

GERALD R. FORD, JR.  
FIFTH DISTRICT, MICHIGAN  
WASHINGTON, D. C., ADDRESS:  
HOUSE OF REPRESENTATIVES  
GRAND RAPIDS, MICHIGAN, ADDRESS:  
518 MICHIGAN TRUST BUILDING

RALPH B. PRATT  
SECRETARY

COMMITTEE ON PUBLIC WORKS

Congress of the United States  
House of Representatives  
Washington, D. C.

*Maguire*

*File - Ben around his  
9/17th went out on 23rd  
to investigate  
Spencer*

August 23, 1949

Honorable John R. Steelman  
Assistant to the President  
The White House  
Washington, D. C.

Dear Mr. Steelman:

On August 17th I wrote you urging that the city of Grand Haven, Michigan be designated a critical or distress area. This morning I received the enclosed labor market analysis for the month of July for the State of Michigan. On page three you will note that Muskegon has an unemployment of over 23.3%. Grand Haven comes within the shaded area on the map, which includes Muskegon proper.

I only forward this additional material because it graphically illustrates the close inter-relationship between Muskegon and Grand Haven.

I sincerely hope that your office can thoroughly investigate the situation in Grand Haven in order that proper action can be taken to include that community in the distress category.

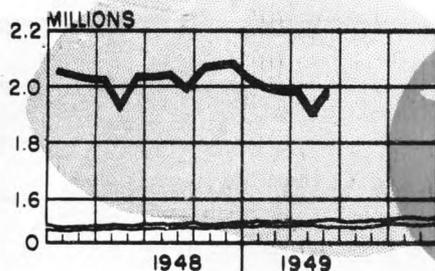
Sincerely,

*Gerald R. Ford Jr.*

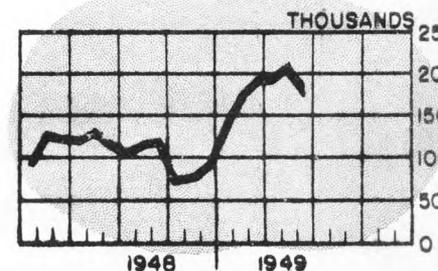
Gerald R. Ford, Jr.

GRFJr:bb  
Enclosure

## EMPLOYMENT



## UNEMPLOYMENT



# LABOR MARKET

MICHIGAN'S

JULY 1949

MICHIGAN UNEMPLOYMENT COMPENSATION COMMISSION 7310 Woodward Avenue Detroit 2, Michigan VOL. IV, NO. 7

## STATE SUMMARY

. . . MICHIGAN'S LABOR MARKETS ARE DEMONSTRATING THEIR SENSITIVITY TO NATION-WIDE BUSINESS TRENDS. INDIVIDUAL MICHIGAN AREAS ACCURATELY REFLECT THE WIDE DIVERGENCE IN SALES AND PRODUCTION PATTERNS.

WITH AUTO PRODUCTION NEAR RECORD HIGHS, MICHIGAN'S KEY AUTO CITIES — DETROIT, FLINT, LANSING, PONTIAC, AND SAGINAW — ARE IN A VERY FAVORABLE POSITION. IN THESE AREAS, EMPLOYMENT IS AT A RELATIVELY HIGH LEVEL AND UNEMPLOYMENT IS SUBSTANTIALLY BELOW THE STATE AVERAGE.

IN CONTRAST TO THE STRENGTH EXHIBITED BY THE AUTO INDUSTRY, SOFT SPOTS CONTINUE TO DEVELOP IN INDUSTRIES PRODUCING FOUNDRY PRODUCTS, STOVES, PLUMBING AND HEATING EQUIPMENT, REFRIGERATORS, OFFICE MACHINES, AND HEAVY CONSTRUCTION MACHINERY. MOST SEVERELY HIT BY THE SLACK-OFF IN DEMAND FOR THESE PRODUCTS ARE MUSKEGON, JACKSON, PORT HURON, BENTON HARBOR, AND GRAND RAPIDS.

