Minnesota

Profile

Coastal Zone
Information
Center

COASTAL ZONE
INFORMATION CENTER

Dept. of Econ. Devel.

HA
451
M56

ERRATA: November, 1974 MINNESOTA PROFILE

Please incorporate the following corrections into your copy of the MINNESOTA PROFILE.

P. 4 Land Use in Minnesota
Total acres should read: 54,611,840

P. 24 Minnesota Travel Expenditures
Total expenditures should read: $975,100,000

P. 45 1972 Commercial Forest Acreage by Ownership
Total acres should read: 13,668,900

P. 61 Economic Development Administration (Lines 6 and 7 from the top)

Under law, EDA can provide up to 50 percent of a loan, the State ARA up to 20 percent, the community 5 percent and the operator the balance.

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Minnesota Profile

Prepared by
State of Minnesota
Department of Economic Development
480 Cedar Street
St. Paul, Minnesota 55101
11/74

Your Link to State Government

Three of the major functions of the Minnesota Department of Economic Development (DED) are: 1) attracting new industry to the state and helping existing industry to expand, 2) counseling communities on economic development and, 3) serving as liaison between the business community and state government.

Industry Attraction and Expansion

- Consult with industry regarding expansion needs, and prepare information relating to sites, taxes, labor availability, transportation, utilities, environmental requirements and financial assistance.
- Compile and publish economic data for industry planning--such as new and expanding industry reports, manpower data, resource analyses, community and park profiles, available industrial buildings list, industrial revenue bond information, export guides and Minnesota manufacturers directory.
- Maintain liaison between industry and industrial realtors, railroads, utilities, developers, chambers of commerce, development corporations and other commercial and civic organizations.
- Maintain contact with and disseminate information to major companies throughout the world to acquaint them with economic facts about Minnesota, its advantages to industry and the services of the Department of Economic Development.
- Advertise nationally the advantages of Minnesota and its business and industrial opportunities.
- Assist Minnesota manufacturers in developing international markets.
- Conduct joint business trips with business leaders and members of economic development organizations to call on business and industry in other areas to encourage expansion of their facilities to Minnesota.

Community Economic Development Counseling

- Assist in developing comprehensive community economic and industrial promotion and expansion programs and guide communities in preparing, publishing and presenting economic data for promotional purposes.
- Help form community industrial development corporations and industrial sales teams to properly promote marketable community assets.
- Aid communities in selecting, developing and promoting industrial sites and parks, and assist in attracting and screening industrial prospects.
- Conduct economic and industrial development seminars for specific communities, development groups or other interested agencies and individuals.
- Help induvidual communities maintain a stable economic base through local industry promotion.

Business Community/State Government Liaison

- Serve as industry's prime contact with state government.
- Assist in channeling state, federal and local governmental programs, projects and policies to aid the business community.

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Quality of Life

Minnesota, Land of Sky Blue Waters, lush forests, fertile soils and fresh air in abundance, has assumed a strong position in the nation's industrial economy. Though lumbering, iron ore mining, wheat farming and flour milling are not as dominant as in the past, these industries still are major components of Minnesota's economy. Agriculture is no longer paramount, but it still remains a vital force in the state's economy.

INDUSTRIAL DIVERSIFICATION

A continuing process of industrial diversification, beginning about three decades ago, has moved Minnesota into a position of industrial leadership in the United States. Honeywell, The 3M Company, and Control Data, three of the world's science giants were created in Minnesota. So, too, are aerospace products, graphic arts, automobiles, glass, paper, paints and machinery of all kinds included in the diversification.

Familiar household names are Betty Crocker, Scotch Tape, Chun-King, the Jolly Green Giant, Cream of Wheat, Hormel meats, and Arctic Cat and Polaris snowmobiles. All are products of Minnesota minds and labor.

Industrialization has not been confined solely to the state's metropolitan areas. Expenditures and jobs from new plants and expansions in outstate Minnesota have outpaced those for the Minneapolis-St. Paul metropolitan area in recent years. While the increase in population and nonagricultural employment was higher for the Twin Cities during the past decade as compared to the non-metropolitan area, the percentage increase in manufacturing employment was higher in the non-metropolitan area of the state.

NATIONAL PROMINENCE

Minnesota achieved national prominence recently when it was featured in a cover story by Time magazine. The 12-page editorial and pictorial commentary, called "Minnesota: A State That Works," said that Minnesota is a " . . . state where a residual American secret still seems to operate. Some of the nation's more agreeable qualities are evident there: courtesy and fairness, honesty, a capacity for innovation, hard work, intellectual adventure and responsibility."

The article was complimentary toward the integrity of Minnesota's governmental operations saying that "Politics is almost unnaturally clean -- no patronage, virtually no corruption." There were several other features that the publication commented on as contributing to the special kind of life that can be found in Minnesota. Time said, "The citizens are well educated; the high school dropout rate, 7.6 percent, is the nation's lowest. Minnesotans are remarkably civil; their crime rate is the third lowest in the nation. By a combination of political and cultural tradition, geography and sheer luck, Minnesota nurtures an extraordinarily successful society."

The article also pointed to Minnesota's business community as being ready to meet its social responsibilities. "Part of Minnesota's secret lies in people's extraordinary civic interest...The Mayo Foundation has offered to invest $1,000,000 in face-lifting the downtown district of Rochester. The IBM plant there has given employees leaves of absence, with pay, to work on public interest projects. At the Mayo medical complex itself, now in the midst of its largest expansion in history, Honeywell, 3M Company and other big state-based corporations have been major contrib-

utors to a $100 million fund drive. The companies' concerns are reflected in their annual reports; most of them carry a section called 'Social Concerns,' or some such."

If there are major problems for business in Minnesota, one of the key ones may be getting employees to leave the state. Time pointed out that "Indeed, one personnel problem in the large corporations is that executives transferred to Minnesota are so reluctant to leave that they would often rather quit and find other work there than accept a transfer." As one young executive, who followed that course of action said, "Many places are nice, but none is better than Minnesota."

GROWING LABOR FORCE

The motive force behind Minnesota's diversifying industrial strength has been a highly productive and readily trainable labor force. The stock of Minnesota is largely northern European, and its people are still close enough to the concepts of the artisans that they have the ability to absorb the new technological skills required by the broadened base of industries.

To match the growing science industry demands, Minnesota has built up a substantial force of scientific manpower. The National Register gives the state eighth place in the United States in terms of scientists in the labor force.

Historically, Minnesota's unemployment rate has been significantly below the national average, indicating economic stability. However, with substantial employment in defense related industries and with sharp federal cutbacks therein, the state's unemployment rate has equalled the national average for the past two years.

In the past decade and a half, Minnesotans have chalked up one of the nation's best on-the-job safety and attendance records. Though union membership is heavy in many parts of the state, Minnesota has maintained a comparatively clean strike record. For example, in 1971 Minnesotans lost only .21 percent of total work time due to strikes, while the United States average was .26 percent. Minnesota's work force has traditionally been characterized by good labor relations.

EDUCATIONAL EXCELLENCE

Minnesota's work force is the product of educational excellence. Whether it trains a disciplined scientific mind, a skilled factory-line worker or an ambitious entrepreneur, the state's educational system is capable of turning out workers of the highest quality.

Proof of that educational strength is the fact that Minnesota consistently places among the lowest states in percent of draftees rejected for failure to pass mental tests. Rejection rates for Minnesotans are only one-fifth the national average. For the past five years, the state has ranked lowest three times.

Heavy per-pupil investment of more than $1,039 per year (13th highest in the nation) may be one reason that Minnesota consistently ranks near the top in percentage of students completing high school. Over 91.5 percent of ninth graders entering high school complete their education.

Approximately 70 percent of high school graduates elect further education. Minnesota's 33 area vocational-technical schools annually turn out several thousand additions to the state's skilled labor force. Many have been trained in programs designed to the specific requirements of industry.

Largest of Minnesota's universities is the University of Minnesota which spreads across four state campuses and 12 more research, experimental and branch stations. The Minneapolis-St. Paul campus, which spans both banks of the Mississippi, claims the largest single-campus enrollment of any educational institution in the country, with some 40,000 students. Its graduate school ranks among the top 10 in the number of PhD's conferred annually.

Vital Statistics

GENERAL

Total Area	84,068 Square Miles
Rank in Size among States	12
Land Area	80,009 Square Miles
Inland Waters	4,059 Square Miles
Number of Lakes (10 acres and over)	15,291
Length	406 Miles
Width	358 Miles
Latitude	43°-30' to 49°-23'-4"
Circumference	1,880 Miles
Organized as Territory	March 3, 1849
Entered Union (32nd State)	May 11, 1858
Constitution Adopted	1858

Motto: "L'Etoile du Nord" (Star of the North)

POPULATION (1973)

State of Minnesota	3,896,479	St. Paul (Capital)	306,962
Rank among States	19	Duluth	99,720
Percent Urban	66	Bloomington	86,161
Percent Rural	34	Rochester	57,600
Minneapolis-St. Paul SMSA (10 County Area)	1,995,800	St. Louis Park	50,393
Minneapolis	427,860	Edina	47,930
		Richfield	47,583

CLIMATE

Average last spring freeze	April 20	Annual precipitation	24.71 inches
Average first fall freeze	October 13	Annual snowfall	42.3 inches

AGRICULTURE (1974)

Land in Farms	30,600,000	Average size of farms	259 acres
Number of Farms	118,000	Cash farm income(1973)	$4,100,000,000

INDUSTRY (1972)

Number of Manufacturing Firms	5,800
Value Added by Manufacturing	$5,551,000,000

NATURAL RESOURCES (1973)

Value of Mineral Production	$853,000,000
Iron Ore Production	$782,000,000

Taconite comprised 71% of all iron ore shipped in 1973

Value of Forest Production	$483,000,000

TOPOGRAPHY

Average mean altitude	1,200 feet above sea level
Highest point: Eagle Mountain	2,301 feet above sea level
Lowest point: Lake Superior shore	602 feet above sea level
Total Forested Lands	19,000,000 acres
State Parks	55
State Park Area	2,984,000 acres

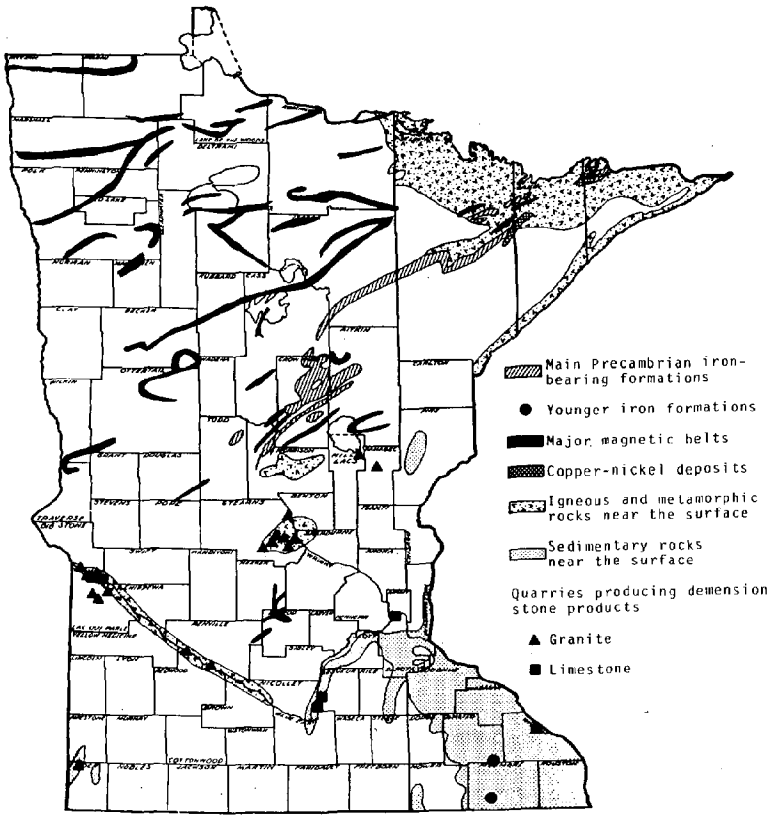
Navigable River Systems:
Mississippi, Red River of the North, Minnesota, Rainy, St. Louis and St. Croix

Land Use in Minnesota

	Acres	Percentage
Forested	18,384,800	33.7
Cultivated	23,743,360	43.5
Pasture and open	6,013,280	11.1
Water	3,293,960	6.1
Marsh	1,867,200	3.5
Urban and residential	644,040	1.2
Urban mixed	550,080	1.0
Extractive	87,280	0.2
Transportation	27,840	0.1
Total	54,611,720	100.0

Source: Center for Urban and Regional Affairs (Unpublished)

Mineral and Building Stone Resources

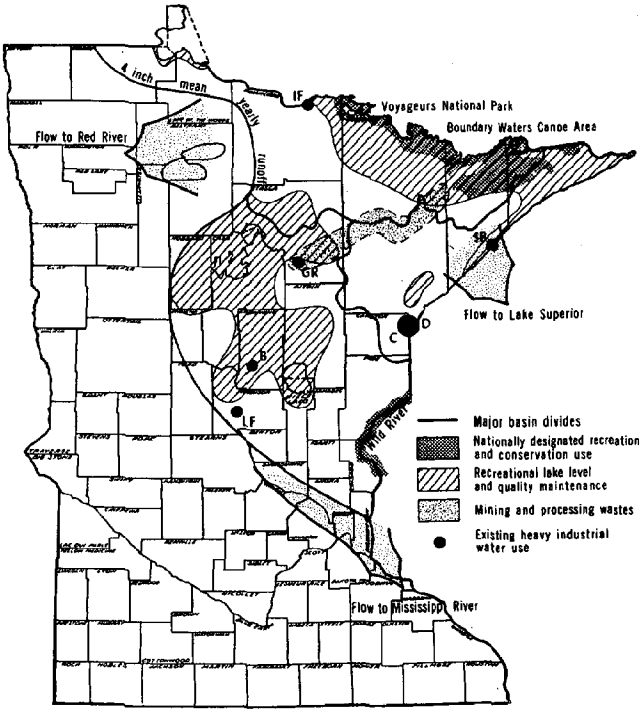


Topography

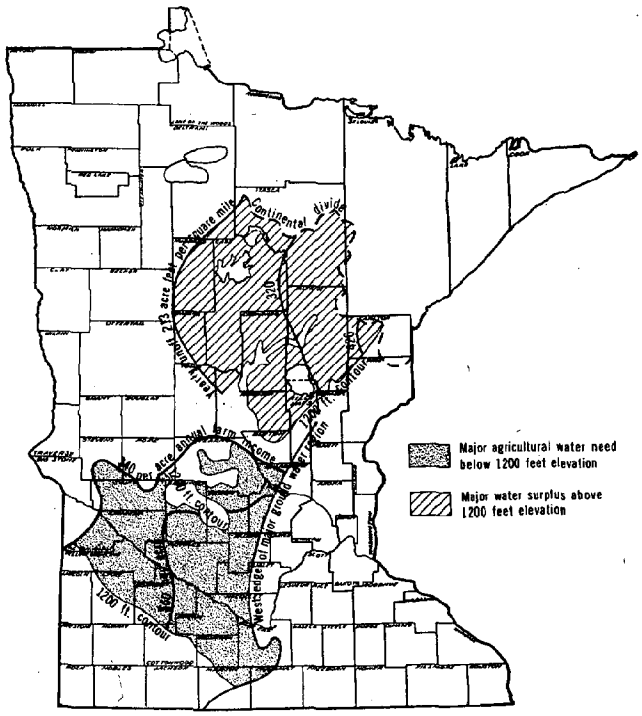
More than two-thirds of Minnesota is nearly flat or gently rolling ground that lies between 1,000 and 1,500 feet above sea level. Both the lowest and highest points in Minnesota are in the northeastern part, often called Arrowhead Country because of its shape. The highest point is the top of Eagle Mountain in Cook County, 2,301 feet above sea level; the lowest is the surface of Lake Superior, 602 feet above sea level. The rugged Sawtooth Range lies between, marked by bedrock ridges which rise precipitously. In the western part of Arrowhead Country are the Misquah Hills and Giant's Range, a granite ridge rising 50 to 500 feet above the general level of the region. South of Giant's Range is a belt of famous iron-bearing rocks--the Mesabi Range.

The northwest and west are lands of flat prairies that merge gradually with the hills of the northeastern forested areas. In the southeast, the gently rolling lands are marked by incised streams and cross-cutting valleys.

Drainage Basins and Major Management Zones



Mississippi-Minnesota Basin



Zones are highly generalized

Population

1970 Minnesota Population

Total	3,804,971	Males	1,863,810
Urban	2,527,308	Females	1,941,161
Urban fringe (Suburban)	973,423	Whites	3,736,038
		Blacks	34,868
Rural	1,277,663	Spanish language	23,198
Farm	454,516		

How Many? Minnesota's population in the 1970 census totaled 3,804,971, ranking it 19th among the States and the District of Columbia. Its population density was 48 persons per square mile. The 1970 population was 66 percent urban and 34 percent rural.

The 1970 total was 12 percent greater than the 1960 population. All of the growth resulted from a net gain due to natural increase of 417,000 (births minus deaths). Minnesota had a net loss of about 25,000 persons during the decade because of people migrating from the State.

Minneapolis, the State's largest city, had a 1970 population of 434,400, a decrease of 10 percent from 1960. The 1970 population in the Minneapolis-St. Paul Standard Metropolitan Statistical Area was 1,813,647, a 22 percent increase over 1960.

Other cities of 25,000 or more with their 1960-70 percentage changes were:

St. Paul	309,980 - 1%	Rochester	53,766 +32%
Duluth	100,578 - 6%	St. Louis Park	48,883 +13%
Bloomington	81,970 +62%	Richfield	47,231 +11%
		St. Cloud	39,691 +17%

Sex of the Population. There were 96.0 males per 100 females in Minnesota during 1970. In 1960, there were 98.4 males per 100 females.

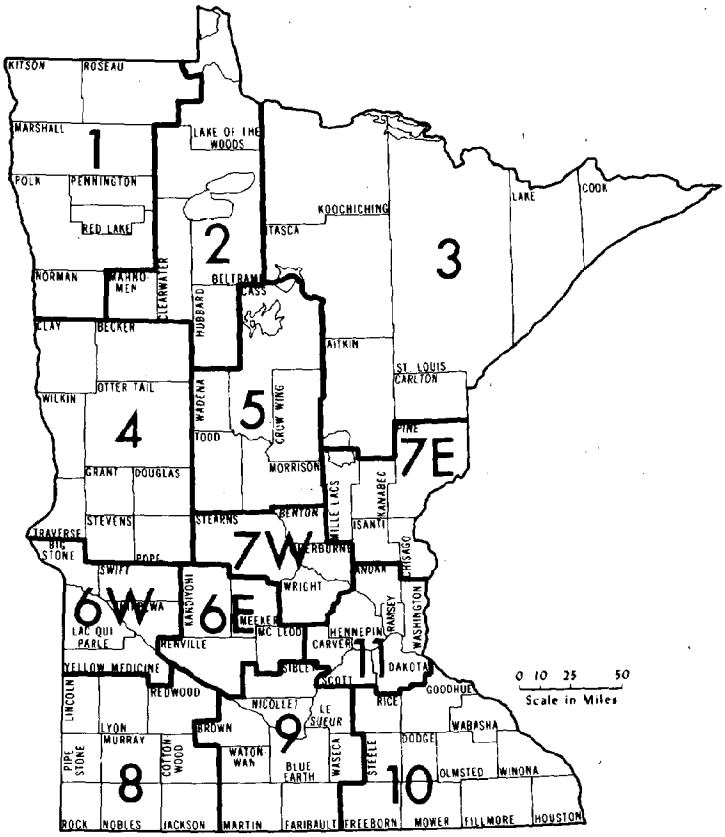
Age of the Population. The median age of the Minnesota population was 26.8 years, compared with 28.1 years for the U.S. Of Minnesota's 1970 population, 408,919 were 65 and older and 331,771 were under 5 years old. The total of school age, 5 to 17, was 1,049,716 and the college age group, 18 to 21, numbered 262,592. The remainder, 22 to 64, totaled 1,751,973.

POPULATION BY AGE

Age in Years	1960 (# in thousands)	1970 (# in thousands)	Percent Change
0-4	416	332	20.3
5-9	381	403	5.8
10-14	325	115	27.8
15-19	251	373	48.6
20-24	195	292	49.4
25-29	193	250	29.2
30-34	206	207	0.1
35-39	211	193	8.7
40-44	205	203	1.1
45-49	194	203	4.5
50-54	176	194	10.1
55-59	160	177	10.7
60-64	146	155	6.4
65-69	131	130	0.9
70-74	102	110	8.0
75+	121	169	39.3

Source: 1970 U.S. Census of Population
U.S. Department of Commerce

Population by Development Regions



Planning and Development Regions represent a grouping of counties based on natural, social and economic factors and were established to facilitate statewide program planning, aggregation of statistical data and local intergovernmental cooperation.

