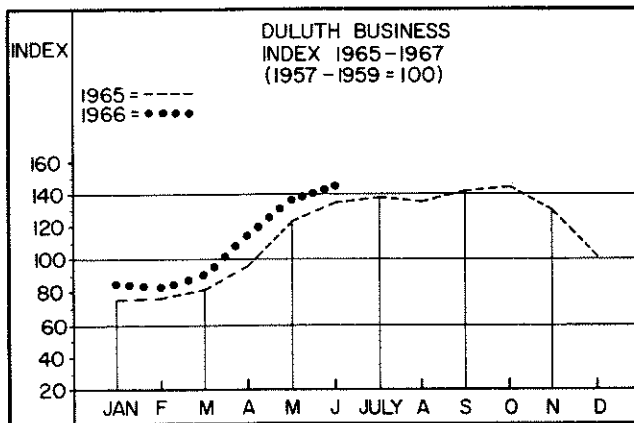


DULUTH ¹ BUSINESS INDICATORS

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TIME PERIOD	DULUTH INDEX
JUNE 1966	145
MAY 1966	138
MAY-JUNE CHANGE	+ 7
NORMAL SEASONAL CHANGE MAY TO JUNE	+ 1
JUNE 1965	135
CHANGE, JUNE 1965 to JUNE 1966	+ 10

THE MONTH IN REVIEW — AN ANALYSIS

A dynamic economy, characteristic of the Duluth business climate this year, continued to manifest itself in June. The Duluth Business Index recorded the second highest level for that particular month since monthly data was first kept in 1951. In addition it was the fifth highest of any month on record in the past 16 years.

The unadjusted June index (1957-1959=100) was 145 or 45% better than the average of the base period. Historically the May-June increase averages one point, however, this year the month-to-month gain was seven points.

During June nine of the 15 barometers used to measure Duluth business activity showed gains over May, while five of the barometers were down, and one showed no change. Freight carloadings, contrary to usual trends at this time of the year, registered a 14 point gain over May. A sharp rise in grain receipts, especially wheat and oats, was noted, offsetting the drop that occurred in iron ore

shipments in June. The June carloading index was the highest for that month since 1959.

Bank debits were up 37 points over May, slightly greater than the average for this period of time. Building permits issued in June (1957-1959—dollars) registered a 10 point gain over the preceding month. An increased number of permits for construction of one-family dwellings and an increase in expenditures for alteration of non-residential buildings were noted over May.

The number of telephones in service continued to advance steadily as has been the case in recent years. Grain shipments in June were up by 5 points over May and recorded an all time high for that month since index data was first recorded in 1951. While coal receipts were up significantly over May the total figures dealt with were relatively small and do not reflect a significant shift or trend in the economy at this time.

June employment levels hit a nine year

high for the month and more than doubled the usual May-June rise of slightly under two points. Part of this year's May-June advance, however, is due to the return to work of construction workers after the settlement of the May labor dispute. Other net gains of note were in metalworking, transportation and government. State metal mining employment also picked up in June, but not to the same extent experienced in this period over the last 10 years.

The usual May-June decline in postal receipts was again noted, however, the drop was greater than the average of recent years. A seasonal decrease in kilowatt hours, used in commercial and industrial establishments is common in this two month comparison and this year's drop followed the usual trend. A similar decrease was also noted in the residential consumption of electrical power.

Iron ore shipments were off 25 points from May levels although total ore shipments to date for 1966 are about 24%

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						

ahead of the 1965 shipping season for the same period of time. Lake and bulk general cargo, other than grain, was down six points from May. Month-to-month variations in this category are normal and monthly tonnage totals may vary simply due to the scheduling date of ship arrivals. Overall there was a slight decrease in general cargo imports and exports and in the amount of animal fats and vegetable oils exported in June. The increase in the amount of grain by-products shipped was not sufficient to offset the general cargo decreases.

The continued improvement in the local economy is again noted in comparing the June index-figure of 145 with that of a year ago when the index level stood at 135. For the first six months of 1966, the overall business picture in Duluth averaged 11% higher than it did for the same period last year. As of July 1, the area lost its designation as a distressed area which further indicates the upward trend of the area's economy.

When analysing the changes which occurred in comparing June of this year with that of June 1965 it can be noted that only two of the 15 barometers in the Duluth business index were down from last year. Coal receipts, accounting for a only minor part of the total index, was down by 25 points, while iron ore shipments fell 14 points from the June 1966 level. The 13 other components recorded various degrees of improvement.

RETAIL TRADE

Overall retail trade volume in June was 4.3% higher than for May contrary to the nearly 4% decline which took place last year in this two month comparison. Men and women's apparel shops averaged a 7% drop from May compared to a 4% decline last year. General merchandise stores showed a May-June rise this year as compared to a decrease for the same period in 1965.

Overall retail sales in June ran 1% over a year ago, while specific categories like general merchandise and men and women's apparel had individual gains over June 1965 of 8% and 10% respectively. Retailers in general have experienced a good year so far. For the first six months sales volume in the eight different retail categories covered in the retail sample averaged 8% higher than for the same period last year.

DULUTH BUSINESS INDICATORS — ORIGINAL DATA

COMPONENT	ORIGINAL DATA		
	June 1966	May 1966	June 1965
Freight Carloadings (Cars)*	14,490	12,846	13,702
Bank Debits (Dollars in '000's)	246,035	185,751	212,647
Building Permits (Actual \$ Value)	656,552	557,930	459,350
Postal Receipts (Dollars)*	200,402	214,519	193,014
Number of Telephones (Units)*	68,014	67,932	65,947
Electric Power (Com. & Indus. K.W.H. in '000's)	23,134	23,952	21,789
Electric Power (Res. K.W.H. in '000's)	11,948	12,947	11,465
Number of Electric Customers*	33,331	33,374	33,203
Grain Shipments (Bushels in '000's)	55,001	53,904	49,224
Coal Receipts (Short Tons in '000's)	395	215	477
Iron Ore Shipments (Gross Tons in '000's)	2,366	2,585	2,491
Other Lake Cargo (Short Tons)	54,153	55,321	44,583
Duluth Nonagricultural Empl (Persons)	43,400	41,700	40,900
Duluth Retail Sales
State Metal Mining Empl. (Persons)	14,200	13,800	13,100

* Supplied by Duluth Industrial Bureau.

DULUTH BUSINESS INDICATORS — INDEX NUMBERS

COMPONENT	INDEX NUMBERS			CHANGE	
	June 1966	May 1966	June 1965	June '65 to June '66	May '66 to June '66
Freight Carloadings	127	113	120	+ 7	+ 14
Bank Debits	153	116	132	+ 21	+ 37
Building Permits*	127	117	104	+ 23	+ 10
Postal Receipts	126	135	121	+ 5	- 9
Number of Telephones	123	122	119	+ 4	+ 1
Electric Power (Commercial & Industrial)	139	144	131	+ 8	- 5
Electric Power (Residential)	146	158	140	+ 6	- 12
Number of Electric Customers	100	100	99	+ 1	0
Grain Shipments	224	219	200	+ 24	+ 5
Coal Receipts	120	65	145	- 25	+ 55
Iron Ore Shipments	261	286	275	- 14	- 25
Other Lake Cargo	270	276	222	+ 48	- 6
Duluth Nonagricultural Empl.	104	100	99	+ 5	+ 4
Duluth Retail Sales Index	122	117	119	+ 3	+ 5
State Metal Mining Empl.	89	86	82	+ 7	+ 3
OVERALL	145	138	135(R)	+ 10	+ 7

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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