THE PORT OF NEW YORK AUTHORITY

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Thirtieth Annual Report 1950

THE PORT OF NEW YORK AUTHORITY — 1950 ANNUAL REPORT

THE PORT OF NEW YORK AUTHORITY

30th

Annual Report

For the Year Ended December 31, 1950

Honorable Alfred E. Driscoll
Governor of the State of New Jersey

"The answer to 'big government' in Washington is interstate cooperation and the agency providing that cooperation in this area is the Port of New York Authority."

Honorable Thomas E. Dewey
Governor of the State of New York

"The Port Authority's enviable record could only be achieved by commissioners and a staff who work together to give the best possible service to their community. . . . I know that the states of New York and New Jersey can depend upon their joint agency for a continuation of the forward-looking program of regional development."

THE PORT OF NEW YORK AUTHORITY

111 Eighth Avenue-at 15th Street New York 11 NY

To the Honorable Alfred E. Driscoll, Governor, and the Legislature of the State of New Jersey:

To the Honorable Thomas E. Dewey, Governor, and the Legislature of the State of New York:

ON the thirtieth anniversary of the signing of the Port Treaty under which your agency, The Port of New York Authority, was created, we have the honor and privilege to report to Your Excellencies and to the honorable members of the two Legislatures that during the past year we have been able to carry forward our program under the directives of the Treaty and the Comprehensive Plan of port development in the unified metropolitan area of New Jersey and New York.

Since 1921 we have issued bonds for new projects or refunding purposes having a total face value of $690,000,000. In our thirty years of progress we have, as you know, made available to the people of the Port community essential transportation and terminal facilities for the handling of land, sea and air transport. We have done so on a self-supporting basis, without burden to the general taxpayers. We have expended over $371,000,000 for the construction of bridges, tunnels, water-front facilities, airports and consolidated terminals for railroads, trucks and buses.

The direction of the two Legislatures that the revenues of these public terminal and transportation facilities should be pooled and pledged in support of the bonds issued for their construction has assured, and can assure, the continued development of the whole Port area without burden to the general taxpayer.

Just as important as our physical properties are to the welfare of the people of the Port region, is our work of Port commerce promotion and protection against discriminatory freight rates that would handicap the New Jersey-New York Port District in meeting the competition of other American ports. Throughout the past thirty years this phase of our service to the two States has been vigorously pursued. Since World War II we have been particularly active in the work of port

promotion. Our three port promotion offices in Chicago, Cleveland and Washington have been most effective. These offices encourage the movement of commerce through the Port of New York by furnishing information on the facilities and services available here, as well as through actual aid in routing shipments and obtaining special services.

Our job of port promotion and protection has been of especial benefit to the Port District through our appearances before committees of Congress, the Interstate Commerce Commission, the Maritime Board, the Civil Aeronautics Board, the United States Army Engineers and similar agencies.

The dynamic concept of the Port Treaty and Comprehensive Plan requires a progressive program of planning for the development of transportation and terminal facilities in the metropolitan area. Such planning is a part of our regular work and is responsible for the fact that the Port Authority is in position to anticipate the requirements of port traffic. These are the vital requirements that this Port District must continue to meet if Northern New Jersey and New York are to maintain their position as the transportation and industrial leaders of the world.

As we review our progress in furthering the interests of the Port District, the two States and the nation over the past thirty years, it is obvious that we owe to the Governors and the members of the Legislatures of the States of New Jersey and New York our deepest gratitude for their guidance, support and cooperative efforts. We are also grateful for the unfailing support of state and municipal officials, civic groups, the general public and the press. Their support is a prerequisite to our ability to carry forward the whole Port program.

We have been fortunate too, in that we have enjoyed the confidence of those who have invested the vast amounts of private capital required to carry out the directives of the two Legislatures. We appreciate their essential contribution to our efforts over the years.

We should like to take this opportunity, in reviewing our thirty years of progress, to pay tribute to the Staff of the Port Authority for the important part they have played in our work. Under the able direction of our Executive Director, Austin J. Tobin, and our hard-working department heads and other supervising personnel, we have been able, in the words of one of our former chairmen, to attract and develop over the years "the best equipped staff of any public agency in any part of the United States."

The Annual Report of the Port Authority for 1950 is a detailed review of our work and accomplishments over the past year.

At our annual Board meeting on January 12, 1950 we authorized the establishment of commutation rates for passenger cars on our Hudson River crossings, and these were put into effect on June 15. Thus, a commuter traveling a minimum of five round trips a week, pays only 25 cents a trip. By the end of the year, 31 per cent, or almost a third, of the weekday passenger car trips at the George Washington Bridge, the Holland Tunnel and the Lincoln Tunnel were being made with commutation tickets at the reduced rates. Commutation rates have been in effect on the Staten Island Bridges for more than twenty years.

The Port Authority Bus Terminal, largest and most modern bus terminal in the world, was opened for business on December 15, 1950, and immediately began to serve most of the New Jersey commuters and long distance bus travelers who previously were handled at inadequate facilities.

During a year of record traffic at all of our facilities we put into effect several measures to help move that traffic faster and more efficiently. On May 16, 1950 we authorized an immediate engineering study of a new two-lane tube at the Lincoln Tunnel. And on March 8, 1951 we released plans for the construction of such a tube. At the same time we authorized the Staff to review these plans, which include new connections with state and municipal highways, with the responsible representatives of the states and municipalities on either side of the Hudson. The third tube, which will cost some $85,000,000, or about the same amount as the two existing tubes, will permit four-lane operation in the direction of heavier traffic during peak hours, thus doubling the capacity of the Lincoln Tunnel during the peak travel periods.

This facility, to be completed in 1957, is expected to be self-supporting, an important factor when it is realized that a new two-tube tunnel, probably costing over $200,000,000, could not in the foreseeable future pay for itself.

We made progress as planned in the development and rehabilitation of our marine and air terminals, both in New Jersey and in New York. A record volume of business at Port Newark and the Port Authority Grain Terminal and Columbia Street Pier resulted, to a large extent, from aggressive promotion of these facilities.

There were no new developments during the year regarding our New York and New Jersey water-front programs previously submitted to the various municipalities.

It is gratifying to report once more that the Port Authority financial situation is sound in spite of increasing obligations and rising operating costs. It is this fact which makes it possible for us, at the end of thirty years of progress, to renew our pledge as the agency of the great States of New Jersey and New York, to carry out the directives of the Port Treaty of 1921 and the Comprehensive Plan which is a part of that Treaty. We shall continue to do so, with the encouragement of Your Excellencies and the continued support of the two Legislatures, in the spirit of the Treaty, under which in 1921 the States of New Jersey and New York agreed that: *"A better coordination of the terminal, transportation and other facilities of commerce in, about and through the Port of*

New York, will result in great economies, benefiting the nation, as well as the States of New York and New Jersey."

The two States agreed in the Treaty that: *"The future development of such terminal, transportation and other facilities of commerce will require the expenditure of large sums of money and the cordial cooperation of the States of New York and New Jersey in the encouragement of the investment of capital, and in the formulation and execution of the necessary physical plans."*

They decided too, in the Treaty that: *"Such result can best be accomplished through the cooperation of the two States by and through a joint or common agency."* New Jersey and New York therefore pledged *"each to the other, faithful cooperation in the future planning and development of the Port of New York, holding in high trust for the benefit of the nation the special blessings and natural advantages thereof."*

Respectfully submitted:

April 30, 1951 New York, N. Y.

THE PORT OF NEW YORK AUTHORITY

30TH ANNUAL REPORT

Contents

Signing the Port Treaty—April 30, 1921

GREAT HALL, OLD CHAMBER OF COMMERCE BUILDING
65 LIBERTY STREET, NEW YORK CITY

Seated around table in foreground: J. Spencer Smith, DeWitt Van Buskirk, Frank R. Ford, Thomas F. McCran, Julius Henry Cohen and Eugenius H. Outerbridge. Standing, left to right: Nathan L. Miller, Walter E. Edge, William R. Willcox. Seated facing, left to right: Irving T. Bush, Charles S. Whitman, William M. Calder, Darwin P. Kingsley, Charles T. Gwynne, Alfred E. Smith and Lewis H. Pounds.

30 YEARS OF PROGRESS

under the

PORT TREATY OF 1921

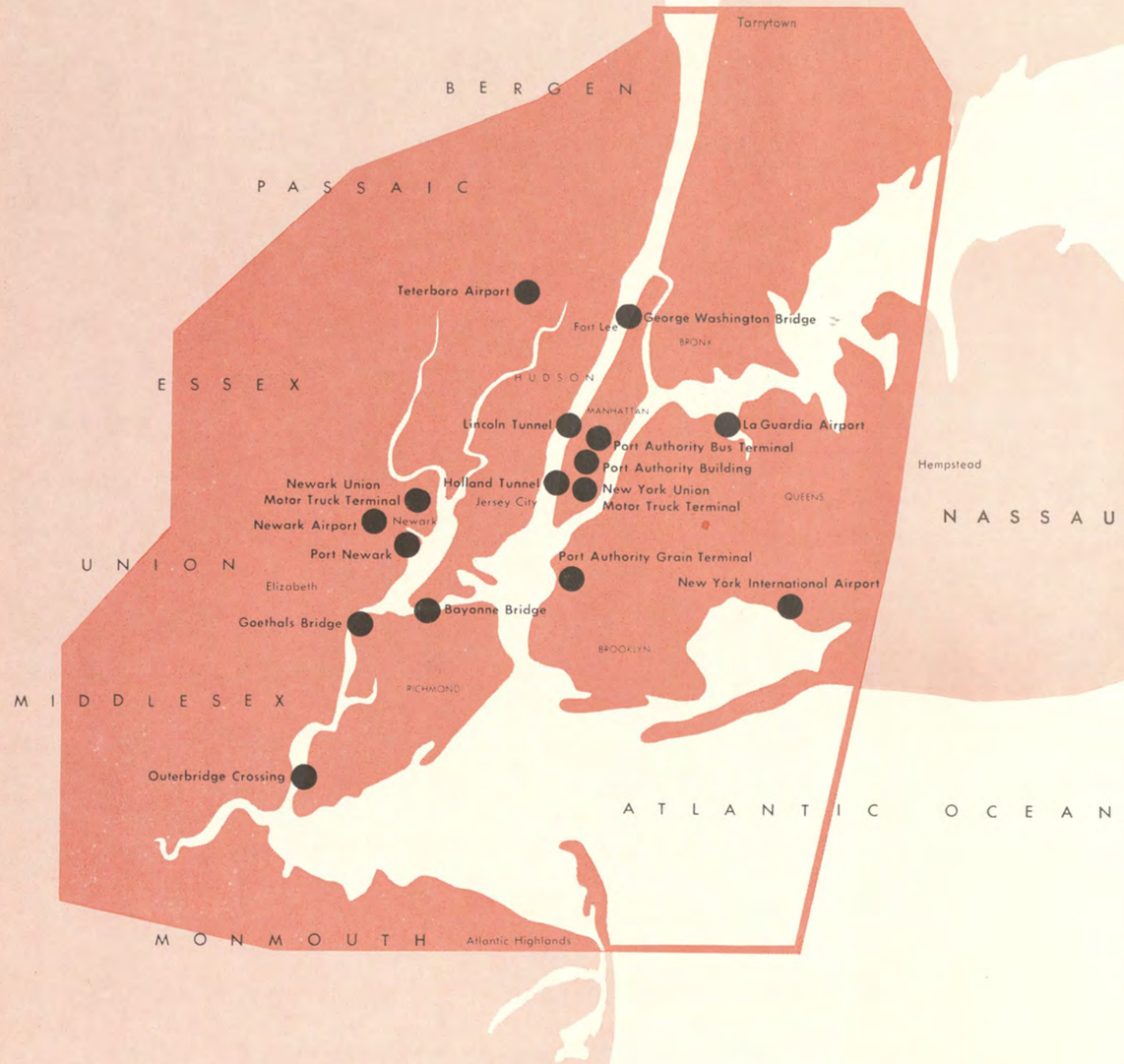
and the

COMPREHENSIVE PLAN

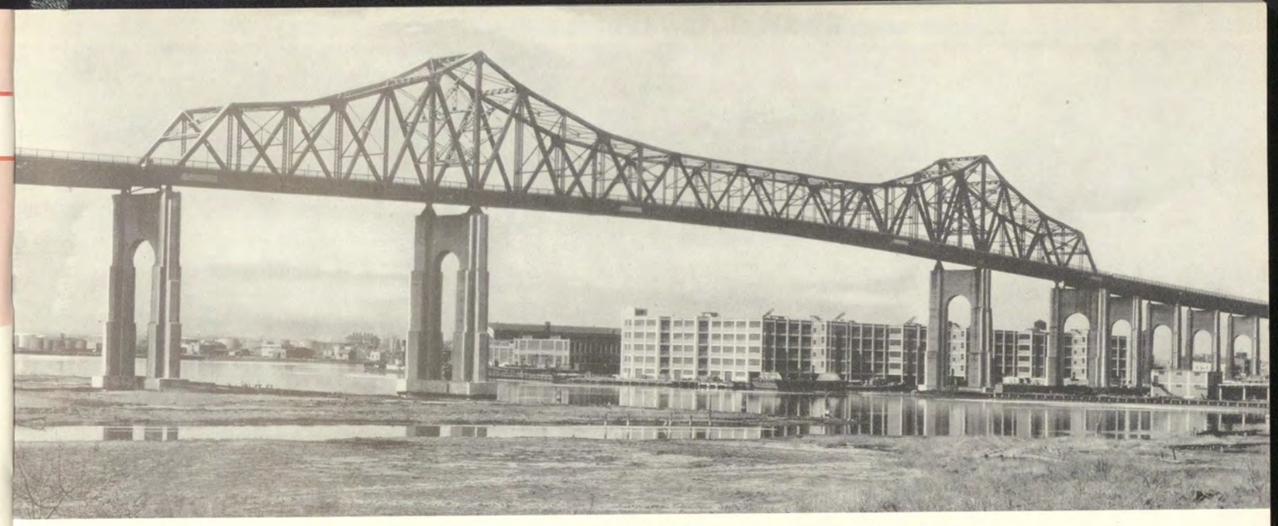
"We can sit here and talk engineering figures for a year. We can draw plans for five years, but if there isn't a healthy, vigorous determination on the part of localities and organizations and people generally in the Port District to make some change in the old-fashioned, worn out, dilapidated ways of doing business in this port, the figures would amount to nothing."

...Alfred E. Smith.

THE PORT OF NEW YORK AUTHORITY FACILITIES

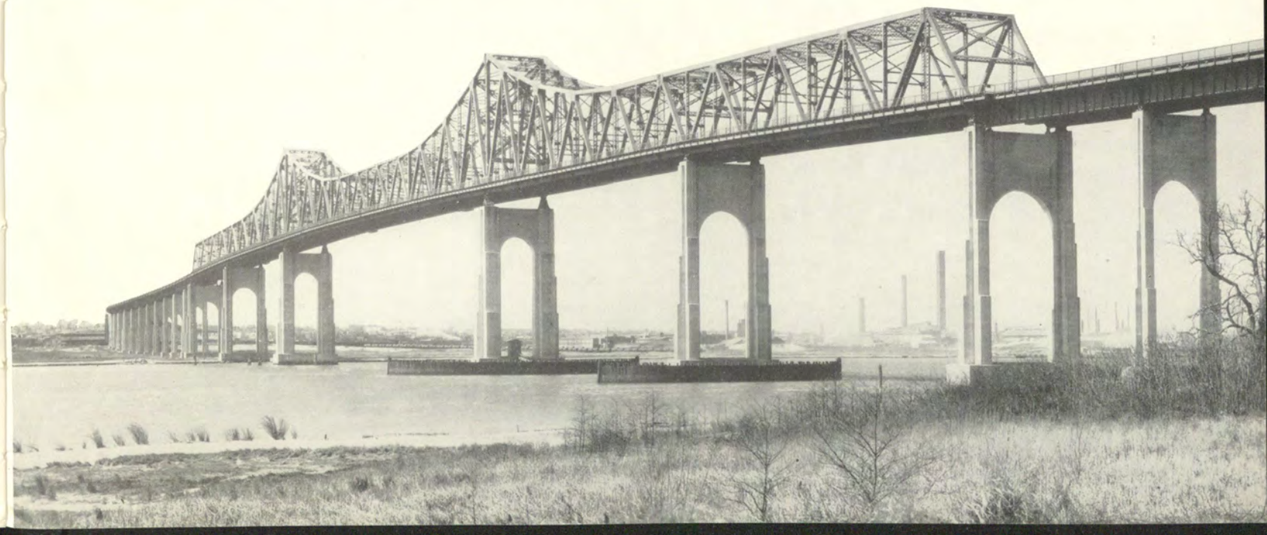


THE NEW JERSEY—NEW YORK PORT DISTRICT

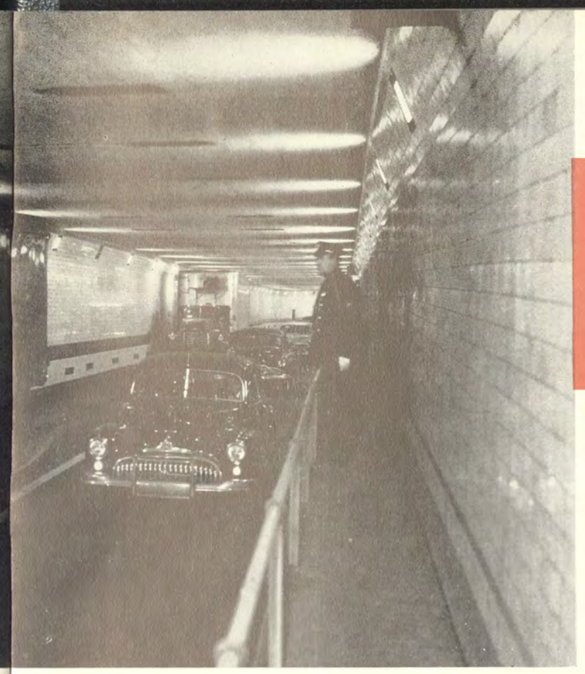


1928—GOETHALS BRIDGE (above) and OUTERBRIDGE CROSSING (below). These great cantilever bridges over the Arthur Kill join Staten Island with Elizabeth and Perth Amboy, New Jersey. The first two of the Port Authority's sixteen transportation and terminal facilities were built at a cost of $17,000,000. They were named for General George W. Goethals of Panama Canal fame, the Authority's first consulting engineer, and for Eugenius H. Outerbridge, its first chairman.

The late Governor Alfred E. Smith of New York and former Governor A. Harry Moore of New Jersey officiate at the joint dedication of the two Staten Island bridges.

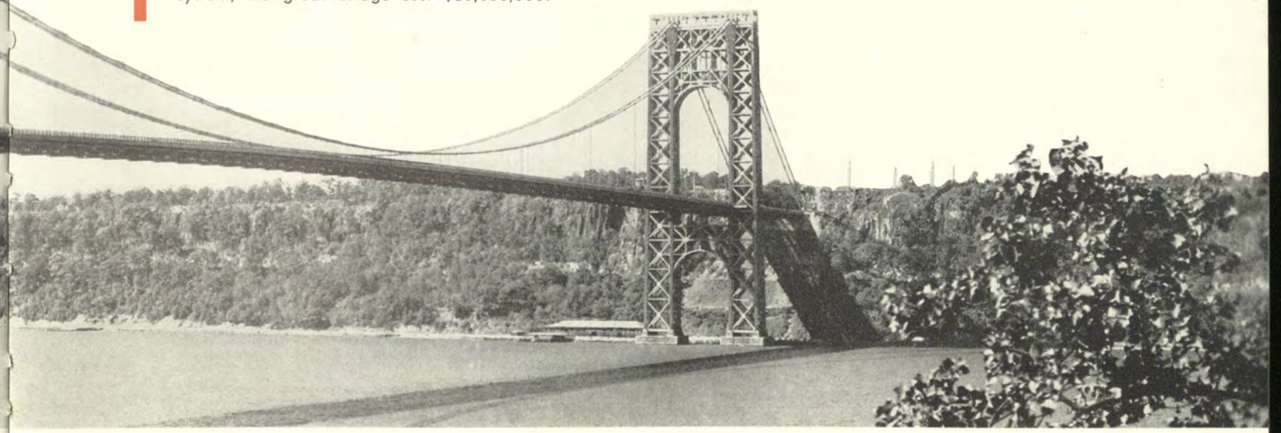


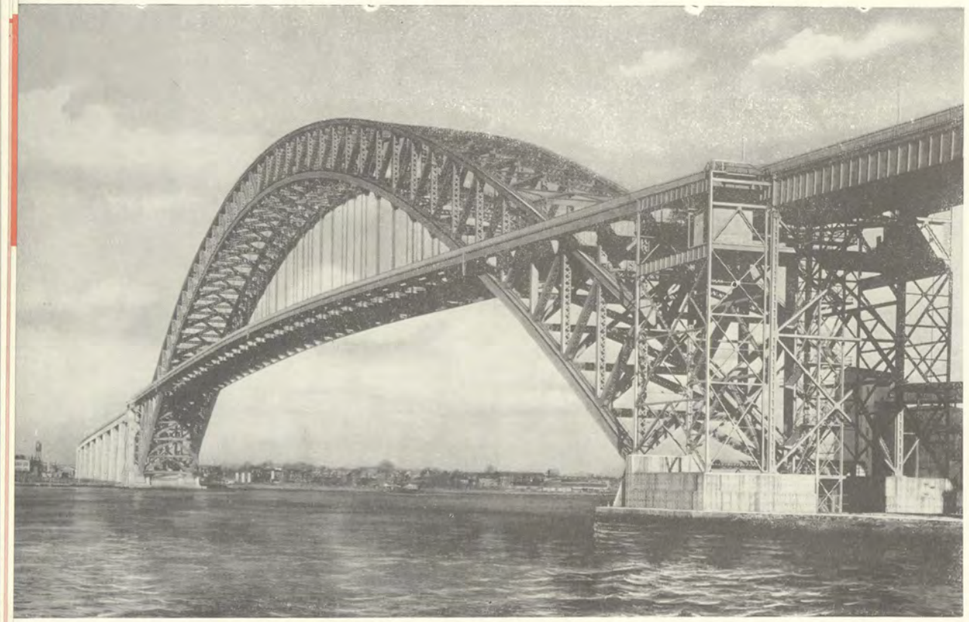
1930—HOLLAND TUNNEL. First long underwater tunnel for motor traffic. Transferred to the Authority in 1930, the mile-and-a-half long tunnel between Canal Street, Manhattan, and Twelfth Street, Jersey City, was named in honor of its chief engineer, the late Clifford M. Holland.



Franklin Delano Roosevelt, then Governor of New York State, speaks at the historic opening of the George Washington Bridge.

1931—GEORGE WASHINGTON BRIDGE. Known as one of the wonders of the world. Joins Fort Lee, New Jersey, and 178th Street, Manhattan. The magnificent suspended span, second largest of its type in existence, carries eight lanes of traffic. Together with its elaborate approach system, the great bridge cost $80,000,000.



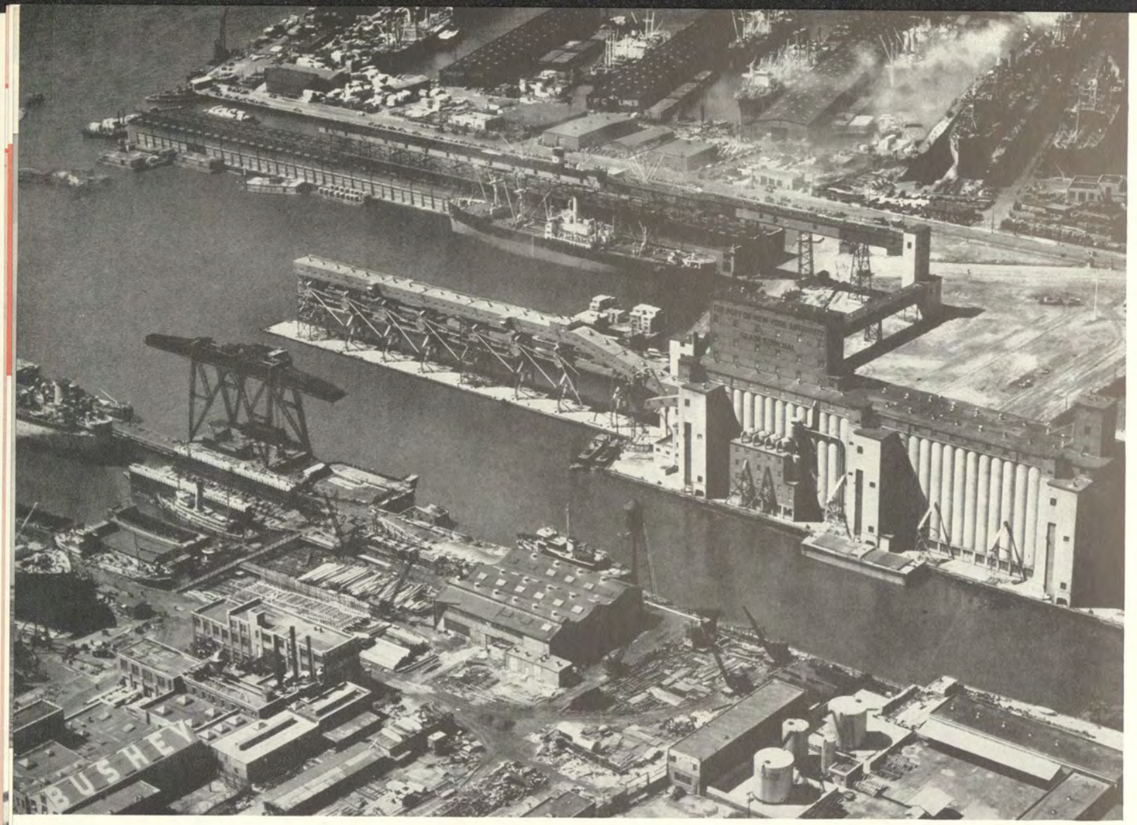


1931—BAYONNE BRIDGE. Longest steel arch bridge in the world and strikingly beautiful in design. The $13,000,000 span crosses the Kill Van Kull to connect Port Richmond, Staten Island, with Bayonne, New Jersey, and furnishes a continuous route via the Holland Tunnel between Staten Island and Manhattan.

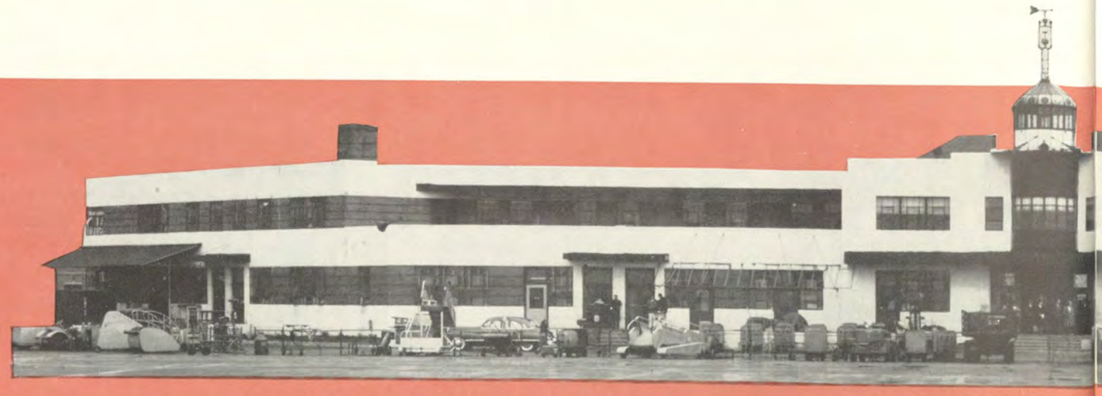
1937—LINCOLN TUNNEL. The south tube of this great $85,000,000 underwater roadway was opened in 1937 and the north tube in 1945. Joining Manhattan, at 38th Street, and Weehawken, New Jersey, the two tubes of the Lincoln Tunnel are expected to be augmented by a third tube to help serve the ever-increasing New Jersey-New York traffic.

1932 — PORT AUTHORITY BUILDING. This sixteen-story structure, costing $16,-500,000, covers the block between 15th and 16th Streets and 8th and 9th Avenues in Manhattan. The Union Railroad Freight Terminal, commercial tenants and the Port Authority's main offices are located in the building.

Close-up of off-the-street truck bays on the 15th Street side of the Union Railroad Freight Terminal, in Port Authority Building, for consolidation of less-carload rail freight.



1944—PORT AUTHORITY GRAIN TERMINAL. On Gowanus Bay, Brooklyn. Transferred by the State of New York to the Authority in May 1944. The terminal includes a grain elevator, a new grain pier and gallery built by the Port Authority, the Columbia Street Pier and a public open storage area. The Port Authority is completely rehabilitating the elevator, piers and upland area.



1948—NEWARK AIRPORT. One of the major air terminals in the regional system serving New Jersey-New York Port District, it is being developed and operated by the Authority under a fifty-year lease with the City of Newark. The airport which now leads in handling air cargo, is being expanded almost 900 acres and will be developed to handle much of the long haul and short haul traffic in the Port District.

1947—LA GUARDIA AIRPORT. One of the busiest terminals in the world, it is being rehabilitated and operated by the Port Authority under a fifty-year lease with the City of New York. The airport handles an average of one aircraft every three minutes and is especially well qualified to fill its future role as the principal terminal for flights within a five hundred mile radius of New York.

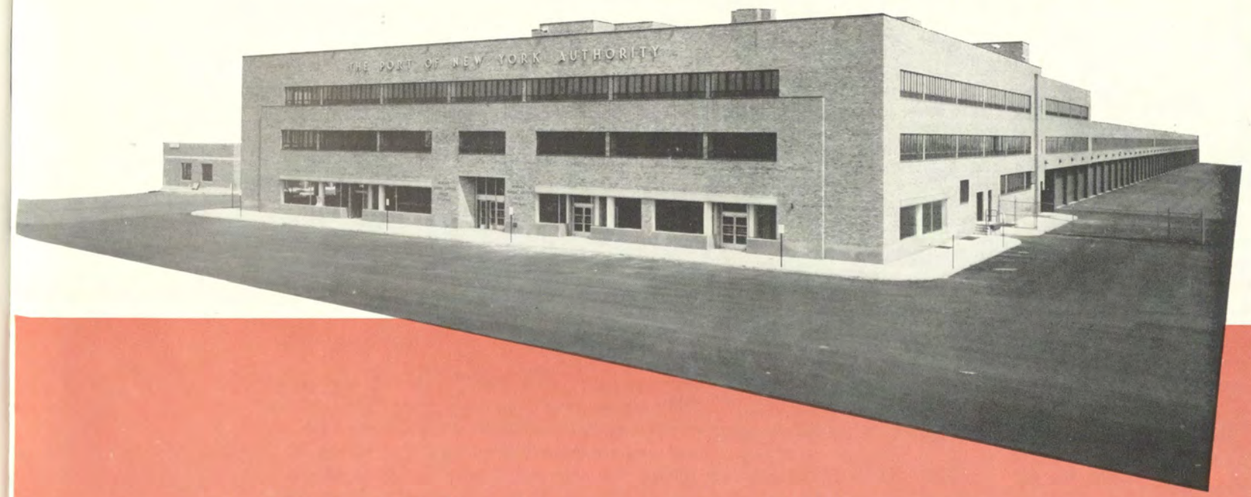
1948—PORT NEWARK. The Port Authority is operating, developing and rehabilitating Port Newark under a fifty-year lease agreement with the City of Newark. Vigorous promotion by the Authority already has greatly increased commerce in this vital sector of the New Jersey-New York Harbor. It is expected that Port Newark will be one of the most modern marine terminals in the Port, and it has been provided with new cargo terminals, a deepened channel and other improvements.

1948—NEW YORK INTERNATIONAL AIRPORT. Largest commercial airport in the world, it is the newest in the regional system of commercial air terminals serving the New York-New Jersey Port District. As large as all of Manhattan Island from 42nd Street to the Battery, this 4,900-acre airport has runways totaling over ten miles in length, and can accommodate the largest transport aircraft in use or in prospect. It is devoted to the services of international and long haul air traffic.

1949—TETERBORO AIRPORT. One of the busiest air cargo and corporate and private type aircraft terminals in the Port District, Teterboro Airport was purchased by the Port Authority to complete its regional system for handling all types of commercial and private air traffic. The bi-state agency is acquiring property for the future expansion of this important air terminal facility.

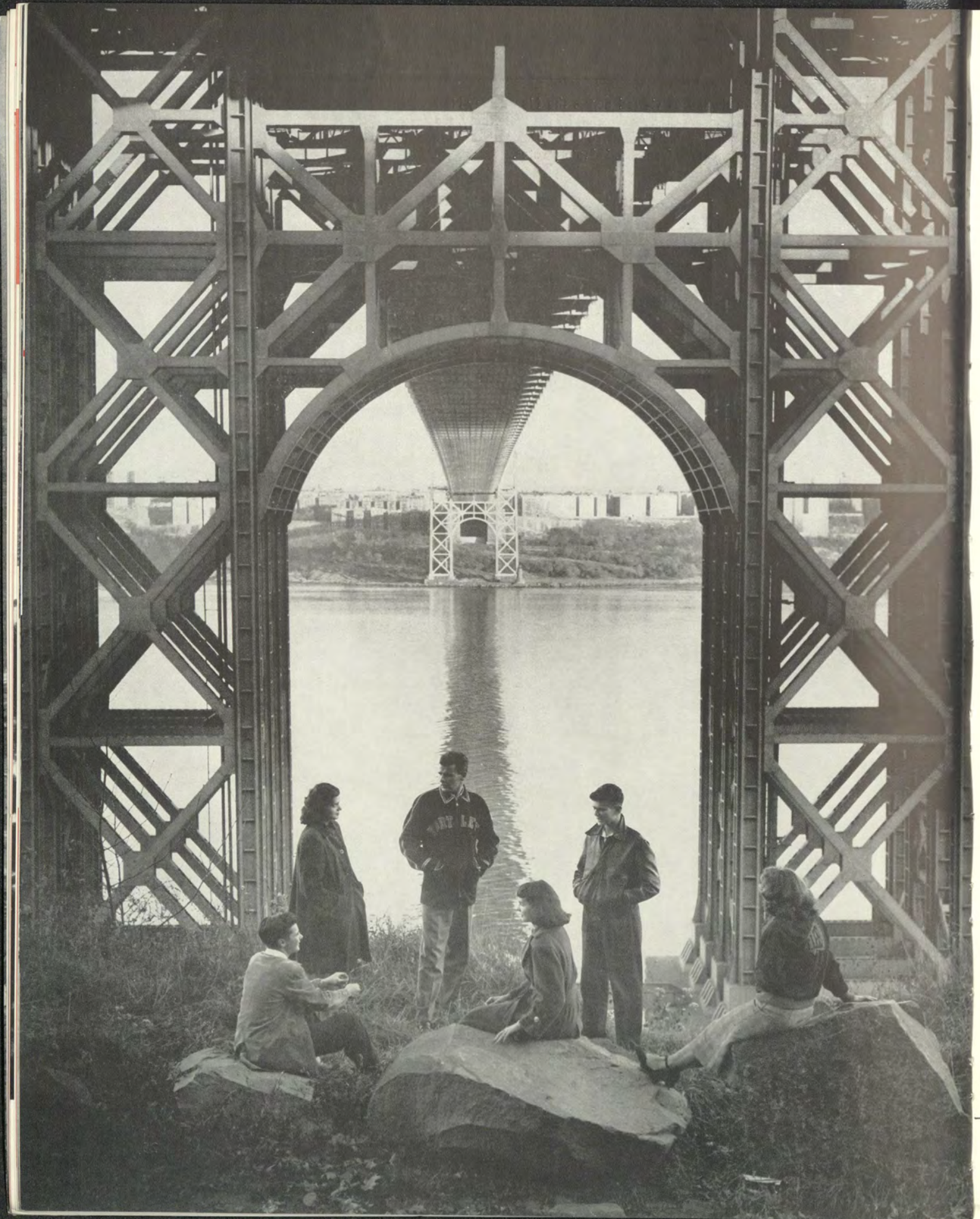
1949—NEW YORK UNION MOTOR TRUCK TERMINAL. The first of two such terminals built by the Port Authority in the New Jersey-New York Port District, it occupies four blocks in lower Manhattan near the Holland Tunnel and the Hudson River steamship piers. The $10,000,000 terminal is designed to reduce street congestion and handling costs and to provide modern facilities and equipment for the transfer of truck freight. All trucks park in bays off street.

1950—NEWARK UNION MOTOR TRUCK TERMINAL. Largest in the world, it occupies a 29-acre site in Newark. This great $8,000,000 structure is similar in design and purpose to the New York Union Motor Truck Terminal.



1950—PORT AUTHORITY BUS TERMINAL. One block from Times Square, this huge terminal, largest in the world, serves more than 130,000 long distance and commuter bus passengers. At the same time, by means of direct ramp connections with the Lincoln Tunnel, the $24,-000,000 structure relieves the crowded Manhattan streets of about 85 per cent of the 2,500 interstate buses which enter midtown daily.

The famous New York skyline as viewed across the New Jersey-New York Harbor from Pier D, Jersey City. As directed by the Port Treaty, the Port Authority promotes and protects commerce in New Jersey-New York Port and protects that commerce from discriminatory rates.



1 | Bridges and Tunnels

Several factors contributed to the increased volume of traffic handled at our bridges and tunnels which resulted in a record of 59,525,274 vehicles in 1950 as compared with 52,766,278 in 1949. Increased business and employment, year-round good weather, improved New Jersey tunnel connections, as well as increased automobile ownership, influenced the use of our four bridges and two tunnels for travel between the two States.

The largest gain was contributed by the Lincoln Tunnel, with an increase of 2,569,719 vehicles, or 19.8 per cent over 1949. This increased use of the Lincoln Tunnel was occasioned in large part by the improved New Jersey connections with Route S-3.

	1950	1949	Increase	% Inc.
	(000 omitted)			
Holland Tunnel	18,126	16,484	1,642	10.0
Lincoln Tunnel	15,533	12,963	2,570	19.8
George Washington Bridge	19,869	17,980	1,889	10.5
Bayonne Bridge	2,321	2,100	221	10.5
Goethals Bridge	1,904	1,694	210	12.4
Outerbridge Crossing	1,772	1,545	227	14.7
Total	59,525	52,766	6,759	12.8

For the second time the George Washington Bridge, with a total of 19,869,512 vehicles, an increase of 1,889,482 over the 1949 volume, was the most heavily traveled of our crossings, with traffic exceeding that of the Holland Tunnel by 1,743,725 vehicles.

Commutation Rates Are Put into Effect at Our Hudson River Crossings

At the Port Authority's annual Board meeting on January 12, 1950 the Commissioners approved the establishment of commutation rates for passenger cars on our Hudson River crossings, and these were put into effect on June 15. A forty-trip ticket, good for thirty days, costs regular users of these facilities $10. Thus, a commuter traveling a minimum of five round trips a week, pays only 25 cents a trip. By the end of the year, 31 per cent, or almost a third, of the weekday passenger car trips at the George Washington Bridge, the Holland Tunnel and the Lincoln Tunnel were being made with commutation tickets at the reduced rates.

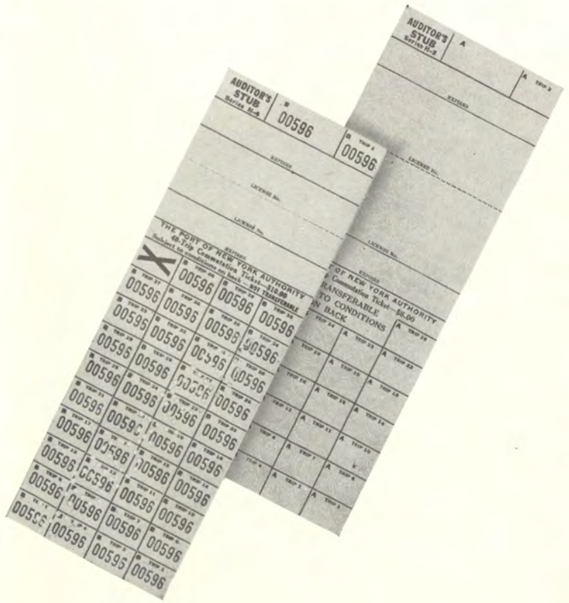
Traffic

		Passenger Cars Number	Buses Number	Trucks Number	Total Vehicles Number
HOLLAND TUNNEL	**1950**	**13,794,854**	**259,070**	**4,071,863**	**18,125,787**
	1949	12,548,052	251,171	3,684,791	16,484,014
	1948	11,684,588	259,583	3,655,953	15,600,124
LINCOLN TUNNEL	**1950**	**11,175,042**	**1,555,544**	**2,801,975**	**15,532,561**
	1949	8,972,333	1,530,151	2,460,358	12,962,842
	1948	7,425,658	1,523,302	2,172,147	11,121,107
GEORGE WASHINGTON BRIDGE	**1950**	**17,566,795**	**622,681**	**1,680,036**	**19,869,512**
	1949	15,878,816	605,055	1,496,159	17,980,030
	1948	13,540,263	565,544	1,378,557	15,484,364
STATEN ISLAND BRIDGES	**1950**	**5,170,362**	**80,542**	**746,510**	**5,997,414**
	1949	4,571,158	94,111	674,123	5,339,392
	1948	4,100,720	94,610	641,050	4,836,380
ALL FACILITIES	**1950**	**47,707,053**	**2,517,837**	**9,300,384**	**59,525,274**
	1949	41,970,359	2,480,488	8,315,431	52,766,278
	1948	36,751,229	2,443,039	7,847,707	47,041,975

Helen Hayes, stage and screen star, en route to her home in Nyack, hands Port Authority Officer George Skidgell one of first Hudson River commutation tickets at George Washington Bridge.

Toll Revenue

		Passenger Cars Revenue	Buses Revenue	Trucks Revenue	Total Vehicles Revenue
HOLLAND TUNNEL	**1950**	**$ 6,671,553**	**$ 249,659**	**$3,568,651**	**$10,489,863**
	1949	6,261,169	241,187	3,148,799	9,651,155
	1948	5,826,803	249,174	3,092,307	9,168,284
LINCOLN TUNNEL	**1950**	**5,323,874**	**1,558,792**	**2,340,955**	**9,223,621**
	1949	4,477,475	1,523,756	2,026,728	8,027,959
	1948	3,703,441	1,517,082	1,771,218	6,991,741
GEORGE WASHINGTON BRIDGE	**1950**	**8,334,198**	**626,946**	**1,487,951**	**10,449,095**
	1949	7,937,318	605,005	1,295,016	9,837,339
	1948	6,762,974	565,498	1,181,175	8,509,647
STATEN ISLAND BRIDGES	**1950**	**2,006,289**	**51,559**	**497,031**	**2,554,879**
	1949	1,805,792	65,299	449,029	2,320,120
	1948	1,589,330	65,405	430,425	2,085,160
ALL FACILITIES	**1950**	**22,335,914**	**2,486,956**	**7,894,588**	**32,717,458**
	1949	20,481,754	2,435,247	6,919,572	29,836,573
	1948	17,882,548	2,397,159	6,475,125	26,754, 832



Commutation rates have been in effect on the Port Authority's three Staten Island Bridges for more than twenty years. Commuters using these facilities have been able to purchase twenty-six-trip tickets for $6, and thus have been traveling over the Staten Island Bridges to Bayonne, Elizabeth and Perth Amboy at the reduced rate of 23 cents a trip. During the past year 31.6 per cent of the passenger cars that crossed these bridges connecting Staten Island with New Jersey took advantage of the commutation rates.

There has also been in effect for many years a combination rate for the crossing of two of the Staten Island Bridges or a combined Staten Island Bridge and Hudson River crossing for 75 cents a through trip. Twenty per cent of the passenger cars used the Staten Island Bridges during 1950 at this special rate.

In making his announcement on January 11, 1950 of the establishment of the Hudson River

commutation rate, Chairman Howard S. Cullman stated:

"The ability of the Port Authority to carry forward the provisions of the Treaty of 1921 and the Comprehensive Port Plan for the continuing development of the public terminal and transportation facilities of the metropolitan area of Northern New Jersey and New York is solely dependent upon the sound and prudent financing and management of our affairs.

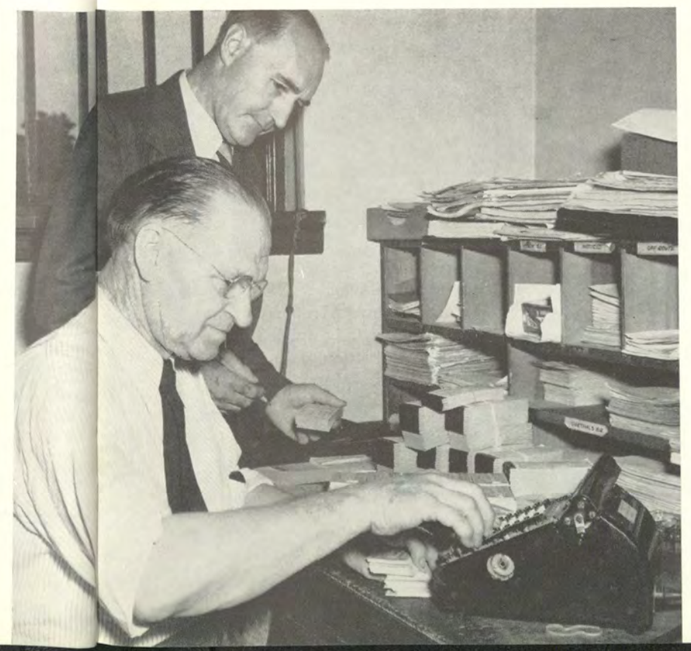
"For many years past, however, in conformance with our duty to the two States and the public, the Commissioners and Staff of the Port Authority have kept under constant study the general problem of serving the traveling public using our bridges and tunnels at the least possible cost commensurate with the preservation of that sound credit structure.

"In 1945 we appointed a staff committee to study, and to keep under continuous study, the financial and operational problems involved in the establishment of a commutation rate on our Hudson River crossings. Subsequent to the original study and report of 1946 the figures have been revised periodically to conform to changing traffic patterns. These figures have been regularly taken under advisement and considered in the light of our current obligations and commitments, and of the necessity of maintaining a credit structure that could meet the continuing requirements of the two States for a self-sustaining port development program.

"On considering the establishment of this commutation rate over the past few months, the Port Authority had placed in the first order of importance the question of whether or not such a step would impair in any way either the present financial position and commitments of the Authority or its ability to carry forward a continuing port development program.

"We have determined that we have now reached the point where it will be possible for us to put into effect the commutation rate, and at the same time to maintain a sound financial standing; to meet the public commitments of the Port Authority;

Phillip H. Edwards, General Superintendent of Tunnels and Bridges, (second from right) and Thomas Byrnes, Sign Foreman, (right) place final bolt on first commutation ticket sign at Holland Tunnel. Interested associates are (left to right) Ernest Black, Assistant Superintendent, Holland Tunnel; John A. Lee, Superintendent, Lincoln Tunnel; and George E. Stickle, Superintendent, George Washington Bridge.



Press photographers (at left) record practice handling of commutation tickets as Port Authority Officer John Singleton punches sample ticket at Holland Tunnel Plaza.

Staten Island Bridges Superintendent Henry A. Brady (standing) and Chief Clerk Irving J. Palmer, check supply of Staten Island Bridge commutation tickets and combination bridge and tunnel tickets.

to carry deficits during the development period of the airport, bus terminal and motor truck terminal projects; and to finance a continuing program of port development under the provisions of the Port Compact.

"We have, of course, taken into consideration the fact that our airports, truck terminals and bus terminal will suffer considerable operating deficits during their early years. In their very nature the public terminal and transportation facilities of the Port Authority are marginal. The Port Authority has been called upon to undertake them in large measure because they are projects that involve heavy development losses. This has been the case with our Staten Island Bridges which did not go into the black column until 1948, twenty years after they were built. The Lincoln Tunnel was in the red for the first eight years after its construction. We anticipate that the airports will have heavy annual deficits for some time to come.

"The question of whether or not it was prudent for us to establish a commutation rate has had to be weighed also against the necessity for carrying out a heavy program of additions and betterments to the bridges and tunnels that we know we must face in the years immediately ahead of us. Thus, we are committed to carry the Lincoln Tunnel approaches out over the Meadows to a connection with the New Jersey Turnpike, and to add to and improve both the New York and New Jersey plazas and approaches of the George Washington Bridge to meet increasing traffic requirements. We may be called upon to reconstruct the New York plazas of the Holland Tunnel and to provide connections with both the West Side Highway and the recommended Cross-Manhattan Expressway. Most important of all, as we announced during the past year, it has become necessary to undertake studies looking to the construction of an additional vehicular crossing of the Hudson.

"It is particularly gratifying to be able to cut these tolls at a time when all costs of construction, operation and maintenance are mounting, and when the value of the dollar is greatly reduced. Naturally, the Commissioners are proud of the business management that has made it possible for us to take this step at a time when we are going forward with the development of the greatly needed land, sea and air terminals."

It's done with mirrors. Sergeant Earl Schafer instructs Traffic Officers Vincent Mahoney, Edward Sullivan and Franklin Baker on checking of commuters' license plates.

All Possible Means Are Adopted to Expedite Our Increasing Traffic

Lieutenant George A. White directs traffic over public address system beamed to traffic officers at New Jersey entrance of Lincoln Tunnel, and (below) at New York entrance. This effort has expedited flow of traffic by almost 10 per cent.

With the continued increase in our traffic volume, we put into effect several measures to help move that traffic faster and more efficiently. At the George Washington Bridge, as in previous years, the Borough of Fort Lee permitted the rerouting of buses over a so-called marginal road alongside Route No. 4, and through the Hudson Terrace toll lanes to the bridge, to help expedite Sunday and holiday traffic during the period of heavy seasonal travel. The new forty miles per hour speed limit authorized by the Board of Commissioners last spring also helped to get traffic across the bridge faster.

