CareLines



NEWS From Carolina Mills, Inc.

Special Issue 1989

Textile Week

October 15 - 21

Furniture Market

October 19 - 27

North Carolina, textiles and furniture are the state's two largest and important industries. This fact is not lost on the employees at Carolina Mills and CM Furniture. During the month of October, Carolina Mills gears up for National Textile Week and CM furniture gears ups for the National Furniture Market in High Point.



The two events in actuality are different but at Carolina Mills they are combined. Textile Week

is an occasion to remind textile employees that their service is valued and that they are appreciated. Furniture Market is a time that furniture employees glow with pride as the furniture they have produced is shown to customers to be bought for their furniture stores.

But within the company it is a time when all employees are told and shown that they are recognized and that their quality work is appreciated. Each plant is responsible for their on plant's activities. Cookouts, free popcorn, free drinks, make your own sundaes, and many other events are planned for that special week. Every employee is presented with a gift from the company as a thank you for their loyalty and good work.

Textile Week and Furniture Market are vehicles that remind our communities the role that these industries play in our lives. The point is that the industries are not just large employers and taxpayers, but also good neighbors.

The theme of Textile

the "Crafted With Pride" theme into our furniture division. The quality of the furniture produced is some of the best in the world. Employees in both industries work in the safest and most modern plants anywhere.

"Our employees are the greatest assets we have."

- Ed Schrum, President

Week is "Crafted With Pride in U.S.A." the name of the industry's national promotion encouraging the support of American-made textiles and apparel.

An additional theme of Textile Week is "Celebrate the Pride," to draw attention to the fact that textile employees know they make the best textile products in the world, and are proud of it.

Carolina Mills carries

Textile Week and Furniture Market are important. President Ed Schrum, said it best, "Our employees are the greatest assets we have. Good people make a company and industry what it is. That's why I think Carolina Mills and CM Furniture are the best. Textile Week and Furniture Market are opportunities to say thanks to each individual employee."



The Textile Bowl

Fellow Employees,

I hope that you enjoy the first Textile Week/ Furniture Market special edition.

This newsletter contains different articles of interest about the textile and furniture industries. One article explains how Carolina Mills fits into the picture of the national industry. Some articles are informative and other articles pertain to the company's textile week activities. The newsletter can be used by any of your children who are studying the textile industry in school. The information could be helpful in their studies.

The November issue of the CaroLines will have pictures of the events that take place during Textile Week and Furniture Market. Also included in the issue will be the September and October company news.

Have a fun and enjoyable Textile Week and Furniture Market. Remember that as employees of either industry, you are appreciated for the good job you do and the contribution you make to the company.

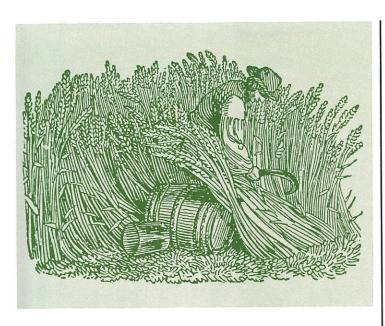
Nancy Schrum Editor aturday, October 21 is the football game known as the Textile Bowl — The North Carolina State University Wolfpack vs The Clemson Tigers, "Big Red" vs "Big Orange", "Wolves vs Tigers". No matter what you call the game, it is a big rivalry between the 2 schools. The name Textile Bowl originated because of the textile schools at each university. A textile scholarship is presented to

each school by the school's Foundation Committee during halftime. The band performs a special tribute to the textile industry and banners all over the stadium salute the textile industry. The Clemson Tigers took home the Textile Bowl trophy every year until last year, when NCSU triumphed over the Tigers. To see who is the victor this year, tune to WNNC radio station, 1230 on your AM dial for the game. Carolina Mills sponsors the broadcast of the NCSU football games.





Textile Week Events



Cotton Ginning Days

A three day show of antique textile and farm equipment will open on Friday October 13 and continue through Saturday and Sunday, October 14 and 15 at the Gaston County Park, located off the Dallas/Cherryville Highway, Dallas, NC. Special activities will be featured each day including a Country Music Jamboree on Friday evening, a Blue Grass Festival on Saturday and a Gospel Singing on Sunday. Many other activities and events are planned for the three day event including an Arts and Craft Show each day. The WBT Fun Bus will shuttle tour groups from the County Park

to the Gaston County Arts & History Museum on Saturday afternoon for special Museum tours plus guided walking tours around the historic Dallas Square.

