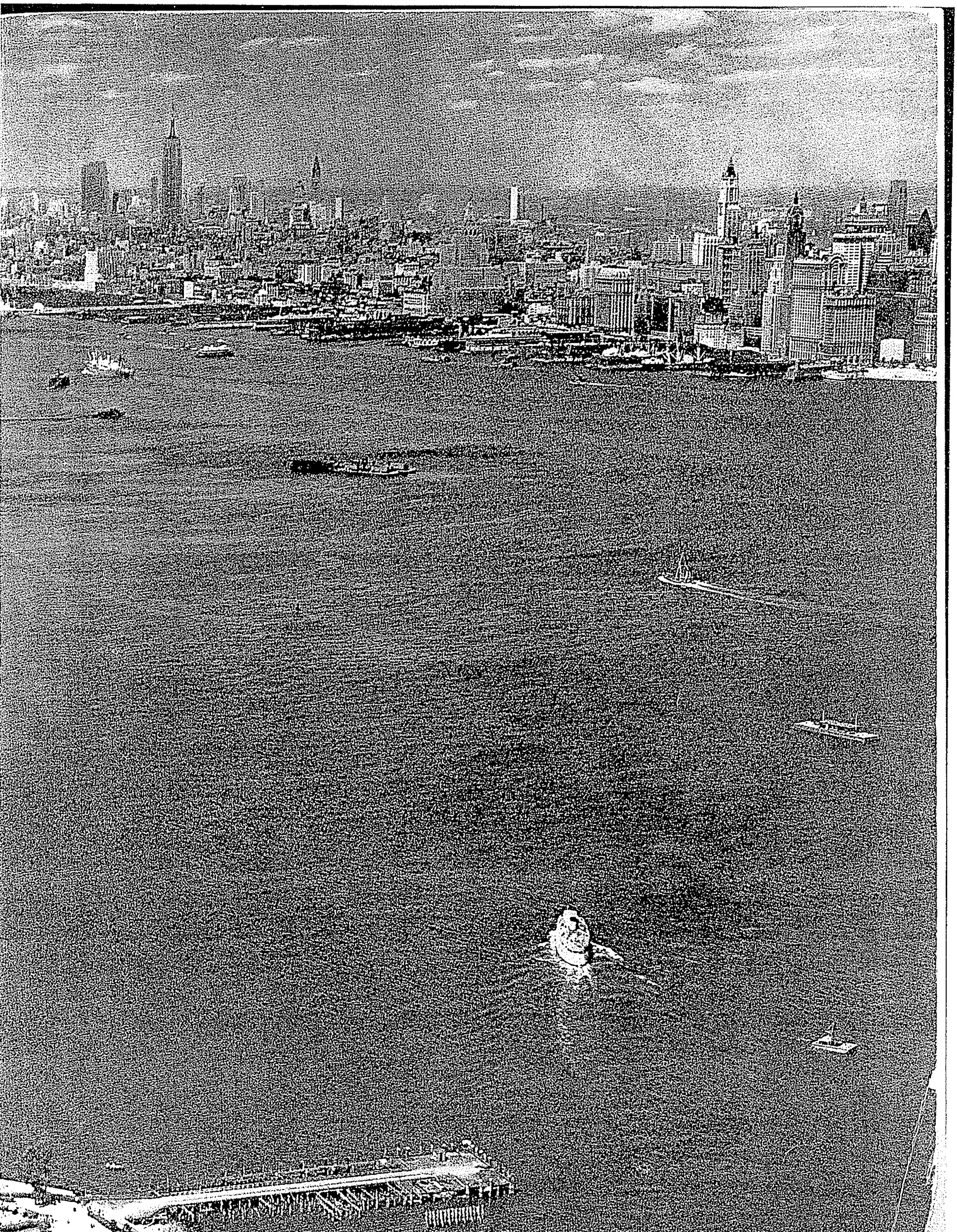
THE PORT OF NEW YORK AUTHORITY

Thirty-first Annual Report **1951**



Commissioners—New Jersey	Commissioners—New York
JOSEPH M. BYRNE JR., *VICE CHAIRMAN*	HOWARD S. CULLMAN, *CHAIRMAN*
DONALD V. LOWE	EUGENE F. MORAN
F. PALMER ARMSTRONG	BAYARD F. POPE
HORACE K. CORBIN	S. SLOAN COLT
JOHN BORG	CHARLES S. HAMILTON JR.
JOHN F. SLY	CHAS. H. SELLS

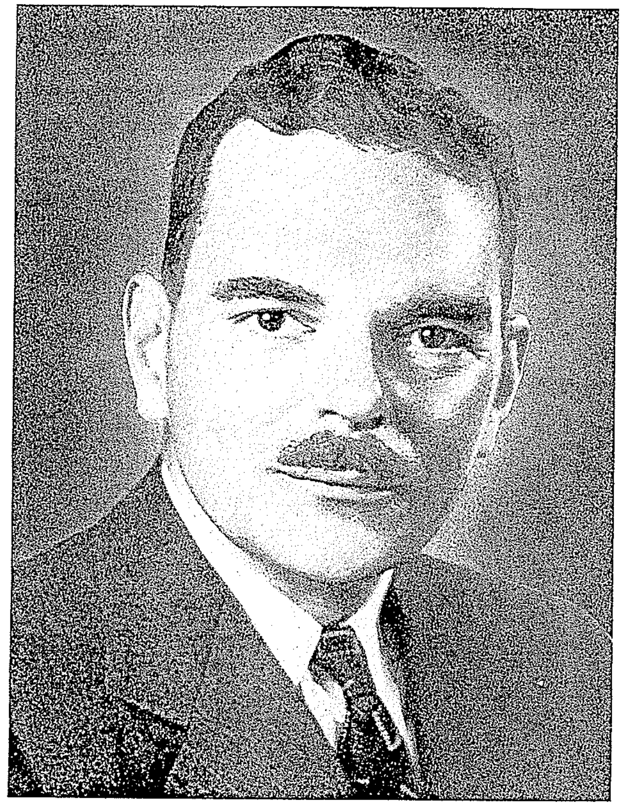
AUSTIN J. TOBIN, *EXECUTIVE DIRECTOR*

THE PORT OF NEW YORK AUTHORITY

31st ANNUAL REPORT

for the year ended December 31, 1951

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



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

". . . I speak for the people of New Jersey when I say that we are proud of the work that we have accomplished through this bi-state agency which serves the citizens of our two States well; and I think has made a great contribution not only to the economy of our area but the well-being of our entire country.

"What I would like to stress perhaps more than the physical accomplishments . . . is what has been accomplished in the way of the restoration of faith in our representative system of government, our working Federalism, the idea that local communities and state governments are something more than empty shells of their former power and sovereignty in this mid-century period in which we are living."

"In its thirty-one years of service to the two States, the Port Authority, without burden to the general taxpayer, has provided almost half a billion dollars' worth of terminal and transportation facilities. Through its great public works, it has set an example for the administration of public business on a sound and efficient basis. Its prudent management has established a credit rating unique among government agencies.

". . . I know of no branch of Government whose officials have won greater public acclaim than the Commissioners of the Port Authority. It is important, too, that the Commissioners have selected for the staff of this agency the best available experts in their respective fields."

THE PORT OF NEW YORK AUTHORITY
111 Eighth Avenue at 15th Street New York 11 NY

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

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

We have the honor and privilege to report to Your Excellencies and to the honorable members of the two Legislatures that, during the year 1951, we have been able to make important progress in our program of port development under the general directives of the Port Treaty of 1921 and the Comprehensive Plan in the unified Port area of Northern New Jersey and metropolitan New York. Over the years, we have endeavored to fulfill the specific obligations placed upon us by the Legislatures through their statutory supplements to the Port Treaty.

As Your Excellencies will please notice from the detailed report on our 1951 activities which follows, your agency, just thirty-one years after its creation by the two States, is developing and operating transportation and terminal facilities which play a vital part in the story of men and women at work in the Port District. Our best estimate of the number of people employed in immediate relationship to our bridges, tunnels and terminals is 30,000. We estimate that the annual payroll for these people is $120,000,000. These figures include the Port Authority's 3,322 employees and payroll at all of our facilities and in our main headquarters. At our bus and truck terminals, as well as at our marine and air terminals, they include the people whose work is directly related to the use of the terminals and their various services.

Beyond the facilities themselves there radiates the huge network of industries and employment that is inseparably involved in almost every phase of life in this, the world's greatest center of land, sea and air transportation. We have never been able to trace the ultimate employment in all activities related to the Port. It is, perhaps, more revealing to try to picture the economy of Northern New Jersey and metropolitan New York if it were not blessed, as it is, with its great natural asset, the bi-state harbor. As you know, we estimate that at least one out of ten people employed in the Port District earns his living from a Port industry or a business related in some way to the activity of the Port.

But though the harbor itself is responsible for the development of this area as the nation's gateway to the world and for the development of business and employment dependent upon transportation, airports have taken their place beside the marine terminals as a major factor in the continuing pre-eminence of this area.

The chapter in this report related to the Port Authority's regional system of airports goes into considerable detail on the number of people and tons of goods transported in the past year between the Port of New York and other United States and overseas centers. It indicates that the future inevitably requires the most carefully considered and practical approach to the handling of air traffic, if we are to keep step with the times.

We believe that the Port Authority's plans for the $270,000,000 development of our regional airports were not drawn a day too early. Our plans are materializing at a time when airport requirements can be measured accurately, for aviation has come of age.

We have issued bonds for new projects and refunding purposes since 1921, having a total face value of $729,301,000. In our thirty-one years as your Port agency, we have expended over $393,000,000 for the construction of bridges, tunnels, waterfront facilities, airports and consolidated terminals for railroads, trucks and buses. All of these land, sea and air transportation facilities have been made available to the people of the Port community on a self-supporting basis without burden to the general taxpayer.

It has been possible for us to make these facilities available, under the direction of the two Legislatures, through the foresight of the States in directing that the revenues of these public terminal and transportation facilities should be pooled and pledged in support of the bonds issued for their construction. It is only through this method of revenue financing that the people can be assured of continued development of the whole Port area without the imposition of the cost of such development upon the general taxpayer.

It is gratifying to report that in spite of greatly increased costs, and with full consideration for our commitments over the next few years, which may run as high as $500,000,000 we were able, on June 14, 1951, to authorize our second toll cut in less than fifteen months.

Effective September 1, passenger car tolls for frequent users who cannot take advantage of our commutation tickets were reduced 20 per cent, from 50 cents to 40 cents, through the availability of twenty-five-trip transferable $10 books of tickets, good for two years in addition to the year in which they are sold. Toll scrip, usable by any type of vehicle in lieu of cash fare, can be bought at a 10 per cent discount in quantities of twenty-five. The regular price of this scrip is 25 cents, 50 cents, 75 cents, $1.00 and $1.50 each.

Commutation rates have been in effect on the Port Authority's three Staten Island Bridges for more than twenty years. Commuters may buy twenty-six-trip tickets for $6.00, or at a rate of 23 cents a trip.

You will recall that our passenger vehicle commutation toll ticket for regular users on our Hudson River crossings was introduced on June 15, 1950. The $10 "H-4" ticket, which is good for thirty days and provides for forty trips, was used by 32.2 per cent of all passenger cars on weekdays during a test period in December. The use of this ticket permits the commuter to make five round trips a week across the Hudson at a 25-cent rate. As you will kindly note, our experience with commutation and other reduced-rate tickets is discussed in detail in the report that follows.

In 1951 the extraordinary upward trend of vehicular traffic was continued at all Port Authority bridges and tunnels. The increase of traffic in the metropolitan area of New Jersey and New York was closely related to the national traffic picture since the end of World War II. Our six interstate crossings handled a total of 67,702,252 vehicles in 1951 as compared with 59,525,274 in 1950, an increase of 8,176,978 vehicles, or 13.7 per cent.

In view of the increased volume of traffic, the Port Authority, a year ago, completed plans for the construction of an $85,000,000 third tube of the Lincoln Tunnel to provide capacity for an additional 8,500,000 vehicles a year. The third tube will be completed in 1957. In the not too distant future it may be necessary for us to build a complete new third tunnel between the Holland Tunnel and the Lincoln Tunnel.

We report to Your Excellencies with real pleasure that we hope to reach an agreement with the cooperation of the Federal Maritime Administrator and the City of Hoboken under which we will improve the valuable Hoboken waterfront at a cost which eventually may amount to $22,000,000. We feel certain that the restoration of the Hoboken waterfront as an important factor in the life of the harbor will bring to the people of that community a greatly enhanced income.

On another New Jersey sector of the waterfront, Port Newark, we have enjoyed a year of gratifying business. All records for tonnage and employment were broken during 1951, and we look forward to the continued success of this undertaking. The Port Authority Grain Terminal and Columbia Street Pier also recorded heavy volumes of business and employment. Needless to say, a great part of the business at our marine terminals resulted from our progressive development and business promotion program.

Altogether, we spent or committed $22,479,000 on capital improvements at our various facilities during 1951. Our 1952 budget calls for the expenditure of $58,984,900.

Our Port commerce promotion and protection program has been particularly active over the past year. The chapter dealing with this subject will indicate the breadth of our interest and the scope of our accomplishments in this respect. We have taken every opportunity to promote the commerce of the bi-state Port, and to protect it against discriminatory freight rates that would handicap the New Jersey-New York Port District in meeting the competition of other American ports.

This port promotion and protection program has been one of the most important of our obligations since the early days of our existence. Since World War II we have been particularly active in this work. Our five trade promotion offices in New York, Chicago, Cleveland, Washington and Rio de Janeiro make every possible effort to assure the movement of commerce through the New Jersey-New York Port. They furnish shippers with accurate and complete information on facilities and services available here, and help exporters and importers in the routing of their shipments through this harbor.

In 1951 we continued our appearances before committees of Congress, the Interstate Commerce Commission. the Federal Maritime Board, the Civil Aeronautics Board, the United States Army Engineers and similar agencies on matters affecting the commerce of the Port.

Once more, we should like to express our pleasure and appreciation for the confidence manifested in us by the people who have invested their money to make it possible for us to carry out the directives of the two Legislatures. We cannot overestimate their invaluable contribution to the people of the Port District over the years.

We should also like to say that we have been particularly fortunate in the Port Authority to have had in this great effort for the public benefit the services of an outstanding career Staff. We are certain that you are personally aware, through your close contact with your agency, of the able direction and indefatigable efforts of our Executive Director, Austin J. Tobin, and our hard-working department heads and other supervisory personnel. In these days when it is so difficult to find men and women of high integrity willing to devote themselves to government service, we consider ourselves particularly fortunate in that we have been able to recruit and hold experts whose outstanding ability and loyalty to the public service is one of the unique factors that make possible the successful administration of the Port Authority.

We should like to express to Your Excellencies and to the honorable members of the Legislatures our renewed appreciation of your support and cooperation over the entire life of the Port Authority and particularly over the past year. It is obvious that the Commissioners of the Port Authority, as well as all the people in the Port District, owe to the Governors and the members of the Legislatures of the States of New Jersey and New York the deepest gratitude for their guidance, support and cooperation.

State and municipal officials, civic groups, the general public and the press have given us their unfailing support and encouragement. Without all of this we could not possibly have come this far, nor could we go forward with our program in carrying out the directives of the Port Treaty.

Respectfully submitted:

August 1, 1952 | New York, N. Y.

31st ANNUAL REPORT THE PORT OF NEW YORK AUTHORITY

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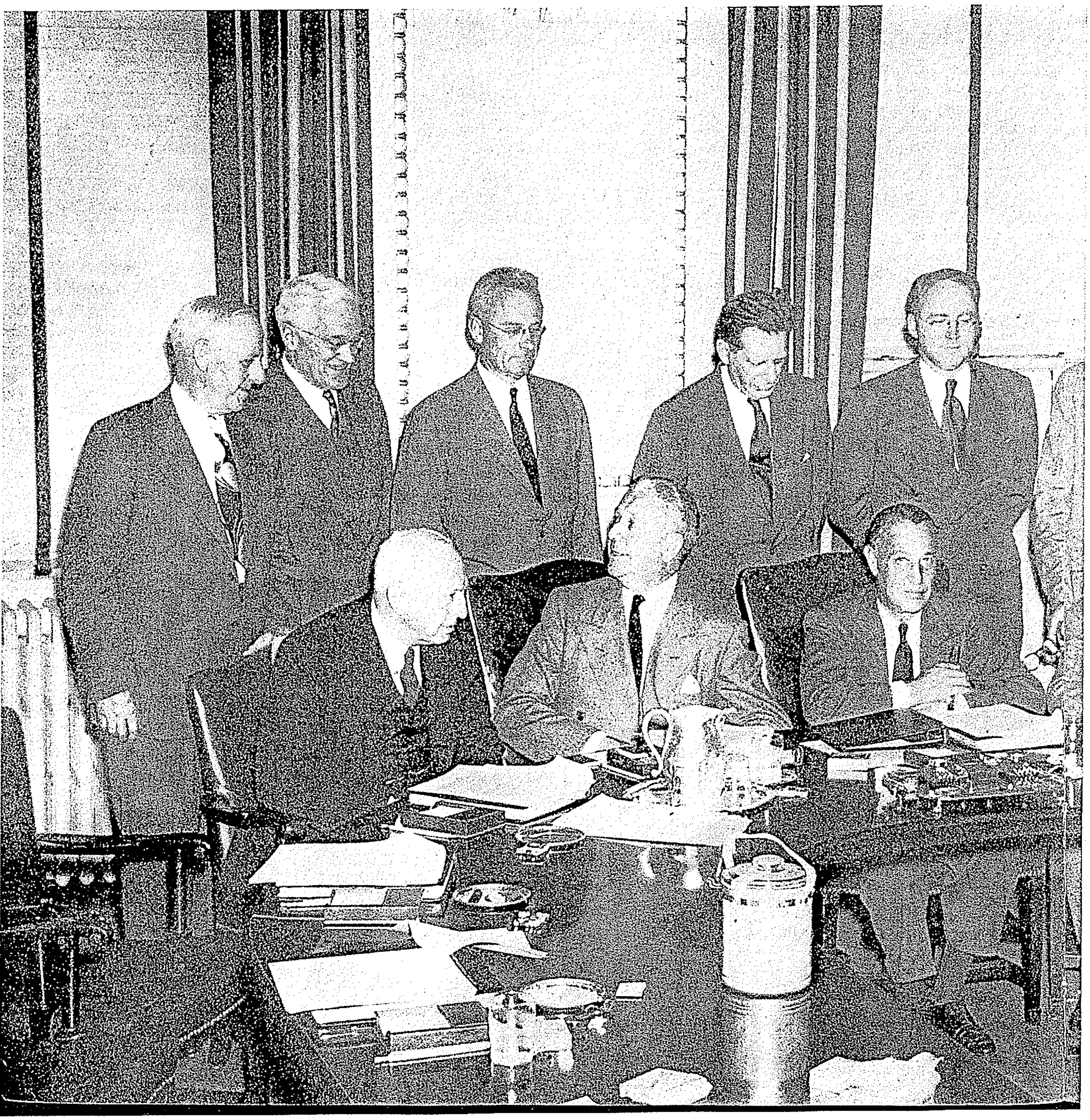


The Port Treaty of 1921

On April 20, 1921 the States of New York and New Jersey by solemn Treaty, gave each to the other their pledged word that they would proceed together through their joint port agency, The Port of New York Authority, in the future planning and development of the public terminal and transportation facilities of their common Port District—the New York and New Jersey shores of the Port of New York.

In the Treaty of 1921 the two States agreed that:

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

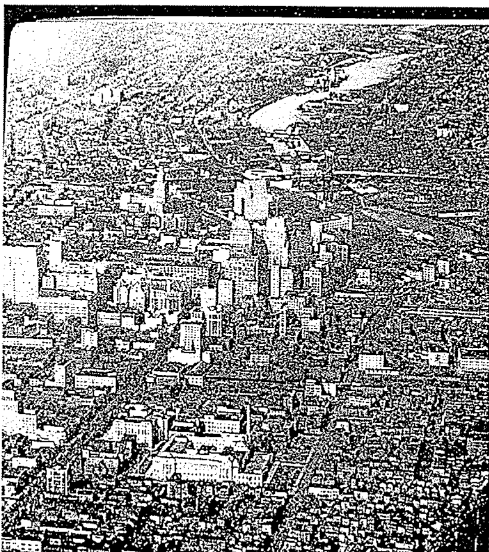
"The future development of such terminal, transportation and other facilities of commerce will require the expenditure of large sums of money and the cordial cooperation of the States of New York and New Jersey in the encouragement of the investment of capital, and in the formulation and execution of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

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

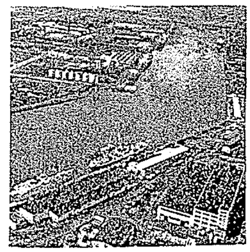
New York and New Jersey therefore pledged:

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

PORT AUTHORITY COMMISSIONERS meet in Board Room of Port Authority Building. Seated, left to right: Bayard F. Pope; Joseph M. Byrne Jr., Vice Chairman; Howard S. Cullman, Chairman; Eugene F. Moran and Donald V. Lowe. Standing, left to right: F. Palmer Armstrong, Horace K. Corbin, S. Sloan Colt, John F. Sly, Charles S. Hamilton Jr., and Chas. H. Sells.



Newark Airport



Port Newark

George Washington Bridge

NEWARK. Looking north on Broad Street toward the heart of the commercial district in the New Jersey metropolis.

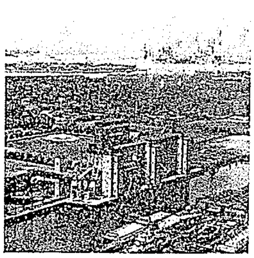
THE STORY OF THE PORT

The Port of New York Authority is the self-supporting corporate agency of the States of New Jersey and New York. Operating without burden to the taxpayer, it was created in 1921 by treaty between the two States to deal with the planning and development of terminal and transportation facilities, and to improve and protect the commerce of the Port District.

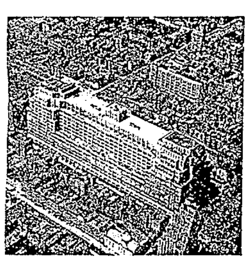
Port Authority Commissioners, six from each State, are appointed by the Governors of New Jersey and New York. They serve without pay for terms of six years.

The Authority's Lincoln and Holland Tunnels and George Washington Bridge spanning the Hudson River, and its Bayonne and Goethals Bridges and Outerbridge Crossing connecting Staten Island and New Jersey, join the States into one vast industrial, residential and recreational area.

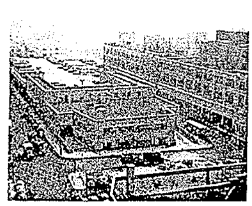
The bi-state agency's terminal facilities include the Port Authority Building at 111 Eighth Avenue, Manhattan, housing the Union Railroad Freight Terminal;



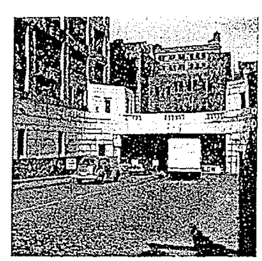
Port Authority Grain Terminal



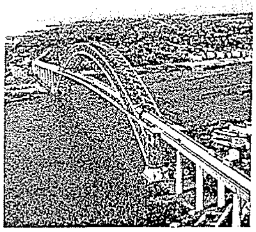
Port Authority Building



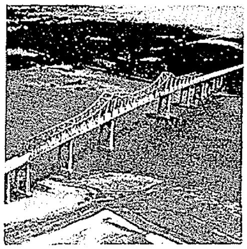
New York Union Motor Truck Terminal



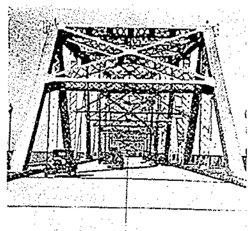
Holland Tunnel



Bayonne Bridge

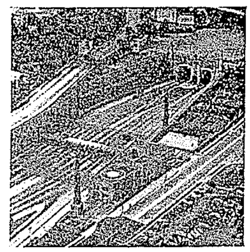


Outerbridge Crossing

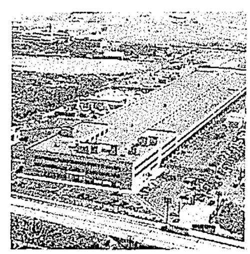


Goethals Bridge

Teterboro Airport



Lincoln Tunnel

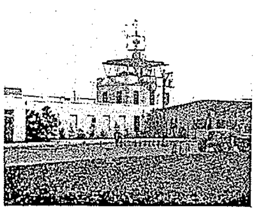


Newark Union Motor Truck Terminal

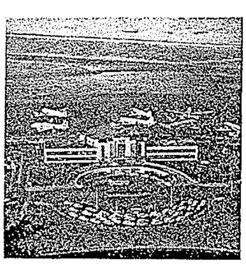
OF NEW YORK AUTHORITY

the Port Authority Grain Terminal and Columbia Street Pier at Gowanus Bay, Brooklyn; La Guardia Airport and New York International Airport in New York City; Newark Airport and Teterboro Airport in New Jersey; Port Newark; the world's two largest Union Motor Truck Terminals, one in Manhattan and the other in Newark, and the world's largest Bus terminal in mid-Manhattan.

Charged by statute with the promotion and protection of port commerce, the Port Authority appears before such regulatory bodies as the Interstate Commerce Commission, the Civil Aeronautics Board and the Federal Maritime Board in the interest of the welfare of the unified Port area. It maintains branch offices in Washington, Chicago, Cleveland and Rio de Janeiro to help promote the movement of commerce through the Port of New York. The Authority cooperates with governmental and civic bodies of both States to improve terminal facilities and transportation arteries.



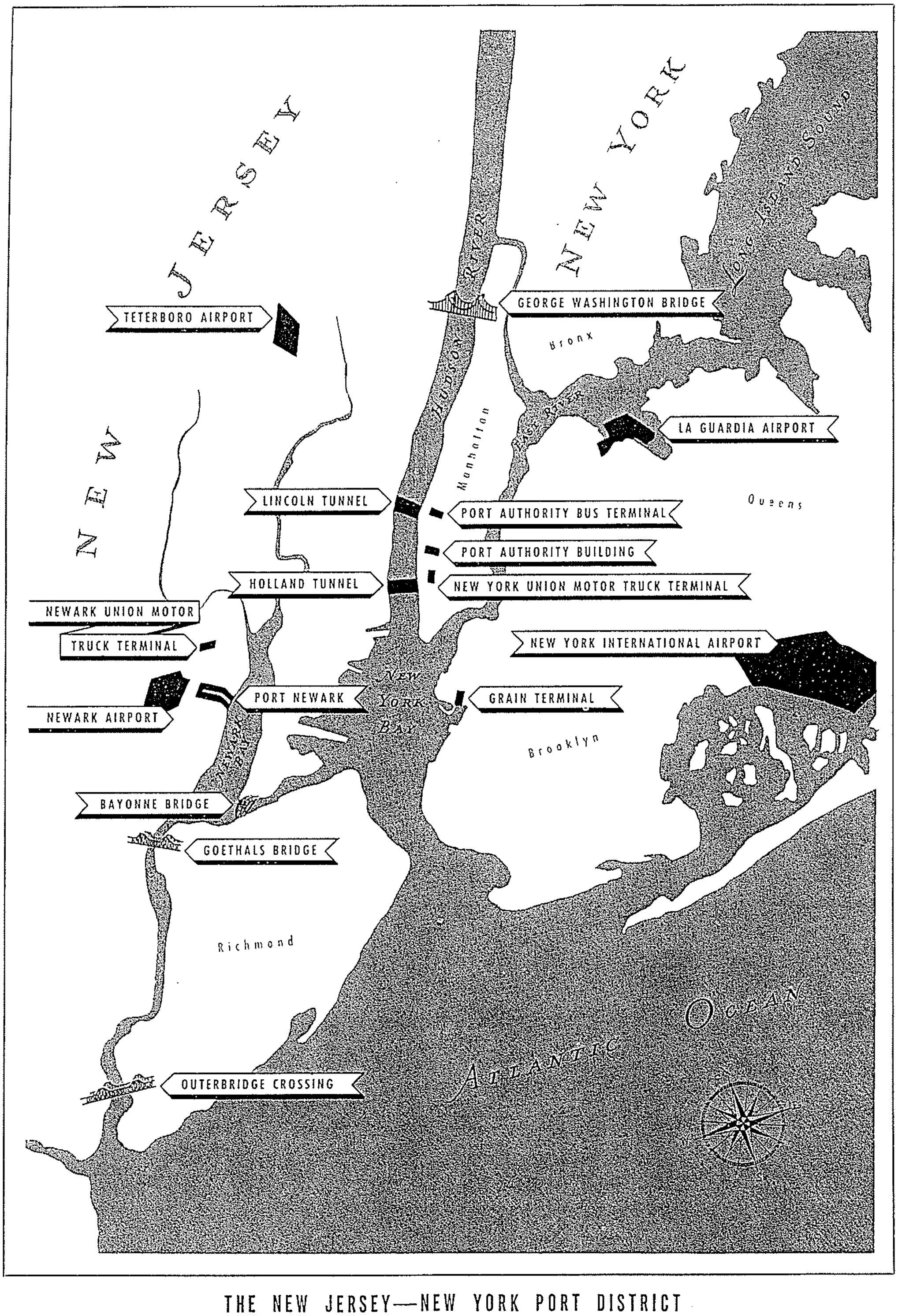
New York International Airport



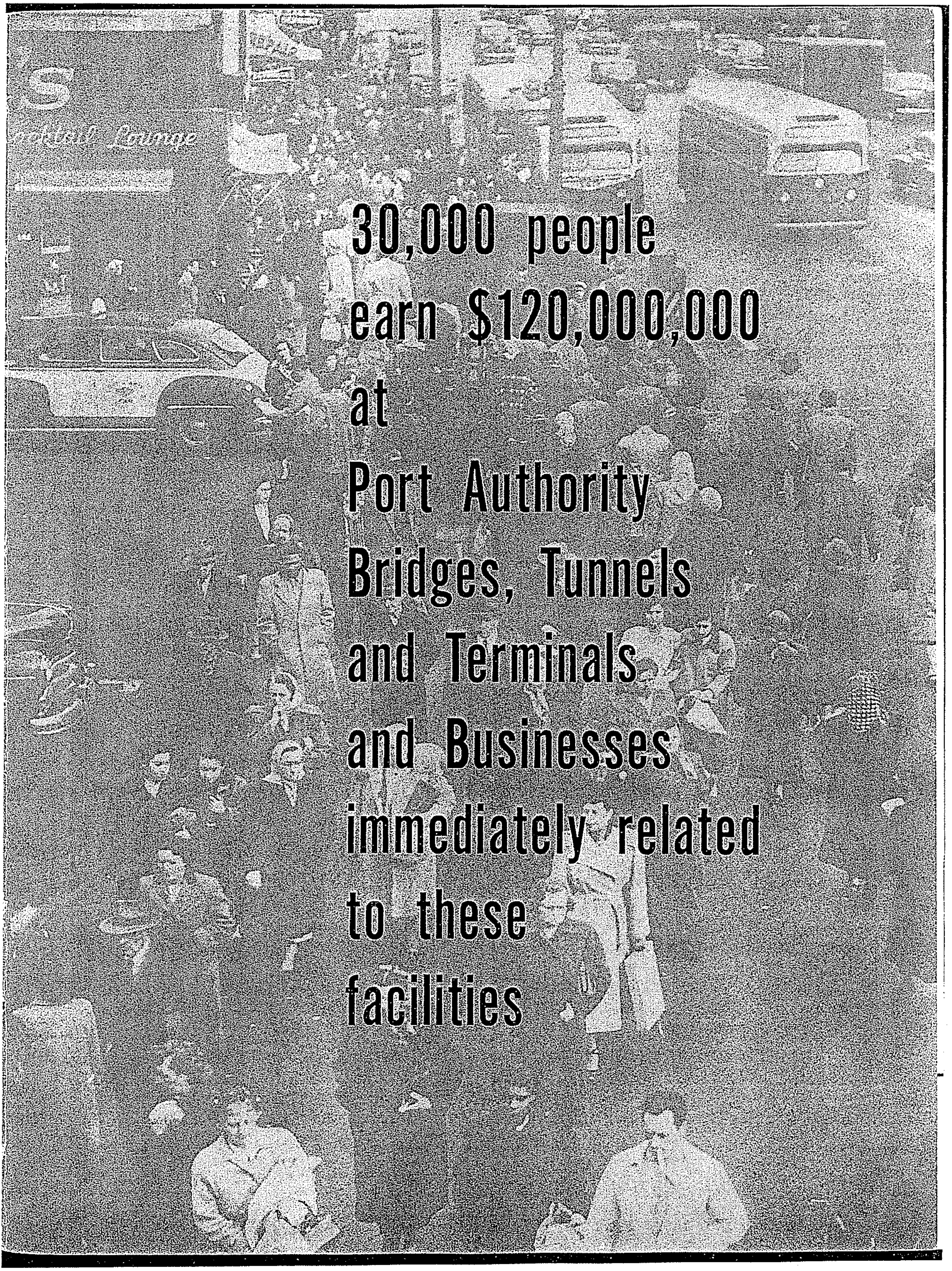
La Guardia Airport

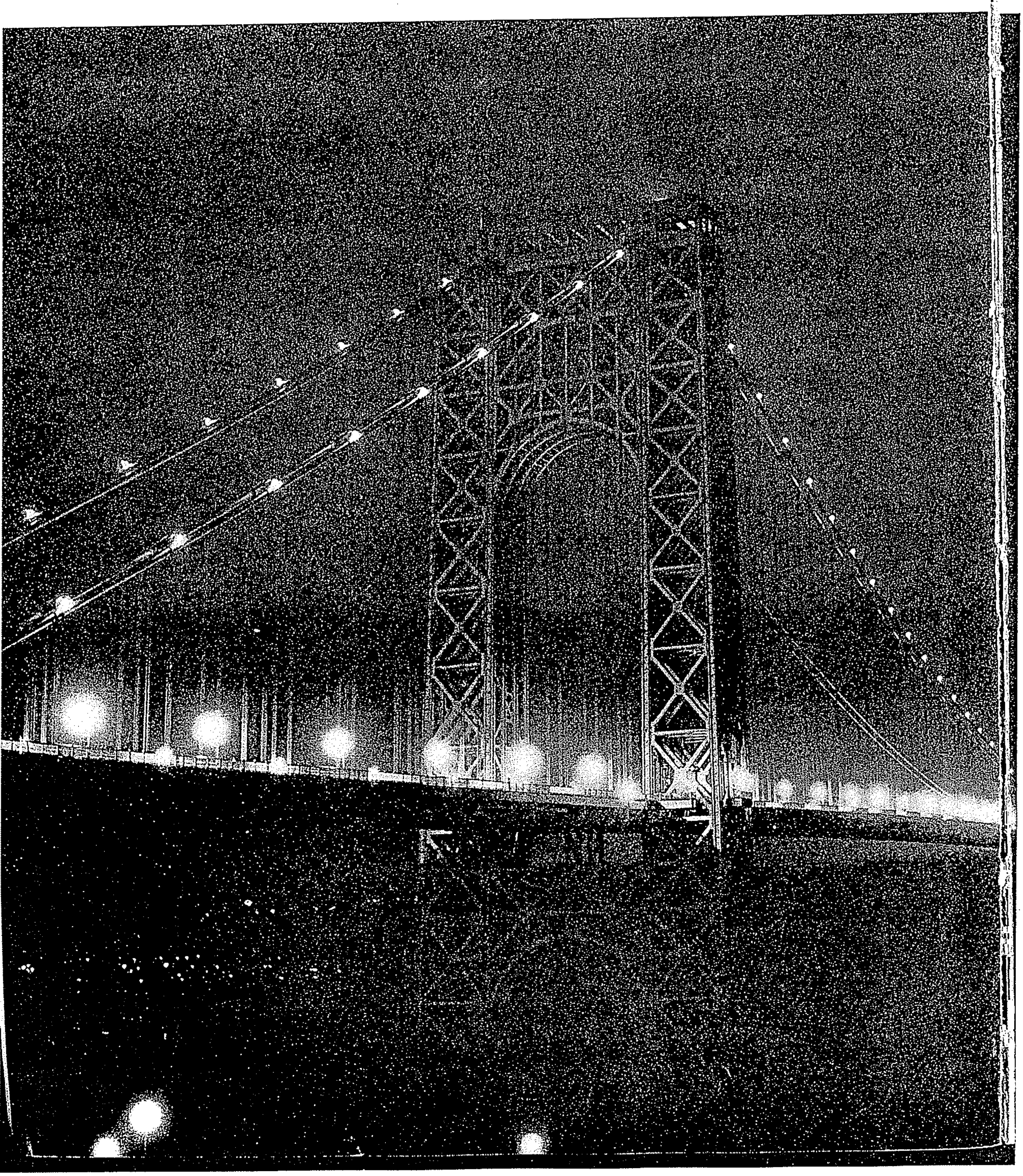
Port Authority Bus Terminal

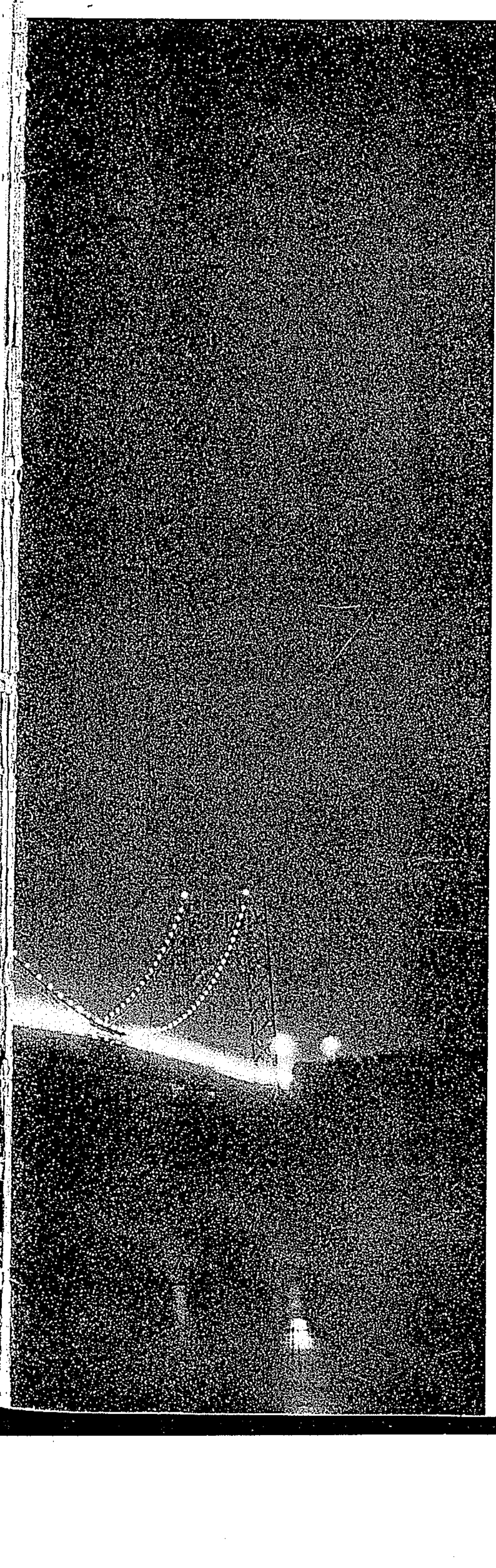
NEW YORK. Night lights add to the glamour of the fabulous Manhattan skyline.



