Central Trust Co....	1,000,000	15,449,282	85,749,341	Metropolitan Tr. Co.	2,000,000	8,001,570	21,147,491
Columbia Trust Co..	1,000,000	1,311,260	11,029,857	Morton Trust Co....	2,000,000	7,573,517	38,427,711
Commercial Tr. Co..	500,000	309,014	4,661,050	Mutual Alliance Tr..	700,000	362,907	7,371,744
Commonwlth Tr. Co.	250,000	373,900	477	N. Y. Life In. & T. Co	1,000,000	4,114,129	35,476,878
Empire Trust Co....	1,000,000	1,020,990	13,425,117	N. Y. Trust Co......	3,000,000	10,512,237	42,593,596
Equitable Trust Co.	3,000,000	10,926,892	22,490,418	Standard Trust Co..	1,000,000	1,450,617	15,534,457
Farmers' L. & Tr. Co	1,000,000	7,027,944	122,389,387	Title Guar. & Tr. Co	4,375,000	8,948,762	22,051,859
Fidelity Trust Co...	780,000	883,004	5,177,500	Trust Co. of Am....	2,000,000	6,326,281	26,911,874
Fifth Av. Trust Co..	1,000,000	1,816,287	14,953,151	Union Tr. Co. of N. Y	1,000,000	8,227,688	55,324,908
Fulton Trust Co.....	500,000	851,919	7,613,382	U. S. Mort. & Tr. Co.	2,000,000	4,251,210	29,108,745
Guaranty Trust Co..	2,000,000	7,736,962	69,031,398	U. S. Tr. Co. of N. Y.	2,000,000	13,412,567	71,353,711
Guardian Trust Co..	800,000	547,027	4,379,701	Van Norden Tr. Co.	1,000,000	1,257,012	7,541,752
Hudson Trust Co...	500,000	667,863	2,343,848	Washington Tr. Co..	500,000	1,369,020	10,068,724
Italian-Am. Tr. Co.	500,000	36,009	1,023,152	Windsor Trust Co...	1,000,000	454,527	8,903,596
Knickerb'er Tr. Co..	1,200,000	13,902,343	34,619,505	Bank of Long Is....	500,000	243,324	4,869,155
Lawy's Tl. In. & T.C.	4,000,000	5,829,370	11,936,706	First Nat. Bank.....	100,000	44,500	548,300
Lincoln Trust Co...	750,000	435,360	9,233,676	Queens Co. Trust Co	500,000	168,989	1,364,384
Manhattan Tr. Co..	1,000,000	2,388,027	20,240,520				
Mercantile Tr. Co..	2,000,000	7,065,762	50,786,424				

Money From Outside.

By no means all of the vast sums handled by the New York banking institutions is New York money. As a matter of fact probably by far the greater part of it is deposited here or loaned here by financial institutions in the interior, by individuals residing elsewhere and by the big corporations whose receipts come from all over the country but whose headquarters are in this city.

This loaning of money for interior financial institutions or acceptance of it in deposits is one of the most important branches of New York banking. Almost every interior bank, large or small, has its New York correspondent, keeps a balance here on which it may sell New York drafts to its customers and does its most important business through this city, which, in a sense is the clearing house for the entire country. When the interior banks see their reserves getting low it is to New York banks that they go for the rediscounting of paper held by them in loans and it is to the New York banks that they look invariably for advice on matters of Government finance or other questions of banking moment. A good New York correspondent accordingly is regarded as a valuable asset.

In placing their idle money New York banks also are extremely helpful to banks in the interior. In the cities which are centres of the principal grain and cotton States the demand for money is by no means constant the year round. It is extremely urgent in the fall and early winter, when the crops are moving to market and is normally very slack in other seasons. In these seasons the interior banks normally have a considerable amount of surplus money, and especially if call money rates are high it is their custom to forward the idle funds to New York correspondents for loans on call here, thus securing an interest return until such time as the money is needed at home.

In times when call money is in slight demand here, as at present, New York banks pay 2 per cent. interest on balances of interior banks and thus the interior banks get some return always on their idle capital.

Moving the Crops.

In addition to the accommodations for interior banks New York banks invariably assist them in the crop moving season. It is customary for an amount ranging between $40,000,000 and $60,000,000 to be sent to the South and West while the cotton and the grain are moving to market. In this crop moving season the demand on New York banks has often been so insistent as to produce monetary stringency here. It was the frequent repetition of this occurrence that led, among other causes, to the enactment of the emergency currency legislation upward of a year ago.

In the period of slack business since the panic of 1907 the deposits of interior institutions in New York banks and trust companies have been particularly heavy. A day or so ago a New York bank loaned $1,000,000 for a single institution in a large interior city and New York institutions in the same period have sold bonds in enormous amounts to interior correspondents.

