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THE PORT OF NEW YORK AUTHORITY

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TWENTY-NINTH ANNUAL REPORT

THE PORT OF NEW YORK AUTHORITY

Twenty-Ninth

Annual Report

The Port of New York Authority

For the Year Ended December 31, 1949



HONORABLE ALFRED E. DRISCOLL
Governor of the State of New Jersey



HONORABLE THOMAS E. DEWEY
Governor of the State of New York

In 1921 the States of New Jersey and New York agreed in their Port Treaty that:

"A better coordination of the terminal, transportation and other facilities of commerce in, about and through the Port of New York, will result in great economies, benefiting the nation, as well as the States of New York and New Jersey;"

and the two States agreed that:

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

They decided that:

"Such result can best be accomplished through the cooperation of the two States by and through a joint or common agency."

New Jersey and New York therefore pledged:

"each to the other, faithful cooperation in the future planning and development of the Port of New York, holding in high trust for the benefit of the nation the special blessings and natural advantages thereof."

COMMISSIONERS—NEW JERSEY
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CHAS. H. SELLS

THE PORT OF NEW YORK AUTHORITY

111 Eighth Avenue at 15th Street New York 11 NY

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

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

WE HAVE THE HONOR AND PRIVILEGE to report to Your Excellencies that during 1949 the Port Authority, favored with your constructive cooperation and advice, has gone forward with its obligations under the Port Treaty of 1921 to develop public terminal and transportation facilities in the New Jersey-New York Port District, and to develop and promote the commerce of the Port.

Substantial progress has been made on our vast construction program for the improvement of land, sea and air terminals in this vital transportation and business center. During the past year we have made significant strides toward providing for the Port of New York and the nation, under a program initiated six years ago, public terminal facilities capable of handling the enormous volume of commerce that naturally seeks the surest, fastest, cheapest route to and from American producing and consuming centers.

The first of our great union motor truck terminals, the four-block-long New York Union Motor Truck Terminal, was dedicated on October 31. The second, the Newark

Union Motor Truck Terminal, the largest in the world, will be completed in August. These modern terminals not only will serve the trucking industry and labor by promoting efficiency in the handling of the growing volume of truck freight; they will also help in the continuing problem of traffic congestion in the metropolitan area.

Construction of the Port Authority Bus Terminal, a major factor in our determined efforts to help relieve streets in the metropolitan area of traffic that can be more expeditiously handled through union terminals, is on schedule and will be ready for operation before the end of 1950. This great public terminal will remove from the streets of mid-Manhattan the 2,500 huge intercity buses that daily enter and depart from that area. At the same time it will provide modern, convenient terminal facilities for the 60,000 bus commuters who travel between New Jersey and New York every day.

Since assuming responsibility for financing, improving and operating the four major airports in the New Jersey-New York Port District—Newark Airport and Teterboro Airport in New Jersey, and La Guardia Airport and New York International Airport in New York—the Port Authority has spent or committed about $44,617,135, of which $20,455,530 was accounted for in 1949. Our 1950 budget contemplates the expenditure of an additional $21,070,300.

As a result of the efforts of Governor Dewey, with the concurrence of Governor Driscoll, a memorandum agreement to be used as a basis for new contracts at New York International Airport was signed last August by the Port Authority and several major airlines. The agreement contemplated that the Port Authority and the airlines would proceed with the preparation of twenty-five-year contracts incorporating its terms. Such contracts are in the course of preparation.

We made significant progress in the improvement of Port Newark's facilities and business. Since we undertook to improve and operate this vital public marine terminal in March 1948, we have spent or committed more than $7,000,000 on port facilities, and have increased shipping activities some 20 per cent over 1948 and about 50 per cent over the best previous year under operation by the City of Newark. Port Newark commerce increased at a time when shipping at most United States ports, as well as in parts of the Port of New York, showed a marked decline.

Our Grain Elevator and Pier on Gowanus Canal, and the adjoining Columbia Street Pier, continued to play an important part in handling commerce in the Port. The property was improved through the paving and rehabilitation of a five-acre public storage area.

At Governor Driscoll's request, the Port Authority resurveyed the New Jersey water front within the Port District to determine whether it would be feasible and economic to improve the New Jersey shore with marine terminals. A report on the resurvey was made to Governor Driscoll and was released by him on February 14, 1949. The proposals included in the report are still pending, including those for the improvement of the Hoboken and Jersey City water fronts.

At Mayor William O'Dwyer's request, the Port Authority on April 27, 1949 submitted to the City of New York a proposal for a $91,000,000 program for developing and operating the municipally owned water-front facilities under the terms of a fifty-year lease. The proposal was based upon a restudy of our $114,000,000 pier program furnished to the City at its request in February 1948. The Board of Estimate rejected the second proposal, as it had earlier declined to accept the first.

We enjoyed a record year of success in our vigorous efforts, under our statutory obligation, to promote the commerce of the New Jersey-New York Port. Our Chicago, Cleveland and Washington offices, as well as our New York office, were able to promote the routing of important types and volume of imports and exports through this Harbor. We continued to protest rate rigging in favor of other port areas that would subject this Port to unfair competition.

Traffic over our trans-Hudson and Staten Island tunnels and bridges continued to increase, and the year's total exceeded all previous figures.

For many years we have studied the financial and operational problems involved in the establishment of a commutation rate on our Hudson River crossings. We came to the conclusion that it would be possible for us to put into effect a commutation rate, and, at

the same time, to maintain a sound financial standing; to meet the public commitments of the Port Authority; to carry deficits during the development period of the airports, bus terminal and motor truck terminal projects; and to finance a continuing program of port development under the provisions of the Port Compact. On January 12, 1950 we approved the establishment for passenger cars on these crossings of a forty-trip ticket for $10, good for thirty days. This commutation rate became effective on June 15, 1950.

It is with considerable gratification that the Port Authority can report that the financial condition of your agency, considering its obligations and the enormous costs of a continuing program of port and highway development, is satisfactory. The soundness of our credit gives us the opportunity to serve the people of this metropolitan area through the development of public facilities and the promotion of commerce as described in this letter and the full report that follows.

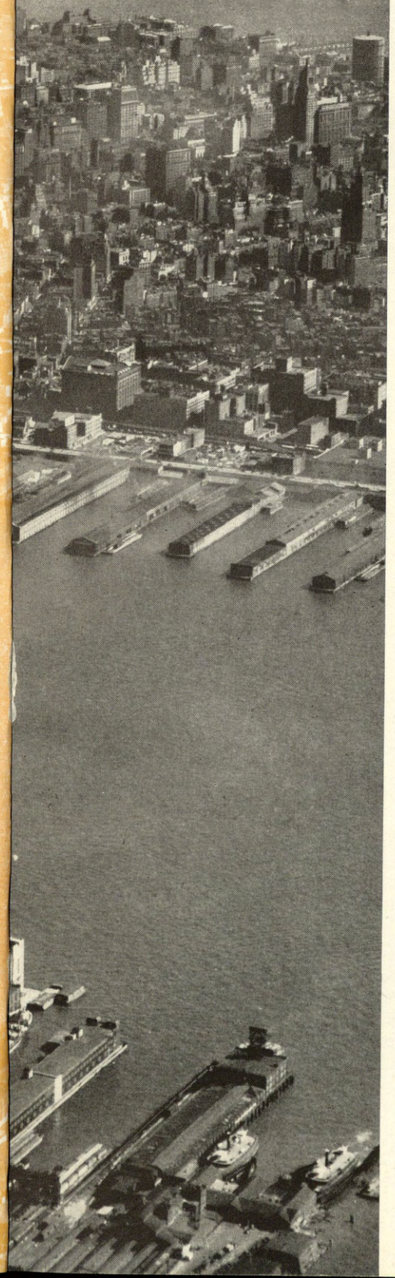
Respectfully submitted,

July 15, 1950 New York, N. Y.

Twenty-Ninth

Annual Report

The Port of New York Authority



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The New Jersey-New York Harbor in 1874 and, opposite, as it looks today.

The Port of New York Authority

The metropolitan region of New Jersey and New York has developed around the greatest harbor in the world. A port of many ports, it extends along 650 miles of water front. Numerous cities border the shores, and a state boundary line runs down the center of the Hudson River and of the harbor.

The growth of all of the sections that make up this bi-state port has been stimulated by an identical force. The destinies of all parts of the Port will always be bound together, since all the parts go to make up this one great business, industrial and residential center.

The trade and commerce that nourish the harbor area, in which reside some 9 per cent of the population of the United States, has brought with it problems of congestion, duplication of effort, and wasteful competition. It was these problems, all regional in character, which brought about the creation of The Port of New York Authority in 1921. They are problems that call for integrated port development and planning, for consolidated union freight terminals, and for the elimination of congestion, duplication and waste in the handling and flow of commerce. Such problems cannot be confined within the artificial compartments of state, county and municipal boundary lines.

The founders of The Port of New York Authority realized this; they recognized that the New Jersey-New York Port is a geographic and economic unit. They understood that

its transportation problems—land, sea and air—required a regional approach and a regional solution by a regional port development agency.

The treaty creating the Port Authority sets up a geographic district known as the Port of New York District, which includes, roughly, that part of the metropolitan area in New Jersey and New York lying within a radius of about twenty-five miles of the Statue of Liberty. All of the port areas of the separate municipalities of the Harbor are within this District.

The Port Compact creates the Port Authority and provides that it "shall constitute a body, both corporate and politic, with full power and authority to purchase, construct, lease and operate any terminal or transportation facilities" within the Port District.

The Compact's definitions of terminal and transportation facilities which the Port Authority may construct are as broad as it was possible for the two States to write them. Under the Compact, the bi-state agency was authorized to proceed with its work of port development "as rapidly as it may be economically practicable," and the two States vested the Port Authority "with all necessary and appropriate powers not inconsistent with the Constitution of the United States, or of either state, to effectuate the same, except the power to levy taxes or assessments."

In creating the Port Authority the two Legislatures recognized that the development of the public terminal and transportation facilities of the Port area of Northern New Jersey and New York through the years would require a continuing program of planning, financing and administration. The Port Compact has been amended by the Legislatures of the two States from time to time through the years to meet the regional problems of the times, to keep abreast of technological progress, to take advantage of new developments in the law, such as the improvement of condemnation procedures, and to facilitate authority financing.

The Port Authority is a self-supporting, nonpolitical agency of the States of New York and New Jersey. Its commissioners are in effect a board of directors. For its day-to-day operations and its planning, it has developed a career staff, organized and designed to apply the techniques of business to the problems of public terminal development and port promotion and protection in a metropolitan area.

Over the past twenty-eight years the Port Authority has sold $675,000,000 of revenue bonds on its own credit, backed solely by the revenues and reserves of its own projects. It has built or has under construction some $350,000,000 worth of bridges, tunnels, water-front facilities, airports, and consolidated terminals for trucks, buses and railroad freight. All of these facilities, and their financing and operation, are described in the report that follows. They include the George Washington Bridge, the Lincoln Tunnel and the Holland Tunnel spanning the majestic Hudson, and the Bayonne Bridge, Staten Island Bridge and Outerbridge Crossing that connect Staten Island with the New Jersey mainland. Marine terminals for which the Authority is responsible are Port Newark and, on the Brooklyn water front, the Port Authority Grain Terminal with its connecting system of wharves, piers and storage area.

New York International, La Guardia, Newark and Teterboro Airports form the Port Authority's regional system of air terminals. For the handling of railroad and truck freight, the Authority has

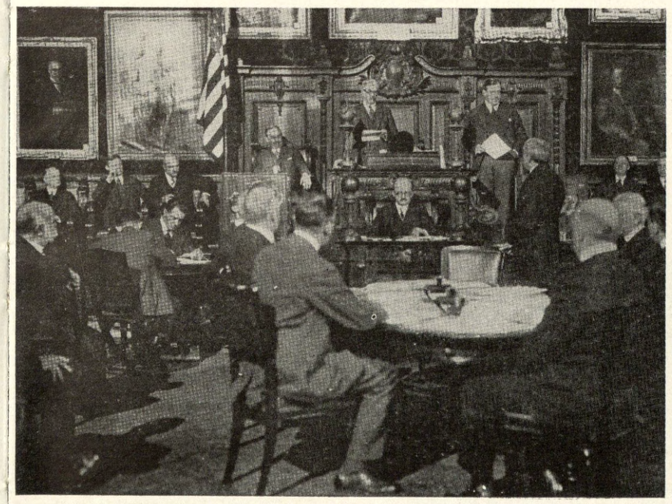
provided its Union Railroad Freight Terminal and New York Union Motor Truck Terminal in Manhattan, and the Newark Union Motor Truck Terminal. The Port Authority Bus Terminal will serve as a union station for over-the-road buses and for intercity buses serving, for the most part, New Jersey commuters.

Just as important as are these physical properties to the welfare and prosperity of the people of the metropolitan region, so is the Port Authority's work of port planning and port protection. This includes appearances on behalf of the New Jersey-New York region before the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, various committees of Congress, the Army Engineers and other Federal and state agencies.

The Port Authority's major work also includes the promotion of commerce in the harbor area. It maintains branch offices in Chicago, Cleveland and Washington, working under the direction of the New York office, to promote the commerce of the Port of New York.

The Port of New York Authority has the distinguishing marks of a true authority. Its form is that of an independent corporate agency; its jurisdiction is regional; it is nonpolitical; its projects are self-supporting and it relies upon the revenues of those projects rather than upon funds that come directly or indirectly from taxation.

From the archives: Left, scene in the Great Hall of the New York Chamber of Commerce, April 30, 1921, at the signing of the Port Compact between the States of New York and New Jersey. Right, opening ceremony, June 29, 1928, at Outerbridge Crossing, first facility constructed by the Port Authority; left to right, Governor A. Harry Moore of New Jersey; Governor Alfred E. Smith; George S. Silzer, former Port Authority Chairman, and John Ramsey, former Port Authority General Manager.



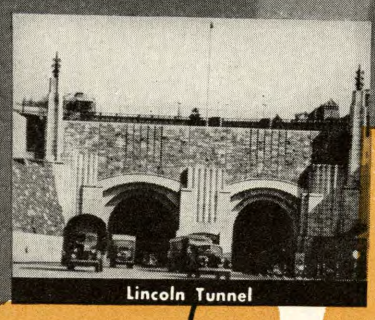




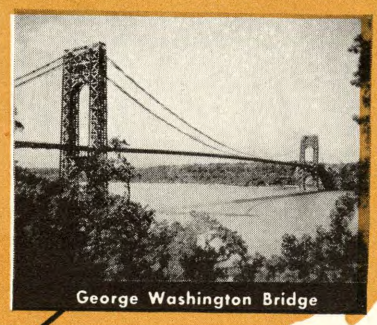
Teterboro Airport



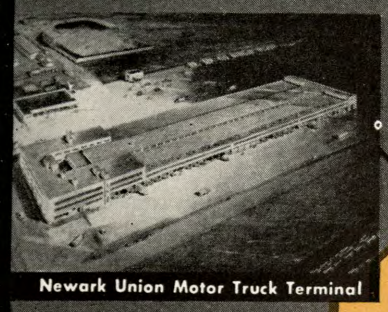
Holland Tunnel



Lincoln Tunnel



George Washington Bridge



Newark Union Motor Truck Terminal



Port Authority Bus Terminal



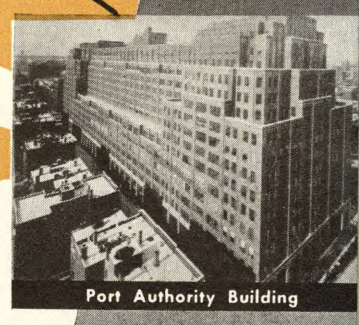
Newark Airport



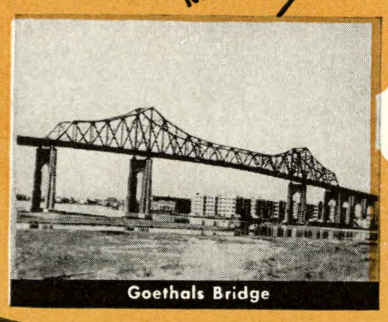
La Guardia Airport



Port Newark



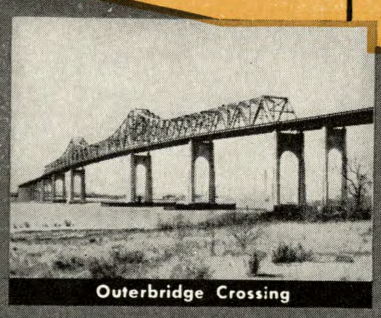
Port Authority Building



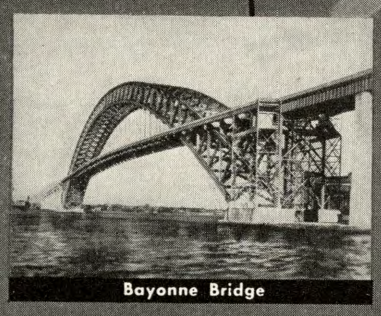
Goethals Bridge



New York International Airport



Outerbridge Crossing



Bayonne Bridge



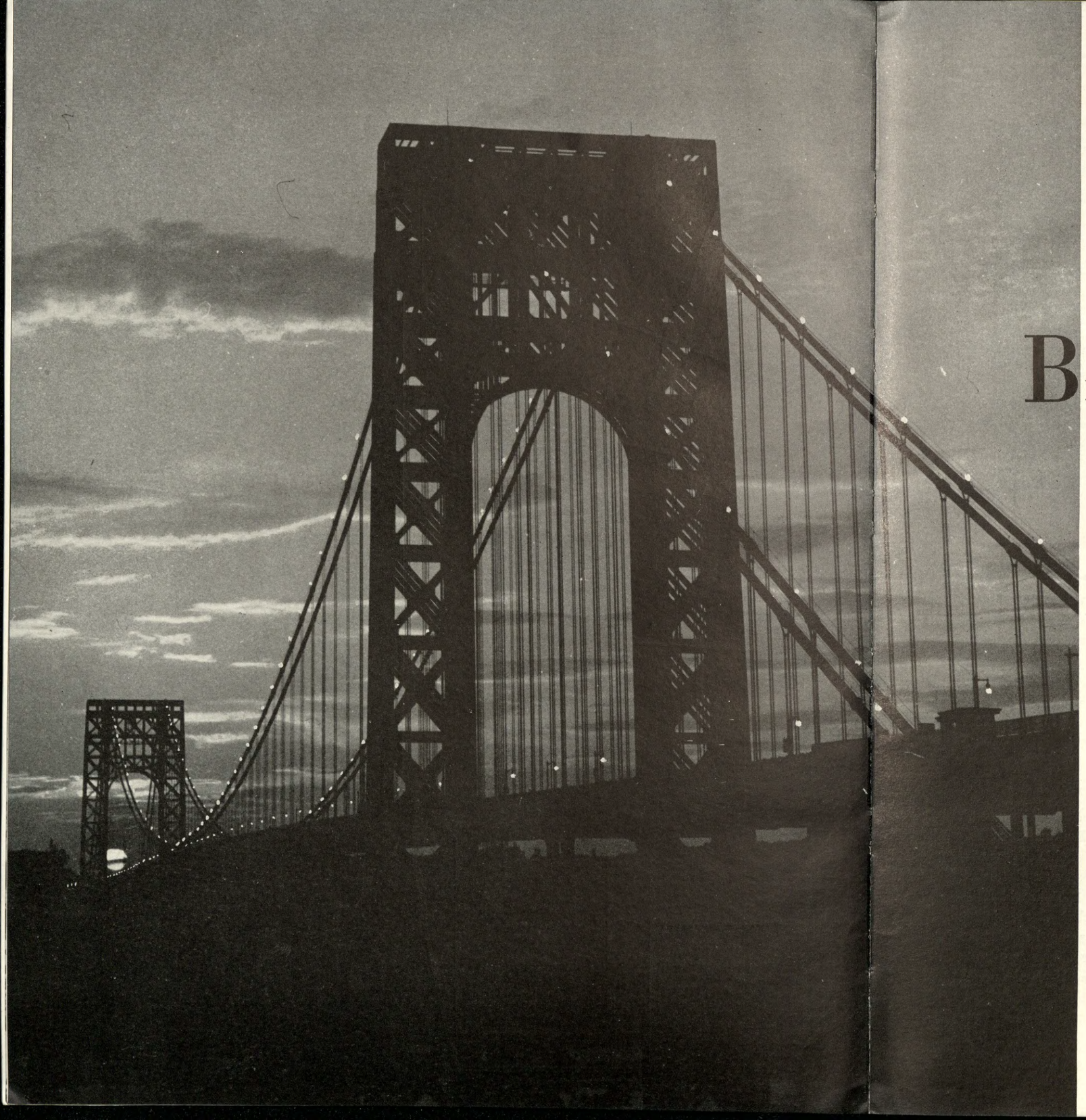
Port Authority Grain Terminal

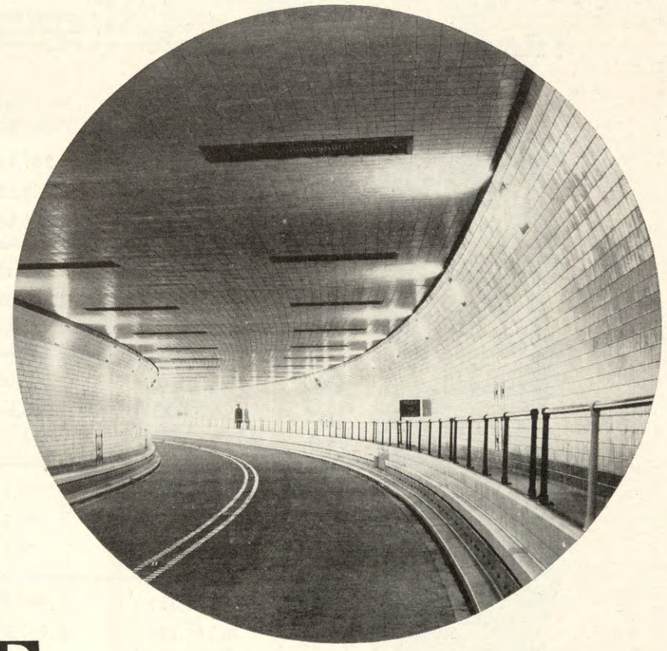


New York Union Motor Truck Terminal

Tarrytown
Hempstead
Fort Lee
Newark
Jersey City
Elizabeth
Atlantic Highlands
BRONX
MANHATTAN
QUEENS
BROOKLYN
RICHMOND
ATLANTIC OCEAN
PASSAIC
BERGEN
ESSEX
HUDSON
UNION
MIDDLESEX
MONMOUTH

Port Authority Facilities in the Port District





Bridges and Tunnels

In 1949 the Port Authority's four interstate bridges and two interstate tunnels carried a record volume of traffic, a total of 52,765,000 vehicles. This compared with 47,041,975 vehicles in 1948, an increase of 5,723,025, or 12.2 per cent. Passenger cars accounted for a 13.9 per cent increase in 1949 as compared with 1948, while trucks gained 7.1 per cent and buses 2.2 per cent.

	1949	1948	Increase	% Inc.
	(000 omitted)			
Holland Tunnel	16,484	15,600	884	5.7
Lincoln Tunnel	12,963	11,121	1,842	16.6
George Washington Bridge	17,980	15,484	2,496	16.1
Bayonne Bridge	2,100	1,918	182	9.5
Goethals Bridge	1,694	1,568	126	8.1
Outerbridge Crossing	1,545	1,351	194	14.4
Total	52,766	47,042	5,724	12.2

At left: The George Washington Bridge at dusk. Circle: Lincoln Tunnel interior.

TRAFFIC

		Passenger Cars Number	Buses Number	Trucks Number	Total Vehicles Number
HOLLAND TUNNEL	**1949**	12,548,052	251,171	3,684,791	16,484,014
	1948	11,684,588	259,583	3,655,953	15,600,124
	1947	11,654,950	256,662	3,551,580	15,463,192
LINCOLN TUNNEL	**1949**	8,972,333	1,530,151	2,460,358	12,962,842
	1948	7,425,658	1,523,302	2,172,147	11,121,107
	1947	7,221,218	1,469,558	1,944,607	10,635,383
GEORGE WASHINGTON BRIDGE	**1949**	15,878,816	605,055	1,496,159	17,980,030
	1948	13,540,263	565,544	1,378,557	15,484,364
	1947	12,262,799	624,337	1,186,740	14,073,876
STATEN ISLAND BRIDGES	**1949**	4,571,158	94,111	674,123	5,339,392
	1948	4,100,720	94,610	641,050	4,836,380
	1947	3,639,936	94,141	571,286	4,305,363
ALL FACILITIES	**1949**	41,970,359	2,480,488	8,315,431	52,766,278
	1948	36,751,229	2,443,039	7,847,707	47,041,975
	1947	34,778,903	2,444,698	7,254,213	44,477,814

For the first time the George Washington Bridge, with a total of 17,980,030 vehicles, an increase of 2,495,666 vehicles over the 1948 volume, was the most heavily traveled trans-Hudson crossing, with traffic 1,496,016 over the Holland Tunnel. Fortunately, we anticipated a heavy increase in George Washington Bridge traffic and in 1947 had constructed two new center lanes to handle it.

Despite the increase in traffic using our bridges and tunnels, calls for emergency service declined sharply from one for every 4,687 vehicles in 1948 to one for every 8,486 vehicles, a decrease of 45.9 per cent. Emergency calls at trans-Hudson crossings totaled 6,218 out of the 47,426,886 vehicles which used these facilities.

Bridge and Tunnel Approaches

The new Holland Tunnel Exit Viaduct, an elevated extension on the alignment of Fourteenth Street from the Jersey City tunnel exit plaza at Jersey Avenue, will cross the Erie Railroad to connect with the underpass leading to the Pulaski Skyway. This $3,250,000 roadway will double the capacity of the present Twelfth Street viaduct connecting the tunnel with the Pulaski Skyway and Hudson Boulevard, and eliminate a traffic bottleneck at that point. When completed in 1951, it will facilitate the flow of westbound traffic from the tunnel and relieve the present Twelfth Street viaduct which will then be used for eastbound traffic only. Work on the viaduct commenced in October 1948. During 1949 the foundations were completed and the steelwork started. The new ramp will greatly lessen the week-end traffic jams on the Jersey City approaches to the Holland Tunnel.

TOLL REVENUE

		Passenger Cars Revenue	Buses Revenue	Trucks Revenue	Total Vehicles Revenue
HOLLAND TUNNEL	**1949**	$ 6,261,169	$ 241,187	$3,148,799	$9,651,155
	1948	5,826,803	249,174	3,092,307	9,168,284
	1947	5,798,858	235,001	2,978,457	9,012,316
LINCOLN TUNNEL	**1949**	4,477,475	1,523,756	2,026,728	8,027,959
	1948	3,703,441	1,517,082	1,771,218	6,991,741
	1947	3,594,244	1,454,337	1,571,879	6,620,460
GEORGE WASHINGTON BRIDGE	**1949**	7,937,318	605,005	1,295,016	9,837,339
	1948	6,762,974	565,498	1,181,175	8,509,647
	1947	6,122,048	624,279	1,009,106	7,755,433
STATEN ISLAND BRIDGES	**1949**	1,805,792	65,299	449,029	2,320,120
	1948	1,589,330	65,405	430,425	2,085,160
	1947	1,445,857	84,644	393,934	1,924,435
ALL FACILITIES	**1949**	20,481,754	2,435,247	6,919,572	29,836,573
	1948	17,882,548	2,397,159	6,475,125	26,754,832
	1947	16,961,007	2,398,261	5,953,376	25,312,644

179th Street Tunnel

We are building a tunnel under West 179th Street in Manhattan at a cost of $8,250,000. It will parallel the half-mile tunnel which was built by the Port Authority and opened in 1940 to carry traffic under West 178th Street between the New York plaza of the George Washington Bridge and the east side of Manhattan. When completed, the 179th Street Tunnel will make possible the use of two lanes for eastbound and two lanes for westbound traffic across Manhattan, directly to and from the George Washington Bridge. The two tunnels and their approaches will link the bridge directly with the Cross-Bronx Expressway, now under construction by the State of New York, and will provide a direct connection for traffic to and from New Jersey with Westchester and New England highways. Work on the 179th Street Tunnel was begun in March 1949, and is expected to be completed in 1951.

Holland Tunnel Pavement is Replaced and Other Bridge and Tunnel Improvements are Made

Most extensive of our bridge and tunnel maintenance jobs during the past year was the beginning of the replacement of more than 20,000 square yards, or about one-half, of the roadway pavement in the Holland Tunnel at a cost of more than $137,000. The season's work was terminated in November after completion of the job in the south tunnel. Our central maintenance crews are also replacing six existing banks of twenty-year-old air-blast transformers at the Holland Tunnel with an equal number of oil-insulated transformers at a total estimated cost of $115,000.

The most important bridge maintenance work during the year was the $75,000 painting of the Bayonne Bridge. Favorable painting weather during the summer months and development by our central maintenance staff of a new type of traveling scaffold permitted completion of the painting two months ahead of schedule. The new scaffold eliminates the need for moving needle beams and planks and represents a great improvement in the technique of bridge painting.

Holland Tunnel Fire

At 8:48 on the morning of Friday, May 13, 1949, a cargo of eighty 55-gallon drums of carbon disulphide exploded and burned in the south tube of the Holland Tunnel about 1,900 feet from the New Jersey entrance. The cargo of this highly explosive chemical was being transported on a truck owned by the Boyce Trucking Company of Jersey City in violation of Port Authority rules and regulations which provide that carbon disulphide may not be carried through the tunnel in steel containers of greater than five-gallon capacity, and in such containers not beyond a maximum total load of 100 gallons. Owing to the heroic efforts of Port Authority police and other personnel there was no loss of life or serious injury among the people who were riding in the 150 passenger cars, the several buses and trucks that were inside the tunnel and in back of the Boyce truck and in other trucks that caught fire following the original explosion.

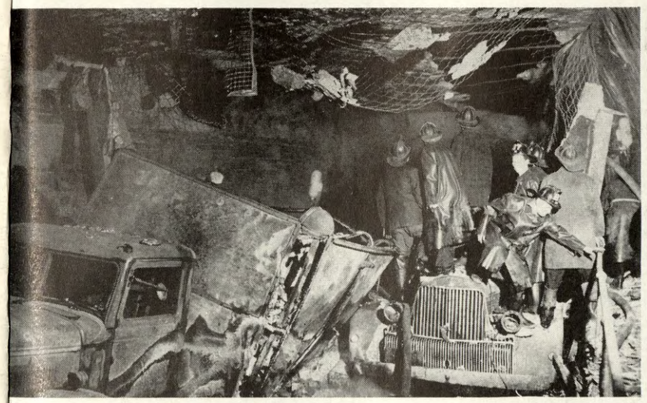
We cannot praise too highly the fire chiefs and personnel of the New York City and Jersey City Fire Departments whose valiant and efficient work was responsible for the prevention of a major catastrophe in the tunnel.

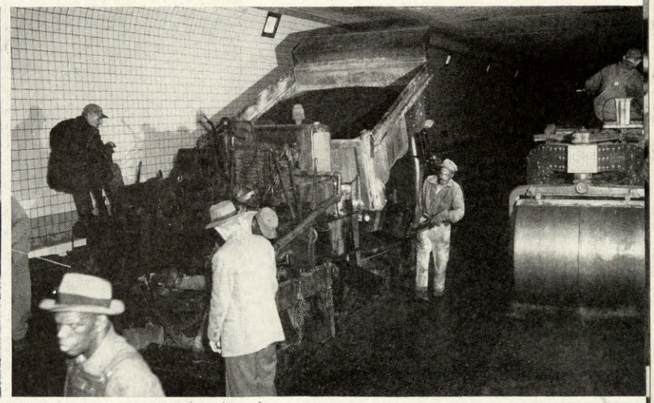
Unfortunately, the truck immediately ahead of the Boyce truck was loaded with turpentine and paint; the truck immediately behind it was carrying cleaning fluid and a third truck was hauling heavy

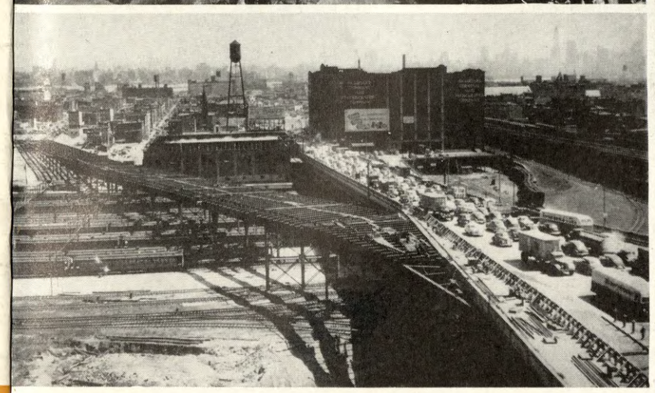
Below left: Port Authority construction of new West 179th Street tunnel approach for George Washington Bridge. Right: Night view of Weehawken, N. J. portals of Lincoln Tunnel.









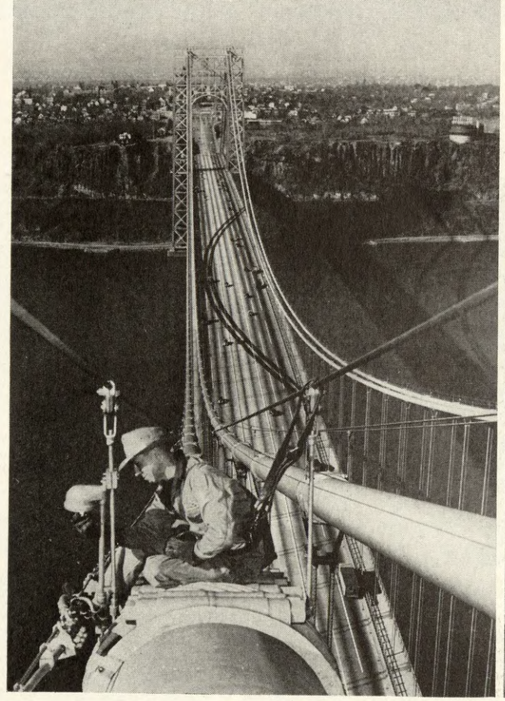






Holland Tunnel Events of 1949: Top left, fighting the fire of May 13, and, lower right, clearing some of the 650 tons of debris left by the fire. At left a tile-setter repairs damage to tunnel wall. Top right, nighttime repaving of tunnel roadway, during which one tube is operated on two-way basis. Lower left, view showing Port Authority construction of new Exit Viaduct over Erie Railroad tracks in Jersey City, to relieve traffic congestion between tunnel and Jersey City connection to Pulaski Skyway.

At right: George Washington Bridge maintenance includes periodic changing of bulb units in the necklace of lights attached to cables; construction of decking and relocation of under-street utilities preparatory to excavating new West 179th Street Tunnel approach to George Washington Bridge.





rolls of paper. These burning vehicles stretched through a thousand feet of tunnel, so that the firemen could approach the blaze only from either end of this burning space.

The main fire was put out in about four hours at 1:00 P.M., and minor flash fires and small explosions in the debris continued until midnight. The remains of the burning trucks were dragged out by 1:00 A.M. Saturday.

Total physical damage to the tunnel was over $400,000. The Port Authority carries a $60,000,000 multi-risk bridge and tunnel policy in fifty-four companies, over and above a deductible amount of the first $250,000 damage.

The traveling public was not seriously inconvenienced by the Holland Tunnel fire. At 2:00 P.M. on Friday, an hour after the principal fire had been extinguished and all danger of the spread of gases to the north tube had passed, an emergency plan for two-way operation in the north tube went into effect; this plan had been completely prepared and rehearsed by our Operations Department for use in the event of just such an emergency.

The south tube was reopened to traffic at 5:09 Sunday afternoon. The clean-up job was performed by Port Authority and private contractors' personnel and equipment working in twelve-hour shifts of seventy-four men each. Restoration of the damaged section of the tunnel was commenced on Tuesday, May 17. It was completed on August 25 with work being carried on over a six-day-per-week schedule from 8:00 P.M. until 6:00 A.M., during which time the south tube was closed to traffic while the north tube accommodated both eastbound and westbound vehicles.





Above: Half-minute interviews by specially-trained crew with 135,000 trans-Hudson motorists in Port Authority Origin and Destination Traffic Survey. Below: Foreign trade officials on a Port Authority inspection of Port of New York facilities approach the Bayonne Bridge spanning Kill Van Kull.



Above: Formal opening of trans-Jersey highway Route S-3 connecting directly with Lincoln Tunnel; Governor Alfred E. Driscoll (right) and Harry L. Derby cut ribbon at ceremonies held on the Passaic River Bridge.

The fire proved the need for more drastic penalties for violation of Port Authority safety regulations governing the transportation over its facilities of dangerous cargo.*

The Port Authority's investigation of the fire disclosed evidence of criminal violations of Interstate Commerce Commission safety regulations by both the trucking company, Boyce Motor Lines, and the shipper, Baker Chemical Company. This evidence was turned over to the Interstate Commerce Commission. The Boyce Company has been indicted in the Federal District Court of New Jersey on one felony and five misdemeanor counts based on its failure to placard the truck with "Dangerous" signs, and on its use of the tunnel when less congested routes were available. The Baker Company has also been indicted by the Federal Grand Jury for the Western District of New York for packing and shipping this highly inflammable chemical in containers of lighter gauge steel than the ICC safety regulations prescribe.

Port Authority Makes a Survey of Origin and Destination of Interstate Traffic

Steadily increasing interstate traffic pointed unmistakably to the need within the next few years of additional trans-Hudson crossings. On October 15 we commenced a two-week origin and destination survey of interstate bridge, tunnel and ferry traffic between Yonkers on the north

* Legislation was immediately drafted to provide such penalties, and was submitted to the Legislatures of the States at the 1950 Session. These concurrent bills became, with the approval of Governor Dewey and Governor Driscoll, Chapter 774, Laws of New York, 1950, and Chapter 192, Laws of New Jersey, 1950, and are now in full force.

and Perth Amboy on the south, to aid us in our consideration of the proper location of a new bridge or tunnel between the two States. This was the first survey of interstate traffic patterns to be made since 1935. At the request of the Triborough Bridge and Tunnel Authority we included the flow of traffic between New Jersey-Staten Island and Brooklyn-Long Island-New England, needed by the agency for its studies in connection with the construction of the Narrows Bridge. The result of the survey, covering more than 135,000 vehicles using the six Port Authority crossings and seven trans-Hudson and two Staten Island-New Jersey ferries, will be available in 1950 upon completion of the analysis of the interviews.

Highway Planning

One of our most important functions is highway planning in this area of intensely congested traffic. Our staff is at all times available to Federal, state, county and local highway agencies in accordance with the direction of the Port Treaty that we assist in the planning and coordination of highways connecting with existing or projected bridges and tunnels in the Port District.

We worked closely during the year with the New Jersey State Highway Department on arterial highway problems in the Port District. In September, New Jersey Route S-3, of great importance to interstate travel, was opened to traffic. For more than ten years we had stressed the need for this route for the convenience of motorists traveling between midtown Manhattan and the lake and mountain region of New Jersey, as well as a number of commuting and industrial suburban areas.

We also worked closely with the New Jersey Turnpike Authority, established in 1948, extending every assistance in our power during the preparation of their excellent report, and meeting with them frequently since that time in order that our respective plans for major arterial connections in Northern New Jersey would be completely coordinated.

In October the Port Authority agreed to construct the $3,300,000 direct connection between the Lincoln Tunnel and the New Jersey Turnpike, to be completed when the northern section of the Turnpike is opened.

The Port Authority was of assistance in obtaining agreement between the Turnpike Authority and navigation interests for a 110-foot vertical clearance for the bridge structures that will carry the Turnpike over the Passaic and Hackensack Rivers. This clearance will permit navigation by derrick lighters.