THE NEW JERSEY—NEW YORK PORT DISTRICT
Showing Port Authority Facilities


30,000 people
earn $120,000,000
at
Port Authority
Bridges, Tunnels
and Terminals
and Businesses
immediately related
to these
facilities





Bridges and Tunnels

In 1951 the extraordinary upward trend of vehicular traffic continued at all Port Authority bridges and tunnels. The increase of traffic in the metropolitan area of New Jersey and New York was closely related to the national traffic picture since the end of World War II. Our six interstate crossings handled a total of 67,702,252 vehicles in 1951 as compared with 59,525,274 in 1950, an increase of 8,176,978 vehicles, or 13.7 per cent. The gain in trans-Hudson traffic since 1949, including ferries, has equalled eight years of the normal traffic growth experienced over the past two decades.

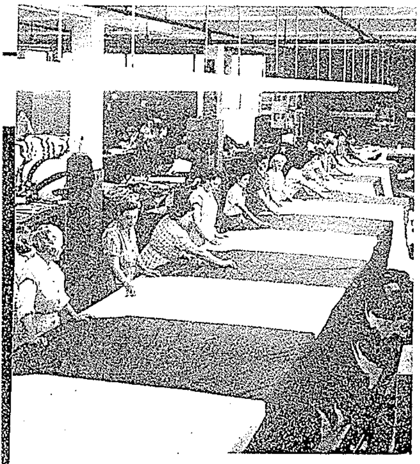
In view of the increased volume of traffic, the Port Authority a year ago completed plans for the construction of an $85,000,000 Third Tube of the Lincoln Tunnel to provide capacity for an additional 8,500,000 vehicles a year. In the not too distant future it may be necessary to build a complete new tunnel somewhere between the Holland Tunnel and the Lincoln Tunnel.

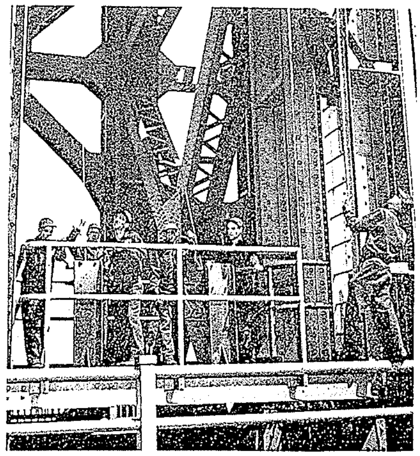
The largest traffic gain was experienced at the George Washington Bridge, which handled 23,548,332 vehicles as compared with 19,869,512 in 1950, an increase of 18.5 per cent over 1950.

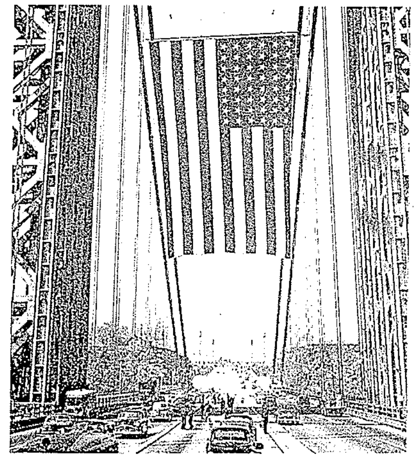
The second largest gain was recorded at the Lincoln Tunnel, which handled 17,462,312 vehicles as compared with 15,532,561 in the previous year, an increase of 12.4 per cent. The Lincoln Tunnel is expected to show even higher gains during 1952 as a result of the opening of the New Jersey Turnpike. It is expected that the 118-mile Turnpike will cause a considerable shift of traffic from the Holland Tunnel to the Lincoln Tunnel and the George Washington Bridge.

The famed "diamond necklace" of the majestic George Washington Bridge gracefully spans the mighty Hudson River to join New Jersey and New York.

World's largest free flying American flag, 60 by 90 feet, (left) is finished by Annin & Co., Verona, New Jersey, and (right) is proudly unfurled at the George Washington Bridge.







For the third successive year, the George Washington Bridge was the most heavily traveled of our crossings, handling 3,914,385 vehicles more than the Holland Tunnel.

	1951	1950	Increase	% Inc.
	(000 omitted)			
Holland Tunnel	19,634	18,126	1,508	8.3
Lincoln Tunnel	17,462	15,533	1,930	12.4
George Washington Bridge	23,548	19,869	3,679	18.5
Bayonne Bridge	2,670	2,321	348	15.0
Goethals Bridge	2,201	1,904	297	15.6
Outerbridge Crossing	2,187	1,772	415	23.4
Total	67,702	59,525	8,177	13.7

Commutation Tickets Are Heavily Used at Hudson River Crossings

The passenger vehicle commutation toll ticket for regular users of our Hudson River crossings was available for the full twelve months of 1951, having been introduced on June 15, 1950. The $10 "H-4" ticket, which is good for thirty days and provides for forty trips, was used by 32.2 per cent of all our trans-Hudson passenger vehicles on weekdays during a test period in December. The use of this ticket permits a commuter to make five round trips a week across the Hudson at a rate of 25 cents a trip. It was used by 20.1 per cent of all passenger cars including those on weekdays, Saturdays, Sundays and holidays in 1951, as compared with 17.5 per cent in the six and one-half months during which it was available in 1950.

During the year, 32.8 per cent of the weekday passenger car trips at the George Washington Bridge, 26.9 per cent at the Lincoln Tunnel and 20.7 per cent at the Holland Tunnel, or 27.5 per cent at the three Hudson River crossings, were using commutation tickets. A total of 9,850,249 passenger car trips were made with commutation tickets in 1951.

Commutation rates have been in effect on the Port Authority's three Staten Island Bridges for more than twenty years. Commuters may buy twenty-six-trip tickets for $6.00, or at a rate of 23 cents a trip. During 1951, 33.5 per cent of the passenger cars using the Staten Island Bridges took advantage of this low rate.

A combination rate of 75 cents a through-trip for the crossing of two of the Staten Island Bridges, or a combination trip by way of a Staten Island Bridge and a Hudson River crossing also has been in effect for several years.

Toll Cuts Are Made for Regular Passenger Car, Bus and Truck Trips

The Port Authority Commissioners on June 14, 1951 authorized the second toll cut in less than fifteen months. Effective September 1, passenger car tolls for frequent users who cannot take advantage of the commutation tickets were reduced 20 per cent, from 50 cents to 40 cents, through the availability of twenty-five-trip, transferable $10 books of tickets good for two years in addition to the year in which they are sold.

Toll scrip, usable by any type of vehicle in lieu of cash fare, can be bought at a 10 per cent discount in quantities of twenty-five. Scrip is sold in 25 cents, 50 cents, 75 cents, $1.00 and $1.50 denominations.

Chairman Howard S. Cullman in his June 14, 1951 announcement of the establishment of these reduced rate tickets stated:

"My fellow Commissioners and I are glad to be able to authorize this new toll cut for regular users, both private and commercial, of our bridges and tunnels just a year after 25-cent commuter tolls went into effect on our Hudson River crossings. It is particularly gratifying to be able to save almost $3,000,000 a year for our patrons at the same time that we are planning to expand our services to them through the immediate construction of an $85,000,000 Third Tube to the Lincoln Tunnel, and must look to the possible future construction of an entirely new tunnel that would cost in the neighborhood of $200,000,000.

"The Port Authority can go forward with its obligations under the Port Treaty of 1921 to provide essential land, sea and air transportation and terminal facilities in the New Jersey-New York Port District only if it continues its program of sound and prudent financing and management. The Commissioners believe, however, that in view of the heavy increase in traffic over the past year, we can maintain our excellent credit structure during this period of mounting construction, operating and maintenance costs, and at the same time, broaden the base of benefits of reduced tolls to regular users of our bridges and tunnels who are not eligible to purchase commutation tickets.

"As in the case of the establishment of the Hudson River crossings commutation tolls last year, the Commissioners placed in the first order of importance the question of whether or not a reduction of tolls for regular users of our facilities would impair in any way either the present financial position and commitments of the Authority or its ability to carry forward a continuing vital port development program.

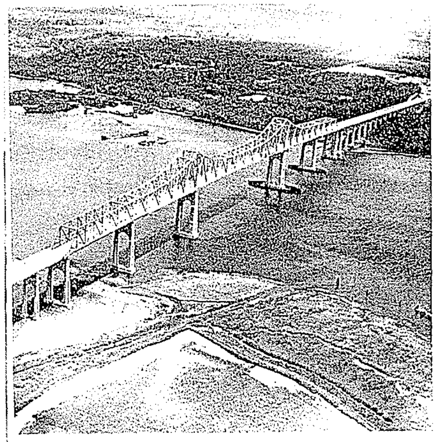
"We decided that we can make this further reduction in bridge and tunnel tolls and at the same time maintain the sound financial standing requisite to our public commitments and obligations."

The number of motorists taking advantage of these reduced rates for regular trips has increased week by week over the first four months during which the discount has been available. It is not possible to determine the full extent of their use until they have been in effect at least a year, including the summer period of 1952 when motorists will take advantage of the reduced tolls for week-end travel. We estimate, however, that one-half of the non-commuting motorists eventually will use the reduced toll tickets.

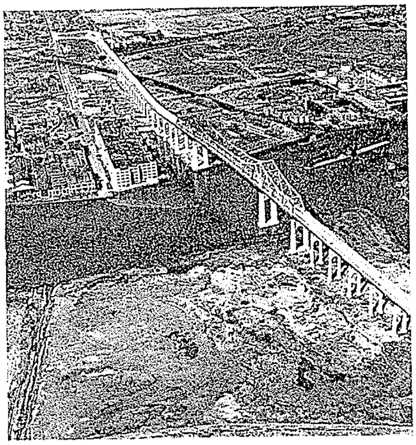
Increased Trans-Hudson Traffic Presents Critical Problems

Over the past few years, several steps have been taken to help handle the mounting volume of traffic across the Hudson as quickly and efficiently as possible. It is clear that additional capacity must be provided if motorists traveling between New York and New Jersey are to receive the service to which they are entitled. Pending the construction of additional facilities, we are doing everything we can to save travel time for motorists.

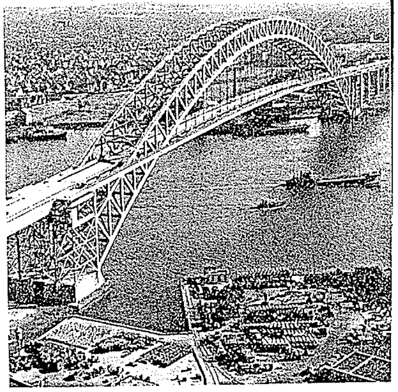
Again this year, the Borough of Fort Lee permitted the rerouting of buses over a so-called marginal road alongside Route No. 4, and through the Hudson Ter-



OUTERBRIDGE CROSSING. Tottenville, Staten Island, to Perth Amboy, New Jersey.



GOETHALS BRIDGE. Howland Hook, Staten Island, to Elizabeth, New Jersey.

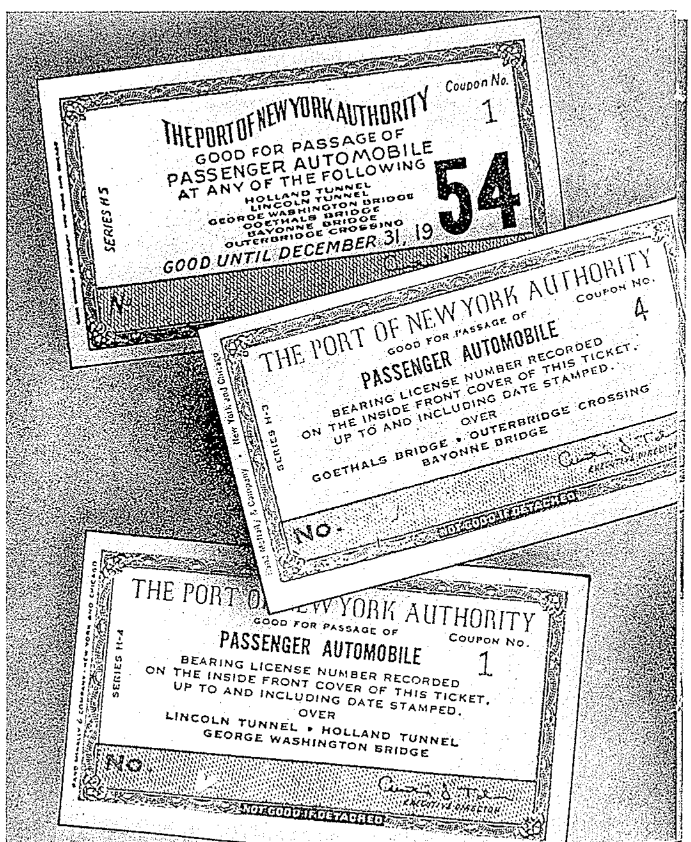


BAYONNE BRIDGE. Port Richmond, Staten Island, to Bayonne, New Jersey.

Traffic

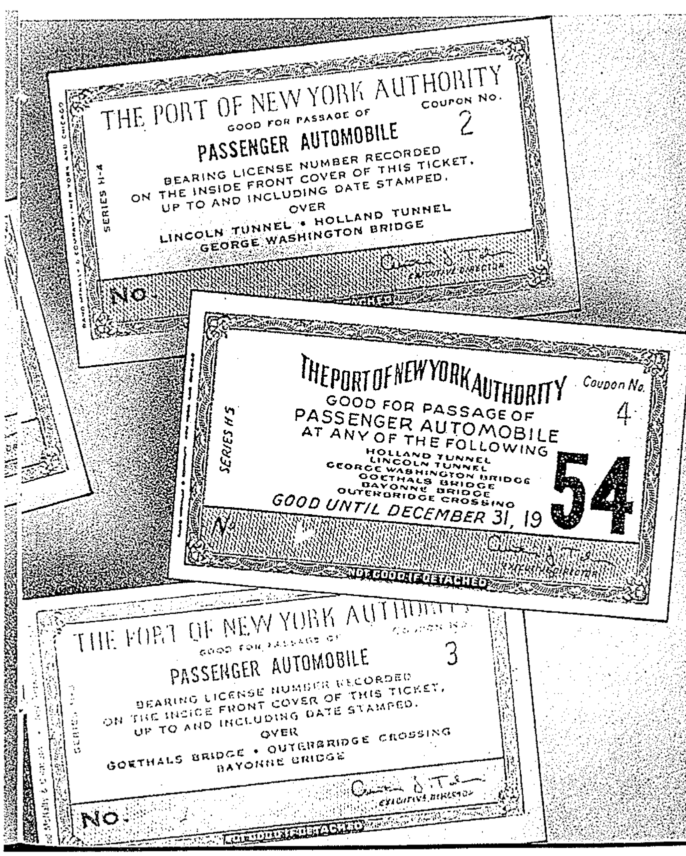
		Passenger Cars Number	Buses Number	Trucks Number	Total Vehicles Number
HOLLAND TUNNEL	1951	15,143,331	208,138	4,282,478	19,633,947
	1950	13,794,854	259,070	4,071,863	18,125,787
	1949	12,548,052	251,171	3,684,791	16,484,014
LINCOLN TUNNEL	1951	12,913,391	1,798,935	2,749,986	17,462,312
	1950	11,175,042	1,555,544	2,801,975	15,532,561
	1949	8,972,333	1,530,151	2,460,358	12,962,842
GEORGE WASHINGTON BRIDGE	1951	20,985,368	685,950	1,877,014	23,548,332
	1950	17,566,795	622,681	1,680,036	19,869,512
	1949	15,878,816	605,055	1,496,159	17,980,030
STATEN ISLAND BRIDGES	1951	6,152,414	78,387	826,860	7,057,661
	1950	5,170,362	80,542	746,510	5,997,414
	1949	4,571,158	94,111	674,123	5,339,392
ALL FACILITIES	1951	55,194,504	2,771,410	9,736,338	67,702,252
	1950	47,707,053	2,517,837	9,300,384	59,525,274
	1949	41,970,359	2,480,488	8,315,431	52,766,278

Traffic Officer Thomas Hanratty of the George Washington Bridge tries out test model of commuter ticket punch.

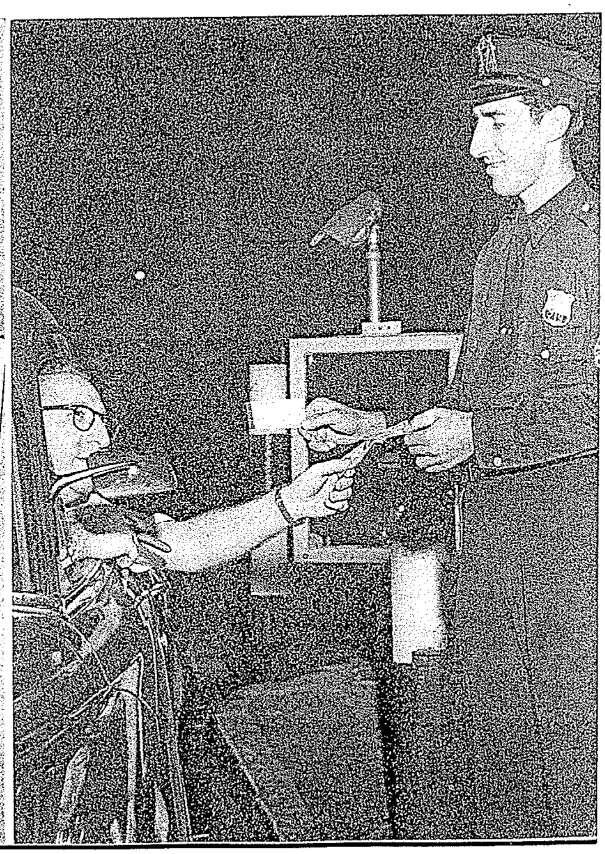


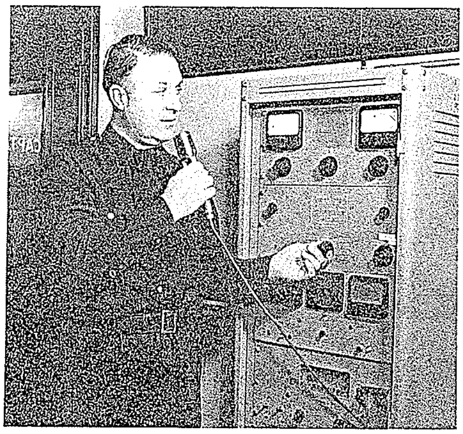
Toll Revenue

Facility	Year	Passenger Cars Revenue	Buses Revenue	Trucks Revenue	Total Vehicles Revenue
HOLLAND TUNNEL	1951	$ 7,027,048	$ 191,046	$3,767,821	$10,985,915
	1950	6,671,553	249,659	3,568,651	10,489,863
	1949	6,261,169	241,187	3,148,799	9,651,155
LINCOLN TUNNEL	1951	5,818,337	1,729,301	2,267,957	9,815,595
	1950	5,323,874	1,558,792	2,340,955	9,223,621
	1949	4,477,475	1,523,756	2,026,728	8,027,959
GEORGE WASHINGTON BRIDGE	1951	9,272,282	662,404	1,680,012	11,614,698
	1950	8,334,198	626,946	1,487,951	10,449,095
	1949	7,937,318	605,005	1,295,016	9,837,339
STATEN ISLAND BRIDGES	1951	2,385,711	53,540	561,298	3,000,549
	1950	2,006,289	51,559	497,031	2,554,879
	1949	1,805,792	65,299	449,029	2,320,120
ALL FACILITIES	1951	24,503,378	2,636,291	8,277,088	35,416,757
	1950	22,335,914	2,486,956	7,894,588	32,717,458
	1949	20,481,754	2,435,247	6,919,572	29,836,573



Traffic Officer J. J. Accardi of the Holland Tunnel sells the first book of 25-trip tickets for Hudson River Crossings to Julius Bercum of 860 Flatbush Avenue, Brooklyn.





Port Authority Police Lieutenant George A. White broadcasts Lincoln Tunnel traffic message in New York-bound tube over a special experimental radio system.

race toll lanes to the George Washington Bridge. This makes it possible for us to speed up Sunday and holiday traffic.

We continued to use five of the eight lanes at the George Washington Bridge in the direction of heavy traffic, eastbound in the morning and westbound in the evening.

Observation posts with public address radio systems aided our traffic officers in directing and coordinating traffic at the entrance plazas of the Holland Tunnel and the Lincoln Tunnel.

We installed at the Holland Tunnel and the George Washington Bridge intercommunications between the toll booths and the offices of the Sergeant and Captain, similar to the system which was first tried out at the Lincoln Tunnel a year ago.

Radio broadcasts of recorded music interspersed with traffic announcements are being made on a test basis to motorists driving through the south tube of the Lincoln Tunnel. A survey indicates that most motorists like the Lincoln Tunnel broadcasts and find the traffic announcements particularly helpful in keeping them informed on tunnel and plaza traffic conditions.

Holland Tunnel Exit Viaduct Is Completed

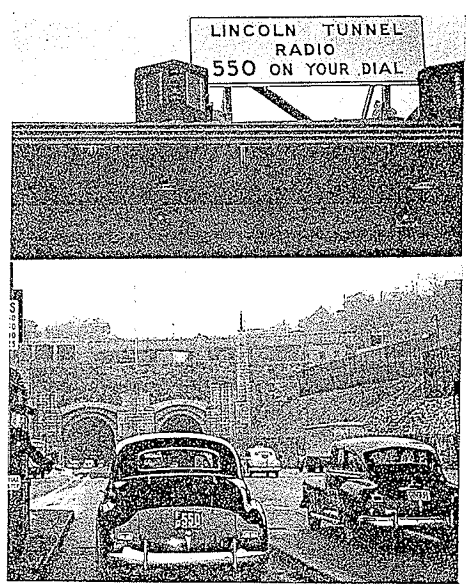
On February 13, 1951, the Port Authority completed construction of the $3,234,000 Holland Tunnel exit viaduct and elevated extension of Fourteenth Street (Boyle Plaza) from the Jersey City tunnel exit plaza at Jersey Avenue. This structure was immediately transferred to the New Jersey State Highway Department for operation. The Fourteenth Street Viaduct, which crosses the Erie Railroad to connect with the underpass leading to the Pulaski Skyway, doubles the capacity of the approaches to and from the Holland Tunnel. It eliminates a serious traffic bottleneck which existed on the old Twelfth Street viaduct. The new roadway is used for westbound traffic only, while the Twelfth Street structure now carries eastbound traffic only. The new viaduct, in addition to carrying westbound traffic from the Holland Tunnel, handles local Jersey City, Hoboken, and Hudson County traffic.

The Port Authority Proposes to Build an $85,000,000 Third Tube to the Lincoln Tunnel

The Port Authority on March 8 released plans for a Third Tube of the Lincoln Tunnel and authorized the Staff to review these plans, including new connections with State and municipal highways, with the responsible representatives of the States and the municipalities on either side of the Hudson.

On May 10, the Commissioners authorized the transmittal of the plans to the Governors of the States of New Jersey and New York, with requests for their favorable consideration.

At the same time, the Commissioners approved the plans for both the New Jersey and New York connections of the Lincoln Tunnel, including the proposed Third Tube, with the local streets. They also authorized



Radio sign at Jersey Plaza of Lincoln Tunnel.

the Executive Director to transmit the plans to the New Jersey State Highway Department and the Board of Estimate of the City of New York for approval, and to negotiate with the townships of Weehawken and North Bergen, New Jersey, and with the City of New York with respect to property rights required for the effectuation of the Third Tube plan.

The new Lincoln Tunnel tube, to be built south of the existing twin tubes, is estimated to cost at least $85,000,000, or about as much as the present dual-tube tunnel. Although it will require five years to construct the new facility, a critical need already exists for the traffic relief it will provide for interstate travelers, and particularly for motorists in the midtown Manhattan area. The present annual capacity will be increased by 50 per cent.

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

Appropriate Approaches to Cost at Least $35,000,000

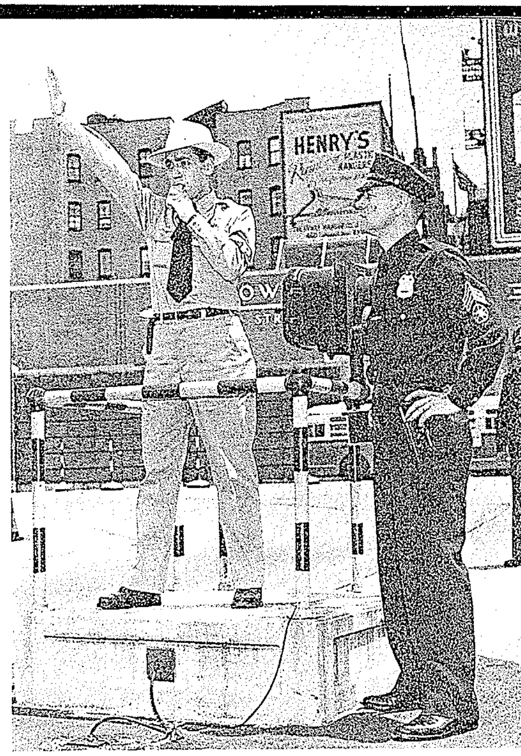
The new underwater link between New Jersey and New York will be served by appropriate approaches on both sides of the river.

On the New Jersey side, plans call for the widening of the 182-foot plaza and five additional toll booths will be added to the existing thirteen. It is expected that the ramp carrying traffic from the plaza to the top of Bergen Hill will be widened for westbound traffic to provide added capacity for slow moving trucks on the upgrade.

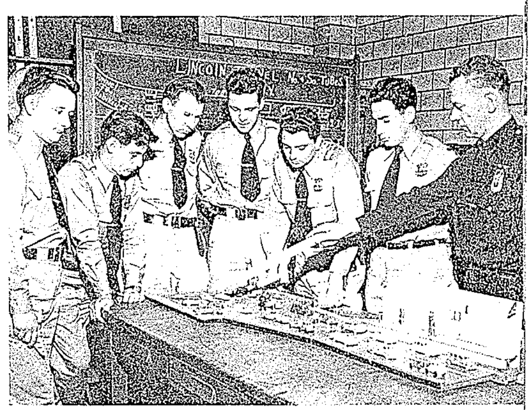
A new underpass will lead from the tunnel plaza in Weehawken to Park Avenue, and the viaduct in North Bergen, linking the Bergen Hill underpass with Route 3 and the New Jersey Turnpike approach, will be widened from six to eight lanes.

This new system will connect with the New Jersey Turnpike via the approaches which the Port Authority has constructed at a cost of about $3,700,000. The present route of Hudson Boulevard East will not be disturbed.

In Manhattan, the Port Authority will provide tunnel connections extending for eight blocks south of Thirty-eighth Street. In addition, it will furnish connections from Ninth Avenue just north of Thirty-sixth

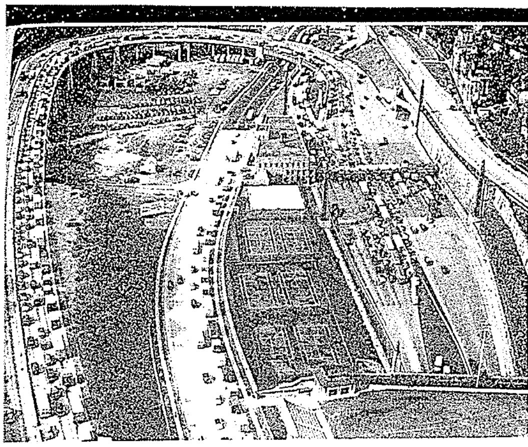


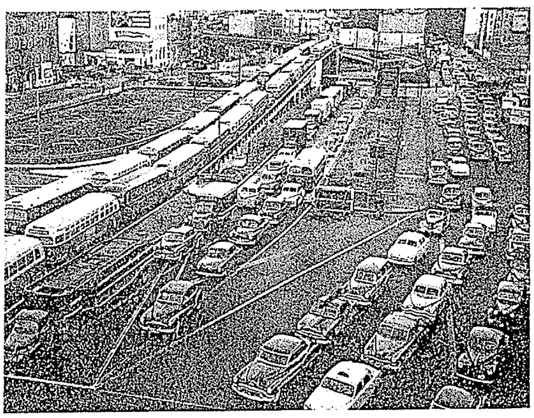
Port Authority Police Sergeant Joseph L. Wissner coaches Rookie Tom Theone as Traffic Officer Alex C. Buscaglia looks on.

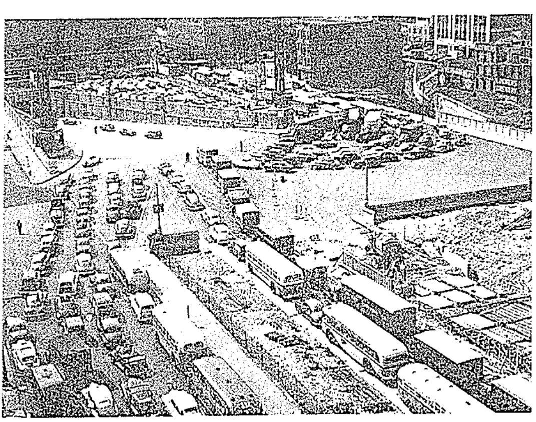


Sergeant Wissner uses Lincoln Tunnel Plaza model to instruct rookies in traffic directing techniques.

Lincoln Tunnel Superintendent John Lee with Army transportation officers in Ventilation Building control room.







Street, and between the tunnel and Thirty-sixth, Thirty-fifth, Thirty-fourth, Thirty-third, Thirty-first and Thirtieth Streets. These connections will tie in with Dyer Avenue to permit the exit traffic from the existing south tube of the Lincoln Tunnel to use the new approaches to Thirty-third, Thirty-first and Thirtieth Streets.

Forty-first Street between Dyer and Tenth Avenues, Thirty-sixth Street between Ninth and Dyer Avenues, and Thirtieth Street between Ninth and Tenth Avenues will be widened.

The expenditure of $23,500,000 for the new Third Tube approaches on the New York side will bring to a total of some $40,500,000 the cost to the Port Authority for Manhattan plazas and connections of the Lincoln Tunnel.

Under this plan, therefore, the Port Authority will have constructed all of the required approaches and connections between the Lincoln Tunnel and whatever crosstown expressway or tunnel may ultimately be built by the City or its agencies.

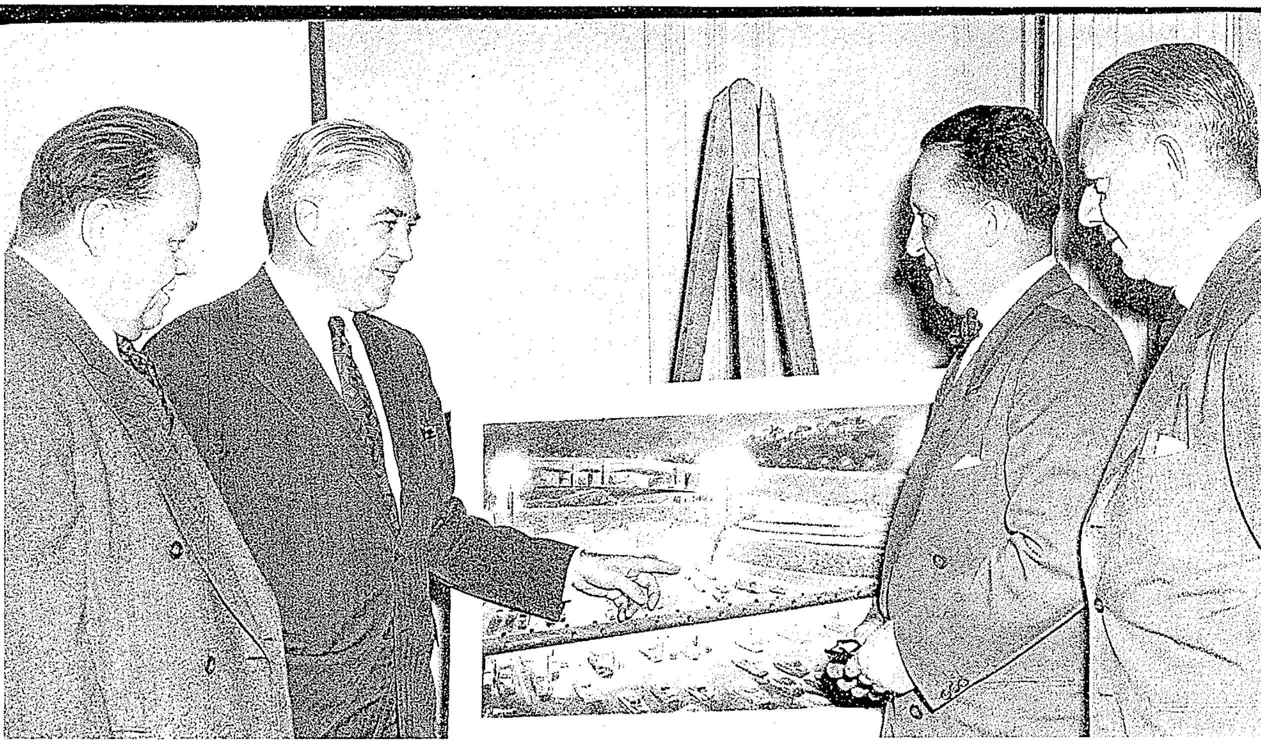
Three new traffic lanes will be added to crosstown streets in the vicinity of the Lincoln Tunnel and tunnel traffic will be given direct plaza access to three arteries south of Thirty-fourth Street.

Governor Dewey and Governor Driscoll have approved the plans for the Third Tube. So, too, have the Borough President of Manhattan, the Acting Commissioner of the New York City Department of Traffic, civic and commercial groups and the press.

The only adverse reaction to the Port Authority plan has been that of the City Planning Commission and the City Construction Coordinator. They requested that the Port Authority build the proposed Thirtieth Street crosstown elevated expressway from the West Side Highway to Seventh Avenue.

