

Satterfield, David  
Staley Manufacturing Co.

Interview by  
Miss Betty Turnell

for the  
Decatur Public Library

History of A.E. Staley, Sr. . . . .	1
( & beginnings of soybean industry)	
Corn refining at Staley Company . . . . .	6
Relationship of Staley with Decatur . . . . .	7
(Lake Decatur, Viaduct, Staley headquarters building)	
Staley Football and Baseball teams . . . . .	9
(George Halas, Chicago Bears, "Iron Man" Joe McGinnity, Charlie Dressen)	

Mr. David Satterfield Interview - Staley Manufacturing Company

January, 1983

This is Betty Turnell speaking for the Decatur Public Library. Our guest today is Mr. David Satterfield, Vice President of Corporate Relations for the A. E. Staley Manufacturing Company.

When we think of Decatur, we immediately think of "Staley," and Mr. Satterfield is going to tell us how the Staley Company became such an important part of the history of Decatur.

Mr. Satterfield -

Mr. S.: Like most companies, the Staley Company was really the dream of one man - A. E. Staley, Sr. He was born in North Carolina - that's where the Staley family originated. His father was a farmer in the Piedmont region of North Carolina, and Eugene spent his early years working on the farm, but he decided at an early age that he did not want to be a farmer. So he felt his forte' was salesmanship and became a traveling salesman at a very early age. He represented a number of consumer products companies and apparently, according to early records, he traveled literally from coast to coast for four different companies. He represented Block Brothers, which makes Mail Pouch chewing tobacco, and some companies which made corn starch, perfumes, and soaps and a variety of products. Interestingly enough, he recalled, later in life, that as a young traveling salesman his travels took him through Decatur - from time to time. Of course, this was before he ever thought seriously of coming to Decatur with his own company. In his travels as a salesman calling on grocers, he noticed that one of the products that was a consistent seller, year round, was corn starch. In those days it was sold in bulk. There were no packages. He knew he didn't want to be just a salesman all of his life. He had bigger ambitions, and he wanted to have

his own company. So he hit upon an idea. He felt that corn starch could be packaged and promoted and sold more profitably from the standpoint of the grocer and the producer if it were in more conveniently sized packages for the housewife. So he settled in Baltimore and rented a loft in a Baltimore warehouse. He would purchase bulk corn starch from two or three of the large producers of that day. At night he would repackage it into pound boxes. Of course, that was the beginning of Cream Corn Starch, which was the company's original product. In the day time, after working at night packaging the bulk corn starch into one-pound boxes, he would make the rounds of the grocers and sell it. He did this for a short period of time, and the business picked up a little momentum. He hired some additional help. He had a set-back because he was wiped out in the great Baltimore fire. (I can't remember the exact year of that.) But with the help of a friendly banker, he managed to rebuild the business. It kept growing to the point that his suppliers of bulk cornstarch began to worry. Staley was cutting into their own business. They decided they were going to cut him off - not supply the bulk cornstarch to him and essentially eliminate a competitor. Mr. Staley could see what was coming, and he decided he would have to become a manufacturer and build a manufacturing capability. He did. He had a nice little business at this point with a payroll of 16 people or so. He found out about a bankrupt corn milling operation in Decatur, Illinois, and he had some engineering consultants go out and look over the property and analyze the equipment - see what was good and what was not good. They gave him a report. The seller was Standard Oil, I believe. The asking price was a bargain, in his mind, considering the value of the equipment, the location of raw material, etc. So he decided to incorporate and buy what is now the headquarter's

location here in Decatur. He did that in 1909. The company was incorporated in 1906. It took him a couple of years to get the plant up and in running order again because it had been shut down for a considerable period of time. It was about 1912 when the first corn was actually ground by the A. E. Staley Manufacturing Company in Decatur.

Shortly thereafter, the company almost folded. It did shut down for almost a year. One of the large markets for the company's early products was Europe, and of course, World War I cut off that market. As a result, the company was shut down for almost a year, shortly after it opened its doors in Decatur. But it did survive that, and continued to grow in corn refining.

In 1922 the company's second claim to fame - the soybean processing - was added.

When A. E. Sr. was a young boy in North Carolina, he went to a church picnic. At the picnic were some missionaries who had just come back from China. One of them gave A. E.'s father some soybeans they had brought back from China. He didn't particularly want to fool with them and gave them to Gene. Gene Staley planted them and raised several small crops in North Carolina. He developed a life-long fascination for the soy bean, which at that time was grown as a nitrogen replenisher for the soil - and nothing more.