Two new center traffic lanes which were constructed in 1947 have helped in handling the ever-increasing volume of traffic over the great bridge. Five of the total of eight lanes are put in service in the direction of the heavy traffic load, eastbound in the morning and westbound in the evening. Further improvement in the handling of the increasing volume of traffic will result from the completion of new approaches to the bridge.

To improve and speed up our control over traffic at the entrance plazas of the Holland Tunnel and the Lincoln Tunnel, we established observation posts with public address radio sys-

Third tube of Lincoln Tunnel will relieve New Jersey and New York streets of "stored" traffic.

tems that enable traffic officers to direct and coordinate traffic on the plaza road level.

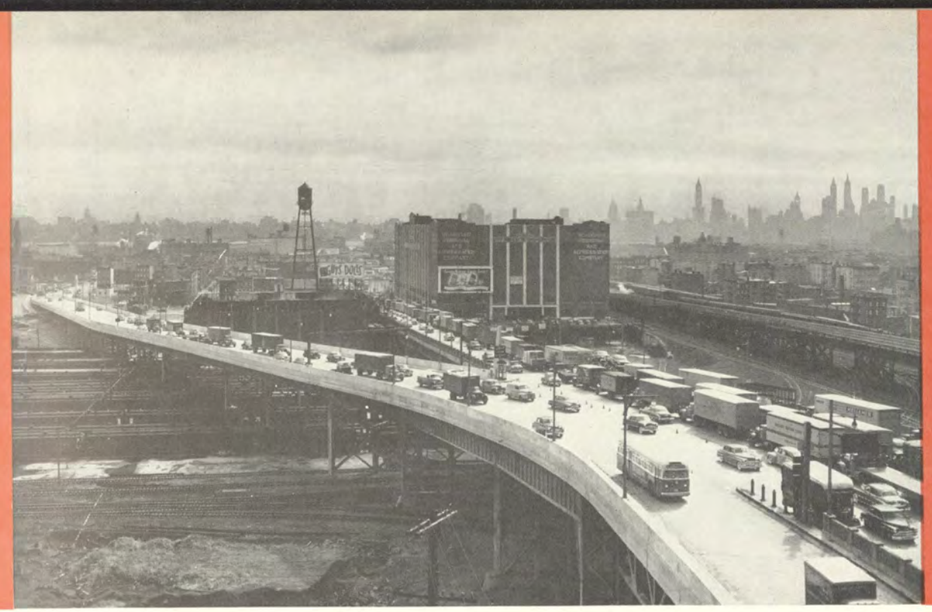
We also installed an intercommunication system between the toll booths and the offices of the sergeant and captain at the Lincoln Tunnel to expedite calls for the sergeant, as well as delivery of instructions to toll collectors. Similar installations are planned for the Holland Tunnel and the George Washington Bridge.

In May we put into effect at the Lincoln Tunnel a hold-back procedure for trucks during rush hours which sends them through the tunnel in convoys at regular intervals. This permits us to accommodate a maximum amount of rush-hour traffic. Such an arrangement is not feasible at the Holland Tunnel because of the greater proportion of trucks using that facility, and because of the converging local street traffic.

Holland Tunnel Exit Viaduct Nears Completion

By December the Port Authority had completed, except for the lighting system, the new Holland Tunnel Exit Viaduct, an elevated extension of Fourteenth Street from the Jersey City Tunnel exit plaza at Jersey Avenue. This $3,250,000 viaduct, which crosses the Erie Railroad to connect with the underpass leading to the Pulaski Skyway, will be transferred to the New Jersey State Highway Department when the lighting system installation is completed.

George Klenk of New Hyde Park, L. I., driver of first truck to use the new Holland Tunnel exit viaduct, is greeted by Raymond C. Cruthers, Superintendent of the tunnel, and James J. McNamara, Police Chief, Jersey City.



The Fourteenth Street Holland Tunnel Viaduct built by The Port of New York Authority at Jersey Avenue, in Jersey City, in operation.

The Fourteenth Street Viaduct, which will double the capacity of the present Twelfth Street Viaduct connecting the tunnel with the Pulaski Skyway and Hudson Boulevard, will eliminate a traffic bottleneck at that point. It will greatly relieve the present Twelfth Street Viaduct by handling the heavy flow of westbound traffic from the tunnel while permitting the Twelfth Street structure to carry eastbound traffic only. The new roadway eliminates the two sharp right-angle turns that caused so much of the congestion on the original viaduct. It will be used not only for Holland Tunnel exit traffic, but also local Jersey City, Hoboken and Hudson County traffic.*

*The Fourteenth Street Viaduct was opened to traffic on February 13, 1951.

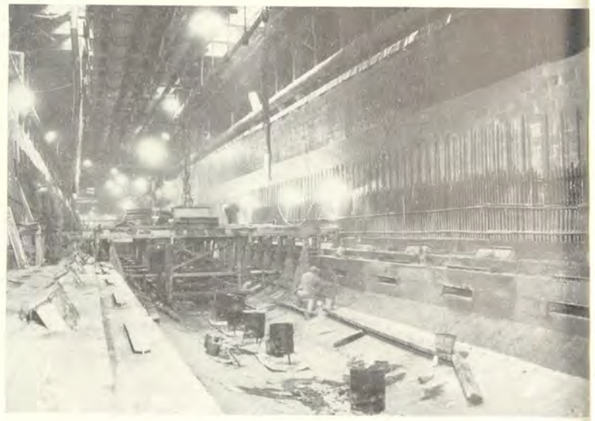
Excavation Completed for 179th Street Tunnel

Under West 179th Street in Manhattan, the Port Authority has completed excavation of a tunnel to cost about $8,400,000, paralleling the half-mile West 178th Street Tunnel which we built and opened in 1940 to carry traffic between the George Washington Bridge and the Harlem River Drive and east side of Manhattan.

When the new tunnel is completed we will have available two lanes for eastbound traffic and two lanes for westbound traffic across Manhattan, permitting motorists to move directly between the George Washington Bridge and the east side of Manhattan and the Bronx, without touching the streets of Manhattan. The tunnels will help expedite traffic to the Cross-Bronx Expressway, now under construction by the State of New York to serve Westchester and New England parkways and arterial highways.

General view of progress of excavation and decking of West 179th Street Tunnel between Broadway and Fort Washington Avenue.

The $8,400,000 West 179th Street Tunnel approach to the George Washington Bridge goes into the final phase of its construction.



We Continue Our Program of Improving Other Approaches to Port Authority Facilities

The Port Authority has agreed to share with the Triborough Bridge and Tunnel Authority the cost of a new ramp at the Manhattan approaches of the George Washington Bridge. Estimated to cost about $1,069,000, the ramp will permit motorists to go south on the Henry Hudson Parkway directly from the bridge. It will permit the elimination of the present traffic signal stop at the bottom of the existing ramp and the circuitous route which now cause long delays and great inconvenience to motorists traveling south from the bridge.

In addition, the Port Authority and the Triborough Bridge and Tunnel Authority are giving continued consideration to plans for altering the entire Manhattan plaza and approach system for the George Washington Bridge.

On the New Jersey side of the George Washington Bridge, we have agreed to build a direct connection between the bridge and the Palisades Interstate Parkway. This would be made available when construction of the southern part of the parkway through New Jersey and New York has been completed by the State of New Jersey.

Whenever materials are available we expect to go forward with the steel decking and paving of a new approach above the tracks of the New York Central Railroad System between Fortieth and Forty-first Streets, to provide additional access to the Manhattan entrance plaza of the Lincoln Tunnel.

The new ramp approaches connecting the Port Authority Bus Terminal with the Lincoln Tunnel plazas have greatly improved traffic conditions in the area by removing almost 5,000 bus movements from the local Manhattan streets daily.

We Build a Connection Between the Lincoln Tunnel and the New Jersey Turnpike

The great New Jersey Turnpike, on which construction has moved rapidly forward, will provide a 118-mile expressway across the State of New Jersey from Deepwater, on the Delaware River, to the vicinity of the George Washington Bridge. The turnpike will connect with the new Delaware River Memorial Bridge to cross the river to Wilmington. This high speed artery will materially reduce travel time for both passenger cars and motor trucks traveling through New Jersey.

In order to increase the effectiveness of the turnpike for traffic moving to and from the Lincoln Tunnel, the Port Authority is financing a $3,700,000 connection between the New Jersey artery at Secaucus, and the existing two-mile Lincoln Tunnel underpass through Weehawken, Union City and North Bergen. This express underpass was built by the Port Authority at a cost of $13,000,000 as a part of the Lincoln Tunnel. Motorists using the three-quarter-mile connection to the two-mile expressway, will be able to reach the Times Square area of Manhattan from the turnpike in ten minutes. The New Jersey Turnpike will make Newark Airport about twenty-five minutes distant by car from Times Square.

Holland Tunnel Repavement and Other Improvements Are Completed

During the year the repaving of 9,000 feet of Holland Tunnel roadway with asphaltic concrete was completed, and repairs were made to the brick entrance ramps at a total cost of about $160,000. Our maintenance crews also completed the replacement of the six banks of twenty-year-old air-blast transformers at the Holland Tunnel. They also designed and installed a system of fog sprinkler nozzles at the Holland and Lincoln Tunnels and George Washington Bridge, for cooling exhaust fans in emergencies.

We Participate in Highway Planning in the Two States

As traffic in the two States mounts, the obligation of the Port Authority, under the Port Treaty of 1921, to maintain close liaison with Federal, state, county and local highway agencies becomes increasingly important. During the past year we were in continuing contact with the New Jersey State Highway Department regarding the program for connections between Port Authority facilities and the state highways of Northern New Jersey. One of the principal results of this contact was the decision on the part of the Port Authority to build the vital connection between the New Jersey Turnpike and the Lincoln Tunnel, previously mentioned in this report.

We have met with the superintendent, staff and engineering consultants of the New York State Department of Public Works and the office of the City Construction Coordinator on such matters as the alignment of the Nassau Expressway along the northern boundary of New York International Airport; the connection through Highbridge Park, between the 178th and 179th Street Tunnels serving the George Washington Bridge, and the new Cross-Bronx Expressway; and the airport connection of the Van Wyck Expressway, completed in October 1950. The Van Wyck Expressway serves as a direct route to New York International Airport, reducing travel time between the air terminal and midtown Manhattan to about thirty-five minutes.

We have kept in close touch with local highway and traffic officials in New York, including the New York City Construction Coordinator, the Long Island State Park Commission, the Triborough Bridge and Tunnel Authority, the New York City Department of Traffic, and the engineering offices of the Borough Presidents of Manhattan and Queens, as well as the county and city highway agencies in Northern New Jersey.

Tightening of Bolts on George Washington Bridge

THE TALK OF THE TOWN

NOVEMBER 11, 1950

Adjustments

THE bolts that hold the vertical cables of the George Washington Bridge in place are being tightened, and to learn something about this delicate operation we journeyed up to the bridge one warm, bright, windless day last week, stopping off first at the office of Byron M. Gruver, resident engineer of the Port of New York Authority, who is responsible for the work being done on the bridge, as well as, among other things, the construction of the vehicular tunnel now being built across Manhattan Island under 179th Street. Gruver's office is in the ventilating building of the tunnel, with an entrance on 178th Street, and we found the method of admittance to the structure odd and romantic. We rang a bell beside the door, and a moment later a man in shirt-sleeves leaned out of a fourth-floor window above our head and called down to us to state our business; when we had done so, he dropped a key onto the sidewalk beside us. We unlocked the door and made our way upstairs in a self-service elevator. Gruver welcomed us (the man in shirtsleeves proved to be one of his aides) and at once launched into a brisk, elementary briefing on the bridge. "The deck of the bridge is supported by a total of three hundred and four vertical suspension cables," he said. "These cables are attached to the four main cables, which run the length of the whole structure, from their anchorages in New York to their anchorages in New Jersey, a distance of four thousand seven hundred and sixty feet. At intervals of sixty feet along each of the main cables are what we call panel points, each of which is a cast-steel band, about eleven feet six inches in outside circumference, encircling the cable. The verticle cables are looped, in grooves, over the bands, which are in halves, clamped together top and bottom by bolts. These bolts are what we're busy tightening, and they're no toys—twenty-eight inches long and two and three-eighths inches in diameter, with a nut at each end. They're what keep the panel points from slipping down the main cables."

Mr. Gruver went on to say that the number of bolts in a band varies according to the position of the band on its main cable. At the low points of the cables, where they take off gradually from their anchorages, and in the middle of the bridge, where they run along close to the deck at an easy angle, the panel points require only six bolts each; near the towers, where the cables are most sharply inclined, the panel points require twenty bolts. "We've got a total of thirty-three hundred and sixty-eight bolts to look over," Gruver said. "When the bolts were put in place, nineteen years ago, each one carried a stress of twenty-nine thousand pounds per square inch. Tests by our engineers some time ago showed that quite a few of the bolts were carrying more than that and others were carrying less. This is partly because the movement of traffic on a suspension bridge is bound to cause a shift of stresses and partly because we added considerable dead weight to the bridge when we repaved sections of the roadway a couple of years ago. We called in R. J. Tobin and Company, a structural-ironworking firm, and after negotiation, gave them the contract. We also designed a couple of cages for the men to work in. They couldn't get at the bolts without the cages."

Leaving Mr. Gruver in his eyrie, we proceeded out on the bridge to the tower on the New York side, where three wooden shanties have been set up as field headquarters for the Tobin company. We introduced ourself to W. G. Ellis, superintendent of the job, who told us that he has twenty-five men at work, that they'll go on working until winter weather makes outdoor work impracticable or the New York side of the bridge is finished, which should be by December 1st, weather permitting, and that the men, who are used to walking about on the open steelwork of skyscrapers, find working in the cages literally and figuratively a breeze. Ellis pointed to one of the two cages, which was slung on the pair of cables on the downstream side of the bridge, between the anchorage and the tower; it was so many hundreds of feet above us that it looked like a cricket clinging to a stout blade of grass. The other cage was working its way up to the tower from the middle of the river, also on the downstream side. Ellis told us that the cages are made of aluminum, so that they will be light, and that they run along the cables on wheels with a concave rubber surface. Inside, they have platforms on two levels, so the men can work simultaneously on the bolts at the top and the bottom of the panel points. A block-and-tackle arrangement attaches them to the bridge tower, and by turning winches on top of the cages the men roll them from panel point to panel point. "Mighty fine view of the river from up in those cages," said Ellis.

Under each cage is a net, to catch any workman, tool, nut, or bolt that may fall from a cage. (No workman has fallen.) Various types of wrenches are required to loosen and tighten the nuts; a regular-size one is four feet long. The degree to which a nut has been tightened is tested by an instrument known as an extensometer. Two laboratory men representing the Port Authority accompany each cage crew and regulate the work with these instruments. Each cage has a crew of nine—an assistant foreman and eight wrench men. It is assumed that the present bolt-tightening will do for the next twenty years, and that goes even if a second deck, which the bridge was designed for, should be added.

As printed in the New Yorker Magazine

Closing of 125th Street-Edgewater Ferry

In September 1950 the Electric Ferries, Inc. announced that they would close the 125th Street-Edgewater Ferry about the middle of December 1950 because of deficit operations for several years. On October 4 the Board of Chosen Freeholders of Bergen County requested the Port Authority to assure continuance of this ferry service.

The Port Authority invited representatives of the Board of Chosen Freeholders and other interested parties to a conference on November 15. The local representatives noted that many of the large Edgewater industries employed persons living in Manhattan who used the ferry. While they admitted that the ferry could be operated only at a loss, they urged its public necessity as a service to the community and business of Edgewater, as a stand-by route in an emergency and as relief to tunnel and bridge congestion.

The Port Authority stated that no regulatory body of the Federal or state government had the power to require the continuance of the ferry. We also emphasized that the Port Authority's proper field of economic practicability is to operate marginal public projects which in the long run will, however, be self-supporting. It was pointed out that the maximum capacity of the ferry was negligible compared with the traffic handled in peak hours at the George Washington Bridge and Lincoln Tunnel. Test travel runs indicated that the route via the tunnel and the bridge was quicker in most instances than travel via the ferry route. The total fare on an average bus route by way of the bridge and tunnel would be about the same as the ferry rate.

We therefore advised the Bergen County Freeholders that we could not operate the 125th Street-Edgewater Ferry. Counsel for the Board of Chosen Freeholders in response said: "While we regret that your decision was adverse, we fully appreciate that it was not made until all of the circumstances involved had been thoroughly considered."

The ferry ceased operation on December 16, 1950.

We Study the Engineering and Economic Feasibility of a Third Tube for the Lincoln Tunnel

The Port Authority Commissioners on May 16 authorized an immediate $120,000 engineering study for a new two-lane tube at the Lincoln Tunnel to augment the two existing tubes so that the increasing load of trans-Hudson traffic might be more efficiently handled. We already had available results of our continuing studies of traffic volumes and crossing capacities as well as the results of interviews held with 135,000 interstate motorists in October 1949.

It was apparent that the heavy traffic of the Holland and Lincoln Tunnels and the George Washington Bridge would be further increased upon the completion of the New Jersey Turnpike. An added traffic burden on the Lincoln Tunnel would crowd the tunnel itself beyond capacity; it would also increase street congestion on both the New Jersey and New York sides of the river by backing up traffic, unless added lanes under the river were available to take it away.

The construction of a third tube for the Lincoln Tunnel would permit the operation of four lanes of traffic in the direction of peak hour travel, thus doubling the capacity of the tunnel.*

* On March 8, 1951, the Commissioners released plans for an $85,000,000 third tube of the Lincoln Tunnel to provide added capacity for 8,500,000 vehicles at the facility. To be completed in 1957, it will increase the annual capacity of the Lincoln Tunnel by 50 per cent and will double the peak-hour capacity. At the same time, the Commission authorized the staff to review the plans, which include new connections with state and municipal highways, with the responsible representatives of the states and the municipalities on either side of the Hudson. Invitations were promptly extended to such representatives.

The two-lane third tube, when completed, will be operated in an eastbound direction, and the north tube westbound; the middle or present south tube will carry traffic eastbound in the morning and westbound in the evening, or may operate one lane in each direction. This permits the use of four lanes in the peak direction with two lanes in the opposite direction.

New Jersey Plaza of the Lincoln Tunnel on a rainy night.

Port Authority studies of interstate traffic indicate that solutions must also be found for the handling of interstate traffic that can by-pass the crowded island of Manhattan north and south, or where that is not possible, to move directly over the island or under it.

We are coordinating and pooling traffic information with the New York State Thruway Authority and the New Jersey Turnpike Authority in order that we may move forward together in the face of the increasingly critical problem of the flow of traffic from the south and southwest into and around the City of New York toward Westchester and New England.

2 | Airports

We continued throughout the year to carry forward the vast program of airport construction and development to which we were directed by the two States in 1946 and which was outlined in the agreements of 1947 with the City of Newark and the City of New York. The scope and complexity of an airport program for the financing, construction, promotion and operation of a regional system of air terminals in the largest metropolitan district in the world—affording also the world's richest air transport market—will be indicated by the following report.

Newark, La Guardia and New York International Airports in 1950 handled 5,081,025 passengers, which is 1,474,589 more people than there are in the City of Chicago, the nation's second largest city. This represented an increase of 17 per cent over the 4,341,750 air passengers at the three airports in 1949.

Scheduled domestic air passenger traffic accounted for 84.6 per cent of the total; scheduled overseas, 10.1 per cent; and nonscheduled, 5.3 per cent.

Air cargo handled at the three Port Authority airports increased sharply to 205,939,000 pounds in 1950, as compared with 162,428,000 pounds in the previous year, an increase of 26.8 per cent.

Scheduled domestic cargo totaled 182,724,000 pounds in 1950, as compared with 134,233,000 pounds in 1949, an increase of 36.1 per cent; this was 88.7 per cent of all cargo handled.

Overseas scheduled cargo totaled 19,219,000 pounds as compared with 15,708,000 pounds in 1949, an increase of 22.4 per cent.

Nonscheduled cargo, both domestic and overseas, amounted to 3,996,000 pounds, as compared with 12,489,000 pounds in the previous year, a decline of 68 per cent. This downward trend resulted principally from the fact that in the summer of 1949 three domestic all-cargo carriers were certificated by the C.A.B. as scheduled cargo carriers. Nonscheduled cargo movements at the three airports now amount to only 2 per cent of the total air cargo business.

Airmail, including parcel post, added up to 41,580,000 pounds in 1950, as compared with 37,252,000 pounds in 1949, an increase of 11.6 per cent. Of this amount, domestic mail accounted for 32,651,000 pounds in 1950 as compared with 29,179,000 pounds in 1949, an increase of 11.9 per cent, while overseas mail totaled 8,929,000 pounds in 1950, as compared with 8,073,000 pounds in 1949, an increase of 10.6 per cent.

A decrease of more than 12,000 military air-

Technician making adjustments to airport surveillance radar equipment which indicates location of aircraft within a range of 30 miles of La Guardia Airport.

craft movements at Newark Airport was the major factor in reducing the total number of flights in the region to show a decline of 2.3 per cent as compared with the previous year. A total of 264,916 aircraft was handled at the three airports in 1950, as compared with 271,043 in 1949. Of these, 228,401 or 86.2 per cent, were commercial air carrier movements, as compared with 224,489 in 1949, an increase of 1.7 per cent.

Scheduled domestic airline movements totaled 196,903 as compared with 187,624 in 1949, an increase of 4.9 per cent. However, a general increase in the use of larger equipment by all the airlines occurred during the past year. The employment of 50-to-70-passenger DC-6's and 50-80-passenger Constellations as well as 40-passenger Convairs and 36-passenger Martins was reflected by a 14.7 per cent domestic scheduled passenger increase at our airports as compared with the 4.9 per cent increase in plane movements of the scheduled airlines in this area.

Scheduled overseas movements were 19,710 as compared with 24,203 in 1949, off 18.6 per cent. The merger of American Overseas Airlines and Pan American Airways services during the year, including their use of larger equipment such as the Stratocruiser and the consolidation to some extent of revenue schedules as well as the integration of maintenance, test and training flights, was largely responsible for the reduction in overseas aircraft arrivals and departures.

Nonscheduled air carrier movements, both domestic and overseas, amounted to 11,788 as compared with 12,662 in the previous year, a decrease of 6.9 per cent. This class of carrier also intensified its use of larger equipment during 1950, resulting in fewer flights. About half of this type of traffic was centered at Newark.

Movement of corporate type aircraft at New York International, La Guardia and Newark Airports totaled 19,899 as compared with 18,313 in the previous year, an increase of 8.7 per cent with all three airports sharing in the gain. Personal aircraft activity at these airports was represented by 3,959 arrivals and departures, a reduction of 3 per cent from the preceding year, although Newark showed a slight gain in this type of flying.

In addition, Teterboro Airport accounted for a total of 183,841 aircraft movements, a decrease of 13.3 per cent from 1949; 5,276 or 2.8 per cent were nonscheduled air carriers, 35,591 or 19.4 per cent were civil cross-country movements, 877 or 0.5 per cent were military or governmental aircraft. Civil local plane movements amounted to 142,097, or 77.3 per cent of the total.

We Go Forward With Our Airport Development Program

The Port Authority investment, already spent or committed, in the four regional airports of the Port District at the end of the year, totaled $63,691,552. Grants from the Federal Government totaled $2,383,519, or less than 4 per cent of our capital expenditures.

Of the total expenditures, $39,936,597 was invested at New York International, $13,549,302 at Newark, $4,877,189 at La Guardia and $5,328,464 at Teterboro. We estimate that by the end of 1951, our total expenditures and commitments at the four airports will approximate $78,738,000, as follows: New York International, $45,411,000; La Guardia, $6,234,000; Newark, $20,274,000; Teterboro, $6,819,000. These budget estimates reflecting our airport construction program for 1951 will, however, be modified by the limitations and restrictions of the national defense program.

Gross operating revenues at the four airports in 1950 amounted to $5,283,030, as compared with $4,045,864 in 1949.

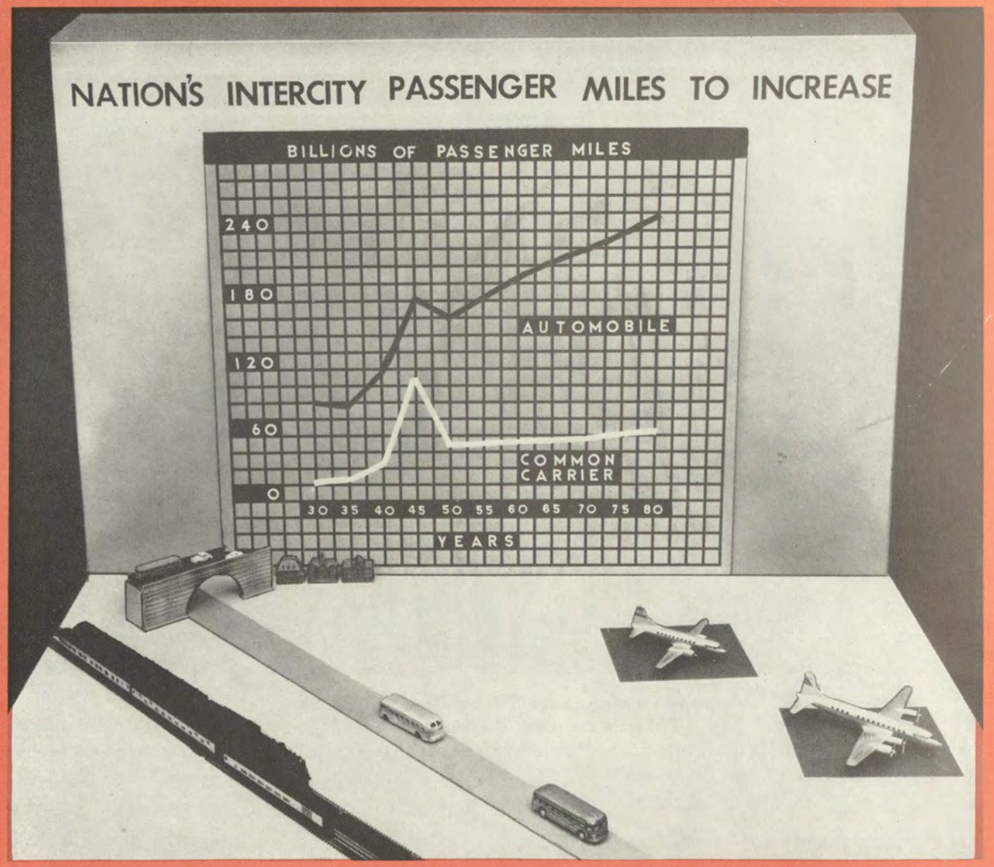
Executive Director Austin J. Tobin (center) and Director of Operations Billings Wilson (at his left) meet the press at Schipol Airport with Mr. Dellaert, Director of the airport (at Mr. Tobin's right) and Mr. Mijksenaar, Director of Public Relations, City of Amsterdam (at Mr. Wilson's left).

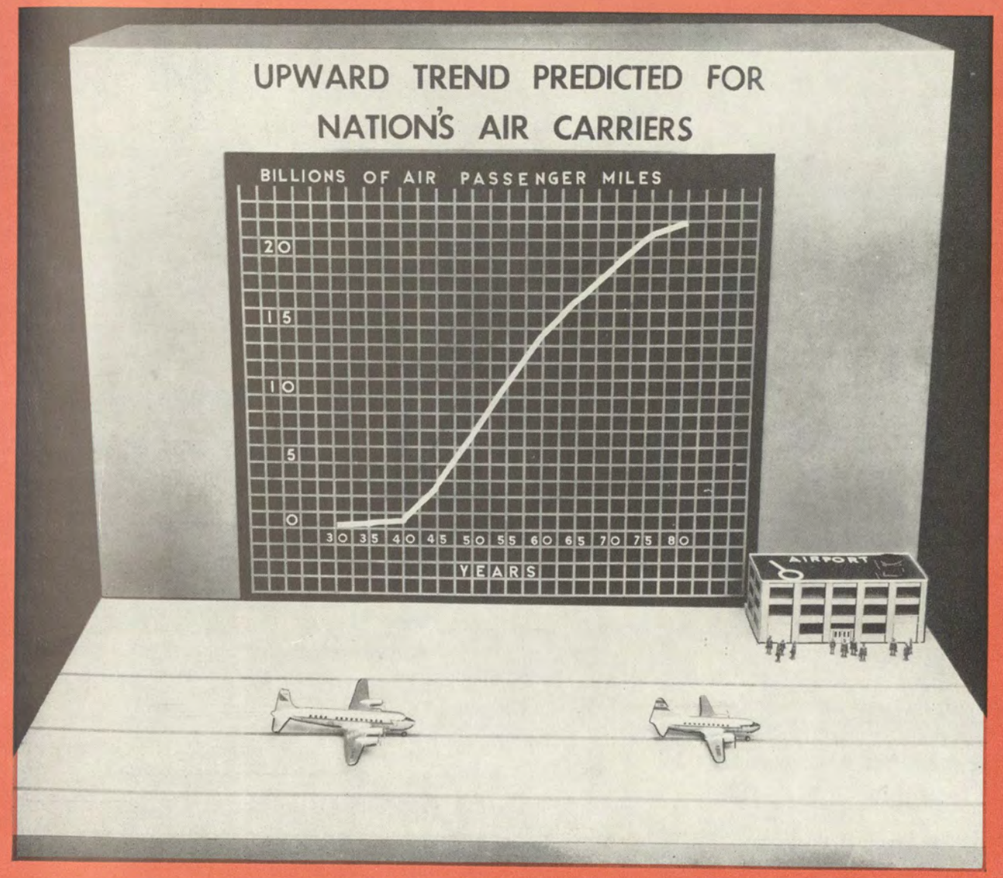
Operating, maintenance and administrative expenses were $5,036,439 as compared with $4,432,840 in 1949. The net operating revenue of $246,591 at the four airports compared with an operating deficit of $386,975 in 1949. These figures do not include interest costs or amortization of the outstanding $74,400,000 of Air Terminal Bonds. Nevertheless an improvement of $633,566 in our net operating revenues at the airports during 1950 is a most gratifying figure, and one that accelerates our progress on the long road toward self-supporting air terminal facilities.

On November 29, 1950 the Port Authority sold $13,000,000 of Air Terminal Bonds, Third Series, out of which $8,000,000 was allocated to Newark Airport, $3,000,000 to New York International and La Guardia, and $2,000,000 to Teterboro. These bonds, sold at competitive bid, carry an interest rate of 2.20 per cent and are due December 1, 1980. They were sold at a price of 96.36 which reflects an average interest cost to the Port Authority for the term of the bonds of 2.32 per cent.

We Complete a New Air Traffic Survey

The New Jersey-New York Metropolitan District will maintain its position as the major air traffic center of the nation over the next thirty years, with air passengers in 1980 increasing to two-and-a-half times the 1949 number, air cargo almost seven-and-a-half times, and airmail almost seven times, according to an air traffic forecast made under the direction of the chief of our Airport Planning Bureau.





According to this forecast, released in August, the Port District will account for 11,200,000 air passengers in 1980, as compared with 5,081,000 in 1950, an increase of 120 per cent; 599,400 tons of air cargo, as compared with 102,970 tons, an increase of 482 per cent; and 131,500 tons of airmail, as compared with 20,790 tons, an increase of 533 per cent.

The 1950 Port Authority air traffic survey represents the most thorough appraisal of factors influencing air traffic ever attempted. It takes into consideration not only the particular problems of air transportation in the New Jersey-New York Metropolitan Area, but also of intercity transportation in the nation as a whole, as well as competitive relationships between air transportation and surface transportation.

Completed prior to the Korean conflict, the forecast is a reasonable prediction of what we may expect in the development of air traffic in the Port District and in the nation over the next thirty years. It was authorized by the Commissioners of the Port Authority as a definitive study to guide us in the long-range planning of airport facilities in the New Jersey-New York area. No one can tell what the future will bring in a mode of transportation and this survey indicates long-range estimates which may require certain adjustments over the years. However, it has been prepared on a basis which permits periodic reviews and facilitates its revision in the light of changing political and economic developments.

According to the Port Authority's 1950 estimates, domestic airlines in 1980 will account for 22 billion passenger miles of travel. This compares with the 7.9 billion estimated by the C.A.A. for 1950. The report suggests that by 1970 air travel will be greater than intercity rail travel; that air transport will carry almost all of the common carrier passenger traffic moving beyond 1,000

Thomas M. Sullivan, Engineer of Airports, consults with Hervey F. Law (right), General Superintendent of Airports, on Port Authority airport plans.

miles, and more than half of the traffic moving between 150 and 1,000 miles, but only an insignificant part of traffic under 150 miles.

We believe that during the next thirty years one out of every four of the nation's domestic air passengers will continue to use the New Jersey-New York Port District's regional system of airports. Although four-fifths of New York's air passengers today are business travelers, future increases in the volume of air passenger travel are expected to come largely from personal travel.

Our 1950 study estimates that common carrier travel between the United States and other countries will double by 1980, and that two-thirds of the international travelers of the future will use air services.

For the nation as a whole air cargo tonnage is expected to increase ninefold by 1980; tonnage in the New Jersey-New York area will grow sevenfold. The market for air cargo will be limited to items moving relatively long distances and for which air speed offers substantial marketing and distribution benefits. Air cargo costs will decline to a point which will justify rates about a fourth lower than present charges. In 1980 it is expected that the New York-New Jersey area will originate 23 per cent of domestic and 25 per cent of overseas air cargo tonnage.

The survey anticipates first-class mail delivery by air wherever such delivery would be quicker than by surface transportation. Under such a policy airmail tonnage would be multiplied seven times by 1980. It is expected that by 1960, 19 per cent of domestic letter mail in the metropolitan area will move by air and 45 per cent after 1965. The Port's share of all overseas airmail will increase from 55 to 65 per cent by 1970. Air parcel post in the area, both domestic and overseas, will increase, but it is not expected to exceed 5 per cent of the total of the district's parcel post.

Certain basic assumptions had to be made in order to conduct such a study, with respect to: (1) growth of United States; (2) business fluctuations; (3) private enterprise; (4) war and peace; and (5) Federal aid to aviation.

For purposes of the study we therefore assumed that the national economy will continue to expand during the next three decades; that there will be cyclical business fluctuations but that we will not have a depression of the magnitude of that which occurred in the Thirties; that the American economy will remain predominantly one of private enterprise; that in spite of political forces restricting free interchange of goods and people, the dominant role of the United States in world affairs will result in an expanding volume of international trade and travel; and that commercial air transport will continue to benefit from Federal and local government expenditures in the field of aviation.

Air Traffic at Port Authority Airports

NEW YORK INTERNATIONAL AIRPORT

	1950	*1949*	*% Change*
Scheduled Passengers			
Domestic	158,961	110,091	+ 44.4
Overseas	221,776	103,244	+ 114.8
Total	380,737	213,335	+ 78.5
Mail (Pounds)			
Domestic	830,767	677,892	+ 22.6
Overseas	4,709,446	1,622,266	+ 190.3
Total	5,540,213	2,300,158	+ 140.9
Scheduled Cargo (Pounds)			
Domestic	4,275,635	3,195,290	+ 33.8
Overseas	9,477,614	4,003,982	+ 136.7
Total	13,753,249	7,199,272	+ 91.0
Scheduled Plane Movements			
Domestic	5,603	5,873	− 4.6
Overseas	9,681	9,195	+ 5.3
Total	15,284	15,068	+ 1.4
All Other Plane Movements	3,991	3,047	+ 31.0
Total Plane Movements	19,275	18,115	+ 6.4

LA GUARDIA AIRPORT

	1950	*1949*	*% Change*
Scheduled Passengers			
Domestic	3,219,033	2,891,132	+ 11.3
Overseas	293,378	324,829	− 9.7
Total	3,512,411	3,215,961	+ 9.2
Mail (Pounds)			
Domestic	25,610,820	22,717,654	+ 12.7
Overseas	4,219,647	6,450,578	− 34.6
Total	29,830,467	29,168,232	+ 2.3
Scheduled Cargo (Pounds)			
Domestic	77,669,271	60,362,375	+ 28.7
Overseas	9,741,002	11,703,600	− 16.8
Total	87,410,273	72,065,975	+ 21.3
Scheduled Plane Movements			
Domestic	125,320	123,707	+ 1.3
Overseas	10,029	15,008	− 33.2
Total	135,349	138,715	− 2.4
All Other Plane Movements	21,121	20,750	+ 1.8
Total Plane Movements	156,470	159,465	− 1.9

NEWARK AIRPORT

	1950	*1949*	*% Change*
Scheduled Passengers			
Domestic	916,066	742,836	+ 23.3
Overseas	——	——	——
Total	916,066	742,836	+ 23.3
Mail (Pounds)			
Domestic	6,209,064	5,783,111	+ 7.4
Overseas	——	——	——
Total	6,209,064	5,783,111	+ 7.4
Scheduled Cargo (Pounds)			
Domestic	100,778,908	70,675,127	+ 42.6*
Overseas	——	——	——
Total	100,778,908	70,675,127	+ 42.6*
Scheduled Plane Movements			
Domestic	65,980	58,044	+ 13.7
Overseas	——	——	——
Total	65,980	58,044	+ 13.7
All Other Plane Movements	23,191	35,419	− 34.5
Total Plane Movements	89,171	93,463	− 4.6

* Figures reflect the transfer of principal domestic all-cargo carriers from nonscheduled to scheduled category by their certification in summer-1949.

NEW JERSEY—NEW YORK REGION

	1950	*1949*	*% Change*
Scheduled Passengers			
Domestic	4,294,060	3,744,059	+ 14.7
Overseas	515,154	428,073	+ 20.3
Total	4,809,214	4,172,132	+ 15.3
Scheduled Mail (Pounds)			
Domestic	32,650,651	29,178,657	+ 11.9
Overseas	8,929,093	8,072,844	+ 10.6
Total	41,579,744	37,251,501	+ 11.6
Scheduled Cargo (Pounds)			
Domestic	182,723,814	134,232,792	+ 36.1*
Overseas	19,218,616	15,707,582	+ 22.4
Total	201,942,430	149,940,374	+ 34.7
Scheduled Plane Movements			
Domestic	196,903	187,624	+ 4.9
Overseas	19,710	24,203	− 18.6
Total	216,613	211,827	+ 2.3
All Other Plane Movements	232,144	271,365	− 14.5**
Total Plane Movements	448,757	483,192	− 7.1**

* Figures reflect the transfer of principal domestic all-cargo carriers from nonscheduled to scheduled category by their certification in summer-1949.
** Figures include Teterboro plane movements as reported by C.A.A.
NOTE: Nonscheduled and contract carriers accounted for 271,811 passengers and 3,996,658 pounds of cargo during 1950.

New York International Airport

Air view of New York International Airport showing terminal area.

New York legislators view the vast New York International Airport from the Observation Deck of the Terminal Building.

The flags of eleven nations are represented by tenant airlines at New York International Airport. This great airport has reached a point of development which renders it capable of efficiently handling the heavy flow of international travel for which speed is so essential in the current world crisis.

In a brief period of thirty months the 4,900-acre airport has been transformed from a Sahara-like stretch equipped with inactive runways, incomplete utilities, a makeshift Terminal Building and Control Tower—all unused and a great burden to the taxpayers of New York—into a vital, properly equipped port for world air traffic whose operational and developmental expenses are not charged back to the taxpayers. In 1950 New York International handled 43.1 per cent of the overseas passengers traveling on scheduled carriers to and from the New Jersey-New York Port District, 49.3 per cent of the overseas cargo moving on scheduled carriers, and 52.7 per cent of the overseas mail handled in the metropolitan area. It is anticipated that by the end of 1951 substantially all overseas service will have been transferred from La Guardia to New York International.

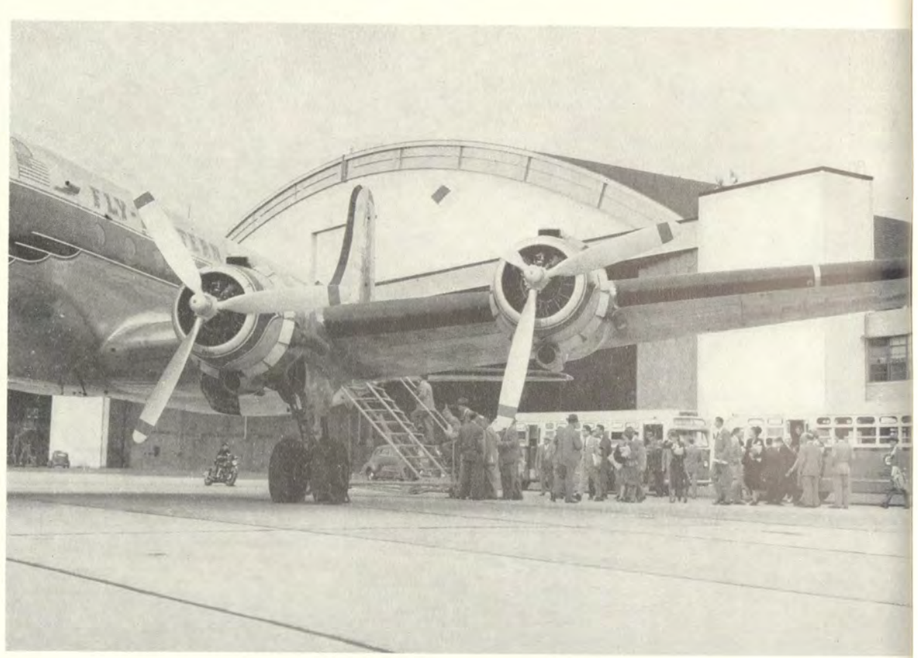
Scheduled domestic passengers at New York International Airport during the year rose to 158,961, as compared with 110,091 in 1949, an increase of 44.4 per cent. Scheduled overseas passengers totaled 221,776, as compared with 103,244 in 1949, an increase of 114.8 per cent.

Scheduled domestic cargo totaled 4,275,635 pounds in 1950 as compared with 3,195,290 pounds in the previous year, an increase of 33.8 per cent. Scheduled overseas cargo totaled 9,477,-614 pounds, as compared with 4,003,982 pounds in 1949, an increase of 136.7 per cent.

The amount of overseas mail handled at International increased from 1,622,266 pounds in 1949 to 4,709,446 pounds in 1950, a rise of 190.3 per cent.

Operating Revenues and Expenses

Gross operating revenues at New York International Airport in 1950 amounted to $1,942,517, as compared with $1,043,487 in 1949. Operating expenses were $1,572,712 as compared with $1,356,952 in 1949. Thus, a net operating revenue of $369,805 was developed at the airport in 1950 before interest and amortization on outstanding Air Terminal Bonds. This compares with a deficit of $313,464 in the previous year. As we have noted in the case of the combined airport picture, it will be a long time before New York International begins to earn the principal and interest



New Jersey State legislators visit one of the great new hangars at New York International.

Avro Jetliner, first jet propelled passenger aircraft to fly in United States, lands at New York International Airport from Toronto.

Governor Dewey with Chairman Cullman

on the Port Authority's heavy capital investment.

Throughout the year, the airport was operated under the terms and charges of a Memorandum of Agreement upon the principles of proposed new base of space and service at New York International Airport—referred to as the Dewey Agreement. The Dewey Agreement was signed in 1949 as a result of the efforts of Governor Dewey, with the concurrence of Governor Driscoll, to arrive at a basis for new contracts at New York International on which to renegotiate the unsound, unworkable 1945 leases between the City of New York and the airlines.

The Dewey Agreement, in memorandum form, was signed on August 5, 1949 by the Port Authority, Pan American World Airways, American Airlines, American Overseas Airlines, Northwest Airlines and British Overseas Airways Corporation. A similar agreement was signed by Transcontinental and Western Air, Inc. in September of the same year, and subsequently by United Air Lines, National Airlines, Air France, SABENA, Scandinavian Airlines System, KLM Royal Dutch Airlines and LAV Venezuela Airlines. The settlement contemplated the preparation of twenty-five-year contracts incorporating the terms of the memorandum agreement, and such contracts are in the course of preparation.

On the basis of the rates set by the Dewey Agreement, the flight fees paid by the airlines in 1950 amounted to approximately 15 per cent of the Port Authority's actual costs for the year of providing the runways and surrounding flight areas for the airlines' use as the New York terminal of their common carrier business.

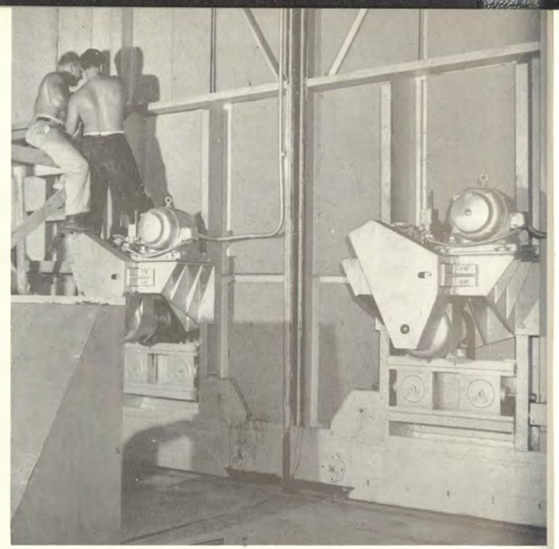
We Make Important Gains in Developing New York International Airport

At the end of the year, the Port Authority had spent or committed $39,936,597 in the development of New York International Airport. Of this amount, $6,528,878 was spent or committed during 1950.

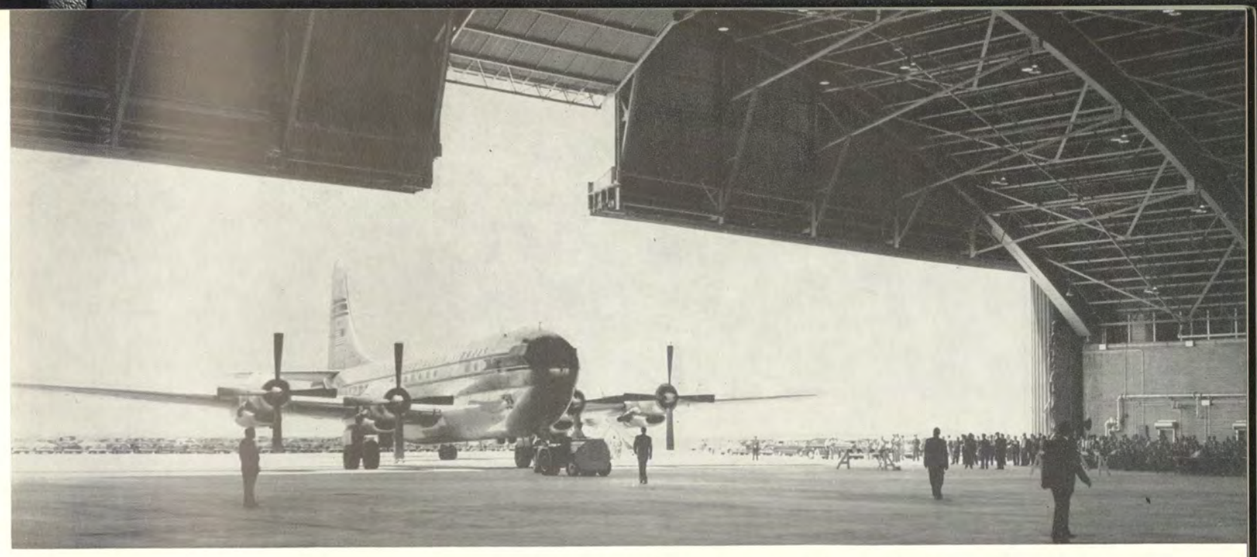
The largest single structural development was that of the three great hangars, identified as

Hangars Nos. 3, 4 and 5. Completed on June 28, the $9,000,000 buildings are the world's largest triple-hinged steel arch hangars. With an over-all area of about 250,000 square feet, or about five-and-three-quarters acres, each hangar floor covers some 65,300 square feet, the size of two football fields.

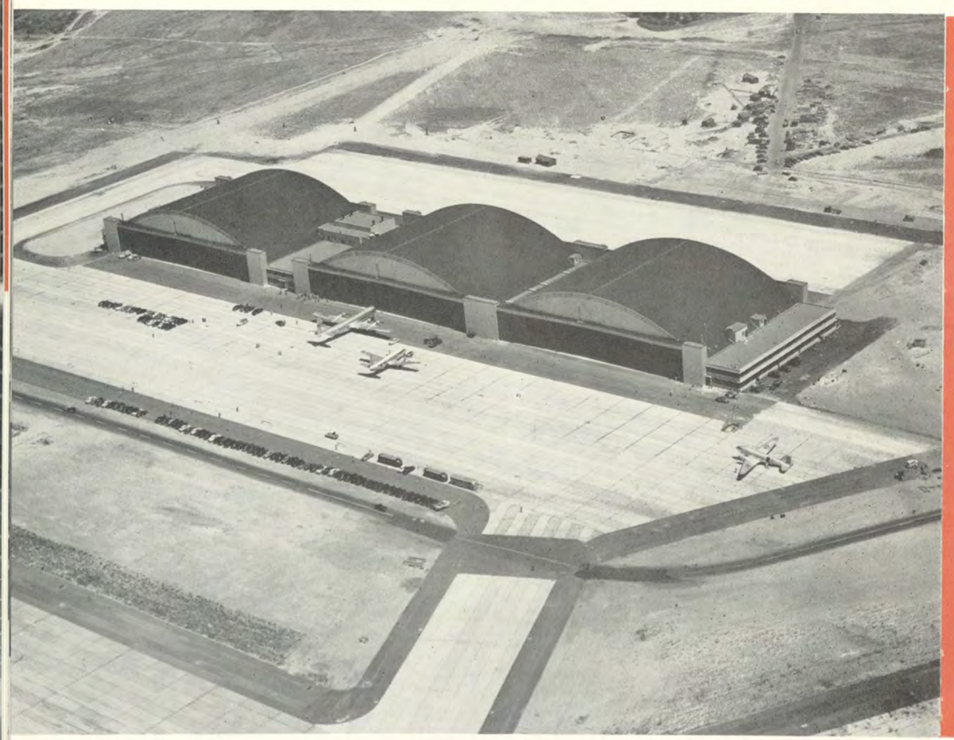
Each hangar can accommodate four Boeing Stratocruisers or six Lockheed Constellation type aircraft. The great aprons on the north and south sides of the hangars are large enough to park seventeen Boeing Stratocruisers, while permitting free access to the hangars. Offices and shops are housed in lean-to structures at each end and between the hangars. Two stories high, they provide an additional gross area of about 108,000 square feet or two-and-one-half acres. A cafeteria on the second floor of the west center building structure can serve more than 350 people. The hangars, leased to Pan American World Airways, Northwest Airlines, British Overseas Airways Corporation and Trans-World Airlines, Inc., will be self-supporting. They were built by the Port Authority in anticipation of their need, and without airline leases or commitments of any kind. They were ready for occupancy at a time when the airlines urgently needed them.