We proposed to the Turnpike Authority and the railroads a plan to permit the Turnpike to cross the Pennsylvania Railroad freight tracks north of Port Newark, so that a grade separation of the Pennsylvania Railroad-Central Railroad of New Jersey tracks at Oak Island junction will be possible in the future if a rapid transit system over the Central Railroad of New Jersey tracks from a Newark Airport station is constructed.

We cooperated with New Jersey state and local officials on plans for the Palisades Interstate Parkway, the Bayonne Freeway and a north-south highway in Hudson County. We also maintained close contact with the office of the New York State Superintendent of Public Works on traffic studies and plans for new state arterial highways.

New York City highway agencies, including the Triborough Bridge and Tunnel Authority, the New York City Traffic Commission and Department of Traffic Engineering, the Borough Presidents' engineering offices and others, were assisted in the coordination of plans for highway facilities in this area. These facilities included improved connections between the George Washington Bridge and the Henry Hudson Parkway and Riverside Drive, and the Nassau Expressway and Van Wyck Expressway. Following prolonged discussions and studies, agreement was reached between the Port Authority and the New York City Construction Coordinator and the President of the Borough of Manhattan on the alignment for a future lower Manhattan crosstown expressway. This expressway, whenever it can be financed by the City, will carry traffic overhead from the west side of Manhattan and the Holland Tunnel to the Brooklyn and Manhattan Bridges over the East River.

Note:

At our annual board meeting on January 12, 1950, we approved the establishment of commutation rates for passenger cars on the Hudson River crossings. The commutation rates enable residents of New York and New Jersey who are regular users of these facilities to obtain a forty-trip ticket good for thirty days for $10. Thus a commuter traveling a minimum of five round trips a week has the benefit of a 25¢ rate per trip. Using 1949 traffic as a base, this commutation rate on the three Hudson River crossings will make possible the saving of 50 per cent on tolls on about 11,200,000 automobile trips each year. Any motorist using the facilities for twenty-seven trips during a thirty-day period would, with a commutation ticket, pay only 37½¢ a trip, a 25 per cent reduction from the single trip rate. Commutation rates have been in effect on the Authority's three Staten Island bridges for about ten years.

The installation of the commutation system involved extensive preparation and physical arrangements and the solution of many administrative and operational problems. Nevertheless, the Authority was able to put it into effect on June 15, 1950.

In making his announcement on January 11, 1950 of the establishment of the commutation rate, Chairman Howard S. Cullman stated:

"The commutation rate has been under active study . . . by the commissioners of the Port Authority for the past several weeks. After careful examination and discussion of the problem by all four committees of the board—Port Planning, Operations, Finance and Construction—the board decided to establish the new toll rate by formal action at its annual meeting.

"The committee findings and recommendations were reviewed with both Governors a week ago. I am happy to say that our decision to put the commutation rate into effect has their complete approval.

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

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

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

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

"We have determined that we have now reached the point where it will be possible for us to put into effect the commutation rate, and at the same time to maintain a sound financial standing; to meet the public commitments of the Port Authority; to carry deficits during the development period of the airport, bus terminal and motor-truck terminal projects; and to finance a continuing program of port development under the provisions of the Port Compact.

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

"The question of whether or not it was prudent for us to establish a commutation rate has had to be weighed also against the necessity for carrying out a heavy program of additions and betterments to the bridges and tunnels that we know we must face in the years immediately ahead of us. Thus, we are committed to carry the Lincoln Tunnel approaches out over the Meadows to a connection with the New Jersey Turnpike and to add to and improve both the New York and New Jersey plazas and approaches of the George Washington Bridge to meet increasing traffic requirements. We may be called upon to reconstruct the New York plazas of the Holland Tunnel and to provide connections with both the West Side Highway and the recommended Cross-Manhattan Expressway. Most important of all, as we announced during the past year, it has become necessary to undertake studies looking to the construction of an additional vehicular crossing of the Hudson, a project that may cost as much as $150,000,000.

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

Airports



Control Tower at Newark Airport.

The year 1949 was the first full year of Port Authority operation and development of the three major terminal airports of the Port District—Newark, La Guardia and New York International Airports. Title to Teterboro Airport in New Jersey was vested in the Port Authority on April 1, 1949. This completed the first phase of carrying out the policy established by the Legislatures of the two States in support of the integration of the metropolitan airports of Northern New Jersey and New York into a unified regional system. The two Legislatures placed the responsibility for the planning, financing and development of this regional airport policy squarely on their bi-state port agency, the Port Authority.

The significance of this development, both to air transportation and to the future of the Port District, was described during the year by Dr. Frederick L. Bird in his study of the Port Authority, published by Dun & Bradstreet, Inc., as follows:

"The planning of the Port Authority's air terminal program marks a long step forward in the development of air transportation which is significant not merely for its aid to the hard-pressed airlines but for its trail-blazing for all metropolitan areas with air terminal problems and, by no means least, for its contribution to national security. The objective is an adequate and well-coordinated terminal system for the Port District which will not only meet and keep pace with the requirements of this still new and expanding transportation industry, but will pay its way without the need for the levy of additional taxes. What the Port Authority proposes to do, in brief, is to substitute forethought for subsidies."

A major obstacle to the realization of this policy of the two States in putting the metropolitan airports on the long road toward self-support, was overcome during the year when Governor Dewey, acting on his own and Governor Driscoll's behalf, succeeded in effecting the renegotiation of the outstanding airline leases covering the use and occupancy of New York International Airport.

Left: Dispatching through Newark Airport some of the nearly six million pounds of airmail handled during 1949. Platform additions and interior rehabilitation of this post office were made during the year. Center: A new type military cargo plane displayed at Newark Airport incorporates a freight-loading elevator. Right: International color at New York International Airport—stellar skiers from Norway (foreground) and Finland arrive en route to Lake Placid contests.











Above: The loading apron at the La Guardia Airport Domestic Terminal with Observation Deck visitors watching the ever-fascinating panorama at one of the world's busiest airports.

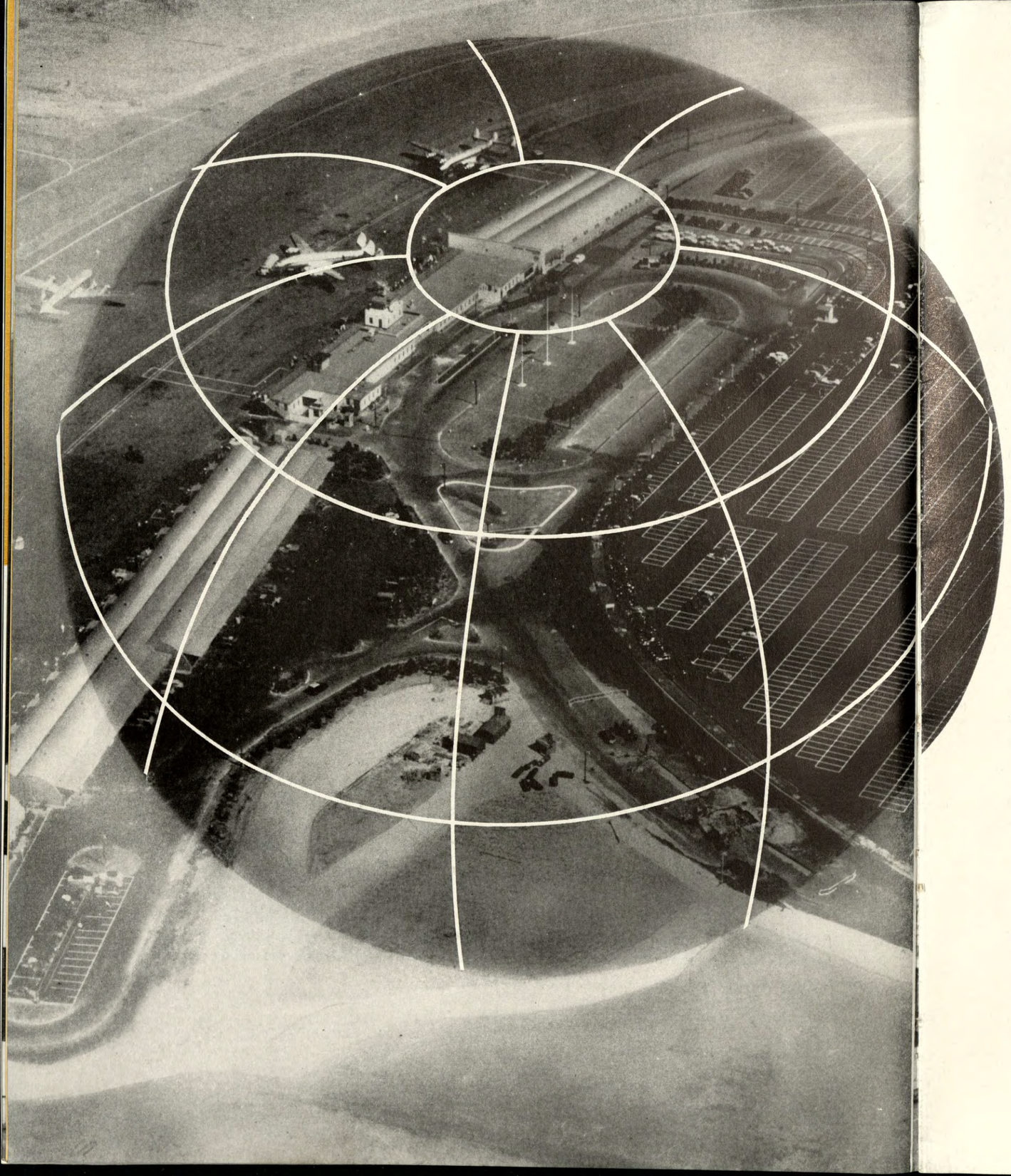
Revenues and Expenses

Port Authority gross operating revenues at the four airports for the year 1949 were $4,045,863. Operating, maintenance and administrative expenses were $4,432,838, resulting in an operating deficit for all four airports of $386,975. This compares with a deficit for La Guardia, New York International and Newark only, of $732,073 in 1948. These deficits do not include interest costs or amortization of the Air Terminal Bonds outstanding.

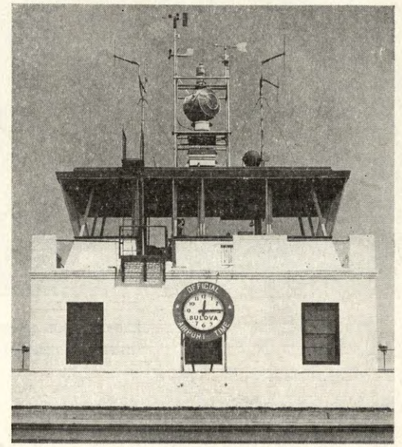
Airport revenues and expenses for 1949 and 1948 are not comparable, partly because the periods of operation differ for all airports, with the exception of La Guardia, and because the airports are in the expanding stage of development. New facilities are being provided throughout the year, which in turn create both additional gross revenue and increased expenses. These conditions, of course, will prevail for several years while the Port Authority proceeds with its airport development program.

The Port Authority has spent and committed $20,455,530 during 1949 for capital improvements at the airports, and a total of $44,617,135 since assuming responsibility for their development. Our 1950 budget contemplates the expenditure of an additional $21,070,300 at these facilities.

As these capital expenditures indicate, rapid progress was made during the year in the vast program of constructing and rehabilitating the air terminals of Northern New Jersey and New York for the necessary accommodation of the air traffic of the Port District, both domestic and overseas.



Control Tower of New York International Airport atop Temporary Terminal Building with weather, airport beacon and other instruments on roof.



New York International Airport

At the year's end fourteen airlines were operating at New York International Airport. Pan American World Airways and American Overseas Airlines were using New York International Airport for their overseas Stratocruiser flights.* The British Overseas Airways Corporation transferred its transatlantic operation from La Guardia to the new airport, and Northwest Airlines' Stratocruiser service operated from New York International. National Airlines moved more than half its Atlantic Coast and Southeast services from La Guardia to New York International. In addition, Air France and the Scandinavian Airlines System transferred their Western Hemisphere maintenance bases to the new airport. Air France was the first of the overseas airlines to take advantage of the facilities of the world's largest airport.

Other airlines operating at the airport are FAMA, the Argentine air line; KLM, Royal Dutch Airlines; LAV, Venezuelan Air Line; Loftleider, the Icelandic airline; SABENA, Belgian Air Lines; Swissair; Seaboard & Western Airlines.

In December 1949 plane movements increased 105.1 per cent, passengers 51.1 per cent, mail 156.8 per cent, express and freight 82.8 per cent, compared with December 1948. Gross operating revenues in 1949 were $1,043,487. The net operating loss, before debt service, was $313,464.

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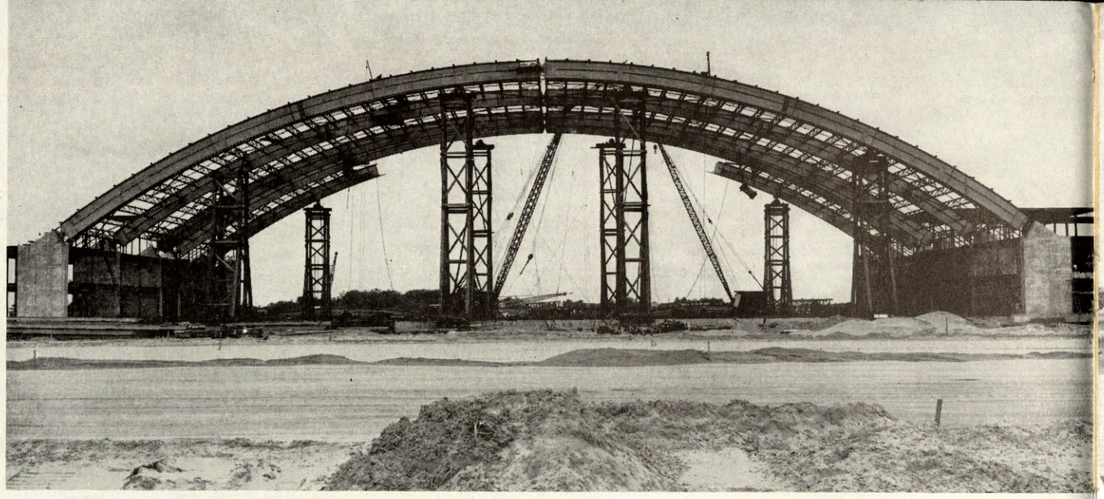
* In January 1950, American Overseas Airlines transferred its entire operation to New York International Airport from La Guardia Airport.



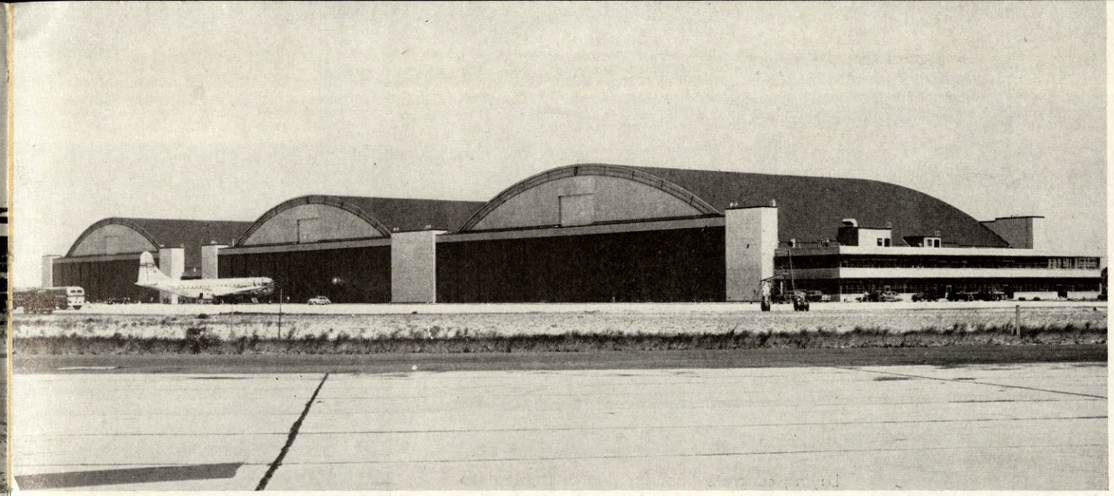
Erection of some of the huge steel arches to support new hangars at New York International Airport. Hinged at center and ends, the arches span a clear 300 feet.

An extension of the present Temporary Terminal at New York International will be built in 1950 to augment the existing inadequate temporary terminal structures. Space available for customs, airlines and concessionaires will be doubled to 94,600 square feet. A cinder block addition will be built to the east end of the Temporary Terminal, while its west end will be connected with the present cargo building to make available some 18,350 square feet of additional passenger areas.

A permanent 115,000-square-foot building costing about $1,600,000 is being constructed at New York International. This will be used initially to accommodate an existing need for cargo handling space. Ultimately, it is designed to house Port Authority equipment and administration facilities and it will be devoted to that purpose as soon as future cargo space needs at the airport are more accurately determined and provided. In the interim, the proposed building will serve a current operating need and avoid sacrifice or delay in the rapid development of the facility.

During the year the vast program of completing the basic utilities required for the operation of New York International was pushed forward with diligence. We completed a gasoline tank farm and storage system large enough to handle aviation fuel requirements for all aircraft now operating at the airport. The Thurston sewer extension was completed in April 1949 at a cost of more than $912,600. About 96,000 feet of duct banks, each containing from four to ten parallel ducts, are being built at a cost of about $1,500,000 to carry the airport's primary electrical power distribution, fire alarm and telephone systems. In June 1949, a contract was placed for the installation of a 5,000-volt cable for the airport high voltage distribution system, estimated to cost $840,000. A switch house costing $100,000 and its equipment costing more than $200,000 will handle runway lighting and approach lighting equipment for Runways A,B,C and V, and power for the various CAA navigational aids such as surveillance and precision radar.

The Post Office Department will occupy 7,500 square feet in the proposed cargo building for handling air mail, and 1,250 square feet in the Terminal for a post office finance station. About three-fourths of Hangar No. 1 has been leased to Lockheed Aircraft Service International, Inc. (a subsidiary of Lockheed Aircraft Service, Inc.) for aircraft maintenance and repair on a contract basis to airlines and other aircraft operators. Negotiations are under way with this company for a twenty-



Completed view of the world's largest steel arch hangars covering nearly six acres and built by the Port Authority at a cost of $9,000,000.

five-year lease on a parcel on which the Port Authority will construct a hangar designed for contract maintenance operations. Negotiations are also under way with Aircraft Maintenance International, Inc. for a lease on twenty acres on which the company, at its own expense, will build two hangars to cost over $1,500,000. This company is operating at the airport under a temporary permit covering space on the unused Runway F.

An amendment to the Green Bus Lines public transport permit was negotiated to insure a continuation of bus service within the airport and to the Terminal and Federal Buildings, and limousine-for-hire service was established at the airport.

Concession Development

Expansion of the Temporary Terminal during the coming year is expected to make possible a greatly increased concession revenue development. The dining room is being doubled in size and two private dining rooms are being added. Among the concession businesses now at the airport is the modern air-conditioned cafeteria in the Federal Building. Island Air Ferries, Inc. conduct sight-seeing trips, and other concessions include a gift counter, men's shop, camera shop, barbershop, bookstore, smoke and newsstand, soda fountain and drugstore, RCA Communications, Western Union, bank, public telephones, and a variety of vending machines.

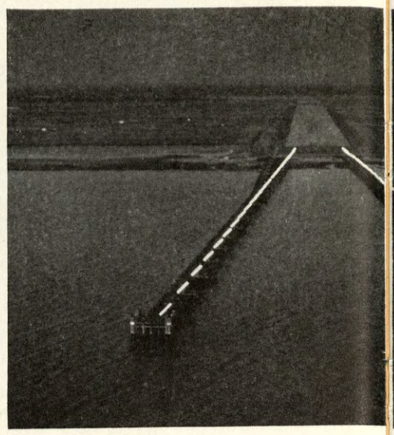
Construction Progress

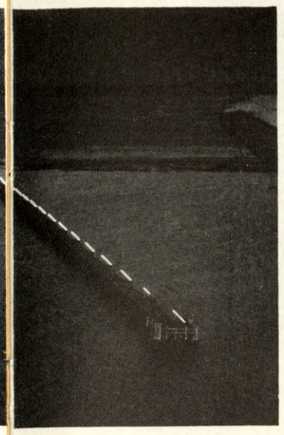
During 1949 construction of the world's largest triple-hinged steel arch hangars was begun at New York International Airport. They will be completed in the spring of 1950 at a cost of about $9,000,000.* Located in the north central section of the 4,900-acre airport, they will supplement the two existing hangars built by the City of New York. Each of the three new hangars will have a clear horizontal span of 300 feet and a depth of 217 feet.

* The three Port Authority hangars at New York International Airport were dedicated on June 28, 1950.

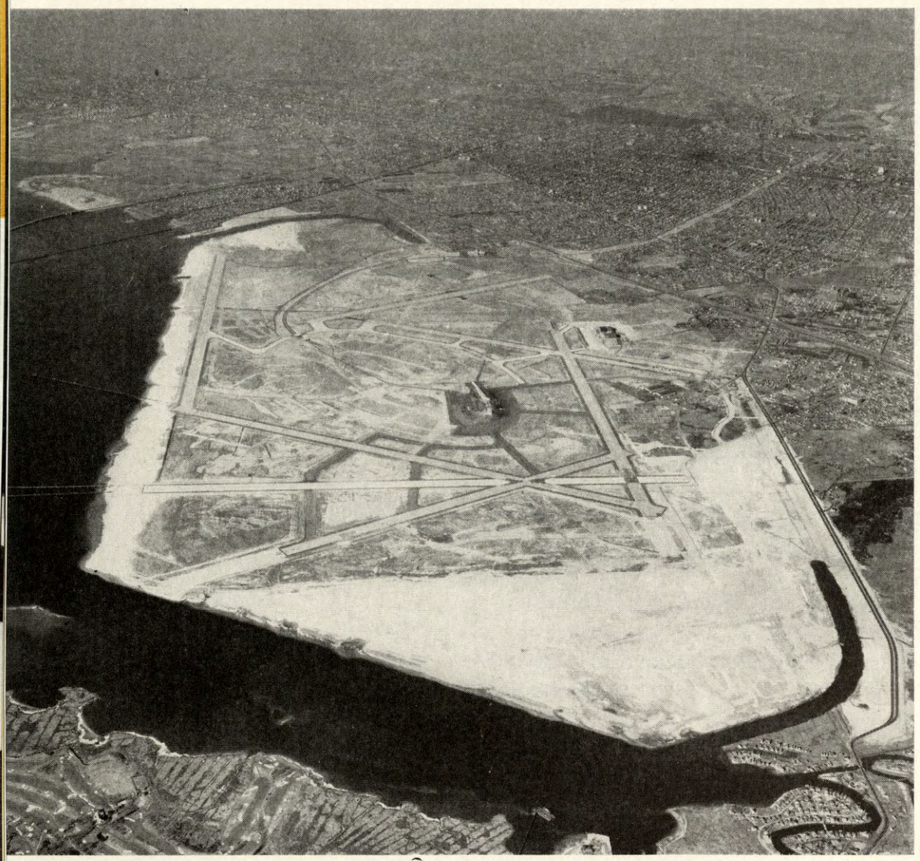


Laying concrete floor for one of the lean-to structures to provide airline shop and office space adjacent to the three new hangars.

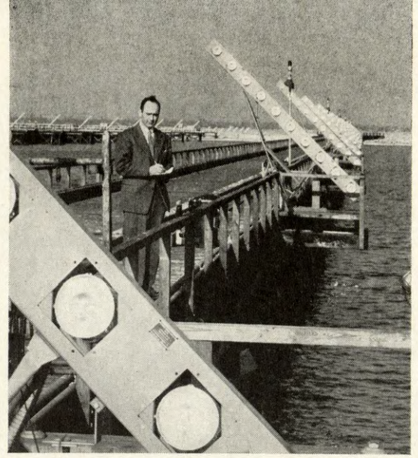




Above: Approaching the new 8,000-foot Instrument Runway V at dusk, with Slope Line Approach Lights on double pier indicating correct heading and glide angle. Lights appear as ladder bars when approach is off the beam.

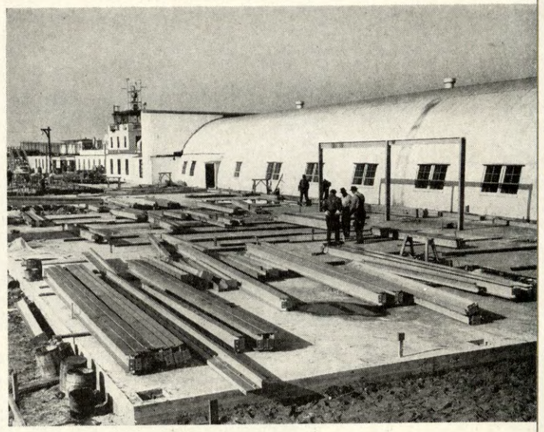


New York International Airport, looking northwest toward mid-Manhattan. Temporary Terminal in center is located at one end of elliptical terminal area enclosed by seven tangential runways. Jamaica Bay with basin inlets, top and bottom, borders most of the 4,900-acre airport.



Close-up of Slope Line Approach Light System showing angular mounting of units along 2,000-foot piers.

Expansion of Temporary Terminal Building to provide additional airline, concession and Federal inspection service space.



The hangars, which will accommodate commercial transports greater in size than those now in service or on the manufacturers' design boards, will provide 195,900 square feet of additional hangar floor space and the lean-tos at each end and between the hangars will provide an additional 108,000 square feet of airline shop, office and cafeteria space. A twenty-acre paved apron area and taxiways to the runway and terminal area will be built adjacent to the three hangars.

The new 8,000-foot Instrument Runway V (4-22), built by the Port Authority at a cost of $2,800,000 to replace Instrument Runway C, was put into operation on June 2. It will improve the instrument approach capacity of the New York airports by providing an instrument approach beam to New York International Airport entirely separate from that which leads to La Guardia Airport.

The first official installation of the slope line approach light system developed by the Civil Aeronautics Administration for airport instrument runways, was commissioned by the CAA, at whose request the system was installed and by whom it will be maintained. The CAA is paying half the $786,000 cost of the two piers built to carry the lights 2,000 feet over Jamaica Bay from the southerly end of Runway V.

On July 1 the first permanent building to be erected by the Port Authority, the $5,000,000 Federal Building, was occupied by regional offices of the CAA, the CAB and the Weather Bureau with a combined staff of some 400.

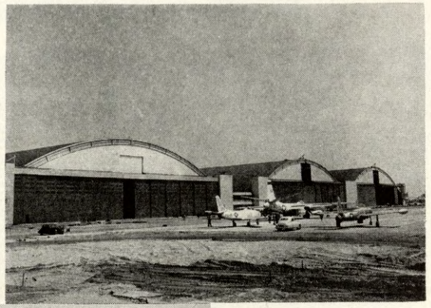
Construction was commenced in November on an $830,000 fire pumping station to provide high pressure water for fire protection at the airport. The station, which will be completed in the fall of 1950, will give fire protection to two simultaneous fires on any part of the field. It will contain sufficient pumping equipment to deliver 34,000 gallons a minute at 165 pounds' pressure.

Airport Charges

In our Annual Report last year we called on the airlines to "fulfill their repeated assurances to the Port Authority, given prior to the execution of our leasehold agreement with the City of New York in 1947, that they were willing to sit down and renegotiate these unsound, unworkable 1945 leases."

As a result of the efforts of Governor Thomas E. Dewey with the concurrence of Governor

Below: Three new hangars nearing completion will accommodate largest type aircraft. Below center: Federal inspector of U. S. Bureau of Entomology and Plant Quarantine inspects roses from overseas for insects. Bottom: Port Authority Skycap delivers passenger luggage to airport coach to Manhattan Airlines Terminal.



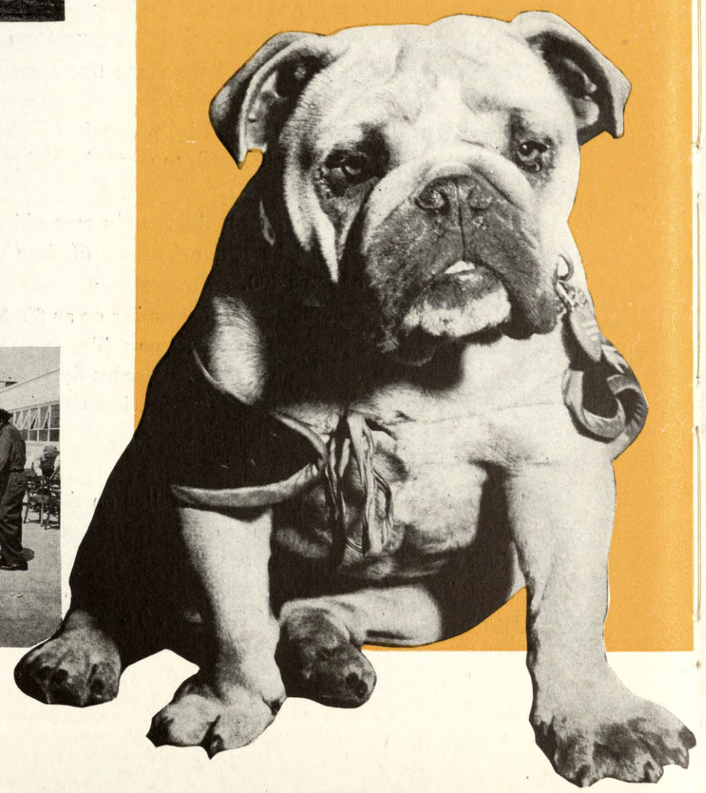






Cavu

Serious, smoldering-eyed "Cavu" (Ceiling and Visibility Unlimited) is the mascot gift from the chairman of the board of British Overseas Airways Corp. to New York International Airport. The pedigreed puppy arrived aboard the airline's first plane to arrive at the airport and was presented to the Port Authority in person by Sir John D'Albiac, Commandant of London Airport.







Above left: Air passengers deplaning from a transatlantic Constellation at New York International. Center: Air passengers undergoing Customs inspection in Temporary Terminal Building. Right: One of the newest type transports to use New York International Airport, the 75-passenger twin-decked Boeing Stratocruiser.

Alfred E. Driscoll, a memorandum agreement to be used as a basis for new contracts at New York International was signed on August 5, 1949 by the Authority, Pan American World Airways, American Airlines, American Overseas Airlines, Northwest Airlines and British Overseas Airways Corporation. A similar agreement was signed by Transcontinental & Western Air, Inc. in September.

The settlement fixed uniform rates for flight fees, regardless of the volume of operations of individual carriers, at 13.22 cents per thousand pounds of maximum allowable gross weight for take-off. These flight fees may be increased on July 1, 1951 and on July 1 of each year thereafter to take care of any increase in Public Landing Area and Public Ramp and Apron Area costs over the 1949 costs for the same areas, caused by increases in labor and material costs, expenditures required by technical advances, orders or requirements of governmental agencies or disastrous damage not covered by insurance and expenditures required for the reasonably prudent operation of the airport.

The settlement further provides that the Authority will rent base facility areas to the airlines at a rate of $1,300 per year per acre, and will undertake to construct hangars on the property for the airlines "at a charge of 10 per cent of the estimated total cost (the amount to be adjusted up or down after the final cost is ascertained), to be paid by the airline in advance, the airline thereafter to pay 105 per cent of the total cost with interest amortized over a twenty-five year period." The new agreements provide that the Authority shall construct hangars on this basis estimated to cost a total of $28,000,000—$8,000,000 for Pan American; $8,000,000 for American; $2,000,000 for American Overseas; $2,000,000 for Northwest; and $8,000,000 for Transcontinental & Western Air. The airlines have the option, if they so desire, to construct these facilities at their own expense.

The new agreements are to provide that the Authority will furnish physical facilities for the storage of gasoline at a flat fee of 5½ mills per gallon delivered to the airlines on the airport. The Authority may also, at a reasonable charge, provide distribution facilities for handling the gasoline from the storage tanks to the aircraft. The agreement also provides charges for other facilities to be furnished by the Authority, such as Federal inspection space, incinerator service, porter service, etc. In most cases the Authority's charges will be subject to arbitration.

The settlement contemplated the preparation of twenty-five-year contracts incorporating the terms of the memorandum agreement, and such contracts are in the course of preparation.



$5,000,000 Federal Building at New York International Airport housing regional offices of the CAA and the U. S. Weather Bureau.



Chairman Cullman presents master key of the Federal Building to U. S. officials. L. to R., Walter J. Moxon, Col. Ora W. Young, Joseph O. Fluet, Chairman Cullman and Harry M. Durning.



Westport, N. J., Girl Scouts inspect a transatlantic Constellation transport on New York International Airport visit.



From Compiegne, France, the Mayor's daughter, Nicole Legendre, arrives on a mission of gratitude for her city.

At New York International Airport

Mrs. Austin J. Tobin christens American Overseas Airlines Stratocruiser Flagship Europe on its inaugural flight from New York International. Chairman Howard S. Cullman and AOA President C. R. Smith and airline hostess assist.





Governor Dewey, right, conferring without recess for 23 hours with Authority and airline officials, effected a memorandum of agreement on New York International leases. Around the table: Port Authority Commissioners Lowe and Pope; Charles D. Breitel, counsel to Governor; Executive Director Tobin; Governor Dewey. In background are Port Authority staff members Shelley, Kyle, McGuire, Schwarz, Kushell, Clement, Goldstein, Hedden.





Above: Norwegian skiers greeted by their Consul General on arrival in United States.

At left: A delegation of Swiss officials and newspaper editors from Zurich and Geneva have their first glimpse of United States.





At New York International Airport

Vice President Laurence Rockefeller, with camera, and President Fairfield Osborn of the Bronx Zoo, Mrs. Emy Cordier and zoo curator Lee S. Crandall greet a rare Congo arrival.



Top: Two younger air travelers exchange a chocolate bar purchased from one of the many vending machines located in the terminal. Below: Overseas arrivals inspect magazines and news headlines at the busy newsstand.



Large family parties attending overseas arrivals and departures add to airport's always festive atmosphere. Family members from California, New York and New Jersey bid bon voyage to Mr. and Mrs. F. P. Bernhard of East Orange.



Nations of the Pacific are represented by young people in native costume as Chairman Howard S. Cullman speaks at inauguration of Northwest Airlines New York-Orient service.



Dr. and Mrs. William F. Giauque of the University of California board Scandinavian Airlines plane to accept in Stockholm his Nobel Prize in Chemistry.

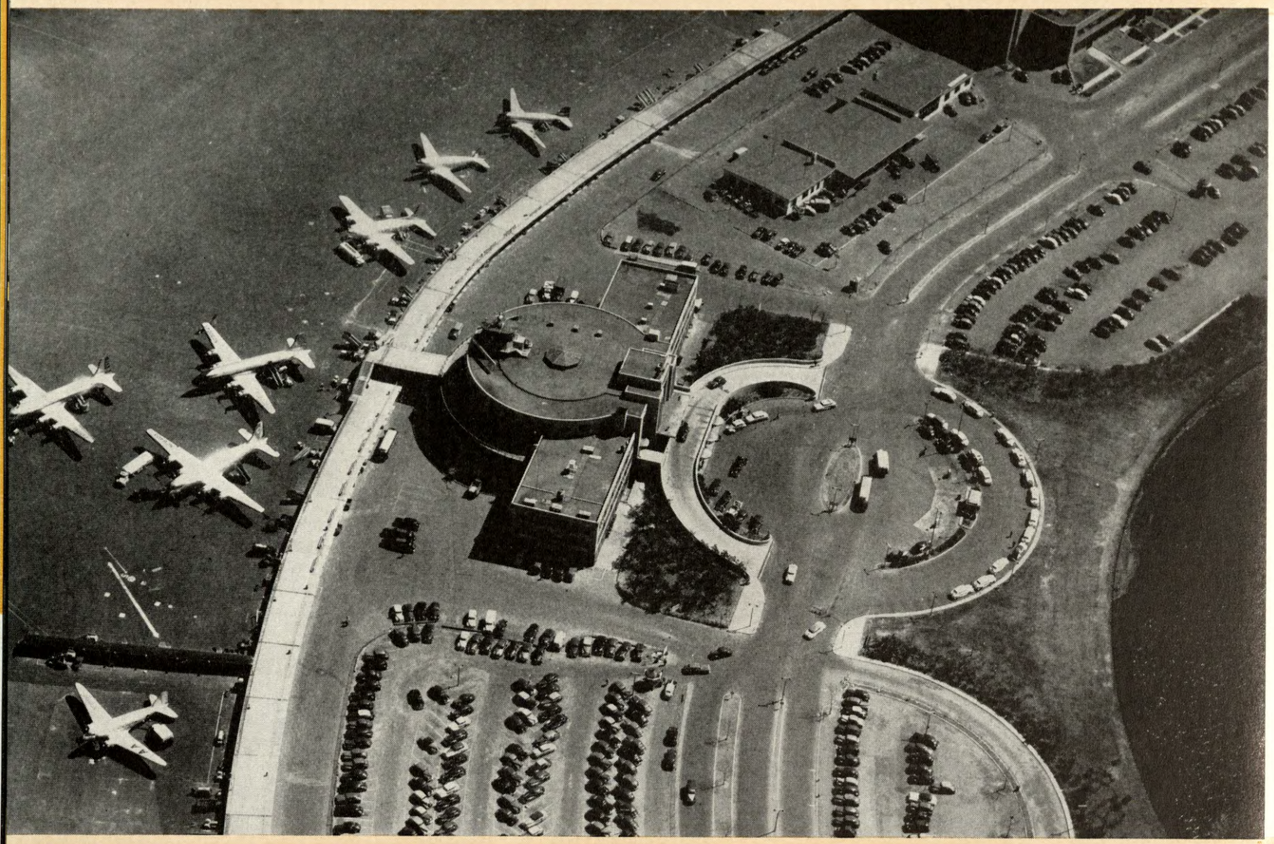


Headed for a visit to their grandparents in England, one youngster flirts with a passerby as the other enjoys a deep snooze.





Top: A glimpse of some of the concession shops catering to overseas travelers at the airport. Photo supplies at left; men's wear at right. Below: Reading material for the transatlantic flight is available for young and old at the airport bookshop.



The Domestic Terminal at La Guardia Airport showing planes at their gate positions, the curved, 1,500-foot-long Observation Deck, and car parking.



Some of the 1,061,562 paying spectators who used the La Guardia Airport Observation Deck during 1949.

La Guardia Airport



La Guardia Control Tower.

For the second successive year, under Port Authority operation, seasonal high tides were held back from the runways of La Guardia Airport by the dike completed late in 1948. When the Port Authority assumed responsibility for the operation and development of the New York City airports in 1947, the easterly section of La Guardia Airport had been submerged under the waters of Flushing Bay on six occasions. It had been estimated that within two years one of the runways would be flooded twice a day by the Flushing Bay tide.

Following extensive engineering studies it was decided that an earth dike should be built around the perimeter of the low areas of the airport where maximum settlement had occurred. The first stage of the dike, which is 28 feet wide and ranges up to 6 feet in height, was completed in December 1948; the entire job was completed by August 1949. To prevent lateral movement of the dike into Flushing Bay, 1,240 sand drains were installed, and a drainage ditch was built landward of the dike. During the latter part of 1949 about 18 inches of fill were placed on the dike, and settlement plates along the structure were extended through the fill layer. This work will be an annual maintenance requirement to offset the continued sinking of certain portions of the area nearest the bay. The project has cost $2,190,000 to date.



Improvements

During the year a number of physical improvements were made at La Guardia Airport. We resurfaced sections of runways, taxiways and parking lots and repaired depressed areas caused by ground settlement in front of Hangars 2, 4, 6 and 8, and Runway 4-22 near its intersection with Runway 13-31. The roof of the Domestic Terminal Building was rehabilitated and the terrace deck and walkway around the control tower were tiled.

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

During the year we were forced to spend about $157,000 for the maintenance of the concrete aprons, taxiways and runways in front of these hangars as compared with the total rent received from the airlines of $108,000.

