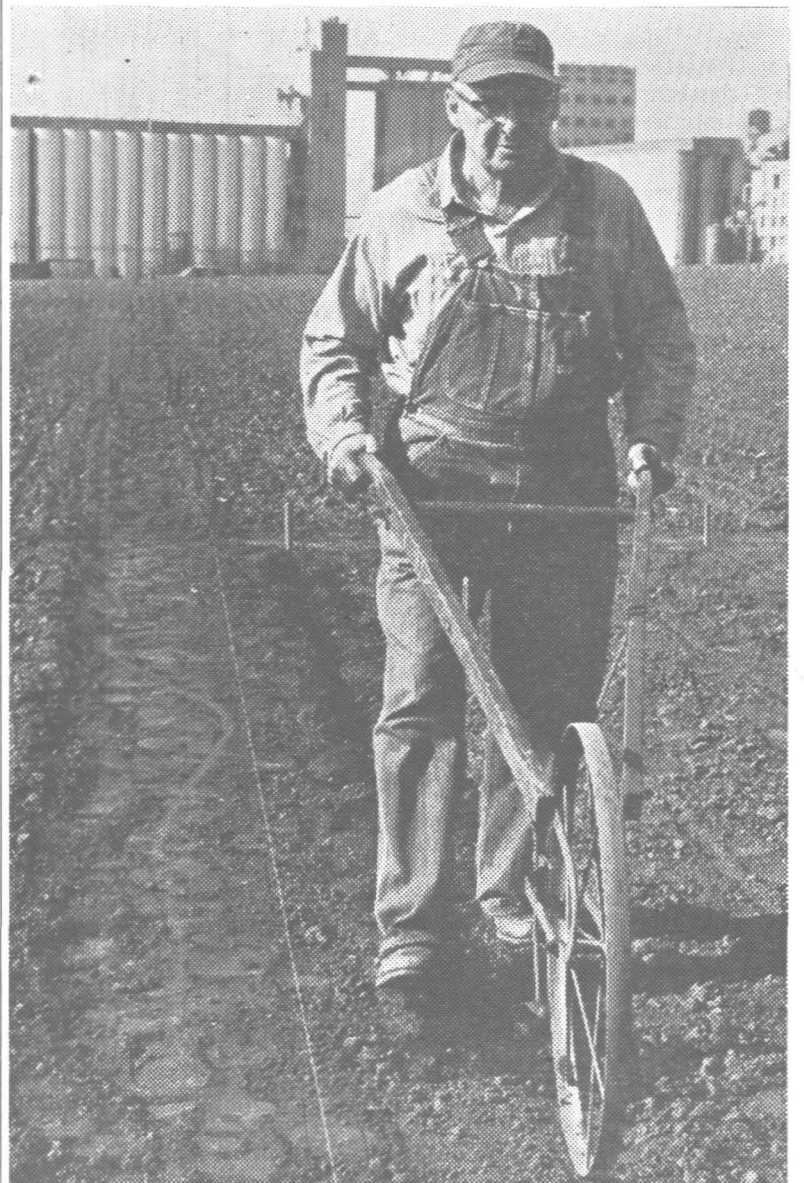
Thomas L. Jones, from receiving and shipping coordinator to chief clerk, Maintenance

Velda M. Lindsey, from senior research stenographer, Research Staff and Services, to Engineering Research secretary

Brenda J. McCoy, from clerk-typist to statistical clerk, Control Lab

James K. Stewart, from junior chemist, Control Lab, to chemist, Vico

Richard L. Webb, from stock control clerk to receiving-shipping coordinator, Maintenance



STALEY GARDENS GOING IN—Some 100 Staley employees put their off-work hours to good use working in Company-sponsored gardens. Here, Clyde Henley, Stores & Reclamation, prepares his plot for planting. The Company has made land available to employees for gardens for more than 30 years.

Materials Management

Distribution Division Expanded to New Group

Expansion of the Distribution Division into a Materials Management Group headed by **Robert L. Schuerman**, has been announced by Vice President **R. L. Rollins**.

In announcing the expansion, Rollins said the group includes a Materials Control Division, the Purchasing Division, a Transportation Division (formerly the Transportation Department), and a Planning Department. No changes are contemplated in the Transportation or Purchasing organizations, he said.

"The Materials Control Division will include an Order Services Department (formerly Sales Order Service), a Distribution Facilities Department (to manage field packaging, distribution centers, warehouses and bulk stations), and a Materials Control Department to be responsible for planning and control of inventories of packaging and other supplies and of finished products. It will also do order forecasting," Rollins noted.

He added the purpose of the reorganization is to provide

greater economy through consolidation of like activities and to improve our service to customers.



Mittelberg

Schuerman later announced the appointment of **Kent N. Mittelberg** as director of the new Materials Control Division, effective May 1.

In this post, Mittelberg will supervise the Distribution Facilities Department, the Order Services Department and the personnel of the Inventory Planning & Control Department.

Mittelberg had been manager of the Inventory Planning & Control Department since November, 1963. He joined the Company in 1961 after receiving his M. B. A. degree in industrial management from the University of Pennsylvania and his B. S. degree in chemical engineering from the State University of Iowa.

Lippstreu Named to New International Position

Appointment of **Lawrence R. Lippstreu** to the new position of international accounting manager has been announced by **C. J. Locke**, comptroller.



Lippstreu

In making the announcement, **Locke** said the new position "reflects the Company's expanding interests in international operations in Central America, Europe and Canada."

Lippstreu had been associated with the Firestone Tire and Rubber Co., Akron, Ohio, since 1960. He was assistant treasurer-

chief accountant for Firestone Portugese S. A. R. L., Lisbon, for the past three years. Prior to that, he was factory and cost accountant for Firestone S. A., Sao Paulo, Brazil, for three years.

Lippstreu received a B. S. degree in business administration from the University of Nebraska in 1958 and a B. S. degree in foreign trade from the American Institute for Foreign Trade, Phoenix, Ariz., in 1960.

Stockholders Re-Elect All 12 Directors

All 12 Staley directors were re-elected by the Company's stockholders during the annual meeting of stockholders in the Research Center Auditorium May 8.

Directors re-elected included **A. E. Staley, Jr.**, **E. K. Scheiter**, **Donald E. Nordlund**, **Roy L. Rollins**, **W. Robert Boyer**, **William B. Bishop**, and **Nat Kessler**.

