

Ex-Governor Edwin Edwards

Was it "laissez faire" in Louisiana, or "laissez les bons temps rouler"??

In the October 1987 race for governor of Louisiana, "reform" candidate Charles "Buddy" Roemer and incumbent Edwin Edwards finished first and second, respectively, in a field of four. Edwards, in a surprise move, declined to participate in the runoff. Roemer was inaugurated as the new governor on March 14, 1988.

F.R. Duplantier, Managing Editor of THE NEW AMERICAN, and a native of Louisiana, offers this retrospective on the two protracted racketeering trials that marred the third term of Edwin Edwards and made Louisiana the laughingstock of the nation.

U.S. Attorney John Volz had insisted at the outset that the justness or unjustness of the Louisiana hospital and nursing home approval system was not at issue in the case. "I don't make the laws; I just enforce them," he said in so many words, betraying no recognition of the feebleness of this all-purpose enforcer's parry. Nor was he challenged by any of the representatives of the various monopolistic newspapers across the state, who, with some justification, interpreted Governor Edwin Edwards' unexpected invocation of the free enterprise system as merely another instance of his frequent resort to the time-honored political tactic of changing the subject or confusing the issue. The fact that the influence the governor was charged with misusing would have had little value in a free market was one of those delicious ironies that the governor cherishes in direct proportion to the outrage they provoke in adversaries constrained by logic.

With one of the largest state governments in the nation, and (coincidentally?) one of the highest unemployment rates, Louisiana has since the days of Huey Long been anything but a model of commitment to free enterprise. For many years the state's Department of Commerce and Industry, with a craftiness worthy of the governor himself, boasted in its trade ads that Louisiana led the

nation in its annual percentage increase in manufacturing starts and expansions, leaving it to statistic-wary businessmen to recognize that a state with one manufacturer one year and two the next has just experienced a 100-percent increase in manufacturing. That a state with so much to offer in natural resources should have so much difficulty attracting business was clearly due to the political, rather than the geographic, environment. The belief among state officials that the citizens of Louisiana could not be counted upon to generate their own wealth and that any hope of prosperity depended upon the state's courting of outside interests was merely the perpetuation of a psychological dependency that could be traced through the state's nearly 100 years as a colony of France and Spain and a like era of subservience to a paternalistic and avenging North.

In his highly publicized fights against Rockefeller and other alien interests, Huey Long had merely succeeded in establishing a native tyranny. He discovered that levies on the extraction of natural resources could be used to subsidize projects that would curry favor with the voters and to support an ever-expanding state government that would provide opportunities for patronage and self-perpetuation undreamt of theretofore.

Shrewd and Lucky

Although Edwin Edwards won his first term as governor pledging to streamline government, he managed to rearrange a mishmash of nearly 300 state agencies into a modern cabinet form of government without eliminating a single job. His shrewd reworking of the severance tax on oil from a flat rate to a percentage of value, combined with a run of good luck culminating in the Arab oil embargo and the consequent acceleration in domestic oil prices and state revenues, provided Edwards the funds to finance a massive growth in state government (and personal power), to eliminate the state property tax and the state sales tax on food and drugs, and to leave office with

a sizable surplus in the state budget.

His Republican successor, Dave Treen, was not so fortunate. Thanks to an oil glut that precipitated drastic reductions in oil prices and state revenues, not to mention his own inability either to scale back the size of government or pass a tax hike to cover its rising costs, Treen neared the end of his fourth year as governor with a record budget deficit.

While Treen was draining the state coffers, Edwards was filling his campaign chests with booty, lining his own pockets with the profits from the lucrative sales of various hospital construction projects, and dodging a grand jury investigation into his involvement with a state employee's tax shelter program. Over the years Edwards had weathered the storms that had erupted over a spate of accusations, including the allegation that as a U.S. congressman he had accepted a \$20,000 campaign contribution from Korean lobbyist Tongsun Park (in her innocence of ethical niceties, his wife Elaine had accepted a mere \$10,000 as a personal gift unbeknownst to him, the honorable congressman explained).