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

The CAA, at the year's end, commenced installation of new radio equipment which will develop the La Guardia Control Tower into one of the finest in the country. The CAA also decided to install permanent ground controlled approach (GCA) equipment at the airport.

Tenant Changes and Business Development

American Overseas Airlines, having consolidated its maintenance operations with those of American Airlines, surrendered its lease on portions of a hangar in the Overseas Terminal area. We immediately leased this hangar to Capital Airlines which will share it with Northwest Airlines. Hangar facilities had not previously been available at La Guardia Airport for these airlines.

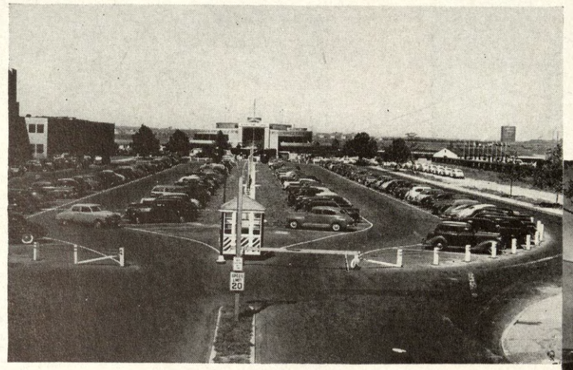
A new ticket counter and information desk were established in the main rotunda of the Domestic Terminal Building, to handle a 30 per cent increase in itinerant and nonscheduled operations. To facilitate aircraft parking, space was set aside north of the domestic apron for rental to regular airport users, and about 182,000 square feet of this aircraft parking area have been rented to Transcontinental & Western Air, Capital Airlines, Northwest Airlines, Northeast Airlines and United Air Lines. Early in 1950 the parking areas now under lease and an additional 52,000 square feet will be paved to improve operating conditions.

A number of improvements were made in ground transportation services. An agreement was entered into with Carey Transportation, Inc. to provide coach service to the airport from the Airlines Terminal in Manhattan, and between La Guardia and New York International Airports, for a period of from eight to ten years. In addition, a "Drive Yourself" automobile service and a new limousine service were established at the airport.

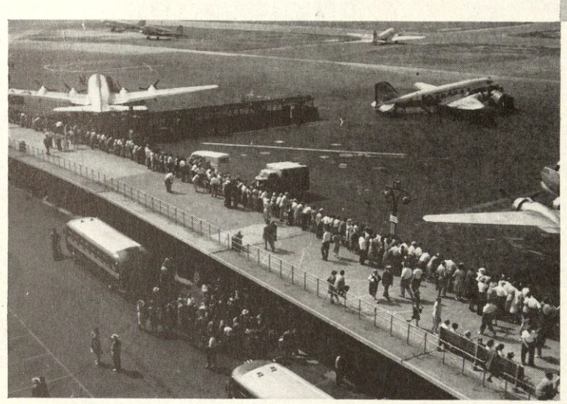


La Guardia Views

Victor Barden, Port Authority Observation Deck Announcer, tuned to Control Tower, attracts additional crowds to the deck on holiday and weekend afternoons with his popular play-by-play public address descriptions of airport activity.







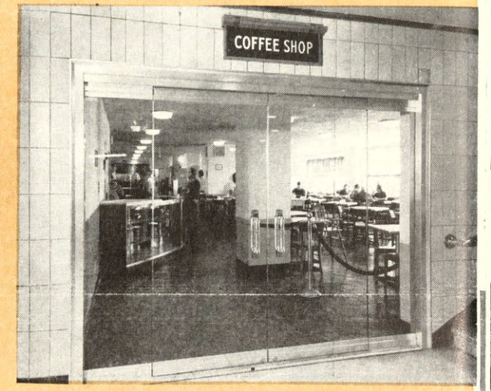
Above left: Supervised parking area at La Guardia Overseas Terminal constructed by the Port Authority. Left: Glimpse of airport visitors on the La Guardia Observation Deck. Above: Interior of Domestic Terminal, second floor, showing news and smokestand concession.



Assisted by airline hostess and a Texas cowhand, a Hereford bull steps gingerly down the ramp after transcontinental flight.



Guided Tour Service offers one-hour behind-the-scenes picture, under guidance of trained hostesses, of workings of a great air terminal.



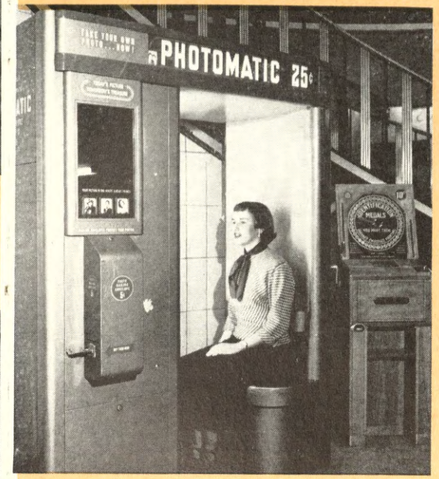
Reconstructed entrance to Coffee Shop, one of three restaurants serving the public at Domestic Terminal.

Six-story antenna and rotoflector tower for CAA surveillance radar equipment. This is the first permanent CAA installation on the East Coast.



Where the show never lags: the Aviation Terrace Restaurant overlooking La Guardia's ever-changing panorama of plane arrivals and departures.





Left: Two among the many coin-operated vending machines for public convenience and airport revenues dispense automatic portrait photography, and metal identification plates.



In a never-ending parade of celebrities at the airport: Nobel Prize winner Lord Boyd-Orr and his wife, Lady Elizabeth, touch first American soil.



Right: Baby-sitter Kathy Johnson poses prettily as her younger twin sisters attend to last minute problems before trip to Africa.



A camera, film and photographic supplies stand in the terminal provides travelers with a favored service and increases airport revenues.



Press, radio and television representatives meet the arrival of Brooklyn Dodgers after an out-of-town triumph.



Upper rotunda of the La Guardia Domestic Terminal at the entrance to the Observation Deck. Diorama wall displays add to concession revenues.

Concession Development, Operating Revenues and Expenses

From the standpoint of the necessary revenue development, the layout of the Terminal Building at La Guardia Airport is fundamentally wrong. We estimate that only about 30 per cent of arriving and departing passengers move through the Terminal Building itself, so that the other 70 per cent of the passengers and their guests have no opportunity to patronize the Terminal's services and facilities.

However, as a result of accelerated concession development in 1949, revenues from this source at La Guardia Airport totaled $526,864 as compared with $438,290 in 1948, and a comparative figure of $358,265 in 1947. Over a million paying guests and about two and a half times that number of children under twelve years of age visited the Observation Deck.

Many concessionaires at La Guardia Airport enjoyed a record year during 1949. The New York Sportservice, Inc. Coffee Shop, Aviation Terrace Restaurant, and Kitty Hawk Bar, produced $98,400 in revenues for the Port Authority in 1949.

Since we assumed responsibility for operation of the airport in 1947, we have installed 140 coin-operated machines of nineteen types to serve the public and to increase airport revenues. Gross sales totaled $200,000 in 1949. The parking lots at La Guardia Airport have been operated by Parking Associates Corporation since March 1, with a gross income of more than $240,000 and a net return to the Port Authority of $155,000. Our exhibit building at the west end of the Observation Deck will open to the public in the spring of 1950.*

The Port Authority has spent or committed some $4,570,775 at La Guardia since assuming responsibility for its operation and improvement. Of this amount, about $622,000 was spent or committed in 1949. Our budget for 1950 calls for an expenditure of an additional $1,697,600.

Gross operating revenues at La Guardia Airport totaled $1,857,580, while operating and maintenance expenses amounted to $1,646,825; net operating revenue was therefore $210,755. This compares with a net operating loss of $74,234 in 1948. It should be noted, however, that neither of these figures includes debt service.

* The exhibit building was opened on May 18, 1950 with a permanent aeronautical display under the operation of Aeronautical Exhibits, Inc.

TRAFFIC AT PORT AUTHORITY AIRPORTS

AIR TRAFFIC*
NEW YORK INTERNATIONAL AIRPORT

	1949	*1948 (July-Dec.)*
Passengers		
Domestic	110,091	22,252
Overseas	103,244	33,343
Total	213,335	55,595
Mail (pounds)		
Domestic	677,892	115,796
Overseas	1,622,266	449,028
Total	2,300,158	564,824
Cargo (pounds)		
Domestic	3,195,290	551,954
Overseas	4,003,982	1,861,224
Total	7,199,272	2,413,178
Plane Movements **	18,115	5,923

* Scheduled operations only. In addition, nonscheduled and contract carriers accounted for 9,285 passengers and 1,960,494 pounds of cargo during 1949.
** Includes scheduled and nonscheduled airlines, private and military aircraft.

AIR TRAFFIC*
LA GUARDIA AIRPORT

	1949	*1948*	*Per Cent Change*
Passengers			
Domestic	2,891,132	2,357,836	+22.6
Overseas	324,829	319,441	+ 1.7
Total	3,215,961	2,677,277	+20.1
Mail (pounds)			
Domestic	22,717,654	17,815,797	+27.5
Overseas	6,450,578	6,467,418	— 0.3
Total	29,168,232	24,283,215	+20.1
Cargo (pounds)			
Domestic	60,362,375	56,630,432	+ 6.6
Overseas	11,703,600	11,847,244	— 1.2
Total	72,065,975	68,477,676	+ 5.2
Plane Movements**	159,465	145,444	+ 9.6

* Scheduled operations only. In addition, nonscheduled and contract carriers accounted for 68,253 passengers and 56,424 pounds of cargo in 1949.
** Includes scheduled and nonscheduled airlines, private and military aircraft.

AIR TRAFFIC*
NEWARK AIRPORT

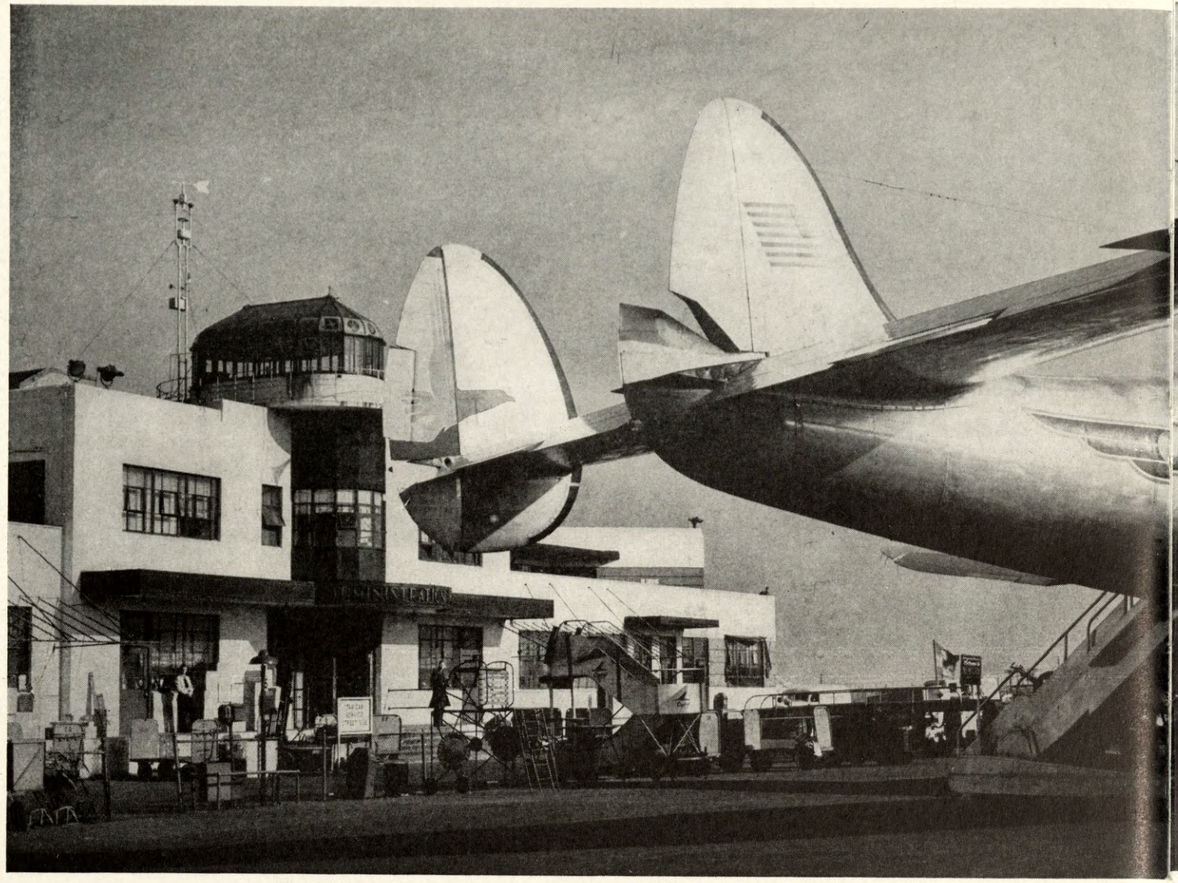
	1949	*1948*	*Per Cent Change*
Passengers			
Domestic	742,836	754,520	— 1.5
Mail (pounds)			
Domestic	5,783,111	6,165,628	— 6.2
Cargo (pounds)			
Domestic	70,675,127	47,072,635	+50.1**
Plane Movements***	77,617	82,390	— 5.8

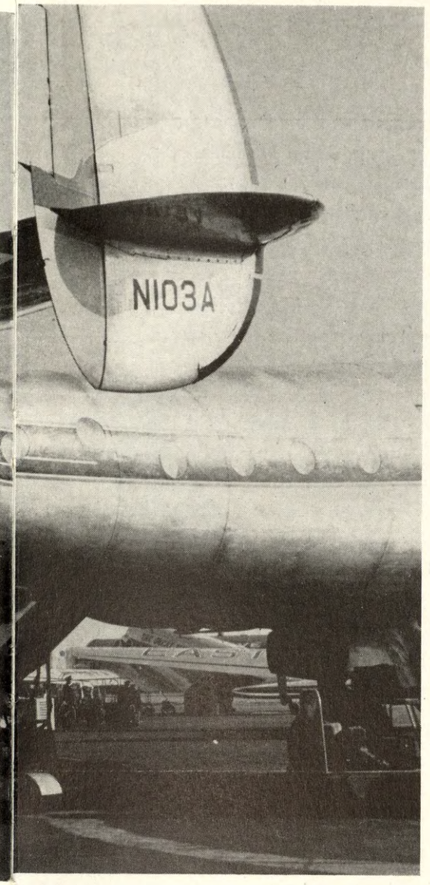
* Scheduled operations only. In addition, nonscheduled and contract carriers accounted for 92,080 passengers and 10,472,352 pounds of cargo during 1949.
** In part, this increase reflects the certification of three all-cargo carriers in the summer of 1949.
*** Includes scheduled and nonscheduled airlines, private and military aircraft.

AIR TRAFFIC*
NEW YORK-NEW JERSEY REGION

	1949	*1948*	*Per Cent Change*
Passengers			
Domestic	3,744,059	3,134,608	+19.4
Overseas	428,073	352,784	+21.3
Total	4,172,132	3,487,392	+19.6
Mail (pounds)			
Domestic	29,178,657	24,097,221	+21.1
Overseas	8,072,844	6,916,446	+16.7
Total	37,251,501	31,013,667	+20.1
Cargo (pounds)			
Domestic	134,232,792	104,255,021	+28.8
Overseas	15,707,582	13,708,468	+14.6
Total	149,940,374	117,963,489	+27.1
Plane Movements**	255,197	233,757	+ 9.2

* Scheduled operations only. In addition, nonscheduled and contract carriers accounted for 169,618 passengers and 12,489,270 pounds of cargo during 1949.
** Includes scheduled and nonscheduled airlines, private and military aircraft.





Newark Airport



DURING 1949 the Port Authority completed the necessary subsurface testing and engineering studies, which led to the conclusion that runways with a service life of twenty-five years for use by transport planes of 125,000 or 150,000 lbs. gross weight were practicable at Newark Airport. The tests provided authoritative information that will permit the Port Authority to build runways there that will accommodate the heaviest commercial transports now in use or on the drawing boards.

On May 22, 1949, we accordingly announced a master four-runway plan for the expansion of Newark Airport. The open parallel runways, ranging in length from 6,000 to 9,000 feet, will have a peak hour capacity of 120 aircraft movements, equal to that of the runways at New York International Airport. Aligned in two directions at an approximate 90-degree angle, they will give coverage under practically all wind conditions.

The new runways at Newark Airport, integrated with the New York regional control pattern, will make possible aircraft approaches and departures which, so far as possible, will avoid residential districts in Newark and Elizabeth. The terminal area will be approached by a surface roadway from Route 25, thus making the construction of a costly underpass unnecessary.

Governor Alfred E. Driscoll is greeted at Newark Airport by Port Authority Vice Chairman Joseph M. Byrne Jr., and Executive Director Austin J. Tobin.



The first two runways will be built during the next two or three years and the remaining two when air traffic develops a need for them. On May 17, 1949 the Port Authority filed a plan with the Civil Aeronautics Administration preliminary to the placing of fill for the first runway, in connection with a Federal grant of $1,075,000 that will be applied to the cost of this runway. Bids for the fill were advertised in 1949 and a contract will be awarded early in January 1950.* Operation of the airport will not be interrupted during runway construction.

In accordance with their commitment to the City of Newark to expand Newark Airport, the Port Authority commissioners on November 10, 1949 adopted a resolution authorizing the purchase or condemnation of about 860 acres of land to the south of the airport in Elizabeth. Action will be taken under this resolution early in 1950 when the runway construction program is extended to the Elizabeth area. Discussions have been held with representatives of the City of Elizabeth and the New Jersey State Highway Department regarding highway, water, sewer and rail access problems.

Newark Airport Terminal Construction

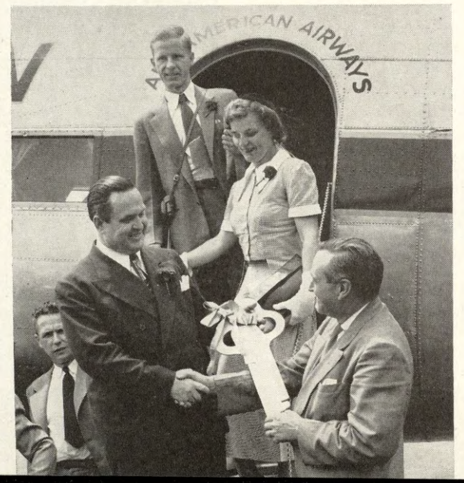
The Port Authority believes that Newark Airport will realize a substantial increase in all classes of traffic. It is accordingly planned to provide enlarged and improved facilities both on a temporary and permanent basis, for the handling of passengers and cargo, and more adequate and modern hangar space. Facilities planned for passenger use will include space for the public and airline operators, as well as restaurant, bar, recreational and other facilities for passenger and public use.

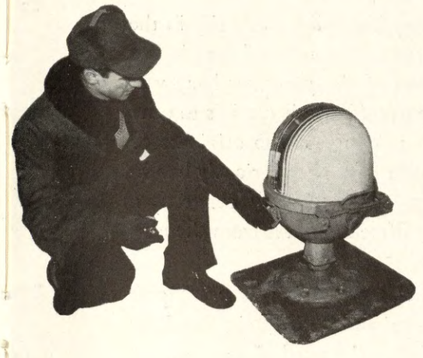
*On January 12 a contract totaling $5,968,250 was awarded to the low bidder for the placing of this fill and the installation of subsurface sand drains at Newark Airport.



Newark Airport in the News

Left: Newlyweds Anthony Beauchamp and the former Sarah Churchill arrive honeymoon-bound. Below: First arrival of a new service by All American Airways, connecting Newark, Pittsburgh and intermediate cities. Mayor Leo C. Williamson presents key of Williamsport, Pa. for Mayor Villani of Newark to Port Authority General Superintendent of Airports, Hervey F. Law.

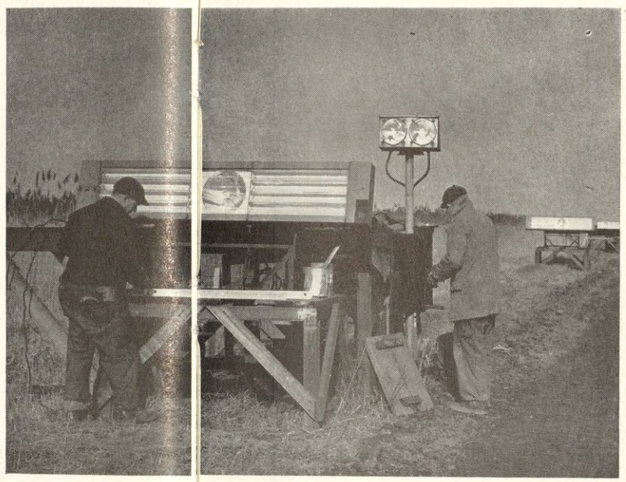












Top left: Mayor Ralph A. Villani is shown new All American Airways Newark schedules by AAA President Robert M. Love (left), and Port Authority General Superintendent of Airports Hervey F. Law and Kenneth S. Carberry, Secretary of Newark Chamber of Commerce, right. Top right: Port Authority Vice Chairman Joseph M. Byrne Jr. welcomes first scheduled arrival of Robinson Airlines at Newark, piloted by Captain John Hanley. Below: Air cargo from Midwest is speeded to Manhattan from Newark Air Cargo Terminal.

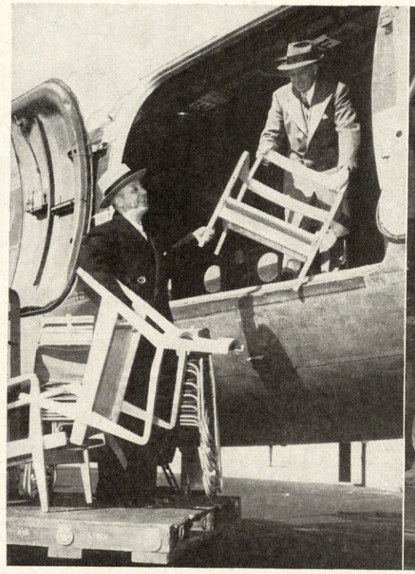
Center: Regular inspection of high intensity runway lights at Newark Airport; below, installation of slop line approach lights, part of CAA experiment program, to augment high intensity system for instrument runway at Newark Airport.

Newark Airport Improvements

On October 30, 1949 the Army Air Force surrendered its lease on an area in the northeast section of the airport, almost five months in advance of the agreed date. This released two hangars and miscellaneous warehouse buildings for general airport use. One of these buildings has been rented to the Post Office; another to Trans World Airlines for its cargo operations and for Railway Express Agency operations; a portion of a third building has been rented to Trans-Caribbean Airlines. The Port Authority Operations Department has taken over the smaller of the two hangars for automotive repairs and storage, maintenance shops and stockroom purposes.

During the year the Port Authority cooperated with the New Jersey Turnpike Authority in the promotion of the Trans-Meadow section of the proposed Turnpike between Newark and the Lincoln Tunnel and midtown Manhattan. The early construction of this section of the great roadway will encourage the development of Newark Airport by improving the opportunity of air carriers to offer reliable ground transportation for the 78 per cent of Newark Airport passengers who originate or terminate their journeys east of the Hudson River. Schedules at the airport have been seriously handicapped by the uncertainty of ground transportation time caused by Pulaski Skyway congestion. The Turnpike will bring the running time to Newark Airport down to fifteen minutes from the new Port Authority Bus Terminal at Eighth Avenue and Forty-first Street.

Building No. 50, formerly used by the Army Air Force for general processing of passengers and property, was converted for tenant occupancy as an air cargo terminal and is now being used for the air cargo operations of three certificated cargo carriers, one regularly scheduled air carrier, and a certificated freight forwarder. The cargo building made available by the surrender of Northwest Airlines' lease on its Newark Airport facilities, has been rented to Eastern Airlines.





Left: Mayor Ralph A. Villani of Newark hands furniture to Port Authority Vice Chairman Joseph M. Byrne Jr., at Newark Airport to assist in largest single commercial freight movement in air history—thirty plane-loads of furnishings for new $6,000,000 Caribe Hilton Hotel in Puerto Rico. Right: Fashion model dons dress just received at Newark Airport from Chicago. Introduction of the "shipping without pressing" feature has increased air freight business with New York's great garment industry.

During the year runway lighting improvements were installed, drainage, runway, and apron repairs were made, and a new gate loading position (Gate 1A) was provided.

Additional Services Available at Newark

Newark's importance as an air cargo center was greatly emphasized during the year when 52.7 per cent of all domestic cargo handled in the New Jersey-New York region flowed through the New Jersey airport. In July 1949 the three large noncertificated all-cargo carriers based at Newark were granted CAB certificates of public convenience and necessity authorizing them to carry freight on a scheduled basis. The Flying Tiger Airline, Slick Airways and United States Airlines, under this authorization, now offer regular cargo service from the New Jersey-New York area to numerous points in the western, southwestern, central and southeastern sections of the United States.

At Newark there is also now available direct scheduled air service by All American Airways to Pittsburgh with intermediate stops at Wilkes Barre, Scranton, Williamsport, Lock Haven, State College, Bellefonte, Clearfield, Phillipsburg, Dubois and Johnstown. During the year Robinson Airlines transferred its operations to Newark and established service to Albany, Binghamton-Endicott-Johnson City, Elmira-Corning, Ithaca, Syracuse, Rochester, Buffalo and Niagara Falls. American Airlines increased its cargo operations at the airport and erected a cargo building with apron paving permitting direct loading to aircraft.

The Port Authority offered the airlines an opportunity to cut travel time between Manhattan and Newark Airport to fifteen minutes via the New Jersey Turnpike by transferring their ground transportation services to the Port Authority Bus Terminal on the west side of Manhattan near the Lincoln Tunnel. Negotiations were concluded with Carey Transportation, Inc. covering regular air carrier

New air services at Newark Airport now link the New Jersey-New York area directly with Pittsburgh and intermediate cities, and Buffalo and intermediate cities.



Port Authority Commissioner Donald V. Lowe, one of many private and executive users of Newark Airport, arrives in his Stinson Voyager.



city-to-airport coach service, irregular air carrier coach service, chartered bus service, and limousine-for-hire service at Newark Airport. Two other companies also established limousine-for-hire services at the airport during the year.

The Civil Aeronautics Administration in mid-1950 will locate a mobile trailer-type ground controlled approach (GCA) unit between the main intersection of the three existing runways and the Terminal Building to be supplemented later in the year by a surveillance radar unit. This equipment will improve the scope and safety of flight operations at Newark Airport under instrument approach conditions.

Concessions

Concession development at Newark Airport naturally was limited, pending the construction of a new Terminal Building. Nevertheless, we effected an increase of 105.5 per cent in such revenues, from $50,000 in 1948 to about $102,000 in 1949.

Air Traffic

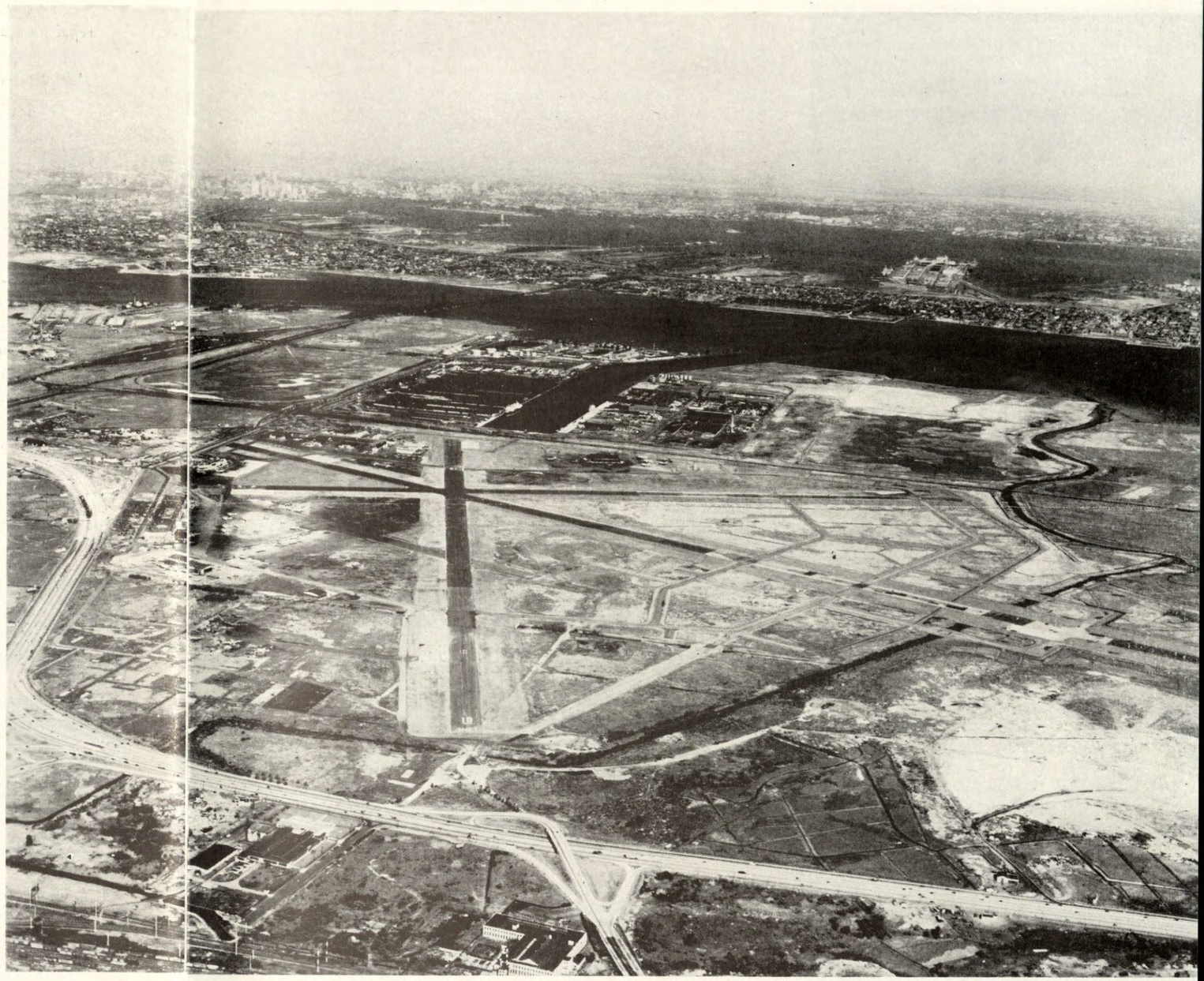
Scheduled air cargo handled at Newark Airport during the year showed a 50 per cent increase from 47,072,635 pounds in 1948 to 70,675,127 pounds in 1949; 52.7 per cent of all domestic cargo handled in the New Jersey-New York region flowed through Newark Airport.

Scheduled passenger traffic declined 1.5 per cent, from 754,520 in 1948 to 742,836 in 1949; mail was off 6.2 per cent, from 6,165,628 pounds in 1948 to 5,783,111 pounds in 1949. Plane movements, excluding itinerant local movements, were off 5.8 per cent, from 82,390 in 1948 to 77,617 in 1949.

Newark Airport Finances

Since assuming responsibility for Newark Airport, the Port Authority has expended $1,918,687 of capital funds, of which $1,020,500 was spent in 1949. Our 1950 budget contemplates the expenditure of some $12,800,000 at the airport for fill for new runways and taxiways, land acquisition, construction of sand drains and soil stabilization, storm sewer systems for new runways, Terminal Building construction, and enlargement of the automobile parking lots.

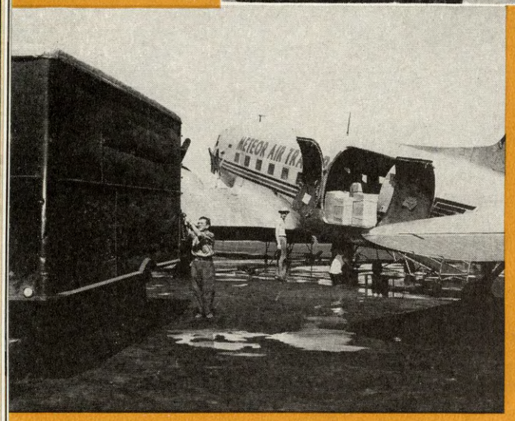
Gross operating revenues in 1949 totaled $668,256, while operating, maintenance, administrative and developmental expenses amounted to $967,109. Net operating deficit, before debt service, was $298,853.



Air view of Newark Airport, showing Port Newark channel in background.







Teterboro Airport

Left: Teterboro's location only 25 minutes from the Manhattan West Side manufacturing district makes it an ideal air cargo terminus for many nonscheduled lines.

ON APRIL 2, 1949 the Port Authority closed title on its 1948 contract to purchase the 550-acre Teterboro Airport in Bergen County, New Jersey, for $3,015,000. The acquisition of Teterboro will permit the full regional development of a system of major airports adequate to handle the anticipated air traffic volume in the New Jersey-New York Port District. Direct operation of Teterboro by the Port Authority commenced on April 30, 1949.

On June 16, 1949 the Port Authority announced the purchase of two hangars and leaseholds on approximately 25.7 acres at Teterboro Airport for $1,350,000. This acquisition of land and buildings strategically located at the airport assured their future use in the Teterboro development program and ended long-term leaseholds on some of the most desirable property at the airport.

Pending the construction of an executive-type-plane storage hangar at Teterboro, it was decided to use Hangar No. 3 to test the economic soundness of this type of operation. We therefore rehabilitated this building and on December 1 it was occupied by Mallard Air Service.

This huge modern hangar was purchased in 1949 by the Port Authority and leased to serve as a complete service, sales and storage center for private and executive aircraft at Teterboro Airport.





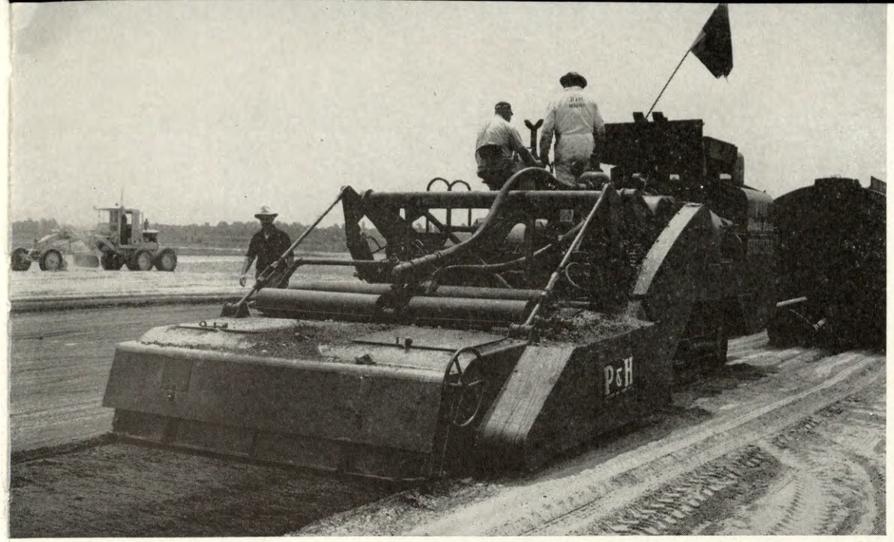
Port Authority investment in Teterboro by the end of 1949 was $4,719,952. Our 1950 budget provides for a capital expenditure of approximately $500,000 for land, construction and rehabilitation. Gross operating revenues for nine months of Port Authority operation were $476,539. Total expenses before debt service amounted to $461,951.

The old control tower was sold during the year, and the present one atop the large new hangar, seven stories high, was put into operation by CAA. An instrument landing system has also been put into operation at the airport. Previously there had been no facilities at Teterboro for instrument flying, and aircraft bound for Teterboro was required to use Newark Airport during instrument weather. Now, although approaches must still be coordinated with Newark, instrument landings may be made at Teterboro. With the development of electronic aids, and as traffic requires, it is planned to establish a separate approach pattern for Teterboro.

Teterboro Airport handled 212,149 plane movements in 1949. Of these, 164,008 were local, 46,941 were accounted for by scheduled, nonscheduled and itinerant aircraft, and 1,200 by military.



Air view of the sales, hangar and operational area of Teterboro Airport, adjacent to Industrial Avenue. Runway system extends beyond picture to the right.

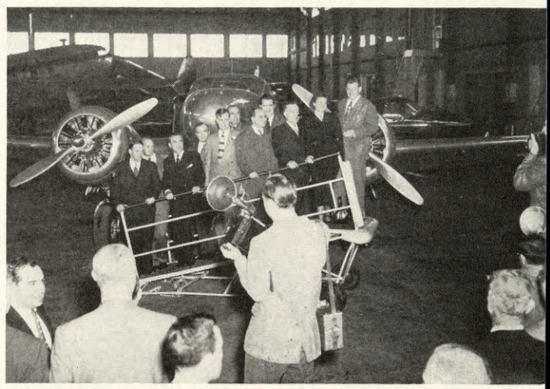


At left: Using this new type automatic soil-stabilizer, 20,000 square yards of new ramp area are created at Teterboro Airport to provide more space for handling cargo.

Below, left: A new service at Teterboro Airport is tried out. "Plane hops" provide "curb" service to private flyers.

Below right: At the opening of a complete new service for private and executive aircraft at Teterboro, Arthur Godfrey, radio and television star and regular user of Teterboro, adds a famous smile, standing topmost on ramp.





Below: At a reunion of many of Teterboro's pioneering "greats" of American aviation. Fifth from left in front is the late Bill Odom; in the doorway of the plane, whitehaired Clarence Chamberlain.







Marine Terminals

Port Newark

In 1949 the Port Authority made significant progress in improving Port Newark's facilities, and in substantially increasing its business and employment. We assumed responsibility for developing and operating this vital sector of the New Jersey-New York Harbor on March 22, 1948 under the terms of a fifty-year lease agreement with the City of Newark. By the end of 1949 we had spent or committed $7,048,000 on facilities at the port. Shipping activities at this marine terminal had increased some 20 per cent over 1948 and about 50 per cent over the best previous tonnage during twenty-seven years of municipal operation. This increase was achieved when shipping activity at most United States ports, as well as in other sections of the Port of New York, showed a marked decline.

Over the twenty-seven years from 1918 through 1944, the period of City operation of Port Newark, the average monthly gross revenue was $11,080. During 1944, the last year of City operation prior to the wartime Federal operation, revenue averaged $13,176 a month. Since March 22, 1948, when the Port Authority undertook the operation and development of the port, the average monthly revenue has been $42,149, or more than three times the average City revenue.





As a result of direct promotion of Port Newark facilities many cargoes were added to the port's tonnage during 1949, such as chemicals, newsprint, heavy machinery, wood pulp from Scandinavia (opposite page and extreme right) and Canadian potatoes (above). In addition, Port Newark was maintained as the leading lumber port on the East Coast.



Port Newark, looking easterly toward Newark Bay, with the two newly-built $2,500,000 Cargo Terminal Buildings bordering channel at right.

Gross operating revenues at Port Newark in 1949 amounted to $632,410. Operating, maintenance, administrative and development expenses totaled $735,967, resulting in a net operating deficit at Port Newark, before debt service, of $103,557. Our operating expenditures exceeded revenues because of the necessity of rehabilitating many of the structures before they could be rented to tenants and begin to produce revenue. Full utilization of these properties to derive the maximum gross operating revenues was therefore not possible. Our operating expenses were heavy also because of the necessity of performing a large amount of maintenance work on port property which had deteriorated prior to the Port Authority's custodianship. Continued small operating deficits are anticipated for the next few years while the rehabilitation of the physical plant continues. Heavy maintenance expenditures are anticipated in the next two years to place the Newark Tidewater Terminal area in first-class condition.

This maintenance work included repairs to plumbing, sprinkler system, electric wiring, roofs, walls, water pipes, heating plants and pipes, lighting systems, gutters, elevators, catch basin and drainage pipes, fire pump, skylights, window glass and wharf decking. It also included emergency work on railroad tracks, the reinforcement of freight platforms, installation of additional lighting, pouring of cinders in muddy areas, modifications of building partitions — one might say the complete restoration of a port.