In addition to the Staley executives, directors re-elected included:

Thomas B. Butler, chairman of Mercantile-Safe Deposit & Trust Co., Baltimore, Md.

A. Rollin Staley, former Company vice president of customer relations, Naples, Fla.

Robert J. Murphey, partner in the accounting firm of Murphey, Jenne & Jones, Decatur

Robert K. Schell, senior vice

Stockholders Receive 'Sta-Flo' Gifts

Samples of two popular Staley household products were presented to stockholders attending the Annual Meeting as examples of the Company's continuing efforts to provide the latest and best products in the marketplace.

Gifts for the Staley stockholders were "Sta-Flo" spray starch, an established favorite of housewives, and its companion, "Sta-Flo" fabric finish, a relatively new product gaining in popularity.

"Sta-Flo" spray starch underwent two formula changes in the past year and independent field testing verifies that the newest formula, with super silicones, is the greatest advance in "Sta-Flo" history. To complement the new formula, a new label was designed and a new "on target" spray valve was developed.

The companion "Sta-Flo" fabric finish was part of the gift to stockholders at the 1966 Annual Meeting. Then, it and a similar product under the name "Silken Look" were being introduced in test markets.

"Sta-Flo" fabric finish is moving now toward nationwide distribution as more and more homemakers are discovering its ability to restore newness and body, without stiffness, to the many new miracle fabrics being marketed today.

These companion products under the "Sta-Flo" name, a household word in the field of fabric care since 1946, provide housewives with complete and effective means of serving the needs of maintaining the wide range of fabrics now available in top condition.

Employees were recently given the opportunity to try new "Sta-Flo" fabric finish through free coupons distributed to them. Coupons were worth one 20-ounce spray can of the product, redeemable at participating grocery stores in the Central Illinois area.



BEVERLY BLAKEMAN, Financial, presents two of the Company's stockholders with "Sta-Flo" gift pack.



CHAIRMAN A. E. STALEY, JR., talks with stockholders **Mr. and Mrs. Ernest Koenig** of Gary, Ind., in the Research Center Auditorium after the Annual Meeting was adjourned.

Savings Bond Drive Shows Increased Participation

Ninety-nine employees had increased their payroll deductions or enrolled for the first time in the payroll savings plan for U. S. Savings Bonds as the bond drive at Staley neared an end, according to Company campaign chairman **John Stehr**.

Participating employees authorized deductions to purchase nearly \$59,000 worth of savings bonds at face value annually.

Stehr said employee participation increased substantially in this year's drive over 1966 when the Company cooperated in the bond campaign. He attributed this to the offering of higher-yield Freedom Shares introduced this year.

The new Freedom Shares yield 4.74 per cent to maturity in 4.5 years compared to 4.15 per cent on Series E Bonds when held for seven years. Freedom Shares were made available by the government only on a one-for-one basis with a Series E Bond of equal face value.

Stehr emphasized that employees may still arrange to sign up for the payroll savings plan after the campaign closes. This may be done by contacting the Payroll Department.

Staley Director Wins Mayoral Election in East

Robert K. Schell, member of the Staley Board of Directors and senior vice president of the Chase Manhattan Bank, was recently elected mayor of Ridgewood, N. J., polling 4,691 votes to defeat the incumbent mayor and eight other candidates.

As a first-time candidate for political office, he polled more votes than any other municipal candidate in Ridgewood's history, according to election stories in the May 11 issue of the "Ridgewood Herald News."



T. C. (Tom) Garren

Staley Profiles

Garren Coordinates Technical Services

Specialized advice and problem solving for our customers, support for Staley salesmen in the field, liaison between our manufacturing, research and sales forces—these are some of the functions of the Technical Services Department.

Coordinating the efforts of 26 technically-trained persons associated with the department is Thomas C. Garren, department manager.

"As competition becomes ever more intense, part of our competitive advantage rests with our technical know-how. This is what many companies buying from Staley are looking for in addition to quality products," Garren says.

"Our job has become increasingly complex as companies have grown larger and standardization of their products has become a primary consideration. To maintain their product standards, they look for ingredients which meet their specifications.

"With more sophisticated products, buying has become more scientific. Therefore, it is important that we give our salesmen the technical assistance they need to show the buyers our products will work best in their applications. This may take the form of added information or actual demonstrations," he said.

"The purpose of our technically-trained people is essentially to assist our customers in using our products more efficiently. This is a tangible benefit and gives them confidence in our products and the Staley Company," Garren added.

In all, the Technical Services Department has access to some 200 technically-trained people to help solve practically any problem encountered by our customers in effective use of Staley products, ranging from bulk handling of dextrose and starch to installation of jet cookers or engineering process changes.

Among these 200 spread throughout the Company are

control chemists, bacteriologists, civil engineers, mechanical engineers, food and paper technologists, a journalist and various highly-specialized chemists.

"Another important facet of our operations is handling customer complaints," Garren said. "Naturally, we like to keep these to a minimum, but it is also an educational experience. We try to utilize the information we get from our customers, so we don't make the same mistake twice."

When he joined the Company 14 years ago, Garren said technical services work involved about one-third the number of people now required to handle these duties, reflecting increased Company emphasis on customer service through technical assistance.

In his spare time off the job, Tom, who has been engaged in the technical service area most of his Staley career, likes to play golf and work on do-it-yourself projects at home.

In his many years of sales support work, Tom's predominant impression of the importance of our customers boils down to this: "Essential to the success of the Company's sales efforts should be the realization by every employee all along the line that our customers represent our livelihood, and the better job we do for them determines the growth and progress of the Staley Company and each individual employee."

'66 Feed Tonnage Up

Tonnage of feed produced in the United States increased 11 per cent in 1966 over the previous year, according to an American Feed Manufacturers Association report released recently. It represents the largest year's increase since 1958. The report is projected from data supplied by 103 reporting association members which distributed 21.5 million tons of feed in 1966.

Fifty-Two Long-Time Employees Observe Service Anniversaries

Three 30-year veterans head a group of 52 Staley employees who marked service anniversaries during April. They account for 1,100 years service to the Company.

