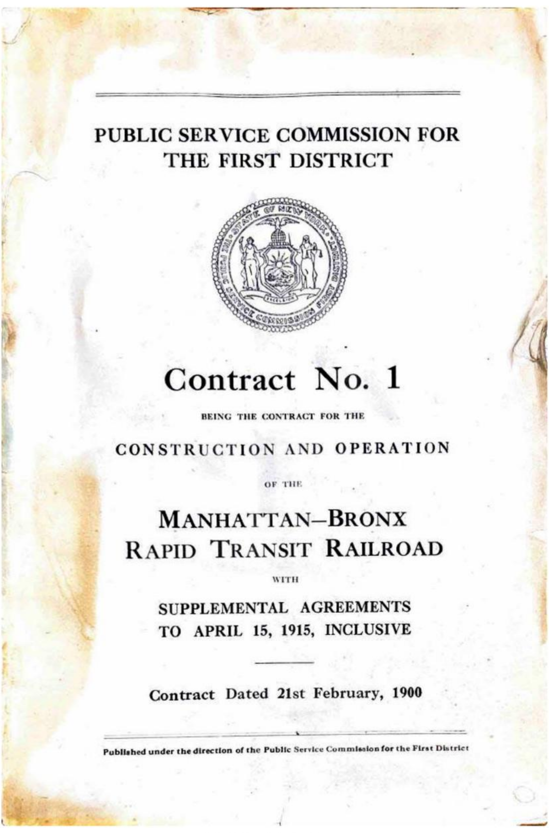
NYC Records & Information Services

Municipal Library Notes

January 2026

From a Nickel to a Dime:
NYC's First Fare Increase



PUBLIC SERVICE COMMISSION FOR
THE FIRST DISTRICT

Contract No. 1

BEING THE CONTRACT FOR THE

CONSTRUCTION AND OPERATION

OF THE

MANHATTAN–BRONX
RAPID TRANSIT RAILROAD

WITH

SUPPLEMENTAL AGREEMENTS
TO APRIL 15, 1915, INCLUSIVE

Contract Dated 21st February, 1900

Published under the direction of the Public Service Commission for the First District

NYC Municipal Library.

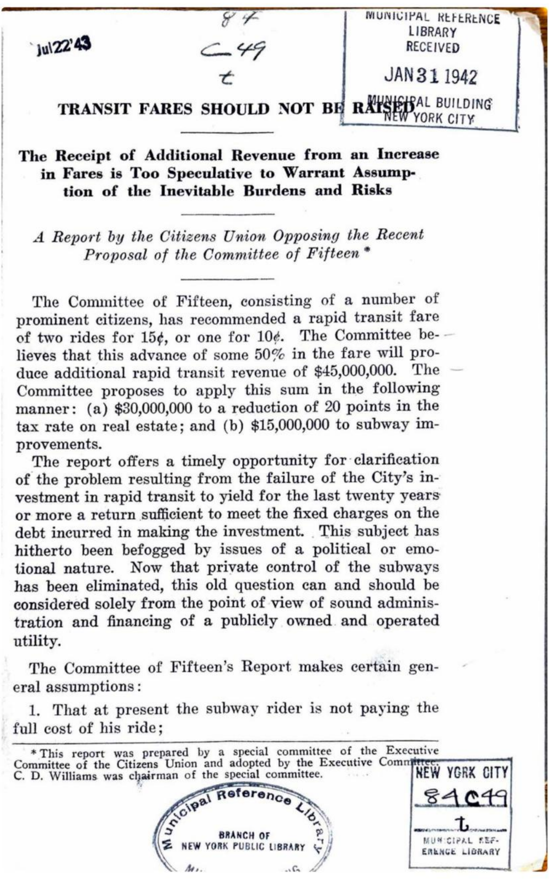
By Lauren Gilbert, Director of the Municipal Library

As the city's subway fare rises to $3, we are looking back at the first fare increase, as reflected in the collections of the NYC Municipal Library.

The original contracts for the construction and operation of the subways (see for example Contract No. 1, pictured above) date to 1900, several years before the system first opened to the public in 1904 with a line running from City Hall to 145th Street. Those early contracts stipulated that "the Contractor shall during the term of the Lease be entitled to charge for a single fare upon the Railroad the sum of five (5) cents, but not more." (Adjusted for inflation, that would be roughly $1.93 today.)