Region	1960	% of Total	1970	% of Total	% Change 1960-70
1	100,492	3.0	94,579	2.5	- 5.9
2	52,896	1.6	54,594	1.5	3.2
3	344,957	10.1	329,873	8.7	- 4.4
4	183,511	5.4	185,376	4.9	1.0
5	110,813	3.3	113,624	3.0	2.5
6E	96,524	2.8	98,159	2.6	1.7
6W	69,063	2.0	61,809	1.7	-10.5
7E	67,520	2.0	76,351	2.0	13.1
7W	140,428	4.1	173,518	4.6	23.6
8	149,268	4.4	141,532	3.8	- 5.2
9	212,563	6.2	218,077	5.8	2.6
10	360,332	10.6	383,369	10.1	6.4
11	1,525,488	44.7	1,874,110	49.3	22.9
Total	3,413,864		3,804,971		11.5

Source: U.S. Bureau of the Census

Population by Residence and Race

(Real and Projected)

	1973	1974	1978
Total state population	3,903,585	3,936,413	4,080,734
Rural	1,268,665	1,263,589	1,252,285
Urban	2,634,920	2,672,824	2,827,949
White	3,836,053	3,868,313	4,010,137
Negro	35,523	35,821	37,135
Indian	23,031	23,225	24,076
Other Minority	8,978	9,054	9,386

Source: Minnesota Department of Education
Division of Vocational - Technical Education

Population Projection 1

(in thousands)

Age	1960	1970	1980	1990
Under 20	1,373 (40.2%)	1,523 (40.0%)	1,460 (35.1%)	1,485 (32.8%)
Metro	604 (39.6%)	751 (40.0%)	797 (35.2%)	896 (33.1%)
Non-Metro	769 (40.7%)	772 (40.0%)	663 (35.0%)	589 (32.3%)
20-34	595 (17.4%)	748 (19.7%)	1,049 (25.2%)	1,105 (24.4%)
Metro	300 (19.7%)	426 (22.8%)	637 (28.2%)	703 (26.0%)
Non-Metro	295 (15.6%)	322 (16.7%)	412 (21.7%)	402 (22.0%)
35-64	1,092 (32.0%)	1,125 (29.6%)	1,207 (29.1%)	1,483 (32.7%)
Metro	481 (31.5%)	534 (28.5%)	648 (28.7%)	903 (33.4%)
Non-Metro	611 (32.4%)	591 (30.6%)	559 (29.5%)	580 (31.8%)
Over 65	354 (10.4%)	409 (10.7%)	439 (10.6%)	458 (10.1%)
Metro	140 (9.2%)	164 (8.7%)	178 (7.9%)	204 (7.5%)
Non-Metro	214 (11.3%)	245 (12.7%)	261 (13.8%)	254 (13.9%)
Total	3,414 (100.0%)	3,805 (100.0%)	4,155 (100.0%)	4,531 (100.0%)
Metro	1,525 (100.0%)	1,874 (100.0%)	2,261 (100.0%)	2,705 (100.0%)
Non-Metro	1,889 (100.0%)	1,931 (100.0%)	1,894 (100.0%)	1,826 (100.0%)

Source: "Minnesota Population Data Book - 1972"
Minnesota Department of Health

Population Projection 2

(in thousands)

	U.S. (1)	Minnesota	% of U.S.
1950	151,326	2,982 (1)	1.97
1960	179,975	3,425 (1)	1.90
1970	203,810	3,805 (1)	1.87
1980	236,725	4,180 (2)	1.77
1990	269,759	4,619 (2)	1.71

Sources: (1) U.S. Bureau of the Census
(2) "Minnesota Population," Middle Projection, Minnesota Department of Health

Personal Income, Work Force and Employment

Personal Income in Minnesota by Major Source, 1972

Personal income 1972 (Dollars in millions)	16,746
Wage and salary disbursements	10,890
Farms	64
Mining	143
Contract construction	724
Manufacturing	2,911
Wholesale and retail trade	2,062
Finance, insurance and real estate	559
Transportation, communication, public utilities	893
Service	1,472
Government	2,043
Other	19
Other labor income	667
Proprietors' income	1,691
Property income	2,357
Transfer payments	1,775
Less contributions to social insurance	634

Source: U.S. Department of Commerce, Office of Business Economics

Civilian Work Force in Minnesota

(annual average in thousands)

Year	Civilian Work Force	Employed	Unemployed	Percent Unemployment
1960	1387.7	1320.6	67.1	4.8
1961	1401.9	1317.9	84.1	6.0
1962	1411.1	1342.7	68.4	4.9
1963	1419.4	1349.7	71.6	5.0
1964	1429.7	1362.1	68.7	4.8
1965	1451.9	1397.6	56.7	3.9
1966	1488.7	1442.5	46.2	3.1
1967	1521.1	1475.0	46.1	3.0
1968	1554.9	1507.4	47.5	3.1
1969	1604.3	1557.6	46.7	2.9
1970	1639.3	1566.8	72.5	4.4
1971	1655.0	1557.7	97.3	5.9
1972	1690.5	1593.1	94.5	5.6
1973	1766.9	1683.3	82.5	4.7

Source: Minnesota Department of Employment Services

Minnesota Work Force by Sex and Age Group

	1970 Total Work Force (in thousands)		Percent change 1960-1970	
Age	Male	Female	Male	Female
65+	45	25	-17%	+20%
45-64	320	200	+ 2%	+22%
35-44	190	100	- 5%	+21%
25-34	220	100	+16%	+65%
20-24	110	100	+37%	+92%
18-19	45	50	+55%	+57%
16-17	40	35	+45%	+65%
14-15	10	8	+21%	+35%

Source: U.S. Department of Commerce, Bureau of the Census

Work Force and Employment in Minnesota

(Annual average in thousands)

	1967	1969	1971	1972	1973
Civilian work force	1521.1	1604.3	1655.0	1690.5	1766.9
Unemployment	46.1	46.7	97.3	94.5	82.5
Unemployment rate (%)	3.0	2.9	5.9	5.6	4.7
Employment (1)	1475.0	1557.6	1557.7	1593.1	1683.3
Agriculture	145.2	134.2	125.9	121.6	126.1
Non-agriculture (2)	1327.7	1422.7	1430.2	1470.0	1557.2
Wage and salary	1201.1	1302.7	1311.6	1351.4	1436.6
Manufacturing	302.8	332.0	299.4	307.5	331.0
Durable goods	169.3	192.7	165.8	170.9	190.7
Lumber-wood products	6.7	7.4	7.4	8.2	9.0
Furniture and fixtures	3.5	3.6	4.1	4.4	4.9
Stone, clay and glass products	7.3	7.8	7.6	6.9	8.7
Primary metal products	7.0	7.5	6.4	5.6	6.6
Fabricated metal products	19.0	21.1	19.0	20.6	23.0
Nonelectrical machinery	58.3	66.6	57.7	60.4	66.6
Electrical machinery	26.4	30.9	23.1	23.6	28.9
Transportation equipment	6.7	10.4	11.3	11.2	11.6
Other durable goods	34.4	37.4	29.3	30.0	31.4
Nondurable goods	133.5	139.4	133.6	136.7	140.3
Food and kindred products	57.4	57.2	53.8	53.3	51.2
Textile mill products	2.6	2.9	2.8	2.9	3.3
Apparel and other fabric products	8.2	7.5	7.6	8.4	9.5
Paper and allied products	28.2	31.2	30.3	30.8	32.8
Printing and publishing	22.5	24.2	23.6	24.8	25.7
Chemicals, products of petroleum	7.7	8.4	8.2	8.4	8.1
Rubber and leather products	7.0	8.1	7.4	8.2	9.6
Non-manufacturing	898.3	970.7	1012.2	1043.9	1105.6
Mining and quarrying	14.4	14.5	13.9	13.0	14.1
Metal mining	12.8	13.1	12.7	11.8	12.8
Construction	61.1	67.6	63.2	60.0	67.4
Transportation	56.7	59.2	56.0	56.7	60.0
Communication and public utilities	27.7	28.3	29.6	29.9	30.7
Retail trade	208.9	228.3	237.4	249.1	265.3
Wholesale trade	74.2	78.6	81.7	83.2	86.9
Finance, insurance and real estate	56.8	62.1	65.0	67.2	71.4
Services	184.5	207.9	225.7	238.9	254.8
Government	214.1	224.1	239.7	246.0	255.2

(1) Includes workers involved in labor-management disputes.
(2) Includes domestics and non-agricultural self-employed and unpaid family workers not shown separately.

Source: Minnesota Department of Employment Services

Hours and Earnings in Minnesota's Nonagricultural Industries

(Annual Average 1973)

	Production Workers' Hours & Earnings		
	Average Weekly Earnings	Average Weekly Hours	Average Hourly Earnings
MANUFACTURING	$172.87	41.1	$4.21
Durable Goods	176.99	41.6	4.25
Lumber & Wood Products	161.67	41.3	3.91
Furniture & Fixtures	163.36	40.4	4.05
Stone, Clay & Glass	177.28	41.1	4.31
Primary Metals	200.71	43.0	4.67
Fabricated Metals	178.09	41.0	4.34
Nonelectrical Machinery	182.19	42.1	4.33
Electrical Machinery	172.34	41.4	4.17
Transportation Equipment	175.14	40.0	4.38
Other Durable Goods (1)	173.86	42.4	4.10
Nondurable Goods	166.95	40.3	4.14
Food & Kindred Products	163.33	39.8	4.10
Textile Mill Products	129.35	41.3	3.13
Apparel	97.10	38.5	2.52
Paper & Allied Products	206.81	46.6	4.44
Printing & Publishing	180.42	37.0	4.88
Chemical Products	157.89	38.3	4.12
Petroleum Products	204.23	45.6	4.51
Rubber & Leather Goods	147.11	38.4	3.83
MINING	202.24	41.0	4.93
Metal Mining	200.91	41.1	4.89
CONSTRUCTION	281.34	37.4	7.51
Building Construction	275.04	37.2	7.39
Highway & Heavy Const.	262.75	38.5	6.83
Special Trades Contracting	289.90	36.5	7.93
TRANSPORTATION	211.73	39.7	5.40
PUBLIC UTILITIES	195.11	39.6	4.93
TRADE	119.37	33.0	3.62
Retail Trade	102.62	31.0	3.31
General Merchandise	87.32	29.7	2.94
Food Stores	NA	NA	NA
Eating & Drinking Places	56.68	25.2	2.25
Wholesale Trade	177.32	39.8	4.45

(1) Includes Ordnance, Scientific Instruments & Misc. Ind.
NA not available

Source: Minnesota Department of Employment Services

Population, Employment, Personal Income and Earnings by Industry

(Real and Projected)

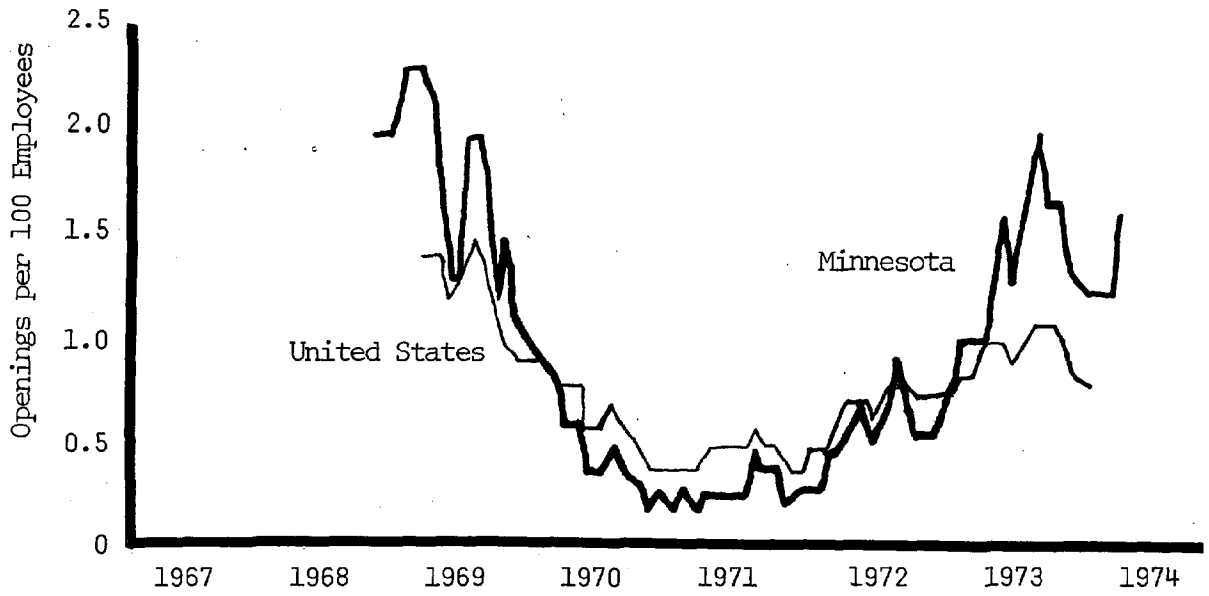
	1969	1971	1980	1990
Population, midyear	3,758,000	3,860,000	4,119,400	4,553,100
Per capita income (1967$)	3,320	3,426	4,790	6,211
Per capita income relative (U.S.=100)	97	97	100	101
Total employment	1,494,408	NA	1,824,300	2,031,500
Employment/population ratio	.39	NA	.44	.45

(In thousands of 1967 dollars)

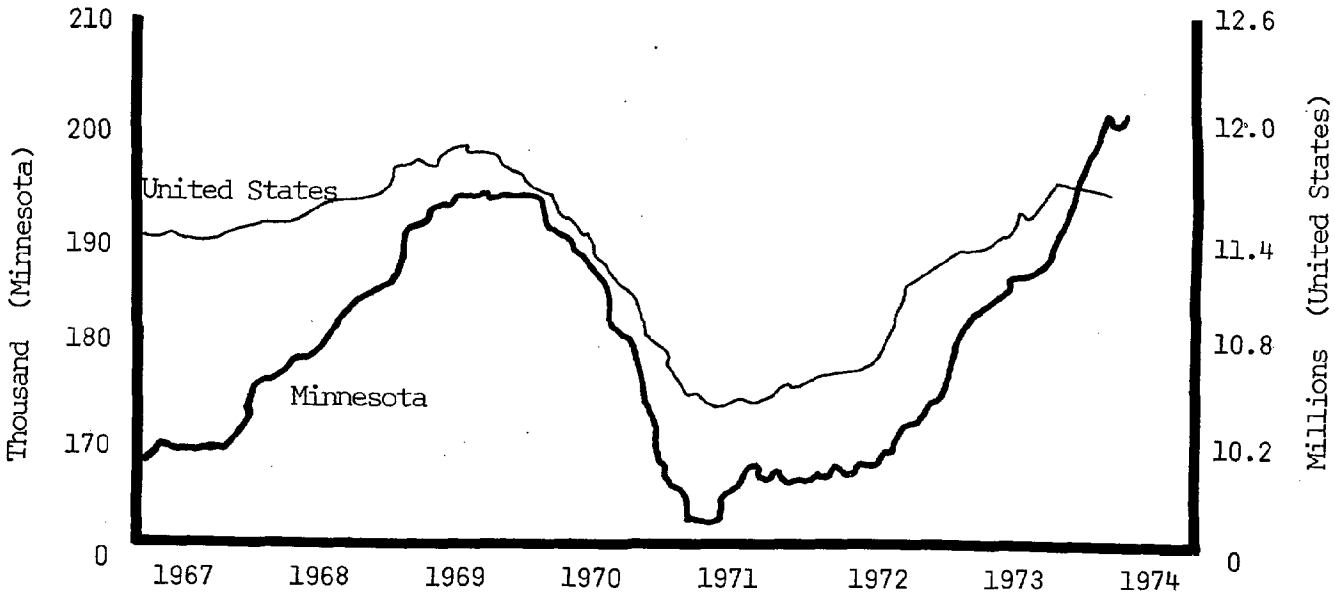
Total personal income	12,477,823	13,225,759	19,731,000	28,279,000
Total earnings	10,084,003	10,539,507	15,672,500	22,214,800
Agriculture, forestry and fisheries	657,262	691,105	750,800	826,000
Mining	130,187	131,754	148,200	161,000
Metal	118,195	119,264	132,300	142,700
Crude petroleum and natural gas	615	530	NA	NA
Nonmetallic, except fuels	11,376	11,927	15,300	17,600
Contract construction	709,599	733,870	1,082,000	1,484,100
Manufacturing	2,656,541	2,511,247	3,840,900	5,270,700
Food and kindred products	437,520	433,872	531,800	597,600
Textile mill products	16,186	15,734	20,700	26,000
Apparel and other fabric products	33,792	34,573	46,700	53,600
Lumber products and furniture	75,971	77,957	108,400	143,300
Paper and allied products	279,945	280,112	426,300	584,500
Printing and publishing	180,247	183,914	272,100	381,800
Chemicals and allied products	51,323	54,510	86,000	118,900
Petroleum refining	23,684	26,597	356,600	47,600
Primary metals	62,696	57,545	69,800	80,200
Fabricated metals and ordnance	271,095	225,140	339,500	451,900
Machinery, excluding electrical	577,718	527,758	881,900	1,284,500
Electrical machinery and supplies	248,918	190,634	378,300	586,000
Motor vehicles and equipment	50,034	54,797	78,700	107,600
Trans. equip., excl. mtr. vehs.	36,820	46,952	77,600	109,600
Other manufacturing	310,590	301,150	486,800	696,900
Trans., comm. and public utilities	735,950	782,957	1,092,400	1,501,800
Wholesale and retail trade	1,844,757	1,963,651	2,735,800	3,737,500
Finance, insurance and real estate	501,255	540,567	854,600	1,285,500
Services	1,443,446	1,565,415	2,743,500	4,313,900
Government	1,405,016	1,618,949	2,423,800	3,633,900
Federal civilian government	244,995	271,650	393,400	578,500
State and local government	1,088,635	1,275,013	1,957,400	2,964,300
Federal military	71,388	72,273	72,900	91,000

Source: Survey of Current Business, April, 1974

Job Opening Rates in Manufacturing



Seasonally Adjusted Durable Goods Manufacturing Employment



Source: Minnesota Department of Employment Services

Education

Minnesotans place a high priority on educational facilities and excellence in education. The following national rankings illustrate educational attainment:

1. Minnesota has consistently led or been in the top six states in the nation for the past years in percentage of persons passing the mental aptitude section of the Armed Forces Qualification Test.

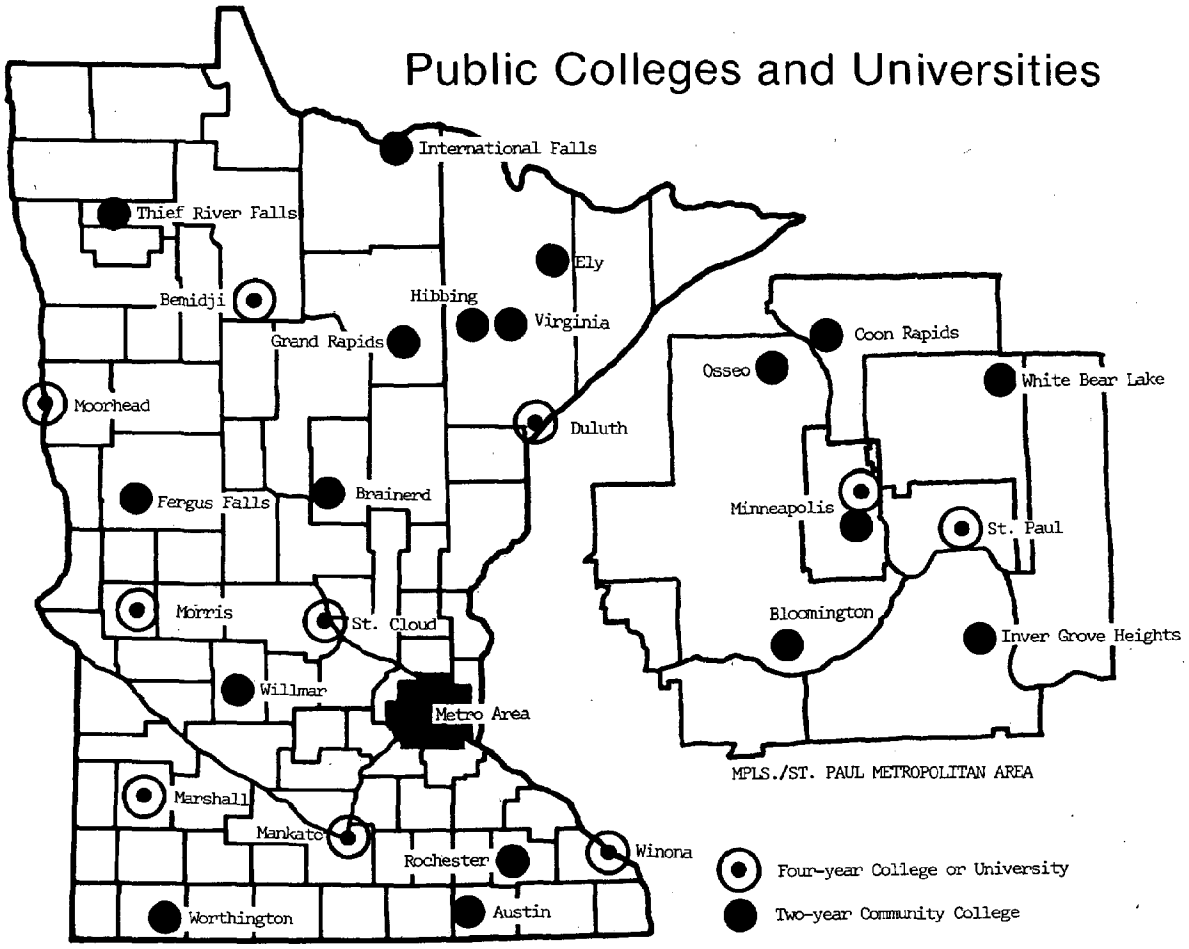
2. Among metropolitan areas, Minneapolis/St. Paul ranks fourth in the percentage of "some college training" among heads of households.