IN THE UPPER PENINSULA, EMPLOYMENT REDUCTIONS — PARTICULARLY IN THE LUMBER AND MINING INDUSTRIES — HAVE BOOSTED UNEMPLOYMENT TO APPROXIMATELY 15,800, MORE THAN THREE TIMES THE LEVEL PREVAILING IN OCTOBER 1948.

. . . ACCORDING TO INFORMATION FURNISHED BY MICHIGAN'S MAJOR MANUFACTURERS; A MODERATE RISE IN THE NUMBER OF WORKERS EMPLOYED IS PROBABLE DURING THE NEXT FOUR MONTHS. MANUFACTURING FIRMS EXPECT TO ADD AT LEAST 12,000 WORKERS.

ABOUT HALF OF THE WORKERS WILL BE HIRED BY AUTO PLANTS WHILE THE REMAINING ADDITIONS WILL BE SCATTERED THROUGHOUT THE STATE'S OTHER MANUFACTURING INDUSTRIES.

. . . A GLANCE AT THE DETAILED LABOR FORCE ANALYSIS SHOWS THE STATE'S NON-FARM EMPLOYMENT AT 1,988,900 IN MID-JUNE 1949 — 86,300 ABOVE THE MAY 15 FIGURE.

MOST OF THE INCREASE IS ATTRIBUTABLE TO THE RETURN TO WORK OF MORE THAN 75,000 WORKERS INVOLVED IN A MAJOR AUTO STRIKE. EMPLOYMENT ON JUNE 15 WAS APPROXIMATELY 110,000 BELOW THE LEVEL AT THE CLOSE OF 1948.

MOST SIGNIFICANT EMPLOYMENT CHANGES BETWEEN MAY 15 AND JUNE 15 OCCURRED IN THE AUTO INDUSTRY — UP 78,000, METAL FABRICATING PLANTS — UP 1,600 AND MISCELLANEOUS MANUFACTURING INDUSTRIES — UP 2,000. IN NON-MANUFACTURING SEASONAL FACTORS RAISED EMPLOYMENT IN CONSTRUCTION BY 3,500 AND BROUGHT SLIGHT INCREASES IN TRADE AND SERVICE ESTABLISHMENTS.

(Continued on Page 2)

## STATE'S EMPLOYMENT TREND REVIEWED AT LOCAL, STATE AND NATIONAL LEVELS

A GRAPHIC PICTURE OF EMPLOYMENT AND UNEMPLOYMENT IN MICHIGAN'S MAJOR INDUSTRIAL AREAS IS PRESENTED ON THE OPPOSITE PAGE. OF THE STATE'S 14 MAJOR AREAS, THREE MAY BE CONSIDERED AREAS OF FAIRLY BALANCED LABOR SUPPLY AND DEMAND, SEVEN HAVE MODERATE TO SUBSTANTIAL LABOR SURPLUSES, AND FOUR HAVE VERY SUBSTANTIAL LABOR SURPLUSES WHICH ARE CONSIDERED SERIOUS ENOUGH TO BE OF CONCERN TO ALL OF US.

MEASURED BY THE NUMBER OF UNEMPLOYED WORKERS IN THE NON-FARM LABOR FORCE, MICHIGAN AREAS WITH THE MOST SEVERE UNEMPLOYMENT OVER THE LAST SIX MONTHS ARE MUSKEGON, THE UPPER PENINSULA, JACKSON, PORT HURON AND BENTON HARBOR. IN GRAND RAPIDS AND KALAMAZOO, THE DECLINE OF EMPLOYMENT HAS BEEN GRADUAL BUT CONTINUOUS TO THE EXTENT THAT THEY MAY SOON BE CONSIDERED AREAS OF VERY SUBSTANTIAL LABOR SURPLUS.

TO PROVIDE COMMUNITIES HAVING SUBSTANTIAL SURPLUS OF LABOR WITH A CAREFUL AND DETAILED ANALYSIS OF THE UNEMPLOYMENT PROBLEM, THE MUCC HAS PREPARED SPECIAL REPORTS COVERING LABOR MARKET DEVELOPMENTS THERE. MEETINGS HAVE BEEN HELD WITH LABOR, MANAGEMENT AND CIVIC GROUPS TO DISCUSS THE PROBLEM. LOCAL COMMITTEES HAVE BEEN FORMED TO REVIEW THE PROBLEM ON A CONTINUING BASIS.

