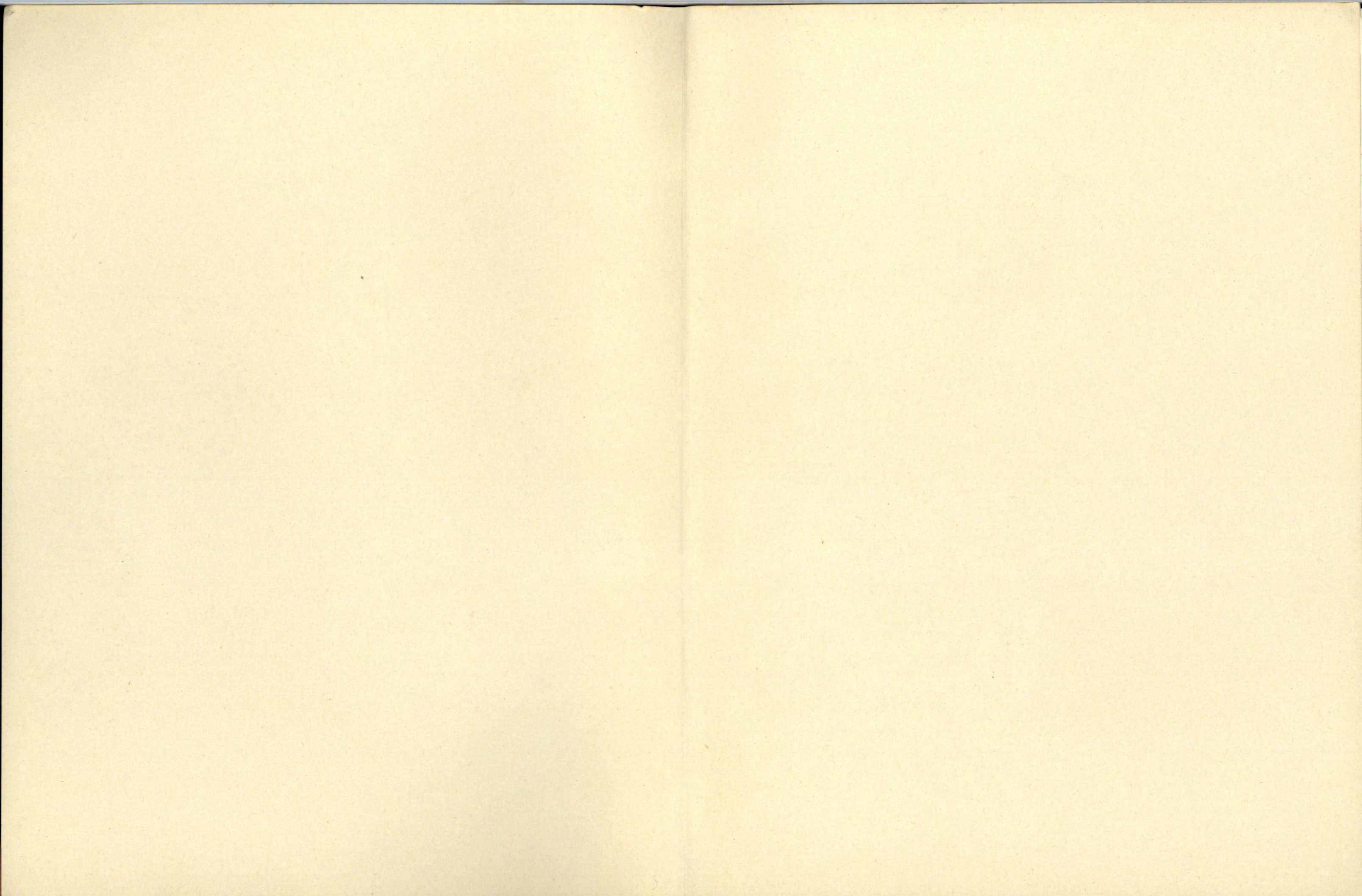


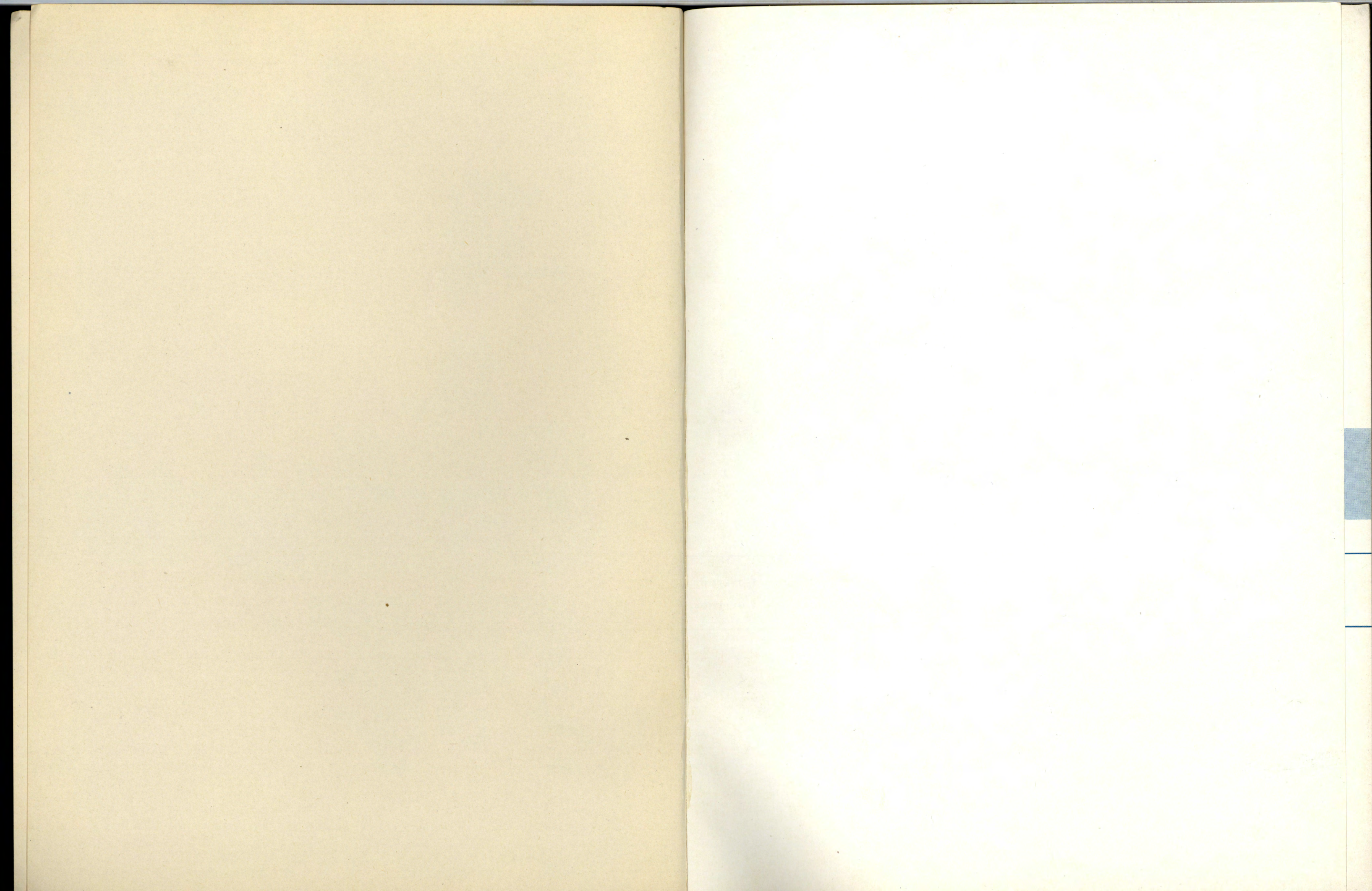
1953

*Annual Report*



**THE PORT OF NEW YORK AUTHORITY**





33<sup>RD</sup>

*Annual Report*

*of* THE PORT OF NEW YORK AUTHORITY

*Respectfully submitted in accordance  
with the Port Compact of 1921 to*

The Honorable Robert B. Meyner, Governor,  
The Honorable Thomas E. Dewey, Governor,

and the Legislature of the State of New Jersey  
and the Legislature of the State of New York

*Commissioners*

*New Jersey*

Donald V. Lowe, Vice-Chairman  
Horace K. Corbin  
John F. Sly  
Jess Harrison Davis  
David Van Alstyne, Jr.  
Dow H. Drukker, Jr.

*New York*

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



**Honorable Robert B. Meyner**  
**Governor of the State of New Jersey**

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

Governor Meyner and Governor Dewey  
during a recent conference with Com-  
missioners of the Port Authority.





## THE PORT OF NEW YORK AUTHORITY

# 33RD

## ANNUAL REPORT

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## *The Work of the Port Authority*

Nearly 33 years ago, on April 30, 1921, the Port Authority was created by Compact between the States of New York and New Jersey as their joint port development agency, directed to accomplish for the New York-New Jersey Harbor area what neither State had been able to accomplish separately—a long-range program to provide for the promotion of the Port's commerce. The States directed the Port Authority to go forward with the coordination, planning, financing, construction and operation of necessary public terminal and transportation facilities within the Port area on a continuing basis from decade to decade, as necessity required.

It was this clear recognition by the two States that such development of the Port of New York necessarily had to be of a continuing nature that became the guiding principle in the creation of the Port Authority, and in all of the basic Port Authority legislation designed to enable the agency to fulfill its responsibilities.

In recommending the organization of the Port Authority to the Legislatures of the two States in 1920, the New York-New Jersey Harbor Development Commission said in the report which immediately preceded the signing of the Compact that: "The rapid growth of the Port will surely continue, and there will doubtless be new problems that will tax the judgment and ingenuity of any port authority."

The Port Authority was the first public authority in the United States. Its destiny was placed in the hands of twelve commissioners, six appointed by the Governor of New Jersey and six by the Governor of New York for rotating terms of six years each. They were to serve without compensation the whole Port area and to bring sound and prudent management to the affairs of the new agency.

To assure that its operations would not be a burden on the general taxpayer, the Port Authority's financing was expressly described as being based on the combined security of all of its facilities rather than on the segregation of one project. The States directed the Port Authority to support its program through development of its own revenues and by selling its own bonds, depending solely on its own credit, without recourse to the credit of either State and without power to tax or assess.

The Port Authority's area of responsibility was formally defined in the Compact as the "Port District", a region of some 1,500 square miles, centering on the tip of lower Manhattan. It covers in about equal proportions those parts of the two States most immediately affected by the harbor and its activities, and includes all or parts of seventeen counties, which, in turn, are made up of more than 200 cities and towns, ranging in size from small villages to the world's greatest metropolis.

The continuing nature of the States' directive to carry forward the improvement and development of the New Jersey-New York Port District is clearly stated in specific provisions of the Compact that the Port Authority: "shall have such additional powers and duties as may hereafter be delegated to or imposed on it from time to time . . . shall from time to time make plans for the development of said District, supplementary to, or amendatory to any plan

therefor adopted . . . (and) from time to time make recommendations to the legislatures of the two States . . . for the increase and improvement of transportation and terminal facilities (in the Port District) . . ."

In 1922, following the signing of the Port Compact, a "Comprehensive Plan for the Development of the Port of New York" was adopted by the Legislatures of both States, and the Port Authority was instructed to carry it forward to the extent that, in the words of the Statutes, it was found "economically practicable" to do so.

During the more than three decades which have passed, in accordance with, and as authorized by this and the other directives from the two States, the Port Authority has conducted a progressive and constructive program of port development for the benefit of the entire District.

Today, the Port Authority operates seventeen terminal and transportation facilities. Of the seventeen, six are interstate vehicular crossings, designed to facilitate the interstate movement of passengers and commerce across boundary rivers within the District—the Outerbridge Crossing, Goethals Bridge and Bayonne Bridge between Staten Island and New Jersey, and the Hudson River crossings, the Holland and Lincoln Tunnels, and the George Washington Bridge, linking Manhattan and New Jersey.

Four are terminals designed as union or consolidated stations, three of these to provide for the more efficient handling of the District's freight, and the fourth to facilitate the inter-city flow of bus traffic. They are the Union Railroad Freight Terminal, the New York and Newark Union Motor Truck Terminals, and the Port Authority Bus Terminal.

The Port Authority also operates the Grain Terminal and Columbia Street Pier in Brooklyn, La Guardia and International Airports in New York City, Newark Airport and Port Newark, Teterboro Airport, and the Hoboken-Port Authority Piers in New Jersey.

Since it is as important for the Port to keep and increase its business as it is for it to handle this business efficiently, the Port Authority also conducts a vigilant and vigorous program for the promotion of the Port District's commerce and the protection of its rate structure.

In final summation of the work of the Port Authority, the whole history of its organization and development clearly defines it as:

A joint agency of the two States created for the express purpose of coping with the broad and fundamental problems of providing the public terminal and transportation facilities which, both today, and tomorrow, are and will continue to be of critical importance to the earning power of the people of the metropolitan New York-New Jersey Port District. In assigning this task to the Port Authority, the two States expressly directed it to effectuate the program, without burden to the general taxpayer, by using the combined revenues of all its facilities in support of the financing and development of such land, sea, or air transportation facilities as may be required for the benefit of the District as a whole.

# The Year in Brief

## I



### Crossings

Vehicular traffic on the Port Authority's six interstate crossings increased 5,348,000 or 7.3 per cent to more than 78,692,000 vehicles in 1953. With the heavy and continuing upward trend of traffic expected to send the figure to 95,000,000 by 1960 for the Hudson River crossings alone, the Port Authority and the Triborough Bridge and Tunnel Authority are jointly beginning the most comprehensive studies ever undertaken in this area to consider possible construction of new crossings, approaches and other arterial projects to relieve critical traffic congestion in the Port District. In the meantime we have moved to relieve the pressure on the Holland and Lincoln Tunnels through starting construction of a Third Tube for the Lincoln Tunnel.

## II

### Marine Terminals

Construction of Pier C at the Hoboken-Port Authority Piers was begun in 1953 and the new Waterman Steamship Corporation terminal was nearly completed at Port Newark in a year of progress during which the Port Authority brought its total investment in providing the kind of waterfront installations modern shipping demands to nearly \$30,000,000. More than \$500,000,000 worth of cargoes were handled at our three marine terminals, and at Port Newark, which offers the heaviest concentration of modern facilities in the harbor, a new tonnage record was set again.



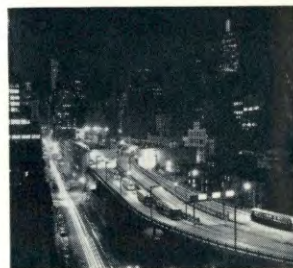
## III



### Airports

Air traffic set new records at the Port Authority's regional system of airports which in 1953 handled 20 per cent more passengers, 16 per cent more air mail and 6.3 per cent more cargo than in 1952. 1953 saw the opening of the new passenger terminal at Newark Airport, while at International Airport one new hangar was completed during the year and the construction of two others started. To provide the facilities needed to handle growing air traffic we had invested \$98,444,000 in the four airports by the end of 1953.

## IV



## V



### Promotion

Through its vigorous solicitation and trade promotion program the Port Authority assisted in attracting substantial quantities of new tonnage movements through the Port during the year, and its program of providing protection to the Port's commerce made marked progress in several important instances. The Port Authority was also active throughout the course of events that led to the adoption in July of the Waterfront Commission Compact designed to improve waterfront labor conditions and to free the waterfront from the control of criminals.

## VI

### Terminals

The Port Authority's inland terminals continued to render essential public service. The Bus Terminal handled a record number of buses and passengers. The New York Union Motor Truck Terminal was back in operation as a union terminal under the auspices of a joint agent of a number of over-the-road carriers. The Newark Truck Terminal continued to operate as a freight terminal under lease to the United States Air Force.

## VII



### Administration

At the Annual Meeting on January 14, 1954 Mr. Howard S. Cullman was re-elected to his tenth term as Chairman of the Port Authority, and Commissioner Donald V. Lowe was elected to his first complete term as Vice-Chairman. Two new Commissioners were appointed in 1953, Senator David Van Alstyne, Jr. to succeed Mr. John Borg, and Mr. Dow H. Drukker, Jr. to succeed Mr. Joseph M. Byrne Jr.

### Financial

At the end of the year the Port Authority had \$479,782,100 invested in its facilities. During 1953 this investment increased \$42,251,900. Funded debt remained relatively constant at \$241,608,000. In addition, the reserve fund balances held at the year's end totaled \$29,337,000. Gross operating revenues amounted to \$59,241,800, an increase of 10.1 per cent over 1952; operating expenses were \$26,823,800, an increase of 9.8 per cent; net operating revenues, \$32,417,900, an increase of 10.3 per cent; the obligatory debt service, (including \$2,000,000 paid from reserves) \$30,448,400.

# Crossings

## I



**T**HE volume of traffic on our six interstate vehicular crossings continued to move on to new highs in 1953. More than 78,692,000 automobiles, trucks and buses crossed the Hudson River, the Arthur Kill and the Kill Van Kull last year. This was an increase of more than 5,348,000, or 7.3 per cent over 1952, the previous record year.

Under the influence of the New Jersey Turnpike, which opened in January, 1952, the shift of trans-Hudson traffic from the Holland Tunnel to the Lincoln Tunnel and George Washington Bridge, as well as from the Bayonne Bridge and Outerbridge Crossing to the Goethals Bridge, continued. Nevertheless, the Holland Tunnel, Bayonne Bridge and the Outerbridge Crossing once more showed gains after the slight decline in their traffic the year before.

*Governor Robert B. Meyner of New Jersey (seated, left) and Governor Thomas E. Dewey of New York (seated, right) during a conference with Port Authority Commissioners and officials on joint studies to be made by the Port Authority and the Triborough Bridge and Tunnel Authority to consider possible construction of new crossings and other arterial projects to relieve critical traffic congestion in the Port District. Standing, left to right, are Commissioners Charles S. Hamilton, Jr., Chas. H. Sells, Dow H. Drukker, Jr., and Bayard F. Pope, Austin J. Tobin, Executive Director of the Port Authority, and Commissioners S. Sloan Colt, Jess Harrison Davis, Horace K. Corbin, John F. Sly, and David Van Alstyne, Jr. Details of the studies can be found on Pages 14 and 15.*

Traffic gains by individual crossings in 1953 were 14.3 per cent at the Goethals Bridge, 10.1 per cent at the George Washington Bridge, 8 per cent at the Outerbridge Crossing, 6.1 per cent at the Lincoln Tunnel, 5.9 per cent at the Bayonne Bridge, and 3.5 per cent at the Holland Tunnel. These traffic increases, by type of vehicle, were approximately 7.6 per cent for automobiles, 6.4 per cent for trucks, and 3.6 per cent for buses.

### Commutation Rates Popular

In June, 1950 the Commissioners established a 25-cent commutation rate for our Hudson River crossings. A 23-cent commutation rate has been in effect on our Staten Island bridges for years. In addition, on June 14, 1951 we authorized a 40-cent rate for regular users of the Hudson River crossings through \$10 books of 25-trip tickets good for two years in addition to the year of sale.

About 37.3 per cent of the motorists using our Hudson River crossings on weekdays took advantage of our commutation rate program in 1953, compared with 36.4 per cent in 1952. During peak commuting hours on weekdays in 1953, more than 50 per cent of our patrons traveled at reduced rates on our six crossings.

Trucks also make substantial use of reduced-rate tickets. About 49 per cent of the truck trips over the Hudson crossings were at reduced rates, and more than 70 per cent at the Staten Island bridges.

### The Lincoln Tunnel Third Tube Progresses

When it is completed in 1957 the Third Tube of the Lincoln Tunnel, expected to cost about \$100,000,000, will relieve the trans-Hudson traffic problem to the extent that it will enable the Lincoln Tunnel to double its capacity in one direction of travel during rush hours, and increase its annual capacity by 50 per cent. The new tube, to be located south of the other two, will carry New York-bound traffic. The existing North Tube will continue to carry New Jersey-bound traffic. The present South Tube, which will then be the center tube, will be used to carry two lanes of

*(Continued on page 16)*

## New Joint Traffic Studies to be Undertaken by The Port of New York Authority and The Triborough Bridge and Tunnel Authority

THE Port of New York Authority and the Triborough Bridge and Tunnel Authority are jointly beginning the most comprehensive studies of all phases of the arterial traffic problem ever undertaken in the New York-New Jersey metropolitan area—the greatest center of land, sea and air transportation in the world. The studies, to be made jointly by the two government agencies, will consider possible construction in the years immediately ahead of new crossings, connecting arterial highways, local expressways and such parking facilities as may be incidental to the construction of these arterial projects. The projects included in the studies would facilitate the movement of traffic in the bi-state Port District, and be designed to ease the burdens and costs of intolerable street traffic congestion now costing more than a billion dollars a year in lost time and business in the City of New York alone.

The studies, to be completed in the late fall of 1954, will be made by the staffs of the two agencies and outstanding engineering, traffic and legal consultants in the respective fields involved in the various surveys.

During the course of their development, the plans for the studies were reviewed with the Governors of the two States by the Commissioners of the Port Authority, and, with Mayor Robert F. Wagner by the Commissioners of the Triborough Authority.

The studies will concentrate on the possible construction of approaches and arterial highway systems to move existing and future traffic over and around the congested areas of the metropolitan region of the two States and particularly over and around Manhattan. They will take into consideration the critical need to reduce to a minimum the number of people to be rehoused and the amount of property to be disturbed in the vicinity of any public construction that might be indicated by the studies.

There is a critical need for an over-

all solution to the problem of destructive traffic congestion. This makes it imperative that the two agencies, with the full cooperation of the Governors and highway officials of the two States, the Mayor and Borough Presidents of New York City, municipal officials in New Jersey communities, as well as other local officials and civic organizations, pool their knowledge and experience in order to meet the continuing problem of the paralyzing traffic congestion.

