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Duluth -- The pace of increased Duluth business activity for the first quarter of the year is reflected in the Duluth Business Index (DBI) for March.

The March index of 88 (1957-59=100) was 9 points higher than February, double the seasonal rise, and 3 points higher than March of 1964.

Duluth business is running two per cent higher than the first quarter of 1964 and 16% ahead of the normal seasonal pattern for the past 10 years.

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

Nine of the 15 index components showed increases over February, three showed no activity and three recorded decreases. Four of them---freight carloadings, bank debits, building permits and department store sales---registered greater than normal gains for this period of the year.

Freight carloadings and grain shipments were influenced by a 2.3 million bushel increase in grain handled in March. Bank debits were up \$39 million over February. Construction activity, as measured by building permits issued, also picked up. Department store sales were up 16 index points over February and three points above the '64 figure.

Duluth non-agricultural employment was up 100 persons and metal mining employment 600 persons over February. The employment index was the highest for any March since 1960.

(more)

There were 2,900 persons unemployed in March or 6.5% of the labor force as compared to 3,000 or 6.7% in February. One year ago, 3,900 persons were unemployed or 8.8% of the labor force.

Meyers and Gronseth noted that there has been a gradual improvement in recent years in the economic climate of the city during the winter period. "Continued improvement of business conditions in this 'trough' period will do much to flatten out our sharp seasonal cycle which has long been a characteristic of our economy," Meyers and Gronseth state.

The authors also pointed out that the Gross National Product, based on first quarter figures, is running at an annual rate which would top \$650 billion this year. At this rate, the 1965 GNP would be well above the \$623 billion recorded for 1964.

"Thus, with the American economy continuing to push to new levels and with the opening of navigation on the Great Lakes, the progress made in building taconite plants in Northeastern Minnesota and the general pick-up which accompanies the spring and summer seasons, there would seem to be ample evidence that the outlook for Duluth business activity through the summer months is good indeed," Meyers and Gronseth conclude.