

Business Report

TO ALL EMPLOYEES

For Fiscal Year Ending
SEPTEMBER 30, 1956

CAROLINA MILLS
INCORPORATED

Distribution of Each Dollar of Income

Total Income	\$ 7,950,056	100.00
Cost of Raw Materials, Services and Supplies	\$ 5,219,619	65.66
Paid in Taxes and Donations.....	\$ 480,365	6.04
Wear and Tear on Buildings and Equipment, and Kept for Future Growth	\$ 285,514	3.59
Cost of Wages and Salaries.....	\$ 1,649,381	20.75
Additional for Benefit of Employees..... (Pension Trust, Hospital Insurance, Employee Welfare, Vacation Pay, and Bonuses)	\$ 188,325	2.37
Paid in dividends to the 83 people	\$ 126,852	1.59
Whose savings are invested in this business		
Total	\$ 7,950,056	100.00

*Additional Cents per hour benefits
for each employee, not including
pension trust benefits*

8¢

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

12¢

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

16¢

TO OUR EMPLOYEES:

We at Carolina Mills have just completed a very successful year. In view of the fact that our textile markets as a whole were not particularly strong, our record is all the more impressive. We attribute our earnings largely to the splendid support you have given our improvement and modernization program.

At a Christmas party not many years ago, we commented on the uncertainty of operations at Plant #3. At that time it was lagging behind the others in hours of operation and earnings. Today we are happy to report that this situation has been completely reversed. Plant #3 has operated at full capacity throughout the past year. Its earnings were the best ever experienced by this unit and exceeded the combined earnings of all our other operations. For this fine record, we commend the supervision and all employees at #3!

The market for plied carded yarns has been particularly dull. This has held down our earnings at Plants #1 and #2. The earnings at Plant #1 were substantial and very gratifying in view of the dull market and curtailment that was experienced last spring. Since installing our new slubbers and re-vamping our operations at #2, we have experienced a great deal of difficulty getting going on the right basis. The difficulties experienced in our twisting, winding and packing departments have contributed to the curtailment experienced at this unit, and several substantial claims were paid to our customers which reduced the earnings at #2 to almost nothing.

We did not get around to doing much work on Plant #4, our finishing plant, until this year. Prior to July our rate of production was pathetically small and our running time got down to 2 days per week. Since July 9th, we have been pushed to capacity and our backlog of greige goods waiting to be finished has continuously increased. Our customers are well pleased with the quality of our work but are now complaining about our inability to finish their cloth fast enough. During the past year our finishing capacity has been increased approximately 50%, but our market has increased many times more.

Over the past three years, we have spent a great deal of money which has resulted in improved quality and increased production at all plants. The higher quality and lower costs realized from our operations have enabled us to merchandise the increased poundage to good advantage.

This year we are concentrating our improvements on Plant #3. Before long, we expect to have a 20% increase in production and some further improvement in quality. Studies are being made now for extensive programs at Plants #1 and #4. These will be undertaken in the future, just as soon as soon as funds are available to carry them out.

The brighter outlook on our operations as outlined above made it possible for us to increase your wages October 15. Our increases of 10¢ per hour now brings your average up to \$1.38 per hour for straight time pay. This is about 15¢ above the average pay in carded yarn mills. We are happy that our modernization program was far enough along to justify and support this action. With full time runnings in prospect for the next several months, we look to the future with confidence.

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

CAROLINA MILLS, INC.

LEONARD MORETZ
Secretary-Treasurer