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PUBLIC UTILITY TAX BUREAU

**THE PORT OF NEW YORK AUTHORITY**

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

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**REPORT ON**  
**PORT AUTHORITY OPERATION**  
**OF**  
**Port Newark and Newark Airport**  
**March 22, 1948 - December 31, 1948**

**RECEIVED**

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*Return to*

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	<u>PAGE</u>
VI. DEVELOPMENT OF PORT AUTHORITY OPERATION	41
VII. LEGISLATION AND REGULATIONS AFFECTING THE PORT NEWARK AND NEWARK AIRPORT	43
VIII. AIR CARRIAGES	46
IX. MARINE AND AIR TERMINALS FINANCES	47

INTRODUCTION . . . . .	1
PORT NEWARK	
I. BUSINESS DEVELOPMENT . . . . .	3
Tonnage and Revenues	
New Terminal Services and Cargos	
New rentals	
II. PROPERTY ACQUISITION . . . . .	13
III. LEASE NEGOTIATIONS . . . . .	15
Swift & Co.	
Franklin Lumber Co.	
Newark Tidewater Terminal	
IV. PHYSICAL IMPROVEMENTS . . . . .	18
V. OPERATIONS . . . . .	21
VI. CHANNEL DREDGING . . . . .	23
VII. CONCESSIONS . . . . .	25
NEWARK AIRPORT	
I. DEVELOPMENT PLANNING AND PROGRESS . . . . .	26
Sub-surface Tests	
Planning for Permanent Runways and Terminal Building	
Terminal Expansion	
1949 Budget	
II. CONSTRUCTION AND IMPROVEMENTS . . . . .	33
III. NEGOTIATIONS . . . . .	36
IV. CONCESSIONS . . . . .	39
V. PROPERTY ACQUISITION . . . . .	40

PORT AUTHORITY OPERATION  
OF  
PORT NEWARK AND NEWARK AIRPORT  
FROM MARCH 22, 1948 TO DECEMBER 31, 1948

INTRODUCTION  
PORT NEWARK

I. BUSINESS DEVELOPMENT  
Terminal and Revenue  
New Terminal Services and Gates  
New Terminal

II. PROPERTY ACQUISITION  
III. LEASE NEGOTIATIONS  
Swire & Co.  
Fleming Lumber Co.  
Newark Tidewater Terminal

IV. PHYSICAL IMPROVEMENTS  
V. OPERATIONS  
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NEWARK AIRPORT

I. DEVELOPMENT PLANNING AND PROGRESS  
Sub-surface Tests  
Planning for Terminal Building  
Terminal Expansion  
1948 Budget

II. ACQUISITION AND IMPROVEMENTS  
III. NEGOTIATIONS  
IV. CONCESSIONS  
V. PROPERTY ACQUISITION

PAGE

VI. DEVELOPMENT PROBLEMS . . . . . 41

VII. LEGISLATION AND REGULATIONS AFFECTING  
THE AIRPORT . . . . . 43

OR

VIII. AIR TRAFFIC . . . . . 46

PORT NEWARK AND NEWARK AIRPORT  
MARCH 22, 1948 TO DECEMBER 31, 1948

MARINE AND AIR TERMINALS FINANCES . . . . . 47

**EXHIBITS**

The Port Authority began the operation of Port Newark and Newark Airport on March 22, 1948 under the terms of a fifty year leasehold. Subject to certain determinations of sub-surface condition upon which runway and terminal design would be based, the Port Authority agreed to rehabilitate, expand and improve Newark Air Terminal as a first class modern air terminal and to rehabilitate, expand, improve and promote Newark Marine Terminal. These development programs are tremendous in size and scope and their accomplishment requires several years of negotiating, planning, designing and constructing.

December 31, 1948 marked the end of the first calendar year of Port Authority operation of Port Newark and Newark Airport. The actual period of this operation has extended for nine and one-third months. Of necessity, this period has been devoted in great part to the work of negotiation and planning. The report which follows provides a brief record of Port Authority activities for Port Newark and Newark Airport from March 22 to December 31, 1948.

At this time it is most appropriate to pay tribute to the help given to this program during the year by the City

PAGE

41 . . . . . VI. DEVELOPMENT PROBLEMS

43 . . . . . VII. LEGISLATION AND REGULATIONS AFFECTING THE AIRPORT

46 . . . . . VIII. AIR TRAFFIC

47 . . . . . MARINE AND AIR TERMINALS FINANCES

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of Newark. In the day to day operations and in the larger projects and problems of these facilities, the City of Newark and its representatives have given the Port Authority the most valuable and most complete cooperation. Mayor Vincent J. Murphy, who as Director of Revenue and Finance, had direct charge of the airport and seaport was particularly helpful in facilitating the change over to Port Authority operation.

PORT NEWARK

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PORT NEWARK

1 - BUSINESS DEVELOPMENT

In its proposal to the City of Newark the Port Authority concluded that "active management and promotion of traffic in accordance with a sound functional plan for the proper use of the various areas in the marine terminal, will be necessary to build up the port's tonnage and revenues". The record for 1948 indicates the soundness of that conclusion.

PORT NEWARK

Tonnage and Revenues

In spite of waterfront strikes on the West Coast from September 2 to November 30, and on the East Coast from November 12 to November 26, substantial progress was made in tonnage development. Many new tonnages were handled and new steamship carriers made Newark a port of call (Exhibit 1). This is reflected by the increase in tonnage, which for the 41 weeks from March 22, 1948 to December 31, 1948 was 912,796 long tons compared to 811,780 long tons of commercial traffic (excluding military) for the same period in 1947. (Exhibit 2).

The total tonnage for the best previous year of commercial operation, which was 1940, was 1,037,419 long tons as compared to 1,400,000 long tons which now appear likely for the first full year of operation under the Port

PORT NEWARK

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The Port Newark facilities yielded gross revenues of \$278,128 for the period from March 22, 1948 to December 31, 1948 as compared with \$82,911 for the comparable period in 1947.

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	March 22, 1948 to December 31, 1948	%
Ship Operations	\$38,000	13.7
Warehousing	7,000	2.5
Tidewater Terminal Lease	165,000	59.4
Other Tenants	64,500	23.1
Miscellaneous	3,628	1.3
	\$278,128	100.0

New Terminal Services and Cargoes

Considerable time and effort was spent by the Port Authority staff to obtain industrial tenants for the space acquired from the War Assets Administration (formerly Sears-Roebuck area) and in the Navy Area acquired in October, 1948, under a lease with the United States Navy.

In August 1948 the Port Authority advertised for applications from established warehousemen in the Port area for an Agency Contract to operate the storage area adjoining the wharves in the Sears-Roebuck areas. This warehouse agency contract was awarded effective October 1st to the Bayway Terminal Corporation to operate closed and open warehouse space on the south side of the channel. The contract for the warehouse operation in the Navy area was advertised

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in September 1948 and was awarded to the Lehigh Warehouse & Transportation Company effective October 11th.

The Bayway Terminal Corporation was awarded a contract to operate one building containing 60,000 square feet for the storage of general cargo and approximately 6 acres of open land as a public lumber terminal. By December 31 the Bayway Terminal Corporation had outgrown the original 60,000 square feet allocated and had developed water movement tonnage for storage to such an extent that the space was temporarily increased to a total of 128,000 square feet. The increased space was given over to public warehousing on a six months' temporary permit. It consisted of space in the Sears-Roebuck area for which no suitable industrial tenant had been found.

The volume commodities developed by the Bayway Terminal Corporation for storage consisted of shiploads of newsprint side rolls (Exhibits 3 & 4), waterborne shipments from Gulf ports of United States consisting of insulation board, specialized types of lumber requiring closed storage, tapioca and starch products, paper drinking cups, and other general cargo items in lesser volume.

In connection with the public lumber terminal open space, a new consignee was secured who had not previously moved any tonnage through Newark, with a potential of 20,000,000 board feet of lumber per year. The lumber movement by those firms which previously were located in the Seaport area continues to be substantial, although less than

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last year because of the 13 week West Coast longshoremen's strike. The vessels were

The warehouse on the north side of the channel (Exhibit 5) operated by the Lehigh Warehouse & Transportation Company has stored 2,000 tons of wood pulp which was discharged from vessels brought into Port Newark as a result of Port Authority efforts. In addition they have stored automobiles and machinery. A large national firm arranged to place its distribution of resin products at Port Newark in the Lehigh Warehouse with initial consignments scheduled for January, 1949. This firm will also use Port Newark for direct distribution through the warehouse for delivery to many customers in New Jersey and New York. The storage facilities operated through the two new warehouse agents are expected to handle in excess of 200,000 tons of new general cargo, and 20,000,000 board feet of lumber per year.

The first year of operation includes the following new types of cargo handled through the public docks at Port Newark:

- a. 4,500 tons of wood pulp imported from Sweden, Finland, Canada and the West Coast of the United States. (Exhibit 6) This movement was brought back to Port Newark as a result of Port Authority development activities and was so handled as to coincide with the leasing of wharves and warehouses from the Navy on September 15th. The initial vessel arrived at Port Newark on October 15th and a total of 6

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The warehouse on the north side of the channel (Exhibit 5) operated by the English Warehouse & Transportation Company has stored 2,000 tons of wood pulp which was discharged from vessels brought into Port Newark as a result of Port Authority efforts. In addition they have stored auto-mobiles and machinery. A large national firm arranged to place its distribution of train products at Port Newark in the English Warehouse with initial consignments scheduled for January, 1949. This firm will also use Port Newark for direct distribution through the warehouse for delivery to many customers in New Jersey and New York. The storage facilities operated through the two new warehouse agents are expected to handle in excess of 200,000 tons of new general cargo, and 20,000,000 board feet of lumber per year.

The first year of operation includes the following new types of cargo handled through the public docks at Port Newark:

- 4,500 tons of wood pulp imported from Sweden, Finland, Canada and the West Coast of the United States. (Exhibit 6) This movement was brought back to Port Newark as a result of Port Authority development activities and was so handled as to coincide with the leasing of wharves and warehouses from the Navy on September 15th. The initial vessel arrived at Port Newark on October 15th and a total of 6

vessels discharged this commodity from foreign countries before the end of 1948. The vessels were operated by 6 different steamship lines and the same vessels discharged 760 tons of other valuable cargoes such as newsprint, furniture and steel along with the wood pulp. Plans were completed to handle a wood pulp ship in January of 1949 containing 2,700 tons of wood pulp. Arrangements were made with intercoastal carriers, to call at the Navy wharf once each month to discharge 1,000 tons of wood pulp originating in the Pacific Northwest. This tonnage has given new employment to longshoremen, railroad and truck carriers at Port Newark.

- 2,000 tons of vermiculite ore in bulk used for insulating material and originating in Africa.
- 1,250 tons of scrap metal destined to steel mills in the interior and originating in the Philippine Islands.
- 718 tons of oil in drums exported to Finland.
- 7,700 tons of pitch from a local industry destined to France.
- 4,000 tons of chrome ore imported from Africa and destined to a Jersey City industrial firm.
- A consignment of sand and gravel (Exhibit 7) discharged by lighters at the rate of 5,000 tons per month. This movement totals 50,000 tons, and is for use in paving the north bound State Highway Number 25.

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Additional use of wharf facilities has been de-  
veloped by using the Navy pier for berthing oil barges.  
(Exhibit 8)

The movement of fuel oil and other petroleum prod-  
ucts in bulk continued to move heavily during the period  
covered by this report and shows an increase over prior  
years. The total tonnage handled was 617,000 long tons  
against 604,000 long tons in an equivalent period in 1947.

The American-Hawaiian and Luckenbach Steamship  
Lines, both large operators in the intercoastal trade between  
the Pacific Coast and the Atlantic Coast, re-established  
their services at Port Newark during the period covered by  
the report. These firms made terminal arrangements at the  
Newark Tidewater Terminal and have maintained a weekly sail-  
ing between Port Newark and Pacific Coast ports.