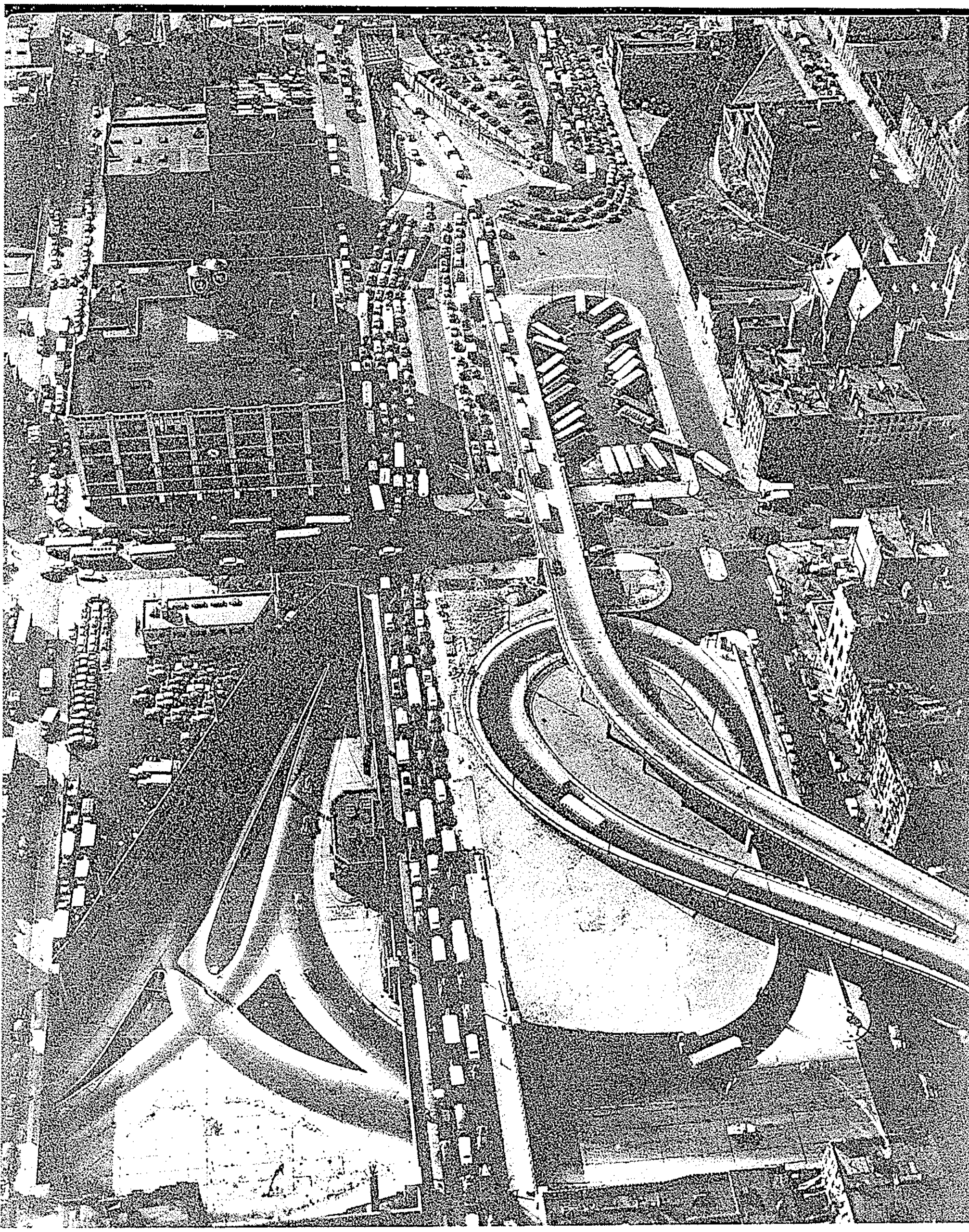
Our Engineering and Real Estate Departments concluded that a Thirtieth Street elevated highway would cost about $90,000,000, and that the section from Seventh Avenue to the West Side Highway would cost $30,000,000.

Third Tube will relieve traffic congestion shown in New Jersey and New York approaches to Lincoln Tunnel. Bottom: Margaret Bourke-White, world renowned photographer, discusses photo flight itinerary with Port Authority Economist Nathan Cherniack.



Executive Director Tobin points out proposed New Jersey approach improvements for Lincoln Tunnel Third Tube to Mayors Harry J. Thourot of Union City (left) and Charles F. Krause of Weehawken (second from right) as Port Authority Vice Chairman Byrne looks on.

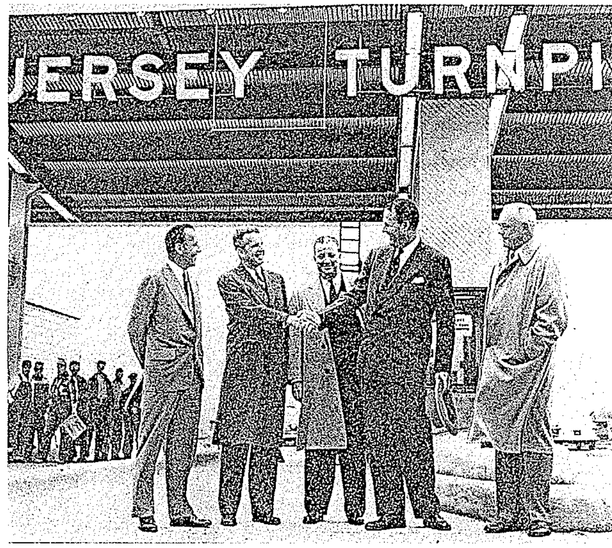
New Jersey officials view Third Tube model. Left to right: Executive Director Tobin; Charles J. Pizzuta and Earl M. Purdy, Weehawken Township Committeemen; Rudolph Schroeder, Weehawken Special Counsel; W. Leo Batten, Weehawken Committeeman; Frank Radigan, Hudson County Engineer; Chairman Cullman; James Rosen, Weehawken Township Attorney; and Robert W. Emery, Hudson County Freeholder and Chairman of Roads.



Famed Margaret Bourke-White's aerial camera caught this view of Lincoln Tunnel Manhattan traffic jam during afternoon rush hour. Third Tube will expedite movement of this traffic off city streets.

Governor Dewey inspects New York State Thruway between Liverpool and Canastota. With him is William Robinson, Syracuse District Engineer of the State Department of Public Works.

Shown at start of inspection of lower 53-mile stretch of New Jersey Turnpike from Bordentown to Deepwater are (left to right) George F. Smith, Turnpike Authority Vice Chairman; Governor Driscoll, Paul L. Troast, Authority Chairman; Governor Elbert N. Carvel of Delaware, and Maxwell Lester, Jr., Authority Treasurer.



Paul L. Troast, New Jersey Turnpike Authority Chairman, snips ribbon at dedication November 30, 1951 of Newark section of the 118-mile superhighway. Left to right: Essex County Republicans Chairman George H. Becker, Essex County's Freeholder Director Clayton E. Freeman, Newark's Mayor Ralph A. Villani, Chairman Troast, Governor Driscoll and New Jersey State Senator Alfred C. Clapp.

Governor Dewey signs the New York State Thruway billboard regulatory legislation. Looking on are Chairman Bertram D. Tallamy of the Thruway Authority and Assemblywoman Janet Hill Gordon of Chenango County, sponsor of billboard legislation.

Under the statutes, it is the duty of the Port Authority to construct plazas and connections with City streets adequate to handle the collection and dispersal of traffic. Any crosstown expressway, be it elevated or underground, would serve predominantly local intrastate traffic not connected with the Lincoln Tunnel. The Port Authority is an interstate agency. It is not within its province to construct intrastate highways and expressways used primarily for local traffic either in New Jersey or in New York.

Consequently, on December 12, the Commissioners cancelled an invitation for $50,000,000 worth of steel bids for the tunnel tube, since they could not see their way clear to make this tremendous public investment in advance of the required approval by the Board of Estimate of our street connection plans.*

A Direct Connection Is Built Between the Lincoln Tunnel and the New Jersey Turnpike

We will complete early in 1952 our $4,000,000 direct connection between the Lincoln Tunnel and the New Jersey Turnpike.** A temporary wooden bridge was built so that the connection could be opened to traffic at the same time as the northern section of the New Jersey Turnpike, on January 15, 1952. It was necessary to construct the wooden bridge pending the completion of the steel structures.

The three-quarter-mile connection between the Lincoln Tunnel and the Turnpike will permit motorists to travel between Newark Airport and midtown Manhattan in twenty minutes.

In cooperation with the New Jersey State Highway Department, the Port Authority is bringing New Jersey Route 3 traffic from the west into the approaches to the Lincoln Tunnel by a new ramp and bridge over Route 3. This will help to eliminate the existing congestion at Secaucus.

We Are Building a New Approach to the New York Entrance of the Lincoln Tunnel

A new approach to the New York entrance of the Lincoln Tunnel is being provided by decking over the tracks of the New York Central System west of Tenth Avenue between Fortieth and Forty-first Streets, at a cost of about $1,700,000. This improvement is expected to be completed late in 1952.

The new ramp approaches built by the Port Authority between the Lincoln Tunnel and the Port Authority Bus Terminal already have furnished an important improvement to traffic conditions in midtown Manhattan.

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*On June 12, 1952, Chairman Cullman, following the regular monthly meeting of the Board on that date, announced that the Port Authority had accepted the compromise proposal of the Mayor's Committee on the Third Tube of the Lincoln Tunnel on connections between the proposed new facility and Manhattan streets.

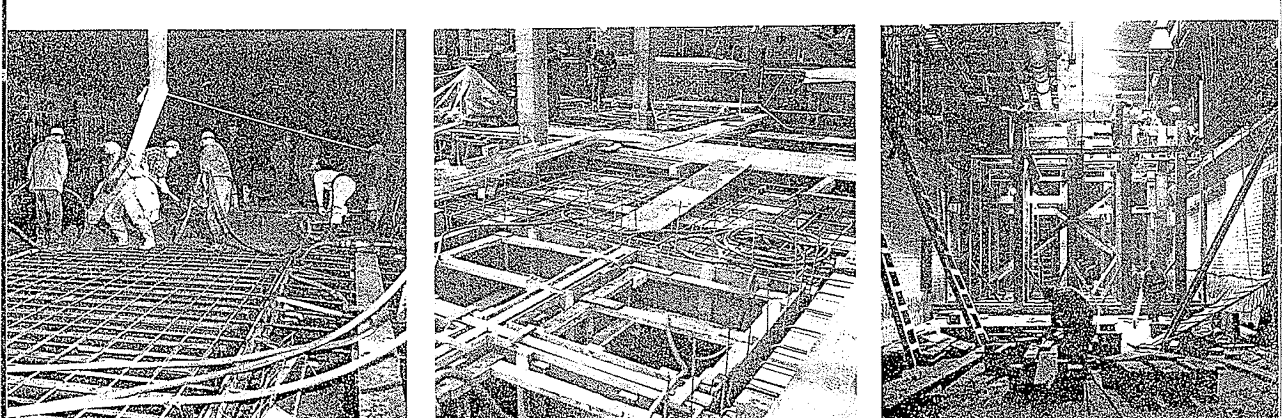
The proposal calls for the Port Authority, at the request of the City, to provide at its own expense when traffic at the Lincoln Tunnel reaches 30,000,000 vehicles a year, a complete set of four-way ramps to and from the West Side Highway. These ramps would handle the interchange of traffic between the West Side Highway and Thirtieth Street. In addition, the Port Authority would widen and pave at grade Thirtieth Street between Tenth and Twelfth Avenues on a 100-foot strip of land. It is estimated that this work would cost about $5,000,000 bringing the cost of the Third Tube to $90,000,000. The City would acquire and pay for the real estate.

At the same time, the Executive Director was authorized to solicit and receive bids on contracts for materials for and construction of the Third Tube subject to the prior adoption by the Board of Estimate of the City of New York of appropriate resolution approving the revised plan of connections.

As soon as approval was obtained by the Board of Estimate on July 17, 1952, the Port Authority advertised for the first construction contract. This construction includes the shaft for the ventilation building on Thirty-eighth Street just east of Twelfth Avenue, and the steel vent section immediately east of the shaft.

It is expected that bids will be advertised for cast iron and cast steel drill lining early in August.

**The Lincoln Tunnel connection with the New Jersey Turnpike was opened to traffic February 25, 1952.



Concrete roadway slabs and supporting forms for ventilation building take shape during construction of $9,000,000, half-mile, 179th Street Tunnel, twin of parallel 178th Street Tunnel, connecting the George Washington Bridge with the east side of Manhattan.

Port Authority engineers check progress of roadway construction at 179th Street Tunnel. Assistant Resident Engineer Tony DeBiase (right foreground) goes over drawings with Inspector Al Weeks (center) and Surveyor Ike Dornfeld, while Surveyors Joe Kelly and Chuck Fagan observe alignment of roadway slab.

The 179th Street Tunnel Nears Completion

The $9,000,000 half-mile tunnel under 179th Street in Manhattan, paralleling the existing 178th Street Tunnel which we built and opened in 1940 to carry traffic between the George Washington Bridge and the Harlem River Drive on the east side of Manhattan, will be completed in the spring of 1952. This tunnel will be used for westbound traffic only and the 178th Street Tunnel will then be used in an eastbound direction only.*

The two tunnels will connect directly with the Cross Bronx Expressway now being built with New York State and Federal funds on property acquired by the City of New York. This arterial route will lead to the Westchester and New England parkways and

*The 179th Street Tunnel was opened to traffic on May 5, 1952.

expressways. Thus, a motorist from New Jersey will be able to move over the George Washington Bridge through the City of New York and Westchester County, well up into New England, without encountering a single traffic light.

On May 29, 1951, the Port Authority and the Triborough Bridge and Tunnel Authority agreed to share the cost of a new $1,300,000 ramp at the Manhattan exit of the George Washington Bridge. The use of this ramp will permit bridge motorists to go directly south on the Henry Hudson Parkway without entering and crossing northbound parkway traffic. The traffic signal at the bottom of the existing ramp and the circuitous route now form a bottleneck for bridge motorists traveling south. The new ramp will be completed in 1953.*

We Cooperate With Highway Agencies of New Jersey and New York

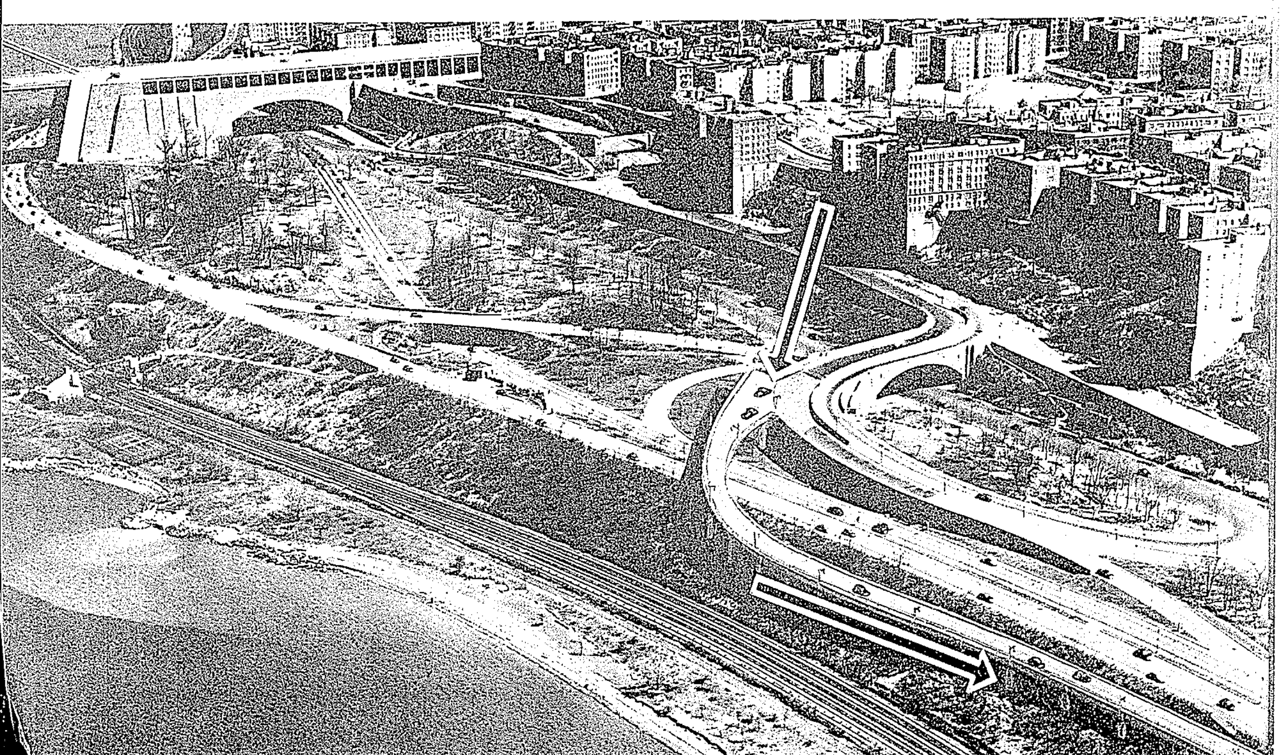
The Port Authority continued to maintain close liaison with the highway agencies of the two States, as well as with the individual counties and municipalities in the Port District. We also worked closely with the United States Bureau of Public Roads and other highway and traffic departments as directed by the Port Treaty of 1921. This close working relation-

*The Port Authority on March 31, 1952, announced that it would provide George Washington Bridge approach improvements in New Jersey costing $3,735,000. On April 7 it released plans for a $628,000 improvement to the bridge approaches in New York. On June 12 it announced an additional improvement in New Jersey to cost $490,000. The $4,853,000 program will bring to a total of almost $41,000,000 the expenditures and commitments on the bridge approaches in Fort Lee and Manhattan.

The New Jersey improvements will include the construction of direct ramps between the new Palisades Interstate Parkway and the bridge, and a new toll plaza area for the cars using these ramps. The existing main toll plaza in Fort Lee will be widened. Three additional plaza lanes will accommodate New York-bound buses and other bridge traffic using the south toll lanes, and the north side of the plaza in the vicinity of Lemoine Avenue will also be improved with three new westbound lanes as well as changes in stairways to and from the bus platform in that area.

On the New York side of the bridge, the improvements will include the widening of 178th Street between Broadway and Fort Washington Avenue and the provision of an off-street bus loading and unloading station with a direct pedestrian connection to the 175th Street station of the Eighth Avenue Subway.

Ramp drawn in at center foreground (arrows) will permit southbound motorists from George Washington Bridge Manhattan plaza to drive directly south to the Henry Hudson Parkway, eliminating present circuitous routing and traffic bottleneck at the traffic light at bottom of present ramp. The Port Authority and the Triborough Bridge and Tunnel Authority will share the $1,300,000 cost of ramp.



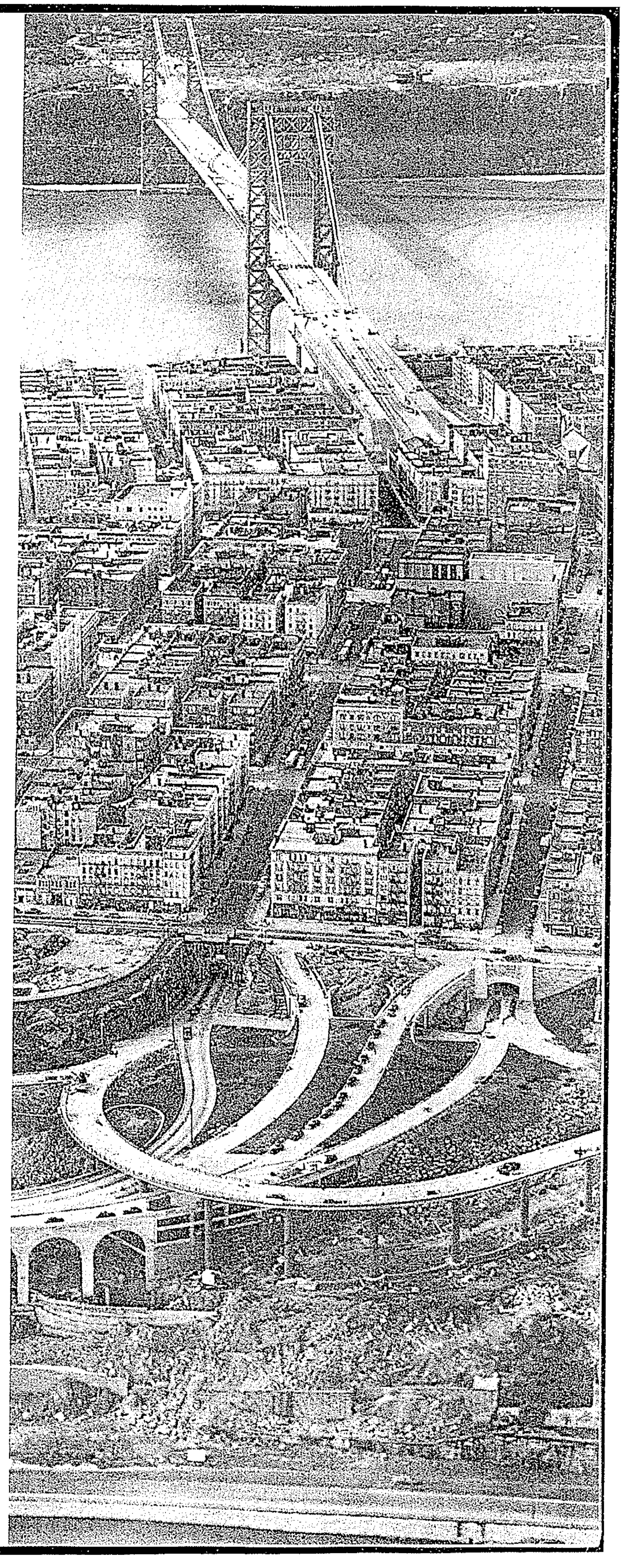
ship has been a vital factor in the development of a coordinated arterial system in the bi-state metropolitan area.

We have been in continual contact with the New Jersey State Highway Department and the New York State Department of Public Works in connection with their programs for State highways within the metropolitan area. We have also been in contact with local highway and traffic officials in New York, including the City Construction Coordinator, the Long Island State Park Commission, the Triborough Bridge and Tunnel Authority, the New York State Department of Traffic and the engineering offices of the Borough Presidents of Manhattan and Queens.

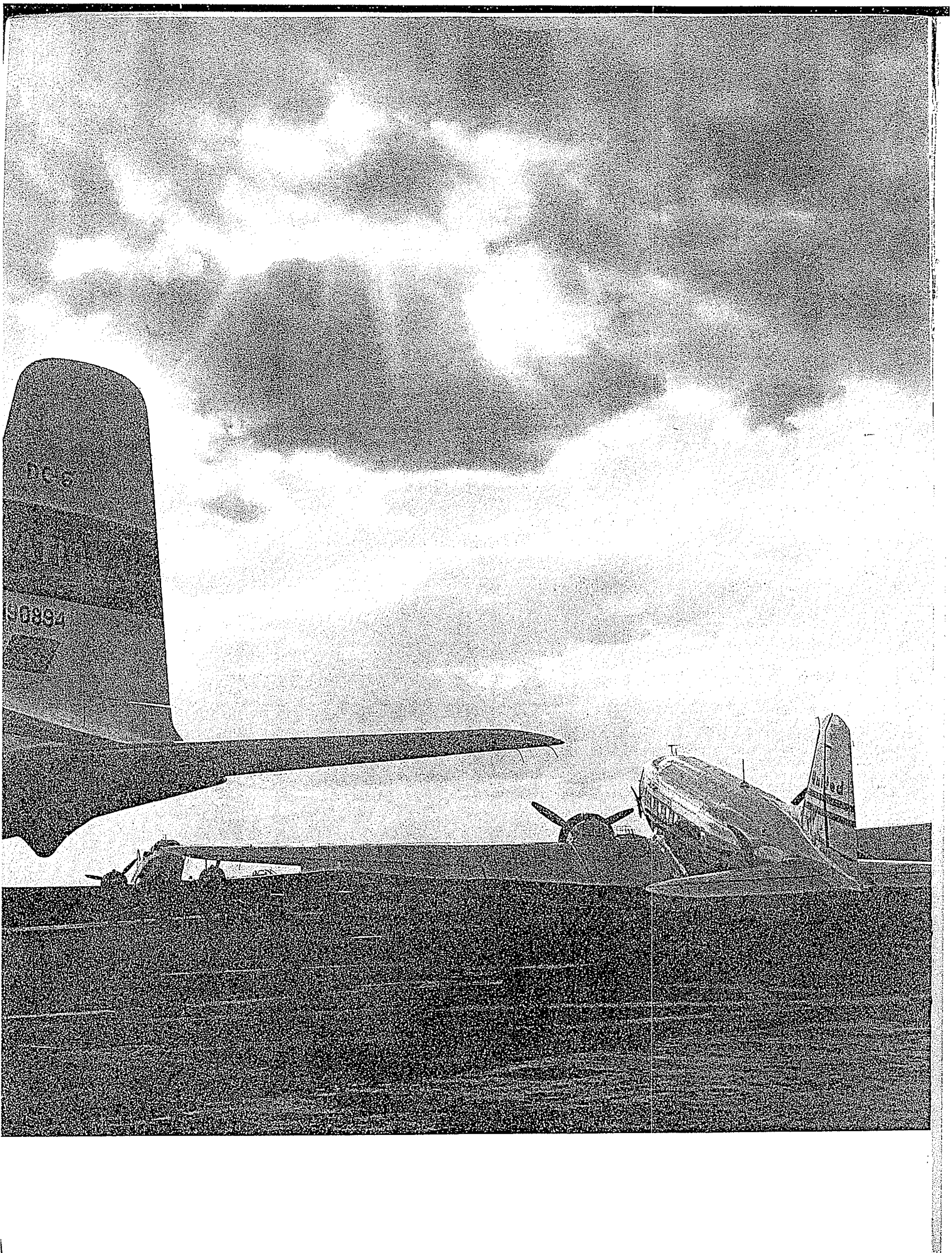
Our contacts have also included planning and highway officials in Westchester and Northern New Jersey counties, as well as in municipalities in Northern New Jersey.

We have conferred many times with the Commissioners and staff of the New Jersey Turnpike Authority to assure the closest cooperation between the two agencies. Early in the year we met several times with officials of the New Jersey Turnpike Authority and the United States Air Force in connection with the Federal Government's lease of various Port Authority facilities in the Newark area to assure the speedy and efficient handling and transfer of Air Force equipment, as well as to protect the transportation interests of the two States.

On May 11, 1951, we signed an agreement with the New Jersey Turnpike Authority covering an easement in perpetuity for property under the Goethals Bridge for use in connection with the construction of the Turnpike.



Air view showing relationship between George Washington Bridge and 178th and 179th Street Tunnels. Fourteen times in 1951 bridge traffic exceeded 100,000 daily, and reached a peak of 111,652 on Sunday, June 17. The east and westbound tunnels provide direct underground connections between the bridge and parkways to Westchester and New England.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Airports

The importance of air transport in world affairs was more than ever emphasized during the past year.

It is in the framework of the general public use of air transportation that the Port Authority must view its obligation to finance, develop and operate the major airports in the New Jersey-New York Port District—the most heavily populated and the most intensely industrialized area in the world.

In 1951 we continued our airport development program as directed by the States of New Jersey and New York in 1946. Our program was delineated in the fifty-year lease agreement into which we entered, at their request, with the City of Newark and the City of New York in 1947.

The three principal airports in our regional system —Newark, La Guardia and New York International—in 1951 handled 6,602,404 passengers. This compared with 5,081,025 passengers at the three airports in 1950, an increase of 29.9 per cent.

Scheduled domestic air passenger traffic at the airports totaled 5,587,495, or 84.6 per cent of the total; scheduled overseas 678,988, or 10.3 per cent; and nonscheduled 335,921, or 5.1 per cent.

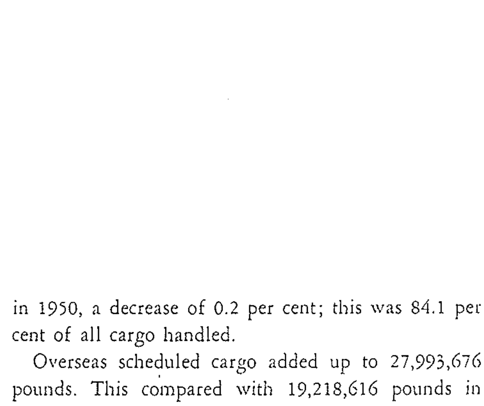
Air cargo handled at the airports once more increased sharply to 216,734,394 pounds in 1951 as compared with 205,939,088 pounds in the previous year, an increase of 5.2 per cent.

Scheduled domestic cargo totaled 182,327,251 pounds in 1951 as compared with 182,723,814 pounds in 1950, a decrease of 0.2 per cent; this was 84.1 per cent of all cargo handled.

Overseas scheduled cargo added up to 27,993,676 pounds. This compared with 19,218,616 pounds in 1950, an increase of 45.7 per cent.

Nonscheduled cargo, both domestic and overseas, amounted to 6,413,467 pounds as compared with 3,996,658 pounds in the previous year, an increase of 60.5 per cent.

Air mail, including parcel post, totaled 46,750,223 pounds in 1951 as compared with 41,579,744 pounds in 1950, an increase of 12.4 per cent. Of this amount, domestic mail accounted for 36,403,786 pounds in 1951



as compared with 32,650,651 pounds in 1950, an increase of 11.5 per cent, while overseas mail totaled 10,346,437 pounds in 1951 as compared with 8,929,093 pounds in 1950, an increase of 15.9 per cent.

A total of 317,833 aircraft was handled at the three airports in 1951 as compared with 264,916 in 1950. Of these, 277,637, or 87.4 per cent, were commercial air carrier movements as compared with 228,401 in 1950, an increase of 21.6 per cent.

Scheduled domestic airline movements totaled 228,057 as compared with 196,903 in 1950, an increase of 15.8 per cent.

Scheduled overseas movements were 25,264 as compared with 19,710 in 1950, an increase of 28.2 per cent.

Nonscheduled air carrier movements, both domestic and overseas, amounted to 24,316 as compared with 11,788 in the previous year, an increase of 106.3 per cent.

Corporate type aircraft at the three airports totaled 27,322 as compared with 19,899 in the previous year, an increase of 37.3 per cent. Personal aircraft activity at the airports was represented by 3,307 arrivals and departures as compared with 3,959 in the preceding year.

Teterboro Airport accounted for a total of 199,759

aircraft movements as compared with 183,841 in 1950, an increase of 8.7 per cent. Of this number, 3,948 or 2.0 per cent, were nonscheduled air carriers, 41,622 or 20.8 per cent, were civil cross-country movements, 1,449 or 0.7 per cent, were military or government aircraft. Civil local plane movements amounted to 152,740, or 76.5 per cent of the total.

Our Airport Development Program Goes Forward According to Plan

Our regional system of airports is being prepared to handle the most important concentration of air traffic in the world. The best figures available indicate that altogether City, State and Federal agencies had invested $121,000,000 in New York International, La Guardia and Newark Airports before we assumed responsibility for them in 1947. By the end of 1951, the Port Authority had spent or committed approximately an additional $80,000,000 at these airports, and at Teterboro, which it purchased in April 1949. Of this total, the Federal Government had granted a total of $4,100,000 for airport development purposes.

Of our total expenditures, $42,600,000 was invested at New York International, $24,400,000 at Newark, $5,900,000 at La Guardia and $6,700,000 at Teterboro.

By the end of 1952, according to our budget estimates, we will have spent or committed about $95,900,000 at the four airports, as follows: New York International, $55,600,000; La Guardia, $7,100,000; Newark, $25,800,000; Teterboro, $7,400,000.

Our Airport Revenues Increased During the Past Year

Gross operating revenues at our four airports reached a new peak of $7,078,111 in 1951 as compared with $5,283,030 in 1950, an increase of 34 per cent. This increase was made possible through our general improvement and expansion program. The largest increase was at New York International Airport where new facilities were available to accommodate the high level of aircraft operation accelerated in part by the state of the national economy, and the accelerated defense program. The combined airports' operating, administrative and development expenses totaled $5,983,841 as compared with $5,036,439 in 1950, an increase of 19 per cent. Thus, net operating revenues before debt service totaled $1,094,270 as compared with $246,591 in 1950, an increase of 343 per cent.

Only interest charges of $1,708,823 on outstanding air terminal bonds totaling $74,400,000 were taken into consideration in computing the net revenues. The first payments on the principal will not be required until 1955. The net airport deficit, after such interest charges, was $578,904 in 1951 as compared with $423,337 in 1950.

We Begin an Air Passenger Origin and Destination Survey

It is essential that the Port Authority be informed to the greatest possible extent on air traffic of the future. In view of this responsibility, we undertook during the year an origin and destination survey to determine, through personal interviews, the air travel habits of passengers using our three major airports—New York International, La Guardia and Newark. We are making a similar origin and destination study of domestic air freight shipments handled at our airports.

The rapidly developing importance of the helicopter as a factor in air transportation prompted us to begin, during the year, an analysis of the effect of the use of this type of aircraft on the transportation system in the New Jersey-New York Port District where surface congestion retards the ground movement of air passengers.

The study will permit a determination of the helicopter traffic potential from the center of Manhattan to the various airports. It will also deal with commuter and other short-haul intercity traffic. It will enable us to evaluate the character of helicopter development trends, since it is expected to reveal to a great extent the design and operational improvements that may be expected in the years ahead.

A part of the study will be devoted to an analysis of metropolitan area helicopter airway requirements. This will help resolve problems on helicopter airway routings, the relationship of the navigation of helicopters to conventional aircraft operations at airports, and instrument weather operation of helicopters. Another phase of the study will concern itself with the location, adequacy and availability of helicopter landing sites.

An air traffic survey, which we completed in 1950, indicated that the New Jersey-New York metropolitan district will maintain its position as a major air traffic center of the nation over the next thirty years.

The report suggested that by 1970 air travel will be greater than intercity rail travel; that air transport will carry almost all of the common carrier passenger traffic moving beyond 1,000 miles, and more than half of the traffic moving between 150 and 1,000 miles, but only an insignificant part of traffic under 150 miles.

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

What this means in relationship to the need for the best of all possible regional airport development is appreciated when we realize that, during the next thirty years, one out of four of the nation's domestic air passengers will continue to use the New Jersey-New York Port District's airports.

International, La Guardia and Newark Airports employ 15,500 people drawing $72,000,000 in pay a year, and we expect that by 1965 there will be 42,000 airport jobs and $190,000,000 in annual payrolls. And, according to Port Authority estimates, by 1965 the three airports will account for a $300,000,000 annual gross product, including salaries, purchases and services. This does not, of course, include airline ticket sales.

Air Traffic at Port Authority Airports

NEW YORK INTERNATIONAL AIRPORT

	1951	1950	% Change
Scheduled Passengers			
Domestic	284,417	158,961	+ 78.9
Overseas	481,246	221,776	+ 117.0
Total	765,663	380,737	+ 101.1
Mail (Pounds)			
Domestic	1,341,680	830,767	+ 61.5
Overseas	8,508,576	4,709,446	+ 80.7
Total	9,850,256	5,540,213	+ 77.8
Scheduled Cargo (Pounds)			
Domestic	8,974,159	4,275,635	+ 109.9
Overseas	18,886,222	9,477,614	+ 99.3
Total	27,860,381	13,753,249	+ 102.6
Scheduled Plane Movements			
Domestic	8,320	5,603	+ 48.5
Overseas	19,036	9,681	+ 96.6
Total	27,356	15,284	+ 79.0
All Other Plane Movements	7,057	3,991	+ 76.8
Total Plane Movements	34,413	19,275	+ 78.5

LA GUARDIA AIRPORT

	1951	1950	% Change
Scheduled Passengers			
Domestic	4,113,466	3,219,033	+ 27.8
Overseas	164,529	293,378	— 43.9
Total	4,277,995	3,512,411	+ 21.8
Mail (Pounds)			
Domestic	28,899,170	25,610,820	+ 12.8
Overseas	1,466,105	4,219,647	— 65.3
Total	30,365,275	29,830,467	+ 1.8
Scheduled Cargo (Pounds)			
Domestic	76,705,725	77,669,271	— 1.2
Overseas	3,114,630	9,741,002	— 68.0
Total	79,820,355	87,410,273	— 8.7
Scheduled Plane Movements			
Domestic	146,649	125,320	+ 17.0
Overseas	4,573	10,029	— 54.4
Total	151,222	135,349	+ 11.7
All Other Plane Movements	32,021	21,121	+ 51.6
Total Plane Movements	183,243	156,470	+ 17.1

NEWARK AIRPORT

	1951	1950	% Change
Scheduled Passengers			
Domestic	1,189,612	916,066	+ 29.9
Overseas	33,213	—	—
Total	1,222,825	916,066	+ 33.5
Mail (Pounds)			
Domestic	6,162,936	6,209,064	— 0.7
Overseas	371,756	—	—
Total	6,534,692	6,209,064	+ 5.2
Scheduled Cargo (Pounds)			
Domestic	96,647,367	100,778,908	— 4.1
Overseas	5,992,824	—	—
Total	102,640,191	100,778,908	+ 1.8
Scheduled Plane Movements			
Domestic	73,088	65,980	+ 10.8
Overseas	1,655	—	—
Total	74,743	65,980	+ 13.3
All Other Plane Movements	25,434	23,191	+ 9.7
Total Plane Movements	100,177	89,171	+ 12.4

NEW JERSEY-NEW YORK REGION

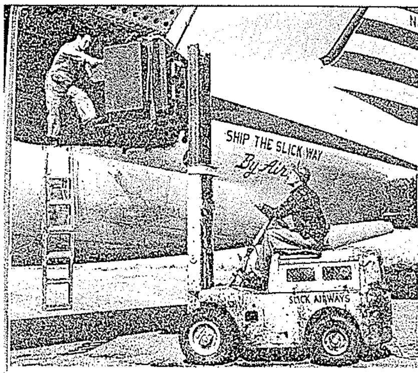
	1951	1950	% Change
Scheduled Passengers			
Domestic	5,587,495	4,294,060	+ 30.1
Overseas	678,988	515,154	+ 31.8
Total	6,266,483	4,809,214	+ 30.3
Scheduled Mail (Pounds)			
Domestic	36,403,786	32,650,651	+ 11.5
Overseas	10,346,437	8,929,093	+ 15.9
Total	46,750,223	41,579,744	+ 12.4
Scheduled Cargo (Pounds)			
Domestic	182,327,251	182,723,814	— 0.2
Overseas	27,993,676	19,218,616	+ 45.7
Total	210,320,927	201,942,430	+ 4.1
Scheduled Plane Movements			
Domestic	228,057	196,903	+ 15.8
Overseas	25,264	19,710	+ 28.2
Total	253,321	216,613	+ 16.9
All Other Plane Movements	264,271*	232,144*	+ 13.8
Total Plane Movements	517,592*	448,757*	+ 15.3

* Figures include Teterboro plane movements as reported by C.A.A.

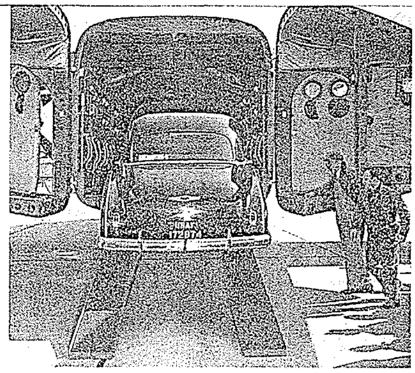
NOTE: Nonscheduled and contract carriers accounted for 342,462 passengers and 15,262,263 pounds of cargo during 1951.