The 30-year veterans in the spotlight for the month and their service dates include:

Kenith Hagen, Millwrights, April 16

Beecham R. Jackson, Electric Shop, April 19

Darrell M. Spicer, 12-26 Buildings, April 16

Other employees marking service anniversaries ranging from five to 25 years were:

25 Years

Leslie A. Adams, Distribution, April 7

Raymond L. Blaase, Pipe Shop, April 6

John F. Collins, 44 Building, April 22

Clifford L. Creekmur, Plant Cleanup, April 6

Edward E. Ecklund, Machine Shop, April 22

Charles R. Hagen, Machine Shop, April 23

Elvin M. Hanson, Oil Refinery, April 23

Ada L. Highley, Sewing Room, April 17

Mae Hinderliter, Sewing Room, April 4

Leon W. Jess, 17 Building-Packaging, April 22

Ralph B. Johnson, Yard Department, April 24

Martin J. Jones, Power House, April 6

Clark J. Kikolla, Grain Division, April 7

John E. Kipp, I & C Shop, April 29

Charles W. Lupton, 20 Building, April 23

Arthur L. Maines, Pilot Plant, April 22

Harley E. Mize, Shipping Inspectors, April 28

John R. Picard, Yard Department, April 29

R. Wayne Rodgers, Painters and Roofers, April 23

Oma S. Scribner, Extra Board, April 4

Roy E. Shay, Manager-Industrial Relations, April 6

Henry J. White, 11, 18 & 75 Buildings, April 23

Hans Wolff, Industrial Products Development, April 16

20 Years

Lyle D. Adams, 48 Building, April 22

Maurice M. Carter, Mill House, April 1

Walter L. Carter, Feed Marketing, April 8

William L. Carter, 16 Building, April 22

Henry C. Corbridge, 20S Building, April 8

Calvin B. Gillespey, Production Department, April 8

Glen Hartman, 101 Building, April 18

Eugene P. Kennedy, Control Division, April 15

Gerald Leaser, Jr., Millwrights, April 17

Clarence L. Middleton, 16-116 Buildings, April 17

Marion J. Page, Painters and Roofers, April 17

Maurice W. Price, Industrial Engineering, April 14

Clifford Rigsby, Tin Shop, April 24

Russell N. Smith, 4-6 Buildings, April 24

Edward A. Stevens, Round House, April 17

James M. Stewart, Territory



K. Hagen Jackson Spicer Adams



Blaase Collins Greekmur Ecklund



C. Hagen Hanson Highley Hinderliter



Jess Johnson Jones Kikolla



Lupton Maines Mize Rodgers



Shay White Wolff

Manager-Grocery Products, April 21

A. Jane Stickel, Public Relations, April 21

Percy H. Tolliver, 16 Building, April 17

15 Years

James R. Lupton, Painesville, April 24

Josephine C. Trusso, Cleveland Industrial Sales Office, April 14

10 Years

Lois F. Kauffman, Control Division, April 1

Robert W. Culp, Grocery Products, April 22

George A. Woidke, Grocery Products, April 22

5 Years

Ruth Ann Hollar, Grocery Products, April 23

Robert L. Kraudel, Applications Research, April 1

Wanda I. Roberts, Control Division, April 30

Sales Keep Pace

(Continued from Page 1)

Mr. Staley said the Company hopes this situation is temporary. Soybean milling margins also continue at a lower level than fiscal 1966 which was an outstanding year for the entire soybean processing industry.

For the first six months of the current fiscal year, Company sales of \$124,164,000 are nearly \$3.5 million ahead of last year's first half sales of \$120,673,000.

First half fiscal 1967 earnings of \$3,463,000 or \$1.50 a share compare to earnings of \$4,555,000 or \$1.98 a share in the same period a year ago.

The increased sales reflect the continued high level of demand for Staley industrial and consumer products.



RESEARCH CONFERENCE—Mr. Heinz Hendricks, center, president of the West German firm of Hendricks & Sommer, pauses for our photographer during one of several conferences he had during a visit here recently. In this instance, he was at the Research Center for a discussion with Hansjurge Haldi, Staley, A. G., at left, and Dr. E. E. Fisher, director of Chemical Research.

Polacek Takes UBS Reins

Redshaw Named to New International Position

Lincoln L. Redshaw has been named Manager, Chemical Products Development, in the International Division, President Donald E. Nordlund has announced.

Redshaw had been President of the UBS Chemical Company Division of Staley. Robert J. Polacek has been named General Manager of UBS, succeeding Redshaw.

The Staley Company has joint ventures in England and West Germany for the production and distribution of polymer emulsions, and also has a polymer emulsion plant in Ajax, Ontario, Canada.

Mr. Nordlund noted that the Company has not been fully exploiting the possibilities for its polymer products in overseas markets other than those presently served from these facilities. In addition, expanded overseas efforts in chemical products require greater coordination between the Decatur Research facilities, UBS, and various European affiliates.

Appointment of Redshaw, a veteran of 30 years with UBS and predecessor companies, to the new post is expected to help build Staley's international chemical business and improve communications between the various facilities.

Polacek had been general manager of the Morningstar Products Division of International Latex & Chemical Corp. Prior to that, he was with Celanese Corp. in various capacities including sales, sales management, and marketing planning before being named general manager of the Specialty Chemicals Division.

"The Company is fortunate, indeed, to have a man of Polacek's chemical and business background to take over the reins of UBS, freeing Redshaw for the new overseas duties," President Nordlund said.

After receiving his degree in chemistry from Tufts University,



Redshaw Polacek

Redshaw joined UBS in 1937 and served in various management posts including technical, production and sales functions. He was named a vice president in 1946 and manager of sales to the shoe industry in 1954. He was in charge of manufacturing and personnel at UBS from 1955 until his appointment as president in 1961.

In addition to Tufts University, Redshaw attended Northeastern University School of Business Administration and completed the Harvard Business School Advanced Management Program.

A native of Chicago, Polacek received a B. S. degree in chemistry from St. Mary's College, Winona, Minn., and a M. S. degree in chemistry from the University of Notre Dame. After obtaining his degree from Notre Dame, he joined Wyandotte Chemicals Corp. where he worked in market development before joining Celanese Corp.

Polacek is a lieutenant colonel in the Army Chemical Corps Reserve and a member of the American Chemical Society and the Commercial Chemical Development Association.