The Newtex Steamship Line also came to Port Newark  
as a new service operating a fortnightly schedule between  
Port Newark and the Texas ports. During the latter part of  
1948 this firm was successful in receiving permission from  
the Interstate Commerce Commission to apply through rates in  
connection with trucks operating from Port Newark to all  
points within a radius of approximately 30 miles of Port  
Newark. Under this decision it is possible for many shippers  
in the New York Harbor area, on both sides of the Port in-  
cluding Manhattan and Brooklyn, to use Port Newark.

During 1948 negotiations were carried on with the  
three railroads serving Port Newark, the Central Railroad of

Additional use of wharf facilities has been developed by using the Navy pier for berthing oil barges. (Exhibit 8)

The movement of fuel oil and other petroleum products in bulk continued to move heavily during the period covered by this report and shows an increase over prior years. The total tonnage handled was 61,000 long tons against 50,000 long tons in an equivalent period in 1947.

The American-Hawaiian and Luckenbach Steamship Lines, both large operators in the intercoastal trade between the Pacific Coast and the Atlantic Coast, re-established their services at Port Newark during the period covered by the report. These lines made terminal arrangements at the Newark Tidewater Terminal and have maintained a weekly sailing between Port Newark and Pacific Coast ports.

The Newark Steamship Line also came to Port Newark as a new service operating a fortnightly schedule between Port Newark and the Texas ports. During the latter part of 1948 this firm was successful in receiving permission from the Interstate Commerce Commission to apply through rates in connection with trucks operating from Port Newark to all points within a radius of approximately 30 miles of Port Newark. Under this decision it is possible for many shippers in the New York Harbor area, on both sides of the Port including Manhattan and Brooklyn, to use Port Newark.

During 1948 negotiations were carried on with the three railroads serving Port Newark, the Central Railroad of

New Jersey, the Pennsylvania Railroad and the Lehigh Valley Railroad, toward the application of import-export tariff to all parts of the Newark Seaport including the newly acquired Navy area. This was accomplished in sufficient time to take care of the new business arriving on vessels in the Navy area. In conjunction with this tariff application, the Port Authority entered into agreements with the three above named railroads to load and unload railroad box cars of general cargo. As a result of this arrangement the Port Authority has been able to arrange with skilled contractors to perform this service in connection with many carloads of merchandise.

Negotiations were also carried on with these railroads to make possible the movement of tonnage direct to rail cars instead of by lighterage to certain short-haul points by adjustments in the railroad tariffs. This accomplishment makes it possible to take full advantage of the availability of shipside railroad trackage in the Port Area.

New Rentals

A total of 11 leases were concluded with tenants in areas acquired in 1948, aggregating 214,506 square feet of covered space and 43,000 square feet of open space. These rental arrangements were made to companies engaged in distribution, processing or other similar activities, and who will ship substantial tonnages over the wharves of Port Newark. A total of about 155 employees, that constitute new employment in the Port Newark Area, were employed by these

firms. The tonnages of these industries have contributed to increased railroad and truck movements, and have greatly assisted in developing waterborne cargo. These rental agreements are as follows:

Roddis Plywood & Door Company, Inc: leased Building 103 in the former Sears-Roebuck area together with 2,400 square feet of open space for a term of five years. It is engaged in the storage and distribution of plywood and other lumber products (Exhibit 9).

Transit Bus Sales & Service, Inc: leased an area of 3,000 square feet of space in Building 106 (former Sears-Roebuck area) plus 500 square feet of open space for a period of three years for servicing buses prior to distribution in the Metropolitan area.

Harry Harris Company: leased Buildings 102 and 128 (former Sears-Roebuck area) plus 11,470 square feet of open space to store, fabricate and distribute steel products. Substantial movements of their steel have been handled over the Port Newark wharves.

Evans Warehouse Company: rented for a period of two years 14,400 square feet of warehouse space. The tenant is engaged in specialized storage and distribution of household appliances only, representing certain manufacturers of these products in the Port Newark area (Exhibit 10).

Phipps Products Company: leased Building 101B (former Sears-Roebuck area) consisting of 21,600 square

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A total of 11 leases were concluded with tenants in areas acquired in 1948, aggregating 214,500 square feet of covered space and 43,000 square feet of open space. These rental arrangements were made to companies engaged in distribution, processing or other similar activities, and who will ship substantial tonnages over the wharves of Port Newark. A total of about 125 employees, that constitute new employment in the Port Newark Area, were employed by these

The tenancies of these industries have contributed to increased railroad and truck movements, and have greatly assisted in developing waterfront cargo. These tenancy agreements are as follows:

Robbie Plywood & Door Company, Inc.: leased Building 103 in the former Sears-Roebuck area together with 2,400 square feet of open space for a term of five years. It is engaged in the storage and distribution of plywood and other lumber products (Exhibit 9).

Traffic Bus Sales & Service, Inc.: leased an area of 3,000 square feet of space in Building 106 (former Sears-Roebuck area) plus 500 square feet of open space for a period of three years for servicing buses prior to distribution in the Metropolitan area.

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Evans Warehouse Company: rented for a period of two years 14,400 square feet of warehouse space. The tenant is engaged in specialized storage and distribution of household appliances only, representing certain manufacturers of these products in the Port Newark area (Exhibit 10).

Phelps Products Company: leased Building 101B (former Sears-Roebuck area) consisting of 21,600 square

feet for one year to manufacture and distribute a cleaning compound.

Lily-Tulip Cup Corporation: rented Building 109 (former Sears-Roebuck area) for a period of one year. The space consists of approximately 43,200 square feet of floor space. The tenant is engaged in the storage and distribution of paper drinking cups (Exhibit 11).

Primoid Manufacturing & Sales Corp.: rented Building 11 in the Navy area consisting of 3,024 square feet of covered space and 750 square feet of open space for a period of one year to manufacture and sell plastic and waterproofing materials used in the servicing of vessels.

Michael E. Maher Company: rented, for a period of one year, Building 79 in the Navy area containing 3,757 square feet and 2,334 square feet of open area. This firm is engaged in stevedoring and rental of materials handling equipment and provides a valuable service for vessels calling at Port Newark.

G. & G. Lumber Haulage Company: rented 3,450 square feet of open area for the purpose of parking of trucks engaged in the hauling of lumber products to and from Port Newark.

Delevan Lumber Company, Inc.: rented 9,984 square feet of open-sided shed plus 4,992 square feet of open area for a period of three years, effective April 1, 1949. The firm is engaged in lumber distribution and

expects to transport 20 million board feet of lumber per year through the newly created public lumber terminal of the Port Authority which is operated by the Bayway Terminal Corporation.

Metro Lumber Company: leased a section of Building 112 containing 3,404 square feet, Building 113 containing 565 square feet, and open area totaling 21,731 square feet for a period of five years. Metro is engaged in lumber distribution and will receive lumber from vessels docking at Port Newark.

The new tenants renting space for the most part were not able to build up their full scale operation in 1948 since a number of them were established during the latter part of the year. However, the following figures indicate the start that was made:

- a. 5978 tons of steel moved over the wharves, 3635 tons by rail and 1795 tons by truck.
- b. 1161 tons of plywood moved in and out by rail.
- c. 1450 tons of household appliances by rail car.
- d. 1275 tons of paper products moved in and out by truck.
- e. 527 tons of cleaning compound moved by rail, and 140 tons by truck.

II - PROPERTY ACQUISITION

The Port Authority in its study of Port Newark pointed out that the efficient development of the Seaport required the restoration of the port to unified ownership and operation. The major tasks in achieving the objective were accomplished in 1948.

On May 7, 1948 the first major acquisition was completed with the purchase at a cost of \$140,000 of fifty-six (56) acres of land from the American Agricultural Chemical Company, within the demised premises and which had never been acquired by the city. This was followed by the purchase from the Franklin Lumber Company of a leasehold consisting of 7.76 acres, several structures and considerable equipment for \$200,000. This purchase was to make space available near the deep water channel for the purpose of constructing badly needed transit sheds, the foundations of which have been started and which will be completed in 1949.

After months of negotiation the Port Authority completed on July 9, 1948 the purchase from the War Assets Administration of thirty-eight acres of land and buildings, formerly known as the "Sears-Roebuck Area", located on the south side of Port Newark. The purchase price for the property, title to which was taken in the name of the City of Newark, was \$1,016,000. Included in the purchase were six large one-story warehouse structures and a five-story

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of Newark, was \$1,016,000. Included in the purchase were six large one-story warehouse structures and a five-story

building.

On October 1, 1948 the Port Authority leased from the Navy 33 acres of land and several buildings on the north side of the channel of Port Newark. The leased area includes seven deep-sea ship berths, two dockside transit sheds with 60,000 square feet of floor space, a large one-story 40,000 square foot building, and a 160,000 square foot four-story warehouse. The area is part of the 115 acre section acquired by the Navy before the war from the City of Newark and includes the section of land over which the City of Newark so successfully waged the famous "Battle of Newark Bay". The lease to the Port Authority on this property runs for ten years, and is renewable thereafter for five years. The Port Authority in lieu of rental will perform up to \$20,000 a year in maintenance work on the portion of the Navy property not occupied by the Authority and will invest approximately \$377,000 in rehabilitation and new construction.

An additional nine acres of property was acquired through renegotiation of the leasehold of Swift and Company.

In all, a total of \$1,556,000 was spent by the Port Authority to acquire Port Newark properties. The title to all property purchased was taken in the name of the City of Newark.

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On October 1, 1948 the Port Authority leased from the Navy 35 acres of land and several buildings on the north side of the channel of Port Newark. The leased area includes seven deep-sea ship berths, two dockside transit sheds with 60,000 square feet of floor space, a large one-story 40,000 square foot building, and a 180,000 square foot four-story warehouse. The area is part of the 115 acre section acquired by the Navy before the war from the City of Newark and includes the section of land over which the City of Newark so successfully waged the famous "Battle of Newark Bay". The lease to the Port Authority on this property runs for ten years, and is renewable thereafter for five years. The Port Authority in lieu of rental will perform up to \$20,000 a year in maintenance work on the portion of the Navy property not occupied by the Authority and will invest approximately \$377,000 in rehabilitation and new construction. An additional nine acres of property was acquired through renegotiation of the leasehold of Swift and Company. In all, a total of \$1,558,000 was spent by the Port Authority to acquire Port Newark properties. The title to all property purchased was taken in the name of the City of Newark.

III - LEASE NEGOTIATIONS

When the Port Authority began operation of Port Newark on March 22, 1948, a large part of the property on the south side of the channel was under lease to private industries. The property leaseholds extended in many cases either up to the stringpiece or up to the southern side of South Dock Street, a distance of 100 feet from the channel, effectively limiting the use of the waterfront for public purposes. Many of these leases contained special clauses under which tenants were afforded special dockage or wharfage privileges not available to others and in some cases tenants were exempted entirely from making such payments, although the City and consequently the Port Authority was obligated to dredge and maintain the wharves.

The Port Authority devoted considerable attention to adjustment of these leases with a view of purchasing or relocating those leaseholds which interfered with future transit shed development plans, and adjusting the leases to restore revenues from dockage and wharfage to the greatest extent possible to meet maintenance costs.

Swift and Company

This lease was originally made for a period of 50 years, beginning in 1937, with an option to renew for a second term under the same conditions. The original area consisted of 2 tracts totaling 18 acres. As a result of the

When the Port Authority began operation of Fort Newark on March 22, 1942, a large part of the property on the south side of the channel was under lease to private industries. The property leaseholds extended in many cases either up to the straggles or up to the southern side of South Dock Street, a distance of 100 feet from the channel, effectively limiting the use of the waterfront for public purposes. Many of these leases contained special clauses under which tenants were afforded special dockage or wharfage privileges not available to others and in some cases tenants were exempted entirely from making such payments, although the City and consequently the Port Authority was obligated to dredge and maintain the wharves. The Port Authority devoted considerable attention to adjustment of these leases with a view of purchasing or relocating these leaseholds which interfered with future transit shed development plans, and adjusting the leases to restore revenues from dockage and wharfage to the greatest extent possible to meet maintenance costs.