The May 18, 1927 issue of Municipal Reference Library Notes (the predecessor to this e-newsletter) was dedicated to the "Subways in the City of New York" and provided an annotated list of selected references from 1920 to 1927, aiming "to tell the story concerning subway development." By this time, the original operating companies were facing financial challenges. Debate soon emerged over whether the fare should be raised to cover rising operational costs and fund system improvements. Despite mounting pressures, the issue remained unresolved for two more decades.

In 1942, the Recommendations to the Mayor, the Board of Estimate, and the Board of Transportation Relative to Transit Fares issued by the "Committee of Fifteen," a prominent citizens group, argued that the five-cent fare "was not sufficient to pay the costs of operation and debt service." The report noted that "of the 25 largest cities in the United States, only New York and Newark maintained a five-cent fare," while most of the others charged ten cents. The Committee proposed a 7.5 cent fare, achieved by offering two rides for fifteen cents, with a ten-cent option for a single ride. It further contended that the assumptions underlying the 1913 contract extensions had failed to anticipate "a world war resulting in an inflation which would skyrocket the costs first of construction and later of operation."



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TRANSIT FARES SHOULD NOT BE RAISED

The Receipt of Additional Revenue from an Increase in Fares is Too Speculative to Warrant Assumption of the Inevitable Burdens and Risks

A Report by the Citizens Union Opposing the Recent Proposal of the Committee of Fifteen *

The Committee of Fifteen, consisting of a number of prominent citizens, has recommended a rapid transit fare of two rides for 15¢, or one for 10¢. The Committee believes that this advance of some 50% in the fare will produce additional rapid transit revenue of $45,000,000. The Committee proposes to apply this sum in the following manner: (a) $30,000,000 to a reduction of 20 points in the tax rate on real estate; and (b) $15,000,000 to subway improvements.

The report offers a timely opportunity for clarification of the problem resulting from the failure of the City's investment in rapid transit to yield for the last twenty years or more a return sufficient to meet the fixed charges on the debt incurred in making the investment. This subject has hitherto been befogged by issues of a political or emotional nature. Now that private control of the subways has been eliminated, this old question can and should be considered solely from the point of view of sound administration and financing of a publicly owned and operated utility.

The Committee of Fifteen's Report makes certain general assumptions:

1. That at present the subway rider is not paying the full cost of his ride;

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* This report was prepared by a special committee of the Executive Committee of the Citizens Union and adopted by the Executive Committee. C. D. Williams was chairman of the special committee.

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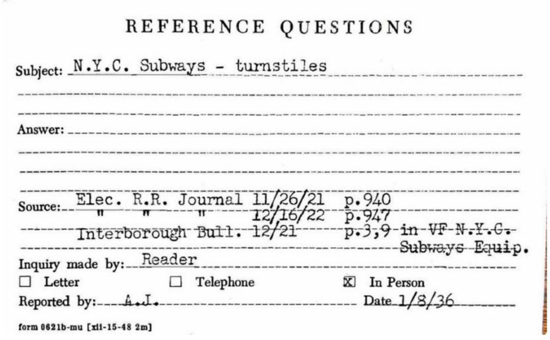
Later that year, the Citizens Union issued a rebuttal entitled Transit Fares Should not be Raised (see above). The organization warned that "a 50% increase in fare will so diminish traffic as to make the production of additional net revenue highly uncertain," and argued that fare increases had not resolved transit problems in other cities. With subway ridership gradually yielding to "motor transport," the report cautioned that a fare increase "can hardly fail greatly to stimulate that movement." It concluded with a stark warning: "The 5¢ fare has for many years been a cornerstone of the city's transportation and economic system. Possible repercussions from its abandonment are very great."

The 700-page transcript of the Informal Public Hearing with Respect to the Fare on the New York City Transit System held on February 10 and 11, 1947 at City Hall contains impassioned pleas for and against the fare increase, with the City's Transit Committee, Board of Trade, Chambers of Commerce, and various real estate and business groups lining up in favor, with progressive groups, labor representatives, veterans' organizations, settlement houses, Liberal Party members, various Councilmembers, and individual citizens speaking out against it.

