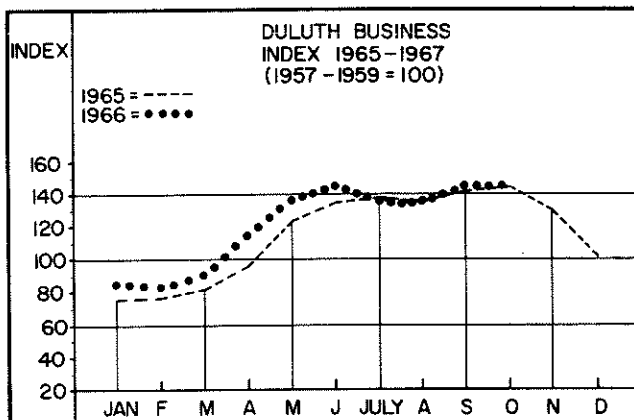


DULUTH ¹ BUSINESS INDICATORS

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TIME PERIOD	DULUTH INDEX
OCTOBER 1966	145
SEPTEMBER 1966	144
SEPTEMBER-OCTOBER CHANGE	+ 1
NORMAL SEASONAL CHANGE SEPTEMBER TO OCTOBER	- 3
OCTOBER 1965	145
CHANGE, OCT. 1965 to OCT. 1966	0

THE MONTH IN REVIEW - AN ANALYSIS

A 16 year October high for Duluth business activity was reached again for that month when the unadjusted Duluth business index (1957-1959=100) rose to 145. Overall, eight of the 15 barometers in the index recorded gains over September resulting in a one point advance in the monthly comparison reaching the record high established in October, 1965. This year the September-October increase ran counter to the usual three point decline that occurs in this period.

Of the eight components that registered gains over September, the most notable jump was in the value of building permits issued (in 1957-59 dollars). This category picked up sharply because of the substantial amount of nonresidential alteration and repair work initiated. About 90% of the gain over September in the use of commercial and industrial electric power can be attributed to increased industrial production through expanded demand and/or completion of equipment

repairs. Residential electrical power consumption experienced a better than average September-October increase.

The overall number of freight carloadings was higher than in September despite the fact that there were fewer railroad cars of grain handled. Other general business handled by rail was enough to offset the lesser amount of railroad grain shipped in October. October coal receipts were up as winter stockpiles are being built up prior to the seasonal shutdown in lake shipments. Although local employment levels moved upward by one point in this month-to-month comparison, the increase was due in part to the settlement of a labor-management dispute. The reopening of school also is reflected in the gain recorded in government employment.

Although grain shipments had a much greater than normal seasonal drop in activity in October, lake shipments to date this year have already set an all-

time record. There are still several weeks of navigation remaining and the season's volume of grain shipments is expected to show further growth. Iron ore shipments are also down from September, however, shipments this year are also being made from the nearby docks at Two Harbors for the first time since 1962 thus affecting the Duluth total. The combined totals shipped to date, however, surpass last year's figure by 16%.

The shipments of general bulk and lake cargo, other than grain, declined by eight points from September levels as October general cargo imports and exports declined 22%. In addition, there were no shipments of scrap iron in October. The threefold increase in shipments of animal fats and vegetable oils over September was not sufficient to offset the decline in other commodities.

While the measurement of unemployment is not one of the components of the index, it nevertheless, is looked on

Seasonally Adjusted Index Numbers

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1965	109	111	112	115	102	113	121	114	118	124	126	118
1966	121	118	125	137	116	121	117	118	120	124		

by analysts as a good indicator of the economic well being of an area. In October, the rate of unemployment in Duluth was 2.3% compared to the 2.9% rate for September.

Business conditions in general have been good so far this year. A review of the first 10 months of 1966 indicates that the overall economy in Duluth is running ahead of the corresponding period of last year by nearly 6%. In October, 11 of the index's 15 components were above their respective 1965 level. Two categories — iron ore shipments and bulk and general cargo, other than grain — however, declined somewhat from a year ago.