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This lease was originally made for a period of 50 years, beginning in 1937, with an option to renew for a second term under the same conditions. The original area consisted of 2 tracts totaling 18 acres. As a result of the

cooperation of Swift and Company in the general port improvement program, one tract of approximately 9 acres, located between March and Tyler Streets, was recaptured so that it can be put into usage on a basis to return more adequate revenue. The original lease gave Swift and Company a preferential right for all of the wharf in front of their leasehold, a distance of more than 600 feet. The renegotiation returned 200 feet on the West end of their leasehold to public usage without preferential privilege. The original lease provided that the tenant would pay no wharfage charges on any liquid products handled through pipe lines and his dockage was limited to \$25 per vessel per day. An adjustment was made under which wharfage charges on liquid products other than fuel oil were restored and the ceiling on dockage was removed so that the regular tariff would apply.

Franklin Lumber Company

This firm had a lease for 7.76 acres within 100 feet of the channel with a 450 foot frontage along the channel. The lease was for a period ending December 31, 1953, with the tenant having an option to renew for an additional 10 years. The Port Authority purchased this leasehold in order to make space available for the construction of a new and very necessary wharfside cargo shed.

operation of Swift and Company in the general port improvement program, one tract of approximately 9 acres located between March and Tyler Streets, was recaptured so that it can be put into usage on a basis to return more adequate revenue. The original lease gave Swift and Company a preferential right for all of the wharf in front of their leasehold, a distance of more than 800 feet. The renegotiation returned 200 feet on the West end of their leasehold to public usage without preferential privilege. The original lease provided that the tenant would pay no wharfage charges on any light products handled through pipe lines and his dockage was limited to \$25 per vessel per day. An adjustment was made under which wharfage charges on liquid products other than fuel oil were restored and the ceiling on dockage was removed so that the regular tariff would apply.

Franklin Lumber Company

This firm had a lease for 7.75 acres within 100 feet of the channel with a 150 foot frontage along the channel. The lease was for a period ending December 31, 1953, with the tenant having an option to renew for an additional 10 years. The Port Authority purchased this leasehold in order to make space available for the construction of a new and very necessary wharfside cargo shed.

Newark Tidewater Terminal

Newark Tidewater Terminal had a lease agreement with the City of Newark for 137 acres of land and buildings for a term expiring August, 1951. The payment of revenue to the City of Newark was on a participation basis with the City being guaranteed not less than \$100,000 a year, but with sufficient earnings the City would obtain 50 per cent of net profits earned over the above \$200,000 per year. Since the inception of the contract in 1936, only the minimum of \$100,000 per year had been paid. This tenant paid \$165,000 to the Port Authority for the year ending December 31, 1948.

The Port Authority carried on discussions with Newark Tidewater and as a result made an offer to the tenant for the surrender of this lease. As the year 1948 ended this offer had not been accepted, but the tenant indicated that further consideration would be given to it.

transit shed in area of the Franklin Lumber Company leasehold and a transit shed in the unleased open area between the Weyerhaeuser and Swift Company leaseholds. One of these sheds is to be 482 feet long and 200 feet wide, and the other 440 feet long and 200 feet wide. The respective areas of 92,000 square feet and 88,000 square feet of floor space are large enough to accommodate full sized vessels and to allow trucks and stevedore gear to operate efficiently. These sheds will have two depressed railroad tracks on the landward side and two flush apron tracks adjacent to the vessel.

Newark Tidewater Terminal

Newark Tidewater Terminal had a lease agreement with the City of Newark for 137 acres of land and buildings for a term expiring August, 1951. The payment of revenue to the City of Newark was on a participation basis with the City being guaranteed not less than \$100,000 a year, but with sufficient earnings the City would obtain 50 per cent of net profits earned over the above \$200,000 per year. Since the inception of the contract in 1936, only the minimum of \$100,000 per year had been paid. This tenant paid \$15,000 to the Port Authority for the year ending December 31, 1948.

The Port Authority carried on discussions with Newark Tidewater and as a result made an offer to the tenant for the surrender of this lease. As the year 1948 ended this offer had not been accepted, but the tenant indicated that further consideration would be given to it.

IV - PHYSICAL IMPROVEMENTS

By December 31, 1948 the Port Authority had spent or committed \$1,660,524 for physical improvements at Port Newark. Of this total, \$203,904 is being spent for the reconstruction of the fender system all along the south and west side of the channel. This work which is scheduled for completion in early 1949, was 75 per cent completed at the end of the year, with 28,200 linear feet of fender piles having been driven and 161,000 board feet of creosote lumber having been used (Exhibits 12 and 13).

The acquisition of the Franklin Lumber Company leasehold made it possible for the Port Authority to inaugurate its transit shed building program on December 9, 1948. On that date contracts were awarded totaling \$951,540, for the construction of the foundations of a transit shed in area of the Franklin Lumber Company leasehold and a transit shed in the unleased open area between the Weyerhauser and Swift Company leaseholds. One of these sheds is to be 462 feet long and 200 feet wide, and the other 440 feet long and 200 feet wide. The respective areas of 92,000 square feet and 88,000 square feet of floor space are large enough to accommodate full sized vessel cargoes and to allow trucks and stevedore gear to operate efficiently. These sheds will have two depressed railroad tracks on the landward side and two flush apron tracks adjacent to the vessel.

IV - PHYSICAL IMPROVEMENTS

By December 31, 1948 the Port Authority had spent or committed \$1,880,824 for physical improvements at Port Newark. Of this total, \$203,904 is being spent for the reconstruction of the tender system all along the south and west side of the channel. This work which is scheduled for completion in early 1949, was 75 per cent completed at the end of the year, with 28,200 linear feet of tender piles having been driven and 181,000 board feet of creosote lumber having been used (Exhibits 12 and 13).

The acquisition of the Franklin Lumber Company leasehold made it possible for the Port Authority to inaugurate its transit shed building program on December 9, 1948. On that date contracts were awarded totaling \$51,240, for the construction of the foundations of a transit shed in area of the Franklin Lumber Company leasehold and a transit shed in the unleased open area between the Weyerhaeuser and Swift Company leaseholds. One of these sheds is to be 482 feet long and 200 feet wide, and the other 440 feet long and 200 feet wide. The respective areas of 92,000 square feet and 88,000 square feet of floor space are large enough to accommodate full sized vessel cargo and to allow trucks and stevedore gear to operate efficiently. These sheds will have two depressed railroad tracks on the forward side and two flush apron tracks adjacent to the vessel.

When the Sears-Roebuck area was acquired from War Assets prompt steps were taken to rehabilitate the buildings and facilities in order to attract tenants to the area. The sum of \$50,000 was spent to repair broken skylights, patch and repair roofing, hang doors and fix windows, repair electrical and sanitary lines, and build a new loading platform (Exhibits 14 and 15). Port Authority maintenance men spent over 7,000 man hours painting and cleaning building interiors, repairing plumbing and electrical fixtures and performing a variety of other structural and mechanical repairs. With the help of temporary laborers, Port Authority personnel spent 9,800 man hours rehabilitating the internal railroad track system, mostly in the Sears-Roebuck area (Exhibits 16 and 17). Over 1,000 new ties were laid, new planking was installed at all crossings, the track was reballasted, worn switch ties were replaced, and tracks were raised, gauged and levelled. 5,270 man hours were also spent by Port Authority personnel reactivating and reconditioning all of the sprinkler systems in the buildings in the Sears-Roebuck Area and Navy area. This work was complicated by a number of breaks in underground water pipes due to subsoil conditions and freezing weather.

Approximately 2,600 lineal feet of wharf, 60,000 square feet of wharfside transit shed, and 200,000 square feet of adjacent warehouse space were restored to port operation when the Port Authority entered into the 10-year lease with the U. S. Navy covering 33 acres of land and several

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buildings. Although the formal lease to the Port Authority was effective October 1, temporary authority was given by the Navy to the Port Authority to occupy the premises in advance. Work on removal of partitions and other obstructions in the cargo sheds was expedited and completed in approximately ten days. Emergency track work was also completed with the cooperation of the Central Railroad of New Jersey to permit switch engines to operate safely over the tracks alongside the wharf. The warehouse facilities also were put into shape promptly.

The Coastal Oil Company completed the installation of additional oil tank storage capacity on the northerly side of Port Street and increased the movement of oil by about 13,000 tons for the 9 month period (Exhibit 18). This new tank capacity, located in an area north of Port Street, does not encroach on space devoted to lumber and other general cargo. The rearrangement of the expansion was part of the preliminary negotiations between the City, the Port Authority and the Navy during the latter part of 1946 and early part of 1947. In connection with the rebuilding of the wharf on the north side of the channel the pipelines of the Coastal Oil Company along with the wharf will be placed beneath the surface.

The Port Authority has let a contract for \$16,941 for paving Marsh Street. Practically all of the paving from Coastwise Street to Export Street is being replaced and scattered repair jobs will be completed on the balance of Marsh Street.

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loaders and three piece V - OPERATIONS equipment. Equipment on order totals \$18,000.

At the end of the year there were forty-two operating and maintenance personnel at Port Newark, including the superintendent, his office force, maintenance men and traffic officers. A 24-hour security watch was established with night traffic officers and with the addition of a radio-telephone equipped patrol car. To insure better coverage by our vehicular and foot police patrols, watchmen key stations with recording clocks were installed on the south side of the channel and in the Navy area. Also, to provide complete flexibility and interchangeability in our police forces assigned to Port Newark and Newark Airport, all Terminal traffic officers received special training in crash, rescue and fire work and Airport traffic officers were trained in marine terminal duties.

In view of the increased use of the public scale at Port Newark, our full time force of two licensed weighmasters was augmented by five employees working at the Seaport who were trained in the operation of the public scale and were certified as weighers by the State of New Jersey. Weighing service is now available 24 hours a day, seven days a week.

The sum of \$32,000 was spent for new operating and maintenance equipment including two air compressors, two portable pumps, two row boats and outboard motors, two

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The sum of \$32,000 was spent for new operating and  
maintenance equipment including two air compressors, two  
portable pumps, two tow boats and outboard motors, two

loaders and three pieces of automotive equipment. Equipment  
on order totals \$18,000.

A complete snow removal plan was prepared in col-  
laboration with the City of Newark to assure prompt clearing  
of the terminal area. The effectiveness of the plan was  
tested by the 13.8-inch snow storm which began at 6:08 A.M.  
December 19 and continued until 2:44 A.M. December 20. Fine  
teamwork was achieved between the forces of the City and the  
Port Authority and an excellent job resulted. Roadways were  
open at all times during the storm and the major part of the  
removal job was completed by 8 A.M. December 20.

The maintenance force repaired about 150 bad sur-  
face spots in the pavement of the streets on the south side  
of the channel. In 1945 the United States Congress authorized a 35 foot channel which was  
conditioned on a proviso that the City dredge those areas  
adjacent to the wharves to the required depths and also pro-  
vide suitable spoil areas for the dredged material.

Although the 35 foot project was authorized by  
Congress in 1945, the necessary funds were not allocated out  
of the annual Civil Works Section of the Appropriation Bills.  
Attempts were made to secure such funds for the fiscal year  
of 1948 to 1949. Senator Hawkes of New Jersey had inserted  
an item of \$750,000 in the Appropriation Bills and was suc-  
cessful in having it adopted by the Senate. The item,  
however, was later eliminated by the House-Senate Conference.

On December 9, 1948, the Executive Director of the

VI - CHANNEL DREDGING

The City of Newark arranged for necessary channel dredging to a depth of 30 feet in certain areas in 1947 at a cost of \$122,000. At the time this work was performed the Port Authority proposal to the City of Newark was pending and the Port Authority agreed to reimburse the City for this charge if the proposal was later accepted. In accordance with this commitment the Port Authority paid the City of Newark \$122,000 in 1948.