By the end of the decade, however, the situation had become untenable. The fare increase was approved and introduced on July 1, 1948, and a 1949 New York City Board of Transportation report explained the rationale behind it: "The increase in cost of wages and other increased expenses would have resulted in a deficit in transit revenue of from $60,000,000 to $70,000,000 during the fiscal year ended June 30, 1949 if the five cent rate of fare had continued." As a concession to the public, the city introduced free transfers between the three rapid transit divisions (IRT, BMT, and IND) and eliminated all special fare zones in Brooklyn and Queens.

Though it took 44 years for the city's famed nickel fare to be doubled, the dime fare proved shorter-lived. A 15-cent fare was inaugurated a mere five years later, along with the first subway token, as the turnstiles could not accommodate both nickels and dimes.

From the Question Files:
Subway Turnstiles



REFERENCE QUESTIONS

Subject: N.Y.C. Subways - turnstiles

Answer:

Source: Elec. R.R. Journal 11/26/21 p.940
" " " 12/16/22 p.947
Interborough Bull. 12/21 p.3,9 in VF N.Y.C. Subways Equip.

Inquiry made by: Reader

☐ Letter ☐ Telephone ☒ In Person

Reported by: A.J. Date 1/8/36

form 0621b-mu [xii-15-48 2m]

NYC Municipal Library.

Tucked away in the Municipal Library card catalog are several drawers filled with a unique treasure: decades' worth of reference questions and their meticulously researched answers. Filed by subject and arranged alphabetically, these cards served as a vital tool for the reference staff, offering quick access to commonly asked (and occasionally quirky) queries, sparing librarians from duplicating efforts. Compiled over nearly a century, each card featured the original question, the librarian's best answer, and a citation for the source consulted.

At the dawn of the subway system in 1904, commuters were required to purchase paper tickets that would be fed into a wooden "chopper" before entry. An in-person researcher in 1936 requested information about the introduction of the turnstile, and librarian "A.J." provided three sources.

The article on page 940 of the November 26, 1921 issue of *Electric Railways Journal*, the first citation on the list, announced that "to save the annoyance to and time of passengers in buying subway and elevated tickets," the IRT had developed a "lightweight, foolproof turnstile...Where these gates gave been installed, a nickel will be the ticket, while no other coin will unlock the gate."

The initial installation had been made at the Lexington and 51st Street station six months earlier, resulting in lines of "no more than three or four passengers at the change booth," as compared to the "ten to forty people in the rush hours" at the ticket booths. The article also noted the savings in personnel costs, as there was now only a need for "one man to make change," as opposed to the prior "two ticket agents and two choppers."

Thanks for your support!

A Look Back at Our Year

In 2025, the city's 400th anniversary year, you turned out to see New Visions of Old New York, a collaborative exhibit with the New Amsterdam History Center, and joined the agency's popular Lunch and Learns each month. You volunteered to expand access to historical records through our transcription projects and tested your knowledge of NYC history at our second annual Trivia Night. Thanks for supporting DORIS! With your help, 2026 promises to be just as interesting, with a new slate of free public programs and exhibits.

Popular 2025 Programs

You Have Unleashed a Storm
David Viola explored the largely untold history of domestic terrorism and political radicalism in New York City during the 1960s and 1970s, drawing on newly declassified files, preserved court records, and archival collections, including the Municipal Archives' Handschu Collection.

Taking Manhattan w/ Russell Shorto
Russell Shorto recounted the 1664 English takeover that ended Dutch rule and marked the birth of New York. Drawing on newly translated sources, he explored the motivations behind the invasion, the roots of social polarization introduced under English rule, and the often-overlooked histories of religious refugees, Indigenous peoples, and free and enslaved Africans.

Saving Radio City Music Hall
Rosemary Novellino-Mearns, the former president of the Showpeople's Committee to Save Radio City Music Hall, shared her firsthand account of the three-month struggle to reverse Rockefeller Center's decision. Using archival media coverage and personal anecdotes, Rosemary detailed how she and the Showpeople's Committee won a David-and-Goliath battle to preserve the iconic theater for future generations.

When the City Stopped
Five years after New York City shut down to slow the spread of COVID-19, When the City Stopped examined the inequalities laid bare by the pandemic, the workers who kept the city going, and the lessons learned from that moment. Through poems, first-person narratives, and oral histories, author Robert Snyder explored the experiences of immigrants, people of color, and low-income New Yorkers--capturing the fear and uncertainty of the early months, the risks faced by essential workers, and the solidarity that sustained the city.

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