

**Statement on the Jacksonville Branch of the Federal Reserve Bank of
Atlanta**

Above the doors of the building at 515 Julia Street in Jacksonville is engraved the inscription, 'The Federal Reserve System Through Which Our Banks and Government Join Hands to Further the Enduring Prosperity of American Commerce, Industry, and Agriculture.' This building, erected in 1952, is the latest to house the Jacksonville Branch of the Federal Reserve Bank of Atlanta. The history of the Branch reflects the growth of the Florida economy that it serves. Established in 1918, only four years after the parent Bank in Atlanta, the Jacksonville Branch has had to move four times since then, into successively larger quarters, to enable it to handle its ever-growing volume of work.

For the most part, the Branch has grown because of economic growth in the area it serves. At the same time, the Branch has contributed to this growth by providing services that could not have been performed as efficiently in its absence.

One of the ways in which banks and government cooperate to serve the Florida economy is by providing it with currency and coin. Banks throughout Florida send worn-out or surplus cash to the Branch for destruction or storage and, whenever they need to replenish the stocks of cash in their vaults, they obtain it from the Branch.

which in turn obtains it from the Treasury. In this way the public is provided with a currency supply that is efficient and responsive to its needs. It has not been an easy job, however, to keep pace with the fast-growing Florida economy. For example, in 1926, the Branch received from commercial banks 24.4 million pieces of paper money and 13.1 million pieces of coin, but in 1963 the volume had increased to 132.8 million pieces of currency and 256.3 million pieces of coin, more than a tenfold increase in 27 years. The value of this flow last year was over a billion dollars.

Large as these numbers seem, however, they are dwarfed by figures on check clearings, since most of the nation's business is handled by check rather than cash. The Federal Reserve System collects for its member banks, free of charge, checks written on banks in other parts of the country. Last year the Jacksonville Branch handled more than 107 million checks worth over \$36 billion. This is a tremendous workload, but it attests to the prosperity of Florida's commerce, industry, and agriculture, and to the growth of Jacksonville as a financial center. From 1926 to 1963, total deposits of Florida banks increased nearly tenfold from \$625 million to \$6.0 billion. In 1963, deposits of Jacksonville banks alone were almost as large as they were for all banks in the state in 1926.

In addition to clearing checks for member banks, the Federal Reserve Banks hold member banks' reserve deposits. Many thousands of debit and credit entries are made to these accounts each

month by the Jacksonville Branch in the process of clearing checks and handling currency and coin, but the reserve accounts are also affected by many other types of transactions. Member banks may transfer money and government securities by wire anywhere in the country. They also may borrow from their Federal Reserve Banks.

As fiscal agents for the U. S. Treasury, the Federal Reserve Banks issue and redeem government securities and pay interest on them, clear Treasury checks and postal money orders, and supervise the Treasury's tax and loan deposits. Periodically, the Treasury may make calls on these accounts. Currently, such calls on banks served by the Jacksonville Branch exceed \$750 million a year.

One of the virtues of the Federal Reserve System, it seems to me, is the way in which it combines the centralized decision-making necessary for an effective national monetary policy with a decentralized process of obtaining information and advice. Thus, every Branch of every Federal Reserve Bank has its own Board of Directors, composed of outstanding citizens of the Branch area. Their intimate knowledge of local conditions and their considered advice are of valuable assistance in solving both the operational and policy problems that the System meets. The present members of the Board of Directors of the Jacksonville Branch come from many different occupations and all parts of the state. Harry J. Vaughn, the

Chairman, is President of the United States Sugar Corporation at Clewiston. Claude J. Yates, a former Chairman, is Vice President and General Manager of the Southern Bell Telephone Company in Jacksonville. J. Ollie Edmunds, a former Federal judge, is President of Stetson University in DeLand. These men were appointed by the Board of Governors. The parent bank in Atlanta has appointed four bankers from various parts of the state: William H. Dial, First National Bank at Orlando; Arthur W. Saarinen, Broward National Bank at Fort Lauderdale; J. L. Lane, Atlantic National Bank of Jacksonville; and Harry Fagan, First National Bank in Fort Myers. These men and the more than 300 officers and employees of the Branch, headed by its very able Vice President and General Manager T. A. Lanford, have given unstintingly of their time to enable the Jacksonville Branch to serve the financial needs of the most rapidly growing state in the nation.