After his corn refining business was on a fairly stable footing in Decatur, Mr. Staley brushed up his interest in soy beans. He decided he would get into the soybean crushing business. But there weren't enough soybeans grown in this area to warrant the addition of a production unit. So he worked with the University of Illinois, and they put together a train that went around to every small farming community in Central Illinois. It had a car with exhibits showing what soybeans

are and what they can be used for. The train would pull into the little community, and the farmers would come in and gather around to try to learn about soybeans. At the conclusion Mr. Staley indicated to them that if they would grow soy beans, he would guarantee that he would purchase them. I think it's generally acknowledged that he almost single-handedly built the soybean industry in this country and eventually in the world. He's considered the father of that even today.

Those have been the company's major businesses through the years - corn refining, soybean processing, and consumer products.

We may want to trace what the company achieved or didn't achieve in each of these three businesses.

Let's take the least important first - that would be consumer products.

The company steadily broadened its product line, starting with the original cream cornstarch. Later it added through acquisition the Sta-Puff laundry or fabric softeners, Staley Pancake Syrup, a very familiar product for many years, Wagner fruit drinks, and a host of consumer products. The company made steady progress through the years with them - in the 40's and 50's. Don McNeil and his breakfast club and the Gary Moore show featured Staley products. They were associated with radio and TV personalities like these. But while the company made progress with the consumer products, it was never able to achieve dominance in the market. It really didn't have the resources to compete with Proctor and Gamble and General Foods, etc., primarily because corn refining and soybean processing are very capital-intense industries. In other words, they require a lot of money to grow and expand. There were some excellent opportunities in these areas that seemed to hold more promise than consumer products. So the Staley Consumer Products story came to an end in 1981, when the company sold most of its consumer products lines to the Purex Corporation, and that particular chapter came to a close.

As I mentioned, one of the reasons was that while Staley Consumer Products made progress and grew, it was overshadowed by what the company did in other areas. Basically, the Staley company has always been an agri-business, a processor of corn and soybeans.

The soybean business had a very erratic history with Staley. As I mentioned, Gene Staley was the founder of the business, but for whatever reason, the company didn't grow in soybean milling as it did in corn refining. At one point in the late 60's, the company was essentially down to one mill here in Decatur, which was not in the best of repair. It had a very small market share of the soybean meal business. As a result there was serious talk of the Staley Company getting out of the soybean processing entirely.

The final decision was "no" that this was a business the company has been in a long time, that we know something about, that we have faith in the long-term prospects. It was decided that we would stay in the business and that we would grow in the business.

In the late 70's the company re-established itself as a major force in soybean milling. It acquired four soybean mills from Swift and Company. It modernized the Decatur mill. Today the Staley Company is the 4th largest soybean miller in the country.

In addition to this we have added a major reputation as being an innovator in the field of food proteins - soy proteins that have been refined and designed for direct human consumption. Soybean meal, of course, is sold to manufacturers of live stock and poultry feeds. But these soy-based proteins are fabricated to be used as ingredients in processed foods of all types - processed meats, baked goods, and what have you. It's small but an interesting business, and we are considered the leader, technologically.

Corn refining, of course, has been the Staley Company's cornerstone from the very beginning. The company has always been considered a leader in this field. In the late 40's Staley researchers developed and the company introduced the first enzyme-modified corn syrup. This new technology permitted the creation of a corn syrup that was far superior in quality to any previous syrups. It opened up many new markets that didn't exist before then. This was truly a milestone for the corn refining industry, and the Staley Company can take credit for it.

In the later 50's and early 60's again the Company is credited with a milestone, and this was the creation of a crystalline dextrose - a dextrose in dry form, and again this was an important development for the entire industry and opened up many new markets for corn refiners.

In the late 60's and early 70's the Staley Company was one of two firms to pioneer high fructose corn syrup in the U.S. This was probably the single most important development in the company's entire history. High fructose corn syrup is the first corn sweetener that is as sweet as sugar and competes as a sweetener in all of the sweetener markets. This had a tremendous impact on the Staley Company in the 70's, which was the single greatest growth period in the company's history. As I said, we were one of the two companies which pioneered this development.

As a result principally of high fructose corn syrup and our position in corn refining, the Staley Company went in the 70's from sales of several hundred million up to sales of two billion, and we went from one corn refining plant in Decatur to five corn refining plants today. The company in the past decade has changed dramatically in many, many ways. The developments in the corn sweetener business which Staley pioneered was the primary reason for this dramatic growth and

success in the past decade.