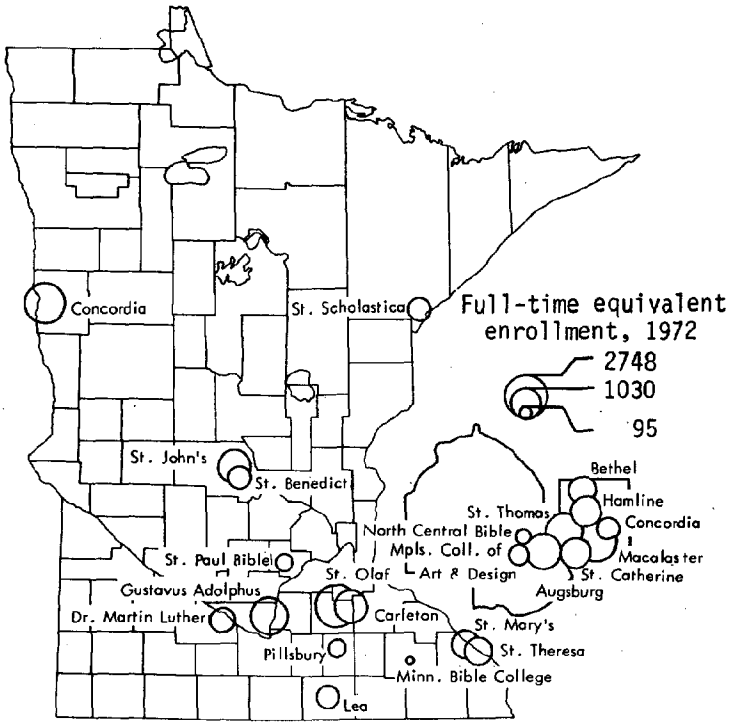
3. Minnesota ranks among the top ten states in the number of Ph.D's per million population, and the University of Minnesota ranks among the top ten universities in the number of Ph.D's conferred annually.

4. Minnesota high schools, according to a National Education Association (NEA) report released in 1971, had the highest percentage of ninth graders completing high school. Minnesota had 92.4% compared to the national average of 79.1%.

According to the NEA's most recent statistics in 1969-70, Minnesota led the nation in percent of ninth graders, graduating four years later with 92.4%. Listed below are the top five states and U.S. average.

State:	Minnesota	Iowa	California	Hawaii	Maine	U.S.
Place:	1	2	3	4	5	*
% Graduated:	92.4	90.4	90.0	89.0	88.1	79.1





Private Colleges

Source: Minnesota Higher Education Coordinating Commission

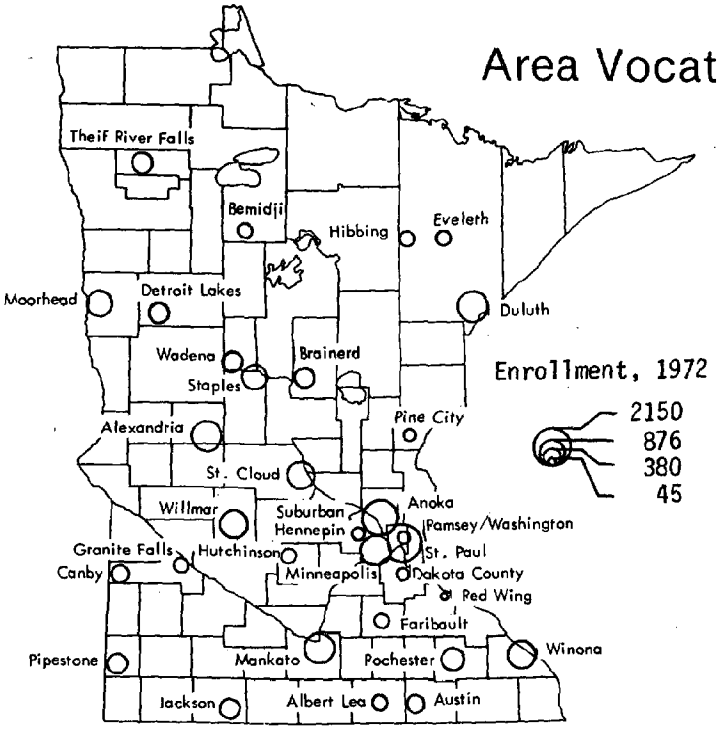
School Enrollment

(Real and Projected)

	1973	1974	1978
Grades K-12, public total	908,751	900,943	839,250
Grades K-12, private total	106,392	NA	NA
Negro K-12	10,194	10,106	9,414
Indian K-12	9,433	9,352	8,712
Other minority K-12	5,723	5,674	5,285
Secondary enrollment	439,442	444,102	403,280
Male high school graduates	31,812	33,463	38,107
Female high school graduates	31,323	32,958	37,532
Vocational enrollment	110,086	127,559	144,144
Public vocational-technical post-secondary enrollment	22,239	25,100	33,600
Male	14,011	15,813	21,168
Female	8,228	9,287	12,432
Minority	436	654	872
Adult	101,436	113,821	150,189
Public and private college and university enrollment	139,793	138,814	145,835

Source: Minnesota Department of Education
Division of Vocational-Technical Education

Area Vocational Technical Institutes



Seventy-five centers offering high school vocational programs are planned for the state. About half that number are now operating.

The State Department staff working with high schools are concentrating on developing programs, managing a system for delivering them, building understanding and commitment to secondary vocational education and developing a system of follow-up for every student who leaves high school.

Vocational programs cover 15 major areas: agriculture and natural resources, marine science, health occupations, public service, manufacturing, construction, environmental occupations, marketing and distribution, consumer homemaking, transportation, communications and media, business and office, fine arts and humanities, personal services, hospitality and recreation.

A follow-up survey conducted among all the people graduating from the institutes between July 1, 1970 and June 30, 1971, showed that 91 percent of the group available were employed one year after completing their training. The results are based on replies by 82 percent of the graduates and 93 percent of the employers. Among the employers, 92 percent said the quality of the graduates' work was average or better and 64 percent said they might, or would, promote the graduate to a job with greater responsibility. The major areas of employment were accounting, health care, machinery and repair, electricity and electronics, food serving and processing, and agriculture.

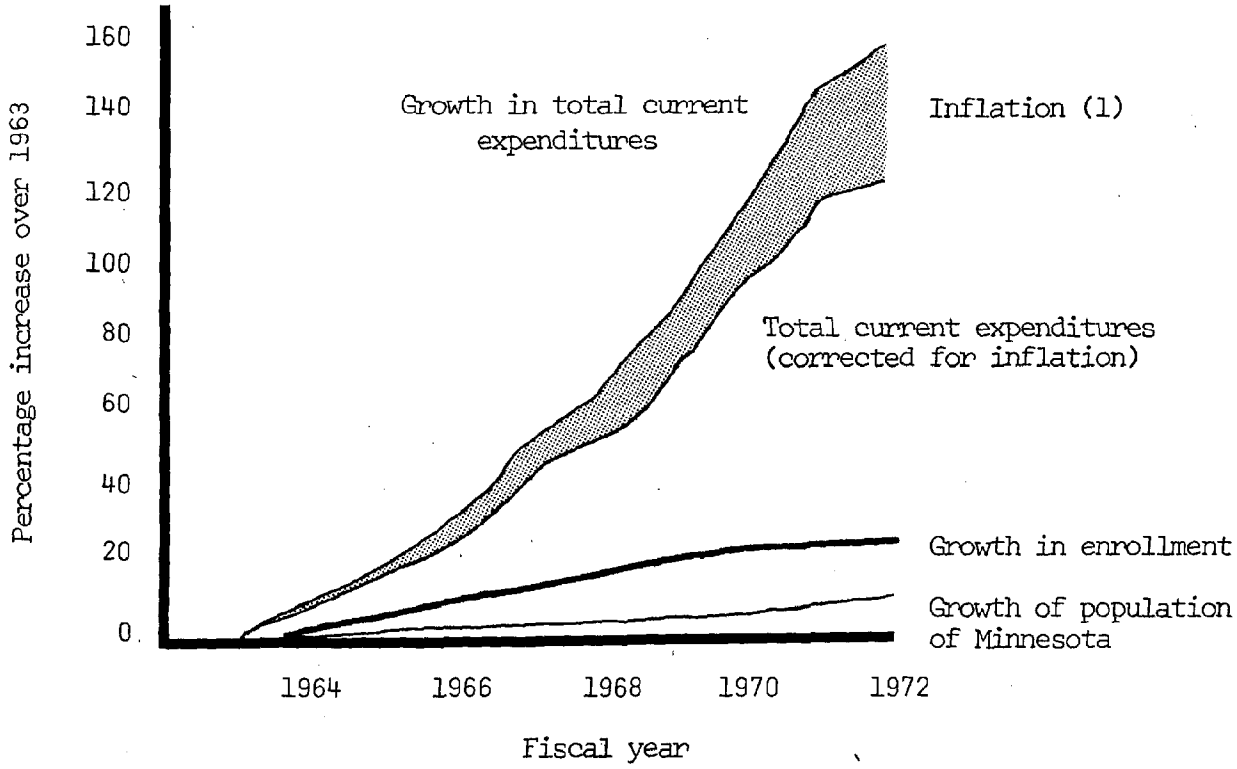
One-third of the graduates took further training during their first year of work, either on the job, at an AVTI or private vocational school, a college or junior college or through apprenticeship or specialized military training.

Manpower Needs and Occupational Forecasts

	1973 Employment	1974 Job Openings	Graduates of Vocational Training
Agriculture	242,989	6,245	3,706
Business and Office	311,652	23,821	5,255
Distributive	189,047	12,384	2,177
Health Occupations	59,102	4,878	2,818
Home Economics	58,264	3,781	1,628
Technical	37,878	4,067	2,407
Trade and Industrial	429,036	18,545	7,061

Source: Minnesota Department of Education
Division of Vocational-Technical Education

Growth of Minnesota's Public Schools



1963	Fiscal year	1972
$456,731,890	Total current expenditures(1)	$1,205,246,653
$456,731,890	Total current expenditures(2) (corrected for inflation)	$1,040,960,092
752,382	Total net enrollment	949,600
3,531,000	Total state population	3,896,000

(1) Does not include refunds issued
(2) Correction based on the Minneapolis/St. Paul consumer price index using 1963 as the base year

Source: Minnesota Department of Education

Business and Industry

Furs, northern pine, wheat and iron ore once were the dominant forces that shaped Minnesota's economy. Today, Minnesota's expanding and diversified business and industry are as much dependent upon the utilization of technical equipment and skilled people as on natural resources.

Manufacturing displaced farming as the major source of income in 1952. However, agricultural products of a wide variety remain as a vital element of the economy.

Much of the state's business and industry is located in the Twin Cities metropolital area, one of the fastest-growing metro areas in the country. Nevertheless, growth of hundreds of other Minnesota communities has been and is being accelerated by concerted efforts of business and civic leaders to secure new industry.

There are many reasons for Minnesota's economic growth:

MANPOWER: More than 3.8 million people live in Minnesota. Skilled of hand, steady of mind, and intensely ambitious, they make up the nation's most desirable labor force. Their high productivity has been praised often by both state and national manufacturers.

MARKET: Minnesota is the marketing and distribution center of the Upper Midwest. The area, consisting of North Dakota, South Dakota, Montana, Iowa, Wisconsin, and Upper Michigan, is related financially through the Ninth Federal Reserve District and physically by an integrated system of highways, railroads, and air routes.

WATER AND POWER: With nearly 15,000 lakes and some 400 rivers and streams - the Mississippi, Minnesota, Red, Rainy, and St. Croix among the largest - Minnesota is richly endowed with surface water. In addition, an almost unlimited supply of water is available from huge natural reservoirs located primarily in the underground Jordan, St. Peter, and Franconia sandstone formations.

Minnesota's electrical power suppliers have a total generating capacity of more than 5½ million kilowatts and are building facilities to generate 2 million additional kilowatts.

Pipelines converging on the Twin Cities bring natural gas to Minnesota from southwestern United States and Canada. Spurs from these main lines serve both residential and industrial users throughout the state. Oil pipelines carry crude oil from Canada and North Dakota to Duluth and the Twin Cities.

INDUSTRIAL SITES: Well-planned and strategically-located industrial parks in Minnesota are a major feature of the state's industrial development program. These numerous parks offer a wide selection to any industry looking for expansion locations.

BUSINESS CLIMATE: There is much evidence to support the claim that Minnesota's business "climate" is good and continually improving. Minnesotans' attitude toward business is reflected, in part, in three bills passed by the 1967 State Legislature: tax reform that eliminated personal property taxes on business inventory or machinery and equipment; revenue bond financing for industrial development; reorganization of the Minnesota Department of Economic Development and a substantial increase in the department's operating budget.

While the swiftly-growing "brain" industries (non-electrical machinery, including computers and business machines) and their supporting technical businesses have focused national attention on Minnesota, many additional widely-known and highly-diversified business firms prosper in the state.

The growth of Minnesota's manufacturing industry is the result of a great many factors: natural resources, transportation, an intelligent and productive work force. These factors plus diversification of products and geographic location of facilities, will help assure continued, orderly expansion.

While the Twin Cities metropolitan area, with a population of nearly 2 million, is the state's major commercial-industrial center, hundreds of communities throughout the state are engaged in effective economic self-help programs.

Once known primarily for flour milling and logging, Minnesota today produces an amazing array of products: automobiles to toy trucks; electronic computers to hearing aids; calendars, cake mixes, and Chinese cookies, to name a few.

During the past decade, Minnesota has become one of the nation's leading "brain" industry centers. Employment for approximately 70,000 persons is provided by more than 170 electronics and related technical businesses - many with outstanding research and development facilities. The non-electrical machinery industry has expanded rapidly and now heads Minnesota's manufacturing industry rankings of employment, payroll and value added. Food and kindred products is the state's second largest in terms of employment, payroll and value added.

Minnesota's vast forestlands make possible a number of manufacturing industries involving the processing of wood products. There is enough timber standing in the commercial forests of Minnesota to cover 355,000 acres with an inch-thick roof of lumber, or enough cord wood to construct a two-foot by four-foot tower of timber that would reach approximately 126,000 miles past the moon.

Printing and publishing ranks third for employment and payroll. The Twin Cities metropolitan area alone is among the top 10 (some place it as high as fourth) graphic arts centers in the nation.

Other notable manufacturing industries in Minnesota include electrical machinery; fabricated metal products; stone, clay, and glass products; instruments and related products; apparel and related products.

Land of the Giants

Although Minnesota ranks 19th among the 50 states on a population basis, it is 10th in a list of states having the greatest number of the biggest corporations in the nation. Of the top 1,300 publicly held companies in the United States (as ranked by "Fortune" magazine), 38 are headquartered in Minnesota. In addition to that, Cargill, Inc., one of the world's largest private companies, is headquartered here.

Headquarter Companies

Major firms headquartered in the Twin Cities and surrounding area as compiled from the May, June and July, 1974 issues of "Fortune" magazine, which list the "1st 500" and "2nd 500" U.S. industrial companies and the 50 largest U.S. non-industrial companies.

INDUSTRIAL COMPANIES

Rank	Company	Headquarters	Sales
50	Minnesota Mining & Manufacturing	St. Paul	$2,545,620,000
54	Honeywell	Minneapolis	2,390,592,000
102	General Mills	Minneapolis	1,593,167,000
181	Control Data	Minneapolis	936,032,000
182	Land O'Lakes	Minneapolis	935,284,000
199	Geo. A. Hormel	Austin	825,671,000
203	Pillsbury	Minneapolis	816,264,000
284	International Multifoods	Minneapolis	527,677,000
292	Bemis	Minneapolis	514,584,000
372	Hoerner-Waldorf	St. Paul	375,754,000
398	Peavey	Minneapolis	354,403,000
412	Green Giant	LeSueur	341,808,000
443	Farmers Union Central Exchange	South St. Paul	300,218,000
476	American Hoist & Derrick	St. Paul	263,957,000
540	Fingerhut Corporation	Minnetonka	217,415,000
586	Economics Laboratory	St. Paul	192,528,000
657	Apache	Minneapolis	160,742,000
681	Deluxe Check Printers	St. Paul	149,260,000
777	Arctic Enterprises	Thief River Falls	120,101,000
798	McQuay-Perfex	Minneapolis	116,235,000
817	Jostens	Minneapolis	110,907,000
848	Toro	Bloomington	106,026,000
886	Munsingwear	Minneapolis	98,234,000
927	H. B. Fuller Company	St. Paul	91,572,000
980	Tonka	Hopkins	83,414,000

NON-INDUSTRIAL COMPANIES

Rank	Company	Headquarters	
	Commercial Banks		Deposits
19	Northwest Bancorporation	Minneapolis	$5,192,605
20	First Bank Systems	Minneapolis	4,889,651

NON-INDUSTRIAL COMPANIES (continued)

Rank	Company	Headquarters	
	Life Insurance		Insurance in Force
41	Minnesota Mutual Life Insurance	St. Paul	$16,145,099
42	Northwestern Life Insurance Company	St. Paul	9,210,913
	Retail		Sales
21	Dayton Hudson	Minneapolis	$ 1,407,256
22	Gamble Skogmo, Inc.	Minneapolis	1,394,883
	Transportation		Revenues
7	Burlington Northern, Inc.	St. Paul	$ 1,331,524
18	Northwest Airlines, Inc.	St. Paul	584,348
37	Soo Line Railroad Company	Minneapolis	168,324
47	North Central Airlines, Inc.	Minneapolis	127,392
	Utilities		Revenues
27	Northern States Power Company	Minneapolis	$ 467,961
	Finance		Assets
20	Investors Diversified Services, Inc.	Minneapolis	$ 1,915,854
23	St. Paul Companies	St. Paul	1,791,663

Ranking of Minnesota Industrial Groups by Standard Industrial Classifications

The concept of the classification definition is often ill understood. Hoping to clarify this, below is a set of tabulations ranking the state's industries by employment, income and gross product. Major industrial classifications were used as defined by the U.S. Department of Commerce for employment and income. The State Gross Product subdivisions for 1970 were compiled within the state; the inter-state comparisons are for 1972, but were not subdivided within classifications.

Classification	Rank	1972 (1) Employment (000)	Rank	1972 (2) Income (Millions)	Rank	1970 (3) Gross Product (Millions)
Trade, Wholesale & Retail	1	332.3	2	$ 2,062	2	$ 3,416
Manufacturing	2	307.5	1	2,911	1	4,205
Government	3	246.0	3	2,043	5	1,911
Services	4	238.9	4	1,472	4	2,025
Agriculture	5	121.6	6	884	7	1,133
Trans., Communications & Public Utilities	6	86.6	5	893	6	1,559

RANKING OF MINNESOTA INDUSTRIAL GROUPS (continued)

Classification	Rank	1972 (1) Employment (000)	Rank	1972 (2) Income (Millions)	Rank	1970 (3) Gross Product (Millions)
Finance, Insurance & Real Estate	7	67.2	8	$ 559	3	$ 2,413
Construction	8	60.0	7	724	8	950
Mining & Quarrying	9	24.8	9	143	9	398
Total		1,484.9		$11,691		$18,000

Sources: (1) Minnesota Department of Employment Services
(2) "Survey of Current Business", U.S. Department of Commerce
(3) Minnesota State Planning Agency

The manufacturing group is further subdivided into classifications. Following is the ranking by employment in 1972; (Income and gross products are not available at this level.)

Rank		(000)
1	Non-electrical Machinery, incl. Computers & Business Machines	60.4
2	Food and Kindred Products	53.3
3	Paper & Allied Products	30.8
4	Printing and Publishing	24.8
5	Electrical Machinery	23.6
6	Fabricated Metal Products	20.6
7	Transportation Equipment	11.2
8.5	Chemicals & Petroleum Products	8.4
8.5	Apparel and Related Products	8.4
10.5	Rubber and Leather Products	8.2
10.5	Lumber & Wood Products, excl. Furniture	8.2
12	Stone, Clay & Glass Products	6.9
13	Primary Metals	5.6
14	Furniture & Fixtures	4.4
15	Textile Mill Products	2.9
16	Miscellaneous	30.0
	Total	307.7

The tourist and travel industry is not a defined standard industrial classification, but it mainly comprises portions of the services, trades and transportation classifications. Because the national tourist figures are measured in terms of expenditures they cannot be compared to employment, gross product or income.

However, to demonstrate the importance of the Tourist-Travel Industry to the Minnesota economy, the following data are most significant. A Study by U.S. Travel Service Data Center made in 1972 shows Minnesota's Tourist-Travel Industry expenditures reached $975.5 million. Following is a breakdown of these estimated receipts by the major segments of our Tourist-Travel Industry:

Minnesota Travel Expenditures

Segment	Expenditures	% of Total
Transportation	$345,500,000	35.4
Food	250,000,000	25.7
Retail Purchases	166,300,000	17.0
Lodging	156,700,000	16.1
Entertainment	56,600,000	5.8
Totals	$975,500,000	100.0

The above analysis of the industry is based on the following definition:

1. The Tourist-Travel Industry consists of all year-round pleasure, business and necessity travel.

2. Tourist-Travelers are persons traveling over 100 miles away from home on a single trip.

Below to the left are listed the top 15 states ranked by Tourist-Travel Expenditures, Minnesota placing ninth. To the right is a ranking of the 15 states in Tourist-Travel Expenditures as a percent of State Gross Products in 1972. Note that Minnesota ranks third in this group.

