

Noon release
Friday, Dec. 4, 1964

UMD NEWS SERVICE
724-8801 Ex 210
Dec. 3, 1964

Duluth--- Duluth business activity in October registered healthy gains and some businesses recorded their highest level of activity in several years. At the same time, unemployment was the lowest in seven years.

The Duluth Business Index (DBI) rose in October to 136.3 points (1957-1959=100), an increase of 7.8 points over September, 13.7 points better than the normal September-October seasonal change, and 9.1 points higher than October of 1963.

Business for the first 10 months of 1964 has averaged 3.7% above the comparable period of 1963. The U.S. Index of Industrial Production stood at 135.4 in October, a decline of 1.2 points. The U.S. index for the first 10 months of the year is 6% above the same period last year.

The Duluth Business Index is produced by Glenn O. Gronseth, research analyst, Minnesota State Employment Service, Duluth, and Dr. Cecil H. Meyers, professor of business and economics, University of Minnesota, Duluth.

Several of the individual business barometers hit their highest levels in recent years during a period when Duluth business normally declines nearly six index points.

* The number of telephones in October was up 205 units, the highest for any month since 1951, due to an expanded need for phones and additional installations for incoming teachers.

* Freight carloadings, up 2,356 cars, hit their highest October level since 1957, due in part to heavy "in-transit" of grain from the west, an aftermath of the settlement of the grain strike last summer.

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* Postal receipts, commercial kilowatt hours and residential kilowatt hours all posted their highest October since 1951.

* Coal receipts, although subject to the variability of shipping schedules, recorded the highest level since October, 1959.

* Department store sales, while down seasonably from September, recorded the highest October sales since 1961, and are up 6% so far this year over the same period in 1963.

* Tonnage of bulk lake cargo, except grain, was up 58% over September, thus making October the second highest shipping month since the Seaway opened in 1959.

* Duluth employment was seasonally down from September, but the job total was still higher than the corresponding month for any year since 1960. Conversely, the Duluth October unemployment rate of 3.7% (nationally the rate was 4.4%) was the lowest it has been in the past seven years.

September-October declines were noted in postal receipts, iron ore shipments, Duluth nonagricultural employment, and metal mining. All except postal receipts were down because of normal seasonal declines.