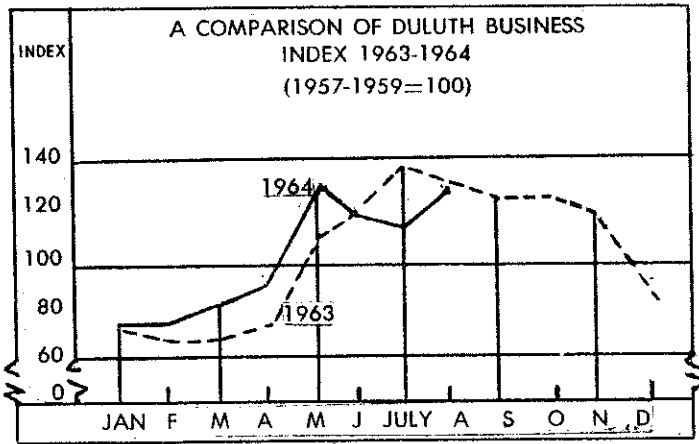


DULUTH BUSINESS INDICATORS*

AUGUST, 1964

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TIME PERIOD	DULUTH INDEX
AUGUST, 1964.....	129.8
JULY, 1964.....	112.8
CHANGE, JULY TO AUGUST, 1964.....	+ 17.0
NORMAL SEASONAL CHANGE, JULY TO AUGUST.....	+ 6.0
AUGUST, 1963.....	132.1
CHANGE, AUG. '63 TO AUG. '64.....	- 2.3

The Month in Review - An Analysis

Duluth business activity showed an increase of 17 points between July and August as the Duluth Business Index, unadjusted, rose from 112.8 to 129.8 (1957-1959 = 100) in this period. The normal business increase from July to August, based on the experience of the past 10 years is 6 index points. For the first 8 months of this year, however, business activity is running approximately 4% ahead of the comparable period of 1963.

In the July to August period, the U.S. Index of Industrial Production (1957-59 = 100) rose from 127.1 to 131.6, a change of + 4.5 index points. As noted above, the Duluth index changed by 17 points.

Part of the substantial July-August advance in the Duluth index can be attributed to the fact that the July index was lower than normal. As a result the return to more normal levels in August tends to accentuate the rise. It should be noted, however, that gains were recorded in 9 of the 15 index components between July and August.

The most significant individual gain over July was recorded in general and bulk tonnage handled thru the Port of Duluth. Shipments of grain also advanced sharply in August after the settlement of a labor-management dispute in

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grain handling. Noticeable gains over July were also recorded in freight car loadings, postal receipts, coal receipts and department store sales. The August index of 114 for department store sales represents the highest level for that particular month for this category since 1951, and reflects, among other things, increased tourist traffic in the area.

Comparing the August, 1964 index with August of 1963, reduced activity occurred in 8 of the 15 components this year over last year. These 8 business barometers showing declines from last year account for slightly more than one-half of the total weight of the Duluth index.

Components showing decreases from one year ago include freight car loadings, bank debits, building permits (1957-1959 dollars), grain shipments, coal receipts, iron ore shipments, state metal mining and the number of electric customers. Lesser activity in freight car loadings, bank debits and grain shipments in August of this year reflect, in part, the fact that the labor-management dispute in grain shipping was not settled until about the middle of August, whereas, last year grain shipments continued during the entire month.

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Shown below for the first time are seasonally adjusted index figures. Because of the increase in interest in this type of data, this series is being initiated in this report and will be continued in subsequent issues.

Seasonally Adjusted Index Numbers

YEAR	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1963	104.05	102.50	97.52	88.76	89.74	100.49	114.85	104.42	105.86	110.51	123.17	100.34
1964	74.62	112.78	117.46	106.43	105.96	98.65	93.64	102.61				

A seasonally adjusted index number indicates the level business activity would have attained in the absence of seasonal influences. Thus, the overall index of business activity as it occurred in August was 129.8, but if the seasonal factor is removed, the index is 102.6. The disparity between these two indices (i.e., $129.8 - 102.6 = 27.2$ index points) indicates 27.2 index points can be accounted for by the normal seasonal upswing which occurs in August.

DULUTH BUSINESS INDICATORS - ORIGINAL DATA

JUNE, JULY, AUG. 1964 AND AUG. 1963

COMPONENT	ORIGINAL DATA			
	AUG. '64	JULY '64	JUNE '64	AUG. '63
FREIGHT CARLOADINGS (CARS)	12,150	9,383	11,020	13,992
BANK DEBITS (DOLLARS IN '000'S)	158,309	168,532	202,184	165,448
BUILDING PERMITS (ADJUSTED \$ VALUE)	361,634	804,663	396,633	546,617
POSTAL RECEIPTS (DOLLARS)	216,726	186,730	196,933	203,481
NUMBER OF TELEPHONES (UNITS)	64,552	64,567	64,427	63,185
ELECTRIC POWER (COMMERCIAL K.W.H. IN '000'S)	10,553	10,029	10,230	10,148
ELECTRIC POWER (RESIDENTIAL K.W.H. IN '000'S)	9,313	9,723	10,154	8,882
NUMBER OF ELECTRIC CUSTOMERS	33,362	33,396	33,460	33,543
GRAIN SHIPMENTS (BUSHELS IN '000'S)	34,156	2,122	37,187	65,312
COAL RECEIPTS (SHORT TONS IN '000'S)	526	247	392	534
IRON ORE SHIPMENTS (GROSS TONS IN '000'S)	2,102	2,227	2,171	2,397
OTHER LAKE CARGO (SHORT TONS)	87,378	43,554	45,781	50,762
DULUTH NONAGRICULTURAL EMPL. (PERSONS)	39,600	39,300	39,100	38,900
DEPT. STORE SALES INDEX (PERCENT)	(ORIGINAL DATA NOT AVAILABLE)			
STATE METAL MINING EMPL. (PERSONS)	12,400	12,300	12,400	12,800

DULUTH BUSINESS INDICATORS - INDEX NUMBERS

JUNE, JULY, AUG. 1964 AND AUG. 1963
(1957 - 59 = 100)

COMPONENT	INDEX			
	AUG. '64	JULY '64	JUNE '64	AUG. '63
FREIGHT CARLOADINGS	106.78	82.46	96.85	123.82
BANK DEBITS	98.53	104.90	125.84	102.98
BUILDING PERMITS	45.60	101.46	50.01	68.93
POSTAL RECEIPTS	136.16	117.31	123.72	127.89
NUMBER OF TELEPHONES	116.33	116.36	116.10	114.05
ELECTRIC POWER (COMMERCIAL)	147.51	140.18	142.99	141.85
ELECTRIC POWER (RESIDENTIAL)	113.58	118.58	123.84	108.33
NUMBER OF ELECTRIC CUSTOMERS	99.67	99.77	99.97	100.12
GRAIN SHIPMENTS	138.77	8.62	151.08	265.35
COAL RECEIPTS	159.39	74.84	118.78	161.81
IRON ORE SHIPMENTS	232.26	246.07	239.88	264.86
OTHER LAKE CARGO	435.90	217.28	228.39	247.61
DULUTH NONAGRICULTURAL EMPL.	95.19	94.47	93.99	93.50
DEPT. STORE SALES INDEX	114.00	92.00	96.00	104.00
STATE METAL MINING EMPL.	<u>77.50</u>	<u>76.87</u>	<u>77.50</u>	<u>80.00</u>
OVERALL	129.81	112.84	120.6	132.1

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.