

Mr. 'Big' Running Rampant Across USA

By John Rico

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BIG GOVERNMENT, BIG EVERYTHING - In order to place this article in its proper perspective, it is necessary to go back about 50 years, and delve lightly on the economic situations which prevailed not only in the United States but around the world.

Following the stock market crash of late November 1929, the nation found itself plagued with massive unemployment, and near starvation. There was need for an invigorating personality to appear on the scene to take charge. That individual chanced to be Franklin Delano Roosevelt, and as late as the present millions of people will condemn the man for his radical procedures in bringing order out of chaos. His theories were acceptable to the voters of the nation in four national elections, and had not he been stricken ill during his fourth term, he may well have gone on to serve his fifth or sixth. But let's forget FDR for the time being.

In those pre-depression days, Vacaville area fruit ranchers were reaping modest profits for their labors. In, terms of the value of the dollar in that era, many farmers were enjoying a better-than-normal way of life.

And then the roof caved in. Disaster struck the Vacaville area a double-barreled blow because thousands of acres of lands here were in fruit, and when unemployed millions of easterners viewed the bright yellow apricots in stores, they were without funds, to buy the fruit. All they were interested in was a loaf of bread and a bag of beans to keep the wolf away from the family door.

In the pre-Roosevelt days it was a rare occasion when business firms attempted to spread their wings. It came as a surprise in July 1923 when A. P. Giannini's San Francisco Bank of Italy purchased the Bank of Vacaville.

It was equally surprising when Skaggs Safeway moved into Vacaville and purchased an existing grocery store. This was back in 1928. The nation-wide chain has been a part of the community throughout the years.

Most Vacaville residents were a bit surprised to think that "chains" would invade a small town of 1,200 population, but they did. J. C. Penney Company became a Main Street business house back in 1929, and the Pacific Gas & Electric Company came here in 1927 to take over the utility services.

Vacaville was not a boom town - in fact it presented a desolate appearance with more than half of its business houses closed because of economic conditions. The magnificent Clark Theatre, one of the finest in Northern California, opened here in July 1926, but the advent of talking pictures which required a huge extra investment, plus the fact there was no "show-going" money, made it necessary for W. J. Clark to relinquish his interest and the showplace became known as the Vacaville Theatre in August 1932.

Never in the history of this nation has there been the trend for conglomerates to enhance their diversified holdings. This is especially true with the major oil companies who are grabbing on to everything from fast food outlets to dog and cat food processing plants.

Right here in Vacaville, as reported in this paper, the Vaca Valley Bank, chartered here in 1955, is in the process of merging with Independent Bankshares Corporation, based in San Rafael. IBC has in its group the Bank of Marin, Bank of Sonoma County, First National Bank of Mendocino County, Bank of Lake County, and Gold Country Bank, having a total of 39 offices.

Owners of the 126,270 shares of Vaca Valley Bank have indicated an overwhelming desire to accept the merger. IBC has assets of approximately \$536.3 millions, and Vaca Valley Bank's assets are around \$51 millions.

Briefly, as soon as the necessary approval is received from state banking officials, the 126,270 shares of Vaca Valley Bank stock will become 441,945 under the merger agreement of 3.5 shares of IBC stock for every share of Vaca Valley. IBC has 1,860,000 shares outstanding.

Directors of the Vaca Valley Bank were becoming apprehensive with the myriad of rules and regulations which are saddling banks and other lending institutions. Vaca Valley Bank stockholders were at a disadvantage because the stock was not listed, or could not be traded on the open market. IBC stock is listed over the counter on the San Francisco Exchange, which makes the stock readily marketable.

Throughout the years Vaca Valley Bank directors have discussed and reviewed other proposals for sale of the five-branch Solano County Bank, but have rejected all offers until the recent agreement with IBC.

Vacaville's first local bank opened here in May 1883. It was consolidated with the Bank of Italy in 1923. Vacaville's second independent bank, The First National, chartered in June 1910, was absorbed by the Bank of America in 1931. Now, the local Vaca Valley Bank is about to be joined in a merger with Independent Bankshares Corporation of

San Rafael.

The merger provides that the name, Vaca Valley Bank, will continue to adorn the five branches of the bank in Solano County. And the present board of directors will continue to operate the banks.

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