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INVESTMENTS
IN
NEW YORK CITY.

In the following pages the writer calls attention to the advantages of investments in New York City. Not many years since there was a craze for investments in the Rocky Mountains. Every person in haste to get rich must have a gold mine or a silver mine. More recently a similar craze showed itself in building railroads in Mexico. Now the New South is the card, and the craze manifests itself in reckless investments in that direction.

"THE NEW SOUTH" is being systematically written up in the newspapers by the paid agents of railroad companies and speculators. It is probably not an exaggerated statement that there will be \$100,000,000 of capital from New York City and vicinity dissipated in the New South in the next two or three years. Like the Rocky Mountains' investments referred to, and the building of railroads in Mexico, the investors in the New South will find a permanent resting place for their surplus capital.

History repeats itself. Nine-tenths of it will be totally and absolutely wasted. Attention is called in the following pages to the advantages of *local investments*.

The inclination to regard with favor that which is distant and necessarily uncertain, is a common attribute of the human mind. It has found its expression in a number of maxims current in our literature, of which "Distance lends enchantment to the view," and "Far off fields are greenest," are familiar examples. The reason seems to be that the distant and indefinite admits of the exercise of the imagination, the mental process through which we receive much of our satisfaction and enjoyment. In no domain is this peculiarity more forcibly illustrated than in the history of invest-

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ments made by capitalists, and notably those of the City of New York.

This city being the financial center it is natural that to this point should drift the schemers and speculators of this vast country. As a Western silver mine owner recently said, after having unloaded a million of stock, "New York is the dumping ground." Dazzling stories of recently-discovered gold, silver, iron ore and coal mines throughout the "boundless West" and the "tropical South," float with certain regularity to New York and frequently the temptation to invest in these far off and apparently green fields of profit overcomes even the most conservative business man. Mexico, Colorado, Tennessee, Alabama and Florida investments have proven to be uncertain; occasionally the return has been satisfactory, but the rule is that dividend day has an unsatisfactory and dreary procrastination.

History constantly repeats itself and teaches the reading, thoughtful man, that New York investments—those made where the investor can watch the expenditure of his money, the growth of the enterprise, and witness the happy consummation of the plans of the projectors—are the surest and safest. If the New York money that has been expended in unnatural, imaginary and impracticable schemes throughout the West and South had been expended in local enterprises to supply *public wants*, the result would have been large profits instead of large losses. So long as the people of this great city have necessities unsatisfied, not mentioning comforts and luxuries, so long can money be invested *here* with absolute certainty of success. A city of 1,500,000 people, with the population doubling each 20 years, has *many wants* and until these are supplied why seek investments in visionary and uncertain fields of adventure?

Consider a moment the marvelous growth in value of *local investments*. The Ferry system, established in a crude way in 1811, and wonderfully improved by Law and Vanderbilt in 1840, transporting, as they now do, many millions of passengers annually (the number carried by the Union Ferry Company alone reaching one hundred millions in a year), the original investments doubled, quadrupled, and yet paying ten to twenty per cent. on their inflated capitals.

Gas was introduced in New York only sixty years ago, and the universal cry went up, "It's a dangerous experiment!" It would spoil the water, vitiate the air, kill the trees, explode in the dwellings, and in many ways be entirely impracticable. It has been costly as compared with other methods of illumination, and even now equal light can be obtained from oil at one-fifth the cost of gas.

But such are the advantages of the latter, its convenience, its safety and the comfort obtained from its use, that in spite of its cost its consumption is still rapidly on the increase, the demand having more than doubled in the last ten years, and was never increasing so fast as now. While most investors of 1830 looked upon it in doubt, and preferred to put their money in Ohio lands and Indiana swamps; those who did invest in the new enterprise have realized the benefits of their sagacity. The gas stocks of this city are now recognized as among the very best investments for capital on this continent. Increased values of four and five to one have occurred, and yet just as good opportunities for local investments are being offered now as ever before.

Street railways were introduced in this city thirty years ago. "I will not invest in these stocks," exclaimed the capitalist who preferred shares in Western railroads and swamp lands. What is the result? Many of the Western swamps are swamps yet, while the home investor has received the most enormous increase of values ever known in the history of the City.