Since iron ore shipments are also being made from the nearby Two Harbors docks this year, a condition not existing in 1965, a strictly objective comparison of Duluth's ore shipping total with last year is not valid. It is possible, however, to pin-point specific areas of change in the comparison of bulk and general lake shipping, other than grain, with year ago activity. October shipping showed a sharp decline from last year, and the overall loss can be attributed chiefly to reduced shipments this year in flour, wire, powdered milk and grain by-products.

RETAIL TRADE

After a slow-down in the volume of retail sales in September, attributed in part to the pleasant weather which was not conducive to the sale of winter goods and commodities, a pick-up was again noted in October. The unadjusted October retail sales index was 126 (1957-1959=100). While one of the segments of the total index — general merchandise stores — recorded a decline in this two month comparison, another component — men and women's apparel — enjoyed a sharp advance.

The overall sales index, however, showed a decline of about 5% from the previous October. Reasons for changes in volume from a year ago totals for various stores were mixed and it is difficult to determine any specific single reason for the variances.

In the area of men and women's apparel shops, however, monthly business so far this year has surpassed 1965 figures by 6% and there is a feeling that the increased concern of youth regarding clothes in general and styles in particular has made an impact on this year's volume.

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DULUTH BUSINESS INDICATORS — ORIGINAL DATA

COMPONENT	ORIGINAL DATA		
	Oct. 1966	Sept. 1966	Oct. 1965
Freight Carloadings (Cars)*	15,291	14,498	14,015
Bank Debits (Dollars in '000's)	220,907	226,678	178,700
Building Permits (Actual \$ Value)	1,288,389	844,618	593,886
Postal Receipts (Dollars)*	241,891	270,498	254,101
Number of Telephones (Units)*	68,802	68,617	66,571
Electric Power (Com. & Indus. K.W.H. in '000's)	24,228	22,557	21,911
Electric Power (Res. K.W.H. in '000's)	12,241	11,501	11,601
Number of Electric Customers*	33,330	33,276	33,224
Grain Shipments (Bushels in '000's)	50,886	71,880	48,425
Coal Receipts (Short Tons in '000's)	616	539	526
Iron Ore Shipments (Gross Tons in '000's)	1,666	1,970	2,122
Other Lake Cargo (Short Tons)	53,867	55,557	95,220
Duluth Nonagricultural Empl. (Persons)	43,600	43,200	41,200
Duluth Retail Sales
State Metal Mining Empl. (Persons)	14,200	14,600	12,900

* Supplied by Duluth Industrial Bureau.

DULUTH BUSINESS INDICATORS — INDEX NUMBERS

COMPONENT	INDEX NUMBERS			CHANGE	
	Oct. 1966	Sept. 1966	Oct. 1965	Oct. '65 to '66	Sept. '66 to '66
Freight Carloadings	134	127	123	+ 11	+ 7
Bank Debits	138	141	111	+ 27	- 3
Building Permits*	169	123	110	+ 59	+ 46
Postal Receipts	152	170	160	- 8	- 18
Number of Telephones	124	124	120	+ 4	0
Electric Power (Commercial & Industrial)	145	135	131	+ 14	+ 10
Electric Power (Residential)	149	140	141	+ 8	+ 9
Number of Electric Customers	100	99	99	+ 1	+ 1
Grain Shipments	207	292	197	+ 10	- 85
Coal Receipts	187	163	159	+ 28	+ 24
Iron Ore Shipments	184	218	234	- 50	- 34
Other Lake Cargo	269	277	475	- 206	- 8
Duluth Nonagricultural Empl.	105	104	100	+ 5	+ 1
Duluth Retail Sales Index	126	115	133(R)	- 7	+ 11
State Metal Mining Empl.	89	91	81	+ 8	- 2
OVERALL	145	144	145	0	+ 1

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.
R—revised.

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