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Duluth-- An overall improvement in the economy of Northeastern Minnesota, paced by taconite construction, has sparked new records, according to the Duluth Business Index for May.

Freight carloadings climbed to 11,485 cars in May, the highest level for that month since 1960. Increased tonnage was due largely to the shipment of construction materials and machinery for the taconite industry.

Department store sales which climbed to 110 index points(11 higher than the previous month and seven above May, 1964) reached their highest level for May since 1951.

May employment in Duluth of 40,200 persons was the highest for that month since 1960. Unemployment dropped to 4.3%, the lowest in eight years.

Reflecting seasonal influences, the May DBI rose to 127 (1957-59=100), 30 points over the April level of 97. The gain was slightly under the average rise of 39 points which occurs each year at this time.

The less than average increase was due to the fact that business for the first five months has been running 2% ahead of the 1964 pace.

The Duluth Business Index is produced by the Department of Business and Economics at the University of Minnesota, Duluth (UMD) and is authored by Dr. Cecil H. Meyers, professor of business and economics, and Glenn O. Gronseth, research analyst, Minnesota State Employment Service, Duluth.

Twelve of the 15 DBI indicators showed gains in May over the previous month: grain shipments, up 22 million bushels; iron ore shipments, 2,700,000 tons; lake cargo other than grain, 34,000 tons; and coal receipts, up 400 tons.

Building permits, postal receipts and residential kilowatt hours were down from April.