Next came the Elevated Roads with similar results—large profits to the investors and promoters. Fully \$50,000,000 have been made in the Elevated Road investments in the last ten years. In all enterprises tending to promote the welfare of the masses, the obstructionists and chronic-growlers have been pushed aside. Progressive ideas assert themselves with more and more force and the investor who had the foresight to catch even "the last train out," or began to labor with his money at the eleventh hour, is receiving his reward of merit.

Have these investors in local improvements received too much for their money? It is easy to say so, and it may be a popular belief; but we forget that they have been built in every instance only after a struggle. On the one hand was courage, inventive genius, and devotion to *progress*. On the other was prejudice and stupidity based upon ignorance. Is their success more than they deserved? Is it not simply *the reward of merit*?

Every advance made in this city, even Croton Water and Central Park were opposed by the property owners, who have in every case realized the largest benefit.

This brings us to the consideration of the latest and probably the most important development yet made to contribute to the health, comfort and convenience of the people and to enhance the value of property in this city—that of the distribution of steam by means of pipes in the streets by the New York Steam Company. Its mechanical success has been fully demonstrated by the fact that for five years steam has not been shut off from its mains day

or night, and that at all times during that period a pressure sufficient to do any work on this Island has been uniformly maintained, and that pressure has been furnished, undiminished, at the extreme ends of its mains, more than a mile distant. This settles the question as to its practical workings. Five years are as good as fifty for demonstration.

Since the New York Steam Company commenced operations in the residence portion of the city, however, inquiries have multiplied regarding the business of the Company, and have recently grown so numerous as to make it advisable to place a short history of the past and a forecast of the future before the people in as compact form as possible.

Heretofore, only those directly interested and men of scientific and mechanical research had even a superficial knowledge of the magnitude of the enterprise, and it is, therefore, not surprising that little is known about the wonderful work of this Company by the general public.

THE NEW YORK STEAM COMPANY is a corporation existing under the Laws of the State of New York, incorporated under the general Manufacturing Act of 1848 and its amendments thereto, and obtained from the Legislative and the City Authorities. Its rights to use the streets for the purposes for which it was incorporated are broad and liberal, and few incorporated companies have so liberal and valuable a grant from the City and State.

The following is a synopsis giving the vital points of the legislation in favor of the Company by the State and local authorities:

RESOLVED, That the New York Steam Company, a corporation formed under the Laws of the State of New York (certificate of incorporation filed July 26, 1880), its successors or assigns, shall have and is hereby granted the right to lay mains and pipes in any and all the streets, avenues, lanes, alleys, squares, highways and public places in the City of New York, with the necessary and proper laterals and service pipes thereto, for the purpose of supplying to the city and its inhabitants, for motive power, heating, cooking, or other useful applications, steam, water, air, and other fluids, at both high and low pressure, with necessary return pipes; and to make all necessary excavations in the said streets, avenues and other places aforesaid, for the purpose of laying such mains and pipes, and of making all necessary additions, repairs and alterations thereto, and of putting in place any man-holes and vaults necessary to secure convenient access to parts requiring adjustment, subject, however, to the following regulations and conditions:

These regulations and conditions in brief are: A bond of \$50,000 saving the city from damages and providing for the replacement of

pavements; to pay into the Sinking Fund, for the benefit of New York city, the sum of three cents per lineal foot of streetway in which its mains are laid, until such payments shall have amounted to \$100,000, after which such payments shall cease and terminate; furnish steam to city at prices not exceeding those paid by its most favored customers; Commissioner of Public Works to locate pipes in streets in such manner as to be the least expensive to the Company.

This is certainly a most liberal grant; and working under it the Company is rapidly moving forward.

Steam was turned on in the first street mains April 1st, 1882; it has thus been in operation in one or more miles of steam system in streets for five years, the success of which is proven by the evidence hereto attached. It is sufficient to say in general that the business is a success both in its mechanical features and economic results.

The plans of the Company are to continue the extension of pipes through all the principal streets of the city, which will require, as the city is at present constructed, about three hundred miles of street mains. To supply these pipes with steam, eight or ten additional steam stations will be built, for which purpose property is now owned by the Company, as will be seen by the enclosed map. These stations will be very large and will have a capacity to consume from 500 to 1000 tons of coal per day each.

The business is chiefly that of transportation. There is consumed in New York at the present time, 4,000,000 tons of coal annually. The newspapers say 5,000,000, but 4,000,000 is more nearly correct. The growth, however, according to statistics taken from "*Seward's Coal Trade Review*," is about 200,000 tons per annum.