Efforts to improve the channel further were continued by the Port Authority during the year with an objective of obtaining a 35 foot channel from the entrance to Newark Bay into the inshore city channel. In 1945 the United States Congress authorized such a 35 foot channel which was conditioned on a proviso that the City dredge those areas adjacent to the wharves to the required depths and also provide suitable spoil areas for the dredged material.

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Port Authority wrote to the New York District Engineer of the United States Army advising that the Port Authority had arranged suitable spoil areas and guaranteeing to perform the necessary margin of dredging in the Newark Channel. A determined effort is being made to secure approximately \$1,600,000 in the 1949-50 appropriation and representations indicating the need for this improvement have already been made to both the Army Engineers and the Federal Bureau of the Budget. It is estimated that slightly more than the \$3,000,000 of Federal funds are required to complete the improvement through Newark Bay and into the Port Newark Channel.

The proposed dredging will be installed throughout the port. A box-lunch concessionaire is now supplying Seaport and Airport employees with good food from three trucks that travel throughout the area. A small pay-parking lot also has been established to handle the parking of automobiles for those people who use the taxis and fishing boats leaving from the Seaport.

VII - CONCESSIONS

The problem of concessions development in Port Newark is entirely different than that at the Airports. The number of public visitors to the Seaport is limited and any concessions which are located there must depend largely on support from the employees working in the area. Plans have been perfected and negotiations are under way to provide a large employees' cafeteria in the former Sears-Roebuck area. In addition, a new lunchroom building will be provided at the entrance to the Tidewater Terminal area, and a variety of vending machines will be installed throughout the Seaport. A box-lunch concessionaire is now supplying Seaport and Airport employees with good food from three trucks that travel throughout the area. A small pay-parking lot also has been established to handle the parking of automobiles for those people who use the excursion and fishing boats leaving from the Seaport.

The problem of concessions development in Port Newark is entirely different than that at the Airports. The number of public visitors to the Airport is limited and any concessions which are located there must depend largely on support from the employees working in the area. Plans have been perfected and negotiations are under way to provide a large employees' cafeteria in the former Sears-Roebuck area. In addition, a new lunchroom building will be provided at the entrance to the Tidewater Terminal area, and a variety of vending machines will be installed throughout the Airport. A box-lunch concessionaire is now supplying Airport and Airport employees with food from three trucks that travel throughout the area. A small pay-parking lot also has been established to handle the parking of automobiles for those people who use the excursion and fishing boats leaving from the Airport.

I - DEVELOPMENT PLANNING AND PROGRESS

Sub-Surface Tests

In its lease with the City of Newark, the Port Authority agreed to the rehabilitation, expansion and improvement of Newark Air Terminal as a first-class modern air terminal, as described in the lease, provided sub-surface tests indicated that runways with a service life of twenty-five years for use by transport planes of 125,000 to 150,000 pounds gross weight can be efficiently and effectively installed.

NEWARK AIRPORT

In order properly to supervise and evaluate these sub-surface tests the Port Authority in March 1948 appointed a Board of Consultants. Members of the Board are Admiral Frederic R. Harris, Consulting Engineer (Navy Consultant for the Bureau of Yards and Docks on Drydocks and foundations throughout the Pacific area), Mr. C. J. Parter, Consulting Engineer (Consultant on Highway and Airfield Installations), and Mr. William H. Mueser, of the firm of Moran, Proctor, Freeman and Mueser (Foundation experts). These Consultants, who also directed the Port Authority sub-surface tests at LaGuardia Airport, work with Mr. J. C. Evans, Chairman of the Port Authority Engineering Board.

Under the sponsorship of this Board of Consultants,

NEWARK AIRPORT

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the sub-surface testing program was inaugurated on April 19, 1948. Extensive sub-surface tests have since been made throughout the present and future air terminal areas (Exhibit 19). These involved the making of fifty 3 1/2 inch borings from which thirty-four one inch borings and hundreds of samples were made upon which numerous tests were performed. All laboratory tests are being performed in the Port Authority Soils Testing Laboratory. These sub-surface tests are now nearing completion and will enable the Board to render a final report of their conclusions.

During the course of this sub-surface testing, an outstanding engineering task was accomplished with the completion of the survey and triangulation of the area under lease both in the Airport and Seaport terminal area. The Port Authority received commendation for this work from the United States Coast and Geodetic Survey of the Department of Commerce.

Planning for Permanent Runways and Terminal Buildings

Concurrently with the sub-surface testing program, the Port Authority has been developing a master plan for the expansion of the air terminal area; for the construction of a dual runway system with runways of from 6,400 feet to approximately 9,000 feet, in length, and having a peak-hour traffic capacity of 120 plane movements; and for the construction of adequate terminal, hangar, and other necessary facilities. In order to complete such a plan, a number

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of detailed studies have been carried on. These include the compilation and analysis of weather data to determine its effect on the runway pattern and orientation; the identification and evaluation of obstructions (there are over 90 obstructions adjacent and contiguous to the site) that, in conjunction with the weather data, will affect runway location and alignment; and a study of geographic relationships to other commercial airports in the metropolitan area as they relate to the air traffic pattern. Preliminary design criteria for the permanent terminal building are being established, but the progressing of this project must necessarily await the establishment of the permanent runway location and alignment.

In anticipation of the expansion of the air terminal 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 in relation to the inclusion of the 800 acres of Elizabeth meadow land in the air terminal area.

An important step forward also has been taken by the retention of the firm, Carrillo and Green, Associates, in connection with the development of Newark Airport. New York International Airport is one of the most extensive and successful reclamation jobs ever attempted here in the East. In very large measure the credit for its planning, design and execution belongs to Mr. Edward John Carrillo who has literally lived on the job since it was started.

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York International Airport is one of the most extensive  
and successful reclamation jobs ever attempted here in the  
East. In very large measure the credit for its planning,  
design and execution belongs to Mr. Edward John Garrillo  
who has literally lived on the job since it was started.

We have now persuaded his firm to undertake the somewhat  
similar task of reclaiming the Newark and Elizabeth meadows  
for the construction of the new and enlarged air terminal  
at that site. As held with the airlines and their suggestions  
and comments have been incorporated in our plans.

Terminal Expansion

As indicated in the Port Authority's proposal to  
the City of Newark, the present terminal building and  
terminal facilities are totally inadequate. The lack of  
sufficient loading gate area results in severe congestion  
in peak hours and leads in turn to the paradox of empty  
counter space in the terminal itself. The Airlines simply  
cannot process passengers through Newark even to the limited  
capacity of the space in the present terminal building be-  
cause there is not sufficient apron space to load, unload  
and service planes around the perimeter of the terminal.  
Additional space for concession development is badly need-  
ed; more public terminal space is required; the eight exist-  
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loading area expanded extensively; and better access to the  
terminal building and increased automobile parking areas are  
essential. Our Engineering, Operations, Concessions and  
Development Departments have devoted a great deal of their  
time to a study of these problems. Space, gate, apron and  
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As indicated in the Port Authority's proposal to the City of Newark, the present terminal building and terminal facilities are totally inadequate. The lack of sufficient loading gates results in severe congestion in peak hours and leads in turn to the paradox of empty counter space in the terminal itself. The Airlines simply cannot process passengers through Newark even to the limited capacity of the space in the present terminal building because there is not sufficient apron space to load, unload and service planes around the perimeter of the terminal. Additional space for concession development is badly needed; more public terminal space is required; the eight existing loading gates should be increased to twelve and the loading area expanded extensively; and better access to the terminal building and increased automobile parking areas are essential. Our Engineering, Operations, Concessions and Development Departments have devoted a great deal of their time to a study of these problems. Space, gate, apron and parking requirements have been determined for the interim period until the construction of the permanent terminal building can be initiated. Design criteria have been set for the

expansion of the present terminal building. Sketches and preliminary plans have been prepared based on these requirements and design criteria. Preliminary discussions of these plans have been held with the airlines and their suggestions and comments have been incorporated in our plans.

As the first step in the plan to expand the existing terminal building and area, the Port Authority on May 25, 1948, requested the City to add to the premises leased from the City the portions of Port Street not being used for street purposes. While Port Street was laid out at 150-foot width, only 36 feet of the northerly portion thereof is actually used for street purposes. The remainder is not used for street purposes. It consists of landscaped area, medial divider, and a paved area on the southerly side adjacent to the terminal area which for a long time has been fenced off and its use by traffic barred. As explained in this request, the only feasible plan for the expansion of the existing terminal, which will not encroach upon the runways, is to extend the terminal northward to include the unused southerly half of Port Street.

This proposal has been before the City Commission on many occasions in the last 4½ months, but the City has not passed the necessary resolution which would grant authority to add these unused portions of Port Street to the premises leased to the Port Authority.

On each occasion when the matter was before the City Commission, action was deferred pending further

expansion of the present terminal building. Sketches and preliminary plans have been prepared based on these requirements and design criteria. Preliminary discussions of these plans have been held with the airlines and their suggestions and comments have been incorporated in our plans.

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This proposal has been before the City Commission on many occasions in the last 4 1/2 months, but the City has not passed the necessary resolution which would grant authority to add these unused portions of Port Street to the premises leased to the Port Authority.

On each occasion when the matter was before the City Commission, action was deferred pending further

investigation. At the direction of the Commission a meeting was held between representatives of the City, the Port Authority, and the Pennsylvania Railroad to determine the effect that the transfer might have on easements reserved to New York Bay Railroad Company, a subsidiary of Pennsylvania Railroad. That Company was satisfied that its easements would not be interfered with, and on November 13, 1948, wrote the Board of Commissioners to the effect they were satisfied that the Port Street addition would not violate the provisions of any easement agreement between the City and the Railroad Company and that they had no objection to the execution of such an agreement by the City.

The City Commission again deferred this matter for a report on the adequacy of the 36-foot paved area for present and anticipated future traffic movements. This subject was fully canvassed at a meeting held on November 23, 1948 between City representatives, including the Department of Public Works, the Public Safety Department, the Central Planning Board, and the Surveyor's Office, and representatives of the Newark Chamber of Commerce and the Ironbound Manufacturers Association. As a result of this meeting, these agencies reported that the transfer of this property would have no effect on traffic, but they recommended that an additional twelve feet on the north side of Port Street be reserved to the City for future traffic needs. The Port Authority agreed to this modification and amended its request accordingly.

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for a report on the adequacy of the 38-foot paved area for  
present and anticipated future traffic movements. This  
subject was fully canvassed at a meeting held on November  
23, 1948 between City representatives, including the Depart-  
ment of Public Works, the Public Safety Department, the  
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Port Street be reserved to the City for future traffic  
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amended its request accordingly.

These additional assurances have not brought ac-  
tion on the Port Authority request. At the year's end the  
City Commission had failed to pass the necessary resolution  
which would permit this program for the development of  
Newark Airport to go forward.

1949 Budget

With the planning work that has been accomplished  
as described in the foregoing section, real progress in the  
physical development of Newark Airport is scheduled for  
1949. The Port Authority 1949 budget emphasizes this fact  
with a proposed capital outlay for Newark Airport of  
\$12,400,000 during 1949. The major capital construction  
projects which are included in this total and will be  
started in 1949 are: the placing of fill for new runways  
and for site development, the construction of two new hang-  
ars, the expansion of the present terminal building, the  
repair and rehabilitation of two existing hangars, and the  
provision of new automobile and aircraft parking areas.

II - CONSTRUCTION AND IMPROVEMENTS

Under the lease with the City of Newark, the Port Authority agreed to reimburse the City for the rehabilitation of runways at the Airport performed by Robert Bossert & Company under City Contract No. 1046A, within the limits specified in the lease and subject to certification by the Port Authority's Chief Engineer. This work was successfully completed and the Port Authority reimbursed the City of Newark in 1948 for the payment made to Robert Bossert & Company in the amount of \$107,423.

Additional runway repairs were completed by the Port Authority in September 1948. These included the elimination of a very bad bump from Runways 6-24 and 10-28, together with surface patching in a number of places on the ramps and runways (Exhibit 20).