City of Newark, looking north, with business section rising in center. Passaic River above; Lincoln Park at lower left.

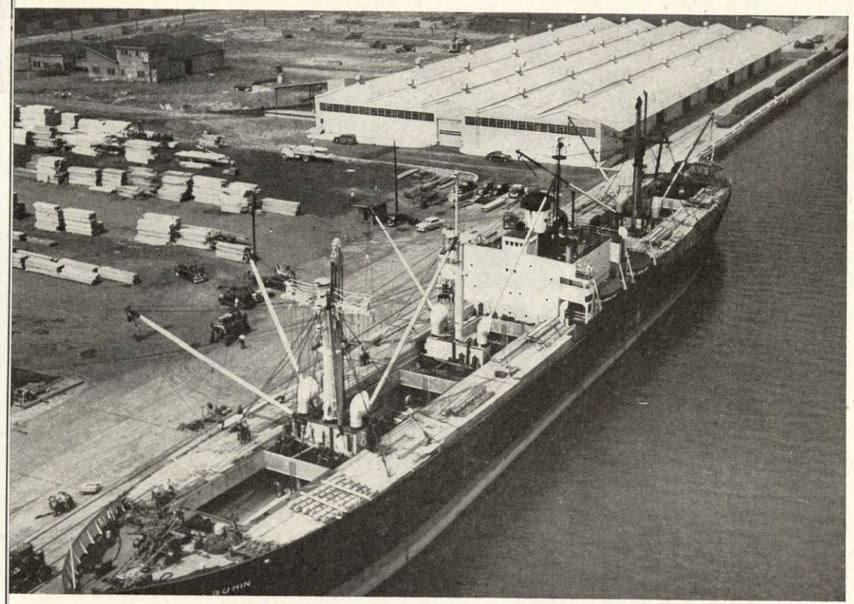
Port Authority Program Brings Added Employment to Port Newark

Increased tonnages, new tenant leases, and the rehabilitation and development of its physical facilities have greatly increased employment at the marine terminal and have brought benefits to the entire Newark area. Annual payrolls for the 1,510 employees of Port Newark tenants and the eighty-two employees of the Authority and its warehouse agents amounted to $5,000,000. In addition, longshoremen, carloaders, truck loaders, clerks, checkers and others engaged in miscellaneous labor earned $2,300,000, an increase of $945,000 over the earnings of such workers in 1948.

Good Progress Made on Port Newark Program

In our lease with the City of Newark we agreed to provide at Port Newark new cargo terminal buildings (transit sheds), bulkhead and wharves, public warehouse space, and other needed facilities. We also agreed to redredge the City channel to a depth consistent with modern shipping requirements, and to rehabilitate the existing wharves, buildings, pavements and trackage. By way of preparation for the execution of this program and the over-all problem of modernization in the Port area, we had made a study of marine terminal facilities throughout the United States as well as in Western Europe. In the interests of economy, where it was feasible, we rehabilitated existing





Heavy duty material handling equipment at Port Newark expedites unloading of vessel and speeds turn-around time for greater shipping efficiency.

Air view of one of two new Cargo Terminals built at a cost of $2,500,000 at Port Newark; features wide loading apron with flush rail tracks, central truck roadway entrance, and, at rear, a rail and truck loading platform.





At left: A mobile crane picks up a pallet loaded with raw sugar in sacks from Peru to transport it into cargo terminal pending transshipment to refinery. Right: Heavy duty fork lift trucks carry Scandinavian wood pulp from Swedish vessel to Port Newark interior shed where it can be piled in high tiers by elevating mechanism of the truck.

buildings, wharves and other port facilities to assure their maximum effectiveness. Some of the port properties were so badly deteriorated, however, that it was necessary to replace them. The objective was to provide port facilities at Newark that would meet the demands of modern shipping and cargo handling.

During the past year we completed reconstruction of the fender system along the south and west sides of the Port Newark channel, on which we had started in 1948. By arrangement with the United States Navy we will redeck the so-called Navy wharf with durable Greenheart lumber, at a cost of about $142,000.

We completely rehabilitated the cargo building and its wharf on the north side of the channel immediately west of the Navy area, at a cost of $617,000. This building and its docks were in a state of complete ruin and uselessness when we assumed responsibility for Port Newark. The rehabilitation included installing new concrete flooring, cargo doors and sprinkler system, rebuilding the wharf substructure and replacing the wharf deck. Work is now nearing completion on a new canopy extending from the building over the wharf to permit use of this facility as a terminal for water-borne cargoes. Plans have been completed for the construction in 1950 of a new $117,700 wharf to serve Coastal Oil Company vessels on the north side of the channel.

In the spring of 1950 we will complete the most important phase of our Port Newark building program, namely, the construction of two new Cargo Terminal Buildings costing $2,500,000, on the south side of the channel. These new cargo terminals will help attract additional shipping to the port.*

An aggressive reconstruction and rehabilitation program was necessary to overcome the ravages

*Ceremonies dedicating the cargo terminals were held on May 24, 1950; they were attended by more than 1,000 government officials, civic leaders and trade representatives.

of deferred maintenance at Port Newark. We demolished buildings that were beyond repair, repaired tracks, docks, various buildings and other port structures, and installed heating plants. Insurance costs were reduced through better fire protection in the port area.

Some twenty-two miles of railroad tracks within the seaport were badly deteriorated when we assumed responsibility in 1948, and a considerable portion of the trackage was unusable. By the end of 1949 we had replaced 2,600 rotted crossties and 400 switch ties. We also installed new planking at the railroad crossings, re-ballasted and raised track beds, replaced switch timbers, and gauged and leveled track rails. Ten sections of worn rail were completely replaced.

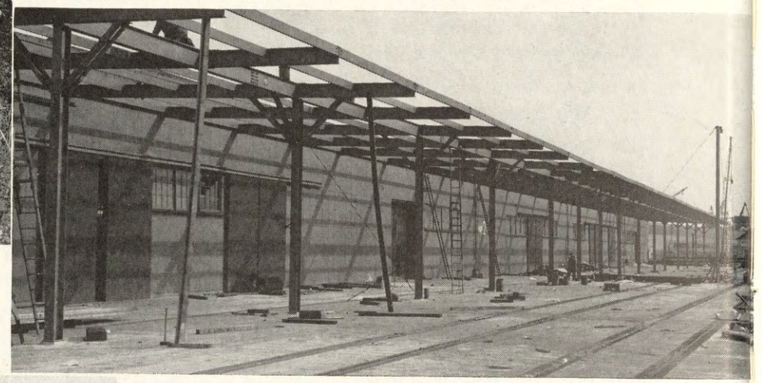
Pending replacement of the wharf decking in the Navy area, the wharf was repaired to withstand the heavy usage incident to cargo handling. The Coastal Oil Company dock, almost in total ruin, was also repaired to meet the operating emergency until the new wharf is built.

Channel Dredging

Arrangements were made during the year for dredging the Port Newark channel to a thirty-five-foot depth to meet modern shipping requirements. The dredging will be done by the United States Army Engineers, and the Port Authority will reimburse the Government in the sum of about $265,000 for deepening the berths along the perimeter of the channel, for which we are responsible. Actual dredging is expected to begin in 1950.



Left: Replacement by Port Authority of rotted ties and other roadbed repairs has restored efficiency of Port Newark's 22-mile rail track system.





Before and after: Cargo Terminal Building at Port Newark shown at left in near ruins, with unsafe dock. During 1949 this was completely rehabilitated by Port Authority (above). Concrete flooring, new doors and sprinklers were installed, and the wharf substructure rebuilt with the addition of a flush rail track system and overhead canopy.







Above: Replacement of wharf substructure with steel-encased concrete posts and new flooring, adjacent to Cargo Terminal Building #2 shown on opposite page. Top right: Laying heavy reinforced 93,000-square-foot concrete slab for flooring of new Cargo Terminal Buildings. Single 12" slab, supported on steel piles, can carry floor loads up to 600 lbs. per square foot. Right: Welding butts on 800 steel H-beams that were driven down to 60 feet below surface to carry new Cargo Terminal Buildings.

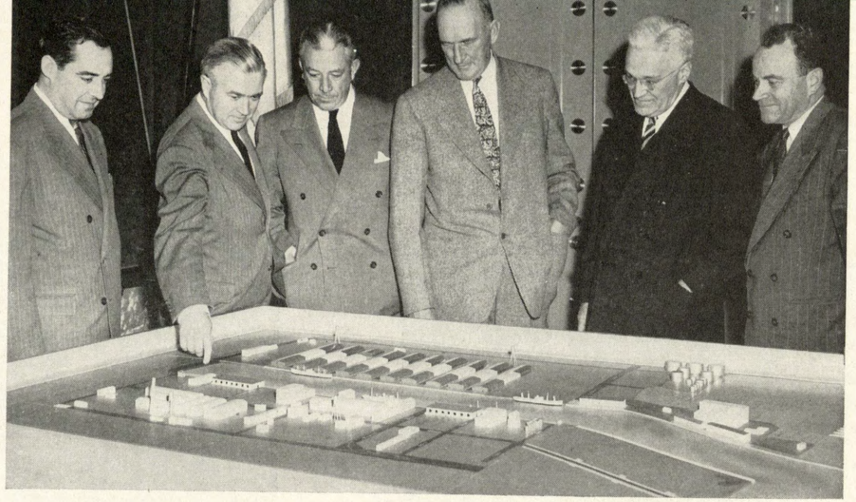
Tonnage Increased as Result of Port Authority Promotion

Effective promotion of Port Newark facilities and services by our Port Promotion Bureau here, as well as by our offices in Chicago, Cleveland and Washington, resulted in tonnages that reached an all-time high. We handled some 1,525,860 tons of cargo in 1949 as compared with 1,272,240 tons in 1948, an increase of about 20 per cent. This was 50 per cent greater than the best volume previously achieved under City operation—1,037,400 tons in 1940. From 1929 to 1941 tonnage at Port Newark under City operation had averaged 670,000 tons, while in 1947, exclusive of military cargo, the port had handled 811,780 tons under City operation.

Our promotional activities during the year included extensive discussions and negotiations with steamship lines, railroads, trucking firms, shippers and others. We initiated a continuing program of contacts with major shippers throughout the Northern New Jersey area to urge use of Port Newark for the handling of their export and import trade.

Lumber movement at Port Newark, well known as the leading lumber port on the East Coast, increased 60,000 tons in 1949 over 1948. General cargo and other commodities, not including liquid petroleum products in bulk, increased 187,740 tons. Volume of liquid petroleum products remained about the same, 948,610 tons in 1949 as compared with 942,770 tons for 1948. This was due largely to the unusually warm weather that reduced fuel usage.

As a result of Port Authority promotion, wood pulp imports were won back to Port Newark, and to the port as a whole, for the first time since before the war. The movement of wood pulp



Scale model of Port Newark used in planning development of the marine terminal. Left to right: Matthias E. Lukens, First Assistant to the Executive Director; Austin J. Tobin, Executive Director of the Port Authority; Vice Chairman Joseph M. Byrne Jr.; Commissioners Chas. H. Sells and Horace K. Corbin, and Director of Port Development Walter P. Hedden.

totaled 56,540 tons in 1949, an increase of 52,340 tons over the previous year. We are expanding our cargo terminals to handle the discharge of this tonnage which during the past year exceeded the capacity of existing facilities.

Public Warehousing Services

To provide essential public warehouse facilities for the development of water-borne tonnage at Port Newark, we advertised in 1948 for applications from established warehousemen in the port area, and awarded a contract to the Bayway Terminal Corporation for the operation of open and enclosed warehouse space on the south side of the channel. In the same year, a contract was awarded to the Lehigh Warehouse and Transportation Company.

These water-front warehouse services have attracted new commodities to Port Newark and the New York Harbor. It was necessary for us to enlarge the Bayway facility from 60,000 square feet to 128,000 square feet, to meet the needs of new and expanding water-borne tonnages.

Industrial Rentals and Licenses

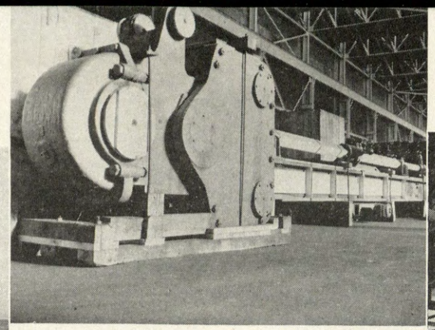
During 1949 a net increase of 20,000 square feet of covered space was put under term leases, and additional short-time arrangements were made for use of open areas for storage of lumber and other commodities. The new tenants added to employment and use of the wharves.

As of the end of 1949, fifty-one industries, large and small, were engaged in distributing or processing a wide variety of products at Port Newark. These tenants have been attracted to Newark primarily by the excellent transportation features of the port area. The Port Authority has had the cooperation of a number of industrial real estate brokers in bringing new companies to the port.

Renegotiation of Leases and Property Acquisition

Prior to Port Authority operation of Port Newark, the use of a great part of the valuable water-front area had been turned over to private control under long-term leases, with the result







Left: Members of Manufacturers' Assn. inspect new and improved facilities at Port Newark. Above: Part of a complete steel mill in warehouse operated by Lehigh Warehouse & Transportation Co., prior to shipment overseas. Right: Celotex and phosphate, held in storage by Bayway Terminal Corp., pending transshipment to destination.

that shipping berths were not available to backland tenants and the general shipping public of Northern New Jersey.

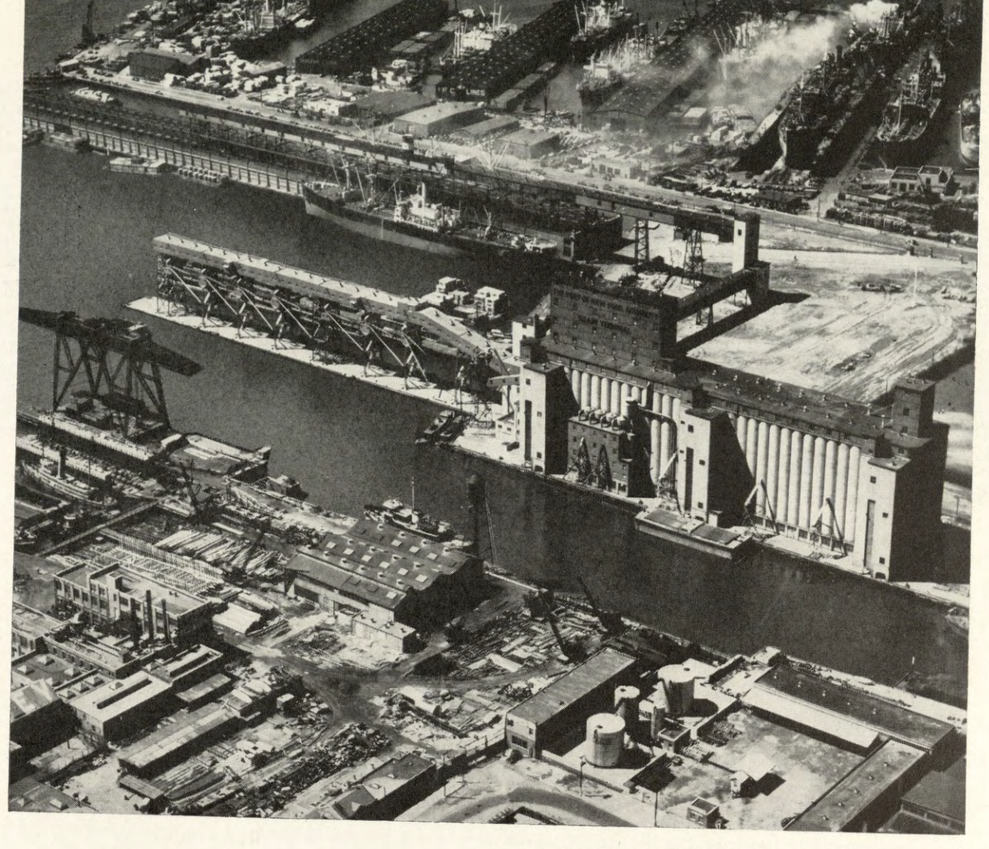
We immediately undertook to recapture these water-front properties and to renegotiate these leases in order to restore the properties to general public usage. In 1948 the old City lease with Swift & Company was modified, the Franklin Lumber Company leasehold was purchased, and we purchased thirty-eight acres of land and buildings formerly known as the Sears Roebuck area from the War Assets Administration. We have since negotiated a number of industrial leases on buildings not immediately adjacent to the water front, which are providing added employment and revenues.

In December 1949 we purchased the leasehold of the Ripley-Hopping Company covering 3.92 acres on the south side of the channel. We also bought five parcels of land, totaling 4.46 acres, adjacent to the Central Railroad of New Jersey, title to which had never been acquired by the City.

All of this was in accordance with our original proposal to the City of Newark and has effectively reopened Port Newark as a public port area available to all business and industry.

Port Authority Grain Terminal and Columbia Street Pier

Reflecting a continuing program of physical rehabilitation and improvement and an intensive promotional program, the Port Authority Grain Terminal and Columbia Street Pier on the Gowanus Canal in Brooklyn earned during 1949 a total net operating revenue of approximately $300,000, the highest since Port Authority operation of these facilities was begun in May 1944. Prior to their transfer to the Authority by the State of New York, the facilities had averaged an annual deficit of $50,000 for more than twenty years. The Port Authority has added $1,652,000 in rehabilitation and improvements to the original $500,000 paid to the State, bringing its total investment in the properies as of the end of 1949 to $2,152,000. Formerly unused and in almost total disrepair, the Grain Terminal and Columbia Street Pier are now among the finest marine terminal facilities in the entire Port. We have built a new Grain Pier and a new Grain Gallery and have provided a new five-acre upland storage area, which substantially contributed to the 1949 gain in revenues. They have at the same time provided additional employment and have reduced shipping costs in the area, particularly on the large volume of lumber destined for Long Island and Westchester hous-



The Port Authority Grain Terminal with loading gallery, center; Columbia Street Pier above.

ing construction. A total operating, maintenance and administration expense in excess of $300,000, an increase over 1948 expenses of about 14 per cent, included various repairs and improvements.

Grain Terminal

Throughout 1949 the Grain Terminal was filled to capacity owing chiefly to the storage of 1,600,000 bushels of flaxseed for the account of the Commodity Credit Corporation. As parts of this were removed, other lots of corn and wheat were stored for varying periods of time. Conscious of the need for additional grain storage capacity to handle the Federal Government's heavy grain surplus, the Authority was instrumental in arranging for the Government to utilize the "moth ball" fleet, anchored in the Hudson River, for storage of surplus Government grain in the Port of New York. Local grain handlers were employed in the loading and transferring of grain to twenty-four of these vessels. Some 650,000 bushels of flaxseed were transferred from the Grain Terminal to the vessels and the storage capacity thus made available was immediately booked by the Commodity Credit Corporation.

Arrangements were made through Port Authority efforts for Army vessels loading grain at nearby ports to top off with final grain cargo at the Port of New York. We continued to urge Federal officials to route greater volumes of export grain through New York. Following ICC approval



Loading into bags grain that has been moved to the vessel via overhead gallery and spout.

of general rate increases during the year and in accordance with our general policy of following current commercial rate levels, storage and handling rates at the elevator were adjusted accordingly.

Grain Pier

In 1949, the second year of its operation, the Port Authority Grain Pier was utilized by thirty-eight ships for 191 ship-days, as compared with thirteen ships for 109 ship-days in 1948. A major part of this increased usage was stimulated by our provision of additional upland storage area adjacent to the pier for lumber storage. Because of heavy home building activity, the demand for lumber increased greatly and toward the end of the year, following devaluation of the pound, a heavy movement of Canadian lumber from the West Coast got under way.

Columbia Street Pier

In 1949 eighty vessels used the Columbia Street Pier for 342 ship-days to handle 152,000 tons of freight, as compared with seventy-four vessels for 417 ship-days to handle 142,950 tons in 1948. Seventy-three of the vessels docked in 1949 were operated by the Fern Line and the Isthmian Steamship Company. These lines occupy the facility under six-month permits awarded them originally in 1947, and since renewed, for preferential but nonexclusive assignment of berths. The Port Authority under this arrangement, may place vessels from outside lines at berths not scheduled for

occupancy for a period of fourteen days. Unique in the Port of New York, but used in other United States ports, this permit system enables us to provide additional Brooklyn berthage for vessels of other lines.

Public Open Storage Area

Following extensive paving and other rehabilitation by the Port Authority, a five-acre public open storage area, part of the Port Authority Grain Terminal property, was opened for operation in 1949. Beard's Erie Basin was the successful bidder for a two-year lease on the property commencing in April; in the thirty-six week period to December 31, 1949, since lumber was first placed in this area for storage, a total of 59,000,000 board feet was unloaded from twenty-nine vessels berthed at the Columbia Street Pier and the Grain Pier. This usage far exceeded our estimates and has provided an estimated annual increase in dockage and wharfage revenues for the Grain Terminal of $40,000. It is interesting to note that in 1949 more than half of all the lumber moving into this Port utilized Port Authority facilities at the Grain Terminal and Port Newark.

With the approval of New York State and the City of New York, we are improving the roadway approach to this open storage area through the extension of Halleck Street into the property.

New Jersey Water-Front Proposal

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

Our report made several recommendations and proposals: the immediate construction of a thirteen-million-dollar two-pier marine terminal at Jersey City; the seventeen-million-dollar restoration and development of the important piers owned and operated by the United States Maritime Commission at Hoboken; the use of a large part of the Bayonne Naval Base as a modern, commercial marine terminal; also the consolidation of railroad terminals on the water front, the establishment of all-rail joint rates to permit through-routing to all water-front points, and an adequate reciprocal switching arrangement between railroad companies.

The report further urged the expenditure in the New Jersey-New York Harbor of a fair share of the Federal funds appropriated annually for channel improvements in the United States. Suggestions were made for better highway access to the water front.

On releasing the Port Authority report, Governor Driscoll said:

> "The Port Authority report confirms my belief that it is possible and important to improve the welfare of the people of the New Jersey port area through the full development of our water front. The several recommendations which the Port Authority commissioners have made for the development of new piers, the rehabilitation and modernization of existing piers, the consolidation of water-front railroad facilities, the establishment of a proper rate structure and interchange of railroad services, a fair share of Federal appropriations for channel improvement and highway improvements are most constructive. I shall endeavor to translate these recommendations into tangible form. This will be a prime objective of my administration."

Jersey City Marine Terminal

The Port Authority's survey of the New Jersey water front revealed that perhaps the most attractive stretch of the shore was between Exchange Place and the old Morris Canal Basin, including the obsolete City-owned Pier B, in Jersey City. This site was considered appropriate for an immediate two-pier marine terminal development with possible future expansion to a six-pier development, if properties used by the Lehigh Valley Railroad and Central Railroad of New Jersey on the south side of the Basin ever became available for marine terminal development.

On the basis of 1948 construction costs, the Port Authority estimated it could finance and develop two single-deck, two-berth, deep sea general cargo piers for about $13,000,000. The preliminary estimates of revenues and expenses as of early 1948 indicated that such a development could be self-supporting as far as new capital expenditure for construction and the acquisition of privately owned property were concerned. The project could not be self-supporting, however, unless the land owned by the State and the municipal government was turned over to the Port Authority without cost. Under the terms of the proposal, 75 per cent of any surplus revenues which might accrue from Port Authority operations would be paid to Jersey City.

Bayonne Naval Base

The Port Authority's report pointed out the feasibility of converting five berths on the south side of the Bayonne Naval Base to commercial use, together with four supporting transit sheds and two adjoining single-story warehouses.

The facilities involved in the proposal are modern and efficient, with ample rail and vehicular access. Under Port Authority management, as urged by the City of Bayonne and the Bayonne Chamber of Commerce, the Navy would be relieved of considerable maintenance expense while the base would be preserved for immediate use in a national emergency.

It was pointed out that as a result of reduced use by the Navy, civilian personnel at the Bayonne Base was but half of what it had been during 1947. If the base were operated as a commercial marine terminal, employment in the Bayonne area would be greatly increased and the harbor facilities improved.*

Federally-Owned Piers at Hoboken

Following a request by the City of Hoboken that the Port Authority survey the possibility of developing and rehabilitating Government-owned piers at that great New Jersey port, we submitted a proposal on September 15, 1947 for a $17,000,000 program to include the rehabilitation of the three existing piers and the construction of a new double-deck freight pier that would be the finest marine terminal on the Atlantic Coast.

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* In response to a communication from the Port Authority, the Secretary of the Navy advised us on July 14, 1949, however, that considerations of national defense would not permit the allocation of a portion of the Bayonne Naval Supply Depot for commercial shipping at this time. The Secretary pointed out that the program for berthage of Naval vessels in the "Moth Ball Fleet" would require use of the entire terminal. He also stated that the transfer of these vessels to other depots would require funds which the Federal Government was not prepared to spend.

Our original proposal, under the terms of a fifty-year leasehold, guaranteed $50,000 a year to the City of Hoboken in addition to 75 per cent of all earnings above that sum. The City Commission did not accept this proposal. It was reexamined by the Authority in April 1948 to adjust costs to accommodate an 8 per cent increase in construction costs as of that time and a 33⅓ per cent increase in interest charges. In May 1948 the Port Authority informed the Hoboken Commissioners that then existing conditions would not justify a guarantee of $50,000 a year as previously proposed, but that we were willing to go forward with the project on the basis of payment to the City of 75 per cent of all net earnings. In July 1948 the Hoboken City Commissioners rejected this proposal too.

Proposal to Maritime Commission

Governor Driscoll's close interest in the development of the Hoboken piers led him to inform the Mayor of Hoboken in a letter dated April 19, 1948 that the development of the Hoboken piers was not only of primary concern to Hoboken, but to all of Hudson County and many other New Jersey municipalities. He urged the Mayor to cooperate in a plan to get the piers under construction, and cautioned that if action were not forthcoming, he would be compelled to place the matter before the Maritime Commission as one of state-wide concern.

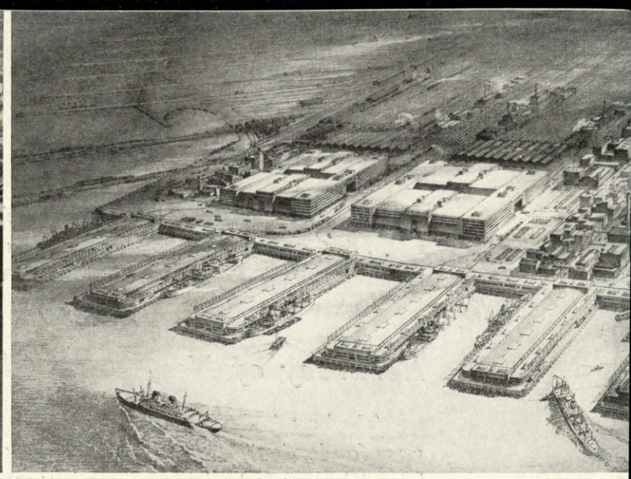
On September 19, 1949 Governor Driscoll asked Port Authority officials to attend a meeting in Trenton requested by the Hoboken Chamber of Commerce. The Chamber advised the Governor of its efforts to obtain the cooperation of the Mayor of Hoboken in the Authority's pier development program and reported it had become convinced that the Mayor had no plan for pier construction and was not disposed to work out an agreement which the Authority could accept. The Governor stated that he preferred local cooperation, if it were possible to obtain it, and asked that the Chamber and the Port Authority make one last effort to bring about such cooperation.

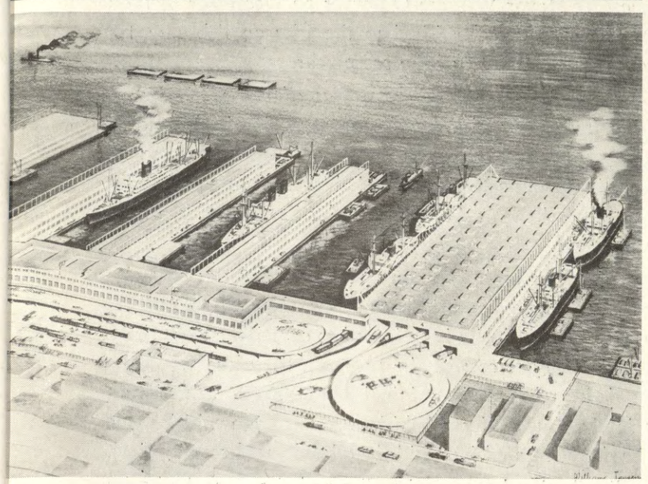
Governor Driscoll made it clear that in the event a direct State-Port Authority proposal was accepted by the Maritime Commission, the City of Hoboken would still receive 75 per cent of net revenues from the pier operations. He stated that any agreement that might be reached between the State, the Port Authority, and the Maritime Commission would also cover various assurances as to the construction of new water mains, appropriate Port Authority participation in the cost of a sewage treatment plant, and an agreement that no additional property in the City of Hoboken would be condemned by the Authority without the consent of the municipality.

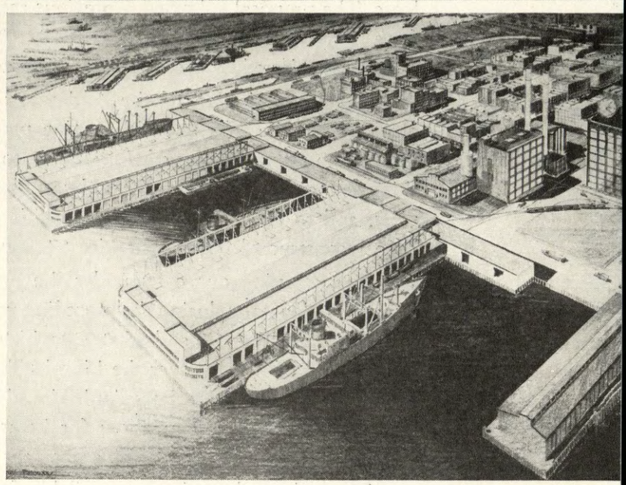
Subsequently, the Port Authority proposed a guarantee of $100,000 a year for the first five years to the City of Hoboken in the event of the development of the pier program. This guaranteed advance would be made possible by the postponement of capital expenditures in the estimated sum of $3,650,000 for the proposed rehabilitation of Piers 1, 2 and 3. The Port Authority, however, would go forward immediately with the expenditure of $13,000,000 for the construction of the new double-deck modern pier and would assume all financial risk and expenditures for the complete $17,000,000 improvement. This proposal too was rejected by the Hoboken City Commission.

On November 2 the Port Authority therefore advised the Mayor of Hoboken that we would in the near future submit directly to the United States Maritime Commission, in accordance with Governor Driscoll's request, a joint proposal of the State of New Jersey and the Authority for the

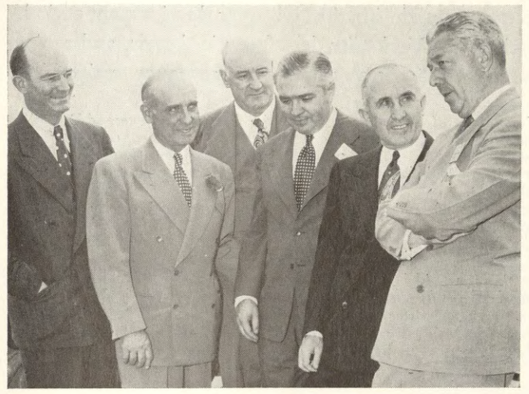








1. The Jersey City waterfront area proposed for new Port Authority marine terminal development.
2. Long-range plan for Jersey City includes filling of canal basin and construction of six piers.
3. Proposed $17,000,000 Port Authority development of Hoboken water front includes construction of great new pier at right.
4. Proposed first stage development of Jersey City water front includes construction of two modern piers at cost of $13,000,000.



New Jersey officials discuss water-front development with Port Authority Vice Chairman Joseph M. Byrne Jr., and Executive Director Austin J. Tobin. Left to right, Jersey City Commissioners Donald Spence and James F. Murray Sr.; Mayor Charles Heiser of Bayonne; Mr. Tobin; Mayor John V. Kenny of Jersey City; Mr. Byrne.

development by the Authority of the Hoboken water front. The Mayor was informed that the interests of the City would be protected in every respect including an assurance of the payment of 75 per cent of the net revenues of the facilities to the City.*

Resurvey of New York City Pier Proposal

The Port Authority on April 27, 1949 submitted to the City of New York a $91,000,000 program for developing and operating the municipally-owned water-front facilities under a fifty-year lease. The proposal followed a previous request by Mayor William O'Dwyer on December 3, 1948 for a restudy of the Authority's $114,000,000 pier program furnished to the City on February 10, 1948, and rejected by the Board of Estimate on September 15 of the same year.

The physical plan of the Authority's new proposal differed from that of the original program in that the offer to build a union produce terminal and railroad carfloat station in downtown Manhattan was not renewed. In addition to carrying out its original proposal to build six new steamship piers and three union railroad carfloat stations, to modernize and rehabilitate fourteen existing piers, and to rehabilitate fifty-four additional piers, the Port Authority, under its new offer, would have reconstructed burned-out Pier 57, North River.

In computing our costs under the new plan, we took into consideration the 8 per cent rise in construction costs during the preceding year. We allowed an insurance credit of $1,720,000 on the construction of Pier 57, and $600,000 which the Port Authority is obligated to contribute toward the construction of Pier 79 over the Lincoln Tunnel. The net cost of the program therefore would be about $89,000,000. The Port Authority also deducted from its original $114,000,000 capital program about $1,766,000 to allow for items in the City's pier rehabilitation program which have already been started, or on which agreement has been entered into with leaseholders of certain piers.

The estimated net income available for distribution between the City and the Port Authority would be approximately $6,584,000 a year, compared with $6,555,000 reported in the February 10, 1948 proposal. Should the piers be left without substantial improvement, the City's net income over the same period was estimated to average only $5,300,000. The Port Authority stated that it was willing to turn over to the City all of these net revenues, after deducting a reserve of 10 per cent against the bonds issued for New York City pier purposes, during the eight-year development period. We would also guarantee the debt service on the New York City debt-free pier bonds, and at the end of the development period we would turn over 75 per cent of the net revenues to the City.

* On January 9, 1950 the Port Authority, on behalf of the State of New Jersey and at the request of Governor Driscoll, asked the United States Maritime Commission to lease to the Authority at the rate of one dollar a year for fifty years the Government-owned piers at Hoboken, New Jersey. Under the terms of the Authority's proposal to the Maritime Commission, the bi-state agency would undertake to rehabilitate and improve existing Hoboken Piers 1, 2 and 3, and to construct a great new freight pier, at an estimated cost to the Authority of $17,000,000.

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

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

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

On the basis of the estimated revenues, the City of New York would receive during the life of the Port Authority bonds an average of $5,089,000 a year, or a total of $193,380,000. The City would be relieved of any further demands on its capital budget for water-front improvement purposes, and of all its administrative and maintenance expenditures in connection with the operation of the municipally-owned water front. These administrative savings would extend beyond the activities of the Department of Marine and Aviation, since at least one-half the cost of operating the City-owned water-front facilities is included in the budgets of other City departments.

On submitting the new proposal, the Port Authority informed Mayor O'Dwyer that uncertainties had developed during 1948 with reference to the construction of the new market, resulting from a railroad policy approved by the Interstate Commerce Commission on the delivery of fresh fruits and vegetables to the Manhattan water front. Under this railroad policy there is assessed a charge of from $35 to $47 a car for deliveries at this point as compared with deliveries at trackside locations which do not require unloading from carfloats. The Port Authority and other interested parties have vigorously protested the new policy, which became effective on November 1, 1948, and have appealed for reconsideration of the ICC decision. After new hearings, the ICC Examiner recommended cancellation of the charge, but a final decision is still pending.

Receivers of produce are trying to avoid payment of the extra charges by taking rail deliveries at points where the charges are not in effect, or by shifting to other types of transport. In February 1949 alone, produce deliveries to the Manhattan pier stations were off almost 50 per cent from the same period in 1948. In February truck and boat receipts were up 1,135 carloads, and rail deliveries to the New Jersey water-front yards increased by more than 900 cars.

Under the Port Authority's original plan for reconstruction of the produce market, the then existing $200 a car cost for handling fresh fruits and vegetables through the individual rail terminals and the maze of crowded streets and outmoded stores would have been reduced to $140, a saving of $60 a car. This would have resulted in a reduction of $9,000,000 a year at wholesale prices or $10 a year at retail prices for every family in the metropolitan area.

In its new report, the Port Authority re-evaluated the benefits from various fire protection improvements in consideration of reduced insurance premiums. It revised its plans in order to install fire-prevention devices which would provide the greatest reductions in such premiums.

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

Yonkers Water-front Survey

At the request of the City of Yonkers, New York, in May, 1948 we made an engineering and economic survey of the feasibility of marine terminal development in that area. The survey was continued during the past year, and we expect to report on it during 1950.



The New York Union Motor Truck Terminal, a $9,000,000 "post office" for motor freight, is designed to reduce terminal costs and relieve traffic congestion by providing near the Holland Tunnel a consolidation and interchange point for over-the-road trucks.

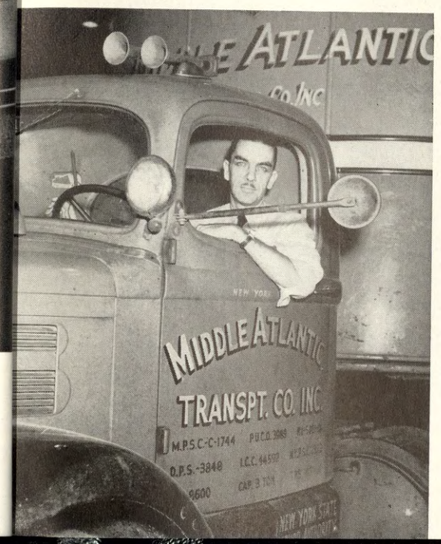
Mayor O'Dwyer cuts ribbon at dedication of New York Union Motor Truck Terminal. L. to R., P. A. Commissioners Moran and Byrne; the Mayor; P. A. Commissioners Cullman, Pope, Lowe, Armstrong; Newark City Commissioner and Director of Public Works Leo P. Carlin; P. A. Commissioner Hamilton.



Rail, Truck and Bus Terminals

New York Union Motor Truck Terminal

Typical of the 600 forty-foot common carrier over-the-road motor trucks that daily enter Manhattan with mixed loads of freight, the first to use the New York Union Motor Truck Terminal brought freight from Detroit consigned to 41 separate points in and near New York. David Presho is at the wheel.



The first of our union motor truck terminals, the New York Union Motor Truck Terminal, was dedicated on October 31 and actual freight handling operations for over-the-road carriers began on November 28. At the end of the year, seven over-the-road carriers were operating at the terminal and others had signed agreements to start shortly after the first of the year. The operation of the terminal was being closely watched by trucking companies and others to determine if this unique truck freight station would ultimately do the job and effect the savings in mileage and money for which it was designed and built. In its first days of operation, the mammoth terminal, second in size to our Newark terminal, which will be the largest in the world, was faced with the inevitable "bugs" that one would expect in the trial run of any new development in the machinery of transportation. However, we believe that ultimate savings to over-the-road carriers in terminal costs, originally estimated at about a dollar a ton, may reach as high as two dollars a ton. When it is in full operation, the terminal is expected to save its users about a million dollars a year and to stabilize and increase employment in the trucking business.

The four-block-long terminal, extending from Spring Street to West Houston Street, most modern facility of its kind in the

country, will help to promote the continued growth of truck freight tonnage which, in 1949, had reached an all-time peak.

Bids were received from seventy-five local operators who wished to perform the necessary pick-up and delivery service at the terminal. Seven qualified low bidders were awarded contracts.