Ranking of 15 Top States by Travel Expenditures

Rank	State	(Millions)*
1	California	$4,094.8
2	Florida	3,382.7
3	New York	2,249.8
4	Texas	1,989.9
5	Pennsylvania	1,423.3
6	Illinois	1,384.5
7	Michigan	1,378.4
8	Ohio	1,118.5
9	Minnesota	975.5
10	Massachusetts	956.9
11	Wisconsin	907.0
12	Missouri	810.6
13	Colorado	781.8
14	New Jersey	778.8
15	North Carolina	718.8

Ranking of 15 Top Travel States by Travel Expenditures a % of Gross State Products 1972

Rank	State	GSP** (Billions)	As % of GSP
1	Florida	$ 37.03	9.14
2	Colorado	12.93	6.05
3	Minnesota	20.35	4.79
4	Wisconsin	22.67	4.00
5	Texas	57.76	3.45
6	Missouri	24.17	3.35
7	California	127.18	3.22
8	North Carolina	24.34	2.95
9	Massachusetts	32.78	2.92
10	Michigan	50.96	2.71
11	Pennsylvania	62.83	2.27
12	Illinois	67.37	2.06
13	New York	115.72	1.94
14	Ohio	57.86	1.93
15	New Jersey	46.44	1.68

Source: * U.S. Travel Data Center
** Bank of California, San Francisco

Minnesota's 1973 New and Expanding Industry

In 1973, 483 industrial construction projects represented an investment of nearly $490 million in Minnesota's new and expanded industries. The 1973 investment figure was up 27 percent from 1972, and the 10,200 new jobs created resulted in a 23 percent increase over 1972.

The largest construction project for the state in 1973 was the Pickands Mather/Bethlehem Steel Corporation taconite plant near Hibbing. Though only $50 million of the $150 million investment and only 333 of the 1,000 new jobs created appear in 1973's new and expanded industry report, the rest of the total investment and new jobs will be included in 1974's report.

The second largest investment for Minnesota in 1973 was the $55 million sugar, molasses and beet pulp plant being built by the Southern Minnesota Beet Sugar Cooperative near Renville. The plant's completion will mean 125 new jobs. A $32 million expansion at Blandin Paper Company at Grand Rapids was the third largest construction project in 1973. The 130,000 square foot addition will also mean about 125 new employees.

The rural areas of Minnesota, outside the seven-county Twin City metropolitan area, accounted for more than $383 million, or about 78 percent of the total investment in new and expanded facilities. The outstate areas also accounted for 7,133 new jobs, or almost 70 percent of the total number of jobs created in the state in 1973.

New industry is defined as constituting two types of construction: those companies initiating operations on a new site, and construction on remote sites of already existing companies. Expanded industry constitutes construction on or adjacent to the site of an existing company. Warehouses constructed in support of manufacturing operations are given as a separate classification.

Figures are based on construction starts reported by news clippings, F. W. Dodge reports, Construction Bulletin and reports from utilities, Chambers of Commerce, Department of Economic Development (DED) field representatives and firms involved with the projects. A follow-up survey by the Department of Economic Development's Research Division attempts to verify these figures with chief executives of the new and expanding industries.

1973 New and Expanding Industry, Table 1

	NUMBER	INVESTMENT	SQ. FT.	NEW JOBS
NEW INDUSTRY				
Manufacturing	165	$147,246,700	4,512,185	4,910
Warehouses	76	30,542,200	2,385,680	699
Research and Development	4	11,717,000	683,000	100
Power Plants	2	120,200,000	NA	0
Total	247	$309,705,900	7,580,865	5,709
EXPANDED INDUSTRY				
Manufacturing	156	$113,128,093	4,149,761	3,873
Warehouses	66	8,364,300	1,035,650	282
Research and Development	5	2,089,000	79,200	3
Power Plants	8	6,464,000	28,550	0
Total	235	$130,045,393	5,293,161	4,158
TOTAL NEW AND EXPANDED INDUSTRIES				
Manufacturing	321	$260,374,793	8,661,946	8,783
Warehouses	142	38,906,500	3,421,330	981
Research and Development	9	13,806,000	762,200	103
Power Plants	10	126,664,000	28,550	0
Taconite*	1	50,000,000	NA	333
Total	483	$489,751,293	12,874,026	10,200

NA Square foot figure not applicable.

* One-third of the total investment and employment is used in this report, and the remainder will be reported in 1974's report. The practice in future reports will be to report the entire total in the year of the actual construction start.

1973 Industrial Growth by Area, Table 2

	NUMBER	INVESTMENT	SQ. FT.	NEW JOBS
NEW INDUSTRY				
Metropolitan Area[1]	105	$ 66,023,024	4,512,315	1,968
Rural Area	142	243,682,940	3,068,550	3,741
EXPANDED INDUSTRY				
Metropolitan Area[1]	79	40,345,426	2,311,335	1,099
Rural Area	156	89,700,043	2,981,826	3,059
TOTAL NEW AND EXPANDED INDUSTRY				
Metropolitan Area[1]				
Manufacturing	113	70,545,950	3,843,250	2,506
Warehousing	64	22,729,500	2,279,500	458
Research and Development	6	11,943,000	696,900	103
Power Plants	1	1,150,000	4,000	0
Total Metropolitan	184	$106,368,450	6,823,650	3,067
Rural Area				
Manufacturing	208	189,828,843	4,818,696	6,277
Warehousing	78	16,177,000	1,141,830	523
Research and Development	3	1,863,000	65,300	0
Power Plants	9	125,514,000	24,550	0
Taconite[2]	1	50,000,000	NA	333
Total Rural	299	$383,382,843	6,050,376	7,133
TOTAL	483	$489,751,293	12,874,026	10,200

[1]Metropolitan area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties

[2]One-third of the total investment and employment is used in this report, and the remainder will be reported in 1974's report. The practice in future reports will be to report the entire total in the year of the actual construction start.

NA Square foot figure not applicable.

1973 New and Expanding Industry by Standard Industrial Classification, Table 3

SIC	INDUSTRY	NUMBER	INVESTMENT	SQ. FT.	NEW JOBS
2000	Food and Kindred Products	38	$100,055,300	853,376	1,141
2200	Textile Mill Products	2	Leased	40,000	100
2300	Apparel and Other Textiles	6	530,000	57,400	345
2400	Lumber and Wood Products	28	5,969,800	437,550	667
2500	Furniture and Fixtures	8	1,382,000	135,950	121
2600	Pulp, Paper and Paperboard	8	44,355,000	950,000	212
2700	Printing and Publishing	11	9,805,000	629,700	350
2800	Chemical and Allied Products	16	6,712,400	230,400	112
2900	Petroleum Refining and Related Industries	3	2,970,000	10,000	3
3000	Rubber and Plastic Products	18	7,794,000	451,800	579
3100	Leather and Leather Products	1	1,030,000	NA	50
3200	Stone, Clay, Glass and Concrete Products	16	3,470,000	208,150	147
3300	Primary Metal Industries	10	9,476,400	323,940	450
3400	Fabricated Metal Products	34	6,450,950	737,000	416
3500	Machinery (except electrical)	75	32,076,200	2,274,330	2,391
3600	Electrical Machinery and Supplies	24	11,762,000	645,600	928
3700	Transportation Equipment	11	7,689,743	409,100	580
3800	Professional, Scientific and Controlling Instruments	4	5,276,000	53,000	67
3900	Miscellaneous Manufacturing	8	3,570,000	214,200	124
	Total Manufacturing	321	260,374,793	8,661,946	8,783
	Total Warehousing	142	38,906,500	3,421,330	981
	Total Research and Development	9	13,806,000	762,200	103
	Total Power Plants	10	126,664,000	28,550	0
	Taconite*	1	50,000,000	NA	333
	TOTAL INDUSTRY	483	$489,751,293	12,874,026	10,200

* One-third of the total investment and employment is used in this report, and the remainder will be reported in 1974's report. The practice in future reports will be to report the entire total in the year of the actual construction start.

NA Square foot figure not applicable.

Minnesota's Industrial Growth by Area, Table 4

	NUMBER	INVESTMENT	SQ. FT.	NEW JOBS
NEW RURAL INDUSTRY				
1970	140	$ 94,228,080	2,071,082	2,411
1971	142	151,572,600	1,862,444	3,390
1972	145	158,082,900	1,776,176	3,283
1973	142	243,682,940	3,068,550	3,741
EXPANDED RURAL INDUSTRY				
1970	132	161,687,000	1,676,030	2,234
1971	130	70,278,588	1,534,415	2,382
1972	123	77,569,000	1,639,600	1,776
1973	156	89,700,043	2,981,826	3,059
TOTAL NEW AND EXPANDED RURAL INDUSTRY				
1970	272	255,915,080	3,747,112	4,645
1971	272	221,851,188	3,396,859	5,772
1972	268	235,651,900	3,415,776	5,059
*1973	299	383,382,843	6,050,376	7,133
NEW METROPOLITAN INDUSTRY				
1970	111	78,702,900	4,595,534	1,749
1971	115	68,451,224	4,397,903	2,902
1972	118	64,254,300	3,539,545	1,831
1973	105	66,023,024	4,512,315	1,968
EXPANDED METROPOLITAN INDUSTRY				
1970	87	37,590,500	1,752,284	1,018
1971	67	55,672,675	997,355	568
1972	113	59,115,400	1,409,080	970
1973	79	40,345,426	2,311,335	1,099
TOTAL NEW AND EXPANDED METROPOLITAN INDUSTRY				
1970	198	116,293,400	6,347,818	2,767
1971	182	124,123,899	5,395,258	3,470
1972	231	123,369,700	4,948,625	2,801
1973	184	106,368,450	6,823,650	3,067

* Totals include figures for new taconite facility in Hibbing.

Minnesota's Industrial Growth, Table 5

	NUMBER	INVESTMENT	SQ. FT.	NEW JOBS
NEW MANUFACTURING				
1970	134	$ 36,990.860	2,628,091	3,532
1971	122	49,548,180	2,217,742	4,856
1972	121	61,923,300	2,738,355	4,042
1973	165	147,246,700	4,512,185	4,910
EXPANDED MANUFACTURING				
1970	127	128,809,100	1,958,964	2,768
1971	122	66,138,921	1,476,534	2,526
1972	130	77,981,400	1,904,596	2,400
1973	156	113,128,093	4,149,761	3,873
TOTAL NEW AND EXPANDED MANUFACTURING				
1970	261	165,799,960	4,338,513	6,300
1971	244	115,687,101	3,694,276	7,382
1972	251	139,904,700	4,642,951	6,442
1973	321	260,374,793	8,661,946	8,783
NEW WAREHOUSING				
1970	115	37,292,120	4,087,525	606
1971	129	43,835,644	3,699,105	1,391
1972	133	32,366,900	2,359,966	817
1973	76	30,542,200	2,385,680	699
EXPANDED WAREHOUSING				
1970	84	28,481,400	1,577,492	408
1971	65	11,924,942	1,013,676	396
1972	93	11,228,000	1,083,684	316
1973	66	8,364,300	1,035,650	282
TOTAL NEW AND EXPANDED WAREHOUSING				
1970	199	65,773,520	5,665,017	1,014
1971	194	55,760,586	4,712,781	1,787
1972	226	43,594,900	3,443,650	1,133
1973	142	38,906,500	3,421,330	981
TOTAL NEW INDUSTRY				
1970	252	173,362,980	6,720,616	4,160
1971	257	220,023,824	6,260,347	6,292
1972	263	222,337,200	5,315,721	5,114
1973	241	177,789,000	6,897,865	5,609
TOTAL EXPANDED INDUSTRY				
1970	219	119,277,500	3,428,314	3,252
1971	197	125,951,263	2,531,770	2,950
1972	236	136,684,400	3,048,680	2,746
1973	222	121,492,393	5,185,411	4,155
TOTAL NEW AND EXPANDED INDUSTRY				
1970	471	372,640,480	10,148,930	7,412
1971	454	345,975,087	8,792,117	9,242
1972	499	359,021,600	8,364,401	7,860
*1973	483	489,751,293	12,874,026	10,200

* Totals include figures for new taconite facility in Hibbing.

Minnesota's Role in International Trade

Nearly $1.5 billion in total export sales left Minnesota in 1973 according to estimates of the Minnesota Department of Economic Development. Approximately 800 Minnesota companies are involved in exporting to more than 134 foreign nations.

A breakdown of the Minnesota export sales total shows an estimated $900 million for manufactured products in 1973. Minnesota continues to hover near the 19th position among the states in manufactured exports.

The most important manufactured exports are computers and computer software, food processing and packaging machinery, transport and handling equipment, construction equipment, industrial generators, industrial controls and scientific apparatus.

The 10 most popular markets for Minnesota manufactured exports (ranked according to number of firms doing business there) are:

	Country	Manufacturers Currently Exporting Number	Percent
1.	Canada	551	77.3
2.	United Kingdom & Northern Ireland	183	25.7
3.	Australia	176	24.7
4.	Japan	174	24.4
5.	Mexico	170	23.8
6.	Germany, Federal Republic	164	23.0
7.	France	155	21.7
8.	Italy	131	18.4
9.	Netherlands	122	17.1
10.	Sweden	118	16.5

Source: Minnesota Export Survey Summary, June, 1973

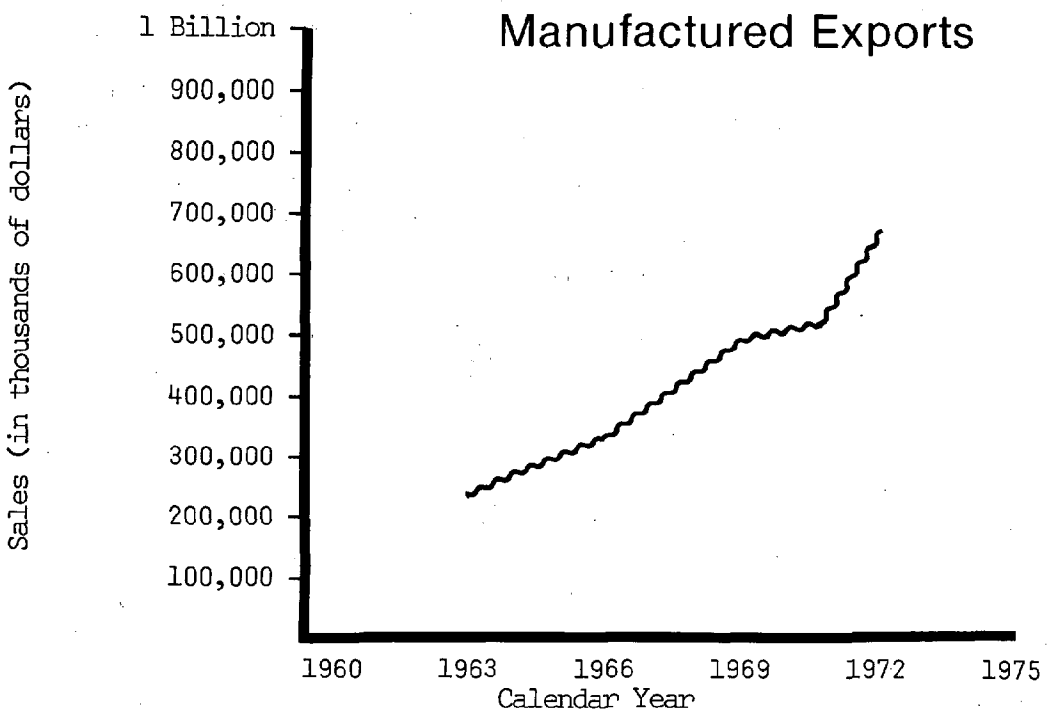
This ranking of the state's leading markets corresponds very closely to the leading markets of the United States as a whole, although Minnesota's percentage of sales in the United Kingdom, Australia and Sweden are considerably higher than the United States average.

The Minnesota Department of Agriculture released fiscal 1973 agricultural export data estimating sales at $597.2 million. This is a 72 percent increase over 1972 figures. Minnesota's national rank in agricultural exporting rose from ninth in 1972 to seventh in 1973.

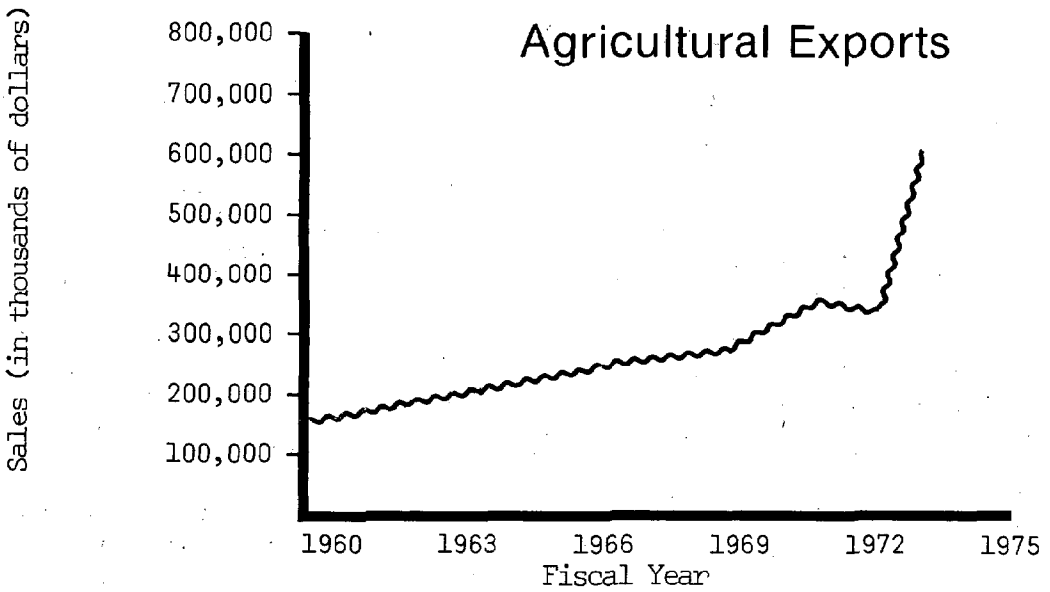
Major markets for agricultural products have traditionally been the European Economic Community and Japan; however, the fastest growing markets today seem to be East Africa, the Caribbean, Central Asia, East Asia and Mexico. The most important export commodities have been soybeans and soybean products, feed grains and derivatives, wheat and wheat products, dairy products, hides and skins, lard and tallow, meat and poultry and vegetables.

The common misconception that only large firms can export is disproven in Minnesota, since a 1973 survey shows that one-third of the state exporters employ less than 30 persons and that 59 percent employ less than 100 persons. This survey also showed that approximately 11 percent of Minnesota manufacturers have annual export sales of more than $1 million, with 11 companies having foreign sales of over $9 million. About 40 percent of the companies have export sales of more than $90,000.

All forms of export marketing are employed by the Minnesota companies. A sales representative, agent or distributor is the most common sales method. In Canada direct sales predominate. Licensing, joint ventures and subsidiary facilities are also a part of the state's international sales picture. Japan has the largest number of Minnesota licenses and joint ventures, while Europe is the major location for overseas facilities by Minnesota multinationals.



Source: U.S. Department of Commerce



Source: U.S. Department of Agriculture, Foreign Agricultural Service

Agribusiness

As a steadily expanding agribusiness center, Minnesota not only consistently ranks high in the production of many farm products, but also shows increasing investment activity in new and expanding food processing industries. Seven of Minnesota's food processing giants are listed among "Fortune" magazine's top 500 publicly held industrial companies, and, in addition, one of the world's largest private companies, Cargill, Inc., is headquartered here.

Capital investment of more than $97 million in food processing facilities created more than 1,000 new jobs in Minnesota in 1973. This year promises to be even better: First quarter construction starts in food processing facilities totaled almost $12 million, and when added to the value of projects begun since the end of the first quarter, 1974 projects already add up to more than 80 percent of the value of 1973's total reported investments in the food processing field.

Cash receipts from farm marketings in Minnesota totaled almost $3.7 billion in 1973, not including government payments. This was a dramatic 55 percent increase over 1972's cash receipts. In 1972, receipts showed only a three percent increase over the previous year. Sales of livestock and livestock products provided 55.5 percent of 1973's agricultural wealth, while sales of crops provided the rest.

Minnesota last year maintained its seventh place position among all states on the basis of total cash receipts from farm marketings in 1973, while at the same time, state farmers increased their earnings by about 80 percent. In 1973, too, for the first time in 25 years, Minnesota did not lose farm population.

Food processing in Minnesota generates $1.5 billion through processing of agricultural products and inputs. In 1973, an annual average of 51,220 workers were employed by the more than 800 food processing firms in the state. This was 16.5 percent of all manufacturing employment in Minnesota last year.

Minnesota's food processing industry is one of the state's key industries not only on the basis of its significant growth in the past, but also because it shows excellent growth potential for the future. The industry promises to contribute even more substanitally than it already has to Minnesota's growing economy.

Farmland Acreage in Minnesota

Year	Number of Farms (thousands)	Total Acreage (thousands)	Average Size (acres)
1940	198	32,700	165
1945	189	32,200	176
1950	184	33,300	181
1955	168	33,300	198
1960	156	32,400	208
1965	141	32,100	228
1966	136	31,800	234
1967	131	31,500	240
1968	127	31,300	246
1969	123	31,100	253
1970	121	30,900	255
1971	120	30,700	256
1972	118	30,600	259
1973	117	30,600	261

Source: Minnesota Department of Agriculture

Minnesota's 1973 Rank Among States in Agricultural Production

CASH FARM INCOME - 1973	
Total	7
Crops	6
Livestock and Livestock Products	6
Government Payments	8
CROP PRODUCTION - 1973	
Oats	1
Sweet Corn for Processing	1
Timothy Seed	1
Hay (All)	2
Red Clover Seed	2
Flaxseed	3
Green Peas for Processing	3
Rye	3
Soybeans for Beans	4
Sugar Beets	4
Barley	5
Corn for Grain	5
Potatoes (All)	7
Wheat (All)	8
LIVESTOCK AND LIVESTOCK PRODUCTS	
Creamery Butter Manufactured During 1973	1
Nonfat Dry Milk Manufactured During 1972	1
Turkeys Raised During 1973	1
American Cheese Manufactured During 1973	2
Milk Cows on Farms, Jan. 1, 1974	2
Sunflowers	2
Honey Produced, 1973	3
Milk Produced on Farms During 1973	4
Hog Marketings, 1973	5
Hogs on Farms, Dec. 1, 1973	5
Pig Crop, 1973	5
Cattle and Calves on Feed, Jan. 1, 1974	9
Cattle and Calves Marketed, 1973	10
Cattle and Calves on Farms, Jan. 1, 1974	10
Chickens on Farms, Dec. 1, 1973	10
Eggs Produced, Dec. 1972 - Nov. 1973	10
Lamb Crop, 1973	13
Stock Sheep and Lambs on Farms, Jan. 1, 1972	14

Source: Minnesota Department of Agriculture
Crop and Livestock Reporting Service

1973 Production of Selected Crops

The 1973 crop year was one of the most favorable years in Minnesota's farm history, despite dryness during parts of the growing season. Record large production levels were established for corn and soybean crops as a result of favorable yields and large acreages, according to the Crop and Livestock Reporting Service of the Minnesota and U.S. Departments of Agriculture.

