

# LEGISLATIVE COLUMN by PAUL FOGLEMAN, Publisher



With a 63-57 majority in the N.C. House of Representatives, pressure is building for Democrats to go it alone on the House Speaker's office. Rep. Jim Black of Mecklenburg, who has served as speaker for three terms, has announced he will seek another term. During the December caucus, he was picked to lead the Chamber in 2005-2007.

A three-votes margin does not eliminate the threat of grid-lock. Factions within the Democratic legislators could result in some legislation being held hostage as was the case in 1999 and 2001 sessions.

In 2003, both Republicans and Democrats had factions that could impede the flow of legislation. After three days of grid-lock, leaders of both parties came up with the concept of co-speakers and the result was historic. The concept worked and for two years the state budget was approved in a timely manner.

GOP Co-Speaker Richard Morgan, now the leader of a minority party, has sent signals he stills wants to participate in a bipartisan government. Black has not discouraged the overtures because they both trust each other.

Even if Black is the sole Speaker, look for committee chairs to come from both parties. And there will be a major role for Morgan. Some of Morgan's detractors no longer are in the House as a result of the November elections.

---

The Advisory Board of Directors for the Hosiery Technology Center has identified political action as an opportunity for the industry. In the process of developing a major strategic plan for the center, the manufacturers and suppliers looked at the Hosiery Day at the Legislature as an example of what the industry can achieve.

The lobbying efforts by industry leaders that day helped cement appropriations for the center.

Brenda Goings of Kentucky Derby Hosiery Mills, Mt. Airy, was a first-time participant. She was impressed with the response of legislators to the visit.

"We need to pull the industry together to gain the visibility we deserve," Ms. Goings told her fellow board members.

---

Republican senators in North Carolina chose a new minority leader when they held an organizational caucus in the final weeks of 2004. Second term Sen. Phil Berger of Eden replaced Sen. Jim Forrester of Gaston with Sen. Tom Apodoca, the chamber's only Hispanic member, as deputy.

Forrester's ouster was led by Sen. Fred Smith of Johnson County and Sen. Robert Pittinger of Mecklenburg, both re-elected to their second term. Smith and Pittinger led the fund-raising efforts for GOP senators.

Democrat Joe Sam Queen of Waynesville was one of the casualties of the GOP campaign, but the Democrats actually gained and maintained the majority status holding 29 of the 50 seats.

GOP Sen. Robert Carpenter of Franklin lost his bid for re-election by 259 votes.

---

U.S. Senator Elizabeth Dole fought hard to elect U.S. Rep. Richard Burr to the Senate seat vacated by John Edwards. But in the waning days of the election, she and Burr found time to sign the congressional letter supporting the petition limiting imports of socks from China.

Sen. Dole has been elected chair of the U.S. Senate GOP caucus, raising her profile in Washington. Her "star power" and her ability to attract women to the Republican party were touted by her supporters. She won the seat by one vote.

As chairman of the GOP Committee, she will lead in the raising of funds and the recruiting of candidates.

---

Charles Cole, president of Alabama Footwear in Fort Payne and chairman of The Hosiery Association's Domestic Manufacturers Committee, was honored at a surprise luncheon for his leadership in pushing for the industry petition to cap import of socks from China.

Cole traveled between Fort Payne and Washington frequently to push U.S. Commerce officials to accept the position. Hosiery companies in Fort Payne were almost unanimous in support of the campaign. Cole spent hundreds of hours talking to the THA's Washington lobbyists and individual manufacturers across the U.S.

## Cheap Imports Fuel Trade Gap In U.S.

The current pace of the U.S. trade gap is likely to swell by one-third and top \$630 billion as the hunger for cheap imports spreads through the marketplace.

The rising tide of imports also is putting pressure on the dollar, as the value has shrunk dramatically against the European and Japanese currencies. In early December, the dollar was at an all-time low against the euro at \$1.30. This could fuel more exports to the continent.

Last month, U.S. exporters hit a record \$97 billion, but still showed a gap against the \$149 billion in imports.

The U.S. continues to have its largest single imbalance with China. Chinese exports to the U.S. were \$18.4 billion while U.S. shipment to China were only \$2.85 billion. Economists blame part of the soaring U.S. trade deficit with China on the artificially low value of the yuan.