The New York Union Motor Truck Terminal has been praised by many public officials as well as leaders in the trucking industry. At the dedication on October 31 Mayor William O'Dwyer stated: "Now here today, we have the first instance of where and how the over-the-road and the local trucking people can be served. We are with one stroke getting much nearer to a solution of one of the problems that we will always have to be on top of. And that's the traffic problem."

Our union motor truck terminals have been endorsed by leading labor union officials. The Executive Board of the International Brotherhood of Teamsters, meeting in Miami, Florida, in February 1949, issued a statement endorsing union motor truck terminals, which said, in part: "The Executive Board expresses the view that it is desirable that forward-looking projects, such as the union motor terminals, be encouraged in order that over-the-road and local trucking operations should not be strangled by city street congestion and obsolete terminals."

Newark Union Motor Truck Terminal

Late in 1948 Newark Local 478 of the International Brotherhood of Teamsters, Chauffeurs, and Warehousemen required over-the-road truckmen employing members of the union to sign contracts which could prevent these truckmen from using the Port Authority's Newark Union Motor Truck Terminal after completion. On December 15, 1948, when it seemed that it would be impossible to operate the truck terminal successfully and representatives of the Local refused to meet with the Port Authority, we cancelled our orders for $850,000 worth of equipment pending clarification of the labor situation.

In view of the constructive attitude of the Executive Board of the International Brotherhood of Teamsters in Miami in February 1949, we reinstated our order for the Newark equipment and went forward toward completion of the terminal by midsummer, 1950.

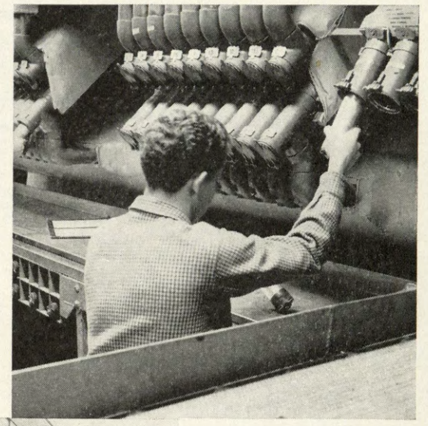
Similar in design to the New York Terminal, although somewhat larger, the Newark Terminal, capable of handling about 2,500 tons of freight per day, will reduce street congestion, provide modern facilities and equipment for the handling of common carrier mixed merchandise freight, reduce handling costs, provide better truck service in the Port District and thereby increase the employment in the trucking industry.

The Newark Terminal was made possible through the cooperation of the States of New Jersey and New York, their Governors and legislators. We have also had the cooperation of the entire trucking industry in the metropolitan area.

As projects of The Port of New York Authority, both the Newark and New York terminals carry out the intent of the statutes of New Jersey and New York which established the Port Authority and directed the development of union freight terminals to eliminate duplication of effort, inefficient loading and equipment, and the reduction of over-all terminal costs.



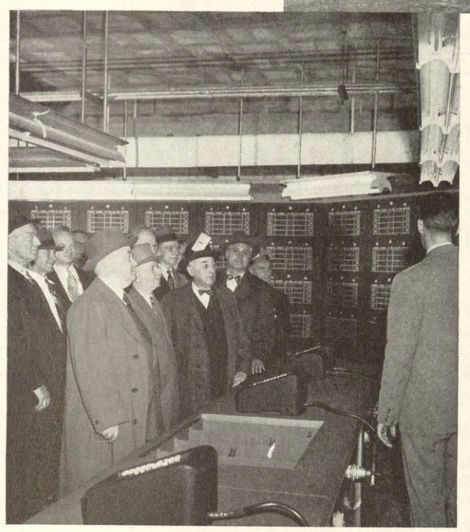
Operation of the New York Union Motor Truck Terminal is explained at a press preview held day before the dedication.



Carriers containing shipping papers are received and dispatched to proper locations via pneumatic tubes in this central tube control station.



The Terminal provides 144 off-the-street back-up spaces for both over-the-road tractor-trailers and local pick-up and delivery trucks.



At preview of Terminal, trucking officials are shown the "Teleregister Board" which provides an automatic and perpetual inventory of all freight.



View of the 800-foot platform (prior to opening) showing flat trucks attached to overhead conveyor; dispatchers' gallery above.



Air view of the $8,000,000 Newark Union Motor Truck Terminal adjacent to Route 25, the main trucking artery from the south and west. Nearly a quarter mile in length, the terminal will serve Northern New Jersey and Staten Island.

Port Authority Bus Terminal

Ground-breaking ceremonies for the $24,000,000 Port Authority Bus Terminal were held on January 27, 1949. Governor Dewey, Mayor O'Dwyer, and Senator David Van Alstyne representing Governor Driscoll, participated in this event of such significance to the relief of traffic in midtown Manhattan, and the comfort and convenience of those who commute by bus from Northern New Jersey. About 500 persons, including bus company executives, public officials, representatives of civic organizations and the press, were among those who attended the ceremonies.

Work on the foundation of the Bus Terminal, which will take most of the 2,500 interstate buses off the local midtown streets, cut travel time for bus commuters from six to twenty minutes, and provide a convenient and comfortable terminal for the 60,000 bus commuters daily entering Manhattan from New Jersey, was completed in November; the first steel for the structure was erected during the same month. The terminal will be opened to bus traffic on January 1, 1951.*

* On January 12, 1950 there was submitted to the Board of Estimate by Commissioner Robert Moses, another proposal for the enlargement and extension of the existing Greyhound Bus Terminal at Thirty-fourth Street in the congested traffic area east of Eighth Avenue. The chairman of the Port Authority immediately issued a public statement in which he said: "It is inconceivable that Mayor O'Dwyer and the Board of Estimate would breach their assurance to The Port of New York Authority in a resolution dated January 1947, that 'it is the policy of the Board of Estimate that it will not approve the erection of a new bus terminal, or the permanent enlargement or extension of an existing bus terminal, within the area of the Borough of Manhattan bounded by the west side of Eighth Avenue, the north side of Fifty-ninth Street, the east side of Lexington Avenue, and the south side of Twenty-second Street.' It was on this assurance that the Port Authority, a public body, sold bonds for financing the construction of a $24,000,000 public bus terminal. I have every confidence that the officials of the City of New York will turn down this newest Greyhound proposal."

The Port Authority chairman revealed that on March 11, 1948 in response to an inquiry, the executive director of the

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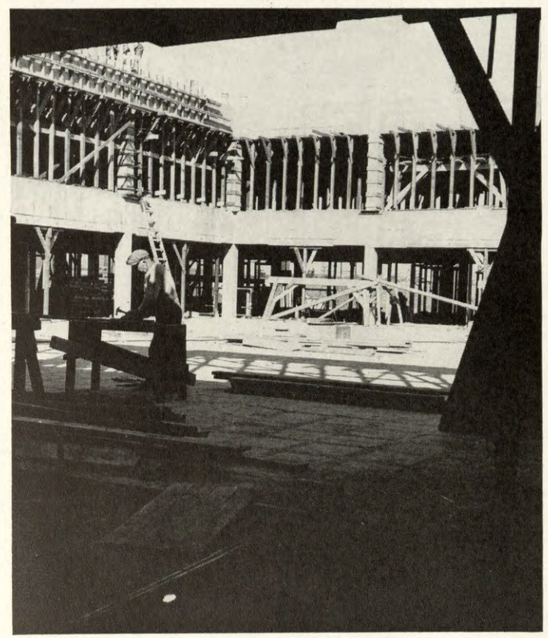
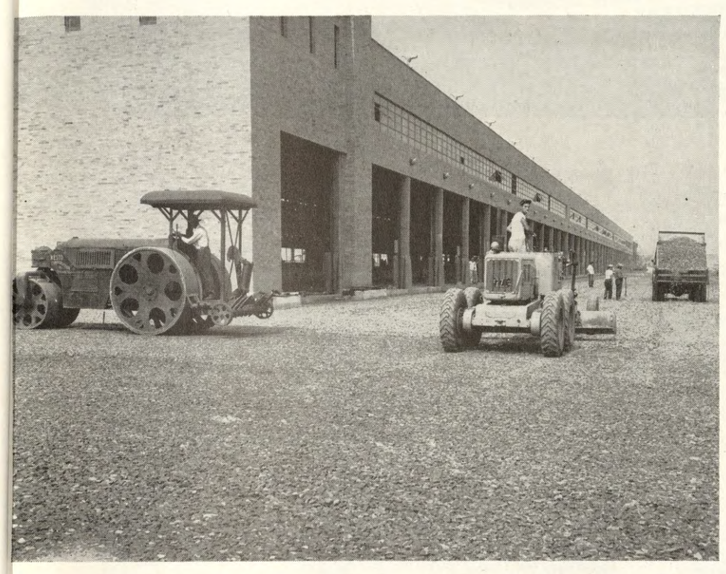
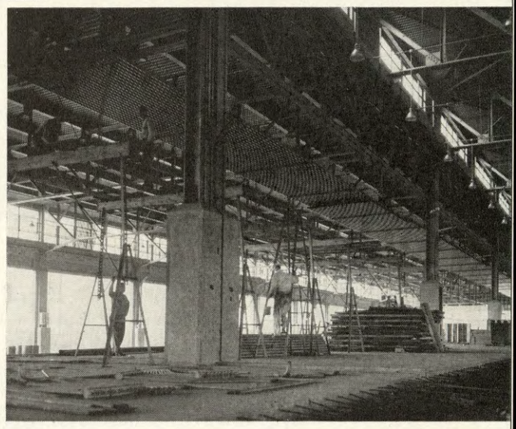


Construction view of the Newark Union Motor Truck Terminal showing upright bracing and concrete forms for roof beams.

Installation of part of the fourteen-mile system of pneumatic tubes that will speed the processing of truck manifests and other shipping papers.





Paving of the area around the terminal where trucks will move into and out of the 160 individual truck berths inside the terminal.

Union Railroad Freight Terminal

The Port Authority's Union Railroad Freight Terminal, located in the Port Authority Building in Manhattan, handled 174,499 tons of less-carload freight and express in 1949, as compared with 237,763 tons in 1948, a decrease of 19.5 per cent on freight, and 31 per cent on railway express. This decrease is in line with the general trend at all Manhattan rail stations and represents, to a great extent, the shift of merchandise freight from rail to trucks.

We continued our efforts during the year to develop usage of the terminal as a consolidated platform for the handling of less-carload freight in Manhattan. We stressed the desirability of the lifting of the ban by railroads which prevents the movement of import-export less-carload freight through this terminal. Economies in transportation costs would be effected through the lifting of this ban, since individual shipments for the same pier could be assembled into consolidated loads at the terminal.

During the year two of the railroads serving the terminal revised their New York pick-up and delivery tariffs to add charges for this service on top of their regular line-haul rates. The Union Terminal offers shippers an opportunity to consolidate their freight at this station without additional charge, using their own trucks for pick-up and delivery.

A nominal charge of only 10 cents per ton of freight handled is made by the Port Authority to the railroads using the terminal, which is supported by rentals from the upper fourteen stories of the Port Authority Building.

The Port Authority Building, a $16,500,000 structure covering the entire block from Fifteenth to Sixteenth Streets and from Eighth to Ninth Avenues in Manhattan, was completed in October 1932. For the seventh consecutive year, it was 100 per cent occupied, with rentals for 1949 totaling $1,402,000 as compared with $1,360,000 in 1948. The expanding responsibilities of the Port Authority have required that we use some 116,943 square feet for our office purposes, in addition to the fifteenth floor which we already occupied. As a matter of policy, rents in the Port Authority Building are comparable with similar space in privately owned buildings. The three-acre floors and high speed package freight and truck elevators with direct access to the freight terminal facilities, make the building particularly attractive to distributors and businesses requiring such special conveniences.

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

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Port Authority had sent Mayor O'Dwyer a letter commenting on a similar Greyhound proposal made at that time.

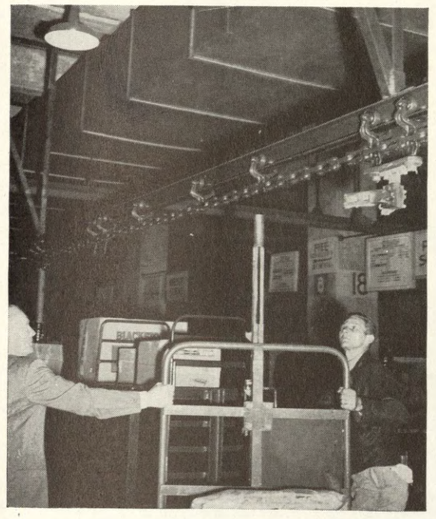
On January 22, 1950 the chairman made public a letter which he sent to Mayor O'Dwyer, members of the Board of Estimate, the Traffic Commission and the City Planning Commission, protesting the application of the Greyhound Bus Company submitted to the Board of Estimate by Robert Moses for the enlargement and extension of the existing Greyhound Bus Terminal in the congested traffic area of Thirty-fourth Street east of Eighth Avenue.

On March 24, 1950 the Traffic Commission passed a resolution recommending to the Board of Estimate that the Greyhound application be disapproved. On April 19, 1950 the City Planning Commission passed a resolution and by letter notified the Board of Estimate of its disapproval of the Greyhound application "because consolidation of the Greyhound operations at the Pennsylvania Greyhound Terminal . . . would increase traffic in one of the most congested areas in the world." On April 27, 1950 the Board of Estimate, under the leadership of Mayor O'Dwyer, unanimously disapproved the Greyhound application.

As in the past, civic organizations and the press supported the Port Authority position on the Bus Terminal.



Left: The Port Authority Building, 111 Eighth Avenue, Manhattan, covers entire block between Fifteenth and Sixteenth Streets, and Eighth to Ninth Avenues. Street and basement floors serve as Union Railroad Freight Terminal, a "post office" for consolidation of less-carload rail freight. Upper fourteen floors contain light manufacturing and warehouse tenants and main offices of the Port Authority. Below: Platform transfer of rail freight. Ninety-eight off-street truck back-up spaces help to relieve city truck traffic.





Left: Part of basement area of building is utilized as a consolidation point for Railway Express Agency. Overhead chain conveyor system mechanizes platform transfer of freight.

Port Promotion and Protection



DURING the past year the Port Authority accelerated its program of port promotion and protection under the obligations of the Port Treaty of 1921. Walter P. Hedden, our Director of Port Development, is in immediate charge of this comprehensive program which means so much to the continuing prosperity of the whole Port District. The need for aggressive port commerce promotion and for protection against rate rigging was emphasized by the increased competition of East Coast and Gulf ports for import-export trade. The Port of New York held its own in 1949 as compared with foreign trade through other United States ports. Major ports, however, including Boston, Philadelphia, Baltimore and New Orleans, were able to increase their business. There is no doubt that the New York-New Jersey Port offers importers and exporters many shipping advantages over competitive ports. It is necessary, nevertheless, that they be made constantly aware of these advantages. The Port Authority has used every possible medium for the distribution of such information.

Perhaps no Port Authority activity affects as many people in the Port District as does our port promotion and protection effort. More than a quarter of a million people are employed in direct port activities, while one out of every ten persons gainfully employed in the Port District earns his livelihood from port or related businesses.

In this air hub of the world, where commercial and private air transportation is served by four major airports under Port Authority management, we must assure the most direct and efficient connections by air route with air centers throughout the United States. We therefore appear before the Civil Aeronautics Board to support the establishment of such routes. If our port commerce is to maintain a volume necessary to port prosperity, we must protect it against rate rigging. We therefore appear before the Interstate Commerce Commission to protest rate structures that would adversely affect commerce into and out of the Port by rail. We also appear before the United States Maritime Commission in matters relating to water-borne commerce.

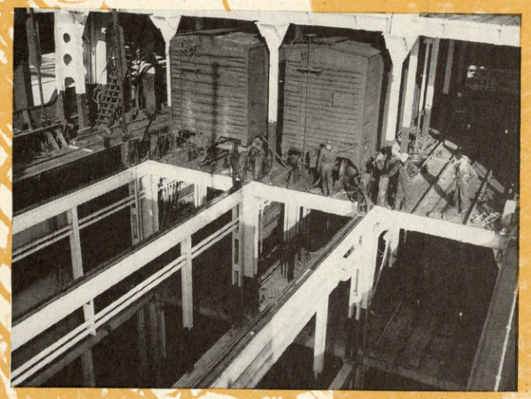
Pier and carfloat terminals of a trunkline railroad on the New Jersey side of the Harbor. Lighters and carfloats transfer rail freight from here to all parts of the vast Port and to shipside.



A record shipment of olives from Spain is unloaded from the hold of one of many freighters using this Harbor.



America's first "free port," Foreign Trade Zone No. 1, established on Staten Island in 1937, facilitates processing, assembling and repackaging of goods free of customs restrictions.



In this unique vessel, ocean-going box cars, fully loaded, are stowed 100 at a time for transshipment through the Harbor to Cuba's 2,600 miles of railroads.



Fork lift trucks, pallets, interior rail tracks and other facilities speed the transfer of freight from this pier to Victory freighter.

The Port Authority is also represented at various hearings affecting railroad, truck and steamship transportation. We are in constant contact with all types of commercial carriers, as well as with the United States Army Engineers and members of Congress in pursuing our port promotion and protection program.

Port Authority Trade Promotion Offices

Our three trade promotion offices in Chicago, Cleveland and Washington, under the direction of our New York Port Promotion Bureau, of which Louis W. Byrne is Chief, continued their effective job of helping exporters, importers, shippers, transportation interests, the United States Government and foreign governments in the routing of freight into and out of the New York-New Jersey Port.

The Port of New York enjoys outstanding advantages over competing ports in that it furnishes frequent and regular steamship sailings to all parts of the world, and is equipped with skilled forwarding, banking, inspection and other services.

Our port promotion offices continued to be vital instruments in furnishing complete, accurate and up-to-date information on the Port's services and facilities. Since the opening of the Port Authority branches, the challenge of Midwestern and Washington offices representing competing ports has been met and shippers in these areas have been advised on the economies and conveniences available in this eastern gateway to the world.

Chicago Trade Promotion Office

Our trade promotion offices are in continual contact with scores of shippers and trans-

portation and Government representatives. Here are a few examples to illustrate the activity of our Chicago office, which was established in October 1945, and which has carried on its work since that time under the immediate direction of George H. Weiss:

We presented to a Midwestern manufacturer of kitchen utensils an arrangement for streamlined consolidation at this Port of its export shipments from various plants, enabling the company to enjoy substantial savings in handling charges. This shipper had temporarily transferred its export trade to a competing East Coast port.

After receiving information on rates and steamship services in the New York-New Jersey Port District, a Kansas City concern changed its plans and shipped a new electrical generating plant to Venezuela through our Harbor, rather than through another eastern port.

A large brewing company transferred its export operations from a Midwest plant to Brooklyn. This involved the movement of from seventy to ninety carloads monthly through this Port, rather than through Gulf and West Coast ports.

Our prompt assistance and information on the availability of free car-float delivery here resulted in the routing of a number of plywood presses weighing from 125,000 to 250,000 pounds each, through this Harbor, rather than through another East Coast port as originally planned. Following our successful efforts to obtain free lighterage on less-carload shipments of 5,000 pounds or more at New York, many shippers formerly using Gulf and other ports returned their business to the New Jersey-New York Port.

Arrangements made by the Port Authority for grouped less-carload delivery of consignments at steamship piers have greatly increased usage of the Harbor. Our Chicago office has instructed traffic and export departments in the method of routing shipments to take advantage of this grouped delivery plan. A large pharmaceutical concern now ships 98 per cent of its exports through this Port as compared with 50 per cent before the group plan was put into effect; an exporter of automobile springs uses New York for all of its export business as compared with 60 per cent previously; and many other leading Central Western industries have also increased their use of the New Jersey-New York Port District.

Our Chicago promotion has made shippers aware of the superior facilities and services available at this Port. Greater frequency of sailings is a compelling factor in obtaining business for this Port. For example, in 1949 one of the large motor truck manufacturers diverted from 110 to 175 units a month from a Gulf port to the Port District because of the greater frequency of sailings and other services here. A major equipment manufacturer also transferred from a Gulf port to this Harbor upon being advised of lower costs and better services here.

Twenty-two railway coaches originally destined to move through another East Coast port for export to Manila were shipped through the Port District after we properly interpreted the New York harbor tariff. Close contact with Federal agencies at Chicago responsible for the routing of foodstuffs abroad assured the New Jersey-New York Port District movement of many large shipments of lard, soya beans, flour, dried eggs, tallow, cheese and the like.

Our Chicago office receives scores of requests for information, advice and assistance each week. We were asked for technical guidance on crating and stevedoring arrangements for a movement of tank cars from this Harbor to India; on transportation from Honolulu to New York of 390 tons of United States Government surplus oil filter cartridges; shipment of sixty-eight 70-

ton locomotives destined for Argentina; movement through this Port of four 400,000-pound Diesel engines to Venezuela; movement of seventy-five carloads of commercial broadcasting station equipment to India, the largest single peacetime shipment of such radio equipment; and transportation to Mexico of 1,260,000 pounds of railway car parts.

During the year our Chicago office manager visited leading industries and shippers in St. Louis, Wichita, Kansas City and other important business centers.

Cleveland Trade Promotion Office

Established in November 1948, our Cleveland Trade Promotion Office during the past year, under the direction of Charles J. Hafner, increased its services to shippers both in the great industrial area of Ohio, Indiana, Michigan and Western Pennsylvania, and in the New York-New Jersey Port. The Cleveland office worked in close cooperation with the Chicago office and was instrumental in promoting the movement of vast quantities of goods through the Port District. These included a 491,000-pound shipment of mining equipment to Turkey; a consignment of power shovels to Portugal; road machinery equipment to various foreign points; two 550-ton cement kilns and well-drilling equipment to Greece, and the like. A shipment of buses to Brazil was routed through this Port as a result of information furnished by us on the frequency of sailings from here as compared with competing ports. A shipment of small automobiles to Batavia, originally scheduled to move through West Coast ports, was routed through the New York-New Jersey Port District to effect savings in temporary storage arrangements available here. Welding machines to Great Britain; synthetic resin to Antwerp and Rotterdam; buses to Puerto Rico; stoves to Venezuela—all are moving through the Port as a result of our promotion of superior facilities.

Our Cleveland office during the past year assisted an Ohio concern in obtaining a change in classification by the United States Department of Commerce to effect a substantial saving in export charges on their products; aided in classifying a tariff provision that promoted the exportation through this Harbor of road graders and dump trucks formerly routed through other East Coast ports; furnished intercoastal steamship rates and services to assist an Ohio brewing company to re-establish its market for beer and ale on the West Coast; gave prompt information on steamship rates and services covering a movement of steam plant equipment to Manila; made arrangements for shipment by way of the New York State Barge Canal of 35,000 tons of steel, half of which had formerly moved through another East Coast port.

A special New Jersey-New York Port exhibit has been placed permanently in the office of the Cleveland World Trade Association, and is loaned to schools in the Cleveland area.

Washington Trade Promotion Office

The increasing activity of the Federal Government in shipping overseas various relief, rehabilitation and other cargoes has underscored the value of our Washington Trade Promotion Office, established in September 1948. Our Washington representative, Lloyd L. Harvey, has kept in close touch with the United States agencies responsible for these cargoes through such programs as the ECA, the North Atlantic Pact, supplies for our overseas armed forces, and the like, as well as with the foreign purchasing missions in the United States. Facilities and services available at the New York-New

Jersey Port District and its advantages in the shipment of goods by the Government have been fully reviewed with those in charge. Our Washington office has been of assistance to export concerns located in the Washington area, whose clients throughout the country are shipping products overseas.

As a result the Harbor handled a consignment of motor vehicles destined for Asiatic and South American ports which otherwise would have moved through a Gulf port; a large shipment of buses to Manila moved through here rather than through a West Coast port as originally scheduled; two 300-ton steel presses, one of the heaviest single pieces ever handled in the Port District, originally scheduled to move through another East Coast port, went through here; an 800-ton tractor to Iran; an eleven-ton hydraulic press to Denmark; 4,000 tons of material for construction of a cement plant at Formosa; rotary plows and trucks to Near Eastern and Indian destinations traveled through the New York-New Jersey Port Area as a result of the activities of this office.

Our Washington office has maintained close contact with the Egyptian Purchasing Mission, the Chinese Embassy, the Siamese Purchasing Mission, the British Food Mission, the Czechoslovakian Purchasing Mission, the Israeli Government, the Turkish Government, the India Supply Mission, the French Purchasing Mission and many others. In almost all instances, close cooperation and assistance rendered by the Port Authority has resulted in the use of the New Jersey-New York Port by these various governments.

Our port promotion program in Washington has included direct mail contacts with several hundred representatives of European, African, Far Eastern and Latin American firms requesting information on possible future shipments.

Port Promotion Bureau

We made more than 850 personal calls during 1949 on traffic managers and export-import managers of firms located in the Metropolitan New York-New Jersey area. These contacts resulted in a continuing flow of inquiries on use of the Port. The bureau handled more than 425 requests for service forwarded by our three out-of-town trade promotion offices.

The Chief of our Port Promotion Bureau is chairman of the Coordinating Committee for the Promotion of the Port of New York, established by port interests to counter the activities of competing ports and to stress the advantages of routing export-import freight through this Port. Members of the committee include representatives of railroads, steamship lines and other maritime interests in the Port area.

Promotion with Literature, Exhibits, Talks and Tours

In February we released the first issue of a regular monthly port promotion magazine entitled VIA PORT OF NEW YORK. This publication now goes to a selected list of 3,500 exporters, importers and transportation and trade officials in the eastern half of the United States and as far west as Kansas City. Distribution of this magazine has resulted in important inquiries for further port information through our trade promotion offices, and our New York office. Many of the stories in VIA PORT OF NEW YORK have been reprinted and quoted in trade journals throughout the United States as well as abroad. Several commercial organizations have ordered reprints of special articles for their own distribution.

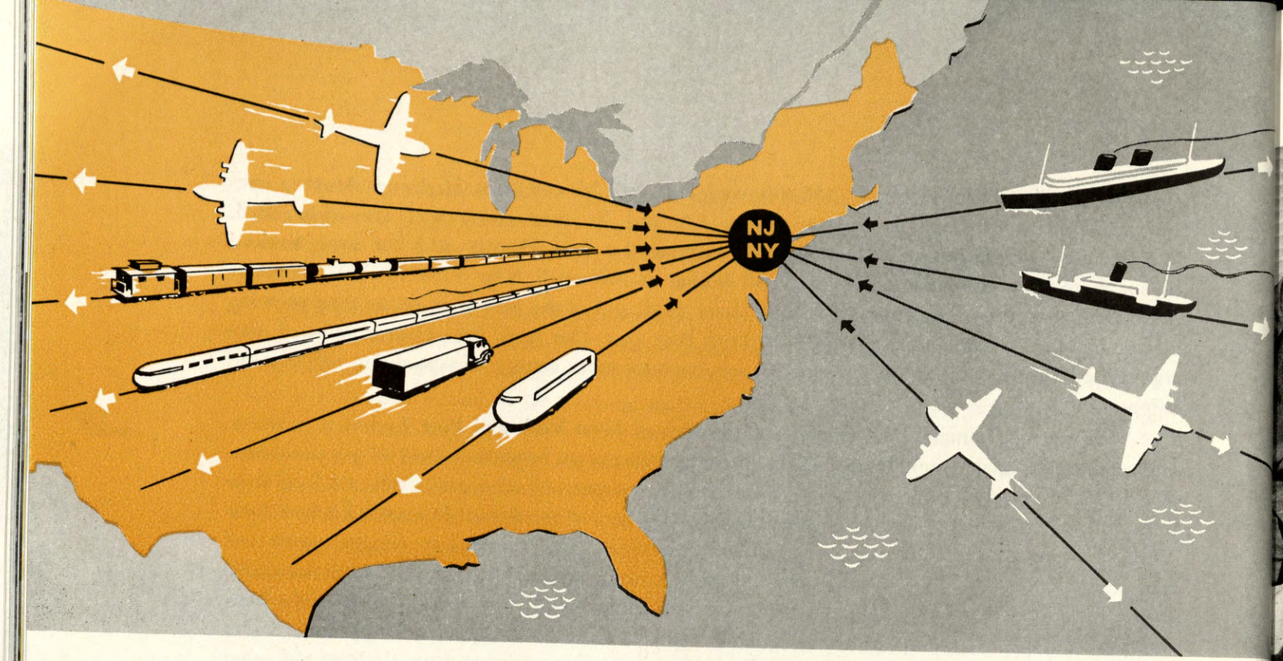
We distributed to motorists 500,000 copies of our Metropolitan Highways Map; a special street map showing New Jersey Route S-3 and its connections was also distributed. We prepared and distributed to shippers throughout the Port District and the area serviced by our three trade promotion offices a revised edition of our small New York Harbor Terminals Map. This has been available continually since 1937 and is the only map of its type showing all terminal facilities in the New Jersey-New York Port area. Our large Port District railroad map was revised during the year and has proved popular once more among transportation officials and shippers.

We presented a number of exhibits of the Port of New York and Port Authority facilities, and conducted official visitors from thirteen different countries on inspection tours of port facilities. We arranged several harbor inspection tours for Congressmen and other public officials, local shippers, transportation representatives, port officials, members of the Export Managers Club of New York, delegates to the National Foreign Trade Convention, railroad foreign freight agents and a group of representatives of the European press. We conducted highway officials from communities in the United States and abroad on inspection tours of great highway developments in the New Jersey-New York Metropolitan area. Port Development Department personnel appeared before more than eighty-five civic associations, college groups, traffic, service and social clubs and other interested groups, at their request, to tell the story of the Port and the Port Authority.

Foreign Trade Through the Port District

During the year the Port Authority made a detailed comprehensive analysis of foreign trade moving through the Port District to determine the trend here as compared with that of competitive ports along the Atlantic and Gulf coasts. On the basis of these studies, we found that the New York-New Jersey Port District is maintaining, in general, its proportion of the total United States foreign trade. Decreases here have been less than the total United States decline, much of which was due to the dollar shortages abroad. On the other hand, our import gains have lagged slightly as compared with the United States average. Our Harbor business has suffered from a number of influencing factors such as disrupted port rate relationships resulting from the general rail rate increases, competition from subsidized Federal barge lines on the Mississippi River, relocation of a number of basic industries in areas closer to competing ports, and other similar handicaps.

The Port Authority is vigorously campaigning to win exports and imports to this port. Our Traffic Bureau is continually stressing the need for the restoration of normal rate relationships among the ports, and is constantly urging the railroads which serve the Port to provide services, facilities and rates comparable to or better than those in effect at competitive ports. Our Port Promotion Bureau with its three branch trade promotion offices is bringing to the attention of shippers the advantages for handling freight to be found in this Port. Our Marine Terminal Bureau is providing facilities and services at Port Newark which already have received the return of many commodities which had been diverted from the Port before the war. The Port Authority's Union Motor Truck Terminals and Union Railroad Freight Terminal are designed to decrease transfer costs in this area, and our airport development program will provide here the most modern facilities in the country for handling air cargo.



The New Jersey-New York Port—Gateway to the World. Most of the foreign commerce of the United States originates in or is destined for the great Midwest producing and consuming area. The Port of New York Authority maintains Trade Promotion Offices in Chicago, Cleveland and Washington to stimulate the routing of this import-export commerce through the New Jersey-New York Port via ship, air, rail, and motor truck.

Civil Aeronautics Board Proceedings

The Port Authority intervened in seven Civil Aeronautics Board proceedings. During 1949 we advised the CAB of our position in the following cases:

1. Additional Air Service to Puerto Rico

On December 14, 1948 and at hearings held during 1949, the Port Authority informed the CAB that additional direct nonstop scheduled air service between the Port of New York and Puerto Rico is necessary for the full realization of the potential air traffic between these two points. The Port Authority pointed out that only one airline now provides such service and that passengers using other airlines must undergo the inconvenience and delays of a change of carrier at Miami Airport. On December 30, 1949 the Examiner filed a report favoring this service. As of the end of 1949 the board had not announced its final decision.

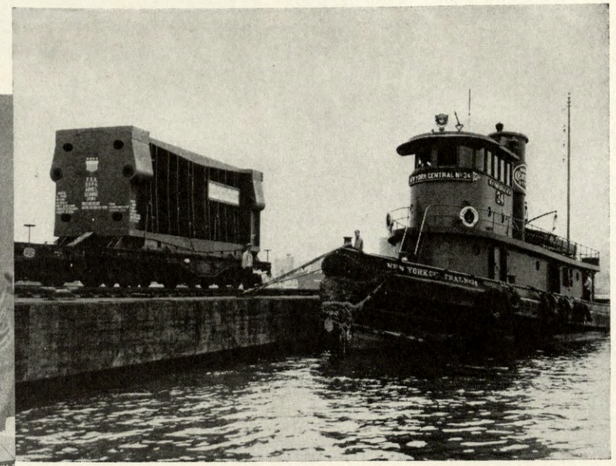
2. Investigation on Transfer of National Airlines Routes

On January 31, 1949 we recommended to the CAB that National Airlines routes should not be dismembered. The Port Authority contended that the economic ills of that company were common to the entire industry rather than to any particular airline, and, further, that any change of the route pattern of an airline should be effected only after consideration of the entire route pattern affecting the area served, in this case the East Coast north-south route pattern. Hearings on this case were postponed by the CAB and were scheduled to be resumed in 1950.

3. Rule-Making Procedures

On February 1, 1949 the Port Authority protested the proposed revision of CAB economic





Above: Part of largest press ever made, weighing 178 tons and loaded at Chicago on a special 16-wheel flatcar, is transferred by carfloat to shipside in New Jersey-New York Harbor. Left: Details of routing this shipment are worked out beforehand by Robert A. Schaffer, manufacturers' representative, and Lloyd L. Harvey, manager of Port Authority's Washington Trade Promotion Office.

regulation, Section 292.1, and Interpretation No. 1 to that section which would severely restrict the frequency of operations of irregular carriers. We felt that the proposed rule and interpretation established standards that were economically impracticable and difficult to understand and administer. While the board did not decide this case in accordance with Port Authority recommendations, the holding of a subsequent open hearing before a Senate Committee did provide the industry and public full opportunity to discuss this regulation.

We also proposed a revision of economic regulation, Section 296.5, which would have excluded freight forwarders from the use of irregular carriers. We felt that the full development of air freight to, from and through the New Jersey-New York Port requires the combined services of freight forwarders and the irregular carriers. As of the end of 1949 the CAB had not announced its decision on this regulation.

4. Air Service in New England States

On March 15, 1949 the Port Authority urged the CAB to authorize Island Air Ferries to serve Newark Airport, thus linking up points in Long Island and nearby New England States by that carrier with Newark Airport. No decision had been announced as of the end of the year.

5. North Atlantic Route Transfer Case

On May 16, 1949 we petitioned the CAB for permission to intervene in this case involving the proposed purchase by Pan American World Airways of American Overseas Airlines. While the board refused to grant the Port Authority the status of intervener, we were able, through Public Counsel, to place into the record our position concerning this proposed transfer. The Port Authority stated that it had no interest in this transfer other than a deep concern regarding any



Left: Air view of Port Authority Grain Terminal (left center) and the Columbia Street Pier (to right of Grain Terminal) on Gowanus Canal, Brooklyn.



Below: A group of National Foreign Trade Convention delegates on Port Authority inspection of Harbor shipping facilities.



possible curtailment of global air service and our European route patterns to and from the Port of New York that might occur as a result of the transfer.

6. Seaboard and Western Case

On September 1, 1949 we urged CAB certification of a transatlantic "demand, area-type" all-cargo service. Such a service, which has the flexibility to meet shipping demand when and where it exists with no restriction as to frequency and regularity, effects needed operational economies for a carrier, particularly in the early stages of a new type service such as international air freight. No decision had been announced by the CAB as of the close of the year.

7. Transcontinental Coach-Type Service

On September 6, 1949 the Port Authority urged the CAB to encourage transcontinental coach-type service. We submitted detailed cost estimates indicating the economic feasibility of this lower cost coast-to-coast service. Although no final decision has been rendered by the CAB, two of the scheduled airlines have inaugurated transcontinental coach-type service using Newark Airport as their eastern terminus.

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

On December 19 we urged the CAB to certify helicopter service for this Port District and hearings were scheduled to start early in 1950. In preparation for the Port Authority's exhibits we conducted helicopter survey flights on November 2, 1949, and invited the press to witness

Left: On a survey flight arranged by the Port Authority to demonstrate feasibility of helicopter mail and passenger service in the Port District, aircraft hovers over the Port Authority's Newark Union Motor Truck Terminal. Below: After helicopter survey flight, Igor Sikorsky, left, and Port Authority Director of Airport Development, Fred M. Glass, outline to the press desirability of inter-airport helicopter service in the Port District.





Governor Alfred E. Driscoll of New Jersey, who throughout the past year has taken the leadership on behalf of the people of the State, in our continuing efforts to develop, rehabilitate and modernize the water-front facilities in Northern New Jersey.

this demonstration and to attend a meeting, at which industrial and other experts would discuss the value of helicopter service. The survey flights included landings or simulated approaches to Newark Airport and the Newark Union Motor Truck Terminal, to the Port Authority Bus Terminal, the General Post Office Building and the Morgan Annex in Manhattan, and to La Guardia Airport and New York International Airport.

Port Authority Intervenes in Other Proceedings

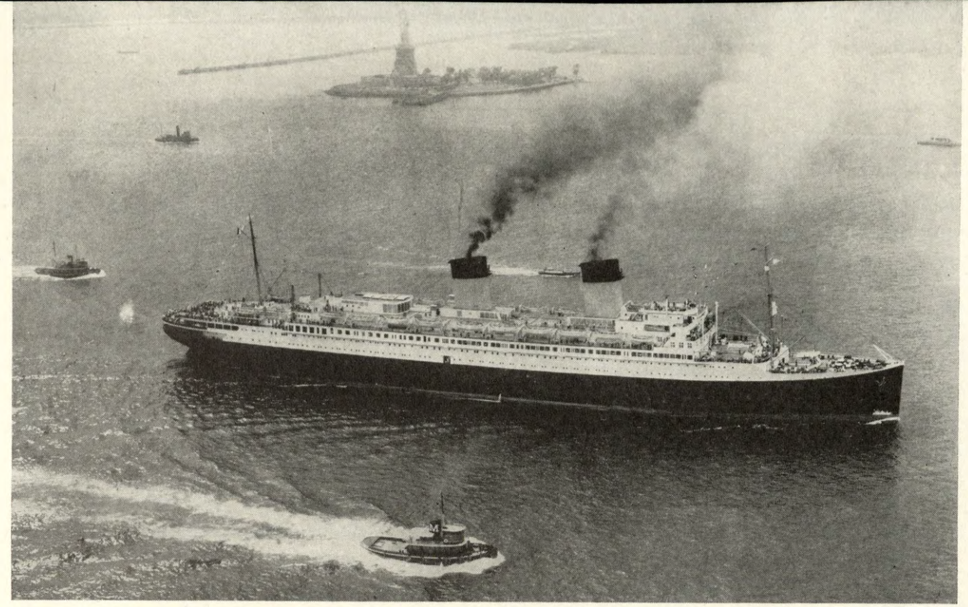
In 1949 we intervened in seventeen cases before the Interstate Commerce Commission, in two cases before the Maritime Commission, and in one case before the New York State Public Service Commission. In addition, we observed many proceedings in which the interests of the New Jersey-New York Port were indirectly involved. We also appeared at public hearings before railroad and motor carrier groups in opposition to rate changes or practices that would be discriminatory to the Port District. Numerous meetings were held with shippers and receivers of freight in the Port District to discuss their transportation problems.

We continued to urge the completion of improvements to the New York State Barge Canal for handling of additional shipments from the Midwest. At the same time we assisted the barge lines in their efforts to provide better service and rates in order to attract new commodities.

The Port Authority has joined various business, port and civic groups in furnishing information to the New York State Joint Legislative Investigating Committee in connection with its



Symbols of commerce in a modern port: the swinging booms and running tackle, rope slings and the lowered ladder of a vessel being worked.