Corn -- Corn for grain in 1973 totaled 513.4 million bushels. This was 13 percent more than last year's production and 8 percent higher than the previous record in 1971. The average yield for the State at 93.0 bushels equaled the record high in 1972 and compares with the 83.0 bushels in 1971 and 85.0 bushels in 1970. The 5.5 million acres harvested were 4 percent less than the record 5.7 million acres in 1971.

Soybeans -- The 1973 soybean crop totaled 127.3 million bushels, a record high output in Minnesota. This production was 41 percent more than the previous high output in 1972. The record yield of 29.0 bushels compares with the previous high of 28.0 in 1972. Harvested acreage at 4.4 million acres was an all-time high - more than one-third above the previous record of 3.2 million in 1972.

Flax -- Minnesota's 1973 flax crop totaled 3.1 million bushels, up 74 percent from 1972 but 10 percent less than 1971. The 1973 yield per acre of 13.5 bushels compares with 11.5 in 1972 and 14.5 bushels in 1971. Acreage at 231,000 was the lowest on record except for 1972 when it was only 156,000.

Sugarbeets -- The 131,400 acres of sugarbeets harvested averaged a record high 16.9 tons per acre. The crop totaled 2.2 million tons, up 42 percent from a year earlier but 6 percent below the record 1969 output.

Hay -- All hay production totaled 8 million tons, down 2 percent from 1972. The 3.2 million acres harvested was 4 percent above a year earlier. However, this increased acreage was more than offset by a lower average yield of 2.54 tons per acre.

Sunflowers -- Production totaled 288 million pounds, or 9 percent above 1972. The 1,130 pounds per acre was up from the 929 pounds in 1972 and more than offset the 11 percent smaller acreage that totaled 255,000 acres.

1973 Small Grain Production

Minnesota 1973 small grain production was 25 percent greater than last year, but 7 percent below the 1971 output. Production of all wheat in 1973 was the largest since 1899 due mostly to a record-high yield per acre. Semi-dwarf varieties which were used to plant four-fifths of this year's other spring wheat acreage played an important factor in boosting the State's wheat yield this year. Oats, barley and dry edible beans registered higher yields than last year and the rye yield was a record-high.

Wheat -- Minnesota's 1973 all wheat production of 78.2 million bushels was nearly three-fifths more than the 49.3 million bushels produced a year earlier and the largest crop since 1899. This year's acreage was up one-third from last year and average yield was record-high. The All Wheat acreage of 2.0 million acres in 1973 was the largest acreage since 1938. The all wheat yield of 38.9 bushels per acre is an all-time high, 1 bushel more than the previous record of 37.9 bushels in 1971. Production of winter-wheat totaled 1.2 million bushels up 51 percent from 1972. The durum wheat crop at 2.1 million bushels, was twice as large as the relatively low 1972 production.

Other spring wheat production of 74.9 million bushels in 1973 was up 58 percent from a year earlier. This was the largest output since records for other spring wheat were started in 1919.

Oats -- Oat production in 1973 totaled 143 million bushels, 15 percent more than the relatively low 1972 crop of 124 million but 19 percent less than 1971. This year's yield of 56 bushels per acre compares with 51 bushels in 1972 and 59 bushels in 1971. Minnesota farmers harvested 2,550,000 acres in 1973 compared with 2,440,000 acres a year earlier. Leading varieties and percent of total acres planted to each are as follows: 19 percent Froker, 19 percent Lodi, 14 percent Rodney and 49 percent of other varieties.

Barley -- The 1973 barley crop of 40.2 million bushels was 18 percent greater than last year's output of 34.0 million bushels but 1 percent below the 1971 crop. Farmers harvested 894,000 acres this year compared with the 790,000 acres a year earlier. The 1973 yield of 45.0 bushels was up 2 bushels from 1972 but 3½ bushels below the record high 48.5 bushels in 1971.

Other Crops -- The 1973 rye crop of 3.2 million bushels was 5 percent greater than 1972, due to a record-high yield per acre that more than offset a smaller acreage. This year's dry edible bean crop totaled 592,000 cwt., up 42 percent from 1972. The crop was harvested from 37,000 acres, with an average yield of 1,600 pounds per acre. Pinto and Navy varieties accounted for 84 percent and Pinks were 12 percent of total production. The 1973 all potatoes (summer and fall crops) totaled 14,970,000 hundredweight down one percent from 1972 and 10 percent less than 1971.

Livestock and Poultry Numbers

Cattle numbers on Minnesota farms on January 1, 1974 were 5 percent above a year earlier, according to the Crop and Livestock Reporting Service of the Minnesota and U.S. Departments of Agriculture. January 1, 1974 sheep and lamb numbers were down 7 percent from a year earlier. The inventory of all hogs on December 1, 1973 was up 12 percent from a year ago. December 1, 1973, all chickens on farms totaled 4 percent more than in 1972.

There were 4,240,000 cattle and calves on farms January 1, 1974. Beef stock continued their upward trend while dairy stock declined. Milk cows totaled 900,000 head, down 3 percent from the previous year. Beef cows at 708,000 head increased 18 percent and replacement beef heifers over 500 pounds were up 15 percent.

All sheep and lamb numbers took another sharp decline. The 415,000 head on January 1 was 7 percent less than a year earlier. Sheep and lambs on feed for the slaughter market declined 17 percent while stock sheep were down 3 percent.

The December 1, 1973 inventory of 3,976,000 hogs and pigs on farms was 12 percent above the 3,550,000 head on hand a year earlier.

All chickens, excluding commercial broilers, totaled 14,240,000, 4 percent more than on December 1, 1972. Hens and pullets of laying age on farms December 1, 1973 totaled 10,500,000 birds, down 2 percent from the previous year. Turkey breeder hens at 520,000 were down 4 percent from the number on hand December 1, 1972.

The combined value of all livestock and poultry (excluding turkey breeder hens) on Minnesota farms was $1,743 million, 34 percent more than the $1,296 million a year earlier. All cattle and calves were valued at $1,463 million, 32 percent more than a year earlier. The value of hogs on hand December 1, 1973 accounted for $244.5 million, up 55 percent; chickens, $22.8 million, up 38 percent; and all sheep and lambs $12.7 million, up 16 percent.

Agricultural Production by Commodity Groups

	Units (Thousands)	1954	1964	1972*	1973*
Crops (1)					
Wheat	Bushels	10,399.0	22,380.9	49,292.0	78,152.0
Rye	Bushels	1,435.9	1,627.9	2,990.0	3,150.0
Corn for Grain	Bushels	245,654.1	262,333.9	455,607.0	513,360.0
Silage	Tons	6,183.0	10,491.9	NA	NA
Oats	Bushels	179,086.3	142,367.1	124,440.0	142,800.0
Barley	Bushels	28,814.2	19,651.7	33,970.0	40,230.0
Vegetables	Cwt.	9,642.9	8,903.9	14,133.0	13,979.0
Hay	Tons	6,808.0	6,850.9	8,163.0	8,007.0
Soybeans	Bushels	42,117.5	57,039.4	90,300.0	127,310.0
Flaxseed	Bushels	8,927.9	4,620.0	1,794.0	3,119.0
Sugarbeets	Tons	818.9	1,325.0	1,568.0	2,221.0
Irish & Sweet Potatoes	Cwt.	10,951.8	11,336.0	15,060.0	14,970.0
Dry Beans & Dry Peas	Cwt.	39.0	117.9	496.0	644.0
Livestock (1)					
Beef & Veal	Pounds	1,178,204.8	1,604,838.8	1,918,131.0	1,914,425.0
Pork	Pounds	1,402,711.6	1,367,929.1	1,260,215.0	1,326,930.0
Lamb & Mutton	Pounds	67,393.3	52,401.1	23,389.0	25,110.0
Poultry	Pounds	245,324.4	329,275.5	425,300.0	464,858.0
Eggs	Dozens	346,750.0	236,491.8	215,200.0	205,500.0
Milk	Pounds	8,615,200.0	11,154,900.0	9,580,000.0	9,369,000.0

* Source: Minnesota Department of Agriculture
Crop and Livestock Reporting Service

(1) Identifies only commodities where projected production exceeds 1.0 percent of U.S. Production in 1980.

NA Not available

Value of Agricultural Production by Commodity Groups

(in thousands of dollars)

	1954	1964	1972*	1973*
Crops (1)				
Wheat	15,806.4	34,019.0	113,646.0	343,631.0
Rye	1,450.2	1,644.1	2,661.0	5,828.0
Corn for Grain	240,741.0	257,087.2	823,040.0	1,235,355.0
Oats	109,242.4	86,843.9	87,108.0	157,080.0
Barley	28,526.0	19,455.3	46,178.0	92,600.0
Vegetables	18,321.6	16,917.4	25,154.0	27,782.0
Soybeans	104,872.7	142,028.2	413,574.0	693,840.0
Flaxseed	26,872.9	13,906.2	5,561.0	24,016.0
Sugarbeets	11,874.1	19,212.5	24,774.0	NA
Irish & Sweet Potatoes	16,646.8	17,230.8	42,888.0	47,315.0
Dry Beans & Dry Peas	146.3	620.6	3,634.0	11,666.0
Other Crops (2)	701.3	1,289.8	NA	NA
Total Crops	575,201.7	610,255.0	1,588,218.0 p	2,639,113.0 p
Livestock (1)				
Beef & Veal	256,966.5	350,015.2	608,011.0	756,676.0
Pork	260,904.3	254,434.8	319,645.0	505,727.0
Lamb & Mutton	14,509.8	11,281.9	11,377.0	11,446.0
Poultry	29,595.4	54,092.4	82,179.0	174,861.0
Eggs	78,018.9	53,210.6	43,545.0	90,538.0
Milk	352,361.7	456,235.4	494,026.0	585,203.0
Total Livestock	992,356.6	1,179,270.3	1,562,761.0 r	2,130,441.0 r

* Source: Minnesota Department of Agriculture
Crop and Livestock Reporting Service

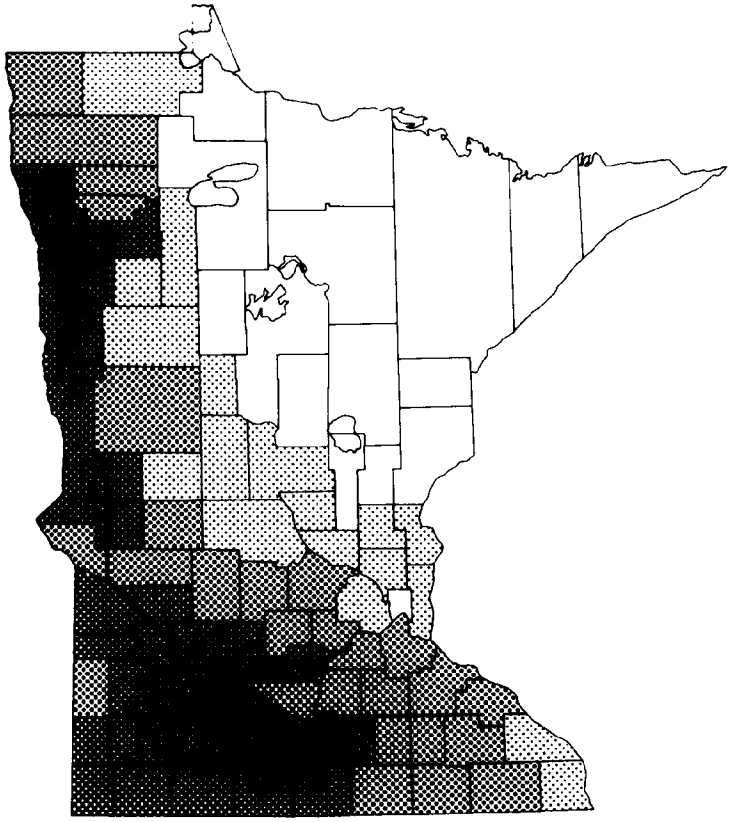
(1) Identifies only commodities where projected production exceeds 1.0 percent of U.S. total in 1980.

(2) Aggregate value of commodities projected at less than 1.0 percent of U.S. total production.

NA Not available

p Preliminary

r Revised

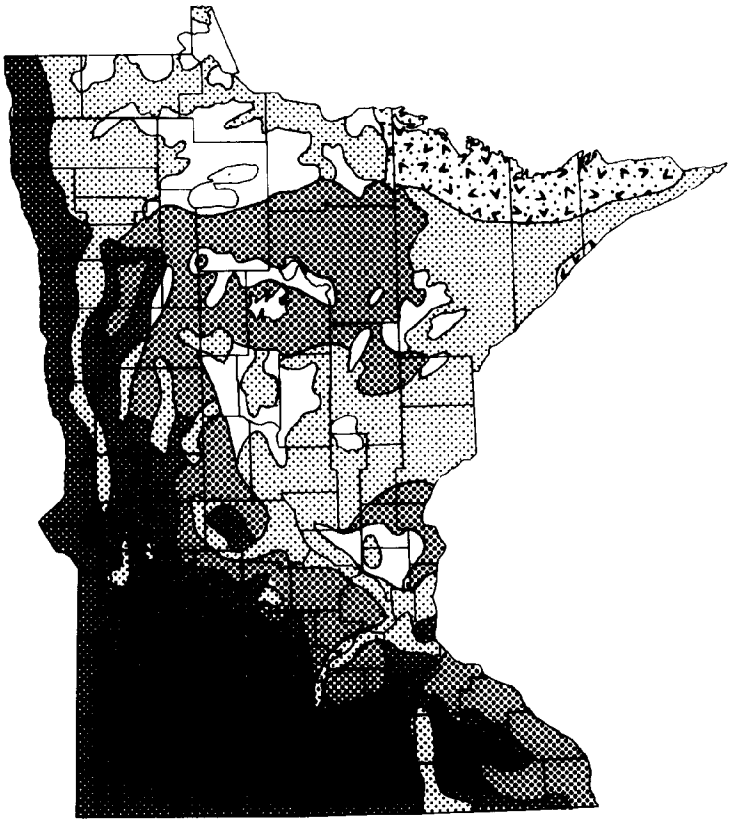


Cultivated Land

Percent

- Less than 20
- 20 - 54
- 55 - 83
- More than 83

Source: MINNESOTA LAND MANAGEMENT INFORMATION SYSTEM



Soil Fertility

- Low
- Fair
- Good
- High
- Stony, non-agricultural

Source: MINNESOTA STATE PLANNING AGENCY

Mining

Minnesota's mineral economy is dominated by iron ore production. It accounted for about 90 percent of the annual value of mineral products during the past decade and for a larger share in prior years when iron ore production was at higher levels.

Since the turn of the century, the nation's iron and steel needs have been met largely from the natural iron ore mines in northeastern Minnesota. Peak production was reached in 1953 when 81,500 tons were shipped. The high-grade, natural ores were soon to be depleted, however, and the bulk of current production comes from the upgrading of low-grade and intermediate ores. Total natural iron ore shipped from Minnesota's iron range since 1884 amounts to some 2.75 billion tons. The output for 1973 was placed at 16,700 tons.

A new iron ore resource called taconite accounts for the largest share of iron ore production in Minnesota today. Taconite is a flint hard rock containing 20 to 30 percent iron. After blasting, the rock is crushed in a series of steps and then ground to the fineness of face powder. The iron is removed from the silica by magnetic separators, and the concentrated powder is formed into balls. These are baked into hard iron ore pellets which contain more than 60 percent iron. Shipments of taconite pellets in 1973 were 41,600 tons. It accounted for 69 percent of the total iron ore shipped.

Minnesota's mineral production in 1972 was valued at $815 million by the U.S. Bureau of Mines. The figure represents a 58 percent increase over the 1960 level.

Minnesota's Iron Mining Employment

(Thousands)

Year	Total	Non-Taconite	Taconite	% of Non-Taconite	% of Taconite
1962	12.9	8.0	4.9	62.0	38.0
1963	11.5	6.6	4.9	57.4	42.6
1964	11.3	6.0	5.3	53.1	46.9
1965	13.0	7.4	5.6	56.9	43.1
1966	13.3	6.8	6.4	51.1	48.1
1967	12.8	5.4	7.3	42.2	57.0
1968	13.3	4.1	9.3	30.8	69.9
1969	13.1	3.7	9.4	28.2	71.8
1970	13.3	3.4	9.9	25.6	74.4
1971	12.6	3.0	9.6	23.8	76.2
1972	11.8	2.7	9.1	22.9	77.1
1973	12.5	1.9	10.6	15.2	84.8

Source: Minnesota Department of Employment Services

This employment produces a strong economic impact on the state. Of every one hundred dollars of personal income generated in the state, approximately one dollar is from mining.

Minnesota's Mining Industry as a Personal Income Generator

Year	Personal Income	Generated by Mining
1965	$ 9,462,000,000	$104,000,000
1966	10,291,000,000	112,000,000
1967	11,057,000,000	110,000,000
1968	12,118,000,000	122,000,000
1969	13,427,000,000	125,000,000
1970	14,673,000,000	132,000,000
1971	15,511,000,000	148,000,000
1972	16,837,000,000	156,000,000
1973	20,019,000,000	177,000,000

Source: U.S. Department of Commerce, "Survey of Current Business"

Share of Market

At one time Minnesota produced nearly one quarter of the total world production of iron ore. Presently its share is about 6.5%. Much of this reduction in Minnesota's share of world market is due to new developments of ore deposits in Australia, Canada, South America and Africa. These developments have been accelerated by advanced methods of loading and shipping.

Below is an annual comparison of the state's share of both the domestic and world market from 1961 through 1971.

Minnesota Iron Ore Shipments as a Percent of U.S. and World

(Thousands of Gross Tons)

Year	Total U.S. Shipments	Total Mn. Shipments	Mn. as % of U.S.	Total World Pr.	Mn. as % of World
1961	72,949	44,883	61.5	494,689	9.1
1962	70,410	44,556	63.3	499,110	8.9
1963	74,387	45,745	61.5	513,661	8.9
1964	85,184	49,794	58.5	566,716	8.8
1965	85,332	51,126	59.9	607,269	8.4
1966	90,824	55,315	60.9	627,974	8.8
1967	83,016	49,720	59.9	618,820	8.0
1968	82,531	51,436	62.3	668,142	7.7
1969	90,570	57,292	63.3	707,183	8.1
1970	87,891	55,157	62.8	754,299	7.3
1971	78,196	49,136	62.8	758,131	6.5
1972	78,281	50,595	64.6	758,826	6.7
1973	90,839	62,614	68.9	794,321 (p)	7.9

(p) preliminary

Source: U.S. Department of Interior, "Minerals Yearbook"

Minnesota's Taconite Industry

Minnesota's taconite pellet production has more than doubled in the last decade, making taconite the most important mineral in the state. Original plants have been expanded, new plants have been built and additional plant expansions have been announced. One steel company president even predicts a new taconite boom for northeastern Minnesota.

Nineteen seventy three was the best year since 1957 for the state's iron ore mining industry: Production totaled 57.3 million tons. Taconite pellets made up almost 71 percent of that total, with 40.6 million tons, an increase of more than 13 percent over 1972's taconite production. Within the last year, two new taconite plants and three taconite plant expansions have been announced. When completed, the five projects will increase Minnesota's taconite production by more than 21 million tons.

The Taconite Amendment, a 1964 state referendum, was a turning point for Minnesota's mining industry, which had been declining with the depletion of natural ore sources. The Amendment guaranteed mining companies a 25-year period free from tax increases. Estimates are that during those 25 years the taconite industry will provide direct employment for 17,000 and general employment for 50,000 others in businesses supplying the industry.

The 1971 Legislature provided further incentive to the industry by allowing any major taconite facility begun by mid-1974 to be exempted from the state's four percent sales tax on construction materials. The exemption was recently extended through January, 1975.

Helping to make up for jobs lost in natural ore mining, the taconite industry employed 85 percent of the total employed in iron ore mining in 1973, compared with 77 percent in 1972. Total iron ore mining employment last year was 12,529, with about 10,600 in the taconite production phase, and employees received $167.5 million in wages and benefits during the year. The five taconite projects now in the offing will add more than 3,000 additional employees to the payroll.