Adjusting the driving mechanism which opens and closes the gigantic doors of the new hangars.



The great doors open and a Pan American Boeing Stratocruiser moves into Hangar No. 4 during the dedication ceremonies of the three new hangars at New York International Airport.



At New York International Airport the world's largest steel arch hangars are viewed from the air.

Before we opened New York International Airport for operations in 1948 we expanded, at a cost of $1,200,000, the small cinder-block terminal building built by the City of New York for the temporary accommodation of basic air terminal uses and passenger handling. During the past year, we spent about $700,000 on a further extension of this temporary terminal, from 39,000 square feet to about 82,000 square feet, to increase the area required for airline federal inspection services, concessions, the Civil Aeronautics Administration, United States Weather Bureau and public waiting rooms. We built a cinder-block addition to the east end of the temporary terminal and a two-story connecting structure between the Temporary Terminal Building and the existing Temporary Cargo Building.

A new Operations-Cargo Building was built in the area immediately north of the present Terminal Building at New York International Airport at a cost of about $1,900,000. This two-story rigid frame structure of reinforced concrete with brick facing is an interesting example of airport planning for the future.

During the next five years, the building will meet the urgent and immediate needs for space for the handling of air cargo, and will also house a general order warehouse, freight forwarders, customs brokers, the airmail field office of the United States Post Office Department, and in-flight kitchens. The first floor of the new structure has an area of over 100,000 square feet with a fourteen-foot ceiling. The second floor adds another 11,500 square feet of office space.

The new addition to the Terminal Building at the International Airport.

The new Operations-Cargo Building

In addition, about 40,000 square feet of paved area has been built around the Operations-Cargo Building for aircraft parking. This space is sufficient to accommodate loading positions for seven cargo aircraft of Stratocruiser size. There has also been provided 180,000 square feet of macadam paved area for roads, automotive parking and sixty-two truck loading positions.

We expect to provide other facilities toward the end of the initial service period of the Operations-Cargo Building, that will meet the then indicated needs of the airlines for the landing of cargo. The present building will then be used by the Port Authority as the central administrative and operations building for the airport—the basic use for which it was designed.

In the meantime, it is anticipated that by April 1951, 30,000 square feet of cargo space vacated in the Temporary Terminal Building will be made available for additional public waiting area, concessions space, airline ticket counters and offices.

Under this schedule, Trans World Airlines and Northwest Airlines will occupy their new counter and office space in the expanded Terminal Building, and Trans-World Airlines will then move its overseas operations from La Guardia to New York International.

Many Additional Improvements Are Made at the Airport

At the end of the year the Port Authority had spent or committed about $6,442,000 on the development of various basic utilities at New York International Airport.

These included, at a cost of $1,700,000, about 96,000 feet of duct banks, each containing from four to ten parallel ducts, to carry the airport's primary electrical power distribution, fire alarm and telephone systems. Wiring and equipment for the basic power and communications systems are being installed at a cost of over $900,000. We completed a $400,000 electrical feeder system between Van Wyck primary substation and Farmer's Boulevard substation, to provide alternate sources of electric power and greater flexibility in the distribution of power throughout the airport.

During the past year the airport's water distribution system was further developed. The Port Authority's total investment in this facility as of December 31, 1950 was approximately $1,500,000. Substantial progress was made during the year in the construction of the new fire pumping station with its utilities, services, auxiliaries and pumping equipment. This improvement of the water distribution system when completed will represent a capital expenditure of approximately $1,300,000. This station will supply sufficient high pressure water to fight two simultaneous fires at any part of the field at the rate of 34,000 gallons a minute at 165 pounds pressure.

We completed our first temporary fuel storage facility in 1949, with a capacity of 600,000 gallons. Increased activity at the airport during 1950 made it imperative to increase this capacity immediately to 1,020,000 gallons. It has been estimated that this will satisfy the fuel handling needs at the airport only until 1952, at which time we believe consumption will be about 4,150,000 gallons a month.

The Commissioners in August authorized the construction of further permanent fuel storage facilities at the airport, to cost about $710,000. Such a facility would increase the fuel capacity to over 4,000,000 gallons, or sufficient to take care of fuel handling needs at the airport until 1960.

We Are Building a New Control Tower at the Airport

During the year the Commissioners authorized the construction of a new Control Tower at New York International. The Civil Aeronautics Administration had found the existing tower, part of the original small Terminal Building built by the City of New York, inadequate for proper observation and control of aircraft approaches and departures and surface activities at the vast field.

The new Control Tower will be 150 feet high and will cost about $900,000. The C.A.A. will advance approximately $225,000 as a Federal grant. At the end of the year the construction contract and subcontract for steel had been awarded.

Other Improvements Total More Than $17,225,000

Among other improvements at New York International Airport previously reported are the $5,000,000 Federal Building occupied by the offices of the Civil Aeronautics Administration, the

International travelers in the new two-story addition to the Terminal Building.

Expanded United States Customs area has speeded up the handling of arriving passengers.

Passengers on Sabena flight arrive in America from Brussels, Belgium.

New York State Senator S. Wentworth Horton, Assemblymen Allan P. Sill and Elijah L. Crump at International Airport with Sidney Goldstein, the Port Authority's Assistant General Counsel, during an inspection of Port Authority facilities by New York legislators.

Famed visitors General Alphonse Juin, Inspector General of the French Armed Forces, and Rene Pleven, French Premier, arrive at International Airport.

Vivien Leigh, passport in hand, arrives at New York International Airport from England en route to Hollywood.

Camera Shop in the Terminal Building

The bookstore in the terminal building.

Civil Aeronautics Board, the United States Weather Bureau and a cafeteria which serves the tenant personnel. We have also spent or committed some $4,192,000 on land acquisition and improvements; $1,519,000 on storm and sanitary sewer system; $6,259,000 on public landing area development; $554,000 on the air terminal highway system and $253,000 on the public vehicular parking area.

Volume of Concessionaire Business Is Increased

The concessionaires at the airport developed increased sales during the year, as compared with the previous year. Enlargement of the Temporary Terminal Building provided two attractive dining rooms for the Dobbs House Restaurant to add to its restaurant, bar and cocktail lounge.

Among other concession businesses now at the airport are a men's shop, camera shop, barbershop, book store, tobacco and newsstand, soda fountain and drugstore, several suppliers of telegraph and cablegram communication services, bank, public telephones and a variety of vending machines.

These concessions simply afford the minimum amenities that are required for passenger comfort and the convenience of visitors in the limited space available in the Temporary Terminal Building. The concessions now available in the Port Authority Bus Terminal afford a better pattern of what is planned for the Permanent Terminal at New York International.

The operation of a modern terminal airport requires, in addition to terminal buildings, runways, taxiways, etc., extensive surrounding air spaces for reasons of aeronautical safety and for future expansion of operational facilities, if the terminal is to stay abreast of aeronautical development over the years. As a result, large land areas are available for productive use — some of the areas on a relatively short term and some on a longer term basis. New York International, Newark and Teterboro Airports typify this situation. The high cost of constructing and operating large modern terminal airports requires the maximum revenue development of these land areas, if the airport is to be operated on a sound financial basis and if charges to operators on the field are to be maintained at a reasonable level.

The proximity of New York International Airport to large population centers, and its excellent access to railroads and highways, make the large land areas temporarily reserved for future aeronautical purposes, potentially productive of substantial revenues through various types of development until needed for aeronautical purposes. Such utilization of this land has always been a basic and essential part of the Port Authority's planning for this and other airports which it operates. It represented a basic phase of the 1946 airport studies. Assurances of such aggressive development were included in our recommendations to the Legislatures of the States of New Jersey and New York, with respect to the airports. They were also included in our agreements with the Cities of New York and Newark and in the prospectus upon which $74,076,000 of airport bonds have been sold to the public.

Operating Revenues and Expenses

Gross operating revenues at New York International Airport in 1950 amounted to $1,942,517, as compared with $1,043,487 in 1949. Operating expenses were $1,572,712 as compared with $1,356,952 in 1949. Thus, a net operating revenue of $369,805 was developed at the airport in 1950 before interest and amortization on outstanding Air Terminal Bonds. This compares with a deficit of $313,464 in the previous year.

French models say hello to America as they arrive at New York International Airport for a ten-week tour of thirty American cities.

Lillian Michalsky at International Airport accompanies her song on a harp acquired on a visit to her grandparents in Ireland.

En route to a field hospital in Korea, a group of Swedish hospital personnel landed at International Airport after a flight from Stockholm.

La Guardia Airport

The problem of air and surface congestion at La Guardia Airport was aggravated in 1950 by the general increase in air traffic in the New Jersey-New York region. During the year La Guardia handled 3,512,411 scheduled passenger arrivals and departures, 87,410,000 pounds of scheduled air cargo and 29,830,000 pounds of mail. Nonscheduled and contract carriers accounted for an additional 118,864 passengers and 14,000 pounds of cargo during this period. The extent of the burden carried by this airport can be appreciated when it is realized that during an average day in 1950, about 10,000 passengers, 82,000 pounds of mail and 240,000 pounds of cargo arrived and departed on about 385 planes. Seventy-three per cent of the scheduled passenger arrivals and departures for the entire New York-New Jersey region was handled at La Guardia Airport.

When facilities are completed at New York International Airport in 1951 to handle all overseas air traffic, it will be possible to relieve congestion at La Guardia. The congestion in the airways into and out of La Guardia, as well as on the ground, will be further relieved following the reconstruction of Newark Airport, one of the major objectives of our regional airport program. The weight of the planes using the airport will undoubtedly have to be limited because of the bearing capacity of La Guardia's unsatisfactory subsoil conditions.

The congestion, which has been complicated by the obsolete layout of the Domestic Terminal Building with its narrow "arcade" for a series of jerry-built unit terminals, will be reduced further by the transfer of all nonscheduled private, executive and corporate type aircraft to the Overseas Terminal which we plan to improve and renovate.

The perimeter dike, which has cost more than $2,000,000, continues, except in times of abnormal tides, to hold back from the airport the waters of Flushing Bay. Before the dike was built, the airport had been submerged six times, and it was believed that within two years one of the runways would have been flooded twice a day by the Flushing Bay tide. Our engineering and operating

Port Authority Operations Supervisor Horace Dimond with Raymond Finnen and Theodore MacEachen in control tower at La Guardia Airport.

forces were able to confine the scope of the damage during the November 25th storm, and by dawn on the following morning planes were operating on limited schedules at the airport. There is no doubt that maintenance of the dike and our efforts to offset the continued sinking of certain portions of the airport nearest the bay, will involve heavy annual maintenance expenditures.

During the year it was necessary for us to resurface sections of runways, taxiways and parking lots at La Guardia. We have repaired depressed areas caused by ground settlement near several of the hangars, as well as on Runway 4-22, near its intersection with Runway 13-21. The hangar access road has been raised to proper grade and black asphalt surfacing has been laid in a large section of previously unpaved parking area.

New and improved radar equipment to aid the landing of commercial transports under bad weather conditions was provided by a new ground controlled approach unit installed by the Civil Aeronautics Administration.

The Port Authority has worked closely with the Civil Aeronautics Administration during the past year in connection with the proposed development of approach light systems at this airport as well as at New York International and Newark Airports. The experience to be gained from the use of the different types of high intensity approach light installations will aid the C.A.A. in determining which system should be adopted as the standard for airports throughout the country, and, if acceptable to other countries, throughout the world. It will also enable the Port Authority to evaluate the use of each system under the conditions existing at our airports.

Operating Revenues and Expenses

Gross operating revenues at La Guardia Airport in 1950 amounted to $1,914,922 as compared with $1,857,580 in the previous year. Operating, maintenance and administrative expenses amounted to $1,800,132; net revenue before debt service was therefore $114,790, and takes into account the November 25th storm damage costs of about $120,000. This compares with a net operating revenue before debt service of $210,755 in 1949 and a net operating loss of $74,234 in 1948. We do not believe that we will earn net operating revenues sufficient to meet debt service requirements at this airport for many years to come.

As we stated in last year's report, current and future financial results at La Guardia are not encouraging, considering the increasing burden of maintenance and rehabilitation costs at that airport. This is the more discouraging in view of the fact that our gross income from hangar rentals (to American, United, TWA, Eastern, Pan American, and Colonial Airlines) is frozen for the next thirty years, under the leases which we inherited from the City of New York, at rentals which actually average no more than 16 cents a square foot. This return is less than half of our out-of-pocket costs for these hangars, excluding any fixed

Ribbon is cut marking the opening of the exhibit building on the observation deck at La Guardia Airport. With scissors is C. S. Jones, President of Academy of Aeronautics, La Guardia Airport; at his left, H. George Harris, Officer of Aeronautical Exhibits, Inc. At right, Robert S. Curtiss, Port Authority Director of Concessions and Revenues, and Augustus Z. Schneider, Assistant to the Executive Director.

charges for depreciation. Furthermore, the leases impose practically all maintenance costs on the operator of the airport.

Landing area fees are also frozen for the same length of time to those same airlines under the old leases, resulting in costs substantially in excess of the gross income received for the use of this area. All in all, leases under which the airlines operate at La Guardia are not encouraging to the future development of New York's first airport.

Concession Business at La Guardia Airport

Concession revenues at La Guardia increased 1.8 per cent this year over 1949 while gross sales

Passengers board a United Mainliner for departure from La Guardia Airport.

increased 3.3 per cent. This was due chiefly to increased revenue from the parking lot operation and the opening of a new gasoline station. The transfer of most foreign flights to New York International Airport adversely affected concession businesses located in the Overseas area, as well as the restaurant business in the Domestic Terminal area. One of the coolest and wettest spring seasons in years caused a drop in the number of visitors to the airport and the Observation Deck.

Among the major concession businesses at La Guardia Airport are a restaurant, a cocktail bar and lounge; parking lots; newsstands; drugstore; soda fountain and cafeteria; gasoline service station; photo shop; florist; haberdashery shop; observation deck; airport guided tour and exhibit building; vending machines; barber shop; hotel and theatre ticket reservation service and an employees' shopping service.

La Guardia has been used as an experimental airport in the field of concession development. When we assumed responsibility for the operation of the airports in 1947 it was obvious that under the existing airline leases the airports could never be self-supporting. The development of a much wider range of concessions than had before been attempted at the nation's airports, and the promotion of airports as recreation centers of the community, were a vital part of our over-all airport program.

Neither the Domestic nor the Overseas Terminal Building at La Guardia was built for the accommodation of anything more than rudimentary concession services. Our concession experiments in and around those buildings have not, however, been as pleasing to the eye as are, for instance, the concessions at the new Port Authority Bus Terminal. But La Guardia has afforded a valuable experimental ground for concession experience that will be reflected in a much more pleasing appearance in the permanent terminal buildings at New York International and Newark.

The Union Newsstand in the Overseas Terminal Building is one of the many concessions at La Guardia Airport.

Mrs. Eleanor Roosevelt christens the Capitaliner, "Spirit of World Peace," at La Guardia Airport. At her left is J. H. (Slim) Carmichael, President of Capital Airlines.

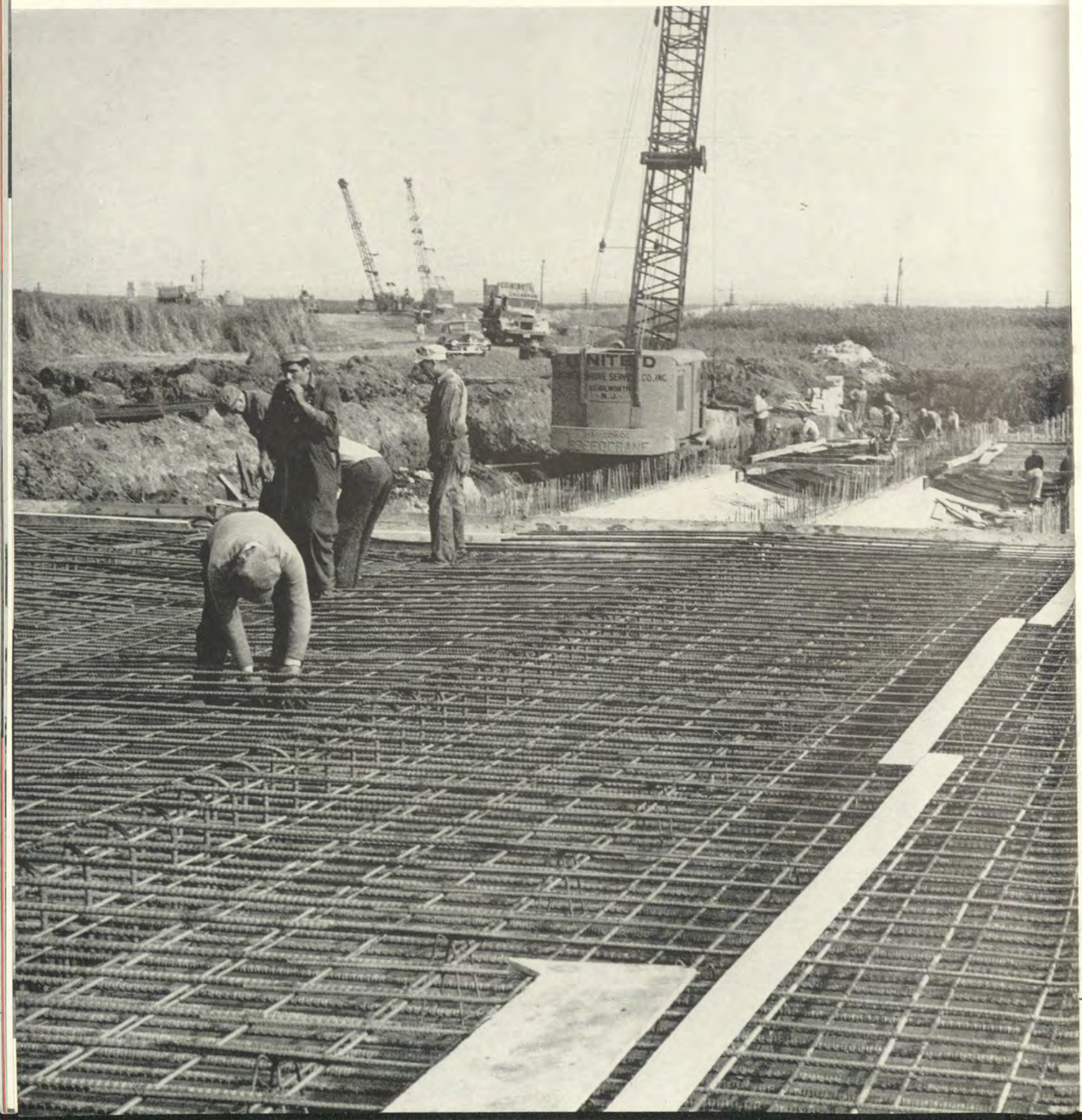
Frankie Harris thinking things over as he is about to board an American Airlines flagship for his return voyage to Germany where his father is with the United States State Department.

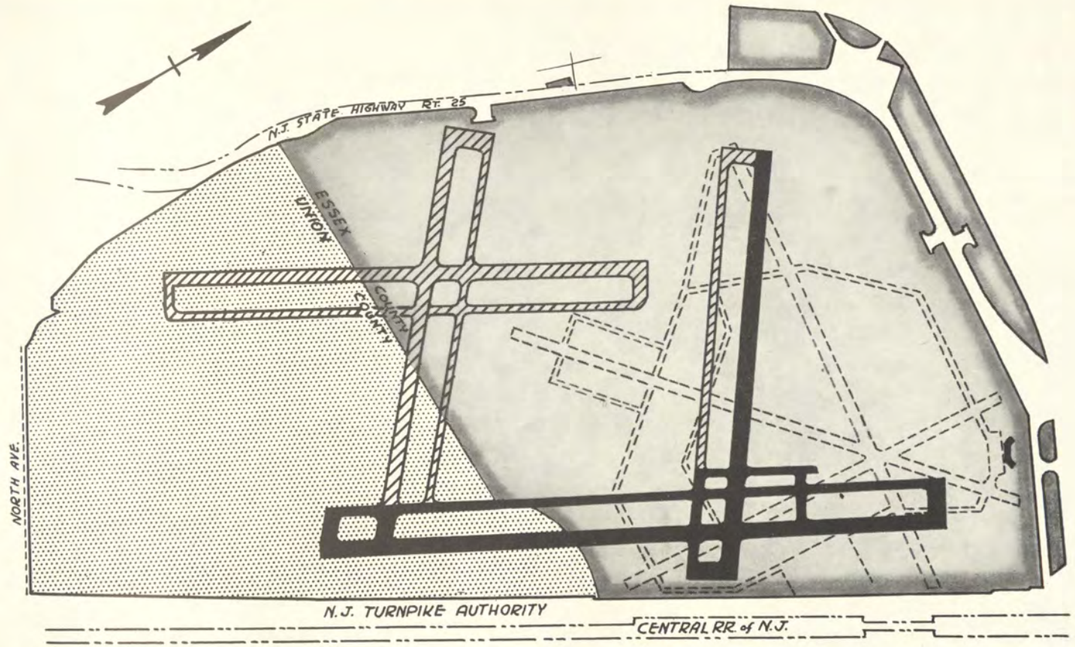
Passenger arriving at Kindley Field, Bermuda, from La Guardia Airport, aboard Pan American World Airways' Clipper, are greeted by the Talbot Brothers. Featuring a type of calypso all their own, the Talbots lend a festive note to the visitors' first impressions of sunny Bermuda.

A group of Public School Principals on arrival at La Guardia Airport.

Newark Airport

Installation of reinforcing rods in culvert at Newark Airport as development of the New Jersey air terminal goes forward.





Map of Newark Airport. Dotted section at left indicates newly acquired acreage in Elizabeth. Black lines indicate two new runways under construction and hatched lines two remaining runways of proposed new four runway plan.

Newark Airport will take a leading role in handling air transport of the future in the New Jersey-New York Port District.

As a result of the enlargement and reconstruction of the Newark landing area and the construction of the new $6,000,000 Terminal Building, we expect the airlines to distribute their schedules more evenly east and west of the Hudson River. This will relieve, to some extent, the congestion that now exists at La Guardia Airport. The construction of the New Jersey Turnpike will make Newark the airport closest to Manhattan, twenty minutes direct from the airport over the Turnpike, the new connections between the Turnpike and the Lincoln Tunnel and then through the tunnel itself to the west side of Manhattan. From the time the airline coach rolls away from the airport, it will encounter no traffic lights or grade crossings.

We expect that traffic at Newark Airport will gradually increase to a point where the airport will handle about half of the long haul domestic traffic and a fourth of the short haul domestic traffic entering and departing from the metropolitan area.

About 1,260 people are now permanently employed at Newark Airport. That number will increase sharply as our development program materializes.

Air traffic at Newark Airport, both passenger and cargo, reached an all-time high in 1950. The scheduled passengers numbered 916,066 as compared with 742,836 in the previous year—an increase of 23.3 per cent. Scheduled plane movements during this period were 65,980 as compared with 58,044 in the previous year, a 13.7 per cent increase. In addition, nonscheduled and contract carriers accounted for 139,340 passengers during

the year, as compared with 92,080 during 1949.

Newark Airport has developed an impressive lead in the handling of air cargo in the Port District. In 1950, 55.2 per cent of the scheduled domestic air cargo in the metropolitan area was handled at Newark as compared with 42.5 per cent at La Guardia Airport and 2.3 per cent at New York International Airport.

In 1950, 100,779,000 pounds of air cargo were handled at Newark Airport by scheduled carriers as compared with 70,675,000 pounds in 1949, an increase of 42.6 per cent. These figures reflect the transfer of the principal domestic all-cargo carriers from nonscheduled to scheduled category by their certification in the summer of 1949. In addition, nonscheduled and contract carriers handled 2,114,000 pounds of cargo during the same period. We estimate that air passenger and cargo traffic at Newark Airport will triple in the next fifteen years.

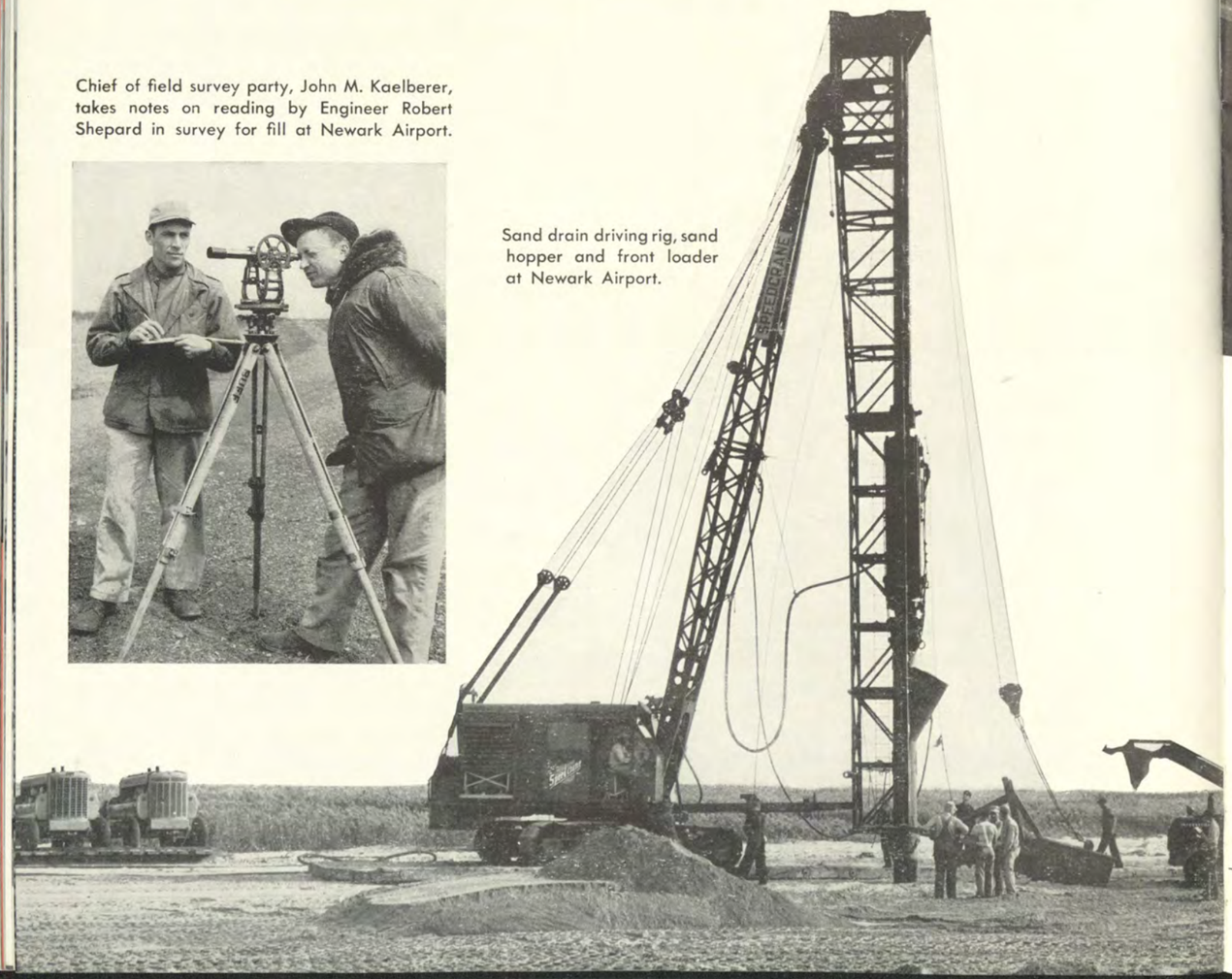
Port Authority Puts Into Effect Its Plans for Major Development of Newark Airport

The subsurface testing and engineering studies which we completed in 1949 indicated that runways with a service life of twenty-five years for use by large transport planes were practicable at Newark Airport. We immediately made plans for the construction of a master four-runway plan for the expansion of the airport.

In order to permit the construction of open parallel runways ranging in length from 6,000 to 9,000 feet, we proceeded to acquire, in accordance with our agreement with the City of Newark, 897 acres of land in Elizabeth, New Jersey. Title to all of the tract, exclusive of the streets and acreage owned by the City of Elizabeth and the State of New Jersey, was vested in the Port Authority by notice in the condemnation proceedings on March 17, 1950. The New Jersey Turnpike will be constructed along the easterly margin of this property.

Following meetings with officials of the City of Elizabeth and the New Jersey Turnpike Authority, an agreement was signed in July in which the City of Elizabeth agreed to vacate portions of Division Street and Bay Avenue within the area acquired by the Port Authority for the extension of Newark Airport. The City also agreed that the

Chief of field survey party, John M. Kaelberer, takes notes on reading by Engineer Robert Shepard in survey for fill at Newark Airport.



Sand drain driving rig, sand hopper and front loader at Newark Airport.

Executive Director Tobin discusses plans for new terminal building at Newark Airport as Commissioners and members of staff view model. Left to right, Chief Engineer Kyle, Mr. Tobin, Port Authority Commissioners Hamilton, Colt, Pope, Lowe, Armstrong, Chairman Cullman, Commissioner Corbin, and Director of Airport Development Glass.

Central Railroad of New Jersey could cross certain local streets in building a new rail connection to an industrial area south of the airport, replacing the present Elizabeth Extension Branch.

Under the Elizabeth agreement, the Turnpike Authority and the Port Authority agreed to construct a new access road to properties east of the airport bordering Newark Bay, by paving North Avenue and extending it to a point 550 feet east of the center line of the Central Railroad of New Jersey tracks. The two Authorities would also provide necessary bridge structures over the turnpike and railroad tracks.

The Authorities, in addition, made a $60,000 deposit with the City of Elizabeth to be applied to the paving of portions of Division Street and North Avenue west and south of the expanded airport property. They also deposited $60,000 in escrow with E. J. Grassman, a representative of property owners in the meadowland east of the Central Railroad of New Jersey tracks, to be applied to the extension further eastward of fill for North Avenue, and for the placement of fill for a new north-south access street to the meadowland. In turn, the owners of the meadowland agreed to make no severance damage claims for the closing of Division Street and Bay Avenue. It is estimated that the final cost of this settlement with the City of Elizabeth will be about $1,084,000, to be shared equally by the Port Authority and the Turnpike Authority.

Determination of the compensation to the owners for the property taken by condemnation has not been made, but an agreement has been reached with the Central Railroad of New Jersey for assignment of all claims for compensation for an area comprising some 850 of the total of 897 acres being acquired. The Port Authority has paid to the railroad approximately $3,000,000, covering all claims for value of this land and also of the Elizabeth Extension Branch of the railroad crossing the area. The amount also covers consequential and severance damages, and the relocation and reconstruction of the railroad's freight line into the properties west of Humboldt Avenue, but does not cover the value of approximately twenty-one acres of land owned by E. J. Grassman, nor the value of state or city lands in the area.

We Are Building Great New Runways at Newark Airport

A contract totaling almost $6,000,000 was let for fill and installation of subsurface sand drains and culverts, as the initial action in the construction of the four new Newark runways. These first two runways, when completed, will have a peak hour capacity of 120 aircraft movements. Aligned in two directions at an approximate 90 degree angle, they will give coverage under practically all wind conditions.

In keeping with our plan for the regional development of airports in the Port District, the new

John R. Wiley, Port Authority Deputy Director of Airport Development (left) and Roger H. Gilman, Assistant to Director of Port Development (right) discuss model of Newark Airport Terminal Building with New York Assemblywomen Elizabeth Hanniford and Gladys E. Banks.

Chairman Cullman acts as a guide during an inspection of Newark Airport by members of the New Jersey Legislature. With Chairman Cullman are (left to right) Senator Anthony J. Cafiero, Assemblyman T. James Tumulty, Senator David Van Alstyne Jr., Assemblymen Lawrence A. Cavinato and John M. Summerill Jr., and Port Authority Commissioner Armstrong.

runways at Newark will be integrated with the regional air traffic control pattern. They are designed to make possible to a great degree the avoidance of residential districts in Newark and Elizabeth for aircraft approaches and departures. The runway placement will permit the ultimate central terminal area to be reached by a surface roadway from Route 25, thus making unnecessary the construction of a costly underpass. Operation of the airport will not be interrupted during construction of the new runway system.

We will build the first two runways, A and D, in the next two or three years, and the remaining two when traffic at the airport requires them.

By the end of the year, over 430,250 cubic yards of sandfill had been delivered to the airport, and put in place for a distance of 3,800 feet on Runway A, at all of the warm-up aprons at the south end of the runway, and for a distance of 600 feet at other locations. A total of 7,777 sand-drains of varying lengths, totaling 116,147 feet, had been driven for Runway A to insure the efficient flow of drainage waters into the basic culverts. In addition, over 68,782 cubic yards of ditch and other excavation work has been done for the diversion of Bound Creek.

Construction of two basic culverts, which will carry millions of gallons of water beneath the surface of the airport, was ahead of schedule at the year's end. We installed 7,486 cubic yards of concrete and 1,213,280 pounds of reinforcing steel, covering an area 890 feet long and 47 feet wide under Runway A and Taxiway T-2, and 418 feet long and 22 feet wide under Runway D.

Our Plans for the Development of a New Terminal Area

At the end of the year, the Port Authority had spent or committed about $13,549,302 on the reconstruction of Newark Airport, and by the end of 1951, our total expenditures and commitments are expected to approximate $20,274,000.

We believe that Newark Airport will realize substantial increases in all classes of passenger

traffic. By 1965, the number of passengers arriving at and departing from the New Jersey air terminal is expected to be 224.8 per cent higher than 1949, or 2,712,000 passengers as compared with 834,916.

The present passenger Terminal Building at Newark Airport, built in 1934, is inadequate to handle the air traffic and concession business there. The public waiting areas are often filled beyond a reasonable capacity. During peak periods the aircraft ramp and apron area is jammed.

Originally the Port Authority hoped to provide a temporary solution to this problem by expanding the present Terminal Building and the surrounding ramp and apron area. The success of this plan depended upon availability of the unused, southerly side of Port Street. In 1948 the Port Authority requested the City of Newark to make that portion of Port Street available. Despite repeated attempts to secure favorable action by the City of Newark in this matter, no action has been taken by the City in the more than two years that have elapsed.

Aware of its responsibility to provide adequate terminal facilities, the Port Authority devoted considerable study in 1949 and 1950 to the type and location of terminal buildings that it was possible to build within the limits of space available and of economic practicability. It was concluded that a permanent Terminal Building in the central area between the new runways would not be economically feasible for some years to come. At the same time it was clearly evident that a terminal building must be provided which has adequate capacity to serve the airport needs for some years to come and which could later be converted to other airport use. Such a building has been approved by the Board of Commissioners of the Port Authority, and the contract for the steel has been let.

The new $6,000,000 Terminal Building will be located between the present Terminal Building and the Brewster hangar. This location provides the most convenient connections with the New Jersey Turnpike and Route 25; there are no clearance problems and all utilities are readily available; the most advantageous use of existing taxiways and runways can be made even after the new runways are built. Existing hangars, the fuel storage area, and the present Terminal Building, which will be devoted to other aeronautical uses, are all adjacent to the site of the new terminal.

The new Terminal Building will be a handsome, modern building of functional design. Although its original use will be as a passenger terminal building, it can be readily converted to other aviation uses. The main floor will provide a total of 93,000 square feet of space: 31,000 square feet of airline office and ticket counter area, 20,000 square feet for concessions of all kinds, 37,000 square feet for a public lobby and waiting area, and 5,000 square feet for offices, utilities and service rooms. A large mezzanine will be provided (43,000 square feet) where an attractive restaurant will be located, together with offices and other facilities.

A 300-foot glass enclosed Observation Deck with an unobstructed view of the field is planned. There will be covered passenger walkways, which will provide comfortable and convenient access to aircraft loading positions and the terminal area. Over 165,000 square yards of paved area will be provided for ramps and taxiways, with room for sixteen plane positions at the outset (the airport now has eight plane positions) and for expansion, if required, up to twenty-two plane positions.

We Make Miscellaneous Improvements at Newark Airport

During the year we completed an access road extending from the south end of the apron paving to the ground controlled approach installations being made by the Civil Aeronautics Administration. Fuel storage tanks and dispensing apparatus were installed for the Texas Company. The entire surface of a 17,000-square-yard area south of the present Administration Building was covered with sealcote, and extensive apron paving and drainage work were completed in midsummer. To relieve peak-hour congestion we added four new aircraft gate loading positions, bringing the total now available to twelve. Extensive alterations and repairs were made at the Control Tower and Equipment Building, including the installation of a covered stairway, air conditioning, and a 550-gallon gasoline storage tank. The obstruction lighting on the Calco stack was virtually completed.

We Take Steps to Increase Airport Revenues Through Land Usage and Concession Development

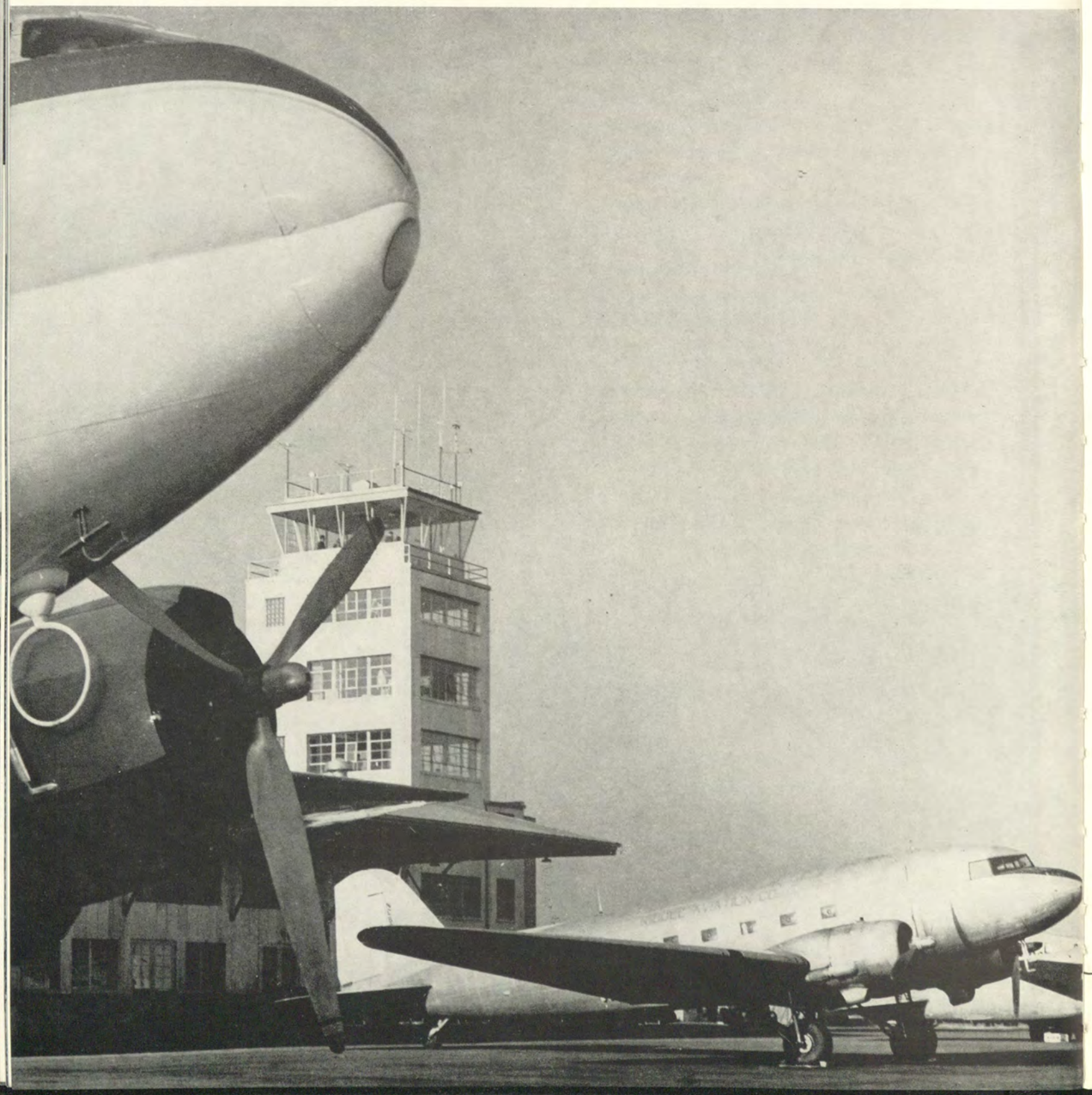
In May 1950, we leased a 22-acre parcel adjacent to Route 25 for a streamlined nine-hole golf course and 45-tee golf driving range, and a restaurant is being developed nearby. In addition, we made available some 25,000 square feet of unused land north of Route 25 for the storage of lumber and we also rented roadside billboard space.

In May 1950, Newarker, Inc., took over the management of the Terminal Building snack bar, increasing the business there so that fees paid to the Port Authority were 32 per cent more than the previous year. The Newarker also has a cocktail lounge and bar in the previously unused space on the second floor of the Terminal Building. Fees from our parking lot in 1950 totaled $63,443 as compared with $44,010 in 1949, an increase of $19,433 or 44.2 per cent.

The Newarker cocktail lounge is a new attraction at Newark Airport.

Cargo Facilities at Newark Airport are inspected by a group of Army Transportation Officers from the Port of Embarkation, Brooklyn.

Teterboro Airport



Weather balloon is released at Teterboro Airport by observers Edwin Cohen and Lee Pavelec of Port Authority maintenance division.

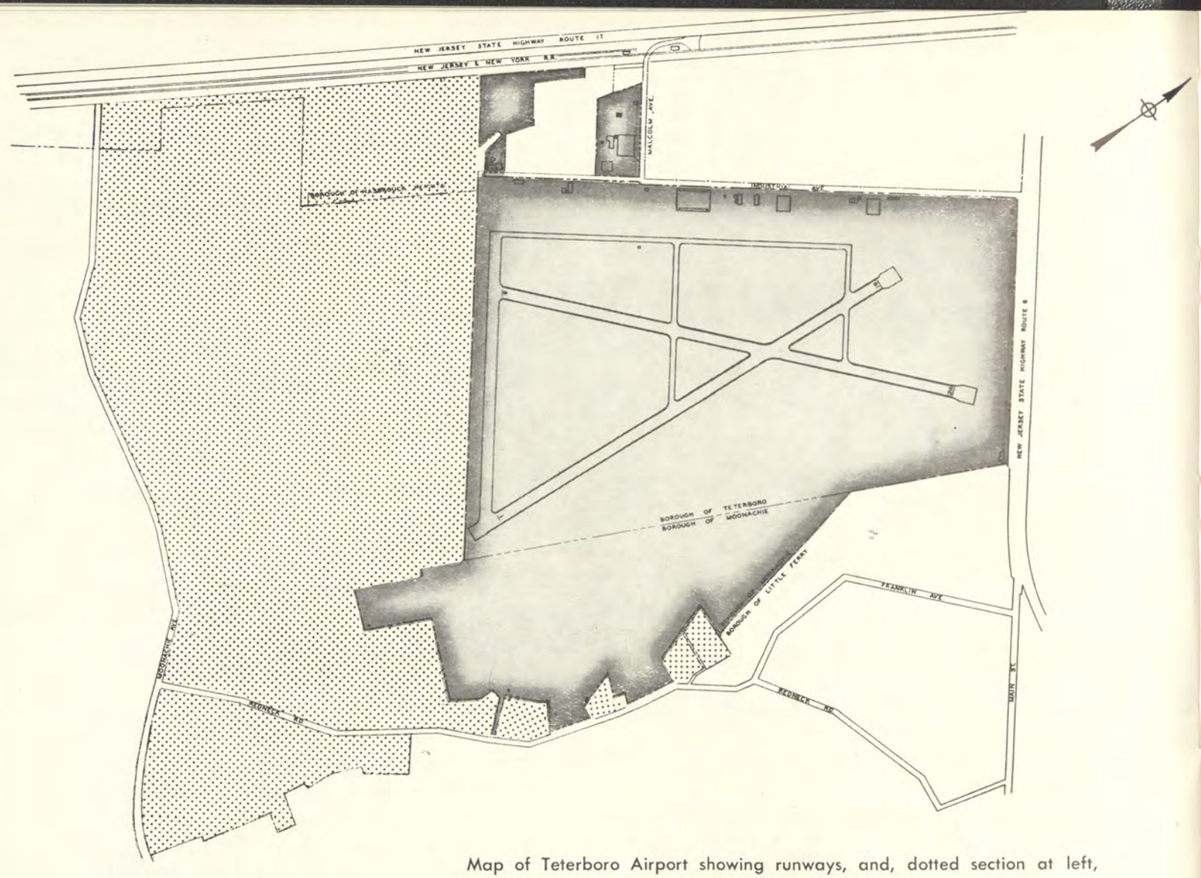
At Teterboro Airport in New Jersey, which is twenty-five minutes from Manhattan's West Side, the principal activities are private, corporate, nonscheduled and cargo air traffic. In 1950 Teterboro handled 183,841 plane movements. Of this number 142,097 were local flights related primarily to aviation school activities at the airport, 5,276 flights were by nonscheduled aircraft, 35,591 by civil itinerant aircraft and 877 by military aircraft. A lack of "G.I." vocational training funds curbed school flying at the airport most of the year. In October, however, there was a sudden increase in local aircraft movements, reflecting some increased school activities as a result of national defense efforts and excellent late fall flying weather.

Following the opening, in December 1949, of Hangar No. 3 as an executive aircraft center, increasing numbers of corporate aircraft have been attracted to the airport, and we expect a continued increase in executive aircraft activities at Teterboro in the coming year.

In June the first air passenger terminal designed for the exclusive use of travelers using nonscheduled airlines was opened at Teterboro. This new facility provided a central waiting room, a grill for light meals, an operations office and limousine service office. A covered area adjoining the building is used for the handling of baggage. Eight planes can be handled on the 200,000-square-foot ramp area in front of the building.

Owing in part to the revocation by the Civil Aeronautics Board of the operating authorizations of various nonscheduled carriers, there has been a critical decline in the volume of nonscheduled passenger and cargo activity at Teterboro. The Puerto Rican service is the only remaining passenger operation, since many of the transcontinental coach type operators have either suspended operations or transferred their equipment to military contracts. Some of them have located at our other airports in the metropolitan district.

Contract cargo operations, of course, have not been prohibited by the Civil Aeronautics Board. Several nonscheduled carriers at Teterboro are conducting cargo operations which they claim fall within this category. These carriers now at Teterboro are developing their cargo business to an



Map of Teterboro Airport showing runways, and, dotted section at left, acreage being acquired for expansion of the property.

extent that no doubt will permit their continued economic development.

We rented 9,000 square feet of space in Hangar No. 3 and one acre of land for automobile parking purposes to the Bendix Aviation Corporation. We also rented space in Hangar No. 3 to Lear Aviation, a regional sales and service office for aeronautical electronic components. The Ballantine Machine and Tool Company, subcontractors for aeronautical manufacturers, have taken space in Building No. 28.

At the end of the year, the Port Authority had spent or committed about $5,328,464 on Teterboro Airport. Of this amount, $3,015,000 represents the original purchase price of the 550-acre airport. Acquired on April 2, 1949, Teterboro is essential to the full regional development of a system of major airports which will ultimately be required to handle the anticipated air traffic in the New Jersey-New York Port District.

In July 1949, we bought the two main hangars and purchased the surrender of outstanding long-term leaseholds on approximately 25.7 acres of the primary terminal area at Teterboro for $1,350,000. Strategically located, the purchase of these properties assured their future use in the public program for the development of the airport.

We have made various improvements at the airport, including the rehabilitation of Hangars Nos. 1 and 3. We resealed and applied special surface treatment to all runways, taxiways and aprons at a cost of more than $46,000.

The Commissioners during the year authorized the purchase of extensive areas adjoining the airport in the Borough of Moonachie to protect the approaches to, and the proposed extension of, the north-south runway of the airport. The acquisition of this property has been under way during most of the year. We have obtained title to numerous parcels through voluntary sale at a cost of $404,000.

Installation of an instrument landing system at Teterboro and the approval by the Civil Aeronautics Administration of a standard radio frequency, permit aircraft with standard ILS equipment to use the airport under instrument conditions. Previously, it was necessary for the aircraft operator to carry specialized equipment in order to operate at Teterboro under instrument conditions.

Operating Revenues

Gross operating revenues at Teterboro Airport amounted to $693,599 in 1950 as compared with $476,539 in the nine-month period of Port Authority operation the previous year. Operating expenses were $661,432 as compared with $461,951 in the 1949 period. The net operating revenue of $32,167 for 1950 was before debt service on the air terminal bonds outstanding, as compared with $14,587 in 1949.

Port Authority Appears Before Civil Aeronautics Board

More and more, in this age of air transportation, it is essential that the New Jersey-New York Port District be equipped with a network of air routes providing the most direct and efficient connections with air centers in the United States as well as abroad. Our four major airports in the harbor region offer the necessary terminal facilities. But the establishment of the routes themselves requires not only airline initiative but also certification of public convenience and necessity by the

Alice Jean May of Englewood, New Jersey, a secretary at Teterboro Airport, recently won 175-mile all-women's air race at Reading, Pennsylvania.

Fred M. Glass, Director of Airport Development, testifies at Civil Aeronautics Board hearing on behalf of the establishment of helicopter service in the Port District.

Civil Aeronautics Board. We therefore appear before the C.A.B. to support the establishment of routes and services in the public interest.

We Participate in Civil Aeronautics Board Proceedings

The Port Authority in 1950 continued its aggressive program of promoting and protecting the interests of the New Jersey-New York Port District in the increasingly important sphere of air commerce. During the year we participated in five Civil Aeronautics Board proceedings.

