

This is an interview conducted with Ed Steimel on January 14, 1974, by Jack Bass and Walter DeVries. Transcribed by Jean Pruner.

J.B.: What do you think is the impact of P.A.R. on state government?

Steimel: Well, if you heard the governor, you realize that he thinks it has some influence. I think it has a very substantial impact now. I think you can demonstrate that. And it's because of the . . . not entirely because of the research, but I think it's because a combination of quality research and then, maybe, extremely aggressive dissemination program. We try to get our research into the minds of the decision-makers and to influence them. We don't make any bones about it. That's what we're here for. We want to change things. We want to work . . . to do our best to change them without directly lobbying. We are going right up to the People say, well, we're practicing brinkmanship. Well, we think we have to. We don't think you can get anything done unless you do. So we go up to the line. As far as the Internal Revenue Service is concerned, we don't lobby. We don't lobby.

J.B.: Where is that line drawn? Interested in that line. Where is the advocacy line . . .

Steimel: Well, I don't guess there is really any great difference as far as the effect, but you cannot publicly advocate the passage or defeat of a specific proposal or candidate. If you do, you're just lobbying. It is considered contrary to their influencing legislation regulation. You cannot go to a legislative committee and ask to be heard. You can go to a legislative committee on request and request is supposed to be in writing and then we can be heard. And we can say anything we want so long as it's within the limitations that they have . . . in their request. Well, of course, I think

anyone can see we could engineer that if we have an input. But we also try not to do that. We try to live by the spirit of that reservation. We don't go to the *legislature* and say we've got something we want you to say, want you to hear. Send us an invitation. We think if they want to hear it, then they should ask. But we try to live by the letter of it. We do not specifically go to any legislator or to any delegate.

J.B.: Are you registered as a lobbyist?

Steimel: I will not register. I refuse to.

J.B.: Is anybody pressuring you to register?

Steimel: Yes. They have asked that I do it. There was a resolution introduced in the '73 session by one member of the House, calling upon me to register.

J.B.: What happened?

Steimel: To the resolution? It was . . . they failed by a three to one vote to even get the rule suspended to consider the resolution.

J.B.: I was trying to ask him if he killed it.

Steimel: Did what?

J.B.: I think you killed it.

Steimel: I'll tell you. I had an awful anxious day. But I did not, even though the resolution was proposed, I did not go to my friends, and I had a lot of them in the legislature. I have some enemies, too. I did not go to a single one and ask him to defeat it.

J.B.: How many legislators belong to P.A.R., if that's the correct term?

Steimel: Roughly, I'm guessing, 45 or 50 of them are financial contributors to P.A.R.

J.B.: What . . . what is the financial . . .

Steimel: Delegates about the same way.

J.B.: . . . contribution arrangement. Is there dues assessed the members,

or is there a minimum?

Steimel: There is a minimum of \$35.00, the minimum membership. The average is about \$90.00 and the maximum is \$10,000. Most legislators who are members are in the \$35.00 to \$100.00 range.

J.B.: Is AFL-CIO still a member . . . have membership. Pierce had that in there and I wanted to understand exactly what Have they withdrawn?

Steimel: No, they have not withdrawn. They just quit paying and that's . . . but they did not, and I have written them a number of times, trying to get them to either withdraw or not. And they did not so we finally just wrote them off and have, in effect, canceled their membership ourselves. As we do. This is a normal procedure. People don't pay, after a while^{you cancel}. No, they have quit, but there are a number of reasons for it. It's quite understandable. We worked very closely together on numerous issues. They have been a member for several years. Code of Ethics, property tax; we were very compatible on these. These were two major issues we felt needed reforming. We did the research for their suit on the property tax, the principal research for it. Cost us \$5,000 to do the research. They used it in their trial. Read the judgment and see that it was pretty heavily the basis for the judge's decision. But they left us in this convention, so we are not in accord anymore and that issue. They were very much opposed to the single member district reapportionment. As you may know, I was appointed special master to reapportion both houses of the legislature in 1971. And they did not like the single member approach we used. They took it all the way to the United States Supreme Court and lost. And, if you know anything about the AFL-CIO, there's one thing they don't like and that's losing. They did lose this. This is just another one of the issues that has separated us.

J.B.: Is there a membership list we can borrow?

Steimel: We don't make it publicly available. Our board would make it available. To be perfectly honest, the reason we don't make it available is because it would be the greatest sucker list in the State of Louisiana. We just don't like it to I'm sure you are on many mailing lists and you wonder how in the hell people get them, but some people peddle those things and I could sell it for a whole lot of money. But I won't do it and therefore subject these people to solicitation of all other *members*, but anybody who can contribute to P.A.R. is obviously not broke.

J.B.: Does that leave you open to the charge it's being dominated by industry and business?

Steimel: It leaves us open to those charges, but there are very few people who make it anymore. ^{A few} /politicians make that charge. We do have an analysis of our membership broken down by business participation or profession, and we are glad to show anyone who is really interested in looking at in for a legitimate purpose. We don't mind showing it. We simply don't want to give a list to anyone so it can be duplicated.

I don't mind showing anybody the list, and I mean anybody. I don't care who sees it. I don't mind showing you a list of any parish or if you want to know if a certain person is a member, I don't mind telling you yes or no and how much he gives. I have no objection to this. It's just that we don't intend to subject them to this kind of solicitation.

J.B.: Pierce, in his book, points out that P.A.R. is the only public affairs research organization of this type probably in the South. information. I am only familiar with the Citizens Research Conference in Michigan which is not quite like your operation at all. How did that happen to develop in Louisiana?

Steimel: I'm not sure. I think the reason we developed was the turmoil

in politics in this state probably exceeded that in most states and the lack of knowledge at the point of decision-making was probably as great here as anywhere else. The . . . there was a determination that grew out of this to create the thing and simply free it. I think our freedom of operation comes from the fact that politics did sink to such a level that anyone who considered himself to be operating basically in the public interest, or at least not anti-public, could not be hurt if we operated really in the public interest. And that is, we don't view issues from the standpoint of is it good for Humble Oil, or is it good for Dow Chemical, or is it good for labor, or is it good for the blacks, but is it good for the public. We've had to do that. I think we can demonstrate that we have by virtue of the fact we've lost thousands of dollars by following that policy. Lost dozens of members on different occasions by following this policy. But it also has built membership and that's why we can get some college professors to contribute to us now. If we didn't do that, we wouldn't have any college professors. We wouldn't have educators. We wouldn't have politicians. We wouldn't have blacks and we have blacks. We wouldn't have a hundred members in a place like St. Landry which doesn't have anything in it except small . I would say one-fifth of all our members are professionals, doctors, lawyers, architects. People who don't have vast amounts of money but who have an interest and have a high level of intelligence and knowledge basically.

J.B.: When does P.A.R. . . . when you look back, when does P.A.R. start?
In the 'forties?

Steimel: 1950 was when its charter was adopted.

J.B.: *How did it get going?*

Steimel: Well, in 1947-48 there were meetings held. We have records of

the minutes of some of those meetings that led up to the formation of this organization. So it really started in this period of I think it was about '48. '48, '49, that lead up to the 1950 meeting in Alexandria which kicked it off. So, actually, I guess we have been operating from the standpoint of the time it began.

J.B.: Well, you've been operating just about

Steimel: When the idea was started, it's about twenty-odd years.

J.B.: Thinking about P.A.R.'s activities,

was P.A.R. any more effective in certain administrations than others?

Steimel: Yes. I'd say in the McKeithan administration and this one, much more than any other. Although we were compatible I would say with Kinnon in part. We were almost nothing, though, then. He was the first full-term governor after we started and we didn't amount to much. Earl Long came along and he didn't exactly cotton to our kind of outfit too much. Jimmie Davis, frankly started out using us, but he became so tied up with segregation and we couldn't agree with his position. And we drifted pretty badly apart, early in his first year, in fact. And this was one of the things that made up compatible with AFL-CIO, incidentally. Because then in 1960, late '60 and early '61, Jimmie Davis tried to overturn the edict of the Brown decision with a series of five special sessions. We simply didn't feel that we could afford to have public schools abolished and set up a private school system with state money. We came as close as we ever have to lobbying against the proposed sales tax which he was advocating to make it possible for kids to get private grants to go to school. And the AFL-CIO was very much opposed to this. We did no lobbying. They did it but they sent a lot of legislators to

see us, to talk to us. And we were quite compatible. The result was the bill did pass the House but was killed in the Senate, but it came that close to happening. This was what made us compatible, but this also made us very incompatible with the Davis administration. Then McKeithen came along and he took basically a major study of ours as part of his platform. And then after getting elected, he really went to work toward implementing that. And it was a factor respecting Louisiana's industrial development, to do the things that would pick up industrial growth. We found ourselves working very closely with him then for most of his whole first term, implementing recommendation after recommendation after recommendation about it. Many of them that had been on the shelf for six or seven years. He picked up and put into practice. His second term we became very incompatible because we felt he had sat down on his fanny, and we said so publicly. And we said no man in public office has the right to take a vacation from leadership and those were the exact words we used. He knew what we were talking about and we said this in about 25 speeches and then he started taking after us. So we won the public battle, though, because he was sitting on his fanny and the public didn't sympathize with him and so he went down into, I guess, ignominy and that's about it.

J.B.: When did that occur?

Steimel: It began to occur in 1968, when he tried to run for vice-president.

J.B.: Up until that point you had been working very closely?

Steimel: Very closely.

J.B.: He was doing everything you wanted?