As far as the country at large is concerned another most important working of New York banks and bankers is in raising and providing money for railroads and other corporations, the bulk of which money is expended for new construction, replacements or the flotation of great enterprises in the interior. Every big railroad corporation and every big industrial corporation which desires to raise money by the sale of bonds or notes looks to New York for the financing. In this way New York supplies immense sums which are spent all over the country for wages, materials and so on and keeps the business of the entire country in motion.

Railroad Funds Raised.

Last month alone the railroads raised a total of $96,000,000, principally through New York bankers, by the sale of bonds, notes and stocks. Industrial corporations in the same period secured $50,000,000 in the same manner, so that through the agency of New York bankers and financiers there was provided in one month a matter of $146,000,000 to serve the uses of the big corporations and through them of the business man, the clerk and the laborer all over the country.

In financial affairs of the Government the New York bankers invariably are asked to cooperate whenever the Government, for any reason whatever, desires to sell bonds. New York bankers have subscribed most heavily for the bonds issued to provide for the construction of the Panama Canal and are the largest holders of Government bonds in the country. They also act as fiscal agents for the dependencies, Porto Rico and the Philippines, and formerly they acted for Cuba. It was a $35,000,000 loan negotiated by a New York banking house which put the Republic of Cuba on its feet after the close of the war with Spain. Money provided through New York bankers has constructed public works in Cuba, Porto Rico and the Philippines, and the railroads which are being built under Government control in the Philippines also are being constructed by capital supplied through this city.

There is in fact not an important matter of Government finance in which local bankers do not take a prominent part. The collection of the Chinese indemnity, for another instance, was performed for the Government by a New York trust company.

This extraordinary development of the city's banking power has taken place principally in the last twenty years, with an ever increasing gain in that period. Twenty years ago, for instance, the combined capital and surplus of the Clearing House banks was only $58,500,000 and the surplus only $74,700,000. The figures given above show how great an increase has been made since.

A comparison of the relative strength of the trust companies twenty years ago and now shows an even greater gain, for the trust company, as a bank of deposit, is an institution that has grown up in that period. Twenty years ago the capital of all the trust companies was about $30,000,000. Now it is $60,000,000. Then the combined surplus was but $74,000,000; now it is $173,000,000.

Trust Company Values.

The trust companies, principally because of the suspension of one of the most important early in the panic, suffered more severely from the runs on local banking institutions than did the banks. But their recovery from this adversity has been extraordinary. The following table, showing the liabilities of the companies in December of the panic year and on January 1 last, tells the story:

LIABILITIES.	Dec. 19, 1907.	Jan. 1, 1909.
Capital	$58,351,560	$60,425,000
Surplus and profits, market value	146,420,387	172,988,598
Pref. Deposits—Due State sav. banks	24,181,288	36,446,535
Due State sav. and loan associations	137,858	662,097
Trust deposits not payable within 30 days	....	20,146,656
Due as exec., admin., guardian, rec'r, trustee, committee, &c.	33,606,689	21,392,534
Deposits pref. because secured by unmatured bonds of the State	....	4,078,253
Other deposits pref. because of pledge of part of trust co. assets	3,771,000	4,032,481
Deposits otherwise preferred	1,061,123	2,472,794
Deposits subject to check (not pref.)	435,236,258	748,030,445
Certs. of dep. on time & dem. (not pf.)	48,107,077	66,761,475
Time deposits not payable within 30 days, represented by certificates, &c.	....	40,284,595
Due trust companies	18,948,056	101,367,610
Due banks and bankers	21,856,101	....
Totals of all deposits	$591,912,441	$1,045,665,475
Borrowed money	....	$1,454,975
Preferred liability as executor, &c.	$1,075,265	....
Other liabilities	62,072,890	41,771,647
Grand totals	$859,732,552	$1,322,255,690
RESOURCES.	Dec. 19, 1907.	Jan. 1, 1909.
Bonds and mortgages	$68,388,866	$85,379,871
Public securities	43,487,836	57,919,439
Other securities	187,089,436	243,085,376
Loaned on collaterals	367,474,994	546,816,033
Loans, not secured by collateral	9,492,820	5,765,637
Bills purchased	45,066,994	71,985,130
Overdrafts	114,563	141,410
Real estate	13,293,750	19,270,541
Due from appr. reserve depos., less offsets	60,824,328	146,953,404
Due from trust cos., banks and bankers, not included in preceding items	13,090,301	20,295,396
Specie	37,000,671	87,261,025
U. S. legal tenders and bank notes	4,372,427	10,241,562
Bills and checks for the next day's exchange and other cash items	524,251	824,280
Investments, held as executor, &c.	1,075,265	....
Other assets	28,406,960	27,416,802
Grand totals	$859,732,552	$1,322,255,690

COTTON EXCHANGE HISTORY.

