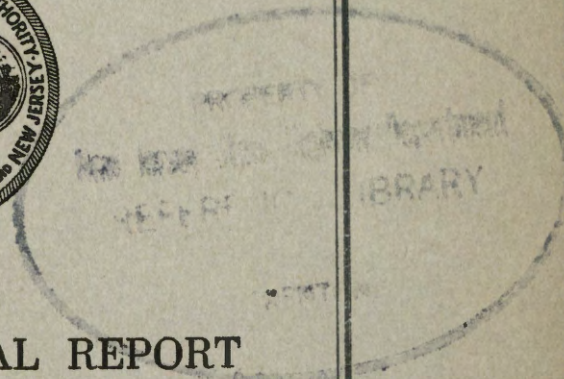


1901
PM

THE PORT OF NEW YORK AUTHORITY

Created by Compact Between the States of
New York and New Jersey and Ratified by Congress



SIXTEENTH ANNUAL REPORT

DECEMBER 31, 1936

COMMISSIONERS

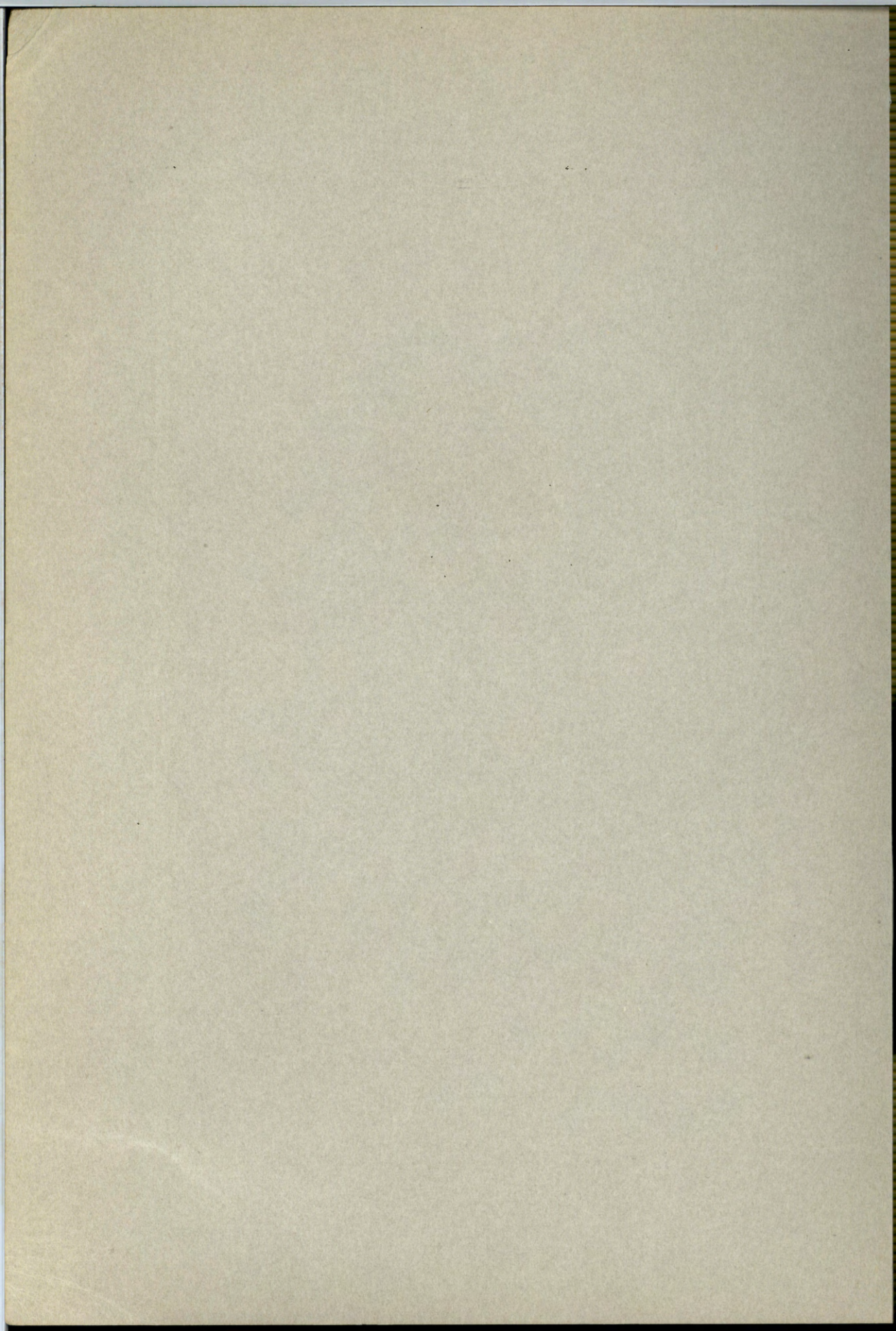
NEW JERSEY

FRANK C. FERGUSON
Chairman
GEORGE deB. KEIM
IRA R. CROUSE
JOHN MILTON
JOSEPH M. BYRNE, Jr.
JOSEPH A. BOWER

NEW YORK

HOWARD S. CULLMAN
Vice-Chairman
JOHN F. MURRAY
JOHN J. PULLEYN
ALEXANDER J. SHAMBERG
RUDOLPH REIMER
CHARLES S. WHITMAN

R.B.
170.18



THE PORT OF NEW YORK AUTHORITY

Created by Compact Between the States of
New York and New Jersey and Ratified by Congress



SIXTEENTH ANNUAL REPORT

DECEMBER 31, 1936

COMMISSIONERS

NEW JERSEY

FRANK C. FERGUSON
Chairman

GEORGE deB. KEIM

IRA R. CROUSE

JOHN MILTON

JOSEPH M. BYRNE, Jr.

JOSEPH A. BOWER

NEW YORK

HOWARD S. CULLMAN
Vice-Chairman

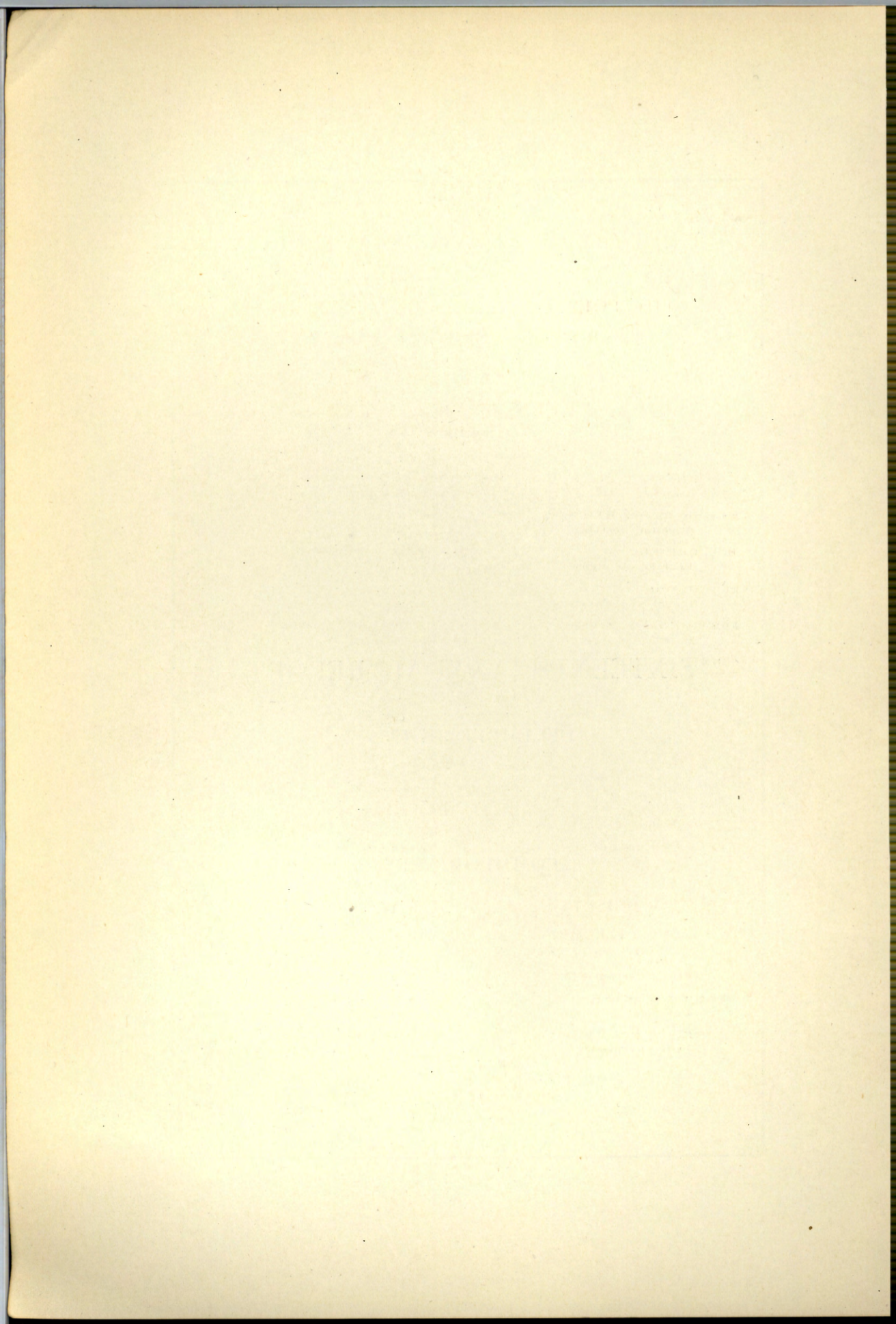
JOHN F. MURRAY

JOHN J. PULLEYN

ALEXANDER J. SHAMBERG

RUDOLPH REIMER

CHARLES S. WHITMAN



THE PORT OF NEW YORK AUTHORITY
111 EIGHTH AVENUE, NEW YORK CITY

EXECUTIVE

JOHN E. RAMSEY, General Manager

JOHN J. MULCAHY, Assistant General Manager

L. J. KEEFE,
Secretary

MORRIS M. FROHLICH,
Assistant Secretary

H. S. QUIGEL,
Real Estate Agent

P. L. GERHARDT,
Industrial Consultant

JAMES CLARK McGUIRE,
Purchasing Agent

JOSEPH G. CARTY,
Personnel Director

WILLIAM LEARY,
Treasurer

E. E. MENZER,
Assistant Treasurer

MARION RODGERS,
Auditor

DR. EDWARD LEVY,
Medical Director

EDWARD J. TSCHIMBKE,
Librarian

PHILIP HUNTER,
Chief Clerk

E. TRACY LANTERMAN,
Superintendent of Insurance and Claims

LAW

JULIUS HENRY COHEN, General Counsel

WILBUR LaROE,
Associate Counsel, Washington

LEANDER I. SHELLEY,
Assistant General Counsel

RUSSELL E. WATSON,
Associate Counsel, New Jersey

A. J. TOBIN,
Assistant General Counsel

DEVELOPMENT AND OPERATION

BILLINGS WILSON, Assistant General Manager

W. P. HEDDEN,
Chief, Bureau of Commerce

GLENN S. REEVES,
Engineer, Port Development

CORNELIUS F. CAHALANE,
Police Consultant

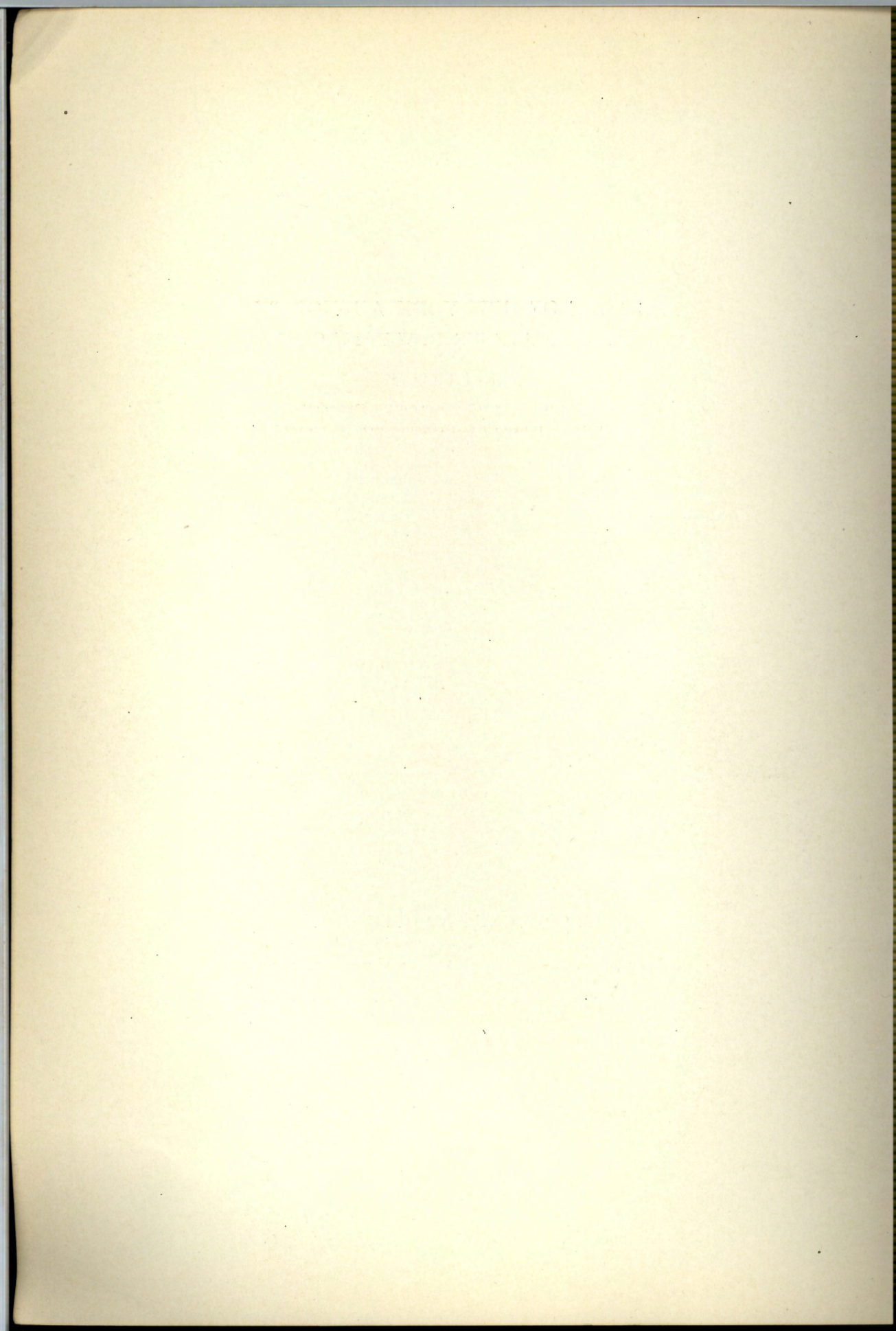
E. MORGAN BARRADALE,
Superintendent of Tunnel Operation

