

A lesson in building urban infrastructure

by Anthony K. Wikrent

722 Miles: The Building of the Subways and How They Transformed New York

by Clifton Hood

Simon & Schuster, New York, 1993
336 pages, hardbound, \$25

Assistant Professor of History Clifton Hood has provided us with an exhaustively footnoted book that demolishes the absurd belief, now fashionable among many so-called economists, that there is little benefit to be gained by government's investment in infrastructure. Though this is not, by any stretch of the imagination, a profound or a "great" book that will be remembered ages from now, it renders invaluable service at a crucial juncture of history, when humanity is threatened by the willful stupidity of its intellectuals, who continue to promote pet economic theories that have proven to have the most disastrous results when applied in the real world.

722 Miles will no doubt startle the typical American citizen, who appears to have little, if any, historical understanding, when Hood describes how Queens and even upper Manhattan were largely uninhabited wildernesses in the 1880s and 1890s, when a small number of wealthy New York businessmen began advocating the construction of urban rail mass transit systems to alleviate the terrible crowding and congestion of lower Manhattan. The quotes from letters and speeches used by Hood to illustrate the motivations and reasoning of these businessmen, begin the refutation of the current arguments of such as Robert William Fogel, the Nobel economist who argues that there was no discernible social benefit from the building of the U.S. railroads. The refutation is ably completed by Hood's assembling of statistics and anecdotal evidence showing how the completion of each phase of the New York City subways opened new areas of settlement, reducing real estate costs, allowing poor families to commute to better-paying jobs while escaping from the horrible tenements of mid-Manhattan. From 1910 to 1940, for example, the population of Manhattan fell by 19%, while that of the Bronx tripled, and Queens and Brooklyn doubled. This occurred long before the massive building of highways had begun, and thus, as Hood shows, can only be attributed

to the building of the subway system. The New York City subways were something of a microcosm of the larger social and economic process unleashed nationwide by the building of the U.S. railroads.

The pestilence of usury

The great weakness of *722 Miles* is Hood's failure to fully explore how the city's subway system was made to serve as an instrument of usurious looting by the Morgan and Rothschild financial interests. Some of the most interesting passages of the book are those that relate the financial and political manipulations undertaken by August Belmont to control the subway system and to preclude the development of any competition. After years of political bickering, during which only a handful of elevated rail lines was built along the length of Manhattan, on Feb. 21, 1900, Belmont was given Contract No. 1, to build, equip, and operate a subway for 50 years. Hood includes a number of letters from Belmont, including some to Lord Rothschild, reporting the "remarkable" profitability of the Interborough Rapid Transit Company (of which Belmont was chairman).

In November 1904, for example, Belmont wrote to Rapid Transit Commission board president Alexander E. Orr: "Crowding during rush hours is inevitable. If a day ever comes when transportation during rush hours is done without crowding, the companies doing it will fail financially. . . . There is a very fine line between success and failure. The city is always likely to grow up to its facilities in the end, if they are established not too far in advance of their needs. When in advance of their needs,—failure is the fate of the original investor."

These letters provide a very fine base on which to construct the story of how Belmont and the Rothschilds used the subways as a sponge to soak up money from the city. It is a great pity that Hood fails to explore this issue, especially since he retails standard line that the financial crises that racked the city's subways in the 1930s and 1950s resulted from the impossibility, on political grounds, of raising the nickel fare. In two places in his book, while providing figures to illustrate the financial plight of the subways, Hood, perhaps inadvertently, shows that the costs of servicing the debt were swallowing a disproportionate amount of subway revenues.

Hood also could have greatly expanded his account of the design, engineering, and construction of the subways. The New York City subway is especially notable because its designers decided to use relatively untried electricity as their motive power, rather than steam. Hood also describes the great challenge to tunnelling posed by the varying depths of schist rock was encountered throughout the city. Some of the more important advances in machine design in the latter half of the 19th century occurred in the development of rock drills. It would be interesting to learn what role the building of New York's subways played in promoting these developments in electricity and machine design.