1. Helicopter Service for the New Jersey-New York Port District

We continued our efforts in behalf of the establishment of helicopter service in the Port District and adjacent areas. We are convinced that it is essential that passenger, mail and cargo helicopter service be certificated to serve the world's greatest transportation center which lies within a radius of fifty miles of midtown Manhattan. It would be of great advantage to air transportation in this region if city-to-airport travel by helicopter were available.

In addition to the advantages of helicopter passenger service, the certification urged by the Port Authority would greatly expedite the delivery of airmail within the metropolitan area as well as in the suburban areas. It would assure the early establishment of helicopter commuting service and promote the use of the helicopter in short haul air transportation. The inauguration of helicopter service in this area would provide vital experience in the use of helicopters for national defense and other emergencies.

The Commissioners were gratified to note that the Civil Aeronautics Board Examiner, in his report to the Board, followed closely most of the Port Authority recommendations. We believe, however, that the Examiner erred in failing to recommend the certification of all types of helicopter passenger service involved in the proceedings. These include service between New York International, La Guardia, and Newark Airports and the various metropolitan centers, between the airports and the various suburban communities in the metropolitan area, and between the suburban communities and metropolitan centers.

On November 15, 1950, the Port Authority filed exceptions to the Examiner's report, stressing particularly the economic justification for the full range of helicopter services proposed by the applicants. On December 29, 1950, a brief was submitted to the Board underscoring the urgent reasons for certification now of the full range of proposed helicopter services in this area. The final procedural step prior to decision by the Board was the oral argument before the members of the Board at which the Port Authority position was presented by our Washington counsel on January 8, 1951. It is expected that this case will be decided sometime in 1951.

2. Seaboard and Western Airlines (Transatlantic Air Cargo)

In 1950 the Port Authority continued its support of the demand-area type, transatlantic, all-cargo service proposed by Seaboard and Western Airlines without request for mail pay support. This unsubsidized air freight service offers the shipping public of the Port District and other points served by Seaboard, the flexibility required to meet shipping demand when and where it exists on an economical operating basis. Certfication of a demand-area service would enhance the development of overseas bulk air shipping techniques.

On September 15, 1950, we filed twenty-five exceptions to the Examiner's unfavorable report on this case, following them with a brief on October 12 and oral argument by our Washington counsel on November 13, giving strong support to the points outlined in our exceptions.

3. Transcontinental Coach Type Service

In a brief filed in April 1950, the Port Authority continued support of low cost, coast-to-coast air coach service. There is no doubt that the public has expressed a desire for such service and the airlines have proved that it can be furnished at a profit. Pending its final decision, the Civil Aeronautics Board has approved such service on a trial basis. Cross-country coach service has been furnished by two of the largest scheduled transcontinental carriers since the latter part of 1949.

To the extent that this type of service is being operated, one of the objectives of Port Authority intervention has been satisfied. The Examiner's report issued on November 22, however, failed to recommend a final decision as to whether permanent transcontinental coach service was required in the public interest and whether it could be operated on a profitable basis.

In exceptions filed on December 18 and in its brief to the Board filed on February 2, 1951, the Port Authority urged that the Board give immediate and clear-cut approval to transcontinental air coach service. The Port Authority has not taken sides as to whether scheduled or nonscheduled lines should perform this service. It has contended, however, that reduced fares for this service would tend to expand the air travel market and that the air carriers could operate the service profitably at reduced costs.

4. Additional Air Service, Puerto Rico-New York

We continued our support of the proposed certification of additional direct nonstop scheduled air service between the Port District and Puerto Rico, in oral argument before the Civil Aeronautics Board in June 1950. In view of the clearly established community of interest between the New Jersey-New York Port District and Puerto Rico, we have urged that additional and competitive nonstop service between the two points is necessary if the full potential of air traffic between the two areas is to be realized. On January 23, 1951, the Civil Aeronautics Board granted Eastern Air Lines' application for a certificate for direct nonstop scheduled air service between New York and Puerto Rico for a temporary five-year period. At the same time, the Board also granted Riddle Aviation's application to operate scheduled all-cargo service between New York and Puerto Rico via Miami.

5. National Airlines Dismemberment Case

During 1950 the Port Authority attended hearings in this proceeding originally instituted in 1948 to determine whether National Airlines' route system should be dismembered because of the company's alleged poor financial position and questionable earning power.

The Port Authority has continually maintained that the early postwar financial ills of National which led to the investigation were common to the entire industry at the time and were not a logical basis for singling out National's routes for dismemberment. The Port Authority has further pointed out that the continuance of National as a single airline was essential to the air trade and commerce of the Port District; that its routes constituted a logical air service pattern; and that National had operated above the average of all airlines in terms of the usual efficiency factors. In the meantime National has earned substantial profit, and it now appears unlikely that the Board will order* the dismemberment of the line's route system.

*The Board, on March 19, 1951, decided that the position of National within the air transportation system had improved so substantially since the proceeding was instituted that there was no basis for dismemberment and that the proceeding should be terminated.

New York City Police Helicopter lands on Port Authority helicopter landing platform atop the sixteenth floor of the Port Authority Building. Empire State Building in background at right. The helicopter landing platform will be regularly used by the Port Authority helicopter as well as for emergency helicopter landings.

Rolls of newsprint, imported in large volume through Port Newark, are shown being hoisted from the hold of a freighter in from Canada.

3 Marine Terminals

Port Newark

The Port Authority in 1950 made notable progress in its development and promotion program at Port Newark. New facilities were added, old ones were improved, and business and employment were increased. It was on March 22, 1948 that we assumed responsibility, under a fifty-year lease agreement with the City of Newark, for developing and operating what was then a deteriorating though vital part of the New Jersey-New York Harbor. We lost no time in putting our program for the Port into effect, and by the end of 1950, we had spent or committed about $8,444,000 on our improvement program.

The Newark Municipal Yearbook for 1949-50, referring to Port Newark and Newark Airport jointly, makes this statement: "These local facilities have now become two of the most important factors in the great metropolitan system of transportation and terminals. Sea and air cargoes handled by these two facilities in 1949 represented an all-time high and were still increasing in 1950."

Record ocean cargoes moved through the great New Jersey Port in 1950, showing an increase of 10.6 per cent over 1949, and 62.7 per cent over the best previous tonnage during the twenty-eight years of municipal operation. Under City of Newark sponsorship, for the period 1918 through 1944, the average monthly gross revenue at the Port was $11,080. During the initial period of Port Authority operation, March 22, 1948 through December 31, 1949, the average monthly revenue was $45,000. During 1950 the average monthly revenue amounted to $82,000, or seven and a half times the average monthly revenue during city operation.

Ship berthings at Port Newark showed a steady increase during the past year. An increase of 187 vessels, or 33.4 per cent, was developed when we recorded 747 ocean carrier calls as compared with 560 in 1949.

Operating revenues at Port Newark for 1950 amounted to $984,077. Operating, maintenance, administrative and development expenses totaled $973,174, resulting in a net operating revenue before debt service of $10,903. This revenue would have been greater had it not been for expenses of $40,000 incurred as a result of the

Among the most modern port facilities in existence is Cargo Terminal Building No. 138 at Port Newark, one of two similar structures at the seaport completed in 1950 at a cost of $2,500,000.

November 25th storm. We anticipate the need of expending greater than normal amounts on rehabilitating and improving old and deteriorated structures during the next few years.

When we took over the Port, the job we had to do might have been compared with what would be required for the restoration and modernization of a tumble-down house; and we are glad to report that we have completed, or have well under way, many of these "housekeeping" improvements.

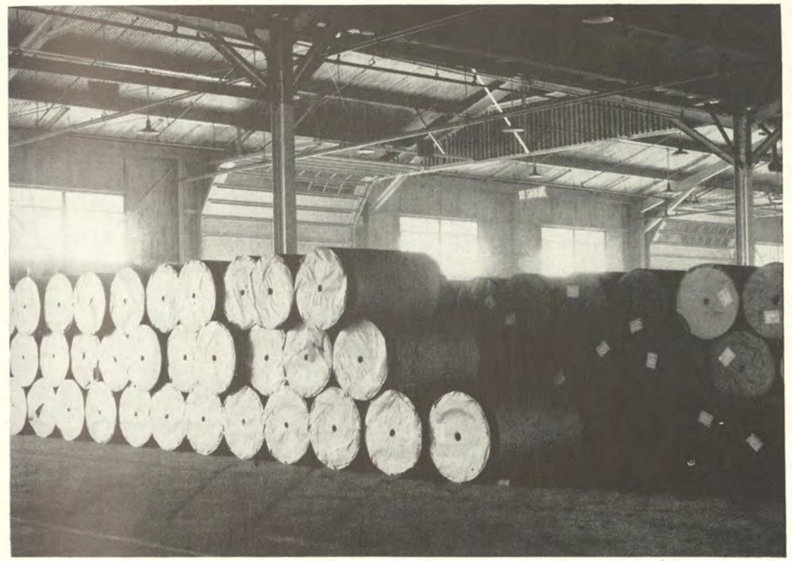
Additional Workers Are Employed at Port Newark as a Result of Our Development and Promotion Program

Employment rolls climbed higher than ever at Port Newark as a result of the increased tonnages, new tenant leases and the rehabilitation and development of the Port's facilities. There are now 1,629 people at work at Port Newark, exclusive of Port Authority personnel and warehouse agents. This compares with 1,510 last year, an increase of 8 per cent. The regular annual payroll at the Port now exceeds $5,300,000; in addition, longshoremen, carloaders, clerks, checkers, and other miscellaneous laborers earned about $3,500,000 in 1950. Workers at Port Newark are now earning yearly about $3,500,000 more than they were prior to our undertaking the responsibility for the Port's development and operation.

We Make Fine Progress in Our Improvement Program

As previously stated, since beginning our improvement and rehabilitation job at Port Newark, we have spent or committed about $8,444,000 in order to convert the Port to a first class modern marine terminal.

On May 24, 1950, celebrated in the Port of New York as World Port Day, we dedicated two new



Ample storage space is one of many unusual features of Port Newark. Here Canadian newsprint is stored in one of the new cargo terminal buildings.

Cargo Terminal Buildings which the Port Authority built at a cost of about $2,500,000. The ceremony was attended by about 1,000 guests, including public officials, representatives of civic organizations, shipping and other business interests. The new terminals, located on the south side of the channel, were put into immediate use. Comprising some 90,000 square feet of storage space each, they have more than proved their importance to the welfare of Port Newark and the whole Port District through their efficient handling of ship cargoes.

The United States Army Engineers, reimbursed by the Port Authority in the amount of $296,000, deepened the Port Newark channel to 35 feet, as compared with its previous depth of 30 feet, for the handling of modern deep-draft vessels.*

We redecked the north wharf in the area leased from the United States Navy, at a cost of about $142,000. Greenheart durable lumber has replaced the badly decayed soft wood decking, which had made the wharf virtually unusable.

*Bids for the second section of the 35-foot Federal project in Newark Bay, from Bergen Point to the Port Newark approach channel, have been solicited by the United States Army Engineers. Foresight in progressing this channel deepening has been justified even before completion of the work, since some of the large intercoastal ships require almost full project depth to navigate at low tide.

On the north side of the channel in the Coastal Oil Company's leased area, we also reconstructed, at a cost of $117,700, the timber wharf for the handling of bulk oil tankers. When we entered Port Newark, the wharf was a total wreck.

Marine Terminal Bureau representatives J. M. Hayes (left) and J. L. Eyre (center) solicit cargo from a shipper, H. L. Francis, Koppers Co., Kearny, N. J.

Mechanized cargo handling equipment puts on a show for spectators at the dedication ceremonies for the new cargo terminal buildings at Port Newark. Large and small fork lift trucks are shown.

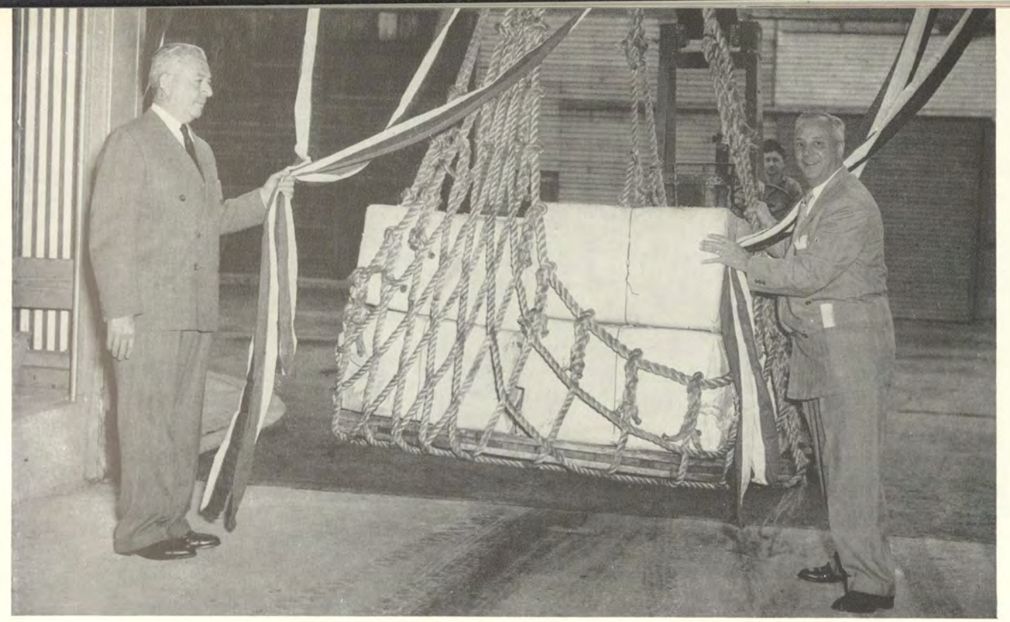
In 1950 we also completed the rehabilitation and improvement of Cargo Terminal Building No. 2 and the rebuilding of the adjoining wharf on the north side of the channel. This job cost about $550,000.

We continued our track rehabilitation program at the Port, replacing crossties and switch ties. Since we undertook to put the tracks into good operating condition, 29,837 lineal feet of track have been rehabilitated. We spent $125,000 on this part of our rehabilitation program during the year, bringing to $332,000 the total amount expended on the railroad track at the Port since the Port Authority commenced operations.

Our Aggressive Promotion Increases Port Newark Business

Our Marine Terminal Bureau continued its aggressive promotion of Port Newark facilities

Matthias E. Lukens, Port Authority's First Assistant to the Executive Director, with Congressman E. H. Hedrick of West Virginia, during an inspection tour of the New Jersey-New York Port.



The new cargo terminal buildings at Port Newark are opened officially. As Vice Chairman Byrne (left) and Mayor Ralph A. Villani of Newark hold streamers aside, a mobile crane enters Cargo Terminal Building 138.

and services, with the result that tonnages reached an all-time high. In 1950 we handled some 1,687,967 tons of ocean cargoes, an increase of 162,104 tons, or 10.6 per cent, over the 1,525,863 tons handled in 1949. In addition to the ocean cargoes, 2,420,434 tons of sand moved over Port Newark wharves during the year, for use as fill in the construction of runways at Newark Airport, and the New Jersey Turnpike.

Throughout the year negotiations and discussions took place between Marine Terminal Bureau representatives and steamship lines, manufacturers and shippers, as well as railroads, trucking firms and others providing transportation to and from the Port. A survey of more than 1,000 major industries in Northern New Jersey was undertaken to furnish information on potential imports and exports for handling by steamship lines at Port Newark.

As a result of this comprehensive business development program, many new commodities came to the Port, including pineapples from Hawaii and the Philippine Islands, crude rubber and copper from the Malay Peninsula, toys and chinaware from Japan, newsprint from Quebec, chick peas from Mexico, steel rail from Belgium, pine lumber from Brazil, sperm oil from Holland, doors from Sweden, granite from Vermont and aircraft destined for Western European countries through the Mutual Defense Assistance Program. These new commodities alone, during 1950, amounted to over 45,000 tons.

As the leading lumber port on the East Coast, Port Newark handled 326,529,280 board feet (437,315 tons) in 1950, an increase of 118.8 per cent over the volume of the preceding year. Mild weather during the winter months of 1949-50 resulted in a decline in use of fuel oil and kerosene, and the movement of such products at Port Newark, therefore, also was reduced, from 948,610 tons in 1949 to 844,120 tons in 1950.

As a result of our efforts, Scandinavian and West Coast wood pulp continued to move through Port Newark and was slightly increased in volume to 59,299 tons as compared with 56,543 tons in the previous year. Owing to the world-wide woodpulp shortage and the extra ocean freight rate of one dollar a ton charged against the New

At the Port Newark cargo terminal dedication, left to right: Chairman Cullman; Attorney General Theodore D. Parsons of New Jersey; Mayor Ralph A. Villani of Newark; Vice Chairman Byrne; City Commissioner Leo F. Carlin, Newark.

Two visitors from Indonesia call on A. L. King, Chief of the Port Authority's Marine Terminal Bureau. Left to right: A. F. Ompi, Indonesian Supply Mission; N. Guldenaar, Harbor Advisor, Indonesian Government; R. W. Cruikshank, Isthmian Steamship Company; Mr. King.

Jersey-New York Harbor, including Port Newark, a charge which was not assessed against any competing port, the further development of pulp tonnage was retarded. As the year ended, aided by wood-pulp importers and consumers, we filed a complaint with the Federal Maritime Board charging discrimination and asking for the removal of the one dollar ocean freight rate penalty.

We expect to make available a large area on the south side of the channel for development, by a private operator, of tanks and other facilities for storage of vegetable oils and other non-petroleum liquids. Numerous requests have been received for more facilities on deep water in the New Jersey-New York Port for the handling of imported castor, cocoanut, linseed and palm oils, fuel oils, latex, liquid sugar and molasses.

The program of the Federal Government in accelerating the stockpiling of vegetable oils used in steel-making and for other defense purposes, lends added significance to this project.

We Bring New Steamship Lines to Port Newark

Through the activities of our Marine Terminal Bureau several steamship companies are using Port Newark for the first time. The Arrow Line, operated by Waterman Steamship Line as agent, which began to operate at Port Newark during the year, in December was awarded a six-months preferential permit for the use of Cargo Terminal Building No. 2 on the north side of the channel, which, as previously stated, we had completely rehabilitated at a cost of $550,000.

Port Newark Is a Major Distribution Center for Canned Fruits and Vegetables

In 1950 we brought to a successful conclusion our efforts to promote Port Newark as a major distribution center for canned fruits and vegetables in the Port District, an increasing volume of these commodities coming here from California by water. We leased to the Luckenbach Steamship Company, Inc. our Cargo Terminal Building No. 138 which we built on the south side of the channel, for a ten-year period, at an annual rental of $110,600. The Luckenbach and American Hawaiian Lines now discharge eastbound cargoes at this building, while they continue to pick up westbound freight at Newark Tidewater Terminal on the opposite side of the channel.

The Board of Commissioners at the end of the year authorized the construction of a $1,257,000 warehouse, immediately south of Cargo Terminal Building No. 138, for waterside storage of grocery food items and other commodities handled by intercoastal water carriers. We leased to Hunt Foods, Inc. for a period of five years a 43,200-square-foot building on the south side of the channel, near Cargo Terminal Building No. 138. The third largest fruit and vegetable packer in the United States, with seventeen canneries on the Pacific Coast, Hunt Foods expects to use Port Newark for the storage and distribution of 1,500,000 cases of canned foods a year.

Additional Port Newark Buildings Are Leased

The Mayor's Fact-Finding Committee on Building Conditions, in May 1950 reported: "There has been considerable industrial construction in the Port area and Ironbound district. Several of these plants are the result of improved port facilities under Port of New York Authority operations."

In addition to our lease with Hunt Foods, Inc., through our Marine Terminal Bureau we have negotiated a number of leases on other Port Newark buildings to bring added business and employment to the entire Newark area. In this effort, local realtors of the Port District have been most helpful.

We have leased to the Quality Container & Paper Products Company a 39,700-square-foot building on the south side of Newark Channel for a ten-year period. Materials used in the manufacture of the paper products come to Port Newark by water.

The Evans Warehouse Company, Inc. increased its Port Newark operation to 45,070 square feet from the previous 14,400 square feet. Metro Lumber Company and the G. & G. Lumber Haulage Company also added to their leased space.

The Vermiculite Industrial Corporation signed a five-year lease on Building No. 8 to handle South African vermiculite used in building construction, thus bringing another new product to Port Newark. Building No. 86 was leased for three years to the K & S Electric Sales & Service Company, a firm engaged in vessel repairs, adding a valuable service to shipping at the Port.

One of the largest Pacific Coast lumber importers, the Ballmill Lumber and Sales Corporation, leased for ten years two buildings and four acres on the south side of the channel. This lease will provide added space for the corporation, which is already operating at Port Newark.

We Sign a Fifty-Year Agreement on Gas Pipeline

During 1950 we signed a fifty-year agreement granting permission to the Transcontinental Gas Pipeline Company for the transportation of natural gas from Texas to the New Jersey-New York Port District through the Goethals Bridge, Port Newark and Teterboro Airport properties. For this we received $70,843 as a lump sum settlement based upon a formula widely used in establishing rentals for such purposes.

Port Newark Services

A $35,000 diner on the north side of Port Street opposite the Tidewater Terminal property entrance provides good food, reasonably priced, for seaport personnel working on the north side of the inshore channel. The diner was erected by an outside firm to whom it was leased for operation. A second diner is under construction near the Port Newark Administration Building for workers on the south side of the channel.

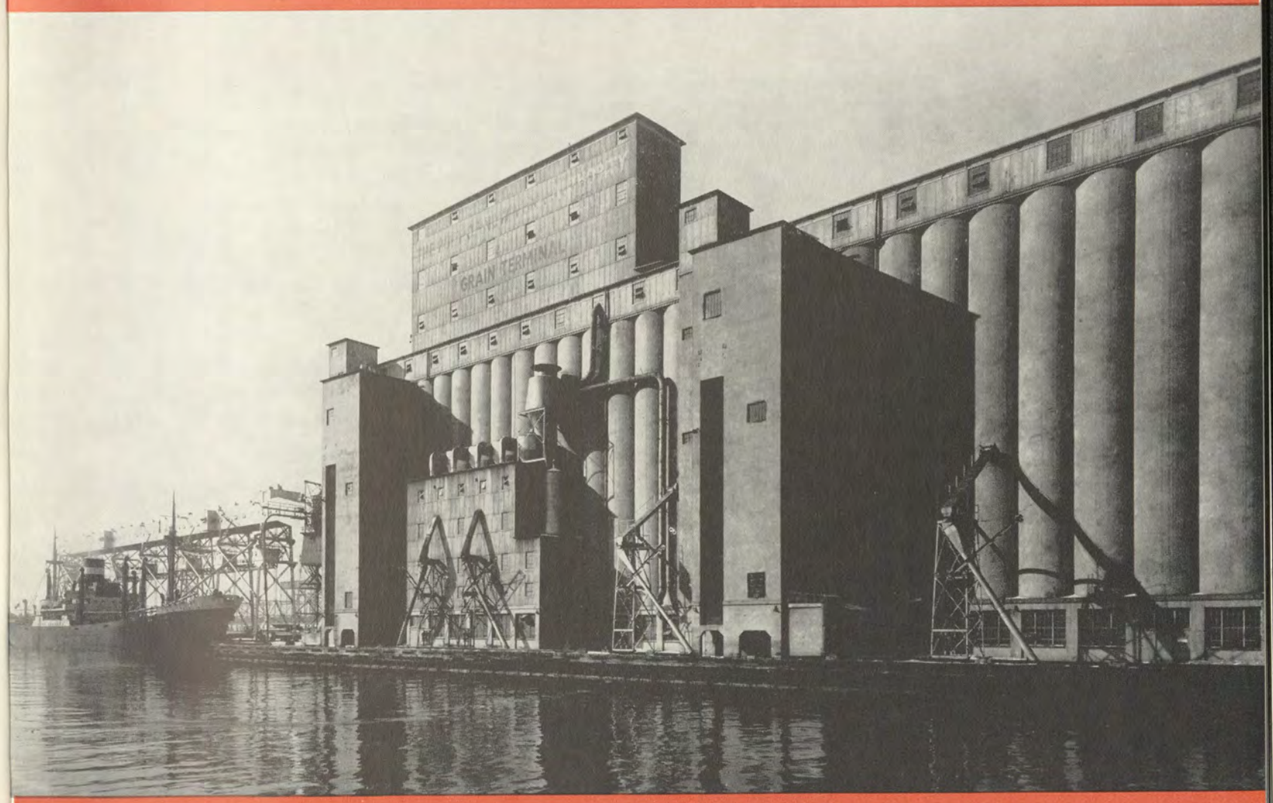
A taxi service, automobile parking area, mobile food service and vending machines at Port Newark provide additional needed conveniences for personnel, as well as concession revenues.

Port Authority Grain Terminal and Columbia Street Pier

Port Authority Grain Terminal

The Port Authority Grain Terminal and Columbia Street Pier on the Gowanus Canal in Brooklyn continued to render an important public service and returned satisfactory net operating revenues. During the year just past our net operating revenues totaled some $651,843, as compared with $643,377 in 1949. This increase reflects the Port Authority's continuing program of rehabilitation and improvement of the Grain Terminal properties as well as our intensive promotional efforts. Before transfer to the Port Authority by the State of New York, the facilities failed to earn sufficient revenue to provide proper maintenance. In addition to the $500,000 which we paid to the State for the properties, we have spent some $2,248,771 in rehabilitating and improving them. Thus our total investment at the end of 1950 amounted to $2,748,771. We are particularly proud to say that the Grain Terminal and Columbia Street Pier now rate among the most modern and efficient marine terminal facilities in the entire New Jersey-New York Port.

We have constructed a new Grain Pier and a new Grain Gallery at the Grain Terminal property, among other major improvements. We have also leased five acres of upland storage area for lumber distribution. All of these Grain Terminal improvements have given employment to many workers and have reduced shipping costs, particularly on the large volume of lumber going to Long Island and Westchester. Total operating, maintenance and administration expenses of $330,291 at the Grain Terminal and related pier properties represent a decrease of $8,886, or 2.7 per cent, under 1949 expenses.



The Port Authority Grain Terminal with loading gallery at left and a freighter alongside taking a grain cargo.

Business Is Greatly Improved at the Grain Elevator

During 1950 more than 6,100,000 bushels of grain were received at the Port Authority Grain Elevator. About half of this — over 3,300,000 bushels—was brought to the elevator for treatment and inspection from the Federal Government's Hudson River "Moth Ball Fleet."

Under an agreement between the Port Authority and the harbor railroads, grain destined for export through the Port Authority Grain Elevator

for storage will be directly assessed the lower rail freight rate charged for export grain, effective March 15, 1951. Previously, under a cumbersome procedure, grain moving into the elevator was charged the higher rail rate for domestic movement, and a refund was later made on proof of exportation. The Port Authority has posted a $50,000 surety bond to guarantee that grain, under the export freight rate, is actually exported.

Lumber Shipments Increase Use of Port Authority Grain Pier

The use of the Grain Pier for the berthing of vessels bringing lumber to our public open storage area, as well as for loading grain, in 1950 raised the occupancy to 63 vessels working cargo for 192 ship days. This compared with 37 vessels for 137 ship days in 1949. Part of this increased business was brought about by the heavy movement of inspection and treatment of grain for shipment overseas.

Columbia Street Pier Business Also Improves

The Columbia Street Pier in 1950 was used by 98 vessels for 441 ship days, as compared with 80 vessels for 342 ship days in 1949. These vessels handled 179,000 tons of cargo as compared with 152,000 in 1949.

Of the 98 ships using the pier during the year, 87 were those of the Fern Line and the Isthmian Steamship Company, the two lines holding preferential permits on the west and east sides of the Columbia Street Pier, respectively. The remaining eleven ships were accommodated during the slack periods of the regular users.

A preferential permit system is used in many other ports but is unique at the Port of New York. Under this system each steamship line is awarded a six-month permit with preferential right to use the two berths on its side of the pier on payment of a fixed fee plus ship dockage and wharf usage charges. We retain the right to assign vessels from other steamship companies to any berth not scheduled for occupancy during a fourteen-day period. Under this system we not only increase our revenues but make available much needed pier space for use by other vessels.

Public Open Storage Area Handles Water-Borne Lumber

In 1949, after partially paving and fencing a five-acre area of our Grain Terminal property, we rented it to Beard's Erie Basin for use as a public open storage area for lumber.

In 1950 the area was used for the handling of about 67,300,000 feet of lumber destined for use in the New York-New Jersey region. During 1950, as in the preceding year, more than half of all the lumber moving into the Port District was handled at the Port Authority Grain Terminal and Port Newark.

New Jersey Water-Front Proposal

Another year passed without constructive action on our $30,000,000 proposal to improve the Jersey City and Hoboken water fronts.

In November 1947, the Port Authority was requested by Governor Driscoll to resurvey the water front to determine the physical and economic practicability of pier and terminal construction along New Jersey's long neglected water front within the Port District. The report on the resurvey was submitted to the Governor and was released for publication by him on February 14, 1949.

During the past year we indicated our continued readiness to undertake to furnish pier improvements recommended in our original proposal. We met with municipal officials and representatives of railroads and local industries who would be affected by this water-front development in the hope that a way might be found to carry out plans suggested in our proposal.

Our 1949 report to Governor Driscoll recommended the immediate construction of a $13,000,000 two-pier marine terminal at Jersey City; the $17,000,000 restoration and development of the important piers owned and operated by the United States Maritime Commission at Hoboken; the use of part of the Bayonne Naval Base as a modern commercial marine terminal; also the consolidation of railroad terminals on the water front, the establishment of all-rail joint rates to permit through-routing to all water-front points, and an adequate reciprocal switching arrangement between railroad companies. The report also urged the expenditure in the New Jersey-New York Harbor of a more equitable share of the Federal funds annually appropriated in this country for channel improvements. Suggestions were made for improved highway access to the water front. All construction figures in our New Jersey water-front proposal were based upon 1948 costs.

We Ask the United States Maritime Commission to Lease to Us the Government-Owned Piers at Hoboken

On January 6, 1950 the Port Authority, on behalf of the State of New Jersey and at the request of Governor Driscoll, asked the United States Maritime Commission to lease to the Authority at the rate of one dollar a year for fifty years the Government-owned piers at Hoboken. Under the terms of the Authority's proposal to the Maritime Board, the bi-state agency would undertake to rehabilitate and improve existing Hoboken Piers Nos. 1, 2 and 3, and to construct a great new double-deck freight pier, the finest on the Atlantic Coast, at an estimated cost of $17,000,000.

The piers would revert to the Federal Gov-

Lumber from the Pacific Coast to ease the housing shortage is stored in great volume in the large upland space at the Port Authority's Columbia Street Pier.

ernment in the event of, and for the duration of, a national emergency, provided that the Federal Government would undertake the expenses incident to bond interest and amortization for the period of its occupancy of the property. Title of the facilities would be transferred to the Federal Government at the end of the fifty-year leasehold.

The Port Authority informed the Maritime Commission that it would be willing to enter into an agreement with the City of Hoboken for payment to the municipality of 75 per cent of all net revenues derived from the marine terminal operation.

On February 2, 1950 Governor Driscoll personally called on the chairman of the Maritime Commission in Washington to urge that the Hoboken piers be transferred to the Port Authority so that the greatly needed rehabilitation and improvement program for this important part of the New Jersey water front might get under way.

The Port Authority's proposal, which followed a request by the City of Hoboken that we survey the possibility of developing and rehabilitating the piers at that great New Jersey port, was submitted originally in September, 1947.

The Port Authority Recommends Rehabilitation of Pier 16, Hoboken

In a letter to the Administrator of the Defense Transport Administration at Washington, D. C. we pointed out the desirability, from a defense standpoint, of the rehabilitation and modernization of Pier 16, Hoboken, in order that the maximum number of modernized piers might be available in the New Jersey-New York Harbor. Pier 16 is owned by the 15th Street Pier Corporation. We expressed no opinion on the economic aspects of the project, for which a Reconstruction Finance Corporation loan was being sought.

Notable Victory in Establishing Rate Equality for Rail Service to Edgewater Water Front

An important sector of the New Jersey water front, the Edgewater Docks served by the New York, Susquehanna and Western Railroad, was recently freed of a rate handicap, which had retarded its full development. Although enjoying the usual New York harbor rates to shipside via lighterage service from all railroads, Edgewater Docks could not secure all-rail service by switch interchange to the Susquehanna tracks from other trunk line railroads without payment by the shipper of extra charges ranging from 60 cents to $6 per ton.

The Port Authority encouraged and supported a complaint by the Borough of Edgewater to the Interstate Commerce Commission in 1947, asking for removal of this disability. The proceeding was significant not only to Edgewater but to the entire New Jersey water front, in establishing the principle of encouraging direct interchange via nearby rail junctions between all carriers, and consequent reduction of lighterage.

In our report of February 10, 1949 to Governor Driscoll on a marine terminal survey of the New Jersey water front, we said:

> "The Port Authority urges the publication by the railroads of joint rates to and from New Jersey water-front points via all-rail routes in the interest of increased economy in port transportation. One such proceeding, relating to the Edgewater water front, is now before the Interstate Commerce Commission. The brief of the Port Authority in this case, *Borough of Edgewater v. Arcade and Attica Railroad Corporation, et al.,* stresses this objective."

In cooperation with the officials of the Borough of Edgewater and carriers supporting the elimination of the rate handicap, we presented testimony, briefs and oral argument on this subject to the Interstate Commerce Commission. In 1950, a division of the Commission ordered the desired correction. The decision was appealed to the full Commission which reaffirmed the order early in 1951, with a gratifying statement stressing the need for opening up the entire harbor for modern pier and terminal development. It rejected the railroad plea that interchange facilities in New Jersey were inadequate, and pointed out the possibility of reducing lighterage service by acceleration of all-rail movement.

At the same time, the Interstate Commerce Commission ordered the Susquehanna to grant full lighterage service out of its Edgewater terminals to all parts of New York harbor to remove any discrimination on that score. This sweeping decision upholds the Port Authority's contention that the best development of the Port can be achieved by maintaining maximum freedom in using *both* rail interchange and lighterage to all water fronts. This would insure unity and make it possible for the carriers to choose the most economical means of accomplishing shipside delivery without rate penalties.

Virtually No Improvement Is Made to the Municipally Owned Water-Front Facilities of New York

Only a minimum improvement has been made to the municipally owned water-front facilities of New York City since Mayor William O'Dwyer on December 3, 1948 asked us to restudy our $114,000,000 pier program which had been rejected by the Board of Estimate in September of that year. Our second proposal contemplated a Port Authority expenditure of about $89,000,000.

Civic associations and other groups and individuals, as well as the press, favored the Port Authority's original and second proposal. The Board of Estimate, however, on May 1, 1949 rejected the proposal in favor of one by the Department of Marine and Aviation, under which the City pledged itself to go forward immediately with a $58,848,000 program of pier construction and modernization.

Spouts from loading gallery at Port Authority Grain Terminal fill up a big freighter.

Night view of the great ramps connecting the Port Authority Bus Terminal with the Lincoln Tunnel Plaza. The commuter buses from New Jersey will avoid New York City streets by using this direct ramp connection to and from the tunnel.

4 | Bus, Truck and Rail Terminals

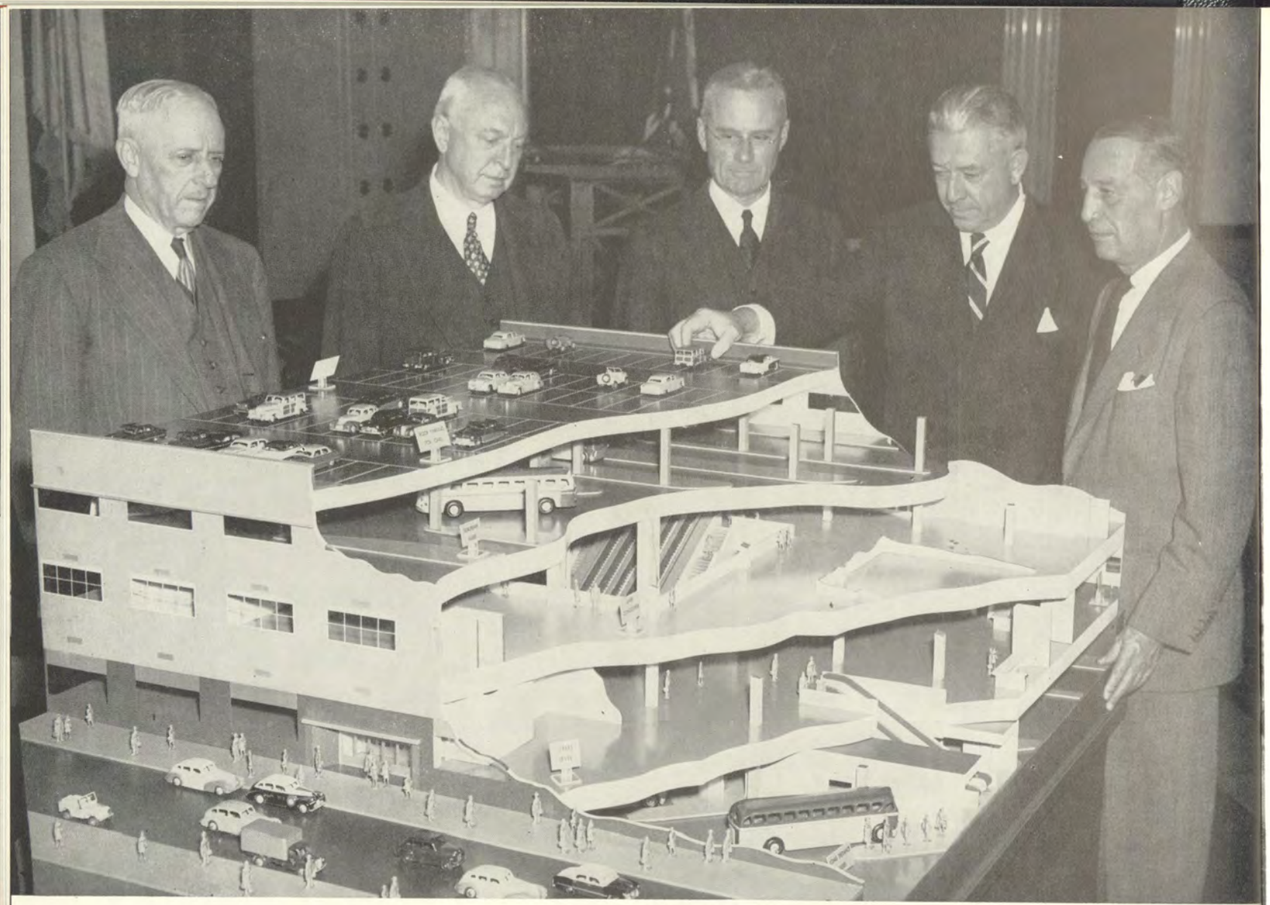
The Port Authority Opens the World's Largest Union Bus Terminal

The Port Authority Bus Terminal, largest and most modern bus terminal in the world, was dedicated on December 14, 1950 and opened for business the following day, with fifteen short-haul bus companies providing commuter service between New Jersey and New York, and nine long-haul carriers serving major bus routes throughout the country. Two additional short-haul carriers signed contracts before the end of the year, to start operations on January 2, 1951.

Soon after the opening of the new terminal a number of bus lines indicated that their business had increased between 10 and 20 per cent. Interstate buses were saving as much as thirty minutes in the travel time previously required to reach their Manhattan terminals, through use of the overhead ramps connecting the terminal directly with the Lincoln Tunnel. Mid-Manhattan streets showed a marked decrease in traffic congestion when almost 5,000 daily movements of huge interstate buses were eliminated.

The bus terminal was opened eleven years after Mayor Fiorello H. La Guardia's Committee on Interstate Buses recommended that bus stations be kept west of Eighth Avenue outside the congested traffic area in Manhattan. The Port Authority, at Mayor La Guardia's request, first undertook a study of the bus terminal situation in 1940. Four years later, the Mayor again requested us to study the possibility of building a union bus terminal in mid-Manhattan *west* of Eighth Avenue. In June 1945 the Board of Estimate of the City of New York unanimously adopted a resolution disapproving bus stations in midtown, *east* of Eighth Avenue, and in September of the same year the City Planning Commission adopted a zoning resolution permitting it to designate exceptionally congested traffic areas in which new or enlarged bus terminals would not be permitted. In October, the Board of Estimate confirmed the Planning Commission's action.

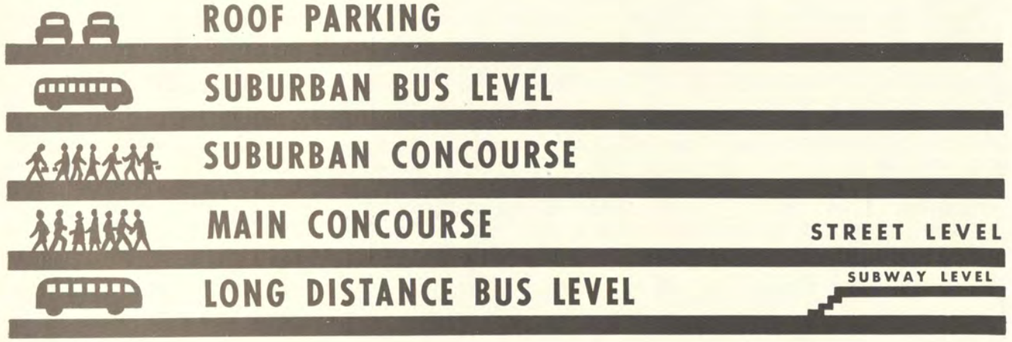
On January 30, 1947 the Board of Estimate



Port Authority Commissioners inspect cutaway model of Port Authority Bus Terminal. Left to right: Commissioners Armstrong, Pope, Colt, Byrne and Cullman.

unanimously adopted a resolution declaring it to be the policy of the City that it would not approve construction of new bus terminals or enlargement or reconstruction of existing bus terminals in mid-Manhattan *east* of Eighth Avenue. On the same date we announced that the Port Authority would proceed, on the basis of that commitment, with the construction of the terminal. It was necessary for us to obtain such an official commitment from the City of New York before proceeding with the financing of the terminal. We could not have expected bus companies to move west of Eighth avenue into the public terminal to be built by the Port Authority while there existed the possibility that additional terminals would be constructed in preferred locations in the heart of the congested midtown area.

Early in January 1950, the Greyhound Bus Company, which, time and again throughout the preceding six years, had attempted to obtain permission to enlarge its terminal at Thirty-fourth Street east of Eighth Avenue, once again submitted



a plan for expansion of its midtown facility. Immediately the application was criticized by the public and the press. The New York City Planning Commission and the Traffic Commission to whom the Greyhound Plan had been referred by Mayor O'Dwyer for report and recommendation, unanimously recommended to the Board of Estimate that the plan be rejected. In April the Board of Estimate by unanimous vote refused to approve the Greyhound application and restated the policy of the City of New York as previously expressed in the Board's resolution of January 1947.

Early in 1951, following the opening of the Port Authority Bus Terminal, the New York City Traffic Commissioner banned stops by interstate buses in the congested area of midtown Manhattan. But he permitted a limited number of stops at subway station corners outside the congested area bounded by Twenty-second Street and Fifty-ninth Street, for interstate buses operating through the Holland Tunnel and over the George Washington Bridge.

On January 8, 1951 it was announced in Albany that the New York City Parking Authority law included a repealer of the prohibition against the construction by that Authority of bus terminals in the congested traffic area east of Eighth Avenue. Chairman Cullman immediately sent to Mayor Vincent R. Impellitteri a telegram as follows:

> "The act passed by the Legislature last year creating the New York City Parking Authority includes provision to insure that the proposed new authority will observe the City policy set forth in the resolution unanimously adopted by the Board of Estimate on January 30, 1947 prohibiting the construction of a new bus terminal or the permanent enlargement or extension of an existing bus terminal in the congested midtown Manhattan area. Today's HERALD TRIBUNE carries the story that New York City will seek at this legislative session to have this provision repealed. Any such action by the City of New York will appear to be in direct contravention of the pledge of City policy, on which the Port Authority relied in going forward with the union bus terminal, before even the plaster in the bus terminal is dry. I urgently request that you immediately and publicly disavow the proposal."

Mayor Impellitteri agreed with our position and the amendment was withdrawn.

Concession Development

Of major importance in the financing and designing of the great new Bus Terminal was the consideration of concession revenues. The concession businesses not only will be of convenience to the bus traveler, but are expected to carry over 50 per cent of the terminal's costs. Careful attention was given to the types of businesses that would be most appropriate, and to their proper location in the terminal. More than 90 per cent of the available concession floor space had been selected by the end of the year for a wide variety of stores and services, and a recreation center.

Within the framework of design dictated by the needs of handling buses on two levels and people on two concourses, the Port Authority was able to integrate space for about fifty efficiently located concessions. For the most part the store areas are along the walls of the concourses, leaving the center areas cleared for the uninterrupted flow of passengers.

The new terminal is the first public building of its kind to have recessed wall display areas incorporated into its original design. Thirty such areas were rented to national advertisers for diorama displays.

All telephone booths and package lockers are fully recessed to provide flush wall areas. At carefully selected points throughout the terminal there are nearly one thousand automatic dime and quarter-sized parcel lockers. An enclosed public telephone station with twenty-two booths on the main concourse serviced by operators, and 155 coin telephones located throughout the terminal, provide a telephone service unsurpassed by any other large terminal. The New York Telephone Company has said that these 177 public telephones constitute the largest initial public telephone installation in the history of the Bell System.

In its selection of the various stores and services to occupy the larger areas of the terminal, the Port Authority required that each be of the type that best satisfies public needs and that furnishes, however modestly priced, the highest grade merchandise and the finest service. The leases, in almost all cases, are based upon a guaranteed minimum annual rent against a percentage of gross receipts. They range from one to twenty years' duration, and their continuation is subject to the nature of the tenant's performance. All stores have attractive glass fronts and efficient illumination, and are air-conditioned.

More than 2,500 firms and individuals applied for space in the terminal and at the end of the year forty-two had been selected. The Bus Terminal businesses include, among others, one of the largest drugstores in the east, restaurants, snack bars, a huge supermarket, a florist, candy shops, newsstands, a bookstore, a bake shop and a bowling center.

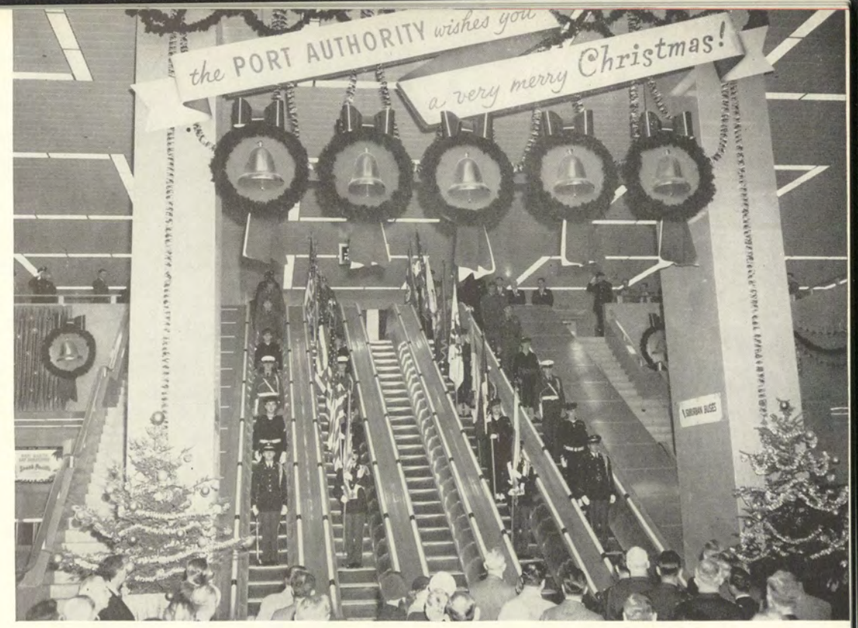
Before Bus Terminal construction began Lee C. Webb, Superintendent of the Bus Terminal (left), discussed plans with George Cosman, Supervisor of Demolition, and Harvey S. Quigel, Port Authority Director of Real Estate.

Chairman Cullman congratulates H. C. Turner Jr., President of the Turner Construction Company, which completed the Bus Terminal as scheduled on November 1, 1950. At Chairman Cullman's right are Commissioners Pope and Byrne. At Mr. Turner's left are Commissioner Lowe, D. C. Andrews of the Turner Construction Company, and Port Authority Chief Engineer Kyle.

Miss Marguerite Patricia Cullman puts the Port Authority Bus Terminal into operation as she pulls the switch that starts movement of the motorstairs. At Miss Cullman's right are Governor Driscoll and Mayor Impellitteri. At her left Commissioner Lowe and Chairman Cullman smile approval.

Vice Chairman Byrne addresses the luncheon guests at the Port Authority Bus Terminal dedication ceremonies. At his left are Manhattan Borough President Robert F. Wagner Jr. and Port Authority Commissioner Moran.