Air view of New York International Airport is highlighted by the new control tower (left rear) which, like the Statue of Liberty for seafarers, will become the symbol of American democracy for overseas air travelers.

New York International Airport



A business machine is shipped by air freight without crating.



A car provides its own power to board a "C-119 Packet" cargo plane.

United States Air Mail is transferred to the hold for delivery overseas.

New York International Airport in 1951 fulfilled capably the role planned for it as the air terminal specializing in international traffic in this, the air hub of the world.

In less than four years, this huge airport, covering an area of more than 4,900 acres, has been equipped by the Port Authority to accommodate the spectacular volume of international traffic that finds its way to the United States from all parts of the world, or starts its journey in New York en route to foreign ports.

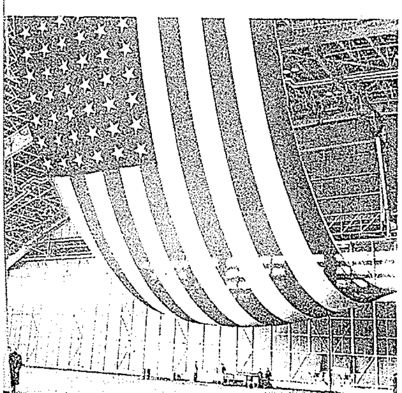
The temporary structures that still house most of the airport activities are, in their own way, indicative of the short period of time during which air transport has developed into one of the most effectively used modes of transportation between nations.

The temporary terminals will be replaced in the years just ahead by the most modern and efficient air passenger and cargo handling facilities.

International Airport in 1951 actually was what its name implies. The eleven foreign-flag carriers and two American-flag overseas carriers using the airport at the end of the year made it possible for most international flights to be handled at this great airport.

In the past year New York International handled 70.9 per cent of the scheduled overseas air passengers in the Port District as compared with 43 per cent in 1950. Its traffic in the past year included 67.5 per cent of the Port District's scheduled overseas air cargo shipments as compared with 49.3 per cent in the previous year. The airport handled 82.2 per cent of the overseas air mail as compared with 52.7 per cent in 1950. On the basis of scheduled overseas air move-

The Port Authority's huge American flag was draped in one of the giant hangars at International Airport for a special ceremony.



The Federal Building at International Airport houses 550 employees of the regional offices of the Civil Aeronautics Administration, the Civil Aeronautics Board and the United States Weather Bureau.

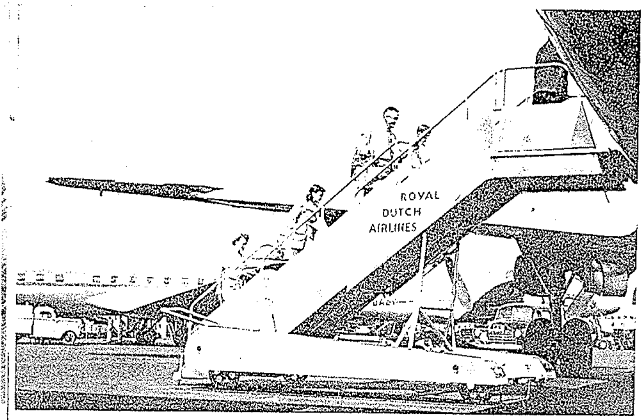
One of the four main entrances to the Terminal Building at International Airport.

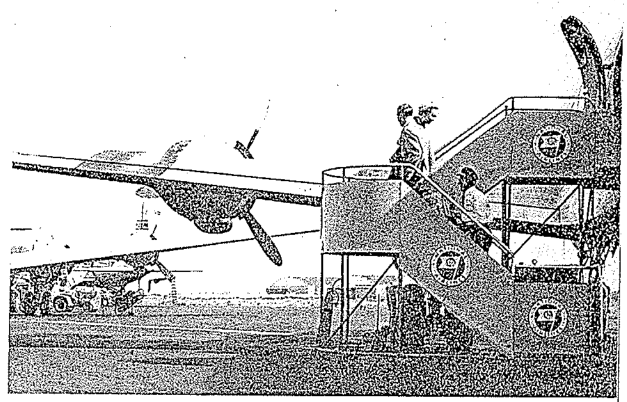
New York State Legislators board Stratocruiser at International Airport during annual inspection trip.

The Education Committee of the Queens Chamber of Commerce hears George McSherry, Manager of International Airport, describe the operation of the huge field.

Arrivals and departures daily at New York International Airport include world famed personalities. To name a few (upper left to right) Israel's Prime Minister David Ben-Gurion; Paris Airport officials Louis Couhe (second from left) and Louis Lesieux (center) with Airport Manager McSherry, First Assistant to Executive Director Lukens and Chief Engineer Kyle; the Prime Minister of Norway, Elnar Gerhardsen, and his wife. Lower left to right: Anthony Eden, British Foreign Secretary, and General Sir Gerald Templer, High Commissioner in Malaya; Robert A. Vogeler and his family; Captain Kurt Carlsen and his family.

Passengers embark from International Airport to all parts of the world. This great air hub handled 75 per cent of the scheduled overseas flights from the Port District in 1951, compared with 49 per cent in 1950. Eleven foreign-flag carriers and two American overseas carriers, as well as many domestic and cargo flights, are available. In this sampling of daily departures we see (page 45, upper left to right) a family boarding a KLM Constellation for Amsterdam; passengers embarking on a Miami-bound National Airlines DC-6. Lower left to right: a Northwest Airlines Stratocruiser en route to Twin Cities and Seattle; a Pan American World Airways DC-6B bound for London.





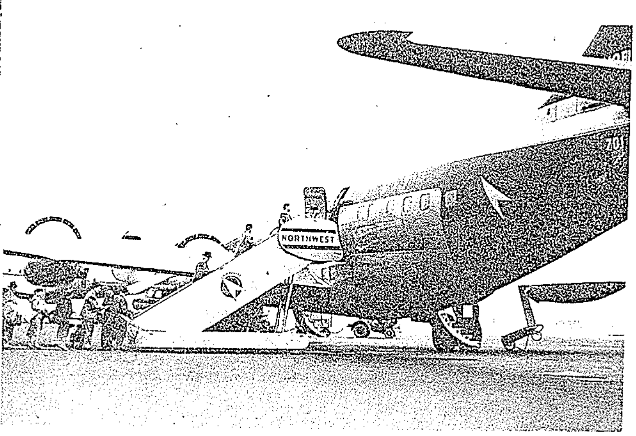
ments, it accommodated 75.3 per cent as compared with 49.1 per cent in 1950.

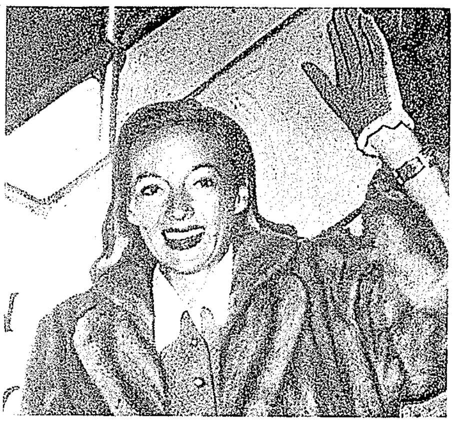
Scheduled domestic passengers at New York International Airport during the year rose to 284,417 as compared with 158,961 in 1950, an increase of 78.9 per cent. Scheduled overseas passengers totaled 481,246 as compared with 221,776, an increase of 117.0 per cent.

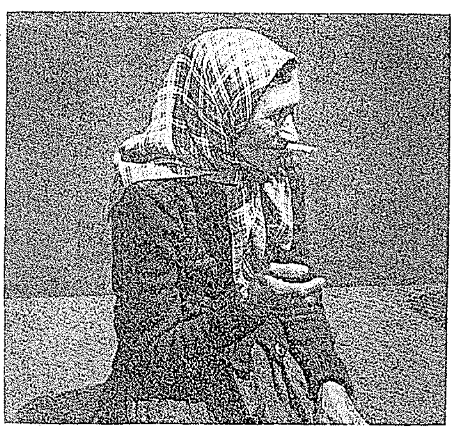
Scheduled domestic cargo totaled 8,974,159 pounds in 1951 as compared with 4,275,635 pounds in 1950, an increase of 109.9 per cent. Scheduled overseas cargo totaled 18,886,222 pounds as compared with 9,477,614 pounds, an increase of 99.3 per cent.

Domestic mail handled at International Airport totaled 1,341,680 pounds in 1951 as compared with 830,767 pounds in 1950, an increase of 61.5 per cent. Overseas mail amounted to 8,508,576 pounds as compared with 4,709,446 pounds in the previous year, an increase of 80.7 per cent.

There were 8,320 scheduled domestic plane movements at the airport in 1951 as compared with 5,603 in 1950, an increase of 48.5 per cent. Scheduled overseas movements totaled 19,036 as compared with 9,681 in the previous year, an increase of 96.6 per cent. Including miscellaneous plane movements adding up to 7,057 in 1951 and 3,991 in 1950, there were 34,413 plane movements of all types at the airport in 1951 as compared with 19,275 in 1950, an increase of 78.5 per cent.







Net Operating Revenues Before Debt Service Are Developed

Gross operating revenues at New York International Airport in 1951 amounted to $3,222,248 as compared with $1,942,517 in 1950. Operating expenses were $2,311,374 as compared with $1,572,712 in 1950. A net operating revenue of $910,874 was developed at the airport in 1951 before interest and amortization on outstanding air terminal bonds. This compares with similar net operating revenues of $369,805 in the previous year.

Our Development Program Goes Forward

At the end of the year, the Port Authority had invested $42,671,943 on the development of New York International Airport. Of this amount $2,735,346 was spent or committed during 1951.

Our 1952 budget includes the expenditure of $13,124,200 at New York International Airport in 1952. This sum will cover major construction items including hangars and the initial work in connection with the construction of the great Permanent Terminal Building. It will also include improvements in the landing area.

Of this amount, $935,000 was spent or committed to continue the expansion and improvement of the temporary passenger terminal facilities at the airport. By the end of the year, we had spent or committed $2,608,000 to provide terminal facilities to handle the traffic at the airport until the construction of the first phase of our great Permanent Terminal Building. We expect to be ready to start construction of this building in 1954.

When we assumed responsibility for International Airport in 1947, the Administration Building was an inadequate 17,000-square-foot cinder block structure. We doubled the size of this building before we opened the airport on July 1, 1948. Since that time, we have

Elizabeth Bean, 9, leaves International Airport for an unescorted round-the-world airplane trip.

Actress Evelyn Keyes stops off at International Airport en route from Mexico to London.

Mrs. Paulina Wilsdorf, 105-year-old Polish displaced person, nonchalantly discusses her plans for a new life.

Mayor James J. Tully of Belleville, New Jersey, and his family wave good-by as they depart for Wilmington, North Carolina, where the Mayor was assigned to Marine duty.

increased its size to meet the mounting volume of traffic at the airport.

In 1949 and 1950, space for Federal inspection services, airlines, consumer services and the public was more than doubled. We built an annex at the east end of the building and a two-story connecting structure between the terminal and cargo buildings. A new Operations-Cargo Building was completed in 1951 and all cargo operations were moved into this new space. The space previously occupied by cargo was converted to provide 30,000 square feet of public waiting area, concession space, airline ticket counters and offices. At the end of the year the terminal facilities at International Airport provided 115,000 square feet of space.

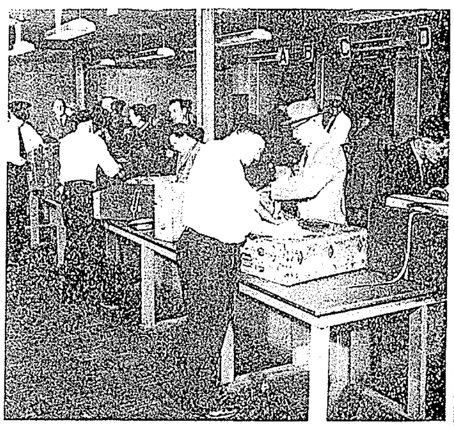
At the same time that we expanded the terminal facilities, we renovated and improved the older sections at a cost of about $79,000. We also rearranged the adjacent roadway system at a cost of some $53,000.

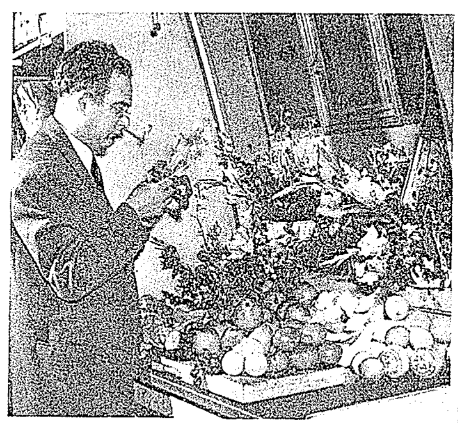
Progress was made in the construction of the million-dollar permanent Control Tower and it is expected that this ten-story building will be completed in the late spring of 1952.* The tower, later to become a part of the airport's Permanent Terminal Building, will replace the existing tower atop the original airport Administration Building.

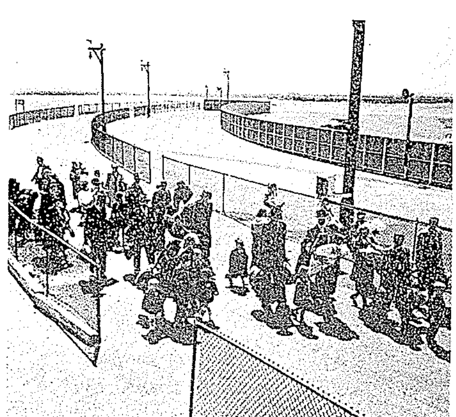
The new 112,000-square-foot Operations-Cargo Building, placed in service early in 1951 at a cost of $1,700,000, is a permanent structure designed to serve as an air cargo terminal until the permanent passenger and air cargo facilities are built. When no longer needed for its present purpose, the building will house Port Authority operations and maintenance activities.

During the past year all carriers operating at International Airport handled their air cargoes through this building. In addition, it accommodates a general order warehouse, customs brokers, freight forwarders, in-flight meal kitchens, aircraft servicing tenants, and the air mail field post office.

*The Control Tower was completed on May 26, 1952 and is to be activated in September 1952.





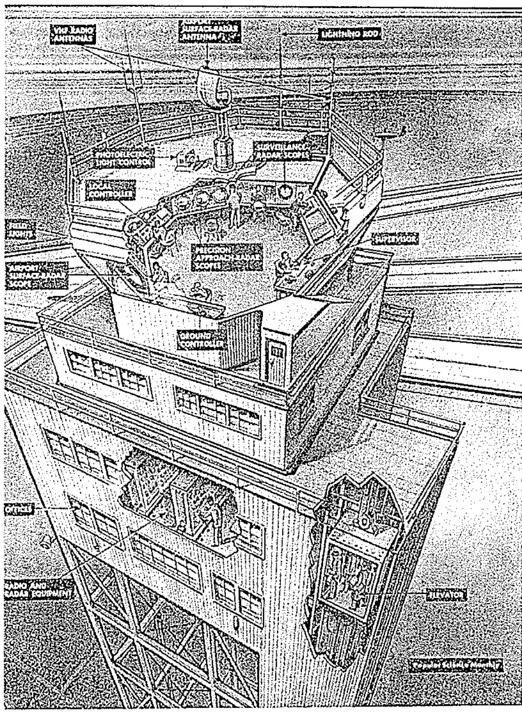


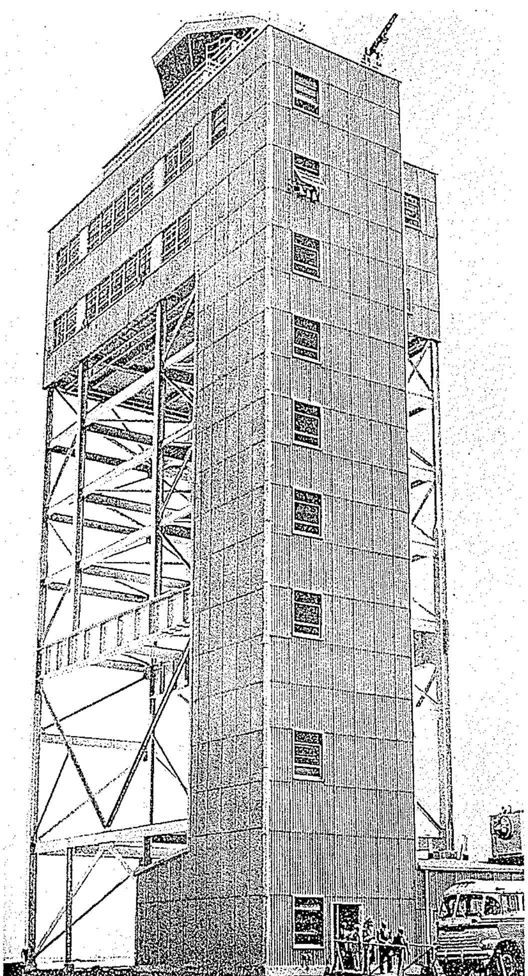
Inspecting Officer of the United States Public Health Service studies the medical records of international travelers.

Busy Customs personnel inspect baggage of overseas passengers.

Jose A. Ramos, Plant Quarantine Inspector of the United States Bureau of Entomology, destroys insect pests that might damage crops if allowed into this country.

A planeload of Polish displaced persons arrives at America's air gateway.





Another million-dollar project at the airport is the new fire pumping station completed during 1951. It is equipped with five electric and five diesel-driven pumps and is designed to deliver 34,000 gallons of water a minute at 165-pound pressure, sufficient for two simultaneous fires at any point of the field.

In September 1951, we began to fill the low, swampy areas north of Runways A and B to provide improved approach to Runway B, as well as to prepare for the construction of hangars and related buildings. This project is estimated to cost $350,000.

We completed our first temporary fuel storage facility in 1949 with a capacity of 600,000 gallons. In 1951 we added two new 210,000-gallon tanks to bring the system up to 1,020,000 gallons. We also completed the foundations for six additional tanks to be installed in 1952 to provide storage capacity for 4,000,000 gallons of aviation fuel.

Concession Revenues Are Increased

Revenues developed through consumer services, or concessions, at New York International Airport in 1951 totaled $338,000, an increase of 60 per cent over the 1950 revenues of $211,000. The Terminal Building expansion provided space for new retail shop locations. At the same time, it was possible for tenants already at the airport to increase and improve their space and scope of merchandise. A new florist shop was opened, a second photographic and extensive gift shop was established, the newsstand was enlarged and an additional newsstand and a smoke shop were opened in the west end of the terminal. The book shop was doubled in size.

The new ten-story building (at left, and in cutaway sketch above) houses the permanent Control Tower. To be completed in the fall of 1952, it will be a part of International Airport's Permanent Terminal Building.

Improved food services for employees were provided during the year. There are two cafeterias and three mobile food trucks that meet this need. The soda fountain and drug store in the terminal were enlarged and are now open twenty-four hours a day. The restaurant, bar and cocktail lounge were expanded and redecorated. All of these and the popular consumer retail shops increased their operating hours to provide increased service.

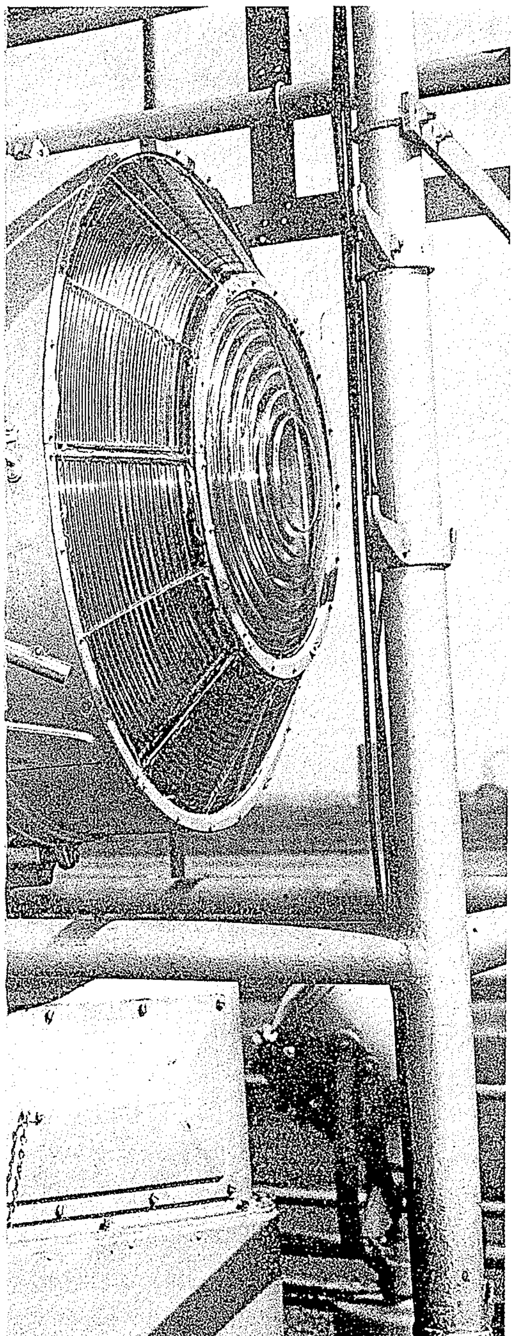
The spectator Observation Deck attendance increased to a total of 620,564 paid admissions in 1951 as compared with 387,455 in 1950, a 60 per cent jump. In addition, thousands of school children and members of special organizations, who are admitted free of charge, visited the Observation Deck. A snack bar on the Deck meets the needs of these visitors.

The vehicular parking lots at the airport were operated by a national automobile parking organization on a concession basis and revenues from this service were increased to record proportions.

At International Airport asbestos-type duct is installed to house electrical cable for the temporary fuel storage facility which was enlarged during 1951 to a capacity of 1,020,000 gallons.

Inspecting the beacon at La Guardia Airport, one of the busiest air terminals in the world. Scheduled airlines serving La Guardia Airport in 1951 were American Airlines, Capital Airlines, Colonial Airlines, Eastern Air Lines, Northeast Airlines, Pan American World Airways (New York-Bermuda), Resort Airlines, Trans-Canada Airlines, Trans World Airlines (domestic only), and United Air Lines.

La Guardia Airport



La Guardia Airport in 1951 broke all records for the handling of air passengers. During the year, 4,277,995 scheduled domestic and overseas passengers arrived at and departed from La Guardia as compared with 3,512,411 in 1950, a 21.8 per cent increase. The total number of plane movements at the airport was 183,243 as compared with 156,470 in the previous year, a 17.1 per cent increase. There was also a record volume of mail which totaled 30,365,275 pounds as compared with 29,830,467 pounds in 1950, up 1.8 per cent.

Scheduled cargo was off to 79,820,355 in 1951 as compared with 87,410,273 in 1950, a decrease of 8.7 per cent.

The bulk of overseas flights was transferred from La Guardia to New York International during the year. In fact, scheduled overseas passengers were down 43.9 per cent, overseas mail 65.3 per cent and overseas cargo 68.0 per cent. Overseas plane movements were off 54.4 per cent.

In addition, in March, Northwest Airlines shifted its entire operation in the Port District to New York International Airport.

These transfers made possible the transfer of all nonscheduled air carrier, private, corporate and executive aircraft operation at La Guardia from the Domestic Terminal area to the Overseas Terminal, which has been renamed the Marine Air Terminal. Congestion in the Domestic Terminal area was greatly reduced as a result.

Nevertheless, La Guardia was still the most active commercial airport in the Port District and one of the busiest in the world. It handled 68.3 per cent of scheduled air passengers in the Port District, 38 per cent of scheduled air cargo shipments, 65 per cent of air mail and 58.6 per cent of commercial aircraft movements.

Operating Revenues and Expenses

Gross operating revenues at La Guardia Airport in 1951 amounted to $2,091,522 as compared with $1,914,222 in the previous year. Operating, maintenance and administrative expenses amounted to $1,754,891 as compared with $1,800,132 in the previous year; net operating revenues before debt service were therefore $336,631 as compared with $114,790. It will be recalled that in 1950 storm damage costs of about $120,000 accounted for an unusually heavy maintenance charge. There was a net operating loss of $74,234 in 1948, the first year of our occupancy of the airport.

Concessions at La Guardia Airport produced rents and fees in 1951 totaling $620,000 as compared with $536,000 in 1950, a 16 per cent increase. This increase was particularly gratifying, in view of the transfer of most international flights to New York International Airport. Observation Deck spectators in 1951 totaled 879,313 as compared with 932,879 in the previous year, a decrease of 6 per cent. All other concession business improved during the past year.

La Guardia Airport today accommodates a large range of consumer services. These include the Terrace Dining Room, the redecorated Kitty Hawk cocktail lounge and bar, a coffee shop, two snack bars, newsstands, drug store, soda fountain, employees' cafeteria, photo shop, jeweler, gift shop, florist, haberdashery shop, the Observation Deck, the Airport Guided Tour, an Exhibit Building, numerous vending machines, a barber shop, and hotel and theater ticket reservation service. They also include four extensive vehicular parking lots and gasoline services.

We Continue to Make Improvements at La Guardia Airport

The basic instability of the La Guardia Airport subsurface and the resulting continuing need for rehabilitation of the airport buildings, runways and roadways are costly. During 1951, we spent or committed $978,000 on improvements at La Guardia. This brought to a total of $5,855,341 our expenditures on improvements at this airport.

Costliest of these projects has been the dike and sand drains begun in July 1948 and completed in August 1949 at a cost of $2,290,000. In 1950 it was necessary to spend $50,000 to raise the top of the thirteen-foot dike in those areas where it had settled. After unprecedented tides in November 1950, it was decided to raise the level of the dike to fifteen feet and to extend it 3,200 feet in the vicinity of Bowery Bay. This work was accomplished in 1951 at a cost of $157,542.

The runway subsurface at La Guardia settles differentially. We have been able to do a corrective job involving the paving of small areas. During the past

Left: Miss Suzanne Wynkoop of Hackensack, New Jersey, leaving La Guardia Airport on a nationwide goodwill tour. With her (left to right), her father, Rossman H. Wynkoop, Managing Editor of the *Bergen Evening Record* and President of the New Jersey Associated Press; Walter E. Lapp, President of Teterboro Air Travel; and Vincent A. Carson, Manager of La Guardia Airport. Center: Passengers claiming baggage at La Guardia. Right: Professional models, on their way to a fashion show in Boston, linger at La Guardia Airport long enough to pose with Chevy, a French poodle.

year, however, it was necessary to rehabilitate completely Runway 13-31. We also had to make major repairs on Runways 4-22 and 9-27. Fortunately, we were able to schedule the work and, with the cooperation of the airlines, the airport was in operation during construction hours. Commenced in June, the job was completed in December at a cost of $537,715.

The open paved areas in front of hangars 2, 4, 6 and 8 were restored at a cost of $26,243. Our maintenance forces repaired extensive sections of driveways and sidewalks in front of these hangars and also repaired numerous leaks and utility line breaks such as occur at this airport regularly. Our jacking crews rehabilitated sinking structures, and we eliminated the serious "drop" at the north end of the 102nd Street bridge at a cost of $13,000.

We spent $13,500 to grade and pave a 51,000-square-foot area which was added to Parking Lot No. 2 south of the Domestic Terminal Building, in order to augment the overcrowded automobile parking lots.

During the latter part of the year, we began a general housecleaning and redecorating program in the Domestic Terminal Building. This is a costly procedure, but one which we believe is justified in a public terminal building whose basic condition does not permit a more economical approach to public convenience.

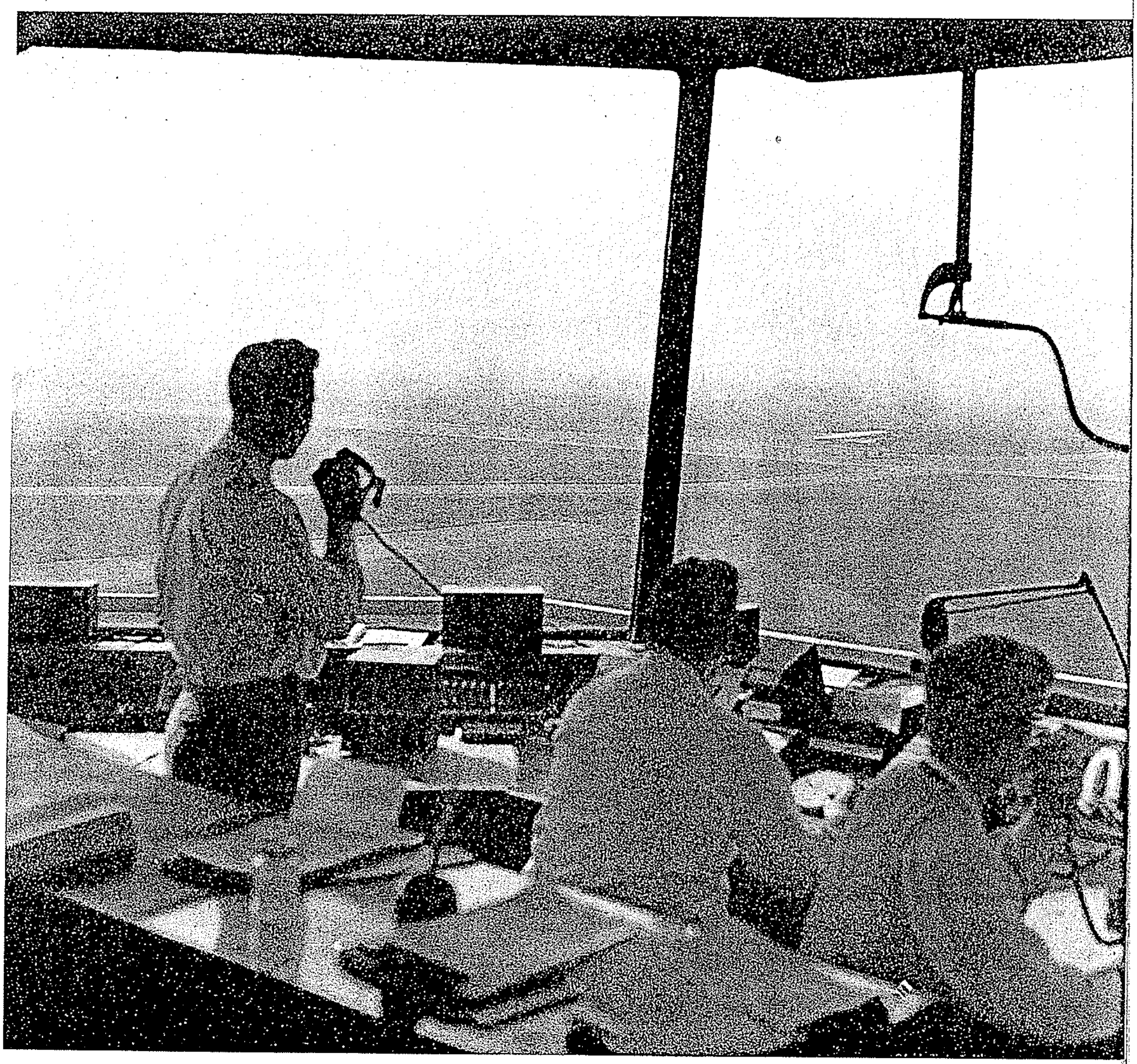
Long Island Star-Journal and Press carrier boys leave La Guardia Airport for a week in Miami as winners of a subscription-selling contest.

After a flight from London, Gary Howard, 2, amuses himself at La Guardia Airport before flying home to Madison, West Virginia.

Helen Gallagher (left) and Helen Sullivan appropriately pose with a 600-pound shipment of shamrocks flown to La Guardia Airport from Ireland for St. Patrick's Day.

Mr. and Mrs. Ralph Barnes and their seven children, one of the largest families ever to travel by air, leave La Guardia Airport for Columbus, Ohio.

C.A.A. Control Tower at Newark Airport contacts pilot of airplane on runway.



Newark Airport

Air traffic registered an all-time high at Newark Airport during the past year when 1,222,825 scheduled passengers arrived at and departed from the North Jersey air terminal as compared with 916,066 in 1950, an increase of 33.5 per cent. Air mail totaled 6,534,692 pounds as compared with 6,209,064 pounds in the previous year, an increase of 5.2 per cent.

Air cargo was also up. In 1951 Newark Airport handled 102,640,191 pounds as compared with 100,778,908 in 1950, an increase of 1.8 per cent. There were 74,743 scheduled plane movements in the past year as compared with 65,980 in 1950, an increase of 13.3 per cent. The total of all types of plane movements was 100,184 during 1951 as compared with 89,171 in 1950, up 12.4 per cent.

Improvement Program at Newark Airport Gets Under Way

By the end of 1951, the Port Authority had spent or committed a total of $24,402,744 on the rehabilitation and improvement of Newark Airport. Of this amount, $10,853,442 was spent or committed during 1951.

In accordance with our agreement with the City of Newark, we completed subsurface testing and engineering studies that indicated that runways, with a service life of twenty-five years for use by large transport planes, were practicable at Newark Airport. We therefore made immediate plans for the construction of a master runway plan for the airport.

We acquired most of the 897 acres of land in Elizabeth, New Jersey, in accordance with our agreement with the City of Newark. The City of Elizabeth voluntarily conveyed for $160,000 approximately twenty-two acres of land owned by the City. Arrangements are not yet completed for a grant of the lands under water in the area by the State of New Jersey.

The City of Elizabeth agreed to vacate, within the acreage acquired by the Port Authority, portions of Division Street and Bay Avenue. The City of Elizabeth also agreed to permit the Central Railroad of New Jersey to cross certain local streets in building a new railroad connection to an industrial area south of the airport. The New Jersey Turnpike Authority and the Port Authority agreed to construct and pave North Avenue from Division Street to the New Jersey Turnpike; to bridge over the Turnpike and the Central Railroad; to extend North Avenue 555 feet east of the Central Railroad right-of-way and to fill and grade other portions of North Avenue.

All of this work was started early in 1951. In April the ditching along both sides of North Avenue was completed, the concrete drainage pipe was in place, and the five-foot culvert was under construction. The fill and grading of the North Avenue extension were completed by the end of August. At the end of the year the bridge structure was finished and the bridge paving was almost complete. Completion of the entire roadway is scheduled for June 1952.

By the end of 1951, fill and drainage for Runways A and D and adjoining taxiways were about 80 per cent complete and work was running slightly ahead of schedule. We expect Runway A to be ready for use by November 1, 1952. This 7,000-foot runway, to cost $10,500,000, is so aligned as to avoid the necessity of aircraft approaches and departures over the congested areas of Elizabeth and Newark.

Ground is Broken for New $8,500,000 Passenger Terminal Building

On September 11 ground was broken on the northern perimeter of Newark Airport adjacent to Route 25, between the present Administration Building and the Brewster hangar, for the new modern Passenger Terminal for Newark Airport.

The new building will be 600 feet by 178 feet and will have five times as much floor space as the existing structure. Representing the most modern structural and functional design, it will be able to handle the more than 2,700,000 air passengers estimated for arrival and departure at North Jersey's vital airport in 1965.

Scheduled for completion by early 1953, provided no critical material shortages develop, the new Terminal Building is so designed that it can be converted to other aviation uses whenever air traffic requirements call for the construction of a larger Passenger Terminal.

The present Administration Building, built in 1934, will be used for air mail, cargo, express and other aviation purposes.

Miscellaneous Projects Are Undertaken at the Airport

We expanded Parking Lot No. 1 to handle 275 cars and built a 1,000-foot patrol road between airport streets and the Passenger Terminal at a cost of more than $29,000.

In relocating an electric power line to the control tower area, as required by the New Jersey Turnpike, an improvement in safety and continuity of service was made by locating the power line underground and providing dual feeders. This project, to be completed in 1952, will cost $33,000.

The airport road and aircraft paved areas were repaired at a cost of $46,000. The Passenger Terminal roof was replaced and the building resurfaced and waterproofed at a cost of $16,000. Many additional miscellaneous items were handled during the year.

The C.A.A. Installed New Navigational Aids

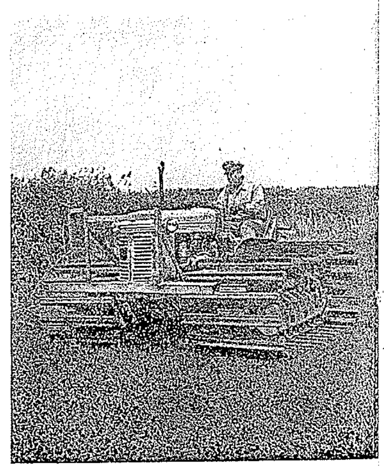
During the year the Civil Aeronautics Administration installed an experimental center line high-intensity approach light system for Instrument Runway 6-24 at Newark Airport.

In April the ground control approach radar at this airport was commissioned by the C.A.A. It is operated by the C.A.A. as a monitoring unit to supervise instrument approaches to the airport and is also used as a main instrument approach aid upon the request of the pilot.

The Port Authority Cooperates in an Effort to Minimize Aircraft Noise Over Populated Areas

The Congress of the United States has placed the complete control of all aircraft operations, air traffic patterns and aircraft approach procedures within the jurisdiction and under the administration of the Civil Aeronautics Board and the Civil Aeronautics Administration.*

*See column 2, page 59.