Steimel: We were critical of a few things he had done and not critical of others. And praiseworthy of others, furnishing research for still

others. But he then . . . he did a number of things in one year. He prepared a massive tax increase in 1968 in the spring and he asked us to do the research on it. ~~to do it~~. We did \$25,000 worth of research for him free to pick out the taxes that would be the best for the state from the standpoint of not putting us in a non-competitive position. Which taxes can you raise and how far can you raise them to keep yourself up with conventional tax practices. We gave them all of this, chart form, four-color, everything. And he did a great job on the tax side, but he did a miserable job of telling the public why he needed the money. He thought that, here I am God, it doesn't matter what I want with the money. I'm going to do what's good for the state. The public doesn't buy that. And he fell flat on his face. He lost the whole tax vote because he did not. And we kept saying, you've got two sides to the tax vote, the tax and why you need it. Well, why you need it is first. If you don't need it, you don't ask for taxes in the first place.

J.B.: That was in 1968.

Steimel: That was the spring.

J.B.: That was kind of a bad year for him, wasn't it?

Steimel: It was an awful year for him, and this was the spring. This was the May session. At that same time, you see, he was also trying to run for Vice-President, because that was coming up in the convention in July.

J.B.: And then when did the Life thing come out?

Steimel: The Life, the first Life thing came out in '67. So this, that was the first Life, you know, and it suggested organized crime. He was beginning to have some problems. That was when the labor-management problem broke apart in 1967, also. Those two things did not hit him

hard enough to stop him for re-election in the fall of '67. He was re-elected in late 1967. But they were there and then in '68 he gets this idea he wants to be Vice-President. Part of the reason that his tax program failed was that he didn't give it enough attention because he was running for Vice-President. So he loses both of them. And, of course, Humphrey just really hits him in the face with a wet towel, virtually. And then in the fall he comes back and tries a special session to get the same taxes. Again, his homework was miserable. We kept saying, you know, if you need the money say why. He kept not saying why. He managed to pass only a 1¢ gasoline tax out of all of this package. And he blamed us for the defeat of the taxes. I admit that we were probably a part of the reason for it, because we kept saying tell the world why you need the money. In 1970, when the tax proposal was successful, we ~~I~~ testified before the Ways and Means Committee that . . . I'm not proud of it especially today because it's not very popular politically, that it was proper to eliminate the federal deduction, the federal tax, as a deductible item on the state income tax. I saw no objection to it. Many other states have done it. We have a very low income tax. The purpose for which they were raising the money was quite good, to give the teachers a pay raise and a number of other things that we thought were quite proper. And we stated that the public schools now had to be supported, had to be supported even better than before because we were now moving into desegregation. A lot of people think desegregation occurred in '54, but it actually occurred in 1970. It didn't occur before that, either. Not by any stretch of the imagination. Either here or elsewhere in the South. And we said ~~because~~ basically we were supportive of the tax program even though we

can't endorse. Well, if he had used these as his reasons in '68 and if they had been legitimate reasons, we would have been in that same position. Well, all of this made it . . . made things a little better with us but he still then did very little to provide leadership for the state. The industrial plants quit coming in. People were skeptical of the state because labor seemed to have too much domination in the state. And that seems to be pretty well understood in the industrial circles that Louisiana is probably the worst place to go from the standpoint of whether labor has control of politics or whether they are too influential in politics. So, so all of these . . .

J.B.: So he associated you with part of his troubles, then, during that time?

Steimel: Oh, very much so. Yes, he did, and he's quite bitter about it, even though we say that he provided excellent leadership, brought many reforms to this state that were needed. In his overall eight-year term has to be assessed as a positive program in my estimation. Even though his second four years were almost a dud. He did so much in the first four years that it makes the whole eight-year period a positive period.

J.B.: And is the relationship with Edwards starting off the same as it was with McKeithan?

Steimel: Our relationship with McKeithan started out very good and then after four years it went sour. With Edwards it started out very sour and has become much better, as the time went by. In fact, it was extremely sour before he took office. He felt that a statement that we had made was prejudicial to his chances for re-election and that it cost him lots of votes. It was on the property tax. One of the reasons we've had a great problem becoming compatible on this issue, because he was committed

to see him, because I knew things were cool between us. I knew that we could help him tremendously in preparation for his legislative program if he wanted to utilize us. I wanted him to know that. But we weren't getting any requests from him and I wondered why, because this would be normal that we would get requests from an incoming governor. So I went to see him. He immediately brought me in and he told me why. There were a number of things. They were mostly misunderstanding problems, but part of it had been the statement that he said I made which I didn't even recall making, but I didn't deny it. I said, "Perhaps I made it." If so, it was in a half-hearted way and not serious, but at any rate I had to apologize for it. I ate whatever crow had to be eaten. I said, "We can help you. We want you to be a good governor, if you want to use our research. And it won't cost you anything. You won't have to listen to it, but it won't hurt you to have it." And he said, "What can you help us on?" And I said, "Well, you're interested in the constitutional convention and we've done a lot of work in this area. We've done more work than anybody else in your organization." And listed a number of things that were in his platform. So he immediately started. We did 23 requests for him then in that period. Handled 23 specific requests for a sequence of legislation. Much of it was then passed in '72. We still had problems during the '72 session. We disagreed with him on a number of things and said so, but towards the fall we began to have better communication. And, quite frankly, that's what has happened. We've had very good communication with him since the fall of '72 and whenever he does something we don't agree with, we call him. We don't tell the public, unless in front of the public and offer help, and he has called on us many times. Our relations are quite good and this

is why. I brought one of these along just to show you the kind of thing we did for him in preparation for his speech last week. We didn't know whether he would use it. He is at liberty to use or not to use anything we do. I thought I brought an extra one along but I didn't. This is . . . (Interruption on tape.)

J.B.: Wonder if you would summarize just what the suit was about?

Steimel: All right. The equalization suit? Simply called the class action suit calling upon all tax officials or officials who had anything to do with assessment of valuation to do the duty called for in the law. That's really what it

J.B.: Federal court proceeding?

Steimel: No, state. He went in the federal court first and he was thrown out of federal court. Attorney General defended the state. He said that we had remedies within the state court and through administrative procedures and until they are exhausted should not be in the federal court. And the federal judge agreed. Went to the Fifth Circuit and the Fifth Circuit agreed with that. So that threw it into the state court and it was in the state court five and one-half years. And I've been living with it ever since it started and he has, too. When he finally got a lower court ruling, ^{it} went against him. The district judge in 1970, I believe. He appealed it to the First Circuit court, state court system, and they upheld the District Judge but the Supreme Court overruled both of them, pretty heavily, and said try it on its merits. And this was in '71. And that was simply the law called for *equitable* valuation and calls for fifteen or twenty different locations. And they weren't doing it. There was no attempt being made to do it by either local assessing officials who were elected or the tax commissioners have the right to change the

assessment. So everybody was simply failing the law. Plenty of constitutional provisions as well as we have the uniformity clause in the constitution and we have actual cash valuation was also in the constitution of real estate, which meant uniform and actual cash value which meant 100% for that and then when you add uniformity and no classification, you have a 100% really on everything is what really the law calls for. It is perfectly clear that this is what it called for. Well, this is what the judgment is. And they have until . . . see, the judge said January 1, 1975. That has since been changed to January 1, 1976. It's now on appeal. And, let's see, the First Circuit has now upheld the district judge. See when the Supreme Court sent it back to the judge, said hear it on its merits, the same judge heard it and he, this time, went the other way, because the Supreme Court had told him what to find, in effect, if they prove their case. We gave them the evidence and they did prove the case. Then they went to the First Circuit and they upheld the lower court. And I don't know whether it has been appealed to the Supreme Court. That was only recently that the Circuit Court upheld it. Then there was a question as to whether they would even attempt to appeal it.

J.B.: We have been told that the fact that you have elected assessors in Louisiana is a cancer on the body politic, I think is the term or something similar to that.

Steimel: I don't believe that that's all the problem. We have, in some of our research, we have advocated appointive assessors. But I by no means think that is the most serious problem. I think we have a very good system with elective assessors. Now, I would prefer appointments because I don't see anything about the job that is policy-making. If anybody

can show me anything about it that's policy-making, okay. I believe that policy-making should be elected and that administrators should be appointed. I mean, that's how I read it, read the cards. But I do think you can have a selected process by election that would accomplish this. So long as you can take some of the onus of making political decisions off their backs. And that's the problem, basically done what they think the public wants done. Most of them are honorable men doing what they think is right. A lot of them are quite competent. But the problem is that we ourselves as individual taxpayers who would love to be not taxpayers have been a little too greedy. The general public has made them what they are.

J.B.: Is there any state where the public pays less taxes?

Steimel: What?

J.B.: Is there any state where the public pays less taxes?

Steimel: There is no state where the public pays as little in taxes as in this state.

J.B.: Is that all taxes or just . . .

Steimel: All taxes, state and local combined. The average person in this state at any income level pays lower taxes than anywhere else in America. Property taxes . . .

J.B.: Is that differentiated for corporations?

Steimel: Yes, oh, definitely.

J.B.: For corporations? Both.

Steimel: Yeah. If you'll take a look at the census data published by Advisory Commissioner and Governor Relations. They put out a fairly brief pamphlet showing the impact of taxes upon business as contrasted with individuals and . They categorize them together

and put business, the direct impact of taxes upon one or the other of these two. You will find that Louisiana, our tax structure has moved over more than any other state of the nation to having the direct impact on business. 55% in Louisiana contrasted with a little less than 33% on the average in the country. We're number one. Property tax, it's 77% in Louisiana directly falling on business, and the average state is 39. You see, quite a difference. We're nearly double the national average in both of these. We've gotten used to not paying taxes and we like it.

J.B.: Basic taxes in this state are paid by industry or others. They are not paid by the individual taxpayers. Somehow this lends itself to the tolerance of corruption in this state, at the state level, because it really isn't my money. It's some other guy's. We had that thesis propounded for us the other day. That that was one reason for tolerance, for local tolerance of corruption and maybe statewide corruption.

