LABOR MARKET NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine

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The labor market — in Maine, after having experienced a sharp pick-up in the spring, proved to be fairly active in the summer period even though many seasonal job openings already had been filled. There were some areas in which local labor reserves continued to be in evidence, but, as the summer progressed, it was apparent that, on an over-all basis, there was definite shrinkage in the number of Maine workers in the job-seeker class. Greater-than-usual employment expansions in various nonmanufacturing industries which customarily utilize additional workers in the summer were mainly responsible for declines in the volume of unemployment. Labor requirements for manufacturing industries as a whole failed to move upwards — in fact, total manufacturing employment dropped slightly in mid-summer due primarily to vacation periods in some plants and to reported temporary production problems in others — but increased hirings during the next few months in at least three major manufacturing fields appear to be almost a certainty.

Farm labor needs — despite adverse summer weather conditions, have been relatively high this year. Harvesting of early crops was delayed in some cases because of the abnormal amount of rain, but once the demand for harvest hands started to manifest itself, it proved to be heavy. Local offices of the Maine Employment Security Commission have kept abreast of orders received from farmers and growers — recruiting both adults and youths wherever possible. During June and July, over 4,700 placements were made in farm work, and, although complete data are not available, it seems probable that in August — the principal harvesting month in most areas — placements might exceed the 38,300 made last year. In the latter part of September, it is expected that nearly 38,000 persons will be needed in Aroostook County alone for handling the potato crop. The MESC is making a concentrated effort to recruit out-of-area workers to supplement the available Aroostook labor force in order that total requirements may be met.

Maine's recreation industry — apparently did not suffer too seriously, if at all, from the unusually wet weather experienced this year. Job orders received by local employment offices for workers needed in activities serving summer vacationists were at peak levels, and in several coastal resort centers shortages of workers required for various hotel and restaurant occupations persisted throughout the summer. Total employment in transportation, trade, and various service industries rose markedly at the start of the tourist season and remained exceptionally high during the entire summer. Latest estimates relating to nonagricultural employment trends indicate that jobs in a number of activities in the recreation field were running from one per cent to three and a half per cent above a year ago.

The State's four largest — manufacturing industries, although employing in aggregate fewer workers than a year ago, registered employment gains in the summer period. June-July employment increases in each were: textiles — 0.5 per cent to 21,000; lumber and wood products — 1.0 per cent to 19,900; leather and leather products — 0.5 per cent to 18,800; and paper and allied products — 0.6 per cent to 17,900. These advances were worthy of particular note in view of the fact that July vacation periods affected pay roll counts in many instances. July was the fourth consecutive month in which employment in the textile industry moved upwards — an encouraging development since it was this industry which suffered the greatest decline in the general economic slump evident in the last half of 1953 and the first months of 1954.

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Employment in contract construction — continued to be higher than in 1953, with the total number of jobs in the industry rising to a level of 14,400 by the middle of the summer. This was 6.5 per cent above mid-summer employment last year when 13,500 had construction work and it represented an increase of 5,600 jobs, or 83.6 per cent, since February of this year. That employment in the industry has risen so sharply attests to the vast amount of construction work being carried on, especially since weather conditions proved to be a detriment to outdoor work during much of the summer and labor disputes in June in cement manufacturing plants caused material shortages which slowed down many projects.

Claims for unemployment compensation — followed a downward trend in the summer months, but, in spite of the fact that the spring-summer decrease has been more pronounced than for the comparable period last year, the claims load has remained quite a bit higher than in 1953. Compared with 1949, however, when general business conditions were characterized as being in a "recession" status, the current claims load is relatively low. As a matter of fact, the claims volume for this period of the year in 1949 was 51.3 per cent greater than at present.

Total nonagricultural employment — stood at 274,700 in the middle week of July as compared with 274,200 in June and 265,800 in May. Between June and July, the total number of persons with jobs in manufacturing industries as a whole dropped slightly from 108,200 to 107,500. This decline, which was more than offset by an increase in nonmanufacturing nonfarm jobs from 166,000 to 167,200, occurred in spite of net gains in each of the State's four principal nonseasonal manufacturing activities, and was attributable primarily to fairly substantial, though presumably temporary, cuts in the metalworking and food processing industries.

Insured unemployment — under the State unemployment insurance program has dropped to its lowest point of the year thus far, and appears to be continuing downwards. During the first three weeks of August, the average weekly number of persons in an insured unemployed status totalled 9,326, as compared with 9,485 in July, 12,975 in June, and 17,550 in May. For the first week of August, the ratio of insured unemployment to total covered employment was 5.3 per cent. Comparable ratios for the other New England states were: New Hampshire — 6.6 per cent; Vermont — 4.4 per cent; Massachusetts — 4.0 per cent; Rhode Island — 8.0 per cent; and Connecticut — 5.0 per cent.