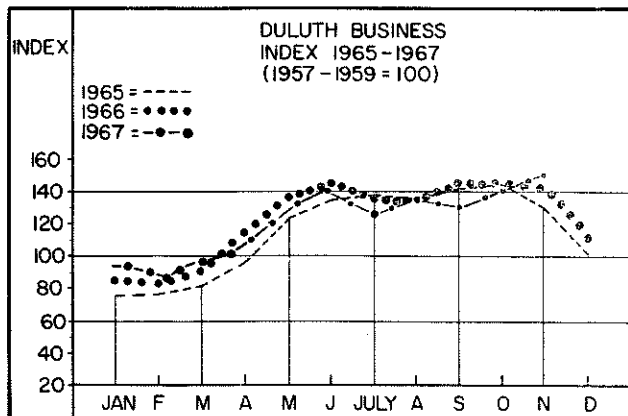


DULUTH BUSINESS INDICATORS

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TIME PERIOD	DULUTH INDEX
NOVEMBER 1967	148
OCTOBER 1967	140
OCTOBER-NOVEMBER CHANGE	+ 8
NORMAL SEASONAL CHANGE OCTOBER to NOVEMBER	- 11
NOVEMBER 1966	142
CHANGE, NOV. 1966 to NOV. 1967.....	+ 6

THE MONTH IN REVIEW

SUMMARY:

For the second successive month the Duluth economy moved in a direction opposite to the normal trend for this time of the year. The November unadjusted business index was 148 (1957-1959=100), the highest on record for that particular month. In October the index was 140. In contrast over the past years the Duluth economy has averaged an 11 point decline in this October-November comparison.

With six of the 15 barometers recording record highs in November, the total index for the month was also six points over the November, 1966 figure. The nonseasonal economic trends of the past two months have helped bolster the Duluth average index for the year to date. As a result Duluth business activity for the first 11 months now is only slightly less than 2% down from the corresponding period of last year.

ANALYSIS:

A sharp rise in freight carloadings was noted in November. Normally

there is a substantial drop in the October-November comparison. The major reason for the atypical rise this year was the 13% increase in rail receipts of grain during November, particularly corn. Outbound rail shipments of grain, although small, were also up during the month.

Bank debits also were up sharply over October contrary to the normal decline that occurs in this period. This component is reflecting the upturn that has been present up in the overall index the past several months. The November bank debit index was the highest for that month on record. The value of building permits issued and under construction (1957-1959 dollars) was up over October. A substantial jump was noted in non-residential alteration work.

Electric power consumption for the residential, commercial and industrial categories were up over October which is a normal trend during fall and winter. Grain volume handled recorded a sizeable gain as elevator inventories were being built up for winter storage. Receipts of corn

showed the greatest single commodity gain over the previous month.

Lake and bulk cargo tonnage, other than grain, showed a substantial improvement over the previous month. Both imports and exports shared in the gain. Substantial gains in imports of foodstuffs, steel and iron products were noted, while in the area of exports, rolled wheat products, grease, tallow and lard, powdered milk and soybean meal were the major contributors.

Coal receipts in November were down from October. Not only is this activity seasonal in nature, but the volume handled also depends somewhat on the size of dock inventories in the area. Iron ore shipments declined 116 points from the previous month. This category, however, is also affected by seasonal patterns of the lake transportation industry as well as the national requirements of the steel industry.

In November 10 of the 15 barometers making up the Duluth business index showed gains over the

Seasonally Adjusted Index Numbers

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1966	121	118	125	137	116	121	117	118	120	124	134	124
1967	134	123	128	129	117	119	109	114	108	120	140	

DULUTH BUSINESS INDICATORS — ORIGINAL DATA

COMPONENT	ORIGINAL DATA		
	Nov. 1967	Oct. 1967	Nov. 1966
Freight Carloadings (Cars)*	13,817	12,390	11,748
Bank Debits (Dollars in '000's)	253,625	214,209	233,509
Building Permits (Actual \$ Value)	1,528,550	1,100,000	476,377
Postal Receipts (Dollars)*	257,119	250,466	244,306
Number of Telephones (Units)*	71,193	71,100	69,038
Electric Power (Com. and Ind. K.W.H. in '000's)	26,813	24,813	25,100
Electric Power (Res. K.W.H. in '000's)	14,914	12,469	13,874
Number of Electric Customers*	33,386	33,358	33,407
Grain Shipments (Bushels in '000's)	50,379	43,338	44,463
Coal Receipts (Short Tons in '000's)	205	403	519
Iron Ore Shipments (Gross Tons in '000's)	559	1,610	565
Other Lake Cargo (Short Tons)	90,034	65,399	108,558
Duluth Nonagricultural Empl. (Persons)	42,200	43,000	41,100**
Duluth Retail Sales
State Metal Mining Empl. (Persons)	13,300	14,300	13,100

* Supplied by Duluth Industrial Bureau.

** Revised

DULUTH BUSINESS INDICATORS — INDEX NUMBERS

COMPONENT	INDEX NUMBERS (1957-1959=100)			CHANGE	
	Nov. 1967	Oct. 1967	Nov. 1966	Nov. '66 to Nov. '67	Oct. '67 to Nov. '67
Freight Carloadings	121	109	103	+ 18	+ 12
Bank Debits	158	133	145	+ 13	+ 25
Building Permits*	184	143	115	+ 69	+ 41
Postal Receipts	162	157	154	+ 8	+ 5
Number of Telephones	128	128	124	+ 4	0
Electric Power (Commercial & Industrial)	161	149	150	+ 11	+ 12
Electric Power (Residential)	182	152	169	+ 13	+ 30
Number of Electric Customers	100	100	100	0	0
Grain Shipments	205	176	181	+ 24	+ 29
Coal Receipts	62	122	157	- 95	- 60
Iron Ore Shipments	62	178	62	0	- 116
Other Lake Cargo	450	326	542	- 92	+ 124
Duluth Nonagricultural Empl.	101	103	99**	+ 2	- 2
Duluth Retail Sales Index	153	140	153**	0	+ 13
State Metal Mining Empl.	83	89	82	+ 1	- 6
OVERALL	148	140	142	+ 6	+ 8

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.

** Revised

same month for a year ago. Freight carloadings, the value of building permits issued and under construction (1957-1959 dollars) and grain shipments recorded the largest individual point gains over last year.

It is interesting to note that for the first 11 months of this year the dollar value of permits for new residential construction is down about 9% from the same period last year, while new, nonresidential building permit values are up 146% and alteration and repair work is up 27%. Duluth employment showed a two point gain over a year ago due primarily to increased employment in transportation, retail trade, service and government. However, the rate of unemployment was up over last year — from 3.3% to 4.0% — because of returns to the area of persons laid off from jobs located outside the area. State metal mining employment is up slightly over last year due to the development of new taconite plants and preparatory work being done for next year's iron ore shipping season.

The overall pace of business activity in the economy of Duluth began to level off after April of this year. However, during October and November there has been an improvement noted compared to last year for the same months. As a result, the business index for the January-November period this year is a little less than 2% under the average for the corresponding period in 1966.

RETAIL TRADE:

The unadjusted volume of retail trade in November was at the same index level as a year previous — 153. Although variations in level change from last year appeared among general merchandise stores, the overall net gain in this category was 6%. Apparel stores were also up 6% over November, 1966. For the year to date overall retail sales volume was ahead of last year by 6%, while general merchandise stores were up 11%, but apparel stores were down 2%.

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