SYDNEY CUMBERLEDGE,
General Superintendent of Bridges

ARTHUR C. DAVIS,
Superintendent of Maintenance

FINANCIAL ADVISOR

SAMUEL L. FULLER



ENGINEERING

O. H. AMMANN, Chief Engineer

EDW. W. STEARNS,
Assistant Chief Engineer

J. C. EVANS,
Terminal Engineer

W. E. THOMPSON,
Tunnel Engineer

E. W. BOWDEN,
Assistant to Chief Engineer

RALPH SMILLIE,
Engineer of Design

GEORGE L. LUCAS,
Engineer of Inspection

CHAS. W. MURDOCK,
Mechanical Engineer

CHARLES L. CRANDALL,
Resident Engineer

CHAS. S. GLEIM,
Engineer of Construction

R. F. SCHAEFER,
Assistant Engineer of Design

J. N. DODD,
Electrical Engineer

CONSULTING ENGINEERS

JAMES FORGIE,
Consulting Engineer

MORGAN F. LARSON,
Consulting Engineer

OLE SINGSTAD,
Consulting Engineer
on Tunnels

DANIEL E. MORAN,
Consulting Engineer
on Foundations

PROF. GEORGE H. BROWN,
Ceramic Engineer

ROBERT RIDGWAY,
Consulting Engineer

LEWIS B. STILLWELL,
Consulting Electrical
Engineer

ARCHITECT

AYMAR EMBURY II

CONSULTING GEOLOGIST

PROF. CHAS. P. BERKEY

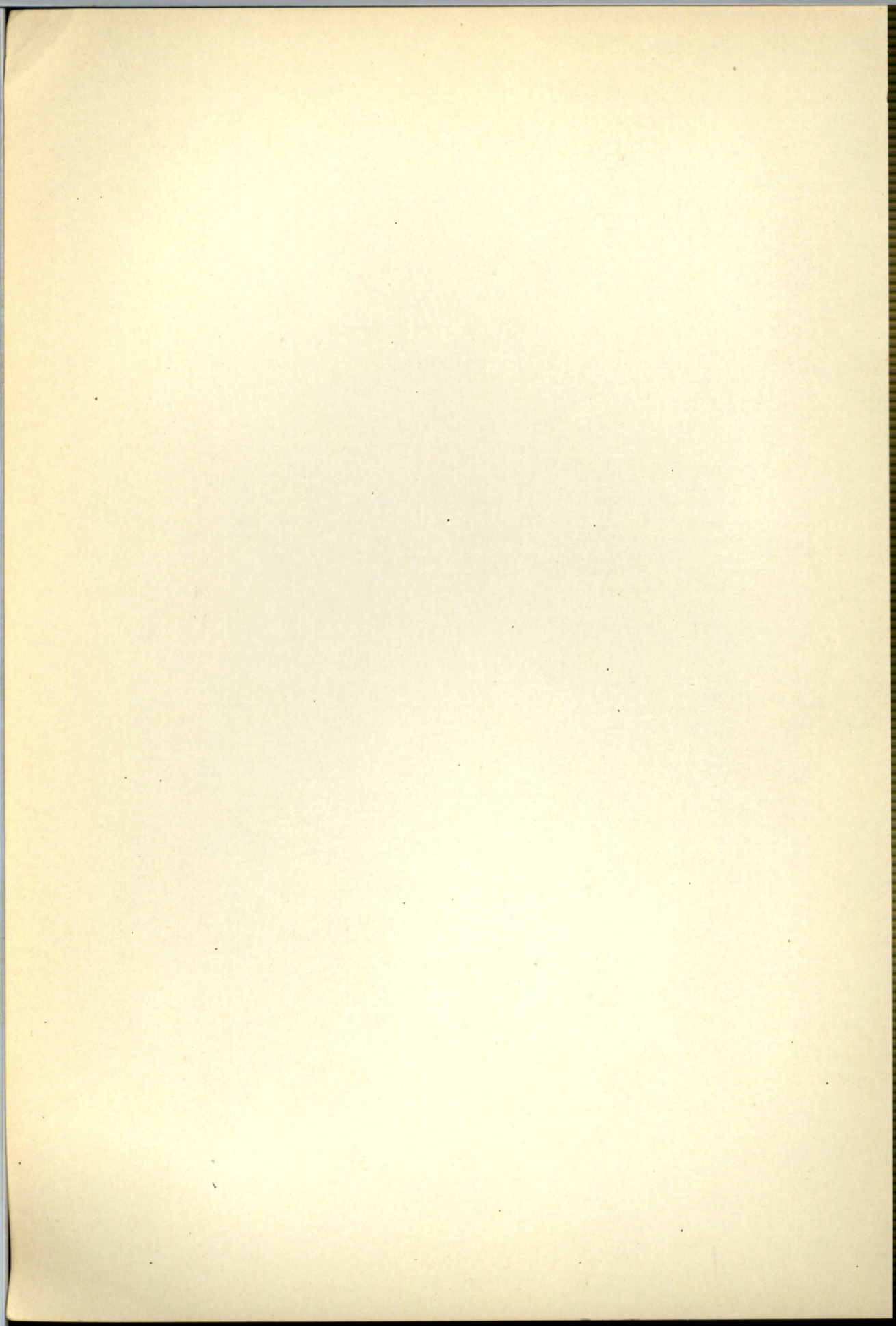
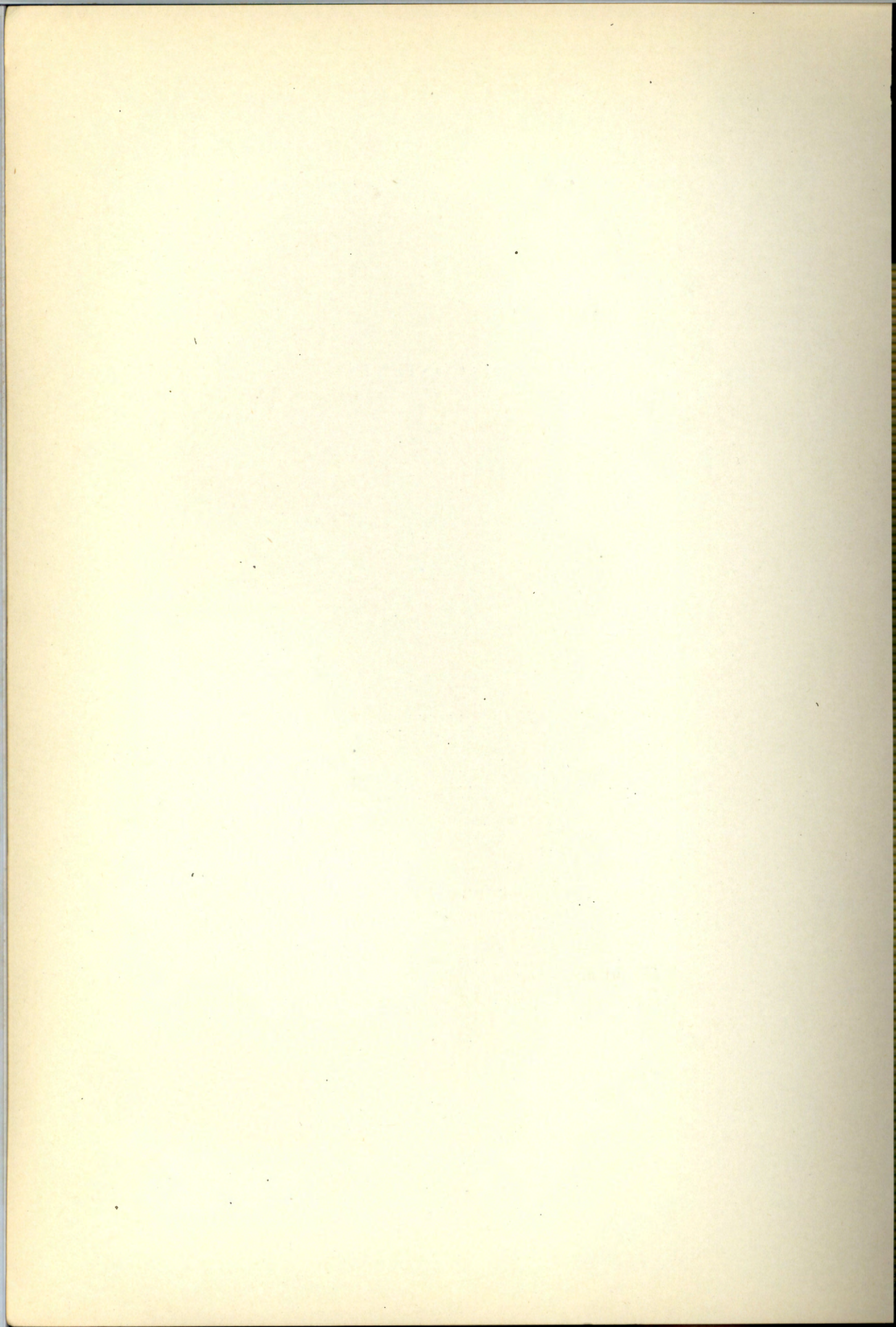


TABLE OF CONTENTS

	PAGE
Accountants' Certification.....	9
Letter of Transmittal.....	13
Section I—Port Development.....	18
Section II—Construction	
Part 1—Midtown Hudson Tunnel.....	26
Part 2—George Washington Bridge.....	28
Section III—Operation of Interstate Vehicular Crossings	
Part 1—Holland Tunnel.....	29
Part 2—George Washington Bridge.....	32
Part 3—Bayonne Bridge.....	33
Part 4—Arthur Kill Bridges.....	34
Section IV—General	
Part 1—Financial.....	36
Part 2—Real Estate.....	44
Section V—Accounts and Statistics.....	47



LAWRENCE SCUDDER & CO.

ACCOUNTANTS AND AUDITORS

February 10, 1937

The Port of New York Authority,
111 Eighth Avenue,
New York, N. Y.

GENTLEMEN :

We have made an examination of the accounts of The Port of New York Authority for the year ended December 31, 1936, and submit herewith the following statements:

EXHIBIT A—General Balance Sheet,
As At December 31, 1936.

EXHIBIT B—Combined Income Account,
Year Ended December 31, 1936.

In connection therewith, we did not made a detailed audit of all of the transactions, but we examined or tested accounting records and other supporting evidence and obtained information and explanations from officers and employees of the Authority; and made a general review of the operating and income accounts of the period.

The following comments and explanations regarding the accounting policies of the Authority should be considered in connection with the accompanying statements:

1. Final accounting covering the net cost of refunding serial obligations to December 31, 1936, consisting of discount and refunding expenses, less premium, has been deferred pending completion of the refunding program at which time appropriate disposition thereof will be made.

NOTE: Exhibit A referred to above is included as Table No. 1 in Section V—Accounts and Statistics.

2. The combined net revenue shown on Exhibit B is not equally available for bonds of the several issues, as the revenue from each facility is required to be applied in a manner and order which is limited and restricted by statutory provisions and agreements applicable to the several issues of bonds. However, it is to be noted that surplus net revenues of the Holland Tunnel are available for the General Reserve Fund of the Authority which in turn is available for certain general purposes. We are informed that when the now outstanding serial bonds have been refunded and cancelled the net revenues will be available for general purposes without restriction as to individual facilities.

3. Because the purposes for which the various funds and revenues of the Authority can be appropriated are limited and restricted, the management has made no provision for depreciation of physical property (except in the case of automotive equipment). Replacements and renewals of property have been charged to operations as incurred, and no charges have been made to operations to provide for future expenditures for this purpose. However, retirement of the outstanding funded debt of the Authority is provided for by sinking funds established in accordance with the requirements of the several bond issues.

4. As set forth on Exhibit A submitted herewith, Cash in banks and on hand aggregating \$30,517,922.79 includes Midtown Hudson Tunnel construction funds of \$25,739,715.50 and investment in securities totaling \$1,726,302.97 includes \$1,000,815.94 of such construction funds.

5. We understand that the Authority is not subject to either Federal, State or local taxes, but has been authorized by law to enter into voluntary agreements to pay a fair annual sum in lieu of taxes in connection with its marine and inland terminals. Negotiations are pending to pay the City of New York an annual sum in lieu of taxes on Inland Terminal No. 1.

In our opinion, based on our examination as outlined above and subject to the comments and explanations contained herein, the accompanying Exhibits A and B fairly present the financial position of The Port of New York Authority at December 31, 1936, and the results of operations for the year ended that date, respectively.

Respectfully submitted,

(Signed) LAWRENCE SCUDDER & CO.

and
the
of

and
the
of

**LETTER OF TRANSMITTAL—ANNUAL REPORT
FOR YEAR 1936**

NEW YORK, FEBRUARY 26, 1937

*To the Governor and Legislature of the State of New
York:*

*To the Governor and Legislature of the State of New
Jersey:*

In its report five years ago, the Port Authority reiterated its belief and confidence in the future of the Port of New York, and reported continued effort toward development. This optimistic attitude persisted within the membership of the Board despite the then discouraging signs and conditions, and to the best of its ability the Port Authority went forward with its construction program. Both government and business generally during the intervening half decade have experienced many vital changes but this organization emerges from the depression period with its underlying principles unaltered. This and the fact that there is a great improvement in the organization's financial condition is a source of great satisfaction to the Commissioners.

The fundamental principles upon which the Port Authority is based provide that it raise its own funds by issuance of its own bonds; that the charges and interest involved be collected directly from those who use the facilities; that there be no indirect collections through taxation; and that the investor in Port Authority securities be protected. The soundness of these principles may be measured by the progress achieved within the relatively short space of sixteen years since the establishment of the Port Authority in 1921. The accomplishments of the organization and the fact that it emerges from the depression unscathed,

justifies the faith in and the hope held for this new venture by the men who had the courage to create it.

The unsettled credit conditions prevailing in 1931 and 1932 which prevented, at that time, the financing of the Midtown Hudson Tunnel through the issuance of bonds, had improved to such an extent by November, 1936, that decision was reached to proceed at once with the construction of the second tube.

Work on the first operating unit has been progressing as rapidly as possible, looking toward its completion and opening to traffic in the early part of 1938. As reported in the 1935 Annual Report, the moneys advanced by the government (\$12,300,000) were repaid in March, 1935, through the issuance of General and Refunding Bonds, and with those funds obtained through the sale of General and Refunding Bonds in 1935 (\$30,272,000) plus \$4,780,000 grant obtained from the Federal Government in January, 1936, sufficient funds were on hand to complete the first operating unit.

To provide funds for the refunding of Series B, 4 per cent Bonds, callable December 1, 1936, \$17,500,000 par value of bonds were sold on May 14, 1936, at an interest cost to the Port Authority of 3.507, which was the lowest at which funds had ever been obtained. In addition there were issued during the year General and Refunding Bonds aggregating \$4,132,000 par value for exchange purposes.

Further progress has been made toward the ultimate accomplishment of the General Refunding Plan as outlined in previous reports. Under date of December 15, 1936, there was sold an additional amount of General and Refunding Bonds, 3 per cent par value \$10,000,000, at an interest cost to the Port Authority of 2.838, which was still lower than the cost on the previous issue.

As soon as market conditions warrant, additional bonds will be sold in order to provide the additional funds necessary to complete the Midtown Hudson Tunnel as a two-tube operation.

Including transfers, \$39,980,000 par value of serial bonds have now been refunded, leaving a balance of \$92,212,000 yet to be refunded, made up as follows:

Series E	—Holland Tunnel	\$41,000,000
Series B 4½s	—George Washington Bridge	29,985,000
Series C	—Bayonne Bridge	6,747,000
Series D	—Inland Terminal	14,480,000

Despite severe winter weather and resultant bad traffic conditions experienced during January and February, 1936, vehicular movements over Port Authority facilities continued to increase. Total traffic for the year ending December 31, 1936, was 20,345,768 vehicles, an increase of 1,312,792, or 6.9 per cent over the year 1935. This was the greatest number of vehicles ever using Port Authority facilities in one year.

Continued efforts resulted in securing complete occupancy of commercial space in the Port Authority Commerce Building during the year 1936. Persistent endeavors have been made to popularize Commerce Hall for use as an exposition center.

Contracts providing property damage and loss of revenue insurance were negotiated for a five-year period for the first time, resulting in a saving of the equivalent of a full year's premium. The negotiations also resulted in a substantial reduction in the rate for property damage insurance with a corresponding saving in premium cost. These contracts provide for inclusion of coverage on the Midtown Hudson Tunnel as construction is completed.

Legislation enacted in 1935 permits Port Authority employees to enter the New York State Retirement System. At the end of the year 1142 employees had become members of the system, only eight of those eligible to do so having declined to take advantage of the privilege offered. Death benefits to beneficiaries of deceased members in the amount of \$8,195 were paid by the Retirement System during the year.

On October 28, 1936, the United States Board of Tax Appeals handed down its decision in five test cases tried in February, 1936, holding that the compensation of officers and employees of the Port Authority was constitutionally immune from Federal Income Tax. (*Case v. Commissioner*, 38 B.T.A., Pamphlet No. 187, and related cases.) Decision in this case completely upheld the position of the Port Authority, the legal effect of the decision being to con-

firm the constitutional immunity of Port Authority income and bond interest, as well as the salary of its officers and employees, from Federal taxation. It is interesting also to note that the constitutional principles underlying the decision of the Circuit Court of Appeals in the *Ten Eyck* case have recently been reaffirmed in all respects by the Supreme Court of the United States in *People ex rel. Rogers v. Graves*, Supreme Court of the United States, No. 139—October Term, 1936, decided January 4, 1937.

The New Jersey Legislature called upon the Port Authority to make a study of the feasibility of establishing an interstate suburban transit service between New York and New Jersey for the particular benefit of residents of northern New Jersey. Such a study has been undertaken and will be ready for submission to the Legislature in the near future.

Studies initiated by a Fact Finding Committee of representatives of the Pennsylvania, New Haven, Lehigh Valley, and New Jersey Central Railroads and the Port Authority to bring up to date the factual data upon which to base recommendations with respect to the economic practicability of constructing the Greenville-Bay Ridge Tunnel (Belt Line No. 1), were completed. Report and findings of the Fact Finding Committee were submitted to the Policy Committee to be used as a basis for determining what further action shall be taken at the present time. Final determination as to the procedure to be recommended had not been made by December 31, 1936.

The Port Authority continued its activities before the Interstate Commerce Commission and other regulatory bodies to protect the commerce of the Port of New York. One of the most important cases decided during the year was that of the pickup and delivery of merchandise freight by the railroads. The decision of the Interstate Commerce Commission permits the railroads to make effective their tariffs giving free pickup and delivery of merchandise freight by railroads in the Port of New York and other parts of eastern territory. An important feature of the decision upheld the contention of the Port Authority that Union Inland Freight Station No. 1 be listed by the rail-

roads in their tariffs as a point at which consignees electing to do their own trucking might receive an allowance of five cents per hundred pounds, which allowance had been extended to other stations in the original tariffs but not to Inland Terminal No. 1.

The Triborough Bridge, a facility of great importance, especially as respects the movement of Bronx and Queens vehicular traffic, was opened to operation on July 11, 1936. The Port Authority assisted in the construction work by agreeing to loan the part time services of its Chief Engineer and his staff to the Triborough Bridge Authority, under an arrangement whereby the latter organization assumed an agreed portion of the salary costs involved. The Port Authority engineers carried out this Triborough work simultaneously with the execution of their assigned duties on the Midtown Hudson Tunnel.

Respectfully submitted,

THE PORT OF
NEW YORK AUTHORITY

FRANK C. FERGUSON,
Chairman,
HOWARD S. CULLMAN,
Vice-Chairman,
GEORGE DEB. KEIM,
IRA R. CROUSE,
JOHN MILTON,
JOSEPH M. BYRNE, JR.,
JOHN F. MURRAY,
JOHN J. PULLEYN,
ALEXANDER J. SHAMBERG,
RUDOLPH REIMER,
CHARLES S. WHITMAN,
JOSEPH A. BOWER,
Commissioners.

SECTION I—PORT DEVELOPMENT

Belt Line No. 1—Cross Bay Union Freight Tunnel

During 1936 a Fact Finding Committee representing the Port Authority and the four railroads (Pennsylvania, New York, New Haven & Hartford, Central Railroad of New Jersey and Lehigh Valley) which handle 88 per cent of the interchange of traffic across New York bay, made a thorough re-study of the phases of this integral part of the Port Authority's comprehensive plan of rail freight belt line improvements adopted by the two states in 1922. A report was completed and submitted on December 15th to a Policy Committee consisting of the vice-presidents of the four railroads and the General Manager of the Port Authority for further consideration. Meanwhile, the record of the public hearing held on September 10, 1935, has been held open.

Channel Improvements

The Port Authority has continued to cooperate with the United States Army Engineers and with Congress in studying and recommending desirable projects for channel improvements in New York harbor and connecting waterways, as well as proposed bridge clearances across waterways, modification of harbor lines and numerous other matters pertaining to improvement of navigable channels.

Actual work on channel dredging in the Port District by the Federal Government in 1936 included the following projects:

Bay Ridge and Red Hook Channels—Deepening to 40 feet along the Brooklyn waterfront.

East River—Excavation to complete 40-foot channel.

Weehawken-Edgewater Channel—Deepening to 30 feet to serve New Jersey industries and steamship terminals.

New York-New Jersey Channels—Deepening the Kill van Kull and Arthur Kill along Staten Island and New Jersey waterfronts to 35 feet.

Eastchester Creek—Deepening to a minimum of 8 feet for fuel and building material barges to north Bronx and Westchester communities.

Harlem River—Straightening of 15-foot channel for barge traffic by a new land cut.

Regulations Covering Transportation of Hazardous Cargoes

The Port Authority cooperated with the United States Department of Commerce in drafting safety regulations governing all vessels engaged in the transportation of inflammable liquids, particularly tankers and barges carrying gasoline.

These regulations, which are the immediate result of Federal legislation passed by the 74th Congress, initiated and sponsored to a large degree by the Port Authority, became effective November 10, 1936, and apply to all such vessels operating on United States waterways.

Greater protection will now be insured to waterfront property from the hazards of this formerly unregulated traffic.

Suburban Transit

By Joint Resolution No. 6, adopted by the New Jersey Legislature and approved by the Governor in the 1936 Session, the Port Authority was requested to make a progress report with respect to the interstate and suburban passenger problem within the Port District with particular reference to New Jersey.

This report is in process of preparation and will be submitted early in 1937.

New York State Barge Canal

The Port Authority, together with numerous other public agencies and farm, labor, industrial and consumer representatives, recommended against passage of amenda-

tory legislation designed to secure a change in the State Constitution to permit levying tolls on the New York State Barge Canal. The Port Authority previously took a leading part in recommending to Congress authorization of a \$27,000,000 project for the improvement of the New York State Barge Canal by deepening between locks and raising clearance of bridges. Work is now going forward on this project at the rate of approximately \$5,000,000 per annum. However, the work is being carried on by the Federal Government with the understanding that tolls shall not be charged for the use of the canal.

Ice Breakers for New York Harbor

Since the severe winter of 1934 the Port Authority has been active in efforts to secure adequate ice breaking equipment to keep open channels in the Port on which many fuel distributing plants are located. One result of this activity which has been supported by municipalities, chambers of commerce, transportation companies and fuel distributors, was an executive order issued on December 22, 1936 by the President directing the Coast Guard to use all available facilities in ice breaking operations in American harbors, and instructing the War, Navy, and Commerce Departments to cooperate in this work. No action has yet been taken by the Federal Government to authorize construction of new ice breakers, but an early decision is expected.

Overseas Air Terminals

Recent progress in overseas air transport, both by dirigible and seaplane, indicates that such service may be established on a commercial basis in the near future. Since 95 per cent of trans-Atlantic passenger traffic now moves through the Port of New York and most high grade express matter and mails originate in this area, New York should become one of the primary bases for this service, if adequate terminal facilities are established.

Certain municipal and private sites within the Metropolitan Area and elsewhere on the Atlantic coast have been proposed as terminals for seaplane and dirigible

operation, but as yet no final decisions appear to have been made by the transport companies. In order to have available comprehensive factual data in regard to the various factors that influence selection of site, such as weather and topographic conditions, accessibility, development costs, and potential revenues, the Port Authority now has a study of this subject in progress.

Highway Traffic Studies and Traffic Aids

With the aid of personnel assigned by the United States Works Progress Administration the Port Authority staff has continued its studies of highway traffic trends in the Port District with particular reference to interstate movement. New checks of origin and destination of motorists using each of the Hudson River crossings were made in 1936. This furnished valuable data on the redistribution of traffic since the opening of the George Washington Bridge and was useful in compiling estimates pertaining to the construction of the second tube of the Midtown Hudson Tunnel.