An estimated 385,000,000 vehicles entered, left or passed through Manhattan Island in 1953. Total trans-Hudson traffic in the area by tunnels, bridge and ferries added up to about 73,500,000 vehicles in 1953. By 1960 the continuing upward trend will send that figure soaring to 95,000,000. The East and Harlem River bridges and tunnels carried an estimated 311,500,000 vehicles in 1953, and that number is increasing steadily. No partial solution of such a problem will be of any real help to the metropolitan area in the next decade and an over-all solution can be achieved only by the joint efforts of all the official agencies involved. Of these agencies, the Port Authority and Triborough Authority must bear the heaviest and most direct responsibility.

Since the end of World War II the vehicular traffic between the States of New Jersey and New York during peak periods has taxed the capacities of the Holland Tunnel, the Lincoln Tunnel and the George Washington Bridge. In 1949 and again in 1953 the Port Authority undertook origin and destination vehicular traffic surveys which indicated that the fastest growing traffic has its points of origin or destination elsewhere than on Manhattan Island.

More than 55 per cent of the trans-Hudson travel on weekdays and 70 per cent on Sundays does not start or end in Manhattan. Nearly a fourth of the trans-Hudson traffic goes north and south of Manhattan. Such traffic of course can be best served by the con-

struction of a by-pass route south of Manhattan across the Narrows between Staten Island and Brooklyn and by a new crossing north of the George Washington Bridge. The New York State Thruway Bridge spanning the Hudson River between Nyack and Tarrytown will help relieve the need for a new northern crossing.

The Port Authority already has moved to relieve the pressure on the Holland and Lincoln Tunnels through the construction of a Third Tube of the Lincoln Tunnel. It will increase the annual capacity of the Lincoln Tunnel by 50 per cent.

Preliminary studies by the Port Authority of the physical and economic practicability of an entirely new four-lane two-tube tunnel between the Holland Tunnel and the Lincoln Tunnel indicate that it would be necessary for the structure, with proper approach systems, to be four and a half miles long, extending from the New Jersey meadows to the east side of Manhattan Island. An estimated cost of \$350,000,000 for such a facility makes its construction impractical.

Among the factors considered in developing the various phases of the joint agency studies was the tremendous growth in population and development of Bergen County and other counties in Northern New Jersey and in Long Island and Westchester in New York during recent years. The opening of the New Jersey Turnpike and the future completion of the Cross-Bronx and Major Deegan Expressways and the Harlem River Drive extension on the New York side, and the Palisades Interstate Parkway on the New Jersey side of the Hudson River also have stimulated and will continue to stimulate heavy traffic increases on the George Washington Bridge and throughout the entire area.

All of these facts and considerations have prompted the two responsible public agencies jointly to undertake studies which will embrace the following possible projects:

1. A new study of the Narrows Bridge between Brooklyn and Staten Island to facilitate the development of the Borough of Richmond and to provide a by-pass route south of Manhattan for New Jersey-Long Island traffic, and for through traffic moving between the South and West and New England.

The study will cover expressway and parkway connections with the Gowanus Improvement in Brooklyn, the Long Island parkway and expressway system, and across Staten Island to the Port Authority bridges leading to New Jersey.

The Narrows Bridge is essential to the direct and expeditious interchange of a heavy volume of traffic between New Jersey, Long Island and New England which is now faced with serious delays and congestion.

The Triborough Bridge and Tunnel Authority is authorized by the laws of the State of New York to construct a bridge across the Narrows. In 1949 the United States Government gave a permit to the Triborough Authority to construct a bridge across the Narrows between the Boroughs of Brooklyn and Richmond, just north of the United States Government reservations at Fort Hamilton in Brooklyn and Fort Wadsworth in Staten Island.

The legal and other aspects of financing and construction of the Narrows Bridge by the Port Authority will proceed if the preliminary studies indicate that this bridge can ultimately be made a self-supporting project. The study will include methods by which the bridge may be built, operated and maintained by the Triborough Bridge and Tunnel Authority.

The Triborough's contracts

with its bondholders would prohibit the financing of a Narrows Bridge prior to 1957, and the coverage requirements of those contracts would undoubtedly make such financing difficult for a much longer period, particularly in the light of the Triborough's \$80,000,000 program of approaches and arterial construction and the financing of the Coliseum.

2. A lower level of the George Washington Bridge to provide new lanes of vehicular traffic, combined with new and expanded approaches on both sides of the Hudson River to accommodate the increasing proportion of traffic moving between New Jersey and East Bronx, lower Westchester, Queens, and Long Island points. In the original design of the George Washington Bridge provision was made for a second level below the existing roadway. The approaches and connections on both sides of the Hudson River will be of major importance in this survey.

3. A possible new bridge spanning the Hudson River in the general vicinity of 125th Street, Manhattan, integrated with the Triborough Bridge crossings of the Harlem and East Rivers and the East and Harlem River Drives in New York and with appropriate arterial highways in New Jersey.

4. Review of the need for trans-Manhattan vehicular facilities (Lower Manhattan Crosstown Expressway and the Midtown Expressway) for local traffic in the light of the possible new by-pass routes across the Narrows and upper Manhattan for through traffic between New Jersey and Long Island. A study

also will be made of the physical economic practicability of a midtown tunnel as an alternative to an elevated expressway.

5. As an integral part of the joint studies of major bridge and approach facilities and other arterial highways, all studies having to do with approach highways and expressways will include recommendations as to the possibility of off-street parking facilities either beneath the elevated expressways or on independent sites adjacent to the expressways.

The study will also include an exploration of possible peripheral parking facilities in the outlying areas of New York City and in the State of New Jersey in order to provide traffic relief during the peak hours of travel at the vehicular crossings. These parking facilities would be used by motorists bound for Manhattan who wish to complete their journey by other means of transportation.

The studies will always take into consideration the need for coordination with existing and projected arterial highway systems of New Jersey, New York and Connecticut.

In accordance with the financial policies that have governed the development of the Port Authority and the Triborough Authority, no projects involved in the studies will be recommended for construction by the Port Authority unless the costs and traffic estimates indicate that they will ultimately be self-supporting as units in the capital program of port improvements which will continue to be required if New York and Northern New Jersey are to maintain their pre-eminence as the world's greatest and most prosperous port district.

Both the Port Authority and the Triborough Authority will absorb staff costs. The cost of consulting services will be divided equally between them.

traffic in the preponderant direction during rush hours or will have one lane assigned to each of the two directions of travel at other times.

Engineering contracts totaling more than \$32,000,000 had been awarded by the end of 1953. These included one for construction of the under-river tunnel section of the Third Tube at a cost of more than \$17,000,000, and another for about \$10,000,000 worth of cast iron and steel segments which form the basic structure of the under-river section.

Approval of our Third Tube plans was secured from the Governors of New Jersey and New York shortly after the announcement of our readiness to build in May, 1951. The City of New York gave its approval in July, 1952.

During 1953 final agreement was reached with New York City under which antiquated Pier 78, which is located directly above the alignment of the new tube, will be demolished and the Port

Authority will build and turn over to the City a new \$1,300,000 marginal wharf which will provide cover and protection for the tubes of the Lincoln Tunnel. The agreement also provides for \$700,000 advance payment to the City to compensate for tunnel protective features to be incorporated, as needed, in any new pier to be built over the Tunnel by the City. As part of the settlement the City agreed that any new finger pier to be built out from the marginal pier will be so located and constructed as to span and protect the tubes, and that the City will not at any time do or permit the doing of any work at this location which might interfere with, impair the support of, or impose endangering loads upon the tubes.

#### Tenant Relocation Nearly Completed

The task of relocating 832 families who live in properties needed for the Third Tube Manhattan approaches had nearly been completed by

the end of the year. With the assistance of a large number of brokers, our Real Estate Department was able to offer to the families that must move a selection of over 3,000 apartments, most of which represented a distinct improvement over the tenements required to be demolished. To facilitate this program and to aid the families in moving, residential tenants who moved voluntarily and unaided received payments from \$150 to \$200. When such tenants required the services of a real estate broker we paid the tenant \$100, redecorated the new apartment, and paid the brokerage fee.

#### The Third Tube and Weehawken

At the year's end, current efforts of the Township of Weehawken to stop construction of the Lincoln Tunnel Third Tube have been ineffective. At the same time, the Third Tube has been found, among other things, to be an essential improvement to the Lincoln Tunnel by a special New Jersey General Assembly committee, by the Superior Court of New Jersey, and by independent engineering consultants.

Starting on March 26, 1951 the Port Authority reviewed Third Tube plans with Township of Weehawken officials and submitted the same to them for their formal approval. Even though no new or additional connections with streets or highways in Weehawken will be involved in the new construction, as a matter of policy the Port Authority submitted the approach plans for the Third Tube of the Lincoln Tunnel to the Township for its approval. The construction plans call for utilizing the existing connections of the Lincoln Tunnel in Weehawken, which had been approved by the Township when the Port Authority constructed the first two tubes of the Lincoln Tunnel.

Involved also is certain tennis court property, originally provided by the Port Authority and given to the Township when the Lincoln Tunnel was built, and now needed in connection with the Third Tube. The Port Authority offers to replace it with improved and expanded recreational facilities, as well as other benefits, about six times the value of the tennis court property. Almost three years have passed and efforts are continuing on behalf of the



Top: At a meeting held for insurance company executives and rating board officials John M. Kyle, Port Authority Chief Engineer, third from left, explains Third Tube construction while C. J. Kushell, Jr., Director of Finance, fourth from right, looks on. Mr. Kyle is using a model of a tunnel driving shield to illustrate his words.

Bottom: Port Authority officials inspect one of the segments that will form the Tube's outer, or basic, structure. Left to right, they are Edwin P. Pitman, Engineer of Materials; Alex Thomson, Supervising Inspector; Robert E. McKeone and Reuele S. Kelly, Material Inspectors.



Construction of the land shaft at the New York end of the Third Tube project was started in February, 1953 — when this picture was taken — in Thirty-eighth Street just east of Twelfth Avenue following ground-breaking ceremonies in 1952. Excavation for the New Jersey shaft was begun in June, 1953. The line of the new tube will run from 130 to 190 feet south of the present two Lincoln Tunnel tubes whose position is marked by the towering ventilation buildings to be seen here on either bank of the interstate Hudson River. The Third Tube will be driven beneath the Hudson by the shield method which was used in building the Holland Tunnel and the existing tubes of the Lincoln Tunnel. The under-river phase of the work will begin on the New Jersey shore in April, 1954 when the shield will be assembled in the New Jersey shaft under Kings Bluff.

the serious traffic congestion which frequently occurs on the approaches in the Township of Weehawken many years before any other means of providing relief could be constructed. . . . No serious congestion should occur (on the approach ramp) except when the traffic desiring to use the Tunnel exceeds the capacity thereof. . . . The overall plans for improvements in the New Jersey approaches are, therefore, adequate for the presently foreseeable traffic until such time as it becomes greater than the capacity of the Tunnel itself."

On June 12, 1953 Judge John F. Drewen of the Superior Court of New Jersey, Chancery Division granted an interlocutory injunction and in September followed with the granting of a permanent injunction restraining the Township of Weehawken from interfering with the present construction of the Third Tube. Not only did Judge Drewen dismiss the charge by Weehawken that the Third Tube project is entirely illegal and a violation of the Compact and the related Statutes, but he concluded that the position of the Port Authority that municipal permits were not required by the bi-state agency was "clearly and overwhelmingly estab-

lished by precedent" and that any further delays in the Third Tube construction would have been clearly contrary to the public interest.

After two public hearings during 1953 the majority report of the Special General Assembly Committee of the State of New Jersey, appointed under a resolution to inquire into the construction of the Third Tube for the Lincoln Tunnel, was received by the General Assembly and filed on January 8, 1954. This report makes the following important findings: (1) that the Commissioners of the Port Authority have properly determined that the construction of the Third Tube for the Lincoln Tunnel is necessary and the report specifically adopts Judge Drewen's conclusion that no additional legislation is required to authorize this essential improvement; (2) that the testimony established clearly that the construction of two additional lanes of traffic under the river is the best available means of relieving the existing traffic congestion on tunnel approaches in Weehawken; (3) that there is no necessity for the Port Authority, the agency of the States of New Jersey and New York, to be subjected to local building, blasting and similar codes; (4) that the Port Au-

*A new ramp connection from the Manhattan exit of the George Washington Bridge to the Henry Hudson Parkway was completed and opened to traffic in November, 1953. The ramp, costing \$1,300,000, was financed jointly by the*

*Port Authority and Triborough Bridge and Tunnel Authority. It permits motorists using the Bridge to go directly to the Parkway's southbound lanes instead of having to enter and cross the Parkway's northbound lanes first.*



thority's position under the Statutes and bond resolutions regarding tax exemption and division of revenues is in accordance with public policy in general, as well as the policy of the State of New Jersey; (5) that the Township's demand for the payment of a sum of \$1,500,000 for the conveyance of the tennis court property with an appraised value of \$70,000 and intangible damages is "excessive" and "unconscionable"; and (6) that the approval of the Township's demands would set a precedent contrary to public welfare and not justified by financial considerations.

### Bridge and Tunnel Approaches Improved

A new \$1,300,000 ramp connection from the Manhattan exit of the George Washington Bridge to the Henry Hudson Parkway, financed jointly by the Port Authority and the Triborough Bridge and Tunnel Authority, was completed and opened to traffic in November. It permits Bridge motorists who want to go south on the Parkway to go directly to the Parkway's southbound lanes instead of first having to enter and cross the Parkway's northbound traffic lanes.

The Port Authority's program, announced in March, 1952, to increase the capacity of the George Washington Bridge plaza and approaches by widening 178th Street and constructing bus loading and discharging platforms, as well as a pedestrian underpass to the 175th Street station of the Independent Subway System, still awaits New York City approval. At the request of a group of Washington Heights merchants who favor construction of a new bus terminal at 178th Street for use by the uptown interstate lines crossing the Bridge, the City is withholding its approval until the larger project has been studied. At the year's end such a study was under way.










At the New Jersey end of the Bridge all but one phase of our \$5,288,000 project for connections with the new Palisades Interstate Parkway and New Jersey plaza improvements is to be completed by the spring of 1954. The last phase, scheduled to begin in 1954, is the installation of sixteen modern, left-hand toll booths, to replace the present mixture of right-hand and left-hand



*Top: A crew of Port Authority interviewers getting information from drivers on the New Jersey plaza of the George Washington Bridge during comprehensive vehicular origin and destination surveys which covered about 180,000 motorists at our three Hudson River crossings and another 35,000 at our three Staten Island bridges.*

*Bottom: One of the most extensive maintenance programs of the year was performed at the Holland Tunnel, when portions of the interior roadway and the Twelfth and Fourteenth Street New Jersey plazas were resurfaced with asphaltic concrete, completing a project started in 1949.*

booths. The change will both increase convenience to Bridge patrons and speed the movement of traffic. The other improvements in New Jersey included an offbound ramp for Bridge traffic going northbound on the Palisades Interstate Parkway, an onbound ramp from the Parkway to the Bridge and a parkway-level plaza, and the widening of the Bridge's main plaza and approaches.

TRAFFIC		 GEORGE WASHINGTON BRIDGE	 LINCOLN TUNNEL	 HOLLAND TUNNEL	 STATEN ISLAND BRIDGES	 ALL CROSSINGS
 NUMBER OF AUTOMOBILES	1953	27,920,734	15,869,109	14,579,299	6,777,363	65,146,505
	1952	25,286,844	14,915,087	14,199,530	6,134,601	60,536,062
	1951	20,985,368	12,913,391	15,143,331	6,152,414	55,194,504
 NUMBER OF BUSES	1953	703,557	2,004,104	159,632	77,866	2,945,159
	1952	704,730	1,890,045	167,787	79,212	2,841,774
	1951	685,950	1,798,935	208,138	78,387	2,771,410
 NUMBER OF TRUCKS	1953	2,180,961	2,898,463	4,704,743	816,989	10,601,156
	1952	1,987,639	2,771,907	4,415,026	792,383	9,966,955
	1951	1,877,014	2,749,986	4,282,478	826,860	9,736,338
 NUMBER OF TOTAL VEHICLES	1953	30,805,252	20,771,676	19,443,674	7,672,218	78,692,820
	1952	27,979,213	19,577,039	18,782,343	7,006,196	73,344,791
	1951	23,548,332	17,462,312	19,633,947	7,057,661	67,702,252

This brings to \$41,000,000 the amount authorized, spent or committed by the Port Authority on approaches for the Bridge since the structure itself was completed in 1931.

An extensive rehabilitation program is in progress at the Holland Tunnel. Portions of the interior roadway and the Twelfth and Fourteenth Street New Jersey plazas were resurfaced with asphaltic concrete at a cost of \$200,000, completing in September a project started in 1949 when approximately half the original paving was replaced. Work was also begun on the two-year, \$672,000 job of replacing the Holland Tunnel's ventilation equipment motors.

Among other improvements at our vehicular crossings and their approaches, a block-long, six-lane \$805,000 bridge over the New York Central System tracks in Manhattan, west of Tenth Avenue and between Fortieth and Forty-first Streets, was completed to provide additional street access to the North Tube of the Lincoln Tunnel.

The Port Authority altogether had spent or committed by December 31, 1953, \$114,780,000 to improve our bridge and tunnel approaches in New Jersey and New York to assure the diffusion of interstate traffic for proper handling by local streets.

### Vehicular Origin and Destination Surveys










In August, 1953 we conducted a comprehensive vehicular origin and destination survey at the

three Port Authority Hudson River crossings. In September, a similar survey was made at our three Staten Island bridges. At the trans-Hudson crossings about 180,000 motorists, representing more than 30 per cent of all traffic using the facilities on the three interview days, were interviewed. At the Staten Island bridges our interviews covered 35,000 motorists, or more than half of those using the bridges during the period of the survey.

These surveys are bringing up to date our origin and destination data in connection with the important shifts in traffic which have occurred since our 1949 survey due to the opening of the New Jersey Turnpike and other major arterial highways. This information is basic to the planning which is underway in connection with future Port Authority vehicular facilities.

### T.V. and Radio Controls Tested

In our effort to expedite traffic and to increase peak-hour capacity at our crossings, experiments were begun with television and walkie-talkie radio. The T.V. test, being conducted at the George Washington Bridge, is to determine television's value for supervising distant plaza operations from a central point. The walkie-talkie tests have been conducted periodically at all three Hudson River crossings to improve traffic control and flow patterns on and near facility approaches, with the control observer in a helicopter or on a high structure.

TOLL REVENUE		 GEORGE WASHINGTON BRIDGE	 LINCOLN TUNNEL	 HOLLAND TUNNEL	 STATEN ISLAND BRIDGES	 ALL CROSSINGS
 AUTOMOBILES REVENUE	1953	\$12,109,580	7,110,177	6,544,009	2,575,226	28,338,993
	1952	11,015,594	6,682,791	6,414,635	2,348,509	26,461,529
	1951	9,272,283	5,818,337	7,027,049	2,385,708	24,503,377
 BUSES REVENUE	1953	\$ 633,180	1,801,154	137,545	56,479	2,628,359
	1952	634,236	1,698,212	144,759	57,292	2,534,499
	1951	662,404	1,729,301	191,046	53,540	2,636,291
 TRUCKS REVENUE	1953	\$1,966,293	2,343,552	4,129,597	558,806	8,998,246
	1952	1,764,509	2,225,085	3,821,145	540,214	8,350,953
	1951	1,680,013	2,267,956	3,767,821	561,298	8,277,088
 TOTAL VEHICLES REVENUE	1953	\$14,709,053	11,254,883	10,811,151	3,190,511	39,965,598
	1952	13,414,339	10,606,088	10,380,539	2,946,015	37,346,981
	1951	11,614,700	9,815,594	10,985,916	3,000,546	35,416,756

### Civil Defense Is Continuing Program

Although operation of our facilities is most essential to the normal conduct and well-being of commerce, health and life in the Port District, their importance would increase many-fold in time of major disaster and their operations become basic to the area's ability to meet and overcome the situation. Recognizing this, the Port Authority

has established, and is continuously developing, a comprehensive civil defense system designed not only to protect the public and our employees but to return our facilities to operation as soon as possible in the event they are affected by a disaster.

During the year we participated in every exercise held by civil defense organizations of the States of New Jersey and New York, the City of New York, and those New Jersey municipalities in which Port Authority facilities are located.



GEORGE WASHINGTON BRIDGE



HOLLAND TUNNEL



LINCOLN TUNNEL



BAYONNE BRIDGE



GOETHALS BRIDGE



OUTERBRIDGE CROSSING

# Marine Terminals

## II



**T**HE Port Authority spent or committed approximately \$7,000,000 on its three marine terminals during the year, bringing its total investment in providing the kind of waterfront installations modern shipping demands to nearly \$30,000,000.

Our wharves and piers and buildings at Port Newark, Hoboken and the Grain Terminal in Brooklyn now constitute 15 per cent of the New Jersey-New York Harbor's first-class, full-size,

*A \$22,000,000 reconstruction program was launched in 1953 at the Hoboken-Port Authority Piers when the building of Pier C began. Here a new freighter from Balboa, the S.S. Guadalupe, bearing passengers and cargo, approaches one of the older piers for docking.*

covered steamship berths. In the post-war years our program of port development has placed Port Newark and the Grain Terminal among the finest marine terminals in the Port and the country. And now on the Hudson's busy western shore at the Hoboken-Port Authority Piers, a reconstruction program has been started. It will include the building of the most modern piers, second to none anywhere.

During the past year more than a half billion dollars worth of cargoes were handled at the three terminals. Their tonnages included an estimated 81 per cent of the woodpulp, 46 per cent of the lumber, and 36 per cent of the grain moving to or through the Port.

### Hoboken Waterfront Program Moves Forward

The improvement of the Hoboken waterfront moved into high gear six months ago with the beginning of work on \$7,500,000 Pier C, which will replace two finger piers destroyed by fire years ago. The construction of Pier C is a year ahead of schedule and was started a year, almost to the day, from the lease-signing which launched the Port Authority's \$22,000,000 Hoboken pier program in September, 1952.