The UBS Chemical Division was acquired by Staley in June, 1959. With plants in Cambridge and Marlboro, Mass., and Lemont, Ill., UBS was a pioneer in synthetic polymer emulsions for the floor polish industry. Other products are used in the shoe, leather processing, wood finishing and general adhesives industries.

President of West German Firm Impressed by Company Facilities

"There is a large market for polymer emulsions in Europe. In comparison, there is potentially as great a market for these products in Europe as in the United States."

This observation was made by Mr. Heinz Hendricks, president of the West German firm, Hendricks & Sommer, during a brief visit here recently. Hendricks & Sommer, manufacturers of synthetics, operate the Staley Company's new chemicals plant in St. Tonis, West Germany.

Located on the three-acre plant site of Hendricks & Sommer near Krefeld, the Company's chemicals plant is producing "Ubatol" polymer emulsions primarily for use by manufacturers of floor polishes within the European Economic Community (EEC).

Commenting on the plant's progress since its startup a lit-

tle over a year ago, Mr. Hendricks said the facilities are operating smoothly and a high-quality product is being turned out. He attributed this performance to the effective job of operator training done prior to startup by members of the Company's UBS Chemical Division team.

With our polymer emulsion plant favorably located in West Germany, Mr. Hendricks indicated the outlook for its products receiving wide acceptance in EEC nations appears very promising.

Making his first visit to the Decatur plant, he said he found it "excellently equipped and far larger than I had expected." He added that he was impressed most by our Research Center and Dextrose Plant facilities.

Of the Administration Building, he said, "It is a magnificent

building worthy of a Company this size."

Although this was his first visit to the Company's headquarters, Mr. Hendricks had visited our UBS Chemical Division plants in the East during the planning stages for our West German plant.

Accompanying him from Europe for a round of conferences and tour of our facilities here was Hansjurge Haldi of Staley A. G. of Fribourg, Switzerland.

Morningstar Products

Frank Named Industrial Market Development Manager

Ernest Frank, formerly technical manager of the Morningstar-Paisley Division of International Latex & Chemical Corp., has joined the Staley Company, William F. Allen, manager of Market Development, has announced.



Frank will be in charge of industrial market development of Morningstar products in the Staley line, Allen said. A native of Chicago, Frank received his B. S. and M. S. degrees in chemistry and an M. B. A. in marketing from the Univ. of Chicago.

He was associated with Corn Products Co. for five years, Swift & Co. one year and American Maize-Products Co. for 13 years before joining Morningstar-Paisley in January, 1966.

June Women's Club Meeting Includes Dinner, Theater

Dinner at the Sullivan Country Club and a play at the Little Theater in Sullivan will comprise the monthly meeting of the Staley Women's Club June 15.

Dinner will begin at 6:30 p.m. Members and thier guests will then see the comedy presentation, "Enter Laughing," featuring Bob Denver of television's "Gilligan's Island."



APOSTROPHE 'S' COMES DOWN—Workmen remove the apostrophe from the sign on top of 12 Building after taking down the letter "S" on the end of "Staley's." The removal, accomplished in April, came as part of a continuing program to standardize the "corporate image" and remain

consistent with the Company's trademark, the word "Staley" within a special shield. Other facets of the program, instituted a few years ago, have included packaging changes and sign changes on tank cars and other vehicles.

Specialty Feeds Team Meets Challenge

The Specialty Feeds production team was doubly complimented at the staff meeting April 28 for a job well done in starting up a new system to make Sweetlix 'Bloat Guard' blocks medicated, the newest in a growing line of Sweetlix feed blocks.

The production team's performance drew praise from Nat Kessler, Vice President, Manufacturing, and John Gilbert, Specialty Feeds Department manager.

Kessler cited Specialty Feeds Section Superintendent Jim Cozad and Building Foreman Jim Warnick's crew for its fine job in starting up the new system, which involves adding precise quantities of medication to the Staley-patented Sweetlix molasses block. He pointed out that this difficult job was accomplished by the team while meeting the production demands for our other Sweetone products at the same time.

Gilbert saluted the production team for meeting the challenge of increased production while maintaining quality and providing a boost to the successful introduction of the new feed block.

Kessler indicated that it may be necessary to expand facilities for production of specialty feed products if sales maintain their present pace.

Sweetlix 'Bloat Guard' block medicated is the latest addition to the line of Sweetlix molasses blocks, which now includes:

Sweetlix molasses block, regular 70 per cent molasses feeding block with salt added to regulate consumption

Sweetlix Plus molasses block medicated to control foot rot in cattle

Sweetlix 3 in 1 mineral block which supplies an animal's full supplementary feeding requirements of minerals, salt and molasses

Sweetlix Barfly, fly and worm control block

Sweetlix 'Bloat Guard' block medicated to control bloat in cattle through self-feeding.



TOM STOUT, 47 Building, puts another stack of finished blocks waiting to be loaded out for distribution to our customers.

Sweetlix 'Bloat Guard' block medicated was introduced to the feed trade during the latter part of March, and has enjoyed immediate acceptance.

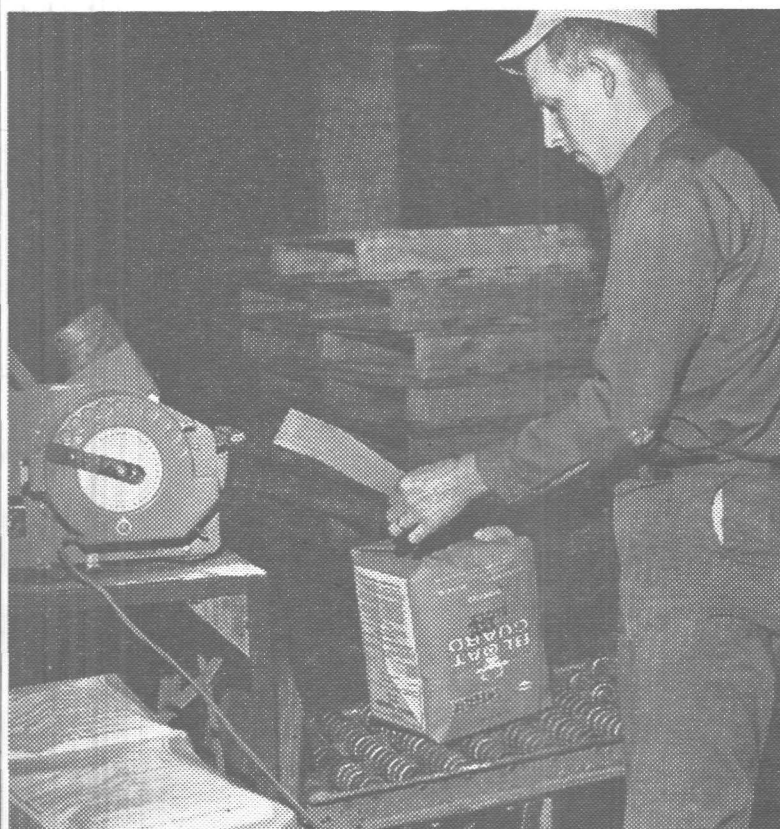
The combination of 'Bloat Guard' brand of poloxalene and Sweetlix molasses blocks provides a convenient and effective method for dairymen and beef feeders to insure their cattle against bloat, a problem which has plagued cattle for hundreds of years.

