I. ECONOMIC BACKGROUND OF CITY

Sacramento is the capital of California, and nearly 40% of the gainfully employed in the city are supported either directly or indirectly by the State and Federal offices or by organizations which find it necessary to locate in the State Capital. The number of State and Federal employees has grown substantially in recent years, the total reported in 1935 being 3982, and at the end of last year, 5769.

Trade supports about a third of the gainfully employed. Sacramento's trade area includes a rich agricultural region, and extensive lumbering and mining activities are carried on in the mountainous areas to the east of the city. Sacramento provides the labor market for these latter mentioned activities, and thousands of lumbermen and miners visit the city each year to spend their earnings and to seek new jobs.

The most important manufacturing activities are the canning, preserving, and processing of fruits and vegetables raised in the surrounding agricultural areas. While employment is highly seasonal, as many as 7,000 workers are employed at the peak of the season. The only other industrial activities of importance are the Southern Pacific and Western Pacific car shops. Employment in these shops varies widely with the appropriations of the railroads for new equipment. It has been as high as 4,500 and as low as 1,000.

II. CURRENT BUSINESS CONDITIONS

Current business conditions are reported favorably in Sacramento. The expansion of the number employed by several departments of the State Government and the building of the War Department's huge air depot and supply base have contributed substantially to present prosperity of the city. In connection with the latter mentioned project it is reported that two hundred well-paid mechanics and their families will be brought to Sacramento from Rockwell Field during the last two months of this year, and that, in addition, at least two hundred other mechanics will be employed at the air field, most of them coming from outside the city. These and other developments lead to the conclusion that the outlook for the immediate future is bright and wholly justifies local optimism.