Results of intensive studies of traffic flow and growth have been made available throughout the year to other public agencies such as the New York State Planning Division, Long Island State Park Commission, New York City Police Department, Highway Research Board, Regional Plan Association and others.

Store Door Delivery Case—I. & S. Docket 4191

When the railroads proposed to make store-door delivery effective on less-carload freight in April, 1936, they omitted their Union Inland Freight Station No. 1 in the Port Authority Commerce Building from their tariffs. This omission would have prevented a consignee from receiving the allowance of five cents per hundred pounds provided for those choosing to continue to pick up their own freight at stations in lieu of calling on the carriers for store-door delivery. When these tariffs were temporarily suspended by the Interstate Commerce Commission, the Port Authority contended that the proposed omission of the Union Station was discriminatory. In a deci-

sion rendered by the Interstate Commerce Commission on October 15, 1936, the carriers were required to modify their tariffs so as to include the station.

In the Store Door Delivery Case, the Port Authority also advocated that the Interstate Commerce Commission require the railroads to join cooperatively in solving the New York terminal problem through coordination of their trucking to store-door in the interest of reducing costs, eliminating street congestion, and minimizing interference with shippers' platform operations. The Interstate Commerce Commission expressed sympathy with this point of view but found that it could not lawfully attach conditions pertaining to details of operation to the approval of the proposed tariffs. For the present it appears that complete coordination of Union Inland Terminal operation with store-door delivery service of carriers will depend upon voluntary action on their part to apply to freight handling the efficient principles which they already have adopted in operation of the Railway Express Agency.

Rates for Central Territory to Gulf, North Atlantic, and Canadian Ports—I. & S. Dockets 3718, 4122, 4252 and I. C. C. Docket 27366

For several years a controversy has been in progress before the Interstate Commerce Commission between the Gulf ports and southern railroads on one hand and the North Atlantic ports and the eastern railroads on the other. Previous Annual Reports have cited a decision by the Interstate Commerce Commission, dated December 3, 1934, in I. & S. Docket 3718 which held that the eastern carriers were no longer required to participate in rates to and from Gulf ports at a level lower than rates maintained between the North Atlantic ports and territory east of Chicago, Indianapolis and Cincinnati. Prior to that time rates from southern ports were as much as eighteen cents per hundred pounds lower to that territory than contemporaneous rates from the Port of New York, despite the much shorter distance from New York and other Atlantic ports.

After this decision the eastern railroads proceeded to put into effect, as a test case, a new scale of rates on

unboxed automobiles from Detroit and other central territory producing points. The rates were suspended by the Interstate Commerce Commission on complaint of southern ports. The Port of New York Authority participated in hearings and argument in this case, which was known as I. & S. 4122—Automobiles to Southern Ports for Export. In these hearings southern port interests raised the question of discrimination in favor of the Canadian Atlantic ports, an issue extraneous to the relationship between New York and the Gulf ports but related to the general adjustment by reason of the eastern carriers voluntary equalization of the Canadian ports of St. John and Halifax with the New York rates. On June 1, 1936, the Interstate Commerce Commission reaffirmed the propriety of the New Orleans-New York relationship proposed by the eastern lines but found rates of Canadian ports prejudicial to New Orleans.

As a result the eastern railroads issued a tariff effective October 1, 1936, cancelling out preferential rates on export automobiles both to the Canadian ports and to New Orleans. The effect of such an adjustment would be to remove discrimination against New York and settle the matter satisfactorily. However, on protest of New Orleans interests, the Interstate Commerce Commission has again suspended these tariffs and has scheduled another hearing to be held January 21, 1937. The Port Authority will continue to participate, in the expectation of an early and successful conclusion of this matter.

While the test case litigation on export automobile rates was in progress, the eastern railroads filed tariffs adjusting class and commodity rates on other commodities in accordance with the principle laid down in the Interstate Commerce Commission decision in I. & S. 3718. The southern carriers and port interests sought to have this tariff also suspended on the same grounds; namely, that the Canadian outport equalization discriminated against them. On representation of the eastern railroads, the Port Authority and other New York interests, the Commission refused to suspend these rates which became effective in May, 1936. Therefore, except for unboxed automobiles, discrimination against New York has been removed.

In refusing to suspend the general class and commodity rates from the eastern part of central territory the Commission recognized one aspect of the New Orleans protest; namely, the Canadian situation, by ordering an investigation into the general question of rates between central territory and Canadian and U. S. ports. This docket, which is known as I. C. C. 27366, has not yet been set for hearing.

Albany Port Case—I. C. C. Docket 26860

The application of the Albany Port District Commission to the Interstate Commerce Commission asking that railroads be required to publish export-import rates between that port and central territory lying west of Buffalo and Pittsburgh would have cut up central territory into four sectors with rates to and from each based on the distance theory. The proposal was directly contrary to basic principles which have controlled the making of export-import rates for the past fifty years. If adopted it would have placed New York at a disadvantage in competition with Baltimore and other ports which have been seeking approval of the distance theory on export-import rates rather than competitive equality which has controlled for the past fifty years. While the Port Authority did not oppose the Albany plea for recognition as a port, it did disagree with the method of constructing rates advocated by Albany.

On November 9, 1936, the Interstate Commerce Commission handed down a decision granting Albany recognition as a port on the same rate base as Philadelphia, but denying the revolutionary change in rate structure advocated by Albany.

Philadelphia Port Differential Case—I. C. C. Docket 27427

On June 4, 1936, the City of Philadelphia lodged a formal complaint with the Interstate Commerce Commission attacking the import-export rail rate structure, including the rates to the Port of New York, and alleging discrimination against Philadelphia. This complaint raises the familiar

issues of port relationships and the lawfulness of shipside rates in New York harbor.

A hearing is set for January 12, 1937. The Port Authority will appear in opposition to the complaint.

I. C. C. Bureau of Motor Carriers—Investigation to Determine Extent and Area of New York Metropolitan District

A hearing to fix limits of the New York metropolitan area was held by the Interstate Commerce Commission on March 9, 1936. The Port Authority appeared for the purpose of advocating that all parts of the Port District as defined by statutes creating the Port Authority be included in the New York metropolitan area as well as additional territory to reach well defined county lines.

The Interstate Commerce Commission Examiner's report, issued July 8, 1936, recommended that the area follow roughly the limits of the Port District but excluded certain important sectors close to the boundary. The Port Authority, together with eighteen other port organizations, filed a brief of exceptions on July 25, 1936, asking that its original recommendations be followed by the Commission. Decision has not yet been handed down.

SECTION II—CONSTRUCTION

Part I—Midtown Hudson Tunnel

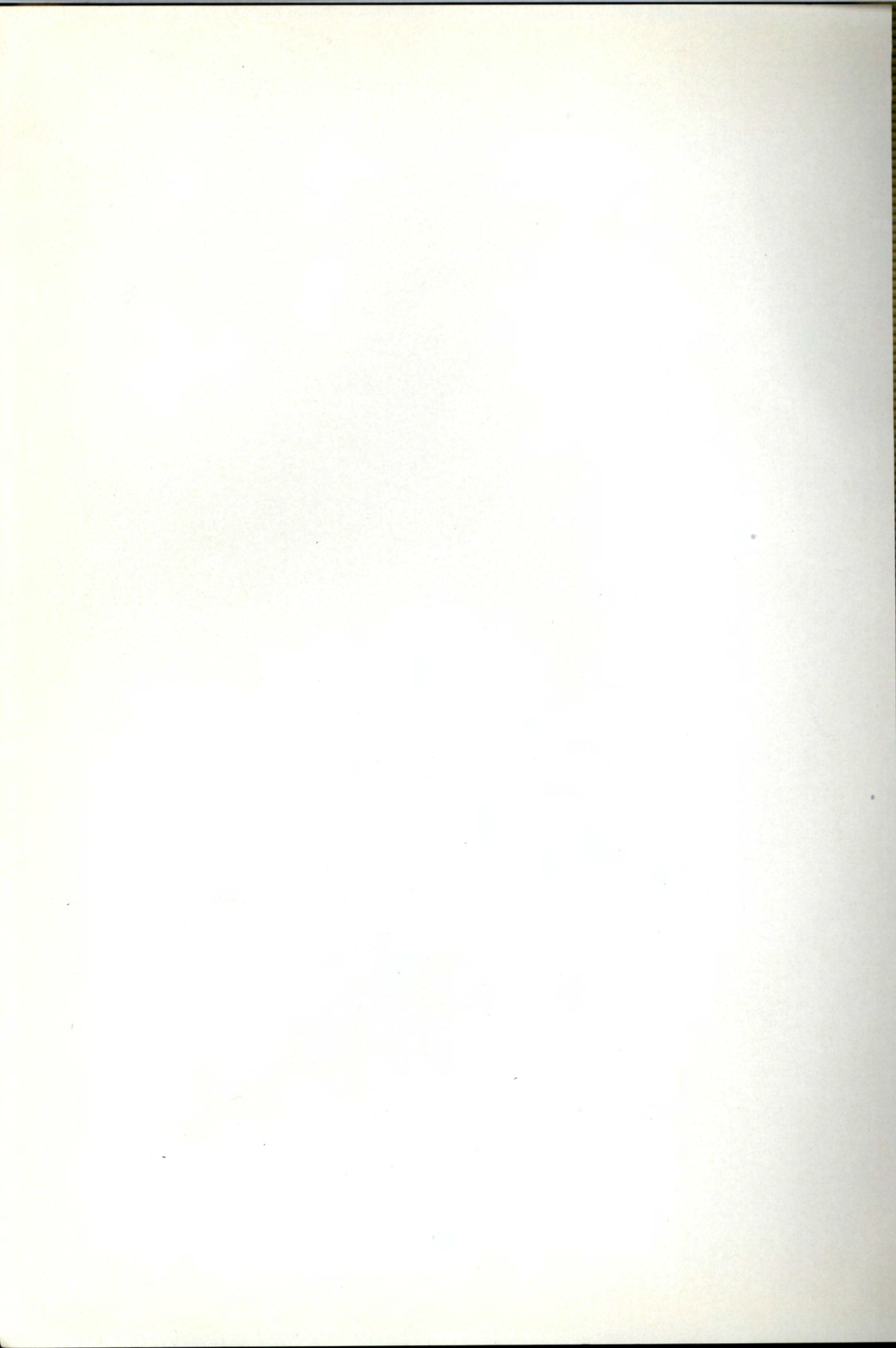
Substantial progress in construction of the first operating unit of the Midtown Hudson Tunnel was made during the year. By December 31st work on it was 65 per cent complete. Twenty-two construction contracts had been awarded at an aggregate estimated cost of \$20,000,000. Ten had been completed and two were nearing completion, and the remaining ten progressing rapidly. A schedule of construction was being adhered to which would permit the first operating unit to be opened to traffic early in 1938.

In November, decision was made to proceed at once with construction of the second tube, and to this end two construction contracts, one for manufacture of cast iron and cast steel tunnel lining, and one for borings, have been awarded.

Briefly described, the first operating unit of the Midtown Hudson Tunnel begins in Manhattan with a new approach street running north and south between 9th and 10th Avenues from 34th Street to 42nd Street and partially depressed to pass under 37th, 38th and 39th Streets. The New York Plaza is depressed and stems from this new street between 38th and 39th Streets, and extends westwardly to the tunnel portal at 10th Avenue and 39th Street. Extending westwardly for nearly 600 feet under 39th Street is a cut and cover section built in a manner similar to that used in constructing the city subways. From there the tunnel has been driven through rock to a point near the river's edge, thence under the river through silt, back into rock again on the New Jersey side and under Kings Bluff, curving to the south and coming into the open between Park Avenue and Hudson County Boulevard East, Weehawken. The plaza at this point is depressed



Midtown Hudson Tunnel—New York Open Cut Looking Toward South Tunnel Portal. (10th Ave. and 39th St.)



as it is in New York, and it is here that toll booths for both east and westbound traffic will be located. The approach in New Jersey from the toll booths extends about 800 feet to the south, swings around to the left in a loop, the roadway becoming elevated to ease the grade over the hill. The roadway over-passes Hudson County Boulevard East and continues in a westerly direction through Weehawken to pass over Park and Pleasant Avenues whence connection with the principal arterial streets and highways on top of and west of the Palisades is provided by means of new or improved surface streets and viaducts. In its final stage, the approach highway through Union City will be depressed.

The bridges to carry local cross town streets in New York over the depressed sections of the new north and south roadway have been built, the work incidental to changing the grades of the intersecting streets well advanced, the excavation for the depressed plaza in New York completed, and the cut and cover tunnel section west of 10th Avenue is almost finished.

The rock tunnel section in New York has been lined with structural steel segments and the interior concrete placed. In the under-river tunnel the interior concrete lining, including certain ducts, conduits, recesses, roadway slab and ceiling slab with tile facing has been completely installed. The shafts of both New York ventilation buildings also have been completed. The contractor has completed excavation for the rock tunnel under Kings Bluff in New Jersey, and the structural steel lining has been placed. Installation of interior concrete is in progress. The construction of the short length of steel bent or cut and cover section of both the north and south tunnels immediately east of the New Jersey portal is in progress as is the excavation of the Weehawken plaza, and the construction of the plaza retaining walls. Start has been made also on construction of the main approach ramp and two side ramps at the southerly end of the plaza.

Construction of the three ventilation buildings has been well advanced, the installation of ventilation equipment having been started at the New York river ventilation building.

SECTION II—CONSTRUCTION

Part 2—George Washington Bridge

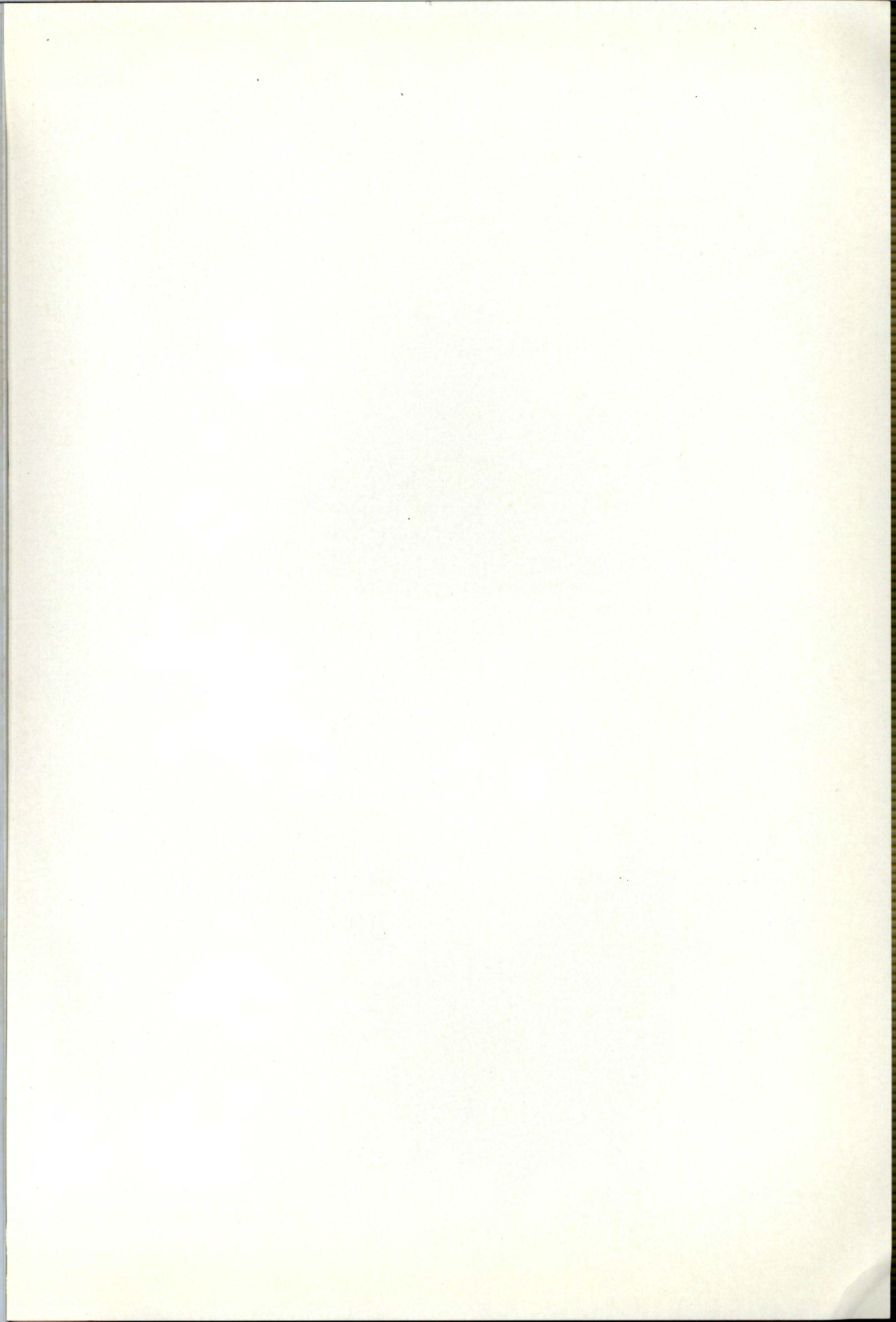
Construction operations for completion of the 178th Street vehicular tunnel approach which were resumed in 1935 were continued during the year. Contract HRB-23 for extension of the tunnel under Amsterdam Avenue and construction of the approach in Highbridge Park was advanced from 20 per cent completion at the beginning of the year to 75 per cent at its close. Rusciano & Son Corporation is doing the work at an estimated contract price of \$347,946.

In November a contract for ventilation equipment for the tunnel, Contract HRB-21, was let to the American Blower Corporation at an estimated contract price of \$49,952.

Plans for the ventilation building and for the electrical work are in preparation and it is anticipated that contracts for these portions of the work can be advertised early in 1937.



Midtown Hudson Tunnel—New York River Ventilation Building .



SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part I—Holland Tunnel

From April 21, 1930 to March 1, 1931, the Holland Tunnel was operated by the Port Authority as agent for the two states. Effective March 1, 1931, the control, maintenance, operation and revenues of the Holland Tunnel were vested in the Port Authority.

Traffic

Total traffic for 1936 was 11,887,304 vehicles compared with 11,386,883 in 1935, an increase of 500,421 vehicles or 4.4 per cent. Traffic exceeded one million vehicles per month for eight consecutive months beginning with May and ending with December. Trucks, including tractors and trailers, showed a gain for 1936 of 8.7 per cent. The trend of truck movements through the Holland Tunnel was steadily upward during the year, and for October, 1936, the peak of 202,144 trucks was reached. This is the greatest truck movement through the Holland Tunnel in any one month since it was opened in 1927.

Revenues and Expenses

Gross income for 1936 amounted to \$6,726,228.37 compared with \$6,379,587.29, an increase of \$346,641.08 or 5.4 per cent over 1935. Total operating expenses for 1936 were \$1,634,002.40 compared with \$1,589,426.21 for 1935, an increase of \$44,576.19 or 2.8 per cent.

Net income from operations for 1936 amounted to \$3,125,937.15 compared with \$2,781,292.58, an increase of \$344,644.57 or 12.4 per cent.

Improvements and Changes

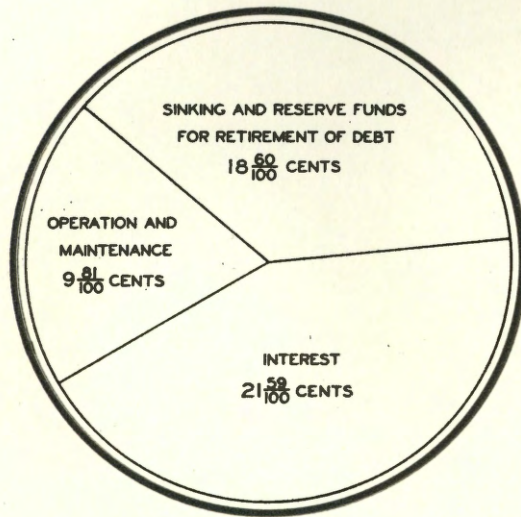
A system of roadway or vehicle treadles similar to those in use at the New Jersey Entrance Plaza of the tunnel

have been installed at each toll booth at the New York entrance, and it is expected that these treadles will be in full operation early in 1937. With successful operation of this new equipment, issuance of cash register tickets on the New York Plaza will be discontinued, as it was on the New Jersey Plaza.