The Smith Kline & French brand of poloxalene is used with the Staley-developed Sweetlix block to represent ideal means of feeding poloxalene on a self-fed basis to the growing numbers of cattle on the open range.

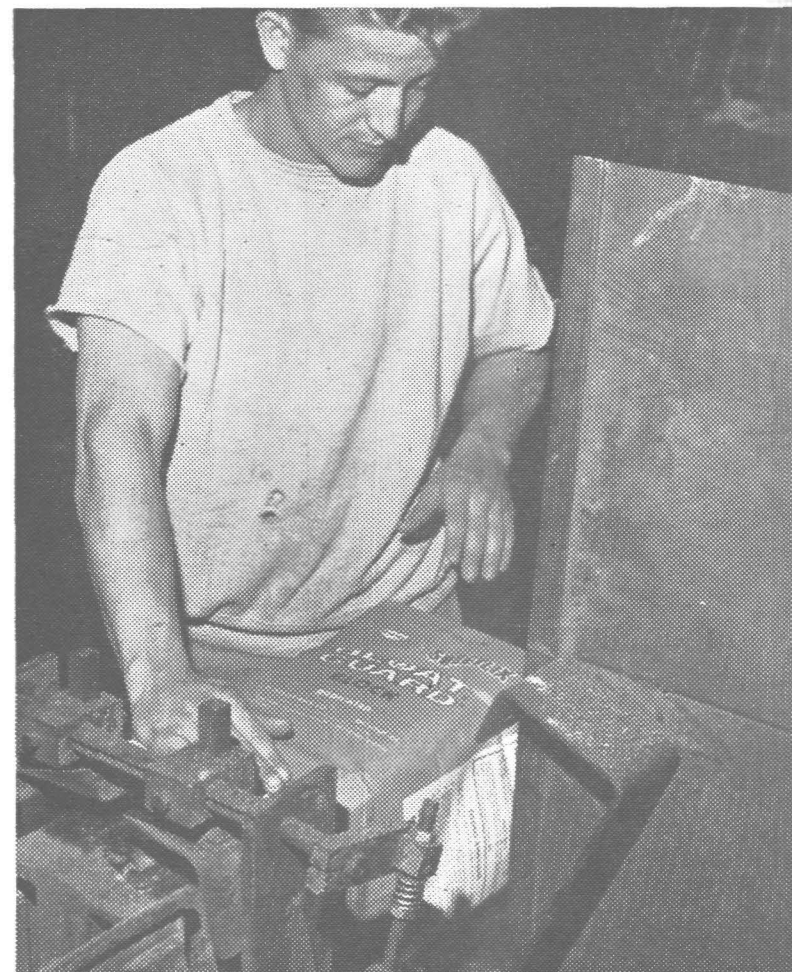
Extensive two-year tests were conducted through cooperation of the Staley Company with five major universities throughout the country prior to introduction of the new feed block.



TED WISELEY, shipping inspector, checks the weight and measures the block to see that it meets Company standards.



JERRY ISAACS, a loader, seals the block into its package and stacks it on a pallet for handling by a fork truck.



Fewer First Aid Cases, Lost-Time Accidents Reported

Fewer First Aid cases and a significant decline in lost-time accidents marked the Safety Department's report for the first six months of the 1967 fiscal year.

Since Sept. 30, 1966, we have had 952 First Aid cases, 156 fewer than reported for the first half of the 1966 fiscal year. There were 87 reportable accidents in the first half of the current fiscal year compared to 60 for the same period a year ago.

Sixteen Staley employees were involved in lost-time accidents, a substantial decline from the 23 lost-time accidents recorded in the first half of fiscal 1966.

The frequency rate of accidents thus far this year is 5.52 lost-time injuries per million man hours worked, compared to 8.31 in the same period last year.

Severity was 385 lost-time injuries per million man hours worked, an increase from 214 for the like period a year ago.

Following is a breakdown of the areas where lost-time accidents occurred using the 12 general categories employed by the Safety Department in compiling the records. Departmental records are included in a "Safety Box Score" posted on plant bulletin boards.

	Lost-Time
Wet Starch	3
Specialty Feeds	2
Laboratories	1
Dry Starch	3
Soybean, Elevators	2
Maintenance	5
Pilot Plant	0
General Offices	0
Syrup Refinery	0
Oil Refinery	0
Office Janitors	0
Shipping Inspectors	0

Snearley Named Specialty Feeds Sales Manager

Appointment of Earl Snearley as sales manager for the Company's Specialty Feeds Department has been announced by John K. Gilbert, department manager. The appointment is effective June 1.



Snearley

Snearley succeeds Duane W. Flor-schuetz, who has resigned to train for the Lutheran ministry.

Snearley has been a Specialty Feeds sales representative for Staley in Indiana and Kentucky since joining the Company in 1963. Prior to that, he had been manager of Cal-Kern Farm Supply Company in Bakersfield, Calif., for four years.

A native of Greenup, Ill., he is a graduate of the University of Illinois School of Agriculture.