Minnesota Iron Ore Shipments

Minnesota's Taconite Plants

Taconite Facilities Presently in Operation	Annual Capacity	Estimated Investment	Employment
Reserve Mining Company	10,800,000 tons	$ 350,000,000	3,200
Erie Mining Company	10,500,000 tons	350,000,000	2,900
Minntac	12,500,000 tons	275,000,000	3,300
Eveleth Taconite Company	2,400,000 tons	53,000,000	475
Butler Taconite	2,400,000 tons	56,000,000	600
National Steel Pellet	2,800,000 tons	90,000,000	600
TOTAL - 6 Commercial Plants	41,400,000 tons	$1,174,000,000	11,075
Taconite Facilities in Operation Prior to the Passage of the Taconite Amendment in 1964			
Reserve Mining Company	6,500,000 tons	$ 210,000,000	2,500
Erie Mining Company	7,500,000 tons	300,000,000	2,400
Pilotac (U.S. Steel)	750,000 tons	50,000,000	325
TOTAL - 2 Commercial Plants and 1 Pilot Plant	14,750,000 tons	$ 560,000,000	5,225
GROWTH SINCE 1964	26,650,000 tons	$ 614,000,000	5,850
Taconite Facilities under Construction or Committed			**New Employment**
Inland Steel (Minorca)	2,600,000 tons	$ 70,000,000	450
Minntac expansion	6,000,000 tons	200,000,000	750
Eveleth expansion	3,600,000 tons	150,000,000	450
Hibbing Taconite	5,400,000 tons	150,000,000	800
National expansion	4,100,000 tons	150,000,000	400

Mineral Production in Minnesota

(Production as measured by mine shipments, sales or marketable production)

Mineral	1960 Quantity (000)	1960 Value (000)	1970 Quantity (000)	1970 Value (000)	1973 Quantity (000)	1973 Value (000)
Clays*, short tons	.2	$163,000	.2	$335,000	.2	$233,000
Iron Ore long tons, GWT	54.7	470,874	54.7	571,488	62.6	782,197
Manganiferous Ore short tons	441.0	W	321.4	W	170.9	W
Sand & Gravel short tons	30.3	24,611	46.9	38,802	37.9	39,438
Stone short tons	4.2	10,034	4.5	12,311	7.6	20,411
Abrasives, stone, cement, gem stones, lime, peat and values indicated by symbol W (Items whose value cannot be disclosed)	NA	9,839	NA	10,070	NA	10,506

* Excludes kaolin; included with "Value of items that cannot be disclosed"
NA Not applicable or not available
W Withheld to avoid disclosing individual company confidential data

Source: Bureau of Mines, "Minerals Yearbook 1973"

Forestry

Minnesota's forest lands total over 19 million acres. Nearly 17 million acres are producing or are capable of producing timber of commercial value. Of this forest land, over 42 percent is in the aspen, grass and brush category; more than 21 percent is in various species of hardwoods, and over 25 percent is composed of coniferous trees.

1972 Commercial Forest Acreage by Ownership

Ownership	Acres	Percent of Total
State	3,065,000	22.4%
Miscellaneous Private	2,930,800	21.4
County & Municipal	2,682,000	19.6
National Forests	2,007,300	14.7
Farmer	1,583,400	11.6
Industry	808,500	5.9
Indian	501,900	3.7
Other Federal	90,000	.7
Total	13,676,700	100.0

The timber industry is the third largest industry in Minnesota. In 1973, Minnesota forests provided 1,376,920 cords of pulpwood, 195 million board feet of lumber and logs, 4,200,000 Christmas trees, 70,000 cords of matchwood, veneer logs and cooperage, 4,455,000 fence posts, 192,510 poles, 155,550 piling, 151,200 railroad ties and 296,000 cords of fuelwood.

1973 estimates of the primary process values of Minnesota's forest products were:

Pulpwood	$424,924,240
Lumber, Ties, Logs & Bolts	25,952,400
Christmas Trees	8,085,000
Matchwood, Veneer Logs	8,498,000
Posts, Poles & Piling	5,115,500
Fuelwood	5,032,000
Shavings, Sawdust, Novelties Slats, etc.	2,900,000
By-Products & Mill Residue	2,490,710
Total	$482,997,850

In addition, secondary processing of those forest products resulted in a total value exceeding one half billion dollars.

Other forest products, such as berries, nuts, fruits, maple syrup, pine cones, etc. have an estimated value which totals $1,500,000. The value derived from recreational activities and wildlife production can only be estimated.

The timber industry has been expanding in Minnesota with the major emphasis on the increase in the production of pulpwood. There have been surpluses of forest products with the largest surplus in the Aspen species. Aspen is best utilized for various types of wood fiber production and is the most abundant kind of forest in Minnesota.

The 5 million acres which are administered by the Department of Natural Resources produced $1,017,000 of revenue from sales of standing timber in 1972.

Minnesota's pulp and paper manufacturing industry, the state's largest producer of forest products, spent nearly $166 million in basic capital investment during the decade 1963 - 1973. The state's pulp and paper mills also spent approximately $75 million in plant maintenance during this period. These mills in 1973 employed more than 9,000 men and women whose paychecks (including benefits) totalled $123.1 million. These companies paid a Minnesota freight bill of $38.9 million and purchased materials and supplies (excluding pulpwood) of nearly $113 million. (Pulpwood purchases exceeded $29.3 million and provided full and part-time employment for an additional 9,000 people.) More than 2,000 people found employment in other phases of woods work. By converting Minnesota's annual forest crop into saleable products, Minnesota's pulp and paper mills and allied industries bring hundreds of millions of dollars into the state, employ some 30,000 people and contribute immeasurably, through taxes and business investments, to the economic well-being of every Minnesota citizen.

Minnesota Pulpwood Production by Species

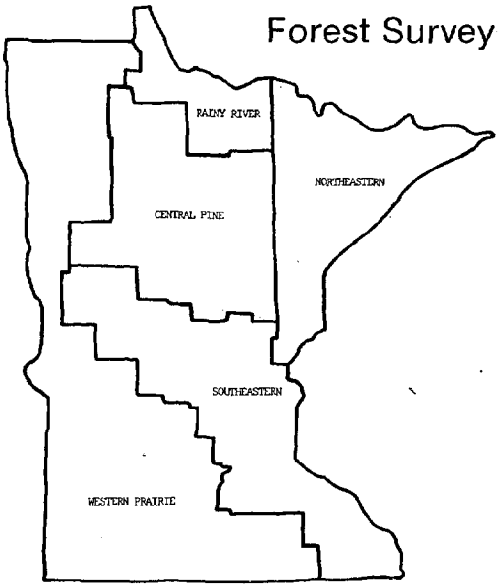
(annual production in thousand standard cords, roughwood basis)

Regions	JACK PINE					SPRUCE				
	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972
Northeastern	121	133	123	119	121	66	66	64	64	76
Central Pine	62	74	68	57	66	31	27	31	29	35
Rainy River	12	18	19	26	19	60	60	85	74	80
Southeastern	0	*	1	*	1	0	*	*	0	0
Western Prairie	8	12	10	12	9	0	1	1	1	1
Total	203	237	221	214	216	157	154	181	168	192
	ASPEN					BALSAM FIR				
Northeastern	203	204	208	205	241	12	10	9	9	9
Central Pine	218	289	249	246	260	18	18	22	20	26
Rainy River	131	148	127	135	160	13	12	14	11	31
Southeastern	3	5	11	20	25	*	0	*	0	0
Western Prairie	28	14	5	2	3	0	0	0	0	0
Total	583	660	600	608	689	43	40	45	40	66
	BIRCH					TAMARACK				
Northeastern	*	3	17	8	15	4	4	5	4	4
Central Pine	1	*	12	26	26	16	14	23	22	19
Rainy River	0	0	2	1	1	4	2	7	5	8
Southeastern	0	0	0	*	*	*	0	0	0	0
Western Prairie	0	0	*	0	0	1	1	1	1	*
Total	1	3	31	35	42	25	21	36	32	31

* Less than 500 cords

Regions	MISCELLANEOUS HARDWOODS					RESIDUE				
	1968	1969	1970	1971	1972	1968	1969	1970	1971	1972
Northeastern	7	11	14	12	11	8	6	12	12	15
Central Pine	5	11	3	*	1	12	4	28	26	33
Rainy River	9	8	9	9	18	11	5	5	8	8
Southeastern	1	1	1	9	0	21	30	38	23	32
Western Prairie	1	1	0	0	0	0	0	0	0	0
Total	23	32	27	30	30	52	45	83	69	88

Forest Survey Regions



	ALL SPECIES				
	1968	1969	1970	1971	1972
Northeastern	421	437	452	433	492
Central Pine	363	437	436	426	466
Rainy River	240	253	268	269	325
Southeastern	25	36	51	52	58
Western Prairie	38	29	17	16	13
Total	1,087	1,192	1,224	1,196	1,354

Minnesota Pulpwood Production and Destination

(in thousand standard cords)

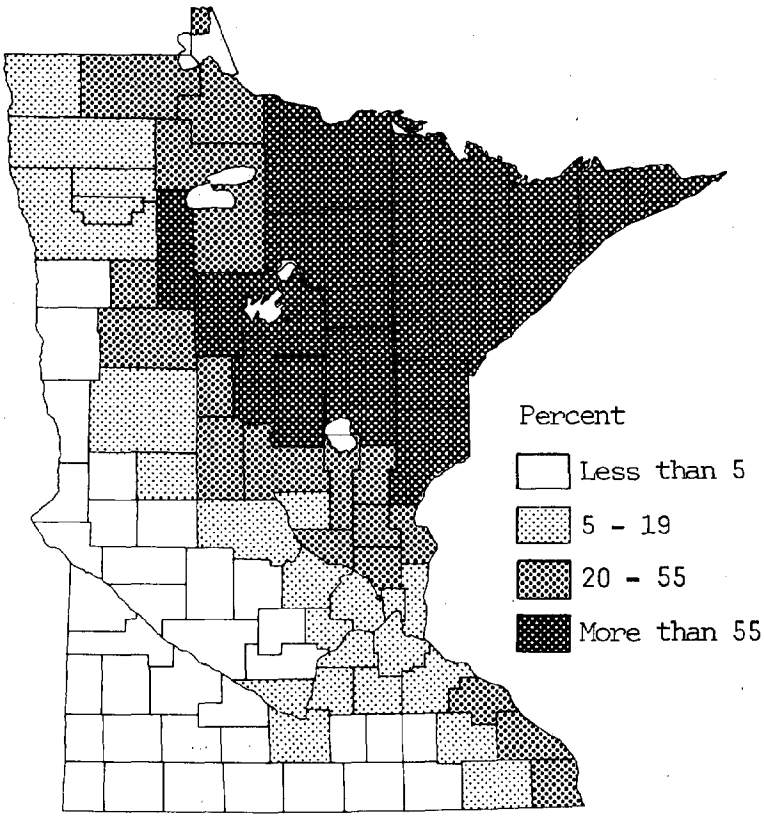
Year	Total Cut	Destination of Pulpwood			
		Minnesota	Wisconsin	Michigan	Other
1968	1,087	900	166	*	21
1969	1,192	977	188	0	27
1970	1,224	981	219	*	24
1971	1,196	992	188	*	16
1972	1,354	1,168	166	0	20
5-year average	1,211	1,004	185	*	22

*Less than 500 cords

Active Woodpulp Mills in Minnesota

Company	Location	Mill Capacity in Tons per 24 Hours: Total	Sulfite	Sulfate	Groundwood and other Mechanical	Semi-Chemical
Blandin Paper Co.	Grand Rapids	205	0	0	205	0
Hennepin Paper Co.	Little Falls	75	0	0	75	0
Boise Cascade Corp.	Int'l. Falls	770	0	320	450	0
Northwest Paper Co.	Cloquet	445	120	325	0	0
Superwood Corp.	Bemidji	90	0	0	90	0
St. Regis Paper Co.	Sartell	125	0	0	125	0
Superwood Corp.	Duluth	240	0	0	240	0
Hoerner Waldorf Corp.	St. Paul	300	0	0	0	300
Conwed Corp.	Cloquet	350	0	0	350	0
Total	9 Plants	2,600	120	645	1,535	300

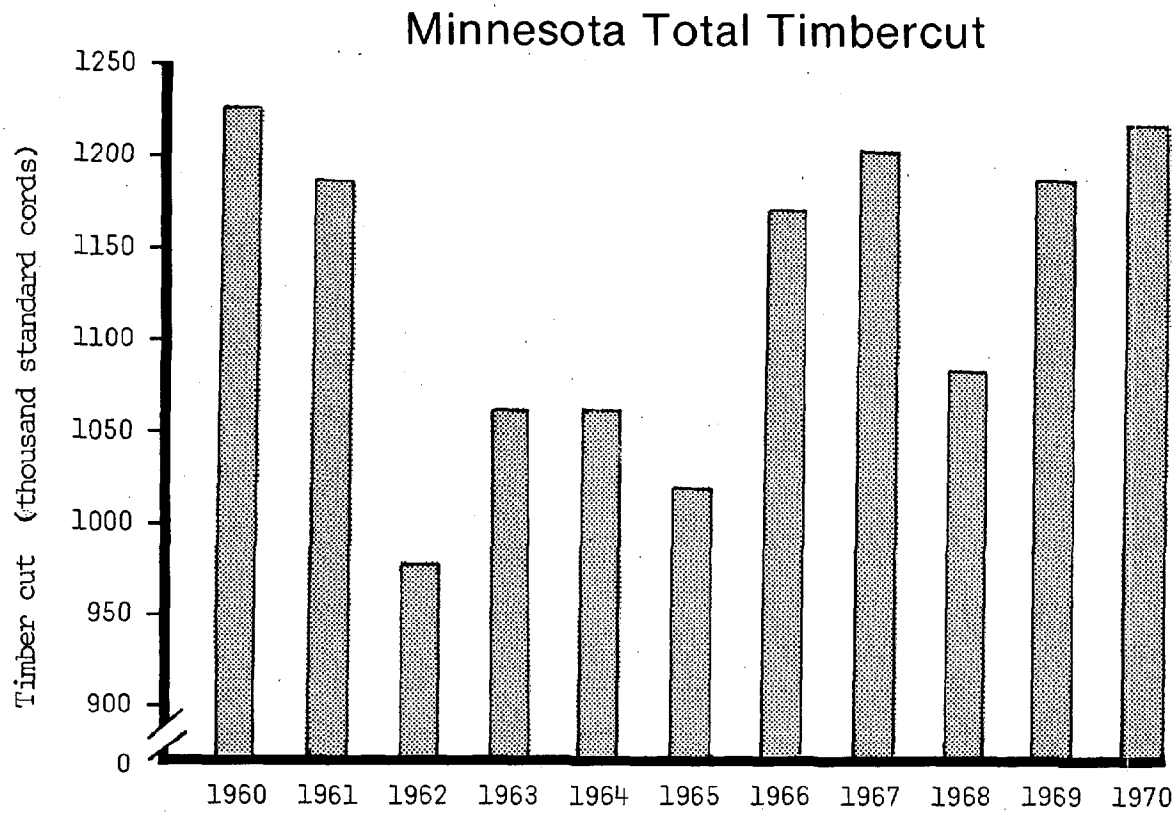
Source: U.S. Department of Agriculture
North Central Forest Experiment Station



Forested Areas

Through forest management, more trees are planted or regenerated naturally in Minnesota each year than are being harvested or destroyed by fire, insects or disease. More than 20 million trees are planted each year by the wood fiber industry, other private interests, and county, state and federal forest services. Trees are supplied by the more than 1,400 tree farms located throughout the state. Thus, future production of forest products in Minnesota is assured.

Source: Minnesota Land Management Information System



Source: Minnesota Department of Natural Resources

Energy, Transportation and Communications

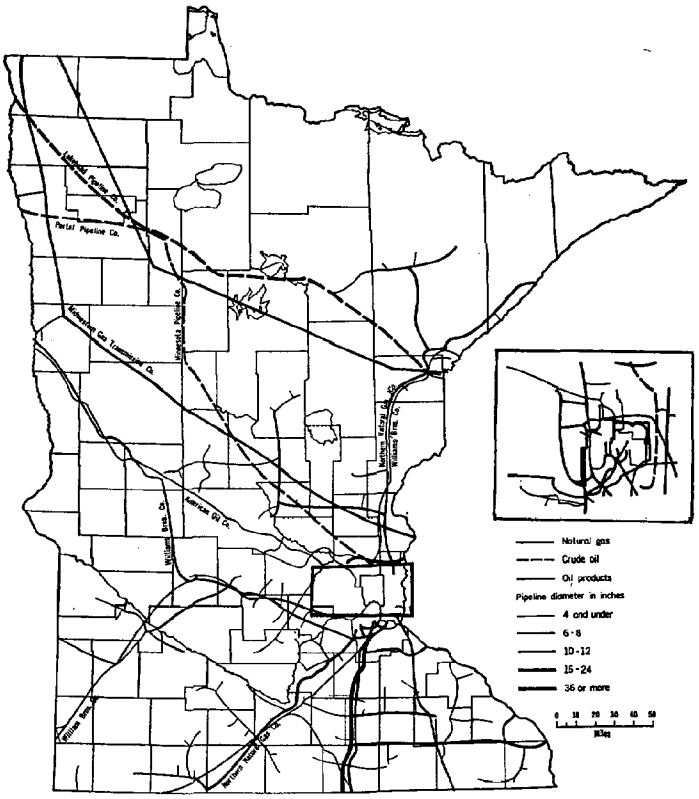
Total Minnesota Energy Consumption, 1971

(in trillion BTU's)

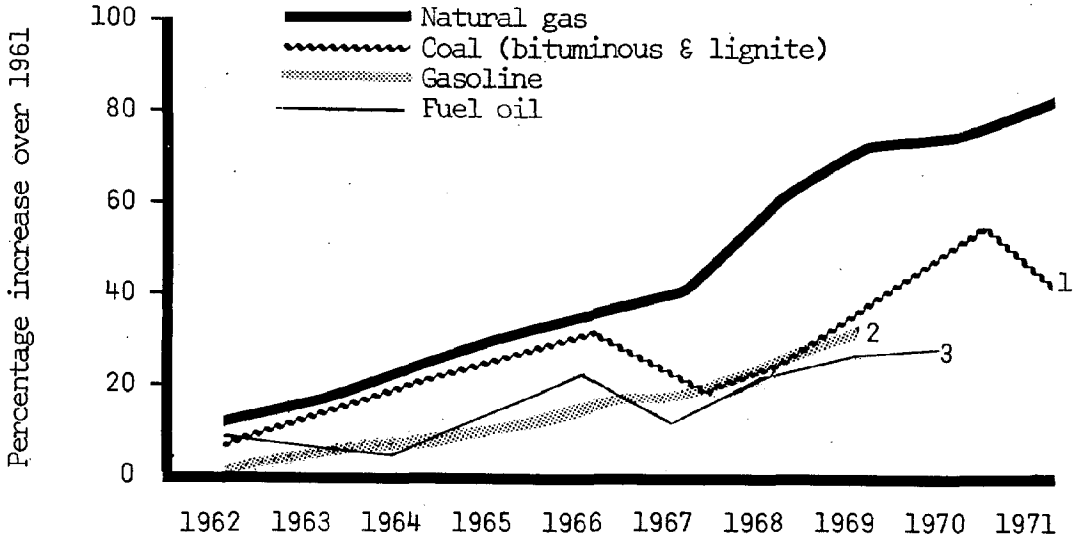
Consumer	Bituminous & Lignite	Petroleum Products	Natural Gas	Hydropower and Nuclear	Total Gross Input	Total %
Household	13.4	167.9	158.5	0	339.8	31.4
Industrial	37.7	32.9	134.8	0	205.2	19.0
Transportation	0	292.2	8.1	0	300.3	27.8
Electric power	144.7	7.7	60.9	21.2	234.5	21.7
Miscellaneous	0	1.7	21.0	0	2.0	.2
Total	195.8	502.2	362.3	21.2	1,081.8	100.0
Percent	18.1	46.4	33.5	2.0	100.0	100.0

Source: U.S. Department of Interior

Pipelines



Minnesota Annual Fuel Consumption



1 Coal consumption in 1962 was 2.1% below the 1961 total
2 Gasoline consumption total not available for 1970
3 Fuel oil and gasoline figures are not available for 1971

Source: Minnesota Energy Project

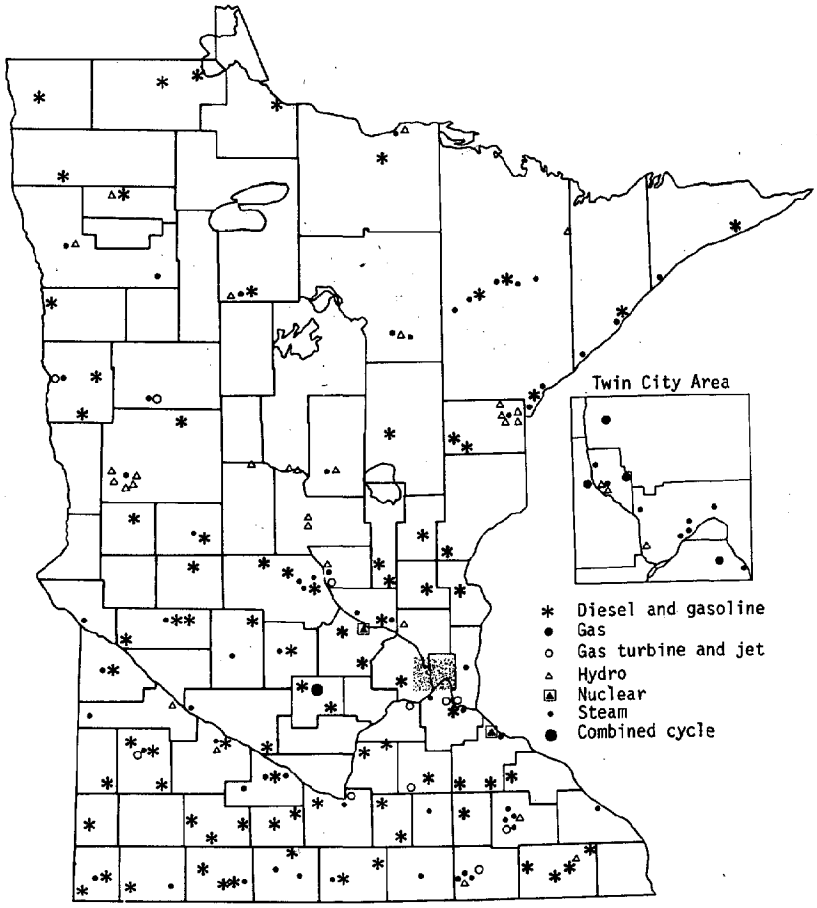
Annual Fuel Consumption and Percent Change

