been the rapid growth and development of that portion of the city north of the Santa Monica Mountains within the lower reaches of the San Fernando Valley, which, during the past three years, has been little short of phenomenal, as will be shown in greater detail in the Real Estate Section. Much of the increase in population in this area has been drawn from the older sections of the city, particularly from among the apartment house dwellers, in response to the wave of Title I and low-cost Title II construction taking place in the Valley. Another area in Los Angeles City receiving a tremendous influx of population lies to the north and south of Wilshire Boulevard, between Vermont Avenue and Westwood Village.

This decentralization of population has reached such a high rate of acceleration that it has brought about a complementary decentralization in retail merchandising outlets from downtown Los Angeles to sections extending along Wilshire Boulevard well out from the center of the city. This will be discussed in more detail later.

II. ECONOMIC CONDITIONS
A. ECONOMIC BACKGROUND
1. History of Economic Development

The earliest economic activity in Los Angeles gravitated around agriculture. Up to the time of the American conquest, nearly all the arable land was held by a handful of large land-holders, and cattle raising was the chief source of wealth. The severe drought of 1862-63 accomplished the breaking-up of these large holdings into smaller tracts and a more diversified type of agriculture was introduced. The area continued to depend on agriculture for its economic livelihood until about 1890.

Between 1890 and 1910, Los Angeles experienced its first industrial development. An intra-county electric interurban service was inaugurated, plans for a safe, modern harbor were launched, and the motion picture industry came into being. The steady influx of new population stimulated the founding of manufacturing plants and commercial outlets. This period witnessed the inception of Los Angeles as a great metropolitan center.

The third and last period of economic development dates from about 1910, and marks the beginning of intensive and outstanding growth of manufacturing activity. Tourists and retired persons started pouring into California from all sections of the country, particularly after the close of the First World War. The great flush oil fields and accompanying pockets of natural gas were discovered and led naturally to the establishment of the great refining industry. The thriving motion picture industry became almost exclusively a monopoly of the Los Angeles area. More recent developments have been the heavy concentration of the aircraft manufacturing industry in Los Angeles, and the supplanting of San Francisco by Los Angeles as the principal distribution center for the Western States (largely as a result of labor conditions in the former).

An outstanding part in recent development has been played by the excellent transportation facilities available to the area. Three transcontinental railway systems offer four separate routes east - the Southern Pacific via Chicago or New Orleans, the Santa Fe to the Gulf States, St. Louis and Chicago, and the Union Pacific to Omaha and Chicago. There is, in addition, a neutral belt line switching system serving the industrial area.

The Los Angeles-San Pedro harbor is a port of call for 185 steamship companies reaching practically every part of the world. Los Angeles ranked sixth in cargo tonnage and fourth in value of cargo in 1937 among the ten leading ports of the country.

The intra-city transportation is not too satisfactory.

The electric system - urban and interurban - has 376 miles of city system and 1,106 miles of interurban line, but the two major lines are not coordinated. Although the former is operated in conjunction with an extensive motor coach system, travel by public transportation lines within the city is at best troublesome.

There are three transcontinental airlines serving Los Angeles, as well as three west coast lines, operating altogether 46 daily schedules.