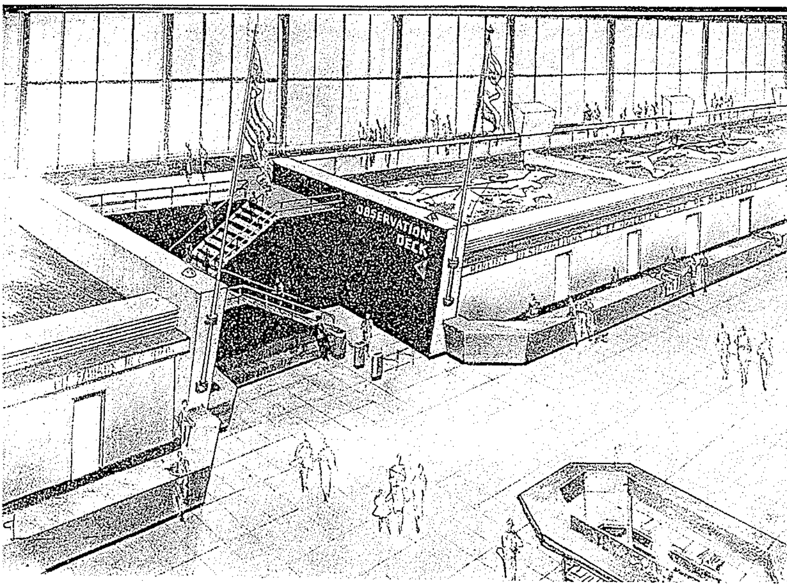
Left: Ground breaking ceremonies in September marked first step in construction of Newark Airport's Passenger Terminal Building. Port Authority Director of Aviation Fred M. Glass (left), Executive Director Tobin and Vice Chairman Byrne discuss project scheduled for completion in 1953. Center: Measuring settlement of sand fill for Taxiway T-2 at Newark Airport. Right: Power cutter moves over tall grass at Newark Airport.

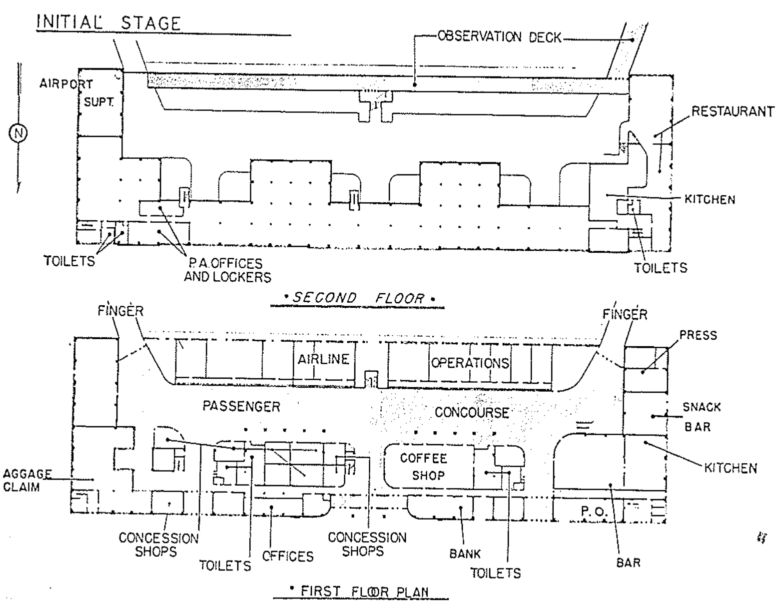
Workmen excavate ahead of this 36-inch culvert pipe, part of extensive drainage system necessary for construction of new 7,000-foot Runway A and adjoining taxiways at Newark Airport.

Airline and other aircraft operators are bound by orders and regulations of the C.A.B. and C.A.A. In establishing their own operating procedures they must conform to C.A.A. standards. So, too, these legally constituted agencies of the United States Government establish or approve all operating procedures of the airlines, including the standards and determination of pilot competency, the airworthiness of aircraft, legal minimums of ceiling and visibility for aircraft operation at the airport and all other traffic patterns, and procedures for approach and take-off.

The new Instrument Runway A, which is under construction and will be completed in November 1952, will divert traffic to the east above the waters of the Arthur Kill and away from populated areas of both Newark and Elizabeth.

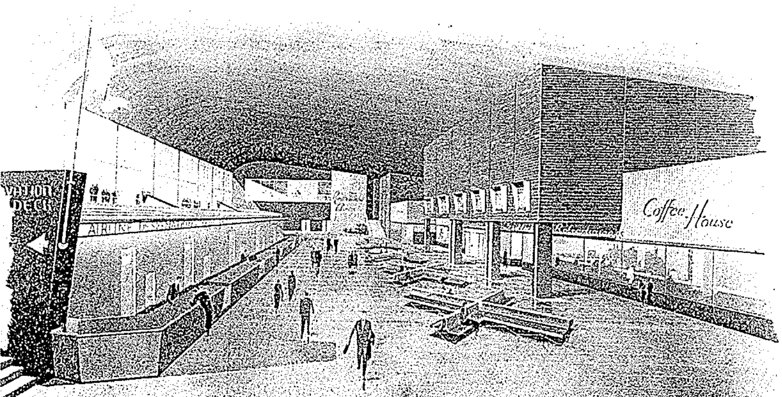
With the concurrence of the C.A.A., the Air Transport Association, the Air Line Pilots Association and





The $8,500,000 Newark Airport Passenger Terminal Building, to be completed in 1953, will contain five times as much floor space as the present eighteen-year-old outmoded and inadequate building. The terminal area will be served by sixteen gate positions expansible to twenty-two.

Top: Field side of main lobby above the airline counters will house a 500-foot glass-enclosed observation deck. Center: Plan of main floor and mezzanine. Bottom: Main floor of new terminal will provide 93,000 square feet of airline offices and ticket counters, a 500- by 50-foot lobby and waiting room, and shops and other concessions to serve air travelers and visitors.



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Governor Driscoll and Port Authority Commissioners Sly and Hamilton with Major Ensley R. Bennett, State Army Aviation Officer of New Jersey, at the controls of a Ryan Navion at Newark Airport before taking off on inspection flight.

the Port Authority, a "runway preference" system was adopted to assure a reduction in the number of aircraft operating over residential areas. In order to facilitate the program, we constructed a new $175,000 access taxiway to the west end of Runway 10-28. This taxiway, 2,420 feet long, permits aircraft to move to the west end of the runway to take off in an easterly direction over Newark Bay, and thus substantially to reduce the number of flights taking off over congested areas.*

Concession Revenues Are Improved

Pending the completion of the New Passenger Terminal Building, concession revenue development at Newark Airport is necessarily limited. Nevertheless, revenues from these consumer services in 1951 amounted to $205,000, an increase of 70 per cent over the $120,000 received in 1950.

The Newarker cocktail lounge, bar and terrace overlooking the field fulfill a public need in the present Terminal Building. This facility, as well as the popular snack bar, produced important airport revenues.

During the year, vehicular parking lot business increased 55 per cent over that of 1950. Revenues from this source totaled $98,100 in 1951.

The forty-five-tee driving range and the unique streamlined nine-hole golf course on twenty-two acres of airport property along Route 25 created unusual interest. Airport Golf Course, Inc., operator of this facility, paid the Port Authority $9,200 during its first season, even with the handicap of many rainy weekends.

A new roadside restaurant, The 19th Hole, was built adjacent to the golf course and driving range and was opened to the public in April. This facility encourages business, not alone from the golf patrons, but from visitors to the airport.

The Observation Deck and numerous vending machines provided additional sources of revenue.

Temporary Closing of Newark Airport

Immediately following a series of three fatal plane accidents in Elizabeth on December 16, 1951, January 22, 1952 and February 11, 1952, the Commissioners authorized the Executive Director to issue the following statement:

> "In the light of these tragic events and pending further investigation, the Port Authority has closed all runways at Newark Airport, effective at 3:00 o'clock, and a notice to airmen has been issued accordingly."

On June 2, 1952, the National Air Transport Coordinating Committee, established on February 12, immediately following the closing of Newark Airport, requested the Port Authority Commissioners to reopen the airport on a limited basis pending the completion of new instrument Runway A and its full availability for operating use in November.

The Port Authority Commissioners at their Board meeting on June 12 voted unanimously to reopen the airport on June 16 under the limitations recommended by N.A.T.C.C.

*The new taxiway was completed and the runway preference plan put into effect on February 2, 1952.

Governor Driscoll is greeted at Newark Airport by Vice Chairman Byrne (left) and Executive Director Tobin.

Chairman Cullman, preceding the vote on the re-opening of the airport, made the following statement:

"Since the closing of the runways at Newark Airport on the morning of February 11 pending investigation, following a series of tragic accidents in Elizabeth, we have given most serious consideration to the return to public service of this vital North Jersey air terminal. We have cooperated fully with these investigations appearing before committees and other groups to answer questions, and to state our views with respect to our stewardship of this public transportation facility.

"I have discussed with you, my fellow Commissioners, all of the facts related to our public obligations regarding Newark Airport. Since the conclusion of the official investigations, we have held many informal as well as formal discussions on the subject.

"We have particularly considered a letter from the National Air Transport Coordinating Committee dated June 2 requesting the Port Authority to reopen the runways of Newark Airport for passenger and cargo flights on a limited basis. This limited basis of operation would continue until the new, long runway A has been completed, which we believe will be on November 1. As soon as I received the Committee's letter, it was sent to all Commissioners. and it has been discussed by all of us.

"Under the recommended limited use basis:

1. There will be no take-offs on Runway 24 toward Elizabeth or on Runway 28 toward Newark.
2. There will be no landing from the south on Runway 6 from the direction of Elizabeth.
3. Operations will be conducted only when weather conditions of 1,000 feet ceiling and three miles visibility or better are reported.

"As you know, the Administrator of Civil Aeronautics in a letter dated June 9 stated, among other things, that 'The C.A.A. will make arrangements to man and activate all activities and facilities at the airport which are the responsibilities of the C.A.A.' I am going to ask our Director of Aviation to review in detail for the record, although he has already reviewed them for the Commissioners, the letter from the National Air Transport Coordinating Committee, as well as the letter from the Civil Aeronautics Administrator.

"I want to say that it is of the utmost importance that the Civil Aeronautics Administrator will issue an order establishing a preferential runway system that will assure every conceivable precaution against a violation of the limited use of Newark Airport as outlined by the N.A.T.C.C., and agreed to by the C.A.A.

"I want particularly at this time to read items 6 and 7 of the letter from the Civil Aeronautics Administrator. I believe these items will indicate to the people of Northern New Jersey that the re-opening of Newark Airport on a limited basis will be surrounded by every possible guarantee against a violation of its use on a limited basis.

"The two items to which I refer are as follows:

(6) Instructions will be issued by the C.A.A. First Region to Newark traffic control personnel to direct the control of air traffic in accordance with the above described runway availability and priority use.

(7) Enforcement action will be initiated by the C.A.A. against any pilot or operator improperly operating aircraft on runways closed by The Port of New York Authority providing that the runways have been suitably marked and a Notice to Airmen has been issued prior

to such violation. Additionally, we will cite any person violating weather minima or instructions of the Newark control tower with an alleged violation of the Civil Air Regulations in accordance with existing procedures and practices.

"I want to take this opportunity to comment on a communication that we have received this afternoon from the Mayor's Committee on Newark Airport protesting against the reopening of the terminal. I cannot emphasize too greatly the fact that this Commission can only assure the Mayor's Committee that the conditions under which we have decided to vote upon the reopening will be strictly adhered to and enforced. They will, I am sure, be adhered to by all users of the airport. They will be strictly enforced by the Civil Aeronautics Administration.

"The Commissioners are cognizant of both the problem created by the flight of planes in a metropolitan community, and of the vital importance of terminal facilities for these planes which today are carrying such a heavy proportion of passengers and goods that they have become a major factor in the economy of the world, the nation and the local community."

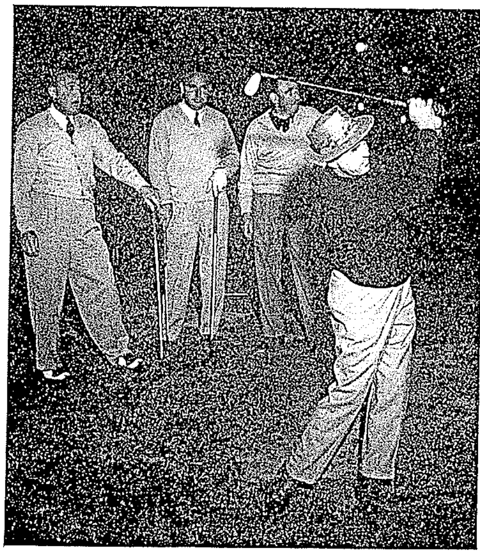
The letter addressed to Chairman Cullman by Captain E. V. Rickenbacker, Chairman, National Air Transport Coordinating Committee, on June 2, 1952, requesting the reopening of Newark Airport follows:

"Closing of Newark Airport

"Newark Airport was closed by order of The Port of New York Authority on the morning of February 11, 1952, 'pending further investigation.'

"Official Investigations

"The Civil Aeronautics Board has conducted its official investigation of each of the three accidents which occurred near Newark Airport between December 16, 1951 and February 11, 1952. The investigations have been completed and the Board has issued a public report with respect to each of them.



Back from Korea. Major Edwin Foster, Asbury Park, New Jersey, gets a hug from four-year-old daughter at Newark Airport as niece Eileen Moran (left) and Mrs. Foster beam their welcome.

Sam Snead tees off in a demonstration at Newark Airport's "19th Hole" golf course. Observing (left to right) are Vic Ghezzi, Claude Harmon and Herman Baron.

As a gift from San Antonio, Texas, to Ted Mack, radio and television star, a golden five-month-old Palomino registered colt arrives at Newark Airport via Slick Airlines.

Port Authority is host to Camden, New Jersey, city officials on inspection trip at Newark Airport.

New Jersey Legislators at Newark Airport on annual inspection of Port Authority facilities. Seated, left to right: Mrs. G. Clifford Thomas, Assemblywoman Florence P. Dwyer, Miss Wilahemina Twydale, Senator Kenneth C. Hand. Standing, left to right: Assemblyman G. Clifford Thomas; Roger H. Gilman, Assistant to Director of Port Development of the Port Authority; August Z. Schneider, Assistant to the Executive Director; Assemblyman Donald D. Mackey; Joseph G. Carty, Port Authority Secretary; Mrs. Miriam Shepard; and Assemblyman Fred E. Shepard.

"The Interstate and Foreign Commerce Committee of the United States Senate conducted an investigation of aircraft operation in the Northern New Jersey Area.

"There was a similar investigation by the Interstate and Foreign Commerce Committee of the House of Representatives, U.S.

"There was an extensive investigation by the New Jersey State Joint Legislative Committee and the legislation recommended by it has been enacted.

"The President of the United States appointed a Commission, headed by General James Doolittle, to study and report on national airport policy. The public report of that Commission is available.

"Safety of Newark Airport

"No investigation has produced a sustainable conclusion that Newark Airport was or is unsafe. Newark Airport is distinguished for the excellence of its record for safety over the years it has been in operation. The Civil Aeronautics Board and the Civil Aeronautics Administration are both on record with respect to the safety of Newark Airport. General Doolittle is quoted on May 16th as saying: 'Newark, itself, judged by all standards of other airports, is a safe airport.'

"Organization of National Air Transport Coordinating Committee

"This Commitee was organized on February 12, 1952. The membership of the Committee comprises all elements of United States civil aviation, evidenced by the organizations and groups listed as members of the Committee on the signature page of this letter. The purpose of the Committee is to combine the voluntary efforts of all of those engaged in aviation to provide the solution for many of the problems facing the industry, the communities and the nation.

"Work of the Committee

"The Committee and its staff have utilized their knowledge and experience to study the problems of aviation as they relate to the Metropolitan Area of New Jersey and New York. They have worked diligently with each of the agencies responsible for the investigation of aircraft accidents, and they have worked in a similar way with representatives of the communities.

"Conclusions and Recommendations of the Committee

"The National Air Transport Coordinating Committee believes that Newark Airport, judged by all of the standards of other airports, is a safe airport.

"We recommend that Newark Airport be reopened for service. We recommend that until the new, long runway, Runway A, has been completed, now estimated to be November 1, 1952, the operation at Newark Airport be on a limited basis. The limitations we propose are:

1. No take-offs or landings over Elizabeth.
2. No take-offs over the Hillside and Weequahic section of Newark.
3. Operations to be confined to good weather.
4. All approaches to the airport to be made from the Northeast or East, except on the rare occasions estimated at less than 1% of the time when strong Easterly winds require landings from the West.

"Specific Operating Procedures for Newark Airport

"To make these limitations effective, we specifically propose that the conditions for operation from Newark Airport during the period of limited operation be:

1. Pending completion of Runway A paralleling Newark Bay, operations will be conducted only when weather conditions of 1,000 feet ceiling and 3 miles visibility or better are reported and flight operations will be limited to the following pattern of runway use:
   (a) Runway 10 will be used as first priority for take-offs to the East over Newark Bay.
   (b) Runway 6 will be used as second priority for take-offs to the North over Kearny Meadows and non-residential Newark.
   (c) Runway 28 will be used as first priority for landings from the East over Newark Bay.
   (d) Runway 24 will be used as second priority for landings from the North over Kearny Meadows and non-residential Newark.
   (e) Runway 10 will be used only as third priority for landings from the West. Such priority, of course, means that this runway will be seldom used.

"As indicated, there will be no take-offs on Runway 24 toward Elizabeth or Runway 28 toward Newark. Similarly, there will be no landings from the South on Runway 6 from the direction of Elizabeth. This eliminates landings to or departures from the airport over the heavily settled area of Elizabeth.

"Operation From Newark From and After the Opening of Runway A

"From and after the completion of Runway A, and its full availability for operating use, we recommend that operations to and from Newark Airport be conducted in accordance with the weather minimums established for Newark Airport by the Civil Aeronautics Administration, that the available runways at Newark be used on a preferential basis, and that the preferential runway system operate as follows:

Take-offs: Priority 1—To the south on Runway 22
Priority 2—To the east on Runway 10
Priority 3—To the north on Runway 4
Priority 4—To the west on Runway 28

Landings: Priority 1—From the south on Runway 4
Priority 2—From the east on Runway 28
Priority 3—From the north on Runway 22
Priority 4—From the west on Runway 10

"The utilization of runways in accordance with this preferential system, both prior to and subsequent to the availability of the new Runway A, will be observed during visual flight rule conditions when winds do not exceed 15 miles per hour and are within 80° of the direction of the heading of the aircraft. That procedure is approved by the Civil Aeronautics Administration and the aircraft operators.

"General Operating Program for the New Jersey/New York Area

"As you have heretofore been informed, the National Air Transport Coordinating Committee has adopted a program to reduce noise resulting from aircraft operation and improve safety. This program is applicable to Newark Airport, as well as to other airports in the Metropolitan Area, and the policies which are hereafter listed will be effective with respect to operation from Newark Airport:

1. The optimum use, consistent with safety, of preferential runways which will divert the bulk of routine operations away from residential areas surrounding the airports in the New York Area.
2. The transfer from these terminals of all transport training flights, except those specifically required at those airports by Federal regulation, to open areas or other airports.
3. The establishment of 'end-of-the-runway' weather reporting.
4. The installation of equipment to provide continuous recordings of all aircraft communications between pilots and air traffic control centers.
5. The establishment of specific vertical and horizontal intervals between all aircraft in all air traffic patterns in the area.
6. The establishment of new or improved runways, involving all three major airports in the New York Area, to make possible the diversion of air traffic from the populous areas.
7. The establishment of designated areas for engine run-ups where resultant noise can be most effectively controlled.
8. The design and installation of improved ground noise reduction devices to reduce annoyance resulting from the necessary running-up of engines while aircraft are on the ground in terminal areas.

"It is our belief that operation in accordance with these policies and procedures will minimize, and for the most part eliminate, the cause of concern to residents of the New Jersey Area.

"Importance of Newark Airport

"It is important to Newark, New Jersey and New York, that Newark Airport be available to serve the communities. Newark is one of the great airports of the United States, and it is important to the national welfare and national defense that it be available for use.

"Recommendation for Re-Opening of Newark Airport

"We recommend that Newark Airport be re-opened on the basis of the policies and procedures set forth in this letter.

"Sincerely yours,

"E. V. RICKENBACKER, *Chairman*
National Air Transport Coordinating Committee
ON BEHALF OF
Air Transport Association of America
Aircraft Industries Association of America, Inc.
Air Coach Transport Association, Inc.
Air Line Pilots Association, International
Aircraft Owners and Pilots Association
Independent Military Air Transport Association
Corporation Aircraft Owners Association Inc."

At Newark Airport for inaugural flight of new air route by All American Airways. Left to right: J. Russell Woolley, Monmouth County Clerk; Edward Conway, President, Chamber of Commerce of Red Bank; Port Authority Vice Chairman Byrne; Ralph A. Villani, Mayor of Newark; Archie H. Armstrong, Manager, Newark Airport; and Frank Amstutz, Atlantic City Chamber of Commerce.


TETERBORO
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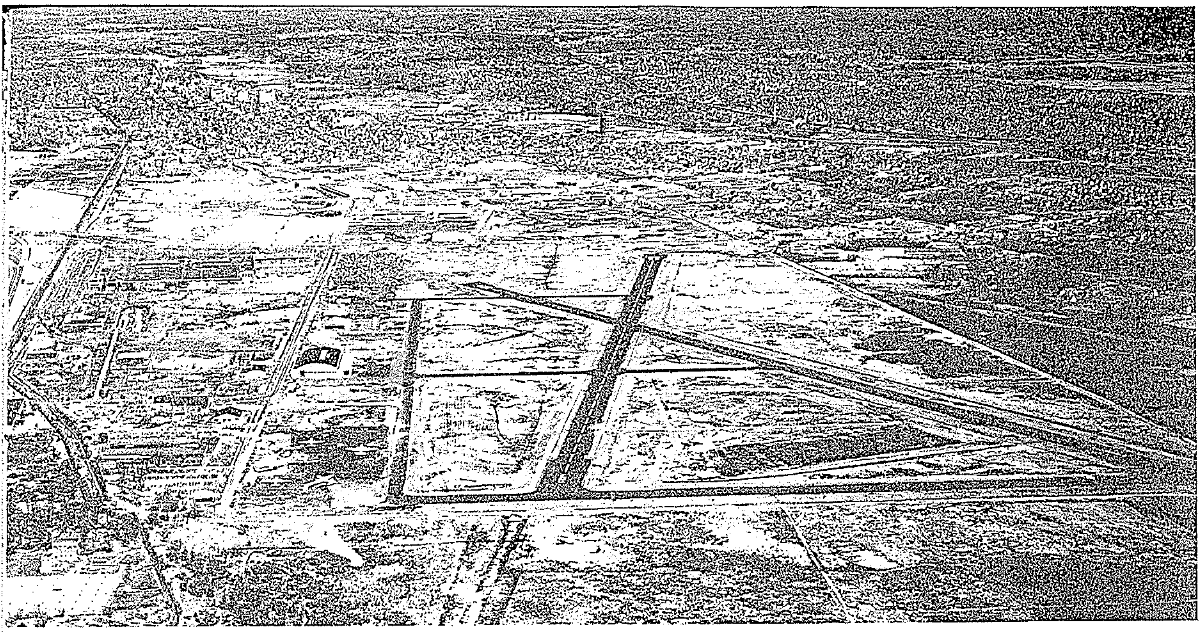


Aerial view of Teterboro Airport.

Teterboro Airport

Teterboro Airport, New Jersey, is but twenty-five minutes by automobile from the heart of Manhattan. Purchased by the Port Authority in 1949 to provide a fourth major airport in the metropolitan area when traffic in the region calls for such a facility, Teterboro at present specializes in the handling of private, corporate, nonscheduled and cargo air traffic.

In 1951 it handled 199,759 plane movements as compared with 183,841 in 1950. Of this number, 152,740 were local flights related for the most part to the activities of the aviation school at the airport; 3,948 flights were made by nonscheduled aircraft; 41,622 by civil itinerant aircraft; and 1,449 by military aircraft. Altogether, during the year 6,541 passengers and 8,848,796 pounds of cargo were handled at Teterboro.

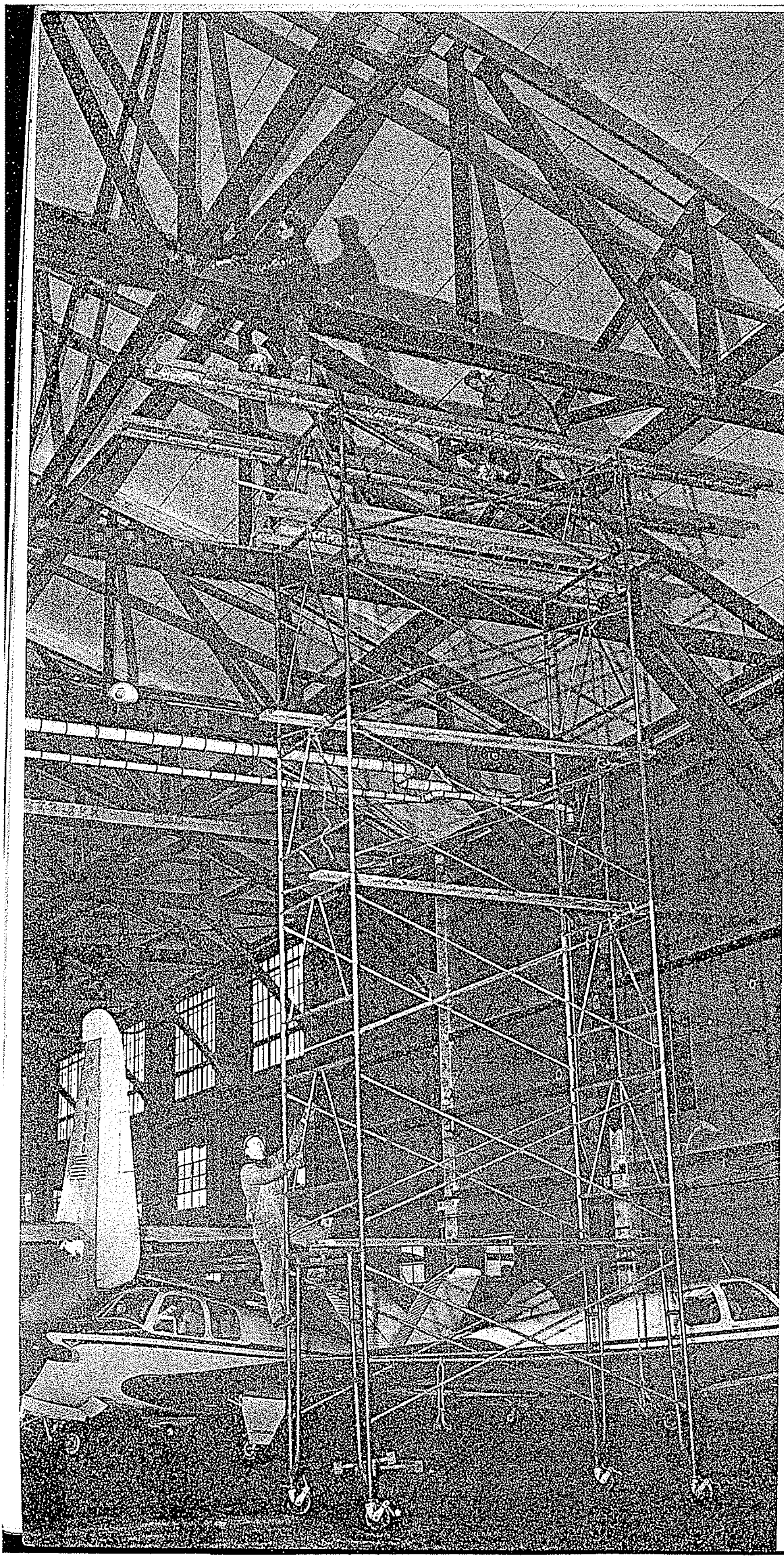
Teterboro Airport, during the past year, handled 38.5 per cent of the corporate aircraft movements accommodated at Port Authority airports, 88.1 per cent of the non-local private movements, and all of the instructional flying movements.

We leased about 100,000 square feet of space adjacent to Hangar No. 3 to Mallard Air Service, a fixed base operator which now occupies most of the hangar, for aircraft parking, storage, maintenance repair and servicing activities of this tenant.

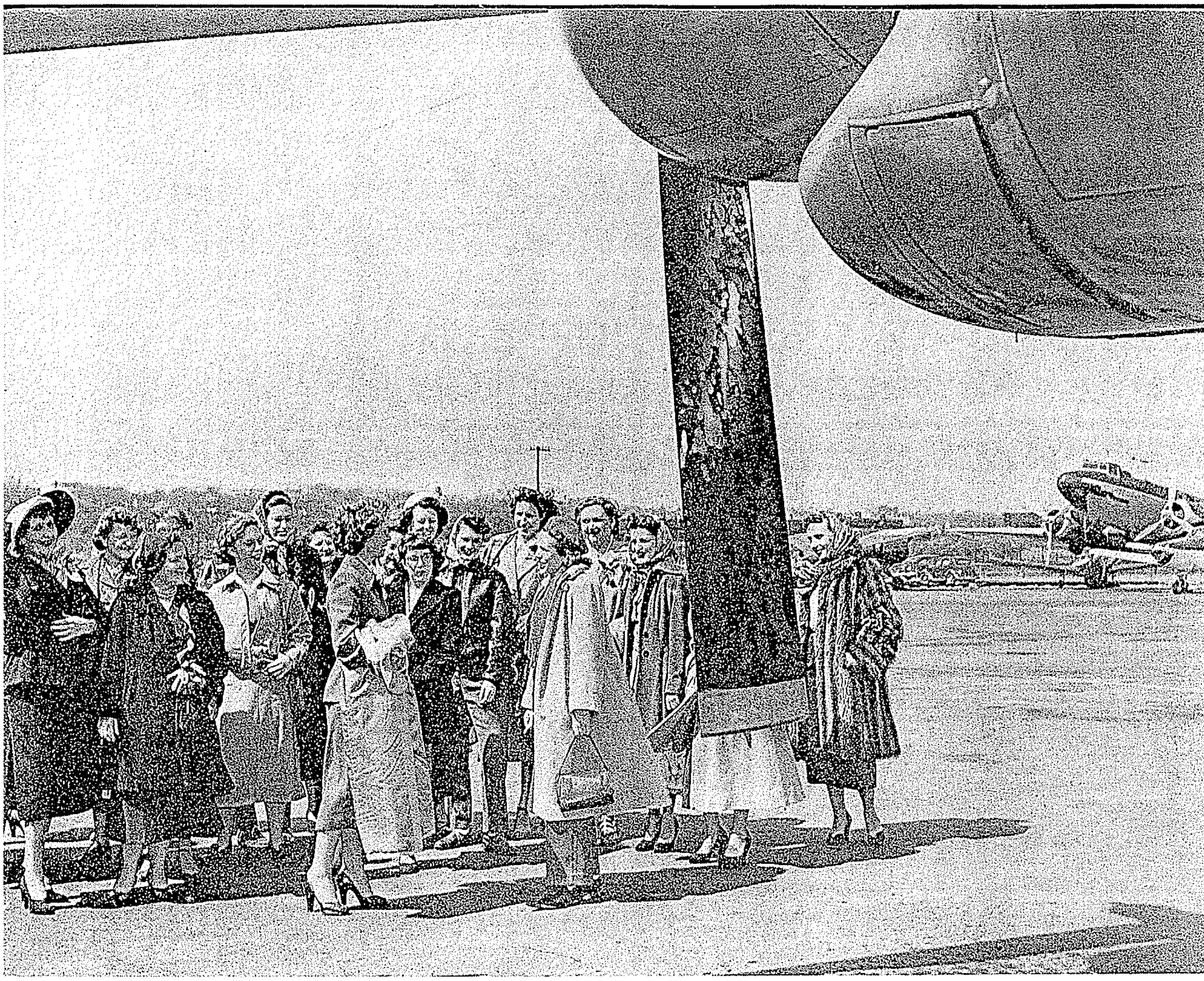
On April 1, the Bendix Aviation Corporation rented 1,138 square feet of additional space on the second floor of the west lean-to of Hangar No. 3 to accommodate its expanded activities. This tenant, engaged in defense production, has also rented three acres of parking space for its employees.

The United States Government has leased a twelve and a half-acre site for the installation of a large-caliber gun battery and the housing of personnel that will operate and maintain the battery.

In 1951 we leased to the Civil Aeronautics Administration at a dollar a year with annual options to June



Port Authority painters at work on interior of Hangar No. 3 at Teterboro Airport.



"Ladies Day" at Teterboro Airport. Newark Chapter, Women Flyers of America, holds first breakfast flight.

30, 1961, the control tower and related space adjoining Hangar No. 3. Teterboro Airport now offers all-weather flying accommodations controlled by the C.A.A. tower, an instrument landing system and other requisite navigational aids provided by the C.A.A.

By December 31, 1951, the Port Authority had spent or committed a total of $6,661,439 at Teterboro Airport, including the original purchase price of $3,015,000 paid for the 550-acre airport. By the end of the year we had spent $1,450,000 for the purchase of 236.5 acres out of an authorized total of 362.8 acres of additional land in the airport area in the Boroughs of Moonachie and Hasbrouck Heights in order to protect the approaches and the proposed extension of the airport's future runway system. Expenditures for airport capital improvements totaled $1,333,000 during 1951. These included extensions to existing structures, as well as runways and other airport facilities.

Operating Revenues

Gross operating revenues at Teterboro Airport amounted to $735,400 in 1951 as compared with $693,599 in 1950. Operating expenses were $716,738, as compared with $661,432 in 1950. The net operating revenues amounted to $18,662 before debt service on outstanding air terminal bonds allocated to this facility.

Port Authority Appears Before Civil Aeronautics Board

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

On December 5, 1951, the Civil Aeronautics Board issued a decision which coincided with virtually all of the Port Authority's recommendations in the New York City Area Helicopter Service Case. We participated in oral argument before the Board on January 9, 1951, in continuation of our earlier efforts in this proceeding. Culminating over two years of C.A.B. proceedings and deliberations, the Board's decision authorized New York Airways to provide helicopter passenger, mail and property service in the New Jersey-New York metropolitan area over a comprehensive system of suburban and airport shuttle service routes. For certificate purposes, the metropolitan area has been defined as bounded by Trenton, Dover, Peekskill, Bridgeport, Freeport and Asbury Park.

New York Airways, the successful applicant, will be granted a five-year temporary certificate conditioned upon the carrier's ability, within a six-month period, to give proof of being able adequately to finance the contemplated operations.* Due to required arrangements for financing, equipment purchase and personnel, it will be several months before service can be inaugurated. With the urgent need for military helicopters in Korea, it may be difficult to obtain the necessary equipment.

The carrier was granted a high degree of flexibility as to changes in route pattern and points served, and the following initial service for mail and property service only was authorized:

Route N: Between the terminal point La Guardia Airport, the intermediate points Mount Vernon, New Rochelle, Scarsdale, White Plains, Greenwich, Stamford, South Norwalk, Bridgeport, Pleasantville, Tarrytown, and Yonkers, and the terminal point La Guardia Airport.

Route E: Between the terminal point La Guardia Airport, the intermediate points Staten Island, Far Rockaway, Long Beach, Rockville Centre, Freeport, Garden City, Hicksville, and Great Neck and the terminal point La Guardia Airport.

Route S: Between the terminal point Newark Airport, the intermediate points Plainfield, New Brunswick, Princeton, Asbury Park, Long Branch, Red Bank, and Perth Amboy, and the terminal point Newark Airport.

Route W: Between the terminal point Newark Airport, the intermediate points North Bergen, Englewood, Hackensack, Rutherford, Passaic, Clifton, Paterson, Morristown, and Summit, and the terminal point Newark Airport.

Shuttle Routes:

1) Between Manhattan Island and each of the three airports—La Guardia, Newark and International.
2) Between La Guardia Airport and International Airport.
3) Between Newark Airport, La Guardia Airport and International Airport via Manhattan.

The Board expressed the belief that passenger services should be authorized in the five-year certificate. It stated, however, that full-scale passenger operations should not be contemplated until there had been at least one full year of operational experience in the area. Passenger operations during the first year have therefore been limited to service between La Guardia, Newark and New York International Airports.

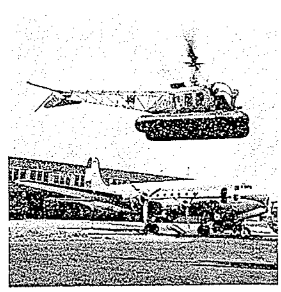
The Board found that after the first year of operation, when safety and economic factors have been

*New York Airways has provided proof of being able to finance the contemplated operations and a certificate has been issued.

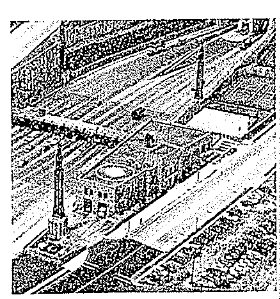
Port Authority helicopter landing areas are maintained at eight of the Authority's sixteen facilities, in addition to the area atop the Port Authority Building.