Year	Nat. Gas (MM cu.ft.)	% change	Coal (M tons)	% change	Gasoline (MM gals.)	% change	Fuel Oil (M bbls.)	% change
1961	192,584		5,891		1,373		21,491	
1962	214,130	11.2	5,768	-2.1	1,400	2.0	23,083	7.4
1963	219,047	2.3	6,143	6.5	1,443	3.0	22,731	-1.5
1964	236,976	8.2	7,077	15.2	1,479	2.5	22,410	-1.4
1965	248,741	5.0	7,406	4.6	1,522	2.9	24,054	7.3
1966	264,488	6.3	7,680	3.7	1,600	5.2	25,935	7.8
1967	280,432	6.0	7,142	-7.0	1,634	2.1	23,730	-8.5
1968	309,139	10.2	7,332	2.7	1,726	5.6	26,185	10.3
1969	332,694	7.6	8,100	10.5	1,839	6.5	27,286	4.2
1970	334,872	.7	8,769	8.3	NA	NA	27,540	.9
1971	351,442	4.9	8,313	-5.2	NA	NA	NA	NA

M=1,000 MM=1,000,000

Source: Minnesota Energy Project

Generating Plants, Existing and Committed

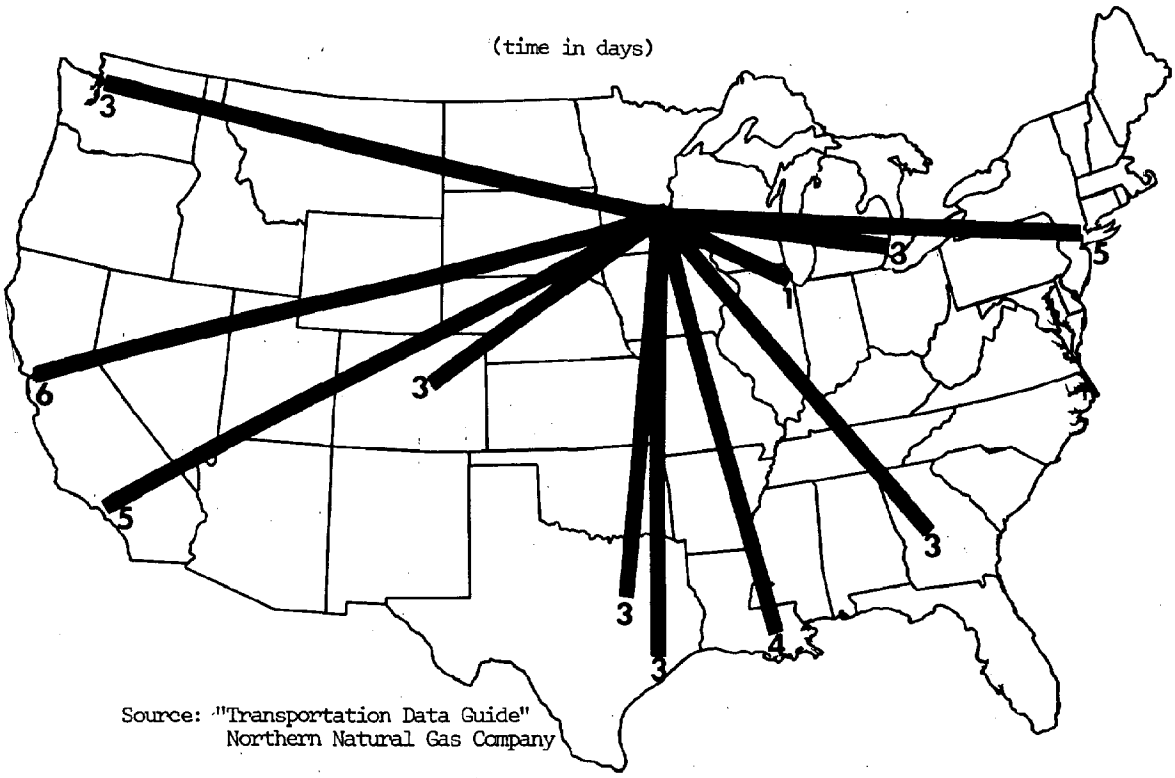


Private and Commercial Trucks in Minnesota, 1971

Major Use	Percent of Total	Number of Trucks
Personal transportation	21.4	96,082
Agriculture	39.1	175,550
Construction	9.9	44,449
Manufacturing	2.2	9,878
Wholesale and retail	10.6	47,592
Utilities and services	7.5	33,673
For-hire	4.2	18,857
All other	5.1	22,898
Total	100.0	448,979

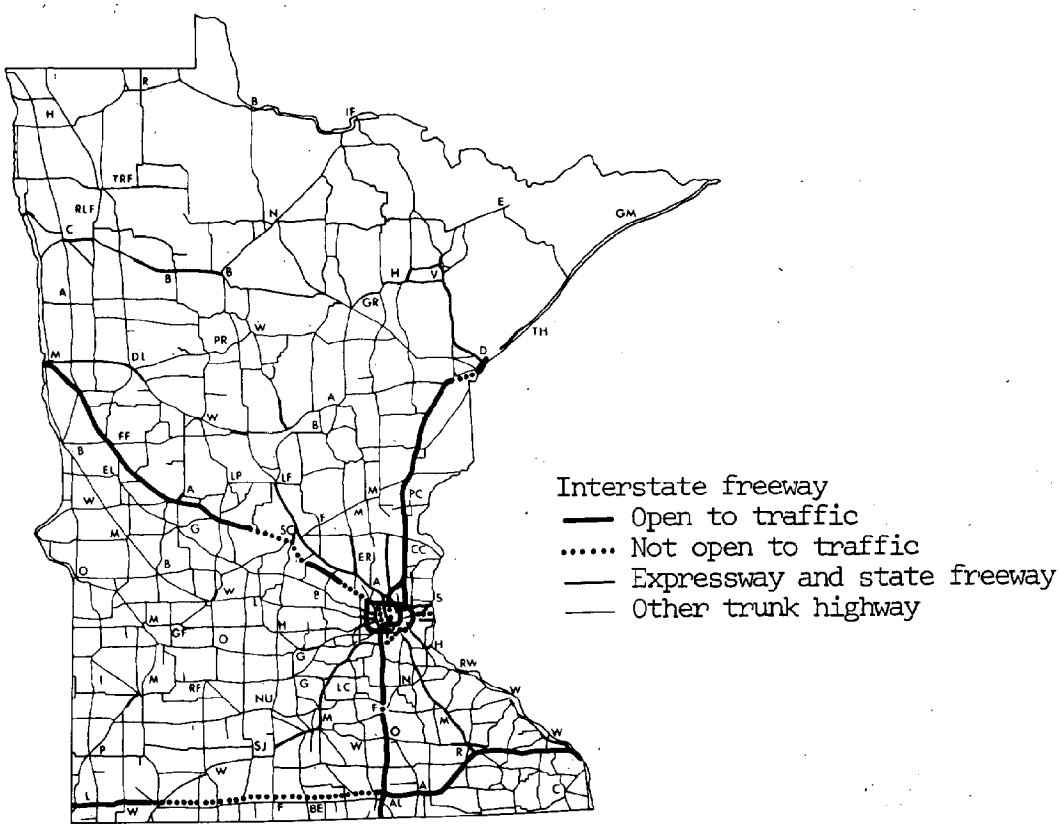
Source: Minnesota Motor Transport Association

Motor Freight Service from Minneapolis-St. Paul



Source: "Transportation Data Guide"
Northern Natural Gas Company

Minnesota's Highway System



1972 Mileage of Minnesota's Highway System

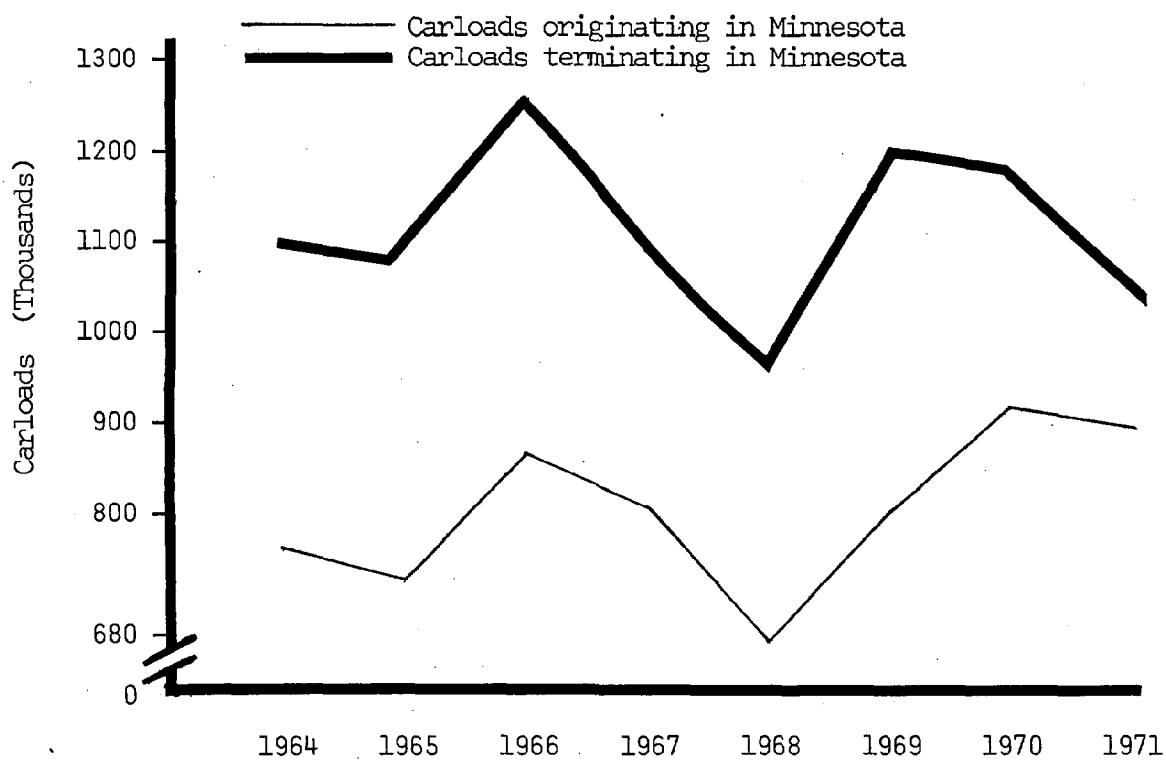
Interstate highways	656
Trunk highways	11,485
County state-aid highways	29,735
County roads	15,408
Municipal state-aid highways	1,384
Municipal streets	10,867
Township roads	55,363
State and/or national forest, park, refuge and institutional roads	31,660
Total mileage	128,064

Source: Minnesota Department of Highways
Office of Program Planning

Railroad Transportation in Minnesota

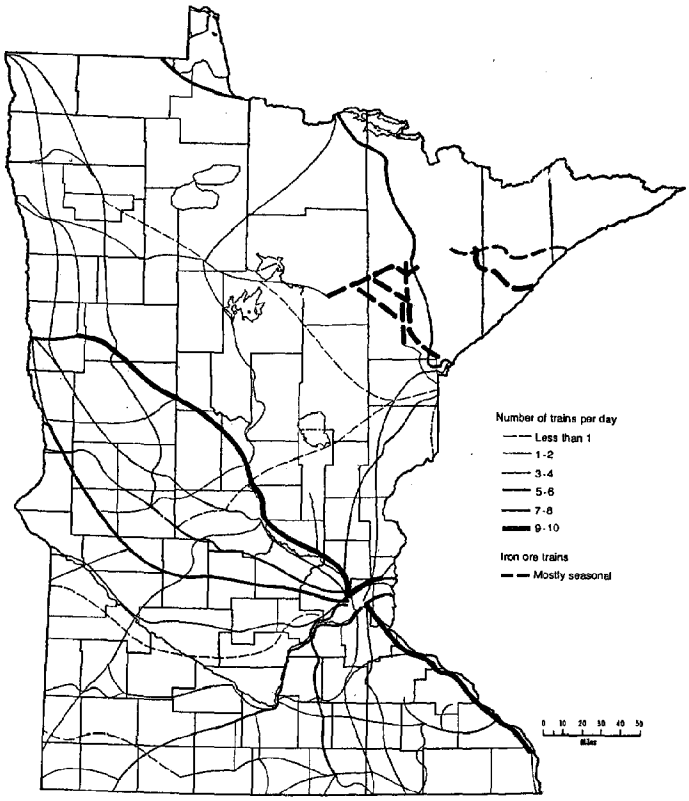
Year	MILEAGE OF TRACK Main Roadway	Other	Total	PROPERTY VALUE (dollars in millions) Road	Equipment	Total
1963	8,138	4,192	12,330	$591.3	$360.3	$ 951.6
1964	8,107	4,117	12,224	586.2	365.5	951.7
1965	8,071	4,059	12,130	589.3	367.1	956.4
1966	8,058	4,047	12,105	593.0	384.4	977.4
1967	8,046	4,075	12,121	606.6	400.2	1,006.8
1968	8,025	4,041	12,066	606.5	400.4	1,006.9
1969	8,001	4,044	12,045	607.6	414.9	1,022.5
1970	7,900	4,054	11,954	608.2	417.0	1,025.2
1971	7,856	4,011	11,867	610.2	408.4	1,018.6

Railroad Freight Service

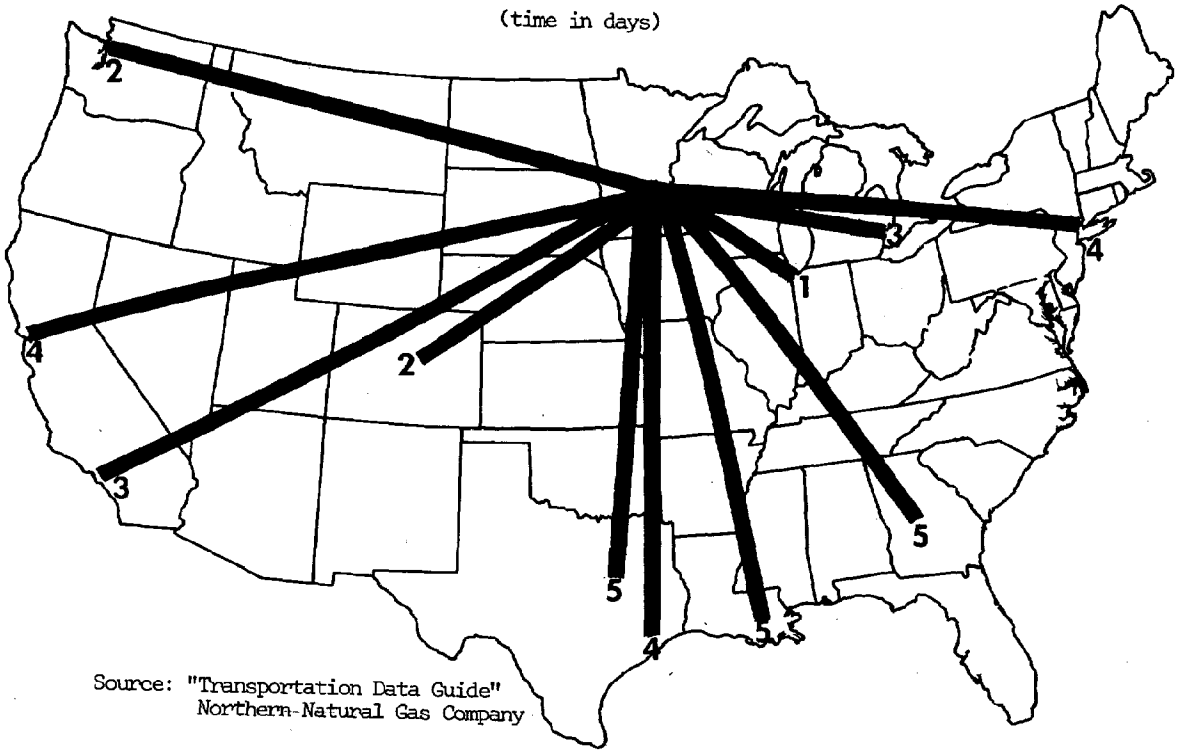


Source: Minnesota Department of Public Service

Basic Rail Network in Minnesota

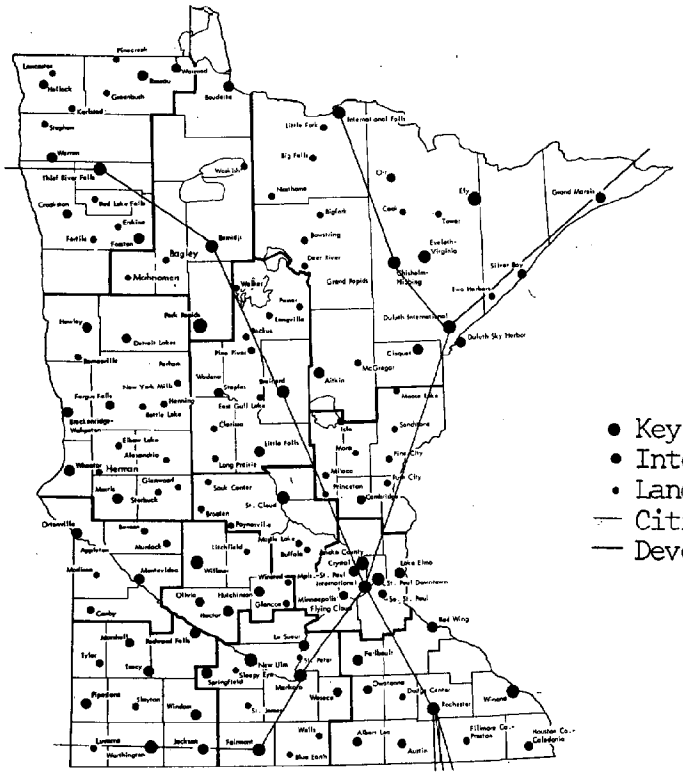


Rail Service from Minneapolis-St. Paul



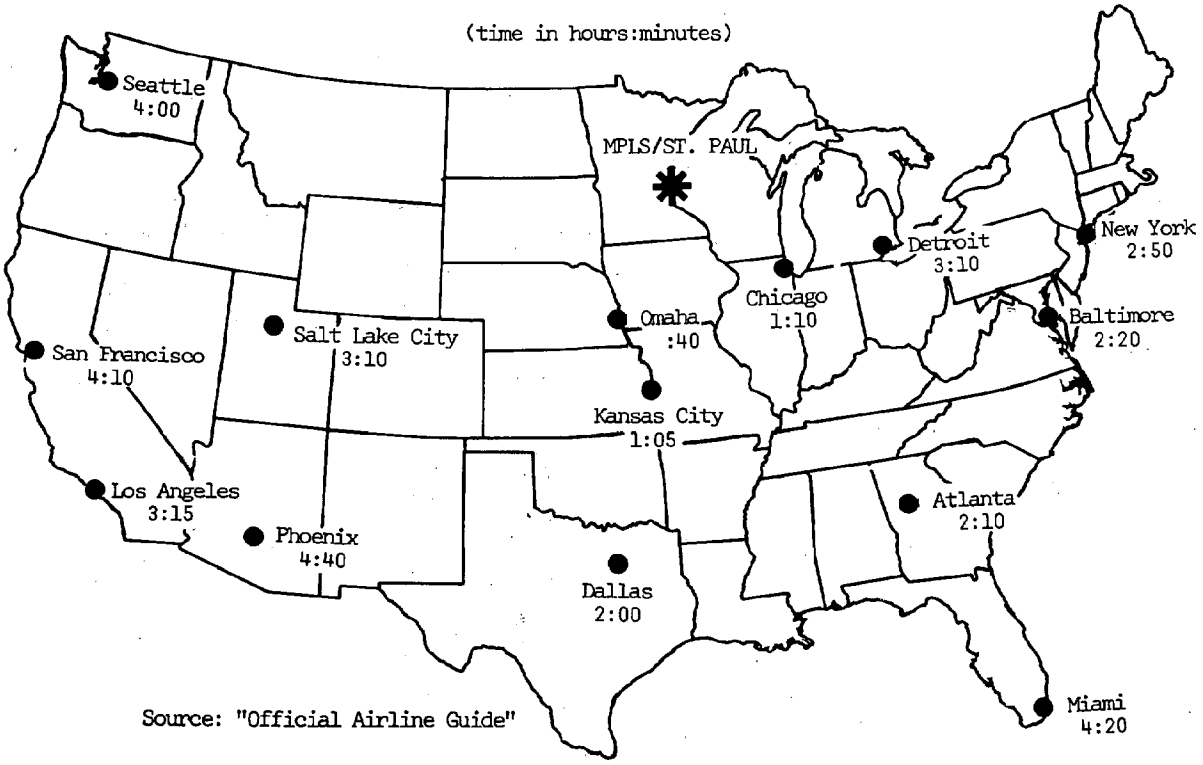
Source: "Transportation Data Guide"
Northern Natural Gas Company

Minnesota's Airports and Scheduled Air Service



- Key system
- Intermediate system
- Landing strip system
- Cities with scheduled air service
- Development region boundary

National Air Service from Minneapolis-St. Paul



Source: "Official Airline Guide"

International Air Service from Minneapolis-St. Paul

(time in hours:minutes)

Tokyo, Japan	11:30	Bombay, India	24:00
Toronto, Canada	3:20	Moscow, USSR	22:00
Rio de Janiero, Brazil	16:00	Warsaw, Poland	18:00
London, England	11:00	Peking, PRC	22:00
Paris, France	11:45	Hong Kong	19:24
Capetown, South Africa	22:00	Melbourne, Australia	22:00

Port of Duluth

Depending on one's geographic viewpoint, the Port of Duluth is at the beginning--or the end--of the Great Lakes- St. Lawrence Seaway System. At the westerly tip of Lake Superior, it's 1,340 miles (or about 4½ days by ship) from Montreal at the base of the Seaway. It's also at the mouth of the St. Louis River, which makes it a source of the Great Lakes-Seaway system. Either way, it remains the closest world port for exporters and importers throughout the Upper Midwest region. Many shippers, in fact, refer to Duluth as "Minnesota's World Port".

