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The Twin Cities are a pivotal factor in the Ninth Federal Reserve District served by the Federal Reserve Bank of Minneapolis. A substantial part of the business transactions in the Ninth Federal Reserve District funnel through Twin Cities firms. Almost every part of the economic spectrum of the District is represented here in some degree. The role of the Twin Cities in the collecting and processing of grain and other agricultural products; the distribution of industrial and consumer goods; serving as a transportation hub; and as center of a high level of financial activity, is obvious.

Of even greater significance is the fact that the Twin Cities serve as the major headquarters area for the District. Here are located home offices for a number of regional and national corporations, and regional headquarters for national corporations and government agencies. All of the major cultural services essential to modern urban life are here in generous measure.

It is impossible to set forth in a few minutes the importance of Twin Cities business firms and public institutions in the Ninth Federal Reserve District economy. However, a relative measure of the importance of this metropolitan center may be obtained by the recital of a few of the major statistics.

The population in the Twin Cities metropolitan area was 1,482,000 in 1960 and is now estimated to be 1,629,000. These figures indicate an average annual growth of nearly 30,000 during the past five years. The population in the Ninth District was 6,288,000 in 1960. Approximately one-fourth of the population of the Ninth District now resides in the Twin Cities metropolitan area. Other metropolitan centers in the district, in order of population size, are: Duluth-Superior, Fargo-Moorhead, Sioux Falls, Billings, and Great Falls. The first two, Duluth-Superior and Fargo-Moorhead, have populations of over 100,000. The latter three, Sioux Falls, Billings and Great Falls, have populations ranging between 50,000 and 100,000.

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Minneapolis-St. Paul ranks fourteenth in population among the larger cities in the United States. New York now has an estimated population of over 11 million, and Los Angeles-Long Beach, the second ranking urban center, has a population of nearly 7 million. The population in this metropolis is about 14 per cent of that in New York City, and 24 per cent of that in Los Angeles-Long Beach. From 1960 to 1962, the Twin Cities metropolitan area had the fastest rate of growth in suburban population among the top 15 cities. The percentage gain of the metropolitan area was also among the highest in this class.

During 1964 a monthly average of 610,000 individuals were employed in Twin Cities business establishments. Employment in district non-agricultural establishments was 1,563,000. Metropolitan Minneapolis-St. Paul accounted for 39 per cent of total district non-agricultural employment, and over one-half (53 per cent) of district manufacturing employment.

Computed by subtracting the cost of materials, fuels, and other variable input costs from value of products produced, value added to industrial products through manufacture is a measure of industrial production suitable for comparing various geographic areas. In 1962 manufacturing establishments located in the Twin Cities accounted for 59 per cent of total value added by manufacture in the four full states in the district -- \$1.8 billion compared with \$3.1 billion. These figures reflect high value products, such as electronic equipment, manufactured in the Twin Cities. The expected manufacturing growth rate of 21.5% from 1962 to 1965 ranks first in the nation.

The largest consumer market in this section of the United States is the Twin Cities. Retail sales in 1964 aggregated \$2.4 billion, or nearly one-third (29 per cent) of the \$8.3 billion total sales in the Ninth district. Consumer purchasing power in this metropolitan area ranks quite favorably with the level in other large metropolitan centers in the nation. According to "Sales Management

Survey of Buying Power," an average buying power per household of \$8,836 in 1964 placed the Twin Cities ninth among the 15 largest metropolitan centers.

Bank debits are one way to measure the volume of business and financial transactions that occur in an urban center. Debits are checks drawn against depositors' accounts, and thus represent payments for goods, services, securities, debts, etc. In 1964, within the Minneapolis-St. Paul area, bank debits aggregated \$56.5 billion. In the next-ranking district urban center, Duluth-Superior, the amount was \$2.8 billion. The Twin Cities total represents a sizable block of the district's total -- 62 per cent.