THE 50¢ TOLL—WHERE IT WENT

BRIDGES AND TUNNEL

YEAR 1936



THE 9 $\frac{81}{100}$ CENTS FOR OPERATION AND MAINTENANCE ARE DIVIDED AS FOLLOWS—

TOLL COLLECTIONS	1 $\frac{01}{100}$ CENTS
LIGHTING AND TUNNEL VENTILATION	1 $\frac{53}{100}$ CENTS
CLEANING	4 $\frac{00}{100}$ CENTS
POLICING	2 $\frac{08}{100}$ CENTS
INSURANCE	4 $\frac{04}{100}$ CENTS
OTHER OPERATING EXPENSES	2 $\frac{38}{100}$ CENTS
OVERHEAD	<u>1 $\frac{87}{100}$ CENTS</u>
TOTAL	9 $\frac{81}{100}$ CENTS

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 2—George Washington Bridge

The George Washington Bridge has been open to traffic since October 25, 1931.

Traffic

Traffic for 1936 increased 662,594 vehicles or 10.4 per cent over 1935. The number of vehicles using the bridge during 1936 was 7,057,384. Total using the bridge during 1935 was 6,394,790. Of the vehicles handled in 1936, 84.2 per cent were pleasure cars, 8.4 per cent buses, 7.3 per cent other commercial vehicles. The remaining fraction of one per cent was motorcycles and bicycles. Passenger vehicle movements increased by 521,862 or 9.6 per cent. Truck movements gained 55,782 or 12.2 per cent, and bus traffic continued the decided upward trend it has followed ever since the opening of the bridge, showing an increase of 85,564 or 16.9 per cent. Peak movement of 51,665 vehicles over the bridge was attained on Sunday, August 2nd, and was 16.9 per cent more than the 44,021 vehicles handled on the peak day of 1935. In 1936 the number of pedestrian users of the George Washington Bridge declined to 139,527 from the total of 161,295 recorded in 1935.

Revenues and Expenses

Gross income amounted to \$4,392,579.25, compared with \$3,854,606.94 in 1935, an increase of \$537,972.31 or 14 per cent.

Operating expenses in 1936 amounted to \$479,401.25 compared with \$421,237.80 in 1935, an increase of \$58,163.45 or 13.8 per cent.

Net income for the year totalled, \$1,744,925.53 compared with \$1,261,430.34 in 1935, an increase of \$483,495.19 or 38.3 per cent.

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 3—Bayonne Bridge

The Bayonne Bridge has been in operation since November 15, 1931.

Traffic

In 1936 traffic over this facility exceeded that for 1935 by 36,910 vehicles or 8.1 per cent. Total traffic attained in 1936 was 492,602 revenue vehicles. The figure for 1935 was 455,692. Of the vehicles handled 78.1 per cent were pleasure cars, 6.0 per cent buses, 15.8 per cent other commercial vehicles, 0.1 per cent motorcycles and bicycles. Number of passenger vehicles using the bridge increased 40,267 over 1935, or 11.7 per cent. Only slight changes took place in the total truck movement, increases in trucks of larger capacity practically offsetting loss in movement of small trucks under two-ton capacity.

Revenues and Expenses

Gross income for 1936 amounted to \$344,281.25 compared to \$383,103.74 in 1935, a decrease of \$38,822.49 or 10.1 per cent. The decrease in gross income was brought about entirely by a decrease in 1936 in the amount of miscellaneous income in which is included income from investments, etc.

Toll revenues on this facility increased by \$14,099.62 or 6.6 per cent.

Operating expenses in 1936 amounted to \$77,132.08, compared to \$72,364.64 in 1935, an increase of \$4,767.44 or 6.6 per cent.

Operations in 1936 resulted in a net deficit of \$213,397.99 or \$43,614.22 greater than the deficit experienced in 1935. This again was brought about primarily by the decrease in 1936 in the item of miscellaneous income which includes income from investments, etc.

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 4—Arthur Kill Bridges

Goethals Bridge and Outerbridge Crossing, known as the Arthur Kill Bridges, have been opened to traffic since June 29, 1928.

Traffic

Traffic on these two facilities in 1936 was 112,867 vehicles, or 14.2 per cent greater than in 1935. The number of vehicles using the two bridges in 1936 was 908,478. In 1935 the total was 795,611. Truck traffic showed a substantial gain in 1936, increasing by 15.3 per cent over 1935. The increase in passenger car movements amounted to 14.0 per cent.

Revenues and Expenses

Gross income for the year 1936 amounted to \$457,363.47, compared with \$405,593.18 in 1935, an increase of \$51,770.29 or 12.8 per cent.

Operating expenses in 1936 amounted to \$147,569.27, compared to \$139,823.93 in 1935, an increase of \$7,745.34 or 5.5 per cent.

Operations in 1936 resulted in a net deficit of \$222,905.67, which was \$65,678.21 less than the deficit experienced in 1935.

Goethals Bridge Bus Line

This bus operation was inaugurated in March 1931. The record of performance since that time is shown herewith:

	10 months 1931	Year 1932	Year 1933	Year 1934	Year 1935	Year 1936
Passengers Carried.....	197,137	214,769	195,096	202,619	220,084	235,651
Gross Revenue.....	\$19,873.55	\$24,369.40	\$22,430.05	\$22,937.67	\$24,597.35	\$26,861.40
Operating Expense....	28,873.80	28,117.00	24,179.86	24,127.89	25,613.91	26,297.33
Net Oper. Revenue....	9,000.25*	3,747.60*	1,749.81*	1,190.22*	1,016.56*	564.07

* Deficit.

As will be seen from the foregoing tabulation, this line has shown a small net operating revenue for the first time since it has been in operation. This was due generally to the upward trend in business conditions in the vicinity of this line.

SECTION IV—GENERAL

Part I—Financial

Results of Operations

Gross income from all sources amounted to \$13,103,567.05, as compared with \$11,975,184.64 for the year ended December 31, 1935, an increase of \$1,128,382.41, or 9.42 per cent. Deductions for interest, operating expenses and all other charges amounted to \$8,674,993.26, an increase of \$45,951.46 over the year 1935, or 0.53 per cent. The net income of \$4,428,573.79 was an increase over the previous year of \$1,082,430.95, or 32.35 per cent. The net income from various sources for the year 1936 as compared with the previous year follows:

Facility	Net Income		Increase or Decrease
	1936	1935	
Holland Tunnel	\$3,125,937.15	\$2,781,292.58	\$ 344,644.57
George Washington Bridge	1,744,925.53	1,261,430.34	483,495.19
Bayonne Bridge	213,397.99*	169,783.77*	43,614.22†
Arthur Kill Bridges	222,905.67*	288,583.88*	65,678.21
Inland Terminal No. 1	39,653.01*	336,361.63*	296,708.67
Other Sources	33,667.78	98,149.25	64,481.47†
Total	\$4,428,573.79	\$3,346,142.84	\$1,082,430.95

* Deficit.

† Decrease.

Disposition of net income for the year 1936 follows:

Reserve for Holland Tunnel Sinking Fund	\$1,500,000.00
Statutory Reserve—George Washington Bridge	244,925.53
Sinking Fund — George Washington Bridge	1,500,000.00
General Reserve	1,659,604.93
Operating Reserves (Deficits)	475,956.67
Total	\$4,428,573.79

Funded Debt

Total funded debt outstanding as of December 31, 1935 was \$188,913,000.

Maturities paid during the year were:

Series E Bonds	\$1,000,000	
Series B 4%	1,000,000	
	<u>2,000,000</u>	\$2,000,000

The following bonds were acquired and pledged:

Series A Bonds	\$ 6,442,000	
Series B Bonds	15,831,000	
Series C Bonds	2,114,000	
Series D Bonds	340,000	
	<u>24,727,000</u>	24,727,000

The following bonds have been called, but have not been presented to the paying agent where funds have been deposited for their payment. After presentation for payment they will be pledged:

Series A Bonds	\$ 31,000	
Series B Bonds	1,570,000	
	<u>1,601,000</u>	

Total decrease in funded debt ... \$28,328,000

The following new securities were issued during the year:

General & Refunding Bonds, 1st Series, issued for refunding by exchange ..	2,074,000
General & Refunding Bonds, 3rd Series, issued for refunding Series B, 4% Bonds	17,500,000
General & Refunding Bonds, 4th Series, issued for	
(a) MHT Construction \$10,000,000	
(b) Refunding Serial issues	2,058,000
	<u>12,058,000</u>

Total increase in funded debt \$31,632,000

Net Increase in Funded Debt \$ 3,304,000

Funded Debt Outstanding, December 31, 1936 \$192,217,000

Sinking Funds and Statutory Reserves .. 11,366,180

Net Funded Debt\$180,850,820

Cash and Securities Held

As of December 31, 1936, cash and securities in all accounts amounted to \$50,778,907.82. Of this sum \$30,290,512.14 represents construction funds of which \$26,730,881.29 is set aside specifically for Midtown Hudson Tunnel purposes.

Deposits amounting to \$42,106,127.68 were held in two hundred and twenty-one banks located in New York and

New Jersey. All deposits are fully secured by collateral, or by Federal Deposit Insurance.

As of December 31, 1936, securities acquired for investment purposes, at cost, totaled \$8,672,780.14. These investments follow:

	<i>Amount</i>	<i>Per. Cent</i>
U. S. Governments	\$1,729,587.68	19.95
State of New Jersey	459,633.47	5.30
State of New York	1,000,815.94	11.54
New York Municipals	2,333,047.36	26.90
New Jersey Municipals	83,330.00	.97
Port of New York Authority:		
Series C Bonds	37,280.91	.42
Series F Bonds	819,000.00	9.44
First Series G & R Bonds	71,000.00	.82
Fourth Series G & R Bonds	2,139,084.78	24.66
Total	<u>\$8,672,780.14</u>	100.00

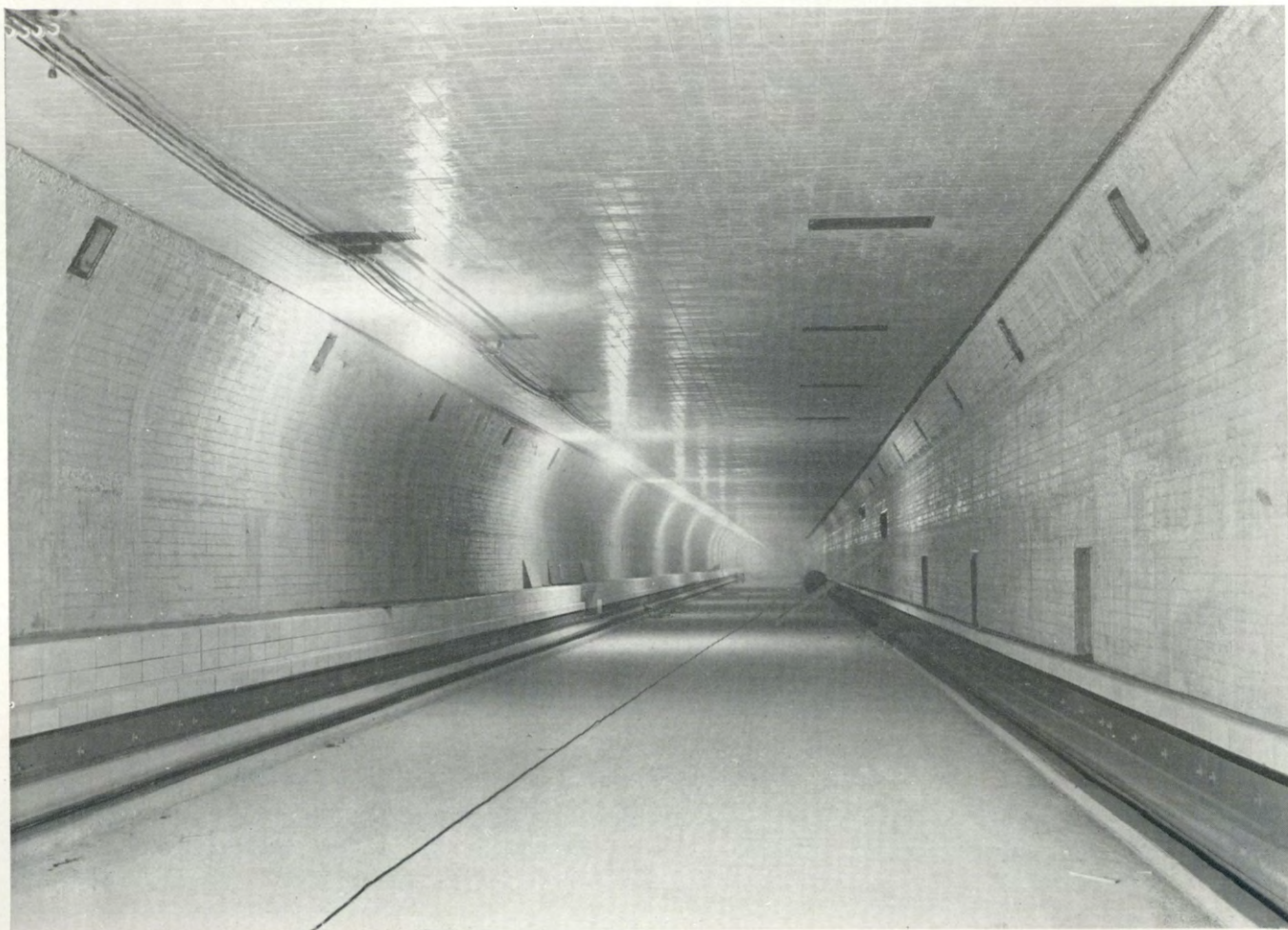
The Refunding Program

In 1931 legislation was enacted which permitted the Port Authority to pool revenues from all of its facilities to the end that these revenues would be applied to the costs of such facilities as a group. Establishment of the General Reserve Fund was the first step taken toward actual unification. The legislation enacted provided, not only for the unification of facilities heretofore authorized, but also facilities hereafter authorized by the two states.

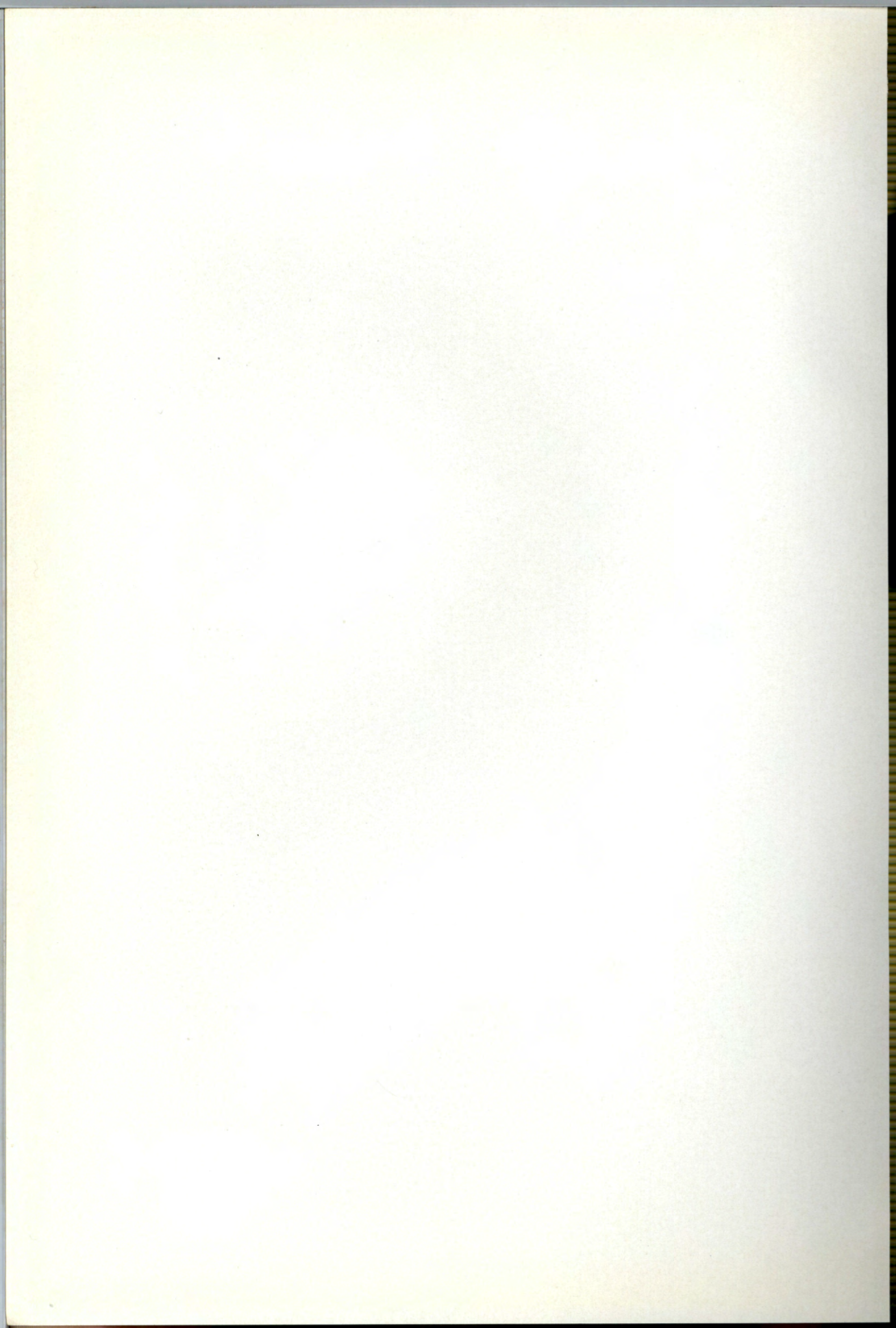
In March 1935, the conditions of the financial market permitted the Port Authority to initiate refunding of its debt so as to spread the debt repayment or amortization over longer periods than had been established originally in the early bond issues.

The program contemplates refunding of the following issues on the earliest call dates, and issuance of securities to cover remaining construction costs of the Midtown Hudson Tunnel:

<i>Series</i>	<i>Rate</i>	<i>Project</i>	<i>Call Date</i>	<i>Callable at</i>
A	4½	Arthur Kill Bridges	3/1/36	105
B	4	George Washington Bridge	12/1/36	100
C	4	Bayonne Bridge	1/3/38	103
B	4½	George Washington Bridge	11/1/39	105
D	4¼	Inland Terminal No. 1	3/1/41	105
E	4¼	Holland Tunnel	3/1/41	105



Midtown Hudson Tunnel—Interior View



The following bonds of the foregoing issues have been refunded:

<i>Series</i>	<i>Par Value</i>
A 4½ (a)	\$12,200,000
B 4 (a)	19,000,000
B 4½	15,000
C 4	5,253,000
D 4¼	1,520,000
E 4¼	992,000
Total	\$38,980,000

(a) Entirely refunded.

As of December 31, 1936, there had been issued \$93,497,000 par value of General and Refunding Bonds under the program. Of this amount \$51,348,000 had been issued for Midtown Hudson Tunnel construction and purposes incidental thereto, and the remaining \$42,149,000 par value of bonds had been issued to refund, in part, the underlying Series A to E issues. The following table indicates General and Refunding Bonds thus far issued, price obtained and offering price to investors. The table further indicates that the Port Authority has been successful in its financing each time at a lower interest yield to maturity.