In a brief, colorful ceremony on last September 28 a floating pile-driving rig pulled an old wooden pile slowly from river mud that had held it fast for over 50 years. John J. Grogan, Mayor of Hoboken, was at the rig's controls, and in the cab with him were Port Authority Vice-Chairman Donald V. Lowe and Port Authority Commissioner Jess Harrison Davis. Thus the first major improvement on Hoboken's waterfront in over a quarter of a century was begun.

The new pier will be completed in the spring of 1955. It will be the widest in the Port. Its size, shape and equipment will make it one of the most efficient. It will be of steel and concrete, founded on rust-proof steel piles driven down to bedrock, and fire-resistant. It will be 700 feet long and 328 feet wide, enclosing 180,000 square feet of covered cargo space behind its two ship berths. In addition, ample interior truckways, and twin sets of railroad track depressed for easier loading and



At ceremonies marking the start of the construction of Pier C at Hoboken, Mayor John J. Grogan adjusts a chain on a pile that once supported fire-destroyed Pier 6 preparatory to its removal, while Port Authority Vice-Chairman Donald V. Lowe, Captain Hewlett R. Bishop, Atlantic Coast Director, U. S. Maritime Administration, and Port Authority Commissioner Jess Harrison Davis look on.

unloading, a 25-foot apron with railroad track on the north side, and a 20-foot apron on the south side will all contribute to the swift movement of cargo. Pier C is at the foot of First and Second Streets just south of the three existing Hoboken-Port Authority Piers.

#### Pier B To Follow

This is the first of two piers planned for completion by the fall of 1960 as provided in our 50-year lease. The second—Pier B—will bring our financial commitment to \$15,000,000. A third modern pier may be constructed at the option of the Port Authority. In this event the lease would be extended another 50 years, and the total commitment then would be \$22,000,000.

Under the lease with the City of Hoboken and the Federal Government, we agreed to prepay

\$300,000 to Hoboken at the rate of \$75,000 a year for the first four years, and 75 per cent of the net revenues over the term of the lease, the prepayment to be charged against this rental.

With a million-ton capacity annually for freight, the new facilities will eventually more than double the present flow of cargo over Hoboken's waterfront, and double its employment, too.

Besides Pier C, the first phase of waterfront rehabilitation and construction at Hoboken includes extensive improvements on existing structures, the installation of a new sprinkler system in the common headhouse joining the three existing piers, the erection of a new 100,000-gallon tank to augment the City water supply for fire-fighting purposes, and the installation of new fire doors and provision of other fire-protection measures. Half a million dollars in contracts have been awarded for this work.

#### The Piers Are Busy

Through the first complete year of our Hoboken operation, freight and passenger business at the three existing piers moved ahead at a satisfactory pace. The year's business included 182,207 long tons of general cargo, 14,556 tons of heating oil, and 38,600 tons of wheat handled offshore, and 26,503 passengers. The payroll for longshoremen, clerks, checkers and handlers employed at the facility aggregated more than \$1,285,000.

The increasing activity on the waterfront is having its beneficial effect in Hoboken, as indicated in a letter appearing in October in the Hudson Dispatch:

"Editor Hudson Dispatch:

"Good news for the City of Hoboken. It seems that since the Port Authority has started to prepare for building and reconstruction, and especially since the new municipal administration has taken office, a wave of reconstruction has started in the City.

"New merchants, new store fronts—and many visible improvements have begun.

"If this continues, our good little City will be back on its feet. So let us all cooperate."

HOBOKEN MERCHANTS

#### Waterman Terminal Nearly Completed at Port Newark

December 31, 1953 brought to a close a record year of construction at Port Newark. Our construction expenditures and commitments since we assumed responsibility for the Seaport in 1948 have now reached a total of \$20,000,000. Under the lease with the City of Newark the Port Authority is committed to spend only \$14,000,000 in improving the Seaport.

The largest single project, the new Waterman Steamship Corporation terminal, neared completion with operation expected to begin in April, 1954.

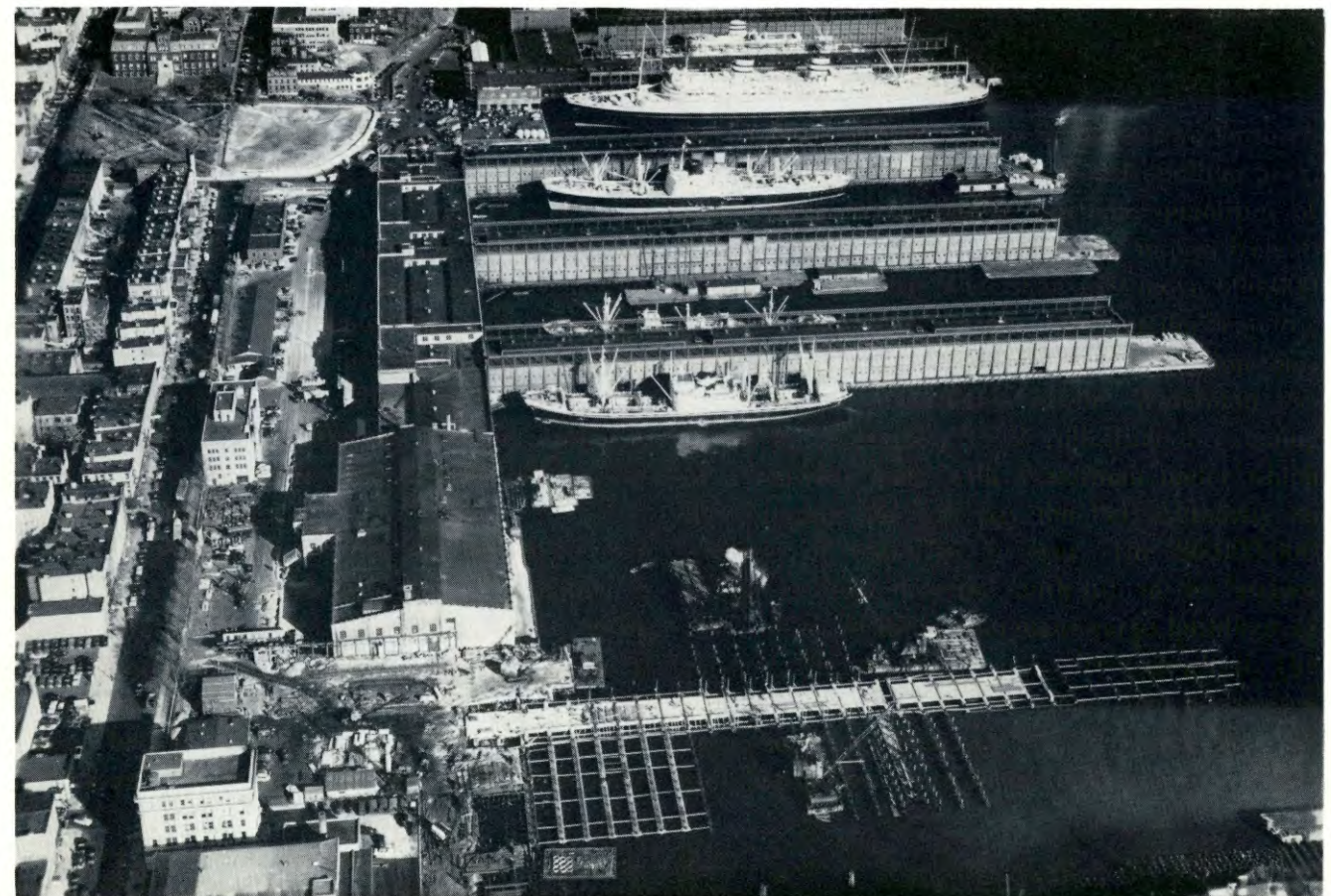
Waterman will inaugurate a foreign service at Port Newark to ports in North Europe and the Far East. These new trade routes at Port Newark will offer great additional advantages to the large num-

ber of firms located in densely industrial Northern New Jersey and the New York metropolitan area, where there are available enormous quantities of export freight and a huge market for import freight. It is estimated that Waterman will move 600,000 tons of general cargo a year, bringing the Seaport's annual total of general cargo up to a million tons.

We began construction of the Waterman terminal in September, 1952 following the signing of a ten-year lease with Waterman under which the shipping line will pay the Port Authority an average of \$403,767 a year. The \$6,000,000 project is situated on the south side of the Seaport and consists of three contiguous cargo buildings of modern, efficient design, and a fronting wharf. The buildings contain 270,000 square feet of covered cargo-handling space, or 90,000 square feet per ship berth. The wharf apron is 50 feet wide, 1,650

Construction of Pier C at Hoboken was making rapid progress at the end of 1953. Located on River Street,

Pier C is at the foot of First and Second Streets, just south of the three existing Hoboken-Port Authority Piers.





When the \$6,000,000 marine terminal we are building for the Waterman Steamship Corporation at Port Newark is completed, common carrier foreign service to North Europe and the Far East will be available here for the first time. The new terminal, shown in this view, is expected to be completed and opened for operation by April, 1954.

feet long, is equipped with double railroad tracks for rail-to-keel operations, and is capable of accommodating three of the largest freighters at a single time. The 200-foot-wide sheds, a paved area 100 feet wide, and cargo-loading platforms at the rear of the terminal buildings will serve trucks and rail cars alike with ample room for swift and economical loading or unloading.

A sprinkler system and other fire-protection features, of the latest design and application, have been installed.

With this and other additions made in 1953 to our facilities there, Port Newark offers the heaviest concentration of new, modern marine facilities in the whole harbor. Five new deep-water berths bring to 26 the number available for our increasing tonnage there. Besides the structures for Waterman, we have four other new cargo terminal buildings containing 390,000 square feet of covered space.

New facilities also include a fumigation building opened in February, 1953, and leased to the

Bayway Terminal Corporation. The fumigation plant is one of two vacuum-process plants in the harbor for use in meeting United States Department of Agriculture requirements for certain imports, such as cotton, broom corn, chestnuts and jute bagging.

#### Record Tonnages

Our vigorous business promotion, the increasing number and availability of efficient marine facilities and the better coverage and service offered to the shipper in the variety of trade routes and shipping lines, continued to boost our Newark tonnages. Last year 1,734,718 long tons moved over Port Newark wharves. This figure does not include substantial military cargo handled by the Air Force at wharves leased to it on the north side of the Seaport for the processing of overseas shipments for the Mutual Defense Assistance Program and U. S. military installations overseas. This marks the sixth successive year since the Port Authority

assumed responsibility for operating Port Newark that the Port's tonnages have increased.

A total of 793 vessels operated by 81 steamship lines used Port Newark. Of these lines, fourteen were newcomers.

#### New Commodities Attracted

New commodities attracted to Port Newark included magnesium anodes for local chemical industries, quebracho extract and aluminum ingots for government stockpiles, fish meal for Long Island industries, dextrine and vegetable shortening.

Port Newark also continued to improve its position as the leading lumber port on the East Coast. Last year it handled 252,716,536 board feet, which was 15 per cent more than in 1952. A significant part of this heavy activity was handled at our new lumber terminal operated by the Bayway Terminal Corporation, one of our two special agents at Port Newark. The terminal's facilities include two lumber storage buildings, and fifteen acres of paved open storage area, protected by a high steel-wire

fence and equipped with lighting for night operations. Bayway also used an additional 25 acres for public lumber storage, and another 53 acres are leased by thirteen lumber companies.

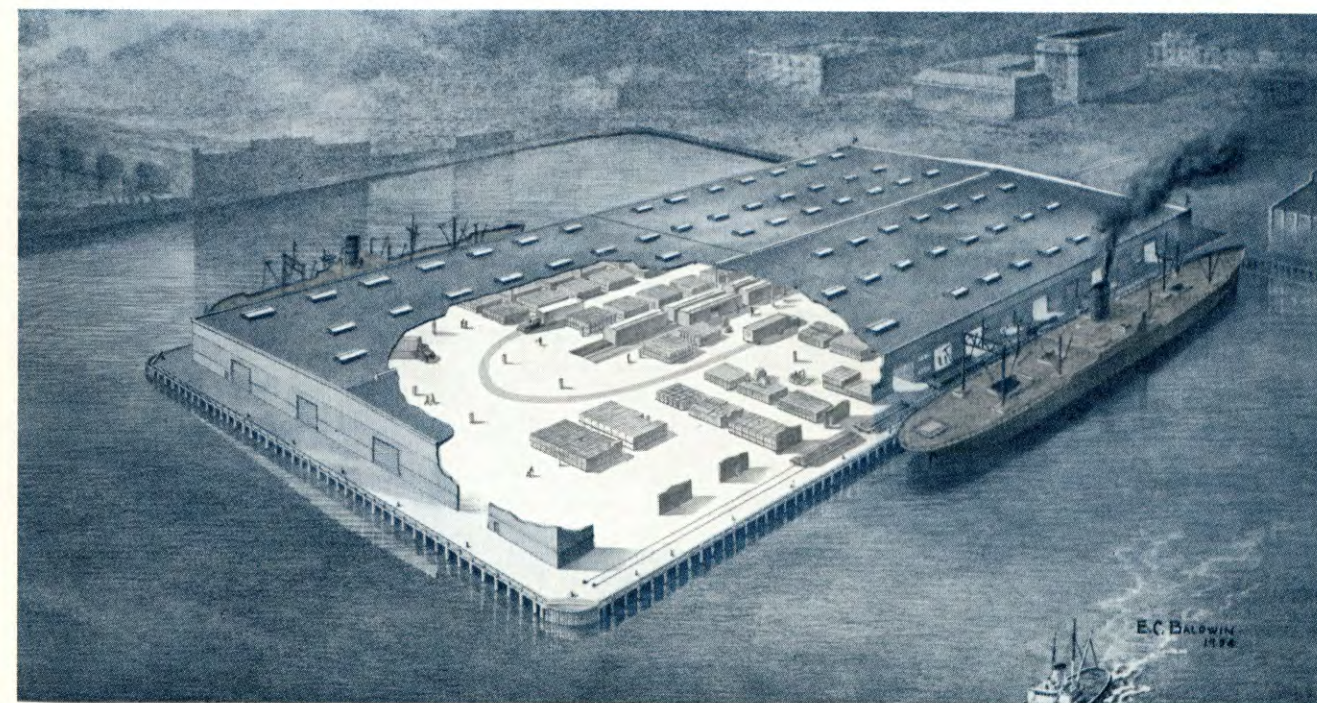
Port Newark lumber comes from the West Coast, Canada and South America, consigned to about 750 local lumber dealers in the New Jersey-New York metropolitan area.

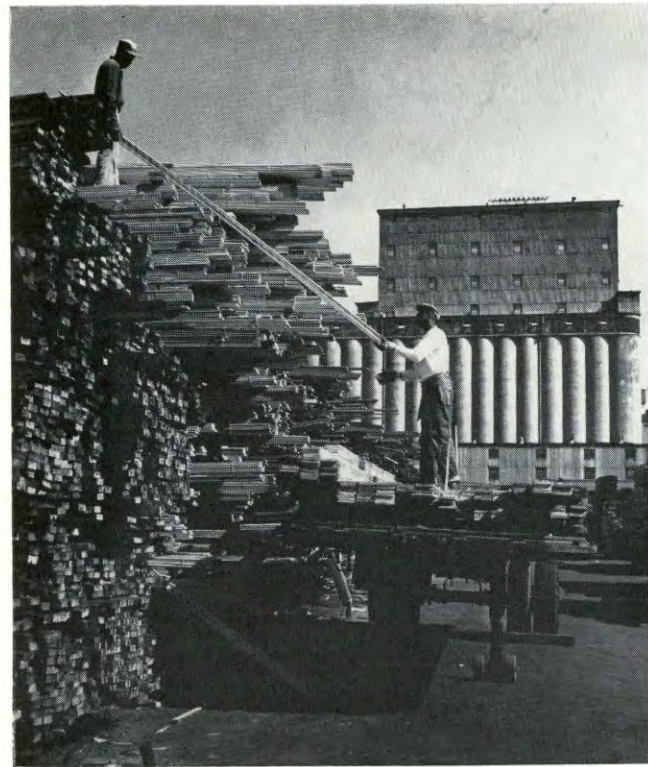
Last year was a record one in warehousing, with the Seaport's facilities operating at near capacity. These public warehouses are run by our agents, the Bayway Terminal Corporation, and the Lehigh Warehouse and Transportation Company, and contain 448,000 square feet of space. They are available for use by all regular tenants or other users of the Seaport dealing in waterborne cargo.

The new public warehouse, Building No. 139, has attracted many types of storage commodities and is primarily responsible for the significant increase in our warehousing this year. Warehousing receipts in 1953 were 40 per cent greater than in 1952.

A rendering showing cutaway of new Pier C in Hoboken. The construction of Pier C began September 28, a year ahead of schedule, and will be completed in the spring of 1955. Its size, shape and equipment will make it one of the most efficient piers in the Port. It will be 700

feet long, 328 feet wide, and will have 180,000 square feet of covered cargo space behind its two ship berths; as well as interior truckways and twin sets of railroad track depressed for easier loading and unloading. Its construction will be of steel and pre-stressed concrete.





*Some 750 lumber dealers in the Port District received their lumber supplies in 1953 through Port Authority marine terminal facilities at Port Newark, and the Grain Terminal in Brooklyn. Here a truck trailer is loaded with lumber for construction on Long Island. Lumber comes from West Coast, Canadian and South American ports.*

In 1953, for the third successive year, Port Newark's gross revenue of \$2,913,000 produced net revenues after all operating expenses and debt service had been paid. The annual gross payroll was up more than \$900,000 to \$12,800,000. An average of 3,464 employees shared in this payroll which is now running well over double that for 1947, the last full year of operation by the City of Newark. The Waterman operation is expected to increase this by another \$2,000,000 annually.

### **The Grain Terminal Has An Active Year**

The Port Authority Grain Terminal and Columbia Street Pier had a busy year. Lumber activity reached an all-time high. The volume of grain was up 52 per cent over 1952. The combined tonnage, including general cargo handled there, totaled 335,969 tons. The long-range rehabilitation and modernization program, begun when the State of New York turned the facility over to the Port Authority for operation in 1944, was all but completed, making this one of the finest facilities of its kind on the East Coast.

Thirty-two vessels discharged 76,656,288 board feet of West Coast lumber for storage and distribution, most of it destined for construction in communities in Long Island and Westchester County, New York.

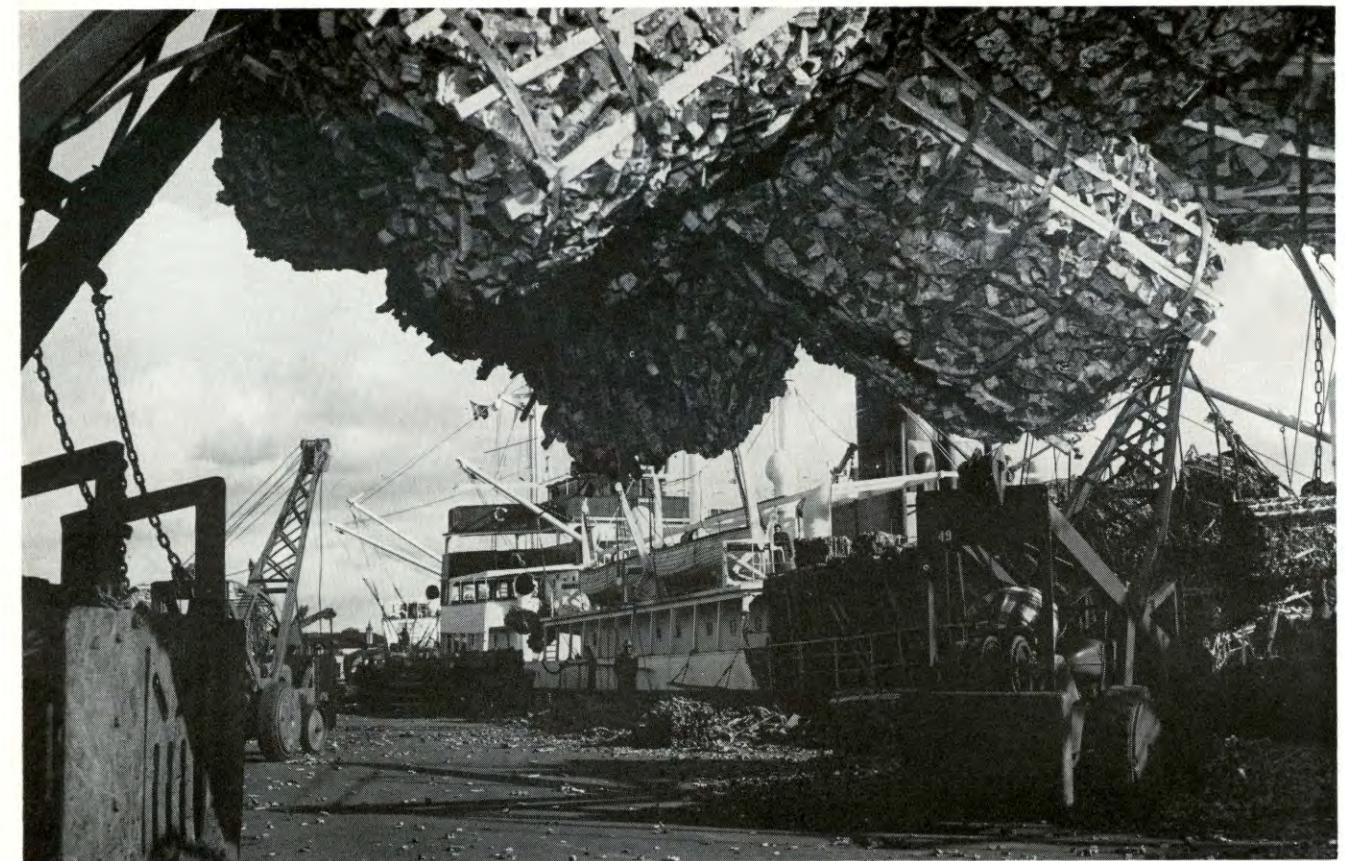
The 1,800,000-bushel elevator handled 4,716,292 bushels during the year. The figure for 1952, an off-year generally in grain export, was 3,103,125 bushels. Of the 1953 total grain received at the elevator, 4,309,150 bushels were loaded for export into 23 deep-sea vessels. The Port Authority's Grain Elevator is the only one in the harbor capable of direct loading of deep-sea vessels.

