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# LABOR MARKET



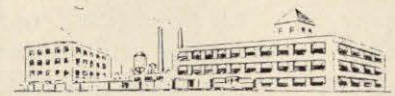
# NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



## DECEMBER-1950

ISSUED BI-MONTHLY



### LABOR MARKET HIGHLIGHTS

Although employment declines in various seasonal industries have caused an increase during the past two months in the amount of unemployment in this State, employment conditions generally are very favorable at the present time. Defense production is on the increase, but rising demands for civilian goods have been of primary importance in the maintenance of full production schedules in most of the State's major industries.

The supply of labor in Maine is more than adequate on an over-all basis to meet existing and anticipated demands for workers. The State's labor reserve is smaller than a year ago; yet, it is great enough to continue to attract the attention of many out-of-state employers who are looking for new locations for manufacturing activities.

The employment outlook for the next several months is quite promising. Job opportunities should be available in much larger numbers than during the winter periods of the past two years, and labor requirements in the spring are expected to take a greater-than-usual upswing.

### LABOR MARKET CONDITIONS

Because of continuing high levels of activity in many of Maine's major industries, general economic conditions in this State are in a relatively strong position. The effects on the labor market of recent seasonal curtailments in the food processing, agricultural, fishing, shoe manufacturing, woolen textile, and construction industries have been much less pronounced than last year. Seasonal employment cuts, in some cases, have not been as deep as a year ago, and, at the same time, the outlook in nonseasonal industries is more favorable than during the latter part of 1949.

### DEFENSE PRODUCTION IN MAINE

Defense production in this State has risen during the past two or three months, but not spectacularly. Industries in which prime government contracts had been awarded up to the middle of December include textiles, canned foods, wood products, transportation equipment, metal products, shoe manufac-

turing, and paper. It is known also that a number of firms in Maine are engaged in defense work on a subcontract basis. Important among these are establishments in the fabricated metal and machinery industries. Few, if any, manufacturing plants in Maine have converted completely, as yet, to defense production.

### MANUFACTURE OF CIVILIAN GOODS

Continuing and, in fact, rising demands for civilian goods have been a primary factor in the maintenance of full production schedules during the past few months in many of Maine's manufacturing industries. A large number of employers report that backlog orders are piling up to a point where their plants will be assured of capacity operations well into 1951, provided necessary materials are available for civilian production. Far-reaching price and related controls also could alter present production plans in some industries.

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## LEADING DEFENSE INDUSTRIES

Nationally, the defense production program is gaining momentum with remarkable speed. Industries which hold the spotlight in this program at present, include ordnance, aircraft, primary and fabricated metals, machinery, and shipbuilding. An important part of the activity in the shipbuilding industry has been concerned with the "demothballing" and reconditioning of combat and transport vessels. Construction of new ships has not been expanded appreciably, to date. Because the leading defense industries — except for shipbuilding — are either sparsely represented or entirely lacking in the industrial pattern of Maine, employment expansions stemming from the needs for heavy munitions have been much less extensive in this State than in various other parts of the country.

## OUT-OF-STATE LABOR DEMAND

Demand for labor in several defense production centers in southern New England has mounted to sizeable proportions. During the past two or three months, Maine workers have responded to this urgent demand in increasing numbers. Requirements have been principally for various types of skilled machinists and machine operators, although recently openings have been reported in the out-of-state areas for other classes of workers. Inadequate housing facilities and exorbitant rentals already are causing labor recruitment problems for major producers in several areas. These two factors have influenced numerous Maine job-seekers, who failed to acquaint themselves beforehand with their immediate job prospects and the living conditions in the booming defense production centers, to return to their home communities.

## NATIONAL EMPLOYMENT TRENDS

Total civilian employment in the United States dropped from 61.8 million to 61.3 million between October and November, according to the U. S. Bureau of The Census. The decline resulted largely because agricultural employment fell from 8.5 million to 7.6 million, as harvesting operations in most sections of the country either ended or were nearing completion. Nonagricultural employment advanced by 400,000 to an all-time

November high of 53.7 million. This increase was attributed primarily to an expansion in the number of women employed in industries, notably retail trade, which are responsive to Christmas demands.<sup>1</sup>

## MAINE EMPLOYMENT TRENDS

Although concrete estimates relating to agricultural employment in this State are not available, it is apparent that, following the completion of harvesting of potatoes, apples, and a few other crops in October, the number of persons in Maine with farm jobs dropped rather appreciably. Nonagricultural employment in the State, as measured by preliminary estimates compiled by the Maine Employment Security Commission in cooperation with the U. S. Bureau of Labor Statistics, did not follow the same trend as in the nation as a whole between October and November in that the number of Maine workers in nonfarm jobs decreased by 6,800 to a November level of 257,800.<sup>2</sup>

## CURRENT EMPLOYMENT SITUATION

Seasonal curtailments in a number of non-agricultural industries which hold a relatively more prominent position in the industrial pattern of this State than in the nation's economy were primarily responsible for the October-November decline in Maine. But, despite the recent employment drop, the over-all employment situation in the State appears to be considerably better than a year ago. Between November 1949 and November 1950, the number of persons with jobs in nonagricultural activities increased by four per cent, from 248,000 to 257,800. Twelve-month gains were registered in practically all major industry groups, with outstanding advances having been made in the lumber and wood products, metal products, food processing, paper and allied products, shoe manufacturing, construction, and wholesale-retail trade industries.

<sup>1</sup> Source: The MONTHLY REPORT ON THE LABOR FORCE, issued under date of December 8, 1950 by the U. S. Department of Commerce, Bureau of The Census.