Newark Airport

Bayonne Bridge



New York International Airport



Lincoln Tunnel

demonstrated, the carriage of passengers as well as property and mail should be provided over the following routes:

a) Between La Guardia, Newark and New York International Airports.
b) Between these airports and Manhattan.
c) Between La Guardia Airport and Peekskill via Mount Vernon, Yonkers, Scarsdale, White Plains, Tarrytown and Ossining.
d) Between La Guardia Airport and Bridgeport via New Rochelle, Mamaroneck, Rye, Greenwich, Stamford, South Norwalk and Fairfield.
e) Between La Guardia Airport and Far Rockaway via Great Neck, Hicksville, Garden City, Freeport, Rockville Centre and Long Beach.
f) Between Newark Airport and Paterson via Rutherford and Passaic.
g) Between Newark Airport and Ridgewood via North Bergen, Englewood and Hackensack.
h) Between Newark Airport and Dover via Montclair, Summit and Morristown.
i) Between Newark Airport and Trenton via Westfield, Plainfield, New Brunswick and Princeton.
j) Between Newark Airport and Asbury Park via Staten Island, Perth Amboy, Red Bank and Long Branch.

2. Additional Air Service, Puerto Rico-New York

On January 26, 1951, the C.A.B. granted Eastern Air Lines a five-year certificate to operate passenger, property and mail service between San Juan and New York in competition with Pan American World Airways.

As urged by the Port Authority, the Board recognized the need for additional air service to serve the already large and increasing community of interest between the two areas. Such added service will be especially helpful in filling the need for additional low-cost air service for the low-income groups which make up a major portion of the traffic between the two areas.

3. Transcontinental Coach-Type Service

The Port Authority, in a brief dated February 2 in support of its exceptions to the Examiner's report, and in oral argument on April 11, continued its support of low-cost, coast-to-coast air coach service before the C.A.B. in the Transcontinental Coach-Type Service Case.

We contended that reduced rates for this service will expand the air travel market and, with increased volume and reduced service cost, the carriers can operate the service profitably. We did not take a position on whether scheduled or nonscheduled carriers should provide the transcontinental air coach service.

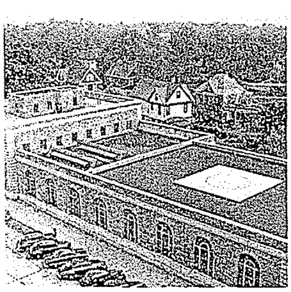
The Examiner's report recommended against certification of nonscheduled carriers for transcontinental coach service on a scheduled basis without limitation as to frequency. The report did not, however, make a recommendation as to the need for the service or the right of the scheduled carriers to perform it except on the present temporary basis.

On November 8, the Board decided that none of the four nonscheduled air carrier applicants in the case should be certificated to conduct unlimited transcontinental air coach operations. The Board held that regular coach services are not supplementary to, but a part of the certificated airlines' operations.

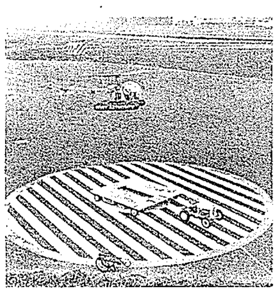
The Board emphasized that its denial affected only the requests for unlimited authority and that other portions of the carriers' applications were deferred for consideration in the Large Irregular Carrier Investigation.

4. Service to Asbury Park

On May 23 the C.A.B. approved All American Air-

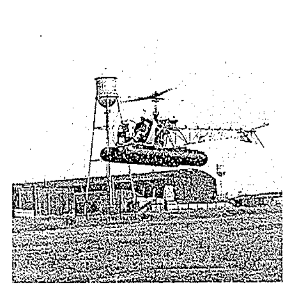


George Washington Bridge



La Guardia Airport

Teterboro Airport



Port Newark

ways' application for an extension of its Washington/Baltimore-Atlantic City route segment to New York/Newark via Monmouth County Airport, which serves Asbury Park-Long Branch-Monmouth Beach-Fort Monmouth, New Jersey.

We pointed out in a memorandum of interest filed on February 16, 1951 that this extension would provide improved Newark/New York air service to the Millville area; to other New Jersey points south of Atlantic City; to Dover, Delaware, where only connecting service via Philadelphia has been available; and to the important centers along the New York-Pittsburgh segment of the carrier's route. The extension also provides air service between these points and the Asbury Park area, which presently receives no scheduled air transport service.

5. New York-Miami Daylight Air Coach Service

On June 1, the C.A.B. Examiner recommended that the Board approve, on a one-year experimental basis, National Airlines' proposal to operate a nonstop DC-6 Daylight Coach Service between New York and Miami at a one-way fare of $58.00. The regular first-class fare is $75.70. Board authorization of the service was granted on July 21.

This was in line with our continuing support of low-cost air transportation between the New Jersey-New York Port District and distant points as indicated in the Port Authority's Memorandum of Interest filed with the Civil Aeronautics Board on March 6 requesting that the Board authorize, on an experimental basis, daylight coach service between New York/Newark and Miami.

6. Reclassification of Small Irregular Carriers to Air Taxi Operators

On March 20, the Port Authority endorsed the C.A.B.'s proposal that all small irregular carriers be classified as Air Taxi Operators and be permitted to operate under substantially reduced restrictions.

Engaging in so-called "regular" transportation as an adjunct to services of certificated trunk and local service lines, the operators of small aircraft would constitute an important supplement to the air transport system of the nation and the New Jersey-New York Port District in particular, by providing:

a. Connecting air services between certificated and off-line points and complete air service from origin to destination.

b. Service to many small communities which otherwise would be without air service, and the funneling of this traffic by air to major air terminals.

As evidence of the Port Authority's interest in the availability of such services at its airports, we have, in cooperation with such carriers, established a special airport air taxi operator classification designed to facilitate and encourage such operation.

7. National Airlines Dismemberment Case

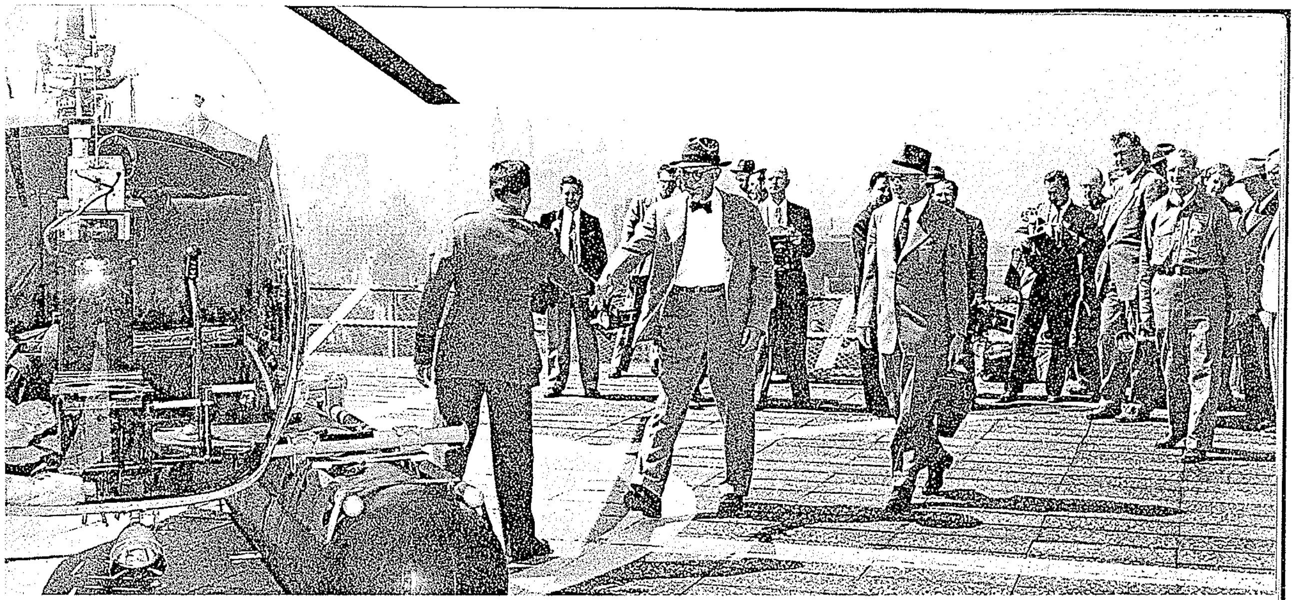
The C.A.B., on March 19, decided that the position of National Airlines had been improved substantially since the so-called dismemberment proceeding was instituted; that there was, therefore, no basis for the airline's dismemberment. Accordingly, the Board determined that the proceeding should be terminated and entered an order to this effect.

The Port Authority had urged that the early post-war financial problems of National Airlines, which led to the investigation, were common to the entire industry at the time and were not a basis for route dismemberment. We maintained that the continuance of National Airlines as a single airline was essential to the air commerce of the New Jersey-New York Port District; that the carrier's route constituted a logical air service pattern; and that its efficiency was above average.

8. National-Panagra Equipment Interchange Case

As a part of its decision to terminate the National Airlines dismemberment proceeding, the C.A.B. issued a series of orders instituting new proceedings. One of these proceedings, the New York-Balboa Through Service Proceeding, required that National Airlines, Pan American World Airways and Pan American-Grace Airways show cause why the Board should not order equipment interchange at Miami by these carriers. This would permit single-plane service between northeastern United States and the Canal Zone and points on the West Coast of South America.

Also included in the New York-Balboa Through Service Proceeding was the requirement that Eastern Air Lines and Braniff Airways show cause why they should not be required to interchange equipment at Havana or Miami. Such interchange would provide single-plane service between the northeastern portion of the United States and the Canal Zone and the West Coast of South America. Eastern would be extended from Miami to Havana, or Braniff from Havana to Miami, in order to make this interchange possible.



Top: Commissioner Donald V. Lowe and Executive Director Tobin (with briefcase) are greeted by pilot Ted Leopold. Members of the press stand by to observe the first flight of the Port Authority helicopter from New York's first rooftop landing platform atop the sixteen-story Port Authority Building. The helicopter is used by Port Authority Commissioners and executives to expedite their travel between the Port Authority Building and the agency's terminal and transportation facilities. Bottom: Pier 41, East River, leased by the Port Authority in 1951 from the City of New York as an emergency landing site for the Port Authority and other helicopters.

Pending the completion of the over-all New York-Balboa Through Service Proceeding, the Board, on April 13, in another proceeding—the National-Panagra Equipment Interchange Case—gave tentative approval to a National Airlines and Panagra proposal for an interchange of equipment at Miami in order that Panagra aircraft service from the West Coast of South America via Balboa to Miami could be extended to New York.

The Port Authority brief of May 31 and oral argument of June 20, contended that through service between the New Jersey-New York Port District and the West Coast of South America was long overdue. We stated that the Board's tentative, temporary approval of the National-Panagra interchange proposal, if made effective, would be a sound, temporary and partial solution of the problem of the need for through service between the two areas.

On July 13, due to Pan American's unwillingness to participate in the National-Panagra interchange and the improbability that the interchange could be instituted on an involuntary basis, the Board withdrew its tentative, temporary approval of the interchange. At the same time, it granted Braniff Airways temporary permission to operate to Miami as an intermediate point on its route between Houston, Havana and points in South America. This additional stop provides more effective access to traffic between Latin America and northeastern United States. The Board then ordered an early hearing on the New York-Balboa Through Service Proceeding.

9. New York-Balboa Through Service Proceeding

Continuing its efforts to obtain adequate through service between the New Jersey-New York Port District and the West Coast of South America, the Port Authority intervened before the C.A.B. in the New York-Balboa Through Service Proceeding and on September 10, filed a statement and exhibits in support of this improved service.

We strongly supported certification of competitive through service between the northeastern part of the United States and the West Coast of South America. We also urged that the Board certificate through service between the Port District and United States offshore points in the Caribbean, the North Coast of South America, Central America and the Bahamas as traffic volume and operating patterns will warrant.

The Port Authority substantiated its case further in a brief to the Examiner and in oral argument before the C.A.B. The decision by the C.A.B. is anticipated within the next few months.

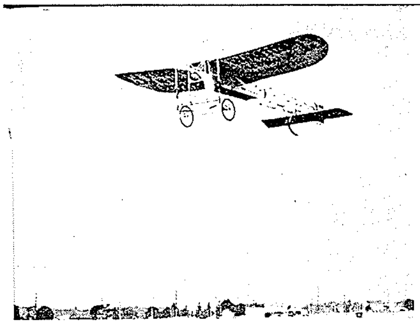
10. New England-Southern States Merger Investigation

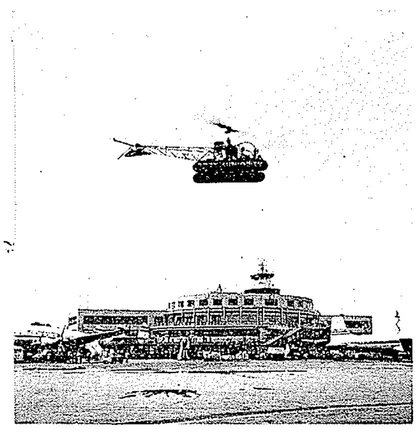
The Port Authority, on December 21, intervened in the New England-Southern States Merger Investigation.

This proceeding was originally ordered to investigate the advisability of (1) a merger between National Airlines and Colonial Airlines or Northeast Airlines or both; (2) a merger between Delta Air Lines and Northeast or Colonial or both; (3) the transfer of all or a portion of Capital Airlines' Routes 55 and 51 between New Orleans, Birmingham, Atlanta and the Port District and between Memphis and Washington/Norfolk and the Port District to Delta or a merged company including Delta.

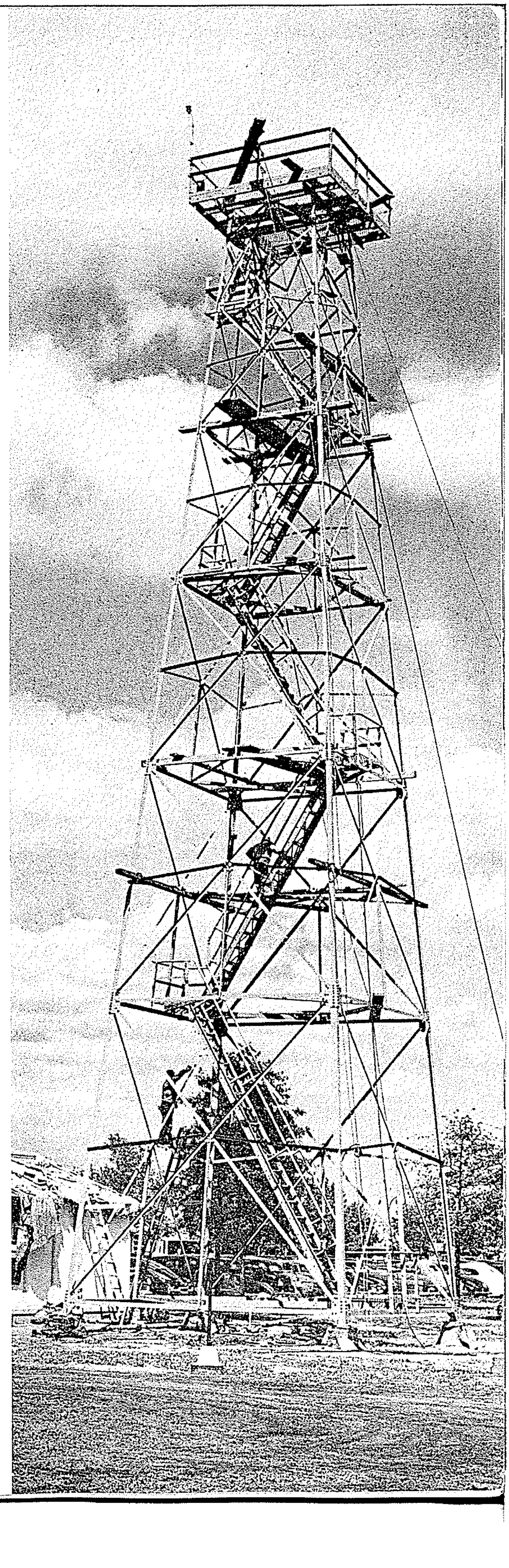
The advisability of merger between National and Colonial is now being considered in a separate proceeding, as is a recent merger proposal between Delta and Chicago and Southern Air Lines, the latter having subsequently been included in the New England-Southern States Merger Investigation. Giving effect to these and other developments, the present purpose of the New England-Southern States Merger Investigation is to consider the advisability of (1) a merger between Delta or Chicago and Southern or a merged Delta-Chicago and Southern company and Northeast or Colonial or both; (2) a transfer of all or a portion of Capital's Routes 55 and 51 between New Orleans, Birmingham, Atlanta and the Port District and between Memphis and Washington/Norfolk and the Port District, to Delta or Chicago and Southern or a merged company including either Delta or Chicago and Southern or both.

The Port Authority will support those proposals which will improve the Port District's air service pattern and provide the maximum development of air service between the Port District and the New England and southern and southwestern areas of the nation.





The Port of New York Authority helicopter marked the fortieth anniversary of Earle Ovington's first United States airmail flight by covering a five-mile route between Garden City and Mineola, Long Island, on September 23, 1951. A picture story of the ceremonies shows the monoplane flown by Earle Ovington; a mail bag with 1,500 letters being placed in the Port Authority helicopter at Mitchel Field; and the arrival of the helicopter at La Guardia.



At right: Watchman of the skies. Radar control tower erected by C.A.A. at La Guardia Airport.

Part of the 1,842,733 tons of cargo handled at Port Newark in 1951. This tonnage set a new record for Port activity at the New Jersey seaport. The Port also handled over five million tons of sand and substantial Air Force tonnage.

Marine Terminals

Port Newark

The success story, commenced at Port Newark on March 22, 1948, when the Port Authority assumed responsibility under a fifty-year lease with the City of Newark for financing, developing and operating Port Newark, was continued in 1951 when all previous records for the Port were broken.

For the first time, Port Newark earned a net revenue. It handled record tonnages; developed its highest rate of employment and payroll; promoted new business and tenant occupancy, and went forward with its improvement program.

Record ocean cargoes moved through this vital part of the New Jersey-New York Port. In 1951 Port Newark handled 1,842,733 tons of cargo. This was an increase of 9.1 per cent over 1950 and 77.6 per cent over the best previous tonnage during the twenty-eight years of municipal operation of the Port. These figures do not include the Air Force cargoes.

In 1951 Port Newark revenues, including warehouse storage and handling revenues, showed a tenfold increase over the best year under Newark city management. The gross revenues amounted to $2,328,055, net operating revenues $556,247 and net revenues after debt service $380,544. This debt service does not include payments on the principal since such payments do not begin until 1953.

	Gross Revenue	Net Operating Revenue	Net Revenue after Debt Service
1948	$ 278,128	$ −32,748	$ −32,748
1949	632,410	−103,557	−116,344
1950	984,077	10,903	−163,206
1951	2,328,055	556,247	380,544

Port Newark Payroll Is Increased as a Result of High Business Volume

It was natural that Port Newark payrolls paralleled the upward trend of business at the seaport. The payroll in 1951 was $10,800,000, or more than double the 1948 payroll of $5,350,000. These wages were distributed among longshoremen, carloaders, clerks, checkers and miscellaneous laborers.

Benefits to the entire Port community as a result of the improvement in Port Newark business cannot be accurately estimated. It is a fact, however, that every ship calling at the Port leaves large sums of money with the community. A recent survey in the Port of Norfolk, Virginia, developed a figure of $100,000 for a single visit of a modern freighter discharging a full load and picking up a full load of general cargo. At Port Newark in 1951, 732 deep-sea vessels discharged full or partial cargoes.

Seven New Steamship Lines Come to Port Newark

Efforts on the part of our Marine Terminal Department brought seven new steamship lines to Port Newark. The fifty-five operators already doing business at the Port continued to call there during the year.

New Tenant Arrangements Are Made

During the year, twenty-nine new leases and preferential permits were consummated. These agreements included arrangements for new tenants as well as for the expansion or transfer of facilities for existing tenants.

A major change was made in Port occupancy when we leased to the United States Air Force for use as an in-transit depot in connection with the Mutual Defense Assistance Program, all of the area at Port Newark previously leased to the Newark Tidewater Terminal, Inc. The lease to the government is dated April 16, 1951 and continues to June 30, 1956 by means of automatic annual renewals.

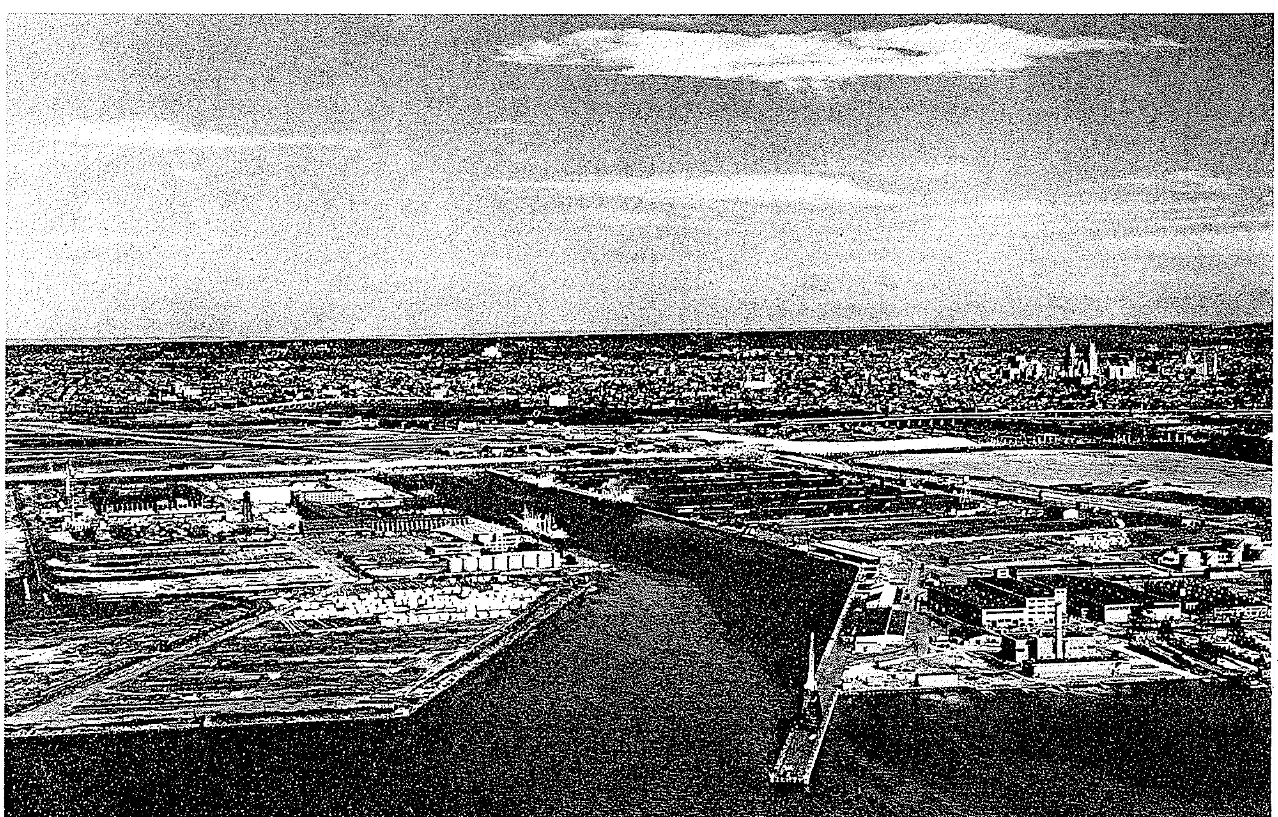
The premises involved in the Air Force lease comprise nine large warehouses, a large open-sided shed, closed space in miscellaneous buildings, 2,716 linear feet of wharf and berthing area and about thirty acres of usable open area.

Government occupancy of the property was completed about September 1. In the first month of the lease, rental was calculated on the basis of the Port Authority providing maintenance and operational services; after September 1 it was at the rate of $560,000 for the first year, $550,000 for the second year, $540,000 for the third year, $530,000 for the fourth year and $520,000 for the fifth year. The government has reserved the right to cancel the lease in whole or in part upon ninety days' notice.

Our Warehouse Agents Handle Important Volumes

Our warehouse agents, the Lehigh Warehouse & Transportation Company and the Bayway Terminal Corporation have proved once more to be important

Port Newark, a 21-berth modern marine terminal with a deepened 35-foot channel, can accommodate the largest cargo ships. Located within the free lighterage limits of the New Jersey-New York Port District, Port Newark is served directly by the Central Railroad of New Jersey, the Lehigh Valley Railroad and the Pennsylvania Railroad.



factors in the prosperity of Port Newark. The Lehigh operation accounted for about $310,500 in gross revenues for storage and handling during the year, and Bayway, $553,600.

During a great part of the past year, Lehigh, operating in the 200,000 square feet of closed space in Building No. 5 on the north side of the channel, handled capacity cargoes of over 116,000 tons. The goods stored included wood pulp, canned goods, appliances, tapioca, whisky, chemicals, wool, assorted machinery, aluminum, surplus army equipment, marble, soap, wax, chicle, gum arabic, coffee and sheet metal.

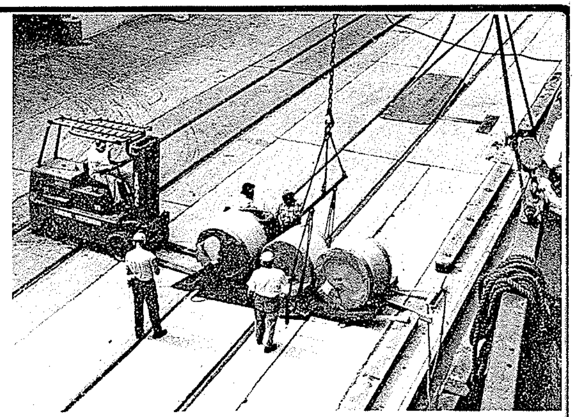
Bayway occupies about 260,000 square feet of closed space in the former Sears Roebuck area on the south side of the channel. In addition, it maintains an average of 1,037,800 square feet of open space for lumber handling and storage.

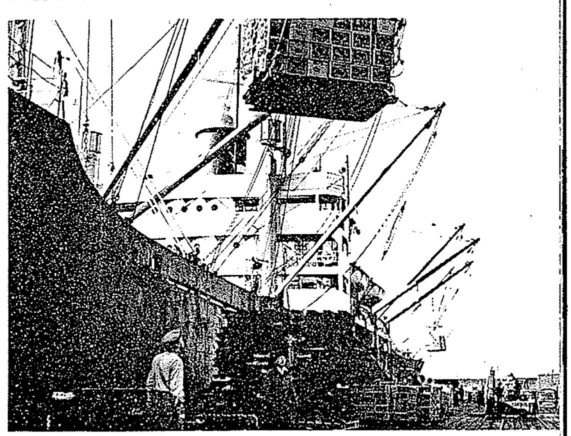
Bayway and Lehigh handled and stored a large part of the total of 412,950 tons of general cargo that moved in and out of Port Newark in 1951, and backpiled 102,000,000 board feet of lumber.

Our Development Program at Port Newark Is Ahead of Schedule

By the end of 1951 we had spent or committed $10,233,423 on improvements at Port Newark. Our budget for 1952 calls for an expenditure of an additional $12,032,000.

We have repaired and rebuilt old wharves and fender systems; dredged berths to accommodate the largest modern cargo vessels; rehabilitated many miles of rail track and highways; repaired and put into use existing cargo sheds, warehouses and industrial buildings; built two modern cargo terminals at a cost of $2,500,000; completed new lumber sheds and resurfaced open areas; and have under construction two additional new cargo buildings and two new wharves on the south side of Port Newark at a cost of about $5,000,000. In addition we have planned for the greatest single development ever to take place at the Port, in terms of service to the public, revenue and commercial tonnage, through the construction of a $6,000,000 marine terminal development to be completed in the spring of 1954.





In 1951 Port Newark was again the leading East Coast lumber port, and Scandinavian wood pulp tonnages continued to be substantial. New cargoes handled at the seaport included frozen Hawaiian pineapple, Puerto Rican sugar, African crocidolite, Argentine wool, Spanish olives, Brazilian carnauba wax, Italian cherries in brine; and granite blocks, baskets, Christmas tree ornaments, feathers and frozen fish from Sweden. Pictures show (top to bottom) handling of newsprint, lumber, canned foods and sugar.

At the end of 1951 our capital investment at Port Newark was $10,000,000. Major construction jobs planned in 1951 for the Port included: $5,586,000 for a wharf and transit shed and necessary dredging work; $1,550,000 for an additional new transit shed; $1,441,000 for dredging and wharf construction for this shed and the adjacent lumber area; $959,000 for completion of the new transit shed on which construction was started in 1951; and $323,000 for completion of the warehouse building to be operated by the Authority's agent, Bayway Terminal Corporation.

During 1951 we continued our program of rehabilitating and maintaining the various Port facilities. We replaced 3,765 crossties and switch timbers and restored 5,500 lineal feet of railroad track to good operating condition. The cost of this work totaled $45,000. Since we assumed responsibility for Port Newark, we have rehabilitated about 40,500 feet of railroad trackage.

Open area for lumber storage was increased 300,000 square feet by resurfacing two dirt areas with cinders at a cost of $16,500. This area previously was of little use to tenants because of deep ruts, soft ground and poor drainage.

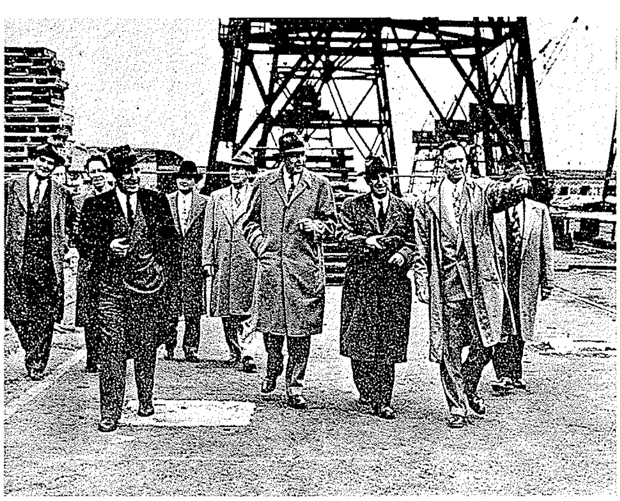
We resurfaced with black top at a cost of $11,000 the area on Port Street extending from Doremus Avenue to Coastal Street. The roofs of Buildings 108 and 115 were rehabilitated at a cost of $3,500.

Other miscellaneous improvements included the rehabilitation of the cyclone fence at a cost of $6,000; various repairs at Buildings 102, 105, 108 and 109 for $2,000; installation of a high-pressure steam plant in Building 104 and a heating plant in Building 109; the conversion of a boiler in Building 115 from coal to oil at a cost of $4,700; rehabilitation of Building 102 at a cost of $2,600; improvements at Berth 19; installation of 170 timber supports in Cargo Terminal Buildings 137 and 138 for bumper blocks at truck loading platforms; relocation of the old Sea Scout building from the bulkhead at Export Street to the Gas Farm area to be used as a field office by our lumber handling agent; and addition of 2,500 square feet of open area east of Building 115 for business use by installation of sewer and catch basin for adequate drainage.

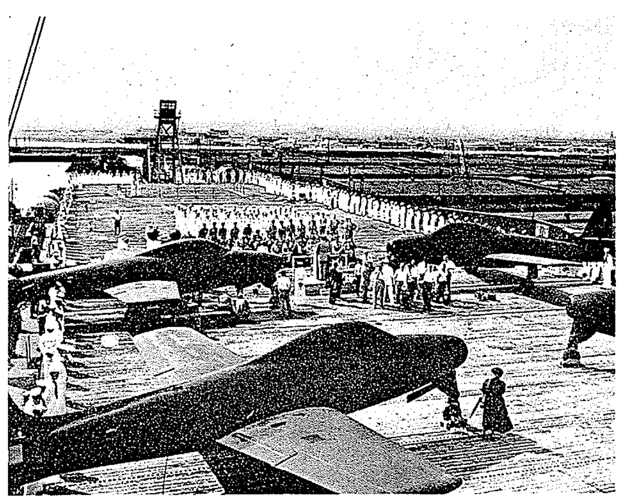
Restaurants and Other Conveniences Are Provided at Port Newark

With the increased working population at Port Newark, the need for adequate eating facilities provided opportunities to develop additional services and revenues. We therefore built a modern diner and cafeteria at a cost of more than $38,000 on Port Street, opposite the entrance to the Tidewater area. Operated by Red Castle, Inc., this facility offers good food at reasonable prices.

Early in 1952, another diner-cafeteria building was completed on Marsh Street, south of the former Sears Roebuck Building to serve the employees on the south side of the channel. It also is operated by Red Castle,



Lyle King, Director of Marine Terminals (right) acts as guide at Port Newark for members of the Newark Chamber of Commerce.



Ceremonies aboard the U.S.S. *Corregidor*, berthed at Port Newark.

Inc. We have arranged for a mobile hot coffee service to operate throughout the entire Port Newark area. Vending machines supplying items such as cigarettes, cigars, candy and soft drinks have been placed in key locations in the Port area.

Port Authority Grain Terminal and Columbia Street Pier

The Port Authority Grain Terminal on Gowanus Bay, Brooklyn, was transferred to the Authority by the State of New York in 1944. We have since repaid the State's advance of funds for repairs and improvements and, in addition, have compensated the State for the property in the sum of $500,000.

Immediately after the transfer of the terminal to the Port Authority, we undertook a broad program of rehabilitation, new construction and aggressive business promotion to increase the value and usage of this waterfront terminal. As a result, we have been able to transform a facility which had failed to yield enough income for proper maintenance over a period of many years, into a self-supporting project yielding net revenues above all operation and maintenance costs as well as debt charges.

In 1951 the Port Authority Grain Terminal, including the Elevator, the Columbia Street Pier and the upland area, yielded gross revenues of $699,156. It is even more important to say that this cooperative effort between the State of New York and the Port Authority has provided in the New Jersey-New York Harbor an efficient facility for the development of the Port's commerce without further burden to the taxpayers.

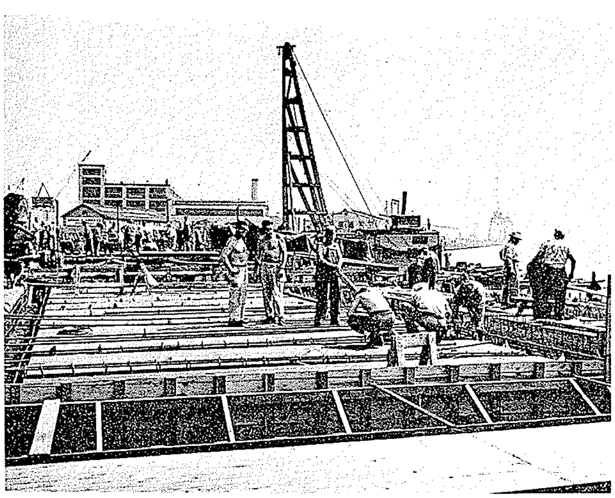
We have spent some $125,701 in 1951 on improving the Grain Terminal property. Thus, our total investment at the end of 1951 amounted to $2,875,000.

Among the major improvements at the facility are a new grain pier and new grain shipping gallery which we built. We have also reconditioned five acres of upland area for lumber storage and distribution. All of these Grain Terminal improvements have given employment to many workers and have reduced shipping costs, particularly on the large volume of lumber going to Long Island and Westchester. In 1951 operating, maintenance, and administration expenses totaled $422,131 at the Grain Terminal and related pier properties as compared with $330,291 in 1950, an increase of 27.8 per cent.

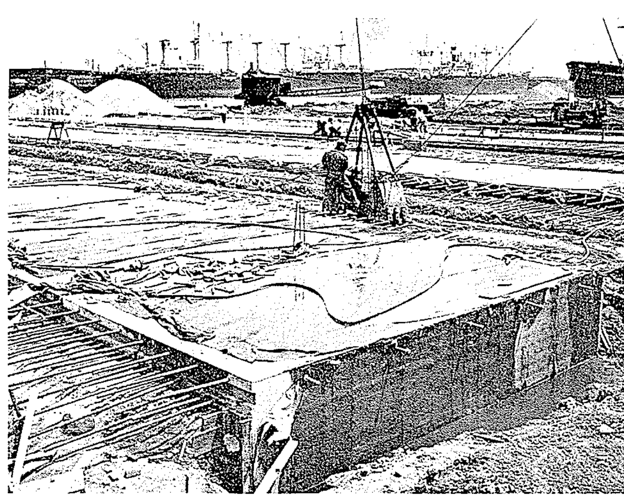
There Is a High Level of Business at the Grain Elevator

During the past year 9,572,743 bushels of grain were handled at the Grain Elevator. Much of this grain, including wheat, flaxseed, corn and oats, was shipped abroad under the Economic Cooperation Administration and other government programs. The availability of this marine elevator has attracted to the harbor many grain shipments which otherwise would have been shipped through some other port.

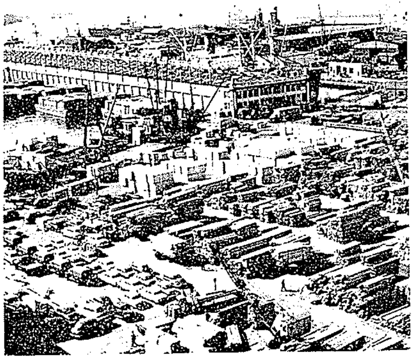
It has given employment to the land and floating elevators of the harbor and, of course, to the labor

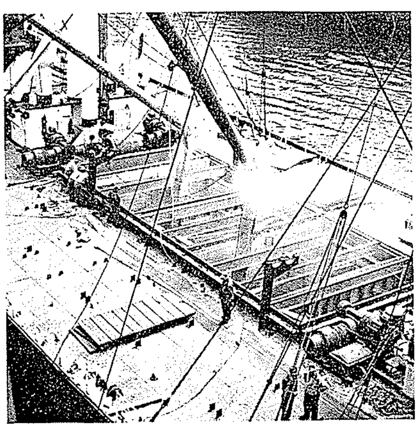


Reconstruction of dock, Port Newark.