By the end of the year the Civil Aeronautics Administration had tentatively allocated a total of \$1,200,000 for Federal Aid at Newark Airport during the fiscal year ending June 30, 1949. In order to use these funds in the development of the Airport, the Port Authority on October 13, 1948 filed a project application which was subsequently approved, for Federal Aid of \$125,000 to be used on essential paving and drainage rehabilitation. An additional project has been prepared for submission early in 1949 which will request \$1,147,500 of federal aid for the filling and preparation of land for new runways and new

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taxiways.

The Butler Hangar is in process of rehabilitation (Exhibit 21). Approximately \$30,000 will be spent to overhaul the heating and electrical systems, to install entirely new insulation, to repair the ramp, and to provide a cinder access road.

Building No. 50, which had been constructed by the Army Air Force as an Air Cargo Terminal, was badly needed by both scheduled and non-scheduled air carriers for air freight handling. Such use was made possible by the conversion and repair of the heating plant, the performance of minor building repairs, and the installation of tenant partitions.

A total of \$161,500 was invested in maintenance and operating equipment. This new equipment includes the most modern snow removal equipment, road graders, bulldozers, maintenance vehicles, and shop equipment (Exhibits 22 and 23). It includes also the latest and most efficient type of fire-fighting equipment - a fog-foam truck which was developed by the Port Authority and the manufacturer (Exhibit 24).

New elevated cone type lights were installed on Runway 1-19. (Exhibit 25). These lights replaced the original flush type lights which easily become obscured by snow and dirt.

Several catch basins were installed on an experimental basis in low spots within the paved areas of runways

taxiways. The Butler Hangar is in process of rehabilitation (Exhibit 21). Approximately \$30,000 will be spent to overhaul the heating and electrical systems, to install entirely new insulation, to repair the ramp, and to provide a cinder access road. Building No. 20, which had been constructed by the Army Air Force as an Air Cargo Terminal, was badly needed by both scheduled and non-scheduled air carriers for air freight handling. Such use was made possible by the conversion and repair of the heating plant, the performance of minor building repairs, and the installation of repair partitions. A total of \$181,500 was invested in maintenance and operating equipment. This new equipment includes the most modern snow removal equipment, road graders, bulldozers, maintenance vehicles, and shop equipment (Exhibits 22 and 23). It includes also the latest and most efficient type of fire-fighting equipment - a log-foam truck which was developed by the Port Authority and the manufacturer (Exhibit 24). New elevated cone type lights were installed on Runway 1-18. (Exhibit 25). These lights replaced the original flash type lights which easily become obscured by snow and dirt. Several catch basins were installed on an experimental basis in low spots within the paved areas of runways

to prevent the formation of pools of water which might freeze during the winter months and create an unsafe condition. The experiment was a complete success and plans have been made to install additional catch basins next year (Exhibit 26).

The temporary emergency garage was renovated with the installation of doors, plasterboard insulation and an oil-burning space heater. (Exhibit 27)

The Operations Department developed a new and efficient snow removal procedure which covers every phase from advance preparation and training to actual methods and sequences of operations under varying conditions during actual snow plowing. This procedure met the major test of a 13.8 inch snow storm in December. The snow fall started at 6:08 a.m. on December 19th and stopped at 2:44 a.m. on December 20th; plowing was started at 3:30 p.m. on December 19th and the airport was open for operations at 10:10 a.m. on December 20th.

Port Authority assumed operation of the Airport, such of the space occupancy was based upon verbal or letter agreements rather than formal leases or permits. After ascertaining all such agreements, or information regarding such agreements, negotiations were initiated and arrangements made for the transfer of lawabundant lists and standard Port Authority permit and lease forms.

In accordance with Section 27 of the lease with the City of Newark, discussions were begun with the New Jersey State Highway Department regarding the location of

III - NEGOTIATIONS

Negotiations were successfully concluded to obtain the release of the northerly half of the Butler Hangar by the Trustee of the bankrupt lessee. It was rented in its entirety together with substantial adjacent paved apron space to Newark Air Service. Not only did this result in a substantial increase of rental income to the Port Authority, but equally important to the continued prosperity of the Airport, more adequate maintenance, servicing and storage facilities were provided for corporate aircraft and aircraft of non-scheduled and contract carriers.

The renovation of Building No. 50 made available much needed, desirable air cargo space. By the end of the year 80 per cent of the space in this building was rented for use in the handling of air cargo, and negotiations were underway which should soon result in complete occupancy.

When the Port Authority assumed operation of the Airport, much of the space occupancy was based upon verbal or letter agreements rather than formal leases or permits. After assembling all such agreements, or information regarding such agreements, negotiations were initiated and are still underway to convert all of these arrangements to standard Port Authority permit and lease forms.

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The renovation of Building No. 80 made available much needed, desirable air cargo space. By the end of the year 80 per cent of the space in this building was rented for use in the handling of air cargo, and negotiations were underway which should soon result in complete occupancy.

When the Port Authority assumed operation of the Airport, much of the space occupancy was based upon verbal or latter agreements rather than formal leases or permits. After assembling all such agreements, or information re- garding such agreements, negotiations were initiated and are still underway to convert all of these arrangements to standard Port Authority permit and lease forms.

In accordance with Section 27 of the lease with the City of Newark, discussions were begun with the New Jersey State Highway Department regarding the location of

overpasses over Route 25 to lay the groundwork for the transfer of the necessary property from the City to the State in accordance with the agreements of 1931 and 1943. In view of the necessity for relating these overpasses to the location finally to be selected for the permanent run- ways and terminal buildings, it was suggested to the State that it defer requesting transfer of any parcels for this purpose until a final decision has been made on the perma- nent Airport plans.

Obstructions lights which are desirable for the safe operation of aircraft near the airport were placed by the Army Air Forces on towers of the Central Railroad Company of New Jersey and the Lehigh Valley and Pennsylvania Railroads, but were not included in the transfer of other wartime improvements to the City of Newark. Title is still held by the War Assets Administration. The railroads have insisted on a direct arrangement with the Port Authority under which they will be protected in case any air accidents occur involving their towers. Negotiations are underway with the War Assets Administration and the railroads to work out a sensible arrangement which will insure the continua- tion of these lights. Similar obstruction lights placed on the Calco smoke stack by the Federal Government were out of operation and flood lighting was installed as a temporary expedient. Negotiations with the property owner were pro- gressing at the year's end toward a reduction in the height of the stack, together with the placement of new

overpasses over Route 25 to lay the groundwork for the transfer of the necessary property from the City to the State in accordance with the agreements of 1931 and 1943. In view of the necessity for relating these overpasses to the location finally to be selected for the permanent runways and terminal buildings, it was suggested to the State that it defer requesting transfer of any parcels for this purpose until a final decision has been made on the permanent Airport plans.

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approved obstruction lighting.

Negotiations were also in progress with the Post Office Department for the provision of more space for air mail and the rehabilitation of present space. Arrangements were recently concluded and a lease will be executed early in 1949 for the establishment of a Post Office Substation in the lobby of the Terminal Building.

Negotiation with the CAA and the Weather Bureau resulted in the establishment of standard arrangements governing the rental of space they require at the airports. Service contracts were executed under which these agencies pay a fair fee for the services they use. As part of a new CAA policy, an agreement was executed under which this agency assumed all responsibility for the operation and maintenance of approach lights at the Airport, including the provision of electric current.

During these developments, our Concessions Staff has installed a variety of the newest and most successful type of vending machines in the terminal building (Exhibit 28). A small pay parking lot has also been provided (Exhibit 29). In addition, practically all of the existing concessionaire permits have been renegotiated to increase the return from these sources to the Port Authority. The existing public telephones were relocated and made more attractive and accessible to the public.

IV - CONCESSIONS

The Port Authority proceeded immediately, on March 22, 1948, to make a thorough survey of existing concessions and the possibilities for concession development. It soon became apparent that the development of concessions was limited by the size and design of the existing terminal building and by the locations available for concessions within the terminal building. For that reason, a great deal of attention and time has been given to plans for concession development in the expansion of the present terminal building and in the ultimate development of the airport.

Over a hundred prospective concessionaires have been interviewed, and we are assured of having competent concessionaires available when adequate space is provided in the expanded terminal building. Pending these developments, our Concessions Staff has installed a variety of the newest and most successful type of vending machines in the terminal building (Exhibit 28). A small pay parking lot has also been provided (Exhibit 29). In addition, practically all of the existing concessionaire permits have been renegotiated to increase the return from these sources to the Port Authority. The existing public telephones were relocated and made more attractive and accessible to the public.

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The Port Authority is proceeding with the acquisition of land within the area of Newark Airport, title to which was held by private owners at the time the Port Authority began its operation of the Airport. Two small parcels totaling approximately eight (8) acres were purchased in April and June, 1948 for \$41,089. The Port Authority has instituted condemnation proceedings with respect to a parcel of twenty-two acres on the westerly edge of the Airport adjoining Route 25. An award of \$133,000 for this property has been announced by the Commissioners in Condemnation.

Negotiations are in progress for acquisition of eight parcels totaling about sixteen acres owned by the Central Railroad Company of New Jersey and the Communipaw Central Land Company. The Port Authority has contracted to purchase this land, which lies in both the Marine and Air Terminal areas, but owing to a possible defect in title to one of the parcels, transfer of title to the property has not yet been effected. Title to all property acquired is, of course, taken in the name of the City of Newark.

The National Guard lease has twenty years to run at a rental of two cents (\$.02) a year. Frequent conferences were held with the officials of the National Guard during the year, because their occupancy of 3 1/2 acres in the Northeast section of the airport blocks construction required for the full development of the airport and because the continued

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One of the major potential obstacles to the development of Newark Airport was removed when the U. S. Government on March 22, 1948, surrendered its basic lease on the entire airport, and at the same time the Army Air Forces agreed to operate for a two-year period in a limited area in the Northeast section of the airport, and then to move out entirely.

The Port Street addition to the Air Terminal area for the expansion of the existing Terminal Building is a development problem of first magnitude and urgency. Until the City of Newark approves the transfer of this unused property it will be impossible to provide relief for the congestion at Newark Airport and to promote the use of that Airport. This problem is discussed in detail in Section I.

Another equally serious obstacle to the full development of the airport had not been overcome at the end of the year. This was the failure to reach an agreement with the New Jersey National Guard for the removal of their activity from the airport at the same time as the Army Air Forces - March 1950. The National Guard lease has twenty years to run at a rental of two cents (\$.02) a year. Frequent conferences were held with the officials of the National Guard during the year, because their occupancy of 3½ acres in the Northeast section of the airport blocks construction required for the full development of the airport and because the continued

VI - DEVELOPMENT PROBLEMS

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use of the air space and the runway capacity of the airport by military aircraft is not compatible with the development of a great civil air terminal. It is absolutely essential to the successful and full development of Newark Airport that the National Guard transfer its activities to another airport.

Another limiting factor which will affect the development of the airport and also the ability of the scheduled air carriers to offer adequate service in the present facilities, is the lack of progress in the planning and construction of the Trans-Meadow section of the New Jersey Route 100. It must be remembered that 78% of the air passengers who use Newark Airport and thus make possible the large number of schedules there, originate or terminate at points outside of New Jersey. Schedules at Newark Airport have already been affected adversely by the time lost in ground transportation because of the congestion on the Pulaski Skyway.

The solution to this problem depends in substantial measure on improved ground transportation through the construction of the Trans-Meadow section of New Jersey Route 100 connecting Newark with the Lincoln Tunnel and mid-town Manhattan. It is urgent for the future of the airport and its full economic development that this construction be initiated at the earliest possible date.

The Civil Aeronautics Administration proposed during 1948 a new Technical Standard Order on construction

VII - LEGISLATION AND REGULATIONS AFFECTING THE AIRPORT

In connection with its operation of the Airport, the Port Authority is ever watchful for legislation and regulations which affect such operations. A number of such items arose during 1948, which required the Port Authority to present its point of view and to explain how such actions would affect our operation of the Airport.

