

LA. POLITICS

Industry Outlook Causes Concern Despite Report

By **BILL LYNCH**
(States-Item Bureau)

BATON ROUGE — The State Department of Commerce and Industry has issued a glowing report on economic development in Louisiana for the current year and projects some splendid things ahead for next year.

What it doesn't say for the year ahead is a cause of considerable concern and perhaps alarm within the department.

The \$624 million investment by industry in expansions and new plants during 1968 was hailed as the second highest in the state's history. Nearly all of this, however, was in the works and announced two years or more ago.

Commerce and Industry predicts a rosy future for 1969 on the basis of prior announcements that see some \$600 million in a backlog of new plants and expansions.

But unless the situation in the Baton Rouge industrial area takes a decided turn for the better there is trouble ahead in the industrial development along the Mississippi River, which has been one of the hottest spots for new and expanding construction in the state.

The source of concern among Commerce and Industry officials is that all but \$700,000 of \$141 million in new plants either announced or in the works in the



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state. Most of this is expected to take place in 1969. Then what for 1970?

While industry as a whole continues to watch the labor situation in the area, individual industries continue to make decisions on where to locate and when to begin. They aren't making decisions for the Baton Rouge area at the present time.

The administration is passing the word that things will be better for the Labor-Management commission operation with the latest shuffle in staffs which became non-existent.

A number of industry representatives have become concerned over the future of the commission and are looking at it now with some question.

THE LABOR-MANAGEMENT COMMISSION, now shorn of the high-priced professional staff of investigators who plowed the ground in a hectic year, now plans to turn to civil service pay scale investigators under the state police.

It was originally felt by both the governor and the initial commission that only an elite corps of investigators could do the job that needed doing. However, the commission ran into serious problems with civil service and the issue became more paramount than what was being investigated. It has now been resolved and a permanent staff is expected to be assembled soon.

Baton Rouge area were lined up before mid-1967. There has been almost nothing new since then.

That was when industry decided to shut down construction on its new plants in the face of labor racketeering and strife that had caused shutdowns, stoppages and slowdowns.

THE RESULT WAS THE CREATION of the Labor-Management Commission of Inquiry, whose fortunes have waxed and waned over the past 18 months.

Industry responded to the administration's efforts to clean up an ugly situation by going ahead with planned expansions. However, it obviously decided to wait and see what happened before going ahead with anything new.

There was even a decision by Gulf Oly Corp., according to John J. McKeithen, to switch locations of a new plant site from the Baton Rouge area to New Orleans.

Although industry was somewhat mollified by the Labor-Management commission efforts and by the working out of an agreement of understanding aimed at preventing jurisdictional disputes, it has retained a "discernible interest" in the situation, as one official in commerce and industry department expressed it.

THE BACKLOG OF ANTICIPATED new and expanded development by Industry in the Baton Rouge area is some \$385 million out of the total of \$600 million for the