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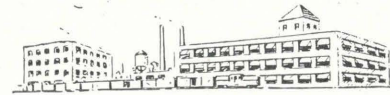
NEWS LETTER

Maine Employment Security Commission 331 Water Street Augusta, Maine



MAY - 1959

ISSUED BI-MONTHLY



Labor Market Highlights — Labor market trend indicators provided further evidence during the spring that Maine's economy was recovering, at least partially, from the damaging effects of the 1957-1958 business recession. A greater-than-seasonal rise occurred in over-all nonagricultural employment requirements; the average number of hours worked in production activities in April was at a comparatively high point for the month; average earnings in manufacturing continued to be relatively stable; and unemployment, while still excessive, was less extensive than in 1958. Thus far, recovery has been at a slower rate in Maine than in most of the other states. Retardation of the upswing is attributable to several factors, not the least of which is that the most marked Country-wide gains have occurred in hard goods industries which are not represented to any great extent in the State's industrial framework.

Nonfarm Employment — Employment in each of the first four months of this year was higher than in the corresponding months of 1958. January and February levels were only slightly above last year, but in March 2,500 more nonagricultural workers had jobs than a year earlier and the over-the-year increase to April was 4,100. From the middle week of March to mid-April this year the number of persons with nonfarm wage and salary jobs rose from 252,500 to 254,400. This thirty-day advance of 1,900 was especially noteworthy in view of a March-April gain of only 300 last year and no change for the period two years ago. Despite these signs of improvement, current employment still is off appreciably from pre-recession levels as is illustrated by the fact that in April 1957, workers with nonfarm jobs totalled 265,800, or 11,400 more than in the same month this year.

Industry Trends — Labor requirements in all but a few major industries are higher than during the spring period last year. Jobs in manufacturing totalled 94,600 in April as compared with 92,300 a year ago, and aggregate nonmanufacturing employment showed a twelve-month increase of 1,800 jobs, from 158,000 to 159,800. The paper and allied products and machinery industries — down 200 and 1,500, respectively — continued to bear the worst scars of the business recession. However, improvements from a year ago in the job picture generally were due to gains of 2,000 in leather and leather products, 1,100 in textiles, 600 in lumber and wood products, 200 in transportation equipment, 200 in contract construction, and 1,500 in government.

Average Workweek — Production workers employed in manufacturing industries worked an average of 40.5 hours during the middle week of April. The average was down from the first of the year because of seasonal factors, but it was significantly higher than the average of 39.0 hours for April 1958. The 1.5 hours per week rise over last year was indicative both of fuller work schedules in most manufacturing activities and, in view of the accompanying over-the-year expansion in employment, a decided increase in factory output. The average workweek for April this year was the highest for the month since 1953 when the average also was 40.5 hours. Workweek averages for April in the intervening years were: 1954 — 39.2 hours; 1955 — 39.8 hours; 1956 — 40.1 hours; 1957 — 40.1 hours; and 1958 — 39.0 hours.

Average Earnings — The average hourly earnings of production workers in manufacturing establishments have shown only slight month-to-month fluctuations during the past five months. In April, the average was \$1.69 per hour as compared with \$1.67 in December, \$1.67 in January, \$1.66 in February, and \$1.67 in March. The April 1959 average was five cents higher than that for April 1958 but it was the same as the November 1958 average. Recent stability of average hourly earnings figures has reflected in average weekly earnings trends, although the latter series has also been influenced by changes in work-week schedules. In April, the average weekly earnings of production workers amounted to \$68.45. Last year the weekly average was \$63.96. The over-the-year increase of \$4.49 was due in

part to the expanded average workweek from 39.0 to 40.5 hours and in part to higher wage rates now being paid in some industries.

Total Unemployment — Contrary to trends in the first four months of 1958, total unemployment in Maine followed a downward course between January and April this year. Last year, the estimated total number of unemployed persons in the labor force rose from a January level of 35,000 to 45,800 in April. The latter figure, incidentally, represented the peak of unemployment during the recent business recession. In January 1959, the estimated number unemployed was 40,700. A definite downtrend in unemployment began to take shape in the next three months and by April the number of unattached job-seekers had dropped to 35,800. Ordinarily, late winter and early spring employment reductions in the shoe manufacturing and lumber and wood products industries cause unemployment to rise in April to a seasonal peak. Temporary layoffs did occur in these activities this year but they were not great enough to offset expanded requirements in other activities.

Claims Load Trends — Monthly claims loads of the Maine Employment Security Commission since January, although higher than in most years prior to 1958, were appreciably lower than last year. The total number of claims received in

April from unemployed persons filing under the State unemployment insurance program was 107,082 — or 34.3 percent fewer than the number (162,887) received in April 1958. Weekly trends during May continued to reflect a decreasing amount of insured unemployment, and by the latter part of the month the weekly volume had dropped to nearly 44 percent below a year ago. A downtrend is expected each year during May, but the decline this year appeared to be greater-than-seasonal in character, the weekly drop-out rate for May from the ranks of the insured unemployed having been more pronounced than in any of the past several years.

Insured Unemployment Rates — The Maine rate of insured unemployment among private industry and Federal civilian employees, as issued weekly by the Bureau of Employment Security of the U. S. Department of Labor, was 8.2 percent for the first full week in May. This, although the highest rate in the Country, was considerably under the 13.6 percent rate for this State in the corresponding week in 1958. Unemployment insurance rates for the other New England States at the first of May this year were: Connecticut — 4.0 percent; Massachusetts — 4.0 percent; New Hampshire — 4.2 percent; Rhode Island — 5.0 percent; and Vermont — 3.5 percent. The nation-wide rate for the same period was 3.8 percent.

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