Crafted With Pride Day

The sixth annual Crafted With Pride Days will be held on October 14 and 15 at Carowinds in Charlotte. During this weekend, all textile related companies and their employees are invited to visit the new bigger, better, wetter, for only \$9.00. These tickets may be purchased from your Personnel Administrator or Cindy Taylor at the corporate office.

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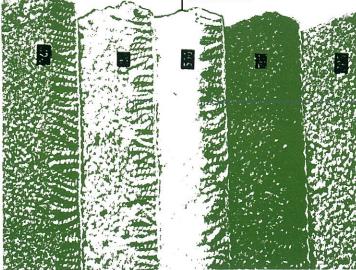
The special Crafted With Pride Days tickets will not be available at Carowinds. You will be given a Crafted With Pride sticker that you can display on your dashboard that will enable you to park free during that weekend. To give the textile industry high visibility, everyone entering the park during Crafted With Pride Days will be given a handout saluting the textile industry. A special ceremony honoring the Textile Citizen of the Year finalists will be held immediately following the first showing of "Country Music Live" in Harmony Hall.

Need New Carpet?

In celebration of National Textile Week, the Carolina Mills Factory Oulet is offering an extra 10% discount on any carpet that is in current inventory. This special price is only available to Carolina Mills and CM Furniture employees. The discount will be honored October 15th-21st.



Celebrate Textile Week and Furniture Market by visiting CM Furniture's showroom in High Point. Visit. The furniture samples shown during the High Point Furniture Market will be sold to Carolina Mills and CM Furniture employees at a 10% discount. Furniture will be sold on a first come basis. Admission for employees is Friday, October 20 thru Thursday, October 26 from 9:00 am until 5:00 pm. You must present your invitation to the receptionist at the showroom for admission. Children under 16 cannot be admitted into the showroom.





Attention!

Parents of Fourth and Seventh Graders

In North Carolina, fourth and seventh graders learn about the textile industry. To supplement their class lessons, teachers request tours of Carolina Mills plants so that the students can see exactly what the textile industry is all about. For many children, this is also an opportunity for them to see where their parents work and in many cases, the parents get an opportunity to explain their jobs to their children.

Willie Wentz, Larry Mosteller, and Randy Pruitt, personnel administrators from the Newton plants teach the seventh graders at the Newton-Conover Middle School a course entitled "All About Textiles". Slides, filmstrips, and textile materials are used in the class. Each class tours Plant No. 2 as part of the

course. This class is taught each fall as part of Textile Week.

Every fourth grade student in NC receives an edition of the "All-American Star". The annual publication includes articles, games and puzzles that help fourth graders learn more about the textile industry. There is also a contest that asks the fourth grade pupils across North Carolina to create an advertisement for a real or imaginary textile product. David Hennes of Pungo Christian Academy was the 1988 first prize winner for his "Electric Sleeping Bag." According to David, his product, manufactured by Hennes Hot Feet, Inc. in Coldville, North Pole, will "keep your nose, toes, and other parts warm." His winning ad was deftly illustrated, and featured a camper snuggled in his toasty sleeping bag that comes complete with a battery pack and charger.

The 1989 edition of the "All American Star" has been delivered to elementary schools in this area. Maybe your fourth grader will be a

special issue for the 4th Graders of North Carolina created by the North Carolina Textile Manufacturers Association

Berry Cauble

Textile Week Chairman

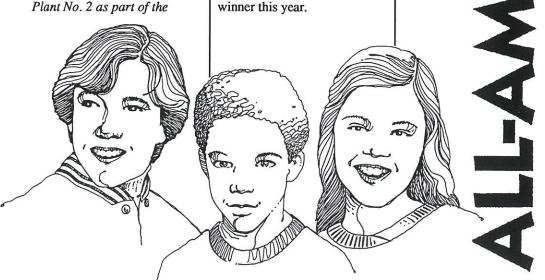
Berry Cauble, personnel administrator at plant 24 in Ranlo, was named chairman of Gaston County Textile Week committee. Cauble said he hoped to continue most of the Textile Week events that had been held in the past, and include a cookout for retired textile employees.



During Textile Week, October 15-21, the committee sponsors many employee oriented activities such as the textile olympics, bowling tournament, golf tournament and a softball tournament.

Cauble was the coordinator of the 1988 Textile Olympics.





