In most instances these zones are sharply separated by physical barriers, wide variations in climatic conditions or sources of economic support. For example, the San Fernando Valley is cut off from the Los Angeles Zone by the Santa Monica Mountains and from the Pasadena Zone by the San Rafael Hills; the Pasadena Zone is separated from Los Angeles by the San Rafael Hills and is in a temperature belt averaging 10-20° above that found in Los Angeles adjoining on the west and far distant from the fog belt also found in the Los Angeles Zone; the San Gabriel Valley Zone is distinguished from the other zones by its almost exclusive dependence on the citrus fruit and nut industries. While all these distinctions are very real, it must be emphasised again that, with the possible exception of the San Gabriel Valley Zone, there is definite inter-relationship between the zones and between the cities within the zones, and all are dominated by Los Angeles City.

Discussion hereinafter will be confined to a detailed analysis of the economic, real estate and mortgage conditions in Metropolitan Los Angeles.

B. HISTORICAL BACKGROUND

The first white man to set foot on Los Angeles territory was the intrepid Spanish navigator, Juan Cabrillo, who sailed into what is now San Pedro harbor, in 1542. In 1769 a band of Spaniards arrived at the present site of Los Angeles City, then an Indian ranch village by the name of *Tangá*, on August 2nd, a special feast day of the Virgin Mary. Because of this fact, they named the location, *Pueblo del Río de Nuestra Señora, La Reina de Los Angeles*. This was later shortened to its present terse designation, Los Angeles, or "the angels". In 1880, the community still numbered but 315 inhabitants, few of whom were Americans, and the whole Southern California area was divided into large landed estates of Spanish-Mexican grandees.

The conclusion of the Mexican War in 1846 may be considered as the first step in the development of Southern California and Los Angeles County. California became a United States territory and three years later was admitted into statehood. In 1876 the Southern Pacific completed rail facilities from Los Angeles to San Francisco and the East, and nine years later the Santa Fe finished laying its rails to the city. A fabulous and fierce rate war immediately ensued between these two railroads which benefited neither but was responsible for the beginnings of modern development in Los Angeles. Thousands of persons poured into the area under the stimulus of almost unbelievably low rail-fares and their letters to friends and relatives at home portraying the incomparable climate, great opportunities and skyrocketing land values, brought fresh waves of population from other sections of the country. The subsequent land boom which soon developed, and almost as soon ended in a burst of deflation, did not slow the march of progress which has characterised the area since.

After 1900 a safe, modern harbor was started and brought to completion, the much-publicized motion picture industry was founded and waxed rich in a few short years, the great flush oil fields of Southern California were discovered and exploited, and the great and continually swelling stream of tourists and retired persons started its westward trek to the fabulous City of Los Angeles.

C. LOCATION

Metropolitan Los Angeles fronts on the Pacific Ocean, 150 miles north of the Mexican Border, 132 miles north of San Diego, approximately 405 miles south of the San Francisco-Oakland Bay region and about the same distance southwest from Sacramento, the state capital. The nearest large, out-of-state cities are Phoenix, Arizona, 420 miles east and Salt Lake City, Utah, 745 miles northeast. It will be readily understood that any large concentrations of population other than those mentioned above would be unlikely when it is considered that the population of California in 1930 represented 47.7% of the total for the 11 western states, while Los Angeles County population alone equalled 38.9% of the total for the state and 18.6% of the total for the 11 western states.

D. PHYSICAL CHARACTERISTICS

It would be a misconception to consider Metropolitan Los Angeles as a seacoast community. Long Beach, San Pedro, Santa Monica and several smaller, interlaced shore communities stretch along the coast for a distance of approximately 40 miles,