A Blend of Ness and Nader

Meanwhile, having seen the elections of Ronald Reagan as president and Dave Treen as governor as omens of things to come, U.S. Attorney John Volz, a man of unwavering principle, had traded in his lifelong affiliation with the Democratic Party for a new allegiance to the Republicans. A blend of Eliot Ness and Ralph Nader, he had taken aim at the giants of Louisiana's legendary corruption — State Senate President Mike O'Keefe, Commissioner of Administration Charlie Roemer (father of the new governor), and reputed Gulf Coast Mafia kingpin Carlos Marcello — and had bagged them all. If anyone could catch the slippery Edwards, surely it would be Volz.

But Edwin Edwards was far more intelligent than any of Volz's previous targets, and far more charismatic. Whereas Volz's righteous and crusading personality may have given him the appearance

*Let the good times roll.



Louisiana's Edwin Edwards

of a public guardian or avenging angel when juxtaposed to the money-grubbing, power-mad machinations of O'Keefe, Roemer, and Marcello; when contrasted to the glib and patronizing air of the wily governor, it gave him the appearance of a tattletale or spoilsport.

Volz was soon to discover what Dave Treen had learned the hard way, when as an incumbent seeking reelection as governor the latter went down to defeat harping on the unsavory aspects of Edwin Edwards' character: that the voters of Louisiana prize other qualities than purity in their leaders, that rascality and a knack for making and spending money are generally preferred to self-righteousness and austerity. In a state as impoverished as Louisiana, the common folk get more satisfaction from the vicarious enjoyment of someone else's extravagance than they do from the moralizing of a straight arrow who does everything by the book without realizing that he's the only one who's read it.

The Prosecution's Case

Armed with the versatile federal rack-teering law, Volz had charged Edwards and several of his associates with illegally obtaining state approval for various hospital construction projects. According to the prosecution, the approval of a state health department functionary was secured with the promise of a promotion to come when former governor Edwards ousted incumbent Dave Treen in the upcoming election. Furthermore, the nearly \$2 million that Edwards netted from the deals was alleged to constitute a bribe

for favors to be granted to his friends when he took office.

The prosecution's case relied heavily on the testimony of state health official John Landry and the aptly-named Kevin Gamble, a businessman who claimed to have been "shaken down" by an associate of candidate Edwards in return for a campaign contribution that would ensure approval of a hospital construction project in which Gamble had an interest. Volz made much of the fact that Edwards had kept secret his interests in the projects, that he had profited handsomely from them, that he had declared a moratorium on further hospital construction immediately after ordering the approval of projects proposed by his former partners, and that he had a habit of losing large sums of money at the crap tables in Las Vegas.

The defense countered that the prosecution's star witness had perjured himself on a number of occasions, thereby impugning his testimony concerning the alleged bribe. They denied that Edwards had had any responsibility for the subsequent promotion and noted that a \$42.50 a week pay raise was hardly the stuff that bribes are made of, however princely a sum it might seem to a prosecutor spending millions of dollars of taxpayers' money on a "fishing expedition" or to reporters accustomed to squabbling over movie passes. Moreover, gambling debts could not provide the motive that the prosecution sought, for Edwards had a record of winning more than he lost. Last, the granting of immunity from prosecution to Kevin Gamble had made all of his testimony suspect.

A Play of Personalities

From the beginning the trial was a media event, destined for that very reason to be a play of personalities instead of issues. Could the gallant if somewhat tiresome prosecuting attorney who had never lost a case in federal court haul in the slippery fish of a conniving but charismatic governor who had eluded so many nets before? Volz had made a reputation for catching the big fish, but the once and current governor had made a lifelong hobby of thwarting overzealous lawmen and had firmly established himself as the one that always got away.

