



the LEGISLATIVE column

by PAUL FOGLEMAN, Hosiery Governmental Affairs Director

governor; and more than 600 bills have been introduced.

But to some, it seemed the wheels of government were grinding slowly. During the first seven weeks, most committees had not met, including the all-important Finance Committees in the House and Senate which reviews any revenue proposals at state and local levels.

Nevertheless, expectations and political undercurrents were swirling around as usual. House Speaker Jim Black in mid-March was predicting the lottery bill would be called to the floor before the middle of April. Also in the wings is the per-pack cigarette tax which the governor has proposed at 40 cents this year and up to 50 cents next year.

When Kentucky, which had the nation's lowest tobacco tax, went from 5 to 50 cents in March, the pressure was on the N.C. lawmakers. Or off, depending on your position.

Should the lottery and the tobacco tax increase be approved, pressure will mount from Republican ranks to sunset a half-cent sales tax. Any new tax must be revenue neutral, House GOP Leader Joe Kiser has insisted. Three versions of a lottery bill have been introduced in the House. Senate approval is almost assured.

House Speaker Pro Tem Richard Morgan, a Republican, also has been cautious about the lottery, tobacco tax, and other revenue proposals. His support is critical to the passage of bills as the Democrats hold a slim 63-57 margin.

Still, bipartisan government is part of the agenda. House Speaker Black appointed prominent GOP House members to chairs of key committees.

FORMER BUNCOMBE COUNTY N.C. REP. LANIER CANSLER left the House four years ago to become deputy Secretary

of Health and Human Resources. Appointed by Gov. Mike Easley, the former Republican lawmaker and accountant developed an outstanding reputation for his expertise on Medicaid and Medicare issues.

In mid-March Cansler announced his resignation, effective April 15. He is leaving his \$117,000 a year position to start his own consulting business. Cansler is a native of Newton, NC.

THE HOSIERY TECHNOLOGY CENTER AND THE CENTER FOR APPLIED TEXTILES Technology will be linked together in an appropriations bill proposed by the State Department of Community Colleges.

The focus of the bill involves the transi-

tion of the textile center to a division of Gaston (County) Community College. The model is the Hosiery Center which operates under Catawba Valley Community College, in cooperation with Randolph Community College.

HTC Director Dan St. Louis is a member of the textile center transition team and Paul Fogleman is working with the textile center to push the appropriations bill and get the center exempt from the Umstead Act. The exemption will allow the center – like the hosiery center – to preserve its fees for re-investing in industry services.

Sen. David Hoyle and Rep. Debbie Clary are supporting the legislation on behalf of both entities.

Dramatic Surge Of Chinese Imports Hits U.S., Europe

Textile and apparel imports from China since the lifting of quotas on January 1 have exceeded predictions, according to recent data from the U.S. Department of Commerce.

For example, imports of cotton knit shirts were up 1,836 per cent – 18.2 million in January 2005 compared to only 971,000 a year earlier. For cotton trousers, the increase was 1,332 per cent – 26.6 million pairs compared to 1.86 in 2004. All total, apparel exports from China to the U.S. were up 80 per cent in January.

Thanks to the socks petition filed and accepted in October 2004, Chinese exports have a 15 percent cap. But that petition expires in six months. Already, more hosiery manufacturers are looking for sources outside the U.S., while maintain domestic capabilities for specialized markets.

According to government statistics, China controls 25 percent of the U.S. textiles and apparel market. The government also reports some 12,200 textile and apparel employees lost their job in January.

A coalition of trade associations, including the American Manufacturing Trade Action Coalition of which the THA Domestic Manufacturers Committee is a member, filed 12 petitions last year, but they have been held up by the slow government review process and a legal tug-of-war.

Also pushing for government controls on China are the National Council of Textile Organizations, the National Textile Association and UNITE HERE union.

Equally concerned are European manufacturers. The European Apparel and Textile Organization in March asked the EU and its 25 member countries to apply safeguard measures on 12 categories of products. The EU responded that it does not have enough data to make a decision.

The European Trade Union Federation for Textiles Clothing and Leather reported that 165,000 jobs in the textile sector disappeared last year alone.