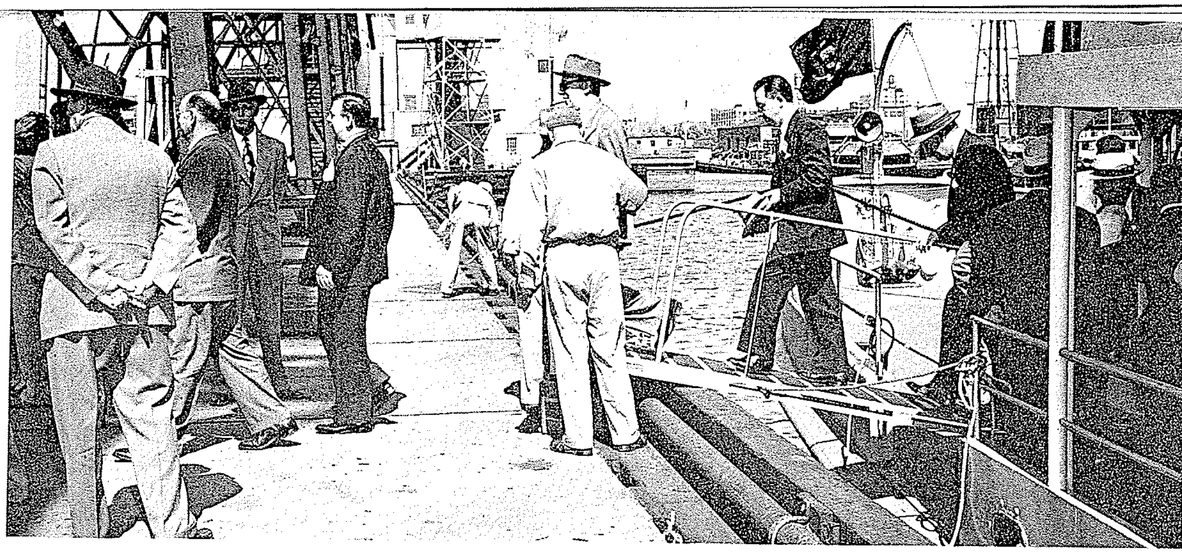
Concrete foundation is laid for Port Newark transit shed.

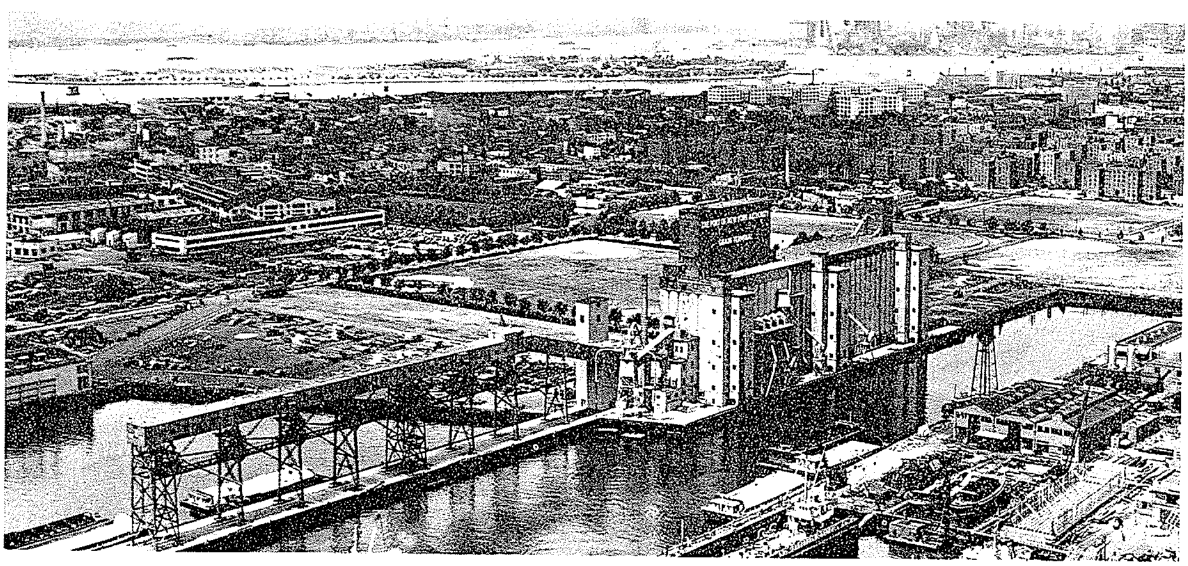


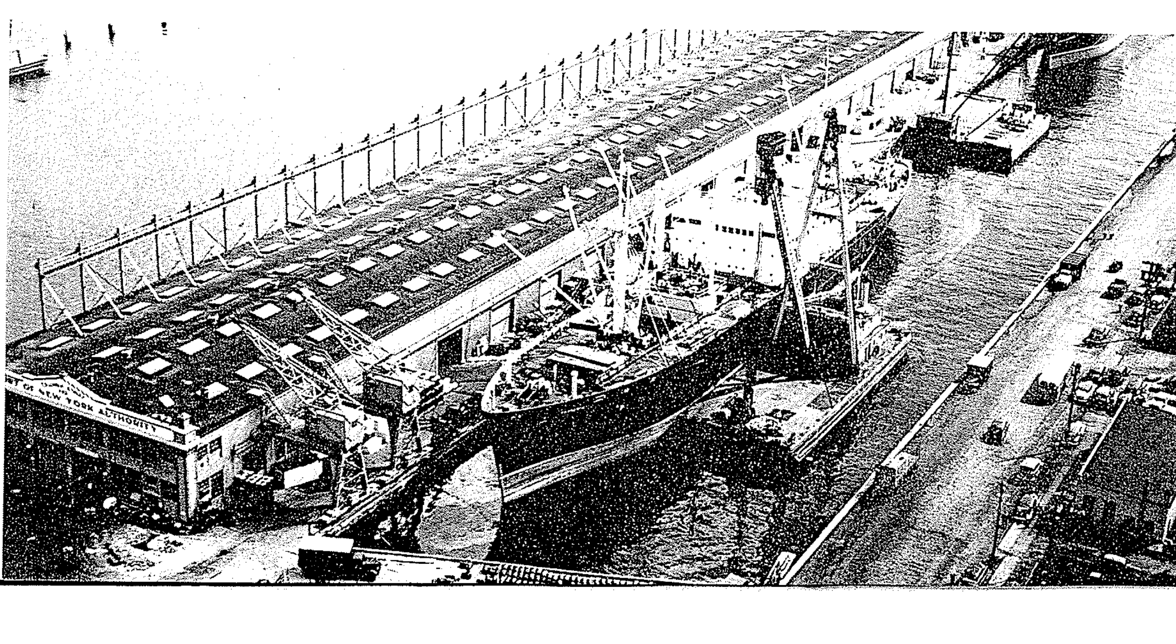


At left (top to bottom): Cargo and lumber on upland area of Columbia Street Pier. Workers fill and sew tops of grain bags before dropping them into hold of S. S. *John Hanson* docked at Port Authority Grain Terminal. Port Authority Grain Terminal spouts carry grain to S. S. *Dryden*. Workman chips water nozzle opening in Columbia Street Pier deck.

At right (top to bottom): New York Legislators at Grain Terminal during annual inspection of Port Authority facilities. Aerial view of Grain Elevator showing grain pier and gallery built by the Port Authority. Ships take on cargo at Columbia Street Pier.






OF NEW YORK AUTHORITY

Hoboken's Mayor Fred M. DeSapio (left) and Port Authority Executive Director Tobin hold parley on proposed Port Authority development of Hoboken Piers.

engaged in lightering and trimming grain into ships. The grain is an item of port commerce in itself, but in addition, it provides a basic "bottom cargo" so necessary to attract general shipping to the Port.

During the past two years about 3,500,000 bushels of government-owned grain, which had been stored in the Federal Government's "moth ball" cargo ships anchored in the Hudson River, have been put through the elevator for reinspection and chemical treatment.

Under an agreement in 1951 between the Port Authority and the New York Harbor railroads, shippers of grain for export through the Grain Elevator now pay the export rate instead of the higher domestic rate. The harbor railroads' tariff was amended on March 15, 1951, after the Port Authority had posted a $50,000 surety bond to guarantee that grain shipped under the export freight rate is actually exported.

Of great importance to the commerce of the Port was the United States Supreme Court action in December 1951 affirming the decision of a Federal Statutory Court on July 30, 1951 which cancelled a ruling by the Interstate Commerce Commission. This I.C.C. ruling had denied the New York Harbor railroads the right to equalize the freight rate on export grain brought from Buffalo to New York, with the lower rates in effect to Baltimore and Philadelphia. The equalization of rates will put this Port in a position to carry on its solicitation of grain on a rate parity with competing ports.

During the year, the Port Authority presented testimony in support of legislation authorizing the use of Canadian vessels for shipment of grain between American ports on the Great Lakes. This legislation was passed by the United States Congress and signed by the President in September and, because of the shortage of space in American vessels, was an aid to the movement of the heavy grain stocks from the midwest to the Atlantic Coast for exportation during the fall months.

Columbia Street Pier Business Shows Large Gains

In 1951 the Columbia Street Pier was used by eighty-five vessels for 335 ship days. These vessels handled 204,414 tons of cargo, 14.4 per cent more than the 178,654 tons handled in 1950.

The Columbia Street Pier is used primarily by two steamship companies, the Fern Line and the Isthmian Steamship Company. Both firms hold preferential permits on the east and west sides of the pier, respectively. Under this system, each line is awarded a six-month permit. This gives it the preferential right to use the two berths on its side of the pier on payment of a fixed fee plus ship dockage and wharf usage charges.

In the event that the berths are not scheduled for occupancy by the permittee lines during a fourteen-day period, the Port Authority has the right to assign vessels from other steamship companies to these berths. This provision proved particularly beneficial during the past year when vessels from other steamship lines used the Columbia Street Pier for the handling of 18,924 tons of lumber and 28,341 tons of general cargo, mostly imported steel required in the defense program.

Public Open Storage Area Handles Heavy Volume of Water-borne Lumber

In 1951 the Terminal received 52,684,396 board feet of lumber. The area has proved to be a particularly valuable harbor asset during the recent years of high building activity in the Port community.

In 1951 it was rented for three years to the Pittston Stevedoring Corporation for the receipt, storage and distribution of lumber from the West Coast moving in intercoastal steamships.

In order to accommodate a greater number of ships, we dredged to thirty-three feet a new berth on the west side of the Grain Pier.

Hoboken Piers

In 1947, at the request of the City of Hoboken, we presented a program for rehabilitating the existing three piers and constructing a new four-berth pier on the Hoboken waterfront, at a total cost of $17,000,000. The City of Hoboken rejected this proposal.

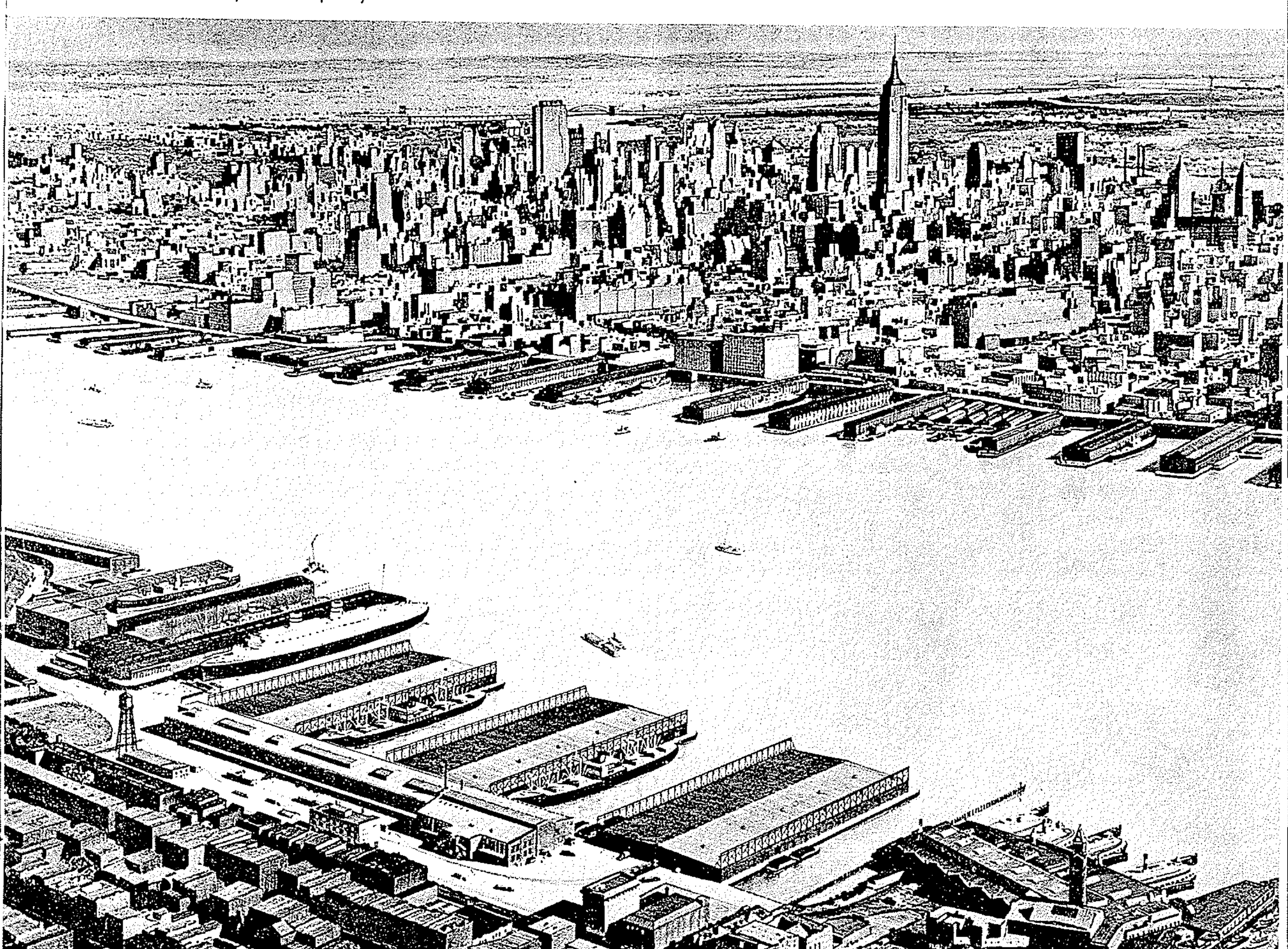
In January 1950 the Port Authority, on behalf of the State of New Jersey and at the request of Governor Driscoll, asked the Maritime Administration to lease the government-owned piers directly to the Port Authority. It was proposed that we undertake the complete rehabilitation of these facilities and construct a new freight pier. At the same time, we would pay the City of Hoboken 75 per cent of all net revenues derived from marine terminal operation.

In the meantime, at the request of the Mayor of Hoboken, in the closing months of 1951, discussions will be renewed in Washington between Hoboken City officials, the Port Authority and the Maritime Administration to determine whether an acceptable and economically practicable project can be proposed despite the 24 per cent increase in construction costs since the first offer was made by the Port Authority.

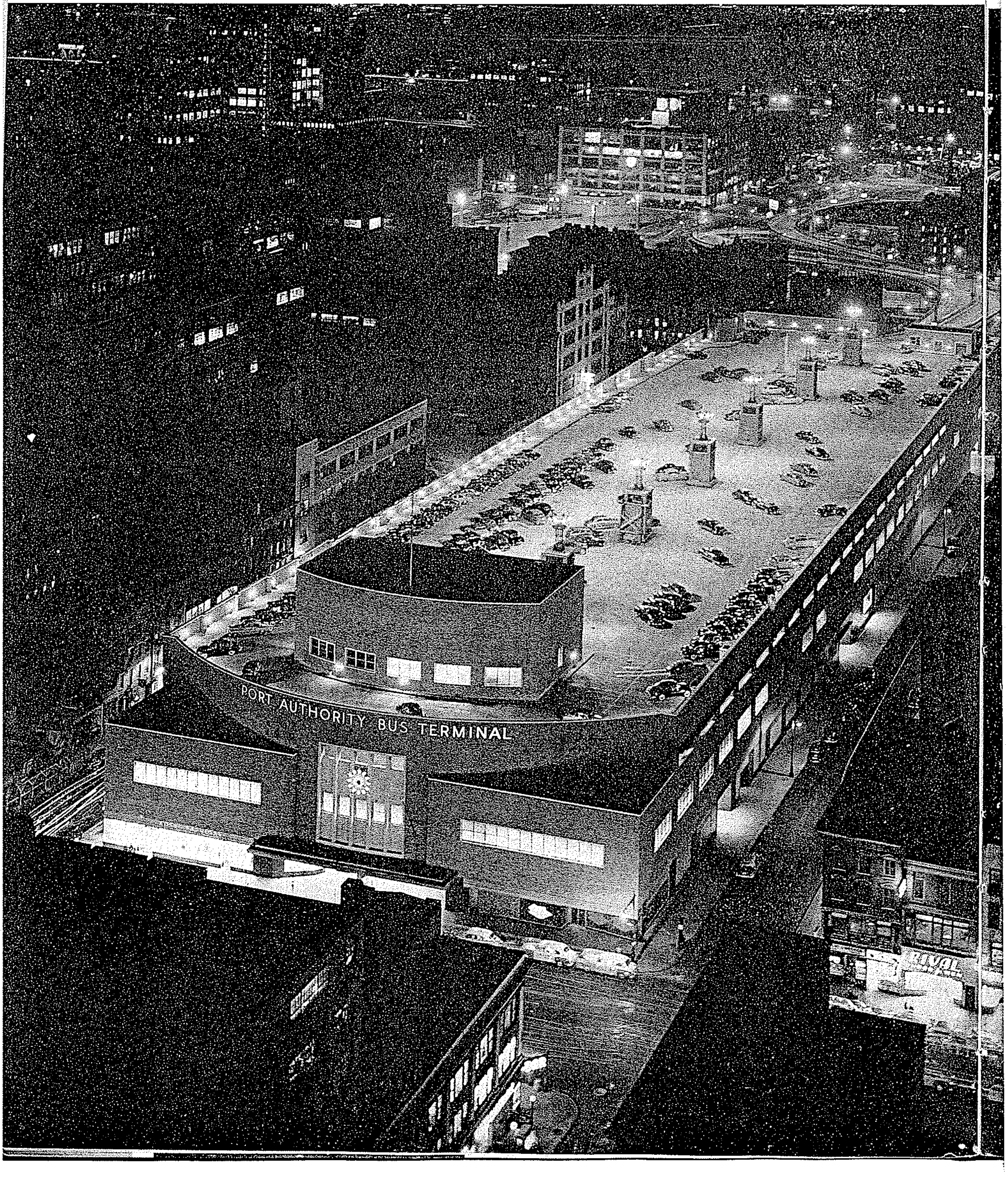
New Jersey Waterfront Proposal

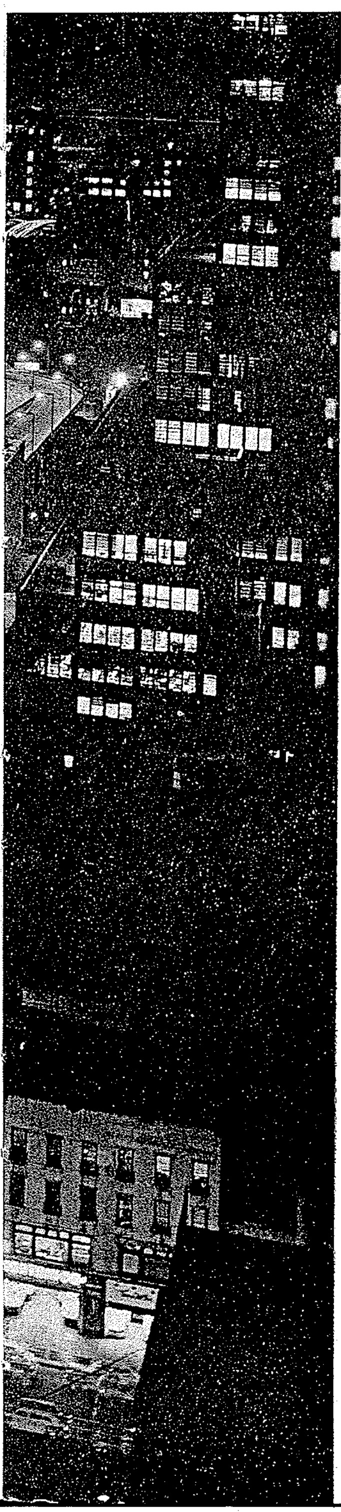
At his request, we submitted to Governor Driscoll in 1949 a report on a resurvey of the entire New Jersey waterfront. We included in our recommendations for new and improved marine terminals a two-pier development in Jersey City south of Exchange Place where foundations and inland connections are excellent. This plan calls for future expansion to a six-pier terminal. The City Commission has not accepted this proposal.

Artist's conception of proposed $22,000,000 Hoboken Pier development. Port Authority plan includes three-stage replacement of obsolete piers by one-story, steel and concrete fireproof piers able to handle a million long tons of freight, double the present capacity.



Night view of the great $24,000,000 Port Authority Bus Terminal, the world's largest union bus terminal, showing the main entrance, roof parking area and (background) the elevated ramps connecting the Terminal with the Lincoln Tunnel.





Bus, Rail and Truck Terminals

The Port Authority Bus Terminal Completes Its First Full Year of Operation

Opened for operation on December 15, 1950, the $24,000,000 Port Authority Bus Terminal immediately became the center for interstate bus transportation in the New Jersey-New York metropolitan area. More than 5,000 buses carrying 130,000 passengers use the terminal on an average weekday. Seventeen short-haul carriers, providing commuter service between New Jersey and New York, made 732,608 departures from the Suburban Level of the terminal in 1951. Suburban passengers using the terminal have saved up to thirty minutes in travel time on each trip as compared with travel time before the Port Authority Bus Terminal was available.

The terminal is also used by thirteen long-haul bus companies serving all parts of the United States, which, during the year, made 58,011 departures from the Bus Terminal. Over 20,000 long-haul passengers used the terminal on an average summer day.

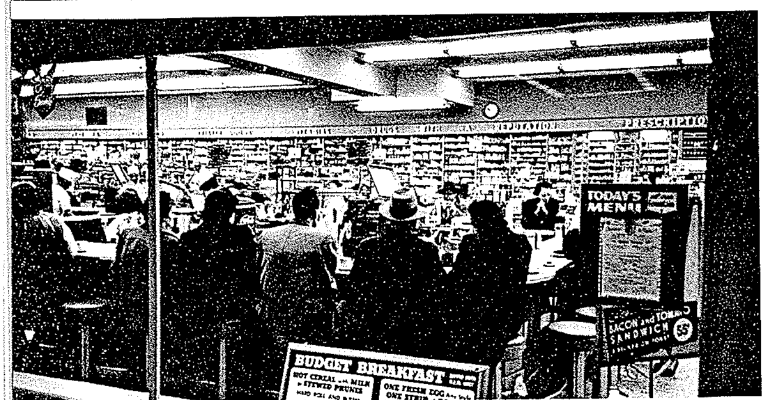
In 1951 the Bus Terminal handled about 87 per cent of all intercity revenue bus departures. Of the remaining 13 per cent, or about 118,500 departures, 40,000 were short-haul and 78,500 long-haul.

It is expected that 1952 figures will show an increase in Port Authority Bus Terminal usage, since Hudson Transit and other long-haul lines did not operate from our terminal until the spring and summer of 1951.

Six lines, based primarily at Dixie Terminal and accounting for about 57,700 departures a year, do not find it possible to come into the Port Authority terminal because of long-term commitments which still have several years to run.

A considerable degree of street traffic relief has resulted from the availability of areas for bus parking under the ramps leading to the upper level of the Bus Terminal. Eight bus companies have leased parking areas with a capacity of at least 112 buses, which are kept off the City streets between commuter hours. The convenient location of the bus parking area permits close scheduling of buses into the terminal.

The busy central information desk on the main concourse of the Port Authority Bus Terminal.



The lunch counter in the huge drugstore on the main concourse is one of nine food services available in the Bus Terminal.

Three of the many personal services available to the bus traveling public.

This bank of five motor stairs carries passengers between the main concourse and the suburban level. There are 31 motor stairs in the terminal.

[redacted]

The New York Times

SUNDAY, DECEMBER 2, 1951.

A ROOF OVER THE BUS RIDER'S HEAD

Port Authority Terminal in Its First Year Brings Travelers Comfort and Dignity

By CHARLES GRUTZNER

THE world's biggest and finest bus terminal, rounding out its first year of operation on Dec. 15, has already saved 20,000,000 hours in traveling time for more than 60,000 daily commuters between New York and points within a forty-five-mile radius across the Hudson River. This saving in time—to say nothing of tempers and other physical and emotional economies—comes from lopping an average of half an hour off the 4,800 short-haul bus runs that start or end every day in the $24,000,000 bus terminal of the Port of New York Authority.

The seeming magic has been worked by bringing into the four-story concrete, steel and marble station, covering the long block from Eighth to Ninth Avenue, between Fortieth and Forty-first Streets, all the buses that formerly bucked their way through midtown traffic from four scattered depots farther east. Four other privately owned depots still disgorge their buses into midtown street traffic, but the big public terminal has room for those lines, too, when their leases on present facilities expire.

Off the Streets

Through a system of serpentine ramps leading from upper story loading platforms directly to the Lincoln Tunnel plaza, 85 per cent of the buses using the Port Authority terminal are kept off New York City streets. The time thus saved, averaging two full weeks per commuter in the course of a year, means a lot to suburbanites in terms of leaves raked, snow shoveled, romps with the children, attendance at community affairs or just time to kill.

Commuters are not the only beneficiaries. A daily average of 5,000 travelers to more distant places enters or leaves the terminal in 400 long-haul buses. For the far journeyers the beautifully modern union terminal has brought a new dignity in bus transport, just as for the commuters the indoor loading platforms spell comfort that contrasts with the curbside loadings, in all kinds of weather, of the discontinued depots.

Instead of the cramped waiting rooms, unappetizing coffee counters and outdoor queues of the former midtown bus sheds, the Port Authority terminal has four good dining services, a swank bar, thirty-nine shops and stores, ten office tenants including dentists and a chiropodist, and five service establishments, among them a laundry and handyman. There are also thirty bowling alleys and a Travelers Aid Society booth.

Shopping Center

The suburban matron, arriving for a Broadway matinee, can have the run in her nylons fixed and her bunion treated in the bus terminal. The working housewife or career girl is able, while waiting in the terminal for her bus, to shop in a supermarket, browse in a bookshop, buy tinted cocktail glasses and pick up the bottled mixin's. A husband, homebound three buses later than he should be, may buy wifely forgiveness at a florist or candy shop, or have his hat blocked or creased and zipper repaired—all in the bus terminal.

Commuters get a chance to catch an earful from their hometown Mayors on local civic problems Friday afternoons. A different Mayor is interviewed each week in the Post and Coach Inn, on the main concourse, for a radio program. A card is hung each week in the window to inform hurrying commuters who the next Mayor to be interviewed will be. Come Friday, the bus riders from that town stop by to give him moral support.

The burgomasters of Bloomfield, Hoboken, Hackensack, Paterson, Plainfield and Englewood were among recent Friday guests. Twice there has been a hitch. The Mayors of two New Jersey communities were temporarily unavailable because, hauled up on court charges, they were not permitted to leave that state.

Beyond the obvious benefits to bus riders, the advantages of the Port Authority's far-sighted investment extend to every midtown motorist, to the bus and trucking companies, to manufacturers and mercantile houses—to everyone, in fact, who has a stake in unsnarling the city's traffic congestion. Automobile traffic is already flowing more easily in the midtown district and beyond, as a result of removing 4,800 commuter buses a day from city streets and diverting 400 long-haul buses from the areas of worst congestion.

Commuters summon redcaps by telephone.

Saves Money

The elimination of more than 2,500 bus-miles daily represents an annual saving to bus companies of about 230,000 gallons of gasoline or Diesel oil. Savings in tires, wear and tear on equipment and employe time is even greater.

The Port Authority has received requests from Australia, Japan, several European countries and many parts of America for details of the terminal's design and operation. The traffic relief effected during the first year of the terminal is only part of the story. With the continuing trend toward greater population growth in suburbs, commuter bus travel here has increased 12 per cent in the last year. That would mean more commuter buses in New York streets, were it not for the remarkable ramps which, incidentally, have built-in radiant heating to keep their roadways free of snow and ice.

Ground for the midtown terminal was broken early in 1949 after 600 families were relocated and the block of tenement and loft buildings was razed. The consolidation of scattered terminals was spurred by the Board of Estimate's adoption of a policy prohibiting construction of new private depots or enlarging of existing ones in the midtown area. The Port Authority Bus Terminal is used currently by seventeen commuter lines, operating forty intercity routes, and twelve long-haul lines with routes across the country, to the South and into New England.

One of the long-distance lines has reported that its increase in passengers in and out of New York, since relocating in the Port Authority Terminal, has been three times as great as its average increase in other cities it serves.

The terminal is run by a former bus driver. Lee C. Webb, the superintendent, worked his way through the University of Kentucky and Eastern State College at Richmond, Ky., by driving buses. He received his B. S. degree from the latter institution. Of course, Mr. Webb commutes by bus between his job and his home in River Edge, N. J.

The terminal's varied operations employ 1,200 persons, not counting bus drivers. Two hundred and thirty-two are Port Authority employes.

Traffic Peaks

It is a twenty-four hours a day operation. However, 26 per cent of the inbound commuter traffic streams through the terminal in the sixty minutes between 8 and 9 A. M. on weekdays. On a typical day 15,658 commuters arrive in the terminal aboard 358 buses between 8 and 9 o'clock. That averages six buses a minute for the hour, but at the peak of the rush ten buses roll in per minute. The number of buses arriving between 8 and 9 A. M. is 13 per cent of the day's incoming buses, furnishing statistical proof to what everyone knows—that buses are more crowded in rush than slack hours.

Between 7 and 8 A. M. the inbound load is 6,040 commuters aboard 170 buses. Between 9 and 10 A. M., 5,764 commuters come in on 179 buses.

Outbound traffic hits its peak between 5 and 6 P. M., with 14,066 commuters (23 per cent of the daily load) rolling down the ramps in 336 buses (12 per cent of the daily outbound movement). There are 5,333 early homegoers in 156 buses between 4 and 5 P. M., and 7,191 commuters on 186 outbound buses between 6 and 7 o'clock.

Even at the height of the commuter rush, an almost library quiet pervades the vast terminal, thanks to its sound-absorbent ceilings. The hush is punctuated by announcements over the public address system of long-distance buses ready for boarding, or messages left at the information desk for individual travelers.

Changing Needs

Operation of the terminal is a continuing study to meet changing traffic needs and straighten out kinks as they develop. No provision was made originally for porter service on the suburban level. There are no redcaps at subway stops and no need was foreseen for them at the commuter unloading berths. A number of package and suitcase-burdened commuters started complaining about the lack and a survey indicated a need for some porter service. Two free phones, connected with the terminal's switchboard, were then installed near the commuter unloading points. A laden commuter can dial the operator, who summons via the public address system one of the red caps from the long distance bus level.

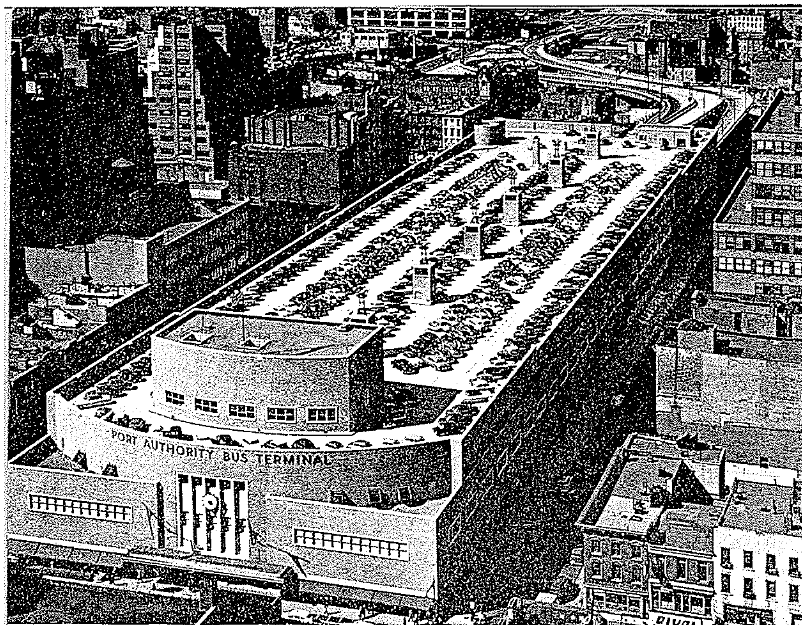
Another difficulty was encountered by massed commuter rushes to board buses. The polite or timid commuter often lost out to a later and less couth arrival. The Port Authority suggested to the bus companies that they put up "Stand In Line" notices. Such signs are now at several loading platforms and have lessened, if not eliminated, the tangle.

The terminal's income does not yet cover its operating costs. It was not expected to. It is not yet utilizing all its available space, either for bus service or other tenants. The operating budget for next year, excluding debt service, is $2,048,000, with estimated revenues for the year $1,935,000—about $785,000 from the bus companies and $1,150,000 from other rentals.

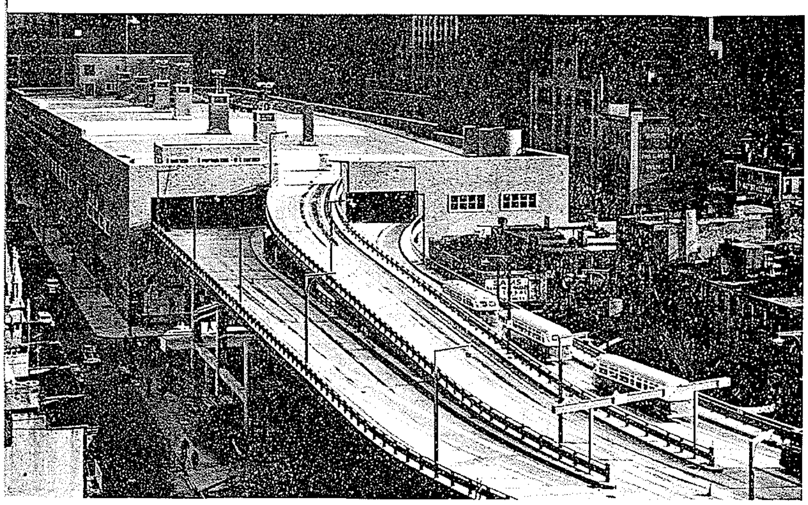
Proud as Parents

The men who envisioned and built the terminal are as proud, with its first birthday approaching, as the parents of an infant prodigy. Howard S. Cullman, Port Authority chairman, sums it up:

"The Port Authority Bus Terminal will celebrate its first birthday on Dec. 15 with the realization that it has fulfilled its mission magnificently. It has removed from the streets of midManhattan some 5,200 daily movements by intercity buses. It has provided for 125,000 commuters and long-distance travelers the conveniences and comforts of the world's greatest bus terminal. It is still a long way from self-supporting, since it will have to bring in about $3,000,000 a year before it will actually be paying for itself. We hope to reach that goal in not more than ten years."



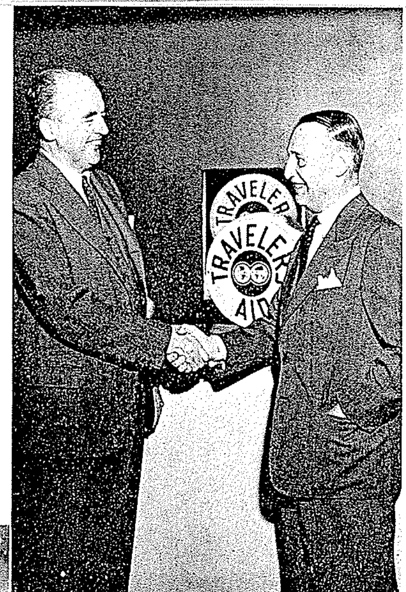
A daytime view of the block-square Port Authority Bus Terminal shows busy parking roof.



Close-up of elevated ramps connecting the Bus Terminal directly with the Lincoln Tunnel. Center ramp leads to rooftop parking area.

The elevated ramps from a vantage point near the Lincoln Tunnel; terminal-bound (right) and tunnel-bound (left).

Chairman Cullman congratulates Edward E. Watts, Jr., President of the Travelers Aid Society, on the opening of a Travelers Aid booth in the Bus Terminal.



The barber shop on the main concourse.

Lee C. Webb, Manager of the Bus Terminal, presents to Miss Edith Disa a Braille story of the terminal. Shown with her is Miss Disa's seeing-eye dog, Rona.

With 63 retail stores and services, probably the greatest array in any terminal in the world, the Bus Terminal has become one of the main shopping centers in New York, not only for the thousands of commuters, but also for local residents. Pictured here are the flower shop, the stationery store and men's shop, the cutlery store and the bake shop. Other businesses include a women's dress shop, a bowling alley, a restaurant and cocktail lounge, recreation center and food mart.

Bus Terminal Revenues

Gross revenues from bus operations at the Port Authority Bus Terminal amounted to $806,000 in 1951.

