



THE ERWIN CHATTER



Vol. IX, No. 6

JUNE, 1953

Circulation 6,000

A Report to Stockholders and Employees

BY WILLIAM H. RUFFIN, PRESIDENT

Recent offers to purchase Erwin stock have created, of course, unusual interest in our Company, both on your part as a stockholder or employee, and on the part of the public. It is not surprising that there is considerable interest in the ownership and control of a corporation with the history of achievement and future potentials of Erwin Mills. To those of us who are responsible for managing the mills the keen interest in Erwin stock is naturally gratifying.

Those interested in our operation have probably noted, among other factors of interest, the following:

First: Over the years, a reputation for fairness in all our dealings has been the foundation of our continued growth.

Second: Although the textile industry is one which is subject to sharp fluctuations in demand—depending in some measure on the general economy of the nation—we at Erwin have enjoyed some success in reducing the impact of these periodic declines in textiles. Even in periods of reduced demand we have realized the need for producing products which maintain consumer recognition and to keep our skilled work force intact. As a consequence, generally speaking our production has been steadier than has been the case in many other mills, and our employees have had fewer layoffs and short work weeks.

Third: We have continually attempted to pursue a constructive program for improving employee relationships. We have believed that by providing our employees with information concerning the economies of running textile mills we could secure their cooperation in cut-

ting production costs. Our efforts in this direction have had encouraging results, and we feel that the cooperation we have thus far received will be continued in years to come.

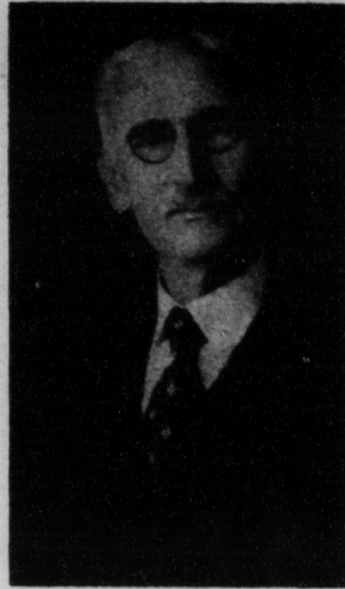
Fourth: Erwin has had satisfactory operations for the first six months of the Company's current fiscal year, considering the rather adverse circumstances still prevailing. Perhaps more worthy of note, however, is the reputation of the Company with its customers. An independent survey made recently, for example, stressed the unusually high opinion of our customers for the quality of our product and for the integrity of the Erwin name.

With reference to the proposals to buy Erwin stock, our Company's attorneys advised me and my associate officers that until the proposals expired, we should make no comment. We feel you are now entitled to have information on this subject, which is of such vital interest to all of us.

The Duke interests put up a substantial part of the capital for the founding of our Company and continued to be until a few weeks ago our largest stockholders. The various Duke holdings of Erwin stock were held in a half dozen or more trusts, of which at least three New York banks were trustees. Some twelve months ago the trustees of the Duke interests concluded that for tax reasons it would be in the best interests of the trusts to sell a substantial part or all of their Erwin stock. Then, having satisfied themselves as to the character and ability of Abney Mills, the Duke interests began negotiations that finally resulted in the sale to Abney Mills of a substantial portion of the Duke stock holdings in (Continued to Page 2)

Abney Buys Working Control of Erwin Mills

Our Oldest Living Director



Col. J. Harper Erwin, brother of the late W. A. Erwin who founded the Erwin Mills, is one of the original stockholders of our Company. He became one of the early Directors and is now the oldest living director.

Col. Erwin was called to Durham in 1893 to fill the position of Secretary and Treasurer of Durham Cotton Manufacturing Company and Pearl Cotton Mills. Later he became President of these mills, a position which he held until Pearl Mills was sold to Erwin Mills in 1932. Since that time he has resigned from the Presidency of Durham Cotton Manufacturing Company and retired from business activity.

Before coming to Durham, Col. Erwin was Secretary and Treasurer of the E. M. Holt Plaid Mills of Burlington, N. C.

Col. Harper Erwin is a well-known and highly respected figure throughout Durham and especially in West Durham where he has resided for so many years. As a Director of Erwin Mills, he keeps closely posted on the affairs of the Company.

Textile Firm Holds Stock As Investment; No Thought Of Merger or Consolidation Between Abney and Erwin

Abney Mills of Greenwood, South Carolina, is now one of the principal stockholders of Erwin Mills, Inc. Abney Mills employs approximately 7,500 employees in nine textile plants in South Carolina. They manufacture print cloth, spun rayon fabrics and rayon filament fabrics and operate a finishing plant for cotton goods.

Companies Operate Separately

"The Erwin stock which Abney has purchased is to be held as an investment with no thought of merger or consolidation between Abney and Erwin," said F. E. Grier, president of Abney Mills. Therefore, the two companies will continue to operate as separate organizations. Public interested in Sale.

A year ago the trustees of the Duke interests concluded, for tax reasons, to sell all or part of their Erwin stock. They began negotiations which finally resulted in the sale to Abney Mills of a substantial portion of the Duke stock holdings in Erwin Mills. On May 16 of this year, Abney Mills offered to purchase stock in Erwin Mills from stockholders for \$15.125 per share. On May 22, Mr. George Watts Hill of Durham asked Erwin stockholders who wished to sell, to offer Erwin stock to him at \$15.25 per share, and stated that he would advise by June 5 how much stock he would accept.