Issuance of General and Refunding Bonds

ISSUE	Date	Amount issued	SOLD TO SYNDICATE			OFFERING PRICE TO INVESTORS	
			Date	Price	Yield to maturity	Price	Yield to maturity
G. & R. 4 First Series...	3/ 1/35	\$47,439,000 (a)	3/25/35	105.3983	3.74	106.75	3.68
G. & R. 3½ Second Series.	12/ 1/35	16,500,000	12/11/35	97.111	3.91	99.00	3.81
G. & R. 3½ Third Series	5/ 1/36	17,500,000	5/14/36	99.714	3.507	101.00	3.458
G. & R. 3 Fourth Series.	12/15/36	12,058,000 (b)	12/15/36	103.85999	2.838	104.75	2.80

(a) \$34,300,000 sold
13,139,000 exchanged
(b) \$10,000,000 sold
2,058,000 exchanged

Proceeds derived from the sale of these issues were obtained for the following purposes:

Refunding Midtown Hudson Tunnel 4% Notes held by public ...	\$ 2,500,000
Refunding Midtown Hudson Tunnel 4% Notes held by P. W. A.	12,300,000
Refunding Series A 4½% Bonds (called March 1, 1936)	9,152,000
Refunding Series D 4¼% Bond Maturities March 1, 1936 and 1937	600,000

Refunding by exchange, serial issues, as follows:

Series A 4½% Bonds	\$4,064,000	
Series B 4% Bonds	3,507,000	
Series B 4½% Bonds	16,000	
Series C 4% Bonds	5,317,000	
Series D 4¼% Bonds	1,236,000	
Series E 4¼% Bonds	1,057,000	15,197,000
Refunding Series B 4% Bonds (called December 1, 1936)	17,200,000	
Midtown Hudson Tunnel Construction Purposes	36,548,000	
Total		<u>\$93,497,000</u>

Sinking Funds and Other Reserves:

(a) General Reserve Fund:

By special legislation this fund was authorized to provide greater security for bondholders. The fund was actually established in 1931. It is made up from surplus earnings and may be used to meet obligations due with respect to any facility which earns insufficient revenues, as well as debt service on all General and Refunding bonds.

The Port Authority is permitted to maintain this fund equal to ten per cent of all outstanding bonds and notes. The operations of this fund during the year 1936 were as follows:

Balance, January 1, 1936		\$3,078,410.97
Additions during 1936:		
From surplus earnings—Holland tunnel	\$1,625,937.15	
Income from Investments	33,667.78	
Net Additions:		<u>1,659,604.93</u>
Deductions:		\$4,738,015.90
Amount of Series F Bond Interest ..	\$ 75,140.64	
Amount necessary to complete interest payments on Series D Bonds	90,000.00	
Amount necessary to complete interest payments on G & R, 1st Series Bonds	200,000.00	
Net Deductions		<u>365,140.64</u>
Balance—January 1, 1937		<u>\$4,372,875.26</u>

Anticipated withdrawals from this fund in 1937 will amount to \$125,000 as follows:

To complete interest payment Series A Pledged Bonds	\$50,000.00
Series F Bond Interest	75,000.00
Total	<u>\$125,000.00</u>

(b) Series B—George Washington Bridge Reserve Funds:

1. Sinking Fund

As of December 31, 1936, the monies accumulated in this fund from earnings of the George Washington Bridge consisted of:

Cash	\$1,755,625.36
Securities	244,374.64
	<hr/>
Total.....	\$2,000,000.00

The refunding program provides for issuance of General and Refunding Bonds to refund all serial bonds on their respective call dates. On December 1, 1936, the entire issue of \$20,000,000, par value, Series B, 4% Bonds, was called for payment, funds having previously been provided through sale of General and Refunding Bonds. These bonds were placed in pledge in accordance with the refunding program. The maturity due December 1, 1936 of \$1,000,000 was fully paid from this sinking fund.

2. Statutory Reserve

The monies accumulated in this fund are derived from earnings. As of January, 1937, the fund consisted of:

Cash	\$1,899,773.65
Securities	2,263,058.89
	<hr/>
Total.....	\$4,162,832.54

This fund may be used for George Washington Bridge operating expenses, including a proper proportion of general expenses, payment of bond interest and payments into the Sinking Fund.

(c) Series C—Bayonne Bridge Reserve Fund:

1. Sinking Fund

Excess construction funds comprise the accumulations in this fund. As of December 31, 1936, the fund consisted of:

Cash	\$598,801.89
Securities	601,198.11
	<hr/>
Total.....	\$1,200,000.00

Earnings of the Bayonne Bridge have been insufficient to meet all interest charges, which necessitated withdrawals from this fund to meet deficiencies. During the year 1936 there was withdrawn \$195,000. No maturities occur before 1938, but the refunding program provides that General and Refunding Bonds are to be issued to meet maturities and to call the remaining outstanding bonds on or before January 3, 1938. The program further provides that monies remaining in this fund and in the Construction Fund are to be used to reduce the amount of General and Refunding bonds to be issued to refund outstanding serial bonds.

2. Construction Fund

Due to certain economies made possible during the period of construction of this facility, there remain surplus monies in this account. Under the provisions of the Bond Resolution such monies were made available to meet interest and other purposes. At the end of the year there remained in the account:

Cash	\$730,815.38
Securities	97,690.00
	<hr/>
Total	\$828,505.38

(d) Series E—Holland Tunnel Sinking Fund:

Monies accumulated in this fund are derived from earnings. As of January, 1937, the fund consisted of:

Cash	\$1,593,257.22
Securities	2,410,089.89
	<hr/>
Total.....	\$4,003,347.11

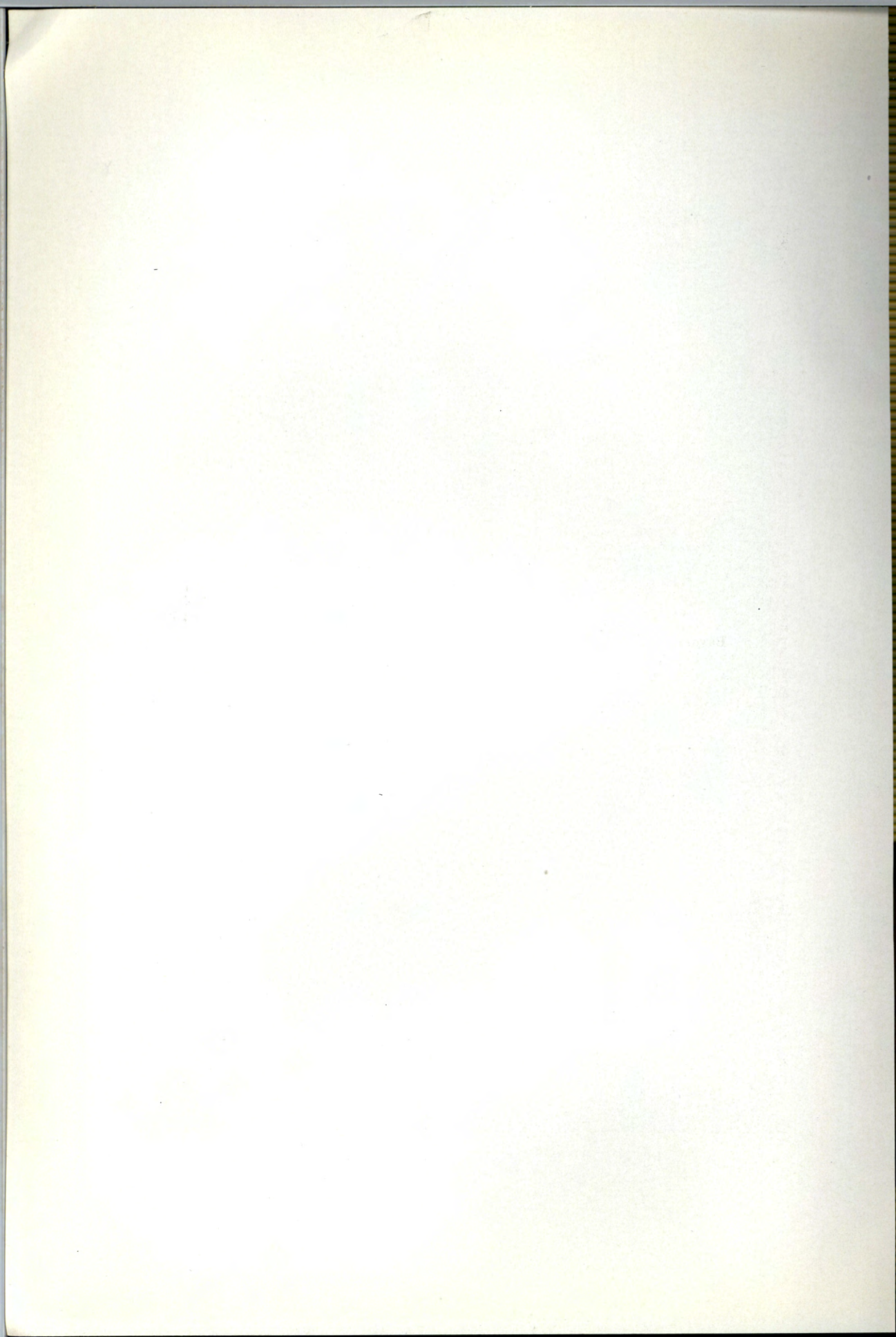
In March, 1937, Series E Bonds in the amount of \$1,000,000 will mature and will be paid from this fund, leaving a balance of \$3,003,347.11. No further withdrawals are anticipated during the year 1937.

(e) Insurance Reserve:

The Commissioners authorized the establishment of an Insurance Reserve Fund in the amount of \$500,000 for the



Midtown Hudson Tunnel—New Jersey Ventilation Building



purpose of handling transactions in connection with self-insurance of Port Authority liability under the Workmen's Compensation Statutes. The fund was established out of General Reserve Fund monies. As of December 31, 1936, this fund totaled \$515,662.14 and consisted of cash in its entirety.

Summary of Reserves

Balances of various reserve funds may be summarized as follows:

General Reserve		
Balance, January 1, 1937		\$4,372,875
Holland Tunnel		
Sinking Fund	\$4,003,347	
Operating Reserve	100,000	
Construction	54,822	
		<hr/>
		4,158,169
George Washington Bridge		
Sinking Fund	2,000,000	
Statutory Reserve	4,162,833	
Operating Reserve	151,611	
Construction Reserve	2,617,728	
		<hr/>
		8,932,172
Bayonne Bridge		
Sinking Fund	1,200,000	
Construction Reserve	828,505	
		<hr/>
		2,028,505
Insurance Reserve		515,662
		<hr/>
Total Reserve Funds and Reserves, including accrued Depreciation		\$20,007,383

SECTION IV—GENERAL

Part 2—Real Estate

Union Inland Station No. 1, located in the Port Authority Commerce Building, is the initial step in carrying out the portion of the Statutory Plan designed to reduce cartage costs and street congestion in the receipt and delivery of merchandise freight on Manhattan Island. The station, built by the Port Authority, has been leased for operation to the eight New York railroads as a union less-carload terminal since October 3, 1932.

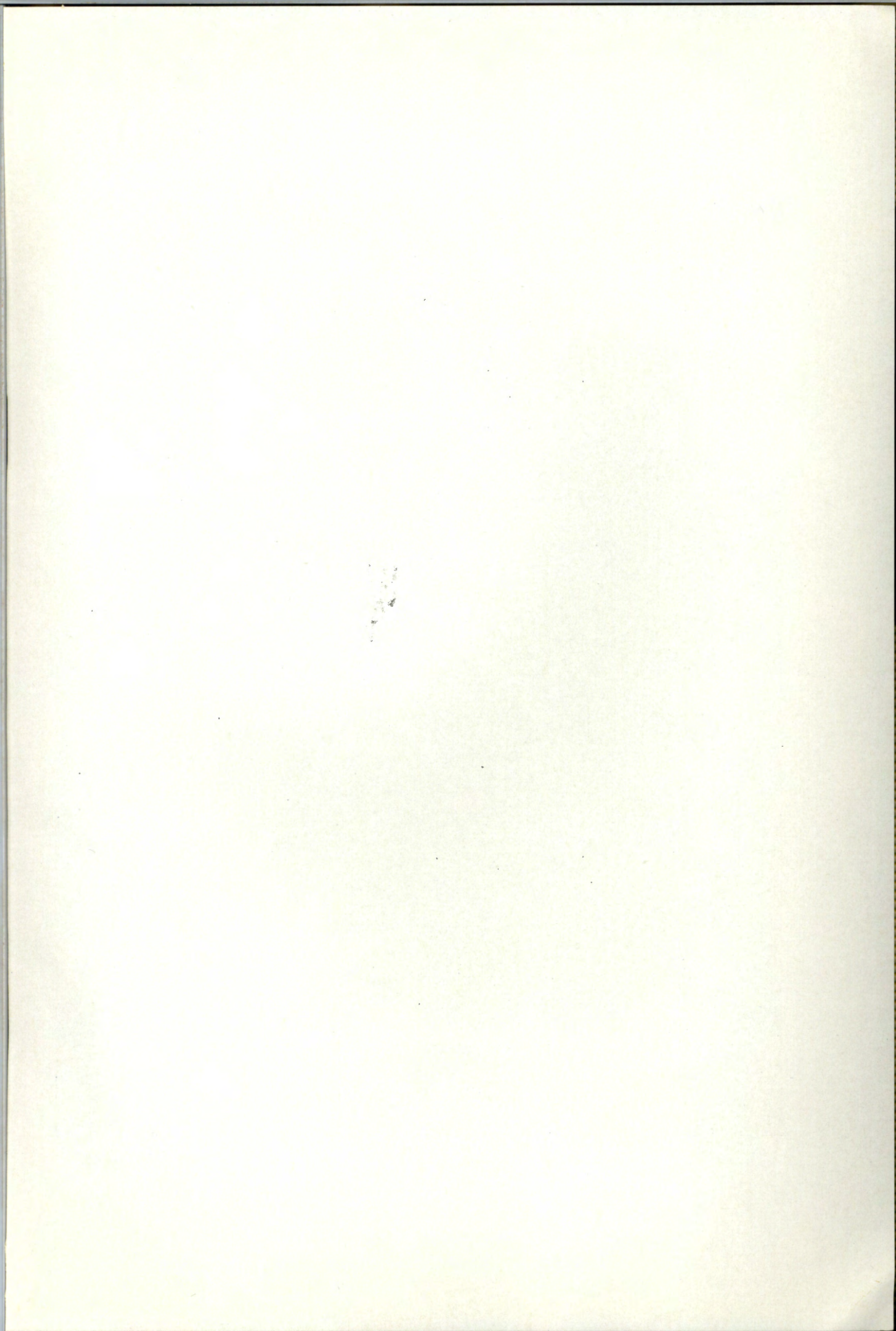
The volume of railroad l.c.l. freight for the fourth year ending October 2, 1936 amounted to 66,595 tons, compared to 40,159 tons handled the first year, an increase of 65.8 per cent.

A portion of the station is sub-leased by the railroads to the Railway Express Agency, which handled an additional 93,915 tons through the station in the year ending October 2, 1936. The combined freight and express tonnage was 160,510 tons or nearly four times the initial year's traffic.

In four years of operation, this station has demonstrated its value in reducing trucking costs and street congestion. On May 25, 1936, for example, 250 shippers' trucks delivered freight to the Union Station platform, which was consolidated into thirty-seven trailers or trucks for despatch to the railheads, a net reduction of 213 truck trips to the waterfront in a single day. In the month of May over 5,000 truck trips to individual stations were saved through the use of the Union Station. In addition, the station has demonstrated its value as a sorting point for express store delivery. Express shipments are handled between the individual terminals of the various railroads and the Union Inland Station, at which point the local route or zone trucks, handling express packages for all of



Midtown Hudson Tunnel—Aerial View Showing Graphic Ultimate Approach Plan in New Jersey



the carriers, load and unload for store door pickup and delivery.

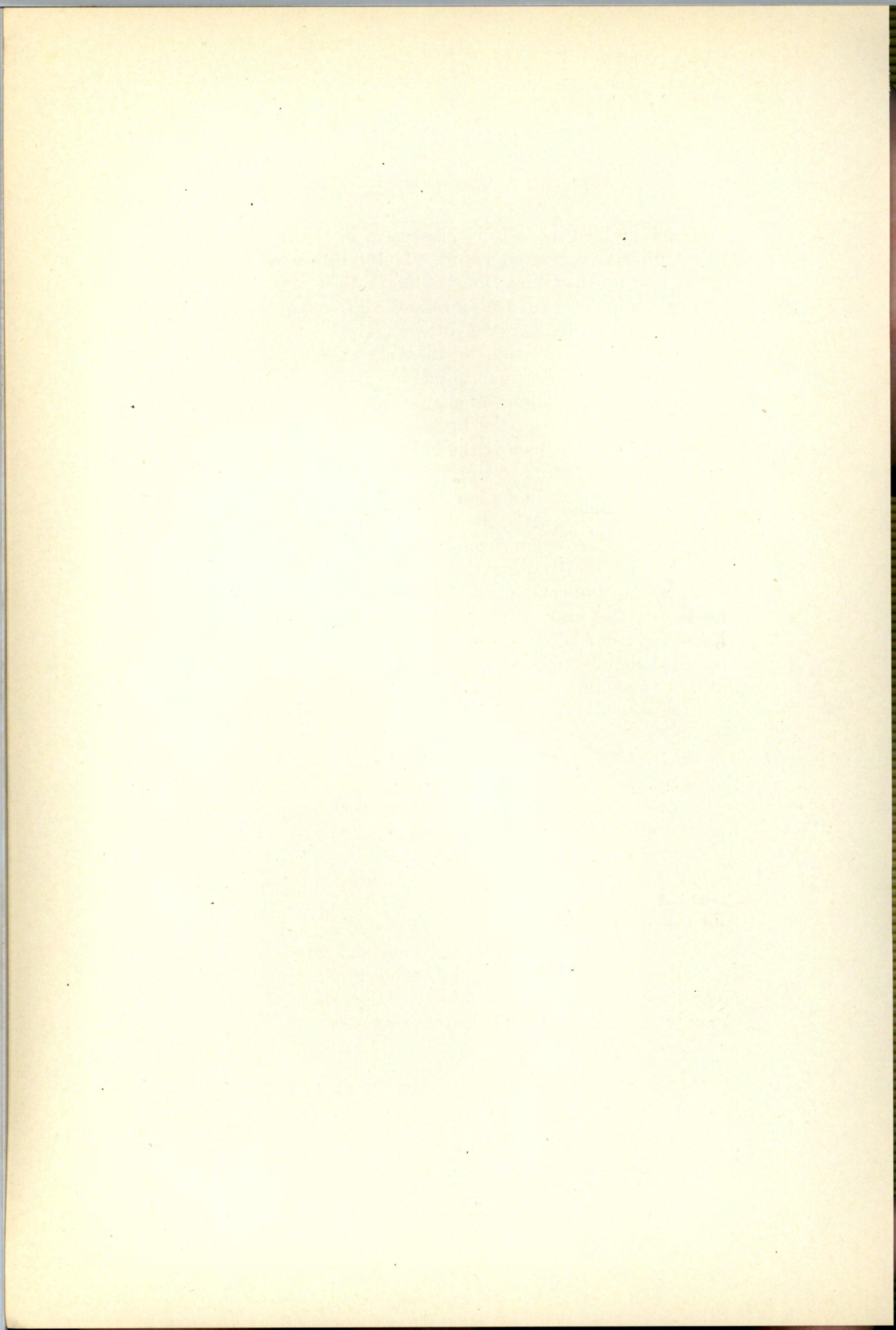
As is explained more fully elsewhere in this report, the Port Authority appeared before the Interstate Commerce Commission in the Store Door Delivery Case, I. & S. 4191, and secured for users of Union Inland Station No. 1 equality of treatment with users of other freight stations with respect to allowance made by the railroads to those consignees choosing to continue to pick up their own freight at stations in lieu of calling upon the carriers for store door delivery. The action of the Interstate Commerce Commission in this respect insures the thousands of shippers who are using Union Inland Freight Station No. 1 that they will enjoy the same benefits as heretofore.