The statistical facts cited shed light upon the importance of this metropolitan center to the district's economy. ~~But this center is also reliant upon the rest of the district, as well as the nation, for success in farming, manufacturing, mining, and merchandising in these areas influences Twin Cities fortunes. Nevertheless, neglecting mutual reliance, statistical~~
the evidence ~~does~~ disclose that perhaps 50% of Ninth district economic activity is concentrated within metropolitan Minneapolis-St. Paul.

on the cultural side →

In higher education, the University is the largest in the district, and fifth in the nation. In addition to the University, there are ~~at least~~
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~~six~~ other separate, high quality colleges in the area offering four-year undergraduate programs.

The Twin Cities have a season of the Metropolitan Opera, one of the great repertory theaters of the United States, a top quality symphony orchestra, several first-rate museums, and so on. ^{Twin} In short, the Twin Cities have reached and passed the point of a critical mass. This means simply that the Twin Cities have reached a point of self-generation, insofar as population growth, economic opportunity and cultural life, as these factors are commonly understood. This hardly means that the community leaders can relax their efforts to consciously direct the growth of the community, but it does mean that the necessary momentum essential to growth has been achieved.

District's important

To a considerable degree, this has been at the expense of the rest of the District. This, again, has not been a conscious process, but one that has occurred because of the changes that are taking place in the United States. Obvious to all are the shifts from a rural society to an urban, from an agricultural based economy in the District to one of increasing reliance on manufacturing and processing. This has caused a defensive attitude to develop in the District, ^{and} while intellectually these ^{changes} ~~things~~ may be recognized by other communities in the District, they are neither welcomed nor accepted.

A considerable responsibility is imposed upon the successful in our society to become involved with the less successful and less fortunate. This has always been an accepted pattern of the American life -- although in our lifetimes the emphasis has changed from the private sector to the public sector. I might add that this has not been a welcome shift to me, and I suspect to many of you, but it has come about through default.

might well be the credo of private enterprise

~~There is a~~ wonderful phrase known as "enlightened self-interest", It is within the area of enlightened self-interest for the Twin Cities to pursue an active program of improvement on a District-wide basis. Not only is this socially desirable, but economically as well. There are many things ~~that the~~ ^{the} ~~Twin Cities have~~ ^{District has} to offer to national corporations and to federal agencies. Many of these, particularly in the latter category, require broad political support. While for many of them the Twin Cities represent the only possibility within the District because of the peripheral advantages of a large metropolitan area, this is not always the case. Some degree of mutual assistance and help among the communities in the District is essential, if any community in the District is to be successful in securing ^{maximum} growth in these areas.

One of the most dramatic improvements that could come about through the type of leadership I am referring to is in the area of personal income. Just within the State of Minnesota there is a wide range of personal income, from a low of \$3,953 in Mahnommen County to \$9,089 in Hennepin County. The average effective buying income for all counties in the state was \$7,230. Personal income is personal purchasing power. Think of what an improvement in the ^{Minnesota} economy would be achieved by an increase in the personal incomes of rural Minnesota and the smaller communities. The same is true throughout the District.

The accelerator effect on the twin cities such as...
There are many agencies studying this problem on a District basis, but

paramount among them is the Upper Midwest Research and Development Council, which has now entered an action phase, following an initial period of research.

It discusses and reports
I think one of the dangers we all face in our businesses, as well as in the discharge of our social responsibility, is that we tend to move in steps. The impetus of an initial program becomes dissipated, and we develop a feeling

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of complacency that we have done our part, and the problems are now solved. In an evolving society, this is never true. Today's solved problems are very quickly replaced by new ones, that were never dreamed of at the time the first problems were discussed. It is a process that is gradual and continual -- a straight line rather than steps.

To speak to a service club of the distinction and tradition of the Rotary Club about something as fundamental as continuing community service is probably carrying coals to Newcastle, but I am impressed by the fact that personally I periodically have to remind myself of taking new, fresh looks at my particular sphere of influence, and I hope that my remarks today will be accepted in that light.

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