The business of selling and buying Erwin stock caused considerable interest on the part of the public and was widely reported in newspapers throughout the South. Mr. Grier announced on June 6 that Abney had acquired working control of Erwin Mills. Mr. George Watts Hill declined to make public comment.

We Have 1100 Stockholders

There are 1100 stockholders in Erwin Mills, Inc. They are the men and women who have invested their money in our Company. As stockholders, they own Erwin Mills and hire its management to run the business. The stockholders, of course, buy and sell their stock as they wish.

Quotes From Press Releases Regarding Erwin Stock

These are the statements made by F. E. Grier, President of Abney Mills, and William H. Ruffin, President of our Company, at the time Abney acquired working control of Erwin Mills. This is the first statement made by President Ruffin in this matter as he was advised by Erwin Mills' attorneys to make no comment until the time had expired on all proposals to buy Erwin stock.

Statement of F. E. Grier, President of Abney Mills, to *The Durham Sun*, June 6th:

"Officials of the Abney Mills announced today that Abney has acquired from the Duke interests another substantial block of stock in Erwin Mills, Inc., which now gives Abney the desired working control which it sought in Erwin Mills.

"In making this statement, officials of Abney stated that the company does not contemplate making any further general offer to Erwin stockholders for the purchase of additional Erwin stock. They also reiterated that the Erwin stock which Abney has purchased is to be held as an investment with no thought of merger or consolidation between Abney and Erwin.

"Officials pointed out that negotiations for the purchase of Erwin stock were begun several months ago and stated that the company is well pleased with the response which it has received from stockholders who sold their shares to Abney and from stockholders who desire to retain their stock in Erwin.

"Officials of Abney indicated their appreciation of the many expressions of confidence they had received and stated it was their hope to be of service to Erwin Mills and to the several communities where Erwin plants are located."

Statement of Wm. H. Ruffin, President of Erwin Mills, Inc., to the *Durham Morning Herald*, June 7th:

"I have received from many Erwin stockholders, both large and small, favorable comments about the Abney Mills. I, along with other stockholders and employees, welcome them as a large stockholder in our company. I am confident that the Abney officials will share with us who manage the Erwin Mills the same strong desire to continue making Erwin one of the best and one of the most respected names in our industry. I am also confident that we will have a smooth working and efficient relationship with the Abney Mills.

"The Duke interests have been most constructive in Erwin Mills affairs, and most considerate through all the years of their fellow Erwin stockholders, of Erwin employees, and of the management of our company. That has been and is greatly appreciated.

"Naturally we regret to lose them as large stockholders. We know, however, that with their broad interests throughout North and South Carolina that we will continue to have in Erwin Mills their strong interest and good will.

"We welcome cordially the interest to whom they chose to sell their stock, the Abney Mills, who enjoy an excellent reputation, and who are known throughout the industry as constructive and efficient mill operators."

Vacation Pay Is About \$401,750

Hourly employees will collect an estimated \$401,750 in vacation pay this year.

These figures are approximate, but here's the way it adds up now:

Durham	\$129,000
Erwin	155,500
Cooleemee	81,000
Neuse	4,750
Stonewall	31,500
Total	\$401,750

We hope that the money will bring lots of fun, interesting trips, and a good rest. When you get back, let us hear about your vacation. See your Chatter Reporter.



If You Were The Editor

If you were the editor of the ERWIN CHATTER, how would you try to improve the paper? Is the CHATTER interesting? . . . does it report the kind of news you like to read? . . . have enough pictures? . . . too many pictures?

NOW is the time to express your opinion. Won't you please give us your advice by answering the questions on the enclosed questionnaire.

DON'T SIGN YOUR NAME. All we want are your honest opinions. When you have filled out the questionnaire, please put it in the Chatter Box in your department. **DO IT NOW** because the Chatter Boxes will be taken down in three days.

Thanks in advance for your help.

W. H. Muse Retires from Erwin June 1

Started With Company In 1907; Asst. Manger Of Erwin Plants 27 Years

W. H. Muse, Assistant Manager of the Erwin Mills in Erwin, retired on June 1. "I am happy over the prospect of spending the summer at the seashore, but am finding it very hard to say good-bye to my friends here," said Mr. Muse just before he left. He worked for the Company, off and on, since 1907 and was Assistant Manager in Erwin for the past 27 years.

Mr. Muse did summer work as a clerk in the Durham office of Erwin Mills while he was at Trinity College. After graduation he returned to the Durham office for four years. Mr. W. A. Erwin then sent him to the Locke Cotton Mills Company in Concord as Assistant to the Secretary and Treasurer. In 1917 Mr. Muse went into the Army and upon his discharge in 1919, he returned to Locke Cotton Mills as Assistant to the Superintendent. In 1926 he became Assistant Manager of our



plants in Erwin, the position he held until his retirement.

In addition to his work at the mills, Mr. Muse is a director of the Bank of Harnett, president and ex-officio chairman of the Good Hope Hospital Board. He has also been active in church work and has been chairman of the board of stewards of the Erwin Methodist Church for more than 20 years.

Marchant Cottingham, who has been Manufacturing Assistant to Mr. Harris, is assuming the duties and responsibilities formerly held by Mr. Muse.