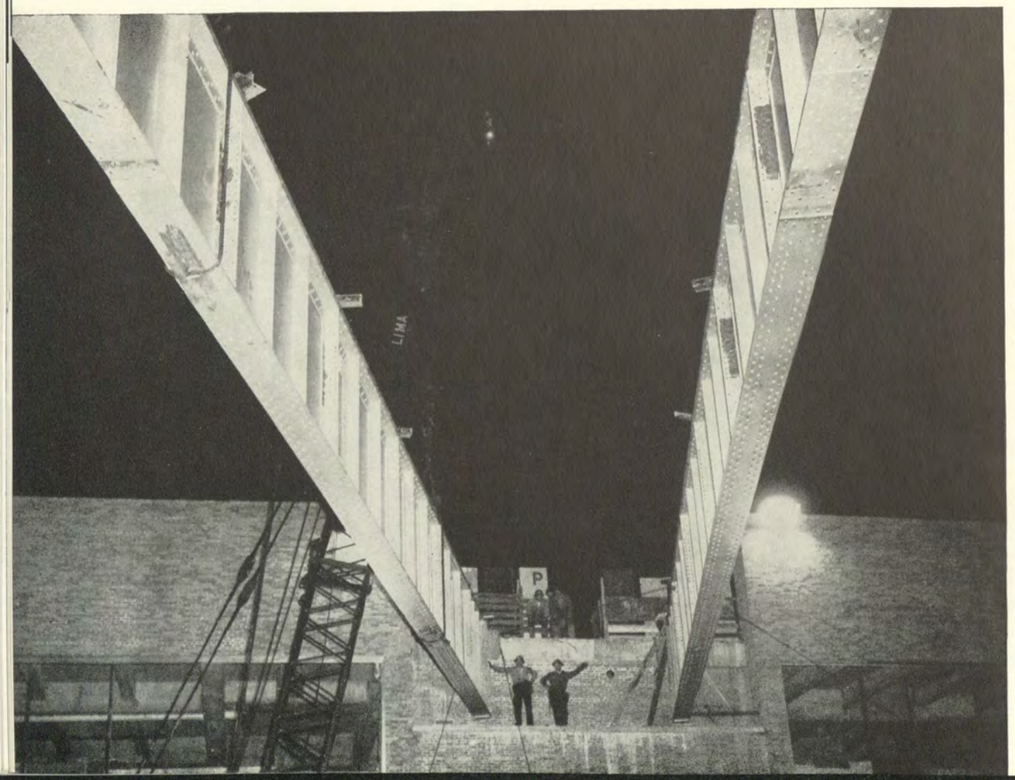
Massing of the colors by United States Army, Navy, Air Force, Coast Guard, New York and New Jersey National Guards and the New York City and Port Authority Police as motorstairs start their first downward trip to main concourse of Port Authority Bus Terminal.



Governor Driscoll unlocks the chain barrier on the Bus Terminal ramp just before operations start. With him are (at his right) Commissioners Armstrong and Pope; at his left, Commissioners Cullman and Moran.

They talk it over with J. C. Evans, Chairman of the Port Authority Engineering Board. Left to right: Messrs. Evans, Shelley, Wilson and Chairman Cullman.

The great girders of the Bus Terminal ramp at Ninth Avenue are put into place.



The Port Authority Bus Terminal showing main entrance, roof parking area, and ramp to Lincoln Tunnel.

The Bus Terminal ramp at Ninth Avenue

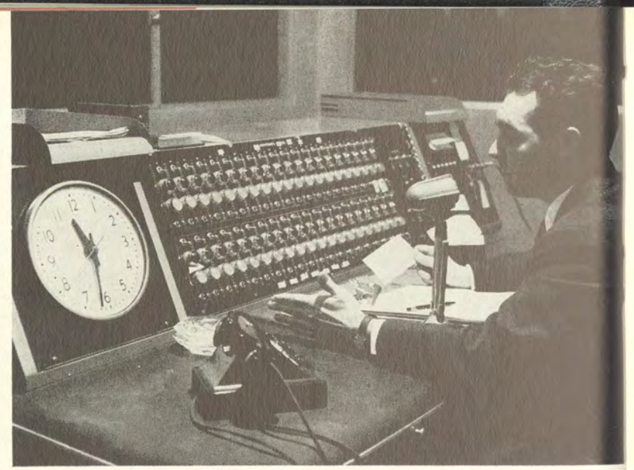
No more bus commuter lines out-of-doors. All loading and unloading in the new Terminal is from indoor platforms reached by motorstairs from spacious concourses.

The bus terminal barber shop on the main concourse

One of the world's busiest newsstands

The Information Desk

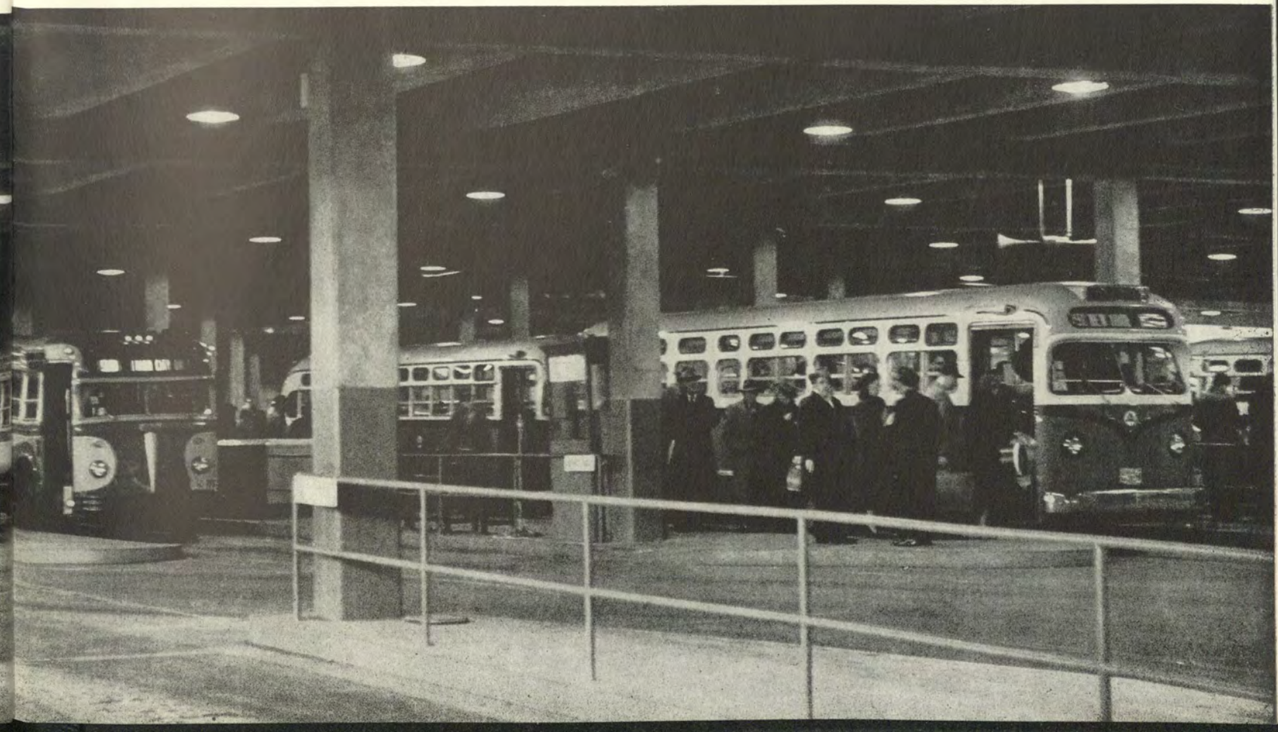
"Mr. First" (Omero Catan) famous for being the first person to use new facilities in the New York area, hands first bus ticket to Alex Stewart. Bus Terminal Superintendent Webb looks on.



Dispatcher at control panel on long distance bus level

One of the first buses to leave the Port Authority Bus Terminal carried New York Herald Tribune Fresh Air youngsters bound for Christmas vacations in New Jersey Friendly towns.

Executive Director Tobin boards bus with reporters at press preview of Bus Terminal opening.

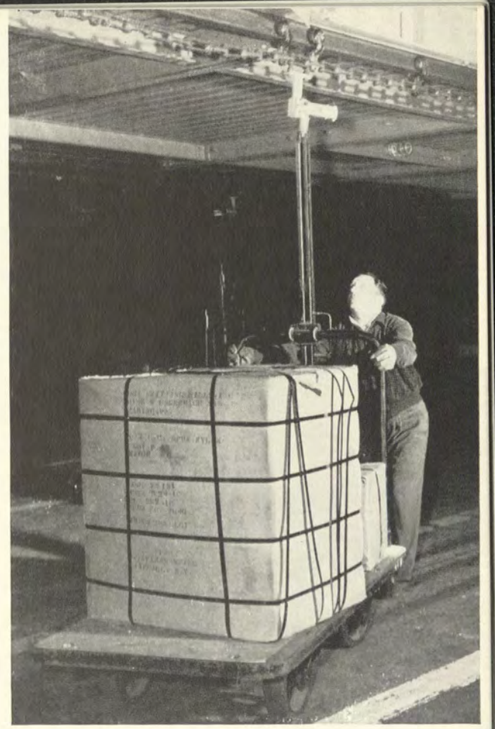


View showing buses loading on suburban bus level

Truck and Rail Terminals

Day and night a mountain of less-truckload freight is sorted and moves through the New York Union Motor Truck Terminal. Merchandise is moved by overhead conveyor (at left) and fork-lift trucks (center foreground).

Endless "merry-go-round" overhead conveyor transfers sorted freight between over-the-road and local pickup and delivery truck berths at the New York Union Motor Truck Terminal. Here a terminal employee detaches a loaded flat truck from the conveyor.



We Complete Our First Year of Operation of the New York Union Motor Truck Terminal

Dedicated on October 31, 1949, the $10,000,000 New York Union Motor Truck Terminal was opened on November 28 of that year. In 1950, the first twelve-month period of its operation, this terminal for less-truckload freight handled 111,954 revenue tons. At the end of the year twenty-one trucking companies serving points in forty-four states were utilizing the terminal. During this initial period it became apparent to the carriers and the Port Authority that it was desirable to negotiate new contracts to increase the flexibility and effectiveness of the terminal and its freight handling operations. At the close of 1950 such new contracts were in preparation.

The first year of operation of this huge consolidated truck terminal, the first of its size and public character in the country, has presented every kind of problem. It is a new type of transportation machine. The desirability of such a terminal to reduce congestion in metropolitan areas and to keep down terminal costs is widely recognized by the shipping public, the trucking industry, the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers, and government authorities. No public agency previously had attempted the operation of such a facility. The Port Authority is pioneering in a new field.

All of the internal operating techniques have been carefully planned, the terminal equipped with the latest devices for intercommunication and expeditious handling of freight and papers. In practical operation many problems which could not be fully anticipated developed in the relationship between the Port Authority platform and paper work operations and the over-the-road carriers and local delivery service. As a matter of policy the Port Authority confines itself only to the platform operation. It licenses the pickup and delivery operators to serve as joint contractors for the over-the-road carriers.

Smooth operation requires a close dovetailing of the arrivals and departures of over-the-road trucks, the availability of platform labor, and close scheduling of the pickup and delivery fleet. Such interruptions as snowbound roads, an extraordinary flood of truck freight offerings because of a Railway Express Agency strike, or diversion of carrier over-the-road equipment to more lucrative solid door-to-door loads, set up a wave of adjustments on the part of the other parties to the operation. Frequently the immediate financial impact of a profitable adjustment by one party is a loss to the other.

New York Union Motor Truck Terminal, spreading over four city blocks, is interchange point for less-truckload freight moving between metropolitan New York area and points throughout the country and overseas. Outgoing freight picked up by fleet of local trucks is consolidated into truckloads at the terminal; local trucks also deliver to consignees freight assorted from loads on incoming over-the-road trucks.

Hence the first year of operation has been one of learning how to operate a terminal platform and a system of paper work and freight checking with a score of over-the-road carriers on one side and a half dozen pickup and delivery operators on the other.

Truck Terminal Services

Seven local trucking operators were approved to perform consolidated pickup and delivery service pursuant to direct contracts made with over-the-road carriers. Operation of the terminal itself, including the platform operation, is carried on by Port Authority personnel.

We established a monthly contract rate for truckers using the acre-and-a-half roof parking facility of the truck terminal. This parking area, capable of handling 115 tractor-trailer units and reached by ramps from the street, is also available at hourly or daily rates.

We expect to lease to a private operator early in 1951 a gasoline service, maintenance and repair station built by the Port Authority north of the terminal.

A large part of the freight moving through the four-block-long terminal, extending from Spring Street to West Houston Street, is brought directly to the public receiving station by the local shippers' trucks. This permits them to unload their individual shipments at one platform to be transferred by various over-the-road carriers.

In accordance with legislation recommended by the Port Authority and passed by the States of New York and New Jersey in 1931, we are paying $34,415 to the City of New York annually in lieu of taxes and assessments, an amount equal to the sums last paid as annual taxes on this property before it was acquired by the Port Authority for terminal purposes.

Newark Union Motor Truck Terminal

The Newark Union Motor Truck Terminal was completed and ready for use on July 12, 1950. This great structure, 1,174 feet long and 202 feet wide, with a freight platform 1,022 feet long

Members of New York State Legislature, visiting New York Union Motor Truck Terminal, hear its operations explained by Port Development Director Hedden.

Newark Union Motor Truck Terminal, largest in the world, leased to the United States Air Force for use in processing Mutual Defense Assistance Program materials. When released it will be operated by the Port Authority to supplement the Manhattan truck terminal in handling less-truckload freight in the New Jersey-New York Port.

accommodating 160 trucks, occupies a twenty-nine acre area. The Newark facility, like its counterpart in New York, is designed as a consolidating terminal at which less-truckload common carrier truck freight can be received and sorted for interchange between over-the-road units and local city trucks. The terminal is intended to serve the eight counties of Northern New Jersey as well as Staten Island, and will have a consolidated pickup and delivery service for the over-the-road tenant carriers.

A public hearing on the terminal held at Newark City Hall in May 1945, was attended by 148 officials and representatives of public bodies, civic associations, trucking companies, labor unions, shippers and others who almost unanimously endorsed the project.

In 1945 the Legislatures of the States of New Jersey and New York passed, and the Governors signed, concurrent legislation facilitating the financing of union motor truck terminals in both Northern New Jersey and New York. On signing the legislation in New Jersey, Governor Walter E. Edge stated: "The union motor truck terminals are typical of the service the Port Authority can and should render New Jersey, and I hope it [the Newark terminal] will be only the first of many more facilities that it will undertake here."

More than a year after work was started on the Newark terminal, Newark Local 478 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers required over-the-road and local truckmen employing members of the union to sign new contracts which, in effect, prevented these truckmen from using the great new terminal. The contracts included a restrictive clause which, when enforced by the local labor union, would ban over-the-road truck operators with Local 478 contracts from transferring at the terminal more than 5,000 pounds of freight a day. This amounts to about a quarter of an average truckload.

The clause appears in the contracts of no other locals in New York or New Jersey. In actual practice, it has been waived by Local 478 officials at other truck terminals in the Newark area. Despite the endorsement of union motor truck terminals by the Executive Board of the International Brotherhood, Local 478 has taken the position that the clause will not be waived for the Newark Union Motor Truck Terminal.

The Port Authority has given assurance to Local 478 as well as to the Executive Board of the International Brotherhood, that the operation of the terminal will involve no disturbance to the general conditions of the workers. We have stated that we are prepared to observe the normal working conditions with regard to wages, overtime, vacations, holidays, seniority and the like.*

*The Newark Union Motor Truck Terminal has been leased to the United States Government at an annual rental of $421,754, to be used as an Air Force Intransit Depot in connection with the Mutual Defense Assistance Program, for a term commencing March 15, 1951 and running to June 30, 1955. The Government has the right to terminate the lease at any time on ninety days' notice.

The terminal became available to the Government when its operation was blocked by the inclusion of a restrictive clause in the contract of Local 478 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers. The clause limits the transfer of freight at terminals in the Newark area to shipments under 5,000 pounds.

On the same date the General Executive Board of the International Brotherhood released a letter to Local 478, following hearings in Miami, in which it concluded that "Local 478 should and could have found a means to allow the opening of the (Port Authority) terminal." The Executive Board noted that the restrictive clause, inserted in the Local 478 contract after the Port Authority had started construction of the terminal, "can only hamper and impede the proper expansion of the trucking industry and in the long run prove a detriment to our members who must find employment and earn their wages in that industry." The International advised Local 478 that it "is now on notice that the provision of its contract which would prevent the use of an existing terminal erected after public hearings as a mandate from the Legislatures of New York and New Jersey will not receive the approval of the International Union when such contract's present expiration date arrives. No renewal or continuation of present contract containing the same or similar clause will be approved by the International Union."

The Port Authority announced that it expects to return the Newark Terminal to its intended use as a public union truck freight station when the Air Force relinquishes it at the end of the national emergency.

Interior of Newark Union Motor Truck Terminal, photographed on its completion. Endless conveyor for moving freight differs from New York Union Motor Truck Terminal in having its mechanism under floor instead of overhead.

Union Railroad Freight Terminal

The Port Authority's Union Railroad Freight Terminal, located in the Port Authority Building in Manhattan, handled 164,762 tons of less-carload rail freight and railway express in 1950, as compared with 174,499 tons in 1949. This tonnage represented a decrease of 19.1 per cent on rail freight, and an increase of 4.2 per cent on railway express. This decrease in the volume of merchandise freight conforms with the general trend at all Manhattan rail stations and reflects the universal shift of merchandise freight from rail to trucks.

During the year we continued to urge the railroads to lift their ban against the movement of import-export less-carload freight through this terminal. We believe that substantial economies could be realized through the lifting of this ban, which has been in effect since 1936. Without the ban, individual shipments destined for the same pier could be consolidated for pickup and delivery at the union terminal.

We have, however, been successful in our efforts to have the New England motor carriers amend their tariffs so that line-haul rates on shipments of 6,000 pounds or more will include pickups and deliveries to and from the tenant floors in the Port Authority Building. We are now urging motor carriers to modify the tariff on shipments of less than 6,000 pounds.

The railroads agreed to the establishment of a new rate of $1.15 a ton for the elevation of freight between their platform and tenant floors in the Port Authority Building.

We are negotiating new leases with the Board of Managers for the Union Railroad Freight Station and the Railway Express Agency, effective upon the expiration of a ten-year lease on September 30, 1950.

For the first time since the opening of the terminal in 1932, separate leases are being made with the railroads and the Railway Express Agency for their respective use of the terminal facilities. Under the new five-year lease, covering the space they occupy on the ground floor and a portion of the basement floor, the railroads will continue to pay the nominal charge of only 10 cents a ton for the less-carload freight which they handle through the terminal.

Under the separate lease with the Railway Express Agency, an annual rental of $60,000 will be paid directly to the Port Authority for space on the basement floor. The lease will run until February 28, 1954, at which time the agreement between the Railway Express Agency and its controlling railroads expires.

Covering an entire city block, the fifteen-floor Port Authority Building at 111 Eighth Avenue, Manhattan, houses main offices of the Authority. Street and basement floors are occupied by Union Railroad Freight Terminal, where less-carload rail freight is consolidated for shipment throughout the country and delivery in metropolitan area. On other floors tenants maintain warehouse space and do light manufacturing. Trucks are brought direct to upper floors by huge elevators.

The Port Authority Building, a $16,500,000 structure covering the entire block from Fifteenth to Sixteenth Streets and from Eighth to Ninth Avenues in Manhattan, was completed in October 1932. For the seventh consecutive year, it was 100 per cent occupied, with rentals for 1950 totaling $1,700,000. The Port Authority occupies the entire fifteenth floor and an additional 120,631 square feet elsewhere in the building as office space. As a matter of policy, rents in the Port Authority Building are comparable with similar space in privately-owned structures. The three-acre floors and high speed package freight and truck elevators with direct access to the freight terminal facilities, make the building particularly attractive to distributors and businesses requiring such special conveniences.

To save the City of New York harmless from tax loss, we pay the City $60,064 a year under an agreement based on legislation recommended by the Port Authority in 1931. This is the full amount of taxes received by the City from the land and improvements on the terminal site before it was acquired by the Port Authority.

Cooperating in plans for meeting emergencies in case of attack, Port Authority officials meet with those of state and city civil defense organizations. Port Authority preparations are used as model for commercial buildings. Left to right, seated: Col. Lawrence Wilkinson, Acting Chairman, New York State Civil Defense; Port Authority Chairman Howard S. Cullman; Leonard Dreyfuss, Director, New Jersey State Civil Defense and Arthur W. Wallander, New York City Director of Civil Defense. Standing, left to right, Billings Wilson and A. C. Warner of the Port Authority.

Civil Defense rehearsal: Port Authority Nurse Pauline Wohlrath simulates treatment of an attack casualty (George O'Brien) at the Port Authority Building.

One out of every ten persons gainfully employed in the New Jersey-New York Port District is directly or indirectly dependent upon the Port for his livelihood.

5 Port Promotion and Protection

The Port of New York, the magnificent natural asset of the States of New Jersey and New York, holds the undisputed title of the world's greatest port. Under the obligations of the Port Treaty of 1921, the Port Authority has pursued an aggressive port promotion and protection program to assure the continuance of this pre-eminence. We carry on, under the direction of our director of port development, Walter P. Hedden, an ever accelerating program in the interest of the continuing prosperity of the people of the whole Port District.

In the past year, perhaps more than ever before, we have had to compete with alert port promotion programs in Boston, Philadelphia, Norfolk, Baltimore, Charleston, Mobile, New Orleans, Houston and Galveston. It was essential for us, through our New York, Chicago, Cleveland and Washington Trade Promotion offices, to keep importers and exporters fully advised of the superior services and the facilities available in the New Jersey-New York Port.

In addition, we encouraged the flow of commerce by helping exporters and importers in the interior to route goods into and through the New Jersey-New York Port. We were responsible for the routing of many heavy cargoes through our Port. But we did not neglect the opportunity to promote shipments of all sizes by pointing out the most economical and efficient service combinations available here.

Once more we devoted ourselves with considerable success to protecting the Port against adverse rate situations.

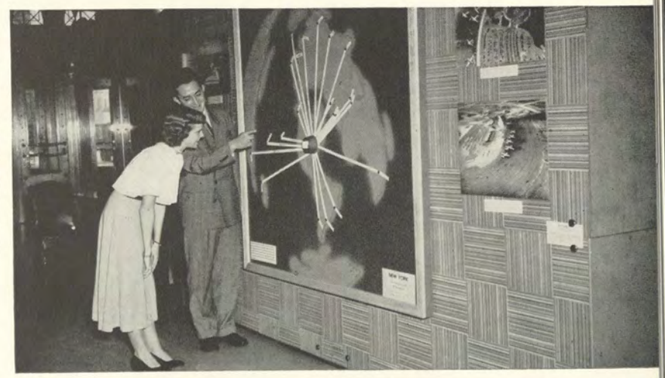
Our port commerce could not long maintain its record volume if it were not protected against rate rigging that would affect its competitive position. We never relax our vigilance against such rate discriminations, and appear regularly before the Interstate Commerce Commission to oppose rail and truck rate structures that would divert commerce away from this area, and to advocate those which will enhance our trade. We also go before the Federal Maritime Board in connection with our interest in routes and rates involving waterborne commerce.

Representatives of the Port Authority regularly appear at hearings on railroad, truck and steamship transportation, since our interest and energy are directed toward all types of commercial carriers. We also are in continuing contact with committees and members of Congress as well as with the United States Army Engineers on matters affecting the Port welfare.

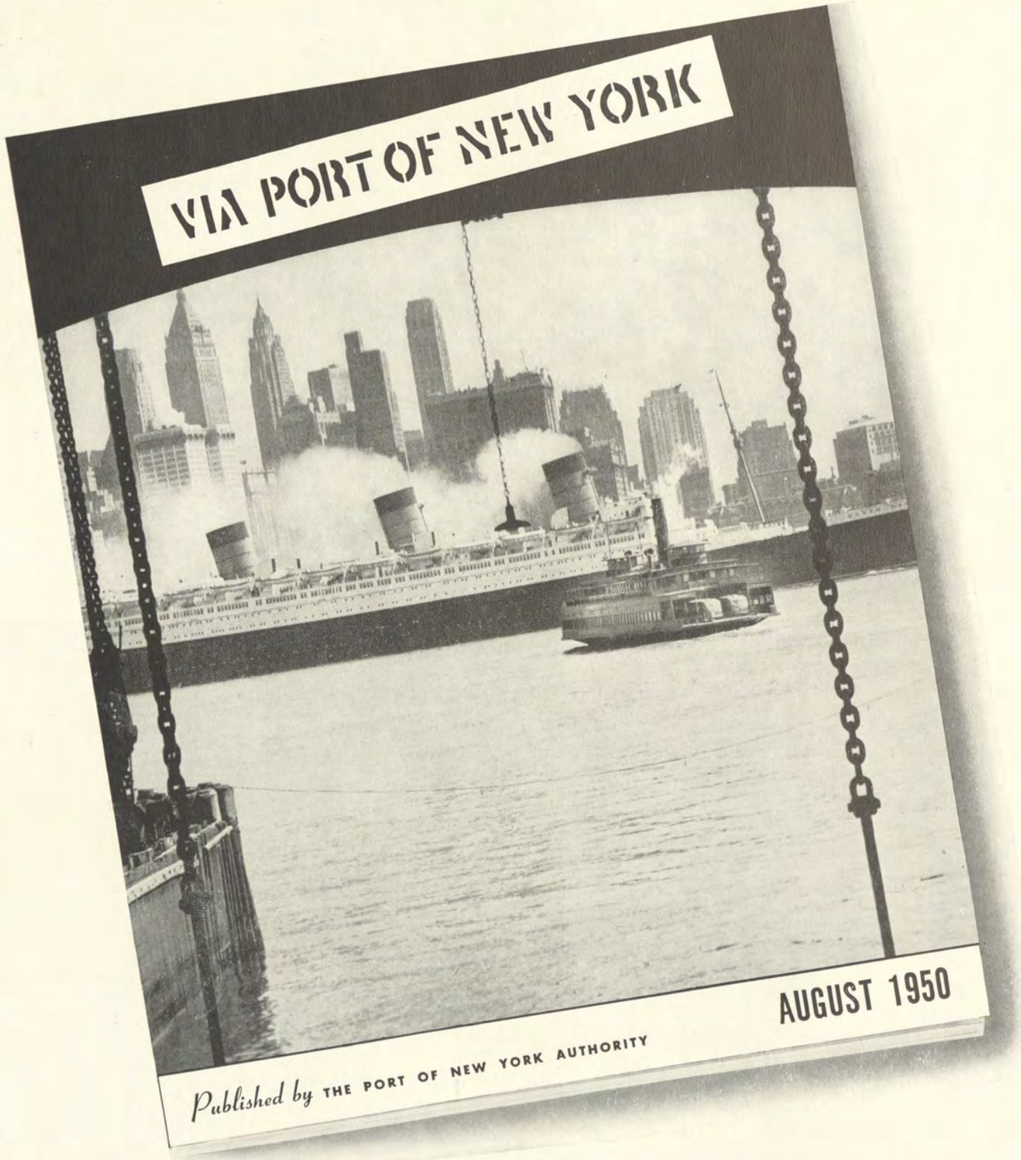
The steamship *Liberte* arrives at New York pier on maiden voyage under the French flag.

Walter P. Hedden, Director of Port Development (left), uses the Port Authority's Port District Railroad Terminal map to help describe to F. Arney, General Manager, and K. Brown, Vice Chairman of the Bristol Port Authority, facilities in the Port of New York.

Port Authority exhibits were displayed at many conventions and fairs, as well as in banks and stores. Here, visitors view installation at New York Savings Bank. Port Authority staff was invited to tell the story of the New Jersey-New York Harbor and the Port Authority before more than eighty civic associations, traffic clubs, service organizations, college classes and other interested groups.



The Mersey Tunnel Committee of Liverpool, England, aboard the "Carol Moran" with Port Authority's James Clark McGuire, Director of Purchase and Special Services (center); Vincent A. Hannon, Special Services Representative (left), and Robert F. Unrath, Commerce Promotion Agent (second from right).

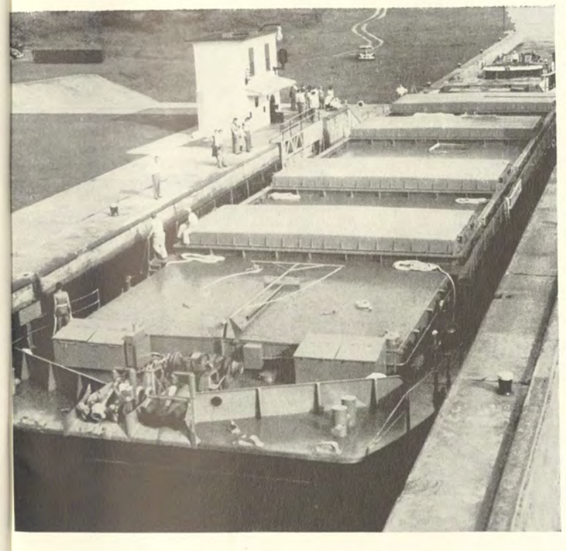


"Via Port of New York," our monthly commerce magazine, was first issued in 1949.

It is distributed to a selected list of about 4,000 exporters, importers and transportation and trade officials in the eastern and Central Western section of this country, as well as abroad. Its up-to-date information on the facilities and services available at the New Jersey-New York Port has proved to be a valuable aid to shippers.

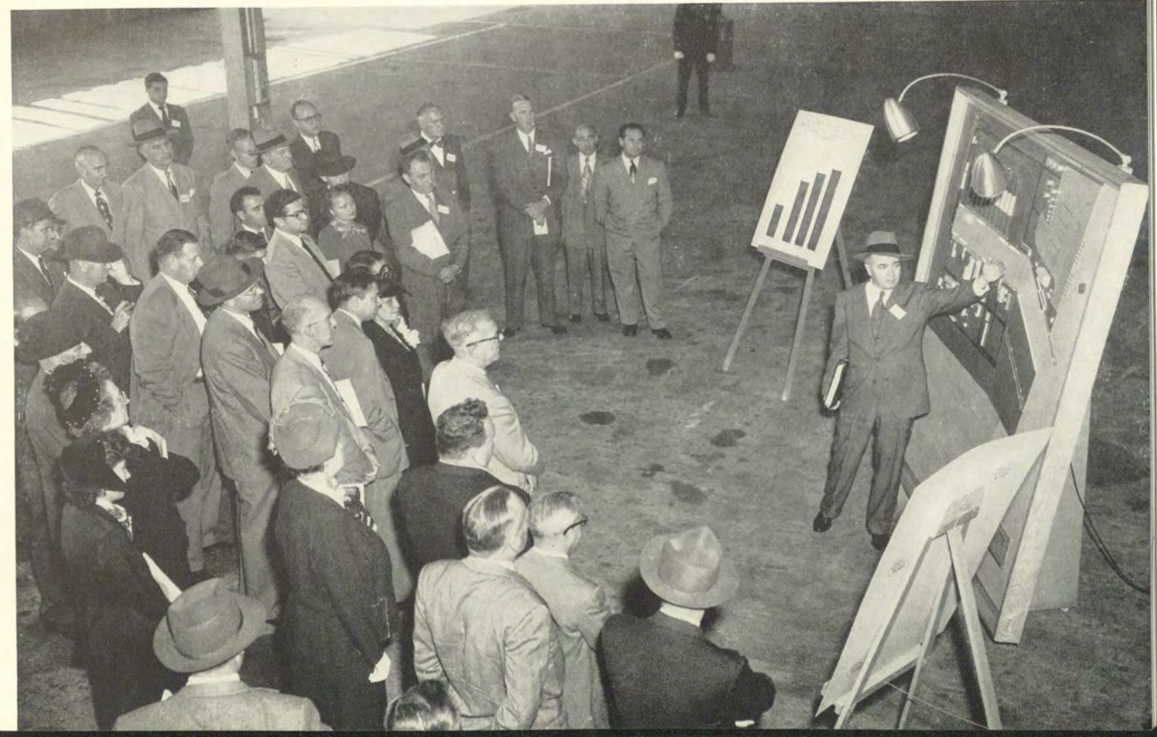
The Port Authority also prepared and distributed 250,000 copies of the 1950 road map of the metropolitan New Jersey-New York area and 10,000 copies of our New York harbor terminal map.

We continue to promote the advantages and benefits in economy and service of the New York State Barge Canal. Our New York, Chicago and Cleveland offices promoted the use of barges such as the one shown below for the transportation of cargoes including iron, steel, cement and flour to the New Jersey-New York harbor. The canal connects with the Great Lakes at Buffalo.



Louis W. Byrne, Chief of the Port Authority's Port Promotion Bureau, is host to Colonel Warren D. Lamport, General Manager of the Port of Seattle.

New Jersey State legislators hear Executive Director Austin J. Tobin tell about the Port Authority development and promotion program for Port Newark while on tour of Port Authority facilities.



The Chicago Board of Trade Building towers forty-four stories at the foot of LaSalle Street and Jackson Boulevard. Home of the world's largest grain exchange, and clearing house of world's grain market, it is appropriately topped by huge statue of Ceres, goddess of wheat.

Chicago

Chicago Trade Promotion Office

Since its establishment in October 1945, the Port Authority's Chicago Trade Promotion Office has been recognized as the best source of information in the Middle West on the movement of commerce through the New Jersey-New York Port. Our Chicago representative, George H. Weiss, has kept in contact with hundreds of Midwest shippers, exporters, importers, and representatives of transportation interests and government agencies to develop and increase commerce and trade through this harbor.

During the past year a most significant accomplishment of our Chicago Trade Promotion Office, in which it was assisted by our Cleveland, Washington and New York offices, was evidenced in the adoption by scores of industries of a plan for obtaining substantial savings in moving freight through the New Jersey-New York Port. The plan calls for the consolidation of a number of less-carload export shipments into one carload; the savings are made possible by the fact that many steamship companies operate services to ports all over the world from single or adjoining piers at the Port of New York.

After discussions with Port Authority representatives, most of the steamship operators in the New Jersey-New York Port agreed to accept a single lighterage delivery of export freight for more than one vessel loading at their pier or adjoining piers, and in some cases at piers in separated locations. This has made it possible for shippers to arrange mixed carloads containing freight for as many as thirty different foreign ports with steamship pier deliveries accomplished by low cost railroad lighterage in this harbor.

In order to assist shippers in the utilization of this plan, the Port Authority prepared and distributed a booklet explaining the method of consolidating small export shipments into mixed carloads. We cited a number of actual mixed carload shipments which saved money for shippers on freight exported to a number of foreign countries. Mr. Weiss during the year instructed freight solicitation staffs of the New Jersey-New York Harbor railroads on this "grouped l.c.l. delivery plan." In addition, he spoke at a meeting of some 250 steamship, railroad and freight forwarding traffic solicitors in New York on the advantages of this plan for increasing the routing of freight through this harbor.

A number of leading steamship companies operating services from nonadjoining piers in the New Jersey-New York Port were induced to set up such piers as single lighterage delivery terminals. New York steamship lines accepted single lighterage deliveries for their several piers, even when such deliveries included items weighing up to 4,000 pounds.

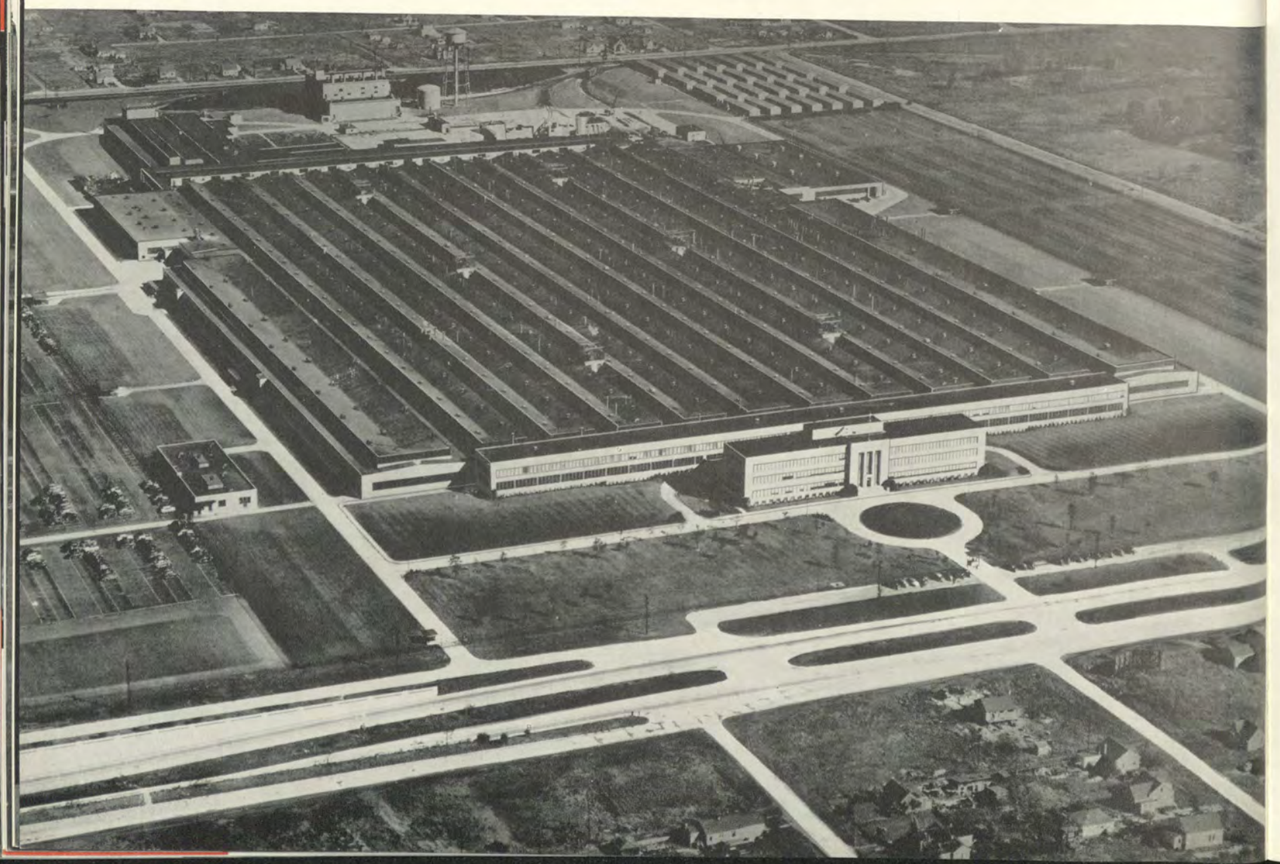
Thirty-six Central Western industries in the territory served by the Chicago Trade Promotion Office adopted the mixed export carload plan in the past year. Four export sales management concerns, representing fifty-seven additional indus-

tries, also are using the plan. In practically every instance, adoption of the "grouped l.c.l. delivery plan" resulted in substantial economies and a return to the New Jersey-New York Harbor of traffic by shippers who had previously been using the Gulf ports. Central territory industries which first began to use the plan in 1949 continued their use of this money-saving arrangement during the past year.

During the year the Chicago office compiled a number of information circulars describing industrial development projects under the E.C.A. program. These advisory circulars, containing important information for American manufacturers seeking contracts and for New York steamship and railroad companies for use in solicitation, were distributed throughout the eastern and Midwestern sections of the country by the Port Authority's four trade promotion offices. Several industries and New York forwarding companies later reported substantial contracts as a direct result of these E.C.A. advices.

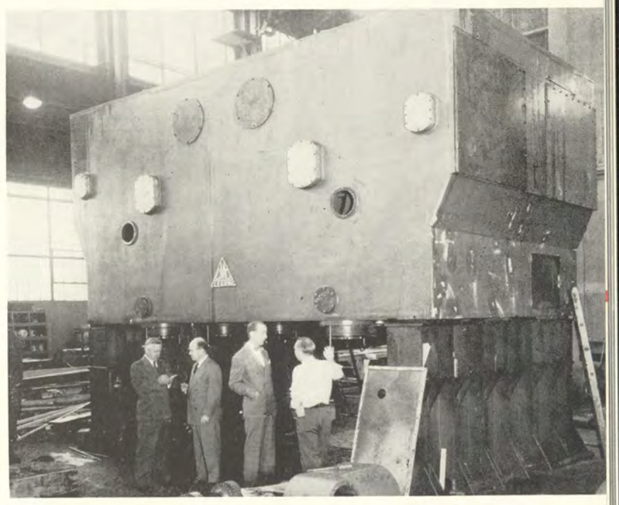
We continued to promote greater utilization of the New York State Barge Canal for developing additional tonnage through this harbor.

Midwest shippers expressed their appreciation for Port Authority action which helped obtain Federal Maritime Board regulation of foreign freight forwarders. Commerce through the New Jersey-New York Port, as well as other ports, had been burdened by the excessive service charges of a few unscrupulous forwarders. The regulation has stimulated additional use of this harbor.



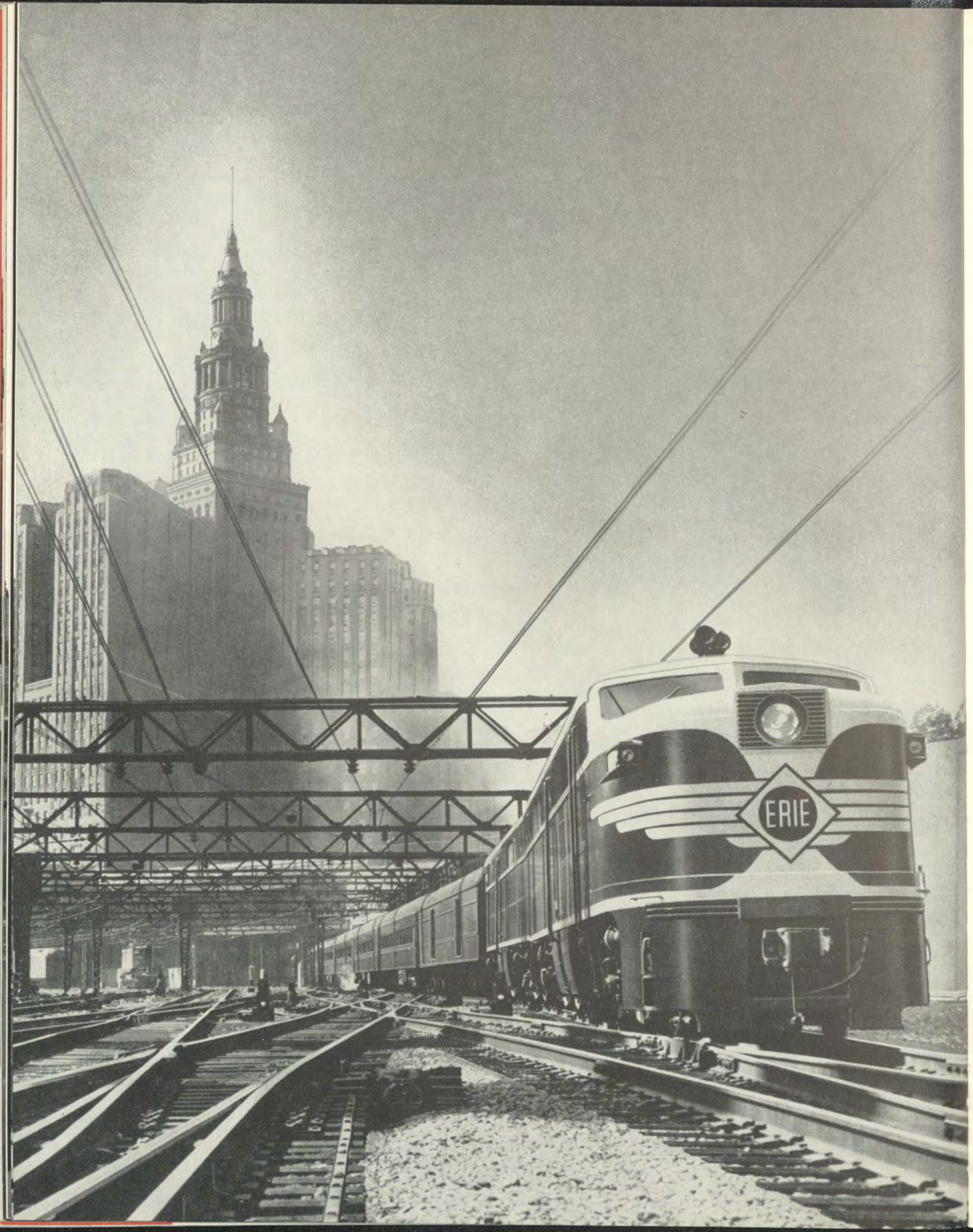
Melrose Park Works, Melrose Park, Illinois (opposite page), one of three plants of the Industrial Power Division of the International Harvester Company. The Port Authority's Chicago office has promoted the shipment of important cargoes of all types from the great Middle Western industrial area through the Port of New York en route to foreign destinations. Many of these shipments had been originally scheduled for routing through other ports. For example, we promoted the shipment of forty motor trucks through the New Jersey-New York Harbor for the account of the Pakistan supply mission; 45 to 150-ton presses to France; nine locomotives to Brisbane, Australia; steel mill equipment to South Korea and the like. Through our cooperation several Central Western industries took advantage of intercoastal water service through the Port of New York for goods en route to Pacific Coast markets.

Port Authority Chicago office manager George H. Weiss (left) gives personal attention to the shipment of a double action press, total weight 470,000 pounds, being shipped by Clearing Machine Corporation, Chicago, via the Port of New York to Renault, automobile manufacturer in Paris. With Mr. Weiss are Elmo L. Cunningham, traffic manager, Clearing Machine Corporation; John E. Lonn, foreign freight agent at Chicago, New York Central System; A. Leo West, export manager, Clearing Machine Corporation.



Confirming the loading of shipment to Renault Company in New York harbor are (right) Carl Eilenberg, President of Fred O. Nelson Company, Inc., foreign freight forwarders, and Paul Van Wicklen, of the Port Authority.

The heavy lift apparatus available at the Port of New York goes into action to hoist the huge press from the carfloat to the deck of the cargo ship. Throughout the year an increasing number of Central Western industries began the use of carfloat service at the New Jersey-New York Port for effecting deliveries of heavy machinery to shipside. Under this arrangement, shippers with consignments totaling six carloads of heavy freight can make substantial savings by use of carfloats rather than lighters which require payment of railroad heavy lift charges. The publicizing of this service by our Chicago and other trade promotion offices has helped in winning many large shipments for this harbor.



Symbol of Cleveland: The terminal tower rises majestically through the framework of railroad overhead power wires.

Cleveland

Cleveland Trade Promotion Office

During the year our Cleveland Trade Promotion Office, which was established in November 1948, kept in contact with shippers, exporters, importers and others in the important industrial areas of Ohio, Indiana, Michigan and Western Pennsylvania as well as in Ontario, Canada. This office, under the direction of Charles J. Hafner, cooperated with our Chicago office in promoting and publicizing the usage of the "grouped l.c.l. delivery plan." The plan was presented and explained in detail to twenty-nine concerns in the immediate Cleveland area. As a result more than half are utilizing it. Shippers in the Detroit, Pittsburgh and Indianapolis areas were also informed of the delivery plan.

Our Cleveland office helps many shippers route their freight through the Port of New York. We furnish information on available services, facilities and rates, as well as the advantages of using this port. For example, we helped a Cleveland firm locate sources of supply for beryllium ore in India and South Africa which will bring 2,500 tons of this cargo through the Port of New York annually. We also helped arrange for the importation of cement from Belgium, Greece and Portugal, and rendered the same type of service on soda ash. We were instrumental in obtaining railroad lighterage service in the Port for a 200-ton shipment of imported magnesium scrap originally scheduled to move through a competitive North Atlantic Harbor.

As a result of our efforts an automobile manufacturer will route all future shipments to the Far East by way of the New Jersey-New York Harbor instead of through west coast ports. An equipment manufacturer in Battle Creek, Michigan, has been won over to the use of the Port of New York, as have many Cleveland shippers involved in the movement of cargoes related to the Korean campaign. Our promotional efforts brought from a Louisville plant machinery which formerly moved through a Gulf port; 300 tons of paper exports a month will move through this harbor instead of through a competitive North Atlantic port.

Our Cleveland office, in cooperation with our traffic bureau at New York, obtained approval by the railroads for a substantial rate reduction on synthetic resin moving from Louisville.

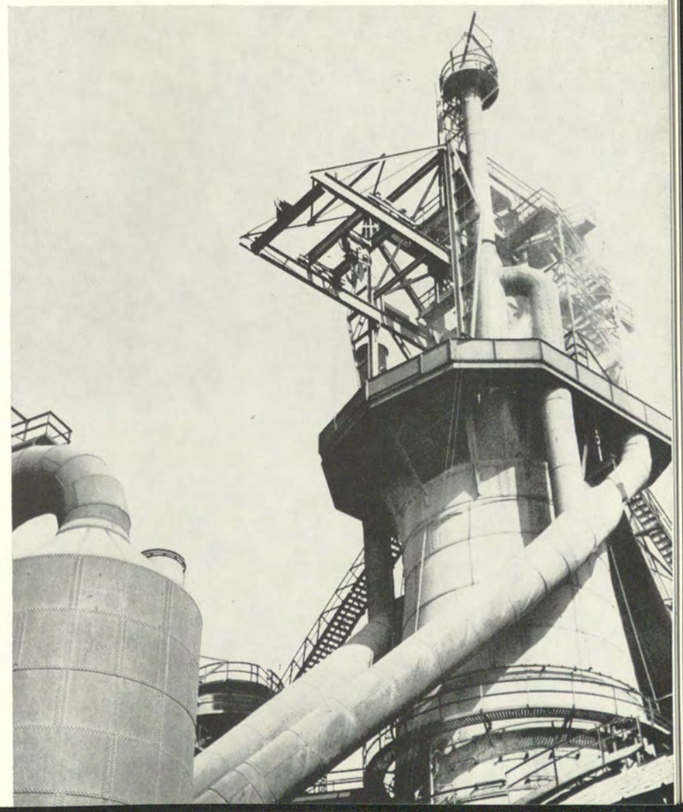
Silhouette of the Bessemer plant of the Republic Steel Corporation, shown against the blast furnace glow of the Youngstown sky, tells the story of tremendous production in the great industrial area in and around Ohio.

Charles J. Hafner (left), manager of Port Authority Cleveland office, Earl Webster, hot mill shipper, and Roy A. Eldridge, traffic manager, Republic Steel Corp., prepare shipping papers for movement of steel sheets from Cleveland to the Port of New York.

H. Fiscus, loading foreman, with Messrs. Hafner and Eldridge, as crane places bundles in gondola car.

And now the loaded bundles of steel sheets are given a final tallying before the train starts.

Blast furnace, Cleveland district, Republic Steel Corporation. The Port Authority's Cleveland office worked closely with a railroad and steamship line at the Port of New York to promote the movement through this harbor of six large steel plant units which took advantage of free carfloat delivery here while en route to Finland. A Wheeling, West Virginia, firm, with our cooperation shipped 130 tons of steel equipment to Yugoslavia. These are instances of our promotion of movement of steel products through the Port of New York.



