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Duluth--- Duluth business activity rose 17 points from July to August, largely due to increased bulk and general cargo shipments and record department store sales.

The Duluth Business Index (DBI) rose from 112.8 to 129.8 points (1957-1959= 100), 11 points higher than the normal business increase for that period based on the experience of the past 10 years. This point increase is due largely to the fact that July activity was below its normal seasonal level.

For the first eight months of 1964, Duluth business is running four per cent ahead of the same period in 1963.

The Duluth Business Index is prepared by Dr. Cecil H. Meyers, professor of business and economics at UMD, and Glenn O. Gronseth, research analyst at the Minnesota State Employment Service office in Duluth.

In the July-August period, the U.S. Index of Industrial Production (1957-1959=100) rose 4.5 points (from 127.1 to 131.6) while Duluth rose 17 points.

Grain shipments climbed from 2,122,000 bushels in July to 34,156,000 bushels following settlement in mid-August of the grain handlers dispute.

Coal shipments rose from 247,000 to 526,000 short tons, other lake cargo jumped from 43,554 to 87,378 short tons, and freight car loadings from 9,383 to 12,150 cars.

(more)

The August index of 114 for department store sales, as compared with 92 points in July and 104 points in August of 1963, represented the highest level for that month since 1951. Among other things, the increase reflected increased tourist traffic.

Other August increases were shown in postal receipts, commercial electric power and state metal mining employment.

However, the Duluth Business Index is down 2.3 points from August of last year with eight of the 15 index components showing decreases. Dr. Meyers and Gronseth say lesser activity in freight car loadings, bank debits and grain shipments was largely due to the fact that the labor-management dispute in grain shipping was not settled until mid-August.

A new feature of the August DBI report is a seasonally adjusted index number which shows the level business activity would have attained in the absence of seasonal influences. If the seasonal factor is subtracted from the August index of 129.8, the "adjusted" index stands at 102.6 points. This means that 27.2 index points can be accounted for by the normal seasonal upswing which occurs in August.