Part of the grain movement involved our participation in the United States Government's program for storage of surplus wheat in decommissioned World War II freighters. We handled approximately 2,000,000 bushels of this wheat, half of which required drying to prevent spoilage.

We are completing a new and highly efficient vacuum system for grain dust control. Powerful vacuum pipes will catch grain dust as it seeps from lofting and loading mechanisms, improving working conditions and further minimizing any possibility of dust explosions.

Rehabilitation of the Columbia Street Pier was completed with the recapping of its supporting piles, at a cost of \$250,000.

The Fern Line and Isthmian Steamship Company, co-users of the pier since 1947, continued to use it on the usual preferential permit basis.



*Cork from Spain, Portugal and North Africa, first attracted to Port Newark in 1952, is one of important new commodities handled at the Seaport. Most of the cork is consigned to industries within a few miles of Newark.*



HOBOKEN-PORT AUTHORITY PIERS



PORT AUTHORITY GRAIN TERMINAL



PORT NEWARK

# Airports

## III



**M**ARKING the fiftieth anniversary of powered flight, the year 1953 was one of continued progress for the Port Authority's regional airport system. Traffic at La Guardia Airport, busiest air terminal in the Port District, set new records. The construction program at the 5,000-acre New York International Airport moved forward at an accelerated pace. Newark Airport, one of the country's pioneer commercial airfields, celebrated its twenty-fifth birthday with the opening of one of the finest, most modern passenger terminal buildings in the world.

The regional system, which includes Teterboro Airport as the Port District's center of private flying, in 1953 handled over 8,250,000 passengers, more than 121,000 tons of cargo, and over 32,000 tons of air mail. This represented 20 per cent more passengers, 6.3 per cent more cargo, and 16 per cent more air mail than the airports handled in 1952, the previous high year. The new highs reflected record business activity in general, and a rapidly expanding airline industry in particular.

The domestic air carriers accounted for 7,159,335 of the passengers handled at Port Authority airports during 1953, a 19 per cent increase over 1952. This compares with only a 14 per cent increase during 1953 over 1952 in domestic air passengers for the nation as a whole. Domestic cargo, which slackened considerably in the last

← *The opening of the beautiful new passenger terminal at Newark Airport was one of the year's major developments in the Port Authority's regional airport system. The event marked the golden jubilee of powered flight and the twenty-fifth anniversary of this pioneer Airport.*

quarter, nevertheless was up 7 per cent over 1952 with 107,395 tons, and domestic air mail increased 18 per cent to 25,948 tons.

Overseas air travel, the fastest-growing segment of the air traffic picture here, increased 22 per cent over 1952, and the number of overseas passengers soared to 1,056,454—surpassing the million-per-year mark for the first time.

### La Guardia Traffic At New High

La Guardia Airport handled more traffic than ever before, accounting for 57 per cent of the Port District's passengers, 54 per cent of the air carrier flights, 45 per cent of the cargo, and 62 per cent of the air mail. New York International maintained its 1952 level of activity despite the transfer of a number of schedules back to Newark Airport since its re-opening in 1952. In December, Newark Airport handled approximately the same number of passengers as in December, 1951.

The air traffic year was marked by a rapid development of the helicopter service offered at the airports. Notable also was the experimental carrying of first-class mail by air between New York and Chicago. This may be the forerunner of the long-awaited "all-up" policy of lifting first-class mail scheduled for 500 miles or more of travel. Some indication of what such a policy could mean in air mail increases is found in the fact that the New York-Chicago surface-borne mail alone amounts to about 7,000 tons annually.

To provide the facilities needed to handle growing air traffic, now and in the future, we had invested \$98,444,000 in the four airports by the end of 1953, \$9,000,000 of which was spent or committed during the year.

Employees of the Port Authority, airlines, consumer services, government agencies and other tenants at La Guardia, Newark and New York International Airports increased 14.5 per cent to 18,797 in 1953. This represents an annual payroll of about \$96,000,000.

### N.A.T.C.C. Work Continues

The Port Authority and all other elements of the air transportation industry continued to work as a team through the National Air Transport Coordi-

nating Committee to improve the safety of aircraft operations and reduce to a minimum the noise annoyance to people on the ground. The continued operation of the preferential runway use system resulted in an increased use of approach and departure routes which take planes over water or sparsely-populated areas, and a decrease in the use of those routes which necessitate flying over populous areas.

In addition, accelerated climb-out procedures were developed to enable departing planes to attain higher altitudes before passing over populated areas; training flights were moved from the major airports to outlying fields, and plans were completed for the installation of equipment for more accurate measurement of weather conditions at the end of runways.

### The Accent Is Heavy On New Construction at International

Our principal expenditures in airport development during the year were at New York International Airport, where the accent is heavy on new construction. Development of the Airport is proceeding under the new airline lease signed by the Port Authority and nine carriers early in 1953. One giant hangar was completed, bringing to six the number in operation, two more were started, and negotiations were concluded for another three. The temporary terminal building is being expanded, aircraft and vehicular parking areas were

enlarged, electrical power lines and other utilities installed, and an industrial building started.

Hangar 6, the first at International to be built for the exclusive use of a single airline, was dedicated September 15, 1953. It cost \$3,000,000, and is large enough to house six DC-7's and a number of smaller aircraft. National Airlines occupies it under the terms of a 20-year lease.

In May, 1953 ground was broken for the \$3,750,000 Hangar 7, a part of a 25-acre development for Lockheed Aircraft Service-International, which will be the largest independent aircraft overhaul base on the East Coast. When completed in the summer of 1954, this structure will be the first large hangar in the world to be built on the suspended cantilever principle—a design which leaves the hangar floor free of supporting columns, and so allows maximum flexibility in the use of the space.

Work was begun on Hangar 8 in September. This \$6,686,700 project, which will be completed in 1955 for use by United Air Lines, is the first of a number of hangar developments in the central operating area of the Airport.

During the year we completed arrangements for two other major hangars, each to cost about \$5,000,000 and to be built north of Hangar 8. The Port Authority will build one of these hangars for Eastern Air Lines, while American Airlines will construct its own. We will also build a combined hangar and communications center, costing \$1,500,000, for the Civil Aeronautics Administration, near



Traffic at La Guardia Airport, busiest air terminal in the Port District, set new records, accounting for 57 per cent of the Port District's passengers, 54 per cent of the air carrier flights, 45 per cent of the air cargo, and 62 per cent of the air mail here in 1953.

Hangars 3, 4 and 5. All three projects will be started in 1954.

### New Terminal Building Plans Progressed

The tremendous increase in overseas air traffic necessitated expansion of the temporary terminal building pending construction of the great new permanent terminal building for which plans are nearing completion. We added a 4,100-square-foot section at the east end of the present building to provide more space for U. S. Customs clearance of overseas passengers, and American Airlines began construction of a 12,600-square-foot extension at the west end, and a covered walkway to the aircraft gate positions at the greatest distance from the

building. Pan American Airways has begun construction of a two-story addition to the central part of the temporary terminal.

Meanwhile, planning for the permanent terminal building progressed rapidly during 1953. By the end of the year the preliminary or functional plans were nearing completion and were being reviewed with the airlines and other prospective tenants.

A one-story, 155,000-square-foot industrial building was under construction during the year for lease to Greer Hydraulics, Inc. for 20 years. It will be used for research, development and manufacture of aviation test equipment. The Greer Company will employ 500 people when it occupies the building next summer.

*The major airlines using New York International Airport and the Port Authority concluded three years of negotiations with the signing on January 8, 1953 of a lease for use of the Airport. At the lease-signing, seated at the table, left to right, are C. R. Smith, American Airlines; Austin J. Tobin, Port Authority Executive Director; Juan T. Trippe, Pan American World Airways; Captain Eddie Rickenbacker, Eastern Air Lines; Ralph S. Damon,*

*Trans World Airlines, Curtis Barkes, United Air Lines, and in front of the table, Governor Dewey, Howard S. Cullman, Chairman of the Port Authority, and Port Authority Commissioner Bayard F. Pope. Those standing behind the table include Port Authority Commissioners S. Sloan Colt and Jess Harrison Davis, Vice-Chairman Donald V. Lowe, Commissioner Chas. H. Sells, Director of Aviation Fred M. Glass, and Staff Attorney Allen Littau.*





Commissioner David Van Alstyne, Jr. was one of the speakers at the inauguration of non-stop trans-continental service with the new DC-7 by American Airlines in November. The ceremonies which marked the occasion were held at New York International Airport.

To furnish the electrical power necessary for the new hangars and the Greer building, as well as the central terminal area, a \$1,000,000 project for the expansion of the electrical feeder system of the Airport was undertaken.

### New Terminal Dedication Highlights Year at Newark

The completion and dedication on July 29 of our new passenger terminal was the year's major development at Newark Airport. The ceremonies and events connected with it also served as the Newark area's observance of two important anniversaries, the golden jubilee of powered flight and the Airport's twenty-fifth birthday.

The opening of the \$8,500,000 terminal followed by eight months the commissioning of the Airport's new \$9,000,000 instrument runway.

Alfred E. Driscoll, then Governor of New Jersey, and Lieutenant General James Doolittle were the principal speakers at the terminal dedication. The famous airman, who headed the President's Airport Commission for the study of airport location and use, said in part:

"I can assure you that Newark Airport, with its fine new instrument runway and the comparatively clear approaches to that runway, is one of the best and safest airports in the world. . . . It is also one of the most convenient and best equipped—

an airport which can be a matter of great pride to its home community. . . . I am convinced that . . . there is no location in the western part of this great metropolitan area which could be more satisfactory for an airport than the site on which we stand today."

The new terminal has five times the floor area of the old terminal at the Airport. The 500-foot passenger concourse is lined on one side with shops and other consumer services and on the other side with airline ticket counters and operational offices. A glass-enclosed observation deck runs the length of the building on the mezzanine level, overlooking the loading aprons and the field, and connects with an exterior observation deck atop the west arcade. There are two arcades, east and west, each 575 feet long, giving passengers cover to or from the aircraft loading gates. There are sixteen gate positions now, with provisions for six more. The new automobile parking area holds 650 cars.

The old terminal, or administration building, is being devoted principally to air mail and express service.

At a cost of \$88,000 the Airport's east-west Runway 11-29, built by the Army in 1942, was rehabilitated to enable it to handle modern commercial aircraft. A standby alternate power source for the navigational aids for new Instrument Runway 4-22 was installed, at a cost of \$96,000, as

insurance against failure of the main source.

New leases for space in the Brewster Hangar and the adjacent aircraft apron and vehicular parking areas were negotiated with Eastern Air Lines, Trans World Airlines, United Air Lines and American Airlines. The old City of Newark leases under which these airlines occupied space in the Brewster Hangar expired in 1953. Under the new lease arrangement the tenants agree to provide their own electricity, heat, and janitorial service, to assume the cost of insurance of the hangar, and to pay rentals totalling \$261,003 a year.

### Improvement of Facilities At La Guardia Continues

The repair and improvement of existing facilities at La Guardia Airport continued in 1953. One hundred and eighty-three thousand dollars is being spent to replace the old outfall drainage pipes with automatic pumps to carry storm water from the field into the bay. The continuous sinking of the field has made outfall piping impractical. The new pumps will lift water through pipes piercing the top of the dike.

The dike is being raised again in accordance with

Dedication day ceremonies in Newark Airport's new passenger terminal building marked the opening of the \$8,500,000 structure and the beginning of a five-day open house at the Airport which attracted more than a quarter of a million visitors. Below, Vice-Chairman Donald V.



Commissioner John F. Sly addresses guests lunching in The Essex House, Newark, following the dedication of the new Newark Airport passenger terminal building. At Commissioner Sly's right are Alfred E. Driscoll, then Governor of New Jersey; Vice-Chairman Donald V. Lowe; the Rev. Charles T. Leber, president of the Newark Ministerial Association; and Commissioner S. Sloan Colt.

a long-range program of periodical lifting to keep its height at fifteen feet above mean low water.

Lowe addresses dedication guests. General James Doolittle, featured speaker of the occasion, sits just to Commissioner Lowe's left. Guests on the speaker's platform included fliers who have been old friends of the pioneer Airport. Nearly 3,000 persons were in this audience.



## AIR TRAFFIC AT PORT AUTHORITY AIRPORTS

### NEW YORK INTERNATIONAL AIRPORT AIR TRAFFIC

	1953	1952	% Change 1953/1952	
<b>Passengers</b>				
Domestic .....	1,409,423	1,526,707	—	7.7
Overseas .....	992,671	820,797	+	20.9
Total .....	2,402,094	2,347,504	+	2.3
<b>Mail (Pounds)</b>				
Domestic .....	7,415,800	7,550,300	—	1.8
Overseas .....	12,997,400	11,771,800	+	10.4
Total .....	20,413,200	19,322,100	+	5.6
<b>Cargo (Pounds)</b>				
Domestic .....	59,594,800	71,168,300	—	16.3
Overseas .....	28,681,900	27,570,700	+	4.0
Total .....	88,276,700	98,739,000	—	10.6
<b>Aircraft Movements</b>				
Domestic Air				
Carrier .....	49,894	68,975	—	27.7
Overseas Air				
Carrier .....	32,870	30,798	+	6.7
Non-Commercial				
.....	5,121	5,432	—	5.7
Total .....	87,885	105,205	—	16.5

### LA GUARDIA AIRPORT AIR TRAFFIC

	1953	1952	% Change 1953/1952	
<b>Passengers</b>				
Domestic .....	4,643,807	4,175,444	+	11.2
Overseas .....	51,538	36,530	+	41.1
Total .....	4,695,345	4,211,974	+	11.5
<b>Mail (Pounds)</b>				
Domestic .....	40,115,200	34,818,200	+	15.2
Overseas .....	67,400	50,100	+	34.5
Total .....	40,182,600	34,868,300	+	15.2
<b>Cargo (Pounds)</b>				
Domestic .....	110,708,100	100,792,700	+	9.8
Overseas .....	161,000	181,800	—	11.4
Total .....	110,869,100	100,974,500	+	9.8
<b>Aircraft Movements</b>				
Domestic Air				
Carrier .....	173,107	162,727	+	6.4
Overseas Air				
Carrier .....	1,309	1,060	+	23.5
Non-Commercial				
.....	24,991	21,835	+	14.5
Total .....	199,407	185,622	+	7.4

### NEWARK AIRPORT AIR TRAFFIC

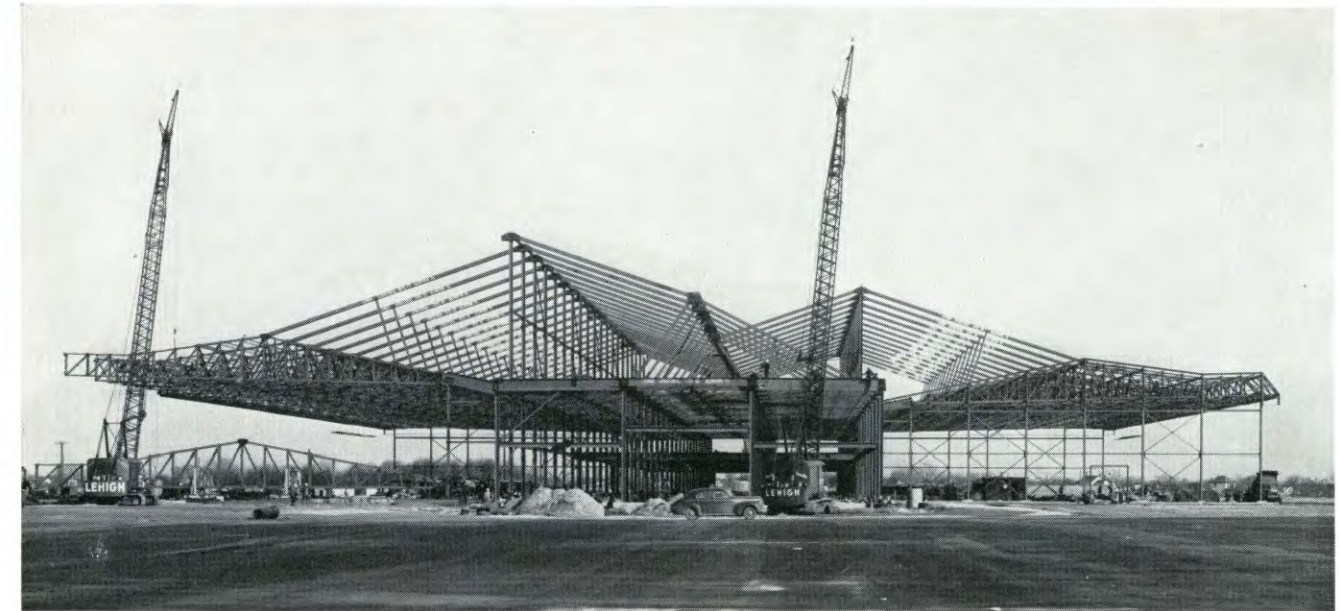
	1953	1952	% Change 1953/1952	
<b>Passengers</b>				
Dom. ....	1,111,750	263,778	1,319,697	— 15.8
Over. ....	12,245	6,697	35,476	— 65.5
Total .....	1,123,995	270,475	1,355,173	— 17.1
<b>Mail (Pounds)</b>				
Dom. ....	4,366,300	1,466,800	6,162,900	— 29.2
Over. ....	3,700	59,600	371,800	— 99.0
Total .....	4,370,000	1,526,400	6,534,700	— 33.1
<b>Cargo (Pounds)</b>				
Dom. ....	37,320,400	18,373,400	98,729,900	— 62.2
Over. ....	5,400	59,600	5,992,800	— 99.9
Total .....	37,325,000	18,433,000	104,722,700	— 64.4
<b>Aircraft Movements</b>				
Dom. Air				
Car. ....	63,973	19,144	83,630	— 23.5
Over. Air				
Car. ....	210	171	1,698	— 37.6
Non-Com.				
.....	16,246	7,849	14,849	+ 9.4
Total .....	80,429	27,164	100,177	— 19.7

### NEW JERSEY-NEW YORK REGION

(Four Port Authority Airports)

### AIR TRAFFIC

	1953	1952	% Change 1953/1952	
<b>Passengers</b>				
Domestic .....	7,166,242	5,978,515	+	19.9
Overseas .....	1,056,454	864,024	+	22.3
Total .....	8,222,696	6,842,539	+	20.2
<b>Mail (Pounds)</b>				
Domestic .....	51,897,000	43,851,200	+	18.3
Overseas .....	13,068,600	11,881,500	+	10.0
Total .....	64,965,600	55,732,700	+	16.6
<b>Cargo (Pounds)</b>				
Domestic .....	214,790,400	201,447,700	+	6.6
Overseas .....	28,848,500	27,812,200	+	3.7
Total .....	243,638,900	229,259,900	+	6.3
<b>Aircraft Movements</b>				
Domestic Air				
Carrier .....	289,836	255,880	+	13.3
Overseas Air				
Carrier .....	34,389	32,029	+	7.4
Non-Commercial				
.....	246,342	228,484	+	7.8
Total .....	570,567	516,393	+	10.5



The steel framework of Hangar 7 at New York International Airport was taking shape by the year's end, part of a 25-acre development for Lockheed Aircraft Service-International. When completed this structure will be the

first big hangar in the world to be built on the suspended cantilever principle, a design which leaves the hangar floor free of supporting columns. Hangar 7, to cost \$3,750,000, will hold five big and three small transports.

An acute automobile parking problem was relieved with the opening in October of a new 375-car annex to one of the existing parking lots. This brought La Guardia Airport's total vehicular parking area capacity to over 2,600 cars. Completion of

a first aid room, staffed daily between 9:00 A.M. and 5:00 P.M. by a registered nurse; opening a new snack bar, and redecoration of the Terrace Dining Room, were among improvements to the domestic terminal. Major repairs were also made to a cov-

The new passenger terminal building at Newark Airport, showing aircraft at some of the sixteen gate positions. The

high glass windows running the full length of the building on the field side front the inside observation deck.





Doors of Hangar No. 6 at New York International Airport roll open as Chairman Howard S. Cullman closes the switch. The \$3,000,000 hangar, first to be built by the Port Authority for the exclusive use of one airline, was turned over to National Airlines at ceremonies held September 15. National Airlines crewmen wait to tow a plane into the giant building, which is the largest single hangar on International Airport. At Mr. Cullman's left is Commissioner Eugene F. Moran. On the extreme left is Fred M. Glass, Port Authority Director of Aviation.

Major development activity is taking place at New York International Airport where the accent is heavy on construction. Recently completed Hangar 6 is in the foreground and the superstructure of Hangar 7 is at the extreme upper left. Work on Hangar 8, first of a number of hangar developments in the Airport's central operating area, was begun in September. Negotiations for three other hangars were concluded during 1953.



ered passenger walkway in the Marine Terminal area and to water mains and other underground utilities at the Airport.

### Business Flying Continues To Grow at Teterboro

Teterboro Airport's role as the center of corporate aircraft movement for the Port District was a significant one during 1953 as business flying continued to grow. The Airport handled 35,780 corporate plane movements out of a total of 70,404 in the Port District. In addition to most of the corporate movements, private and instructional flying continued to concentrate at Teterboro.

### The Port Authority Studies The Future of Heliports

Looking toward the future in helicopter development, the Port Authority in 1952 completed a comprehensive study to determine future helicopter traffic volumes, the potentials of helicopter use, the probable patterns of service, and the landing area requirements. As a followup to this work and in anticipation of future requirements we began a detailed examination in 1953 of heliport construction, operation and location required for commercial helicopter operations into Manhattan and other downtown centers in the Port District.