The United States Capitol—The Port Authority in 1950 presented testimony before the Senate Committee on Interstate and Foreign Commerce in connection with legislation that would encourage the resumption and maintenance of domestic shipping which is of great importance to the New Jersey-New York Port. Among other activities, we also requested Congress to allocate additional funds for improvement of inspection of import merchandise; we urged supplemental legislation to permit additional activities in the foreign trade zones; and we stressed the unfairness of continuing Federal Barge Lines service on the Mississippi at national expense, supporting legislation to dispose of the line to private carriers.

Washington

Washington Trade Promotion Office

Our Washington Trade Promotion Office, established in 1948 under the direction of Lloyd L. Harvey, works closely with United States agencies responsible for the routing of government exports and imports. These include shipments developed by the Economic Cooperation Administration and the Mutual Defense Assistance Program as well as the accelerated movement of supplies to our armed forces abroad, the importation of strategic materials, and the like. Our Washington and New York offices have aided federal agencies in obtaining storage and handling facilities in the Port of New York for imports and exports. We also cooperate with foreign purchasing missions and the Washington representatives of commercial shippers from various parts of the United States.

Mr. Harvey has cooperated with Defense Department officials in furnishing information on facilities and services in this harbor for the handling of substantial shipments of vital defense materials and rehabilitation program cargoes. Arrangements were made for importing through the New Jersey-New York Port many of the strategic defense materials, including rubber, sisal, various ores and imported oils.

The Washington Trade Promotion Office was assigned the additional responsibility for covering the area of southeastern Pennsylvania, Maryland, Virginia and West Virginia. This vital industrial territory produces a large percentage of the ma-

terials and equipment being furnished to foreign countries through the E.C.A. Mr. Harvey has found that while the great bulk of these shippers are closer geographically to other North Atlantic ports, they favor the New Jersey-New York Port, and he is helping them in their routing of freight for overseas destinations.

Mr. Harvey has kept in close touch with officials in the United States Government departments and agencies on a number of matters affecting both the Port Authority and the New Jersey-New York Port. For instance, following the disastrous South Amboy explosion in May, 1950, he participated in meetings with the United States Navy Department officials and foreign government embassies on the need for handling commercial munitions shipments away from population and industrial centers. The Port Authority has urged the use of the Earle Naval Base at Leonardo, New Jersey, for such shipments.

Our Washington office manager, Lloyd L. Harvey, maintained close contact with many purchasing missions and embassies for foreign countries, including Pakistan, India, Indonesia, Belgium, Egypt, Denmark, France, Thailand, Greece, Saudi Arabia and El Salvador, to mention only a few. In many instances our efforts developed increased shipments through the New Jersey-New York Harbor.

A consignment of 600 trucks to the Pakistan and Indian governments was originally intended for another North Atlantic port, but our information on frequent sailings available here resulted in a diversion of this commerce to the New Jersey-New York Port. We promoted monthly shipments of cargo through this harbor to Israel; the movement of 700 tractors to the Argentine; 45 locomotives to Thailand; 3 turbine generators to India; as well as various types of cargo to Ecuador, Saudi Arabia, Denmark and other countries.

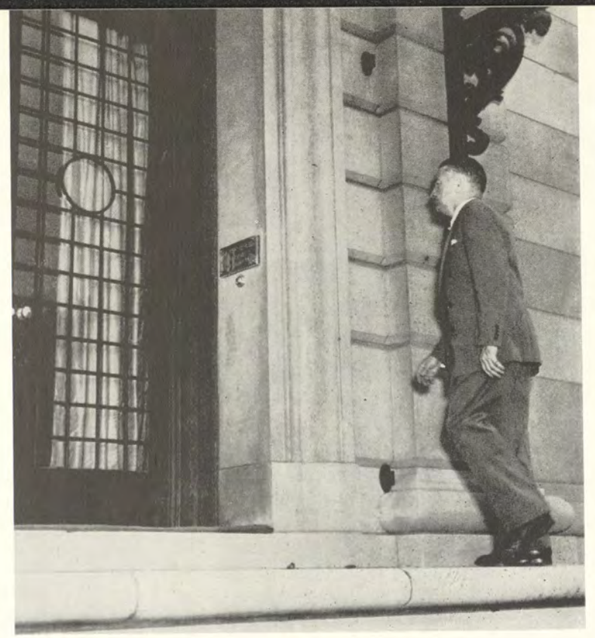
Port Promotion Bureau—New York Headquarters

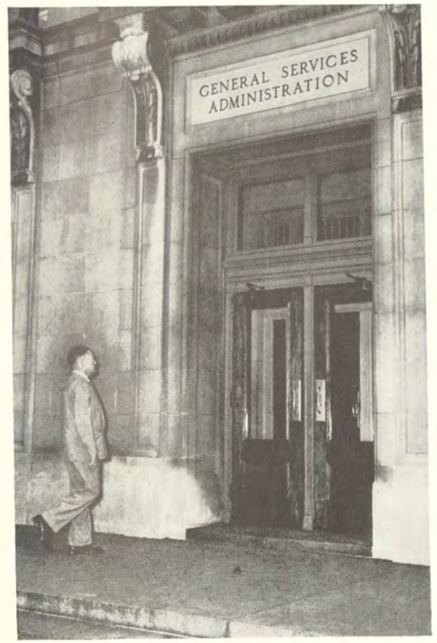
During 1950 our Port Promotion Bureau in New York, under the direction of Louis W. Byrne, made more than 400 personal calls on traffic managers, export-import managers of firms in the metropolitan New York-New Jersey area and representatives of port transportation interests. The close liaison between our out-of-town offices and the New York staff has helped to expedite many cargoes originating in or destined for the Midwest.

In many cases we have expedited the loading of shipments in time to meet expiring letters of credit. Our Port Promotion Bureau also acts as a clearing house for port information. During the year we handled hundreds of requests for port information and statistics from all corners of the earth.

Chairman Cullman served as chairman of a subcommittee of the Mayor's Joint Committee on Port Industry, making a detailed survey of the effect of transportation rate differentials on Port of New York commerce. He also served on a subcommittee on Promotion and Development of the Port, studying means of increasing freight movement, industrial activity and the number of visitors at the Port of New York.

Lloyd L. Harvey, Manager of the Washington Trade Promotion Office, enters the Italian Embassy.





Here he calls on General Services Administration.

Here he is shown with Otto W. Bender, director of regional offices of the Federal Bureau of Supply, and Archie Overby, assistant chief of the shipping and storage division, strategic materials, Federal Bureau of Supply.

Port Protection

During the year 1950 the Port Authority intervened formally in nineteen proceedings before the Interstate Commerce Commission, in one proceeding before the Federal Maritime Board and in one proceeding before the New York State Public Service Commission. In addition, we participated in numerous hearings and negotiations with rail and water carriers on proposed rate changes.

The Port Authority participated in the following formal cases during 1950:

Interstate Commerce Commission Rate Cases

1. Export Grain, Buffalo to New Jersey-New York Port District (I&S Docket 5641)

Since 1907, the New Jersey-New York Port District has suffered from a freight rate handicap on the movement of ex-Lake export grain from Buffalo, due to the fact that the inland rail freight rate for grain through Baltimore and Philadelphia is ½ cent per 100 pounds (10 cents per ton) lower than through the New Jersey-New York Port. Since the end of World War II, this freight rate differential, together with more liberal free time before assessment of storage charges in port elevators, has raised the total differential to 33 cents per ton, an important factor in controlling the routing of grain. Federal agencies, controlling much of the movement of the export grain routing, are required to move their grain through ports having the lowest inland freight rates, regardless of the heavier expenses to ships in making special calls to the outports. This has resulted in a serious diversion of export grain away from the Port of New York. In 1949 the New Jersey-New York Port handled only 23 per cent of the total export grain moving from the Great Lakes through the ports of New York, Philadelphia and Baltimore as compared with 43 per cent in 1939.

In 1949 the New York railroads, on their own initiative, filed a tariff reducing the export rates on grain through the ports of New York and Boston to equal those in effect at Philadelphia and Baltimore.

At the same time, the railroads increased the free time on export grain at the Port of New York from ten to twenty days, the free period in effect at the other two ports. The equalized tariff, however, was protested by the railroads and commercial interests at Philadelphia and Baltimore and was later suspended pending hearings by the I.C.C. In May 1950 the Commission ordered the New York railroads to cancel their equalized inland freight rates, but granted equalization of free time.

Petitions were filed immediately by the New York railroads, the Port Authority and New England interests, asking reconsideration. In December, the I.C.C. denied the petitions for reconsideration. The decision will be promptly appealed to the Federal Court early in 1951.

2. Unloading Charges for Fruits and Vegetables at New York Pier Stations (I&S Docket 5500)

In 1947, the railroads published a new and additional charge for unloading of fruits and vegetables at New York pier stations. Although the Port Authority, at hearings before the I.C.C., argued against the imposition of this added charge, the Commission, by a closely divided vote, failed to disapprove the unloading charges in 1948. The Port Authority, shippers and receivers immediately petitioned for reconsideration and as a result the proceeding was reopened for rehearing in 1949.

The Port Authority presented new testimony in May 1950. The Examiner recommended that the former findings be reversed and the unloading charges abolished. In July, the Port Authority presented oral argument supporting adoption of the Examiner's report. We emphasized the railroads' obligation to place the produce at a point accessible to the consignees. The ferrying of cars on carfloats alongside pier stations is cheaper than providing elaborate land yards on the west side of Manhattan, but requires unloading of the produce to the pier deck as part of the line-haul service.

Subsequently, the I.C.C. ordered a further rehearing of the proceeding in June 1951 and has requested the railroads to present additional cost figures, comparing pier deliveries with standard deliveries to team tracks.

The Port Authority, in cooperation with the City of New York, the produce trade, and other local interests, will of course continue to fight these charges, which add $3,000,000 a year to the metropolitan food bill and threaten the whole system under which freight to pier stations is made available to the receiver without extra cost, as would be done on a normal yard delivery.

3. Refrigerated Steamship Line Rates, Florida to New York (Docket 30403)

The Refrigerated Steamship Line resumed service between Florida and New York in 1949, establishing proportional rates on citrus fruit and providing for the prepayment of the motor truck charges on the movement of the fruit from the packing plants to the steamship piers at the Florida ports. In January 1950, the Port Authority urged the I.C.C. to approve the tariff, stressing the economic importance of coastwise shipping to the New Jersey-New York Port District, which accounted for 20 per cent of total port activity before World War II.

In June, the Examiner's report recommended that the I.C.C. find the rates reasonable and lawful. Following oral argument in October, the Commission announced its decision, upholding the proportional rates but condemning the practice of the prepayment of the motor truck charges. Unfortunately, the Refrigerated Steamship Line has since suspended service because of the diversion of vessels for national defense requirements.

4. Extension of Refrigerated Steamship Line Certificate (Docket W-333, Sub 9)

In accordance with Port Authority policy to encourage resumption of coastwise service for the

The smile of victory—Edward K. Laux, Traffic Manager, Wilbur La Roe Jr., Associate Counsel, Washington, and Samuel H. Moerman of Washington Counsel's office, emerge from Interstate Commerce Commission headquarters after learning good news that the I.C.C. had ordered the eastern trunk line railroads to join with the New York Susquehanna and Western Railroad in joint rates applicable to and from shipside at Edgewater terminal, thus establishing for the first time rail to keel service, removing the discrimination against the New Jersey terminal.

New Jersey-New York Port, we supported by testimony in 1950 the application of the Refrigerated Steamship Line to extend its certificate to cover southbound movement of additional commodities. The Examiner's report in August recommended approval of the extension of the certificate. As noted above, the line withdrew its application in October, suspending service because of diversion of vessels to meet the needs of national defense.

5. Citrus Fruits Unloading Charges at New York (I&S Docket 5718)

When coastwise service by the Refrigerated Steamship Line from Florida to New York was resumed in 1949, the southern railroads sought to absorb the unloading charge assessed by the New York railroads at New York pier stations (see I&S 5500 above), to meet the steamship competition. The Port Authority participated in this proceeding in January 1950, urging the I.C.C. to approve. However, the steamship line had not been able to resume its service in the fall of 1950 as a result of diversion of vessels for national defense requirements. With water competition removed, the southern railroads cancelled their proposed absorption of the unloading charge.

6. Florida Ports Complaint Seeking Rate Equality with Other South Atlantic and Gulf Ports (Dockets 29547 and 29520)

In 1948, the I.C.C. dismissed a complaint of the South Florida ports in which they sought an order reducing their export-import rates out of the Midwest to parity with South Atlantic and Gulf ports. Success would have spread the differential handicap of the New Jersey-New York Port District to these ports, despite their much longer distances. We opposed any reduction below the New York rates, citing the competition on Cuban and Caribbean traffic and the obvious lack of reasonableness in any arbitrary advantage compared to the Port of New York.

In a reopened hearing we again presented testimony in February 1950. Late in the year, the Examiner's proposed report on the reopened proceeding again favored the Port Authority's position and recommended that the Commission reaffirm its previous decision. Final decision by the I.C.C. is expected in 1951.

7. The Rukert Terminals Corporation vs. Baltimore & Ohio Railroad, et al (Docket 30446)

The Port Authority participated in a hearing before the I.C.C. in April 1950, involving complaint by a private terminal in Baltimore against discriminatory arrangements under which the railroads at several North Atlantic ports now absorb loading and unloading charges on water-borne freight at particular water-front terminals and warehouses and not others. The Port Authority participated in this proceeding because the issues were analogous to a situation at Port Newark and other sections of the Port where railroads refuse to absorb loading and unloading charges. The Examiner's proposed report and recommendations are being awaited.

8. Motor Carrier Commercial Zones and Terminal Areas (Ex Parte MC-37 and Docket MC-C-2)

Over a period of years, the Port Authority has participated in I.C.C. proceedings and court cases involving the determination of the commercial zone for motor carriers in the New Jersey-New York area within which local trading is exempted from detailed I.C.C. regulations. In 1937, the I.C.C., in determining the commercial zone for New York, split the Port District at the Hackensack River, thus subjecting local deliverymen operating between Newark, Elizabeth, Paterson and New York to the same burdensome I.C.C. regulations that apply to over-the-road carriers.

At the request of the Port Authority and other local interests, this issue was considered again in connection with the determination of commercial zones of the principal North Jersey communities. After a hearing, the Examiner's proposed report in March 1950 was partially favorable. He recommended an expanded commercial zone for local trucking operations between Port Newark, Elizabeth, Perth Amboy and New York carrying waterborne freight only. The Port Authority promptly filed an exception to this report and in September participated in oral argument, stressing that all local truck delivery operations within the Port District should be exempted. The I.C.C. decision in this proceeding is expected in 1951.

9. Motor Carrier Rates between New England and the New Jersey-New York Port District (Docket MC-C-1115)

The Port Authority urged the preservation of the unity of the Port District in the establishment

of motor carrier commodity rates between New England and various sections of the Port area in accordance with a rate structure as recommended by the Port Authority and approved in 1948 by the I.C.C. in Ex Parte MC-22. Additional hearings will be held in 1951.

10. Motor Carrier Rates for Pickup and Delivery in New York City Garment and Market Areas

As a result of the protest of the Port Authority and other local interests, the Middle Atlantic States Motor Carrier Conference withdrew its tariff scheduled to become effective in September 1950. This would have provided for the assessment of an added charge for pickups and deliveries of shipments under 6,000 pounds originating in or destined for the garment and market areas on Manhattan Island, on the basis of alleged higher costs because of municipal regulations on permitted length of trucks in these areas. The market area regulations have been in force for a number of years but the garment center rules were prospective only. The Port Authority again protested, with the result that the Conference twice withdrew the schedule. Subsequently, the motor carriers filed a third new tariff placing added charges on shipments over 6,000 pounds but at a lower rate than originally proposed. Once again the Port Authority protested the charges as discriminatory, and requested their suspension. The Commission, however, allowed the motor carrier tariff to become effective in December for the added charge in the market area. The garment center added charge was withdrawn in early 1951.

11. Pan-Atlantic Steamship Corporation Certificate Extension (Docket W-376, Sub 10)

The Pan-Atlantic Steamship Corporation, providing service between the New Jersey-New York Port and South Atlantic and Gulf ports, applied for an extension of its certificate to Galveston and Houston, Texas. In June, the Port Authority recommended that the line be given a certificate, subject to reexamination after one year to determine whether this service could generate new business of its own rather than merely redistributing existing tonnage among the existing routes. In January 1951 the Examiner recommended granting of a permanent certificate, finding that the prospective business justified a third service to this Southwest area.

12. Rail Rates on Sulphur, Louisiana and Texas to Great Lakes Ports (I&S Docket 5873)

In November, the Port Authority protested a railroad tariff reducing rates on sulphur moving from Louisiana and Texas to Great Lakes ports, such as Cleveland, Erie and Buffalo. This selective rate cutting by the railroads threatened movement by coastwise vessel to New York and thence via New York railroads or the New York State Canal to these destinations. The Port Authority stressed that the selective rail rate reductions and competition from the subsidized Federal Barge Lines on the Mississippi River had already diverted a large portion of the sulphur which formerly moved via the Port of New York. The I.C.C. suspended the reduced rail rates for investigation and hearing in 1951.

13. Cotton Linters, Texas to New Jersey-New York Port District (I&S Docket 5785)

The I.C.C. has suspended the tariffs of the Southwestern railroads which would have increased the rail rates on the movement of cotton linters (a cotton by-product used in mattresses and cushions) from interior points in Texas, Louisiana and Oklahoma to the Gulf ports for coastwise movement to the New Jersey-New York Port District. These increases would have raised the combined rail-water rates to such levels as to

Edward K. Laux, Port Authority Traffic Manager, is sworn in prior to giving testimony before Interstate Commerce Commission Examiners Myron Witters and M. L. Boat. At left of table is Samuel H. Moerman, of Washington Counsel's office. Mr. Laux and other members of the Port Development Department Staff and the office of our Washington Counsel appear regularly at Interstate Commerce Commission hearings on behalf of the welfare of the New Jersey-New York Port.

squeeze out the possibility of movement via the Port of New York. The Port Authority has intervened in this proceeding and will present testimony at hearings in 1951.

14. Superphosphates from Baltimore to Lyons, New York (I&S Docket 5876)

In the latter part of 1950, the railroads serving Baltimore published a sharply reduced rate on superphosphates moving from Baltimore, Maryland, to Lyons, New York, a location on the New York State Canal system. The Baltimore railroads justified this rate-cutting by alleging potential water competition from ocean-going motor ships between Baltimore and Lyons. Lyons is served by barge tows from Carteret, New Jersey, and other points in New York Harbor. The water competition from Baltimore is wholly hypothetical. As a result of a protest filed by the Port Authority, the I.C.C. has suspended the rail tariff and scheduled a hearing for early in 1951. The Port Authority will oppose the proposed reduced rail rate from Baltimore as not being justified by actual water competition from the port, since the water service exists only from our harbor.

15. Coastwise Steamship Rates and Service, New York-Savannah (Docket 13494)

The Ocean Steamship Company, operating between New York and Savannah, dormant since World War II, is planning to revive the service by transferring certificate rights to the Seatrain Lines. Seatrain Lines operate from Edgewater, New Jersey. The Ocean Steamship Company has petitioned the I.C.C. to make the rail-water rates between Savannah and New York applicable to and from Edgewater, New Jersey, where the Seatrain Line Terminal is located. Our Port has a vital interest in the resumption of coastwise shipping, which made up 20 per cent of our shipping activity before World War II. The Port Authority has intervened in the proceeding and will support the technical changes necessary to provide resumption of this Savannah service. Further hearings are expected during 1951.

16. Protection of Port Relationships (Ex Parte 175)

In December the eastern railroads requested the I.C.C. to authorize a general 4 per cent increase in freight rates. This proposal is similar in pattern

to the other increases that have been granted by the I.C.C. during the period of postwar general price increases. The Port Authority takes no position on the reasonableness of general rate increases, but seeks to protect rate relationships between our port and others. We will again urge that any percentage revision in the rail rates be followed by an immediate adjustment of the rail rates on import, export, coastwise and intercoastal freight to the usual cents per-hundred-pound relationships. Otherwise old advantages of 60 cents per ton in favor of Baltimore and greater differentials in favor of Gulf and South Atlantic ports will be proportionately increased.

17. Coffee Rate Adjustment for North Atlantic Ports to the Midwest (Fourth Section Application 25291)

The Port Authority is supporting proposals of the railroads serving the North Atlantic ports to publish reduced rates for import coffee to points in the Midwest. These rate reductions are made to match similar reductions in the rates to the same inland points from the Gulf and South Atlantic ports, and thus preserve port relationships in cents per hundredweight to halt diversions of this important traffic to Gulf ports. Hearings are scheduled for 1951.

18. Import Sugar Rates From Atlantic and Gulf Ports to Illinois, Indiana, and Western Points (I&S Docket 5866 and Fourth Section Application 25538)

We are also supporting the eastern railroads in their effort to meet rate cuts by the railroads serving Savannah and the railroads and barge lines serving New Orleans on import sugar to the Midwest.

The Port Authority has intervened in this proceeding to hold port relationships on this important item of commerce which amounts to over 700,000 long tons each year in the New Jersey-New York Port.

19. Water-Rail Rates (Docket 28300)

The Port Authority is supporting efforts of the coastwise shipping lines to include consideration of reasonable relationship between combination water-rail rates (involving partial coastal movements via water) and all-rail rates between identical inland origin and destination points in a nationwide revision of class rates. To date the all-rail rates are the only rates that have been considered in this proceeding.

Other I.C.C. Decisions

During the year several proceedings carried on in previous years resulted in favorable I.C.C. decisions or actions by the carriers:

In April, the I.C.C. found that proposed increased penalty charges for truck deliveries in the Port District would not be allowed in connection with establishment of minimum truck rates between New York and Philadelphia (MC-C-1003).

For several years, the Port Authority has opposed the application by the eastern railroads (Docket 29770) for an increase in their class rates on less-than-carload freight to and from shipside, when no similar increases were proposed at South Atlantic and Gulf ports. In May the railroads agreed that the increase, if approved for purely domestic traffic, would not be applied to shipside, thus eliminating the threat of widened port differentials.

Despite Port Authority protest, the I.C.C. permitted the eastern railroads to change import-export rates on glass containers and carbonate of soda without adjusting the normal port relationship, already widened to the disadvantage of this Port by previous rail freight rate increases. We promptly commenced discussions with the railroads' committees, however, to try to restore the port rate relationships voluntarily.

Federal Maritime Board Cases

During the year the Federal Maritime Board implemented its 1949 decision prescribing certain regulations for contact freight forwarders' business at all United States ports. The Port Authority had suggested minimum rules to be prescribed uniformly. The Port Authority's proposals and Board orders drew favorable reaction from major shippers, particularly in the Midwest, who are now better protected against the practices of unscrupulous forwarders.

Ocean Rates on Woodpulp From Scandinavian Countries to the Port of New York (Federal Maritime Board Docket No. 706)

In December 1950 the Port Authority filed a complaint with the Federal Maritime Board against five foreign-flag ocean carriers, transporting woodpulp from ports in Sweden to North Atlantic ports of the United States, requesting the elimination of the penalty charge of one dollar per ton, assessed by these lines on woodpulp discharged at the New Jersey-New York Port. Woodpulp, an important ingredient in the manufacture of paper and paper products, has been imported in large quantities since the end of World War II. The penalty charge against this harbor diverted large volumes of this commodity to competing ports. In response to the Port Authority complaint, the Federal Maritime Board indicated it will assign the matter for hearing in 1951.

New York State Public Service Commission—General Investigation of Motor Carrier Rates (Docket 12877)

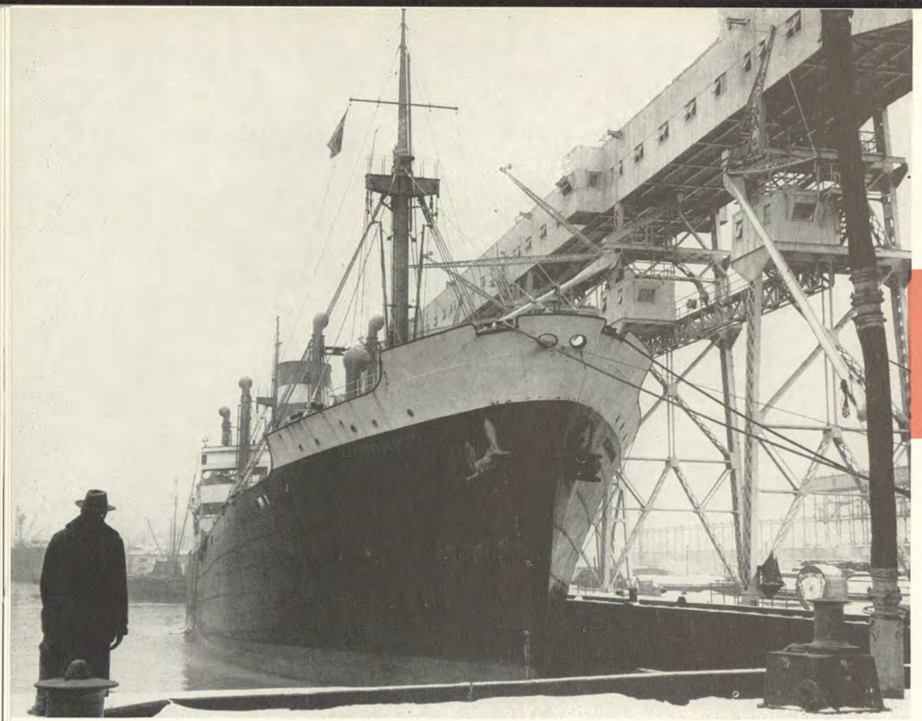
During the past two years, the Port Authority has participated in an investigation by the New York State Public Service Commission of the entire motor carrier rate structure for New York State intrastate carriers. In March 1950, the Port Authority stressed the necessity for motor carrier rates on an equal basis throughout the New Jersey-New York Port District in order to maintain the economic unity of the metropolitan area. The intrastate carriers have published new schedules in accordance with our recommendations. The Public Service Commission has suspended the rates pending further investigation because of other causes.

Carrier Committee Hearings and Discussions

In the Port Authority's program of port protection, our Traffic Bureau keeps in close touch with matters relating to rates, services, routes and practices of all carriers which might affect the commerce of the New Jersey-New York Port. The traffic manager and his assistants appear before carrier committee hearings to urge that rates and services in effect at this port be kept on a competitive basis with other ports. In many instances, we have induced carrier groups to revise rates and practices in order to eliminate discrimination against the New Jersey-New York Port.

During 1950 the eastern railroads revised rates to and from specific origins and destinations on more than forty separate commodities, to correct the inflated differentials between the Port of New York and other ports, resulting from the postwar general percentage rate advances. In many instances, prewar disadvantages to the Port of New York had increased by 50 to 100 per cent. The adjusted rates covered many commodities, such as prepared foods, iron and steel articles, machinery and equipment, sugar and coffee.

As a result of our efforts, the New York railroads adopted our proposal to make a uniform tariff charge for bracing and blocking on shipments of passenger automobiles. They also agreed to permit deliveries of automobiles for export to



SS *Pierre De Saurel* loading grain at new grain gallery pier, Port Authority Grain Terminal.

several lighterage points without the assessment of additional charges. In addition, the railroads serving this Port adopted a rule permitting carloads of freight to be brought into the area and afforded storage-in-transit arrangements for boxing or ordinary storage, and held for subsequent delivery to shipside. The railroads serving the North Atlantic ports agreed on a standard seven-day free time limit for exports of government freight, in place of variable periods which arose out of competition to our disadvantage. However, the situation at South Atlantic and Gulf ports is out of line both at railroad and publicly-owned terminals.

Following Port Authority protest, the Southern railroads dropped their proposal to reduce export rates on potatoes and import rates on cotton products, which would have discriminated against this area. In addition, a tariff which would have increased the differential in favor of one of the Gulf ports on export iron and steel moving from Ohio, was withdrawn. The eastern railroads, on freight originated in eastern central territory, have limited the number of deliveries allowed out of one carload on shipments to Gulf ports to the same number allowed at the Port of New York.

During the year, we continued to urge the railroads to adopt other rates and practices to equalize competing ports. We requested the railroads to eliminate the heavy lift charge for handling shipments of over three tons and under twenty-five tons. In 1950 the railroads serving New Orleans cancelled heavy lift charges, leaving New York as the only port where such charges remain. There is evidence that this discrepancy is diverting heavy export shipments from this harbor.

The Traffic Bureau was successful in having the New York harbor railroads agree on a clarification of the carfloat delivery rule covering penalty charges on deliveries to shipside of less than the six carload minimum. We also asked the eastern railroads to modify further their present rule to provide shipside delivery by carfloat in place of lighterage, without heavy lift charge in single carload lots. We urged the eastern carriers to protect Chilean nitrate and edible nuts brought into the New York Foreign Trade Zone against loss of the import rate. We supported at a carriers' committee hearing a proposal to equalize the rates on imported canned processed foods moving from all North Atlantic ports to interior destinations. During the year we urged the railroads to reinstate the prewar through bill of lading provisions in their tariffs to facilitate export trade from the interior.

Services and Rates at Port Newark

As a result of the efforts of our Traffic Bureau, the three railroads serving Port Newark—Central Railroad of New Jersey, Lehigh Valley Ralroad and Pennsylvania Railroad—have agreed to new rates and practices which put the Port Newark marine terminal on a parity with the remainder of the New Jersey-New York Port, and in comparable relationship to competing ports. Rates on many commodities, such as asbestos fibre, burlap, dried dates, roots and spices, corn syrup, glucose, green salted hides, molasses, lead, cotton, iron and steel coil rods, pig iron, chrome and magnesium ores, latex and forest products were adjusted during 1950 to eliminate discrimination which formerly existed against Port Newark.

Through our efforts, the tariffs at Port Newark were revised to allow for storage-in-transit and redistribution of canned goods, thus putting the Port on a competitive basis with distributing warehouses in the east. The Port Newark railroads also agreed to load and unload cars of water-borne commerce at public wharves and tracks adjacent to cargo terminals along the wharves. L.c.l. rates will also be applied to shipside in lots of 10,000 pounds or more at Port Newark, eliminating the previous practice of assessing an added charge to the normal line-haul rate.

Miscellaneous Port Protection Activities

During the year, our Traffic Bureau issued twelve "Traffic Advices" which furnished up-to-date information on rates and carrier services for the handling of freight in the New Jersey-New York Port District. These information bulletins went to more than 2,000 shippers throughout the country.

Chairman Cullman headed the Subcommittee on Transportation Rate Differentials as part of the New York City Mayor's Joint Committee on Port Industry to study the rates, practices, and services which discriminate against the Port of New York and lead to diversion of freight to competing ports. The subcommittee, made up of representatives of the railroads, maritime and commerce associations, is preparing a factual report and specific recommendations on expediting the removal of these disadvantages. In July the subcommittee invited shippers and transportation officials to discuss this problem. Thirteen presented oral testimony, while six filed statements on the effect of these differentials on the commerce of the Port of New York.

Federal Barge Lines

During the year we continued to oppose before Congress the extension of further subsidies to the Federal Barge Line System operating on the Mississippi River. When the Government originally established the Barge Line System in 1924 in an effort to stimulate barge traffic on the Mississippi River, it planned a prompt disposal of the system to private operators. The line is still maintained by the Government, however, and its rate cutting tactics not only incur mounting deficits, but result in unfair competition with the privately owned and operated lines on the Mississippi River and the New York State Canal System as well as the railroads serving our Port. The 81st Congress blocked legislation to expand the Federal Barge Lines further, but failed to dispose of the service to private operators.

The St. Lawrence Seaway

The Port Authority continued to oppose the navigational phase of the St. Lawrence Seaway. This project would not only adversely affect the volume of commerce and trade in the New Jersey-New York Port, but would fail by a wide margin to be self-supporting, adding greatly to the burden of the American taxpayer. Despite an attempt to clothe this project in the garments of national defense, it would constitute a serious diversion of men and materials from projects of immediate military importance, and create a vulnerable target. No action was taken during 1950 by Congress to authorize construction of the Seaway, but the matter is certain to be revived in 1951.

Marine Borer Research—New York Harbor

The director of port development continued to serve as chairman of the Marine Borer Research Committee for the Port of New York. The committee, whose members include representatives of many water-front industries and public agencies, aids in research on the marine borer problem through the installation of test boards in the harbor. Laboratory analysis of these test boards indicates immediately the presence of marine borers or associated organisms which herald their approach. The New Jersey-New York Port has been relatively free for over fifty years of borers, capable of destructive attacks on water-front structures. The results of anti-pollution campaigns are being closely watched to note any change.

New York State Barge Canal

As in previous years, the Port Authority cooperated with Federal and State officials in promoting the improvement of the New York State Barge Canal which provides a vital artery between the Great Lakes and the New Jersey-New York Harbor. Our trade promotion offices in New York, Chicago, Cleveland and Washington assisted the shippers seeking water service in arranging for the transportation of various commodities by way of the canal.

We appeared before the New York State Joint Legislative Committee on Highways and Canal Revenues, established by the New York State Legislature to study the possibility of obtaining revenues from users of highways and the canal system. We pointed out the desirability of maintaining the New York State Barge Canal System free of tolls or taxes if it is to compete with toll-free waterways serving competitive ports such as the Mississippi and St. Lawrence Rivers.

We also pointed out that current Federal projects to increase the capacity of the canal relied upon the prohibition against tolls in the State Constitution. Threats to revise State toll policy tend to discourage private investment in new barges and other equipment.

More than a million tons of freight a year roll in and out of this classification yard at the Jersey City terminal of Jersey Central Lines.

Channel Improvements

Under the direction of the Port Treaty, during the past year we continued our vigorous efforts on behalf of improving and developing the channels in the New Jersey-New York Port District. We presented testimony in 1950, as in the past several years, before congressional committees to urge the appropriation of adequate funds to improve local channel projects. Once more we pointed out that there should be a more equitable allocation of funds for this harbor in line with the volume of trade it handles. Less than 3 per cent of the Federal funds allotted to the deepening of all United States rivers and harbors has been allotted to the Port of New York in the years since World War II ended, although we have handled about 40 per cent of the total United States trade.

The President's budget message in January 1950 contained an item of $5,250,000 for rivers and harbors work in the New Jersey-New York Harbor area for the fiscal year 1950-1951. This compared with an appropriation in the previous year of only $2,872,000, and reflected our successful efforts before the United States Army Engineers and the Bureau of the Budget to obtain increased funds for work in this area.

The Office of the Army Engineers subsequently disclosed that a total of $4,415,000 will be allotted to this harbor for 1950-51. This is about 4 per cent of the national total. While it was not as much as we had hoped for, the Port of New York fared better than some projects for which appropriations were sharply reduced or eliminated under a congressional directive that only essential projects should be undertaken in the present emergency situation.

The campaign which the Port Authority and local maritime interests have carried on since 1946 to assure deepening to thirty-five feet the six-and-a-half-mile stretch of the Arthur Kill between Staten Island and New Jersey in the vicinity of Linden, Carteret and Woodbridge, was successfully concluded in the past year. Authorized by Congress and approved by the President, work will begin on the project as soon as funds to cover the cost, about $12,000,000, are appropriated. This new thirty-five-foot channel will provide a second entry into Upper New York Bay and the rest of New York Harbor from the open sea.

During 1950 the United States Army Engineers completed dredging to thirty-five feet the inshore channel at Port Newark, thus enabling that port to handle the most modern, deep-draft cargo vessels. We reimbursed the Engineers in the amount of $296,000 for dredging the berthing areas along the bulkhead on either side of the channel for which the Port Authority is responsible. The Government will begin the second stage of the thirty-five-foot deepening of Newark Bay early in 1951. We cooperated with the Engineers in providing disposal areas for the placing of spoil material from these channel-dredging operations.

The United States Army Engineers in 1950 approved deepening to thirty feet the channel in

Gowanus Bay and Henry Street Basin in Brooklyn. We have urged the need of this project since 1946. The next step will be incorporation in Federal legislation following review by the United States Bureau of the Budget.

We appeared at public hearings before the Army Engineers on the application by the City of New York for the approval of a vertical lift bridge over the east channel of the East River between Welfare Island and Queens. In August 1950, the Army Engineers approved a forty-foot vertical clearance (in closed position) recommended by the Port Authority as a compromise between the recommendations of the maritime interests and the City. The bridge will provide a greatly needed access to Welfare Island.

The United States Army District and Division Engineers during the year adopted recommendations in which we concurred as early as 1946 on the need for a turning basin for Westchester Creek channel.

Foreign Trade Zone

In 1950 Federal legislation was enacted, as urged by the Port Authority, permitting the manufacture and exhibition of goods in foreign trade zones. Extension of foreign trade zone privileges will increase commercial activity and local employment in the Port District.

We took a leading part in the adoption of the original Federal legislation in 1934 authorizing foreign trade zones in the United States. We have, since then, continued to urge supplementary legislation calling for additional foreign trade zone activities in order to improve their service and strengthen their financial condition. These zones are designed to encourage and expedite foreign commerce by permitting goods to be brought into a bonded area for storage, repackaging, assembling, sorting, grading, labeling, processing and the like, without payment of customs charges if the products handled are later exported. Import charges, of course, are paid in the event the goods are finally shipped into the United States. The first foreign trade zone was established in New York City on Staten Island in 1937.

New Jersey-New York Harbor Radar

The Port Authority throughout the year has closely studied the possibility of using shore based radar, during periods of low visibility, as an aid to navigation in this greatest of all harbors. Such an installation would be similar in its technical aspects to those currently in operation at La Guardia and New York International Airports. It would enable harbor authorities to furnish information to pilots and masters of ships entering or leaving the harbor in foggy weather and to maintain general surveillance of the Port at all times. All use of this information would be at the discretion and risk of the vessel.

Radar facilities have been in successful use at Liverpool, England, for more than a year, and were observed in operation by members of our staff. An installation has been operating for some time at Long Beach, California. Other ports, both here and abroad, have been conducting experiments along these lines.

The geographic complexity of the New Jersey-New York Port and heavy cross-harbor traffic require special adaptations. Early in 1951, the Port Authority Commissioners authorized a nine-month trial demonstration of shore based radar, from March through November of 1951, to determine the feasibility of such an operation.

6 Administration

Howard S. Cullman Re-elected Chairman, Joseph M. Byrne Jr., Vice Chairman

At their annual meeting on January 12, 1950 the Commissioners of the Port Authority, by unanimous vote, re-elected Howard S. Cullman of New York City for his sixth term as Chairman of the Port Authority. At the same time, the Commissioners unanimously re-elected as Vice Chairman, Joseph M. Byrne Jr. of Newark.*

Chairman Cullman, for more than ten years Vice Chairman of the Port Authority previous to being elected to the chairmanship in February 1945, was first appointed a Commissioner of the bi-state agency by the late Governor Alfred E. Smith in March 1927. He was reappointed by Governors Herbert H. Lehman and Thomas E. Dewey.

Vice Chairman Byrne, who was first appointed to the commission by Governor A. Harry Moore for a term beginning July 1934, was reappointed by Governor Moore in 1940 and by Governor Walter E. Edge in 1946.

*Chairman Cullman and Vice Chairman Byrne were re-elected to their seventh terms on January 11, 1951.

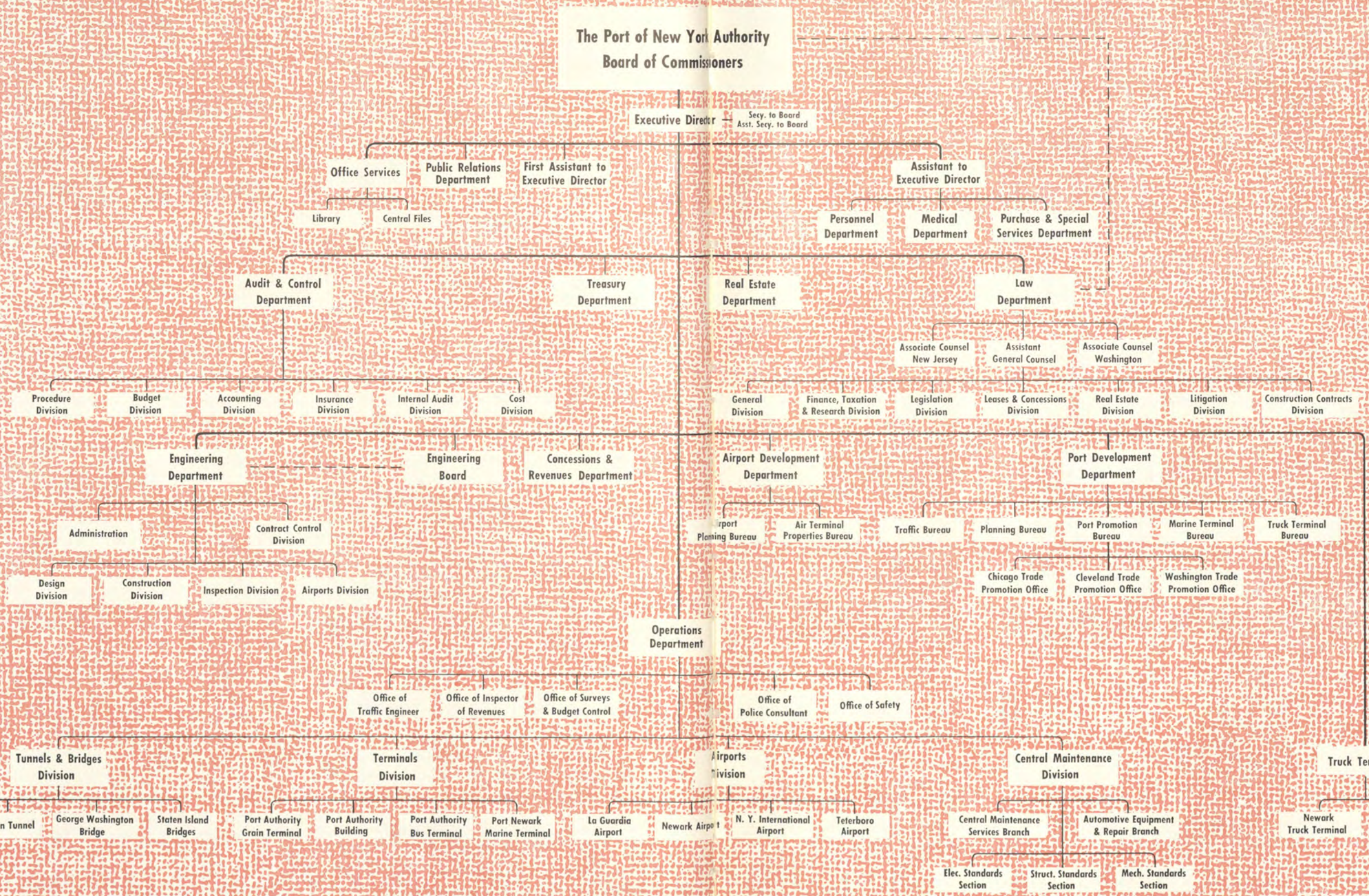
Serving without compensation, the twelve Commissioners of the Port Authority, six from each State, are appointed by the Governors of New York and New Jersey for overlapping terms of six years.

The Commissioners of the Port Authority are:

New Jersey
Joseph M. Byrne Jr., *Vice Chairman*
Frank D. Abell
Donald V. Lowe
F. Palmer Armstrong
Horace K. Corbin
John Borg

New York
Howard S. Cullman, *Chairman*
Eugene F. Moran
Bayard F. Pope
S. Sloan Colt
Charles S. Hamilton Jr.
Chas. H. Sells

PORT AUTHORITY ORGANIZATION



Detailed Commission Work Is Handled by Four Committees

The bylaws of the Port Authority establish four Committees which, in the interest of administrative efficiency, provide opportunity for detailed study and deliberation by members of the Board on all matters requiring the attention of the Commissioners. Thus full Board action takes place only after Committee action and recommendation.

The Board as a whole finds it obviously impossible to pass upon every transaction in the heavy volume of Port Authority business. It therefore has delegated authority to the Committees to act upon many items without referral to the entire Commission. All such Committee action, of course, is reported to the Board, which passes on all important questions of policy as well as those which require detailed examination by all of the Commissioners.

Each Port Authority Commissioner serves as a member of one or more Committees of the Board. The Chairman and Vice Chairman are ex officio members of all Committees of which they are not regular members. All Commissioners are privileged to attend all the Committee meetings and to participate in all Committee discussions.

Committee on Port Planning

The responsibility of studying and taking detailed action on programs and policies that will enable the Port Authority to carry out its obligations under the Port Treaty is vested in the Committee on Port Planning. This Committee recommends to the Board programs and policies on terminal and transportation problems and facilities. It has the power to authorize or arrange for Port Authority appearances before congressional committees, and for intervention in proceedings before governmental boards, commissions and agencies whenever it is considered necessary to do so to promote or protect the interests of the people of the New Jersey-New York Port District.

In 1950 members of the Port Planning Committee were:

Bayard F. Pope, *Chairman*
Charles S. Hamilton Jr., *Vice Chairman*
Joseph M. Byrne Jr.
Donald V. Lowe
Horace K. Corbin

HOWARD S. CULLMAN (left) Vice President of Cullman Bros., Inc., cigar leaf tobacco, is also an officer and director in many important business and banking enterprises. One of the leading citizens of New York, he is noted for his investments in the theater, as well as his activities in civic, philanthropic and medical circles. He was appointed a Commissioner to the Port Authority by Governor Alfred E. Smith in March 1927 and reappointed by Governor Herbert H. Lehman and Governor Dewey. He was first elected Vice Chairman of the Port Authority in September 1934, and he has been Chairman since February 1945. JOSEPH M. BYRNE Jr. of Newark (center), President of Joseph M. Byrne Company, insurance brokers, has been active in business, civic and philanthropic matters in his city for many years. A member of the New Jersey State Legislature in 1932, he was later a member of the city commission of Newark. He served in the National Guard on the Mexican border and in France in World War I. Appointed to the Port Authority by Governor A. Harry Moore in July 1934, he was reappointed by Governor Moore and Governor Walter E. Edge. He was first elected Vice Chairman of the Port Authority in February 1945. EUGENE F. MORAN of Brooklyn, New York (right), Chairman of the Board of Moran Towing and Transportation Company, Inc., was for thirty years Chairman of the Maritime Association of the Port of New York's Committee on Rivers, Harbors and Piers. Following distinguished service in the Navy in World War I he was discharged in 1921 with the rank of Lieutenant Commander. Commissioner Moran was first appointed to the Board by Governor Herbert H. Lehman in February 1942 and reappointed by Governor Dewey in September 1948.

BAYARD FOSTER POPE of New York City (left), Chairman of the Board of the Marine-Midland Corporation, is an outstanding figure in the business and banking community, as well as a leader in numerous civic and welfare organizations. Chairman of the Community Service Society of New York, he is also a trustee of the National Foundation for Infantile Paralysis and a director and member of the executive committee of the Greater New York Fund. Prior to his association with the Marine-Midland Corporation, he was a member of the firm of Stone, Webster & Blodgett. He was appointed to the Port Authority by Governor Dewey in February 1944. DONALD V. LOWE of Tenafly, New Jersey (center) is President of the Lowe Paper Company and Director of the New Jersey Manufacturers Association Insurance Companies. An officer or director of many businesses and associations, he is state chairman of the Citizens Committee for the Hoover report. He is particularly active in school, civic and church affairs. Commissioner Lowe was appointed to the Port Authority by Governor Walter E. Edge in January 1945 and reappointed by Governor Driscoll. FRANK D. ABELL of Morristown, New Jersey (right), Chairman of the Board of the First National Iron Bank, Morristown, is active in public service, banking and philanthropic matters. He was elected to the New Jersey Assembly in 1924 and to the State Senate in 1927. He is well known as the former Chairman of the so-called Abel Commission on finance and audit created in 1929. Commissioner Abell was appointed to the Port Authority in January 1945 by Governor Walter E. Edge.

Committee on Finance

All questions relating to the financial affairs of the Port Authority are handled by the Committee on Finance. It has the power to appoint paying agents and registrars for Port Authority bonds, notes or other securities; to authorize payments from revenues into sinking funds and reserve funds; to establish sinking funds and to call bonds for sinking fund purposes; to select depositories for Port Authority funds; to exercise general supervision over the books and accounts of the Port Authority; and to authorize or arrange for insurance and surety bonds.

In 1950 members of the Finance Committee were:

Frank D. Abell, *Chairman*
S. Sloan Colt, *Vice Chairman*
Bayard F. Pope
F. Palmer Armstrong
Horace K. Corbin

F. PALMER ARMSTRONG, of Keyport, New Jersey (left), is President and Director of the Keyport Banking Company and Treasurer and Director of the Second Keyport Loan Association. Past president and life member of the executive committee of the New Jersey Bankers' Association, he is active in various local and state banking interests and has devoted much of his time to the public service. He was President and Chairman of the finance committee of the Keyport Borough Council. Commissioner Armstrong was appointed to the Port Authority by Governor Walter E. Edge in July 1945. S. SLOAN COLT of New York City (center), President and Director of the Bankers Trust Company since 1931, entered the banking business in 1914. A leader in financial, business, civic and philanthropic affairs of his community, he was President of the New York State Bankers Association in 1935. A corporal when he entered World War I he rose to the rank of Major. Commissioner Colt was appointed to the Port Authority by Governor Dewey in April 1946. CHARLES S. HAMILTON JR., of Pleasantville, New York (right) is a member of the law firm of Sullivan and Cromwell. He takes an active interest in state and local government, was President of the New York State Young Republican Clubs, was active for many years in that organization, and was President of the New York City Young Republican Club in 1940. He was appointed to the Port Authority by Governor Dewey in June 1947.

Committee on Construction

General supervision of all construction matters is exercised by the Committee on Construction. This Committee has authority to authorize or arrange for construction contracts within appropriations previously made by the Board for these purposes.