Steimel: I think there is a relationship. I don't know that I can demonstrate it but I might give you a couple of examples that might

I would like to see this pursued. All right, Caddo Parish, Shreveport the city, has the highest assessment level statewide of all the parishes in the state. The individual homeowner all the way down to say an \$8,000 or \$9,000 home pays taxes in that parish. And half of the homes in this state are \$15,000 and under in value and they pay no taxes, on the average. That parish, I think you can say for a period of, over a period of twenty, twenty-five years, has a record of picking higher caliber public officials. They support public schools; almost never defeat a property tax issue for public schools. You know, right now, with desegregation being a problem, sometimes this does occur. But I think this is an unusual situation. But normally they never, in fact,

within this past month they have passed a major property tax issue for public schools even though 45 to 50% of the whole student body is black in that particular parish. I think that many people have commented that Caddo consistently elects fairly high caliber legislators and other public officials because there is an interest on the part of the public. And they don't tolerate corruption to the extent that many other areas of the state do. Now it's also true that Caddo sent to prison one of its own elected officials. But that's also an indication that you . . . that when a public official steals that that's the place to put him, is in jail. And they did put him in jail. That doesn't mean that there are more crooked politicians in Caddo simply because in Baton Rouge we didn't send anybody to jail. Because in Baton Rouge we just don't believe in sending people to jail.

J.B.: Let's talk about corruption for a moment. You know, one of the outside perceptions of Louisiana, well, even Louisianans themselves, think the state has a high level of corruption than other Southern states

Do you agree with that?

Steimel: I don't think I know enough about how corrupt the other states are to make a comparison. I think it's a very high level of what I would say was a high tolerance, I think, for public corruption in this state. I've said that in at least a dozen or two dozen speeches since the period of 19- That's part/problem with McKeithan. 1970, '71, '72. We have a very high tolerance. I don't think there's any question about it. Life magazine, I think, shows this. We'd just about tolerate anything. We had a Department of Revenue that did not even prosecute a single individual for failure to pay income tax for twenty-five years. There has just got to be something wrong with the prosecution.

J.B.: We heard that it was just a breakdown of the system, that things had been going along that way and it was just a mechanical, bureaucratic kind of thing, and that it was nothing . . .

Steimel: It is. I'd say so. But it's all still the bureaucrats that operate the thing and when the bureaucrats themselves don't pay income tax. And by that I am speaking of the General Counsel to the Revenue Department, who is a person who is supposed to carry out this sort of thing. When he himself doesn't pay, then somebody is wrong in hiring him, don't you think? The problem is . . .

J.B.: Why does it occur?

Steimel: Well, it occurs apparently because the Revenue Department has been looked upon by too many people as a way to repay individuals who were very nice to them in campaign contributions.

J.B.: Yeah, but why this high level of tolerance?

Steimel: I don't know, unless it is what you suggest. We believe that it probably is in part due to the fact that there is low

J.B.: You used the phrase before, I think you said that they have an extreme of *property* taxation here?

Steimel: We're number one in the country if you just simply look at who pays it. We, I think this developed probably out of Huey Long.

I think much that occurred under him was good but much that occurred under him was bad. I think what happened under him that was bad was swinging the pendulum too far. I think it was too far the other way. I think he was proper to try to bring some balance back but bringing the balance back was one thing, but to swing the pendulum all the way the other way, which was what he did, to handcuff business. Standard Oil was his whipping boy. Standard Oil of Louisiana it was then. It

later became Standard of New Jersey, and then finally Humble and Exxon. But this big refinery out here was his whipping boy and he really went after it. He went after oil and he went after anything that represented economic power. And out of all of that I think he swung the pendulum over so far and corruption did occur very heavily under Huey Long's period and particularly immediately succeeding him. That is, he was killed in '35, but his successors continued until 1940.

finally went to prison and Earl Long, his own brother who succeeded Lynch when Lynch went to prison. It was developed to such an extent and over such a long period of time that it became entrenched in this state, that they could just about do anything. Well, then the reformers came in with, I think, very, very small margin of victory. Sam Jones just barely made it. (Interruption on tape.)

Went right back to the same old thing we had in the 'thirties, that is the bad parts of what we had in the 'thirties. We then, you can go back to 1928, when Huey Long came in, all the way to 1952, we had nothing ~~but~~

and basically what happened is that we raised taxes that ended up on the backs of business and industry and we kept them off of others. Now some people say that we are misstating this. Well, we are not misstating because we are not stating in the first place, when we say that the impact is number one on industry because of the severance tax. It was the Advisory Commission that put this out. We didn't put this out. But you can take the severance tax on oil and gas and strip it completely out of our total revenue machinery, completely take it out and Louisiana would still be number one.

J.B.: Number one in what?

Steimel: In the impact of the remainder of its total tax system that has an impact directly on business. We are number one. Wyoming, we would be

number two but we would still be ahead of Wyoming even when we do that.

J.B.: What percentage of the state revenue does come from the severance tax? Particularly before the increase and since the increase.

Steimel: Well, before this last increase which is not fully implemented yet, we lumped together all of the things that amount to revenues resulting from oil and gas production, which I think is what you are more interested in rather than severance tax. Because there is a royalty figure that is equal to the severance tax. So all of these revenues at one time reached 42% of the state's revenue, the royalties. I mean, the production.

That's on the state. Now, the local is

Right now it's, say 28, in that . . .

J.B.: Has it been projected what it will be . . .

Steimel: After this increase? It'd probably kick it back up to, of state-generated revenues, not federal, I would guess it would kick it back up to at least 40 again.

J.B.: Did P.A.R. take a position on that tax package, the Governor's tax package?

Steimel: This last one?

J.B.: Yeah.

Steimel: We worked with the revenue collector on the number of the items in it before it was introduced, simply firming up projections and things of this sort. But we didn't take any position on One of the reasons we seldom do this in special sessions because there is not enough time to do research. We saw really nothing particularly wrong with what he was doing because it was not outlandish, the size of the increases and we didn't think it was going to be enough to cause the Congress to react and throw the whole thing out, you know. We saw no

reason not to. As John Sly once said, "You tax what you have." It's nice to know what Massachusetts and Michigan did but we do not have what Massachusetts and Michigan have and they may not have what you have. You have oil and gas taxes and I think it's proper.

J.B.: How do you go about making policy decisions? It's obvious,=you know, you do research, yes. But out of the research comes public policy recommendations or alternatives. How do you arrive at that?

Steimel: We believe that there is only one way that it can be done, and that is for the research to define the policy. And that means for the researcher to do it, not the bosses of this organization. We operate that way. We have always operated that way. And I hesitate to think where we would be today had a committee. I think the researcher . . .

J.B.: Do research specialists come to you with policy alternatives . . .

Steimel: No.

J.B.: . . . or do they come with just a policy?

Steimel: No, we have the research. We have a staff is what I'm saying. The staff arrives at the recommendation that might be made out of the research entirely.

J.B.: So it's a staff function headed by you in the sense that it boils down to you

Steimel: No, not me. I think you know that you don't tell people who are really researchers what to think.

J.B.: Yeah, but you have a set of guidelines. You've already mentioned that policymakers should be elected and those who administer should be appointed. There are a certain set of . . .

Steimel: Right. I'm talking about public policy.

J.B.: Yeah, but do you operate within a certain context or a certain set of guidelines like that?

(Interruption on tape.)

Steimel: . . . x-number of dollars.

J.B.: This is McKeith n now.

Steimel: This is back in 1968. I don't remember what it was, maybe a hundred million dollars or whatever. Well, where should I get it? He said, "I want to keep us competitive because we are doing the finest job of bringing industry to Louisiana. I want to keep that up. We don't want to raise any taxes to the extent that an industrial plant is going to say, 'Okay, Alabama is where I want to go.' Or Mississippi is the place." So he said, "Look at Mississippi, Alabama, Arkansas and Texas in every decision you make." We helped him arrive at this but, nevertheless, this was basically a concern of his. Let's keep . . .

J.B.: But when he defined the research problem for you, you already were headed in one direction.

Steimel: That's correct. He says, "Let's stay within"

(Interruption on tape. Steimel greets friend.)

So that was one. So basically I guess he did define the limitations here.

We want to stay somewhat conventional in our tax program. We don't want the highest rate, and not necessarily the lowest. Let's try to

So what we found, then, what's the national average; what's the Southern average; what is it in each of these four states, the tax rate in each of these four states? Therefore, you can quickly see how far you can kick our rate up before you become non-competitive. And we did this about twenty different taxes for him. So he made, then, the decision.

J.B.: Is most of your research done that way? Does it come by request or do you generate it yourself?

Steimel: Most of it is generated by . . .

J.B.: Generated how? By what you think are the contemporary problems?

Steimel: Correct. What we think are the most serious problems facing the state. You want to know what our research problem immediately is ahead: number one and two, which are really number one both, is the development of an economic development program for the state. What should be the economic development policy for the State of Louisiana. That's one of the topics. Another is the highway construction program. Looking at our highway construction program, what has happened? We have done a lot of work in this area and highway budgeting, long-range budgeting. They adopted a law to placate us in 1968, passed a tax, issued some bonds, spent the money, and didn't build roads. Well, what we want to do is find out why in the hell they didn't build roads. I mean, we're going to say why. We are working closely with the legislative committee on this. So it's trying to get more politics moved out of the highway construction industry and more roads moved in, to be very frank. We're dissipating at least fifty million bucks on highway politics. And so this is another major issue.

J.B.: What's happening to that fifty million dollars?

Steimel: Well, it's not being grafted, primarily. This isn't the problem. Primarily, it's buying, well, it's a form of that I suppose. It's buying politics. It's saying to the police juries in our local county governments, you know, what roads do you want built? And just giving some money out there to this.

J.B.: It's not seen as a revenue-sharing kind of a thing?