Refitted after wartime troop transport duty, the luxury liner ILE DE FRANCE steams up the Hudson on her second maiden voyage from Le Havre.

study of possible charges for the use of the canal. We expect to urge that no fees be charged on the canal as long as toll-free inland waterways are available in other parts of the country.

Interstate Commerce Commission Rate Cases

1. Adjustment of Freight-Rate Differentials on Water-Borne Commerce Between New York and Atlantic and Gulf Ports

The Port Authority in March presented to the ICC a formula for the adjustment of freight-rate differentials on water-borne commerce between the Port District and other Atlantic and Gulf ports. These differentials have been repeatedly disrupted as a result of the four general freight rate increases approved by the commission since the war. The ICC has requested carriers to restore the rate relationships as soon as possible, but they have been unable to make necessary changes in the thousands of rates involved. As we urged, however, following the August ICC decision granting the eastern railroads a general 10 per cent increase in freight rates, the carriers are checking rates on heavy volume commodities such as grain and steel. Agreement has already been reached with carriers for restoration of the prewar rate relationship on imported green coffee.

2. Increased Less-Carload Shipside Rates in Eastern Territory

The ICC in 1948 upheld the Port Authority's position in opposition to the application by eastern railroads for a revision of their class rates on less-carload shipside traffic within eastern territory. Such rate revision would have placed this Port at a further disadvantage as compared with South Atlantic and Gulf ports for which no similar increases were proposed. During 1949 we opposed the railroads' petition for further hearings on a proposal for an amended scale of rates. The ICC agreed to reopen the proceeding and hearings have been scheduled for the coming year. The railroads and the competitive ports concerned, however, have agreed to

our proposal that any rate increases applicable to water-borne commerce should be held in abeyance until all ports can be adjusted on the same basis, in the event that the application by the railroads under this proceeding is approved by the ICC.

3. Florida Ports' Complaint Against Rate Differentials of Other South Atlantic and Gulf Ports

In 1948 the ICC upheld the Port Authority's position and dismissed the complaint of the Florida ports which sought a rate differential advantage over the New Jersey-New York Port District. Despite objections by the defendant carriers and other port interests, the commission has ordered the case reopened for further hearings during 1950.

4. Export Grain, Buffalo to New York-New Jersey Port District

Since the war, routing of most export grain has been controlled by Federal agencies which have been required to utilize those inland rail routes having the lowest freight rates. Since 1907 a freight rate differential of ½ cent per 100 pounds on export grain has favored Baltimore and Philadelphia over New York. In 1948 the Port Authority and other local maritime interests urged the railroads serving Northern New Jersey and New York to equalize, with those in effect at Baltimore and Philadelphia, the rates and storage time for grain exported through this Port.

The eastern railroads subsequently filed a tariff, effective April 11, 1949, reducing the export rates on grain through New York and Boston to compare with those related to Philadelphia and Baltimore. At the same time, the tariff increased the free time from ten to twenty days, the period in effect at the other ports. Philadelphia and Baltimore interests and the railroads serving those ports, however, successfully petitioned the ICC to suspend and investigate the rates filed under the new tariff. The Port Authority in May 1949 supported the equalization of rates and free time before an ICC hearing, and later filed a supporting brief.

The ICC Examiner's November report opposed the equalization of rates and free time and recommended that the suspended rates be cancelled. The Port Authority and others supporting the tariff change expect to file exceptions to the report, to point out that the ICC reports were based on unsound assumptions.

5. Unloading Charges for Fruits and Vegetables at New York Pier Stations

In October 1948 the ICC approved the establishment of unloading charges on fruits and vegetables at New York pier stations despite vigorous opposition by the Port Authority. At our request the commission reopened the case for rehearing in June 1949. At hearings in Brooklyn in September, we pointed out the carriers' obligation to make their cars accessible to consignees under the line-haul rate without the addition of unloading charges. Although the City of New York had not participated in the original proceeding, it intervened in the reopened case and we cooperated in the preparation of its testimony.

6. Steamship Rates on Citrus Fruit, Florida to New York

The Refrigerated Steamship Line, a subsidiary of United Fruit Company, resumed service between Florida and this Port in November.

Its rates on citrus fruit include unloading at New York piers. The Port Authority and other interested parties urged the ICC not to suspend the rates as requested by the railroads, and

the commission allowed them to remain in effect. It is, however, conducting an investigation in which the Port Authority will participate.

7. Absorption by Southern Railroads of Citrus Fruit Unloading Charges at New York

Following the resumption of coastwise service by the Refrigerated Steamship Line whose rates include unloading charges, southern railroads delivering citrus fruit from Florida to the carriers serving New York filed a tariff in which they absorbed unloading charges out of their division of the through-rates.

The situation resulting from the assessment of the unloading charges is not eliminated by this move, however, and does not solve the basic issue. We have intervened in this proceeding to advise that the unloading charge should be eliminated and that if necessary northern carriers should receive a greater division of the through-rate to compensate them for added expenses at this end of the line.

8. Extension of the Pan-Atlantic Steamship Corporation Certificate

In accordance with Port Authority policy to encourage resumption of coastwise service from the Port District, we supported the application of the Pan-Atlantic Steamship Corporation for an extension of its certificate to include the port of Pensacola, Florida. This would provide a deep-sea service by common carrier which is not available at this time. Pan-Atlantic was granted interim approval of the extension pending a decision on the application for permanent modification of its certificate.

9. Minimum Charges per Shipment To and From New Jersey and New York

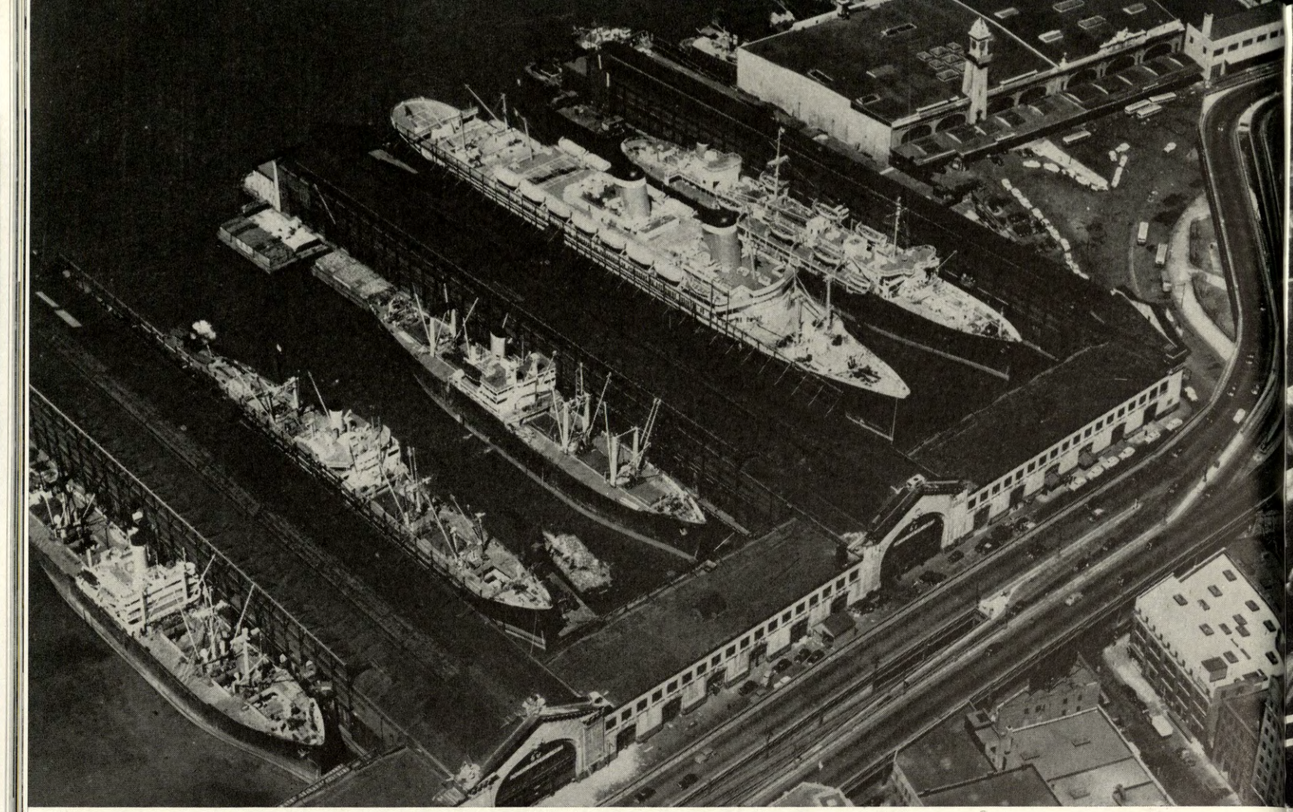
In February we protested tariff schedules of the Metropolitan Motor Carriers' Conference which provided for increases in minimum charges on export-import shipments at New York steamship piers. The ICC suspended the proposed rates and the carriers withdrew the protested charges and amended their tariffs on the basis of minimum charges in line with Port Authority recommendations.

10. Borough of Edgewater Complaint on Shipside Rates

The Port Authority has supported the Borough of Edgewater and Bergen County in their effort to obtain rates to Edgewater docks, New Jersey, by all-rail movement comparable to those in effect at other points on the New Jersey water front. Traffic switched to the piers at Edgewater docks from nearby rail junctions is penalized because of the failure of participating carriers to establish joint rates. In February we presented oral argument in this proceeding, and in April the ICC upheld our position and ordered the carriers to establish just and reasonable rates. We opposed the railroads' petition for reconsideration, but the ICC later postponed the effective date for the establishment of the rates without passing upon the carriers' petition for a reopening of the proceeding.

11. Motor Carrier Commercial Zones

The ICC, at the request of the Port Authority and other local interests, in May held hearings reopening the definition of the commercial zone for the New Jersey-New York Port area. Under the motor carrier regulations passed by Congress in 1935, local delivery operations within



Transatlantic vessels at berth in the Chelsea Piers, Manhattan, along the Hudson River. Stevedoring, bunkering, provisioning and servicing of these vessels provide employment for thousands in the Port District.

bi-state metropolitan areas contiguous to, or adjacent to, large cities were exempted from the application of these regulations. In 1937, however, the ICC split the Port of New York District, thus subjecting local truckers to the same burdensome regulations that apply to over-the-road carriers.

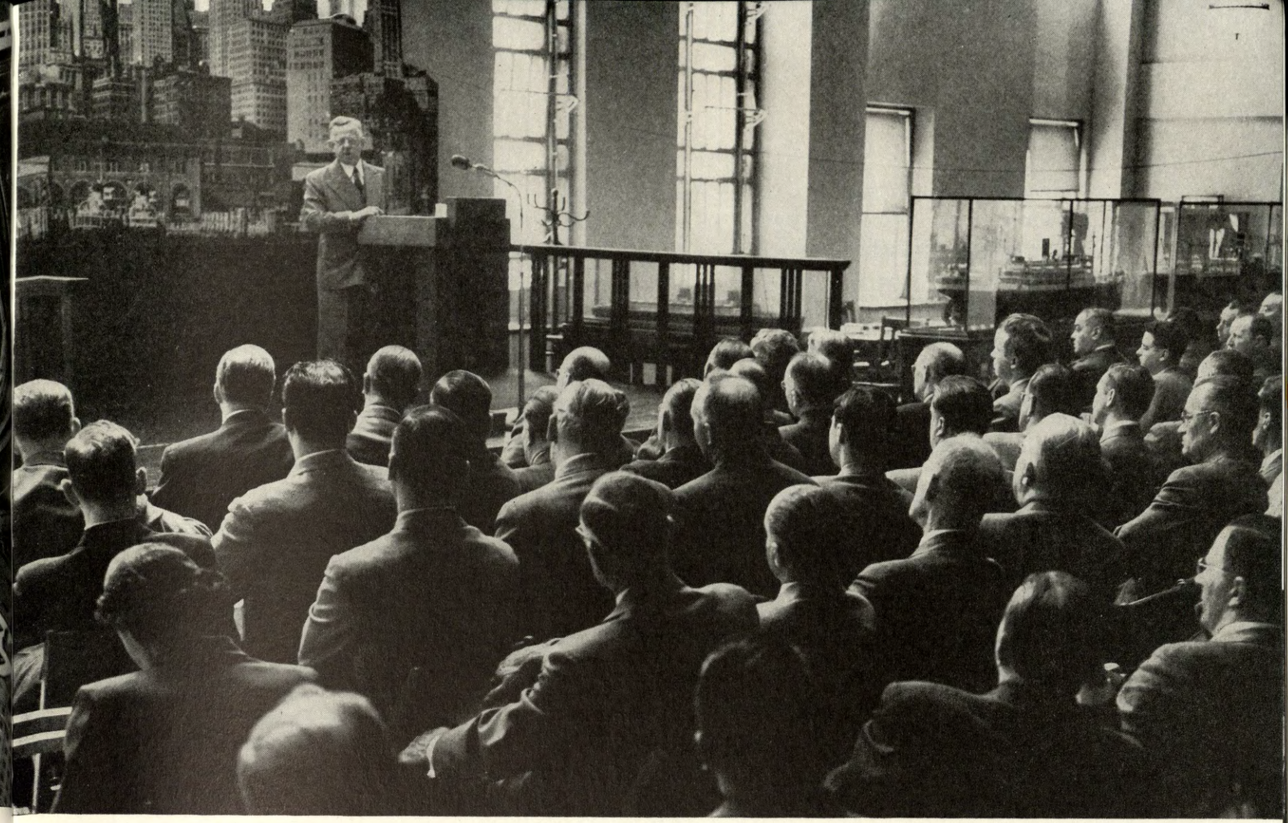
The Port Authority, supported by many of the communities, shippers, and trucking companies in the metropolitan area, urged that the commercial zone be conformed with the area approximating the Port of New York District to preserve the economic unity of the port region.

12. Increased Motor Carrier Rates in New England, 1949

The Port Authority at ICC hearings held in Boston in March, urged that motor carriers maintain existing relationships of rates to and from the Port District in the event that their petition for a 25 per cent increase in rates was granted. The increase was granted and the Port Authority's recommendations were accepted.

13. Increases for Middle-Atlantic, New England States, 1948

The Port Authority in February 1949, participated in a proceeding based on the protest of shippers against a 10 per cent increase in rates to and from the New York-New Jersey area and



George H. Weiss, manager of the Port Authority Trade Promotion Office in Chicago, advises shippers, transportation officials, freight forwarders of shipping economies available in the Port of New York.

other points, in the New England Motor Carriers' Tariff. The ICC granted a 5 per cent increase, but in accordance with a prior agreement with the motor carriers the arbitraries were not affected.

14. Class and Commodity Rates—New York, Philadelphia

The Port Authority advised the ICC that it was opposed to arbitraries in effect at New York discriminating against this area in connection with the Middle-Atlantic States Motor Carrier Conference proposal for a 10 per cent rate increase. We therefore participated in a proceeding on the Conference's request for the suspension of tariffs published by a few carriers, indicating they would not go along with the proposed 10 per cent increase. The Examiner's report recommended that the carriers be ordered to establish rates on the same level as those approved for the Conference lines.

15. Pick-Up and Delivery Service by Railroads

At hearings on two proceedings related to ICC investigations of rates, charges, rules and regulations applicable to less-carload shipments by railroad, we pointed out that the Port Authority's Union Railroad Freight Terminal illustrates the need for, and possibility of, reducing costs for pick-up and delivery of such freight through the coordination and unification of terminal

operations. The railroads have indicated an unwillingness to give up their New York pier stations and to move their freight by way of efficient union terminals.

16. Consolidated Southwestern Cases

The ICC approved the application of a nonoperating but certificated coastwise steamship line for an increase in the ocean-rail rate between the New Jersey-New York area and the Southwest. Application of this increase would place New York-New Jersey and eastern industries at a disadvantage as compared with Midwestern industries for the Texas market. Steamship lines now in operation did not support the proposal for increased rates because of the fact that such increase would probably result in diversion to all-rail routing.

17. Export Rates on Iron and Steel

We opposed the applications of steel companies in the St. Louis area for the reopening of an ICC proceeding in connection with the prevention of the disruption of port relationships on export rates for iron and steel as between North Atlantic ports and Gulf and South Atlantic ports. In May the ICC rejected the steel companies' request.

United States Maritime Commission Cases

During the year we participated in two proceedings before the United States Maritime Commission. The first case involved the West India Fruit and Steamship and Seatrain Lines Company, Inc. The Port Authority intervened on behalf of the steamship company's position in protesting reduced rates proposed by the Seatrain Lines for their service between New Orleans and Cuba. No reduction in rates was proposed between Seatrain's Cuban and Edgewater, New Jersey, terminals, and diversion of traffic from inland territory was threatened. Early in 1949 Seatrain withdrew its proposal.

The United States Maritime Commission upheld the Port Authority's position urging the adoption of certain minimum regulations for freight forwarders in all United States ports. Midwestern shippers had requested us to intervene in the Port of New York freight forwarder investigation to protect them against the unreasonable practices of certain forwarders. Freight forwarder associations agreed with our general recommendations.

New York Public Service Commission—Motor Carrier Investigation

Among our various activities on behalf of the protection of equitable freight rates to and from the Port District was an appearance before the Public Service Commission on behalf of an investigation of motor carrier rates, regulations and practices in New York State in the interests of a uniform rate structure. We urged the establishment of uniform rate zones within the New York Metropolitan area comparable to those adopted by the Middle-Atlantic States' Motor Conference. Such zones would eliminate the possibility of rate discrimination against the Port of New York.

Carrier Committee Hearings

In carrying out our port protection responsibilities we keep in constant touch with all developments that might adversely affect the commerce of the New Jersey-New York Port District. When necessary, we appear before carrier committee hearings to oppose railroad, motor carrier or steamship line proposals that would place this Port in an unfavorable rate or service position as compared with competing ports. During the past year, at our request, the Trunk Line Association dropped a proposal to establish a loading charge that would have been added to the transfer rates on freight moving from railroad pier stations to steamship piers, thus adding to the cost of transportation to the Port District.

We proposed to the Trunk Line Association that the heavy lift charges on articles weighing twenty-five tons or under should be removed. This charge now applies to articles weighing more than three tons, although no similar charges are in effect at competing ports. No decision has yet been made on our proposal.

In cooperation with the New York Foreign Trade Zone, we appeared before the Trunk Line Association to propose a modification in its rules and regulations to assure the application of export-import rates on freight moving into the zone. The proposal was not adopted although foreign trade zones at other ports enjoy such rates.

We renewed a request we had made over the past several years that the Trunk Line Association lift the ban on the handling of export-import less-carload freight through the Port Authority's Union Railroad Freight Terminal. The use of the terminal would make possible the consolidation of deliveries of freight to steamship piers, and result in lower costs and reduced traffic congestion.

We also continued to urge the railroads and steamship lines serving the Port District to provide rates and services in the New Jersey-New York Port that would attract to this Harbor commodities now being handled through competitive ports. At our suggestion, New York steamship lines adopted rates to Guam similar to those already in effect to Manila.

The Port Authority vigorously opposed the proposal of the railroads for an added charge of 6 cents per 100 pounds to the line-haul rates for loading and unloading export-import traffic. Such a charge would seriously penalize movement of such traffic through this Port. Discussions with several of the railroads resulted in the elimination of their practice of extending the free time period on Government export freight at pier facilities in other East Coast ports. As a result of our opposition, these railroads dropped their proposal to assess wharfage charges against exporters and importers for barge docking at steamship piers. The railroads adopted an inspection program for imported olives and other commodities similar to that in effect at other ports.

Our discussions with the three railroads serving Port Newark, and with various steamship lines, brought about adoption of rates and rules that will permit the handling of additional cargoes at Port Newark.

Miscellaneous Port Protection Activities

During the year we issued three "Traffic Advices" which explained in detail the various methods of handling freight through this Port that result in cost savings. These information bulletins were received enthusiastically by more than 2,000 shippers throughout the eastern and Midwestern areas.

A study of ICC motor carrier cases disclosed that pick-up and delivery terminals in the New York-New Jersey Port District are more efficient than those at competitive East Coast ports. In a

survey of services rendered to those carriers who serve both New York and competing ports, it was found that platform labor productivity here, as well as general collection, delivery and platform service, is superior to that at the competing ports.

We maintained a continuing contact with eastern and southern rail carriers in an attempt to restore, as soon as possible, the normal port relationships on rates covering water-borne commerce. We are making every attempt to obtain corrections of rate maladjustments as they come to our attention. Similarly, we are trying to effect a uniformity of free-time periods for export freight at all Atlantic and Gulf ports.

Meetings are being held with the Middle-Atlantic States Motor Carrier Conference in an effort to obtain the removal of the present zone arbitraries applicable only at New York. The Port Authority is vigorously opposing, before the ICC, this penalty against the New Jersey-New York area.

Federal Barge Lines

During the year we presented testimony to congressional committees and submitted data to New York and New Jersey Congressmen urging that the Federal Government dispose of the Federal Barge Lines on the Mississippi River which are being subsidized, resulting in a diversion to the Lines of commerce which formerly moved through the Port District. A bill to increase capital funds to permit an extension of the Lines failed to pass in the first session of the 81st Congress.

The St. Lawrence Seaway

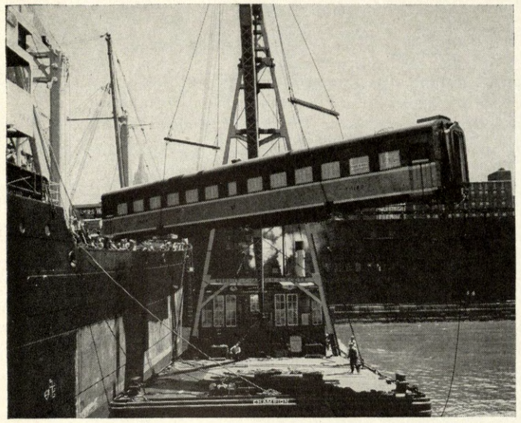
The Port Authority continued its opposition to the St. Lawrence Seaway, and pointed out that the construction of this project would be destructive to water-borne commerce through the New York-New Jersey Port. We stressed the unrealistic estimates of potential traffic by proponents of the Seaway, and declared that in our opinion the project would be uneconomic. Some attention is now being paid to the tremendous costs of dredging the harbors and approach channels to port cities on the Great Lakes. This cost, of course, would be added to the previous figures cited by advocates of the Seaway.

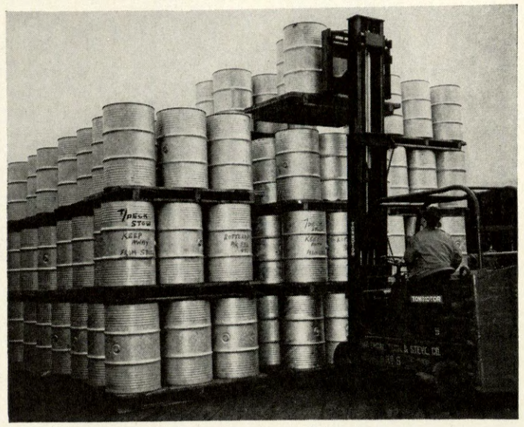
Marine Borer Research—New York Harbor

The Director of Port Development of the Port Authority continued to serve as chairman of the Marine Borer Research Committee for this Harbor. The committee, whose members represent a score of water-front industries and public agencies, assists in research on the marine borer problem through installing test boards in the harbor for immediate detection of the presence of marine borers. During the year we installed such test boards at Port Newark, Outerbridge Crossing, and at a pier extending into Jamaica Bay at New York International Airport. Inspection of these boards showed that the inner harbor is relatively free of destructive attacks on our water-front structures.

Channel Improvements

During the past year, as directed by the Port Treaty, we continued our vigorous campaign for the improvement and development of channels in the Port District. We analyzed many proposed channel modifications and presented our views to the Federal Government







Above: Heavy lift facilities in the New Jersey-New York Harbor; a floating derrick swings with ease a full-size complete railroad car aboard vessel destined overseas. Above right: Palletized stacking of chemical drums by means of fork lift trucks makes pier stowage compact and efficient. Right: British-made automobiles arrive at a pier here en route to a British automobile show in New York City. Below: Representatives of the Port Authority and other officials from other North Atlantic ports meet to discuss matters of mutual interest.



Opposite page: Largest three-bladed ship propellers ever made for an American vessel, en route from Staten Island to Quincy, Mass., cross the George Washington Bridge.

with respect to the need for increased appropriations for channel projects in the New Jersey-New York Port District. As a result of our efforts in cooperation with other local maritime interests, legislation signed by the President increased to $2,872,000 allotments originally proposed for New York Harbor channel projects in 1949 and 1950. This will permit the deepening of the vital New York-New Jersey channel and Newark Bay. The amount is ridiculously small as compared with that appropriated for other areas where channels have virtually no commercial significance. With 40 per cent of the total foreign trade of this country moving through the New Jersey-New York Port, less than 3 per cent of the Federal funds for improving and deepening rivers and harbors has been allotted to channels in this Port during the last four years.*

We supported the application of the City of New York for a bridge across the East River between Welfare Island and the Borough of Queens; presented data for use in the United States Army Engineers' study of a deepened channel in Gowanus Bay and Henry Street Basin, Brooklyn; presented testimony before an Army Engineers' hearing supporting a proposal for a supplementary entrance channel in this Harbor to eliminate a "grade crossing" between tankers entering Raritan Bay and barge tows operating out to sea.

We also supported the application of the Triborough Bridge and Tunnel Authority for a so-called Narrows Bridge between Brooklyn and Staten Island. In May the joint Army-Navy-Air Force Board approved the application of this bridge.

We assisted in an agreement between the navigation interests and the New Jersey Turnpike Authority for a vertical clearance for bridge structures to carry the New Jersey Turnpike over the Passaic and Hackensack Rivers. We supported the Turnpike Authority's application for a bridge over Overpeck Creek as well as its application for a forty-five-foot vertical clearance for a bridge over the Raritan River. The United States Army District Engineer has now recommended the approval of the Turnpike's application for bridges over the Passaic, Hackensack and Raritan Rivers.

During the year we made some progress toward obtaining authorization for deepening to 35 feet the 6½-mile stretch of the Arthur Kill in the vicinity of Linden, Carteret and Woodbridge. This is the only stretch of the New York-New Jersey channel which does not have the 35-foot depth necessary to accommodate modern shipping. The United States Army District Engineer directed the Staten Island Rapid Transit to reconstruct its bridge across the Arthur Kill to provide a 500-foot horizontal clearance. The Port Authority, for more than two years, has urged this improvement which will effect savings of over a million dollars a year to navigation interests.

*The President, in his annual budget message on January 9, 1950, recommended an appropriation of $150,000,000 for new construction of river and harbor projects of which about 3 per cent, or $5,250,000, is earmarked for the Port of New York District. An additional $1,000,000 was recommended for the Federal improvement of the New York State Barge Canal. This represents an increase over previous years in the appropriation allotted to this Harbor, and compares with $3,550,000 in the 1949-50 budget. We believe that the Port Authority and other local interests were able to convince the Bureau of the Budget of the need for this increase.

Administration

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

At their annual meeting on January 13, 1949, the Commissioners, by unanimous vote, re-elected Howard S. Cullman of New York City for his fifth term as chairman of the Port Authority. At the same time, the Commissioners unanimously re-elected as vice chairman, Joseph M. Byrne Jr. of Newark.*

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

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

Chas. H. Sells Is Appointed a Commissioner

Chas. H. Sells, of Cross River, Westchester County, New York, was appointed to the board of the Port Authority by Governor Thomas E. Dewey on January 8, 1949 for a term to run to July 1, 1952. Commissioner Sells replaced Commissioner Frank J. Taylor whose term expired on July 1, 1946, but who, under the provisions of the Compact, continued to hold office until the appointment of Commissioner Sells. A consulting engineer with offices in New York City, Commissioner Sells served as Superintendent of Public Works of the State of New York from May 1943 to October 1948. He was engaged for many years in engineering practice for private firms and public bodies. During the war Commissioner Sells was in charge of building supply lines in Iran under the terms of lend-lease agreements.

The Port Authority Commission

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

In the interest of administrative efficiency and for the purpose of providing detailed deliberation on all matters requiring the attention of the Commissioners, the Bylaws establish four committees, namely, Port Planning, Finance, Construction and Operations. All matters requiring

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* Chairman Cullman and Vice Chairman Byrne were re-elected to their sixth terms on January 12, 1950.

"The Authority has realized the high hopes which the two States shared when they created the agency in 1921. During my own administration, I have been repeatedly impressed by the prudence and soundness with which you have managed the public affairs entrusted to you."

GOVERNOR THOMAS E. DEWEY



Traffic Officer Albert Cutillo, eight-time winner of the Commissioners Cup for pistol shooting, is congratulated by Sergeant Robert Rankin and Officer George Leicht of the Port Authority force.



Billy Knudsen examines new Sergeant's shield on his dad, Wilbur Knudsen. Mrs. Knudsen and daughter Lois Ann attended presentation of the shield by Executive Director Austin J. Tobin, at right.



A scene in one of the engineering design and drafting offices of the Port Authority where the complexities of the Port Authority's vast construction program are translated through working blueprints on which contractors may base their bids.



Junior Administrative and Professional Trainees on a facility indoctrination visit under the guidance of Dorothy Dolan of Personnel Dept. Each year a group is recruited from Port Authority personnel and eastern colleges for special training.

board action are first studied by one of these committees, and a committee recommendation is then made to the board for its action. Because of the large volume of items requiring consideration of the Commissioners, it is physically impossible to have the board pass upon every transaction. For that reason the board has delegated authority to the committees to approve items of business without referral to the board. All such committee actions are reported to the board, which passes on all important questions of policy and all other matters which necessitate detailed interest by all Commissioners.

The Committee on Port Planning has the responsibility of recommending to the board programs and policies that will enable the Port Authority to perform its duties under the Port Treaty most effectively and to keep informed of the needs of the Port District with regard to terminal and transportation facilities. The committee has the power to authorize or arrange for appearance before congressional committees, and for intervention in proceedings before governmental boards, commissions and agencies whenever it is necessary to protect the interests of the Port District.

The Committee on Finance concerns itself with all questions relating to the financial affairs of the Port Authority. It has power to appoint paying agents and registrars in connection with bonds, notes or other securities; to authorize payments out of revenues into sinking funds and reserve funds; to establish sinking funds and to call bonds for sinking fund purposes; to select depositories for Port Authority funds; to exercise general supervision over the books and accounts of the Port Authority; and to authorize or arrange for insurance policies and surety bonds.

The Committee on Construction exercises general supervision over all construction matters, and it has authority to authorize or arrange for construction contracts within appropriations previously made by the board for these purposes.

The Committee on Operations provides general supervision over the operation and maintenance of all facilities and properties operated by the Port Authority and has general authority with respect to personnel matters. This committee also has authority to authorize or arrange for maintenance and repair contracts, and contracts for the acquisition of real and personal property within appropriations previously made by the board for these purposes; to adopt, rescind or modify rules and regulations governing the use of facilities; to establish or recommend tolls, fees or other charges for the use of facilities; and to authorize leases, permits and contracts for agreements for the use of Port Authority facilities and properties.

Each Commissioner serves as a member of one or more committees. The Chairman and Vice Chairman of the Port Authority serve as ex officio members on all committees of which they are not regular members. All Commissioners are privileged to attend all of the committee meetings and to participate in the discussions. The committee assignments during 1949 were:

Port Planning:

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

Finance:

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

Construction:

Eugene F. Moran, Chairman
F. Palmer Armstrong, Vice Chairman
Frank D. Abell
John Borg
Chas. H. Sells

Operations:

Joseph M. Byrne Jr., Chairman
Donald V. Lowe, Vice Chairman
Eugene F. Moran
S. Sloan Colt
Charles S. Hamilton Jr.

The Port Authority Staff

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

Members of the Staff include:

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

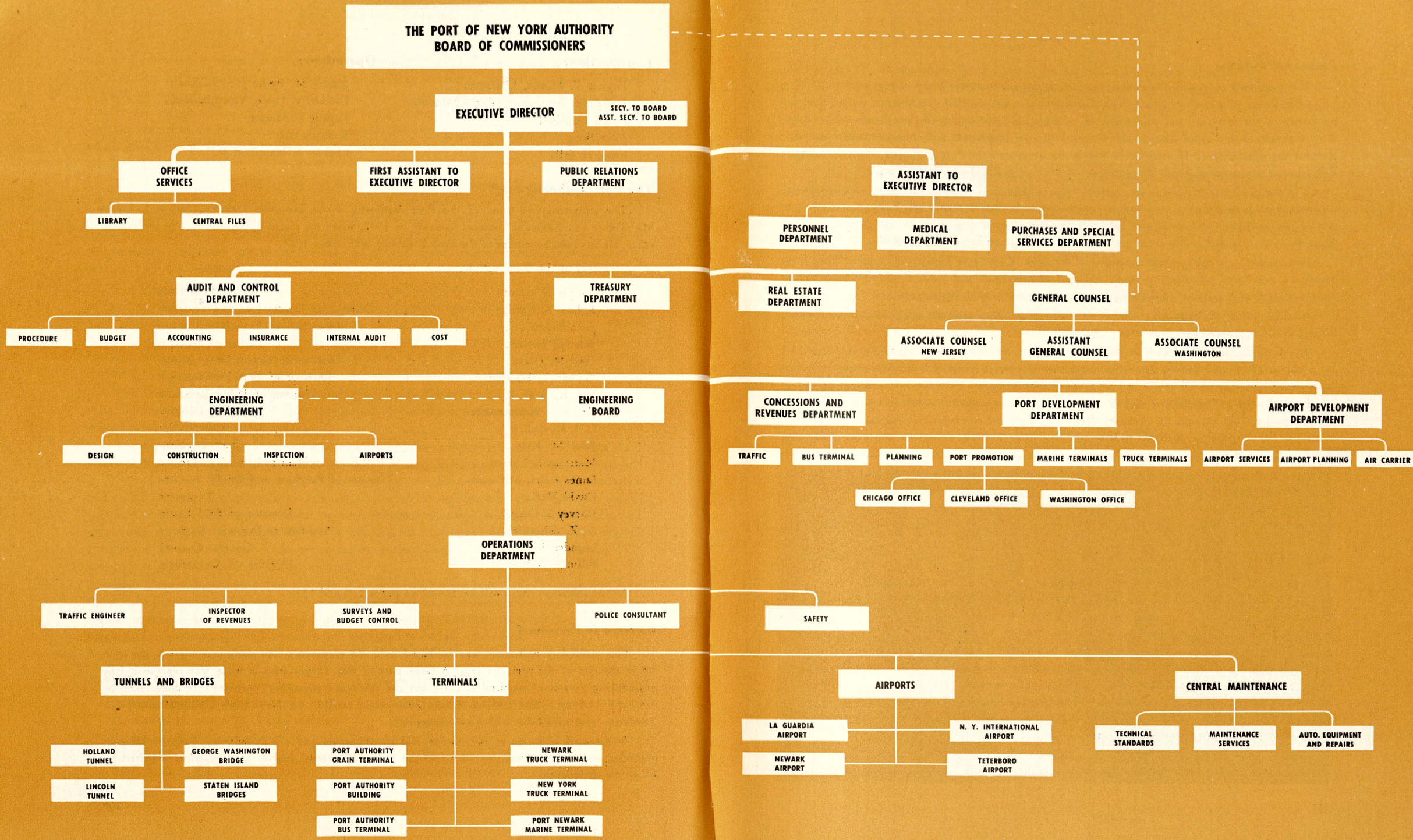
An organization chart will be found on pages 110 and 111.

Increase in Personnel

Port Authority personnel was increased to 2,968 employees, 384 more than were in the service at the end of the previous year. A large part of this 15 per cent increase was represented by engineering personnel required to carry out the heaviest construction program ever undertaken by the Port Authority. The staffing of our latest major facility, the New York Union Motor Truck Terminal, also called for additional personnel.

Accelerated activities at our marine and air terminals and our broadening program of port planning and development also added to the workload carried and to the personnel required by all of our departments.

PORT AUTHORITY ORGANIZATION



Personnel Policies

We continued to combine the best features of the Government merit system with those of a private business personnel program. The Commissioners believe that the absence of political interference in the selection and promotion of personnel is basic to the efficient functioning of the Port Authority. Merit alone controls the selection of new employees and, together with seniority, governs the advancement of employees within the service of the Port Authority. Preferential consideration is not granted to any employee on account of political or other influence.

It is the policy of the board to promote from within the organization except where special skills, experience or training are required which cannot be found among employees already in our service. Promotion examinations are held for the selection of personnel to fill many vacancies. Thus, in 1949, 230 employees were promoted on the basis of demonstrated ability.

Port Authority employees are members of the New York State Retirement System. They have benefit of sick leave privileges, periodic medical examinations and medical consultations. Their own employee organizations represent them in negotiations with management.

It is the policy of the board to assure tenure of office. Employees are not discharged, demoted, or penalized except for cause and after a hearing.

The Commissioners believe that Port Authority salaries, working conditions and opportunities for advancement must compare favorably with those of private industry if the best qualified candidates are to be attracted for career service in the Port Authority. We conduct an annual survey of private companies and municipal and state agencies in the metropolitan area to enable us to carry out this policy. Last autumn we obtained data from forty-one representative organizations in New York and New Jersey on positions similar to thirty-three key job classes in the Port Authority. We found that it was not necessary for us to make direct salary adjustments during the period, but that we should move in the direction of broader non-salary benefits in order to keep step with progressive employers. A group health insurance (hospital-surgical and medical) program was installed, under which the Port Authority contributes 70 per cent of the subscription charges for all employees receiving salaries up to $10,000. This program became effective in January 1950.

Staff Training and Information Program

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

The Commissioners recognize that an effective staff must be well informed and must have a sense of solidarity. To this end, we issue a weekly digest of significant and current developments

in all phases of our operations. This digest is issued to all supervisory employees. Also, a monthly employee newspaper is distributed to all employees. In this newspaper we interpret general policy for employees; recognize individual and group achievement; help employees know each other better; and report news of current developments.

Medical Service

The clinics at the Port Authority Building, the Holland Tunnel and the Lincoln Tunnel, served by our Medical Department, handled over 14,285 visits during 1949, including 1,065 pre-employment examinations and 2,233 periodic examinations. The latter were conducted by Port Authority physicians in accordance with our policy of providing annual examinations for all employees in an effort to protect the health of our staff.

Cafeteria Service

During the past year our employees' cafeterias in the Port Authority Building and the Holland Tunnel continued their important contribution to the health and welfare of our personnel. Located in areas where there are few lunch rooms serving wholesome, nourishing food at reasonable prices, these services have played an important part in improving the efficiency of our workers and in reducing absenteeism due to illness.

In 1949 the Port Authority Building cafeteria served 123,215 luncheons at an average price of 43.9 cents, and the Holland Tunnel cafeteria served 4,766 meals at an average price of 34.1 cents

PONYA Players present their 1950 revue and are congratulated by Chairman Cullman, right center, himself a famed Broadway appraiser. Proceeds of annual employee theatrical production aid P.A. Welfare Fund.



Financial

Summary of 1949 Operations

Port Authority revenues for the year 1949 again established a new all-time record over any previous year. Gross operating revenues were $37,524,910 as compared with $31,930,328 for 1948, an increase of $5,594,582 or 17.5 per cent. Total figures are not comparable because of the new facilities placed in operation at various times during 1948 and 1949. By excluding those items which distort a comparison of the years 1949 and 1948, the gross operating revenues of our facilities which are comparable indicate an increase of 12.3 per cent.

Total operating and administrative expenses were $15,113,934 as compared with $11,968,205 in 1948, an increase of $3,145,729 or 26.3 per cent. Again, excluding noncomparable facilities, the increase in expenses was $1,353,918, or 13.2 per cent.