Because of the proximity to rich agricultural and mining areas, the Port of Duluth and that of neighboring Superior, Wisconsin, have held a commanding position in movements of Great Lakes bulk cargoes for nearly 100 years. One of the 10 busiest ports in the United States, Duluth-Superior ships an average of more than 40 million tons of domestic and international cargoes each navigation season. Bulk grain is the port's principal export commodity--more than three million tons are shipped overseas every year--but the port also has made steady growth in import-export movements of general cargo and exports of bulk liquids, scrap iron and refrigerated commodities.

The port's principal general cargo facility is the Clure Public Marine Terminal, built by public funds at a cost of $10 million. During 1973 and early 1974, commitments totaling over $100 million have been made for port development. Now in various stages of construction are new and improved facilities for handling taconite, coal, grain, oil, newsprint and containerized general cargo.

Six railroad systems and more than 20 over-the-road common carriers link the port with a trade area extending nearly to the Rocky Mountains to the west and to Iowa and Nebraska to the south and southwest. The Minneapolis-St. Paul metropolitan area is within three hours by motor carrier.

Ports of Minneapolis-St. Paul

The Minneapolis-St. Paul metropolitan area is a major factor in the economy of the Upper Midwest. Energetic, prosperous and growing, the area offers a healthy environment for industry.

Located on the Mississippi River, the ports of Minneapolis-St. Paul handle about 10 million tons of freight per year. Important downstream commodities include agricultural products, grains and scrap iron. If the trend in using low sulfur coals

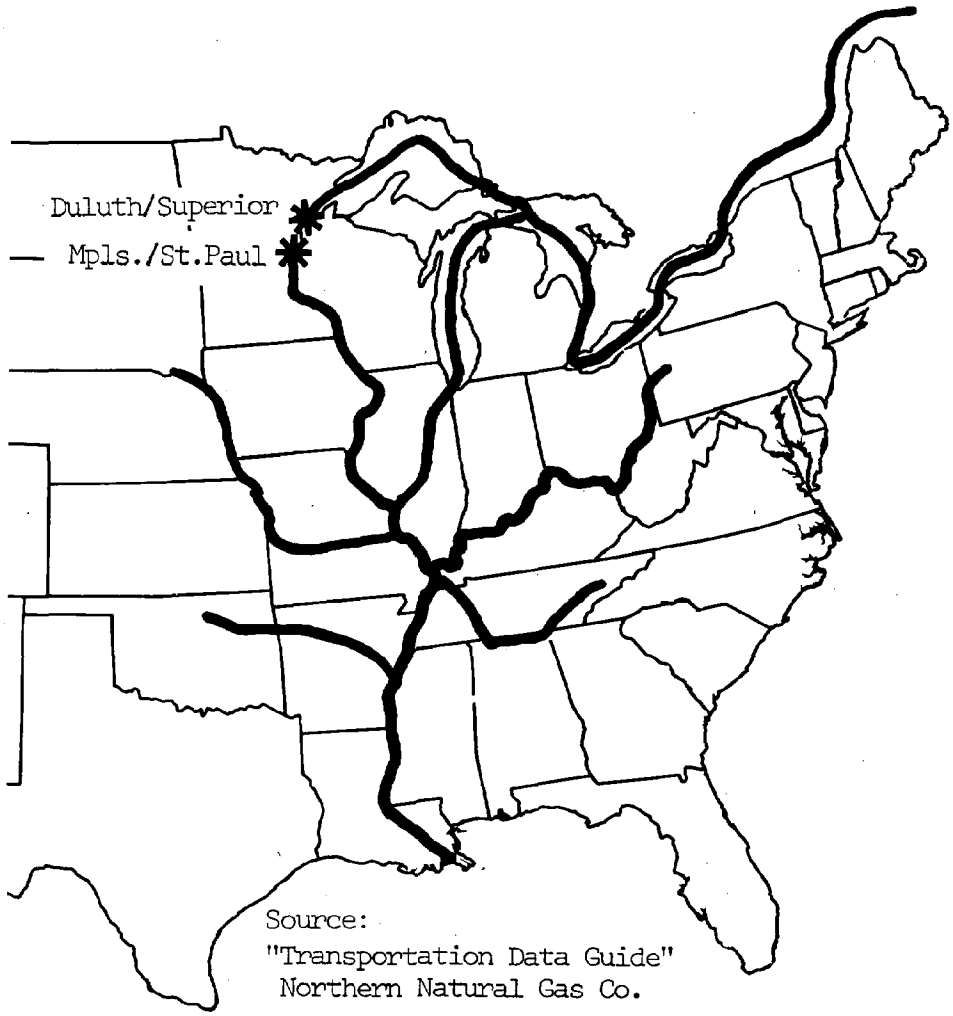
from the Dakotas, Montana and Wyoming as boiler fuel continues, coal may become an important downstream commodity. Important upstream commodities include petroleum products, chemicals and cement.

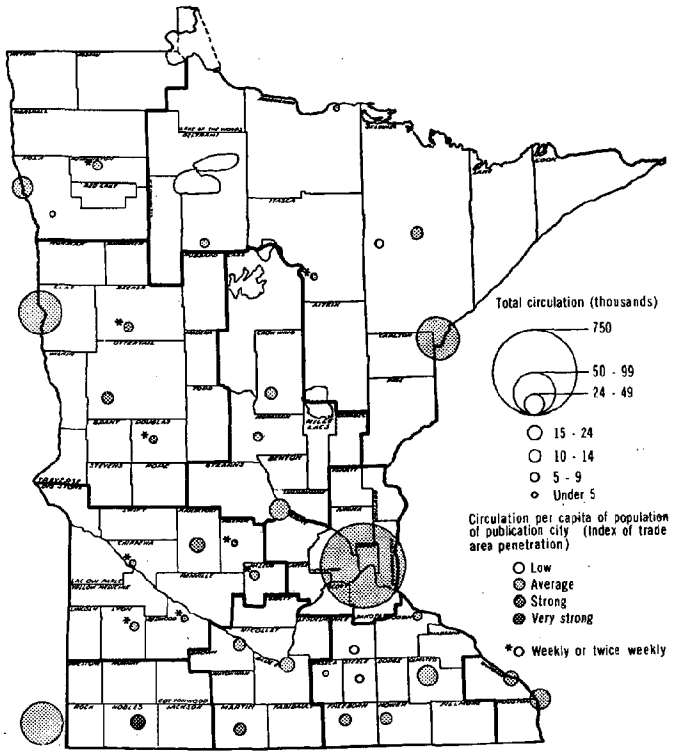
The Port Authority of the City of St. Paul owns over 2,400 acres of land within the port district and is developing four separate industrial areas. There are presently more than 70 industries in its various industrial parks and districts, the vast majority having located within the last eight years.

Riverview Industrial Park is designed for light industry. Red Rock Industrial District is a heavy industry area with barge sites available. Both these Port Authority industrial areas are controlled by protective covenants and industrial zoning to insure orderly development.

All Port Authority industrial areas, Riverview, Red Rock, Southport and Barge Terminal #1, are within minutes of the St. Paul central business district. Red Rock, the most distant, is only three minutes downstream, while Riverview is immediately across the river.

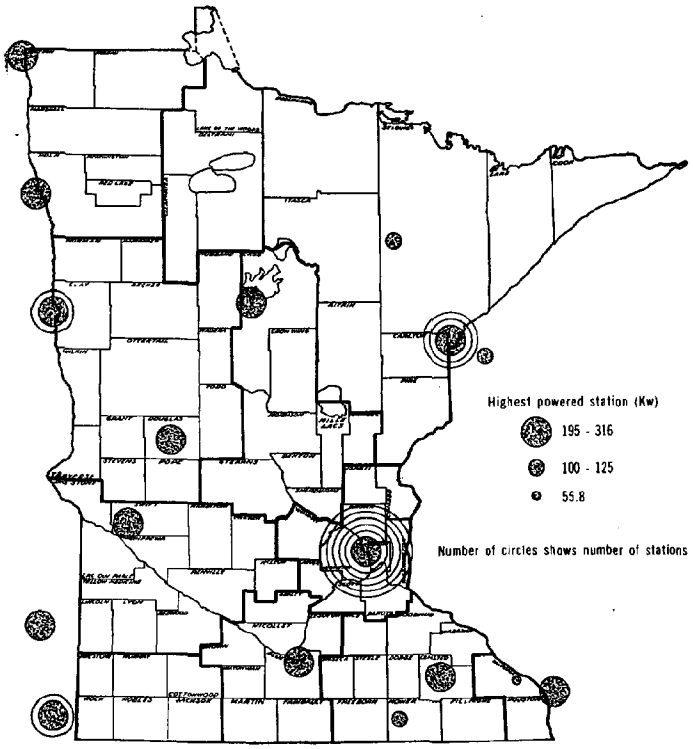
Waterway Service from Minnesota





Principal Newspaper Publication Centers

Daily newspapers except where otherwise designated.
Source: Ayer Directory of Newspapers, Management, and Trade Publications



Television Broadcasting Centers

Source: Broadcasting 1974 Yearbook

Financial Aids and Taxation

Municipal Industrial Development Bonds

A significant financing tool offered to industrial and commercial ventures in the State of Minnesota is the Municipal Industrial Development Bond program. These revenue bonds are issued by local governmental units, without public referendum, to fund projects which will aid in the economic growth of the community.

The bond program, created with the passage of the Minnesota Municipal Industrial Act of 1967, applies to projects used in connection with revenue producing enterprises of either an industrial or a commercial nature. Projects related to the promotion of tourism in the state also are eligible if located outside the seven-county Twin Cities metropolitan area.

Pollution abatement in industrial facilities is another area included in the bond program. Properties used in the abatement of air, water, noise or solid waste pollution may be financed by bond revenue, and such projects are not limited to the $5 million federal ceiling placed on bond issues for industrial and commercial projects.

Municipal Industrial Development Bonds differ from the general obligation bonds issued by communities in that the full faith and credit of the community is not pledged. This means that taxes cannot be levied against property owners to pay the principal and interest of the bond issue. Projects financed by these bonds appear in the community financial statement as an asset with no corresponding liabilities. The municipality holds title to the project until complete fulfillment of the terms of the contract but has no financial responsibility. The bonds are amortized solely by rentals received from the lessee of the facility.

Bonds may be issued in an amount sufficient to finance the cost of any or all of these items: land, construction and equipment costs; engineering, architectural, legal and fiscal fees; and interest during construction and for six months thereafter.

Well over $250 million in bond issue applications have been approved by the Department of Economic Development since the Municipal Industrial Development Act was declared constitutional in 1970. Industrial bonds have been attractive to many firms because of the major financing they can supply on a longer term basis than most other finance sources normally provide. The bonds have proven attractive to investors as well, due to the tax-exempt status of interest payable on industrial bonds.

For more information contact Director of Finance and International Trade, Department of Economic Development, 480 Cedar Street, St. Paul, Minnesota 55101. The telephone number is (612) 296-5023.

Economic Development Administration

The Economic Development Administration (EDA), under the United States Department of Commerce, provides grants and loans for public works and development facilities as well as loans for businesses and development corporations. Though EDA will not lend working capital, it will make loans for acquisition of land, buildings and equipment.

EDA public works loans to states or their subdivisions are made to help build facilities that will attract private industry. These include industrial parks, water and sewer systems, access roads and vocational-technical schools. Business development loans are made directly to individuals, partnerships and corporations as well as to public or nonprofit organizations to help build or expand industrial or commercial facilities and to create jobs.

Minnesota is in the midwestern area with a regional office located at the United States Department of Commerce, Economic Development Administration, Midwestern Regional Office, Civic Tower Building, 32 W. Randolph St., Chicago, IL 60601. Two economic development representatives located in Minnesota are: Jack Arnold, EDR, 601 Sellwood

Building, 200 W. Superior St., Duluth, MN 55802, and Stanley J. Pechaver, EDR, 409 Federal Building, Bemidji, MN 56601. Arnold's telephone number is (218) 727-6692 and Pechaver's is (218) 751-4415.

Minnesota's Area Redevelopment Association (ARA) works with the federal EDA to provide funds for industrial loans, representing a grass roots level approach designed to aid areas of high unemployment. Under law, EDA can provide up to 65 percent of a loan, the State ARA 20 percent, the community 10 percent and the operator 5 percent.

The Minnesota Department of Economic Development has the responsibility of administering the state ARA program. ARA's state director is William P. O'Reilly, Area Redevelopment Association, 400 Providence Building, 332 W. Superior St., Duluth, MN 55802. The telephone number is (218) 722-4212.

Tax Increment Financing

As an alternative to federally financed urban renewal, a locally financed approach to redevelopment known as tax increment financing has been incorporated in the Minnesota Housing and Redevelopment Act. Tax increment financing is a unique approach to redevelopment whereby the municipal government can provide the financial support for a Housing and Redevelopment Authority project with local funds. Tax increment financing is suitable for small scale redevelopment projects on a single parcel of land as well as projects involving multiple properties.

To implement a tax increment financing program, the housing authority must first prepare a redevelopment plan based on a survey and analysis of community needs, problems and redevelopment opportunities. The redevelopment plan is reviewed by the planning commission and submitted to the municipal council for review and approval. Following a public hearing held by the council, permanent financing is provided through the sale of general obligation bonds that will subsequently be repaid with tax increments from the redeveloped properties.

Those properties identified for redevelopment are acquired and cleared by the housing authority and resold to private owners for redevelopment. The difference between the amount of the property taxes before and after redevelopment are referred to as tax increments and are pledged by the housing authority to redeem the general obligation bonds that were initially sold to finance the project. The result of a redevelopment program is an improved tax base that will benefit the entire community.

Technical assistance and information regarding tax increment financing and other community development programs are available on request from James J. Solem, Director, Office of Local and Urban Affairs, State Planning Agency, 200 Capitol Square Building, 550 Cedar St., St. Paul, MN 55101. The telephone number is (612) 296-2102.

Small Business Administration

A major source of financing for the small businessman is the Small Business Administration (SBA). SBA can provide financial assistance directly or in participation with banks and other financial institutions. Upper limits on employment and financial size are set by SBA in defining what is considered a small business.

SBA lends money to businesses for construction, expansion, purchase of equipment and supplies, and for increased working capital. Some of the types of loans offered by SBA include: displaced business loans, economic injury disaster loans, economic opportunity loans, lease guarantees, physical disaster and product disaster loans, management and technical assistance for disadvantaged businessmen, and occupational safety and health loans.

SBA also is authorized to lend state and local development corporations funds needed to buy land and build factories or expand and convert existing plants, provided

the project aids a small business concern. To qualify, the development corporation must be incorporated under the laws of Minnesota. Many communities in the state already have taken advantage of this program.

A private source of working capital that receives government support under SBA is the Small Business Investment Corporation (SBIC). Funds are supplied in the form of debentures or outright stock purchases with an accompanying long-term loan.

There is a regional SBA office for Minnesota at 12 S. Sixth St., Minneapolis, MN 55415. Paul Jansen, Regional Director, and members of his staff will be glad to answer questions. The telephone number is (612) 725-2362.

The address of the regional SBA office for the seven-state midwestern area including Minnesota is: Small Business Administration, Regional Office #5, Federal Building, 219 S. Dearborn St., Room 437, Chicago, IL 60604.

U.S. Department of Agriculture

The United States Department of Agriculture (USDA) provides economic assistance to rural business enterprises, primarily through the efforts of the Farmers Home Administration (FHA) and the Agricultural Stabilization and Conservation Service (ASCS).

FHA provides loans to both family farm operations and rural cooperatives. Specific programs provide funds for such projects as farm improvement and equipment and livestock purchases as well as various emergency loans and rural housing loans. FHA helps finance recreational enterprises to supplement farm income and also makes loans to groups of farmers and rural residents for development of wildlife and recreational facilities.

Additional information can be obtained from: Gordon Klenk, State Director, Farmers Home Administration, State of Minnesota Office, U.S. Courthouse, 252 Federal Office Building, St. Paul, MN 55101. The telephone number is (612) 725-7695.

ASCA administers special cost-sharing programs of land, water, wildlife and forest conservation and development of both individual and community projects. Information can be obtained from County Agricultural Stabilization and Conservation offices, usually located in the county seats. The national contact is Kenneth E. Frick, Administrator, Agricultural Stabilization and Conservation Service, Administration Building, Jefferson Drive between 12th and 14th Streets, S.W., Washington, DC 20250. The telephone number is (202) 447-3467.

U.S. Department of the Interior

The Bureau of Indian Affairs (BIA), under the United States Department of the Interior, provides loans for Indian economic and social development, Indian industrial and tourism development and for on-the-job training. In addition, the BIA provides funds for irrigation, construction and power systems.

New legislation to foster Indian economic development was signed into law earlier this year. The Indian Financing Act of 1974 consolidates three existing revolving loan funds now administered by the Secretary of the Interior and authorizes an additional appropriation of $50 million for the fund. The Act also establishes a federal loan guarantee program for private loans made to Indian organizations and individuals.

In addition, the Act establishes an Indian Business Development Program in the Department of the Interior. Designed to aid small Indian businesses, the program authorizes federal grants of up to $50,000 per business. To support the business development program, the Act authorizes the Secretary of the Interior to cooperate with the Small Business Administration and other federal agencies and private organi-

zations in providing management and technical assistance to Indian enterprises which qualify for loan or grant assistance.

The BIA contact in Minnesota is Raymond P. Lightfoot, Area Director, Bureau of Indian Affairs, Minneapolis Area Office, 831 Second Ave. S., Minneapolis, MN 55402. The telephone number is (612) 725-2904.

U.S. Department of Veterans Benefits

The United States Department of Veterans Benefits offers both business loans and farm loans. Guaranteed or insured business loans may be used for working capital as well as to acquire land, buildings and equipment. They may also be used for construction, renovation, repair or improvement of realty.

Farm loans may be guaranteed or insured for such purposes as acquiring or refinancing indebtedness on lands, buildings, livestock and equipment or for repairing, constructing or improving farm realty or equipment. Farm loans also may be used to purchase stock in a cooperative association.

For more information, contact Leo Bodde, Director, Department of Veterans Benefits, Veterans Administration, VA Center, Federal Building, Fort Snelling, St. Paul, MN 55111. The telephone number is (612) 725-4100.

Major Taxes Affecting Business

Property Tax - an ad valorem tax utilized by local units of government and school districts and based on the value of all real property and tangible personal property unless specifically exempted by law.

Corporation Income Tax - a tax levied on corporations whose gross income exceeds $5,000 or whose taxable net income exceeds $500. Corporation gross income less business expenses paid during the taxable year is the method by which the taxable base is computed. Multistate corporations, or corporations with sales outside the state, use a three-factor formula to determine their apportionment ratio as follows:

$$\frac{\text{Property in Minn.}}{\text{Total Property}} + \frac{\text{Payroll in Minn.}}{\text{Total Payroll}} + \frac{\text{Sales in Minn.}}{\text{Total Sales}}$$

or

A weighted ratio equal to the same components times the weights
.15 (property ratio) + .15 (payroll ratio) + .70 (sales ratio)

A corporation may opt for the formula which yields the lowest amount of taxes. The maximum statutory tax rate is 12 percent and the effective marginal rate is 6.24 percent.

Sales and Use Tax - a four percent tax on the privilege of selling, using, storing or consuming tangible personal property, tickets or admissions, meals or drinks or the furnishing of lodging or utilities for consideration. Tax is collected by retailers and remitted to the state.

Workmen's Compensation - a tax paid by employers from which compensation for loss of wages and medical payments is paid employees who sustain job-connected injuries.

Major Taxes Affecting Individuals

Individual Income Tax - a tax on gross income as evidenced by returns filed by individuals, executors or administrators of estates and trusts, guardians and partnerships. Rates range from 1.6 percent to 15 percent.

Property Tax - a tax on real property valued at market value and adjusted by a uniform ratio within individual property classes. When property value is assessed it must be classified according to the legal classification system. The various statutory classification rates are then applied to the market value to determine the taxable value of the property. The total mill rate is then applied to obtain the tax due. Although counties retain the option to tax household goods as personal property, none has since 1967. There are no longer assessments on ponderous equipment, attached to or installed on real property.

Sales and Use Tax - a tax upon all retail transactions unless specifically exempted by law or regulation. Some exempt items and transactions are: clothing, groceries, medicine, gasoline, sales to charitable, governmental, educational and religious institutions.

Inheritance and Gift Taxes - taxes imposed on the transfer of property by gift or reason of death and measured by the value of the beneficiaries' share of the estate or the fair market value of the gift to the donee. Exemptions and rates vary according to the relationship between decedent and beneficiary or donor and donee.

More specific tax information can be obtained from the Department of Revenue, Centennial Office Building, 658 Cedar St., St. Paul, MN 55145.

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