<sup>2</sup> Since the nation-wide employment estimates prepared by the Bureau of The Census and the state-wide estimates of the MESC and BLS are based upon different source data, relate to different weekly periods within any given month, and differ with respect to "employment" coverage, direct comparisons of trends in the two series may be subject to certain but not too serious faults.



## EARNINGS OF PRODUCTION WORKERS

Upward wage-rate adjustments in a number of major industries during the past few months, along with changes in the industrial composition of the employed labor force, have accounted for a rather spectacular rise in the average hourly earnings of production workers employed in Maine manufacturing industries. In July the average hourly earnings of such workers was \$1.16, whereas in November the average was \$1.25. The November average was at the highest level in three years, and probably at an all-time record high. (Complete earnings data relating to production workers in Maine are not available on a monthly basis for periods prior to January 1948.)

## HOURS OF WORK

During the middle week of November, the average work-week for production workers in Maine manufacturing industries was 41.1 hours. This represented an increase of 2.3 hours over the average for November 1949. The average number of hours worked per week by production workers in November 1948 was 39.3. It is apparent from current trends that employment in full-time jobs is on the increase, and that there is, at the present time, comparatively little underemployment in this State.

## CLAIMS LOAD TRENDS

Claims loads in the local offices of the Maine Employment Security Commission have risen in recent weeks following lay-offs in seasonal industries. However, the number of Unemployment Compensation and Servicemen's Readjustment Allowance claims filed in November and the first three weeks of December was approximately 44 per cent under the combined UC-SRA claims load for the comparable period in 1949. It is apparent from statistics pertaining to benefit rights exhaustions under the UC program that the average duration of spells of unemployment is considerably below last year. By the middle of December, 4,594 persons had exhausted their benefit rights for the current benefit year which ends on March 31, 1951. A year ago, claimants who had exhausted their benefit rights by the middle of December totalled 7,225.

## INSURED UNEMPLOYMENT

In the first part of December, 11,626 persons were in an insured unemployment status under the Maine Employment Security Law. This number represented 7.2 per cent of the average monthly covered employment for the twelve-month period ending on March 31, 1950. The Maine insured unemployment-covered employment ratio at the beginning of this month was above the ratios for the other New England States as well as the 3.2 ratio for the country as a whole. However, it was considerably below the December 1949 ratio which, for this State, was 13.5 per cent. In the first week of December last year, 21,700 Maine workers were in an insured unemployment status.

## LOCAL OFFICE WORK REGISTRATIONS

Indicative of a continuing large supply of available labor in this State is the fact that as of December 1, approximately 17,900 persons were maintaining active work applications in the sixteen local offices of this Commission. About 47 per cent of the applicants were females and 3,050 were veterans. Of the total number of job-seekers, 2.4 per cent were classified in professional or managerial occupations; 11 per cent were qualified by experience for clerical or sales jobs; 8 per cent were workers from various service industries; 15.9 per cent were skilled artisans and craftsmen; 23.8 per cent were from semi-skilled occupations; and 38.9 per cent were classed as unskilled workers.

## GOVERNMENT PROCUREMENT AND CONTRACT AWARD INFORMATION

As a public service to manufacturers and others interested in obtaining information pertaining to procurement needs and contract awards of U. S. Government Agencies, all MESC local offices will soon have on hand up-to-date consolidated synopses of government procurement data prepared by the U. S. Department of Commerce. Synopsis sheets may be reviewed in the local offices, the managers of which will be in a position to point out the specific government needs which might be of particular interest to employers in their areas.



## DEMAND FOR LABOR

Although the demand for labor in Maine has dropped in the last two months because of curtailed operations in a number of seasonal activities, labor requirements, as measured by job openings listed with the local employment offices, are at a comparatively high level in most sections of the State. During November, employers representing nearly all industrial fields requested the local offices to refer workers to a total of 5,040 job vacancies. Heaviest demand was in the lumber and wood products industry which had had job opportunities for over 2,400 men. Over-all labor requirements are running well ahead of last year and the year before. In November 1949 openings made known to the MESC offices totalled 2,457, while in November 1948 the number of job referral orders received was 4,488.

## RELATIONSHIP OF LABOR DEMAND AND LABOR SUPPLY

On a state-wide basis, the supply of manpower in Maine appears to be more than adequate to meet all existing or anticipated labor needs. However, largely because of an uneven distribution of the supply, requirements for certain classes of workers are not being met from local sources in some areas.

The most noticeable localized shortages existing at the present time are confined to woods workers, machinists, weavers, loom fixers, menders (textile), and sewing-machine operators (garment industry). There is no evidence that production in any industry is being seriously affected by labor supply deficiencies in this State. The most pronounced shortage is of woods workers, but this has been alleviated to a marked degree through the importation of nonresident workers.

## EMPLOYMENT OUTLOOK

Information obtained from employers contacted by local office representatives during the past several weeks indicates that employment conditions in Maine should continue to be favorable in the coming months. There are several possible major employment expansions in prospect, and despite further reductions in some activities during the winter period, job opportunities should be much more numerous than during the past few winters. Sizeable surpluses of labor are almost certain to exist until spring in a number of areas where agriculture and seasonal food processing are dominant industries, but such surpluses do not promise to be as excessive as those which were manifest during the winter months of 1949.

After Five Days Return To  
MAINE  
EMPLOYMENT SECURITY COMMISSION  
AUGUSTA MAINE  
OFFICIAL BUSINESS

EMPLOYMENT SECURITY MAIL  
UNITED STATES POSTAGE  
ACCOUNTED FOR UNDER  
ACT OF CONGRESS  
(PAR. 13, SEC. 579, P. L. & R.)