On September 16, 1936, the railroads renewed their lease for a period of one year from January 1, 1937.

At the end of the year the Port Authority Commerce Building was approximately 100 per cent rented. Gross income for the year was \$1,149,445.63 as compared with \$854,133.66 in 1935, a gain of \$295,311.97, or 34.6 per cent.

Approximately 468,000 square feet of space in the building was leased during the year. The Public Works Administration which had occupied approximately 192,000 square feet on the 10th and 12th floors vacated on August 1, 1936. The entire 10th floor was then leased to F. W. Woolworth Company, and that portion of the 12th floor (55,000 square feet) formerly used by the Public Works Administration was leased to the J. E. Linde Paper Company.

Commerce Hall, an exposition center, is located on the second floor of Port Authority Commerce Building. For the third successive year the National Business Show was held there. Other shows using Commerce Hall facilities during the year were the Building and Modernization Exposition and the First and Second Poultry Industries Exposition. The General Electric Company also used Commerce Hall for a display of its products.



SECTION V — ACCOUNTS AND STATISTICS

Table
No.

- 1—General Balance Sheet
- 2—Analysis of Current Assets and Sinking Funds
- 3—Combined Income Account
- 4—Income Account—Holland Tunnel
- 5—Income Account—George Washington Bridge
- 6—Income Account—Arthur Kill Bridges
- 7—Income Account—Bayonne Bridge
- 8—Income Account—Inland Terminal No. 1
- 9—Combined Traffic Statistics
- 10—Traffic Statistics—Holland Tunnel
- 11—Traffic Statistics—George Washington Bridge
- 12—Traffic Statistics—Arthur Kill Bridges
- 13—Traffic Statistics—Bayonne Bridge
- 14—Investment in Physical Property
- 15—Expenditures Under Construction Contracts
- 16—Funded Debt

Table No. 1
THE PORT OF NEW YORK AUTHORITY
General Balance Sheet as at December 31, 1936

(Exhibit A, Page 1, Lawrence Scudder & Co., Audit)

ASSETS		
INVESTMENT IN PHYSICAL PROPERTY:		
Arthur Kill Bridges:		
Outerbridge Crossing.....		\$9,920,195 04
Goethals Bridge.....		7,353,403 69
Total Arthur Kill Bridges.....		\$17,273,598 73
Bayonne Bridge.....		13,151,595 56
George Washington Bridge.....		57,534,729 49
Holland Tunnel.....		50,695,735 76
Midtown Hudson Tunnel (In Process of Construction).....		28,941,227 82
Inland Terminal No. 1.....		16,296,749 68
Total investment in physical property.....		\$183,893,637 04
CURRENT ASSETS:		
Cash in banks and on hand (includes Midtown Hudson Tunnel Construction Funds of \$25,739,715.50).....		\$30,517,922 79
Cash on deposit with paying agent for unredeemed bonds and interest coupons.....		1,852,522 50
Cash on deposit— Insurance Fund.....		515,662 14
Investment in securities:		
Port of New York Authority bonds (par value \$71,000.00).....	\$71,000 00	
Municipal and governments (par value \$1,632,000.00).....	1,655,302 97	
		1,726,302 97
Accrued interest receivable on investments.....		36,683 39
Bills receivable.....		77,942 14
General reserve fund:		
Cash in banks.....	\$2,928,815 61	
Investment in securities:		
Port of New York Authority bonds (par value \$612,000.00).....	\$641,097 57	
Municipals and governments (par value \$791,000.00).....	788,789 27	
		1,429,886 84
Accrued interest receivable on investments.....		14,172 81
		4,372,875 26
Statutory reserve fund — George Washington Bridge:		
Cash in banks.....	\$1,654,848 12	
Investment in securities:		
Municipals and governments (par value \$2,255,000.00).....	2,263,058 89	
		3,917,907 01
Cash, accrued interest and bills receivable available for refunding program purposes.....		2,763,016 76
Total current assets.....		\$45,780,834 96
SINKING FUND ASSETS:		
Series B Bonds — Sinking Fund:		
Cash.....	\$1,755,625 36	
Investment in securities:		
Municipals and governments (par value \$238,000.00).....	244,374 64	
		\$2,000,000 00
Series C Bonds — Sinking Fund:		
Cash.....	\$598,801 89	
Investment in securities:		
Municipals and governments (par value \$591,000.00).....	601,198 11	
		1,200,000 00
Series E Bonds — Sinking Fund:		
Cash.....	\$1,593,257 22	
Investment in securities:		
Port of New York Authority bonds (par value \$1,465,000.00).....	\$1,535,268 12	
Municipals and governments (par value \$860,000.00).....	874,821 77	
		2,410,089 89
		4,003,347 11
Total sinking fund assets.....		\$7,203,347 11
OTHER ASSETS:		
Unamortized discount and expenses of refunding, less premium on funded debt.....		\$1,136,631 55
Unexpired insurance premiums.....		338,230 78
Investment in capital stock of subsidiary companies — 100% owned.....		1,500 00
Mortgage receivable.....		10,000 00
Miscellaneous.....		85,393 66
Total other assets.....		\$1,571,755 99
TOTAL ASSETS.....		\$238,449,575 10

Table No. 1—Continued

(Exhibit A, Page 2, Lawrence Scudder & Co., Audit)
LIABILITIES AND RESERVES

FUNDED DEBT OUTSTANDING:	
(For details with respect to amount of bonds authorized, amount retired and amount of bonds acquired as Collateral Security for General and Refunding Bonds, reference is made to Page 3 of this Exhibit.)	
New York — New Jersey Interstate Bridge Bonds:	
Arthur Kill Bridges — Series A bonds outstanding (after providing for unrepresented bonds called for redemption).....	None
George Washington Bridge — Series B bonds outstanding (after providing for unrepresented bonds called for redemption or retirement) ..	\$29,985,000 00
George Washington Bridge — Series F bonds outstanding.....	2,500,000 00
Bayonne Bridge — Series C bonds outstanding.....	6,747,000 00
New York — New Jersey Interstate Tunnel Bonds:	
Holland Tunnel — Series E bonds outstanding.....	45,008,000 00
New York — New Jersey Terminal Bonds:	
Inland Terminal No. 1 — Series D bonds outstanding.....	14,480,000 00
General and Refunding Bonds:	
First Issue — 4% due 1975 — outstanding.....	\$47,439,000 00
Second Issue — 3½% due 1965 — outstanding.....	16,500,000 00
Third Issue — 3½% due 1976 — outstanding.....	17,500,000 00
Fourth Issue — 3% due 1976 — outstanding.....	12,058,000 00
General and refunding bonds outstanding.....	93,497,000 00
Total funded debt outstanding (after providing for unrepresented bonds called for redemption or retirement).....	<u>\$192,217,000 00</u>
CURRENT LIABILITIES:	
Audited vouchers payable.....	\$178,618 71
Accrued interest payable on bonds.....	2,664,642 78
Unredeemed bonds and interest coupons.....	1,722,052 50
Mortgages payable and accrued interest thereon.....	553,208 34
Liability for Employees' Retirement System.....	232,284 68
Sundry current liabilities.....	69,969 85
Total current liabilities.....	<u>\$5,220,776 86</u>
SUBORDINATED LIABILITY FOR APPROPRIATIONS TO AID IN CONSTRUCTION OF BRIDGES AND FOR PRELIMINARY STUDIES AND SURVEYS:	
State of New York.....	\$9,299,840 17
State of New Jersey.....	4,300,000 00
Total subordinated liability.....	<u>\$13,599,840 17</u>
DEFERRED CREDITS:	
Provision for liability in lieu of taxes.....	\$170,000 00
Accrued depreciation.....	125,144 87
Series F bond reserve.....	293,750 00
Sundry unadjusted credits.....	55,662 85
Total deferred credits.....	<u>\$644,557 72</u>
RESERVES:	
Holland Tunnel:	
Operating reserve.....	\$100,000 00
Income applied in reduction of debt.....	4,746,652 89
Sinking fund reserve.....	4,003,347 11
	<u>\$8,850,000 00</u>
George Washington Bridge:	
Operating reserve.....	\$151,611 04
Income applied in reduction of debt.....	1,000,000 00
Statutory reserve.....	3,917,907 01
Net revenue after interest and after a sinking fund provision of \$1,500,000.00, for the year ended December 31, 1936, available for statutory reserve.....	244,925 53
Sinking fund reserve — Series B bonds.....	2,000,000 00
	<u>7,314,443 58</u>
General Reserve:	
General reserve — unappropriated.....	\$4,372,875 26
General reserve — appropriated.....	3,429,188 16
	<u>7,802,063 42</u>
Bayonne Bridge:	
Reserve.....	*892,733 48
Arthur Kill Bridges:	
Reserve.....	*930,744 14
Inland Terminal No. 1:	
Reserve.....	*817,392 17
Total reserves — def.....	<u>\$21,325,637 21</u>
APPROPRIATIONS BY STATES OF NEW YORK AND NEW JERSEY FOR PRELIMINARY SURVEYS FOR MIDTOWN HUDSON TUNNEL.....	
	\$400,000 00
GRANTS IN AID OF CONSTRUCTION.....	
	<u>\$3,455,824 30</u>
RESERVE — SERIES F BONDS — SETTLEMENT OF ADVANCE IN AID OF CONSTRUCTION OF THE GEORGE WASHINGTON BRIDGE WITH THE STATE OF NEW JERSEY.....	
	\$1,585,938 84
TOTAL LIABILITIES AND RESERVES.....	<u>\$238,449,575 10</u>
CONTINGENT LIABILITIES REPORTED AND OTHER NOTES	
MIDTOWN HUDSON TUNNEL:	
Construction contracts awarded, less payments to cover work performed to December 31, 1936.....	\$9,327,115 26
Contingent liability relative to acquisition of easement payable if and when a building is erected over the Midtown Hudson Tunnel by the owner of the land — not to exceed.....	330,000 00
	<u>\$9,657,115 26</u>
GEORGE WASHINGTON BRIDGE:	
The cost to complete the 178th Street Tunnel and additional approach facilities at George Washington Bridge after deducting contract payments made to December 31, 1936 is estimated at.....	<u>\$2,378,669 00</u>

* Denotes deficit.

CERTIFICATE OF AUDIT

We hereby certify that, in our opinion, the above General Balance Sheet, subject to the Comments in the accompanying letter of this report dated February 10, 1937, correctly reflects the financial position of The Port of New York Authority as at December 31, 1936.

New York, N. Y.
February 10, 1937:

LAWRENCE SCUDDER & CO.
Accountants and Auditors

Table No. 1—Concluded

(Exhibit A, Page 3, Lawrence Scudder & Co., Audit)
Statement of Funded Debt

FUNDED DEBT:		
New York — New Jersey Interstate Bridge Bonds:		
Arthur Kill Bridges — Series A — 4½% 1936-1946:		
Authorized		\$14,000,000 00
<i>Less:</i>		
Bonds retired	\$1,800,000 00	
Bonds acquired as collateral security for general and refunding bonds	12,189,000 00	
Bonds called — not presented for redemption (included in current liabilities)	31,000 00	
	14,000,000 00	
Series A bonds outstanding (after providing for unrepresented bonds called for redemption)		None
George Washington Bridge — Series B Bonds:		
Authorized		\$60,000,000 00
Issued — 4% series 1936-1950	\$20,000,000 00	
<i>Less:</i>		
Bonds retired (bonds in amount of \$550,000.00 not presented to paying agent for retirement are included in current liabilities)	\$1,000,000 00	
Bonds acquired as collateral security for general and refunding bonds	17,984,000 00	
Bonds called — not presented for redemption (included in current liabilities)	1,016,000 00	
	20,000,000 00	
Outstanding — 4% series 1936-1950		None
Issued and outstanding — 4½% series 1936-1953	\$30,000,000 00	
<i>Less:</i>		
Bonds acquired as collateral security for general and refunding bonds	15,000 00	
	\$29,985,000 00	
Series B bonds outstanding (after providing for unrepresented 4% bonds called for redemption or retirement)		\$29,985,000 00
George Washington Bridge — Series F bonds — 3% due 1941 — authorized and outstanding		2,500,000 00
Bayonne Bridge — Series C — 4% 1938-1953:		
Authorized		\$12,000,000 00
<i>Less:</i>		
Bonds acquired as collateral security for general and refunding bonds	5,253,000 00	
	6,747,000 00	
Series C bonds outstanding		6,747,000 00
New York — New Jersey Interstate Tunnel Bonds:		
Holland Tunnel — Series E — 4¼% 1936-1960:		
Authorized		\$50,000,000 00
<i>Less:</i>		
Bonds retired	\$4,000,000 00	
Bonds acquired as collateral security for general and refunding bonds	992,000 00	
	4,992,000 00	
Series E bonds outstanding		45,008,000 00

New York — New Jersey Terminal Bonds:		
Inland Terminal No. 1 — Series D — 4¼% 1936-1960:		
Authorized.....	\$16,000,000 00	
Less:		
Bonds acquired as collateral security for general and refunding bonds.....	<u>1,520,000 00</u>	
Series D bonds outstanding.....		14,480,000 00
General and Refunding Bonds:		
First issue — 4% due 1975:		
Issued.....	\$47,439,000 00	
Second issue — 3¾% due 1965:		
Authorized and issued.....	16,500,000 00	
Third issue — 3½% due 1976:		
Authorized and issued.....	17,500,000 00	
Fourth issue — 3% due 1976:		
Authorized.....	\$22,000,000 00	
Less:		
Unissued.....	<u>9,942,000 00</u>	
Fourth series — issued.....	12,058,000 00	
General and refunding bonds outstanding.....		<u>93,497,000 00</u>
TOTAL FUNDED DEBT OUTSTANDING (AFTER PROVIDING FOR UNPRESENTED BONDS CALLED FOR REDEMPTION OR RETIREMENT).....		<u><u>\$192,217,000 00</u></u>

Table No. 2
ANALYSIS OF CURRENT ASSETS AND SINKING FUNDS
 AS AT DECEMBER 31, 1936

PROJECT	Total	Cash	Cash on deposit with paying agents	Securities	Interest receivable	Sinking funds	Other current assets
Holland Tunnel.....	\$4,877,805 96	\$812,804 92	\$47,671 25	\$1,380 00	\$10,717 49	\$4,003,347 11	\$1,885 19
George Washington Bridge.....	5,280,978 42	2,601,646 96	19,187 50	626,073 63	18,576 22	2,000,000 00	15,494 11
Arthur Kill Bridges.....	109,003 81	108,434 85	225 00	198 21	.....	.....	145 75
Bayonne Bridge.....	2,285,201 21	845,198 45	136,080 00	97,835 19	5,389 68	1,200,000 00	697 89
Inland Terminal No. 1.....	386,070 35	342,927 24	3,123 75	.....	.....	.....	40,019 36
Midtown Hudson Tunnel.....	26,762,344 34	25,739,715 50	.....	1,000,815 94	2,000 00	.....	19,812 90
Refunding Program.....	4,409,251 76	2,625,996 99	1,646,235 00	.....	136,509 17	.....	510 60
General Reserve Fund.....	4,372,875 26	2,928,815 61	.....	1,429,886 84	14,172 81	.....	.....
Insurance Fund.....	514,915 42	515,662 14	.....	.....	.....	.....	*746 72
Statutory Reserve Fund.....	3,917,907 01	1,654,848 12	.....	2,263,058 89	.....	.....	.....
Miscellaneous.....	67,828 53	67,194 87	.....	.....	.....	.....	633 66
Total.....	\$52,984,182 07	\$38,243,245 65	\$1,852,522 50	\$5,419,248 70	\$187,365 37	\$7,203,347 11	\$78,452 74

* Denotes Credit Balance.

Table No. 3
COMBINED INCOME ACCOUNT

	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Operating and other revenue.....	\$12,397,153 81	\$11,268,696 32	\$1,128,457 49	10.0
Income from General Reserve Fund.....	33,667 78	98,149 25	64,481 47	65.7
Rent income.....	97,287 41	94,161 56	3,125 85	3.3
Miscellaneous income.....	578,458 05	514,177 51	61,280 54	11.9
Gross income.....	\$13,103,567 05	\$11,975,184 64	\$1,128,382 41	9.4
II. Deductions from gross income				
Operating expenses.....	\$2,796,566 89	\$2,672,083 50	\$124,483 39	4.7
Interest on funded debt.....	5,789,556 61	5,868,083 34	78,526 73	1.3
Other income charges.....	88,869 76	88,874 96	5 20	.....
Total deductions.....	\$8,674,993 26	\$8,629,041 80	\$45,951 46	.5
Net income.....	\$4,428,573 79	\$3,346,142 84	\$1,082,430 95	32.3
Disposition of Net Income:				
Reserve for Sinking Fund.....	\$3,000,000 00	\$1,500,000 00		
Operating and Statutory reserves.....	231,031 14†	466,701 01		
General Reserve Fund.....	1,659,604 63	1,379,441 83		
Total.....	\$4,428,573 79	\$3,346,142 84		

* Decrease shown in italics.
† Denotes deficit.

Table No. 4
HOLLAND TUNNEL
Income Account

	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue.....	\$6,597,239 81	\$6,235,789 53	\$361,450 28	5.8
Rent income.....		375 00	375 00	100.0
Miscellaneous income.....	128,988 56	143,422 76	14,434 20	10.1
Gross income.....	\$6,726,228 37	\$6,379,587 29	\$346,641 08	5.4
II. Deductions from gross income				
Operating expenses.....	\$1,634,002 40	\$1,589,426 21	\$44,576 19	2.8
Interest on funded debt.....	1,962,083 34	2,004,583 34	42,500 00	2.1
Other income charges.....	4,205 48	4,285 16	79 68	1.9
Total deductions.....	\$3,600,291 22	\$3,598,294 71	\$1,996 51	.....
Net income.....	\$3,125,937 15	\$2,781,292 58	\$344,644 57	12.4
Disposition of Net Income:				
Reserve for Sinking Fund.....	\$1,500,000 00	\$1,500,000 00		
General Reserve Fund.....	1,625,937 15	1,281,292 58		
Total.....	\$3,125,937 15	\$2,781,292 58		

* Decrease shown in italics.

Table No. 5
GEORGE WASHINGTON BRIDGE
Income Account

	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue	\$3,967,587 63	\$3,560,885 80	\$406,701 83	11.4
Rent income	94,760 07	92,338 38	2,421 69	2.6
Miscellaneous income	330,231 55	201,382 76	128,848 79	64.0
Gross income.....	\$4,392,579 25	\$3,854,606 94	\$537,972 31	14.0
II. Deductions from gross income				
Operating expenses	\$479,401 25	\$421,237 80	\$58,163 45	13.8
Interest on funded debt	2,146,064 97	2,150,000 00	<i>3,935 03</i>	.2
Other income charges	22,187 50	21,938 80	248 70	1.1
Total deductions.....	\$2,647,653 72	\$2,593,176 60	\$54,477 12	2.1
Net income.....	\$1,744,925 53	\$1,261,430 34	\$483,495 19	38.3
Disposition of Net Income:				
Reserve for Sinking Fund	\$1,500,000 00	.....	.....	.....
Statutory Reserve	244,925 53	\$1,261,430 34	.....	.....
Total.....	\$1,744,925 53	\$1,261,430 34	.....	.....

* Decrease shown in italics.