Certificated helicopter service, for which the Port Authority has long been a leading advocate and strong supporter, continued to expand in the Port District. By the end of 1953 New York Airways, the certificated helicopter carrier for the Port District, was carrying passengers, mail and cargo between the three major airports, and had extended all but the passenger service to Perth Amboy, Red



Two new Bell helicopters were delivered during 1953 to replace the single ship which had been used since 1951 by the Port Authority for transportation between our facilities and for special missions (photographic, inspections, surveys). Here our Senior Pilot Marcel Chevalier prepares to take off from the landing platform on the roof of the Port Authority Building in downtown Manhattan. Pilot Raymond Chaisson hovers in the second of the new helicopters, waiting to land.

Bank, Long Branch, Asbury Park-Neptune, Freehold, Hightstown, Trenton, Princeton, New Brunswick, Somerville, Bound Brook, and South Plainfield in New Jersey; Yonkers, Pleasantville, Port Chester, White Plains, New Rochelle, Mount Vernon, West Nyack and Spring Valley in New York State, and Norwalk and Stamford in Connecticut.

(See page 78 for summary of C.A.B. cases.)

NEW YORK INTERNATIONAL AIRPORT



LA GUARDIA AIRPORT



NEWARK AIRPORT



TETERBORO AIRPORT



# Terminals

## IV



**T**HE Port Authority's inland terminals continued to render essential public service during the year. The Bus Terminal handled a record number of buses and passengers. The New York Union Motor Truck Terminal was back in operation as a union terminal under the auspices of a joint agent of a number of over-the-road carriers. The Newark Union Motor Truck Terminal continued to operate as a freight terminal under lease to the United States Air Force. Reflecting the shift of merchandise freight from rail to truck, the volume of freight handled at the Union Railroad Freight Terminal again declined, while the balance of the building enjoyed its tenth straight year of 100 per cent occupancy.

### Operating Group at the New York Truck Terminal

Operation of the New York Truck Terminal's platform by a joint agent of over-the-road carriers began March 1, 1953. In ten months the original group of five truck lines had grown to eight. A further increase in the number of participating carriers is indicated during the coming year. The eight lines provide service to 42 states, either by direct routes or interline agreements.

The terminal is now functioning as was originally intended. The joint agent of the over-the-road

*The \$24,000,000 Port Authority Bus Terminal, connected with the Lincoln Tunnel by overhead ramp and thus keeping 5,000 bus movements a day off New York streets, continued to increase its effectiveness in the relief of traffic.*

carriers maintains a consolidated public receiving platform, at which shippers may deliver freight destined for movement over the lines of all carriers participating in the terminal operation, and provides a consolidated pick-up and delivery service in New York City's five boroughs. A joint promotional campaign has been undertaken and a routing guide, illustrating cities and states served out of this facility, has been distributed to some 2,000 shippers. The volume of freight handled across the platform has been averaging more than 600 tons a day.

The joint agent lease at the New York Truck Terminal provides for occupancy of the parking roof and some office space. We continue to operate the rest of the building. Other tenants include occupants of second and third floor office space, the operator of the service station, the street-level restaurant, a bank, and stores.

### Newark Terminal Under Lease

The Newark Union Motor Truck Terminal continued to operate as a freight terminal under a lease to the United States Air Force for use as an intransit depot for the storing, handling and processing of United States Air Force materiel in connection with the Mutual Defense Assistance Program and for United States military establishments overseas. The Terminal was leased to the Air Force when it became apparent that it was not possible to make it available as a union consolidated facility for the interchange of over-the-road, less-than-truck-load freight due to a restrictive clause in the local union contract preventing transfer by any affiliated over-the-road carrier of more than 5,000 pounds of freight per day to local cartage companies.

In accordance with the unanimous position of the Executive Board of the International Brotherhood of Teamsters and Chauffeurs, however, Newark's local union is on notice that the International will not approve the renewal or continuation of any contract containing the same or a similar restrictive clause which will prevent the use of the Terminal for such purposes.

**Bus Terminal Enjoys  
A Record Year**

Forty-four million passengers used the three-year-old Bus Terminal last year as the big union station continued to increase its effectiveness in the relief of mid-Manhattan traffic.

Bus departures rose to 847,180, a gain of 27,737 or about 3.38 per cent. Commuter departures increased to 758,810 from 742,144 the previous year, and long-distance departures rose from 77,299 to 88,370, or 14.3 per cent.

With a further expansion of consumer services, and the public's growing awareness of their great variety and high quality, the gross retail business done by the 75 stores and services in the Terminal amounted to \$10,940,621 last year, a 5.9 per cent increase over 1952. The resulting payments in

rentals to the Port Authority were \$1,376,877, 2.1 per cent over 1952's \$1,348,245.

Under the influence of the passenger and consumer traffic the Terminal attracts, local rental and real estate values in the vicinity of the Bus Terminal have begun to rise substantially. A survey by our Real Estate Department shows that tax assessments in the vicinity have gone up 25 per cent, while store rentals have doubled on Ninth Avenue and tripled or better on Eighth Avenue. Sales in the area have shown a similar improvement.

**Union Railroad  
Freight Terminal**

The Union Railroad Freight Terminal in the Port Authority Building during 1953 handled

*The volume of freight handled across the platform of the New York Union Motor Truck Terminal has been aver-*

*aging more than 600 tons a day. The platform is operated by a joint agent of a number of over-the-road carriers.*



*The Bus Terminal's main and suburban concourses, showing some of the stores available to patrons. With a further expansion of consumer services, and the public's*

*growing awareness of their great variety and high quality, gross retail business done by the 75 stores in the Bus Terminal showed a 5.9 per cent increase in 1953.*

174,564 tons of less-than-carload and Railway Express freight, which is 5,369 tons, or 3 per cent less than the 179,933 tons handled in 1952. The 135,965 tons of packaged freight handled by the Railway Express Agency in 1953 represented a 1.8 per cent gain over the 1952 volume of 133,582 tons. The volume of freight handled by the railroad tenants during 1953 was 38,599 tons as compared to 46,351 tons during 1952. The 16.7 per cent decrease of freight handling by the railroads parallels the general trend at all Manhattan rail stations and reflects the shift of merchandise freight from rail to trucks. The Terminal is leased by the

Port Authority jointly to eight trunk line railroads.

In the balance of the building there was 100 per cent occupancy for the tenth successive year. During the year the Port Authority embarked on an extensive program of office rehabilitation and air-conditioning. The program embraces all floors in the east end of the building, the entire fifteenth floor, and scattered areas elsewhere. It will be finished late in 1955. Other improvements have also been made in the building, including the completion of a new board room, new lighting in the street-level lobbies, and the installation of new electrical transformers to service the building.

PORT AUTHORITY  
BUS TERMINAL



UNION RAILROAD  
FREIGHT TERMINAL



NEW YORK UNION  
MOTOR TRUCK TERMINAL



NEWARK UNION  
MOTOR TRUCK TERMINAL



# Promotion

## V



**T**HE promotion of trade at the Port of New York, assigned to the Port Authority as part of its responsibilities under the Port Compact of 1921, is one of our most vital functions. An analysis of the volume of United States general cargo foreign trade tonnage for the first six months of 1953 revealed that the New York Customs District continued to handle approximately one-third of the nation's total, or 6,261,197 tons out of 18,428,474. In terms of absolute volume the country as a whole suffered a decline of 8.5 per cent as compared with the same period in 1952. New York's drop was 6.9 per cent, less than the total U. S. and not as great as the 7.1 per cent loss experienced by the six other principal Atlantic and Gulf Coast Customs Districts. During 1953, as in all the years since World War I, the New York Customs District has accounted for approximately half the total national value of ocean-borne foreign commerce.

In 1953 the Port Authority, through its solicitation and trade promotion program, assisted in at-

*The promotion of trade at the Port of New York is one of the Port Authority's responsibilities under the Port Compact of 1921. The bi-state port agency assisted in attracting substantial quantities of new tonnage movements through the Port District in the year just ended.*

tracting substantial quantities of new tonnage movements which came through the Port. Besides the solicitation of cargo, our trade promotion program includes the preparation of promotional media and the servicing of shipper complaints and inquiries. This work is carried on through five trade promotion offices in New York, Chicago, Cleveland, Washington, D. C., and Rio de Janeiro, Brazil.

The principal day-to-day function of our field offices is providing shippers with the most complete and up-to-date information on rates and services, consolidation and handling of freight, cargo-routing and other ways and means of taking advantage of the unmatched variety of shipping facilities and services available at the Port of New York, including the unparalleled frequency of ship sailings and selection of routes.

### Mixed Export Plan Adds Tonnage

Illustrative of the sort of initiative and assistance that is attracting new tonnages is the Port Authority's mixed export carload plan through which shippers are able to combine small-lot movements into one shipment and thus save on harbor-transfer costs to shipside. More than 55 Midwest firms regularly use it, and our Chicago office has been advised that the system has worked so successfully for a large Chicago firm that it is now diverting export truck shipments it formerly sent through San Francisco, adding considerable tonnage to its annual volume through New York.

Our out-of-town offices receive scores of calls every day for assistance in moving cargo through the Port. In Chicago, as only one example of many, we smoothed the way for a shipment of 2,000 tons of petroleum coke, destined for Sweden. In another typical instance we helped obtain for the Port of New York a large number of machine tool shipments from Belgium, Germany and Italy to Waukegan, Illinois.

Our Cleveland office has been instrumental in securing considerable important future business. Illustrative of this cargo solicitation on our part, two Ontario concerns, one of them nationally known, will ship through the Port of New York 100 carloads of farm machinery bound for Buenos Aires, and 400 five-ton combines for Argentina;

and an English company will, every two months, be moving 1,000 compressors through New York to Buffalo.

The role of our office in the nation's capital is necessarily more diversified, since it must not only assist exporters and importers in its territory, but maintain liaison with government agencies responsible for overseas shipments and appear before Congressional committees on legislation affecting the Port.

In Brazil the Port Authority's trade promotion program covered more than 500 contacts with shippers and others concerned with the routing of cargoes. A Latin American promotional news letter, designed to stimulate trade with Brazil, is receiving widespread and enthusiastic acceptance. Our manager in Latin America travels extensively throughout Brazil and Uruguay to personally acquaint exporters and importers with New York's superior export-import facilities and services. These calls are supplemented by special publications printed in Portuguese, Spanish and English.

#### Periodical's Circulation Expanding

The circulation of our monthly commerce magazine, "Via Port of New York," continues to expand with current distribution totalling about 5,500. During 1953, 2,500 sets of special brochures, maps, promotional leaflets and other material were prepared to acquaint shippers and transportation

representatives with our Port's facilities and services. A number of comprehensive and graphic exhibits were prepared for placement in trade fairs, stores, banks and other locations here, in Canada, and overseas.

Through the joint efforts of our Latin American and Washington offices, we cooperated with the U.S. State Department in organizing and conducting intensive port transportation educational programs for officials of Latin American ports and transportation interests.

Our new 27-minute sound color film, "Via Port of New York," portraying the handling of shipments through the Port and its unmatched facilities and services, was released in the late fall. Distribution was begun in December among shipping and business groups, television stations, colleges, service clubs and community groups. In the one month it was available during 1953 the film was seen by over 10,000 persons in the United States, Brazil, and Uruguay. Its reception has been excellent and hundreds of showings are already booked for early in 1954.

#### More Channel Funds Needed

During 1953, Congress allotted \$1,149,000 for work in the New Jersey-New York Harbor and its connecting waterways. Strong and active support

*A typical view at the Port of Santos in Brazil, a major coffee-handling harbor. Close liaison with exporters, importers and port officials at this and others of Brazil's ports, in the promotion of trade via the Port of New York, is one of the functions of our Rio de Janeiro office.*



*Roger H. Gilman, Director of Port Development, addressing delegates to the 40th National Foreign Trade Convention at a luncheon in the new passenger terminal building at Newark Airport during the annual convention of the National Foreign Trade Council in November. The Port Authority was host to out-of-town delegates at the luncheon. John L. Eyre, Chief of our Marine Development Division, is seated at Mr. Gilman's right, and John R. Wiley, Deputy Director of Aviation, is seated at his left.*



to obtain these appropriations was provided by many commercial and business interests, state and municipal officials, Port District Congressmen, and the Port Authority. Although the funds are insufficient to meet the continuing over-all channel requirements of the nation's leading port, they will be applied to two vital and immediate needs. Of the total grant, \$800,000 will go toward deepening the Arthur Kill between Staten Island and New Jer-

sey, and \$349,000 will be used to deepen the Gowanus Creek Channel in Brooklyn.

One of the specific duties assigned to the Port Authority under the Port Compact of 1921 is to make recommendations to the U. S. Army Engineers and Congress for the improvement of harbor channels in the Port. Our recommendations are made upon careful analysis of the benefits to navigation and commerce. Almost without exception

*Through its trade promotion program the Port Authority is assisting in bringing cargoes like this pair of 85-foot, 21-ton girders through the Port. The girders, which here have been loaded onto the deck of a freighter in Brooklyn, are part of a 122-ton crane bound from a Wickliffe, Ohio plant for Volta Redonda, Brazil's great steel mill in Rio de Janeiro.*





*The Right Honorable Viscount Waverley, Chairman of the Port of London Authority, visited the Port Authority during January, at which time he made a complete tour of the Port. Standing in front of a wood carving of the Port of London Authority's coat of arms are, left to right, Walter Hedden, Port Development Consultant; Sidney Goldstein, General Counsel; Viscount Waverley; Donald V. Lowe, Vice-Chairman of the Port Authority; Charles J. Kushell, Jr., Director of Finance; Matthias E. Lukens, First Assistant to the Executive Director; and James Clark McGuire, Director of Purchase and Administrative Services.*

these recommendations have been accepted.

However, after authorization by Congress, projects may proceed only so fast as the funds are appropriated and several important items which would benefit millions of tons of commerce and thousands of tons of shipping a year have not been started because the money is lacking. Thus it is estimated that appropriations totaling nearly \$30,000,000 would be necessary to complete all Port District channel work already approved by Congress. Of this, over \$26,000,000 would be required for deepening six and a half miles of the Arthur Kill between New Jersey and Staten Island to 35 feet to permit the passage of the larger, modern tankers and cargo ships. The balance, or \$4,000,000, would cover a number of lesser items which have been authorized.

Another vital improvement necessary in the Arthur Kill is the reconstruction of the existing Baltimore & Ohio Railroad bridge between Elizabeth, New Jersey, and Staten Island. The present structure has been deemed a hazard to navigation and its replacement was ordered by the Secretary of the Army on July 5, 1949. Under Federal law the cost of this work, estimated at \$8,395,000, is to be borne partly by the United States Govern-

ment, in the amount of \$7,340,000, and partly by the railroad, in the amount of \$1,055,000. While the railroad stands ready to do its share, to date no Federal funds have been appropriated.

### **Radar Experiment Is Concluded**

We closed our experimental harbor radar station in February, 1953, after it had demonstrated that shore-based radar could be used to great advantage as an aid to navigation in New York Harbor to minimize delays caused by fog and their accompanying costs. It is estimated that shipping companies using the Port lose \$500,000 a year, on the average, through delays caused by low visibility.

While no financial plan for permanent installation acceptable to all interests has been evolved, the experiment established the pattern and confirmed its economic feasibility here.

The tests, which were begun in the spring of 1951, were greatly aided by the donation of the necessary equipment by two leading manufacturers, by the furnishing of quarters on high ground at Fort Wadsworth, Staten Island by the Army and Navy, and by shipping lines which permitted their vessels to make test runs.

In 1953 a report was issued summarizing the results and findings of the two-year experiment.

### **A Good Start Is Made in Improving Waterfront Labor Conditions**

On June 26, 1953, Speaker of the New York Assembly Oswald D. Heck said on the floor of the Assembly: "The American people are an amazing people politically. Before they attack a messy situation, and I don't care where it originates, it is necessary to wait until a certain crystallization of public opinion appears, usually brought about by a conglomeration of dramatic incidents that brings the matter to the attention of the public itself. We find ourselves here today confronted with a situation where that fermentation has been so powerful that public opinion once and for all is finally and completely behind these efforts."

Immediately thereafter the New York Legislature, expressing the people's will, passed the historic statutory plan designed to improve water-

front labor conditions and to free the waterfront from criminal control. Identical legislation was passed by the New Jersey Legislature, and by the end of July, Congressional approval had also been given to this Waterfront Commission Compact between the two States.

This great statutory reform, so important and critical to the future of the Port of New York, is a tribute to the leadership that was brought to the problem. Governor Thomas E. Dewey recognized the problem and acted with vigor and decision to meet it. Not only did he appoint the New York State Crime Commission but throughout the year his leadership and support made possible the main accomplishments. The New York State Crime Commission, with its thorough and complete investigations and its dramatic and revealing public hearings, directed public attention to the undesirable conditions on the waterfront, and with its findings and recommendations galvanized the citizen and the public official into determined action. Through-

*On-the-scene reviews of the Port's needs in Federal appropriations for adequate maintenance of channels were provided for United States Congressmen on two inspections of the New York-New Jersey Harbor during the year.*

*Left—In August the Port Authority was host to members of the House Committee on Public Works on a tour requested by the chairman of the Committee, Congressman George A. Dondero of Michigan, seated in right foreground. Standing talking in the left foreground are, left to right, Congressman S. Walter Stauffer, Pennsylvania,*

*and Matthias E. Lukens, First Assistant to the Executive Director of the Port Authority.*

*Right—In December the Army Corps of Engineers was host to Port District Congressmen on the second tour. From left to right are Austin J. Tobin, Executive Director of the Port Authority; Colonel A. H. Davidson, Jr., New York District Engineer; Congressman John H. Ray, Fifteenth District (Staten Island-Brooklyn); Colonel B. B. Talley, North Atlantic Division Engineer, and Congressman Francis E. Dorn, Twelfth District (Brooklyn).*





Governor Dewey signs the act establishing the Waterfront Commission. Standing around him, left to right, are Daniel B. Goldberg, Port Authority Assistant General-Counsel; Austin J. Tobin, Executive Director of the Port Authority; Leslie H. Arps, Assistant Chief Counsel, New York State Crime Commission (directly behind Mr. Tobin); Joseph M. Proskauer, Chairman, New York State Crime Commission; Walter P. Hedden, Port Development Consultant to the Port Authority; Sidney Goldstein, Port Authority General Counsel; George M. Shapiro, Counsel to the Governor; Sidney Kelly, Jr., Confidential Law Assistant to the Governor, and Rosaleen C. Skehan, Port Authority Assistant General Counsel.

out, Governor Alfred E. Driscoll cooperated and helped to assure the passage of New Jersey's concurrent legislation, and the New Jersey Law Enforcement Council likewise played a key part in the successful outcome of this effort.

The press, the citizen groups, and other public-spirited bodies and people provided needed support throughout the course of events that led to the adoption of the Waterfront Commission Compact.

With its responsibility for promotion and protection of the Port's trade and commerce, the Port Authority, likewise, was active throughout these developments. Useful material was provided the New York State Crime Commission from our files, and our representatives appeared before the Commission in both its executive and public hearings. Early in January we presented to the New York Crime Commission and the New Jersey Law Enforcement Council the Port Authority's recommendations for a statutory plan to improve the conditions of employment of longshoremen, to increase the annual pay of the regular waterfront workers by regularizing their employment, and to improve generally their working conditions through the licensing and regulation of their employment.\* Following this, the Port Authority legal and other

\* For details of the Port Authority statutory plan as submitted to the New York State Crime Commission see pp. 42 and 43 of the 1952 Annual Report of The Port of New York Authority.

staff members were privileged to work with the legal staffs of both Governors in the preparation of the bills as submitted to the Legislatures, and since the establishment of the Waterfront Commission we have had the opportunity to cooperate with and to provide assistance to that organization.

Great strides have been made on the waterfront since the passage of the statutory plan. The Commission and its staff faced and met the almost impossible task of being prepared for the December 1, 1953 deadline, the date the Waterfront Commission Compact became effective. The shape-up has been replaced by the Commission's hiring centers. Longshoremen have been registered and pier superintendents, hiring agents, stevedores, and watchmen are being screened for employment throughout the Port of New York. The Federal Statutory Court on February 9, 1953 held the provisions of the Compact, which "outlawed" public loaders, to be constitutional.

To be sure, there are problems such as the matter of the union organization to represent the longshoremen, and the confusion and conflicts with respect to responsibility for and labor union jurisdiction over such work as was formerly performed by the public loader. But, in perspective, a great reform had been started and magnificent progress had been made.

## Port Protection Program Achieves Marked Progress

Our program of providing protection to the Port's commerce made marked progress during 1953 in several important instances. Added railroad lighterage charges for the handling of heavy-lift shipments were finally eliminated, and advances were achieved in correcting certain freight rates unfavorable to the New York-New Jersey Harbor.

We intervened in thirteen proceedings affecting commerce before the Interstate Commerce Commission, the Federal Maritime Board, the New York State Public Service Commission, and other regulatory agencies during the year.

Persistent efforts by the Port Authority and others to have heavy-lift lighterage charges eliminated on all pieces of freight weighing up to and including 25 tons were rewarded with success a year after the railroads agreed in principle to this shipper relief. The working out of technical tariff arrangements between the railroads and shipping lines held up publication of new rules and rates until October, when advice was received from all

the New York railroads, save one, that the amendment would become effective the following month.

The free-lift ceiling on heavy pieces originally had been three tons at this harbor. It was raised to six tons in July, 1953.

The new tariffs remove surcharges from approximately 98 per cent of the machinery and similar freight which moves through the Port. Such charges, a major handicap to any port, were previously eliminated at competing ports.

Significant developments took place in our efforts to remove unfavorable rate differentials at the Port of New York. In 1951 a U. S. Supreme Court decision upheld the New York Harbor railroads' decision to equalize railroad rates and free-time charges on Great Lakes export grain as between New York, Baltimore and Philadelphia. We first intervened in support of the New York railroads in 1947, and have actively fought for equalization ever since. During 1952 an attempt by competing ports to re-establish the prior differential resulted in the Interstate Commerce Commission's reconsideration of the matter, although the equalized rates remained in effect. In November, 1953, an



The Port Authority took an active part when World Trade Week was celebrated in the Port of New York during May. The week consisted of a series of events dedicated to the overseas trade of this, the world's premier port.

