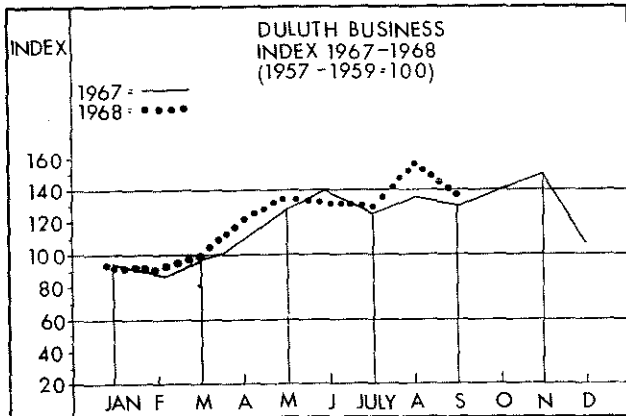


DULUTH BUSINESS INDICATORS

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TIME PERIOD	DULUTH INDEX
SEPTEMBER 1968	137
AUGUST 1968	155
AUGUST-SEPTEMBER CHANGE	- 18
NORMAL SEASONAL CHANGE AUGUST to SEPTEMBER	0
SEPTEMBER 1967	130
CHANGE, SEPT. 1967 to SEPT. 1968.....	+ 7

THE MONTH IN REVIEW

SUMMARY:

The area economy settled back to more normal levels in September after establishing a new high in August. The unadjusted index for September was 137 (1957-1959=100) compared to 155 in August. In September of last year the business index was 130.

Primarily contributing to the August-September index drop were the declines in freight carloadings, grain shipments, iron ore shipments and lake cargo other than grain. For the first nine months of this year business activity has averaged 4% ahead of the corresponding months of last year.

ANALYSIS:

In September freight carloadings dipped seven points from August. Normally this classification drops one index point in this two-month comparison. The decline can be attributed to the 19% drop in iron ore shipments from August and a decrease in shipments of manufactured products. The movement of grain by rail was up 15% from the previous month partially offsetting the ore shipping and manufactured products decline. Bank debits were a little lower than August levels, but never-

theless established a new September high.

The value of building permits issued and under construction (in 1957-59 dollars) recorded an increase over the previous month principally because of the slight increase in single-family dwellings and temporary educational structures.

Consumption of electric power — commercial and industrial — showed a nonseasonal decline from August with both categories sharing in the decrease, while residential electric power consumption rose during this period by a greater than usual increment.

Grain shipments were down in September contrary to normal trends. A slackening pace is anticipated for the balance of the year in the movement of grain. Iron ore shipments also declined from August. This is a normal trend at this time each year, however, the 44 point drop from the previous month is about double the historical average decrease for the August-September period.

Lake cargo, other than grain, experienced a substantial drop from its August level. The magnitude of the drop is over-emphasized by the fact that August was an all-time high for that month due to a sudden

and substantial pick-up in export tonnage of government aid cargoes during that month.

Duluth employment was down by one index point from August due in part to the record job level in that month. Despite the August-September level of employment was still the highest for that month since 1957. An easing in the demand for workers was noted in September as the number of unfilled openings on file with the Employment Service at the end of the month was 237 compared to 386 at the end of August. The rate of unemployment during the past month was 2.8% compared to 3.2% for the month previous. State metal mining employment experienced about the usual seasonal decline in September.

Business conditions during the month showed an improvement over September of last year. Bank debits, reflecting both economic gains and inflation, were well ahead of a year ago. The index of the value of building permits issued and under construction (in 1957-1959 dollars) recorded a sizeable rise over a year ago with such large construction projects as motels, apartment houses, government buildings and parking ramps currently being built. Postal

Seasonally Adjusted Index Numbers

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1967	134	123	128	129	117	119	109	114	108	120	140	123
1968	129	130	131	146	120	113	112	132	117			

