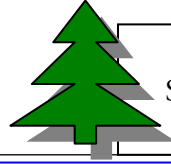
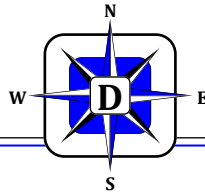


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P.O. Box 30714 Raleigh, NC 27622  
 johndavis@johndavisconsulting.com  
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## Liberal Insurgents End Sen. Basnight's Historic Era of Power *Business Agenda and Long-term Jobs Growth Threatened by Attrition of Allies*

**John N. Davis, President**

*John Davis Political Report is an in-depth summary of the political trends impacting North Carolina politics. Subscriptions for the 52 weekly reports through the 2010 elections are only \$500. Make checks payable to John Davis Consulting, EIN 26-3064837, and mail to P.O. Box 30714, Raleigh, NC 27622. Davis has followed NC politics for 24 years, serving as President of NCFREE, a political research group, where he was Editor of the *Almanac of North Carolina Politics*. Davis specializes in analyzing political trends, candidates and campaigns.*

“I can't control my caucus anymore.”

Marc Basnight, NC Senate President Pro Tempore

On November 17, 2009, with the unanimous election of Sen. Martin Nesbitt (D-Buncombe) as Majority Leader of the North Carolina Senate following the suspicious resignation of long-time Majority Leader and Rules Chairman Sen. Tony Rand (D-Cumberland), the historic era of unparalleled power of Senate President Pro Tempore Marc Basnight came to an end. A new era of *Senate and House* legislative leadership is beginning, an era led by seasoned urban lawyers with unquestionable liberal credentials.

The latest signal of change came yesterday, when Sen. David Hoyle (D-Gaston), Vice Chair of Finance and the highest rated ally of business, announced that he would retire after this session. The Senate, for decades a safe harbor for North Carolina business, has gone the way of the House and is now in the hands of liberal lawyers. *You can count the number of business owners among Senate Democrats on one hand.*

Who are these savvy urban liberal political insurgents? They include three very smart lawyers who were elected to the House for the first time nearly three decades ago: Senators Nesbitt and Dan Blue (D-Wake), and House Speaker Joe Hackney (D-Orange), along with fellow attorney and elder statesman Rep. Mickey Michaux (D-Durham), and new rising stars with law degrees like Rep. Jennifer Weiss (D-Wake), Rep. Deborah Ross (D-Wake), and Sen. Dan Clodfelter (D-Mecklenburg). Thus, the new demographic profile of emerging leaders in the North Carolina legislature is *liberal urban lawyers*.

Legislative leaders are like powerful magnets; the other legislators are like metal filings. Wherever the leaders are along the sliding philosophical scale, from the political left to the political right, all metal filings are drawn in that direction. It's the nature of magnetic force ... the nature of political power.

Marc Basnight, Tony Rand and David Hoyle are three of the most dynamic legislative magnets in state history. They wielded their power over the Senate with ruthless efficiency, consolidating power so effectively that they became the most influential political force in the state. However, the little known fact outside the Raleigh beltline is that *they were slowly becoming a minority in their majority caucus.*

Basnight and his inner circle were business owners who fit the classic mold that distinguished North Carolina from the rest of the South; they were business progressives. **Their fatal flaw was the failure to see the value in maintaining their base of business allies** by recruiting and helping elect other business Democrats. And so, imperceptibly over time, a liberal coalition of Democrats grew in number and coalesced to create its own magnetic force, a force now greater than that of the leaders.

When Basnight began his service as President Pro Tempore, over half of the Senate Democratic Caucus members were from business backgrounds. They included bankers, road builders, tobacco warehousemen, farmers, insurance agents, developers, retail merchants, pork producers, truckers and manufacturers. **Today, there are only six members of the Senate Democratic Caucus from business backgrounds.** Three of those six have retired or plan to retire: David Weinstein (D-Robeson) resigned earlier this year, Tony Rand resigned in November, and David Hoyle who is leaving after this term.

A business scorecard released last month by the North Carolina FreeEnterprise Foundation (NCFEF), a business-sponsored political research offshoot of the now defunct NCFREE, clearly shows that Basnight, Rand and Hoyle are outnumbered.<sup>1</sup> **Only 10% of the Senate Democrats are ranked in the highest business “Base” friends category**, with 60% in the lowest “Occasional Friends” category. Among Republican Senators, 90% are in the business “Base” friends category.

Overall, because of the dramatic decline in business people in the Senate Democratic Caucus, only 42% of *all Senators* are business friends, with 36% in the lowest “Occasional Friends” category, *for a net business advantage of only 6 points.* The greatest business advantage was in 1995, when the Democrats had a slim majority of 26 to 24. A whopping 68% of the Senators were business “Base” friends, with only 18% in the lowest, “Occasional Friends” category, *for a net business advantage of 50 points.*

As to what we can expect from the new *urban lawyer leaders*: Martin Nesbitt's *lifetime* business rating was 51% during his two decades in the House,<sup>2</sup> and only 39% on the 2009 Senate Business Ratings conducted last month by NCFEF. Dan Blue's lifetime business rating was 50% over his two decades in the House and 47% on the recent Senate Business Ratings. Newcomer to the ranks of Senate leadership is Finance Committee co-chair Sen. Dan Clodfelter (D-Mecklenburg), with a score of 62% on the latest business test, considerably higher than fellow lawyers Nesbitt or Blue, but only 30<sup>th</sup> overall in the Senate.