Steimel: Well, we've been adopting an off-system, money for off-system roads. We have a state highway system but then they add an additional

amount. And this is for the legislator who wants a piece of road, you know, in his district. And people say I want this road black-topped and it simply is votes. The legislators can influence in their behalf if they can get the highway department to blacktop this road or pave this piece or widen this, put a bridge here. And this is the way we have operated our highway system. It's simply one of the main things, big things, we haven't been able to correct. We use Texas as a major example of how you should do it. Our neighboring state probably has as fine a highway system, as fine a functioning highway department, as exists in America. It's in the top three in the nation year after year after year, by the Bureau of Public Roads. And we're one of the worst. We're trying to get them to emulate that. But that's a project of ours. A third one is land use. What should be the land use policy in the State of Louisiana? If you can think of anything more controversial than desegregation, I don't know of it. We adopted that thing on December the sixth and, while we don't announce publicly what our research projects are, we don't have any objection to its being known, we just don't announce it, within a week I was already being invited all over the place to attend all kinds of meetings. And we were getting condemnations by people who thought we had capitulated to this group or that group. Some to the environmentalists and the environmentalists said we were doing this for the big shot landowners. This is a hot one. We're moving into that right now. Another finance, changing the finance system for public education. We are not as bad off as Texas or California or most of the states, quite frankly. We've got a fairly good, that is, fundamentally sound, finance scheme in . . . as embodied in the law.

(Interruption on tape.)

J.B.: . . . area?

Steimel: No.

J.B.:

Steimel: The major projects. They meet three or four times a year and revise this agenda. Sometimes they have adopted something and it gets up on top of the list and it's first priority, but maybe it's two or three months before we get to it. By the time we meet the next time something has come in to move it down a notch and something else is in its place. But they are constantly revising the research agenda, and that's what I was trying to explain that Dr. Furman, who is Dean of the Graduate School of Business at Tulane, is on that committee.

A former legislator, sixteen years service, a lawyer; he's chairman of the committee. We've had . . . we have a former state bar association president on the committee; we have a paper mill manufacturer and manager on it; we have a banker, a little, small town banker and a great big banker on it, it's not against the law; former Governor Sam Jones served on it about four years and served as chairman of it for about four years. We try to get people who are very much involved in the political scheme of things, who are aware of it. So that basically all they have to be is competent people who can make good judgments. And we present outlines.

J.B.: Let me try this analogy on you and see if you think it's appropriate.
(Interruption on tape.)

Steimel: I think, well, I guess you would have to expect a "yes" from me on that. I do think it's very appropriate because I'm firmly convinced that if we are really to have political reform, the body politic has to be reformed, has to be part of the reformation. You can't just reform politics by reforming politicians, because they will be replaced by other

politicians. In order for real reform to occur and to be sustained then the public has to be involved in it. We are an extension of the public. We are supported entirely outside, supported by citizens who have become concerned enough about their citizen responsibilities to fork up some cash, to be more influential in political decision-making. I don't mind saying we do some things that I don't think any other organizations like us would do.

J.B.: Aren't there other organizations like yours around the country?

Steimel: Yeah, but they're not doing this sort of thing.

J.B.: But there are other organizations.

Steimel: Oh, yeah.

(Interruption on tape.)

J.B.: Someone said P.A.R. basically represented the interest of the general business community from the standpoint of enlightened self-interest. Would you take issue with that?

Steimel: No, I don't. But I don't think that is necessarily incompatible with a lot of other interests. I think the general business community

J.B.: Let me ask you this, then. Does that really explain the success of P.A.R. because even though it is financed primarily by the business community, in a broad sense, business and professional community, that it looks on public affairs from a business standpoint but from one of enlightened self-interest? That the public interest is in the best interest of business from a general standpoint?

Steimel: I think this is correct. Now, I will not say that everybody who supports us has this attitude, but we try to say this as many ways as we can, that the best interest of any business is the public interest. And if those two are in conflict, then the businessman ought to re-evaluate

his position, because he can't long remain, I don't think, in a society that does have to give him approval, if he operates contrary to public interest. So we think the public interest and the business interest, enlightened self-interest, are the same in the long run, not the short run. We recognize that. For example, when we made this study of investment of idle funds, clearly it was not in the interest of the bankers for us to say that the state ought to invest its idle cash. And this was back in 1956. They were members of ours, and we lost 30 of them. But, I think in the long run it was . . .

J.B.: Thirty out of how many?

Steimel: At that time it was probably about a hundred, I think. We now have over two hundred banks that are members and all of the thirty back. But in the short term it was definitely contrary to the interests of certain of these banks, probably those thirty. But it was in the interest of maybe the others who weren't getting the money and it was also in the interest of all banking to remove political bribery from their operation. Any wise banker thinking of it from a very selfish standpoint,^{who} might contribute very substantially to anyone or, I mean, to all three of, let's say, three major contenders for gubernatorial office. Because, after he got . . . one of the three got elected, and certainly one would, he would then get the money without having to pay the state, and get far more than it costs to contribute to all three of them. Now, this is the way the thing went. And, you know, we have a law saying that bankers can't contribute to politicians but the fact is they were, because we have also had two of them indicted and convicted and sentenced in this state for it. And McKeithen was the recipient, or at least it stated that he was the recipient; it occurred in his period. Now it's in their interest that they don't have

to be called upon to do this anymore. So I say in the long term interest, this was in their interest. But they didn't agree at that time.

(Interruption on tape.)

J.B.: . . . and specifically Ed Steimel, are much too powerful.

Steimel: Much too what?

J.B.: Much too powerful or have too much impact on the state government and its policies.

Steimel: Well, I think it's a very legitimate thing for people to be concerned about. Not that I feel that we are too powerful. But I think that if people did not remain concerned about it, there is no question but what this could be . . . an outfit like this go in the wrong direction for probably two or three years and no one would really know it. I think that is correct. I think it's something the people should be constantly alert to. I think that's what's going to ultimately wreck this organization if anyone does, is for someone to start trying to use the power that becomes associated with it.

J.B.: Okay, see you could argue very well that . . .

(Interruption on tape.)

Yeah, let . . . What did he really mean?

Steimel: Well . . .

J.B.: Well, I mean, what did the Governor mean?

Steimel: Well, the reason I know what he meant is because he has said in my presence what he meant. At one of the mansion meetings he had . . .

J.B.: That P.A.R. could defeat the constitution

Steimel: Yes. He said in one of the mansion meetings where we were trying to reconcile the warring parties on the property tax article.

There were about twenty-two or three people in the room. Head of the AFL-CIO, Vic Busey, Chehardy was there, the author of the property tax article, and Mayor Landrieu of New Orleans, and I were there and he was there. I mention those five only because he singled those five out as any one of whom could defeat the constitution. And he explained why he meant in each case. And in our case he said, "P.A.R. will analyze the final document. It'll publish its guide and get wide circulation of it in almost every major newspaper in this state that comments editorially will use P.A.R.'s research as the basis for reaching its decision. Not necessarily that it would go completely this way but it will use it in reaching its decision. And lean their editorial in this direction and therefore you can see the impact of it." He said further, "Anyone who knows anything about elections, and there a lot of people in here who are politicians, knows that in an election on issues, it's the white collar voter who goes to the polls much more than the blue collar worker or the black. It's the more educated people." And he said, "The more educated people tend to listen to P.A.R. They'll get their message from P.A.R. and P.A.R. will have much more influence with those who actually do go to the polls." He said, "There isn't any question but what P.A.R. will have great impact. If it says this is bad, it'll be bad for us." And he went ahead . . . and so that is I know why he felt that . . . and we will, we've already scheduled 65,000 print orders for the voter's guide to the constitutional convention and that is the first print on it. We don't know how many we'll print but we know we'll print 65,000 because that's going to be the first order for it. It'll be very widely circulated.

J.B.: What is your total budget?

Steimel: \$449- or 50 . . . \$451,000 income. \$449,000 expenditures.

We budget it all.

J.B.: Is there a little bit of corruption there? (Laughter.)

Steimel: We try to budget in the black. This year we are operating in the red. We spent about . . .

(Interruption on tape.)

Steimel: It's a highly organized business, and we are able to show this.

J.B.: You concluded that pinball machines basically were a part of organized crime in this state.

Steimel: Well, we didn't say for the Marcello's necessarily, although the Marcello's did own Jefferson Music Company, which owns some, I don't know 75 or 100 of the pinballs, and owns, or had the bar operations where the pinballs were located, leased and subleased them to the bar owners, just did TAC Amusement and New Orleans Novelty and the others. And we said it's highly organized conspiracy to commit crime. And what else is organized crime? Whether you call them the Mafia or what, and some of the known Mafia leaders were involved in this. Others were not known Mafia leaders. But we said this needs to be wiped out. The law, the constitution says that it is improper and so we should get rid of it, so we recommended it strongly. And then I made a speech and when the bill to abolish the pinballs was in serious trouble, I sort of suggested that maybe there was some improper influence in the legislature. I didn't say that they were taking bribes, but that's immediately what they thought I said and so they started making speeches about me in the house and the senate. And then the Mafia Probe Committee, which was already established, but which was not functioning, said they were going to drag me before them and have me name those legislators that took the payoff. Well, I never in the first place said they had taken payoffs. I had probably allowed people to reach that conclusion by what I said.

When they did that, of course, it got a lot of publicity.

(Interruption on tape.)

They found probably 25 or 30% increase in the number of income tax-payers, primarily as a result of the Mafia probe. Increased over 100,000 taxpayers in one year.

J.B.: So that the Mafia probe thing found . . . dealt . . . ended up dealing with not so much the Mafia but just the general level of . . .

Steimel: Public corruption, and tolerance for public corruption. Mismanagement of the revenue department primarily was what the focus was. But it . . .

J.B.: Was this . . .

W.D.V.: corruption. Is there a certain point where there is a rebellion of there is a reaction to it?