The prejudice of the press was palpable (members of the media have a natural affinity for the tiresomely gallant); the



U.S. Attorney John Volz

rumpled scribblers and the starchy broadcasters longed to see Volz draw blood. And yet, with the determinedly hardboiled cynicism of people who have seen a lot but done very little, being always on the sidelines of experience, they affected a sophisticated confidence that this time too the indiscretions of "slick Eddie" would go unpunished. Of course, the out-of-town journalists had no trouble maintaining their lofty indignation over the less than pristine political and commercial environment in which Edwards and his cronies operated and were particularly galled by the governor's steadfast refusal to take the proceedings, or its chroniclers, seriously. But the local scribes, raised in indulgent latitudes, couldn't help resenting just a little bit the outsiders' facile condemnation of their smooth and audacious governor.

Day after day for thirteen weeks the people of Louisiana had been treated to a somewhat tedious yet somehow fascinating account of the levantine scheming of the state's top politician. The tiny courtroom was open to the public, and from the beginning a steady stream of curious onlookers had taken seats in the back rows to be a part of state history for an hour or two, depending upon their threshold of boredom. The constant turnover allowed hundreds of interested citizens to get a glimpse of the proceedings and to study the poker-faced profile of their beleaguered governor for hints of remorse, indignation, or exhaustion.

The members of the media — with their spiral-top notepads, their charcoal and artboards — would appear just be-

fore the court's convening, flash their press passes and, amid grumblings from the queueing spectators, enter like the anointed chic at a trendy disco.

Prosecution Self-Destructs

Although the local media continued to report on the trial as though the verdict were a tossup, by the time Edwin Edwards took the stand in his own defense the impression had become firmly established among spectators that, barring some sudden Perry Masonesque confession, a conviction was not to be had. It wasn't that Edwards was winning the case, but that Volz was losing it. He simply wasn't proving anything, except his own inability either to judge the merit of the case he was presenting or to generate any enthusiasm for his cause. With rare exception, the moments of interest or levity had been provided by the poised and polished counselors for the defense. Much of the prosecution's case Volz left to his inexperienced assistants, whose drabness of presentation was devastatingly self-destructive.

Typical was the interruption of her own examination of a witness by one young assistant who then began to search through a half-dozen cardboard boxes on a nearby table for a document relevant to her next question. Minutes elapsed. Jurors shifted nervously in their seats. Spectators looked at each other in disbelief. The defendants, their attorneys, the judge, and the courtroom staff rolled their eyes and shook their heads. Finally, she returned to the rostrum, asked one or two questions pertaining to the document in hand, and then—incredibly—returned to the table of boxes to search for another piece of paper.

John Volz too allowed himself to be overwhelmed by the volume of his evidence and was made to look ridiculous by an ever-obliging governor who had memorized those portions of the grand jury testimony that he thought the prosecutor "would harp on" and readily supplied the relevant page numbers whenever his nemesis faltered. Edwards had also worked out a cute little shtick with defense attorney James Neal in which the latter would object to a question posed by Volz only to have his objection overridden from the witness stand by the candid and cooperative governor. How could such an open and guileless defendant possibly be guilty?



**Huey Long: No champion
of free enterprise**

Free Market Argument

Despite his record as a progenitor of big government, Edwards managed to position himself during the trial as a champion of free enterprise and to cast the hapless Volz as a tool of the intrusive and abusive State. Volz was challenged to deny the pertinence of free market considerations; the argument that government has no business interfering in hospital construction and that without government interference there would be no occasion for bribery—and no excuse for a multi-million dollar show trial—this argument was, in Volz's estimation, simply irrelevant.

