City and County.

The opening and operating by the War Department of the new $7,000,000 Air Depot and Supply Base the latter part of this year will materially increase Government employment in the community. Government officials estimate that 357 residential units will be required to house the regular staff of civilian employees, consisting largely of skilled mechanics, and that some 200 additional mechanical employees will be required when the Base is in full operation.

Under this head should also be mentioned the California Central Water Project which will have its headquarters in Sacramento. It is estimated that $170,000,000 will be expended upon this enterprise during the next six to eight years. In addition to increasing employment in the interim, this project is destined in future years to be a fundamental influence upon the economic life of the territory tributary to it.

4. Domestic Water Supply

Mention has already been made of the favorable influences exerted by Sacramento's cheap water supply. This water is provided through a municipally owned filtration plant and is sold at flat rates, permitting unlimited use for domestic purposes. Monthly rates run from $.70 for two and three-room dwellings to $1.75 for seven to eight-room residences. Industrial rates are on the basis of $102.39 per two million gallons. These rates are said to be the lowest on the Pacific Coast.

Gas and electricity rates are also moderate.

5. Local Business Barometers and Summarization of Economic Trends

On Appendix Pages 1-A to 3-A will be found numerous indices which show the economic trend of the community over the past ten years. A composite of these indicates an economic trend approximately as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>1929</th>
<th>1930</th>
<th>1931</th>
<th>1932</th>
<th>1933</th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>100%</td>
<td>98%</td>
<td>96%</td>
<td>87%</td>
<td>87%</td>
<td>80%</td>
<td>100%</td>
<td>120%</td>
<td>135%</td>
</tr>
</tbody>
</table>

The indication is that 1938 will not show a reversal of the foregoing trend.

Though bank debits, which were one of the indices used, were undoubtedly influenced by State disbursements, the volume of such disbursements was indicative of local Government employment and buying activity. It is believed that had local State employment statistics been available and been used instead of bank debits, the composite figures given would not have been materially changed. In fact, while current