The Textile Industry Is Important to North Carolina

- The fiber, textile, apparel and directly-related industries (man-made fibers, textile machinery, cotton and wool production) employ 328,680 people in North Carolina, or nearly 40% of the state's manufacturing workforce.
- The annual payroll in North Carolina for textile and apparel employees alone is \$4.8 billion. Carolina Mills annual payroll was \$44,910,997 for 1988.
- North Carolina's textile employment 227,400 represents more than 30% of the nation's total textile employment. Carolina Mills employes 2700 people.
- Annual shipments of North Carolina textile products are valued at more than \$16 billion. That is more than 25% of the total value of all industry shipments from the state, and it is nearly 29% of the total value of all textile goods produced in the United

Those of us employed at Carolina Mills are part of the largest industry in North Carolina. Listed are some facts that show the contributions that Carolina Mills makes to the textile industry in North Carolina.

States. North Carolina is the nation's leading textile producing and employing state. Carolina Mills annual sales are approximately \$200 million.

■ Textile companies annually invest more than \$500 million in plant equipment modernization in the state — more than any other manufacturing industry. Carolina Mills

invested over \$10 million for modernization during the physical year 1987-1988.

■ Textile jobs can be found in 1,258 textile plants and 842 apparel plants throughout North Carolina. Carolina Mills consists of 13 plants, 12 textile manufacturing operations and 1 furniture plant. The plants are located in

Catawba, Lincoln, Iredell, and Gaston counties.

Textile is North Carolina's largest manufacturing industry, employing one out of every four manufacturing workers in the state. When industries related to textile are considered, the combined industries employ nearly four out of every 10 workers in the state. These industries and their employment include:

Apparel 82,000
Textile Machinery 4,567
Man-Made fibers 11,535
Cotton 1,878
Wool 500

■ The textile-apparel-fiber industrial complex also attracts to North Carolina manufacturers of dyes and chemical, research and development facilities, warehousing and distribution companies and trucking firms, all of which employ even more North Carolinians. Carolina Mills plants make use of and benefit from the listed manufacturers that service the textile industry.



Carolina Mills Textile Citizens of the Year

Congratulations again to Carolina Mills Textile Citizens of the Year. An employee was chosen from each plant to represent them in the National Textile Citizen of the Year competition. They are representative of the volunteer work that so many of Carolina Mills employees do.

During textile week, a gift and check will be presented to Carolina Mills Textile Citizens of the Year; Charles Keith McCaslin - Plant 1, Sarah Johnson - Plant 2, Stephen Ray Rogers and Jerry Lee Sigmon - Plant 3, Gerald Blanton - Plant 4, Sheila Simmons - Plant 5, Eugene Norman and Kathy Simpson - Plant 12, James Chamber - Plant 29, and Keith Spencer - Plant 24.



Charles Keith McCaslin Plant No. 1, Card Grinder

- Commander A.L. Post 240
- Member of Town of Maiden Planning Board/Board of Adjustment since 1972
- •President of Maiden Lions
- Donated over 5 gallons of blood to the Red Cross
- •Crop Walk 10 miles



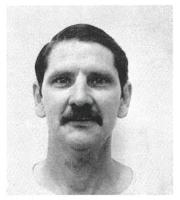
Sheila Simmons Plant No. 5, Winder Tender

- •Restored playground equipment at elementary school
- Involved in Special Olympics
- •Active in PTA
- Girl Scout Leader
- Provides transportation for civic events



Sarah J. Johnson Plant No. 2, Spinner

- Member of Spiritualaires, a touring Gospel singing group
- Trustee at St. James United Methodist Church
- •Member of Pastor Parrish Committee
- Member of the Church Building Committee
- Member of the United Methodist Women



Stephen Ray Rogers Plant No. 3, Foreman

- Sunday School teacher for 6 years
- Secretary and treasurer of Methodist Men's Club
- •Donated 24" church bell to Camp Carolwood
- Copies tapes of church service and delivers to shut-ins
- Member of Piedmont Council Boy Scouts of America



Jerry Lee Sigmon
Plant No. 3, Dye Machine
Operator

- Helped organize an Optimist Club
- President, Methodist Men's Club
- Sunday School Superintendent
- •Received plaque for 15 years of dedicated service to Optimist Club
- ·Coaches all sports for the club