Steimel: I think it's only when the public really becomes familiar enough with it that . . . I don't think the people feel . . .

W.D.V. Is it a result of publicity?

Steimel: Yeah, I think it's a result of publicity is what happens.

Look at Tel Enterprises is another. Are you familiar with Tel Enterprises?

W.D.V.: Is this is the

Steimel: No. T - E - L. I don't know who T - E - L are or if they are people. But under this governor in the fall of . . . or the summer of '72 there was established a corporation named Tel Enterprises. It was headed by Louis Johnson, appointed by Edwin Edwards the head of the highway department, not staff head but the board head, chairman. And a top Clyde Madrine who served as a bodyguard for Governor Edwards in the governor's office. These were the two principals. And they started operating using the power of the governor's office with or without the

governor's approval. I don't know, but apparently with, because he didn't stop it. To do almost every kind of thing. Well, if you've got the power of office behind you, two billion dollar a year operation, you can get money. You can borrow money. It's just that simple. And . . .

J.B.: What does Tel Corporation . . .

Steimel: All right, Tel Corporation then started buying. They bought the Capitol House Hotel out here in Baton Rouge, a decrepit hotel, but it's the best one we got, but it's still decrepit. And they were going to renovate it and make a mammoth thing out of it. And then they started buying banks and they bought the Planters Bank over in Opelousas for twice what it was worth. Just because they apparently could borrow the money to buy it. They said they were going to build One Edwards Square; they have One Shell Square in New York, probably saw it, tremendous building. They were going to build one a little bigger than that, some sixty stories. Name it One Edwards Square. All this stated publicly. And Edwards, of course, governor, was the one for whom it was being named. And these men were doing all this.

the implication immediately, they are going to bribe people into taking office space in it, you know. People could see all kinds of things. Most of this was being read in by other people, not stated by them. At any rate, it was a very free-wheeling operation. And then it was stated that the governor had ownership of some of the stock. Well, you can see how bad this kind of a thing becomes. It has been traditional for governors, or people close to governors, to buy up a bunch of little banks. New governor comes in, another bunch of banks are bought up, by different groups, of course. The governor's people buy banks. Well, this thing finally . . . this kept

going on and on and people got madder and madder. But only the people who were really interested and concerned and who were knowledgeable. Finally, although a good deal of newspaper work was done on this, and radio and TV were done on it, but it was spasmodic. Finally, Doug Manship, Baton Rouge publisher, who is really in my estimation one of the finest guys that I know of anywhere. He is committed to public good. He almost died once

It must have changed his life. The guy said to Larry Dickinson, "I want a story a day on Tel Enterprises."

Turned one man loose. I say he said that. All I can say is I know the results and I'm accused of doing it and I know Larry Dickinson brought Tel Enterprises to its knees. Just a matter of day after day after day in a period of about . . .

J.B.: Larry Dickinson is who, the editor?

Steimel: No, he's no . . . just a reporter. And he's a good reporter. Turned him loose on it and gave him time. He had a full day every day to develop one story on Tel Enterprises, a new story, and to show how far reaching it was, to interview people and get all the implications you can get. And it was obvious, the governor was just heading downhill fast politically, in the public eye, because now it was really reaching the people. But this was one newspaper but the A.P. was picking it up making it statewide, so Edwards dropped it like that (snaps fingers).

Now here was a case I don't think Edwards would have done it had not the public become informed. I don't know what the answer is in this state except we do have some good news people. Are you going to interview Bill Lynch?

J.B.: Um-hm.

Steimel: He's the best one. Meanest, toughest and the best; honest.

I say mean; he's mean against . . . (Interruption on tape.)

. . . public construction. How about Richard Angelico?

(Interruption on tape.)

I think that this state has made tremendous improvements in political reform. And not just in substantive changes in it, but I think in the minds of the people. And I'll just give you one little thing that I think, well, I'll give you two things, that I think show the involvement of the public. One is the change in the attitude of the voters on constitutional amendments. In most states you talk about constitutional amendments you wouldn't even arouse any interest at all. But here we are noted for having 40 or 50 or 60 every two years on the ballot. Well, up until we started publishing the guide on this thing for the citizens, they were all approved, almost all of them. 87% in a thirty year period preceding our coming on the stands. We started publishing this thing and getting it out in mass numbers and in reaching the press and the press taking positions, gradually that changed from 87% approval, or let's say 13% disapproval to, by 1960, about 40% disapproval and by 1968 it was higher and obvious that it was almost . . . that they were all going down, and in 1971 it was 100% disapproval. And since 1970 there have only been about 6 or 7% approval. Well, this changed because the people got a different source of information than the author of the amendment for how he should vote. Before that he had no source. Here he had an independent source and he started making independent judgments and also, at the same time, reached the conclusion we need a new constitution. So let's kill them all. And that was done by the people. Another is, in 1971, we did something, and, again, we didn't initiate this. We did it only because it was obviously being demanded by . . . in political campaigns. As incumbents ran for office their opponents began gradually more and more

to write us and say, "What's Joe's voting record on such and such?" So we would give it to them. And as it . . . as people found out that we would this for a man running against an incumbent or for an incumbent, if he asked us, "How did I vote on a certain issue?", we would find out for him. You really have to go and, you know, search your way through the journal of the house and the senate to find these things. Because of the fact that we were using one or two researchers every fall every four years, that is, in fall campaigns, we decided we would take what we considered to be 33 public interest issues (we narrowed it down to 33; we didn't decide on 33; we started out with 50 and we finally narrowed it down to 33 issues) and we would publish the record of all 144 legislators for the world to see what their record is on public interest issues. And when we did we had ourselves a best seller.

J.B.: As defined by you?

Steimel: As defined by us, that's right. We took, though, labor issues; we took management issues; we took tax issues; we took the school issue; we took . . . well, obviously, if they didn't think we had defined what were public interest issues, they wouldn't have paid any attention to it. Everybody had his own right to make those judgments, too. Did we pick the right ones? And we recognize that this is taking onto ourselves a certain power again. But again, we are still subject to the public's approval or disapproval. And apparently the public liked it because it was reprinted three times within the first month and sold 35,000 copies of it. We ended up in political ads, editorials, and everything else, and became the major reason for the defeat of nearly 60% of the legislature in 1971. Well, the guys who got elected, those new 60, are quite aware we are going to do this again in 1975. They know we're going to make available to the public something to judge them on. And it reforms them. And, again, maybe it's

in terms of what we think reform is but the public has to buy what we are doing.

W.D.V. Can you think of any changes besides those two?

Steimel: Oh, yeah, I'm just talking about ^{public} involvement. Yeah.

J.B.: What did the effect of reapportionment . . .

Steimel: One of the campaign issues I think is another indication of the public's involvement, in the 1950's the number one issue in this state was bigger welfare checks, school bus rides, free school lunches and charity hospitals. You could go back and check the platforms in that period. You don't find any of those things in the platforms today.

Johnston, Gillis Long and Bennett . . . and Edwin Edwards all had platforms that were almost identical: constitutional convention, reorganization of the executive branch, tax reform. These were the issues. And why are they the issues? You know damned well you don't run on a platform except because you think the public wants you to say that. You don't run and get out too far in front of the public. A politician doesn't or he doesn't get elected. He puts in his platform what he thinks the public . . . what's on the public's mind. And I think political reform is on the public's mind in the state. Now, specific, one thing I mentioned while ago, the investment of idle funds will bring to this state 25 million bucks this year that we were not getting. We have one of the best investment of idle funds programs in the nation, bar none. California, Georgia, I don't care where you go. We've got as good a system, I think, as you would want in any state. We're getting superior interest than you can get from any bank. We get treasury bill rates at a minimum on our investment. We had invested \$350,000,000 constantly, right now, basically using float money, much of it floating over a weekend whenever you're operating in the red. This is one, issue of debt. Technical thing, but

when a state issues like we do about \$100,000,000 debt a year on the average, then if you've got a bad debt policy, of course, it costs you very severely in higher interest costs. Well found the state with 25 agencies issuing . . . Only two of those agencies knew how to prepare a prospectus. You can imagine what a mess we were in. Poor ratings on our bonds. Well, we made a study of this and we recommended that the state get involved and they have one debt agency, professional staff. You know that the bond market, when the bond market was not saturated by a Los Angeles issue of \$300,000,000 or something of that sort, so you know the market, and you raise . . . put the full faith and credit of this state behind your bonds and pledge all your revenues to the bonds first before you even pay welfare checks. You've got to pay your debt anyway so why not put your money behind your debt first and then start doing the other operations of government. And you raise your interest rating and lower the interest cost. So the state adopted it like that, 100%. Did it within the first year after we recommended it. Now, those are just two things. I can think of another: tax reform in collection procedures. We've improved the procedures of collection in this state between the period (much of this occurred under Jimmie Davis and much of it under McKeithen, incidentally) to such an extent that I would hazard a guess that we are collecting from the same taxes, without changes in rates, more than \$50,000,000 higher than we would if we had not changed those procedures. Withholding of the sales tax, for example. I know of no state that withholds the sales tax at the wholesaler level. We collect the sales tax at the wholesaler level first. Why, because we had such lax tax enforcement. There's a million retailers but there's an awfully lot fewer wholesalers, aren't there? Every retailer

has to sell something he buys from the wholesaler. So collect it from the wholesaler when the retailer buys it from the wholesaler and then let him deduct that as a credit when he reimburses the state. But you find out who the retailer is in the meantime, didn't you. So we done that, and immediately we kicked up collections by \$20,000,000, showing that we had at least \$20,000,000 in cheaters. We have a long-range highway construction budget. Unfortunately, not . . . This is one of the big reforms that we were liking . . . like to discuss but we didn't, but we can't discuss it because it isn't fully implemented. This is what this other study is right now that we are involved in and that is, trying to get a new handle on the construction. Let me just . . .