The public is familiar with the present mode of transportation by horses and carts. It is crude and expensive; in fact until the New York Steam Company commenced its work there had been no change or improvement in this mode of transportation in all the years of the history of the city. Other things had changed, but this had not. Horses and carts to deliver the coal, dumped on the sidewalk, and other horses and carts to take away the ashes.

Every ton of coal delivered in a building in this city by this crude, old-fashioned method, is handled six times, and then the ashes have to be removed. By the process of the New York Steam Company it is handled but once.

It is well known that the cost of transportation of any goods inside the city limits is enormously expensive. The writer had a few barrels of apples sent from his farm in Ohio to New York. It is an astonishing fact that the cartage in the city to his house, a conve-

nient distance of not over one mile, cost more than the entire transportation by rail of 600 miles.

The principal purpose of the New York Steam Company is to receive the 4,000,000 tons of coal consumed annually in the city, at the docks, and the 200,000 tons of growth per annum, and distribute it with the greatest economy and convenience to the consumer.

How shall it be done? It is now proven, as the writer believes, that transportation through pipes of any article which can be transported in that manner, is the cheapest mode of transportation known to the commercial world.

To illustrate: Not many years ago, all the crude petroleum in the oil regions was transported in tank-cars on railroads. The Pennsylvania Railroad, equal in power to any railroad in the world, and always ready to fight for its business, the N. Y. C. and Lake Shore, equally powerful and ready to fight for its trade, the Erie and Atlantic and Great Western, just as ready to fight for its traffic, all these powerful corporations were in the oil regions with their railroads and equipment. They had spent their money for the purpose, and notwithstanding all that, the Standard Oil Company with its pipes pumped the oil to the top of the mountains, and it flowed to the seaboard; and pumped it from the oil regions to the lakes still more easily, and the result was that these railroads could not compete and get, as they call it, "car grease."

Could there be a stronger case presented in the history of transportation? A few years ago a great quantity of slabs and sawdust was going to waste at a certain point in Michigan, where large investments in saw mills were made; not only going to waste, but it was an expense to all the property owners to take up the debris and burn it to get rid of it. Twelve miles distant, in another valley, was plenty of salt brine to be had by boring for it, and finding it impracticable to get the slabs and saw dust to this brine, a pipe line took the brine to the slabs and sawdust. It was a complete success and is still in operation. No other mode of transportation could possibly compete with it. Six barrels of brine make a barrel of salt, and the capacity of this one pipe is 20,000 barrels per day.

Another illustration: A natural gas well near Pittsburgh produces gas equal, as fuel, to 700 tons of coal per day. This gas is piped forty miles, through an eight-inch pipe, and supplies a thousand dwelling houses and many large mills and iron works at a merely nominal cost for pipeage. Of course the great advantage in this case is that Nature furnishes the initial pressure, which is 500 lbs. per square inch.

A thirty (30) inch steam main (and many of them will be laid throughout the city) will have a carrying capacity of twelve hun-

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dred and forty-eight (1248) tons of coal (equivalent) per day. These will be, by far, the largest steam pipes in the world. It will be observed that there could scarcely be standing room obtained in the streets for horses and carts to do the business which these pipes can do silently and free from all obstruction of the street surface.

The object of the foregoing statement is to give some idea of the cheapness of transportation *through pipes*. The projectors of the New York Steam Company knowing and appreciating this important fact, and that 4,000,000 tons of coal per annum are necessarily supplied to the citizens of New York at the present time, and that this will presently be 5,000,000 tons, and so on up to 10,000,000 tons and upwards per annum, as the result of the natural growth and increase of this great city, and further that transportation inside the city limits is enormously expensive, this Company has made the subject of such transportation in the city of New York its principal study, and it is mainly this which has brought about the New York Steam Company. It is chiefly this which is developing it, and bringing about further and further extensions, and it is upon this and a knowledge of the facts herein presented, showing the cheapness of transportation through pipes, that stimulated its projectors to make the original investments. Its future growth and prosperity is now assured.