Gerald Blanton
Plant No. 4, Inventory Control
Manager

- Scout Master
- Assistant District Commis sioner for Scout Troop
- •President Pro Tem for Catawba County Exchange Club
- •Received Scout Master of the Year Award in 1988



Eugene Norman Plant No. 12, Card Tender

- ·Assists motorists needing help
- Does household and yard chores for his retired neighbors
- Active in the outreach program at his church
- Visits shut-ins and rest homes and provides help where it is needed
- Youth worker and usher at his church



Kathy M. Simpson Plant No. 12, Spinner

•Former ICMC (Inner Church Missionary Circle)

This organization provides care for 6 different house holds. This includes taking care of all their needs. Telephone numbers of those helping the organization are given out on a radio station so that people that need help can call.



James Church Plant No. 29, Warehouse Foreman

- •Chairman of the Deacons for his church
- Member of Masonic Lodge
- •Member of American Legion



Keith Spencer Plant No. 24, Finishing Area Supervisor

- Active in the East Gaston Boys Club
- Coaches little league baseball, and basketball
- ·Cleans and lines ballfields
- •Takes 10-14 year olds on camping trips
- Voted Man of the Year for East Gaston Boys Club



Imports Continue to Gain in US Market

The domestic textile industry has always played an important role in the prosperity of the United States. Since this country was young, the textile industry has been the backbone of the US manufacturing base, employing hundreds of thousands of Americans and contributing substantially to the economy.

But the future of this important US industry and its workers lies in jeopardy. Imports of textile and apparel are pouring into the United States at record levels, with no signs of a letup. Since 1980, textile and apparel imports have tripled, a major reason behind the domestic industry's loss of 386,000 jobs this decade.

Take a look at some of the most recent danger signs. During the first half of 1989, textile and apparel imports reached the highest level in history for the first six months of a year. In June 1989, the textile and apparel trade deficit accounted for 22 percent of the total US trade deficit.

About 56 percent of the US apparel, apparel fabric and yarn market has been taken over by imports, compared with 28 percent in 1980.

In 1985, the industry began seeking a legislative solution to control the growth of textile and apparel imports to match growth of the US market. In both the 99th and 100th Congresses, textile and apparel trade bills were passed by a majority of the member of Congress. Both times, President Reagan vetoed the

Carolina Mills sent employees to Washington to picket on the Capitol steps for the override of the textile bill. Also many employees went to Winston-Salem to protest when the President spoke at Wake Forest University. They felt that the President should be made aware of the textile industry's problems while he visited in "textile country".

legislation and Congress was

unable to override the vetoes.

Textile and apparel industry leaders have been meeting this year with President Bush, members of his administration and members of Congress to try again to find a way to control the ever-growing import problem.

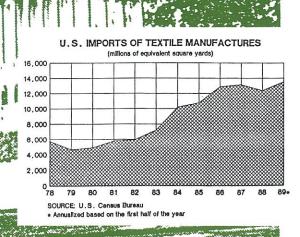
This basic US industry is undeniably a valuable national asset worth saving. More than 2 million people in the United States are employed in the textile, fiber and apparel industry which is the leading manufacturing employer of women and minorities.

About \$50 billion in gross national product is generated by the industry.

The US textile industry is the world's largest consumer of American cotton and the only customer of US wool, supporting about 300,000 people who work in domestic cotton and wool production. Thousands of products for the armed forces are supplied by the US textile industry' which the Defense Department deems essential to the national defense. Without a domestic textile industry, the country would be forced to depend on foreign suppliers, threatening readiness.

Meanwhile, low-wage and subsidized imports continue to tighten their grip on the US market.

The domestic textile industry will keep fighting for a solution to the import problem, looking to the federal government for leadership. The future of the industry and its employees depends on it.



How the US Textile Industry Be-

came the World's

Most Productive?

Do You Know

How the Textile Industry Fights Drug Abuse?

3

That Quick Response is the Textile Industry's New Competitive Edge?

4.

That Education Renewal in Textiles Never Stops?

That the Textile Industry is First in Safety?

That Americans
Prefer Made in
USA Textile and
Apparel?

Answers on Pages 10 Through 12



Do You Know...

1

How the US Textile Industry Became the World's Most Productive

The US textile industry has been rated the most productive and efficient in the world. Its firm commitment to technology advancement has seen the industry evolve into a highly modernized, high tech industrial giant during the past decade.