Emphasis was on the 300th anniversary of New York City. This is a view of the annual World Trade luncheon in the Waldorf-Astoria at which overseas traders and others interested in international trade were guests.



*Persistent efforts by the Port Authority and others to have heavy-lift lighterage charges eliminated on every piece of freight weighing up to and including 25 tons were rewarded with success in November when all New York railroads, save one, published tariffs removing surcharges from 98 per cent of the heavy pieces of freight, such as this cruiser, moving through the Port of New York.*

I.C.C. examiner recommended continuance of the present equalization.

### **Iron Ore Differential Fought**

Equalization of railroad rates on import iron ore, an essential pre-requisite to any New York participation in the growing iron ore import movement through Atlantic ports, also has been recommended in an I.C.C. examiner's report. The case arose when New York and Philadelphia railroads sought to bring their freight rates on import iron ore down to those of the Baltimore railroads. The Port Authority supported the New York railroads before the I.C.C.

The voluntary correction by the railroads of the distorted postwar differentials between New York and other ports for most class- and commodity-rated freight moving between Midwestern states and the Seaboard was a most significant accomplishment during 1952. Representing a victory long sought by the Port Authority, this involved the correction of the method under which rates were increased by percentages rather than by dollars and cents—a method which, introduced during the immediate postwar period to help railroads keep pace with the rush of rising costs, had the effect of

stretching the normal rate differentials far out of proportion in the process of raising rates.

However, a temporary over-all 15 per cent increase, authorized by the I.C.C. in May, 1952, and still in effect, has left a residual distortion. When authorizing it the commission had agreed with the Port Authority position and stipulated that the railroads revise rates promptly by specific publication of tariffs restoring recognized port relationships in cents-per-100 pounds. This had not been done by the end of 1953.

We have submitted a formula type of adjustment as a permanent method of increasing rates without danger of distortion, and this is under study by the General Freight Traffic Committee of the Eastern Railroads.

### **Waterfront Packaging Approved**

Another inequitable rate practice in the Port is also about to be eliminated. The New York railroads have approved our proposal for revision of intransit tariffs so that export freight requiring packaging at or near the waterfront en route to shipside may retain its export classification and not be subject to the higher rate charged on domestic freight. The export-rate privilege had been ac-

corded previously only when boxing stops were made at inland points and when a railroad handled the movement beyond.

The railroads acted when the Port Authority, supported by shipping firms, freight forwarders and the Brooklyn Chamber of Commerce, pointed out this handicap to the Railroads Freight Traffic Managers Committee. The new tariff is expected to go into effect on April 1, 1954.

Important progress was made during 1953 in our continuing long-range efforts to restore the Port's intercoastal and coastwise shipping activity to at least its prewar level. Twenty lines in the coastwise and intercoastal trade contributed 30 per cent of our general cargo volume before World War II forced suspension of all domestic shipping. As of today only eleven domestic shipping lines are operating to and from the Port.

Postwar recovery has been slow. But last year the I.C.C. issued permanent certificates of convenience and necessity to the States Marine Corporation for carrying lumber from the Pacific Northwest to New York, and to the Newtex Steamship Corporation for hauling bulk crude sulphur from Gulf ports to New York. It granted temporary authority to the Arrow Line division of the Waterman Steamship Corporation to resume its east-bound general cargo intercoastal service to New York, pending decision on Arrow's application for permanent authority, to operate from California, and denied a petition by eastern and southern railroads that the Ocean Steamship Company's joint rail and water rates and routes be cancelled. The Ocean Steamship Company was given a year to decide whether it will resume its prewar coastwise service between Savannah and New York.

In another proceeding the Isbrandtsen Company, Inc. was awarded a restricted certificate by the I.C.C. to operate from Pacific ports to the East Coast.

### **Seatrain Certificate Still Pending**

The application by Seatrains Lines, Inc. for a permanent certificate to serve Savannah with a new service is still pending, and we continued our support of it during 1953. In November we filed replies to the railroads' exception to an examiner's report which proposes issuance of a permanent certificate. Seatrains now holds an indefinite temporary certificate. The railroads have also petitioned the I.C.C. for an investigation of all aspects of the Seatrains-railroad relationship. This is the latest step in a long series of moves before the Commission and in the courts to halt Seatrains' important freight-car ferry service between New York, South Atlantic and Gulf ports.

A burden on truck-borne shipments here was effectively blocked in October by an I.C.C. order cancelling motor truck rate surcharges published by over-the-road carriers to offset the New York State ton-mile tax levied three years ago. The Commission found the surcharges an unjustified and unreasonable means of recouping an ordinary business expense. The ruling, sought jointly by the Port Authority and the Shippers Conference of Greater New York, will save shippers approximately \$1,500,000 a year in trucking bills.

During the year the Port Authority continued its opposition to the navigational features of the St. Lawrence Seaway. In April, 1953 the Director of Port Development presented testimony before the Senate Foreign Relations Committee. The Port Authority has consistently opposed the seaway phase of the project but has taken no stand on the power phase, which is not within the purview of the Port Authority.

*(See page 77 for summary of port protection cases.)*

# Administration

## VI



**T**HE Commissioners of the Port Authority re-elected Howard S. Cullman of New York City to his ninth term as Chairman of the Authority at their annual meeting on January 15, 1953. Joseph M. Byrne Jr. of Newark was re-elected Vice-Chairman, in which capacity he served until his term as a Commissioner ended on June 30, 1953. Commissioner Donald V. Lowe of Tenafly, N. J., was elected Vice-Chairman to succeed Mr. Byrne at the Board's monthly meeting on July 16. (Chairman Cullman was elected to his tenth term of office, and Commissioner Lowe to his first complete term as Vice-Chairman at the annual meeting on January 14, 1954.)

Chairman Cullman, prominent in business, philanthropic and theatrical circles, was first appointed a Commissioner in 1927 by the late Governor Alfred E. Smith. Since then he has been reappointed to the twelve-man Board successively by Governors Herbert H. Lehman and Thomas E. Dewey. He was

*The Board of Commissioners receiving a staff report from Executive Director Austin J. Tobin. At the head of the conference table is Howard S. Cullman, Chairman. To Mr. Cullman's right, seated in that order are Donald V. Lowe, Vice-Chairman, and Commissioners Bayard F. Pope, S. Sloan Colt, Horace K. Corbin, and Jess Harrison Davis. To Mr. Cullman's left, in that order are Commissioners Eugene F. Moran, Charles S. Hamilton, Jr., Chas. H. Sel's, and John F. Sly. Not present when this photograph was taken are Commissioners David Van Alstyne, Jr. and Dow H. Drukker, Jr. Staff members shown with backs to camera, foreground, left to right, are Joseph G. Carty, Secretary of the Port Authority, Billings Wilson, Director of Operations, and Sidney Goldstein, General Counsel.*

Vice-Chairman for ten years prior to his becoming Chairman in 1945.

Mr. Byrne had served on the Board since his appointment as a Commissioner by the late Governor A. Harry Moore of New Jersey in 1934. He had been Vice-Chairman since 1945.

Vice-Chairman Lowe, president of the Lowe Paper Company of Ridgefield, N. J., was appointed a Commissioner in January, 1945 by Governor Walter E. Edge and re-appointed by Governor Alfred E. Driscoll in May, 1950. The new Vice-Chairman has long been active in New Jersey civic and business affairs.

The twelve Commissioners are appointed to the Board, six by the Governor of New Jersey and six by the Governor of New York with the consent of the Senate for overlapping terms of six years. They are dedicated to serve, without compensation, the best interests of the Port.

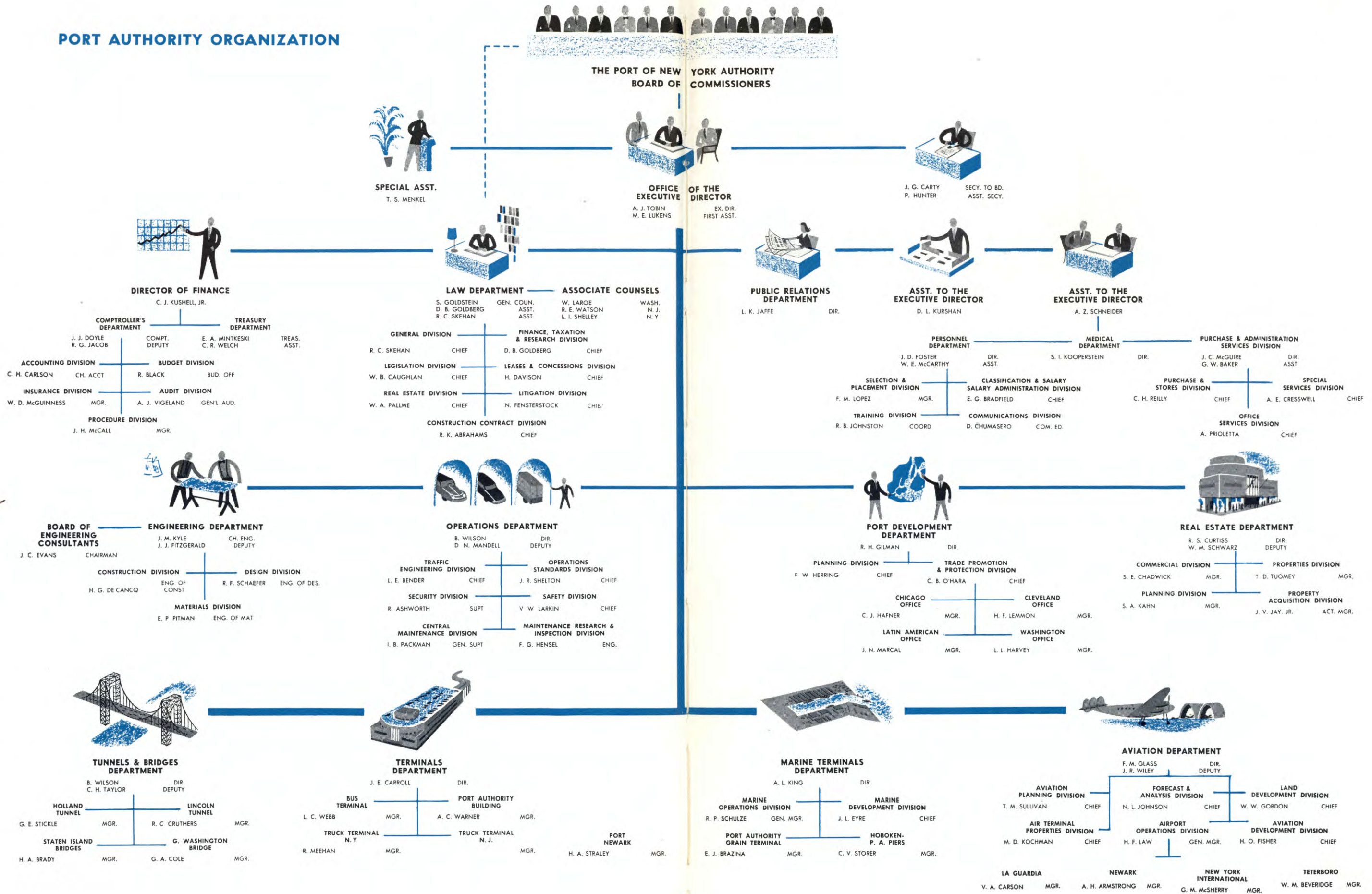
During the year Commissioners Chas. H. Sells of Cross River, N. Y., and Horace K. Corbin of West Orange, N. J., were re-appointed to the Board, respectively, by Governor Dewey and Governor Driscoll. Commissioner Sells' term will run to July, 1958. He was first appointed to the Board in January, 1949, and has brought to the Port Authority a lifetime of experience in engineering and construction. Commissioner Corbin's new term will run to July 1, 1959. His was Governor Driscoll's first appointment to the Board, on May 5, 1948.

### Two New Commissioners Appointed

Two new Commissioners were appointed in 1953 by Governor Driscoll: Senator David Van Alstyne, Jr., of Englewood, N. J. on May 25 to succeed Commissioner John Borg of Hackensack, who resigned for reasons of health, and Mr. Dow H. Drukker, Jr. of Montclair, N. J. on May 26 to succeed Commissioner Byrne, whose term expired June 30, 1952.

Commissioner Van Alstyne is a senior partner of Van Alstyne, Noel & Co., investment bankers and stock brokers. He also serves as chairman of the board and director, Hercules Steel Products Corporation, and as a director of a number of other companies. Commissioner Van Alstyne likewise has rendered extensive public service. He served both as an Assemblyman and State Senator from Bergen

# PORT AUTHORITY ORGANIZATION





*The Committee on Operations, which has general supervision over the operation and maintenance of Port Authority facilities and properties and personnel matters, is headed by Port Authority Vice-Chairman Donald V. Lowe, second from left. Other Committee members include Commissioner David Van Alstyne, Jr., left, Commissioner Charles S. Hamilton, Jr., Vice-Chairman of the committee, second from right, and Commissioner Eugene F. Moran, right. Commissioner S. Sloan Colt was not present when the photograph was taken.*

County, and during 1949 served as President of the Senate of New Jersey.

Commissioner Drukker is publisher of the Passaic Herald-News and president of the Union Building and Construction Corporation. In addition, he is an officer of the North Jersey Broadcasting Company, which operates Radio Station WPAT, as well as an officer of a number of other companies in the building and construction field.

#### **The Four Committees**

Our Board, which is operated much like most

directorates of large enterprises, leans heavily on four standing Commissioner committees for whose existence and authority it has provided in the by-laws. These four are the Committees on Port Planning, Finance, Construction and Operations. Matters requiring Board action come before it only after a review by and with the recommendation of the committee or committees concerned. Certain items for which final committee action is authorized are nevertheless reported to the Board for its complete information. The Chairman announced the new assignments to committees in June:

*Commissioner Eugene F. Moran, second from left, is Chairman of the Committee on Construction. Commissioner Jess Harrison Davis, second from right, is Vice-Chairman. Other members include Port Authority Vice-Chairman Donald V. Lowe, left, and Commissioners Dow H. Drukker, Jr., standing, and Chas. H. Sells, right. The committee has general supervision over all construction of new projects, additions to our existing facilities, and major capital investments.*



#### **The Committee on Port Planning**

Commissioner Horace K. Corbin, Chairman; Commissioner John F. Sly, Vice-Chairman, and Commissioners Bayard F. Pope, Charles S. Hamilton, Jr., and Jess Harrison Davis.

This committee keeps informed on the transportation and terminal needs of the Port District, has general supervision over transportation and terminal studies, and makes its recommendations in the light of Port Authority policies and programs. It also authorizes or arranges for our participation before Congressional groups, the courts, and government regulatory agencies in matters of harbor regulations, airline routes, railroad and ocean freight rates, and any other regulatory issues affecting the Port's commerce.

#### **The Committee on Finance**

Commissioner Bayard F. Pope, Chairman; Commissioner S. Sloan Colt, Vice-Chairman, and Commissioners Horace K. Corbin, John F. Sly and David Van Alstyne, Jr.

The Port Authority's basic financial policies are established or recommended to the Board by the Committee on Finance, including the management of its debt, financial reserves, investment of funds, insurance, accounting and auditing.

The committee appoints paying agents and registrars in connection with Port Authority bonds, notes and other securities and obligations. It author-

izes sinking-fund or reserve-fund payments, and payments out of the General Reserve Fund. It establishes sinking funds for bond retirements and, when necessary or desirable, calls or authorizes the call on all Port Authority bonds. It selects depositories for Port Authority funds; authorizes or arranges for insurance policies and surety bonds; arranges for the auditing of Port Authority books and accounts by independent accountants, and supervises, generally, Port Authority books and accounts.

#### **The Committee on Construction**

Commissioner Eugene F. Moran, Chairman; Commissioner Jess Harrison Davis, Vice-Chairman, and Commissioners Chas. H. Sells, Donald V. Lowe and Dow H. Drukker, Jr.

The Committee on Construction has general supervision over all construction of new projects, additions to existing facilities, and major capital investments. It authorizes or arranges for construction contracts.

#### **The Committee on Operations**

Commissioner Donald V. Lowe, Chairman; Commissioner Charles S. Hamilton, Jr., Vice-Chairman, and Commissioners Eugene F. Moran, S. Sloan Colt and David Van Alstyne, Jr.

This committee has general supervision over the operation and maintenance of Port Authority facilities and properties and personnel matters.

*Commissioner Horace K. Corbin, second from left, is Chairman of the Committee on Port Planning, and Commissioner John F. Sly, extreme right, is Vice-Chairman. Other members are Commissioners Jess Harrison Davis, left, Charles S. Hamilton, Jr., second from right, and Bayard F. Pope, who was not present for this photograph. This committee has general supervision over transportation and terminal studies and over our participation in proceedings before Congressional groups, the courts and governmental regulatory agencies in those matters and issues affecting Port commerce.*





Commissioner Horace K. Corbin, left; Vice-Chairman Donald V. Lowe, center, and Commissioner Dow H. Drukker, Jr. during a harbor inspection by members of the real estate boards of the greater metropolitan area.

Within appropriations and authorizations made by the Board, it contracts for facility maintenance, repair or rehabilitation, and for the acquisition and purchase of equipment, materials, supplies and other personal property necessary for operations. It establishes regulations governing facility use; establishes or recommends tolls, fees and other facility-use charges, and authorizes leases, permits, contracts and agreements for the use of facilities and properties.

### Executive Director Heads Staff, Responsible for Performance

Serving directly under the Commissioners is the Executive Director, Mr. Austin J. Tobin, who is responsible to the Board for staff performance in carrying out its policies.

The Port Authority staff organization is, in turn, responsible to Mr. Tobin for the performance of its program as determined by and through Port Authority policies.

At the end of the year the staff, numbering 3,768 members, included the following department directors and key personnel:

J. E. Carroll, Director of Terminals; Joseph G. Carty, Secretary of the Port Authority; Robert S. Curtiss, Director of Real Estate; James J. Doyle, Comptroller; John D. Foster, Personnel Director; Roger H. Gilman, Director of Port Development; Fred M. Glass, Director of Aviation; Sidney Goldstein, General Counsel; Lee K. Jaffe, Director of Public Relations; A. L. King, Director of Marine Terminals; Dr. S. I. Kooperstein, Medical Director.

And C. J. Kushell, Jr., Director of Finance; Daniel L. Kurshan, Assistant to the Executive Director; John M. Kyle, Chief Engineer; Matthias E. Lukens, First Assistant to the Executive Director; James Clark McGuire, Director of Purchase and Administrative Services; Thomas S. Menkel, Special Assistant to the Executive Director; Eugene A. Mintkeski, Treasurer; A. Z. Schneider, Assistant to the Executive Director; Billings Wilson, Director of Operations and Director of Tunnels and Bridges.



On their fourth annual inspection of the Port of New York and New Jersey a group of New York Legislators get a panoramic view of Newark Airport from the outside observation deck of the new passenger terminal. The deck is on top of the west arcade to aircraft loading gates.

Mr. Doyle and Mr. Gilman are additions to the ranks of department heads. Mr. Gilman had been assistant to Walter P. Hedden, who was Director of Port Development, while Mr. Doyle had been deputy comptroller. Karl G. Clement, our former comptroller, resigned to take a position with a private company in Chicago, and Mr. Hedden retired after more than 30 years of outstanding public service with the Port Authority. Fortunately, he is available from time to time to consult with and counsel members of the staff on port problems.

Mr. Hedden came to the Port Authority in 1922, sixteen months after its establishment, and progressed through various responsible positions in a career that has paralleled the successful development of this bi-state agency.

### Seventeen Employees Win Medals

Our highest award, the Port Authority Medal of Honor, was awarded to three men: Roger Rush, a maintenance man, for his outstanding meritorious act at personal risk to himself in saving the life of Mrs. Loretta Forest in a fire on May 12, 1953; and to Traffic Officers Thomas J. Gannon and Robert F. Merz for their outstanding meritorious acts at personal risk to themselves in capturing two armed robbers at the Lincoln Tunnel on September 8.

The Authority's Distinguished Service Medal, which is awarded for unusually efficient and distinguished service, was presented to Messrs. Job



The president, Frank Hineson, and the vice-president, Otto Butzon, of the Port Authority Employees Association, which represents Port Authority operation and maintenance employees, meet for a discussion with Personnel Director John D. Foster and the Chief of Classification and Salary Administration, Edmond Bradfield.

Braen, Albert Cutillo, Horace Hastings, Edward J. McDonnell, and Joseph Pomponio, Sr.

The Commendation Medal was established in 1952 by the Commissioners in recognition of unusually efficient service characterized by specific



A group of New Jersey Legislators are addressed by Vice-Chairman Donald V. Lowe as the Legislators begin their fourth annual inspection of the Port at Newark Airport.



Austin J. Tobin, Executive Director, left, conferring in his office with, left to right, Roger H. Gilman, Director of Port Development; Daniel L. Kurshan, Assistant to Mr. Tobin; C. J. Kushell, Jr., Director of Finance; John M. Kyle, Chief Engineer, and Matthias E. Lukens, First Assistant to Mr. Tobin.

good conduct, judgment or initiative. As the result of the part they played in preventing the spread of a fire in our Washington Heights properties, Messrs. Frank Ruisz and Emery Schroeder were awarded the Commendation Medal.

In recognition of their alertness, courageous action and quick thinking in helping to apprehend the two armed criminals in the Lincoln Tunnel, Commendation Medals were awarded to Traffic Officers Nicholas Falabella, Donald Lachmund and Gene Miles. Officer Edwin Woodson, Jr., who also participated in this action, received an oak leaf cluster to the Commendation Medal he had previously won for his part in stopping a runaway truck at the Tunnel in May, 1952.

Traffic Officer Harold C. Myers, Jr., was awarded a Commendation Medal for disarming and capturing an armed assailant on the morning of August 23 and an oak leaf cluster to the first medal for apprehending two kidnapers at the Holland Tunnel on September 11.

Lieutenant Joseph L. Wissner earned the Commendation Medal for his courage and selfless conduct in warning the residents of a burning building and rescuing a frightened child in March, 1942. Traffic Officer Raymond Peterson received the medal for alerting the occupants of a burning building and staying with a panicky child until she was rescued, thus preventing her from jumping from a fifth story fire escape in September, 1942.