Table No. 6
ARTHUR KILL BRIDGES
Income Account

	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue	\$456,538 84	\$405,645 05	\$50,893 79	12.5
Rent income	770 17	54 76†	824 93	1506.4
Miscellaneous income	54 46	2 89	51 57	1784.4
Gross income.....	\$457,363 47	\$405,593 18	\$51,770 29	12.8
II. Deductions from gross income				
Operating expenses	\$147,569 27	\$139,823 93	\$7,745 34	5.5
Interest on funded debt	532,033 30	553,500 00	<i>21,466 70</i>	3.9
Other income charges	666 57	853 13	<i>186 56</i>	21.9
Total deductions.....	\$680,269 14	\$694,177 06	\$13,907 92	2.0
Net income.....	\$222,905 67†	\$288,583 88†	\$65,678 21	22.8
Disposition of Net Income:				
Operating reserve	\$222,905 67†	\$288,583 88†	.....	.....
Total.....	\$222,905 67†	\$288,583 88†	.....	.....

* Decrease shown in italics.

† Denotes deficit.

Table No. 7
BAYONNE BRIDGE
Income Account

	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue.....	\$226,341 90	\$212,242 28	\$14,099 62	6.6
Rent income.....	1,757 17	1,502 94	254 23	16.9
Miscellaneous income.....	116,182 18	169,358 52	<i>53,176 34</i>	<i>31.4</i>
Gross income.....	<u>\$344,281 25</u>	<u>\$383,103 74</u>	<u>\$38,822 49</u>	<u>10.1</u>
II. Deductions from gross income				
Operating expenses.....	\$77,132 08	\$72,364 64	\$4,767 44	6.6
Interest on funded debt.....	480,000 00	480,000 00		
Other income charges.....	547 16	522 87	24 29	4.6
Total deductions.....	<u>\$557,679 24</u>	<u>\$552,887 51</u>	<u>\$4,791 73</u>	<u>.9</u>
Net income.....	<u>\$213,397 99†</u>	<u>\$169,783 77†</u>	<u>\$43,614 22</u>	<u>25.9</u>
Disposition of Net Income:				
Operating reserve.....	\$213,397 99†	\$169,783 77†		
Total.....	<u>\$213,397 99†</u>	<u>\$169,783 77†</u>		

* Decrease shown in italics.
† Denotes deficit.

Table No. 8
INLAND TERMINAL NO. 1
(Port Authority Commerce Building)
Income Account

	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Rent and other revenue.....	\$1,149,445 63	\$854,133 66	\$295,311 97	34.6
Other income.....	1 30	10 58	9 28	87.7
Gross income.....	<u>\$1,149,446 93</u>	<u>\$854,144 24</u>	<u>\$295,302 69</u>	<u>34.6</u>
II. Deductions from gross income				
Operating expenses.....	\$458,461 89	\$449,230 92	\$9,230 97	2.1
Interest on funded debt.....	669,375 00	680,000 00	<i>10,625 00</i>	<i>1.6</i>
Other income charges.....	61,263 05	61,275 00	<i>11 95</i>	<i>.....</i>
Total deductions.....	<u>\$1,189,099 94</u>	<u>\$1,190,505 92</u>	<u>\$1,405 99</u>	<u>.</u>
Net income.....	<u>\$39,653 01†</u>	<u>\$336,361 68†</u>	<u>\$296,708 67</u>	<u>88.2</u>
Disposition of Net Income:				
Operating reserve.....	\$39,653 01†	\$336,361 68†		
Total.....	<u>\$39,653 01†</u>	<u>\$336,361 68†</u>		

* Decrease shown in italics.
† Denotes deficit.

Table No. 9
COMBINED TRAFFIC STATISTICS

Class	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	16,450,210	15,476,204	974,006	6.3
Motorcycles.....	25,015	25,367	<i>352</i>	<i>1.4</i>
Buses.....	1,001,698	905,482	96,216	10.6
Trucks — up to 2 tons.....	1,301,553	1,406,655	<i>105,102</i>	<i>7.5</i>
Trucks — 2 tons to 5 tons.....	768,794	601,639	167,155	27.8
Trucks — over 5 tons.....	317,739	264,341	53,398	20.2
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers.....	110,280	86,451	23,829	27.6
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	350,905	249,579	101,326	40.6
Tractors or trucks with trailers, 4 axles.....	18,262	16,448	1,814	11.0
Bicycles — animals.....	1,178	756	422	55.8
Specials.....	134	54	80	148.1
Total vehicles.....	20,345,768	19,032,976	1,312,792	6.9
Pedestrians.....	147,800	169,824	<i>22,024</i>	<i>15.0</i>

* Decrease shown in italics.

Table No. 10
HOLLAND TUNNEL
Traffic Statistics

Class	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	9,377,182	9,056,972	320,210	3.5
Motorcycles.....	14,504	14,105	399	2.8
Buses.....	378,295	367,918	10,377	2.8
Trucks — up to 2 tons.....	963,618	1,051,530	<i>87,912</i>	<i>8.4</i>
Trucks — 2 tons to 5 tons.....	607,747	469,963	137,784	29.3
Trucks — over 5 tons.....	205,720	169,844	35,876	21.1
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers.....	84,324	66,263	18,061	27.3
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	240,017	175,957	64,060	36.4
Tractors or trucks with trailers, 4 axles.....	15,763	14,277	1,486	10.4
Specials.....	134	54	80	143.1
Total vehicles.....	11,887,304	11,386,883	500,421	4.4

* Decrease shown in italics.

Table No. 11
GEORGE WASHINGTON BRIDGE
Traffic Statistics

Class	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	5,940,875	5,419,013	521,862	9.6
Motorcycles.....	9,041	9,969	<i>928</i>	<i>9.5</i>
Buses.....	592,670	507,106	85,564	16.9
Trucks — up to 2 tons.....	217,949	228,891	<i>10,942</i>	<i>4.8</i>
Trucks — 2 tons to 5 tons.....	115,937	90,787	25,150	27.7
Trucks — over 5 tons.....	69,283	60,936	8,347	13.7
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers..	19,959	16,020	3,939	24.6
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	88,549	59,571	28,978	48.6
Tractors or trucks with trailers, 4 axles.....	2,153	1,843	310	16.8
Bicycles — animals.....	968	654	314	48.0
Total vehicles.....	7,057,384	6,394,790	662,594	10.4
Pedestrians.....	139,527	161,295	<i>21,768</i>	<i>13.5</i>

* Decrease shown in italics.

Table No. 12
ARTHUR KILL BRIDGES
Traffic Statistics

Class	Calendar year, 1936	Calendar year, 1935	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	747,552	655,885	91,667	14.0
Motorcycles.....	1,075	999	76	7.6
Buses.....	1,311	1,351	<i>40</i>	<i>3.0</i>
Trucks — up to 2 tons.....	73,616	70,071	3,545	5.1
Trucks — 2 tons to 5 tons.....	29,897	28,609	1,288	4.5
Trucks — over 5 tons.....	36,206	25,746	10,460	40.6
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers..	3,400	2,629	771	29.3
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	15,029	10,035	4,994	49.8
Tractors or trucks with trailers, 4 axles.....	221	200	21	10.5
Bicycles — animals.....	171	86	85	98.8
Total vehicles.....	908,478	795,611	112,867	14.2
Pedestrians.....	3,719	3,801	<i>82</i>	<i>2.2</i>

* Decrease shown in italics.

Table No. 13
BAYONNE BRIDGE
Traffic Statistics

Class	Calendar	Calendar	Increase or *Decrease	
	year, 1936	year, 1935	Number	Per cent
Passenger automobiles.....	384,601	344,334	40,267	11.7
Motorcycles.....	395	294	101	34.4
Buses.....	29,422	29,107	315	1.1
Trucks — up to 2 tons.....	46,370	56,163	<i>9,793</i>	<i>17.4</i>
Trucks — 2 tons to 5 tons.....	15,213	12,280	2,933	24.4
Trucks — over 5 tons.....	6,530	7,815	<i>1,285</i>	<i>16.4</i>
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers..	2,597	1,539	1,058	68.7
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	7,310	4,016	3,294	82.0
Tractors or trucks with trailers, 4 axles.....	125	128	3	2.3
Bicycles — animals.....	39	16	23	143.8
Total vehicles.....	492,602	455,692	36,910	8.1
Pedestrians.....	4,554	4,728	174	3.7

* Decrease shown in italics.

Table No. 14
INVESTMENT IN PHYSICAL PROPERTY
To December 31, 1936

PROJECTS	Total	Engineering	Investment in land	Construction	General expenditures	Interest and income during construction	Unclassified
George Washington Bridge.....	\$57,534,729 49	\$3,398,686 40	\$10,044,016 32	\$34,717,673 12	\$1,201,992 60	\$8,172,361 05	.....
Bayonne Bridge.....	13,151,595 56	1,087,219 16	2,970,953 69	7,622,026 96	330,171 22	1,141,224 53	.....
Arthur Kill Bridges.....	17,273,598 73	1,127,201 52	1,295,035 94	13,132,044 41	236,350 95	1,482,965 91	.....
Inland Terminal No. 1.....	16,296,749 68	582,361 92	3,754,425 54	9,412,788 61	625,147 45	1,922,026 16	.....
Midtown Hudson Tunnel.....	28,941,227 82	3,178,420 36	7,597,422 43	14,376,982 36	1,312,573 80	2,475,828 87	.....
Holland Tunnel*.....	50,695,735 76	.....	.....	.....	.....	.....	\$50,695,735 76
Total.....	\$183,893,637 04	\$9,373,889 36	\$25,661,853 92	\$79,261,515 46	\$3,706,236 02	\$15,194,406 52	\$50,695,735 76

* The Holland Tunnel was acquired from the States of New York and New Jersey upon the basis of terms specified in laws enacted and it is not possible to classify the amount to the General Accounts.

Table No. 15
Expenditures Under Construction Contracts
MIDTOWN HUDSON TUNNEL
 NOVEMBER, 1930 TO DECEMBER, 1936, INCLUSIVE

Contract reference	DESCRIPTION	BIDS RECEIVED				Engineer's estimate of contract items	EXPENDITURES			Remarks
		Number	High bid	Low bid	Accepted bid		Contract items	Contingent work	Contract items plus contingent work	
MHT-1.....	Test borings.....	6	\$23,938 50	\$16,707 50	\$16,707 50	\$22,810 82	\$18,336 82	\$120 00	\$18,456 82	Complete
MHT-1-A.....	Test borings.....	7	8,206 00	4,654 00	4,654 00	.....	6,337 90	.....	6,337 90	Complete
MHT-1-B.....	Test borings.....	8	2,641 50	1,542 50	1,542 50	4,000 00	1,632 96	.....	1,632 96	Complete
MHT-1-C.....	Test borings.....	5	10,000 00	4,124 00	4,124 00	4,000 00	6,458 08	.....	6,458 08	Complete
MHT-1-D.....	Test borings.....	4	14,194 25	8,027 00	8,027 00	7,680 00	9,506 82	.....	9,506 82	Complete
MHT-1-E.....	Test borings.....	5	15,020 00	7,588 00	7,588 00	15,000 00	8,915 09	.....	8,915 09	Complete
MHT-2.....	Cast iron and cast steel tunnel lining..	4	2,636,750 00	2,358,150 00	2,358,150 00	2,140,600 00	2,356,217 81	.....	2,356,217 81	Complete
MHT-3.....	Bolts, nuts and washers for tunnel lining.....	2	215,940 00	177,664 08	177,664 08	251,000 00	178,485 65	.....	178,485 65	Complete
MHT-4.....	Shield driven tunnel and shafts.....	6	8,783,830 00	6,452,300 00	6,452,300 00	7,109,500 00	5,972,589 43	86,458 21	6,059,047 64	*
MHT-5-A.....	New Jersey Rock Tunnel Section.....	5	1,178,393 00	1,052,405 00	1,052,405 00	892,961 00	695,655 90	.....	695,655 90	72.5%
MHT-5-B.....	New Jersey Steel Bent Sections and Plaza.....	5	2,965,873 30	2,654,053 25	2,654,053 25	2,221,793 00	1,144,917 00	14,913 78	1,159,830 78	47.6%
MHT-6.....	New York Land Sections, Plazas and Approaches.....	10	3,873,624 00	2,720,304 00	2,720,304 00	3,204,890 00	2,359,832 70	51,591 14	2,411,423 84	89.4%
MHT-7.....	Demolition and removal of buildings on the site of the New York Approach..	6	73,850 00	33,923 00	33,923 00	75,000 00	30,172 82	134 64	30,307 46	Complete
MHT-8.....	Fans, Motors and Transmissions.....	5	248,000 00	186,230 00	186,230 00	250,089 00	.....	.....	.....	.....
MHT-9.....	Weehawken Plaza Connections.....	5	1,489,444 00	1,237,417 00	1,237,417 00	1,300,000 00	113,786 01	.....	113,786 01	10.2%
MHT-10.....	New York River Ventilation Building..	17	474,000 00	347,350 00	347,350 00	454,000 00	290,106 72	.....	290,106 72	92.8%
MHT-11.....	New Jersey Ventilation Building.....	4	567,000 00	526,516 00	526,516 00	650,000 00	336,917 59	.....	336,917 59	71.0%
MHT-12.....	Purchase and sale of ceiling tile.....	1	161,000 00	161,000 00	161,000 00	180,000 00	156,621 37	70 00	156,691 37	98.0%
MHT-14.....	New York Land Ventilation Building..	6	476,000 00	427,000 00	427,000 00	600,000 00	158,331 60	.....	158,331 60	41.2%
MHT-15.....	Electrical installation.....	10	1,419,979 68	949,366 30	949,366 30	900,000 00	.....	.....	.....	.....
MHT-16.....	Tunnel finish.....	7	429,819 50	350,127 20	350,127 20	340,000 00	.....	.....	.....	.....
MHT-19.....	Permanent Field Office Building.....	3	439,685 00	429,568 00	429,568 00	399,310 00	.....	.....	.....	.....
MHT-50.....	Cast iron and cast steel tunnel lining..	4	3,287,605 00	3,080,252 00	3,080,252 00	2,913,220 00	.....	.....	.....	.....

GEORGE WASHINGTON BRIDGE
 NOVEMBER, 1935 TO DECEMBER, 1936, INCLUSIVE

HRB-23.....	Extension of West 178th St. Vehicular Tunnel and Approach in Highbridge Park.....	9	\$521,520 00	\$347,946 00	\$347,946 00	\$371,241 00	\$245,231 10	\$26,100 00	\$271,331 10	79.5%
-------------	---	---	--------------	--------------	--------------	--------------	--------------	-------------	--------------	-------

NOTE — Engineer's estimate of contract items is arrived at on basis of estimated quantities at an assumed unit price for each contract item. Contractor's bids represent an aggregate estimated cost, based on fixed unit prices bid by the contractor and the engineer's estimate of quantities.

* Contract completed as of December 31, 1936, but final payment not made.

Table No. 16
FUNDED DEBT
DECEMBER 31, 1936

61

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Interstate Bridge Bonds</i> Construction of bridges across the Arthur Kill between Perth Amboy, N. J., and Tottenville, Staten Island, N. Y., Elizabeth, N. J., and Howland Hook, Staten Island, N. Y.	"A"	\$14,000,000	3/1/1926	\$14,000,000	4½%	March 1 and Sept. 1	National City Bank of New York	Called March 1, 1936		Legal for investment of funds of the States of New York and New Jersey and their municipal subdivisions; also insurance companies and associations, savings banks, executors, administrators, guardians, trustees and all other fiduciaries of the two States. Callable on any interest payment date on or after March 1, 1936, at 105 and accrued interest. See Note 1, page 66.
Less:										
Bonds retired at maturity.....		\$1,800,000								
Bonds called and acquired for retirement....		12,200,000								
				14,000,000						
Outstanding Dec. 31, 1936.....				None						
<i>New York-New Jersey Interstate Bridge Bonds</i> Construction of a bridge over the Hudson River between Fort Lee, N. J., and 178th Street, Manhattan, New York City.	"B"	\$60,000,000	12/1/1926	\$20,000,000	4%	June 1 and Dec. 1	National City Bank of New York	Called December 1, 1936		Legal for investment of funds of the States of New York and New Jersey and their municipal subdivisions; also insurance companies and associations, savings banks, executors, administrators, guardians, trustees and all other fiduciaries of the two States. Callable on any interest payment date on or after December 1, 1936, at par and accrued interest. See Note 1, page 66.
Less:										
Bonds retired at maturity.....		\$1,000,000								
Bonds called and acquired for retirement....		19,000,000								
				20,000,000						
Outstanding Dec. 31, 1936.....				None						

Table No. 16
FUNDED DEBT (Continued)

DECEMBER 31, 1936

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Interstate Bridge Bonds (Cont'd)</i> Construction of a bridge over the Hudson River between Fort Lee, N. J., and 178th Street, Manhattan, New York City.	" B "	\$60,000,000	11/1/1929	\$30,000,000	4½%	May 1 and Nov. 1	National City Bank of New York	Nov. 1		Legal for investment of funds of the States of New York and New Jersey and their municipal subdivisions; also insurance companies and associations, savings banks, executors, administrators, guardians, trustees and all other fiduciaries of the two States. Callable on any interest payment date on or after November 1, 1939, at 105 and accrued interest. See Note 1, page 66.
								1939	\$1,500,000	
								1940	1,500,000	
								1941	1,500,000	
								1942	1,500,000	
								1943	1,500,000	
								1944	1,500,000	
								1945	1,500,000	
								1946	2,250,000	
								1947	2,250,000	
								1948	2,250,000	
								1949	2,250,000	
								1950	2,250,000	
								1951	2,250,000	
								1952	3,000,000	
1953	3,000,000									
Less:										
Bonds acquired for retirement				15,000						
Outstanding Dec. 31, 1936				\$29,985,000						
<i>New York-New Jersey Interstate Bridge Bonds</i> Construction of a bridge over the Kill van Kull connecting Bayonne, N. J., and Port Richmond, Staten Island, N. Y.	" C "	\$12,000,000	1/3/1928	\$12,000,000	4%	Jan. 3 and July 3	Guaranty Trust Company	Jan. 3		Legal for all state and municipal officers and bodies, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies, insurance associations, administrators, executors, guardians, trustees and other fiduciaries, and may properly and legally be deposited with and received by any state or municipal officers or agencies for any purpose for which bonds or other obligations of the two States may be deposited. Callable on any interest payment date on or after January 3, 1938, at 103 and accrued interest. See Note 1, page 66.
								1938	\$300,000	
								1939	400,000	
								1940	400,000	
								1941	400,000	
								1942	500,000	
								1943	600,000	
								1944	700,000	
								1945	800,000	
								1946	900,000	
								1947	1,000,000	
								1948	1,000,000	
								1949	1,000,000	
								1950	1,000,000	
								1951	1,000,000	
1952	1,000,000									
1953	1,000,000									
Less:										
Bonds acquired for retirement				5,253,000						
Outstanding Dec. 31, 1936				\$6,747,000						

62

Table No. 16
FUNDED DEBT (Continued)

DECEMBER 31, 1936

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Terminal Bonds</i> Construction of a union freight terminal at West 15th Street, West 16th Street, Eighth Avenue and Ninth Avenue, New York City, N.Y.	" D "	\$16,000,000	3/1/1931	\$16,000,000	4¼%	March 1 and Sept. 1	City Bank Farmers Trust Company	March 1	\$300,000	Legal for all state and municipal officers and bodies, all banks, bankers, trust companies, savings banks, savings associations, and building and loan associations, investment companies, insurance companies and associations, administrators, executors, guardians, trustees and other fiduciaries in New York and New Jersey, and may properly and legally be deposited with and received by any state or municipal officer or agency in New Jersey and by any municipal officer or agency in New York, for any purpose for which the deposit of state bonds or other state obligations is now or may hereafter be authorized. Callable on any interest payment date on or after March 1, 1941, at 105 and accrued interest. See Note 1, page 66.
								1937	300,000	
								1938	300,000	
								1939	300,000	
								1940	300,000	
								1941	400,000	
								1942	400,000	
								1943	400,000	
								1944	400,000	
								1945	400,000	
								1946	400,000	
								1947	500,000	
								1948	500,000	
								1949	500,000	
								1950	500,000	
								1951	500,000	
								1952	500,000	
								1953	500,000	
								1954	600,000	
								1955	600,000	
1956	600,000									
1957	600,000									
1958	600,000									
1959	600,000									
1960	5,000,000									
Less:										
Bonds acquired for retirement				1,520,000						
Outstanding Dec. 31, 1936				\$14,480,000						