Anyone visiting a Carolina Mills plant will get a real eye-opener. What was once thought of as a highly laborintensive industry has developed into a largely automated, computer-driven manufacturer, enjoying a wide range of state-of-the-art equipment.

Each year, the US industry spends approximately \$2 billion on new equipment. This hugh investment is spent on innovative technologies such as the high speed weaving methods of air-jet and water-jet looms, computer-controlled dyeing machines and computer-directed robots, capable of lifting and transporting two tons of material at a time.

Computers are frequently used today by designers of fabric and carpets. This sophisticated tool produces design drafts with greater efficiency and flexibility and in a much shorter time than the designer who formerly rendered patterns by hand. It is capable of paring days and weeks off the creative process.

Today yarn can be spun as fast as 250 miles an hour and roller printers can operate at 200 yards per minute. Enough fabric for nearly three million dresses can be produced by the industry in one day.

Overall, industry productivity has increased about 4 percent a year, every year, during the past decade. The textile industry produces 22 billion square yards of textiles each year, enough to circle the earth 500 times.

The industry's diversity of production is equally impressive. The textile industry produces products which virtually reach every aspect of our lives, from grass catcher bags and artificial hearts to bullet-proof vests and protective fire-proof clothing, products for the airline and automotive industries, and thousands of items needed to support the nation's military-defense complex.

Quality control and cleanliness are also vital to the industry's healthy productivity. Most textile mills have special stations devoted to the inspection of finished fabric. Strict guidelines are maintained regarding strength, color, weight, and other attributes.

With the continual adaptation of computers and technology to manufacturing operations, new kinds of jobs are constantly being created to facilitate the production process. In addition, the industry has been able to provide a high degree of flexibility for its workforce, often with production operations that run six or seven days a week, with three shifts per day and rotating shifts for workers requiring more flexibility.

2

Americans Prefer Made in USA Textiles and Apparel

US consumers of textiles and clothing are coming home.

Although imports in recent years have captured more than half of the US market for textiles and clothing, recent studies show that consumers are looking to the domestic industry for the quality, price, style and service they want.

The respected research firm Cambridge Reports found recently that over the past 3 years the number of US consumers who say they have made a conscious decision against purchasing a product because it was imported has nearly doubled.

Consumers still place their highest buying priority on quality and price, but the Cambridge study shows that more and more consumers feel they can get what they want in products made in the USA.

A survey conducted for the Crafted With Pride in USA Council in New York City showed that consumers in general are becoming more conscious of country-of-origin labels and are increasingly looking for a "Made in USA" or "Crafted With Pride in USA" label.

"All of this means an increasingly strong vote of confidence in the US textile industry," says Edward Schrum, president of the American Textile Manufacturers Institute. "We believe more and more consumers will be buying American clothing and textiles if they will take a close look at what the domestic industry has to offer".

3

Quick Response: The Textile Industry's New Competitive Edge

The US textile industry is benefitting from a new way of doing business that has significantly improved it's competitive edge over the past few years.



Do You Know...

A new concept called Quick Response is streamlining the manufacturing cycle in the textile, apparel and retail industries. By linking these 3 segments more closely through electronic communication, Quick Response is helping to shorten delivery times, reduce inventories and costs, and help industry respond faster to consumer demand.

The industry-wide benefits this strategy generates are tremendous. Quick Response translates into increased sales, less waste, more efficiency, competitive marketing, improved forecasting, fewer markdowns, and, above all, a stronger industry.

In addition to the obvious financial benefits, companies implementing Quick Response are enjoying improved customer satisfaction as well as gains in market share, and a sense of trust and partnership between participants.

All this is accomplished by taking advantage of sophisticated computer linkage systems which allow businesses to transmit their production needs quickly and efficiently. It takes the guesswork out of the marketing process and provides the right products at the right price, at the right time and to the right place.

In order to benefit fully from this technology, various interindustry groups have come together to develop standardized procedures for exchanging information. Standards for coding and labeling which enable participants to track products throughout the production pipeline are examples of important components in maintaining a successful Quick Response program.

There also is increased emphasis on quality and quality control. Quality is an essential part of the Quick Response program, because each link in the production pipeline must be able to depend on its suppliers to maintain quality and meet specifications. When production and quality are carefully planned, as they are in a successful Quick Response program, less time is spent on repeated inspection steps.

Businesses are also realizing the value of their investment in Quick Response where competition with rising imports is a factor.