(Interruption on tape.)

All right. I got the tax form, I forgot a maze of tax reforms that we made in 1972. We used to pay a discount for collection of beer, cigarettes, whiskey. Even after we eliminated the whiskey stamp, we still paid them off . . . paid them 5% for collecting the durned . . . putting the stamp on. There were about six of these. Saved the state about \$10,000,000 in 1972 by showing the Collector of Revenue what other states were doing. We tried to find a model state and say let's emulate them. These people are . . . every state has got an income tax, I mean, two-thirds of the states have income taxes but none of them were paying the guy who withholds for collecting. Sales tax, we were paying too much to the people to withhold it, you know, to collect the sales tax. Too much for the beer and so on. All of those were changed in 1972, on legislation. Now . . .

J.B.: What did you do on pinball collection?

Steimel: They were abolished in 1972. In 1970 they paid . . . had the bill and . . .

J.B.: Abolished pinball machines?

Steimel: Yeah.

J.B.: I've seen them here.

Steimel: Well, you've seen . . . you haven't seen . . . you've seen amusement type machines. You haven't seen the gambling type.

J.B.: Well, okay, they eliminated the gambling type machines.

Steimel: Gambling type machines are gone. And we had the big trial in New Orleans. District Attorney Garrison, which was really what finally brought him to his knees and defeat was the bribery trial where, there was no question, he got payoffs for pinball. They had taped conversations of it, but it's just that we have a pretty high level of tolerance in the state so we . . .

(Interruption on tape.)

J.B.

Steimel: I really do. I don't see any vast amount of graft, for example. I do see some serious dissipation of public resources in the highway system. It's not going where the . . .

J.B.: Getting back to those tax collections when you found out all those people weren't paying taxes, was that . . . was anybody getting off with a graft, or was it more a political payoff?

Steimel: It was a laxity, primarily, and people realize that unless you once file a return you would never be called upon to file on, so why file one?

J.B.: But nobody was getting paid off. I mean, was it question of just plain gross inefficiency or was it corruption?

Steimel: I think that primarily is what it was. I think primarily it was gross inefficiency. There were some cases. One of them we helped

reveal. He was a great supporter of McKeithen's and his name was Marshall Brown. You probably heard his name. If you haven't, you might look it up. He's not a person that you would want to associate with. But here was a man who had made a tremendous amount on apparently the futures market in one of these 1960, mid-1960, years. A quarter of a million dollars or so, enough that he had to pay on our very low rate of income tax \$15,000. Well, here is also the same man who was Governor McKeithen has said on a number of occasions that there is two men without whom I never would have been governor. You can see how much affection he had for this guy. Because he really did raise money for the governor when he had . . . in a campaign where most people didn't think he could win, and he did win, and so he was loyal to these men who got the money by whatever means. And I don't know that they were improper, but this man then decides he doesn't want to pay his taxes. And he says why should he, other people don't pay them either. And he said (and I'm just assuming he said these things to himself), "And besides I helped the governor." So he proceeds not to. And this kind of thing . . . I think there was some . . . some places here where probably political influence was used improperly. But I think these were the exceptions more than they were the rule. Incidentally, this guy had to pay it finally. Bill Lynch wrote the story.

J.B.: Ed, what's your background before you came in public affairs?

Steimel: Journalism.

J.B.: Where?

Steimel: Arkansas State College.

J.B.: You were teaching there?

Steimel: No, I graduated in journalism and the administration

I went to school late in life and I studied pretty hard, made pretty good grades. I went eight years after I finished high school. I didn't know what I wanted to do, so when I decided to go to college I decided to work pretty hard at it. I made a fair record in college and the administration wanted to hire me immediately to become the public relations director for the college. I did that for awhile and then came to Baton Rouge to work at the Chamber of Commerce. Then from there I went to this. I never . . . I didn't have much of a work life before I came here, except welding and aircraft mechanics and a few things like that.

(Interruption on tape?)

W.D.V.: What's been the effect of reapportionment?

Steimel: It has swung, I think, a little power away from labor, not much, but a little. It has greatly improved the position of the black. I think it has made the legislature far more representative. Has more Republicans in it and more blacks at the same time. In fact, we are ninth ranked in the state . . . in the nation in number of blacks in the legislature.

J.B.: How many Republicans? I thought there were only about two Republicans in the legislature.

Steimel: Four in the legislature, but that's the greatest number we ever had. Then we have eight or nine blacks in it and we had one in the 70 years before that.

J.B.: With single member districts and you only have four Republicans, how do you account for the failure of the Republican party to develop much more rapidly in this state as they have in other southern states.

Steimel: I think again it goes somewhat back to our political philosophy being far more populist than most of the states.

J.B.: You think that's it more than just an absence of effective leadership within the Republican party?

Steime: Yes, I do. Because we have really some of the most effective leadership of any state in the Republican party. Charlton Lyons, who died this past year, he was one real fine leaders and recognized as a very fine man. Almost won an election as governor; almost won for congress. And donated tremendous amounts of his own money to try to build the party and provided great leadership for it. Now, you can't have tremendous leadership in a party that only has 2% of the voters.

J.B.: Yeah . . .

Steimel: There's just not enough of them.

J.B.: . . . but that's by registration but by voting performance there are far, far more Republicans than that in this state.

Steimel: When it comes to governor, yes. But there's a lot of issues there that don't give you a clear indication of whether those 40% who voted for Treen or for Charlton Lyons in 1964 were Republican votes or whether they anti-whomever it was running, for the Democrat, for one reason or another, and maybe not because they really believed philosophically with the Republicans. I think there are a lot of issues although I do think that perhaps there are as many as 30%, 35% of the people of this state who think Republican.

J.B.: But you only have four legislators, and one congressman.

Steimel: But before that we had none, or one. Well, I think we had two at one time and then they ran for re-election and were defeated. And I think at the time of the reapportionment there was none in it. There are four now, five actually. I think that will improve and that there will be more. I think it's one of the really important things that the state needs is the development of a viable alternate party, whatever that party may be, that need to keep the crowd in honest. Some people have attributed that role to us, but I think it's a proper role for us. I think we've been

forced into that position to some extent.

J.B.: Yeah. You have been referred to as the opposition party.

Steimel: Yeah, we have. I don't think it's the proper role for us but it is one that falls to us.

W.D.V.: Where do you see P.A.R. going in the next five to ten years?

Steimel: Well, I'd say we'll be working on land use for probably a good five of those years. It'll take that long to really resolve that particular issue. I don't mean that we will be full-time involved in it but that's one of the things. Education I think is probably going to constantly be one of our major focuses. It has been in the past. We did the vocational/^{technical}education study. Are you aware of this?

I brought a copy of that along. That and economic development. This is the vocational study. We did that . . . published it the spring of this year because of the improper emphasis of education in this state at the college level. We were saying everybody has to go to college and most of the country was the same way, wrongfully. And the result was, we were shooting an awful lot of people into college and they weren't prepared for it, didn't belong there, and there's no place for them when they come out. But we weren't doing anything in the skill area, at least not as much as we should.

J.B.: Do you see P.A.R. becoming stronger in relationship to state government?

Steimel: Well, I hope so. I don't want us to go down.

W.D.V.: Let me ask you in terms of influence, more influence, more adoptions of your programs and policies . . .

Steimel: I don't like . . . you can't deny the word influence, but our purpose is not to try to dominate the state but to try to find . . . to

ferret out the problems that face the state economically and politically, to find some solutions to them and then to tell the state, all the people of the state, and hopefully then, the wisdom of the people will be to go ahead and adopt them. And that's what I think exactly what happened here and I hope that we will continue in that direction. One is economic development, the fact that we have been in that field. This is one of them. This preceded that. This thing said the biggest deterrent to industrial growth in Louisiana is lack of skilled manpower. And number two, there is low employee productivity. We didn't say taxes were high. We didn't say that labor was the most serious problem, although labor did rank up pretty high. But the first two were educational problems, lack of skilled labor and low employee productivity, which says that we weren't preparing people for jobs and then there was an unemployment problem. This then followed. How do we do that? Provide schools, schools that are geared to job needs of the future. And you offer kids an opportunity to get the education and you guarantee them a job when they are finished. You guarantee them . . .

W.D.V.: There are three roles that I think . . . One is search, one is education and it's important as a public information function. Another is basically after this function, trying to get it adopted. Do you see . . .

Steimel: Well, the second part of this is really the activist end of it, I think.

W.D.V.: Okay, but in those roles, that is, the promotion and activist end of it, do you see activity increasing for P.A.R. or decreasing?

Steimel: Well, I think it'll increase. I do. If we do a good job, it will.

J.B.: Don't you also see P.A.R. as sort of a fourth role as watchdog?

Steimel: Oh, yeah.

J.B.: Let me ask you this question. Do you see the fact that P.A.R. is widely recognized by the public in Louisiana, they know P.A.R. exists, they are pretty much familiar with what it does, that it does serve to some extent almost function as an op- . . . some of the functions of an opposition party, perhaps because of the absence of an opposition party. Could that possibly be one of the reasons why there^{is} little success in trying to develop an opposition party, a Republican party? Does it feel, the public, that there is not as much need for an opposition party here as in other states?

Steimel: I don't believe so because I don't think the public understands us that well. I don't think the public knows us as well as you're implying.

J.B.: Well, I don't mean so much . . .

(Interruption on tape.)

. . . public in Louisiana is that much aware of P.A.R.'s role.

Steimel: No.

J.B.: How do you assess Victor Bussie's role in Louisiana politics?

Steimel: Politics?

J.B.: Government.

Steimel: Extremely influential. Much of it for good, much of it we disagree with.

J.B.: Where are the principal areas of disagreement?