In 1950 members of the Construction Committee were:
Eugene F. Moran, *Chairman*
F. Palmer Armstrong, *Vice Chairman*
Frank D. Abell
John Borg
Chas. H. Sells

Committee on Operations

General supervision over the operation and maintenance of all Port Authority facilities and properties is carried on under the general direction of the Committee on Operations which also has authority with respect to personnel. This Committee authorizes or arranges for maintenance and repair contracts, and contracts for the acquisition of real and personal property within appropriations previously made by the Board for these purposes; it has authority to adopt, rescind or modify rules and regulations governing the use of facilities; to establish or recommend tolls, fees or other charges for the use of facilities; and to authorize leases, permits, contracts, and agreements for the use of Port Authority facilities and properties.

In 1950 members of the Operations Committee were:
Joseph M. Byrne Jr., *Chairman*
Donald V. Lowe, *Vice Chairman*
Eugene F. Moran
S. Sloan Colt
Charles S. Hamilton, Jr.

Port Authority Staff

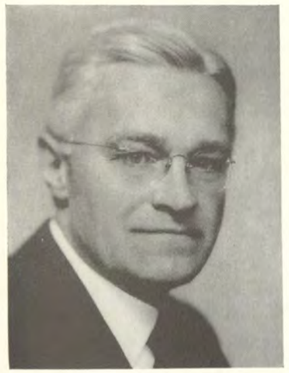
The Executive Director of the Port Authority, Austin J. Tobin, is its administrative head. Mr. Tobin, who has been a member of the Port Authority Staff since 1927, was Assistant General Counsel when the Board appointed him to his present office in 1942.

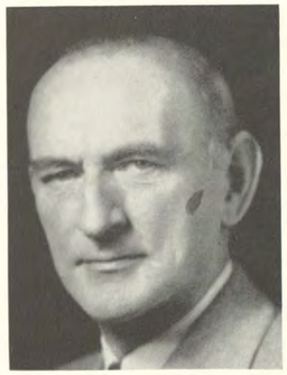
Members of the Port Authority Staff include:
Joseph G. Carty.....Secretary
Robert S. Curtiss
Director of Concessions and Revenues
J. C. Evans.....Chairman of Engineering Board
John D. Foster.....Personnel Director
Fred M. Glass....Director of Airport Development
Walter P. Hedden....Director of Port Development
Lee K. Jaffe.....Director of Public Relations
Dr. S. I. Kooperstein.....Medical Director
C. J. Kushell Jr.....Comptroller
John M. Kyle.....Chief Engineer
Matthias E. Lukens
First Assistant to Executive Director
James Clark McGuire
Director of Purchase and Special Services
David McKay.....Treasurer
Harvey S. Quigel.....Director of Real Estate
A. Z. Schneider.....Assistant to Executive Director
Leander I. Shelley.....General Counsel
Billings Wilson.....Director of Operations

An organization chart will be found on pages 152 and 153.

Port Authority Personnel

The Port Authority Staff totaled 3,178 at the end of the year, an increase of 210 over the number of people employed at the end of 1949. This 7 per cent increase is the smallest annual increase in Staff since the beginning of the accelerated personnel program resulting from our broadened responsibilities of the past few years. Most of the increase in 1950 represented personnel required to operate the Port Authority Bus Terminal, which was opened on December 15, and to meet the operating needs of increased activities at New York International Airport. Engineering personnel was reduced when many of our major construction projects were completed during the past year. At the end of the year, sixty-nine employees were on military leave.





HORACE K. CORBIN of East Orange, New Jersey (left), President of the Fidelity Union Trust Company of Newark and Director of the Prudential Insurance Company and other insurance, business and industrial organizations, is one of New Jersey's most prominent businessmen. Greatly interested in civic and philanthropic affairs, he is a charter trustee of Princeton University. Commissioner Corbin was appointed to the Port Authority in May 1948 by Governor Driscoll. CHAS. H. SELLS of Cross River, Westchester County, New York (center) is a consulting engineer with offices in New York. Formerly Superintendent of Public Works for the State of New York, he was also Westchester County engineer and the county's first Commissioner of Public Works. He was in charge of the building of supply lines in Iran under the Lend-Lease agreements. Commissioner Sells was appointed to the Port Authority in January 1949 by Governor Dewey. JOHN BORG of Hackensack, New Jersey (right), Chairman of the Board of the Bergen Evening Record, Hackensack. Until recently he was the publisher of this major New Jersey daily newspaper. Earlier in his career Commissioner Borg was first appointed to the Port Authority in July 1938 and served until January 1945. He was reappointed to the commission by Governor Driscoll in May 1950.

Chairman Cullman receiving from Keith S. McHugh, President of the New York Telephone Company, the 1950 Gold Medal Award of New York's West Side Association in recognition of his public service as a Port Authority Commissioner, as well as his many other important contributions to the public interest.

Port Authority Personnel Director John D. Foster presents trophy to George Washington Bridge Traffic Officer "Bill" Cyril Byron, captain of the winning team in the softball league.

Merit System

The Port Authority Commissioners believe that the absence of political interference in the selection and advancement of personnel is basic to the efficient functioning of the organization. Under our policy of combining the best features of a government merit system with those of a private business personnel program, merit alone controls the selection of new employees and, together with seniority, governs the advancement of personnel within our services. Preferential consideration is not granted to any employee on account of political or other influence.

Of the 1,135 permanent and 348 temporary positions filled during the past year, about half were above entrance level. In selecting personnel for these positions we continued our policy of promoting from within the organization except where special skills, experience or training were required which could not be found among employees already in service. Competitive promotion examinations were held for the selection of personnel to fill many vacancies, and 266 employees were promoted on the basis of demonstrated ability.

In recruiting new personnel, we were able to select from among 12,229 persons who applied for Port Authority employment. Of these 5,508 were interviewed and 3,229 were admitted to examinations. An examination for the position of Port Authority traffic officer attracted an additional 16,000 applicants, of whom 7,000 participated in the test given simultaneously at six high schools in the Port District. As a result an eligible list of 425 was established from which fifty were appointed to the position of traffic officer.

Salary Administration

The Commissioners believe that Port Authority salaries, working conditions and opportunities for advancement must compare favorably with those of private industry if the best qualified candidates

Sergeant Joseph Lawless, Captain of the Port Authority pistol team, poses in front of Port Authority trophy cabinet with New Jersey State championship trophy won by Port Authority Police.

Werner Housamann of the Engineering Department (left) is congratulated by Engineer of Design Rudolph F. Schaefer as he receives twenty-five year Port Authority service pin.

The Silver Anvil, highest award of the American Public Relations Association, was presented to Lee K. Jaffe, Director of Public Relations, for The Port of New York Authority on November 14, 1950 for the year's "Most Notable Public Relations Performance in the Field of Government."

Executive Director Tobin addresses Port Authority Traffic Officers' graduation class at New York Plaza of the Lincoln Tunnel.

are to be attracted for career service in the Port Authority. We conduct an annual survey of private companies and state and municipal agencies in the Metropolitan New Jersey-New York area to enable us to carry out this policy. During the past year, salaries for thirty-four key job classes in the Port Authority occupied by about 1,000 of our employees were compared with the pay rates of over 50,000 people in comparable positions at thirty-seven representative organizations in New Jersey and New York.

The analysis of this data indicated that a salary increase and the reallocation of a number of classes were necessary to maintain an equitable relationship with salary levels in the metropolitan area. A salary rise for the 3,069 employees earning up to $11,500 a year, representing a $750,000 increase in the Port Authority's $12,400,000 annual payroll, was therefore authorized by the Commissioners and put into effect on October 8.

In carrying out a sound program of salary administration, the Port Authority classifies positions to assure equitable consideration of employees on the basis of their responsibilities. In 1950 we continued our periodic review of job classifications and individual allocations to keep the classification plan current and accurate.

Personnel Policies

It is the policy of the Port Authority Board to assure tenure of employment to permanent personnel, subject to good behavior and proper performance of duties. Employees are not discharged, demoted or otherwise penalized except for cause and after a hearing.

Port Authority employees are members of the New York State Employees' Retirement System. They have the benefit of sick leave privileges, periodic medical examinations, and medical consultations. Practically all employees are members of the Port Authority Group Health Insurance Program, which provides hospital and surgical-medical benefits. The Port Authority contributes 70 per cent of the cost of membership in this program for all employees receiving salaries up to $10,000.

Keeping step with progressive employers in our program of nonsalary benefits, the Port Authority installed a Group Life Insurance Program in 1950, under which all employees may obtain life insurance equal to at least half a year's salary, with the Port Authority sharing the payment of premiums.

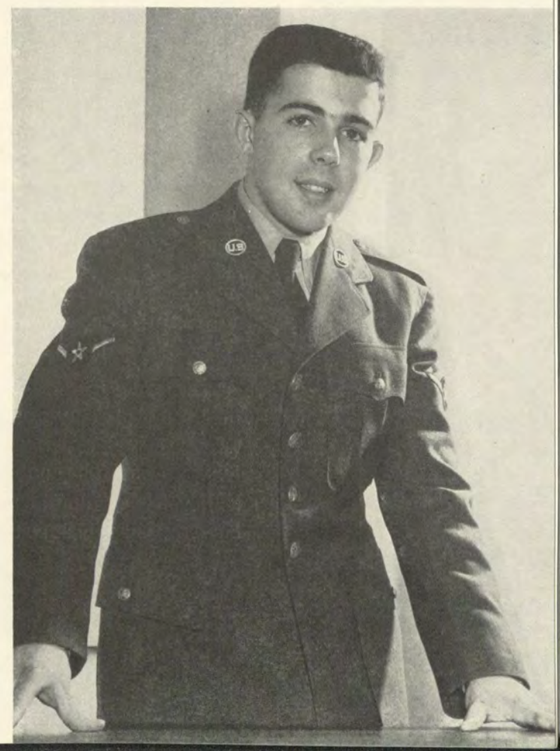
Ninety per cent of our Staff has enrolled in this program, which, together with the benefit of up to half a year's salary provided by the Retirement System, assures a substantial insurance estate in the event of an employee's death while in Port Authority service.

In the light of international conditions during the past year, the Board adopted a new military leave policy, granting leave for all employees who volunteer for extended duty with the armed forces as well as for those who are called. Employees on military leave retain their regular status in Port Authority service and are assured employment on their return. They receive up to four weeks' pay on leaving for active military service, and their Group Health Insurance and Retirement System benefits are protected. At the end of the first nine months of 1950, thirty-four employees had been granted military leave.

Port Authority employees are represented by their own organizations in negotiations with management. They have also independently and voluntarily organized many other group activities, in which hundreds of employees participate and develop social as well as working relationships. There are at present eight such athletic and recreational organizations, set up and administered by the employees.

Chief of Planning Bureau Frank W. Herring presents farewell gift to Tom McGough as he leaves for service in the United States Army.

Henry Little, home on leave, visits the Port Authority's Airport Development Department in which he worked before leaving for the Air Force.



Staff Training

As the work of the Port Authority grows in scope and complexity, the Staff must grow with it in operating knowledge. To this end our 1950 training activities included two major programs for the Bus Terminal and the New York Union Motor Truck Terminal in which employees received intensive instruction in the highly specialized duties involved in the operation of these two facilities.

Following the analysis of specific operating needs, ten other in-service courses in various trades and clerical subjects were conducted for close to 300 employees. Utilizing lecture, discussion, and visual aid techniques and training manuals, these courses were tailored to actual job requirements. Supplementing these programs, the Port Authority continued its Education Refund program, under which individual employees may obtain necessary training at nearby schools and colleges, and be reimbursed for tuition costs upon successful completion of their course work. In 1950 outside job training was made available to eighty-five employees under this program.

One of the problems that usually accompanies the growth of an organization is the maintenance of a source of good supervision and the further training of the existing supervisory staff. To solve this problem the Port Authority has continued its trainee program, which is similar to that found in most progressive private concerns. Several young college graduates are selected competitively each spring for a year's training in the Port Authority. They are then given permanent assignments with career opportunities. In addition, we have developed a general supervisory training program. This program has as its objectives the thorough training of supervisors in fundamental policies of the Port Authority, general management techniques, and the solution of the various human relations problems which confront the supervisor in his day-to-day operations. In the past year over a hundred supervisors participated in this program.

Information Program

The Commissioners recognize that to work effectively employees must be well informed and must have an understanding of the basic purpose toward which their work contributes. The Port Authority therefore maintains a balanced program of employee communications through which the Staff is kept up to date on matters of basic interest.

A weekly review of significant and current developments in all phases of our operations is issued to all management and supervisory staff members. A more personal meeting ground is provided by a monthly newspaper, distributed to all employees, which covers news of individuals and groups both at work and in their outside pursuits. In this newspaper we also interpret general policy for employees and give recognition for their achievements.

Many other matters of special interest are covered by letters, notices, or booklets prepared for the information of the Staff. This past year, a major communications project was the preparation of a handbook or guide for personnel, outlining and interpreting all of the basic policies and practices affecting the staff of our organization.

Medical Service

The clinics at the Port Authority Building, the Holland Tunnel and the Lincoln Tunnel, served by our Medical Department under the direction of Dr. S. I. Kooperstein, handled 18,917 visits during 1950, including 1,464 pre-employment examinations and 2,505 periodic examinations. The latter were conducted by Port Authority physicians in accordance with our policy of providing annual examinations for all employees in an effort to protect the health of our staff.

Cafeteria Service

In 1950 the Port Authority Building cafeteria served 128,277 luncheons at an average price of 45 cents, and the Holland Tunnel cafeteria served 47,447 meals at an average price of 34 cents.

These employee cafeterias continue their important contribution to the health and welfare of our personnel. Located in areas where there are few lunch rooms serving wholesome, nourishing food at reasonable prices, these services have played an important part in improving the efficiency of our workers and in reducing absenteeism due to illness.

Port Authority Traffic Officer Edward J. Barrett has his picture taken with Mrs. Barrett and their small daughter following Traffic Officer graduation ceremonies at the Lincoln Tunnel.

8 Financial

Summary of 1950 Operations

Port Authority revenues for the year 1950 again established a new all-time record. Gross operating revenues were $42,198,237 as compared with $37,524,910 for the year 1949, an increase of $4,673,327 or 12.4 per cent. Total figures are not comparable because of new facilities placed in operation at various times during 1949 and 1950. Excluding those facilities that were not in operation for the full two years, the gross operating revenues increased 11.3 per cent.

Total operating, administrative and development expenses were $16,390,640 as compared with $15,113,934 in 1949, an increase of $1,276,706 or 8.4 per cent. Again excluding noncomparable facilities, the increase in expenses was only 0.6 per cent.

Net revenues available for appropriations to reserves in accordance with various legislative requirements and agreements with bondholders were $14,925,078, or an increase of 5.3 per cent over 1949 excluding the nonrecurring credits in 1949 resulting from the elimination of the Employees Retirement Fund Reserve, and the Insurance Fund Reserve.

Facilities Financed by General and Refunding Bonds and Bonds Convertible into General and Refunding Bonds

The operating results of the following principal facilities are included under this caption for the full years of 1950 and 1949:

Holland Tunnel
Lincoln Tunnel
George Washington Bridge
Bayonne Bridge
Goethals Bridge
Outerbridge Crossing
Port Authority Grain Terminal and Pier
Port Authority Building

and for a part of 1950:

New York and Newark Union Motor Truck Terminals—From July 12, 1950

Port Authority Bus Terminal—From December 15, 1950

Port Authority Commissioner Colt describes Port facilities during American Bankers Association Diamond anniversary tour of the New Jersey-New York Port aboard the SS *Peter Stuyvesant* as guests of the Port Authority Commissioners.

Total gross operating revenues of facilities under this heading increased 9.4 per cent over 1949, and total operating and administrative expenses increased 4.4 per cent. Gross operating revenues of those facilities in operation for the full years of 1950 and 1949 increased 8.6 per cent while their total operating and administrative expenses declined 5.6 per cent only because of non-recurring items in both years. The 1949 operating expenses included $250,000 representing part of the cost to the Port Authority of the Holland Tunnel fire on May 13, 1949; and a settlement of the Port Authority's claim against the shipper and trucker was made in 1950 resulting in an expense credit of $165,705.

In 1950, the four bridges and two tunnels carried a record volume of traffic, a total of 59,525,274 vehicles. This was an increase of 6,758,996 or 12.8 per cent in traffic compared with 1949, with gross revenues increasing 9.7 per cent. The volume of vehicular traffic over these facilities and the resulting revenue for the years 1932 to 1950 inclusive are graphically shown in the following chart.

The substantial increase in 1950 traffic volume was the result of a number of factors including the improved connections to the Lincoln Tunnel afforded by the opening of New Jersey Route S3, the continued favorable weather, plus the general growth of trans-Hudson traffic.

The commutation toll introduced on June 15, 1950 for passenger vehicles using the Hudson River crossings provides for a forty-trip ticket, good for thirty days, at a cost of $10. Since the plan went into effect, approximately 17.5 per cent of the passenger vehicles using these crossings availed themselves of its benefits; and on many occasions the daily usage exceeded 30 per cent. An average toll of about 27 cents for commutation ticket users compares with the non-commutation rate of 50 cents.

The New York and Newark Union Motor Truck Terminals were financed by Terminal Bonds, Series J; short term General Reserve Fund Notes; and appropriations from the General Reserve. On November 30, 1950, outstanding Terminal Bonds, Series J, were exchangeable for General and Refunding Bonds, Tenth Series, which were established in accordance with the agreement with the holders of these bonds. The Newark Union Motor Truck Terminal was not used in 1950 because of the existence of a con-

Foreign bankers tour the Port of New York aboard the *Carol Moran*.

tract provision required of truck operators by the local of a Teamsters' Union which would prevent the operators' use of the facility for union terminal purposes. The Authority has been negotiating with the Union, without success in 1950, to secure either a modification of the language or a change in the application of the provision in question.

Similarly, the Port Authority Bus Terminal was financed by Terminal Bonds, Series M, and short term General Reserve Fund Notes. The Authority has adopted a resolution establishing March 1, 1951 as the date of exchange of Terminal Bonds, Series M, for General and Refunding Bonds, Twelfth Series.

Capital sums were expended or committed during 1950 on the various facilities financed by General and Refunding Bonds and facilities financed by bonds convertible into General and Refunding Bonds as follows:

Holland Tunnel	$ 208,128
Lincoln Tunnel	4,233,431
George Washington Bridge	1,448,354
Port Authority Bus Terminal	12,151,761
Grain Terminal and Pier	596,733
Truck Terminals	1,139,199
	$19,777,606

It has long been recognized by the Port Authority that bridges and tunnels require adequate arteries to insure the proper flow and distribution of traffic. The steadily increasing volume of traffic on these facilities necessitates the expenditure of substantial sums for approaches to increase their capacity. In addition to the costs of main structures of the bridges and tunnels, more than $100,000,000, including $5,889,913 in 1950, has been expended for real estate acquisitions and construction on approaches. Also shown in the table above are expenditures required for the completion of the Bus and Truck Terminals and for continuing major rehabilitation of the Grain Terminal and Pier.

Facilities Financed by Air Terminal Bonds

Gross Operating Revenues of the four airports during 1950 were $5,283,030. The greater portion of the 30.6 per cent increase over 1949 developed at New York International Airport. In the light of the substantial increase in revenues, the 13.6 per cent increase in operating and administrative expenses was modest. As a result, a net operating revenue of $246,591 was realized as compared with a 1949 net operating deficit of $386,975, both before debt service.

Port Authority Comptroller Kushell aboard the *Carol Moran* with (left to right) Wilbert Ward, Vice President, National City Bank; Elliott S. Hanson, U.S. Govt., E.C.A.; E. P. Waters, Paris; C.P.H. Groenendaal, Amsterdam.

While sinking fund payments to amortize outstanding Air Terminal Bonds are not required until 1955, interest on these bonds was chargeable to expense beginning July 1, 1950 on the First Series and November 1, 1950 on the Second Series. There was a resulting net deficit of $423,337 in 1950 after such interest charges and income from investments.

Net operating revenues for 1950 were adversely affected by the severe windstorm on November 25, resulting in substantial nonrecurring and nonrecoverable expenses including repair of the perimeter dike at La Guardia Airport as well as other properties damaged by flood.

In its development of the airports, the Port Authority has expended or committed the following for capital improvements:

Airport	*Year 1950*	*Total to Date*
La Guardia	$ 306,413	$ 4,877,189
New York International	6,528,878	39,936,597
Newark	11,630,615	13,549,302
Teterboro	608,512	5,328,464
	$19,074,417	$63,691,552

At New York International, the major capital expenditures or commitments in 1950 were: $924,000 for the completion of Hangars 3, 4 and 5; $976,000 for further expansion of the Temporary Terminal Building; $1,900,000 for an Operations-Cargo Building and $668,000 for the primary electrical distribution system.

At Newark Airport the land acreage was increased from about 1,400 acres to almost 2,300 acres by acquisition of land south of the airport at a cost in excess of $3,000,000. In addition, $6,000,000 was spent or committed during 1950 for the fill and drainage for runways and taxiways preliminary to the actual construction of the runways proposed in the master four runways plan for the airport.

The completion and placing in operation of revenue-producing projects is beginning to make itself evident but the airports are still in the early years of their development insofar as revenue-producing potential is concerned. As indicated above, heavy capital outlays for basic construction are required but do not reflect directly and immediately in the production of revenues. This is particularly true at Newark. While expenditures or commitments exceeding $11,000,000 were made at Newark Airport in 1950, the necessary construction to produce additional revenues will not be completed until at least 1952.

Under the provisions of the Federal Airport Act, the Authority received $1,297,919 in 1950 and $2,383,519 to date as its share of federal grants for airport construction, an amount which represents less than 4 per cent of its capital expenditures at these airports.

Facility Financed by Marine Terminal Bonds

Port Newark, the only facility financed by Marine Terminal Bonds, increased its gross operating revenues from $632,410 in 1949 to $984,077 in 1950, a 55.6 per cent increase. The increased volume occasioned only a 32.2 per cent increase in expenses, resulting in a net operating revenue of $10,903 in 1950 as compared with a deficit of $103,557 in 1949, both before debt service. Interest on the $7,000,000 Marine Terminal, First Series, 2½% Bonds was paid from revenues commencing December 1, 1949, while payments against principal will not start until 1953.

During 1950 an additional $1,396,430 was expended or committed for capital improvements, bringing the toal to $8,444,160. The principal items were: $296,000 for dredging the channel, $276,000 for wharf and finger pier rehabilitation and $158,000 for rehabilitation of streets and railroad tracks.

Funded Debt

The outstanding funded debt of the Port Authority as of December 31, 1950 totaled $248,438,000, a decrease of $64,456,000 during the year, summarized as follows:

Funded Debt—December 31, 1949..	$312,894,000
New Financing during 1950.....	22,600,000
	$335,494,000
Debt Retired during 1950.....	87,056,000
Funded Debt—December 31, 1950..	$248,438,000

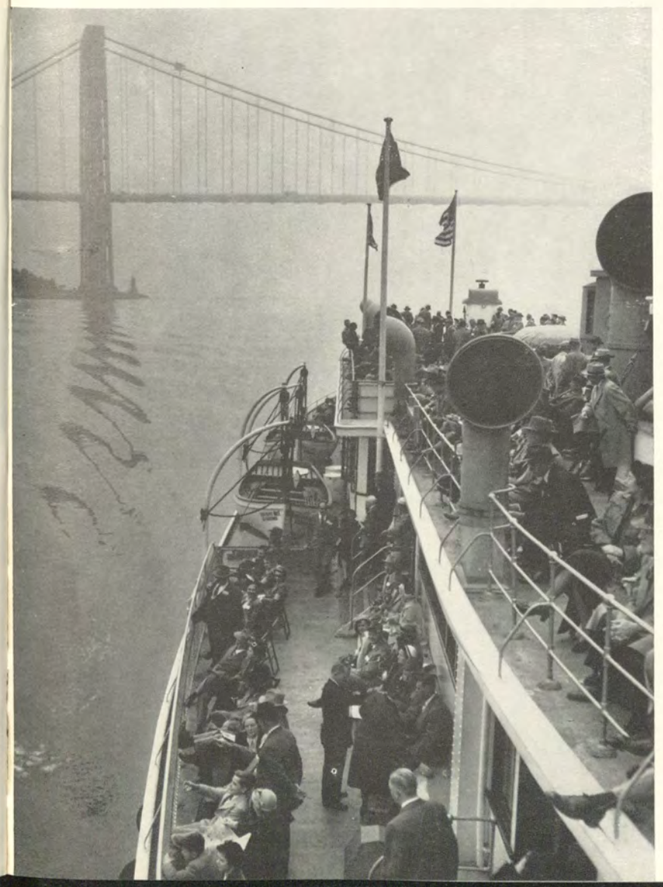
New Financing

The Port Authority sold $5,000,000 principal amount of its General Reserve Fund Notes, Series U, on May 1, 1950, to the United States Trust Company of New York at par plus accrued interest to delivery date. These notes, dated April 15, 1950, due December 15, 1950, bearing interest at the rate of 0.95 per cent per annum, were issued for the construction of approaches to both the Lincoln Tunnel and George Washington Bridge, for the completion of the New York and Newark Motor Truck Terminals and for equipment, renewals and replacements at the Port Authority Grain Terminal.

The National City Bank of New York purchased on July 3, 1950 a total of $1,600,000 par value of the Authority's General Reserve Fund Notes, Series V, at par plus accrued interest to delivery date. The proceeds from these Notes, dated July 1, 1950, due February 15, 1951, bearing interest at the rate of 1 per cent per annum, were used to provide working capital funds for the airports.

Harriman Ripley & Co., Incorporated and associates, on November 29, 1950, contracted to purchase $16,000,000 par value of Port Authority Bonds, consisting of $13,000,000 Air Terminal Bonds, Third Series (First Installment), due 1980 and $3,000,000 Marine Terminal Bonds, Second

Port Authority Commissioners Pope and Armstrong receive guests aboard the SS *Peter Stuyvesant* during the American Bankers Association harbor tour.



The SS *Peter Stuyvesant* sails under the majestic George Washington Bridge.

Series (First Installment), due 1980. The syndicate paid $15,417,584 for the bonds, or 96.3599 per cent of par, bearing interest at the rate of 2.20 per cent per annum, which bid represented a net average interest cost to the Authority of approximately 2.32 per cent. Eight million dollars par value of Air Terminal Bonds were issued for capital expenditures in connection with Newark Airport, $2,000,000 for capital expenditures at Teterboro Airport and $3,000,000 for capital expenditures at La Guardia and New York International Airports. The $3,000,000 Marine Terminal Bonds were issued for capital expenditures in connection with Port Newark.

Debt Retired

During the year 1950, the Authority met all of the requirements of its bond and note resolutions governing the retirements through the operation of the various Sinking Funds and the payments at maturity of its outstanding obligations.

Mandatory redemptions through the operation of the respective Sinking Funds were:

Date	*Description*	*Par*
February 15	General & Refunding, Fifth Series, 3¼%	$ 884,000
June 15	General & Refunding, Fourth Series, 3%	1,689,000

Serial maturity payments from current revenues were:

Date	*Description*	
July 15	General & Refunding, Thirteenth Series, 1.40%	$ 1,500,000
December 15	General & Refunding, Fourteenth Series, 4%	3,600,000

And maturity payments from the General Reserve were:

Date	*Description*	
June 15	Terminal, Series M, 1½%	$ 1,090,000
November 1	General Reserve Fund Notes, Series T, 1½%	3,000,000
December 15	General Reserve Fund Notes, Series U, .95%	5,000,000
	Total Mandatory Debt Retirements	$16,763,000

In addition to this mandatory debt retirement of $16,763,000 par value of Port Authority Bonds, the Authority retired an additional $67,031,000 par value of bonds in connection with its refunding program and $3,262,000 par value of bonds in anticipation of future Sinking Fund requirements.

On December 15, 1950, the outstanding $67,031,000 par value of General and Refunding, Fourth Series, 3% Bonds, due 1976 were redeemed at 102 per cent of par. The cost of redemption, including the payment of redemption price with accrued interest to date of redemption, was provided from the proceeds of the sale in 1949 of $54,000,000 General and Refunding Bonds, Fourteenth and Fifteenth Series together with interest earned on the investment of the proceeds, the Fourth Series Sinking Fund, the Special Reserve Fund, and the remainder from the General Reserve Fund.

The table below shows the retirement in anticipation of future Sinking Fund requirements during the five-year period 1946 to 1950 inclusive, together with call premiums and the difference in the various costs, as indicated, and the redemption prices.

RETIREMENTS	*1946*	*1947*	*1948*	*1949*	*1950*	*Total*
GENERAL & REFUNDING BONDS:						
Seventh Series:						
Principal Amount	$ —	$ 95,000	$ —	$ —	$ —	$ 95,000
Call Premium	—	2,850	—	—	—	2,850
Eighth Series:						
Principal Amount	190,000	25,000	1,314,000	621,000	1,526,000	3,676,000
Call Premium	5,700	750	39,420	18,630	45,780	110,280
Ninth Series:						
Principal Amount	137,000	772,000	386,000	380,000	403,000	2,078,000
Call Premium	1,370	7,720	3,860	3,800	4,030	20,780
Tenth Series:						
Principal Amount	—	—	—	—	478,000	478,000
Call Premium	—	—	—	—	4,780	4,780
Eleventh Series:						
Principal Amount	1,446,000	1,655,000	417,000	166,000	855,000	4,539,000
Call Premium	14,460	16,550	4,170	1,660	7,850	44,690
TERMINAL BONDS:						
Series J:						
Principal Amount	—	442,000	115,000	149,000	—	706,000
Call Premium	—	4,420	1,150	1,490	—	7,060
Total Par Value and Premium of Accelerated Retirements	$1,794,530	$3,021,290	$2,280,600	$1,341,580	$3,324,440	$11,762,440
Book Cost	1,562,070	2,598,322	1,969,505	1,197,418	3,039,326	10,366,641
Savings	$ 232,460	$ 422,968	$ 311,095	$ 144,162	$ 285,114	$ 1,395,799

Bond Exchanges

In addition to the foregoing, the Port Authority adopted a Resolution on October 5, 1950 which provided that the then outstanding $6,794,000 par value of Terminal Bonds, Series J, bearing interest at the rate of 1¾ per cent per annum, be exchanged for a similar amount of General and Refunding Bonds, Tenth Series, due 1985, and specifying November 30, 1950 as the exchange date in accordance with the agreement with the holders of said bonds.

The Authority has adopted a resolution establishing March 1, 1951 as the date for the exchange of the outstanding $13,080,000 par value of Terminal Bonds, Series M, 1½%, for General and Refunding Bonds, Twelfth Series.

Summary of Reserves

The balances of reserve accounts in our various funds as of December 31, 1950 and 1949, maintained in accordance with the express direction of the two Legislatures and contractual obligations to bondholders, are as follows:

Fund	*December 31, 1950*	*December 31, 1949*	*Decrease*
General Reserve	$24,843,800	$31,289,400	$ 6,445,600
Special Reserve	6,582,721	10,470,573	3,887,852
Sinking Fund Reserves	948,206	2,640,322	1,692,116
Total Reserves	$32,374,727	$44,400,295	$12,025,568

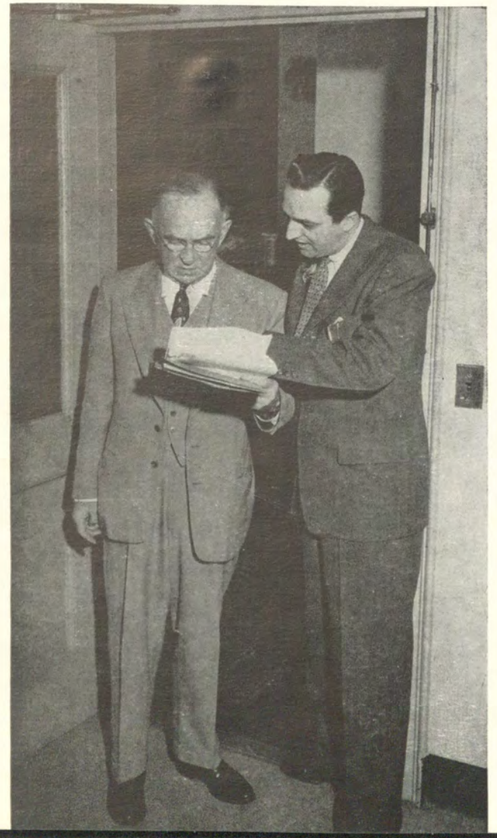
Total Reserve Funds, as itemized above, contain the following assets:

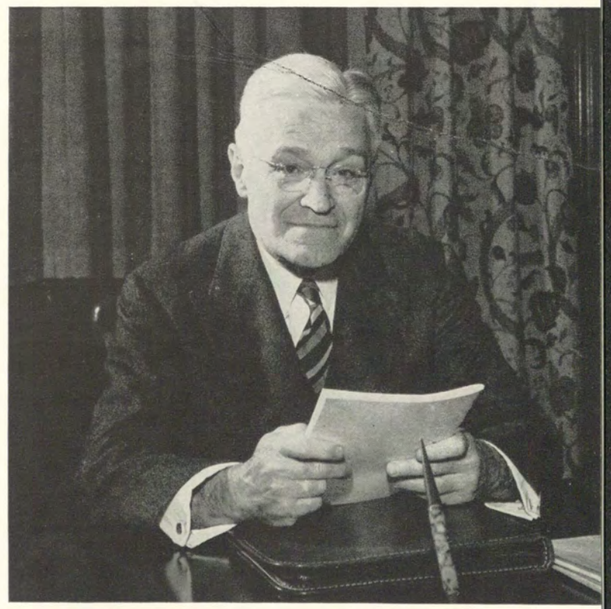
U. S. Government Securities	$30,349,861	$38,896,405	$ 8,546,544
Port Authority Bonds	914,443	3,583,415	2,668,972
Cash and Accrued Interest	1,110,423	1,920,475	810,052
Total	$32,374,727	$44,400,295	$12,025,568

The General Reserve Fund balance of $24,843,800 at the close of 1950 was equal to 10 per cent of the par value of all outstanding bonds of the Port Authority. In addition, the reserves satisfy the contractual requirements of two years' debt service upon General Reserve Fund Bonds of the Port Authority, outstanding at December 31, 1950; thus, the Authority has met all of the requirements of the resolutions regarding the administration of its various funds.

Port Authority Comptroller Charles J. Kushell Jr. (right) with Karl G. Clement, Deputy Comptroller.

Port Authority Treasurer David McKay (left) with Assistant Treasurer Eugene A. Mintkeski.





Port Authority Commissioner Corbin at his desk in his Newark office.

Statement of Revenues and Reserves

For the Ten Years 1941 to 1950, Inclusive

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
NET REVENUES										
G & R Facilities—Note A										
Gross Operating Revenues	$ 18,676,682	$ 16,142,811	$ 14,968,842	$ 17,775,840	$ 19,344,475	$ 25,491,344	$ 27,614,283	$ 29,188,773	$ 32,846,635	$ 35,931,128
Operating Expenses	4,731,921	4,127,996	3,730,581	4,796,975	6,038,265	7,176,168	7,239,150	8,461,827	9,945.126	10,381,027
Net Operating Revenues	$ 13,944,760	$ 12,014,815	$ 11,238,261	$ 12,978,864	$ 13,306,210	$ 18,315,176	$ 20,375,133	$ 20,726,946	$ 22,901,508	$ 25,550,102
Other Income	3,778	20,628	22,720	90,771	167,626	184,610	276,118	259,219	253,577	341,929
Net Revenues	$ 13,948,538	$ 12,035,443	$ 11,260,981	$ 13,069,635	$ 13,473,836	$ 18,499,786	$ 20,651,251	$ 20,986,165	$ 23,155,085	$ 25,892,031
Debt Service	6.167,188	6,551,344	6,531,053	7,352,292	7,100,746	7,114,756	7,161,062	7,500,107	8,441,594	10,380,406
Available for Reserves	$ 7,781,350	$ 5,484,098	$ 4,729,926	$ 5,717,343	$ 6,373,088	$ 11,385,028	$ 13,490,189	$ 13,486,058	$ 14,713,491	$ 15,511,625
Air Terminals										
Gross Operating Revenues	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ 952,552	$ 2,463,426	$ 4,045,864	$ 5,283,030
Operating Expenses	—0—	—0—	—0—	—0—	—0—	—0—	902,161	3,195,500	4,432,840	5,036,439
Net Operating Revenues	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ 50,391	($ 732,073)	($ 386,975)	$ 246,591
Other Income	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	17,745
Net Revenues	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ 50,391	($ 732,073)	($ 386,975)	$ 264,336
Debt Service	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	30,660	687,674
Available for Reserves	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ 50,391	($ 732,073)	($ 417,636)	($ 423,337)
Marine Terminals										
Gross Operating Revenues	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ 278,128	$ 632,410	$ 984,077
Operating Expenses	—0—	—0—	—0—	—0—	—0—	—0—	—0—	310,877	735,967	973,173
Net Operating Revenues	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	($ 32,749)	($ 103,557)	$ 10,903
Other Income	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	1,796	890
Net Revenues	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	($ 32,749)	($ 101,760)	$ 11,793
Debt Service	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	14,583	175,000
Available for Reserves	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	$ —0—	($ 32,749)	($ 116,344)	($ 163,206)
Total — All Facilities										
Gross Operating Revenues	$ 18,676,682	$ 16,142,811	$ 14,968,842	$ 17,775,840	$ 19,344,475	$ 25,491,344	$ 28,566,834	$ 31,930,328	$ 37,524,910	$ 42,198,237
Operating Expenses	4,731,921	4,127,996	3,730,581	4,796,975	6,038,265	7,176,168	8,141,311	11,968,205	15,113,934	16,390,639
Net Operating Revenues	$ 13,944,760	$ 12,014,815	$ 11,238,261	$ 12,978,864	$ 13,306,210	$ 18,315,176	$ 20,425,523	$ 19,962,123	$ 22,410,975	$ 25,807,597
Other Income	3,778	20,628	22,720	90,771	167,626	184,610	276,118	259,219	255,374	360,565
Net Revenues	$ 13,948,538	$ 12,035,443	$ 11,260,981	$ 13,069,635	$ 13,473,836	$ 18,499,786	$ 20,701,641	$ 20,221,342	$ 22,666,349	$ 26,168,162
Debt Service	6,167,188	6,551,344	6,531,053	7,352,292	7,100,746	7,114,756	7,161,062	7,500,107	8,486,838	11,243,082
Available for Reserves	$ 7,781,350	$ 5.484,098	$ 4,729,926	$ 5,717,343	$ 6,373,088	$ 11,385,028	$ 13,540,579	$ 12,721,235	$ 14,179,510	$ 14,925,078
DEBT RESERVES										
Additions to Reserves										
Net Revenues Available for Reserves as above	$ 7,781,350	$ 5,484,098	$ 4,729,926	$ 5,717,343	$ 6,373,088	$ 11,385,028	$ 13,540,579	$ 12,721,235	$ 14,179,510	$ 14,925,078
Income from Reserve Fund Investments	105,950	93,587	146,337	219,296	670 897	313,460	506,793	365,524	479,840	1,693,518
Total Additions	$ 7,887,300	$ 5,577,685	$ 4,876,263	$ 5,936,639	$ 7,043,985	$ 11,698,488	$ 14,047,372	$ 13,086,759	$ 14,659,350	$ 16,618,596
Deductions from Reserves										
General Reserve Debt Service	$ 1,112,511	$ 833,000	$ 824,200	$ 815,400	$ 911,211	$ 2,854,604	$ 2,931,250	$ 3,806,633	$ 1,741,476	$ 9,090,000
Debt Acceleration	3,490,975	—0—	—0—	—0—	1,833,631	1,562,070	2,598,322	9,469,053	7,197,417	17,113,000
Capital Expenditures	1,067,884	—0—	—0—	500,000	1,000,000	—0—	—0—	537,961	3,028,217	749,047
Debt Refunding Expense	—0—	—0—	—0—	1,771,069	1,419,575	—0—	—0—	—0—	—0—	—0—
Operating Reserves — Note B	(591,239)	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—	—0—
Restoration and Improvement — Note B	—0—	—0—	1,500,000	1,300,000	925,000	—0—	—0—	(1,723,947)	—0—	—0—
Employees Retirement and Insurance — Note B	1,000,000	—0—	—0—	—0—	—0—	—0—	—0—	—0—	(5,597,764)	—0—
Total Deductions	$ 6,080,131	$ 883,000	$ 2,324,200	$ 4,386,469	$ 6,089,417	$ 4,416,674	$ 5,529,572	$ 12,089,700	$ 6,369,346	$ 26,952,047
Net Additions to Reserves	1,807,167	4,744,686	2,552,063	1,550,169	954,569	7,281,814	8,517,799	997,059	8,290,004	(10,333,451)
Reserves — End of Year										
General Reserve	6,871,805	11,616,491	14,168,555	15,718,724	16,673,293	18,932,900	21,573,500	23,399,900	31,289,400	24,843,800
Special and Air Terminal Reserves	—0—	—0—	—0—	—0—	—0—	5.022,208	10,899,408	10,070,067	10,470,573	6,582,721
Total	$ 6,871,805	$ 11,616,491	$ 14,168,555	$ 15,718,724	$ 16,673,293	$ 23,955,108	$ 32,472,908	$ 33,469,967	$ 41,759,973	$ 31,426,521
Bonds Outstanding — End of Year										
General and Refunding Bonds	$177,851,000	$180,580,000	$179,446,000	$179,372.000	$161,620,000	$176,326,000	$179,624,000	$168,696,000	$217,530,000	$146,358,000
Air Terminal Bonds	—0—	—0—	—0—	—0—	—0—	—0—	—0—	30,000,000	61,400,000	74,400,000
Marine Terminal Bonds	—0—	—0—	—0—	—0—	—0—	—0—	—0—	7,000,000	7,000,000	10,000,000
Other	3,200,000	2,400,000	1,600,000	800.000	21,500,000	13,003,000	36,111,000	28,303,000	26,964,000	17,680,000
Total	$181,051,000	$182,980,000	$181,046,000	$180,172,000	$183,120,000	$189,329,000	$215,735,000	$233,999,000	$312,894,000	$248,438,000

NOTE A — Includes facilities financed by General and Refunding Bonds and facilities financed by bonds convertible into General and Refunding Bonds.

NOTE B — For the sake of uniformity, all items are reported as changes in Reserves, although in some years certain items were deductions from Revenue.

General and Refunding Bonds

Schedule of Annual Payments of Interest, Sinking Fund and Serial Maturities on Bonds Outstanding as of December 31, 1950 (In Thousand Dollars)

Par Value—	$38,507,000		$22,495,000		$9,922,000		$6,316,000		$14,218,000	
Series —	Fifth Series		Eighth Series		Ninth Series		Tenth Series		Eleventh Series	
Rate & Maturity	3¼% due 8/15/77		2% due 8/15/74		1½% due 4/1/85		1¾% due 4/1/85		1¾% due 3/1/86	
Year	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest
1951	$ 960.9	$ 1,225.5	$ (a)	$ 449.9	$ (b)	$ 148.8	$ (c)	$ 110.5	$ (d)	$ 177.7
1952	992.1	1,195.0		449.9		148.8		110.5		177.7
1953	1,025.4	1,163.5	593.3	449.9		148.8	107.5	110.5		177.7
1954	1,057.7	1,131.0	920.3	439.8		148.8	154.1	109.1		177.7
1955	1,093.1	1,097.4	938.5	422.6		148.8	156.8	106.7		177.7
1956	1,116.5	1,062.8	957.3	404.2	63.2	148.8	159.5	104.0		177.7
1957	1,152.8	1,027.0	976.5	385.5	288.8	148.1	162.3	101.2		177.7
1958	1,191.3	990.1	996.0	366.4	293.1	144.7	165.2	98.4		177.7
1959	1,230.0	951.9	1,006.1	346.9	296.1	140.3	167.2	95.6		177.7
1960	1,268.9	912.5	1.026.1	327.1	300.5	135.9	170.2	92.7	332.9	177.7
1961	1,297.2	871.8	1,046.7	306.8	305.0	131.5	173.1	89.7	479.0	174.3
1962	1,340.3	829.9	1,067.5	286.1	309.6	126.9	176.2	86.7	485.0	168.6
1963	1,383.9	786.5	1,088.9	265.0	314.2	122.3	179.2	83.6	491.1	162.6
1964	1,427.8	741.7	1,099.7	243.5	317.4	117.7	181.5	80.5	497.2	156.5
1965	1,475.2	695.5	1,121.7	221.5	322.1	112.9	184.6	77.4	500.9	150.3
1966	1,522.1	647.8	1,144.1	199.2	326.9	108.1	187.9	74.2	507.2	144.1
1967	1,571.6	598.5	1,167.0	176.4	331.8	103.2	191.2	70.9	513.5	137.8
1968	1,623.7	547.6	1,190.3	153.1	336.9	98.3	194.5	67.6	519.9	131.4
1969	1,676.4	495.1	1,214.1	129.3	341.9	93.2	197.9	64.2	526.4	124.9
1970	1,729.9	440.8	1,238.3	105.1	347.0	88.1	201.4	60.7	533.1	118.3
1971	1,787.1	384.9	1,263.2	80.4	352.2	82.9	204.9	57.2	539.7	111.6
1972	1,844.1	327.1	1,288.4	55.2	357.5	77.7	208.5	53.7	546.4	104.9
1973	1,904.1	267.4	1,313.9	29.5	362.8	72.3	212.1	50.0	553.2	98.1
1974	1,966.9	205.7		3.3	368.3	66.9	215.9	46.3	560.2	91.2
1975	2,030.9	142.1			373.8	61.4	219.6	42.6	567.2	84.2
1976	2,096.8	76.4			379.4	55.8	223.5	38.7	574.3	77.1
1977		8.5			385.2	50.1	227.4	34.8	581.4	70.0
1978					390.9	44.4	231.4	30.9	588.7	62.7
1979					396.8	38.5	235.4	26.8	596.0	55.4
1980					402.7	32.6	239.5	22.7	603.5	47.9
1981					408.7	26.6	243.7	18.6	611.1	40.4
1982					414.7	20.5	248.0	14.3	618.8	32.8
1983					421.3	14.3	252.3	10.0	626.5	25.1
1984					426.8	8.0	256.7	5.6	634.0	17.3
1985						1.6		1.1	641.9	9.3
1986										1.3
TOTALS	$37,766.7	$18.824.0	$22,657.9	$6,296.6	$9,935.6	$3,217.6	$6,329.2	$2,248.0	$14,229.1	$4,175.1

$4,500,000		$10,800,000		$39,600,000	
Thirteenth Series		Fourteenth Series		Fifteenth Series	
1.40% due 7/15/51-53		4% due 12/15/51-53		1½% due 12/15/54-64	
Maturities	Interest	Maturities	Interest	Maturities	Interest
$1,500.0	$53.4	$ 3,600.0	$426.0	$	$ 594.0
1,500.0	32.4	3,600.0	282.0		594.0
1,500.0	11.4	3,600.0	138.0		594.0
				3,600.0	591.8
				3,600.0	537.8
				3,600.0	483.8
				3,600.0	429.8
				3,600.0	375.8
				3,600.0	321.8
				3,600.0	267.8
				3,600.0	213.8
				3,600.0	159.8
				3,600.0	105.8
				3,600.0	51.8
$4,500.00	$97.2	$10,800.0	$846.0	$39,600.0	$5,321.8

NOTES:

Includes all payments of interest, sinking fund requirements and serial maturities upon the assumptions; 1—that the presently outstanding bonds will be retired prior to maturity only through the operation of the sinking funds established for the various series; 2—that the payment into each sinking fund will be made on July 1 of each year for which such sinking fund payment is required to be made; 3—that such payments will be in the amount required to be made for such year.

(a) The 1951 and 1952 and part of 1953 sinking fund requirements for the Eighth Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Eighth Series Sinking Fund.

(b) The 1951 to 1955 and part of 1956 sinking fund requirements for the Ninth Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Ninth Series Sinking Fund.

(c) The 1951 and 1952 and part of 1953 sinking fund requirements for the Tenth Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Tenth Series Sinking Fund.

(d) The 1951 to 1959 and part of 1960 sinking fund requirements for the Eleventh Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Eleventh Series Sinking Fund.

(e) Terminal Bonds, Series M, are required to be exchanged on March 1, 1951 for the same amount of General and Refunding Bonds, Twelfth Series, due 1951-62, pursuant to the resolution adopted by the Authority on December 21, 1950.