The Staley Company has had a unique relationship with Decatur over the years. Much of the company's history and activities are intertwined with the city. There are several landmarks, Lake Decatur being certainly one of the principal ones. Lake Decatur came about because as the company started to achieve success in the era of 1918, Gene Staley saw that a much larger water supply was going to be required if the plant was going to expand here in Decatur. He hit upon the idea of the creation of a lake along the Sangamon River here as a source of water for the plant. It was quite controversial apparently at that time. Many of the city fathers were against the idea. Gene Staley, who was something of a gambler and a showman all of his life, said that if indeed the city wouldn't go along with the idea of building a lake, he would move the company to Peoria. Whether he really would have or not, one will never know. In the end the city fathers and the company got together and shared in the cost of constructing Lake Decatur. Of course, it's been a landmark and a part of the community ever since its dedication in 1922.

A second landmark would, of course, be the Staley viaduct. Here again, it was a question of the company needing elbow room - room to grow, and that bumping into some of the city's needs and restrictions. Again, Gene Staley was the catalyst - the moving force and the pusher who got the idea of a viaduct through. At that time - it was 1928 when it was dedicated and Staley was on the edge of Decatur - it was heralded as a tremendous break-through that would allow unlimited expansion of the city and would solve all of the automotive congestion problems from that day forward. And of course today we know it didn't quite work out that way.



A third historic landmark is the company's headquarters building. This building was Gene Staley's monument to success, I guess. At the time he built it it was almost shocking in size for a company the size of Staley at that time. He wanted to spare no expense and to signify that the Staley Company was established and intended to be around for a long, long time. Construction was started in the mid-20's, and the building was occupied in 1930. Today it is a unique structure.

For many years it had the colored lights that circled the gold dome. I understand that, when it first opened, farmers from miles around would drive into town on Saturday night with their families just to drive around the building and watch the lights. It was quite striking and quite an interesting building with fountains.

It wasn't air-conditioned until the early 1970's - about 1971. It cost more then to air-condition the building than it did to construct it in the 1920's.

It is a beautiful building even today. The air-conditioning and modernization were done in such a way as not to detract from the unique blend of Indian and oriental high lights that run throughout the building - wood carvings and brass and other touches.

One of the features of the building was the extensive use of Oriental rugs in many of the executive offices. To this day there are a number of these same rugs in the offices. Some of these rugs are now in storage and obviously it's a very valuable collection that the company is quite proud of.

Staley has always tried to be very supportive of the needs of the community - and I think by and large they have succeeded as evidenced by the Staley wing at the Decatur Memorial Hospital, the Staley Library at Millikin University, and the Staley swimming pool at the Y.M.C.A. I'm sure there are a number of other gifts -

I think the Boy Scout Camp south of Decatur will now have a new Staley Lake so it's an ongoing story. I'm sure the city of Decatur can continue to count on Staley for the future as a supporter of many cultural and social and civic activities, just as it has in the past.

A unique chapter in the Staley Company history involved A. E. Staley, Sr. and his love for sports. In the late teens and the early twenties he urged the creation of semi-pro Staley teams in football and baseball. Of course, one of the first things he did was to hire a young engineer out of the University of Illinois named George Halas to organize the football team. Of course, George Halas did organize the team - such a great team collecting ball players from outstanding colleges around the country that the Decatur Staleys were the first world champions of professional football back in 1920. After a couple of years, however, the company got into a difficult period and A. E., Sr. encouraged George Halas to move the team to Chicago. The Decatur Staleys had played a game in Chicago, and a very large crowd had turned out to see the game. Keeping that in mind, both Halas and Staley realized that the future for such a football team lay in a large metropolitan area such as Chicago. So with A. E. Staley's blessing and some money George Halas moved the team to Chicago. For one year it continued to use the name "Staley" - the Chicago Staleys. Then the team was rechristened the "Chicago Bears", and of course the rest is history. George Halas - "Papa Bear" and the "Chicago Bear's" records and feats are well documented. But they got their start in Decatur with the Staley Company. To this day George Halas has very fond memories and there is a close relationship between the Chicago Bears and the Staley Company.

In baseball, the story is perhaps a little less well known than the company's football history, but nevertheless very interesting. "Iron Man" Joe McGinnity was a pitcher and a manager for some of the early Staley teams. He has since been

enshrined in Cooperstown, the baseball Hall of Fame, and Charlie Dressen, who was a big league manager with three or four clubs, was an early figure on the Staley baseball team so here again a very rich tradition and part of the Staley Company's story can be found in the sports teams of the early 20's.

Mrs. Turnell - Mr. Satterfield, thank you very much for giving us this background of the A. E. Staley Company and telling us of the important part it has played in the history of Decatur.