DULUTH BUSINESS INDICATORS — ORIGINAL DATA

COMPONENT	ORIGINAL DATA		
	Sept. 1968	Aug. 1968	Sept. 1967
Freight Carloadings (Cars)*	9,367	10,060	12,665
Bank Debits (Dollars in '000's)	248,337	254,898	198,943
Building Permits (Actual \$ Value)	1,119,244	3,853,717	2,733,739
Postal Receipts (Dollars)*	273,832	250,729	237,424
Number of Telephones (Units)*	72,898	72,754	71,029
Electric Power (Com. and Ind. K.W.H. in '000's)	25,853	27,406	23,973
Electric Power (Res. K.W.H. in '000's)	13,372	12,762	11,270
Number of Electric Customers*	33,245	33,290	33,156
Grain Shipments (Bushels in '000's)	33,241	37,943	30,354
Coal Receipts (Short Tons in '000's)	288	292	471
Iron Ore Shipments (Gross Tons in '000's)	1,676	2,070	1,604
Other Lake Cargo (Short Tons)	45,078	89,102	47,625
Duluth Nonagricultural Empl. (Persons)	43,400	43,600	42,300**
Duluth Retail Sales
State Metal Mining Empl. (Persons)	13,900	14,200	14,900

* Supplied by Duluth Industrial Bureau.

** Revised

DULUTH BUSINESS INDICATORS — INDEX NUMBERS

COMPONENT	INDEX NUMBERS (1957-1959=100)			CHANGE	
	Sept. 1968	Aug. 1968	Sept. 1967	Sept. '67 to Sept. '68	Aug. '68 to Sept. '68
Freight Carloadings	92	99	111	- 19	- 7
Bank Debits	155	159	124	+ 31	- 4
Building Permits*	168	157	106	+ 62	+ 11
Postal Receipts	172	158	149	+ 23	+ 14
Number of Telephones	131	131	128	+ 3	0
Electric Power (Commercial & Industrial)	155	164	144	+ 11	- 9
Electric Power (Residential)	163	156	138	+ 25	+ 7
Number of Electric Customers	99	99	100	- 1	0
Grain Shipments	135	154	123	+ 12	- 19
Coal Receipts	87	89	143	- 56	- 2
Iron Ore Shipments	185	229	177	+ 8	- 44
Other Lake Cargo	225	445	238	- 13	-220
Duluth Nonagricultural Empl.	104	105	102**	+ 2	- 1
Duluth Retail Sales Index	132	156	138**	- 6	- 24
State Metal Mining Empl.	87	89	93	- 6	- 2
OVERALL	137	155	130	+ 7	- 18

For Monthly Data Back to 1951 and for Sources of Data, see DULUTH BUSINESS INDICATORS 1964, A Publication of the Business and Economics Series of the Social Sciences Research Trust Fund, University of Minnesota, Duluth, 1964.

* The Building Permits Index is adjusted to reflect the amount of construction occurring during the month.

** Revised

receipts gained over last year due in part to the increase in postal rates.

The usage of electric power was significantly ahead of last September with the industrial and residential categories recording substantial gains. Coal receipts were below a year ago, the same as they have been every month in 1968. There has been a slackened demand for the product this year.

Grain shipments were 12 points higher than a year ago mainly because in 1967 there was a delay in resuming shipping after the settlement of the labor dispute in the grain industry. Iron ore shipments posted an eight point gain over a year ago when lower shipments reflected the mood of the national demand for iron ore. Lake cargo, other than grain, fell below last year's level mainly because of less bulk scrap iron handled.

Employment levels in Duluth were higher by nearly 1,200 workers in the September, 1967 - September, 1968 comparison. The bulk of the gain was among nonmanufacturing firms, mostly in construction, transportation, retail trade and government. The rate of unemployment this September was 2.8%, one year ago it was 3.1%.

Employment in state metal mining fell below the year ago level by six points. Freight carloadings were also down sharply from last year reflecting the drop that occurred in the shipment of manufactured products.

RETAIL TRADE:

The unadjusted index of retail trade sales volume (1957-1959=100) totaled 132 in September or 32% above the average month in the 1957-59 period. The September level represents a drop of 4% from the same month of a year ago. General merchandise stores were the big factors in the over-the-year drop.

In comparing the September level of unadjusted retail sales with the average of the preceding three September figures, it was noted that current sales were 2% below the three-year average. To date, however, overall retail sales are 3% higher than the same months in 1967.

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