Steimel: Disagreement? Well, right now the property tax is one of the biggest. I guess there is really not an awful lot of areas where we disagree but, if he had stayed on the same course he was on in the property tax . . . of course, he says we got off the track. I don't see how we did

because we have always said . . . called it the same thing, implementation of the law. So we have to disagree with him there. We disagree with him on . . .

J.B.: What is the disagreement on the property tax because that is such an important issue.

Steimel: Well, the only disagreement really occurred in this convention. He simply went with Chehardy, the man that he had been cussing for five years.

J.B.: On this 10-15 formula?

Steimel: That's correct.

J.B.: There's a difference on the formula for residential versus industrial property? Is that where the . . . having this differential? Is that what the disagreement is?

Steimel: Well, our main criticism is we don't like any form of classification in property tax. We take the fundamental policy backing up a property tax, the theory of a property tax, is that property has a value, is wealth, and to some extent wealth, regardless of who may own it or for what purpose that wealth may be used, well, owes something to society. Now, if you had your whole tax policy built on this, then, of course, you would have to add a lot of things into it. But his theory is that wealth that is producing revenue should be looked upon differently than wealth that is not producing revenue. And we say that is entirely improper because that's the theory of the income tax. We do have an income tax. And when you bring in the ability to pay theory, then, and if you are going to use that theory, I can absolutely wreck a person who takes that position because I say, "Okay, what are you going to do with Lykes Steamship?" They have vast amounts of property but have been losing money every year for the last fifteen. I don't know whether that's

the exact number, compared to Exxon that have been making 10 or 15% per annum profit. Now, are you going to differentiate? Because here's one piece of property that makes no money. You have to look upon So this is a fundamental difference in philosophy. The difference because, I think if you'll look at the tax of theorists, you'll find that what we state as the tax, the theory backing up the property tax is that wealth owes something to society regardless of who owns it. And you don't differentiate between the two.

J.B.: But you're willing to accept the homestead exemption.

Steimel: I accept it only as a fact of life which I have to live with. That's all.

J.B.: Okay, basically you would oppose it?

Steimel: Well, I think, yes, I think basically it is fundamentally unsound, but I wouldn't say this publicly because it would simply put you out of step with the public to do that. So we won't ever even that publicly. We, in fact, advocate it, because we have to be somewhat pragmatic or we don't succeed. We advocated a continuation of the homestead exemption at \$15,000 home level. Positively advocated it. So that is our position and I think it's the only one we can take. You can't preach yourself out of the public. But fundamentally I don't think it's sound. Makes no sense. No, it doesn't make any sense to treat me differently from the renters. They don't give anything to the renter. Well, why are we not concerned about the renter?

J.B.: Is there an intangible tax in Louisiana?

Steimel: Yeah, but it's not enforced. It's not enforced . . . I don't know of any state where it is enforced. You're talking about stocks and bonds.

J.B.: Back to Bussie. Here organized labor is a really insignificant

in terms of membership, force, yet every place we go we hear about his power in politics. Not comparable to any other state that we know of. How do you explain it?

Steimel: I think the explanation for Bussie is more the same explanation given for Chehardy. He has a dominant personality, extremely able person. He is . . . he involves himself in many public good causes, mental health is just one. He has been state president and he has been the local president and on the national advisory board. He becomes involved in Well, he helped the Archbishop over here You say we have our, half our whites are Catholic in this state, roughly. And until recent years blacks didn't vote. You can see the influence of Catholics in Louisiana at election time. Well, the Archbishop wanted public aid to private schools. And Bussie recognizes that Catholics are pretty important politically. Take a look at how many are in the legislature, exactly 72 out of 144, 50% on the dot, of the legislature are Catholic. Well, Bussie is not stupid. He recognizes that Catholics can be helpful to him to be helpful to Catholics. So he's the guy who leads the fight to get public aid for private schools.

J.B.: That was a sales tax?

Steimel: That was the 1970 sales tax. He, along with Archbishop Hannan and Archbishop Tracey and other bishops.

J.B.: He led the fight?

Steimel: Oh, yes, he led the fight. And he led the fight and then it was declared unconstitutional which he probably also suspected. What the hell can he lose?

J.B.: Unions opposed it, huh?

Steimel: So it's defeated, it's immediately declared unconstitutional.

So, sure, he leads the fight again in 1972. Pass it again. No problem. Declared unconstitutional again. Had two different ones this time. One of them was a tax credit; the other one was a contribution. And we thought maybe they had something on one of them, the tax credit, but it got declared unconstitutional last week, finally. What's he been out? Got a lot of Catholic support. Right now on this convention floor the number one lobbyist for the Catholic church, and we got a lobbyist for the Catholic church that's out of this world, Emile Kohmar, former political reporter; he votes 100% what Buss e wants. He is full-time lobbyist for the Catholic church. I'm a Catholic. I'm not talking about somebody else's religion. I helped them organize for their political consciousness program here, back about 19- . . . when Cody was here, he's now in Chicago.

J.B.: What sort of a role does the Catholic church play in Louisiana politics?

Steimel: Well, on this particular issue of giving public aid to private and parochial schools, they have developed a real aggressive role. Preaching from the pulpit, l ing all layman to observe the voting habits of the legislators. And when you hit every pulpit in this state and half the whites are Catholic and all the legislature is white (until this last crowd).

J.B.: Does this in effect come down from the Archbishop's policy?

Steimel: Well, the Archbishop, of course, really runs only the archdiocese and then Tracey runs this one, Bishop Tracey here and Bishop Greco in the other. Each one of the bishops really runs his own show. But they do work together because they have . . . I forgot what they call the outfit now, but it's a sort of a conference of the Catholic bishops and they meet on these issues and decide what their positions will be

and they communicate pretty well among each other. And then when a sermon does come

(End of tape.)

This is a continuation of an interview with Ed Steimel of Louisiana. Susan Hathaway completed the transcription.

JACK BASS: So Parr's opposition to public aid for parochial schools primarily is based on the fact that you think that the public school system is inadequate and needs to be taken care of.

Ed Steimel: Right now, I think the public schools are being fairly well financed, but at that point we felt that they were inadequately financed and that this money would be taking money from the public schools that was needed because we had the desegregation implementation actually occurring, and this was not the time to make it easy for people to run off and leave the public schools because that was going to hurt the public school system two ways, striking off the upper echelon of people. We may as well face it: the people who are at the higher economic stratum, we know that, perform better in public schools.

J.B.: But the Catholic Church will and has, in this state, actively recruited candidates for the legislature?

Steimel: Oh yeah.

J.B.: To oppose people who have voted against what they perceived to be their interests. They also have

political sermons. Was the idea for these sermons, does it come down from an hierchial structure, the basic ideas?

Steimel: I imagine it does. We are not privy to so much of that because our position is well-known publicly, and for this reason, while we worked extremely closely with the Catholic Church when they set up their political awareness conference, we have not been too close to them since. I am not a daily Communi cant but I do go to Church every Sunday and we are very active in the Church and they know our position. So, I don't know all of how these decisions are reached. I do know that Omel Comar is one of the most active and effective lobbyists in the state.

J.B.: How does he spell his name?

Steimel: Comar. He is a , and he is one of the best. He preceded Bill Lynch, he immediately preceded him. He ran the New Orleans Tarian Herald which is the archdiocesan paper, for many years, an outstanding paper. He's a good man.

W.D.: Is it fairly easy for you to measure influence among opinion makers? In other words, you can tell your impact on the legislature and the executive office and so on. Have you heard any measurement of the perceptions of the people about Parr?

Steimel: Somebody did that, I think, in 1971, just in Baton Rouge to try to determine the awareness. I think

I have a copy of that. Also, what their attitude was, be it a saint or a sinner. We were on one end of the spectrum and he was on the other. We were on the saint side and he was on the sinner. I'll show it to you if you want to see it. The amazing thing was that he is usually not followed at the polls, the voter level.

W.D.: In terms of the union endorsements?

Steimel: Union endorsement does not really bring votes because of the endorsements, but may bring some votes in a particular case and that is the hard work of his men. If you can marshall a substantial force of people at the polls, getting out the vote, getting people registered, the black people which is basically their approach, getting the right people registered and to get those people to the polls and never mind those people you don't agree with. That has been the system and they do get workers' support. They put the handbills out, they print things for people. So, they are a factor in that way, because of the work they do, not because of their public pronouncement.

W.D.: Because of their organizational efforts in the legislature?

Steimel: No, because of their organizational efforts at the . But then, here is what makes them powerful in the legislature, any comparison with what their real voter strength. They have far more impact

in the convention, far more impact on the legislature than their voting numbers would indicate, because legislators know how confident they are because they have ten or twelve or fifteen full-time lobbyists if necessary at the legislature, and at every committee meeting that has any importance - how capable they are at feeding your particular legislation, and how much they can help you in passing your bill. They don't mind helping you pass your bill. It doesn't matter what it does, if you vote with them. They put the swap off in legislative support, and they do this on a wide range of bills. That makes them popular with the legislature.

J.B.: What other areas of disagreement do you and basically have, I mean philosophical differences? What do they want on reapportionment? Multi-member districts, is that what they want?

Steimel: They want multi-member districts because in Baton Rouge, for example, eight legislators, they could be a major influence on all eight of them. But if they are broken up, he can't do anything with the Republican district, any of the white collar workers, you can't do anything with them.

W.D.: One assessment was that the single member tended to make the legislators more responsive to the individual constituencies. That would also make the voters

less responsive to special interests.

Steimel: Right.

J.B.: And also make them . . . those areas said it made them less responsive to state-wide issues, or take less of a state-wide outlook.