The transportation of these 4,000,000 or 5,000,000 tons of coal per annum, and of delivering it to each and every commercial building and dwelling house in the city, and to each family, in proper amounts, and in fact, in exact amounts to its needs, is the mission of the New York Steam Company; in other words, the 4,000,000 or 5,000,000 tons of coal annually consumed will be received at convenient docks in the city of New York, dumped into a steam generating station, turned into steam and distributed through underground pipes in such proportions as each resident shall require, ready to be used at an instant, similar to the present system of gas and water which can be turned on or off at will. This mode of furnishing steam for all purposes, *i. e.*, for power, heating, cooking and domestic purposes, abolishes the use of the steam boiler and furnace on the premises, avoids fire risk and danger of explosion and the annoyance and trouble attendant upon every housekeeper, for the proper warming of the house, storing of coal and removal of ashes.

The business of the New York Steam Company, therefore, properly speaking, is a wholesale coal business, the coal being received at the water edge of the city, turned into steam and distributed all over the city on tap at every house, commercial building,

factory and dwelling in such proportion as needed, throwing in all the advantages above numerated, and, as has been heretofore shown, the cost of such transportation will be cheaper than by any other method. No handling will be required except on the docks, while the present mode of handling six times involves a cost of not less than 40 per cent. This will be chiefly dispensed with and leave a handsome profit to the projectors, while giving a great economy and convenience to the consumer.

It was a popular belief, and is now proven, (as is so frequently the case) to have been a *popular error* that steam cannot be carried long distances.

The New York Steam Company is prepared to say, as the result of its experience, that *by its methods* it can convey it five miles. It is all a question of conditions. Ice is usually a very perishable substance; it will melt, but there are ice packs in the world thousands of years old. Under certain conditions, it seems to be even less destructible than granite. The facts are, once ice, always ice, if you prevent its loss of cold, or, rather, its absorption of heat. And so, also with steam, once steam, always steam, if you prevent its loss of heat. The New York Steam Company therefore puts steam under such conditions as to prevent its loss of heat, and the distance it may be carried is practically only limited by friction in the pipes. As our pipes are very large, the friction is very small. The loss is certainly a less percentage than the estimated loss of the gas companies in the distribution of gas. To bring about these very excellent results, we were forced to make new inventions, and in all essential particulars our system is a new departure. The service we believe to be perfect, and the results have been wonderful.

By our system, every building can have elevators, can have *heat, light and power* at the minimum of possible cost, whereas only the larger and more costly buildings have heretofore been able to have these very desirable but costly improvements.

We have taken hold of what we believe to be the *progressive idea* for distribution of heat, power and light in compactly built cities. This includes also service for cooking, laundry work, and all purposes for which steam can be used. This pertains to manufactures and general business uses, and the numerous purposes in the domestic economy.

The practical result of the operations of the New York Steam Company is to take *five thousand steam boilers* now in use in New York as shown by the City Records, most of which (about four-fifths) are under the sidewalks, and put them all in a few places in fire-proof buildings, and under the most careful and scientific supervision. It is apparent that this will greatly reduce the

risk from fire and explosion, and will (as gas and water have done) greatly contribute to increase the safety, health and comfort of the people.

To relieve the minds of those who have heard of explosions of steam pipes in the streets, we will say that *we have never had one*, and, under our form of construction, can never by any possibility have one. All our pipes are wrought iron, and all our construction is made on a "factor of safety" of more than ten to one, which is double the factor of safety of the Brooklyn Bridge, and is double that of the very best practice in construction of railroad bridges.

Wherever the pipes of the New York Steam Company have been laid, property has increased in value. Small manufactures have been promoted, and every basement and attic is in demand. Any mechanic may have steam power in his house, and his wife and children can aid him *at home* in his pursuit.

This is no fancy picture. New York is already the largest manufacturing city in the United States, and we have the confidence, born of success, that we can double these varied industries within ten years after two hundred and fifty miles of steam pipes shall have been laid and opened for public use. Not a room is vacant along the line of our pipes; every basement and attic is rented to advantage for some purpose wanting steam power.