Table No. 16
FUNDED DEBT (Continued)

DECEMBER 31, 1936

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Interstate Tunnel Bonds</i> For repayment to the State of New York and the State of New Jersey of amounts expended in the construction of the Holland Tunnel.	" E "	\$50,000,000	3/1/1931	\$50,000,000	4 1/4 %	March 1 and Sept. 1	City Bank Farmers Trust Company	March 1 1937	\$1,000,000	Legal for all state and municipal officers and bodies, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies, insurance companies and associations, administrators, executors, guardians, trustees and other fiduciaries in New York and New Jersey, and may properly and legally be deposited with and received by municipal officers or agencies in the States of New York and New Jersey for any purpose for which the deposit of state bonds or other state obligations is now or may hereafter be authorized. Callable on any interest payment date on or after March 1, 1941, at 105 and accrued interest. See Note 1, page 66.
								1938	1,000,000	
								1939	1,000,000	
								1940	1,000,000	
								1941	1,000,000	
								1942	1,000,000	
								1943	2,000,000	
								1944	2,000,000	
								1945	2,000,000	
								1946	2,000,000	
								1947	2,000,000	
								1948	2,000,000	
								1949	2,000,000	
								1950	2,000,000	
								1951	2,000,000	
								1952	2,000,000	
								1953	2,500,000	
								1954	2,500,000	
								1955	2,500,000	
								1956	2,500,000	
								1957	2,500,000	
1958	2,500,000									
1959	2,500,000									
1960	2,500,000									
Issued in liquidation of all claims of the State of New Jersey by reason of appropriations made in aid of construction of the George Washington Bridge.	" F "	\$2,500,000	6/1/1935	\$2,500,000	3 %	March 1 and Sept. 1	Central Hanover Bank and Trust Company	March 1 1941	\$2,500,000	Legal for all state officers and savings banks in New York and New Jersey. Eligible, if the Comptroller of the State of New York consents, to a limited extent, to secure deposits of funds of the State of New York other than those made by the Commissioner of Taxation and Finance. See Note 1, page 66.
Less:										
				Bonds retired at maturity.....	\$4,000,000					
				Bonds acquired for retirement.....	992,000					
				Outstanding Dec. 31, 1936.....	\$45,008,000					

64

Table No. 16
FUNDED DEBT (Continued)
 DECEMBER 31, 1936

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>General and Refunding Bonds</i> For refunding of certain outstanding notes and bonds and to provide funds for the construction of the first operating unit of the Midtown Hudson Tunnel.	1st	\$47,439,000	3/1/1935	\$47,439,000	4%	March 1 and Sept. 1	Central Hanover Bank and Trust Company	March 1 1975	\$47,439,000	Redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 104 on March 1, 1941, and thereafter on or before March 1, 1944; at 103 thereafter on or before March 1, 1948; at 102 thereafter on or before March 1, 1952; at 101 thereafter on or before March 1, 1958; and at 100 thereafter to maturity. See Notes 1 and 2, page 66.
<i>General and Refunding Bonds</i> Construction of first operating unit of the Midtown Hudson Tunnel.	2nd	\$16,500,000	12/1/1935	\$16,500,000	3¾%	June 1 and Dec. 1	City Bank Farmers Trust Company	Dec 1 1965	\$16,500,000	Redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 105 on or before December 1, 1940; at 104 thereafter on or before December 1, 1944; at 103 thereafter on or before December 1, 1948; at 102 thereafter on or before December 1, 1952; at 101 thereafter on or before December 1, 1958; and at 100 thereafter to maturity. See Notes 1 and 2, page 66.

Table No. 16
FUNDED DEBT (Continued)
DECEMBER 31, 1936

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>General and Refunding Bonds</i> For refunding of Series "B" 4% bonds and for other purposes for which General and Refunding bonds may be issued.	3rd	\$17,500,000	5/1/1936	\$17,500,000	3½%	May 1 and Nov. 1	Central Hanover Bank and Trust Company	May 1 1976	\$17,500,000	Redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 103 on May 1, 1941, and thereafter on or before May 1, 1945; at 102 thereafter on or before May 1, 1950; at 101 thereafter on or before May 1, 1955; and at 100 thereafter to maturity. See Notes 1 and 2, page 66.
<i>General and Refunding Bonds</i> For refunding of certain outstanding bonds and to provide funds for the construction of the second (north) tube of the Midtown Hudson Tunnel.	4th	\$22,000,000	12/15/1936	\$12,058,000	3%	June 15 and Dec. 15	The Chase National Bank of the City of New York	Dec. 15 1976	\$12,058,000	Subject to redemption prior to December 15, 1950, only through the operation of the Sinking Fund created and established for the Fourth Series Bonds. Subject to this limitation, redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 103 on December 15, 1941, and thereafter on or before December 15, 1945; at 102 thereafter on or before December 15, 1950; at 101 thereafter on or before December 15, 1955; and at 100 thereafter to maturity. See Notes 1 and 2, page 66.

Total bonds issued and outstanding at December 31, 1936 — \$192,217,000.

NOTE 1 — Free from New York and New Jersey taxes. Exempt from Federal Income Tax.

NOTE 2* — Legal for all state and municipal officers and bodies, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies, insurance companies and associations, administrators, executors, guardians, trustees and other fiduciaries in New York and in New Jersey, and eligible (a) with the permission of the state comptroller, to a limited extent, to secure deposits of funds of the State of New York, i.e., to secure deposits other than those made by the Commissioner of Taxation and Finance, and (b) for deposit with municipal officers or agencies in New York or New Jersey for any purpose for which the bonds of such states, respectively, may be deposited.

* Since the date of this report legislation has been adopted in New York making General and Refunding Bonds eligible for deposits with State officers in New York.

Description of the Comprehensive Plan

No. 1—Middle Belt Line—the keystone of the arch of railroad terminal coordination within the Port District. It connects New Jersey and Staten Island and the railroads on the westerly side of the port with Brooklyn, Queens, the Bronx and the railroads on the easterly side of the port. This connection is the most direct, the shortest and the cheapest of any brought to the attention of the Commissioners for study or consideration. This line connects with the New York Central Railroad in the Bronx; with the New York, New Haven and Hartford Railroad in the Bronx; with the Long Island Railroad in Queens and Brooklyn; with the Baltimore and Ohio Railroad near Elizabethport and in Staten Island; with the Central Railroad Company of New Jersey at Elizabethport and at points in Newark and Jersey City; with the Pennsylvania Railroad in Newark and Jersey City; with the Lehigh Valley Railroad in Newark and Jersey City; with the Delaware, Lackawanna and Western Railroad in Jersey City and the Secaucus Meadows; with the Erie Railroad in Jersey City and the Secaucus Meadows; with the New York, Susquehanna and Western Railroad in North Bergen; with the New York, Ontario and Western and the West Shore Railroads on the Westerly side of the Palisades above the Weehawken tunnel.

Its length is approximately sixty-one and one-half miles, of which approximately fifty-one and one-half miles have already been built. Additional tracks to those already built will have to be added. There remains only approximately ten miles of entirely new line to be built. With the construction of the tunnel and approaches from Greenville to Bay Ridge freight can commence to flow without the necessity of building any other trackage except short connections at the tunnel ends. To handle the full traffic that should traverse the Middle Belt Line or utilize it for local service would require the improvement of existing tracks and additions to them.

The route to the Middle Belt Line is as follows: Connecting at the Hudson River at Spuyten Duyvel running easterly and southerly generally along the easterly side of the Harlem River, utilizing existing lines and improving and adding where necessary, to a connection with Hell Gate Bridge and the New Haven Railroad, a distance of approximately seven miles; thence continuing in a general southerly direction, utilizing existing lines and improving and adding where necessary to a point near Bay Ridge, a distance of approximately eighteen and one-half miles; thence by a new two-track tunnel under New York Bay in a westerly direction to a portal in the Greenville yard of the Pennsylvania Railroad in Jersey City, a distance of approximately five miles, to a connection with the tracks of the Pennsylvania and Lehigh Valley Railroads; thence in a generally northerly direction along the easterly side of Newark Bay and the Hackensack River at the westerly foot of the Palisades, utilizing existing tracks and improving and adding where necessary, making connections with the Jersey Central, Pennsylvania, Lehigh Valley, Delaware, Lackawanna and Western, Erie, New York, Susquehanna and Western, New York, Ontario and Western, and West Shore railroads, a distance of approximately ten miles. From the Greenville portal of the Bay tunnel and from the line along the easterly side of Newark Bay by the bridges of the Central Railroad of New Jersey (crossing the Hackensack and Passaic Rivers) and of the Pennsylvania and Lehigh Valley Railroads (crossing Newark Bay) to the line of the Central Railroad of New Jersey running along the westerly side of Newark Bay and thence southerly along this line to a connection with the Baltimore and Ohio Railroad south of Elizabethport, utilizing existing lines and improving and adding where necessary, a distance of approximately 12 miles; thence in an easterly direction crossing the Arthur Kill, utilizing existing lines and improving and adding where necessary, along the northerly and easterly shores of Staten Island to the city piers and to a connection, if the City of New York consent thereto, with the tunnel under the Narrows to Brooklyn provided for under legislation as a municipal project—a distance of approximately nine miles.

No. 2—A marginal railroad in the Bronx extending along the shore of the East River and Westchester Creek connecting with the Middle Belt Line (No. 1), and with the New York, New Haven and Hartford Railroad in the vicinity of Westchester. This is a new line and will open up territory for commercial and industrial development. Its length is approximately eight miles.

No. 3—A marginal railroad in Queens and Brooklyn extending along Flushing Creek, Flushing Bay, the East River and upper New York Bay. It connects with the Middle Belt line (No. 1), by lines No. 4, No. 5, No. 6 and directly at the southerly end at Bay Ridge. It utilizes certain existing lines of the Brooklyn Eastern District, Jay Street, New York Dock and Bush Terminal companies. Existing lines will be utilized and improved and added to and new lines will be built where lines do not now exist. This railroad will open up territory for commercial and industrial development. It has a length of approximately nineteen and one-half miles, of which approximately four miles now exist and about fifteen and one-half miles will be new.

No. 4—An existing line to be improved and added to where necessary. It connects the Middle Belt Line (No. 1) with the marginal railroad No. 3 near its northeasterly end. It has a length of approximately two and one-half miles.

No. 5—An existing line to be improved and added to where necessary. It connects the Middle Belt Line (No. 1), with the marginal railroad No. 3, in Long Island City. It has a length of approximately four miles.

No. 6—A portion of this line exists and a portion is new. It connects the Middle Belt Line (No. 1) with the marginal railroad No. 3 in the Greenpoint section of Brooklyn. The existing portion to be improved and added

to where necessary. It will open up territory for industrial development. It has a length of approximately four miles, of which two miles now exist.

No. 7—A marginal railroad surrounding the northerly and westerly shores of Jamaica Bay. This line is new and connects with the Middle Belt Line (No. 1). It will open up territory for commercial and industrial development. It has a length of approximately twelve and one-half miles.

No. 8—An existing line, to be improved and added to where necessary. It extends along the southeasterly shore of Staten Island. It connects with Middle Belt Line (No. 1), and will open up territory for commercial and industrial development. It has a length of approximately twelve miles.

No. 9—A marginal railroad extending along the westerly shore of Staten Island and a branch connection with No. 8. This line is new and will open up territory for commercial and industrial development. It connects with the Middle Belt Line (No. 1), and with a branch from the Outer Belt Line (No. 15); with its branch it is about fifteen and one-quarter miles long.

No. 10—This line is made up mostly of existing lines, to be improved and added to where necessary. It connects with the Middle Belt Line (No. 1) by way of marginal railroad No. 11. It extends along the southerly shore of Raritan Bay and through the territory south of the Raritan River reaching New Brunswick. It will open up territory for commercial and industrial development. It has a length of approximately twenty-nine and one-half miles, of which practically the entire length exists.

No. 11—A marginal railroad extending from a connection with the proposed Outer Belt Line (No. 15) near New Brunswick along the northerly shore of the Raritan River to Perth Amboy, thence northerly along the westerly side of the Arthur Kill to a connection with the Middle Belt Line (No. 1) south of Elizabethport. The portion of this line which exists to be improved and added to where necessary. This line will open up territory for commercial and industrial development. It has a length of approximately fifteen and one-quarter miles, of which about nine and one-half miles now exist.

No. 12—A marginal railroad extending along the easterly shore of Newark Bay and the Hackensack River and connects with the Middle Belt Line (No. 1). This line which does not now exist will open up territory for commercial and industrial development. It has a length of approximately seven miles.

No. 13—A marginal railroad extending along the westerly side of the Hudson River and the Upper New York Bay, is made up mostly of existing lines—the Erie Terminals, New Jersey Junction, Hoboken Shore and National Docks Railroad. This line is now operated as a belt line approximately sixteen and one-half miles in length and, serving the New Jersey water front, has opened up territory for commercial and industrial development. It will be connected with the Middle Belt Line (No. 1).

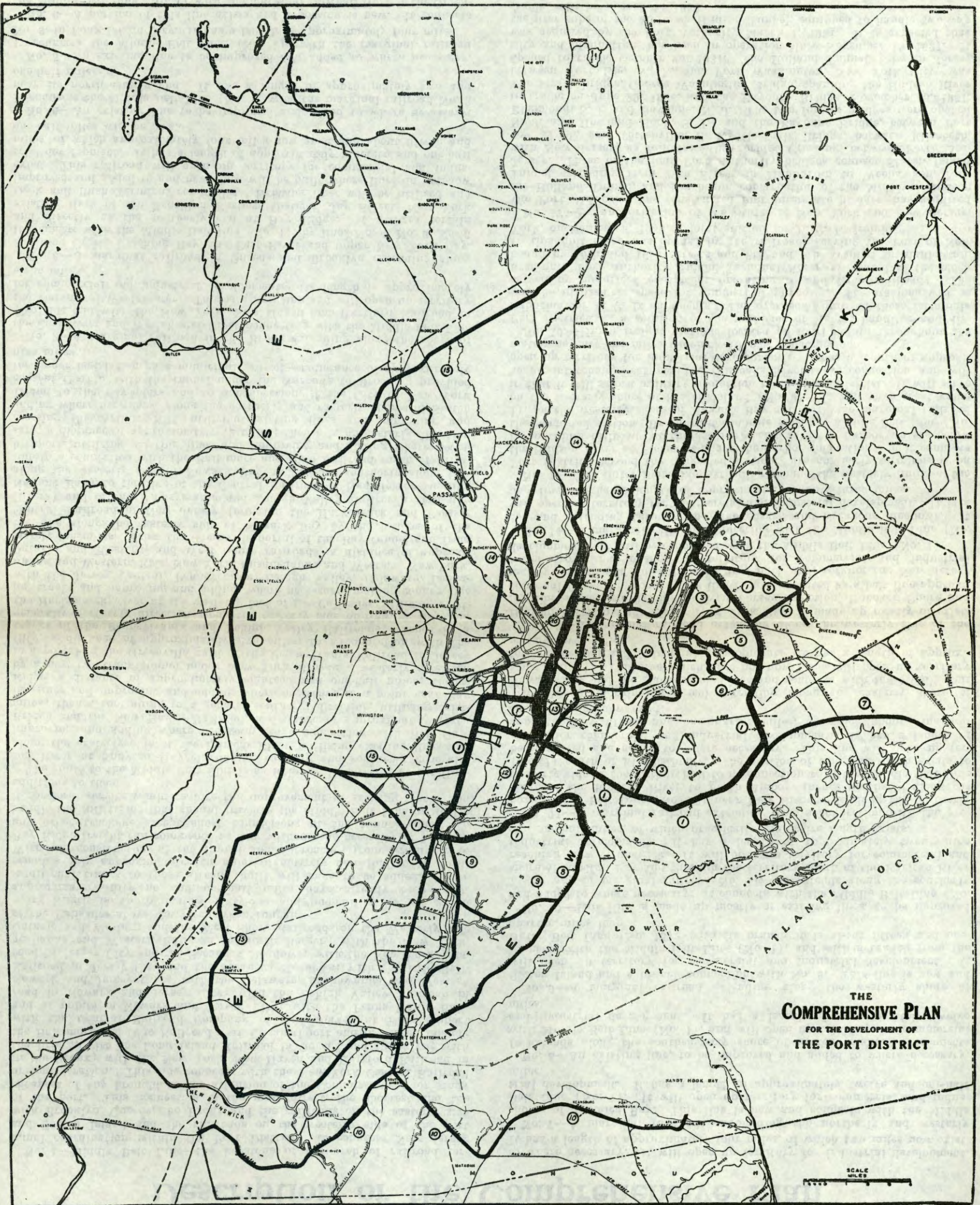
No. 14—A marginal railroad connecting with the Middle Belt Line (No. 1), and extending through the Hackensack and Secaucus Meadows. It will open up territory for commercial and industrial development. It is a new line and has a length of approximately twenty-three miles.

No. 15—The Outer Belt Line, extending around the westerly limits of the Port District beyond the congested section. Its northerly terminus is on the Hudson River at Piermont above the harbor congestion and it connects by marginal railroads at the southerly end with the harbor waters below the congested section. By spurs it connects with the Middle Belt Line (No. 1), on the westerly shore of Newark Bay and with the marginal railroad on the westerly shore of Staten Island (No. 9). It will have great value in that it will afford military protection to the Port District. It will serve as an interchange between the railroads beyond the congestion and will open up territory for industrial development. It has a length of approximately seventy-one miles which is all new construction.

No. 16—Union freight stations located at focal points throughout the Port District, as a solution of the problems of freight handling and distribution for L. C. L. shipments. The overhead rights of these terminals will be utilized as space for commercial purposes. The stations will be served by motorized equipment operating to and from railheads. The first unit, Port Authority Inland Terminal No. 1, is located in the block bound by 15th and 16th Streets and 8th and 9th Avenues in Manhattan. In this unit there was opened by the railroads serving the Port of New York, on October 3, 1932, a joint station for L. C. L. freight.

No. 17—By authorization of the States of New York and New Jersey, the Port Authority has constructed four interstate bridges, has acquired the Holland Tunnel, and has begun construction of the Midtown Hudson Tunnel extending from 39th Street in Manhattan to Weehawken, New Jersey. Three of the four Port Authority bridges connect Staten Island with New Jersey, as follows: Outerbridge Crossing, between Perth Amboy, N. J., and Tottenville, S. I.; Goethals Bridge, between Elizabeth, N. J. and Howland Hook, S. I.; and the Bayonne Bridge, between Port Richmond, S. I. and Bayonne, N. J. The two former bridges were opened to traffic on June 29, 1928, and the Bayonne Bridge, November 15, 1931. The fourth bridge, George Washington Bridge, spanning the Hudson River between Fort Lee, N. J., and Fort Washington, New York City, was opened to traffic October 25, 1931. The Holland Tunnel, between Jersey City and Manhattan, has been in operation since November 13, 1927. It was acquired by the Port Authority March 1, 1931. It is expected that the first tube of the Midtown Hudson Tunnel, equipped to handle two-way traffic, will be opened in 1938.

THE PORT OF NEW YORK AUTHORITY.



**THE
COMPREHENSIVE PLAN
FOR THE DEVELOPMENT OF
THE PORT DISTRICT**

SCALE
MILES