Development in the Trading Centre in That Commodity.

With the increase in cotton production and the multiplication of spindles the new York Cotton Exchange has developed a function undreamed of by its founders yet of such importance that without it the cotton industry of to-day is inconceivable. Those unfamiliar with the trade well may wonder why New York city, so far from the cotton fields and the spinning mills, should possess the greatest cotton exchange and be the dominant cotton market of the world.

It is estimated that more than 70 per cent. of the cotton crop of this country running from eleven to thirteen million bales yearly, is paid for and handled by members of the New York Cotton Exchange. True, this city has facilities for handling the large credits necessary not only to raise the crop but to move and to distribute it to the consumers of the world, but there are other reasons for its sway in the cotton business.

The Developed Methods.

Present conditions are the result of an evolutionary process brought about by the efforts of a generation of able minds to adjust methods to the necessities of the business. So a bit of history is necessary to an understanding of the situation in the cotton trade.

Mr. George Brennecke, president of the exchange, thus traces the origin of the institution: "The New York Cotton Exchange, the leading cotton exchange of the world, the one place where the entire cotton world meets on neutral ground as the clearing house of the world's cotton trade, arose to its present position from very humble beginnings.

"Before cable communication was established a large part of the cotton crop was shipped to Europe for owners' account. This constituted a pure speculation that at times resulted in great gains and sometimes in larger losses, as those interested had no means of reducing their losses if the cotton had once left the country.

"With the first meagre and very expensive information furnished by cable cotton—in those days entirely shipped on sailing vessels—was traded in New York in the form of what was then termed transit cotton; that is, shippers would consign their cargoes to Liverpool or Cork for orders and send the shipments and samples here for sale; and such shipments were sold often ten times over before it became necessary to forward the documents to Europe to be there in time for the arrival of the sailing ship.

Trading in Futures.

"Out of this grew the system of trading in future deliveries in a crude form. Almost every one of the larger cotton firms had its own form of contract. This was the custom up to 1870."

The New York Cotton Exchange is the outcome of the old fashioned commission business, such as that of handling molasses, sugar, hides, wool, country produce and like agricultural commodities. Early cotton commission merchants, according to their capital, sometimes dealt in several commodities. They advanced money for raising the crop, either directly to planters or through reliable local correspondents. They differed little from the country merchant or the interior factor of to-day.

When picked and ginned the crop was shipped to New York by the planter to be sold for his account by the commissiom merchants, who after deducting advances, interest and charges turned over the remainder to the producer as the profit on his crop. These transactions involved great waste. Interest expenses and commissions were what would now be regarded as extortionate. And in this way New York annually got its stock of cotton and became the market where New England spinners sought their raw material.

War Hurt Trade.

But the civil war killed this regular trade between planter and spinner. During that conflict the only supply of cotton in the North was such lots as the Government obtained now and then through the capture of blockade runners or confiscations in the South. These lots could not be handled on commission basis. The Government sold for cash only. Accordingly they were bought outright as a speculation.

The enormous profits made in Government cotton led to general speculation in the staple even across the sea. The huge demand by the world and the precarious supply caused by the elimination of the Southern producer afforded opportunities for vast and sudden profits. Now out of this excited traffic was evolved the modern system of handling the cotton business of the world. For in their efforts to get cotton dealers not only bought that which was actually on the spot but began to buy "cotton to arrive" upon obtaining information of the consignment of cotton to convenient ports.

Forecasting the Market.

In this way the speculators of those days began to forecast the market and a long step was taken in the development of speculation in general. Here then was the inception of the "contract for future delivery" so paramountly important in the world's commerce to-day. With improved means of transport and communication speculative profits nowadays are taken not so much on differences of price in different markets as on differences at different times.

Foreseeing a rise, the speculator may buy to-day, expecting to sell at the advance; predicting a fall, he may contract to make future deliveries at to-day's price, thinking to fill his contracts at the lower rate. Most of the transactions on all the leading exchanges are of this kind.

After the civil war the success of the new methods of conducting the cotton business attracted the attention of the ablest merchants. In 1870 and 1871 respectively the Liverpool Cotton Association and the New York Cotton Exchange were organized and the ablest men adopted the new system as the basis of their business. The New Orleans exchange has existed since 1880. Thus were the great exchanges the result of gradually perceived necessities and not the outcome of the predetermination of any man or group of men.

By the "future delivery" system contracts are made for the sale of cotton to be delivered as far in the future as ten or eleven months from the date of the transaction, though the greater part of the trading is for delivery within four or five months. The contract unit is 100 bales, or 50,000 pounds. The time of delivery within the period the contract calls for is at the option of the seller, who by the rules of all exchanges is required to give to the buyer written notice of the date upon which he will deliver the cotton contracted for.