AT THE STATE LEVEL, GOVERNOR WILLIAMS HAS ORGANIZED A COMMITTEE KNOWN AS THE MICHIGAN FULL EMPLOYMENT COMMITTEE TO REVIEW EMPLOYMENT AND UNEMPLOYMENT IN THE STATE IN ORDER THAT HE MAY BE INFORMED OF THE CHANGES IN THE SITUATION. THIS COMMITTEE IS WORKING WITH THE LOCAL COMMITTEES AND WILL HAVE A MEETING IN LANSING WITH THEM ON AUGUST 10, AT WHICH TIME THE GOVERNOR EXPECTS TO REVIEW PLANS FOR MEETING THIS PROBLEM. THE COMMITTEE IS COMPOSED OF TOP EXECUTIVES OF THE STATE'S KEY DEPARTMENTS. HARRY C. MARKLE, EXECUTIVE DIRECTOR OF THE MUCC, IS CHAIRMAN OF THE COMMITTEE, AND DR. ROBERT STEADMAN, STATE CONTROLLER, IS SECRETARY.

U. S. SECRETARY OF COMMERCE SAWYER MET WITH DETROIT BUSINESS AND LABOR LEADERS ON AUGUST 1 TO DISCUSS ECONOMIC CONDITIONS IN DETROIT SPECIFICALLY, AND GENERALLY, THROUGHOUT THE STATE. ON AUGUST 2, THE SECRETARY OF COMMERCE MET WITH THE MICHIGAN FULL EMPLOYMENT COMMITTEE AND REPRESENTATIVES OF LOCAL COMMUNITY COMMITTEES AS WELL AS OTHERS THROUGHOUT THE STATE TO CONSIDER ECONOMIC AND LABOR MARKET PROBLEMS OF THE STATE. THE AREAS OF MUSKEGON, THE UPPER PENINSULA, JACKSON, PORT HURON AND BENTON HARBOR, WHERE UNEMPLOYMENT IS THE MOST SEVERE, RECEIVED SPECIAL CONSIDERATION.

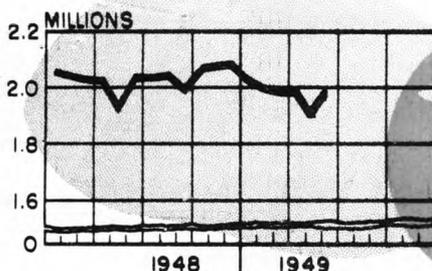
Table 1. STATEWIDE LABOR FORCE TRENDS\*  
(In Thousands)

### STATE SUMMARY (continued from Pg. 1)

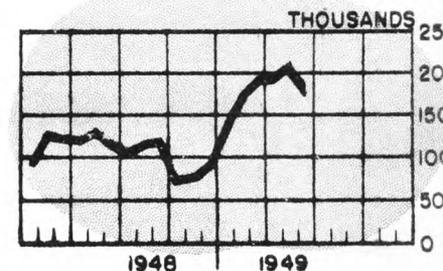
PRELIMINARY ESTIMATES SHOW UNEMPLOYMENT AT 211,000 IN MID-JULY—COMPARED WITH THE FINAL FIGURE OF 191,000 ON JUNE 15, CURRENT UNEMPLOYMENT IS ABOUT 20,000 HIGHER. HOWEVER, THE JULY UNEMPLOYMENT ESTIMATE INCLUDES 17,000 SUMMER STUDENT JOBSEEKERS AND 15,000 HIGH SCHOOL AND COLLEGE GRADUATES. EXCLUDING THE TEMPORARY SUMMER JOBSEEKERS, UNEMPLOYMENT ON JULY 15 WAS ONLY 3,000 GREATER THAN THE JUNE 15 FIGURE, ALTHOUGH THE PERMANENT LABOR FORCE HAD INCREASED BY APPROXIMATELY 15,000.