Schwandt Announces Return of Corn Germ, Feed Operations to Wet Starch Section

Plant Superintendent W. R. Schwandt has announced the return of the corn germ and feed packing and loading of our growing variety of corn feed products under one management,

Burdick to Elevators Post; Barr, Crowell in New Jobs

Appointment of **C. Dean Burdick** as assistant superintendent, Elevators, effective April 17, has been announced by Plant Superintendent **W. R. Schwandt**. Burdick succeeds **Otis E. Smith** who resigned.



Burdick

Burdick will complete his 20th year with the Company in June. He was made assistant foreman in the Electric Shop in June, 1963, and was named shop foreman in January, 1965.

In addition, **A. B. Foley**, Section Superintendent - Maintenance, announced the appointment of **Cecil Barr** as foreman of the Electric Shop, succeeding Burdick.

Simultaneously, **Foley** announced the promotion of **Charles K. Crowell** to foreman of the Dextrose Plant, Inositol

operations and Research Sub Shop, replacing Barr.

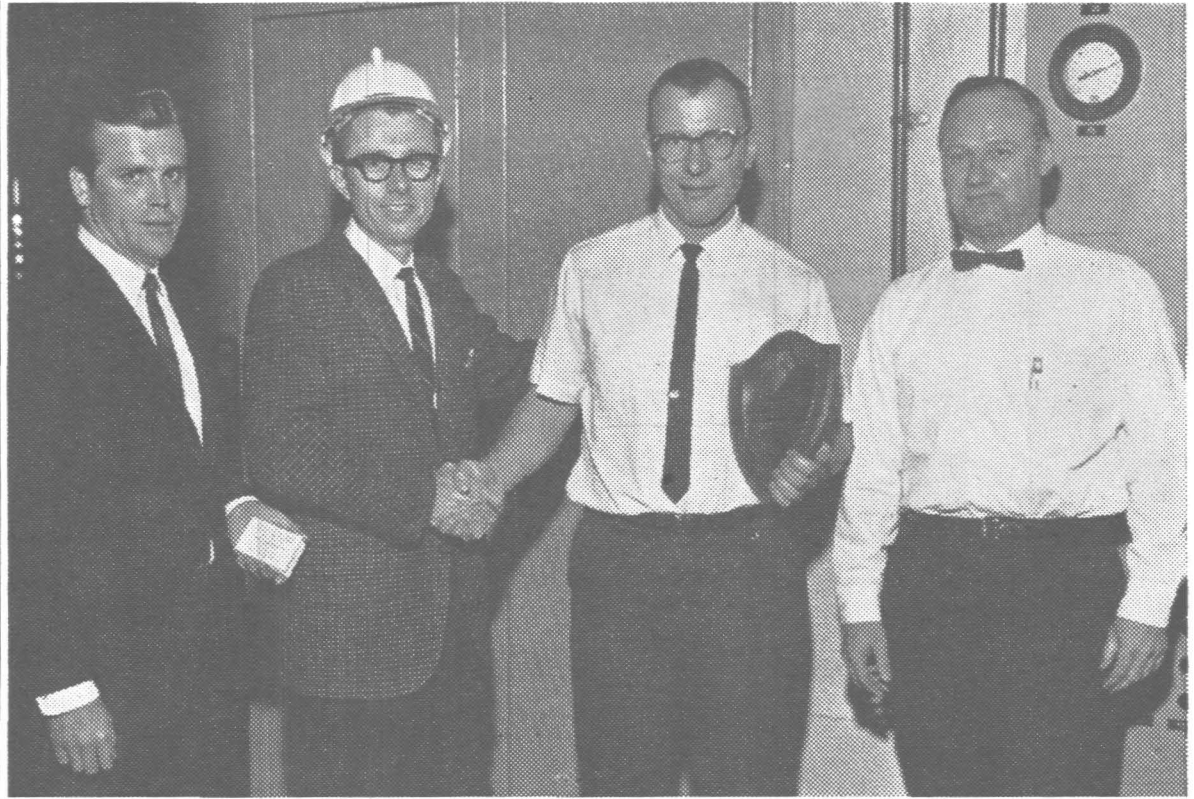


Barr

Crowell

Barr had been area foreman in the Maintenance Section for the past several months and relief assistant foreman in Maintenance for a year. Prior to that, he was a senior mechanic in the Electric Shop for two years. He joined the company in 1946.

Crowell had been an assistant foreman in the Maintenance Section. Prior to that, he had been a senior mechanic in the Electric Shop. A 20-year veteran with the Company, he started on the Extra Board.



PLAQUE PRESENTATION—Plant Superintendent **Bob Schwandt**, second from left, congratulates Foreman **Koran Capshaw** after presenting him with a plaque signifying the Syrup Refinery's victory in the March Cleanup Contest. On

hand for the presentation was **John Homan**, right, Syrup Section superintendent, and **Ed Lacy, Jr.**, chief steward left, who was presented free dinner tickets for distribution to department employees in recognition of their efforts.

Yard Department Close 2nd

Syrup Refinery Wins Cleanup Contest

After finishing second the month before, the Syrup Refinery employees extended their efforts to capture the monthly Cleanup Contest for March, with 70 per cent improvement over their par.

In another month of brisk competition, six departments bettered their pars by 50 per cent or more and 22 beat their pars.

Finishing well in contention just behind Foreman **Koran Capshaw's** victorious crew were the Yard Department, Instrument & Control Shop and 118 Building.

Syrup Refinery Superintendent **John Homan** saluted department employees for the spirit they exhibited by coming back strong to win the contest after a second place finish the previous month.

