



the LEGISLATIVE column

by PAUL FOGLEMAN, Hosiery Governmental Affairs Director

BILL STALLINGS IS a security officer at the North Carolina Legislature. Four years ago, he was an official with a North Carolina manufacturing company in the eastern part of the state.

In the late 1990s, Bill Stallings was a member of the advisory board for N.C. State's Industrial Extension Service which oversees what once was a growing Manufacturing Extension Partnership program of the federal government. The federal funds, matched by a state appropriation, provided over \$3 million for outreach to the manufacturers of North Carolina. Bill and other advisory board members were involved in strategic planning and policy issues.

Today, Bill is out of manufacturing and in a new career. The federal funds have all but disappeared and the core of the old MEP is hanging on with state funds.

"I guess it all fits," Bill reflected. "The federal government is driving U.S. manufacturing to other countries and the government doesn't see a need for funds to keep what's left alive."

MOST LEGISLATORS IN RALEIGH have not given up on manufacturing. The 65 senators and representatives who attended the hosiery industry breakfast meeting was one of the largest turnouts for a trade event.

The House Committee on Federal Relations and Trade has focused on manufacturing issues in a global economy. Specifically, the committee has discussed the impact of imports from China on the state's textiles community. In April, the committee voted to send a message to Washington: stop the onslaught until fair trade practices are in place. (See related story).

THE MARYLAND LEGISLATURE has ratcheted up momentum to reject WTO trade provisions that apply to state governments.

The Maryland General Assembly joined the Senate in voting to override a veto by Gov.

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N.C. House Committee Calls For Safeguards On China Exports

The N.C. House Committee on Federal Relations and Trade unanimously approved a resolution calling for the national Committee on the Implementation of Textile Agreements (CITA) to enact safeguard provisions on textile and apparel categories coming out of China as petitioned by the American textile industry.

Next stop: The full North Carolina House of Representatives.

A certified copy of the resolution would be sent to the full congressional delegation and to CITA.

The opening debate in committee featured a presentation by Darrell Frye, executive vice president of Harriss and Covington Hosiery Inc. and chairman of the N.C. Hosiery Governmental Affairs Council.

Frye in his precise remarks laid out the implications for domestic producers who are "not competing on a level playing field." Still, Frye acknowledged that global competition will not disappear and that U.S. companies are now leaner and more efficient.

Frye said that when China entered the World Trade Organization, it was never envisioned their manufacturers would capture 25 percent of the U.S. market. "We are

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U.S. Rep. Patrick McHenry, R-Hickory, toured the Hosiery Technology Center at Catawba Valley Community College on April 6. McHenry was prompt in responding to a request for assistance in helping obtain equipment which will allow manufacturers to post for quicker sample deliveries – which manufacturer say is vital in competing against the flood of cheap imports.

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Robert L. Ehrlich (R) of a bill that concerns the state's willingness to open state contracts to foreign competition. The vote of the legislature effectively rescinds a commitment Ehrlich made to allow foreign firms to compete for state business under the terms of international trade agreements such as CAFTA.

The Bush administration denounced the vote. "This is a big step backwards for Maryland because it could result in Maryland suppliers of goods and services losing access for opportunities to bid on overseas government contracts," said Neena Moorjani, a spokesperson for the U.S. trade representative's office.

Under the WTO agreement, 27 countries of the Geneva-based trade body have agreed to open their government procurement marks to one another's firms. In the 1990s, 37 U.S. states agreed to cover some of their procurement under that accord.

A BIPARTISAN BILL THAT INCLUDES two of the North Carolina Senate's most powerful leaders would allow for a preference of resident bidders on state contracts.

Senate bill 879 is sponsored by Sens. Linda Garrou of Winston-Salem and Walter Dalton of Rutherfordton, co-chairs of the Senate Appropriations Committee, and by

GOP Senator Eddie Goodall, a Mecklenburg freshman.

The procurement bill requires cabinet secretaries to "establish and maintain a list of resident bidders who have expressed an interest in bidding on contracts...and to endeavor to provide notice to all resident contractors..."

Rep. Rick Glazier, a Cumberland Democrat, has presented a bill to the Republican-led House Committee on Federal Relations and Trade that requires the origin of products be identified by state bidders.

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Rep. Gibson

competing with a country that has no regard for human rights issues or environmental safeguards," he told the committee.

Dan St. Louis, manager of the Hosiery Technology Center, presented statistics showing that imports of cotton socks has

increased over 1,000 per cent in one year. A successful safeguard petition in October 2004 has brought some business back to the U.S. mills but that one-year safeguard will expire in October of this year, he noted.

The resolution adopted by the House committee notes that since 1995, North Carolina has experienced the loss of 290 plants and 60,000 jobs.

The U.S. textile industry is crucial to the defense of the nation, providing over 8,000 separate items to the Armed Forces of the United States, "and the ability to do so is threatened by predatory Chinese trade practices..."



Rep. Hilton

The bill was run through committee by Rep. Pryor Gibson, D. Wadesboro. The committee co-chairs are Rep. Phillip Frye, R-Spruce Pine, and Mark Hilton, R-Conover.



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