Growth in chemical industry keeps area unemployment flat

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During the first six months of 1988, business leaders and politicians said the economy in Louisiana and Baton Rouge had bottomed out, and they predicted that both were on the way back up.

But amid all the ballyhoo — much of it fueled by changes in the governor’s mansion, announced expansions in the petrochemical sector and the desperate optimism that things can’t get worse — nothing much happened.

In Baton Rouge, many of the jobs created by increasing capacity in the chemical sector served to keep the employment figures flat, observed Altaf Taufique, an economist in the corporate planning department of Gulf States Utilities Co.

“You don’t have the impact that you would have with full employment,” he said. “I hate to sound negative, but what we are seeing is a flat economy. We’re not losing jobs that we would be losing if it weren’t for the petrochemical growth.

“If the petrochemical industry had the same relationship between production and employment that it had in 1979, this whole area would be booming,” Taufique said.

“Obviously, a little caution is in order,” said James Robert Michael, director of research at the Louisiana Tech College of Business. “If anybody were trying to make a decision on things improving, they’d be well advised to be cautious.”

“There’s a lot of slack in the economy,” Taufique continued. “There’s already available capacity in the retail area, housing... that would have to be used up before we would see the complete impact.

“The good thing about that is we’re not losing jobs in significant numbers,” he said.

Some measurements indicate improvement in the Baton Rouge economy. South Central Bell, which now waives deposits for customers based on their employment history, reported 1988 telephone connections increased by 2,778 new lines, including 2,096 new residential lines.

Gulf States Utilities reported 462 more residential customers and 69 more commercial customers than in 1987, a year of decline.

Cumulative city sales tax collections, which primarily reflect urban retail activity, increased 5.3 percent, and taxes collected on vehicle sales rose 5.18 percent.

But Jagjit S. Brar, head of Southeastern Louisiana University’s...