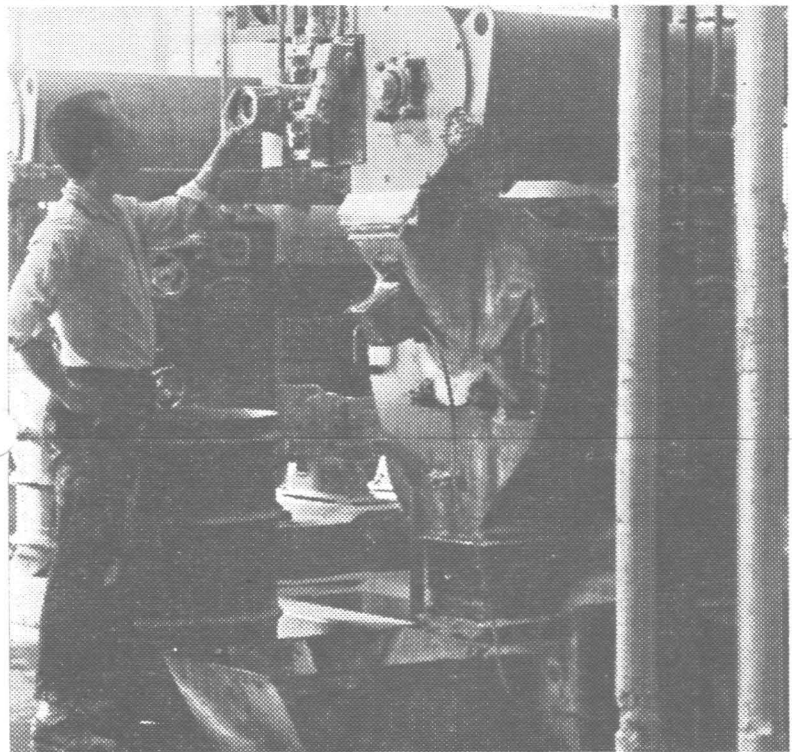
Plant Superintendent **Bob Schwandt** made the plaque presentation to **Capshaw** for display in the winning department.

The top 10 departments breaking par by keeping their CLOD counts down included:

- 5 & 10 Buildings-Syrup Refinery
- 31 Building-Yard Department
- 77 Building-Instrument & Control
- 118 Building-Starch Plant
- 17 Building-Small Machine Shop
- 77 Building-Paint, Roof, Clean-up and Brickmasons

- 77 Building-Millwright Shop
- 111 Building-Inositol
- 34 Building-Warehouse
- 77 Building-Tin Shop

In the largest turnout since the wives tours were inaugurated a year ago, 47 wives of department employees turned out for the luncheon and tour of the Administration Building and their husbands' department.



Jerry Trimmer checks gauge in "Staramic" operation

Facilities Expanded For 'Staramic' Starches

Staley Research has produced a number of modified and special starches in recent years to meet the ever-increasing sophisticated needs of our customers in the food, candy, textile, paper, canning, baking, mining and other industries.

A new family of cold-water soluble starches produced by a unique process is among those which have gone through the arduous research and development and marketing stages with the degree of acceptance necessary for inclusion in the Staley line of quality products.

Called "Staramic" starches, this new group is turned out in 118 Building, where facilities for their production were recently expanded to meet increased demand. The expansion provides a ten-fold increase in production capacity for making "Staramic" starches.

Introduced in 1964, the "Staramic" starches are now used in many applications. Typical of these are:

- Coagulant aids in water treatment (for removing the impurities from water)
- Green strength binders for

ceramic bodies (such as dish-ware)

Glaze binders for ceramic products (such as ceramic vessels used in refining molten zinc)

Adhesive binders in building products (such as the joint cement and spray-texture paints used in dry wall construction)

Sizing agents for reproduction papers

Depressants in the flotation process for separation of minerals (such as the process for upgrading coal)

Pellet binders (for the production of certain mineral or ceramic products)

Any other application where starch cooking is not possible or desirable.

"Staramic" starches, offered in series 200 and 300, are produced in a controlled range of viscosity (its ability to yield under stress), particle size and cold-water solubility. What this means to industrial consumers is economy, ease of use and versatility.

The starches range in particle size from free-flowing granules to finely ground powders for specialty uses.

Bass Named to Finance Post

Appointment of **Ray S. Bass, Jr.**, as chief internal auditor effective May 1, has been announced by **W. R. Boyer**, Vice President, Finance.



Bass is machine accounting coordinator

Bass had been manager of the Data Processing Department for the past five years. He joined the Company in 1956 as a machine accountant in the Control

Division.

Prior to joining Staley, Bass was manager of the machine accounting department of Houdaille Industries, Inc., for 10 years and was with Caterpillar Tractor Co., Peoria, for four years.

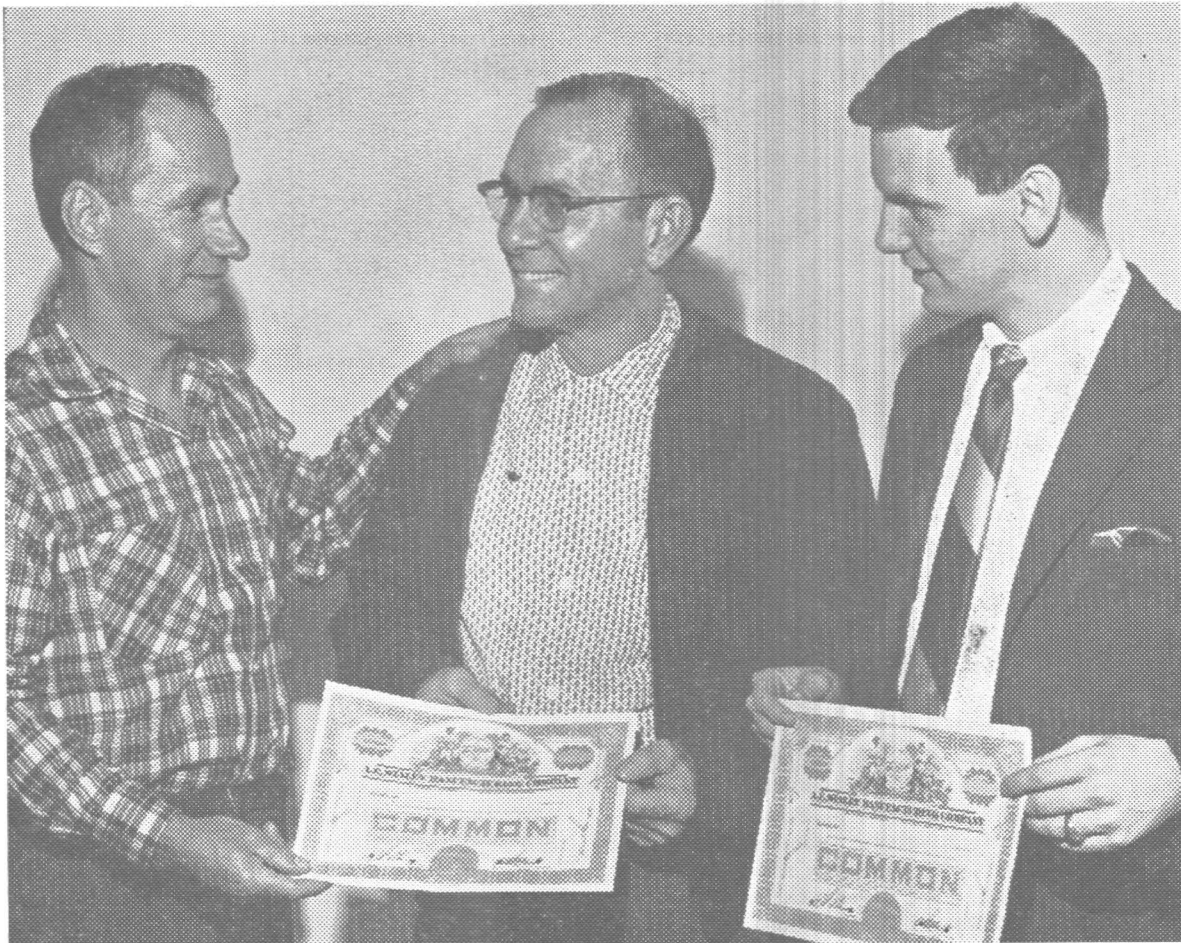
A native of Decatur, he attended Georgia Military Academy, Atlanta, and Millikin University.

