

## Rent and the Subway Fare

LANDLORDS are not an informed, coordinated group, proceeding intelligently and unitedly in the full exploitation of their privilege. Far from it. Frequently they act like a pack of wolves, devouring their prey without any thought of tomorrow's famine, or turning on one another to satiate their voracious appetites. Sometimes, because of intense ignorance of the nature of the rent by which they live, they oppose measures which will increase it. They are, on the whole, quite stupid.

The only time they show any spirit of solidarity or any collective intelligence is when a direct attack is made upon rent, through confiscation or the mechanism of taxation. Then they fight, lie, and act like a tabby cat when her young are threatened. Like Franco, they will resort to thuggery to retain their rent-collecting privilege. Having fastened this privilege in law, they will fall on one another just as fiercely as they do on the landless.

Take the case of the New York subways. It is known that the cost of operating these railroads is not met by the legally fixed five-cent fare. The difference is met by general taxation; in the city this falls mainly upon real estate—land and buildings. For years the real estate boards of New York have advocated an increase in the subway fare so as to relieve them of this tax burden.

The subways have greatly enhanced land values in the city. When they were being built, how the land speculators boosted their prices on the mere prospect of being on one of the routes! How the landlords manoeuvred to have stations built near their properties! How they gouged their tenants because of the increased transit facilities!

The gigantic municipal communications system of 781 track miles created values in the barren hills of the Bronx, in the swamp lands of Queens. It planted virtual gold mines in areas occupied by truck farms a quarter century earlier.

But the landlords were not satisfied. They did not want to give up any part of the subway-created rent toward maintaining this pipe-line to their pockets. They wanted the fare increased.

Manhattan landlords, because their values are highest, and therefore their share of the tax bill is largest (but not in proportion to their values) pushed a considerable portion of the burden on the politically less powerful landlords in the outlying districts. The home owner in Queens, whose house

is worth five times as much as his land, carries proportionately a much larger share of the city's tax burden than does the owner of a typical site on Manhattan. Bronx apartment houses, in proportion to their values, pay for more subway service than do the "tax payer" structures of Forty-Second Street. And the owners of Manhattan land who do not build but allow other people to build on "their" land on a net rental basis, pay nothing.

The demand for an increased subway fare was unheeded because there are more voting strap-hangers than landlords. Competition between landlords to shift the burden subsided because a much bigger thing was under way: buying out the subway-owning landlords by the City.

Now that the subways have been acquired by the City, the battle for increased fare has been renewed. The State legislative session, in its closing hours last month, transferred to the City authorities the right to increase the fare on the unified subway system after June 1. The wolf-pack will soon descend on the politicians.

If the fare is raised throughout the city two results may be expected. Walking will replace the habit of short-distance riding, and the increase in revenue will not be so great as the increase in fare. Rent throughout the city will fall, because the tendency will be to offset the increased transportation charge by moving to the areas of lower land values. Outlying land values will rise somewhat; central land values will fall more.

If the fare is raised on a mileage basis, land values in the higher fare areas will fall, while land values in the lower fare areas will rise proportionately. People will tend to concentrate in the single or lower fare area. Business will become de-centralized, because the transportation cost will discourage the habit of "going downtown." This, in turn, will affect business land values adversely.

Thus, some landlords will gain, others will lose. In either case the workers will suffer in increased cost of transportation and in greater inconvenience in getting to and from work.

The only sensible solution is for the City to collect all rent and furnish subway rides free. Such free service would greatly increase ground rent throughout the city—more than enough to pay for maintaining the subways.