Early in 1948, the Civil Aeronautics Board considered the adoption of standards for emergency equipment and emergency personnel at airports, modeled after a preliminary recommendation by the National Fire Protective Association. Our analysis of these proposed standards disclosed that these equipment and personnel requirements were far beyond the ability of any civil airport to support. The Port Authority presented its objections to the Airport Operators Council, and the Council, together with the American Association of Airport Executives, passed resolutions protesting these standards. Formal discussions were then held with representatives of the Civil Aeronautics Board. As a result, the standards were not adopted, but held in suspense. Representatives of the Port Authority have been working with the National Fire Protective Association, and at the close of the year, more realistic standards were being considered for adoption.

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criteria of protection for instrument runways out 50,000 feet from the end of the runway, and would have established other equally stringent requirements for large terminal airports. Our analysis of the application of this standard in the New York region and in other large air traffic centers disclosed that compliance with these proposed standards would put a tremendous burden on most of the major air terminals of the country. The Port Authority, together with several interested aviation organizations, vigorously opposed the adoption of these standards. Several hearings and formal meetings were held on the subject, and at the end of the year this proposal was being held in suspense for further study.

On September 1, 1948, the Air Parcel Post Service Act, which the Congress had adopted on June 2, 1948, became effective. The Port Authority had previously recommended legislation of this type in its statement to the President's Air Policy Commission, and representatives of the Port Authority testified in favor of this legislation before Congressional Committees. This Act is particularly important to the operation of airports because it has resulted in a substantial increase in the volume of air mail at airports, and because it authorized the Postmaster General to lease quarters at public airports for the handling and distribution of air mail for terms up to twenty years. Prior to the passage of this Act, space for the handling of air mail was usually rented by one airline, which then prorated the cost of the space to the other airlines being served. This

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arrangement resulted in many difficulties in maintenance, leasing, and other landlord-tenant problems in connection with air mail space. The Air Mail Parcel Post Act eliminates all these problems and permits the airport operator to negotiate directly with the Post Office Department, to receive the proper rental for air mail space, and to plan more adequately over a long period of time, for the handling of air mail at airports.

Year	Passengers	No.	%	No.	%	No.	%	Total
1946	571,000	46,746	43.4	22,699	21.7	36,863	34.9	105,508
1947	750,000	55,099	44.3	23,529	20.8	39,480	34.9	113,108
1948	752,751	60,680	54.3	19,382	17.3	31,786	28.4	111,848

It will be noticed that total plane movements declined 1.1% from 1947 to 1948. This contrasts with a 5.6% increase at LaGuardia Airport. However, it is especially significant to note that at Newark Airport the number of military plane movements declined considerably during 1948 and that the increase in domestic passengers handled at Newark Airport was comparable to that experienced for the region.

For the period March 22, 1948 to December 31, 1948, 55.7 million pounds of domestic cargo, exclusive of mail were handled at the Airport. During the last six months of 1948 the cargo handled at Newark totaled 4.7 million pounds, or 8.4% of the total cargo handled at the Airport. Comparable cargo traffic figures are not available for 1947.

VIII - AIR TRAFFIC

At Newark Airport the domestic air passengers and plane movements by types for the last three years were as follows:

Year	Plane Movements							Total
	Domestic Air Passengers	Air Carriers No.	Air Carriers %	Civil Itinerant No.	Civil Itinerant %	Military No.	Military %	
1946	571,000	46,746	43.4	22,899	21.7	36,863	34.9	105,508
1947	750,000	50,099	44.3	23,529	20.8	39,480	34.9	113,108
1948	752,751	60,680	54.3	19,382	17.3	31,786	28.4	111,848

It will be noticed that total plane movements declined 1.1% from 1947 to 1948. This contrasts with a decline of 6.6% at LaGuardia Airport. However, it is especially significant and encouraging that at Newark Airport the number of military plane movements declined considerably during 1948 and that the movements of air carrier aircraft increased 21.1%. The increase in domestic passengers handled at Newark Airport was comparable to that experienced for the region.

For the period March 22, 1948 to December 31, 1948, 55.7 million pounds of domestic cargo, exclusive of mail were handled at the Airport. During the last six months of 1948 the cargo handled at Newark totalled 37.4 million pounds which exceeded the amount handled at either of the other two Port Authority Airports. Comparable cargo traffic figures are not available for 1947.

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Year	Domestic Air Passengers	Air Carriers	Civil Interplane	Military	Total
1946	571,000	46,746	22,899	36,863	105,508
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MARINE AND AIR TERMINAL FINANCES

The Port Authority spent, committed, and appropriated \$3,779,844 for capital purposes during the last nine months of 1948 at Port Newark and \$898,135 at Newark Airport. These improvements and acquisitions, which are described in the preceding section of this report, represent the first stage in the Port Authority program to rehabilitate, improve, and develop these two great facilities. This program will relieve the City of Newark and its taxpayers of the finance and tax load required for their support, and at the same time marks the first step in providing modern seaport and airport terminal facilities so essential to the continued commerce and prosperity of the City of Newark and the Port District.

The 1949 Port Authority budget for these two facilities also indicates the progress which has been made in this program, since these estimates are based upon months of planning and engineering work and represent construction and improvements which will be accomplished in the coming year. The sum of \$2,928,000 has been budgeted for Port Newark and \$12,400,400 for Newark Airport.

In order to provide funds for this program the Port Authority, in March, 1948, sold \$2,000,000 of Series N notes at an interest rate of 1-1/8 per cent. These temporary notes were paid off, when on December 7, 1948 \$7,000,000 Marine Terminal, First Series, 2 1/2 per cent bonds (First Installment)

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dated November 1, 1948, maturing November 1, 1978, were sold to a syndicate headed by Halsey, Stuart & Company. These bonds were sold at a price of 95.057 per cent of par, or at an interest cost to the Port Authority of 2.66474 per cent. The sum of \$5,000,000 was allocated for the initial financing of Newark Airport out of \$30,000,000 of Air Terminal Bonds sold on June 18, 1948. These bonds were sold, in a sale of significance in the whole history of revenue bond financing, to the Prudential Insurance Company, the Northwestern Mutual Life Insurance Company, and the Mutual Life Insurance Company. They carry a 3 per cent coupon, are due in 1978, were sold at a price of 99, which reflects an interest cost to the Port Authority over the term of the bonds of 3.033 per cent, and are callable in 1958 at a call price of 103.

As required by the agreement between the City of Newark and the Port Authority, financial reports for the operation of Port Newark and Newark Airport, March 22 to December 31, 1948, are being submitted to the City of Newark on February 15, 1949. These reports reflect that Port Newark had 1948 gross operating revenues of \$278,128, with a net operating loss of \$32,748 for the year, while Newark Airport had 1948 gross operating revenues of \$399,857 with a net operating loss of \$295,761. Operating losses were anticipated and budgeted for the first year's operation and will continue until the extensive improvement and development program is able to turn these Terminals into self-supporting

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facilities. Special mention should be made of the Port Newark actual operating loss which was 14 per cent of the operating loss anticipated early in the year.

The Port Authority will make a payment on February 15, 1949 to the City of Newark of \$50,699.21. This total represents the proportionate rent for the period March 22, 1948 to December 31, 1948 of \$77,500.06, with a deduction of \$26,800.85 for taxes and interest on property acquired by the Port Authority for the City of Newark in accordance with Section 15 of the Marine and Air Terminals Agreement. Payments made to the City of Newark on account of the airport and seaport during the year 1948 are:

Reimbursement in full of payroll paid by the City of Newark on behalf of the Port Authority for the period from March 22, 1948 to June 15, 1948 . . . . .	\$ 44,955.69
Unearned premiums on insurance policies on properties at Newark Airport and Port Newark, taken over by the Port of New York Authority, effective March 22, 1948 . . . . .	11,951.68
Reimbursement of City of Newark for payments made to Robert Bossert & Company under City Contract No. 1046A for rehabilitating runways at Air Terminal in accordance with agreement dated October 22, 1947, Section 23, Page 20 . . . . .	107,423.06
Reimbursement of City of Newark for payment made to the Arundel Corporation made under City Contract No. 1146S for dredging the channel at Marine Terminal in accordance with agreement dated October 22, 1947, Section 23, Page 20 . . . . .	122,310.00
Reimbursement of City of Newark in full of installment paid August 4, 1947, by the City of Newark to the United States of America, in accordance with agreement between the City and the United States of America dated July 30, 1936, as supplemented by Supplemental Agreement No. 1, executed on behalf of the United States of America on December 2, 1947, and on behalf	

of America on December 2, 1948, and on behalf of the City of Newark on December 28, 1948. Said sum represents payment of August 1, 1947, and August 1, 1948 installments, each in the amount of \$100,000, pursuant to the above agreement as supplemented . . . . . 200,000.00

SHIPS IN INTERCOASTAL AND FOREIGN TRADE SERVICE AT PORT NEWARK

No. 1, executed on behalf of the United States and the United States of America dated July 30, 1936, as supplemented by Supplemental Agreement in accordance with agreement between the City of Newark to the United States of America, in installment paid August 4, 1947, by the City of Newark in full of

122,310.00

dated October 22, 1947, Section 23, Page 20 . . . . . agreement dated October 22, 1947, Section 23, Page 20 . . . . . made to the Arundel Corporation made under City Contract No. 11408 for dredging the channel at Marine Terminal in accordance with

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## TONNAGE AT PORT NEWARK

March 22 to December 31, 1948

Tonnage - (Tons of 2240 lbs.)

	<u>Inbound</u>	<u>Outbound</u>
Lumber	120,911	--
Petroleum Products in bulk	453,728	161,054
Pitch, in bulk	--	7,702
Chrome ore, in bulk	4,000	--
Vermiculite, in bulk	2,000	--
Scrap metal, in bulk	1,250	--
Woodpulp	4,500	--
Sand and gravel, in bulk	16,769	--
All other cargo	<u>73,456</u>	<u>67,426</u>
	676,614	236,182
Grand Total	912,796	

Tonnage - By Trade Routes

	<u>Inbound</u>	<u>Outbound</u>
African	4,000	--
African - West Coast	--	1,563
Belgian	--	1,106
Belgian - German	2,995	--
Far East	2,080	1,170
French - Spanish	--	11,211
Mediterranean	--	2,930
Mexican - Caribbean	1,616	--
Scandinavian	4,969	718
South American	--	3,820
Coastal	401,905	90,459
Intercoastal	156,330	22,899
Inland Waterway	<u>102,719</u>	<u>100,306</u>
Total	676,614	236,182
Grand Total	912,796	

Ship Days

Ocean Carriers	1,073 days	(241 vessels)
Small Craft	<u>1,752</u> "	
Total	2,825	

Rail cars under load

Inbound	9,041
Outbound	<u>4,812</u>
Total	13,853



NEWSPRINT ROLLS STORED IN WATERFRONT BUILDINGS FOR DISTRIBUTION. (NEW TONNAGE)



DRESSED LUMBER BEING MOVED INTO STORAGE PRIOR TO DISTRIBUTION. (NEW TONNAGE)