In New York and New Orleans the price stipulated in the contracts is for middling cotton, with additions or deductions for other grades according to rates fixed by the regulations of the exchanges. The seller has the option of delivering any grade from good, ordinary to fair, inclusive, and of tinged or stained not below low middling.

Uncertainty as to date of delivery and the grades of cotton the seller may deliver has the effect of keeping the price of "futures" (except for immediately future months) below that of "spot cotton," or cotton for immediate delivery. In New York and New Orleans parties to a "future" contract may require each other to deposit money in a bank as "margin" for such amounts as variations of the market may warrant from time to time.

Real Function of the Exchange.

But the important office of the cotton exchange is not to afford a ready place for speculation. A new use of "future" contracts in cotton has grown up in the great exchanges, investing them with vastly vital functions. This new use of the contract for future delivery, known as the "hedge," employs the resources of the producers, manufacturers and consumers of cotton from end to end of the world to distribute the immense total risk involved in the vast credits required in getting each year's crop from the field to the consumer's back.

Discussing the stupendous proportions of this risk A. R. Marsh, vice-president of the New York Cotton Exchange, remarked that the cotton trade is dealing every year with practically 20,000,000 bales of cotton of all growths, worth more than $1,000,000,000. In addition to this it has to carry all the time at least six months output of all the spindles and looms of the world, yarns and goods that have not yet reached the consumer, worth at least $1,000,000,000 more. This means a constant strain on the liquid resources of the world of at least $2,000,000,000, to say nothing of the capital invested in farms and mills. It is inconceivable, says Mr. Marsh, that credits could be obtained for such vast transactions unless means were known of so distributing the risk that the individual merchant or manufacturer would not likely be crushed by his share of the burden. The most important means of accomplishing this to-day is the

PORPHYRY DEPOSITS

The marked success attending the Utah Copper Company, now producing the red metal at the rate of 60,000,000 pounds per annum, and at a cost per pound comparing most favorably with that of this country's most successful producers, has resulted in a world-wide interest being created in porphyry deposits, which on every side are conceded to be the all important source of the future supply of copper.

It is within the bounds of reason to state that the Utah Copper Company owns the world's largest and most valuable copper deposit, also that it is destined to occupy a leading position among the individual producing mines of this country, both from the standpoint of production and earnings. Its rate of production has more than doubled during the past fourteen months, while only the necessary surface facilities for the treatment of its ore output is necessary in order to bring about a further increase of 50 per cent. within the next year or two. Plans to this end are already receiving attention.

The advantages of porphyry deposits are so varied that the favor in which they are growing, likewise the search being made for them, by leading mining interests, is not surprising in the least.

The Utah Copper, for instance, is nothing more than a huge manufacturing proposition, the results from which cannot but be extremely regular, due to the uniformity with which the mineral is disseminated throughout its vast deposit, and the further fact that a thirty years' ore supply, based upon the current rate of extraction, is already in sight.

In the operation of porphyry deposits, in some quarters rather aptly termed blanket deposits, the element of risk is reduced to a point below that of any other copper mining enterprises we know of.

To begin with, they require no deep mining, and in consequence there is permanently eliminated the uncertainty of the character of values with increasing depths, and with it the attendant worries of both the management and shareholder. The yield per ton is known accurately in advance for years, and thus fortified the management is free to work out such problems as will bring about greater economies in the various departments, such as has been witnessed the past fifteen years in the mining and milling of vein deposits.

With millions of tons of ore blocked out at a depth of comparatively a few hundred feet from surface, and thus easy of access, production from porphyry deposits permits of a wide scope. That the possibilities in this direction were long since recognized by the Utah Copper Company is evidenced by the fact that in the building of its 6000-ton concentrator provision was made in its construction for an addition of like capacity.

The present scale of production of the Utah Copper Company requires the services of considerably less than one thousand workmen, a large number of whom are engaged in the completion of the surface improvements. This extremely small working force is, of course, made possible by the fact that the greater part of the tonnage mined is handled by steam shovel methods.

In this connection it is not amiss to state that the entire twelve units of the Garfield concentrator of the Utah Copper Company are now in commission, though present daily shipments to this plant do not exceed 5000 tons. This plant has a maximum daily capacity of 8000 tons, but the best results in the way of recovery will be effected from the treatment of 6,000 tons.

Were copper to rule at a very high figure, it would be considered good business policy to disregard the most effective recovery, and draw to the greatest extent possible on the ore reserves, in fact to the maximum capacity of the plant. The mill recovery is being carried to the furthest point that will permit of a profit. Thirteen thousand horse-power is provided at the company's electrical plant at Garfield, the largest in this country, west of Chicago.