Increasing import penetration has made it essential that industry competitiveness be the strongest it can be. Quick Response capitalizes on US manufacturers' proximity to the domestic market and its ability to respond more quickly than overseas suppliers thousands of miles away.

Recent studies have concluded that the Quick Response concept can result in an annual savings of as much as \$12.5 billion. That kind of success goes a long way toward contributing to an industry's competitive edge.

Educational Renewal: In Textiles, The Learning Never Stops

Since its beginnings, the US textile industry has constantly changed, adapting to new inventions and technology in a never-ending quest to generate a higher quality product in a more efficient way.

All of those changes mean that textile employees are frequently learning new processes, which require more and more skills.

For years, textile companies have worked with technical schools to design programs that teach employees skills required when new equipment and processes are put in place. But recently, with the advent of increasingly complex technology and job responsibilities, textile companies are finding that employees also need a strong foundation in basic skills — reading, writing and arithmetic.

During the last few years, textile companies have greatly expanded the number and range of educational renewal programs provided to employees. Thousands of people are learning to read and write through adult basic education programs. Other employees, who earlier had dropped out of school, are now working to earn their high school equivalency diplomas.

Carolina Mills education policy has been a forerunner in the industry. Any employee enrolled in a course approved by his supervisor will receive one half of his expenses for tuition, books, and mileage, upon completion of the course with a passing grade. Employees have earned their GED, AA degrees and individuals have updated and improved many of their skills by enrolling in classes designed to meet their needs using this program.

The Carolina Mills \$16,000 Merit Scholarship is available for any employee's graduating senior to attend North Carolina State University and major in the college of textiles or furniture. Two scholarships are awarded each year.

Do You Know...

Textile industry leaders view the educational renewal programs as a win-win situation. The employees have a chance to improve themselves, becoming more productive citizens and better providers for their families. Textile plants benefit from having people with more skills. Communities, states and the nation are also strengthened by one industry's efforts to upgrade the training and skills of its 700,000-plus employees.

Robert W. Scott, president of the North Carolina Department of Community Colleges has praised the textile industry for taking the initiative by helping employees improve their skills and contributing to overall US competitiveness in the process.

5

Textile Industry Fights Drug Abuse

The textile industry is strongly committed to a drug free work place.

Stressing the importance of Carolina Mills being a drug

free work place, a letter was written and signed by the company president, Ed Schrum, and placed in the <u>CaroLines</u>.

"As part of Carolina Mills, Inc. commitment to safeguard the health of its employees, provide a safe place to work and supply customers with the highest quality products possible, we are establishing for the company a position on the use of abuse of alcohol, drugs or other psychoactive substances by its employees.

Substance abuse either while at work or otherwise can seriously endanger the safety of others and render it impossible to manufacture top quality products.

Effective immediately, Carolina Mills will begin drug testing all new applicants being considered for employment. It is our policy to prevent the use or presence of these substances in the company."

As President of ATMI, Mr. Schrum has empasized the importance of comprehensive drug abuse prevention programs for industry.

"Not hiring drug abusers in the first place is the best way to promote a drug free workplace," Schrum said.
"But let me hasten to add that

employee assistance programs, referrals to drug rehabilitation agencies and education about the dangers of drug abuse can help stamp out this increasingly serious national problem."

6

Textile Industry First in Safety

Employees in US textile manufacturing plants work in the safest industry in the country. For 3 years in a row, the National Safety Council has ranked the US textile industry first in safety in its annual report on work injury and illness rates.

The textile industry was named first in safety out of the 42 industries ranked by the Safety Council. Textiles had an incidence rate of 0.48 cases involving days away from work and deaths per 100 full-time employees. The average incidence rate for industries was 1.86. The No. 1 ranking demonstrates the high priority textile companies place on safety.

Five of Carolina Mills plants numbers 1, 2, 3, 8, and 14 were presented the North Carolina Safety Award for Catawba County. The criteria for the award is no lost time accidents for a year or 50% below the state wide rate for the textile industry. Plant 1 in Maiden has received the award 14 consecutive years.

The American Yarn Spinners Association presented Safety Awards to Plants no. 12, 3, 8, 1, and 5&6. No lost time injuries for a physical year is the criteria.

Since 1980, more than \$10 billion has been invested by the US textile industry to increase efficiency, improve the work place and control air emissions and water pollution. The industry is using the most modern clean air systems and continues medical research and testing to promote the health of its employees.

Carolina Mills, Inc. CaroLines

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