

II. BANKERS' DEPOSITS AS A FACTOR IN THE CHICAGO MONEY MARKET

The funds of banks on deposit in Chicago banks constitute a large part of the supply of the money in this market. Something of the significance of this may be seen in the fact that the volume of bankers' deposits on June 30, 1927, as reported by Chicago banks was 357½ millions. It is the aim of this section of the present study to make an analysis of these deposits in order to show the movements of this factor in the money market.

The period selected for study is 1900 to 1925 inclusive. This period is of sufficient length to reveal whatever of secular trend, seasonal variation, and cyclical movement the data may possess. The source of the data for national banks and state banks are the Reports of the Comptroller of the Currency and the State Auditor of Public Accounts of Illinois respectively. The study falls into the following divisions:

- (a) Central Reserve City Banks
- (b) All National Banks
- (c) State Banks
- (d) All Chicago Banks

Each of these divisions will receive consideration in turn.

A. CENTRAL RESERVE CITY BANKS

The central reserve city banks of Chicago number 12.¹³ Out of a total of 220 banks these 12 largest of the national banks hold approximately 70 per cent of the bankers' balances. This same group of banks represents about one-third of the total bank resources of the city. Since this relatively small class of banks holds so large a proportion of outside bank funds and may therefore be quite properly spoken of as bankers' banks, considerable space will be devoted to an analysis of their data.

By the term bankers' deposits is to be understood those funds on deposit which are owing to other banks. The figures covering the volume of these deposits are found in the "Due to Banks" item as reported by the Chicago banks.¹⁴ No attempt is made to subtract from the item "Due to Banks" the amounts which banks have on deposit with other banks—"Due from Banks"—in order to arrive at net bankers' balances; a separate analysis is made of "Due from Banks."

¹³There are 35 national banks in Chicago.

¹⁴"Due to" or "Due from" Federal reserve banks is not included in bankers' deposits or "Due from Banks."