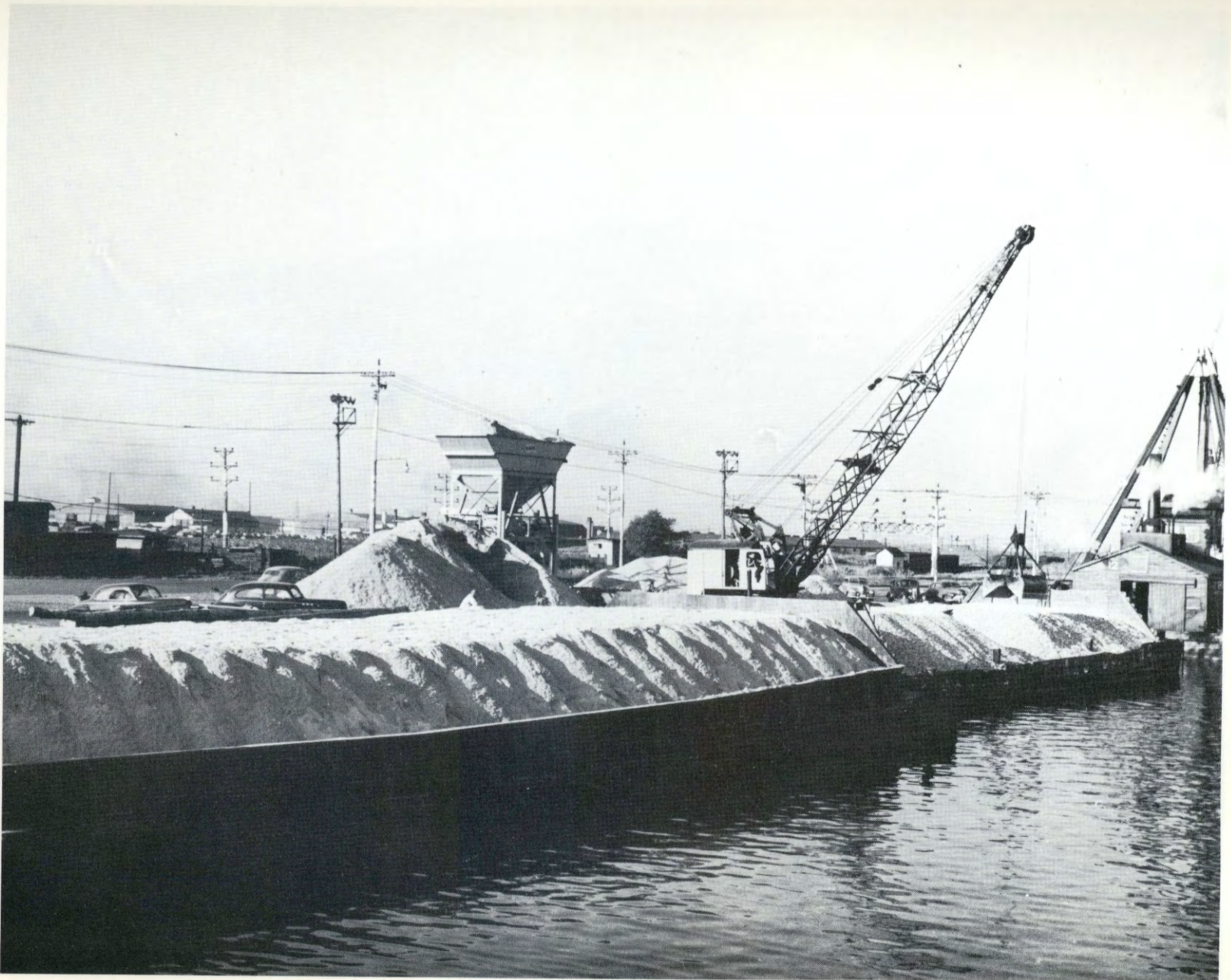
EXHIBIT 4



WOOD PULP STORED IN LEHIGH WAREHOUSE CO. WATERFRONT BUILDINGS. (NEW TONNAGE)



CITY AND PORT OFFICIALS AND LONGSHOREMEN WELCOMING FIRST POSTWAR SHIPMENT OF 1000 TONS OF SWEDISH WOOD PULP TO PORT NEWARK.



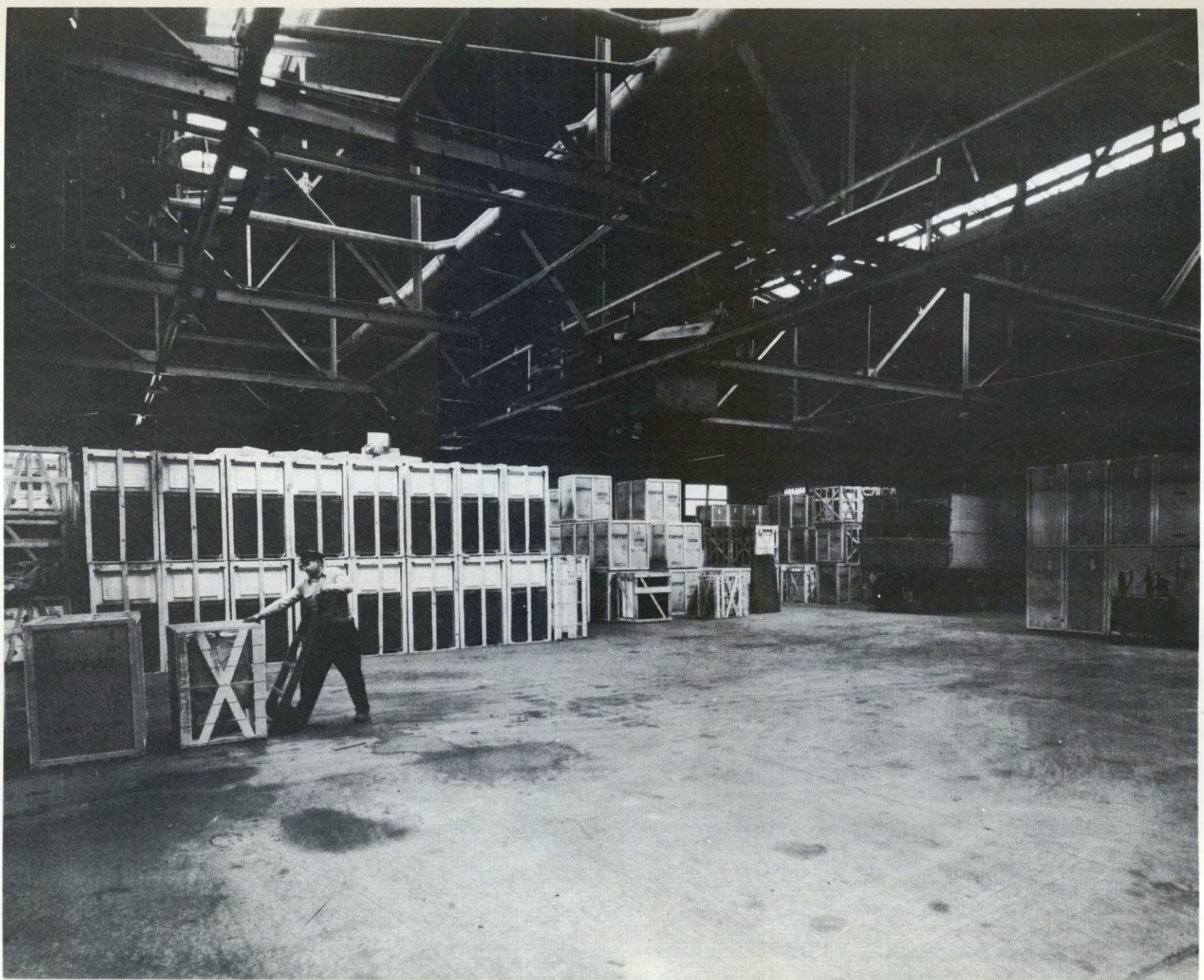
SAND AND GRAVEL BEING UNLOADED FOR NEW JERSEY HIGHWAY CONSTRUCTION. (NEW TONNAGE)



OIL BARGES BERTHED AT END OF NAVY PIER.



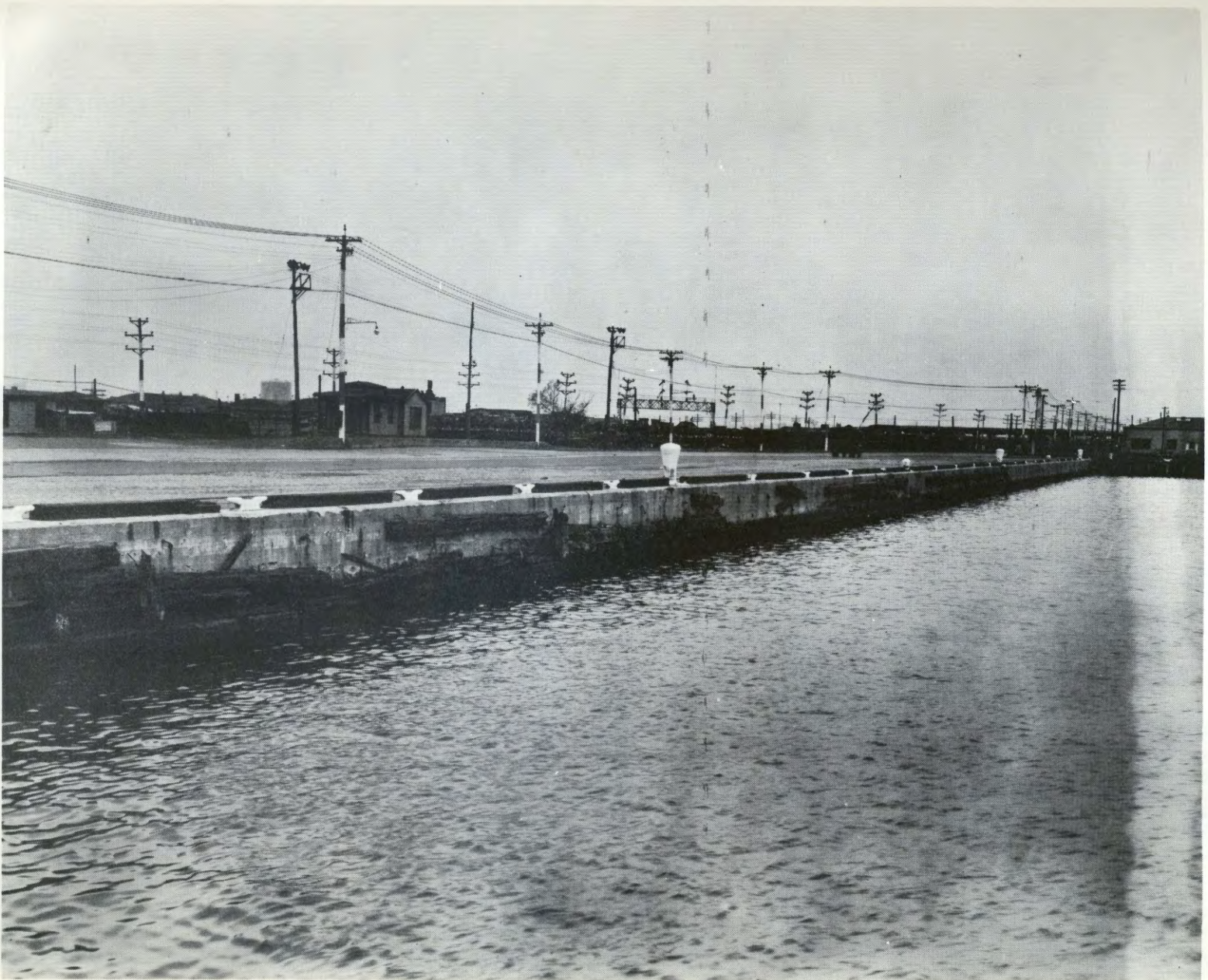
RODDIS PLYWOOD & DOOR COMPANY -- SPACE LEASED IN BUILDING 103.



EVANS WAREHOUSE COMPANY -- SPACE LEASED IN WEST END OF BUILDING 105.



LILY-TULIP CUP CORPORATION - SPACE LEASED IN BUILDING 109.