However, compare those business scores with other Senate leaders from *business occupations*: Hoyle's business score is 91%, the highest in the Senate including all Republican scores. Appropriations Committee co-chair A.B. Swindell (D-Nash) has a 75% score, the second highest among the Democrats; Appropriations Committee co-chair Linda Garrou (D-Forsyth), has a 67%, the 7<sup>th</sup> highest Democrat; and Finance Committee co-chair Clark Jenkins (D-Edgecombe) has a 74% score, the 3<sup>rd</sup> highest Democrat.

Bottom Line: The Senate is no longer a safe harbor for business. Business, like Basnight, is simply outnumbered. Business has also met its match in building relationships with legislators with campaign contributions. Labor unions dumped over \$5 million into North Carolina campaigns in 2008. Now you know why Basnight is beginning to tell his friends, “I can't control my caucus anymore.”

<sup>1</sup> [http://ncfef.org/Home\\_files/2009%20NCFEF%20Business%20Ratings%20Final.pdf](http://ncfef.org/Home_files/2009%20NCFEF%20Business%20Ratings%20Final.pdf)

<sup>2</sup> Almanac of North Carolina Politics, General Election 2002 Supplemental Volume 1, #3, Pg 114.

On the House side, urban lawyer Speaker Joe Hackney's lifetime business rating is only 34% during his nearly three decades in the House,<sup>3</sup> and 42% on the North Carolina FreeEnterprise Foundation 2009 Senate Business Ratings.<sup>4</sup> By way of comparison, businessman House Speaker Jim Black (D-Mecklenburg) had a lifetime business rating of 76% during his two decades in the House.<sup>5</sup> His predecessor in the Speaker's chair, businessman Harold Brubaker (R-Randolph), has a lifetime business rating of 90%, and 85% on the new NCFEF 2009 Senate Business Ratings. *Brubaker's lifetime commitment to the state's business community is uniquely significant as he is in his 17<sup>th</sup> term.*

Although Black is no longer serving (in the legislature), the group of liberal urban lawyers from the House class of 1981 including Senators Nesbitt and Blue, and Representatives Hackney and Michaux, are well positioned to seize the strings to the state purse. Just how tight is this group? Well, when Dan Blue served as Speaker in 1991, Nesbitt was Appropriations Committee chair, Hackney was Finance Committee chair, and Michaux along with Hackney served on the Rules Committee. In 1993, following Blue's election to a second term as speaker, Nesbitt, Hackney and Michaux continued in those same powerful leadership roles. Their roots are deep; their bonds are tight.

Other rising stars in the House leadership include Paul Luebke (D-Durham), who began serving on the Finance Committee in 1999 and is now the Senior Chair under Speaker Hackney, along with co-chairs Pryor Gibson (D-Anson), William Wainwright (D-Craven) and Jennifer Weiss (D-Wake). Luebke has a 22% rating on the North Carolina FreeEnterprise Foundation 2009 House Business Ratings, ranking him 119<sup>th</sup> out of 120 House members. Wainwright has a business rating of 52%, with Weiss rated 23%, ranking her 118<sup>th</sup> out of 120 House members. Gibson, a businessman, is the only solid business ally leading the Finance Committee with a rating of 72%, the ninth highest rated Democrat.

The House Appropriations Committee, led by Michaux as the Senior Chair, has only one solid business ally among the co-chair in businessman Jim Crawford (D-Granville), the #1 highest ranked Democrat in the House with a business rating of 83%, ranking him 10<sup>th</sup> overall out of 120 House members. **Only 13% of the House Democrats are ranked in the highest business "Base" friends category**, with 63% in the lowest "Occasional Friends" category. Among Republican Representatives, 96% are in the business "Base" friends category.

Today, overall, only 49% of the 120 members of the House of Representatives are business friends, with 36% in the lowest "Occasional Friends" category, *for a net business advantage of only 13 points*. In 1995, when the Republicans had the majority, 64% of the Representatives were business "Base" friends, with only 25% in the lowest, "Occasional Friends" category, *for a net business advantage of 39 points*.

In the conclusion to the book, "The New Politics of North Carolina," editors Christopher Cooper and Gibbs Knotts make the case that it's time we reevaluated the notion that North Carolina is a progressive state using six additional dimensions *including party competition*.<sup>6</sup> Cooper and Knotts argue that competition among political parties can, "... foster new ideas, enhance debate, and lead to innovative policy solutions. By and large, a progressive state is a two-party state."

So, for all of you enlightened business progressives out there concerned about fiscal irresponsibility and the rampant corruption resulting from the unilateral policy making authority of the Democrats, perhaps it's time that you consider doing something really progressive: vote Republican.

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<sup>3</sup> Almanac of North Carolina Politics, Fall 2007 Edition, Pg. 294.

<sup>4</sup> [http://ncfef.org/Home\\_files/2009%20NCFEF%20Business%20Ratings%20Final.pdf](http://ncfef.org/Home_files/2009%20NCFEF%20Business%20Ratings%20Final.pdf)

<sup>5</sup> Almanac of North Carolina Politics, Fall 2005 Edition, Pg. 750.

<sup>6</sup> The New Politics of North Carolina, North Carolina Press, 2008, Editors: Cooper and Knotts.