The importance and advantages of this system may be briefly summarized as follows: Such perfection of service as can be had by no other method. The same can be had at no higher price in proportion to service rendered. Payment by meter in proportion to amount used. Lessening materially fire risk, and consequent reduction of insurance. Freedom from danger of explosion by having no boiler on the premises. Relief from coal dust and ashes, and storage of coal and ashes. Relief from oppressive heat in summer, caused by boilers and cooking ranges. Facility and cheapness of electric lights by isolated plant on the premises. Melting of snow in winter, when desirable, in any street, by turning on the steam hose. An absolutely certain method of putting out fire by attaching hose to steam hydrants. Or, in the great Dry Goods District, by stand pipes connected with steam hydrants. By these precautions, absolutely preventing in this city a great conflagration, or repetition in the great Dry Goods District of a "Chicago fire." Uniformity of supply of heat, by regulating which any temperature desired is maintained. Being on tap like gas, a little pains will prevent irregularities in temperature. This cannot be so well done by present methods of heating, and it is well known much sickness is caused by imperfect heating apparatus. Freedom from offensive escaping gases, so frequent in hot air furnaces. A large increase in value of city property by cheap power and heat.

On the score of safety, the New York Steam Company appeals to the facts: first, that there is nothing in its system that can by any possibility be reasonably considered dangerous; and, secondly, that it has been in active use in the streets for five years. It has grown from one mile of street main in use, June 1st, 1882, to 10 miles in use May 1st, 1887, all the time under full pressure of steam, and no one has been injured.

New York City is being rebuilt. There are only so many square feet on this island, and as land becomes more valuable, buildings must go higher in the air. This makes it the most compactly built city in the world.

Every building must eventually have elevators, and these cannot be operated except by *steam power*. Even hydraulic elevators take just as much steam to pump the water. There is no such thing as cheating nature. She will have her equivalent every time. Even if electric power shall be used, still the same; and whoever gets track of an electric wire will find a steam boiler at the end of it.

It seems conclusive that in no other city are there conditions so favorable to success. A careful estimate of the work to be done would seem to show that the volume of business must greatly exceed that of all the gas companies combined, and be very much greater than that of the elevated roads. The reason for this is plain: Simply that we do so much more that people *want done*. We supply more and varied wants.

We have now many miles of large steam mains in use in the streets constantly under pressure of eighty pounds, day and night, Sundays included. In other words, it is turned on to stay, and we see no reason for failure at any time, at any moment, for an indefinite time to come—say fifty years, a hundred years—call it as you please. Our construction is far better and more durable than that for either gas or water.

The future of New York City is not uncertain. It will be the largest and richest city in the world. No ancient Rome or modern London did or can equal the New York of the future. No other city has a continent at its back, under one government; and such a continent—unequaled on the globe for natural resources. It is important, therefore, that what is done in New York should be *well done*. No sham will pay. Nothing can be too well done within a reasonable limit of cost, and it must be, at whatever cost, sufficiently well done to answer the best purpose, and meet the rapidly growing demand.

To appreciate the New York of the future, suppose all Europe to lie back of it under one government, with free and popular institutions bringing into play untrammelled the energies of a free people

Even then, supposing all Europe at its back and tributary to it, and you have not equalled the resources certainly tributary to the New York of the near future. The United States to-day has more railroads, more miles of railroad than all Europe. We have by far more productive capacity. We raise more wheat; ten times more indian corn; have by far more natural resources to produce food—the great staples to support population. We exceed by far all Europe in natural resources for productive capacity of the forests and the mines. Our coal area is now known to be greater than all Europe. It is thirty-seven times greater than that of Great Britain; and who shall set bounds to the value of its latent energy ready to spring into activity at the touch and move the manufactures and commerce of the world. The New York of the present is, therefore, better situated for natural resources tributary to it than would be any city in Europe, if the whole of Europe were in like manner tributary to it.

The object of the foregoing statement is to call the attention of investors in New York City, large and small, to the following considerations:

First—To the importance of *keeping their money at home*, investing it where they can see its results, and not depending upon *distance* lending “enchantment.”

Second—To show the value of these “*local investments*,” and to urge investors *not* to follow the “*ignus fatuus*” of romancers, and be led away to *mythical* adventures, when there is more real *substance* here at home than anywhere else.

Third—That as the City of New York doubles every seventeen years, and has done so for the past eighty years, there are still opportunities for investment in these enterprises and within the limits of this city, that will prove as remunerative in the future as the investments in the companies referred to have already proved.

That, in other words, as history is constantly repeating itself, and as New York was never growing so rapidly as now, the *wants* of the people are *not* yet supplied, but will grow with the growth of the city, and strengthen with its strength, and that as population and wealth increase the complex nature of their wants will develop as civilization advances.

OFFICE OF THE COMPANY, No. 2 CORTLANDT ST.,
NEW YORK, JULY 1, 1887.