Item	June 1949 Estimates	Net Change From		
		May 1949	Dec. 1948	June 1948
Labor Force—Total	2181.4	+ 1.0	- 16.4	+ 6.3
Employment	1988.9	+ 86.3	- 109.8	- 62.1
Manufacturing	978.3	+ 81.4	- 82.4	- 64.3
Non-Manufacturing	1010.6	+ 4.9	- 27.4	+ 2.2
Unemployment	191.4	- 18.7	+ 95.0	+ 77.7
On Strike	1.1	- 66.6	- 1.6	- 9.3
Labor Force—Women	613.6	+ 2.0	- 13.6	+ 11.2
Employment	553.8	+ 6.0	- 36.0	- 9.6
Manufacturing	150.9	+ 5.4	- 14.3	- 15.7
Non-Manufacturing	402.9	+ 0.6	- 21.7	+ 6.1
Unemployment	59.3	- 2.5	+ 22.6	+ 20.5
On Strike	0.5	- 1.5	- 0.2	+ 0.3

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(Continued on Page 2)

## WHAT'S HAPPENED? A MONTHLY ROUNDUP OF COMMISSION ACTIVITIES

### JOB PLACEMENT

Seasonal increases in agricultural and food processing activities together with a strong production program in the auto industry reduced the roster of job-seekers by nearly 10% and virtually doubled the Commission's job placements.

The count of job applicants seeking work through the Commission's branch offices dropped to 147,300 in June, 10,300 less than the May total, but 5,500 more than the average for the first 5 months of the year.

The sharp rise in job placements -- from 12,500 in May to 23,300 in June -- resulted from increases in demand for farm labor. The Commission placed 14,200 workers in farm jobs during June -- against 2,200 in May. Non-farm placements were 9,100 in June compared to 10,300 in May.

Table 2. LABOR TURNOVER RATES PER 100 EMPLOYEES  
MICHIGAN MANUFACTURING BY AREA  
May and April, 1949

Labor Market Area	Separations		Separations		Accessions	
	All Causes		Excl. Layoffs			
	May 1949	April 1949	May 1949	April 1949	May 1949	April 1949
Major Plants Michigan	6.2	7.9	2.7	2.4	6.9	9.3
Battle Creek	4.1	3.8	1.7	1.7	4.0	3.2
Bay City-Midland	5.1	3.1	1.0	1.2	1.6	2.5
Benton Harbor--St. Joseph	2.7	9.9	1.4	2.1	10.6	3.4
Detroit	6.3	9.1	3.4	2.7	8.5	12.1
Flint	3.6	3.0	2.7	2.5	4.4	6.4
Grand Rapids	6.3	11.0	1.6	2.4	5.0	5.2
Jackson	14.5	6.6	0.8	0.9	4.4	3.8
Kalamazoo	4.8	4.1	1.7	2.0	2.8	4.0
Lansing	4.0	2.9	1.7	1.6	4.2	5.2
Muskegon	10.8	16.4	1.5	1.6	10.5	7.1
Pontiac	8.1	6.6	2.9	2.5	4.1	8.1
Port Huron	12.4	7.5	0.8	0.6	8.4	2.9
Saginaw	4.4	3.5	2.2	2.5	3.2	2.7
Upper Peninsula	8.5	5.3	0.7	0.7	4.7	3.1
Remainder	6.1	5.2	1.4	1.5	4.5	4.3

### UNEMPLOYMENT COMPENSATION

The weekly volume of claims for jobless insurance slipped into a seven-week downward spiral which pared nearly 70,000 persons from the three-year record claim load (175,000) reached in mid-May. Before the extended downward trend had run its course in early July the weekly claim load hit the lowest level (108,000) since the first week of January (107,000). Callbacks in Detroit manufacturing plants were largely responsible for the sharp decline.

By mid-July, however, new layoffs in Detroit, Grand Rapids and Muskegon again reversed the trend, lifting the claim load above the 120,000 mark.

Exhaustions of unemployment benefits are playing an increasingly important part in the claim load. Approximately 10,800 claims were exhausted during June, bringing the total for the first six months of the year to 44,000. This compares with 44,300 for the entire year of 1948.