Steimel: I don't agree with that. Some say that. That thing falls on its face when you look at the issues. If you go to the legislature and take a look at the bills, you'll not find any bills that deal with the entire of Baton Rouge parish, which is this parish. Most of them deal with a state problem. It has nothing to do with a particular parish. There is little difference between one-eighth of east Baton Rouge and all of east Baton Rouge with effect to the issues, because damn few of them relate to either one-eighth of Baton Rouge or all of Baton Rouge; they relate to state issues. It simply is just not the same situation you find in local government. Basically, we take the opposite position when it comes to apportionment of a governmental body for a local government. That is, we do not favor single member districts for local government. And for the very reason that people are critical of this because of their lack of understanding of the issues at the local level and a school board issue, you deal with a school often times, which is located in a particular location and obviously being within a small segment of the community.

Often times you are dealing with one of, we've got about 135 schools in this particular parish. You are often dealing with a particular school, and it can become an extremely provincial type thing. Each school board member will say, "I'll run my show, you run your show, and we'll just help each other." As a result, you have a lousy operation. You don't have those kind of issues at the state-wide level. The same thing in city parish government. You are dealing with a street running right through here. Of course, you are dealing with parish pay plan, a lot of things in the parish lines, but often times you are dealing with zoning of a particular area, a street. These are the controversial things at the local level and that is why you don't want single member districts at the local level. We basically go for a combination. We do a lot of charter writing. We are writing the _____ and the Alexandria Charter.

J.B.: What sort of staff do you have? I mean, in terms of background, where do you get your staff? Are they lawyers, economists?

Steimel: No. Political Scientists primarily, Masters Degree. We don't shoot for Ph.D., I think it is obvious why, because we don't want that extreme specialization. We don't want anybody on our staff who isn't equipped to be a Ph.D., but we want people who have a good fundamental knowledge

of the political process and the political system.

J.B.: Political Scientists in terms of public administration?

Steimel: Public administration. It can be public finance. It could just be government, state and local government. Primarily we are interested in state and local government.

J.B.: Do you have any lawyers on the staff?

Steimel: We used to have. We've had, I'd say, five over the years on our staff, but we don't have any right now.

W.D.: How do you get from Cable?

Steimel: They don't do research.

J.B.: We've had some people tell us that Cable is the political arm of Parr?

Steimel: It started out to be that. I don't think there is any question about that. I met in the initial meetings before it was created to help in bringing about because they wanted to have some punch, more punch than we were apparently mustering at the time, and so they organized to really do that. They almost wrote it in the Charter, that they would carry out the recommendations of Parr. I objected to that because I thought that would get too bold.

J.B.: What is the relationship now?

Steimel: Are you going to print this?

J.B.: I just want to understand.

Steimel: I don't want to create animosity.

/Interruption/

W.D.: As you look back over the last 20 or 25 years, has Parr made any major steps?

Steimel: I am sure we have. That is a horrible way to answer that question. I should know from my finger tips immediately a thousand mistakes that we have made.

W.D.: vis a vis with state government?

Steimel: Oh, yes. I think initially we were headed in the wrong direction. It could have been a serious mistake if we had continued heading that way. If you looked at our early publications, you'll find that we were very concerned obviously about high taxes. We kept talking about this. We indicated that we were here to try to bring the cost of government down. These were the things that were said early and these were the popular things, I guess. I think a lot of that came from simply not knowing very much in this field. Also, maybe that is why, partially, why we were started. That is why most of these organizations are started in the country. We had to get our impotence from the others. I don't think there is any question, but that we contributed, because of that, to a feeling on the part of a lot of

people that taxes are very high in this state, and they are not. We've changed that stand as we became more knowledgeable, and today we are saying at every chance we get, that taxes are not high. They are not high on anybody, even industry, in this state. We point that out. What we want to have is a tax policy that is conducive to economic growth over the long term. That is all we are interested in as far as tax policy is concerned. I think this was a pretty serious thing that we did wrong. I think what is important about our organization is why is it that we can't avoid mistakes. I think we have a system in our research that prevents major mistakes. That is really important about what we do.

J.B.: exemption talks
about the Constitution, what is it a exemption?

Steimel: We advocate it in our property tax study that we should begin plans for the elimination of it. We should. I don't think we can immediately drop the industrial tax exemption because you'd have to do some counter-balancing things, but we think we ought to eliminate the thing. We said so, even though our biggest supporters have the industrial tax exemption.

J.B.:

Steimel: We didn't recommend that it be in the Constitution.

In this particular report, in this last one we gave him, we did not specifically deal with that exemption or the other. [Interruption]

J.B.: So in ten or fifteen years, your revenues from oil and gas are going to be . . .

Steimel: They are going to be going down hill over this period, that's right. They have got to be gradually replaced. I mean, what are you going to replace them by? There are only three taxes: sales, income and property taxes. They just don't make any other kind really. We have 47 different kinds, but there really are only those three. We have now taken the sales, well, the sales tax is on the biggest . . . It is less popular. The income tax is on the next largest mass of people, and it is therefore, less popular. We have now moved across to where there is a tax on business, only depending on what the convention is doing. So when it comes to the time when we have to replace the oil and gas tax, we will move politically, we will move to the property tax for several reasons. We don't use it very much anyway, less than most states. Besides, you don't get defeated if you put it on the corporations. You get re-elected. So, you do that. You don't create jobs. You keep having a higher unemployment rate as we have here. We have a higher unemployment rate than the South always, higher than the

nation. So, we don't create jobs by that system, but we do get re-elected. So, politically we are going to move to property taxes. There isn't any question in my mind. It is going to be tremendously increasing in the next ten or fifteen years. It will be a big tax then and that is why I am concerned about it.

J.B.: What is the biggest problem in attracting industry to Louisiana?

Steimel: I think there are about six or seven. They all deal with one thing, politics.

J.B.: In priority how would rate them?

Steimel: I think we are on the way to curing the first one, right here. Basically, education is the highest.

J.B.: Even more than politics?

Steimel: Education is influenced by politics, or it influences politics. I don't know which comes first, but the low level of educational attainment is traditional in this state. The high percentage of blacks in this state have extremely poor education. The demand for things of economic value coming from the government is greater by those who don't have it and this has been the tradition in this state because we do have more blacks and more poor people, legitimately poor, than most states do. We have this high welfare load. More people are on old-age assistance than any other state in the country proportionately. I mean,

all of this has, is a fundamental problem, is the high illiteracy of the people of this state. I think that is one. This is another part of education, and that is a failure to develop skills. We can correct that within three years by simply pouring some money into the development of skills. So, we can't correct the lagging educational attainment of our people and of our adult population because we can't get them back into school, and we can't suddenly upgrade public schools. That is something that will simply take generations to do. You don't upgrade public schools fast. So that is going to be one of the places for long term. We are fiftieth in the nation in literacy, fiftieth in the nation in functional literacy and see, we have a few problems. Our whites don't enter the school from the French country. In the area where Edwards comes from, it is not unusual to find, I don't have the number, but I remember the , I think there was between 10% and 20% of the white adults who were totally illiterate, when in a normal state you would find 1% or 2%. But in these parishes around there it is that bad. This is why . We have no right to work law. I don't advocate a right to work law. I simply am saying that as you look at the map of the state, states that do have it, there is what you see. If you are an industrialist from New York and you want to go to

a state where you don't have a union shop, you would pick any state in the South but Louisiana, wouldn't you?

J.B.: I don't know, because you want a union shop. I know a lot of the other southern states discourage anybody who wants to come for one reason or another, feels obliged to have a union shop.

Steimel: Feels obliged to have a union shop?

J.B.: Right.

Steimel: They don't want that industry? [Interruption]
In our state you have to have the . . . kind of firm that is concerned about labor domination of politics. Now that is, what I think this says, it says that somebody is strong in labor because it takes a law to have a right to work law. You have to pass it by the legislature. We don't have one. These other states do. This means that labor does not control politics in those states to the extent that labor controls politics here. It is just that simple. Then, I don't think that this rules us out, but it does raise the question in the minds of the industrialists, how strong is labor in politics in Louisiana, and they look at this, and this is one more of the things that hurt us, and it is political. Let's look at another one that is also political. It is also labor. We have a higher cost, and this is also pointed out in here, workman's compensation cost in this state than I think anywhere else

in the South, and double that of some of the southern states, in spite of the fact that the benefits received by the worker here for the same kind of injury is no greater than Alabama or any other state. What is the answer to that? Why does it cost twice as much here than some states, but the benefits here are no greater? The answer is the liberal interpretation given by the courts in judgements for workman's compensation cases, and the liberal interpretation of what constitutes total and permanent disability, which is dictated in the law. We've got two political groups here. We've got the judges determining the judgements and we've got the legislature determining what is total and permanent disability. Both are politically determined. Labor will not allow a re-definition of total and permanent disability. The vote was about 51 to 49, but labor has always been winning. In the other states they have. You can have three total and permanent disabilities at the same time. If you are totally and permanently disabled, you should be totally and permanently disabled, but in this state you can be collecting at three different times, and some people have collected at three different times at the same time, I mean, on three different jobs. This does not help the attitude of those who have a relatively low paying wage. It doesn't make any difference to Exxon, they don't give a damn what you do with workman's

compensation, that is one of the problems. Your federal industry pays greater benefits for an injured worker or decapitated worker or dearmed worker or whatever, than workman's compensation law calls for. Anyway, they don't give a damn what the law is. For this reason, it isn't an issue with all the petro-chemical industry. But it is an issue with the woodworking industry, the fairly low pay, the textile industry and so on. So, as a result,, they just say, "When it gets to the point where it costs between 1% and 2% of total wages, then it becomes a big factor.

J.B.: How then do you account for the success that McKeithan did have, particularly in his early years, in

attracting industry. Am I correct that he was successful?

Steimel: He was very successful. What he did was to institute what he called a right to profit law. We had done a predecessor study for this, published in November of 1962 called , we listed the ten most important deterrents to industrial growth. We list them in here too. [Interruption]

J.B.: So it was a very aggressive sales effort by McKeithan plus tax reform based on recommendation.

Steimel: He is a fantastic salesman. So, incidentally, is Edwards.