General and Refunding Bonds (Continued)

Schedule of Annual Payments of Interest, Sinking Fund and Serial Maturities on Bonds Outstanding as of December 31, 1950 (In Thousand Dollars)

Par Value— Series — Rate & Maturity / Year	TERMINAL BONDS $13,080,000 Series M(e) 1½% due 6/15/51-62 Maturities	TERMINAL BONDS $13,080,000 Series M(e) 1½% due 6/15/51-62 Interest	AIR TERMINAL BONDS $31,400,000 First Series 3% due 6/15/78 Sinking Fund	AIR TERMINAL BONDS $31,400,000 First Series 3% due 6/15/78 Interest	AIR TERMINAL BONDS $30,000,000 Second Series 2½% due 10/1/79 Sinking Fund	AIR TERMINAL BONDS $30,000,000 Second Series 2½% due 10/1/79 Interest	AIR TERMINAL BONDS $13,000,000 Third Series 2.20% due 12/1/80 Sinking Fund	AIR TERMINAL BONDS $13,000,000 Third Series 2.20% due 12/1/80 Interest
1951	$1,090.0	$ 187.3	$	$ 942.0	$	$ 750.0	$	$ 23.8(f)
1952	1,090.0	170.9		942.0		750.0		286.0
1953	1,090.0	154.6		942.0		750.0		286.0
1954	1,090.0	138.2		942.0		750.0		286.0
1955	1,090.0	121.9		942.0		750.0	407.5	286.0
1956	1,090.0	105.6		942.0		750.0	416.4	285.3
1957	1,090.0	89.2		942.0		750.0	425.6	276.6
1958	1,090.0	72.9	1,203.6	942.0		750.0	434.9	267.7
1959	1,090.0	56.5	1,240.8	923.0	1,197.9	750.0	444.5	258.5
1960	1,090.0	40.2	1,276.9	887.4	1,228.9	727.9	449.9	249.2
1961	1,090.0	23.8	1,316.2	850.7	1,259.5	698.1	459.8	239.7
1962	1,090.0	7.5	1,342.6	812.9	1,290.0	667.4	469.9	230.0
1963			1,381.8	774.0	1,323.3	636.0	480.3	220.1
1964			1,424.3	733.9	1,342.0	603.8	490.8	209.9
1965			1,465.9	692.6	1,376.6	570.8	496.7	199.5
1966			1,509.9	650.0	1,410.0	536.9	507.6	188.9
1967			1,540.9	606.2	1,446.2	502.2	518.8	178.1
1968			1,586.2	561.1	1,482.4	466.7	530.2	167.0
1969			1,634.8	514.6	1,503.3	430.2	541.9	155.7
1970			1,682.8	466.7	1,540.9	392.9	548.3	144.1
1971			1,733.2	417.4	1,579.5	354.6	560.4	132.3
1972			1,767.6	366.6	1,618.9	315.4	572.7	120.2
1973			1,820.6	314.3	1,659.4	275.1	585.3	107.8
1974			1,875.2	260.4	1,700.9	233.9	598.2	95.2
1975			1,931.5	204.9	1,743.4	191.6	611.3	82.3
1976			1,989.4	147.7	1,787.0	148.3	624.8	69.2
1977			2,049.1	88.8	1,831.7	103.9	638.5	55.7
1978				28.2	1,877.5	58.4	652.6	41.9
1979						11.7	666.9	27.8
1980								13.5
1981								
1982								
1983								
1984								
1985								
1986								
Totals	$13,080.0	$1,168.6	$31,773.3	$17,837.4	$30,199.3	$14,675.8	$13,133.8	$5,184.0

MARINE TERMINAL BONDS $7,000,000 First Series 2½% due 11/1/78 Sinking Fund	MARINE TERMINAL BONDS $7,000,000 First Series 2½% due 11/1/78 Interest	MARINE TERMINAL BONDS $3,000,000 Second Series 2.20% due 12/1/80 Sinking Fund	MARINE TERMINAL BONDS $3,000,000 Second Series 2.20% due 12/1/80 Interest	TOTAL DEBT SERVICE $248,438,000 All Issues Sinking Fund & Maturities	TOTAL DEBT SERVICE $248,438,000 All Issues Interest	TOTAL DEBT SERVICE $248,438,000 All Issues Total
$	$ 175.0	$	$ 5.5(g)	$ 11,750.9(h)	$ 5,308.9(h)	$ 17,059.8(h)
	175.0		66.0	7,182.1	5,380.2	12,562.3
211.1	175.0		66.0	8,127.3	5,167.4	13.294.7
216.4	171.6		66.0	7,038.5	4,952.0	11,990.5
222.8	166.4	94.0	66.0	7,602.7	4,823.3	12,426.0
227.3	161.1	96.1	65.8	7,726.3	4,691.1	12,417.4
234.0	155.6	98.2	63.8	8,028.2	4,546.5	12,574.7
237.5	150.0	100.4	61.8	9,312.0	4,397.5	13,709.5
242.4	144.2	102.6	59.7	10,617.6	4,226.1	14,843.7
249.5	138.3	103.8	57.5	11,097.6	4,014.2	15,111.8
254.7	132.3	106.1	55.3	11,387.3	3,787.8	15,175.1
262.1	126.1	108.5	53.1	11,541.7	3,555.0	15,096.7
266.0	119.8	110.8	50.8	10,619.5	3,326.5	13,946.0
272.6	113.2	113.3	48.4	10,766.6	3,100.9	13,867.5
278.4	106.6	114.6	46.1	7,336.7	2,873.2	10,209.9
286.3	99.7	117.1	43.6	7,519.1	2,692.5	10,211.6
292.5	92.7	119.7	41.1	7,693.2	2,507.1	10,200.3
296.8	85.6	122.4	38.5	7,883.3	2,316.9	10,200.2
304.2	78.2	125.0	35.9	8,065.9	2,121.3	10,187.2
311.8	70.7	126.5	33.3	8,260.0	1,920.7	10,180.7
319.6	62.9	129.3	30.5	8,469.1	1,714.7	10,183.8
327.6	55.0	132.2	27.7	8,663.9	1,503.5	10,167.4
335.8	46.9	135.1	24.9	8,882.3	1,286.3	10,168.6
344.2	38.6	138.0	22.0	7,767.8	1,063.5	8,831.3
352.8	30.0	141.1	19.0	7,971.6	858.1	8,829.7
361.6	21.3	144.2	16.0	8,181.0	650.5	8,831.5
370.7	12.3	147.4	12.9	6,231.4	437.0	6,668.4
	3.1	150.6	9.7	3,891.7	279.3	4,171.0
		153.9	6.4	2,049.0	166.6	2,215.6
			3.1	1,245.7	119.8	1,365.5
				1,263.5	85.6	1,349.1
				1,281.5	67.6	1,349.1
				1,300.1	49.4	1,349.5
				1,317.5	30.9	1,348.4
				641.9	12.0	653.9
					1.3	1.3
$7,078.7	$2,907.2	$3,030.9	$1,196.4	$248,714.5	$84,035.2	$332,749.7

(f) Interest during 1951 on Air Terminal Bonds, Third Series, totals $286,000 of which $262,166 is payable from construction funds.

(g) Interest during 1951 on Marine Terminal Bonds, Second Series, totals $66,000, of which $60,500 is payable from construction funds.

(h) These totals include not only the sum of the foregoing items but, in addition, interest in the amount of $39,500 and principal in the amount of $4,600,000, payable during 1951 on account of General Reserve Fund Notes, Series T and V.

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ATLANTA
BALTIMORE
BIRMINGHAM
BOSTON
BUFFALO
CANTON
CHICAGO
CINCINNATI
CLEVELAND
COLUMBUS
DALLAS
DAYTON
DENVER
DETROIT
ERIE
FORT WORTH
GRAND RAPIDS
HOUSTON
INDIANAPOLIS
KALAMAZOO
KANSAS CITY
LOS ANGELES
LOUISVILLE
MEMPHIS
MIAMI
MILWAUKEE
MINNEAPOLIS

ERNST & ERNST
ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE
NEW YORK
19 RECTOR STREET
TELEPHONE DIGBY 4-5240
DELIVERY ZONE 6

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READING
RICHMOND
ROCHESTER
ST. LOUIS
ST. PAUL
SAN ANTONIO
SAN FRANCISCO
SEATTLE
TOLEDO
WASHINGTON
WINSTON-SALEM
YOUNGSTOWN

TORONTO, CANADA

CORRESPONDENT AT LONDON

CABLE ADDRESS
"ERNSTAUDIT" N. Y.

The Port of New York Authority
New York, N. Y.

We have examined the statement of financial position of The Port of New York Authority as of December 31, 1950, and the related statements of net revenues and other accounts for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial position and related statements of net revenues and other accounts present fairly the position of The Port of New York Authority at December 31, 1950, and the results of its operations for the year then ended, on the basis of accounting principles and procedures set forth in Note 1 of Notes to Financial Statements.

New York, N. Y.
February 12, 1951.

Ernst & Ernst

Financial Position

December 31, 1950

	Capital Accounts (Exhibit A)	Operating Accounts (Exhibit B)	Reserve Funds (Exhibit C)	Sinking Funds (Exhibit D)
ASSETS				
INVESTMENT IN FACILITIES				
Including expenditures authorized (Note 1)	$370,760,006	$ —0—	$ —0—	$ —0—
CASH	880,251	2,175,965	108,709	947,202
INVESTMENT IN SECURITIES				
U. S. Government securities — at cost (Exhibit F)	32,909,205	4,032,371	30,349,861	—0—
The Port of New York Authority bonds — at cost (Exhibit F)	—0—	1,416,058	914,443	—0—
Accrued interest receivable	171,605	32,554	53,507	1,004
	$ 33,080,810	$5,480,983	$31,317,812	$ 1,004
COLLATERAL UNDER LEASES				
The City of New York and other securities	—0—	308,000	—0—	—0—
OTHER ASSETS				
Prepaid insurance, deposits, and sundry accounts	314,159	1,728,657	—0—	—0—
ADVANCES FOR WORKING CAPITAL (Note 1h)	1,600,000	—0—	—0—	—0—
TOTAL ASSETS	$406,635,227	$9,693,607	$31,426,521	$948,206
LIABILITIES, RESERVES, AND EQUITY ACCOUNTS				
FUNDED DEBT (Exhibit G)	$248,438,000	$ —0—	$ —0—	—0—
EQUITY ACCOUNTS (Exhibit E)	139,253,467	—0—	—0—	—0—
RESERVES APPLICABLE TO THE FOLLOWING FUNDS				
Reserve Funds:				
General Reserve Fund	—0—	—0—	24,843,800	—0—
Special Reserve Fund	—0—	—0—	6,582,721	—0—
Sinking Funds	—0—	—0—	—0—	948,206
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	4,861,797	4,802,138	—0—	—0—
COMMITMENTS	12,468,491	560,223	—0—	—0—
APPROPRIATIONS PENDING COMMITMENT	1,613,470	169,902	—0—	—0—
DEPOSITS UNDER LEASES	—0—	372,558	—0—	—0—
DEFERRED CREDITS TO INCOME				
Unredeemed toll tickets, etc.	—0—	504,619	—0—	—0—
Long-term rental prepayments	—0—	1,534,165	—0—	—0—
LIABILITY FOR WORKING CAPITAL (Note 1c and h)	—0—	1,750,000	—0—	—0—
TOTAL LIABILITIES, RESERVES, AND EQUITY ACCOUNTS	$406,635,227	$9,693,607	$31,426,521	$948,206

CONTINGENT LIABILITIES — Note 2

See Notes to Financial Statements.

Net Revenues

Year ended December 31, 1950

	Facilities Related to General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Other Terminal Bonds (Note 1i)	Combined
GROSS OPERATING REVENUES	$35,714,786	$5,283,030	$984,077	$216,342	$42,198,237
OPERATING EXPENSES (Note 1)	9,590,523	5,036,439	973,174	790,504	16,390,640
Net Operating Revenues	$26,124,263	$ 246,591	$ 10,903	($574,161)	$25,807,597
OTHER INCOME					
Net profit on sales of investment securities	954,338	—0—	—0—	—0—	954,338
Interest on investments, less amortization of purchase premiums, etc.	1,081,108	17,745	890	—0—	1,099,744
	$ 2,035,447	$ 17,745	$ 890	$ —0—	$ 2,054,083
	$28,159,711	$ 264,337	$ 11,793	($574,161)	$27,861,680
OTHER DEDUCTIONS					
Interest on funded debt	4,279,595	687,675	175,000	59,016	5,201,287
Obligatory payments to sinking funds	941,795	—0—	—0—	—0—	941,795
Obligatory redemptions of General and Refunding Bonds — serial maturities	5,100,000	—0—	—0—	—0—	5,100,000
	$10,321,391	$ 687,675	$175,000	$ 59,016	$11,243,083
Elimination of investment security profit and interest accruing in Reserve Funds (included in Other Income above)	1,693,518	—0—	—0—	—0—	1,693,518
	$12,014,909	$ 687,675	$175,000	$ 59,016	$12,936,601
Net Revenues	$16,144,801	($ 423,337)	($163,206)	($633,178)	$14,925,078
NET DEFICITS COVERED BY APPROPRIATIONS FROM GENERAL RESERVE		($ 423,337)	($163,206)	($633,178)	($ 1,219,722)
DISPOSITION OF NET REVENUES AS REQUIRED BY RESOLUTION OF THE COMMISSIONERS					
To General Reserve — to bring total amount to 10% of funded debt	$ 9,562,079				$9,562,079
To Special Reserve	6,582,721				6,582,721
	$16,144,801	($ 423,337)	($163,206)	($633,178)	$14,925,078

See Notes to Financial Statements.

( ) indicate red figures.

Notes to Financial Statements

December 31, 1950

Note 1 — STATEMENT OF ACCOUNTING PRINCIPLES AND PROCEDURES:

a. The Port of New York Authority was created as a corporate instrumentality in 1921 by compact between the States of New York and New Jersey with the approval of Congress. The Authority has no stockholders or equity holders and all revenues or other cash received must be disbursed for specific purposes in accordance with provisions of various statutes and agreements with holders of its bonds. The accounting principles outlined in paragraphs following, which have been applied on a basis consistent with that of the preceding year, are based on the Authority's interpretation of such statutes and agreements, and on resolutions of the Commissioners.

b. No deduction from revenue has been made for depreciation of facilities or for amortization of leasehold improvements, nor has an allowance for depreciation been established. However, deductions are made from revenue and reserves for payments to sinking funds and for serial maturity payments as required, and for expenditures to maintain in good condition all facilities, the net revenues of which are pledged as security for Port Authority bonds.

c. "Investment in Facilities" at December 31, 1950 includes the following:

(1) the net discount and expense incurred in connection with bonds and notes issued for construction purposes; no provision has been made for amortization of such discount and expense; (2) interest expense on such bonds and notes during the period of construction (less income earned on unexpended construction funds), and certain interest expense applicable to periods subsequent to the dates of official opening of the respective facilities; (3) a continuing advance to provide working capital necessary to finance accounts receivable, prepaid insurance, and other deferred charges in connection with the Marine Terminal operations. The amounts of the above items included in investment in facilities at December 31, 1950, and the amounts added during the year ended at that date follow:

	Included in Facility Costs at December 31, 1950	Added to Facility Costs During the Year Ended December 31, 1950
(1) Net discount and expense	$ 6,609,305	$ 608,093(a)
(2) Interest during construction and subsequent to opening	21,536,208	991,388(b)
(3) Advance for working capital	150,000	150,000
Total	$28,295,513	$1,749,481

(a) Consisting of:

Discount on:	
Air Terminal Bonds, Third Series	$ 473,213
Marine Terminal Bonds, Second Series	109,203
Expenses relating to various bonds and notes, for printing, consultants fees, and paying agents fees, etc.	25,677
	$ 608,093

(b) Consisting of:

Interest on funded debt	$ 1,387,388	
Less net interest income on unexpended construction funds	396,000	$ 991,588

d. In the opinion of its General Counsel, the Authority is not subject to federal, state, or local taxes, unless both the States of New York and New Jersey expressly consent to such taxes by statutes. Such consent has not been given except for local real estate taxes upon property acquired for rehousing residents of areas acquired by the Authority for terminal and transportation facilities. The States have also authorized the Authority to enter into voluntary agreements with municipalities to pay a fair annual sum in lieu of taxes upon property acquired for inland and marine terminals, including air terminals; full provision has been made at December 31, 1950 for liability under such agreements then in effect.

e. Commitments are recorded at the time contracts are awarded and orders placed for construction, supplies, etc. Certain appropriations pending commitment at December 31 also are recorded.

f. The cost of refunding and consolidating debt, consisting of call premiums, interest and other expenses, less premiums received and interest earned, amounted to $15,594,833 at December 31, 1950. The increase therein of $1,312,960 since December 31, 1949 is attributable to the call premium, interest and other expenses of the portion of General and Refunding Bonds, Fourth Series refunded, less income earned on the temporary investment of the proceeds of the Fourteenth and Fifteenth Series. The net cost of refunding and consolidating debt is deducted from equity accounts instead of being deferred and amortized over subsequent accounting periods.

g. The Port Authority is committed to make annual "past service" payments over future years to the New York State

Notes to Financial Statements

December 31, 1950

Note 1 — STATEMENT OF ACCOUNTING PRINCIPLES AND PROCEDURES — Continued:

Employees' Retirement System. Such expense, together with related current pension cost, is being charged to Net Revenues on an accrual basis.

The Port Authority is self-insurer for certain workmen's compensation and other liability insurance. Awards arising out of claims thereunder are being charged to Net Revenues as payments are made.

h. In order to provide working capital necessary to finance accounts receivable, prepaid insurance, and other deferred charges in connection with the operation of the Air Terminals, the Port Authority advanced the proceeds of $1,600,000 of General Reserve Fund Notes issued for that purpose.

i. The following facilities (related to Terminal Bonds, Series J and Series M) incurred net operating losses for the period subsequent to opening, but prior to exchange of such bonds for General and Refunding Bonds. Such losses have been charged against the General Reserve, in accordance with Section 13 and Section 10, respectively, of the resolutions establishing said series:

Union Motor Truck Terminals No. 2 and 3 (Series J Bonds)	
Loss for period July 12, 1950 to November 30, 1950	$592,149
Port Authority Bus Terminal (Series M Bonds)	
Loss for period December 15, 1950 to December 31, 1950	41,029
	$633,178

The truck terminals became General and Refunding Bond facilities on December 1, 1950 when conditions precedent to issuing General and Refunding Bonds, Tenth Series, had been met. Since that date the truck terminal operating results have been included with General Operating Accounts. The Bus Terminal will become a General and Refunding Bond facility on March 1, 1951 when conditions precedent to issuing General and Refunding Bonds Twelfth Series will have been met. The assets and liabilities (total $127,973) pertaining to the operation of the Bus Terminal have been included with those of General Operating Accounts at December 31, 1950.

j. Where items fail to add to the totals shown throughout the financial statements, it is due to the dropping of cents.

Note 2 — CONTINGENT LIABILITIES AT DECEMBER 31, 1950:

a. Contingent liabilities exist relative to acquisition of certain easements, payable if and when the owners of the properties elect to have certain construction work performed, and costs may be incurred in connection with proposed construction by The City of New York of a protective pier over the Lincoln Tunnel.

b. Eight airline companies brought suit on December 13, 1948 against the Port Authority, its Commissioners and two of its officers for a declaratory judgment, injunctive relief and damages, on account of the Port Authority's alleged repudiation of leases and agreements in connection with New York International Airport. No amount of damages was specified in the complaint. The defendants have made a motion to dismiss the complaint in this suit on account of lack of jurisdiction. Apart from this defense, legal counsel is of the opinion that there is no basis for a recovery in this suit of any damages against the defendants.

c. In connection with the acquisition of land adjacent to Newark Airport, the Port Authority will have to pay awards and interest which in the aggregate are estimated not to exceed $300,000.

d. Under an agreement with The City of New York dated April 17, 1947 for the lease to the Authority of the Municipal Air Terminals, the Authority agreed among other things to provide funds up to the sum of $198,500,000 in the aggregate, if necessary, for the rehabilitation, expansion, improvement, and development of said air terminals.

Under an agreement with the City of Newark dated October 22, 1947 for the lease to the Authority of Newark Marine and Air Terminals, the Authority agreed among other things to provide funds up to the sum of $70,500,000 in the aggregate, if necessary, for the development of said terminals.

Of the amounts stated, the Authority is to spend substantial sums under The City of New York agreement, prior to June 1, 1954 and under the City of Newark agreement, prior to March 22, 1955, for the purposes mentioned exclusive of the construction of certain hangars, shops, and related facilities.

The leasehold terms expire, respectively, when all Port Authority obligations issued in connection with the air and marine terminals have been paid, but in any event not later than 1997/1998. The demised premises will revert to the cities, respectively, upon the termination of the leases. The leases provide for a stated annual rental or an alternative amount based upon net operating revenues, whichever is greater.

Exhibit A

Capital Accounts

December 31, 1950

Detail of Assets, and Liabilities and Equity Accounts

	Facilities Related to General and Refunding Bonds	Facilities Related to Air Terminal Bonds	Facilities Related to Marine Terminal Bonds	Combined
ASSETS				
INVESTMENT IN FACILITIES (Note 1)				
Completed construction — at cost	$264,864,311	$ 4,798,163	$ —0—	$269,662,474
Construction in progress — at cost	27,739,742	306,014	—0—	28,045,756
Leasehold improvements — at cost	—0—	50,786 648	8,183,166	58,969,814
Commitments (see contra)	4,963,089	7,397,477	107,924	12,468,491
Appropriations pending commitment (see contra)	1,057,150	403,250	153,070	1,613,470
	$298 624.292	$63,691.552	$ 8,444,160	$370,760,006
ASSETS HELD FOR ADDITIONAL CONSTRUCTION AND PAYMENT OF LIABILITIES (Exhibit H)				
Cash	$ 436,074	$ 299,276	$ 144,900	$ 880,251
U. S. Government securities — at cost (Exhibit F)	8,838,530	21,474,852	2,595,821	32,909,205
Accrued interest receivable	14,369	147,756	9,479	171,605
Deposits	135,500	—0—	120,470	255,970
Miscellaneous	24,278	33,910	—0—	58,188
	$ 9,448.752	$21,955,796	$ 2,870,672	$ 34,275.221
ADVANCES FOR WORKING CAPITAL (Note 1h)	$ 1,600,000	$ —0—	$ —0—	$ 1,600,000
TOTAL ASSETS	$309,673,045	$85,647,348	$11,314,832	$406,635,227
LIABILITIES AND EQUITY ACCOUNTS				
FUNDED DEBT (Exhibit G)	$164,038,000	$74,400,000	$10,000,000	$248,438,000
EQUITY ACCOUNTS (Exhibit E)				
Debt retired through income	133,136,110	—0—	—0—	133,136,110
Contributed by federal and state agencies in aid of construction	10,860.411	2,383,519	—0—	13,243,931
Appropriated reserves invested in facilities	8,468,259	—0—	—0—	8,468,259
	$152,464,781	$ 2,383,519	$ —0—	$154.848,301
Less cost of refunding and consolidating debt	15,594,833	—0—	—0—	15,594.833
	$136,869,948	$ 2,383,519	$ —0—	$139,253,467
OTHER LIABILITIES				
Accrued interest payable	$ 7,500	$ 79,333	$ 5,500	$ 92,333
Accrued liability for payments in lieu of taxes (Note 1d)	21,000	—0—	—0—	21,000
Other accounts payable, accrued expenses, etc	2.716,358	983,767	1,048,338	4,748,463
	$ 2,744,858	$ 1,063,100	$ 1,053,838	$ 4.861,797
COMMITMENTS (see contra)	$ 4,963,089	$ 7,397,477	$ 107,924	$ 12,468,491
APPROPRIATIONS PENDING COMMITMENT (see contra)	1,057,150	403,250	153,070	1,613,470
TOTAL LIABILITIES AND EQUITY ACCOUNTS	$309,673,045	$85,647,348	$11,314,832	$406,635,227

See Notes to Financial Statements.

Exhibit B

Operating Accounts

December 31, 1950

Detail of Assets, and Liabilities and Other Credits

	Facilities Related to			
	General and Refunding Bonds (Note 1i)	Air Terminal Bonds	Marine Terminal Bonds	Combined
ASSETS				
CASH	$2,149,937	$ 25,780	$ 247	$2,175,965
INVESTMENTS IN SECURITIES				
U. S. Government securities — at cost (Exhibit F)	742,371	2,962,000	328,000	4,032,371
The Port of New York Authority bonds — at cost (Exhibit F)	1,416,058	—0—	—0—	1,416,058
Accrued interest receivable	9,061	19,887	3,604	32,554
	$2,167,491	$2,981,887	$331,604	$5,480,983
COLLATERAL UNDER LEASES				
The City of New York and other securities	81,500	220,500	6,000	308,000
OTHER ASSETS				
Prepaid insurance	128,203	339,728	152,685	620,617
Accounts and notes receivable	215,390	495,347	88,820	799,558
Accrued revenue	70,641	212,319	1,355	284,316
Miscellaneous	8,417	14,210	1,536	24,164
	$ 422,652	$1,061,607	$244,397	$1,728,657
TOTAL ASSETS	$4,821,582	$4,289,775	$582,249	$9,693,607
LIABILITIES AND OTHER CREDITS				
ACCOUNTS PAYABLE AND ACCRUED EXPENSES				
Accrued interest on funded debt	$ 849,898	$ 171,249	$ 29,166	$1,050,314
Unredeemed bonds and interest coupons (less $4,093,456 on deposit with paying agents)	7,987	—0—	—0—	7,987
Accrued liability for employee retirement, etc	2,054,922	—0—	—0—	2,054,922
Accrued liability for rent	—0—	399,200	70,602	469,802
Accrued liability for payments in lieu of taxes (Note 1d)	50,271	2,040	—0—	52,311
Other accounts payable, accrued expenses, etc	924,712	171,718	70,366	1,166,798
	$3,887,793	$ 744,208	$170,136	$4,802,138
COMMITMENTS	381,792	135,680	42,750	560,223
APPROPRIATIONS PENDING COMMITMENT	72,571	97,331	—0—	169,902
DEPOSITS UNDER LEASES	81,500	285,058	6,000	372,558
DEFERRED CREDITS TO INCOME				
Unredeemed toll tickets, etc	397,924	73,331	33,362	504,619
Long term rental prepayments	—0—	1,354,165	180,000	1,534,165
LIABILITY FOR WORKING CAPITAL (Note 1c and h)	—0—	1,600,000	150,000	1,750,000
TOTAL LIABILITIES AND OTHER CREDITS	$4,821,582	$4,289,775	$582,249	$9,693,607

See Notes to Financial Statements.

Exhibit C

Reserve Funds

December 31, 1950

Detail of Assets and Reserves, and Analysis of Reserves

DETAIL OF ASSETS AND RESERVES December 31, 1950	General Reserve Fund	Special Reserve Fund	Combined
ASSETS			
Cash	$ 107,836	$ 872	$ 108,709
U. S. Government securities — at cost (Exhibit F)	23,774,861	6,575,000	30,349,861
The Port of New York Authority bonds — at cost (Exhibit F)	914,443	—0—	914,443
Accrued interest receivable	46,658	6,848	53,507
TOTAL ASSETS	$24,843,800	$ 6,582,721	$31,426,521
RESERVES			
Balances at December 31, 1950	$24,843,800	$ 6,582,721	$31,426,521

ANALYSIS OF RESERVES Year ended December 31, 1950			
Balances at January 1, 1950	$31,289,400	$10,470,573	$41,759,973
Add:			
Net profit on sales of investment securities	772,449	63,120	835,569
Interest on investments, less amortization of purchase premiums, etc	593,541	264,407	857,948
	$ 1,365,991	$ 327,527	$ 1,693,518
Transfer of Net Revenues for 1950 of facilities related to General and Refunding Bonds	9,562,079	6,582,721	16,144,801
	$42,217,470	$17,380,822	$59,598,293
Deduct appropriations for:			
Transfer to Capital Accounts to cover excess of expenditures over bond proceeds for Holland Tunnel Viaduct	749,047	—0—	749,047
Redemptions of serial notes, etc.:			
Terminal Bonds, Series M	1,090,000	—0—	1,090,000
General Reserve Fund Notes, Series T	3,000,000	—0—	3,000,000
General Reserve Fund Notes, Series U	5,000,000	—0—	5,000,000
Retirement of General and Refunding Bonds, Fourth Series in excess of bonds sold on refunding	3,009,913	10,583,000	13,592,913
Expenditures in connection with debt retirement — General and Refunding Bonds, Fourth Series:			
Premium paid on bonds retired	60,200	211,660	271,860
Interest paid on bonds retired	204,000	—0—	204,000
Refunding expenses	1,460	3,440	4,901
Transfers of The Port of New York Authority bonds to Sinking Funds for retirements in anticipation of future requirements (as shown in Exhibit D)	3,039,326	—0—	3,039,326
Transfers to Operating Accounts to cover deficits of facilities related to:			
Air Terminal Bonds	423,337	—0—	423,337
Marine Terminal Bonds	163,206	—0—	163,206
Terminal Bonds, Series J (Note 1i)	592,149	—0—	592,149
Terminal Bonds, Series M (Note 1i)	41,029	—0—	41,029
	$17,373,670	$10,798,100	$28,171,771
Balances at December 31, 1950	$24,843,800	$ 6,582,721	$31,426,521

See Notes to Financial Statements.

Exhibit D

Analysis of Sinking Fund Reserves

Year ended December 31, 1950

	Fourth Series	Fifth Series	Other Series*	Total
Balances at January 1, 1950	$1,725,999	$ 914,322	$ —0—	$2,640,322
Add:				
Income from investments	4,006	2,608		6,615
Obligatory payments to Sinking Fund from Revenues		941,795		941,795
The Port of New York Authority bonds transferred to Sinking Funds for retirement in anticipation of future requirements:				
Appropriated from General Reserve			3,039,326	3,039,326
Adjustment of cost to redemption price**			285,113	285,113
	$1,730,006	$1,858,726	$3,324,440	$6,913,172
Deduct:				
Payments made from Sinking Funds for redemption of General and Refunding Bonds:				
Principal amount of bonds redeemed	1,696,086	884,000		2,580,086
Premium on bonds	33,920	26,520		60,440
Retirement of The Port of New York Authority bonds in anticipation of future Sinking Fund requirements:				
General and Refunding Bonds:				
Eighth Series:				
Principal amount of bonds redeemed			1,526,000	1,526,000
Call premium thereon			45,780	45,780
Ninth Series:				
Principal amount of bonds redeemed			403,000	403,000
Call premium thereon			4,030	4,030
Tenth Series:				
Principal amount of bonds redeemed			478,000	478,000
Call premium thereon			4,780	4,780
Eleventh Series:				
Principal amount of bonds redeemed			855,000	855,000
Call premium thereon			7,850	7,850
Total debt retired through Sinking Funds	$1,730,006	$ 910,520	$3,324,440	$5,964,966
Balances at December 31, 1950	$ —0—	$ 948,206	$ —0—	$ 948,206

*Covers Series as shown on which Sinking Fund payments are not yet obligatory.
**Represents the increase from cost to an amount equal to the redemption price applicable if such bonds were called at the next ensuing redemption date, made in order to conform with the requirements of Resolutions dated March 18, 1935 and August 30, 1945.

See Notes to Financial Statements.

Exhibit E

Analysis of Equity Accounts

Year ended December 31, 1950

	Debt Retired Through Income	Contributed by Federal and State Agencies in Aid of Construction	Appropriated Reserves Invested in Facilities	Appropriated Reserves to be Invested in Facilities	Less Cost of Refunding and Consolidating Debt (Note 1f)	Total
Balances at January 1, 1950	$ 99,511,110	$11,946,012	$7,635,751	$83,461	$14,281,873	$104,894,461
Add:						
Reserves applied to retirement of debt:						
Sinking Fund Reserves:						
General and Refunding Bonds:						
Fourth Series	1,696,086					1,696,086
Fifth Series	884,000					884,000
Eighth Series	1,526,000					1,526,000
Ninth Series	403,000					403,000
Tenth Series	478,000					478,000
Eleventh Series	855,000					855,000
General Reserve:						
Terminal Bonds, Series M	1,090,000					1,090,000
General Reserve Fund Notes, Series T	3,000,000					3,000,000
General Reserve Fund Notes, Series U	5,000,000					5,000,000
General and Refunding Bonds, Fourth Series—retirement in excess of proceeds from bonds sold on refunding	3,009,913					3,009,913
Special Reserve:						
General and Refunding Bonds, Fourth Series — retirement in excess of proceeds from bonds sold on refunding	10,583,000					10,583,000
Net Revenues applied to retirement of debt:						
General and Refunding Bonds:						
Thirteenth Series	1,500,000					1,500,000
Fourteenth Series	3,600,000					3,600,000
Received under the Federal Airport Act for the share of the United States Government in the construction cost of certain projects at the Air Terminals		1,297,919				1,297,919
Appropriations of General Reserve for excess of expenditures over bond proceeds of Holland Tunnel Viaduct			749,047			749,047
Expenditures for construction made from appropriated reserves, transferred			83,461	(83,461)		—0—
Premium and expenses paid to retire General and Refunding Bonds, Fourth Series, less earnings from the temporary investment of the proceeds of General and Refunding Bonds, Fourteenth and Fifteenth Series, issued to refund the Fourth Series					1,312,960	(1,312,960)
Balances at December 31, 1950	$133,136,110	$13,243,931	$8,468,259	$ —0—	$15,594,833	$139,253,467

See Notes to Financial Statements.
( ) indicate red figures.

Exhibit F

Investment in Securities

December 31, 1950

	Principal Amount	Cost (A)	Quoted Market Value
U. S. GOVERNMENT SECURITIES			
ASSETS HELD FOR ADDITIONAL CONSTRUCTION, ETC.			
GENERAL CAPITAL ACCOUNTS			
U. S. Treasury Discount Bills, due January 25, 1951	$ 990,000	$ 989,164	$ 989,154
U. S. Treasury Discount Bills, due February 23, 1951	2,800,000	2,794,580	2,794,513
U. S. Treasury Discount Bills, due March 8, 1951	1,500,000	1,496,397	1,496,284
U. S. Treasury Notes, Series D, 1¼%, due July 1, 1951	538,000	538,000	537,496
U. S. Treasury Notes, Series F, 1¼%, due October 15, 1951	2,800,000	2,795,388	2,794,750
U. S. Treasury Bonds, 2½%, due December 15, 1972-67	225,000	225,000	226,547
	$ 8,853,000	$ 8,838,530	$ 8,838,744
AIR TERMINALS CAPITAL ACCOUNTS			
U. S. Treasury Discount Bills, due March 8, 1951	$ 3,000,000	$ 2,992,685	$ 2,992,568
U. S. Treasury Notes, Series D, 1¼%, due July 1, 1951	6,450,000	6,447,631	6,443,953
U. S. Treasury Notes, Series E, 1¼%, due August 1, 1951	3,700,000	3,700,000	3,695,375
U. S. Treasury Notes, Series F, 1¼%, due October 15, 1951	3,400,000	3,394,536	3,393,625
U. S. Treasury Savings Notes, Series D, 1¼%, due November 1, 1952	4,940,000	4,940,000	4,940,000
	$21,490,000	$21,474,852	$21,465,521
MARINE TERMINAL CAPITAL ACCOUNTS			
U. S. Treasury Notes, Series F, 1¼%, due October 15, 1951	$ 2,600,000	$ 2,595,821	$ 2,595,125
TOTAL — HELD FOR ADDITIONAL CONSTRUCTION, ETC.	$32,943,000	$32,909,205	$32,899,390
OPERATING ACCOUNT ASSETS			
GENERAL OPERATING ACCOUNTS			
U. S. Treasury Discount Bills, due January 25, 1951	$ 10,000	$ 9,991	$ 9,991
U. S. Treasury Discount Bills, due February 23, 1951	200,000	199,620	199,608
U. S. Treasury Discount Bills, due March 1, 1951	400,000	399,108	399,114
U. S. Treasury Discount Bills, due March 22, 1951	117,000	116,652	116,646
U. S. Treasury Notes, Series D, 1¼%, due July 1, 1951	17,000	17,000	16,984
	$ 744,000	$ 742,371	$ 742,343
AIR TERMINALS OPERATING ACCOUNTS			
U. S. Treasury Notes, Series D, 1¼%, due July 1, 1951	$ 682,000	$ 682,000	$ 681,361
U. S. Treasury Notes, Series E, 1¼%, due August 1, 1951	1,200,000	1,200,000	1,198,500
U. S. Treasury Savings Notes, Series D, 1¼%, due October 1, 1952	1,080,000	1,080,000	1,080,000
	$ 2,962,000	$ 2,962,000	$ 2,959,861
MARINE TERMINAL OPERATING ACCOUNTS			
U. S. Treasury Notes, Series D, 1¼%, due July 1, 1951	$ 148,000	$ 148,000	$ 147,861
U. S. Savings Notes, Series D, 1¼%, due October 1, 1952	120,000	120,000	120,000
U. S. Savings Notes, Series D, 1¼%, due November 1, 1952	60,000	60,000	60,000
	$ 328,000	$ 328,000	$ 327,861
TOTAL — OPERATING ACCOUNTS	$ 4,034,000	$ 4,032,371	$ 4,030,065

(Continued)

Investment in Securities (Continued)

	Principal Amount	Cost (A)	Quoted Market Value
U. S. GOVERNMENT SECURITIES — Continued			
RESERVE FUND ASSETS			
GENERAL RESERVE FUND			
U.S. Treasury Discount Bills, due March 22, 1951	$ 283,000	$ 282,157	$ 282,144
U. S. Treasury Notes, Series D, 1¼%, due July 1, 1951	1,065,000	1,065,000	1,064,002
U. S. Treasury Notes, Series F, 1¼%, due October 15, 1951	200,000	199,704	199,625
U. S. Treasury Bonds, 2¼%, due June 15, 1962-59	1,900,000	1,900,000	1,913,063
U. S. Treasury Bonds, 2½%, due December 15, 1968-63	3,250,000	3,250,000	3,304,844
U. S. Treasury Bonds, 2½%, due June 15, 1972-67	11,300,000	11,300,000	11,377,687
U. S. Treasury Bonds, 2½%, due December 15, 1972-67	5,378,000	5,378,000	5,414,974
U. S. Treasury Bonds, Series G, 2½%, due June 1, 1957	100,000	100,000	95,200
U. S. Treasury Bonds, Series G, 2½%, due March 1, 1958	100,000	100,000	94,700
U. S. Treasury Bonds, Series G, 2½%, due January 1, 1959	100,000	100,000	94,800
U. S. Treasury Bonds, Series G, 2½%, due June 1, 1960	100,000	100,000	95,600
	$23,776,000	$23,774,861	$23,936,639
SPECIAL RESERVE FUND			
U. S. Treasury Bonds, 2½%, due June 15, 1972-67	$ 6,575,000	$ 6,575,000	$ 6,620,203
TOTAL — RESERVE FUNDS	$30,351,000	$30,349,861	$30,556,842
THE PORT OF NEW YORK AUTHORITY BONDS			
OPERATING ACCOUNT ASSETS			
GENERAL OPERATING ACCOUNTS			
General and Refunding Bonds, Fifth Series, 3¼%, due August 15, 1977	$ 173,000	$ 178,190	$ 179,920
Air Terminal Bonds, Second Series, 2½%, due October 1, 1979	1,275,000	1,237,868	1,313,250
TOTAL — OPERATING ACCOUNTS	$ 1,448,000	$ 1,416,058	$ 1,493,170
RESERVE FUND ASSETS			
GENERAL RESERVE FUND			
Marine Terminal Bonds, First Series, 2½%, due November 1, 1978	$ 925,000	$ 914,443	$ 943,500

(A) Cost less amortization to date, of purchase premiums or discount.
See Notes to Financial Statements.

Exhibit G

Funded Debt

December 31, 1950

			Amount Outstanding December 31, 1950	
RELATED TO GENERAL CAPITAL ACCOUNTS				
GENERAL AND REFUNDING BONDS				
Fifth Series	3¼%	due 1977 (A)	$38,507,000	
Eighth Series	2%	due 1974 (B)	22,495,000	
Ninth Series	1½%	due 1985 (B)	9,922,000	
Tenth Series	1¾%	due 1985 (B) (C)	6,316,000	
Eleventh Series	1¼%	due 1986 (B)	14,218,000	
Thirteenth Series	1.4%	due $1,500,000 annually to July 15, 1953 (A)	4,500,000	
Fourteenth Series	4%	due $3,600,000 annually to December 15, 1953 (A)	10,800,000	
Fifteenth Series	1½%	due $3,600,000 annually from December 15, 1954 to December 15, 1964	39,600,000	$146,358,000
TERMINAL BONDS				
Terminal Bonds, Series M, 1½%, due $1,090,000 annually to June 15, 1962 (A) (D)				13,080,000
NOTES				
General Reserve Fund Notes, Series T, 1½%, due on November 1, 1951 (A)			$ 3,000,000	
General Reserve Fund Notes, Series V, 1%, due on February 15, 1951 (A) (E-b)			1,600,000	4,600,000
Total related to General Capital Accounts				$164,038,000
RELATED TO AIR TERMINALS CAPITALS ACCOUNTS				
AIR TERMINAL BONDS				
First Series	3%	due 1978 (B)	$31,400,000	
Second Series	2½%	due 1979 (B)	30,000,000	
Third Series	2.2%	due 1980 (B) (E-c)	13,000,000	
Total related to Air Terminals Capital Accounts				$ 74,400,000
RELATED TO MARINE TERMINAL CAPITAL ACCOUNTS				
MARINE TERMINAL BONDS				
First Series	2½%	due 1978 (B)	$ 7,000,000	
Second Series	2.2%	due 1980 (B) (E-d)	3,000,000	
Total related to Marine Terminal Capital Accounts				$ 10,000,000
TOTAL				$248,438,000

(Continued)

Funded Debt (Continued)

December 31, 1950

NOTES TO EXHIBIT G

(A)—Payments into Fifth Series Sinking Fund and serial maturity payments to be made within one year from December 31, 1950 are as follows:

General and Refunding Bonds:	
Fifth Series	$ 960,960
Thirteenth Series	1,500,000
Fourteenth Series	3,600,000
Terminal Bonds:	
Series M	1,090,000
Notes:	
General Reserve Fund Notes, Series T	3,000,000
General Reserve Fund Notes, Series V	1,600,000
	$11,750,960

(B)—Payments into sinking funds are not required until 1953 for the Eighth Series; 1956 for the Ninth Series; 1953 for the Tenth Series; 1960 for the Eleventh Series; 1958 for the Air Terminal Bonds, First Series; 1959 for the Air Terminal Bonds, Second Series; 1955 for the Air Terminal Bonds, Third Series; 1953 for the Marine Terminal Bonds, First Series, and 1955 for the Marine Terminal Bonds, Second Series.

(C)—During 1950 the Authority adopted a resolution (in accordance with Section 4 of the resolution establishing Terminal Bonds, Series J) which provided that the $6,794,000 par value of outstanding Terminal Bonds, Series J, 1¾%, due 1985, be exchanged for General and Refunding Bonds, Tenth Series, 1¾%, due 1985, as of November 30, 1950.

(D)—During 1950 the Authority adopted a resolution (in accordance with Section 3 of the resolution establishing Terminal Bonds, Series M) which provided that the $13,080,000 par value of outstanding Terminal Bonds, Series M, 1½%, due $1,090,000 annually to June 15, 1962, be exchanged for General and Refunding Bonds, Twelfth Series, bearing the same interest rate and maturities. The exchange is to take place as of March 1, 1951.

(E)—Bonds and Notes issued during year:

a. On May 1, 1950, a loan was obtained from United States Trust Company of New York, evidenced by General Reserve Fund Notes, Series U, in the amount of $5,000,000. The proceeds were used for capital expenditures for:

Lincoln Tunnel approaches and connections	$1,636,000
George Washington Bridge approaches and connections	1,482,000
Completion of New York Union Motor Truck Terminal and Newark Union Motor Truck Terminal	1,310,000
Rehabilitation and improvements at Grain Terminal	572,000
	$5,000,000

Interest was at .95% and the loan was paid on its due date of December 15, 1950 from the General Reserve Fund.

b. On July 3, 1950, a loan was obtained from The National City Bank of New York, evidenced by General Reserve Fund Notes, Series V, in the amount of $1,600,000. The proceeds were used for Airport working capital as follows:

New York Air Terminals	$ 700,000
Newark Air Terminal	700,000
Teterboro Air Terminal	200,000
	$1,600,000

Interest is at 1% and principal becomes due on February 15, 1951.

c. In November, 1950, $13,000,000 principal amount of Air Terminal Bonds, Third Series, first installment, were sold, bearing interest at the rate of 2.20%, due December 1, 1980. The proceeds, to be used for capital expenditures, were allocated to:

New York Air Terminals	$ 3,000,000
Newark Air Terminal	8,000,000
Teterboro Air Terminal	2,000,000
	$13,000,000

d. In November, 1950, $3,000,000 principal amount of Marine Terminal Bonds, Second Series, first installment, were sold, bearing interest at the rate of 2.20%, due December 1, 1980. The proceeds are to be used for capital expenditures for Port Newark.

Exhibit H

Allocation of Assets Held for Additional Construction

December 31, 1950

Project	Total Assets	Deduct: Liabilities Recorded	Deduct: Commitments	Deduct: Appropriations Pending Commitment	Deduct: Total	Net Assets Held for Additional Construction	
Extension of Lincoln Tunnel East approach	$ 541,827	$ 244,951	$ 82,069	$ —0—	$ 327,020	$ 214,806	
Construction of Union Motor Truck Terminals	461,097	253,377	32,020	4,899	290,297	170,799	
Construction of Holland Tunnel Viaduct	105,809	85,346	20,463	—0—	105,809	—0—	
Capital improvements to the Grain Terminal	516,486	33,061	253,052	225,038	511,152	5,333	
Construction of the 179th Street Tunnel, George Washington Bridge	3,351,322	623,728	2,621,564	—0—	3,245,292	106,030	
Construction of the Port Authority Bus Terminal	2,350,222	365,332	849,821	827,212	2,042,366	307,855	
Relocation of tenants at Bus Terminal properties	(4,764)	527	—0—	—0—	527	(5,292)	(A)
Construction of Lincoln Tunnel connections with New Jersey Highway Route 3	176,992	—0—	—0—	—0—	—0—	176,992	
Purchase of right of way and construction of Lincoln Tunnel approach over New York Central Railroad tracks	349,227	—0—	—0—	—0—	—0—	349,227	
Purchase of right of way and construction of Lincoln Tunnel connections with New Jersey Turnpike	435,163	1,138,532	1,088,360	—0—	2,226,892	(1,791,729)	(A)
Construction of George Washington Bridge connections with Henry Hudson Parkway	924,944	—0—	—0—	—0—	—0—	924,944	
Net proceeds from sale of miscellaneous property and equipment, appropriated income not allocated, etc.	240,424	—0—	15,737	—0—	15,737	224,686	
	$ 9,448,752	$2,744,858	$ 4,963,089	$1,057,150	$ 8,765,097	$ 683,655	
Rehabilitation and development of:							
New York Air Terminals	10,636,867	804,363	1,668,934	386,600	2,859,898	7,776,969	(B)
Newark Airport	9,511,645	247,277	5,511,156	9,750	5,768,183	3,743,462	(B)
Teterboro Airport	1,807,283	11,460	217,387	6,900	235,747	1,571,535	
	$21,955,796	$1,063,100	$ 7,397,477	$ 403,250	$ 8,863,828	$13,091,967	
Port Newark	2,870,672	1,053,838	107,924	153,070	1,314,832	1,555,839	
TOTAL (see Exhibit A)	$34,275,221	$4,861,797	$12,468,491	$1,613,470	$18,943,759	$15,331,461	

See Notes to Financial Statements.

(A) Deficits to be covered by additional financing or appropriations from reserves.

(B) The Port Authority has established the policy of recording grants from the United States Government under the Federal Airport Act when received. At December 31, 1950 there was approximately $845,750 which had been certified to the United States Government, but which, according to the above policy, had not been recorded. These amounts, when received, will increase the assets held for additional construction of the following projects:

New York Air Terminals	$ 777,350
Newark Airport	68,400
	$845,750

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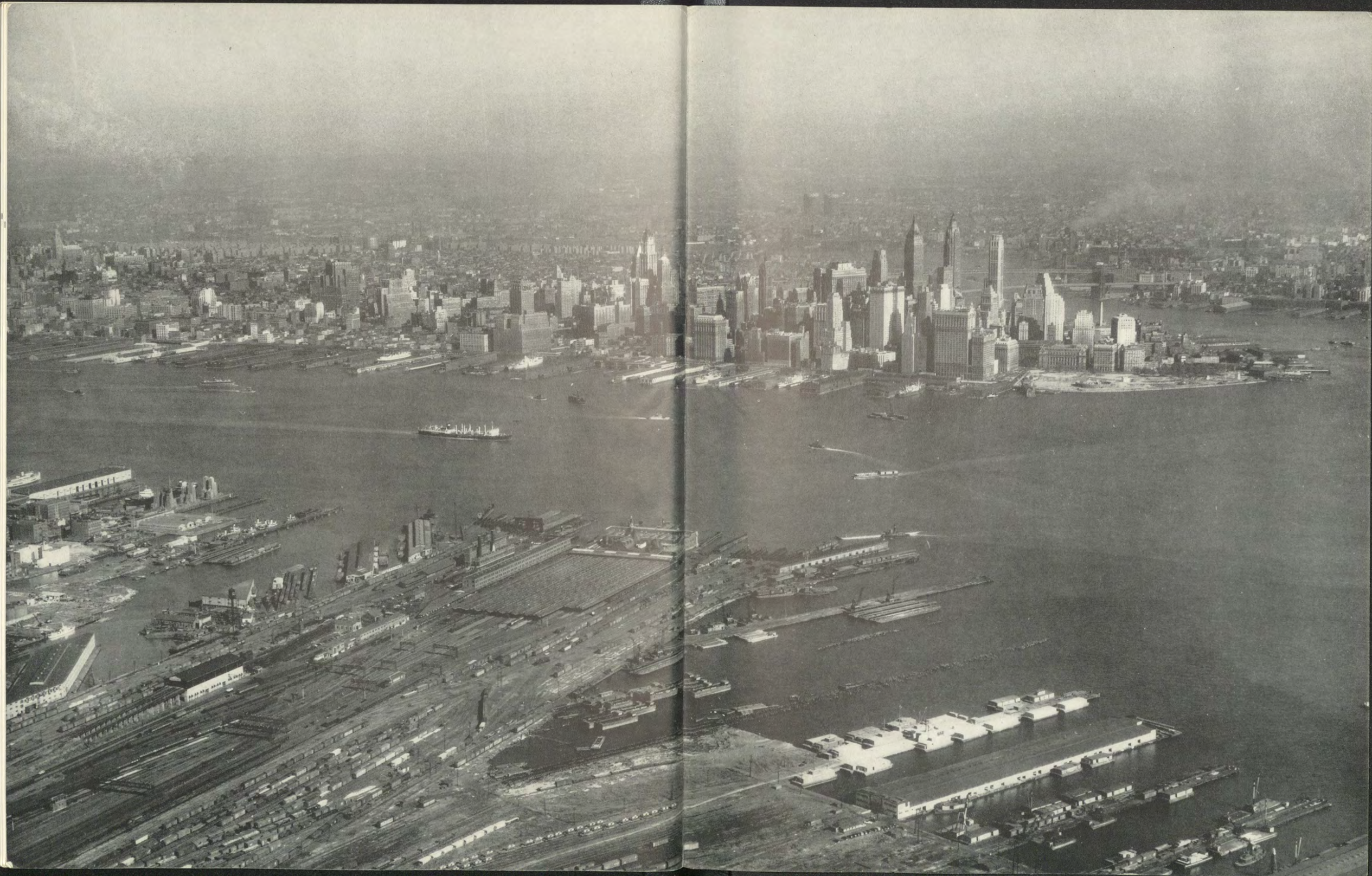


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