

They Profit by Our Toil

By M. Fixel and M. Pfeffer

While working in the Queens Department of Taxes and Assessments, the writers were asked by a deputy commissioner to explain their research work. When told it was to trace the rise in land values due to the Fair, he said: "I don't see why you have to work so hard. Everyone knows that land values will increase." Which is true. Everyone knows that values rise. But everyone forgets the cause for the increased values, and the effect on our economy.

A previous article in *The Freeman* credited the City with buying up the land upon which the Fair is being built. Slight mention was made of the fact that property owners around the Fair grounds will profit immensely. However, it is just this result of the exposition which is most important. The previous owners of the fair grounds made the profits just once. Landowners of Fair surroundings will receive unearned increment continually.

The problem of Fair surroundings was given due thought quite early. The Board of Estimate passed a bill on the 27th day of September, 1937, creating a World's Fair district. "The sponsors of the Fair and the city officials foresaw the desirability of the enactment of such an ordinance to prevent the improper development of the area adjacent to the Fair grounds. In the absence of such a statute all sorts of undesirable features would be installed in the territory surrounding the Fair grounds, and grossly out of keeping with the dignity and character of the Fair development. Many of the landowners were preparing to exploit the area and were ready to enter into agreements for the erection of large signs and billboards on their property, and many protests were registered when they learned that these structures would be limited and controlled."

The government of the City of New

The New York World's Fair has already cost the city \$70,774,200 in acquisition of land, construction of sewers and surface improvements and the extension of rapid transit facilities. Newbold Morris, president of the City Council, reported recently.

Mr. Morris said that this sum did not include the \$42,000,000 already spent on the new municipal airport at North Beach, Queens, near the fair grounds, nor the Cross Island Boulevard, part of the Circumferential Highway, which also will run into many millions.

"Had it not been for the World's Fair," said Mr. Morris, "these improvements would not have been necessary. The cost is reflected in the increased items of debt service.

"Many people are under the impression that the World's Fair Corporation is spending most of the money for improvements, but the plain truth of the matter is that the city taxpayers have to bear the burden. My figures include only improvements already completed."

York recognized the speculative evils which the Fair would bring. But one must leave it to a realtor to concisely state the point. The city purchased the Fair grounds by means of condemnations. With ownership of this land hereafter resting in the municipality, one would obviously wonder what puts realtors in a happy frame of mind, why their hopeful anticipation. Charles F. Noyes says in the October, 1936, issue of "World's Fair News" that "The New York World's Fair will do more for real estate, both immediately and for generations to come, than it is possible to imagine at this time." And again: "It is an exposition such as this that we in the real estate business need badly. Rents are dependent on business, good or bad. Property values are largely dependent on rental income."

The reason for the ecstasy is found in a statement made in the same article: "After the exposition is over this fine acreage will become a permanent park. The area is one-third longer than Central Park, and the future of contiguous and nearby property is very great." The key word in the statement is contiguous. Real

estate operators are not exuberant over the condemnation and absorption of so much land by the city. But they can still feel quite happy because they know that contiguous or neighboring lands are choice cuts in a beef of tremendous proportions.

The city may own the once lowly swamp which cost a tidy sum to fill in. But to reach New York's new property one must pass over much privately owned land. The "out of the way" site chosen for the Fair necessarily means the construction of new transportation facilities. Three East River crossings were planned. Besides these under river crossings, there has been constructed a \$58,000,000 Midtown vehicular tunnel, a \$60,300,000 Triborough Bridge, a \$12,000,000 Whitestone Bronx Bridge, etc. Many parkways and arterial highways are also being built. \$35,000,000 was contributed by city, state, nation directly to aid the Fair corporation on the understanding that the site was to be permanently improved.

The governments—city, state, and federal,—will have their condition satisfied; the area will be permanently improved. But the price to be paid for such improvement is terrific. Public money, garnered from the produce of labor and capital, is being used to develop an area which land companies in that area had given up as hopeless. Long Island City had become a fine factory community. But the same realtors who helped develop this region did not expect the impossible from land which was just short of malarial infestation. Then the impossible happened. The idea of a New York World's Fair gained momentum. One Joseph Shadgen claimed that his little daughter had given him the idea in the summer of 1934. Land promoters got busy. The courts were kept active. Now Sally Rand and her cow-girl nudists take the spotlight. All these are surface manifestations of the basic reality that "The World of To-morrow" is a landowner's heaven.