Edwards maintained that his moratorium on hospital construction had been a temporary measure to allow him to develop and implement a more sensible approval system. "I want everybody to get approved," he said, pointing out that more hospitals would mean "more care, and better care, at cheaper prices." More hospitals would also mean more construction jobs, more health care jobs, and more business for the advertising and public relations firms that were already being called upon to help the competing hospitals develop new services and create demand for them. According to Edwards, the only vocal opposition to the construction of new nursing homes and hospitals had come from the state-wide nursing home and hospital associations, which were protecting their own interests by attempting to stifle competition. "They want to be the only game in town," said the governor.

Free market theory was not the only thing Volz considered irrelevant; it seems the verdict of the jury was of no consequence to him either. Volz demonstrated his contempt for the members of the jury he had praised the day before, and his disregard for the judicial system both he and they represent, when after seven days of deliberation they announced that they were unable to reach a verdict and a mistrial was declared. Said Volz: "Apparently they're content with the type of activity that was shown to them. The question is, are the citizens of this state ready to change this type of thing, and apparently they aren't." He ignored the clear implications of the lopsided vote (11-1 and 10-2 for acquittal on separate charges) and proclaimed that he would try the case again (and again and again and again?).

Cui Bono?

For whose benefit was it that Volz refused to admit defeat? Who would profit from the re-presentation of a case that had convinced only two out of twelve people? Was the lopsided verdict an indictment of the low moral standards of Louisiana natives, as the prosecutor suggested, or was it a dramatic rejection of one man's unbridled ambition and contempt for due process? Who, after all, was Louisiana's most notorious gambler—Edwards, who at Vegas had played the odds with his own money, or Volz, who in federal court had squandered someone else's money on a long shot and now proposed to go double or nothing with even less chance of winning? Did the charge of arrogance so often directed at the governor more aptly fit the actions of the prosecutor?

In their ignorance and depravity, the jurors had viewed the sundry schemes of citizen Edwards as fairly commonplace wheeling and dealing. It seemed perfectly plausible to them that the governor had concealed his interests in the hospital projects for fear that his well-known name might provoke an increase in the asking price for properties he and his partners were considering, or that mischievous members of the Treen Administration might be tempted to obstruct approval for the projects. They understood that the value of one person's service is simply what another person is willing to pay for it and is not contingent upon some contrivedly objective measure

of the time and effort expended.

"People who deal in a lot of money don't usually have to work hard for their money," said one juror.

"It seemed like a legitimate business deal," said another.

"If there were any laws broken, we didn't find it," said a third.

Jurors scoffed at the suggestion that \$42.50 a week was enough money to bribe somebody in a state like Louisiana where people know better. Given the profit to be derived from the sale of the hospital projects, a corrupt state official could surely have been expected to demand more than a couple of grand a year. "I don't think John Landry was bribed at all," said one juror. "I wouldn't be bribed for \$42.50 a week. And if he took \$42.50 a week for a bribe, he's stupid."

Unanswered Questions

Of course, "stupidity" would go a long way toward explaining the many unanswered questions raised by the trial. Such as: Why a veteran prosecutor renowned for the strength of his cases would confront the biggest challenge of his career relying on evidence at best ambiguous and entrusting so much of its presentation to unseasoned assistants? Why an otherwise popular governor with a history of investigations into his activities would insist on perpetuating the "bad boy" image that had invited so much scrutiny and so tarnished the reputation of the state he represented? Why that same governor, who protested his innocence while singing hosannas to the free enterprise system, nevertheless refused to rein in an overgrown state government that encourages corruption and stifles private incentive? Why the total expense of the trial — the cost of the prosecution, the cost of diverting the state's chief executive from the fulfillment of his primary responsibilities, the cost in lost business opportunities from a steady stream of nationwide bad publicity, the cost of the mammoth public relations campaign needed to offset the impact of the free smear, and the cost of maintaining the state bureaucracy that made all the other costs possible — why this unconscionable waste of resources didn't seem to concern anyone? These were the questions left unanswered by the first — and the second — trial of former Governor Edwin Edwards of Louisiana. ■

— F. R. DUPLANTIER