However, the secondary position occupied by manufacturing activity is not necessarily a detriment to the Los Angeles economy, and even redounds to its benefit in certain respects. For instance, as a result of market limitations and absence of capital goods industry, most of the manufacturing establishments in the Los Angeles area are small plants with production closely geared to local needs. The 1930 census of manufactures listed 12% of total manufacturing workers as employed in industry groups utilizing less than 500 wage earners, 24% in groups employing less than 1000 workers, and 43% in groups employing less than 2,500 workers. The stabilizing effect of this condition is obvious. By the same token, the products manufactured are widely diversified (non-durable) goods, which constitutes an additional stabilizing influence on the economy of the community. One detrimental characteristic common to Los Angeles industry is that most of the manufacturing concerns are branch plants of nationally-known organizations and are therefore subject to the vagaries of absentee management and direction. However, market limitations again serve to offset the detrimental features of branch plant manufacturing, for the output of these plants, being designed for restricted consumption, is not directly affected by policies adjusting production to consumption requirements elsewhere in the country.

Mention should be made of three outstanding exceptions to the pattern of Los Angeles manufacturing industries as above described. These exceptions are the motion picture, aircraft and petroleum industries, each of which serves broad national and international markets and together furnish employment currently to an aggregate of over 50,000 workers exclusive of salaried personnel. The aircraft industry constitutes one of the most rapidly growing activities in the country largely as a result of the unsettled political conditions presently existing in the world, and the Los Angeles area has five of the largest aircraft manufacturing plants in the country. With the passage of the "cash and carry" neutrality bill, these factories have benefited from heavy foreign orders and all operating plants have undertaken extensions of present space and are employing additional workers. The gain to one local industry thus engendered by the war and political conditions in Europe has operated, however, to the detriment of another - the motion picture industry, which has lost virtually all of its European market. The results of this loss have not yet been measured effectively in terms of employment shrinkage, but it is not believed that the loss in employment will be pronounced.

OTHER SOURCES OF INCOME AND NEW WEALTH

It is highly important in the analysis of the Los Angeles economic structure to point out that there are other important economic activities in the area, which, although affording comparatively few employment opportunities in themselves, are nevertheless important from the standpoint of the new wealth created and because of the employment they create in allied industries. In this category are to be found agriculture, the mineral extractive industry particularly oil and natural gas, the fishing industry, and the tourist industry, if such it might be called.

Los Angeles County is intensely cultivated. Even with the constant influx of new population overrunning agricultural areas, the county continues to lead all counties in the United States in the value of agricultural and horticultural products. From Los Angeles each year there is shipped an annual cash cargo of produce in excess of 100,000 carloads - principally citrus fruits - while the total value of agricultural products in 1938 amounted to over 76 million dollars. The mineral extractive industries are highly important to the area, although in themselves furnishing a relatively insignificant amount of employment in Los Angeles. California in 1938 produced 21% of the total crude oil, 31% of the natural gasoline and 14% of the natural gas produced in the United States ranking next to Texas in the first and last categories and equalling the Texas output of natural gasoline. Over 80% of the state's oil production is centered in Southern California - 34% in Los Angeles County alone - and most of the major oil fields are in territory tributary to Los Angeles. This concentration of oil production has led to the establishment of the great Los Angeles refining industry and has also assisted other local industry by affording a first rate source of cheap fuel and power. The area, however, faces depletion of known petroleum reserves within the next 15-20 years. Intensive drilling activity during the past few years has been ineffective, with no new supplies of any importance discovered.

The fishing industry is very similar to the agricultural and mineral extractive industries in its effect on the Los Angeles economy. Here again, employment is a relatively minor figure but this activity affords a tremendous source of new wealth and has led to the founding of the important fish canning industry which employs over 3000 workers. Landings of fresh fish in Los Angeles County in 1938 totaled 377 million pounds, 31% of the total for the state in that year.