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THE SENTINEL EDITORIALS

Financial Development

Independent financial institutions in Santa Cruz have shown an almost fantastic growth during the past seven years, according to a survey by The Sentinel.

The combined assets of the two local banks—The County Bank of Santa Cruz and The Farmers and Merchants National Bank—and the Santa Cruz Savings and Loan association have more than doubled since the December 31, 1950, bank statements.

Dollar-wise the growth has been on an even greater scale during the past four years.

During the past year, independent financial institutions in Santa Cruz showed a gain in total assets of 11.3 per cent and for the past four years, the increase has been 42.3 per cent. Since 1950, the gain is a phenomenal 101.7 per cent.

Total assets in local independent financial institutions as of December 31 was \$63,783,283 compared with a total of \$44.8 million in 1954 and \$31.6 million in 1950.

The largest gain has been made by the county's largest independent bank, the County Bank, whose assets have grown 121 per cent since 1950. In the past four years the County Bank has increased by 44.9 per cent and showed a capable 7.9 per cent increase in the past year when its assets jumped to a record \$41,794,529.

The Farmers and Merchants National bank has also shown a healthy increase. Since 1950, the bank has gained 56 per cent in total assets, but since 1954 the bank has climbed 34.6 per cent with a sizeable 10.8 per cent increase in assets in the past year to a total of \$13,310,763.

Santa Cruz Savings and Loan association, not a banking institution, has also made remarkable progress since 1950, showing a 110.4 per cent gain in total assets. In the past four years, Savings and Loan has reported a 43 7 per cent gain in resources and showed a 14.9 per cent jump the past year to total assets of \$8,677,991.

The other independent bank in the county, the Pajaro Valley bank in Watsonville, has shown a gain in assets of 62.7 per cent since 1950, but only a gain of 15.3 per cent in the past four years and 5.9 per cent last year with total assets now of \$29,883,407.

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Data for the branch banks of the Bank of America, the world's largest bank with assets of more than \$10 billion, are not made available. However, it is believed that the local branches of the Bank of America also made appreciable gains.

Bank clearings in the Santa Cruz area have shown a 5.9 per cent gain during the first 11 months of 1958 with a total of \$310 million compared with \$292 million for the first 11 months of 1957.

In Watsonville, bank clearings showed a slight drop during the past year, totaling \$77 million against \$81 million in 1957.

The gain in resources for the local financial institutions is far more important than the fact that the banking business has been good in Santa Cruz for the past few years.

To begin with, the past seven years have brought about the greatest gains in the financial history of the community. "Never before in history in Santa Cruz, have our wealth trends so improved. And this may just be the beginning for we appear to be on an upward cycle that could continue indefinitely. Depending, of course, on general economic conditions.

It brings a sound financial standing to the community that in the terms of dollars is far greater than we have ever experienced in the past. And the growth of the banks and the savings and loan is really a reflection of the financial development of the community.

The money that is represented in the banks is in reality the assets of the people, the bank's customers and investors. So that when the banks report in their statements of condition that they have doubled in size in the past seven years, it means that the financial status of Santa Cruzans is worth twice as much as it did in 1950.

Part of the gains, of course, is a result of the area's growth while some are indicative of the improved financial condition of Santa Cruz firms, organizations and individuals.

The financial growth of the community is highly encouraging. Savings and Loan investments, for example, are in real estate, showing marked growth in this particular field of residential development in the Santa Cruz area.

It is encouraging to note the increase in banking activity in the area and the fact that the local independent financial institutions are taking an active part in financing development of the community.

When you have the financial support increasing on the same scale as development of the region, you are building a sound foundation for the future.

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