B. Adverse Factors

1. Increasing loss of the citrus fruit export market to other citrus growing sections of the country.

2. Approaching depletion of known petroleum resources.

3. Failure of business generally to experience recovery commensurate with increases in population.

4. Heavy and increasing relief and unemployment loads aggravated by a concentration of older persons constantly agitating for passage of unsound economic legislation.

5. Increasing tax burden.

6. Heavy excess of subdivided lots with little control of any kind exercised over continuing subdivision activity.

7. A poorly conceived zoning plan.

8. Increasing vacancy in dwelling units of all types but particularly in multiple units.

9. Softening of the rental and real estate price structures.

10. Possibility of high future dwelling acquisitions in 'pressure' development areas.

11. Continuing high rate of speculative building activity in the face of decline in demand with evidences of overbuilding appearing in the community.

12. Intense competition among mortgage institutions to place loans leading to dangerous possibilities of lowered loan requirements, over-loaning, and aggravating the possibility of over-building the area.

13. Excessive concentration of home mortgage lending activity in a small group of institutions.

C. General Summary

From the foregoing factors affecting the welfare of this community, it would be possible to generalise to some extent on the trends which should develop in the future. However, the war which is now raging in Europe renders any such conclusions reached of doubtful value because of the presently unpredictable trends which might ensue as the result of this conflict. For instance, during the few weeks which have elapsed since the inception of this war there has been such a marked change in the business activity in the community that many of the facts uncovered relating to the unsatisfactory conditions in Metropolitan Los Angeles might easily be measurably improved.

It is the general feeling among informed persons locally that such benefits as are now accruing through increased industrial production and better economic conditions generally will in all likelihood result in severe recession if either one of two situations arise: (1) that peace is declared in Europe, or (2) if the war continues but the Congress fails to revise the present neutrality laws by the striking out of the embargo provisions. Furthermore, even if these embargo restrictions are removed, Los Angeles business and industry will be severely affected through the exclusion of a substantial portion of its foreign market. This will ensue because of the fact that American boats will not be able to carry cargoes to belligerent countries, and belligerent countries, as the term applies to the Los Angeles market, include Canada, Australia, New Zealand, probably Japan, and possibly other countries such as Russia which is not now considered as a belligerent country. Furthermore, a sizable portion of the motion picture market has been destroyed and under no conditions, short of complete world peace, can it be restored.