As chief internal auditor, Bass will be responsible for supervising the application of accounting, financial and operating controls throughout the Company.



SAMPLING EXPLAINED—**Glenn Niles**, shift foreman in 5-10 Buildings, explains sampling procedures to wives of Syrup Refinery employees during a tour April 12. Forty-seven wives, the

largest group since wives tours were started a year ago, turned out for the luncheon and tour of the Administration Building and the building where their husbands work.

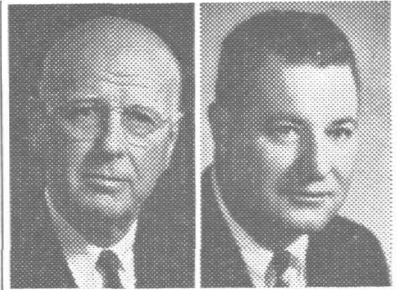


Drive co-chairman Emil Schimanski awarded stock to Theral Pritts, center, and Larry McNamara.

Grace Moves Up

Raymond Kilty Retires After 33 Years Service

Raymond E. Kilty, eastern regional manager in the Company's Paper Industry Sales Department, retired April 30 after nearly 33 years service at Staley. He will be retained as a consultant to assist the Company on a national basis.



Kilty Grace

Appointment of Luke H. Grace to succeed Kilty as eastern regional manager, effective May 1, has been announced by G. A. T. Moore, paper sales manager.

Kilty had been eastern regional manager, based in the Company's Boston office, for the past nine years. Prior to that, he was manager of the Company's New England district in the Boston office for four years and assistant manager for one year.

A native of Connecticut, Kilty has been engaged in Staley paper industry sales operations in the Northeast throughout his career with the Company. He joined Staley in 1934 as a sales representative in the Boston territory.

Grace moves up from assistant eastern regional manager in the Paper Industry Sales Department. He joined the Company in February, 1965, as senior technical sales representative in Staley's Pennsylvania-Jersey-Delaware territory.

A native of Queens County, N. Y., Grace has 20 years of technical sales experience in the three territories which make up the Eastern Region. Prior to joining Staley, he was associated with R. T. Vanderbilt in New York and Pennsylvania for eight years and Anheuser-Busch in the New England-New York area before that.

637 Pints of Blood Collected During Annual Bloodmobile Visit

Six hundred thirty-seven pints of blood were collected during the Red Cross Bloodmobile visit to the Staley Company April 20-21, the second largest total in 14 annual Bloodmobile sessions here.

It was the largest collection here in nine years and was only 29 pints short of the 1958 Staley record of 666 pints. The total topped last year's collection by 99 pints.

A total of 695 persons registered to give blood, but there were 58 medical rejects compared to 68 last year when 606 persons registered. There were 217 replacement donations and 41 first-time donors.

When Firman E. Sharp, Pipe Shop, gave a pint of blood during the two-day session, he set another Staley landmark in Bloodmobile collections by becoming the 10,000th employee to give blood at Staley and other sessions. This is a record unsurpassed by any other single or-

ganization in Decatur and Macon County, according to Red Cross officials.

The Company offered three shares of Staley Common Stock as an incentive in signing up donors, and it was believed to have contributed to the exceptional turnout. In addition, 40 tickets to the Decatur Commodores opening day baseball game were given away in drawings held following the blood collection.

Theral R. Pritts, Tin Shop, and Larry McNamara, Transportation, each won a share of stock. The third share was won by Bob Galloway of Decatur in the every-donor-eligible drawings.

Employees who won four baseball tickets each in other drawings included:

- Ralph L. Creek, 59 Building
- Donald R. Dye, Small Machine Shop
- Elza Henderson, Extra Board

- Bill Letner, Electric Shop
- James B. May, Process Engineering
- Mary Kay Sebens, Traffic
- Thomas D. Tull, Elevator C
- Jeanette Weakley, Order Processing
- Merle C. Blair, 118 Building.

Blood drive co-chairman Emil Schimanski, supervisor of Manufacturing Training, and Robert Cline, Storeroom & Reclamation, saluted all the employees involved for their support in making this year's Bloodmobile session one of the most successful ever.

Dr. Bralley Appointed To Junior College Board

Dr. James A. Bralley, Vice President, Research and Development, has been appointed to the Illinois Junior College Board. Gerald W. Smith, executive secretary of the state board, made the announcement April 28.



Bralley

He will serve the four-year unexpired term created by the resignation of Newton N. Minow.

A year ago, Dr. Bralley was appointed to the State Technical Services Advisory Council by Gov. Kerner. The council acts in a consulting capacity to business and industry throughout the state.

Among community activities in Decatur, he has served on the Human Relations Commission and has been active in the United Fund and the Millikin University building fund drive.



Karen Jesse, 77 Building office employee, assisted with the drawing of names for stock and baseball tickets. Bob Cline, blood drive co-chairman, holds the box of tickets.



This was the general scene as Red Cross nurses make this year's Bloodmobile visit a near record one, surpassed only in 1958.