

Business Report

TO ALL EMPLOYEES

For Fiscal Year Ending
SEPTEMBER 30, 1957

CAROLINA MILLS
INCORPORATED

Distribution of Each Dollar of Income

Total Income	\$ 8,810,510	100.00
Cost of Raw Materials, Services and Supplies	\$ 5,816,165	66.01
Paid in Taxes and Donations.....	\$ 496,637	5.64
Wear and Tear on Buildings and Equipment, and Kept for Future Growth	\$ 295,818	3.36
Cost of Wages and Salaries	\$ 1,869,573	21.22
Additional for Benefit of Employees	\$ 180,094	2.04
(Pension Trust, Hospital Insurance, Employee Welfare, Vacation Pay, and Bonuses)		
Paid in dividends to the 82 people ... Whose savings are invested in this business	\$ 152,223	1.73
Total \$ 8,810,510		100.00

*Additional Cent per hour benefits
for each employee, not including
pension trust benefits* 9¢

*Additional Cents per hour benefits
for those, covered under Pension
Trust plan* 12¢

*Average cost to mill in cents per
hour for extra benefits* 15¢

TO OUR EMPLOYEES:

This past year has seen a continuation of our March of Progress which was begun in 1953. In spite of the poor market conditions prevailing generally in the textile business, we have been able to maintain full operations. Again, Plant No. 3 led in earnings, but all units had good records and the total earnings were quite satisfactory.

For some time we have been concerned about the future of making and selling plied weaving yarns. The larger integrated organizations have taken over the production of most woven items whenever they become important enough to consume considerable quantities of yarns. The number of customers available for us to serve has been growing smaller year-by-year, until the field is now pathetically small. In contrast with this, there are virtually no integrated organizations furnishing knitted cloth for the outerwear trade. Tremendous progress has been made by this branch of the industry, and they have been styling fascinating new fabrics that are enlarging the use of knitted fabrics at a rapid rate.

At Plant No. 1, we have been making limited quantities of knitting yarns for the past year or so. We are now in the process of installing super-draft on twelve spinning frames which will enable us to produce yarns which are more desirable for this trade. Next spring we are offering a line of colored knitting yarns spun from solution dyed synthetics and cotton. Our samples have been well received, and we expect substantial business on these specialties.

Since we are working with colored stocks at Plant No. 1, we expect to produce more and more high grade white yarns, spun from cotton and synthetics, at Plant No. 2. Four more spinning frames are now being installed, which will enable us to spin finer counts at this plant and maintain a better mill balance. The new drawing that has just been installed will help make our work run better and improve our quality. A great deal of progress has been made in the handling of our yarns around the twistors and

winders, but there is still some room for further improvement.

At Plant No. 3, the new looms that were installed last year are running fine. New drawing has recently been installed, and we hope carding and spinning will keep the looms better supplied. Installation of another roller napper has permitted us to do a better job of napping all flannels. This, plus the new combining machine recently acquired, should enable us to sell considerably more yardage of liner and golden brown cloth.

At Plant No. 4, we are working more and more with colored knit goods. In addition to dyeing considerably more poundage than last year, we have also installed the necessary equipment to finish fabrics knitted from colored yarns, including striped goods. This has greatly enlarged the number of people we can work with in this field. We are now in the process of installing a new boiler, and this will give us enough steam for operating at full capacity for the first time in five years.

The outlook for business in the textile field next year is not very good. Predictions are that business will be harder to get. Your splendid cooperation was largely responsible for the good operations we had last year. With your continued help and support in making sure the products we ship are of the highest quality, we are confident we will get our full share of the business that is being placed.

We wish you a Merry Christmas and a Happy, Prosperous New Year.

CAROLINA MILLS, INC.

LEONARD MORETZ
Secretary-Treasurer