## Personnel Developments

During 1953, 128 new employees were added to the staff, an increase of 3.6 per cent over those employed at the end of the previous year. This indicates a leveling off of the staff as compared with the sharply increased number employed by the Port Authority during 1952 due to the growth in the number of our facilities and services and to the introduction of the 40-hour week for Port Authority policemen.

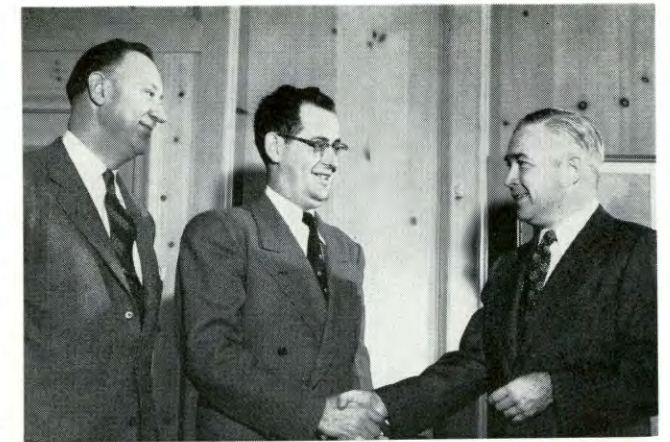
Three hundred and fifteen Port Authority employees were promoted in 1953 under our policy of promotion from within the staff, a policy which is departed from only where special skills or training are required which cannot be found among employees already in our service.

Of the 3,513 who applied for promotion examinations conducted during the year, 2,665 were admitted and 594 were placed on eligible lists.

Special promotion examinations were held for those who were in military service and thus unable to take advantage of promotional opportunities as they arose. Forty-eight employees were granted military leave, and 71 returned from service. The number on leave as of December 31 was 129.

As established by the Commissioners, our salary policy offers compensation and opportunities for advancement which will attract and hold the best qualified, available person for each position.

Implementation of this policy requires two dif-



Executive Director Austin J. Tobin presents a \$50 award for the Best Suggestion of the Year to Bill Welsh of the Grain Terminal as Marine Terminals Director Lyle King looks on. The suggestion has eliminated a work hazard.

ferent types of activity: One, constant study and comparison of all positions to maintain the best possible internal relationships between positions and between rates for various levels of work performed. Two, constant awareness of wage and salary conditions and trends in the community to assure that Port Authority salary levels compare favorably with those of progressive private companies, and state and municipal agencies.

Numerous limited surveys and one comprehensive annual salary survey are conducted in order to make such comparisons. In the 1953 annual survey alone, more than 70,000 individual salary rates were collected from 56 companies and agen-

tor, congratulates Officer Merz, Mrs. Merz and their two children at presentation ceremonies, and, right, congratulates Officer Gannon, who is holding daughter Anne. Both officers received their medals from Commissioner Bayard F. Pope. Center, Joseph M. Byrne Jr., then Port Authority Vice-Chairman, presents the Medal of Honor to Mr. Rush. Left below, Austin J. Tobin, the Executive Direc-

tor, congratulates Officer Merz, Mrs. Merz and their two children at presentation ceremonies, and, right, congratulates Officer Gannon, who is holding daughter Anne. Both officers received their medals from Commissioner Bayard F. Pope. Center, Joseph M. Byrne Jr., then Port Authority Vice-Chairman, presents the Medal of Honor to Mr. Rush. The Port Authority Medal of Honor was created in 1944.





*Victor Swallow, Properties Supervisor, addressing a group of new Port Authority employees as part of the Port Authority's general orientation program. This program is designed to provide new employees an opportunity to meet Executive Director Austin J. Tobin and other Port Authority officials, and to learn the details of the organization and operation of the Port Authority.*

cies, covering 50 different kinds of positions. As a result of this survey the Board of Commissioners authorized an increase to the payroll of 3.5 per cent for all employees receiving annual salaries of under \$10,000, effective December 27, 1953.

#### **Fifty-four Training Courses Offered**

During the year, 54 training courses, all job-related, were made available to employees. In all, 1,931 persons participated. Training programs now cover almost all areas of the Port Authority. To meet the needs in specific areas there were supervisors' forums last year, skills training classes, and a junior professional and administrative assistant trainee program. Forty-four young men and women have completed our trainee courses in the past six years and have gone on to responsible positions with the Port Authority.

A hundred and eighty-five employees participated in the Education Refund Plan under which reimbursement is provided participants for approved courses successfully completed at nearby colleges and trade schools. Seventy-two employees enrolled in college extension courses on effective communication, public speaking, and business administration held in the Port Authority.

By far the bulk of our training is conducted to improve performance on present jobs. Courses are carefully designed by the Personnel Department with the help of advisory committees composed of staff members familiar with all aspects of the problems being attacked. Most of our instructors are drawn from the staff.

#### **Suggestions and Security**

Of the 4,674 suggestions for operational improvements submitted by 1,568 employees, 451 won awards totaling \$5,064.

Membership in the Port Service Club was earned by 63 employees in 1953. This brought the total of active employees with 25 years or more of service to 112.

All eligible employees are members of the New York State Employees Retirement System and more than 90 per cent are members of the Group Life Insurance and Group Health Insurance programs. The Port Authority contributes about 55 per cent of the costs of retirement benefits, about half the cost of Employee Group Life Insurance and, for those with annual salaries below \$10,000, about 70 per cent of Hospitalization and Surgical-Medical coverage for employees and their families.

#### **Medical Program Is Expanded**

The Medical Department's program was physically expanded during the year to save employee time and to improve both preventive and emergency service, and it will be further extended in 1954 to serve builders of the Lincoln Tunnel Third Tube. Two new field clinics were opened, one at La Guardia Airport, in January, and the other at Newark Airport, in December.

A trailer clinic has been set up at the Weehawken end of the tunnel project. It will be moved to the New York end when a permanent, 3,000-



*Thirteen hundred boatriders pour off the S. S. John Meseck at Playland, Rye, N. Y. for a picnic during the annual outing sponsored by employees of the Port Authority.*

square-foot clinic is built and completely equipped to furnish on-the-spot, around-the-clock treatment for the 2,000 to 2,500 Third Tube sandhogs and other construction workers.

Medical Department office visits during 1953 totalled 20,684, pre-placement physical examinations 1,782, and annual examinations 3,291.

#### **Centralized Purchasing and Administrative Services**

The Purchase and Administrative Services Department purchased on a centralized basis for all departments operating equipment, supplies and services costing approximately \$5,764,000. This department also provided centralized administrative services including: a complete photographic service, which during the year produced approxi-

mately 8,000 new photographs, 2,000,000 square feet of ozalid reproductions, and 60,000 photostats; a library, which loaned approximately 7,500 books and other reference works, and filled approximately 9,000 requests for research material; a visual presentation unit, which built facility models and promotional exhibits for showings in over 60 locations throughout the Port District, the Midwest and Canada.

The Special Services unit conducted inspections and tours for over 10,000 government officials, business and professional people from 30 foreign countries and most of the 48 states, and Port District community groups.

The Department's cafeterias served to our employees more than 200,000 hot lunches during 1953 at nominal prices.

# Financial

## VII



**T**HE expanding activity of the Port District placed a greater demand during 1953 on the facilities of the Port Authority than ever before, emphasizing the importance of its maintaining a strong financial position in order to meet the heavy requirements of the immediate future for the construction of additional terminal and transportation facilities. Such facilities must be provided to keep pace with and to facilitate the growth of this, the greatest and most prosperous metropolitan community in the world.

The flow of vehicular, air and marine traffic is one of the most certain measures of employment and business activity in New York and Northern New Jersey. Its continuing increase foretells that entirely new or expanded vehicular arteries, bridges or tunnels, and terminals will be needed in the near future. The construction of those facilities which are either under way or anticipated will require the expenditure of more than \$500,000,000 by the Port Authority in the next ten years. This total does not include construction of the \$100,000,000 two-lane Third Tube of the Lincoln Tunnel.

### The Port Authority's Objectives

The basic objectives set for the Port Authority when the States of New Jersey and New York created it through the Port Compact of 1921 were

to promote and protect the flow of commerce into and through the New Jersey-New York Port, and to finance, construct and operate public terminal and transportation facilities.

At the same time the two States declared that the comprehensive and continuing program which the Legislatures outlined should ultimately be self-supporting. Thus, the maintenance of adequate reserves and the prudent management of its debt are vital to the success of our program.

A New Jersey Joint Legislative Committee, after a comprehensive study of the financial principles followed by the Commissioners of the Port Authority, affirmed:

“ . . . that the best interests of all the public would be served by retiring . . . indebtedness at as rapid a rate as the revenues would permit, thus insuring that The Port of New York Authority would be in such financial condition that it would undertake the establishment of new facilities if and when needed and authorized by the States of New Jersey and New York.”

### Debt Service and Reserves

The Port Authority has followed this recommended policy of retiring indebtedness as rapidly as prudent financial management would permit. Thus, while the Authority's investment in facilities has increased substantially, the funded debt has remained relatively constant at \$241,608,000. At the end of the year, \$24,160,800\* (includes interest) was held in cash and U. S. Government Bonds by the General Reserve Fund—equal to the required amount of 10 per cent of the Authority's outstanding debt. Debt service for the next two years amounts to \$28,218,000, while aggregate reserve balances at the year end were \$29,337,000.

The intensified activity during the year resulted in gross operating revenues of \$59,241,800, an increase of 10.1 per cent over the preceding year. After payment of operating expenses and debt service, \$4,386,600 were available for reserves. In 1953 an additional \$2,000,000 of obligatory debt retirements were paid from reserve funds and \$5,089,000 of debt was retired in anticipation of future requirements.

← *Wall and Nassau Streets, the center of the money market of the world. Here Port Authority bonds are sold on a nationwide scale to banks, insurance companies, trust funds, individuals and others seeking sound investments.*

The combined 1953 gross revenues of the General and Refunding Bond facilities which include the six vehicular bridges and tunnels, the four inland terminals, and the Port Authority Grain Terminal and Columbia Street Pier, were \$46,474,300, a gain of 7.1 per cent over 1952. Total operating, administrative, and development expenses increased 8.3 per cent to \$16,414,000, reflecting in large part increased maintenance costs at the bridges and tunnels. Thus, net operating revenues for these facilities amounted to \$30,060,200 or a net increase of 6.4 per cent.

### Facility Revenues

Combined gross revenues at La Guardia, New York International, Newark and Teterboro Airports reached a high of \$9,533,200 during 1953 or 20.4 per cent over those for 1952. Operating and administrative expenses amounted to \$8,069,700, representing an increase of 8.3 per cent. Thus, net operating revenues of \$1,463,500 before debt service were realized in 1953 compared with \$467,207 in 1952.

Port Newark, the only facility whose net revenues are pledged to secure Marine Terminal Bond debt service, produced gross revenues of \$2,913,000, a rise of 19.7 per cent over 1952. Operating, administrative, and development expenses for the year increased 9.7 per cent to \$1,878,400 and

resulted in net operating revenues of \$1,034,500 as compared with \$722,221 in 1952, a gain of 43.3 per cent.

The Hoboken-Port Authority Piers completed their first full year under Port Authority operation with gross revenues of \$321,200. Operating and administrative expenses were \$461,600, leaving a net operating deficit of \$140,400.

### Investment In Facilities

At the year end the Authority had \$479,782,000 invested in facilities, made up of the following facility totals:

Holland Tunnel . . . . .	\$ 54,342,000
Lincoln Tunnel . . . . .	130,651,000
George Washington Bridge . . . . .	75,244,000
Bayonne Bridge . . . . .	13,097,000
Goethals Bridge . . . . .	7,372,000
Outerbridge Crossing . . . . .	9,910,000
Port Authority Building . . . . .	19,400,000
Port Authority Bus Terminal . . . . .	23,532,000
New York Truck Terminal . . . . .	9,921,000
Newark Truck Terminal . . . . .	8,151,000
Grain Terminal, Columbia Street Pier . . . . .	3,306,000
Port Newark . . . . .	20,373,000
Hoboken-Port Authority Piers . . . . .	6,038,000
La Guardia Airport . . . . .	7,128,000
Newark Airport . . . . .	27,015,000
New York International Airport . . . . .	57,204,000
Teterboro Airport . . . . .	7,098,000
Total . . . . .	\$479,782,000

### The Consolidated Bond Role Increases

Of this total investment, \$59,500,000 represented proceeds of Port Authority Consolidated



The financial policies of the Port Authority are established or recommended to the Board by the Committee on Finance which was headed in 1953 by Commissioner Bayard F. Pope, center. Commissioner S. Sloan Colt, committee Vice-Chairman, is at the left, and Commissioner John F. Sly is at the right. Commissioners Horace K. Corbin and David Van Alstyne, Jr., the other committeemen, were not present for this picture.



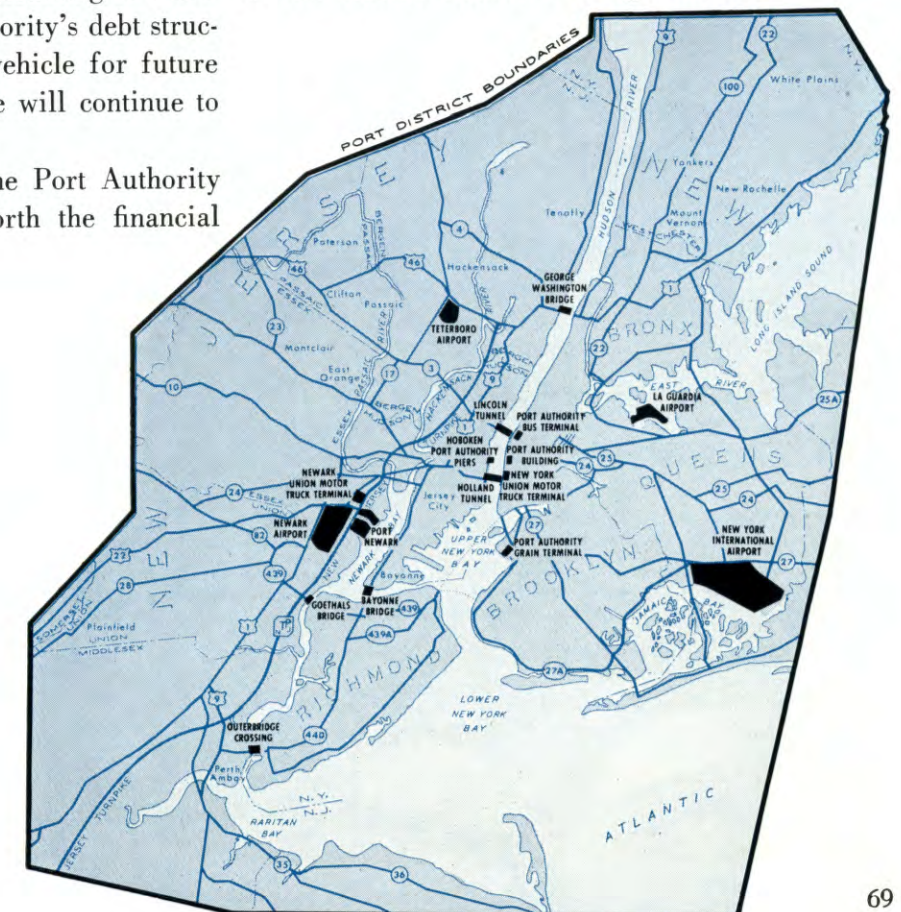
The Financial Department staff discussing the financial report. Left to right are Charles H. Carlson, Chief Accountant; Alexander Leslie, Credit Manager; Silvio L. Noschese, Assistant to the Director of Finance; Charles R. Welch, Assistant Treasurer; Eugene A. Mintkeski, Treasurer; Charles J. Kushell, Director of Finance; James J. Doyle, Comptroller; William D. McGuinness, Insurance Manager; J. Henry McCall, Manager Procedure Division; Robert G. Jacob, Deputy Comptroller; Raymond Black, Budget Officer; and Arthur J. Vigeland, General Auditor.

Bonds. As the outstanding amount of General and Refunding Air Terminal and Marine Terminal Bonds (which have a prior lien on facility revenues) gradually decreases, a greater proportion of facility net revenues becomes available through the General Reserve Fund to secure Consolidated Bonds. At December 31, 1953, 23 per cent of our outstanding funded debt was in the form of Consolidated Bonds. Thus this new type of bond, introduced in December, 1952, is assuming a more prominent place in the Port Authority's debt structure and, since it is the major vehicle for future financing, its relative importance will continue to increase.

The financial statements of the Port Authority presented in this section set forth the financial

position of its capital, operating and reserve fund accounts as at December 31, 1953, as well as its Revenues and Reserve Funds operations for the year then ended.

These statements and exhibits have been prepared from the financial accounts and records of the Authority which have been maintained in accordance with accepted accounting principles and practices and in conformance with the provisions of all related statutes and agreements.



# Ten Year Statement

## Net Revenues, Reserves, Funded Debt and Investment In Facilities 1944-1953

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
<b>NET REVENUES—(Note A)</b>										
Gross Operating Revenues .....	\$ 17,775,840	\$ 19,344,475	\$ 25,491,344	\$ 28,566,834	\$ 31,930,328	\$ 37,524,910	\$ 42,198,237	\$ 50,270,382	\$ 53,823,158	\$ 59,241,848
Operating Expenses .....	4,796,975	6,038,265	7,176,168	8,141,311	11,968,205	15,113,934	16,390,639	21,064,566	24,430,000	26,823,883
Net Operating Revenues .....	\$ 12,978,864	\$ 13,306,210	\$ 18,315,176	\$ 20,425,523	\$ 19,962,123	\$ 22,410,975	\$ 25,807,597	\$ 29,205,815	\$ 29,393,158	\$ 32,417,965
Other Income .....	90,771	167,626	184,610	276,118	259,219	255,374	360,565	294,023	352,000	319,261
Net Revenues .....	\$ 13,069,635	\$ 13,473,836	\$ 18,499,786	\$ 20,701,641	\$ 20,221,342	\$ 22,666,349	\$ 26,168,162	\$ 29,499,839	\$ 29,745,158	\$ 32,737,226
Debt Service .....	7,352,292	7,100,746	7,114,756	7,161,062	7,500,107	8,486,838	11,243,082	11,345,907	10,520,681	28,350,534
Available for Reserves .....	\$ 5,717,343	\$ 6,373,088	\$ 11,385,028	\$ 13,540,579	\$ 12,721,235	\$ 14,179,510	\$ 14,925,078	\$ 18,153,932	\$ 19,224,477	\$ 4,386,692
<b>RESERVES</b>										
Additions to Reserves										
Revenues Available for Reserves as above .....	\$ 5,717,343	\$ 6,373,088	\$ 11,385,028	\$ 13,540,579	\$ 12,721,235	\$ 14,179,510	\$ 14,925,078	\$ 18,153,932	\$ 19,224,477	\$ 4,386,692
Income from Reserve Fund Investments .....	219,296	670,897	313,460	506,793	365,524	479,840	1,693,518	438,539	631,729	765,066
Total Additions .....	\$ 5,936,639	\$ 7,043,985	\$ 11,698,488	\$ 14,047,372	\$ 13,086,759	\$ 14,659,350	\$ 16,618,596	\$ 18,592,471	\$ 19,856,206	\$ 5,151,758
Deductions from Reserves										
General Reserve Debt Service .....	\$ 815,400	\$ 911,211	\$ 2,854,604	\$ 2,931,250	\$ 3,806,633	\$ 1,741,476	\$ 9,090,000	\$ 4,625,424	\$ 9,155,649	\$ 2,097,949
Debt Retirement Acceleration .....	—	1,833,631	1,562,070	2,598,322	9,469,053	7,197,417	17,113,000	11,675,044	12,592,747	5,089,015
Capital Expenditures .....	500,000	1,000,000	—	—	537,961	3,028,217	749,047	—	—	—
Adjustment to Reduce Cost of Reserve Fund Securities to Market .....	—	—	—	—	—	—	—	761,854	68,071	( 375,895)
Debt Refunding Expense .....	1,771,069	1,419,575	—	—	—	—	—	—	—	—
Restoration and Improvement—(Note B) .....	1,300,000	925,000	—	—	( 1,723,947)	—	—	—	—	—
Employees Retirement and Insurance—(Note B) .....	—	—	—	—	—	( 5,597,764)	—	—	—	—
Total Deductions .....	\$ 4,386,469	\$ 6,089,417	\$ 4,416,674	\$ 5,529,572	\$ 12,089,700	\$ 6,369,346	\$ 26,952,047	\$ 17,062,322	\$ 21,816,469	\$ 6,811,069
Net Changes in Reserves .....	1,550,169	954,569	7,281,814	8,517,799	997,059	8,290,004	( 10,333,451)	1,530,148	( 1,960,262)	( 1,659,311)
Reserves—At Year End										
General Reserve .....	15,718,724	16,673,293	18,932,900	21,573,500	23,399,900	31,289,400	24,843,800	23,717,200	24,168,800	24,160,800
Special Reserves .....	—	—	5,022,208	10,899,408	10,070,067	10,470,573	6,582,721	9,239,470	6,827,608	5,176,297
Total .....	\$ 15,718,724	\$ 16,673,293	\$ 23,955,108	\$ 32,472,908	\$ 33,469,967	\$ 41,759,973	\$ 31,426,521	\$ 32,956,670	\$ 30,996,408	\$ 29,337,097
<b>FUNDED DEBT—AT YEAR END</b>										
General and Refunding Bonds—(Note C) .....	\$179,372,000	\$161,620,000	\$176,326,000	\$179,624,000	\$168,696,000	\$217,530,000	\$146,358,000	\$140,772,000	\$113,288,000	\$ 98,215,000
Air Terminal Bonds .....	—	—	—	—	30,000,000	61,400,000	74,400,000	74,400,000	74,400,000	72,384,000
Marine Terminal Bonds .....	—	—	—	—	7,000,000	7,000,000	10,000,000	10,000,000	10,000,000	9,009,000
Consolidated Bonds .....	—	—	—	—	—	—	—	—	35,000,000	55,000,000
Other—(Note C) .....	800,000	21,500,000	13,003,000	36,111,000	28,303,000	26,964,000	17,680,000	12,000,000	9,000,000	7,000,000
Total .....	\$180,172,000	\$183,120,000	\$189,329,000	\$215,735,000	\$233,999,000	\$312,894,000	\$248,438,000	\$237,172,000	\$241,688,000	\$241,608,000
<b>INVESTMENT IN FACILITIES—AT YEAR END</b>	\$238,213,900	\$239,353,800	\$242,363,800	\$251,351,000	\$292,365,600	\$330,511,500	\$370,760,000	\$393,239,400	\$437,530,200	\$479,782,100

NOTE A—This total is presented for general information purposes; the net revenues of the various groups of facilities for the years listed were pledged in support of particular issues of bonds without availability for other bonds or for expenses of facilities financed by other bonds, except through the medium of the General Reserve Fund.