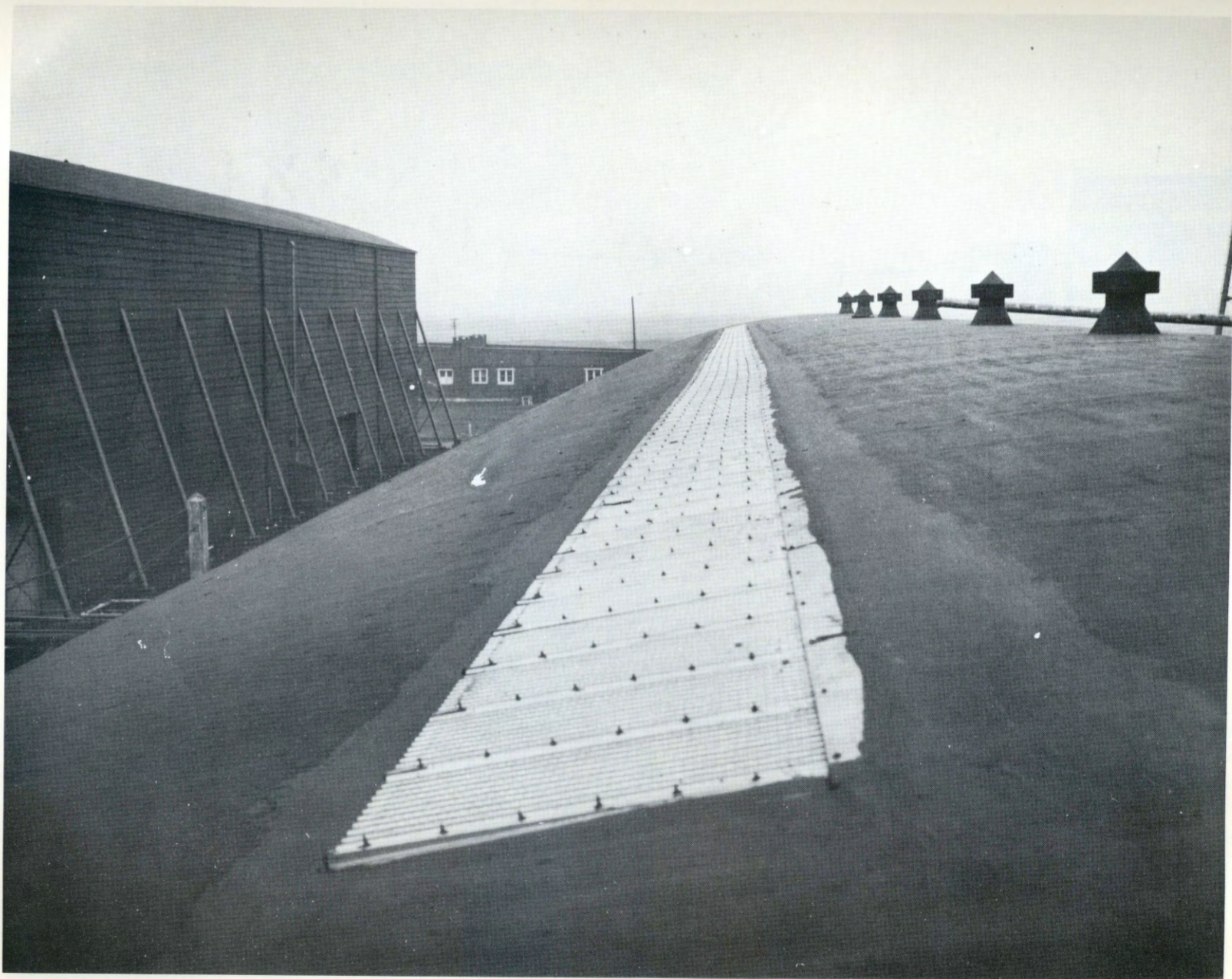
HEAD OF CHANNEL PRIOR TO RECONSTRUCTION OF FENDER SYSTEM.



HEAD OF CHANNEL, 75 PER CENT OF RECONSTRUCTION OF FENDER SYSTEM COMPLETED.



BUILDING 103, SEARS-ROEBUCK AREA, SHOWING BROKEN SKYLIGHTS.



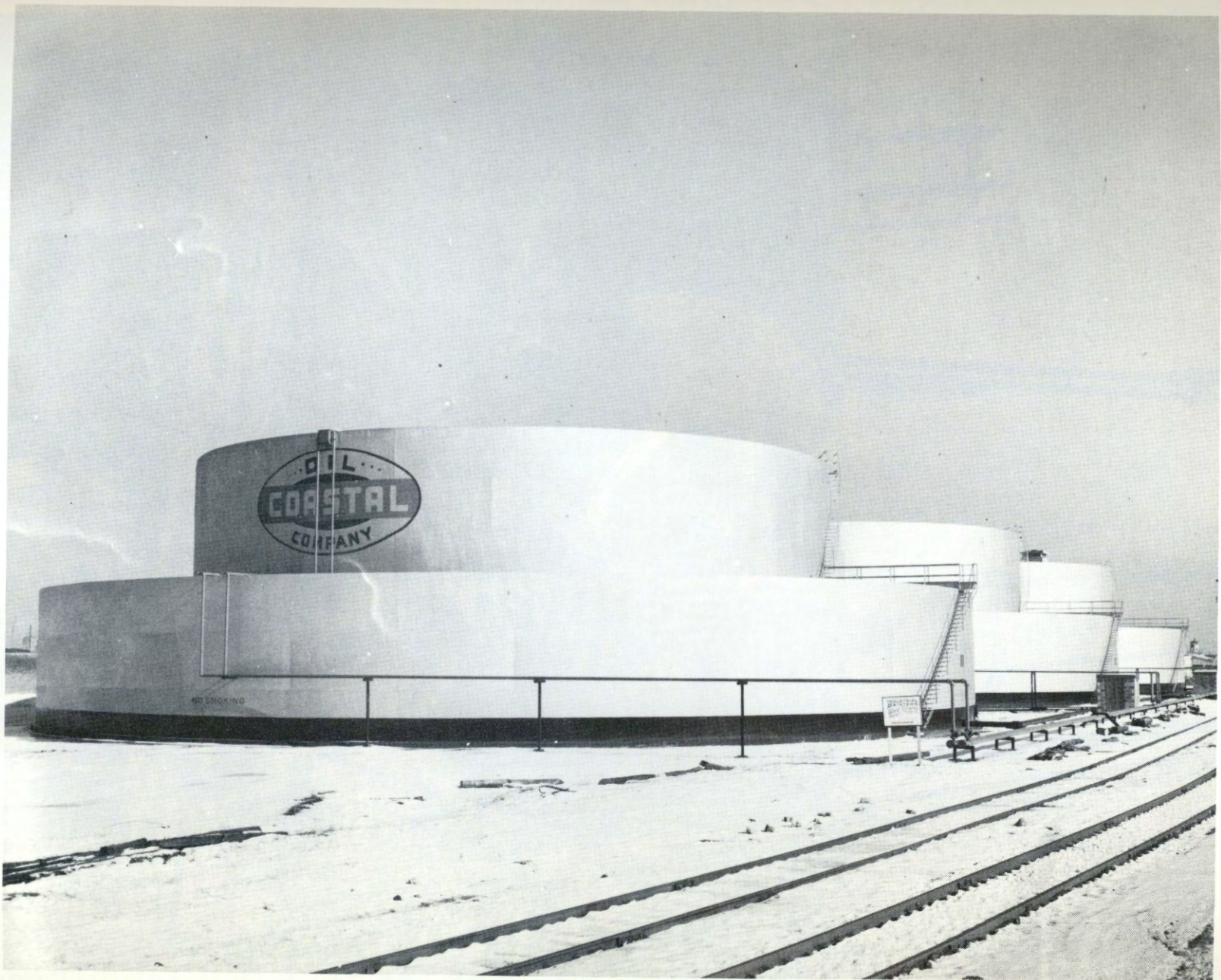
BUILDING 103, SEARS-ROEBUCK AREA, - REPAIR OF SKYLIGHTS COMPLETED.



INTERNAL RAILROAD TRACK SYSTEM - TRACKS COVERED BY DEBRIS.



INTERNAL RAILROAD TRACK SYSTEM - REHABILITATION COMPLETED.



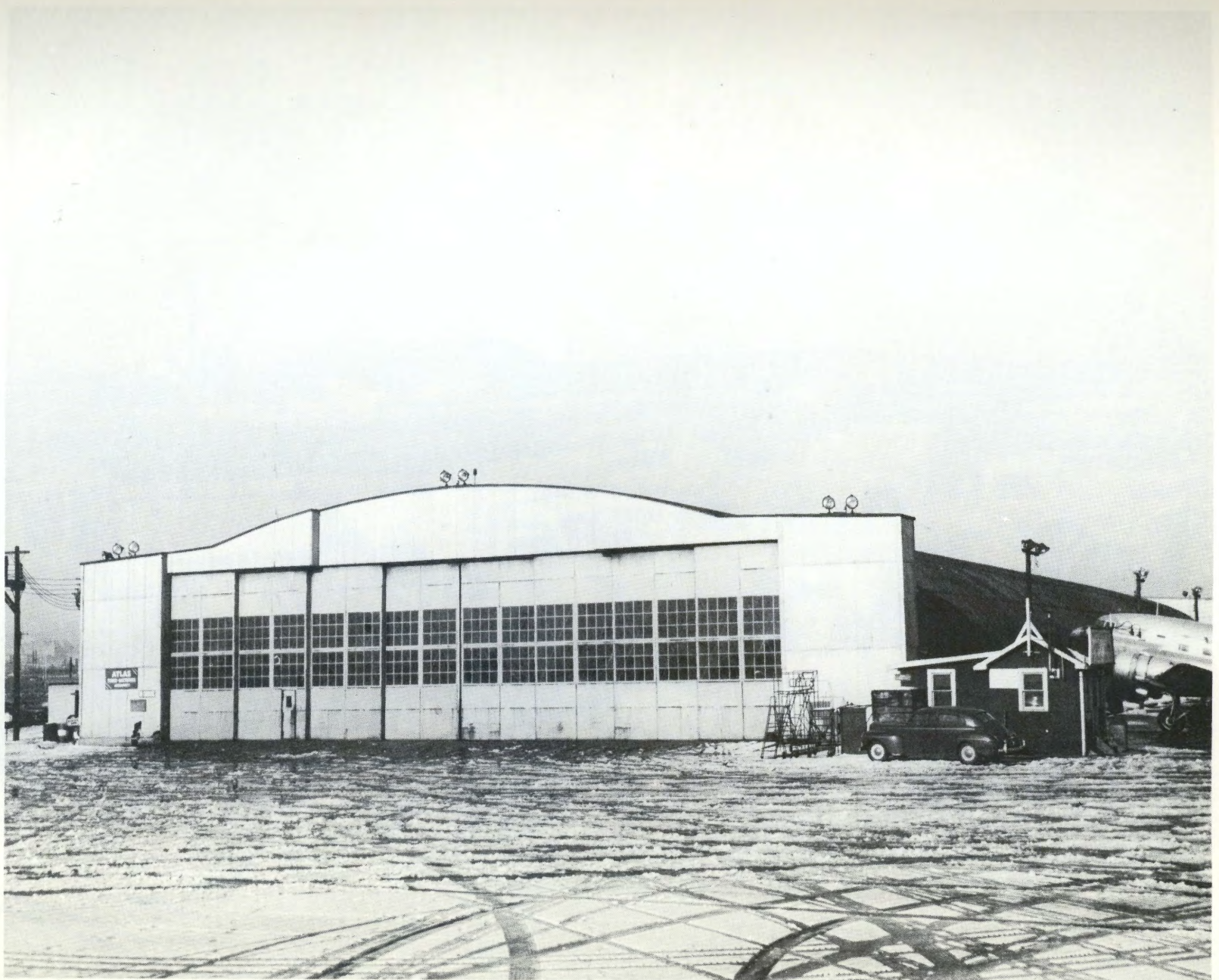
NEWLY CONSTRUCTED COASTAL OIL COMPANY'S TANKS ON PORT STREET.



SUB-SURFACE TESTS.



NEW PAVEMENT ON RUNWAY NEAR ADMINISTRATION BUILDING.



NEWARK AIR SERVICE HANGAR #13.



SNOW FIGHTING EQUIPMENT.



SNOW FIGHTING EQUIPMENT



FOG-FOAM TRUCK FOR FIRE FIGHTING, WITH CREW.



ELEVATED CONE-TYPE LIGHTS, RUNWAY 1-19.



NEWLY INSTALLED CATCH BASIN.



NEW EMERGENCY DOORS ON TEMPORARY GARAGE.



COCA-COLA MACHINE IN ADMINISTRATION BUILDING.



NEW PAY PARKING LOT.

19 1911

NEW YORK