Net revenues available for appropriations to reserves in accordance with various legislative requirements and agreements with bondholders were $19,777,275, or an increase of 11.5 per cent over 1948 after giving effect to adjustments to make these years comparable. Included in 1949 net revenues is a nonrecurring credit of $3,409,025 resulting from the transfer of the Employees Retirement Fund Reserve, and $2,188,739 resulting from the transfer of the Insurance Fund Reserve, as authorized by Resolutions of the Commissioners.

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

The following principal operating facilities included under this caption were in operation for the full years of 1949 and 1948:

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

Gross operating revenues for the year 1949 of the above-mentioned facilities reflect the all-time high in traffic volume, totaling 52,766,278 vehicles over the six Port Authority vehicular crossings. Part of the 12.2 per cent increase in traffic over 1948 is attributable to the normal growth in the use of these facilities, but the major portion of the increase is due to the phenomenally good weather

experienced during 1949. A substantial increase in the grain handling activity of the Port Authority Grain Terminal also contributed to the increase in gross operating revenues.

Total operating, maintenance and administrative expenses of all facilities financed by General and Refunding Bonds were $9,945,126 as compared with $8,461,827 in 1948, an increase of $1,483,299, or 17.5 per cent. As these particular facilities are subject to more intensive use as the traffic trend rises, operating and maintenance expenses must also increase. In addition, the operating expenses of the Holland Tunnel reflected an abnormal increase due principally to the $250,000 representing part of the cost to the Port Authority of the Holland Tunnel fire on May 13, for recovery of which a damage suit is in process. This amount represents the portion of the loss assumed by us, under the deductible provision in various insurance policies carried by the Port Authority. Increased costs are further accounted for by a general 6 per cent increase in other than executive salaries, effective January 1, 1949, following a study made of comparable salaries in the Metropolitan District which indicated the equity of such adjustments.

Substantial capital sums were expended or committed during 1949 on the various facilities as follows:

Those facilities financed by General and Refunding Bonds:

Holland Tunnel	$ 868,618
Lincoln Tunnel	264,368
George Washington Bridge	6,299,410
Grain Terminal and Piers	81,139
Miscellaneous	1,597
Total	$ 7,515,132

Those facilities financed by bonds convertible into General and Refunding Bonds:

New York Union Motor Truck Terminal	$ 1,334,128
Newark Union Motor Truck Terminal	932,908
Port Authority Bus Terminal	4,640,325
Total	$ 6,907,361
Total 1949 Capital Expenditures and Commitments	$14,422,495



Expenditures during 1949 at the Holland Tunnel were for the construction of a new $3,000,000 viaduct at the Jersey City exit to eliminate serious congestion and a bottleneck in the connection to the Pulaski Skyway. The expenditures at the George Washington Bridge were for the construction of the $8,000,000 179th Street Tunnel and approaches for dual connections with the Highbridge Parkway and Bronx Expressway. Completion of this second tunnel will greatly improve the flow of traffic across Manhattan.

The New York Union Motor Truck Terminal was opened for operation in November 1949, the Newark Union Motor Truck Terminal is expected to be completed in May 1950, and the cost of both is estimated at $17,800,000. The Bus Terminal, the estimated completion cost of which is approximately $24,000,000, is expected to open by January 1951.

The continuing capital programs reflected in the foregoing figures make it clear that the task of keeping pace with the necessary development of public terminal and transportation facilities in a great metropolitan area is a continuing one. The whole process of growth, change and development of the New Jersey-New York Port District makes it inevitable that facilities such as these cannot remain static and that they must from time to time require substantial expenditures for improvement and reconstruction. Examples among our own facilities are many. The construction of the Bus Terminal and the establishment of Ninth and Tenth Avenues as one-way streets make necessary the reconstruction of the Manhattan approaches to the Lincoln Tunnel. The construction of the Cross-Bronx Expressway and the Harlem River Drive makes necessary in turn the complete reconstruction of the Manhattan approaches to the George Washington Bridge. The construction of the New Jersey Turnpike will bring with it the necessity for a large expenditure by the Port Authority for the construction of a direct connection between the Turnpike and the Lincoln Tunnel. These facilities will provide for the requirements of increasing traffic and must, in turn, be paid for by the revenues that will be received from that traffic.

Facilities Financed by Air Terminal Bonds

Airport revenues and expenses for 1949 and 1948 are not comparable, partly because the periods of operation differ for all airports, with the exception of La Guardia, and because the airports are in the expanding stage of development where new facilities are being provided throughout the year, which in turn create both additional gross revenues and increased expenses. These same conditions will prevail for several years while the Port Authority proceeds with its airport development program.

Port Authority operation of the four airports was undertaken in the following order:



La Guardia	June 1, 1947
Newark	March 22, 1948
New York International	July 1, 1948
Teterboro	April 1, 1949

Port Authority gross operating revenues at the four airports for the year 1949 were $4,045,863. Operating maintenance and administrative expenses were $4,432,838, resulting in an operating

deficit for all four airports of $386,975. This 1949 operating deficit compares with an operating deficit for La Guardia, New York International, and Newark only, of $732,073 in 1948. These deficits do not include interest on the Air Terminal Bonds outstanding, nor do they include any amortization of the principal of these bonds.

New York International and Newark Airports particularly are still in the early years of their development insofar as revenue-producing potential is concerned. Airport development requires very heavy capital outlays for basic construction which are not reflected directly and immediately in the production of revenue. Certain fixed expenses affect the operating results from the first month of operation, although revenues are only gradually increased and fluctuate because of space occupancy, rentals, fees, etc. In the case of Newark, revenues are temporarily limited where the existing physical design is not adaptable to expanding concessions and non-aviation revenues. While expenditures of approximately $12,000,000 are contemplated for expansion of physical facilities at Newark in 1950, the new facilities will not be available to produce additional revenues until 1951.

The Port Authority has expended or committed $20,455,530 during 1949 for capital improvements at the airports, and $44,617,135 since date of acquisition as follows:

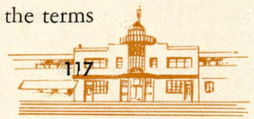


	1949	*Total to Date*
La Guardia	$ 621,997	$ 4,570,776
New York International	14,193,029	33,407,719
Newark	1,020,552	1,918,687
Teterboro	4,619,952	4,719,953
Total	$20,455,530	$44,617,135

Some of the major capital improvements at La Guardia Airport included repaving of aprons; erection of the Exhibit Building; and construction of the marginal dike. Some of the major capital improvements, completed or in progress, at New York International Airport were the construction of Hangars 3, 4 and 5, including taxiways and apron paving; the $4,800,000 Federal Building; a high pressure pumping station required for adequate fire protection; an enlarged fuel distribution system; and expansion of the temporary terminal building. Some of the major capital expenditures at Newark Airport included runway and apron paving; borings for runway and hangar development; and construction and rehabilitation of buildings.

Under the terms of its lease with the City of New York, the Port Authority is committed to expend a minimum of $100,000,000 on capital improvements at La Guardia and New York International Airports by 1954. As of December 31, 1949, $37,978,495, or 38 per cent of this sum has been spent or committed for the expansion of these facilities.

At Newark Airport, the necessary borings and tests of soil conditions were not completed in time to let contracts for the fill and grading, and the construction of two of the new runways under the four-runway plan approved by the Board of Commissioners. Contracts totaling $5,968,250 for fill and grading were let in January 1950. The necessary design work for expansion of the present terminal building, at an estimated cost of $1,000,000, was completed in December, and the procurement of bids for the construction of this expansion is currently under way. Under the terms

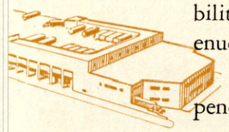


of its lease with the City of Newark, the Port Authority is committed to expend a minimum of $50,000,000 by 1955 on capital improvements for the continued development of Newark Airport and Port Newark.

Total expenditures for Teterboro Airport, $4,719,952, represent the purchase price, land, outstanding long-term leaseholds and existing structures, plus capital improvements to complete the construction of the large hangar and rehabilitate certain of the other structures on the airport.

Facility Financed by Marine Terminal Bonds

The responsibility for the development of Port Newark, which is the only facility financed through the issuance of Marine Terminal Bonds, was assumed on March 22, 1948. Port Newark gross operating revenues for 1949 were $632,410 compared with $278,128 for nine months of 1948. Operating expenses for 1949 were $735,967, resulting in a net operating deficit of $103,557. Under the agreements with the private warehousing agents, Bayway Terminal Corporation and Lehigh Warehouse and Transportation Company, their gross revenues and expenses are included as a part of gross revenues and expenses of Port Newark. It was necessary for the Port Authority to rehabilitate many of the structures before they could be rented to tenants and begin to produce revenue, so that full utilization to derive the maximum gross operating revenues was not possible.



In addition to the capital improvements of $3,779,844 made in 1948, the Port Authority expended $3,267,886 for capital improvements in 1949, or a total of $7,047,730. The major items of new construction or rehabilitation expended or committed in 1949 were reconstruction of channel fenders and docks; construction of two new cargo buildings, including adjacent wharves and paving; and rehabilitation of the port railroad system. It is anticipated that the new cargo buildings, which will be placed in operation during May 1950, will be useful to tenants and will produce substantial revenues for this facility.

Funded Debt

Our funded debt as of December 31, 1949 totaled $312,894,000, or an over-all increase of $78,895,000 during the year.

In April 1949, in conjunction with the acquisition of the 500-acre Teterboro Airport in Bergen County, New Jersey, $1,400,000 par value of Air Terminal Bonds, First Series, Second Installment 3 per cent, due 1978, were issued.

Air Terminal Bonds, Second Series, First Installment dated October 1, 1949, due October 1, 1979, in the principal amount of $30,000,000 bearing interest at the rate of 2½ per cent per annum, were sold on November 2 to Halsey, Stuart & Co. Inc., Drexel & Co., Glore, Forgan & Co., Ladenburg, Thalmann & Co. and Associates at a price of 95.45 per cent of par, or a net interest cost to the Authority of 2.65 per cent. The proceeds of the sale of $3,500,000 par value of these bonds were used to provide funds for the repayment, with interest, of $3,300,000 principal amount of General Reserve Fund Notes, Series S, for capital expenditures in connection with Teterboro Airport, and for purposes incidental thereto; $22,500,000 par value of bonds provided funds for capital improvements at La Guardia and New York International Airports; for the repayment, with



interest, of the balance of the $6,700,000 principal amount of General Reserve Fund Notes, Series S, issued for capital improvements at these airports, and for purposes incidental thereto; and the remaining $4,000,000 par value of bonds were issued to provide funds for capital improvements at Newark Airport.

On December 20, 1949, $54,000,000 par value of General and Refunding Bonds, Fourteenth and Fifteenth Series, dated December 15, 1949, maturing $3,600,000 annually on December 15, 1950 to December 15, 1964, inclusive, were sold to Harriman Ripley & Co., Inc., Blyth & Co., Inc., and Associates. The syndicate bid 101.41 per cent of par for the bonds, specifying a 4 per cent interest rate for the Fourteenth Series and a 1½ per cent rate for the Fifteenth Series, which bid represented a net average interest cost to the Authority of approximately 1.53 per cent. The proceeds of this sale, together with anticipated appropriations from reserve funds or funds from other sources of approximately $15,000,000, will be used to retire on December 15, 1950 the then outstanding $67,031,000 principal amount of General and Refunding, Fourth Series, 3 per cent Bonds, due 1976. This refunding operation was undertaken last December to enable the Authority to realize a substantial saving in annual interest costs.

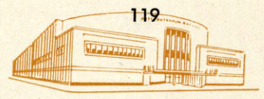
Temporary Financing

In addition to the permanent financing described above, the Port Authority negotiated and sold to the Central Hanover Bank & Trust Company an Air Terminal Note, Series Q, in the principal amount of $725,000 dated March 23, 1949, due November 23, 1949, bearing interest at the rate of 1¼ per cent per annum. The proceeds of the sale of this note were used to meet the cash required at the closing in connection with the acquisition of Teterboro Airport, and to refund the $100,000 loan from The National City Bank of New York, representing the down payment required in connection with the original purchase contract for the airport. This note was prepaid on August 1, 1949 from part of the proceeds of the sale of General Reserve Fund Notes, Series S.

The Authority sold its Air Terminal Note, Series R, in the principal amount of $975,000, dated April 19, 1949, due December 19, 1949, bearing interest at the rate of 1¼ per cent, to The National City Bank of New York. This note, issued in payment of The Esso Standard Oil Company mortgages (bearing interest at the rate of 3 per cent per annum) on the Teterboro Air Terminal, was prepaid on August 1, 1949 from part of the proceeds of the General Reserve Fund Notes, Series S.

General Reserve Fund Notes, Series S, dated June 29, 1949, due December 29, 1949, in the principal amount of $10,000,000 bearing interest at the rate of 1 per cent per annum were sold on July 1, 1949 to the United States Trust Company of New York and Associates. Of these notes $3,300,000 were issued for capital expenditures in connection with Teterboro Airport for the refunding of the outstanding Air Terminal Notes, Series Q and Series R, and for purposes incidental thereto; the balance of $6,700,000 were issued for capital expenditures in connection with La Guardia and New York International Airports. These notes were paid at maturity from part of the proceeds of the $30,000,000, Second Series, Air Terminal Bonds.

In order to provide for additional funds for the construction of the Port Authority Bus Terminal, a temporary loan of $6,000,000 par value of General Reserve Fund Notes, Series T, bearing



an interest rate of 1½ per cent was arranged on December 9, 1949 with The National City Bank of New York. The notes mature at the rate of $3,000,000 each year on November 1, 1950 and November 1, 1951.

A total of $650,000 was borrowed during the year 1949 from The National City Bank of New York for rehousing purposes in connection with the construction of the Port Authority Bus Terminal. Five hundred thousand dollars principal amount of these notes, bearing interest at the rate of 1¼ per cent per annum was paid, together with accrued interest, from the General Reserve Fund on June 28, 1949, and the balance of $150,000 was paid on December 30, 1949 from the same fund.

Debt Retirement

During the year 1949 the Authority met all of the requirements of the resolutions establishing and governing the retirement of its bonds and notes outstanding. On February 15, 1949, $856,000 par value of General and Refunding, Fifth Series, 3¼ per cent Bonds, due 1977, were called for redemption through the operation of the Sinking Fund; on June 15, 1949, $1,643,000 par value of General and Refunding, Fourth Series, 3 per cent Bonds, due 1976 were called for redemption also through the operation of the Sinking Fund; on July 15, 1949, $1,500,000 par value, General and Refunding, Thirteenth Series, 1.40 per cent Bonds, which matured on that date, were paid; and the $1,090,000 par value of Terminal, Series M, 1½ per cent Serial Bonds, due June 15, 1949, were paid at maturity.



During the year, $6,000,000 General Reserve Fund Notes, Series P, bearing interest at the rate of 1½ per cent per annum and due $3,000,000 each year on November 1, 1950 and November 1, 1951, were retired through appropriations from the General Reserve Fund. In addition, the Authority transferred to their respective sinking funds at the end of the year, $1,316,000 par value of its various General and Refunding Bonds and Series J Terminal Bonds. These were transferred to sinking funds at the close of the year at their book cost of $1,197,418, as shown below, and were purchased during the year at prices to yield to the respective call dates from approximately 2.60 per cent to 7.65 per cent. Thus, in addition to the mandatory debt retirement of $5,089,000 par value of Port Authority Bonds, as indicated above, the Authority retired an additional $7,316,000 par value of its obligations in 1949.

The table below shows the retirements in anticipation of future sinking fund requirements during the years 1946, 1947, 1948 and 1949 together with call premiums and the difference in the various costs, as indicated, and the redemption prices.

Retirements	*1946*	*1947*	*1948*	*1949*	*Total*
GENERAL AND REFUNDING BONDS:					
7th Series:					
Principal Amount	$	$ 95,000	$	$	$ 95,000
Call Premium	.....	2,850	.....	.....	2,850
8th Series:					
Principal Amount	190,000	25,000	1,314,000	621,000	2,150,000
Call Premium	5,700	750	39,420	18,630	64,500



Retirements	*1946*	*1947*	*1948*	*1949*	*Total*
9th Series:					
Principal Amount	137,000	772,000	386,000	380,000	1,675,000
Call Premium	1,370	7,720	3,860	3,800	16,750
11th Series:					
Principal Amount	1,446,000	1,655,000	417,000	166,000	3,684,000
Call Premium	14,460	16,550	4,170	1,660	36,840
TERMINAL BONDS:					
Series J:					
Principal Amount	.....	442,000	115,000	149,000	706,000
Call Premium	.....	4,420	1,150	1,490	7,060
Total Par Value and Premium of Accelerated Retirements	$1,794,530	$3,021,290	$2,280,600	$1,341,580	$8,438,000
Book Cost	1,562,070	2,598,322	1,969,505	1,197,418	7,327,315
Savings	$ 232,460	$ 422,968	$ 311,095	$ 144,162	$1,110,685

Summary of Reserves

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

Title	*Amount*
General Reserve	$31,289,400
Special Reserve	10,470,573
Sinking Fund Reserves	2,640,322
Total Reserves	$44,400,295



The total Reserve Funds, as itemized above, contain the following assets:

U. S. Government Securities	$38,896,405
Port Authority Bonds	3,583,415
Cash and Accrued Interest	1,920,475
Total	$44,400,295

The General Reserve Fund balance at the close of the year of $31,289,400 was equal to 10 per cent of the par value of all outstanding bonds of the Port Authority. In addition, the reserves satisfy the contractual requirements of two years' debt service upon General Reserve Fund Bonds of the Port Authority, outstanding at December 31, 1949; thus, the Authority has successfully met all the requirements of the resolutions regarding the administration of its various funds.

Combined Statements of

Net Revenues and Debt Reserves

The Port of New York Authority

For the Ten Years 1940 to 1949, Inclusive

	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949
Gross Operating Revenues	$16,891,471	$18,676,682	$16,142,811	$14,968,842	$17,775,840	$19,344,475	$25,491,344	$28,566,834	$31,930,328	$37,524,910
Operating Expenses	3,768,279	4,731,921	4,127,996	3,730,581	4,796,975	6,038,265	7,176,168	8,141,311	11,968,205	15,113,934
Net Operating Revenues	$13,123,191	$13,944,760	$12,014,815	$11,238,260	$12,978,864	$13,306,210	$18,315,176	$20,425,523	$19,962,123	$22,410,975
Other Income:										
Interest on investments less amortization of purchase premiums, etc.	109,061	109,728	114,215	169,057	310,067	838,025	498,070	782,911	624,743	735,214
	$13,232,253	$14,054,489	$12,129,031	$11,407,318	$13,288,931	$14,144,235	$18,813,246	$21,208,434	$20,586,867	$23,146,190
Deduction:										
Interest on funded debt (except interest capitalized)	6,904,079	5,339,476	4,996,542	4,901,740	5,405,569	4,873,086	4,766,337	4,815,282	4,647,626	4,359,936
	$ 6,328,173	$ 8,715,012	$ 7,132,488	$ 6,505,577	$ 7,883,362	$ 9,271,148	$14,046,909	$16,393,152	$15,939,241	$18,786,254
Special Deductions:										
For property additions—capitalized	447,048	67,884	—	—	—	—	—	—	537,961	3,028,217
For expenses of debt refunding program	125,000	—	—	—	1,771,069	1,419,575	—	—	—	—
For Insurance Reserve and Employees' Retirement Reserve	—	1,000,000	—	—	—	—	—	—	—	(5,597,764)
For Lincoln Tunnel construction	—	1,000,000	—	—	500,000	1,000,000	—	—	—	—
For Restoration and Improvement Reserve	—	—	—	1,500,000	1,300,000	925,000	—	—	(1,723,947)	—
	$ 572,048	$ 2,067,884	$ —	$ 1,500,000	$ 3,571,069	$ 3,344,575	$ —	$ —	($ 1,185,986)	($ 2,569,547)
	$ 5,756,124	$ 6,647,127	$ 7,132,488	$ 5,005,577	$ 4,312,292	$ 5,926,573	$14,046,909	$16,393,152	$17,125,227	$21,355,801
Deficits of certain facilities transferred by charge to equity accounts	685,710	—	—	—	—	—	—	—	—	—
Balance available for debt retirement and reserves	$ 6,441,835	$ 6,647,127	$ 7,132,488	$ 5,005,577	$ 4,312,292	$ 5,926,573	$14,046,909	$16,393,152	$17,125,227	$21,355,801
Debt Retirement Provisions and Redemptions at Cost:										
Obligatory payments to sinking funds	4,915,227	1,143,100	1,587,802	1,653,513	1,962,123	2,338,871	2,403,023	2,477,030	2,866,114	2,628,378
Redemptions of serial bonds, etc.	—	797,123	800,000	800,000	800,000	800,000	2,800,000	2,800,000	4,493,000	3,240,000
Retirements in anticipation of future sinking fund requirements	—	3,490,975	—	—	—	—	1,562,070	2,598,322	1,969,505	1,197,417
Redemptions of serial notes prior to maturity	1,284,000	—	—	—	—	—	—	—	—	6,000,000
Retirements in excess of proceeds from bonds sold on refunding	348,676	—	—	—	—	1,833,631	—	—	6,799,548	—
Total	$ 6,547,903	$ 5,431,199	$ 2,387,802	$ 2,453,513	$ 2,762,123	$ 4,972,502	$ 6,765,094	$ 7,875,352	$16,128,167	$13,065,795
Remainder, Representing Increase (Decrease) During Year in Debt Reserves	($ 106,068)	$ 1,215,928	$ 4,744,686	$ 2,552,063	$ 1,550,169	$ 954,070	$ 7,281,814	$ 8,517,800	$ 997,060	$ 8,290,006
Sundry credits to Reserve Funds	3,746	591,239	—	—	—	498	—	—	—	—
Total Increase (Decrease)	($ 102,321)	$ 1,807,167	$ 4,744,686	$ 2,552,063	$ 1,550,169	$ 954,569	$ 7,281,814	$ 8,517,800	$ 997,060	$ 8,290,006
Increase (Decrease) During Year in:										
General Reserve	($ 102,321)	$ 1,807,167	$ 4,744,686	$ 2,552,063	$ 1,550,169	$ 954,569	$ 2,259,606	$ 2,640,600	$ 1,826,400	$ 7,889,500
Special Reserve	—	—	—	—	—	—	5,022,208	5,849,525	(801,665)	400,506
Air Terminals Reserve	—	—	—	—	—	—	—	27,675	(27,675)	—
Total Increase (Decrease)	($ 102,321)	$ 1,807,167	$ 4,744,686	$ 2,552,063	$ 1,550,169	$ 954,569	$ 7,281,814	$ 8,517,800	$ 997,060	$ 8,290,006

Cents omitted.

Annual Debt Service Requirements

General and Refunding Bonds

Par Value —	$68,720,000		$39,391,000		$24,021,000		$10,325,000		$15,073,000	
Series —	Fourth Series		Fifth Series		Eighth Series		Ninth Series		Eleventh Series	
Rate & Maturity	3% due 12/15/76		3¼% due 8/15/77		2% due 8/15/74		1½% due 4/1/85		1¼% due 3/1/86	
	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest
Year										
1950	(a)	$944.9(b)	$ 941.8	$ 1,255.1	$ (c)	$ 480.4	$ (d)	$ 154.9	$ (e)	$ 188.4
1951			960.9	1,225.5	361.1	480.4		154.9		188.4
1952			992.2	1,195.0	893.1	474.3		154.9		188.4
1953			1,025.5	1,163.5	910.9	458.2		154.9		188.4
1954			1,057.7	1,131.0	920.3	440.6		154.9		188.4
1955			1,093.1	1,097.4	938.5	422.6	185.7	154.9		188.4
1956			1,116.5	1,062.8	957.3	404.2	284.5	152.8		188.4
1957			1,152.8	1,027.0	976.5	385.5	288.8	149.0		188.4
1958			1,191.3	990.1	996.0	366.4	293.1	144.7	253.0	188.4
1959			1,230.0	951.9	1,006.1	346.9	296.1	140.3	469.6	185.8
1960			1,268.9	912.5	1,026.1	327.1	300.5	135.9	473.1	180.4
1961			1,297.2	871.8	1,046.7	306.8	305.0	131.5	479.0	174.6
1962			1,340.4	829.9	1,067.5	286.1	309.6	126.9	485.0	168.6
1963			1,383.9	786.5	1,089.0	265.0	314.2	122.3	491.1	162.6
1964			1,427.8	741.7	1,099.7	243.5	317.4	117.7	497.2	156.5
1965			1,475.2	695.5	1,121.7	221.6	322.1	112.9	500.9	150.3
1966			1,522.1	647.8	1,144.1	199.2	326.9	108.1	507.2	144.1
1967			1,571.6	598.5	1,167.0	176.4	331.8	103.2	513.5	137.8
1968			1,623.7	547.6	1,190.3	153.1	336.9	98.3	519.9	131.4
1969			1,676.4	495.1	1,214.1	129.3	341.9	93.2	526.4	124.9
1970			1,729.9	440.8	1,238.3	105.1	347.0	88.1	533.1	118.3
1971			1,787.1	384.9	1,263.2	80.4	352.2	82.9	540.0	111.6
1972			1,844.2	327.1	1,288.5	55.2	357.5	77.7	546.4	104.9
1973			1,904.1	267.4	1,313.9	29.5	362.8	72.3	553.2	98.1
1974			1,966.9	205.7		3.3	368.3	66.9	560.1	91.2
1975			2,030.9	142.1			373.8	61.4	567.1	84.2
1976			2,096.8	76.4			379.4	55.8	574.2	77.1
1977				8.5			385.2	50.1	581.4	70.0
1978							390.9	44.4	588.7	62.7
1979							396.8	38.5	596.0	55.4
1980							402.7	32.6	603.5	47.9
1981							408.7	26.6	611.1	40.4
1982							414.7	20.5	618.8	32.8
1983							421.3	14.3	626.5	25.1
1984							426.8	8.0	634.0	17.3
1985								1.6	641.9	9.3
1986										1.3
Totals	—	$944.9	$38,708.9	$20,079.1	$24,229.9	$6,841.1	$10,342.6	$3,407.9	$15,091.9	$4,460.2

The Port of New York Authority

Schedule of Annual Payments of Interest, Sinking Fund and Serial Maturities on Bonds Outstanding as of December 31, 1949

In Thousand Dollars

$6,000,000 Thirteenth Series 1.4% due 7/15/50-53		$14,400,000 Fourteenth Series 4% due 12/15/50-53		$39,600,000 Fifteenth Series 1½% due 12/15/54-64	
Maturities	Interest	Maturities	Interest	Maturities	Interest
$1,500.0	$ 74.4	$ 3,600.0	$ 570.0	$	$ 594.0
1,500.0	53.4	3,600.0	426.0		594.0
1,500.0	32.4	3,600.0	282.0		594.0
1,500.0	11.4	3,600.0	138.0		594.0
				3,600.0	591.8
				3,600.0	537.8
				3,600.0	483.8
				3,600.0	429.8
				3,600.0	375.8
				3,600.0	321.8
				3,600.0	267.8
				3,600.0	213.8
				3,600.0	159.8
				3,600.0	105.8
				3,600.0	51.8
$6,000.0	$171.6	$14,400.0	$1,416.0	$39,600.0	$5,915.8

NOTES

The notes and/or assumptions pertaining to the above schedule of Debt Service on bonds outstanding as of December 31, 1949, are as follows:

a) Funds are on hand in the Sinking Fund for General and Refunding Bonds, Fourth Series, 3%, Due 1976 sufficient to retire $1,689,000 principal amount of said bonds on June 15, 1950. Assumption made that the balance of the Fourth Series Bonds will be retired on December 15, 1950 from the proceeds of the sale on December 20, 1949 of the $54,000,000 principal amount of General and Refunding Bonds, Fourteenth and Fifteenth Series and from accumulated reserves available for retirement or out of the proceeds of another issue of Port Authority obligations.

b) Interest on the General and Refunding Bonds, Fourth Series, for 1950 approximates $1,950,000. Assumption made that about $944,900 will be charged against operations and the balance will be paid from bond proceeds mentioned in Note (a) above.

c) The 1950 and part of 1951 sinking fund requirements for the Eighth Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Eighth Series Sinking Fund.

d) The 1950 to 1954 and part of 1955 sinking fund requirements for the Ninth Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Ninth Series Sinking Fund.

e) The 1950 to 1957 and part of 1958 Eleventh Series sinking fund requirements were anticipated by purchases in the open market and retirement of bonds through the Eleventh Series Sinking Fund.

Continued

Annual Debt Service Requirements

Other Port Authority Bonds

Par Value — Series — Rate & Maturity / Year	TERMINAL BONDS (i) $6,794,000 Series J 1¾% due 4/1/85 Sinking Fund	Interest	$14,170,000 Series M 1½% due 6/15/50-62 Maturities	Interest	AIR TERMINAL BONDS $31,400,000 First Series 3% due 6/15/78 Sinking Fund	Interest	$30,000,000 Second Series 2½% due 10/1/79 Sinking Fund	Interest
1950	$ (f)	$ 59.4(g)	$ 1,090.0(h)	$ (h)	$	$ 492.0(j)	$	$ 197.9(k)
1951		118.9	1,090.0	187.3		942.0		750.0
1952		118.9	1,090.0	170.9		942.0		750.0
1953	78.3	118.9	1,090.0	154.6		942.0		750.0
1954	166.7	117.9	1,090.0	138.2		942.0		750.0
1955	169.6	115.4	1,090.0	121.9		942.0		750.0
1956	172.6	112.5	1,090.0	105.6		942.0		750.0
1957	175.6	109.5	1,090.0	89.2		942.0		750.0
1958	178.7	106.4	1,090.0	72.9	1,203.6	942.0		750.0
1959	180.9	103.4	1,090.0	56.5	1,240.8	923.0	1,197.9	750.0
1960	184.0	100.2	1,090.0	40.2	1,276.9	887.4	1,228.9	727.9
1961	187.3	97.0	1,090.0	23.8	1,316.2	850.7	1,259.5	698.1
1962	190.6	93.8	1,090.0	7.5	1,342.6	812.9	1,290.0	667.4
1963	193.9	90.5			1,381.8	774.0	1,323.3	636.0
1964	196.3	87.1			1,424.3	733.9	1,342.0	603.8
1965	199.7	83.7			1,465.9	692.6	1,376.6	570.8
1966	203.2	80.2			1,509.9	650.0	1,410.0	536.9
1967	206.8	76.7			1,540.9	606.2	1,446.2	502.2
1968	210.4	73.1			1,586.2	561.1	1,482.4	466.7
1969	214.1	69.4			1,634.8	514.6	1,503.3	430.2
1970	217.8	65.7			1,682.8	466.7	1,540.9	392.9
1971	221.6	61.9			1,733.2	417.4	1,579.5	354.6
1972	225.5	58.0			1,767.6	366.6	1,618.9	315.4
1973	229.5	54.1			1,820.6	314.3	1,659.4	275.1
1974	233.5	50.1			1,875.2	260.4	1,700.9	233.9
1975	237.6	46.0			1,931.5	204.9	1,743.4	191.6
1976	241.7	41.9			1,989.4	147.7	1,787.0	148.3
1977	246.0	37.7			2,049.1	88.8	1,831.7	103.9
1978	250.3	33.3				28.2	1,877.5	58.4
1979	254.6	29.0						11.7
1980	259.2	24.6						
1981	263.7	20.1						
1982	268.3	15.5						
1983	273.1	10.8						
1984	276.9	6.0						
1985		1.2						
1986								
TOTALS	$6,808.0	$2,488.8	$14,170.0	$1,168.6	$31,773.3	$18,329.4	$30,199.3	$14,873.7

The Port of New York Authority

Schedule of Annual Payments of Interest, Sinking Fund and Serial Maturities on Bonds Outstanding as of December 31, 1949

In Thousand Dollars

MARINE TERMINAL BONDS $7,000,000 First Series 2½% due 11/1/78 Sinking Fund	Interest	GENERAL RESERVE FUND NOTES $6,000,000 Series T 1½% due 11/1/50-51 Maturity	Interest	TOTAL DEBT SERVICE $312,894,000 All Issues Sinking Fund & Maturities	Interest	Total
$	$ 175.0	$3,000.0	$ 82.5	$ 10,131.8	$ 5,268.9	$ 15,400.7
	175.0	3,000.0	37.5	10,512.0	5,333.3	15,845.3
	175.0			8,075.3	5,077.8	13,153.1
211.1	175.0			8,415.8	4,848.9	13,264.7
216.4	171.6			7,051.1	4,626.4	11,677.5
222.8	166.4			7,299.7	4,496.8	11,796.5
227.3	161.1			7,448.2	4,363.2	11,811.4
234.0	155.6			7,517.7	4,226.0	11,743.7
237.5	150.0			9,043.2	4,086.7	13,129.9
242.4	144.2			10,553.8	3,923.8	14,477.6
249.5	138.3			10,697.9	3,717.7	14,415.6
254.7	132.3			10,835.6	3,500.4	14,336.0
262.1	126.1			10,977.8	3,279.0	14,256.8
266.0	119.8			10,043.2	3,062.5	13,105.7
272.6	113.2			10,177.3	2,849.2	13,026.5
278.4	106.6			6,740.5	2,634.0	9,374.5
286.3	99.7			6,909.7	2,466.0	9,375.7
292.5	92.7			7,070.3	2,293.7	9,364.0
296.8	85.6			7,246.6	2,116.9	9,363.5
304.2	78.2			7,415.2	1,934.9	9,350.1
311.8	70.7			7,601.6	1,748.3	9,349.9
319.6	62.9			7,796.4	1,556.6	9,353.0
327.6	55.0			7,976.2	1,359.9	9,336.1
335.8	46.9			8,179.3	1,157.7	9,337.0
344.2	38.6			7,049.1	950.1	7,999.2
352.8	30.0			7,237.1	760.2	7,997.3
361.6	21.3			7,430.1	568.5	7,998.6
370.7	12.3			5,464.1	371.3	5,835.4
	3.1			3,107.4	230.1	3,337.5
				1,247.4	134.6	1,382.0
				1,265.4	105.1	1,370.5
				1,283.5	87.1	1,370.6
				1,301.8	68.8	1,370.6
				1,320.9	50.2	1,371.1
				1,337.7	31.3	1,369.0
				641.9	12.1	654.0
					1.3	1.3
$7,078.7	$3,082.2	$6,000.0	$120.0	$244,402.6	$83,299.3	$327,701.9

NOTES

f) The 1950 to 1952 and part of 1953 Terminal Bonds, Series J, sinking fund requirements were anticipated by purchases in the open market and retirement of bonds through the Series J Sinking Fund.

g) Interest on Terminal Bonds, Series J, during 1950 approximates $118,900, of which about $59,450 is scheduled to be paid from construction funds.

h) The 1950 maturity of the Terminal Bonds, Series M, will be paid from the General Reserve Fund and the interest from construction funds.

i) When the facilities financed by these bonds are completed and placed in operation, said bonds must be converted into General and Refunding bonds.

j) Interest during 1950 on the Air Terminal Bonds, First Series, totals $942,000, of which $450,000 is payable from construction funds.

k) Interest on the Air Terminal Bonds, Second Series, for 1950 totals $750,000, of which approximately $552,110 is payable from construction funds.

Accountants' Report

The Port of New York Authority

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

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

NEW YORK

19 RECTOR STREET

TELEPHONE DIGBY 4-5240

DELIVERY ZONE 6

NEW ORLEANS
NEW YORK
PHILADELPHIA
PITTSBURGH
PORTLAND, ME
PROVIDENCE
READING
RICHMOND
ROCHESTER
ST. LOUIS
ST. PAUL
SAN ANTONIO
SAN FRANCISCO
SEATTLE
TOLEDO
WASHINGTON
WINSTON-SALEM
YOUNGSTOWN

TORONTO, CANADA

CORRESPONDENT AT LONDON

CABLE ADDRESS "ERNSTAUDIT" N. Y.

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

We have examined the statement of financial position of The Port of New York Authority as of December 31, 1949, and the related statements of net revenues and other accounts for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial position and related statements of net revenues and other accounts present fairly the position of The Port of New York Authority at December 31, 1949, and the results of operations for the year then ended, on the basis of accounting principles and procedures set forth in Note 1 to the financial statements.

Ernst & Ernst

New York, N. Y.
February 10, 1950.

Our certificate or report upon an audit or examination is delivered to client with the distinct understanding that any advertisement, publication, or copy therefrom, in full or in part, of such certificate or report, shall be in the form to be approved by us. As a preventive against fraud, attention is directed to the fact that all pages in this report should bear our water mark.

The Port of New York Authority

Financial Position

December 31, 1949

	Capital Accounts (Exhibit A)	Operating Accounts (Exhibit B)	Reserve Funds (Exhibit C)	Sinking Funds (Exhibit E)	Depositary Funds (Note 2)
ASSETS					
INVESTMENT IN FACILITIES					
Including expenditures authorized (Note 1)	$330,511,553	$ —	$ —	$ —	$ —
CASH	647,010	1,520,566	208,901	1,638,658	99,581
INVESTMENTS IN SECURITIES					
U. S. Government securities (Exhibit H)	50,275,487	2,027,959	37,900,404	996,000	1,400,000
The Port of New York Authority bonds (Exhibit H)	—	180,250	3,583,414	—	—
Accrued interest receivable	191,675	6,188	67,252	5,663	—
	$ 50,467,163	$2,214,397	$41,551,071	$1,001,663	$1,400,000
COLLATERAL UNDER LEASES					
U. S. Government and The City of New York securities	—	—	—	—	243,500
OTHER ASSETS					
Prepaid insurance, deposits, and sundry accounts	240,283	2,263,238	—	—	—
ADVANCES TO OPERATING ACCOUNTS	850,000	—	—	—	—
ASSETS HELD FOR RETIREMENT OF GENERAL AND REFUNDING BONDS, FOURTH SERIES					
Cash	33,548	—	—	—	—
U. S. Government securities (Exhibit H)	54,585,719	—	—	—	—
Accrued interest receivable	185,520	—	—	—	—
	$ 54,804,789	$ —	$ —	$ —	$ —
TOTAL ASSETS	$437,520,799	$5,998,202	$41,759,973	$2,640,322	$1,743,081
LIABILITIES, RESERVES, AND EQUITY ACCOUNTS					
FUNDED DEBT (Exhibit I)	$312,894,000	$ —	$ —	$ —	$ —
EQUITY ACCOUNTS—as shown in Exhibit A	104,894,461	—	—	—	—
RESERVES APPLICABLE TO THE FOLLOWING FUNDS					
Reserve Funds:					
General Reserve Fund	—	—	31,289,400	—	—
Special Reserve Fund	—	—	10,470,573	—	—
Sinking Funds	—	—	—	2,640,322	—
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	4,755,410	4,374,204	—	—	—
COMMITMENTS	14,864,871	277,754	—	—	—
APPROPRIATIONS PENDING COMMITMENT	112,056	66,243	—	—	—
DEPOSITS UNDER LEASES	—	—	—	—	311,058
DEFERRED CREDITS TO INCOME					
Unredeemed toll tickets, etc.	—	430,000	—	—	—
Long term rental prepayments	—	—	—	—	1,432,023
ADVANCES FROM CAPITAL ACCOUNTS	—	850,000	—	—	—
TOTAL LIABILITIES, RESERVES, AND EQUITY ACCOUNTS	$437,520,799	$5,998,202	$41,759,973	$2,640,322	$1,743,081

CONTINGENT LIABILITIES—Note 3

See Notes to Financial Statements.