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.

NOTE C—Bonds outstanding at the end of 1949 include duplication of debt to the extent of \$54,000,000 issued during the year, proceeds of which were used to refund Fourth Series General and Refunding Bonds in 1950, and at the end of 1951, \$3,000,000, proceeds of which were used to refund Series W Notes in 1952.

February 5, 1954

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

In our opinion, the accompanying statement of financial position and related statements of revenues and reserve funds operations fairly present the financial position of The Port of New York Authority at December 31, 1953 and the results of its operations for the year then ended, in conformity with accounting principles set forth in Note A of Notes to Financial Statements, applied on a basis consistent with that of the preceding year. 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.

*Price Waterhouse & Co.*

## Revenues and Reserve Funds Operations

Year ended December 31,

	1953		1952	
	Operating funds (See accompanying statement.)	Reserve funds	Combined total (Note A-7)	Combined total (Note A-7)
GROSS OPERATING REVENUES .....	\$59,241,848	\$ —	\$59,241,848	\$53,823,158
OPERATING EXPENSES (Note A) .....	26,823,883	—	26,823,883	24,430,000
Net Operating Revenues .....	\$32,417,965	\$ —	\$32,417,965	\$29,393,158
<b>OTHER INCOME</b>				
Income on investments—net .....	319,261	765,066	1,084,327	983,730
Security valuation adjustment .....	—	375,895	375,895	(68,071)
	\$32,737,226	\$ 1,140,961	\$33,878,188	\$30,308,817
<b>OBLIGATORY DEBT SERVICE</b>				
Interest on funded debt .....	(4,171,864)	(97,949)	(4,269,814)	(4,486,330)
Serial maturities and sinking fund requirements .....	(6,678,670)	(2,000,000)	(8,678,670)	(6,190,000)
Short-term note maturities (Note A-6) .....	(17,500,000)	—	(17,500,000)	(9,000,000)
<b>APPROPRIATIONS FROM RESERVE FUNDS AND DISPOSITION OF REVENUES</b>				
Debt retirement acceleration .....	—	(5,089,015)	(5,089,015)	(12,592,748)
Transfers to and from reserves—net .....	(4,386,692)	4,386,692	—	—
	\$ —	—	—	—
NET CHANGE IN RESERVES .....	—	(\$ 1,659,311)	(\$ 1,659,311)	(\$ 1,960,262)

## Financial Position

December 31,

	1953				1952
	Capital funds	Operating funds	Reserve funds	Combined total	Combined total
<b>ASSETS</b>					
INVESTMENT IN FACILITIES (Note A)	\$479,782,158	\$ —	\$ —	\$479,782,158	\$437,530,238
CASH	988,129	2,234,445	243,100	3,465,675	3,192,953
<b>INVESTMENT IN SECURITIES</b>					
U. S. Government securities	35,989,210	6,102,108	29,062,391	71,153,710	68,502,622
The Port of New York Authority bonds	—	—	—	—	2,217,765
Accrued interest receivable	297,770	46,778	42,285	386,834	296,978
	\$ 36,286,981	\$ 6,148,886	\$29,104,677	\$ 71,540,545	\$ 71,017,366
<b>OTHER ASSETS</b>					
Accounts receivable, prepaid insurance and sundry accounts	895,023	4,420,274	—	5,315,297	3,857,298
ADVANCES FOR WORKING CAPITAL	2,100,000	—	—	2,100,000	1,750,000
<b>TOTAL ASSETS</b>	<b>\$520,052,292</b>	<b>\$12,803,606</b>	<b>\$29,347,777</b>	<b>\$562,203,676</b>	<b>\$517,347,856</b>
<b>LIABILITIES</b>					
FUNDED DEBT	\$241,608,000	\$ —	\$ —	\$241,608,000	\$241,688,000
DEBT RETIRED THROUGH INCOME	227,329,121	—	—	227,329,121	193,723,857
RESERVES	—	—	29,337,097	29,337,097	30,996,408
ACCOUNTS PAYABLE, ACCRUED EXPENSES AND DEPOSITS	4,201,765	6,107,513	10,680	10,319,959	8,747,092
COMMITMENTS (Note A-4)	42,130,958	1,290,110	—	43,421,069	30,315,264
APPROPRIATIONS PENDING COMMITMENT (Note A-4)	4,782,446	179,587	—	4,962,033	7,445,586
PROVISION FOR SELF-INSURANCE	—	633,117	—	633,117	247,198
DEFERRED CREDITS TO INCOME	—	2,493,277	—	2,493,277	2,434,446
LIABILITY FOR WORKING CAPITAL ADVANCES	—	2,100,000	—	2,100,000	1,750,000
<b>TOTAL LIABILITIES</b>	<b>\$520,052,292</b>	<b>\$12,803,606</b>	<b>\$29,347,777</b>	<b>\$562,203,676</b>	<b>\$517,347,856</b>

## Notes to Financial Statements

December 31, 1953

## NOTE A—ACCOUNTING PRINCIPLES:

- 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 nor 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. Accounts of the Authority are maintained in accordance with (1) generally accepted accounting principles and (2) the principles set forth in this Note which are based on resolutions of the Commissioners, agreements with bondholders, and on the Authority's interpretation of applicable statutes and agreements.
- Deductions have been made from revenues and reserves for amounts equal to payments to sinking funds and other maturity payments on debt. These deductions are credited to the account "debt retired through income," and constitute the effective recovery of facility costs. Therefore, no separate deductions for depreciation are required.
- "Investment in facilities" consists primarily of amounts expended to acquire, construct, place in operation and improve the various facilities of the Port Authority and includes the net discount and expense incurred in connection with bonds and notes issued for construction purposes as well as the net interest expense during the period of construction.
- Commitments are recorded in the accounts at the time contracts are awarded and as orders are placed for construction work, supplies, etc. Certain appropriations pending commitment are also recorded at each year end.
- In the opinion of its General Counsel, the Authority is not subject to federal, state or local taxation, unless both the States of New York and New Jersey, by statute, expressly consent to such taxation. The Authority, however, has been authorized by the States to enter into voluntary agreements with municipalities to pay a fair annual sum in lieu of taxes upon property acquired for air, inland and marine terminals.
- In accordance with provisions of the resolution establishing the issue of Consolidated Bonds, debt service on future bond and note issues of the Authority is secured, first, by revenues of facilities financed wholly by Consolidated Bonds, and secondly, by the General Reserve Fund. Short-term Consolidated Notes, issued during 1953 in connection with the refunding of long-term obligations in advance of sinking fund

requirements or for other purposes, which were paid off at maturity from current net revenues, are reflected as obligatory debt service of Consolidated Bonds.

- The combined total revenues as shown on the statement of revenues and reserve funds operations is presented for general information purposes only and the amounts stated do not represent net revenues applicable to any type of bonds. The disposition of net revenues related to General and Refunding, Air Terminal, Marine Terminal, and Consolidated Bonds is set forth in the statement of Operating Funds Revenues.

## NOTE B—CONTINGENT LIABILITIES:

- 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 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. The lease further provides that a substantial portion of this amount shall be expended prior to June 1, 1954. While the dollar requirements of the latter provision will not have been expended by that date, the Authority is proceeding steadily with the development of the modern air facilities contemplated in the agreement.

Under an agreement with The City of Newark dated October 22, 1947 for the lease to the Authority of the Newark Marine and Air Terminals, the Authority agreed to provide funds up to the sum of \$70,500,000 in the aggregate, if necessary, for the development of said terminals. A substantial portion of this amount is to be expended prior to March 22, 1955.

Under an agreement with The City of Hoboken dated September 24, 1952, for the lease to the Authority of the Hoboken Piers, the Authority agreed to provide funds prior to October 1, 1960, up to the sum of \$15,000,000 (adjusted to October 1952 costs) in the aggregate, if necessary, for the rehabilitation, expansion, improvement and development of said piers. A substantial portion of this amount is to be expended prior to October 1, 1956.

The aforementioned leases with the Cities of New York and Newark expire upon the payment by the Authority of all of its funded debt issued in connection with the air and marine terminals leased from the Cities or in the years 1997 and 1998, respectively, whichever occurs sooner. The lease with Hoboken will expire in the year 2002, unless in accordance with the lease provisions a fifty-year extension of the lease is executed on or before that date.

# Operating Funds Revenues

Year ended December 31, 1953

	<i>Related to</i>				<i>Total (Note A-7)</i>
	<i>General and Refunding Bonds</i>	<i>Air Terminal Bonds</i>	<i>Marine Terminal Bonds</i>	<i>Consolidated Bonds (Note A-6)</i>	
GROSS OPERATING REVENUES .....	\$46,474,313	\$9,533,260	\$2,913,058	\$ 321,214	\$59,241,848
OPERATING EXPENSES .....	16,414,069	8,069,700	1,878,465	461,648	26,823,883
Net Operating Revenues .....	\$30,060,244	\$1,463,560	\$1,034,593	(\$ 140,433)	\$32,417,965
OTHER INCOME .....					
Income on investments—net .....	265,843	49,536	3,882	—	319,261
	\$30,326,087	\$1,513,097	\$1,038,475	(\$ 140,433)	\$32,737,226
OBLIGATORY DEBT SERVICE					
Interest on funded debt .....	(1,774,589)	(1,964,062)	(241,000)	(192,212)	(4,171,864)
Serial maturities and sinking fund requirements ..	(6,490,480)		(188,190)		(6,678,670)
Short-term note maturities (Note A-6) .....				(17,500,000)	(17,500,000)
TRANSFERS TO AND FROM RESERVES					
Appropriations from General Reserve to cover net deficits .....		450,965		17,832,645	18,283,610
Disposition of revenues					
To General Reserve—(to bring to 10% of funded debt) .....	(21,066,408)		(581,816)		(21,648,224)
To special reserves .....	(994,609)		(27,469)		(1,022,078)
NET BALANCE .....	\$ —	\$ —	\$ —	\$ —	\$ —

## Summary of Proceedings Affecting the Port's Commerce

Under the Port Compact, the Port Authority has a duty to intervene in proceedings before governmental regulatory agencies that affect the commerce of the Port. During the year the Port Authority participated in the following proceedings involving transportation routes and rates in an attempt to correct situations within the Port District that hamper commerce locally or to preserve or enhance the Port of New York's position in relation to all other competitive ports:

### I.C.C. Docket I & S M-3509—Inside Pickup and Delivery.

This proceeding involved an extra charge by motor carriers on freight delivered in the East to consignees inside all buildings. The Port Authority argued that no such extra charge should be levied on deliveries into buildings equipped at great expense with special truck elevators to permit movement of vehicles to any floor for delivery. A report favorable to the Port Authority position was issued by an I.C.C. examiner, but further hearings were ordered to determine inside delivery rules by motor carriers.

### I.C.C. Docket I & S M-3929—Surcharges New York State.

Following establishment in 1951 of ton-mile tax on motor carriers by New York State, these carriers published increased rates in the form of surcharges to offset the tax. The Port Authority protested and intervened in the proceeding to show that assessment of surcharges was an illegal method of recouping an ordinary business expense, and that such extra charges discriminated against shipments moving to and from the Port of New York. The I.C.C. ordered cancellation of surcharges effective October 15, resulting in estimated savings of \$1,500,000 a year in trucking charges to shippers and consignees.

### PSCNY Docket 12877—General Investigation, New York Motor Carrier Rates.

An investigation of motor carrier rates, regulations and practices was ordered by Public Service Commission of New York State to prescribe uniform rate structure. The Port Authority participated in this proceeding to protect the competitive position and regional unity of the Port of New York. Following issuance of the report by the Public Service Commission in May, 1952, prescribing new motor class rate structure for the State, a committee composed of Public Service Commission officials, motor carrier representatives, and shippers formed to review results of the new rate structure. This proceeding is being continued pending conclusion of study and submission of committee report.

### FMB Docket 706—Port Authority vs. Swedish Steamship Lines.

In 1950 five Scandinavian steamship lines assessed extra charges on woodpulp imported via the Port of New York, without assessing similar charges at other ports. A complaint was filed by the Port Authority to prevent an additional discriminatory charge against New York-New Jersey port and diversion of woodpulp shipments to other ports. Over-ruling the examiner's recommendation that the extra charge be dropped, the Federal Maritime Board in May stated no injury to the Port of New York had been shown and ordered complaint dismissed. A petition for reopening and reconsideration was filed by the Port Authority in August. Action on petition is pending.

### Civil Action #597—United States District Court, Southern District of Florida.

In 1947 the I.C.C. permitted the railroads to assess extra charges to unload fresh fruits and vegetables from carfloats to New York City pier stations. The I.C.C. reduced these charges in May, 1952 but permitted the principle of an extra charge to stand despite opposition of the Port Authority and

members of the produce trade and shippers. A new complaint was filed by the Port Authority, growers and shippers, the U. S. Department of Agriculture and the City of New York but was dismissed by the I.C.C. in December, 1952. The importance of the issue led to court action in the District Court of Florida, brought by Florida fruit and vegetable interests, the City of New York, the U. S. Department of Agriculture, and the Port Authority. In September, the I.C.C. action was upheld by the District Court in 2-to-1 decision. Appeal to United States Supreme Court has been made, since imposition of extra charge for unloading sets a dangerous precedent which could lead to similar charges on commodities other than fresh fruits and vegetables.

### I.C.C. Dockets I & S 5641 and I & S 5990—Ex-Lake Grain, Buffalo to North Atlantic Ports.

A decision of United States Supreme Court in 1951 permitted equalized rates on export grain moving from Great Lakes ports through North Atlantic ports. Despite this, railroads serving the ports of Baltimore and Philadelphia cut grain rates to restore the advantage formerly held by them. New York railroads thereupon reduced their rates to restore equalization authorized by the Supreme Court. Both reductions were suspended by the I.C.C., which called for investigation. The Port Authority presented testimony in support of the New York railroads in a hearing held in December, 1952. The I.C.C. examiner issued a report in November, 1953 favorable to New York, recommending continuation of equalization. Disposition is still pending.

### I.C.C. Docket I & S 6074—Iron Ore, Eastern Ports to Midwest Points.

Following publication of rates by the Pennsylvania Railroad placing the Port of Philadelphia on a par with Baltimore with respect to import iron ore destined to Western Pennsylvania, Ohio and West Virginia, the New York Central and Erie Railroads also reduced rates to equalize rates at New York with Baltimore and Philadelphia. Baltimore railroads then cut the Baltimore rate to reflect the customary port differential. In retaliation, the Philadelphia rate was cut again to bring about equalization with Baltimore. The I.C.C. suspended all of the rate cuts and ordered a hearing. The Port Authority intervened to present evidence and testimony in support of rate equalization of import iron ore from the Port of New York as published by the New York Central and Erie Railroads. The proposed report issued in September by the I.C.C. examiner supports rate equalization on import iron ore. Exceptions to the I.C.C. report were filed by Baltimore and Philadelphia interests and, in turn, the Port Authority and New York railroads filed replies to these exceptions. Final action by the I.C.C. is awaited.

### I.C.C. Docket I & S M-5080—Imported Cheese, Safeway Truck Lines.

To meet rail competition, Safeway Truck Lines, Inc. lowered its motor carrier rate on imported cheese moving from the Port of New York to Midwest points to a level equal to the rail rates in effect from New Orleans and Baltimore. The revised rates were opposed by other motor carriers, and by railroads and port interests at Baltimore and Philadelphia. The I.C.C. suspended the new Safeway rates and ordered an investigation. The Port Authority supported the position of Safeway and filed testimony in October. Further action of the Commission is awaited.

### FMB Docket 700—Jurisdiction at Railroad-Owned Piers.

A complaint was filed by Philadelphia motor carriers against discriminatory practices as to free time allowed on motor freight at Philadelphia railroad-owned piers. The Port Authority intervened in order to support the Federal Maritime Board's assumption of jurisdiction over the pier practices of railroads. The I.C.C. disclaimed jurisdiction. By decision in February, 1952, the F.M.B.

assumed jurisdiction over railroad pier practices, and ordered the discriminatory practices to cease. The decision of the F.M.B. was appealed by the railroads to U. S. Third Circuit Court of Appeals which affirmed that the F.M.B. has the power to regulate practices on railroad piers.

**New Intercoastal Certificate Applications—Dockets W-338 Sub 7, W-1033 Sub 2, W-1041.** To assure proper background for appraising applications by various steamship companies for authority to participate in intercoastal shipping, the Port Authority prepared a special report on the intercoastal shipping situation at the Port of New York in March, 1952. The report pointed out intercoastal service should be expanded primarily by companies which have an interest in the intercoastal trade itself and not merely as an incidental part of foreign operations. The report also pointed out that on special commodities such as lumber, the needs of the trade could not be satisfied by existing carriers so that new companies should be certificated to carry lumber eastbound from North Pacific coast ports to New York Harbor. During 1953 the Port Authority made careful analyses and evaluations of intercoastal steamship service applications to the I.C.C. from a number of steamship companies. The Port Authority in each instance made recommendations consistent with the findings of the special study made in 1952.

**Docket 31014—Alabama Great Southern, et al vs. Seatrains Lines, et al.** In March, 1952 the railroads competitive with Seatrains requested the I.C.C. to investigate relationships between all railroads and Seatrains Lines, Inc., a coastwise carrier serving the New Jersey-New York Port District which operates railroad car ferry vessels transporting loaded freight cars. To protect coastwise water service by car ferry, which is essential to Port of New York commerce, the Port Authority will intervene and urge continuance of this type of water carrier service. The matter is still pending before the I.C.C.

**W-543 Sub 3—Seatrains Lines Extension to Savannah, Georgia.** The Port Authority supported the application by Seatrains Lines for a certificate to operate coastwise service between Edgewater, New Jersey and Savannah, Georgia. A proposed report by an I.C.C. examiner in June, 1953 supported the position taken by the Port Authority and recommended granting of permanent authority to Seatrains. Opposing railroads, in attempts to block issuance of a certificate, filed exceptions to the proposed report. Replies to these exceptions were filed by the Port Authority.

**I & S 5946—Cancellation Routing, Ocean Steamship Company to Savannah, Georgia.** Eastern and Southern rail carriers appealed to the I.C.C. to permit cancellation of joint rail and water rates and routes with Ocean Steamship Company to Savannah, a non-operating certificated coastwise carrier. A protest and testimony were filed by the Port Authority in opposition to the railroads since cancellation of rates and routes would hamper resumption of coastwise service by this line or another carrier which might take its place. The I.C.C. decision found the proposed cancellation to be unjust and unreasonable.

**W-896 Sub 9 and 11—Newtex Steamship Company, Extension Application.** To stimulate movement of sulphur to the Port of New York for transshipment to interior points, the Port Authority intervened in support of the Newtex Steamship Cor-

poration for certificate to transport sulphur from Texas ports to North Atlantic ports. Such service would bolster New York's coastwise shipping position. The I.C.C. granted the certificate to Newtex on a permanent basis in February, 1953.

## Route Matters Ruled on by the Civil Aeronautics Board

**I**n fulfillment of its statutory duty the Port Authority participated during 1953 in a number of cases before the Civil Aeronautics Board and urged improvement in the type, quantity, or caliber of air services to and from the Port District. The most important of these cases were concerned with:

**Trans-Atlantic All-Cargo Service.** The Port Authority on October 2 filed a brief urging certification of one or more U.S.-flag all-cargo air carriers to specialize in all-cargo service between U.S. and Europe and Middle East. Six airlines, in a case now before the C. A. B., are requesting certificates to provide such service without government subsidy.

**Improved Service to Pittsburgh and Buffalo.** The Port Authority is supporting the application of Capital Airlines to provide competitive turnaround service between the Port District and Pittsburgh, and, without indicating a choice of carrier, is supporting the applications of Capital Airlines, Colonial Airlines, National Airlines, and United Air Lines to provide competitive trunkline single-plane service between the Port District and Buffalo. Applications are now before the C.A.B.

**Service to Pacific Northwest.** An application of United Air Lines for one-stop service between the Port District and the Pacific Northwest and the application of Northwest Airlines for inclusion of Chicago on its routes between the Port District and the Pacific Northwest have been pending in the C.A.B. The Port Authority urged the C.A.B. to give concurrent consideration and their approval of these applications to maintain competitive balance, and at the same time enable the carriers to provide greater volume and better express-type service between the areas. The C.A.B. decided to consider these applications concurrently.

**Service to New Jersey and Pennsylvania.** The C.A.B. renewed through 1956 the certificate of Allegheny Airlines (formerly All-American Airways) to provide service between the Port District and points in New Jersey and Pennsylvania, and granted a request to extend Allegheny's route to additional cities. The Port Authority supported the requests.

**Service to South America.** The Port Authority reiterated its position in a re-opened C.A.B. case by urging authorization of competitive U.S.-flag single-plane through service between the Port District and South America's West Coast by means of equipment interchange at Miami, and except where inconsistent with traffic volumes and operating patterns through service between the Port District and points in South America, the West Indies, and the Canal Zone.

**Air Taxi Service.** On September 16 the C.A.B. modified regulation of air taxi operators and redefined the scope of such operations, and included helicopter taxis. The Port Authority participated in the rule-making procedure leading to the modifications.

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