Week Ending	Total	Claims From	
		New Unemployment	Continuous Unemployment
June 2, 1949	139,171	15,116	124,055
9	145,834	14,538	131,296
16	126,497	15,410	111,087
23	122,940	14,442	108,498
30	116,492	15,458	101,034
July 7, 1949	108,120	16,259	91,861
14	122,649	16,302	106,347
21	120,842	16,532	104,310
28	118,192	17,313	100,879

The dollar volume of benefit payments to unemployed persons in June dropped by nearly 10% to \$9,107,000 in June. Included in the June total were checks amounting to \$2,454,000 for Servicemen's Readjustment Allowances.

UNEMPLOYMENT COMPENSATION CLAIMS\*

ITEM	JUNE 1949	NET CHANGE FROM MAY 1949	CUMULATIVE JAN.-JUNE 1949
Number of benefit claims filed**	589,082	-122,536	3,604,679
Number of benefit checks issued	442,013	-45,314	2,564,978
Value of benefit payments	\$9,106,471	-\$901,060	\$52,740,266
Individual true contested cases received	17,899	-1,347	108,596
Number of appeals recd. by Referee Sec.	1,049	-407	7,189
Number of Appeal Board cases received	190	+15	918
Balance in the Unemployment Compensation Trust Fund at end of month	\$295,330,914	-\$6,400,482	xxx

\*Gross number of claims filed -- all types -- including claims pending determination or subject to disqualification.  
\*\*Includes claims filed and benefit payments under the State Unemployment Insurance and Servicemen's Readjustment Allowance program (Federal Funds).



Designed to serve employers, labor groups, community organizations, and government agencies. Comments regarding its usefulness are welcomed.

*Harry C. Markle*  
HARRY C. MARKLE  
Executive Director

Michigan Unemployment Compensation Commission  
Additional copies or further information are available upon request to the Planning, Research and Statistics Division. All graphical material presented herein may be reproduced without prior permission. Mention of the source will be appreciated.

AUG 23 1949

Dear Congressman Ford:

Thank you for your letter of August 17 giving facts about unemployment in Grand Haven and urging that it be designated as a distress area or that the Muskegon area be redefined to include Grand Haven.

As you can readily understand, it is essential to have some objective basis for naming areas. For this reason, we are relying on the reports on labor markets prepared by the local employment offices at the direction of the State employment security agency. These are then forwarded to the Bureau of Employment Security in the Department of Labor, which makes sure that there has been uniformity of treatment. Instructions sent to the States by the Bureau of Employment Security were to report all areas of heavy unemployment in the list of 300 labor market areas on which reports were made during the war and also any other areas which the State thought should be reported. Michigan did not see fit to report Grand Haven.

The areas are defined by the States, with the guiding principle being to include the surrounding metropolitan territory from which a central point normally draws its labor force. These areas have not been recently defined for federal assistance purposes but have been defined for years for regular operating and reporting activities of the United States Employment Service. Following the principle named above, the Muskegon area includes all of Muskegon County, the Providence area includes the entire metropolitan district (or about two-thirds of the State), etc. These are not precedents for expansion of an acute area, but simply what employment service experience over many years has shown to be a natural labor market.

Under these circumstances, neither the Bureau of Employment Security nor I could order the State to change its definition. However, we are asking them to reexamine the labor market conditions in Grand Haven.

- page two -

You point out that Grand Haven immediately and directly feels the impact of changes in employment conditions in Muskegon. That being the case, Grand Haven residents will automatically benefit from any Federal contracts which can be channeled toward Muskegon. This will happen even if Grand Haven is not designated or the area is not redefined.

While conditions in Grand Haven are being reexamined, I suggest that the Grand Haven people get in touch with the Michigan State Committee on Full Employment to see what local action is possible to improve economic conditions.

Sincerely,

(Signed) JOHN R. STEELMAN

Honorable Gerald R. Ford, Jr.  
House of Representatives  
Washington, D. C.

Maguire:bd:8/22/49