Net Revenues

Year ended December 31, 1949

The Port of New York Authority

Gross Operating Revenues		$37,524,910
Operating Expenses (Note 1)		15,113,934
Net Operating Revenues		$22,410,975
Other Income:		
Interest on investments less amortization of purchase premiums, etc.		829,700
		$23,240,675
Other Deductions:		
Interest on funded debt	$ 4,358,460	
Obligatory payments to sinking funds	2,628,378	
Obligatory redemption of General and Refunding Bonds—serial maturity	1,500,000	
	$ 8,486,838	
Elimination of net income from investments accruing in Reserve Funds (included in Other Income above)	574,326	9,061,165
		$14,179,510
Credit resulting from elimination of Operating Reserves (Note 1g)		5,597,764
Net Revenues (as below)		$19,777,275
Net Revenues of Facilities related to General and Refunding Bonds available for appropriations in accordance with statutory requirements and agreements with bondholders		$20,311,255
Net Deficits of Facilities related to Air Terminal Bonds	($ 417,636)	
Net Deficits of Facilities related to Marine Terminal Bonds	(116,344)	(533,980)
		$19,777,275
Net Deficits Covered by Appropriations from General Reserve		($ 533,980)
Disposition of Net Revenues as Required by Resolution of the Commissioners:		
To General Reserve—to bring total amount to 10% of funded debt	$20,077,753	
To Special Reserve	233,502	20,311,255
		$19,777,275

See Exhibit G for details of Net Revenues.
See Notes to Financial Statements.
( ) indicate red figures.

Notes to Financial Statements

December 31, 1949

Note 1—STATEMENT OF ACCOUNTING PRINCIPLES AND PROCEDURES:

a. The Port of New York Authority was created as a corporate instrumentality in 1921 by compact between the States of New York and New Jersey with the approval of Congress. The Authority has no stockholders or equity holders and all revenues or other cash received must be disbursed for specific purposes in accordance with provisions of various statutes and agreements with holders of its bonds. The accounting principles outlined in paragraphs following, which have been applied on a basis consistent with that of the preceding year (except as noted in Note 1g), are based on the Authority's interpretation of such statutes and agreements, and on resolutions of the Commissioners.

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

c. The balance of "Investment in Facilities" at December 31, 1949 includes the following:

(1) the net discount and expense incurred in connection with bonds and notes issued for construction purposes; no provision has been made for amortization of such discount and expense; (2) interest expense on such bonds and notes during the period of construction (less income earned on unexpended construction funds), and certain interest expense applicable to periods subsequent to the dates of official opening of the respective facilities. The amounts of the above items included in investment in facilities at December 31, 1949, and the amounts added during the year ended at that date follow:

	Included in Facility Costs at December 31, 1949	Added to Facility Costs During the Year Ended December 31, 1949
(1) Net discount and expense	$ 6,001,212(c)	$1,425,916(a)
(2) Interest during construction and interest subsequent to opening	20,544,821	1,262,690(b)
Total	$26,546,033	$2,688,606
(a) Consisting of:		
Discount on Air Terminal Bonds, Second Series		$1,365,000
Expenses relating to various bonds and notes, for printing, consultants fees, and paying agents fees, etc.		60,916
		$1,425,916
(b) Consisting of:		
Interest on funded debt	$ 1,655,978	
Less net interest income on unexpended construction funds	393,288	$1,262,690

(c) Includes $645,961 discount in 1948 not previously reported.

d. In the opinion of its General Counsel, the Authority is not subject to federal, state, or local taxes, unless both the States of New York and New Jersey expressly consent to such taxes by statutes. Such consent has not been given except for local real estate taxes upon property acquired for rehousing residents of areas acquired by the Authority for terminal and transportation facilities. The States have also authorized the Authority to enter into voluntary agreements with municipalities to pay a fair annual sum in lieu of taxes upon property acquired for inland and marine terminals, including air terminals; full provision has been made at December 31, 1949 for payments under such agreements then in effect.

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

Continued

Notes to Financial Statements

The Port of New York Authority

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

f. The cost of refunding and consolidating debt, consisting of call premiums, interest payments and other expenses, less premiums received and interest earned, amounted to $14,281,873 at December 31, 1949. The decrease therein of $743,960 since December 31, 1948 is attributable to premiums received on General and Refunding Bonds, Fourteenth and Fifteenth Series, less expenses of printing, etc. The net cost of refunding and consolidating debt is deducted from equity accounts instead of being deferred and amortized over subsequent accounting periods.

g. In accordance with resolutions of the Board of Commissioners, the Retirement Fund and Insurance Fund expenditures have been treated as normal operating expenditures of the individual facilities effective January 1, 1949. Accordingly, the remaining balances of the funds named, with their related reserves, were transferred to Net Revenues for disposition to the appropriate Reserve Funds, as shown in the statement of Net Revenues.

The Port Authority is committed to make annual "past service" payments over future years to the New York State Employees' Retirement System. Beginning with 1949 such expense, together with related current pension cost, is being charged to Net Revenues on an accrual basis.

The Port Authority is self-insurer for certain workmen's compensation and other liability insurance. Beginning with 1949, awards arising out of claims thereunder are being charged annually to Net Revenues as payments are made.

h. Agreements with holders of Terminal Bonds, Series J provide that the proceeds will be used to construct the New York Union Motor Truck Terminal and the Newark Union Motor Truck Terminal. Until the Newark Terminal is completed in 1950, the operating results of the New York Terminal constitute part of the investment in these terminals.

i. The failure of the items to add to the totals shown throughout the financial statements is due to the dropping of pennies.

Note 2—The amounts included in Depositary Funds represent surety deposits under leases, and long term rental prepayments under leases for New York International Airport originally entered into between oil companies and The City of New York.

Note 3—CONTINGENT LIABILITIES AT DECEMBER 31, 1949:

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

b. Eight airline companies have brought suit against the Port Authority, its Commissioners and two of its officers for a declaratory judgment, injunctive relief and damages, on account of the Port Authority's alleged repudiation of leases and agreements in connection with New York International Airport. No amount of damages was specified in the complaint.

The defendants have made a motion to dismiss the complaint in this suit on account of lack of jurisdiction. Apart from this defense, legal counsel is of the opinion that there is no basis for a recovery in this suit of any damages against the defendants.

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

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

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

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

Exhibit A

The Port of New York Authority

December 31, 1949

Capital Accounts

Details of Assets, and Liabilities and Equity Accounts

	General Capital Accounts	Air Terminals Capital Accounts	Marine Terminal Capital Accounts	Combined
ASSETS				
INVESTMENT IN FACILITIES (Note 1)				
Completed construction—at cost	$255,602,101	$ 4,633,509	$ —	$260,235,611
Construction in progress—at cost	13,713,450	66,732	—	13,780,183
Leasehold improvements—at cost	—	34,767,103	6,751,728	41,518,831
Commitments (see contra)	9,490,533	5,078,336	296,001	14,864,871
Appropriations pending commitment (see contra)	40,600	71,455	—	112,056
	$278,846,686	$44,617,137	$7,047,730	$330,511,553
ASSETS HELD FOR ADDITIONAL CONSTRUCTION AND PAYMENT OF LIABILITIES (Exhibit J)				
Cash	$ 262,893	$ 223,360	$ 160,755	$ 647,010
U. S. Government securities (Exhibit H)	25,402,833	23,572,653	1,300,000	50,275,487
Accrued interest receivable	86,624	100,582	4,468	191,675
Deposits on condemnation proceedings	135,500	—	—	135,500
Prepaid insurance	33,230	—	—	33,230
Miscellaneous	45,253	25,524	774	71,552
Advances to respective operating funds	—	700,000	150,000	850,000
	$ 25,966,335	$24,622,121	$1,615,999	$ 52,204,456
ASSETS HELD FOR RETIREMENT OF GENERAL AND REFUNDING BONDS, FOURTH SERIES				
Cash	$ 33,548	$ —	$ —	$ 33,548
U. S. Government securities (Exhibit H)	54,585,719	—	—	54,585,719
Accrued interest receivable	185,520	—	—	185,520
	$ 54,804,789	$ —	$ —	$ 54,804,789
TOTAL ASSETS	$359,617,810	$69,239,258	$8,663,729	$437,520,799
LIABILITIES AND EQUITY ACCOUNTS				
FUNDED DEBT (Exhibit I)	$244,494,000	$61,400,000	$7,000,000	$312,894,000
EQUITY ACCOUNTS (Exhibit F)				
Debt retired through income	99,511,110	—	—	99,511,110
Contributed by federal and state agencies in aid of construction	10,860,411	1,085,600	—	11,946,012
Appropriated reserves invested in facilities	7,635,751	—	—	7,635,751
Appropriated reserves to be invested in facilities	83,461	—	—	83,461
	$118,090,734	$ 1,085,600	$ —	$119,176,334
Less cost of refunding and consolidating debt	14,281,873	—	—	14,281,873
	$103,808,860	$ 1,085,600	$ —	$104,894,461
OTHER LIABILITIES				
Accrued interest payable	$ 95,830	$ 225,000	$ 14,583	$ 335,413
Accrued liability for payment in lieu of taxes (Note 1d)	36,107	—	—	36,107
Other accounts payable, accrued expenses, etc.	1,651,879	1,378,865	1,353,144	4,383,890
	$ 1,783,817	$ 1,603,865	$1,367,727	$ 4,755,410
COMMITMENTS (see contra)	$ 9,490,533	$ 5,078,336	$ 296,001	$ 14,864,871
APPROPRIATIONS PENDING COMMITMENT (see contra)	40,600	71,455	—	112,056
TOTAL LIABILITIES AND EQUITY ACCOUNTS	$359,617,810	$69,239,258	$8,663,729	$437,520,799

See Notes to Financial Statements.

Operating Accounts

Details of Assets, and Liabilities and Other Credits

Exhibit B

The Port of New York Authority

December 31, 1949

	General Operating Accounts	Air Terminals Operating Accounts	Marine Terminal Operating Accounts	Combined
ASSETS				
CASH	$1,126,247	$ 302,834	$ 91,484	$1,520,566
INVESTMENTS IN SECURITIES				
U. S. Government securities (Exhibit H)	2,027,959	—	—	2,027,959
The Port of New York Authority Bonds (Exhibit H)	180,250	—	—	180,250
Accrued interest receivable	6,188	—	—	6,188
	$2,214,397	$ —	$ —	$2,214,397
OTHER ASSETS				
Prepaid insurance	240,819	246,688	153,278	640,786
Accounts and notes receivable	343,677	483,393	51,604	878,675
Accrued revenue	325,508	191,195	3,422	520,126
Miscellaneous	208,710	14,684	256	223,650
	$1,118,715	$ 935,961	$208,561	$2,263,238
TOTAL ASSETS	$4,459,360	$1,238,796	$300,045	$5,998,202
LIABILITIES AND OTHER CREDITS				
ACCOUNTS PAYABLE AND ACCRUED EXPENSES				
Accrued interest on funded debt	$ 892,658	$ 1,750	$ 14,583	$ 908,991
Unredeemed bonds and interest coupons (less $172,204 on deposit with paying agents)	8,877	—	—	8,877
Accrued liability for employee retirement	1,988,734	—	—	1,988,734
Accrued liability for rent	—	386,653	79,583	466,236
Accrued liability for payments in lieu of taxes (Note 1d)	30,064	—	—	30,064
Other accounts payable, accrued expenses, etc.	844,089	101,137	26,072	971,299
	$3,764,424	$ 489,540	$120,239	$4,374,204
COMMITMENTS	261,360	16,394	—	277,754
APPROPRIATIONS PENDING COMMITMENT	66,243	—	—	66,243
DEFERRED CREDITS TO INCOME				
Unredeemed toll tickets, etc.	367,332	32,861	29,806	430,000
ADVANCES FROM RESPECTIVE CAPITAL FUNDS	—	700,000	150,000	850,000
TOTAL LIABILITIES AND OTHER CREDITS	$4,459,360	$1,238,796	$300,045	$5,998,202

See Notes to Financial Statements.

Reserve Funds

Detail of Assets and Reserves, and Analysis of Reserves

Exhibit C

The Port of New York Authority

December 31, 1949

	General Reserve Fund	Special Reserve Fund	Combined
DETAIL OF ASSETS AND RESERVES			
ASSETS			
Cash	$ 3,137	$ 205,763	$ 208,901
U. S. Government securities (Exhibit H)	29,791,924	8,108,479	37,900,404
The Port of New York Authority bonds (Exhibit H)	1,447,353	2,136,060	3,583,414
Accrued interest receivable	46,983	20,268	67,252
TOTAL ASSETS	$31,289,400	$10,470,573	$41,759,973
RESERVES			
Balances at December 31, 1949	$31,289,400	$10,470,573	$41,759,973
ANALYSIS OF RESERVES			
Balances at January 1, 1949	$23,399,900	$10,070,067	$33,469,967
Add:			
Income from investments	312,837	167,002	479,840
Transfer of Net Revenues of facilities related to General and Refunding Bonds	20,077,753	233,502	20,311,255
	$43,790,491	$10,470,573	$54,261,064
Deduct appropriations for:			
Interest on funded debt:			
Rehousing Accommodation Notes	1,476	—	1,476
Transfer to Capital Accounts to cover excess of expenditures over bond proceeds for Union Motor Truck Terminals	3,028,217	—	3,028,217
Redemptions of serial notes, etc.:			
Terminal Bonds, Series M	1,090,000	—	1,090,000
General Reserve Fund Notes, Series P	6,000,000	—	6,000,000
Rehousing Accommodation Notes	650,000	—	650,000
Transfers of The Port of New York Authority bonds to Sinking Fund Reserves for retirement in anticipation of future requirements (as shown in Exhibit E)	1,197,417	—	1,197,417
Transfers to Operating Accounts to cover deficits of facilities related to:			
Air Terminal Bonds	417,636	—	417,636
Marine Terminal Bonds	116,344	—	116,344
	$12,501,091	$ —	$12,501,091
Balances at December 31, 1949	$31,289,400	$10,470,573	$41,759,973

See Notes to Financial Statements.

Analysis of Operating Reserves

Exhibit D

The Port of New York Authority

Year ended December 31, 1949

	Employees' Retirement Fund	Insurance Fund	Combined
Balances at January 1, 1949	$3,570,658	$2,158,243	$5,728,902
Add:			
Income from investments	63,990	30,495	94,486
	$3,634,649	$2,188,739	$5,823,388
Deduct:			
Payment to New York State Employees' Retirement System applicable to the year ended March 31, 1948	225,624	—	225,624
	$3,409,025	$2,188,739	$5,597,764
Transfer to Net Revenues for disposition to the appropriate Reserve Funds, in accordance with resolutions of the Board of Commissioners (Note 1g)	3,409,025	2,188,739	5,597,764
Balances at December 31, 1949	$ —	$ —	$ —

See Notes to Financial Statements.

Exhibit E

The Port of New York Authority

Year ended December 31, 1949

Analysis of Sinking Fund Reserves

	Fourth Series	Fifth Series	Other Series*	Total
Balances at January 1, 1949	$1,675,010	$ 882,801	$ —	$2,557,812
Add:				
Income from investments	9,864	1,807		11,671
Obligatory payments to Sinking Funds: From Revenues	1,716,984	911,393		2,628,378
The Port of New York Authority bonds transferred to Sinking Funds for retirement in anticipation of future requirements:				
Appropriated from General Reserve			1,197,417	1,197,417
Adjustment of cost to redemption price**			144,162	144,162
	$3,401,859	$1,796,002	$1,341,580	$6,539,442
Deduct:				
Payments made from Sinking Funds for redemption of General and Refunding Bonds:				
Principal amount of bonds redeemed	1,643,000	856,000		2,499,000
Premium on bonds	32,860	25,680		58,540
Retirement of The Port of New York Authority bonds in anticipation of future Sinking Fund requirements:				
General and Refunding Bonds:				
Eighth Series:				
Principal amount of bonds redeemed			621,000	621,000
Call premium thereon			18,630	18,630
Ninth Series:				
Principal amount of bonds redeemed			380,000	380,000
Call premium thereon			3,800	3,800
Eleventh Series:				
Principal amount of bonds redeemed			166,000	166,000
Call premium thereon			1,660	1,660
Terminal Bonds, Series J:				
Principal amount of bonds redeemed			149,000	149,000
Call premium thereon			1,490	1,490
Total debt retired through Sinking Funds	$1,675,860	$ 881,680	$1,341,580	$3,899,120
Balances at December 31, 1949	$1,725,999	$ 914,322	$ —	$2,640,322

* Covers Series as shown on which Sinking Fund payments are not yet obligatory.

** Represents the increase from cost to an amount equal to the redemption price applicable if such bonds were called at the next ensuing redemption date, made in order to conform with the requirements of Resolutions dated March 18, 1935 and August 30, 1945.

See Notes to Financial Statements.

Analysis of Equity Accounts

Exhibit F

The Port of New York Authority

Year ended December 31, 1949

	Debt Retired Through Income	Contributed by Federal and State Agencies in Aid of Construction	Appropriated Reserves Invested in Facilities	Appropriated Reserves to Be Invested in Facilities	Less Cost of Refunding and Consolidating Debt (Note 1f)	Total
Balances at January 1, 1949	$86,456,110	$10,860,411	$4,337,166	$353,829	$15,025,833	$ 86,981,683
Add:						
Reserves applied to retirement of debt:						
Sinking Fund Reserves:						
General and Refunding Bonds:						
Fourth Series	1,643,000					1,643,000
Fifth Series	856,000					856,000
Eighth Series	621,000					621,000
Ninth Series	380,000					380,000
Eleventh Series	166,000					166,000
Terminal Bonds, Series J	149,000					149,000
General Reserve:						
Terminal Bonds, Series M	1,090,000					1,090,000
General Reserve Funds Notes, Series P	6,000,000					6,000,000
Rehousing Accommodation Notes	650,000					650,000
Net Revenues applied to retirement of debt: General and Refunding Bonds, Thirteenth Series	1,500,000					1,500,000
Received under the Federal Airport Act for the share of the United States Government in the construction cost of certain projects at the Air Terminals		1,085,600				1,085,600
Appropriations of General Reserve for excess of expenditures over bond proceeds for Union Motor Truck Terminals			3,028,217			3,028,217
Expenditures for construction made from appropriated reserves, transferred			270,367	(270,367)		—
Deduct:						
Premium received, less expenses, on General and Refunding Bonds, Fourteenth and Fifteenth Series, issued to refund and retire General and Refunding Bonds, Fourth Series					(743,960)	743,960
Balances at December 31, 1949	$99,511,110	$11,946,012	$7,635,751	$ 83,461	$14,281,873	$104,894,461

See Notes to Financial Statements.

Details of Net Revenues Operating Accounts

Exhibit G

The Port of New York Authority

Year Ended December 31, 1949

	General Operating Accounts	Air Terminals Operating Accounts	Marine Terminal Operating Accounts	Combined
Gross Operating Revenues	$32,846,635	$4,045,864	$632,410	$37,524,910
Operating Expenses (Note 1)	9,945,126	4,432,840	735,967	15,113,934
Net Operating Revenues	$22,901,508	($ 386,975)	($103,557)	$22,410,975
Other Income:				
Interest on investments less amortization of purchase premiums, etc.	827,903	—	1,796	829,700
	$23,729,412	($ 386,975)	($101,760)	$23,240,675
Other Deductions:				
Interest on funded debt	4,313,216	30,660	14,583	4,358,460
Obligatory payments to sinking funds	2,628,378	—	—	2,628,378
Obligatory redemption of General and Refunding Bonds—serial maturity	1,500,000	—	—	1,500,000
	$ 8,441,594	$ 30,660	$ 14,583	$ 8,486,838
Elimination of net income from investments accruing in Reserve Funds (included in Other Income above)	574,326	—	—	574,326
	$ 9,015,921	$ 30,660	$ 14,583	$ 9,061,165
	$14,713,491	($ 417,636)	($116,344)	$14,179,510
Credit resulting from elimination of Operating Reserves (Note 1g)	5,597,764	—	—	5,597,764
Net Revenues	$20,311,255	($ 417,636)	($116,344)	$19,777,275
Net Deficits Covered by Appropriations from General Reserve		($ 417,636)	($116,344)	($ 533,980)
Disposition of Net Revenues as required by resolution of the Commissioners:				
To General Reserve—to bring total amount to 10% of funded debt	$20,077,753			20,077,753
To Special Reserve	233,502			233,502
	$20,311,255	($ 417,636)	($116,344)	$19,777,275

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

Investments in Securities

Exhibit H

The Port of New York Authority

December 31, 1949

	Principal Amount	Cost (A)	Quoted Market Value
U. S. Government Securities			
Assets Held for Additional Construction, Etc.			
General Capital Accounts			
U. S. Treasury Certificates of Indebtedness, 1¼%, due June 1, 1950	$ 1,100,000	$ 1,100,000	$ 1,100,674
U. S. Treasury Certificates of Indebtedness, 1¼%, due July 1, 1950	7,000,000	7,004,609	7,005,194
U. S. Treasury Notes, 1⅜%, due April 1, 1950	5,100,000	5,100,000	5,103,656
U. S. Treasury Savings Notes, Series D, due October 1, 1952	3,400,000	3,400,000	3,400,000
U. S. Treasury Bonds, 2½%, due June 15, 1969-64	6,728,000	6,728,000	7,041,272
U. S. Treasury Bonds, 2½%, due December 15, 1969-64	2,067,000	2,070,224	2,166,474
	$25,395,000	$25,402,833	$25,817,271
Air Terminals Capital Accounts			
U. S. Treasury Certificates of Indebtedness, 1¼%, due June 1, 1950	$ 4,400,000	$ 4,400,859	$ 4,402,697
U. S. Treasury Certificates of Indebtedness, 1¼%, due July 1, 1950	6,000,000	6,003,855	6,004,452
U. S. Treasury Certificates of Indebtedness, 1⅛%, due October 1, 1950	8,116,000	8,117,939	8,117,290
U. S. Treasury Notes, 1⅜%, due April 1, 1950	50,000	50,000	50,035
U. S. Treasury Savings Notes, Series D, due November 1, 1952	5,000,000	5,000,000	5,000,000
	$23,566,000	$23,572,653	$23,574,475
Marine Terminal Capital Accounts			
U. S. Treasury Notes, 1⅜%, due April 1, 1950	$ 1,300,000	$ 1,300,000	$ 1,300,932
Total—Held for Additional Construction, Etc.	$50,261,000	$50,275,487	$50,692,679
Assets Held for Retirement of General and Refunding Bonds, Fourth Series			
U. S. Treasury Certificates of Indebtedness, 1¼%, due June 1, 1950	$ 9,500,000	$ 9,505,976	$ 9,505,823
U. S. Treasury Certificates of Indebtedness, 1¼%, due July 1, 1950	8,000,000	8,006,449	8,005,936
U. S. Treasury Certificates of Indebtedness, 1⅛%, due September 15, 1950	8,000,000	8,002,347	8,001,720
U. S. Treasury Certificates of Indebtedness, 1⅛%, due October 1, 1950	10,000,000	10,002,400	10,001,590
U. S. Treasury Bonds, 1½%, due December 15, 1950	19,000,000	19,068,547	19,077,187
Total—Held for Retirement of Bonds	$54,500,000	$54,585,719	$54,592,257
Operating Fund Assets			
General Operating Accounts			
U. S. Treasury Certificates of Indebtedness, 1¼%, due January 1, 1950	$ 149,000	$ 149,000	$ 149,000
U. S. Treasury Notes, 1⅜%, due April 1, 1950	100,000	100,000	100,071
U. S. Treasury Bonds, 2½%, due December 15, 1969-64	1,775,000	1,778,959	1,860,421
Total—Operating Funds	$ 2,024,000	$ 2,027,959	$ 2,109,493

	Principal Amount	Cost (A)	Quoted Market Value
U. S. Government Securities—Continued			
Reserve Fund Assets			
General Reserve Fund			
U. S. Treasury Bonds, 2¼%, due June 15, 1962-59	$ 1,900,000	$ 1,900,000	$ 1,963,531
U. S. Treasury Bonds, 2½%, due December 15, 1968-63	5,490,000	5,494,261	5,766,215
U. S. Treasury Bonds, 2½%, due June 15, 1969-64	10,695,000	10,728,449	11,192,985
U. S. Treasury Bonds, 2½%, due December 15, 1969-64	8,468,000	8,481,183	8,849,060
U. S. Treasury Bonds, 2½%, due June 15, 1972-67	2,769,000	2,788,032	2,874,568
U. S. Savings Bonds, Series G, 2½%, due June 1, 1957	100,000	100,000	94,700
U. S. Savings Bonds, Series G, 2½%, due March 1, 1958	100,000	100,000	94,800
U. S. Savings Bonds, Series G, 2½%, due January 1, 1959	100,000	100,000	95,600
U. S. Savings Bonds, Series G, 2½%, due June 1, 1960	100,000	100,000	96,900
	$29,722,000	$29,791,924	$31,028,360
Special Reserve Fund			
U. S. Treasury Bonds, 2½%, due December 15, 1968-63	$ 1,260,000	$ 1,260,000	$ 1,323,393
U. S. Treasury Bonds, 2½%, due June 15, 1969-64	6,527,000	6,527,000	6,830,913
U. S. Treasury Bonds, 2½%, due December 15, 1969-64	215,000	215,479	224,675
U. S. Treasury Bonds, 2½%, due June 15, 1972-67	106,000	106,000	110,041
	$ 8,108,000	$ 8,108,479	$ 8,489,023
Total—Reserve Funds	$37,830,000	$37,900,404	$39,517,384
Sinking Fund Assets			
U. S. Treasury Certificates of Indebtedness, 1¼%, due January 1, 1950	$ 95,000	$ 95,000	$ 95,000
U. S. Treasury Notes, 1⅜%, due April 1, 1950	901,000	901,000	901,646
Total—Sinking Funds	$ 996,000	$ 996,000	$ 996,646
Depositary Fund Assets			
U. S. Treasury Savings Notes, Series D, due October 1, 1952	$ 1,400,000	$ 1,400,000	$ 1,400,000
The Port of New York Authority Bonds			
Operating Fund Assets			
General Operating Accounts			
General and Refunding Bonds, Fifth Series, 3¼%, due August 15, 1977	$ 175,000	$ 180,250	$ 183,750
Reserve Fund Assets			
General Reserve Fund			
General and Refunding Bonds, Eighth Series, 2%, due August 15, 1974	$ 1,437,000	$ 1,447,353	$ 1,444,185
Special Reserve Fund			
Air Terminal Bonds, Second Series, 2½%, due October 1, 1979	$ 1,275,000	$ 1,231,151	$ 1,243,125
Marine Terminal Bonds, First Series, 2½%, due November 1, 1978	925,000	904,910	901,875
	$ 2,200,000	$ 2,136,060	$ 2,145,000
Total—Reserve Funds	$ 3,637,000	$ 3,583,414	$ 3,589,185

(A) Cost less amortization to date, of purchase premiums or discount. See Notes to Financial Statements.

Exhibit I

The Port of New York Authority

December 31, 1949

			Amount Authorized and Outstanding December 31,1949	
PERTAINING TO GENERAL CAPITAL ACCOUNTS				
GENERAL AND REFUNDING BONDS				
Fourth Series	3%	due 1976 (A) (E-i)	$68,720,000	
Fifth Series	3¼%	due 1977 (A)	39,391,000	
Eighth Series	2%	due 1974 (B)	24,021,000	
Ninth Series	1½%	due 1985 (B)	10,325,000	
Eleventh Series	1¼%	due 1986 (B)	15,073,000	
Thirteenth Series	1.4%	due $1,500,000 annually to July 15, 1953 (A)	6,000,000	
Fourteenth Series	4%	due $3,600,000 annually to December 15, 1953 (A) (E-i)	14,400,000	
Fifteenth Series	1½%	due $3,600,000 annually from December 15, 1954 to December 15, 1964 (E-i)	39,600,000	$217,530,000
TERMINAL BONDS				
Terminal Bonds, Series J, 1¾%, due 1985 (B) (C)			$ 6,794,000	
Terminal Bonds, Series M, 1½%, due $1,090,000 annually to June 15, 1962 (A) (D)			14,170,000	20,964,000
NOTES				
General Reserve Fund Notes, Series T, 1½%, due $3,000,000 on November 1, 1950 and on November 1, 1951 (A)				6,000,000
Total pertaining to General Capital Accounts				$244,494,000
PERTAINING TO AIR TERMINALS CAPITAL ACCOUNTS				
AIR TERMINAL BONDS				
First Series	3%	due 1978 (B)		$ 31,400,000
Second Series	2½%	due 1979 (B)		30,000,000
Total pertaining to Air Terminals Capital Accounts				$ 61,400,000
PERTAINING TO MARINE TERMINAL CAPITAL ACCOUNTS				
MARINE TERMINAL BONDS				
First Series	2½%	due 1978 (B)		$ 7,000,000
TOTAL				$312,894,000

NOTES TO EXHIBIT I

(A)—Payments into sinking funds and serial maturity payments to be made within one year from December 31, 1949 are as follows:

General and Refunding Bonds:	
Fourth Series (to be refunded in 1950)	$ —
Fifth Series	941,795
Thirteenth Series	1,500,000
Fourteenth Series	3,600,000
Terminal Bonds:	
Series M	1,090,000
Notes:	
General Reserve Fund Notes Series T	3,000,000
	$10,131,795

(B)—Payments into sinking funds are not required until 1951 for the Eighth Series; 1955 for the Ninth Series; 1958 for the Eleventh Series; 1953 for Series J; 1958 for the Air Terminal Bonds, First Series; 1959 for the Air Terminal Bonds, Second Series; and 1953 for the Marine Terminal Bonds, First Series.

(C)—During 1945 the Authority established its General and Refunding Bonds, Tenth Series, 1¾%, due 1985 which are to be issued in exchange for its Terminal Bonds, Series J, 1¾% due 1985, in accordance with the agreement with the holders of these bonds. On December 31, 1949, there was on deposit with the Trustee $7,500,000 principal amount of these Tenth Series Bonds.

(D)—During 1947 the Authority established its General and Refunding Bonds, Twelfth Series, 1½%, due $1,090,000 annually to June 15, 1962. These bonds will be exchanged for its Terminal Bonds, Series M, 1½%, due serially to 1962 in accordance with agreement with the holders of these bonds. On December 31, 1949 there was on deposit with the Trustee $16,350,000 principal amount of these Twelfth Series Bonds.

(E)—Bonds and Notes issued during year:

a. From February through May, 1949 loans totalling $500,000 were obtained from The National City Bank of New York, as the balance of an authorized loan of $1,000,000 to cover the cost of rehousing former tenants of the Port Authority Bus Terminal site and its approaches. Interest was at 1¼%, and the loan was repaid on its due date of June 29, 1949 from the General Reserve Fund.

b. On March 23, 1949 a loan was obtained from Central Hanover Bank and Trust Company, evidenced by Air Terminal Note, Series Q, in the amount $725,000 (out of an authorized $850,000). The proceeds were used to:

Refund Teterboro Air Terminal Note	$100,000
Pay part of purchase price of Teterboro Air Terminal	625,000
	$725,000

Interest was at 1¼%; the loan was due November 23, 1949, but was repaid in July out of the proceeds of General Reserve Fund Notes, Series S.

c. On April 19, 1949 a loan was obtained from The National City Bank of New York, evidenced by Air Terminal Note, Series R, in the amount of $975,000, and was used to pay off the mortgage on Teterboro Air Terminal. Interest was at 1¼%; the loan was due December 19, 1949, but was repaid in July out of the proceeds of General Reserve Fund Notes, Series S.

NOTES TO EXHIBIT I — Continued

(E)—Bonds and Notes issued during year (Continued)

d. In April, 1949 the second installment of the First Series of Air Terminal Bonds, in the amount of $1,400,000, was delivered as part of the purchase price of Teterboro Air Terminal. In December, 1949 the Board of Commissioners rescinded the authorization for the $30,000,000 of the first installment remaining unissued.

e. On July 1, 1949 $10,000,000 of General Reserve Fund Notes, Series S, were sold, with interest at 1%, and a maturity date of December 29, 1949. The proceeds were allocated to:

Refund Air Terminal Note Series Q	$ 725,000
Refund Air Terminal Note Series R	975,000
Purchase of and capital improvements to Brewster property at Teterboro Airport	1,600,000
Capital improvements to New York Air Terminals	6,700,000
	$10,000,000

The total principal amount was refunded in December, 1949 out of the proceeds of the Second Series of Air Terminal Bonds.

f. In December, 1949, $30,000,000 principal amount of Air Terminal Bonds, Second Series, first installment, were sold, bearing interest at the rate of 2½%, due October 1, 1979. The proceeds were allocated to:

Refund General Reserve Fund Notes, Series S	$10,000,000
Capital improvements to New York Air Terminals	15,800,000
Capital improvements to Newark Air Terminal	4,000,000
Capital improvements to Teterboro Air Terminal	200,000
	$30,000,000

g. On November 29, 1949 a loan of $150,000 was obtained from The National City Bank of New York, as part of an authorized loan of $275,000, to cover the cost of rehousing former tenants of the Port Authority Bus Terminal site and its approaches. This loan was in addition to the ones mentioned in note (a) above. Interest was at 1¼% and the loan was paid on its due date of December 30, 1949 from the General Reserve Fund.

h. In December, 1949 General Reserve Fund Notes, Series T, in the amount of $6,000,000, were sold to The National City Bank of New York, and the proceeds allocated for construction of the Port Authority Bus Terminal and its operation and maintenance for one year. Interest is at 1½%, and principal becomes due in two payments of $3,000,000 each on November 1, 1950 and November 1, 1951. Upon issuance of these Notes, The National City Bank of New York, which held General Reserve Fund Notes, Series P, accepted prepayment on Series P. The prepayment was made from the General Reserve Fund.

i. Under date of December 15, 1949 $14,400,000 principal amount of General and Refunding Bonds, Fourteenth Series, and $39,600,000 principal amount of General and Refunding Bonds, Fifteenth Series, were sold, and the proceeds of $54,761,400 retained to be used in refunding General and Refunding Bonds, Fourth Series. Interest on the Fourteenth Series is at 4%, and at 1½% on the Fifteenth Series. The Fourteenth Series matures in annual installments of $3,600,000 from December 15, 1950 to December 15, 1953, and the Fifteenth Series in annual installments of $3,600,000 from December 15, 1954 to December 15, 1964.

Allocation of Assets Held for Additional Construction

Project	Total Assets	Deduct: Liabilities Recorded	Deduct: Appropriations Pending Commitments: Commitments	Deduct: Appropriations Pending Commitments: Pending Commitments	Deduct: Total	Net Assets Held for Additional Construction	
Extension of Lincoln Tunnel East Approach	$ 1,048,609	$ 82	$ 700	$ —	$ 782	$ 1,047,827	
Construction of Union Motor Truck Terminals	1,964,636	748,365	1,176,420	39,850	1,964,636	—	
Construction of Holland Tunnel Viaduct	1,039,053	124,664	1,455,310	—	1,579,974	(540,920)	(A)
Capital improvements to the Grain Terminal	52,499	—	22,432	—	22,432	30,067	
Construction of the 179th Street Tunnel, George Washington Bridge	6,323,194	282,344	5,043,521	—	5,325,866	997,328	
Construction of the Port Authority Bus Terminal	15,210,660	475,807	1,773,514	750	2,250,071	12,960,589	
Relocation of tenants at Bus Terminal Properties	98,198	104,409	55	—	104,464	(6,265)	(A)
Net proceeds from sale of miscellaneous property and equipment, and appropriated income not allocated	229,480	5,894	—	—	5,894	223,586	
	$25,966,335	$1,741,567	$ 9,471,954	$ 40,600	$11,254,121	$14,712,214	
Rehabilitation and development of:							
New York Air Terminals	$17,083,458	$1,512,753	$ 4,949,055	$ 59,955	$ 6,521,765	$10,561,693	(B)
Newark Airport	7,303,231	55,439	119,569	1,500	176,509	7,126,722	(B)
Teterboro Airport	235,431	35,673	9,710	10,000	55,383	180,047	
	$24,622,121	$1,603,865	$ 5,078,336	$ 71,455	$ 6,753,658	$17,868,463	
Port Newark	1,615,999	1,367,727	296,001	—	1,663,729	(47,730)	(A)
TOTAL (see Exhibit A)	$52,204,456	$4,713,160	$14,846,292	$112,056	$19,671,509	$32,532,947	

See Notes to Financial Statements.

(A) Deficits to be covered by additional financing or appropriations from reserves.

(B) The Port Authority has established the policy of recording grants from the United States Government under the Federal Airport Act when received. At December 31, 1949 there was approximately $672,300 which had been certified to the United States Government, but which, according to the above policy, had not been recorded. These amounts, when received, will increase the assets held for additional construction of the following projects:

New York Air Terminals	$665,500
Newark Airport	6,800
	$672,300

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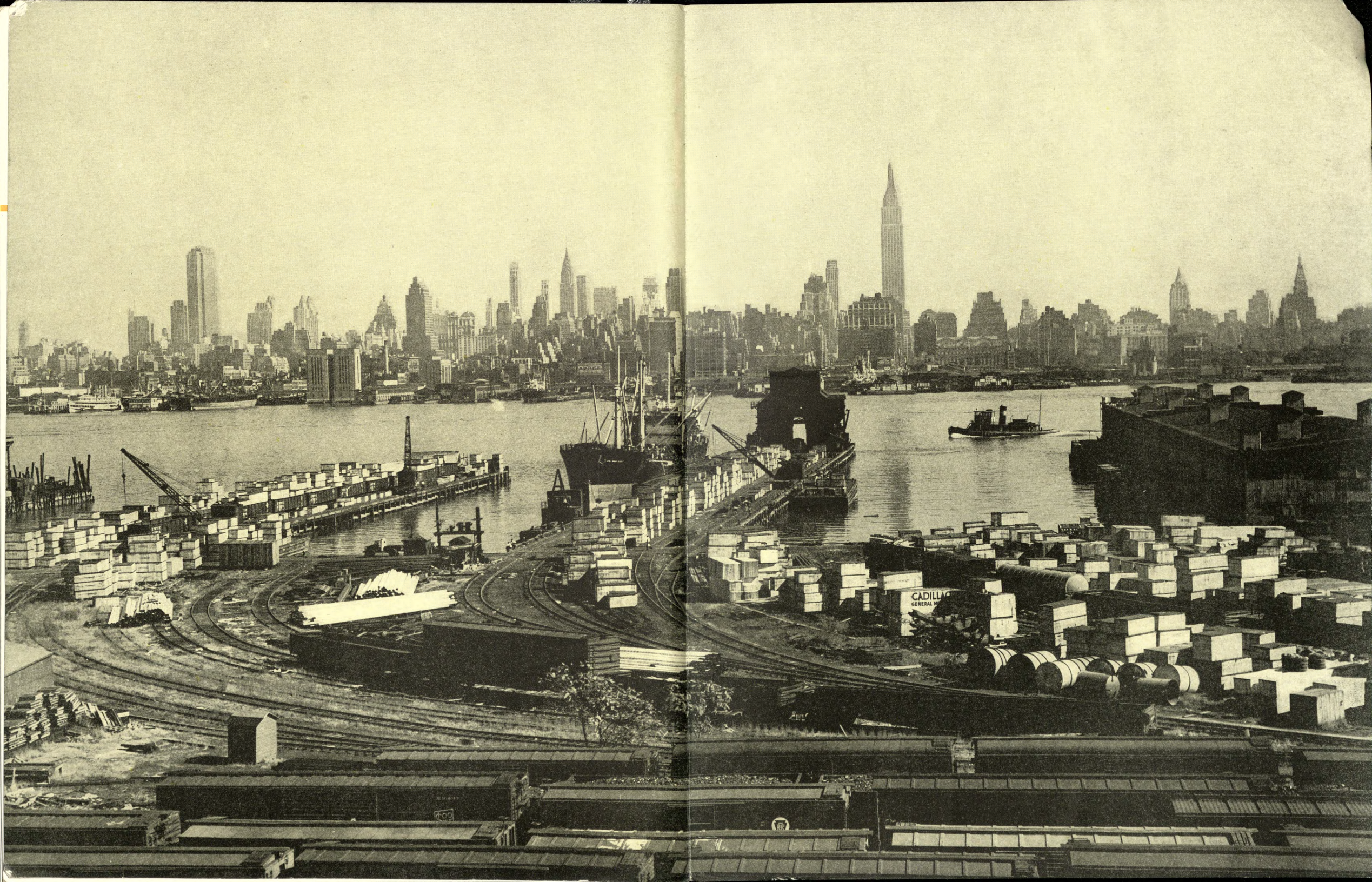
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