The total revenues in 1951 from Bus Terminal retail stores, consumer services and offices amounted to $862,000, or more than one-half of the total revenues. This was 27 per cent higher than our April 1949 estimate, due particularly to the unprecedented volume of leasing from plans to volume-producing business operators.

The size and design of the Bus Terminal provided for suitable consumer services and stores. These retail services in the terminal serve the dual purpose of providing a convenience to the bus traveler, and an essential financial aid to this Port Authority marginal facility.

The basic design of the terminal was controlled by the need for handling buses on two levels and passengers on two concourses.

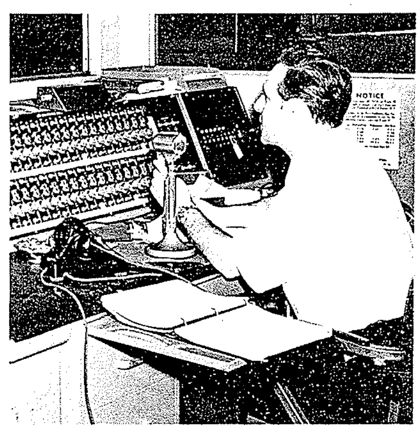
There are sixty-three retail and consumer businesses at the Bus Terminal including an extensive variety of merchandise shops, services, two bars and cocktail lounges, restaurants, the most modern bowling emporium with thirty alleys, and a recreation center.

Store leases in the terminal provide for an annual minimum guaranteed rental plus a percentage of gross sales. At the end of 1951, eleven tenants had exceeded their gross sales exemption although only three of the eleven had operated for a full year.

The 19,000 square feet of air-conditioned office space in the terminal is 100 per cent rented.

Union Railroad Freight Terminal

The Port Authority's Union Railroad Freight Terminal located in the Port Authority Building, which occupies the entire Manhattan block between West Fifteenth and Sixteenth Streets from Eighth to Ninth Avenues, handled 160,179 tons of less-carload rail freight and Railway Express freight in 1951, as com-



An information agent consults a handy, complete file on bus information to answer a telephone query.

Dispatcher at electronic control panel on long distance bus level.

Daily terminal cleaning includes scrubbing of terrazzo floors.

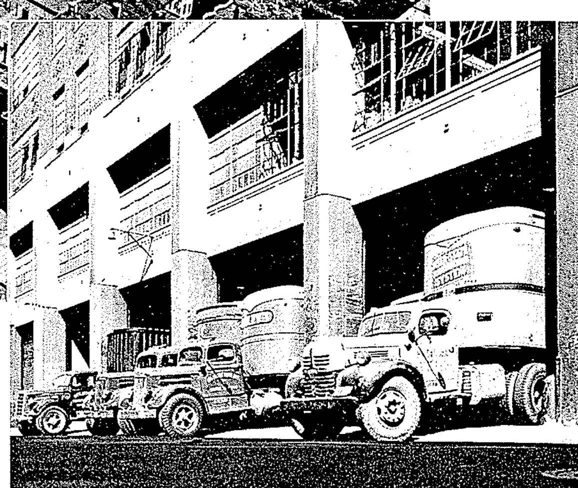
Aluminum surfaces such as those on the moving stairs are cleaned and highly polished.

pared with 164,762 tons in 1950. This is a decline of 4,583 tons, or 2.8 per cent. Railroad less-carload freight declined 14.5 per cent while the Railway Express freight showed a gain of 3.8 per cent. This decrease in the volume of rail merchandise freight handled in the Port Authority facility conforms with the general trend at all Manhattan rail stations and reflects the nationwide shift of merchandise freight from rail to trucks.

The terminal is leased by the Port Authority jointly to eight trunk line railroads. This facility permits shippers of less-than-carload freight to load a single truck with freight destined for one or more of the eight railroads to be delivered in a single stop at the platform of the Union Terminal.

Similarly, consignees of incoming less-than-carload freight are able to concentrate their shipments from the eight railroads at this terminal for a one-stop pickup. Shippers and consignees of rail freight thus save many miles of City street truck travel and avoid time-consuming delays in moving their freight to and from the various individual railroad pier stations located in many widely separated spots in Manhattan.

In accordance with new leases negotiated in 1950,



The fifteen-story Port Authority Building covers an entire City block. Street and basement floors are occupied by Union Railroad Freight Terminal, where less-carload rail freight is consolidated for shipment throughout the country as well as for delivery in metropolitan area. On other floors, commercial tenants maintain warehouse space and do light manufacturing. Trucks are brought directly to upper floors by huge elevators. Building also houses main offices of Port Authority. Right: Trucks at loading platforms along 16th Street side of Union Railroad Freight Terminal.

the railroads and the Railway Express Agency, for the first time since the opening of the terminal in 1932, paid the Port Authority separate rentals.

Under a new five-year lease covering the space they occupy on the ground floor and a portion of the basement floor, the railroads will continue to pay the nominal charge of only ten cents a ton for the less-carload freight which they handle through the terminal.

Under the separate lease with the Railway Express Agency, an annual rental of $60,000 will be paid directly to the Port Authority for space on the basement floor. The lease will run until February 28, 1954.

The $16,500,000 Port Authority Building, the second largest commercial building in the world, was completed in October 1932. For the eighth consecutive year it was 100 per cent occupied, with rentals for 1951 totaling $1,812,000. The Port Authority occupies the entire fifteenth floor and an additional 123,200 square feet in other locations in the building.

As in the case of the airports and the Port Authority's self-supporting terminals, we have proceeded on the basis of directions by the Legislatures of the two States to find ways and means of supporting these public facilities required for the continued prosperity of the Port District without taxing, assessing or pledging the credit of either State. This legislative plan and challenge can be met only by the development of the current revenue potential of these public terminals, and calls for them to earn their own way so that they will eventually become a productive unit in a self-supporting system of public facilities. As the Court of Appeals of the State of New York said: "The mandate and the express grant of power to the Port Authority to construct terminals includes as an incident the power to use appropriate means to carry out that mandate."

As a matter of policy, rents in the Port Authority Building are comparable with similar space in privately owned structures. The building is particularly attractive to distributors and businesses requiring high-speed package freight and truck elevator deliveries and direct access to the rail freight terminal facilities.

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

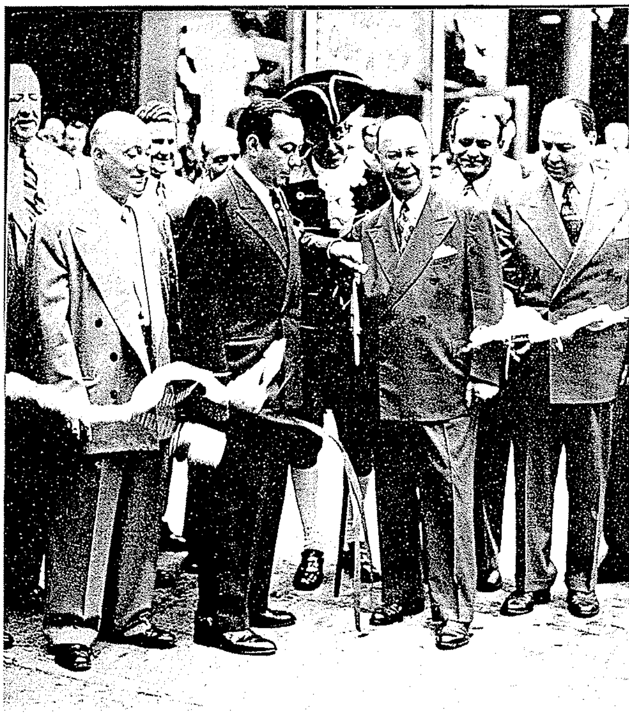
The New York Union Motor Truck Terminal Completes Its Second Year of Operation

Upon the completion of the second year of operation of the New York Union Motor Truck Terminal, the Commissioners decided that it was necessary to work out a new platform operating arrangement by over-the-road truckers or their joint agent. The revised platform operation will be similar to that under which railroads now lease and operate the Union Railroad Freight Terminal in the Port Authority Building at 111 Eighth Avenue. In the meantime, it was announced on January 4, 1952 that the original method of operation of the terminal platform would be suspended, effective March 8.

The terminal, during the year, continued to serve as a convenient point to load and unload mixed truckloads of over-the-road freight in downtown Manhattan, close to the Holland Tunnel and the main west side trucking arteries. Transfer of merchandise freight between the terminal and shippers' places of business, steamship piers and other local origin and destination points, benefited through consolidation in fully loaded local trucks.

The joint pickup and delivery contractors at the terminal handled freight for most of the over-the-road tenants, reducing the multiplicity of individual deliveries by long-haul trucks. The public receiving platform furnished shipper-owned trucks a common platform for delivering at one point mixed loads consigned to several over-the-road carriers.

The terminal building itself has functioned satisfactorily from the outset, and the location and design have proven to be correct. The division of operating responsibility, however, has not worked out. Since the over-the-road carriers were not themselves at that time in a position to establish a responsible joint operating agent, the Port Authority, from the beginning, has assumed responsibility for platform space and operation. Licensed local truckmen have performed the local joint delivery operation. Over-the-road carriers have scheduled the movements of loaded trucks inbound and the placing of empty trailers outbound. As a result, it has been difficult to maintain a smooth flow of freight across the platform between the over-the-road carriers and the pickup and delivery operators, particularly when there was a shortage of available truck equipment.



Father Knickerbocker (center) watches as Manhattan Borough President Robert F. Wagner, Jr. (left center) and Deputy Mayor Charles Horowitz cut ribbon opening the Gasoline and Repair Station at New York Union Motor Truck Terminal.

In order to give the over-the-road carriers the utmost flexibility in their operations, and at the same time to place on them the financial responsibility for freight handling, a revised contract was negotiated with many of the carriers on January 15, 1951.

The Commissioners decided that the best plan was for the Port Authority to withdraw from the platform operation and to work out a new arrangement with a terminal operating company owned by the over-the-road truckers themselves. This operating company would assume all responsibility for the day-to-day operation of the terminal. The existing contracts have been terminated in accordance with the clause which provides for cancellation by either party on sixty days' notice. The Port Authority program was discussed with both local and national officers of the labor unions from which the terminal platform personnel was drawn.

The Commissioners' decision to reorganize the terminal's platform operation was based on the fact that the lack of common management responsibility over the past two years for road, terminal, and pickup and delivery operations had made it difficult to integrate the three operations satisfactorily. They believe that management of the platform in which the over-the-road carriers have complete responsibility will facilitate the accomplishment of the basic objectives of the Truck Terminal program. It will eliminate practices by the tenant carriers which have made the early operations uneconomic and unsatisfactory.

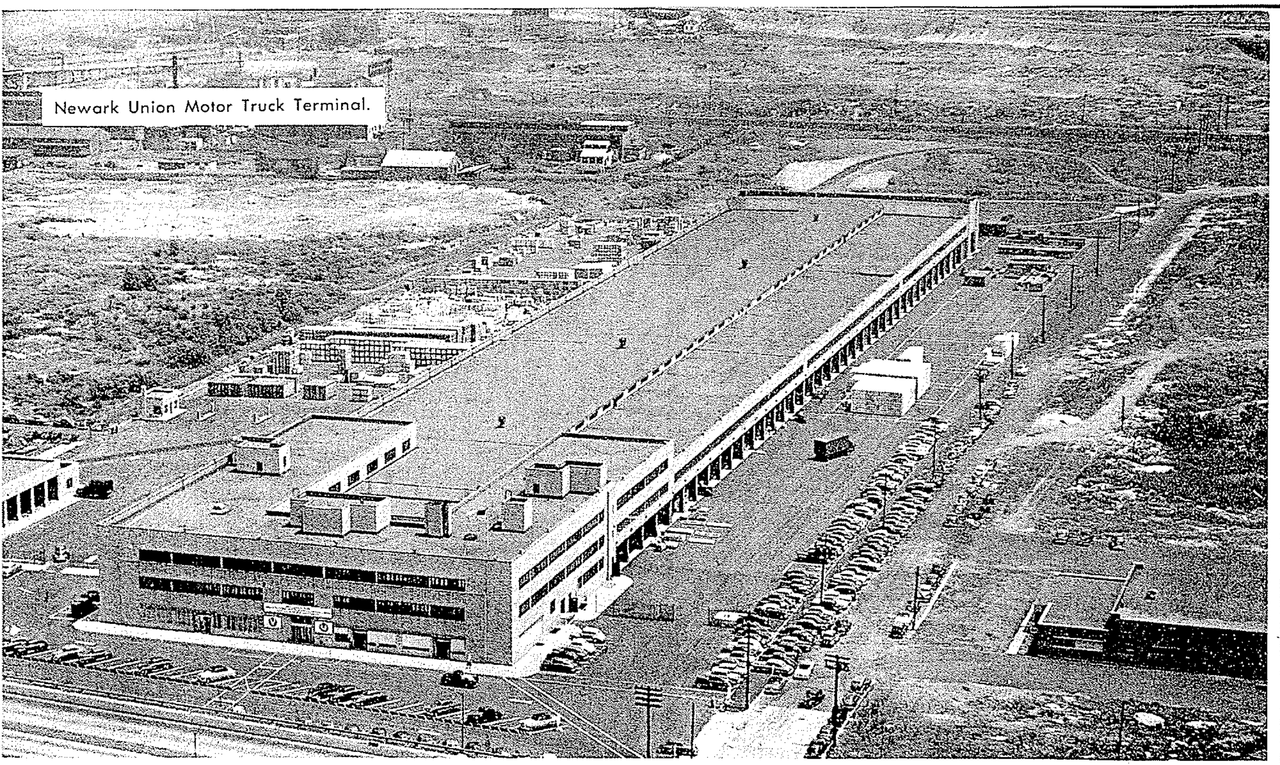
Union Truck Terminals in New York and New Jersey Essential to Reduction of Shipping Costs and Relief of Traffic Congestion

The Commissioners of the Port Authority are convinced that the New York Union Motor Truck Terminal and the Newark Union Motor Truck Terminal represent the only feasible method of reducing the intolerable truck traffic congestion and high costs of truck freight distribution in this, the world's busiest transportation center. The long-range success of both terminals has been interrupted in New York by the need for a change in operating procedure, and in Newark, by a restrictive clause in the local labor contract which made operation of the New Jersey terminal impossible.

The executive board of the International Brotherhood of Teamsters and Chauffeurs, however, has taken the unanimous position that Newark's Local 478 of the Union "is now on notice that the provision of its contract which would prevent the use of an existing terminal building erected after public hearings as a mandate from the Legislatures of New York and New Jersey, will not receive the approval of the International Union when such contract's present expiration date arrives. No renewal containing the same or similar clause will be approved by the International Union."

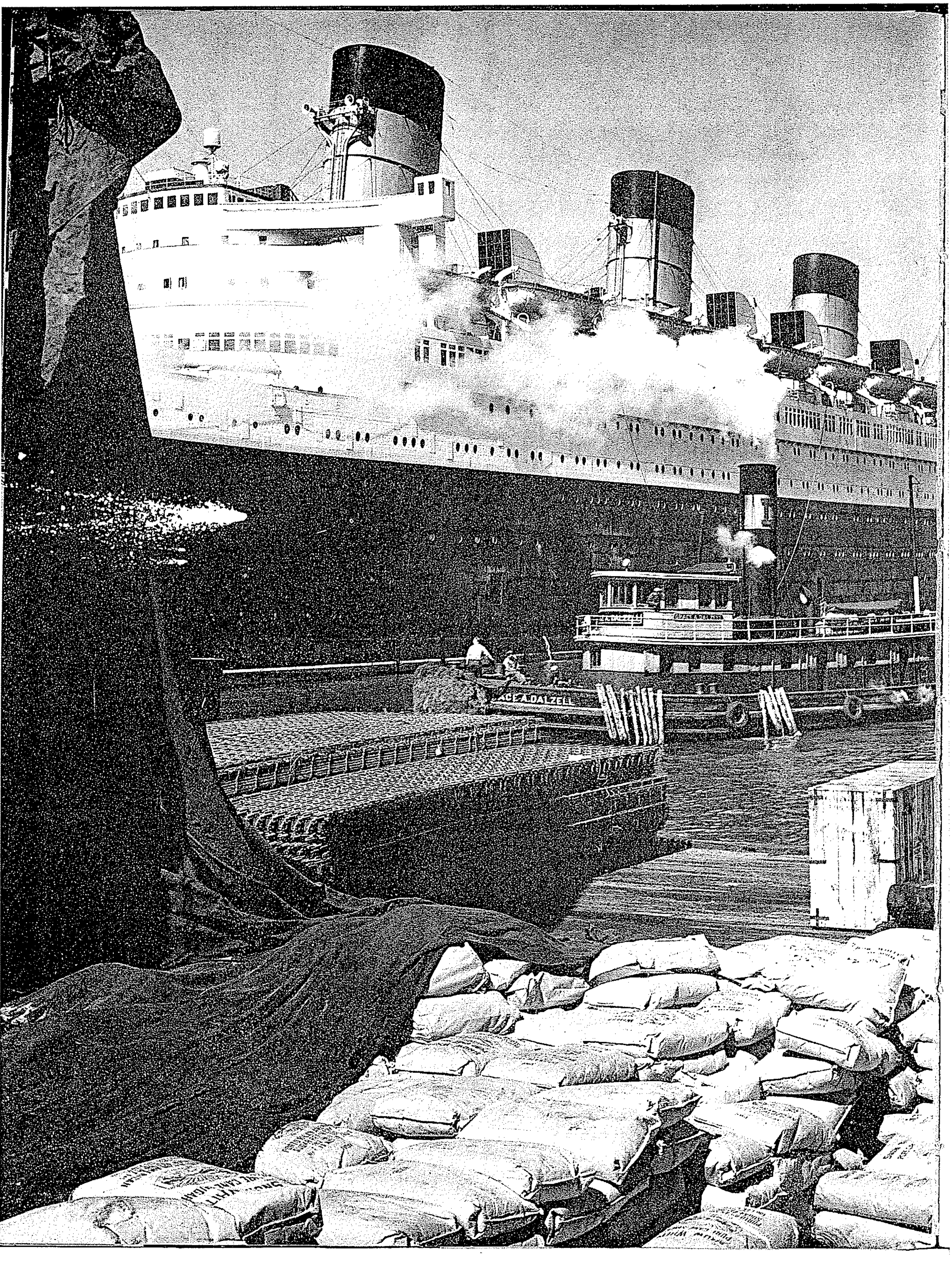
Fortunately, during the interval which must elapse before the Newark terminal can operate as a commercial terminal, the public investment is being protected by a short-term lease to the Air Force at the Newark terminal.

The Port Authority's two Union Motor Truck Terminals, the largest and most modern in the world, were developed after extensive studies of the need for, and feasibility of such terminals. The union truck freight stations were enthusiastically endorsed at public hearings in both New York and New Jersey. The New York Terminal was opened in November 1949, and the Newark Terminal was completed in July 1950.


Newark Union Motor Truck Terminal.

The Port Authority will pursue every possible course to assure the early operation of both the New York and Newark Union Motor Truck Terminals on an effective and economic basis. This job is necessarily difficult and will require considerable time for further study and negotiation.


New York Union Motor Truck Terminal.



The majestic Queen Mary docked at her Hudson River pier.

Port Promotion and Protection

The Port Authority in 1951 continued to act as an aggressive and successful salesman for the facilities and services offered by the New Jersey-New York Port for the speedy and efficient handling of United States and foreign trade.

Charged by the Port Treaty of 1921 with the responsibility of promoting commerce into and through the Port of New York, the Port Authority over the years has intensified its program of "selling" the Port to shippers throughout our own country and the world.

The area immediately surrounding the waters of our great harbor fortunately comprises the richest producing and consuming center in the world. Itself a product born of the harbor, our prosperous Port District is at the same time dependent largely upon its continuing attractiveness to shippers everywhere.

The men and women who earn their livings in the Port area are, to a great extent, dependent for their jobs upon businesses and services that are related directly or indirectly to our basic industry, transportation.

The importance of the continuing pre-eminence of the Port as a world center of land, sea and air transportation can be judged most accurately by the fact that some 13,000,000 people live in the metropolitan area of New Jersey and New York. And of this number 4,000,000 are employed.

In the past year, under the leadership of our Director of Port Development, Walter P. Hedden, we intensified our port promotion efforts.

In December 1951, we inaugurated trade promotion services in Latin America through the establishment of an office in Rio de Janeiro. Our New York, Chicago, Cleveland and Washington offices, and our representative in Sweden, continued their productive work by advising shippers of the faster and more efficient services available in New Jersey-New York Port.

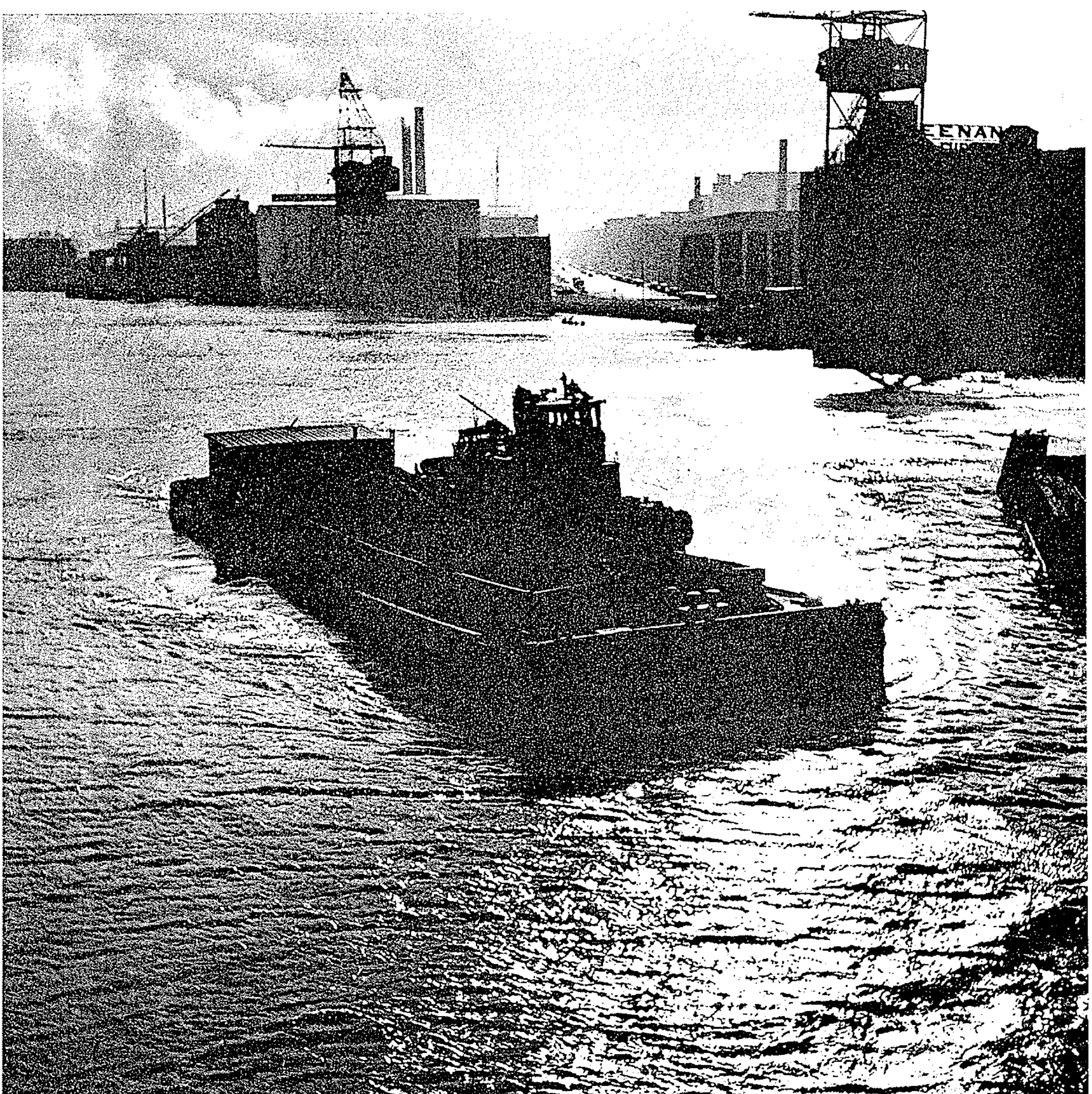
In lively competition with the trade promotion programs of major ports, including Boston, Philadelphia, Norfolk, Baltimore, Charleston, Mobile, New Orleans, Houston and Galveston, our branch office managers won for the Port of New York many prize cargoes.

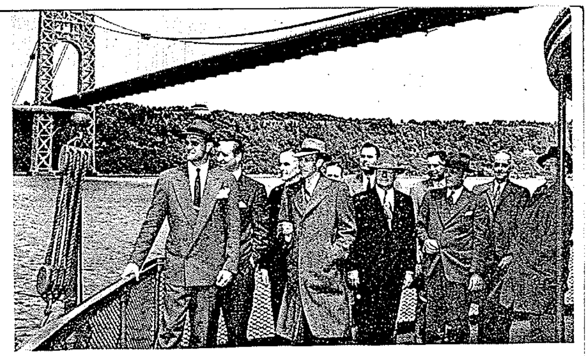
Essential to our competitive position is the Port Authority's vigilance and work in protecting the bi-state harbor area against rates which would tend to divert commerce to competing harbors.

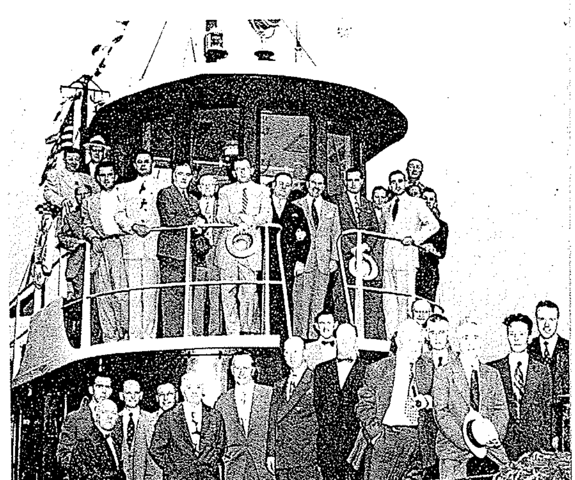
It is in this connection that our representatives appear before the Interstate Commerce Commission. We oppose rail and truck rates unfavorable to commerce in this region, and support those which would attract trade to our Port.

Our appearances before the Federal Maritime Board are concerned with routes and rates related to waterborne commerce. Similarly, we make known our views to committees and members of Congress, the United States Army Engineers and others on various problems affecting the commerce of the Port District.

A tugboat and a coal barge move downstream.

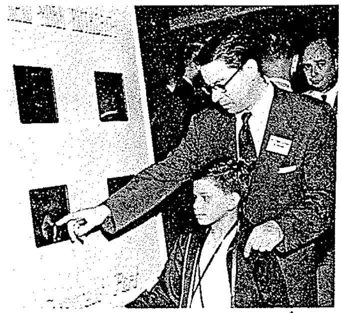




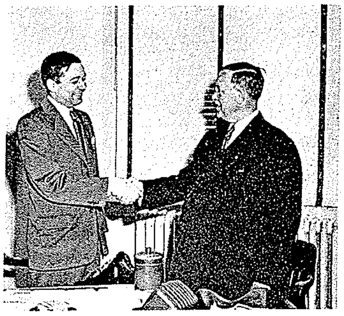


Harbor inspection trips point up the beauty and humming activity of the world's busiest port. Some typical harbor inspection tours are pictured here (top to bottom) exporters and importers pass under George Washington Bridge during a harbor tour arranged by the Port Authority in cooperation with the New York Central System to celebrate World Trade Week; members of the American Bar Association, shown approaching the George Washington Bridge; Vice Chairman Byrne with Assistant General Counsel Rosaleen C. Skehan (on his left) and Director of Finance Charles J. Kushell (on his right) accompany New Jersey Legislators on inspection of Port Authority facilities; and Chief of Trade Promotion Division Byrne with the Railroad Foreign Freight Traffic Association.

Charles Greenberg, Promotion Representative; Alden De Garmo, Visual Presentation Specialist; and Robert Unrath, Assistant Chief, Trade Promotion Division, discuss the preparation of a Port Authority exhibit.



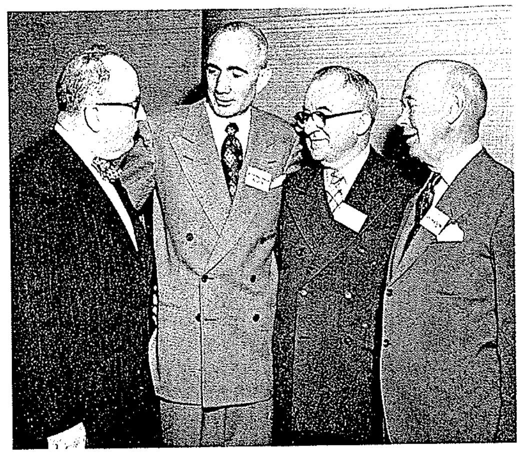
During inspection of Port Authority facilities by the New York State Legislators, Assemblyman Samuel Roman of New York City shows his son, Richard, a Port Authority facility exhibit. With them is Director of Aviation Glass.



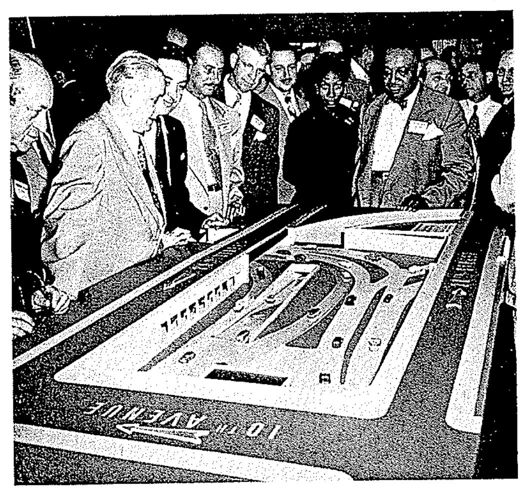
Assistant to Director of Port Development Gilman (left) greets G. C. Whipple, Vice President of the Quaker Oats Company of Chicago, on a visit to New York.

Port Authority officials receive members of the American Bar Association prior to departure on a harbor tour. Commissioner Armstrong greets a visitor. At extreme right is General Counsel Sidney Goldstein, and (center) Associate Counsel for New York Shelley and Assistant General Counsel Daniel B. Goldberg.

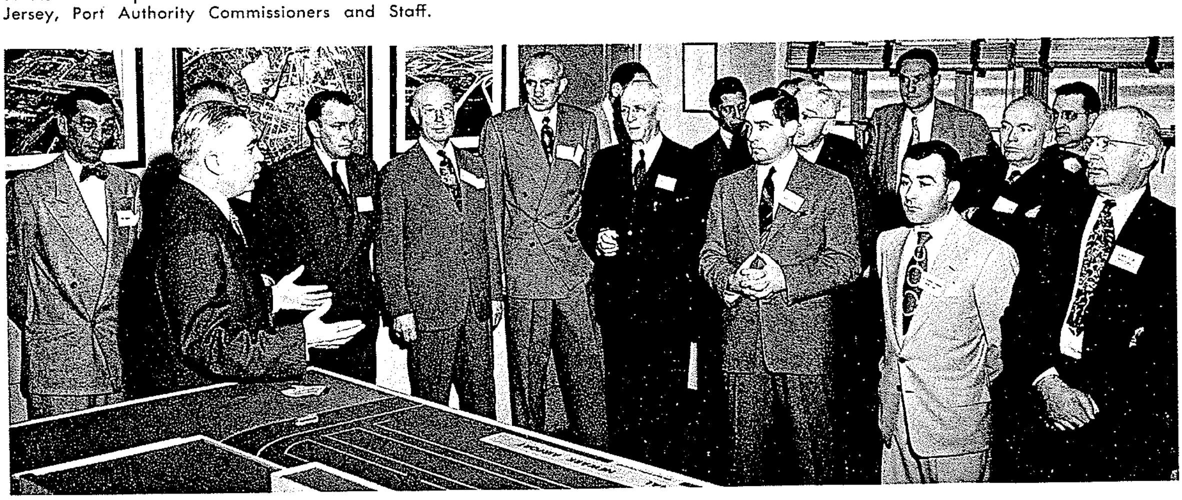
Port Authority Secretary Joseph G. Carty (left) on inspection trip at International Airport chats with (left to right) Assemblyman George F. Neutze of Camden County; Frank H. Ryan, Editor, *The Camden Courier-Post;* and Russell E. Watson, Port Authority Associate Counsel for New Jersey.



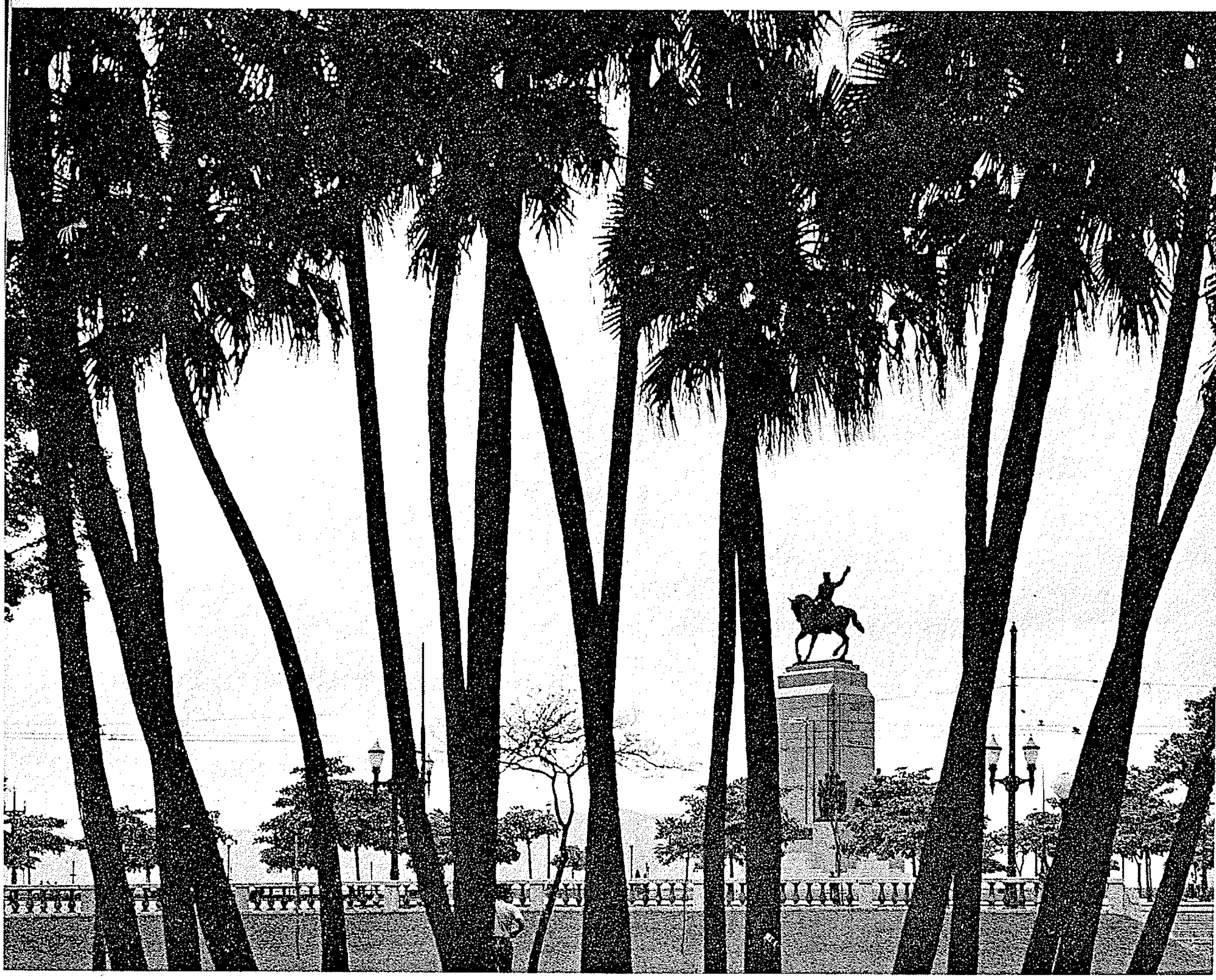
New York State Legislators on annual inspection of Port Authority facilities study cutaway model of Third Tube of Lincoln Tunnel.



Executive Director Tobin describes new Terminal at Newark Airport to officials of Camden, New Jersey, Port Authority Commissioners and Staff.



Statue of Praca Marechal Deodoro, first President of Brazil, Avenido Rio Branco, Rio de Janeiro, Brazil.



In December 1951, we opened our first Trade Promotion Office outside the limits of the United States, at Rio de Janeiro, Brazil.

The importance of the establishment of such an office is emphasized by the fact that in 1950 about two and one-half million tons, or nearly 20 per cent of all the dry cargo exports and imports moving through the Port of New York, were related to South American trade. It is expected that increased holdings of gold and dollars in South America will increase this commerce in the future.

The location of the Trade Promotion Office in Rio de Janeiro was influenced by the fact that Brazil accounts for a large part of the trade between South America and the United States which amounts to about a billion dollars a year. The New Jersey-New York Port handles most of this business. Rio de Janeiro is a central point for communication with other Latin-American trade areas.

Our Rio office will follow closely the pattern established by our United States offices. Working with various transportation, warehouse and banking inter-

Latin America

Rollin S. Atwood, Deputy Director of the Office of Inter-American Affairs, United States Department of State, addressing guests at luncheon marking the opening of the Port Authority's Latin-American Trade Promotion Office. With him is Dr. Berenguer Cesar, Consul General of Brazil.

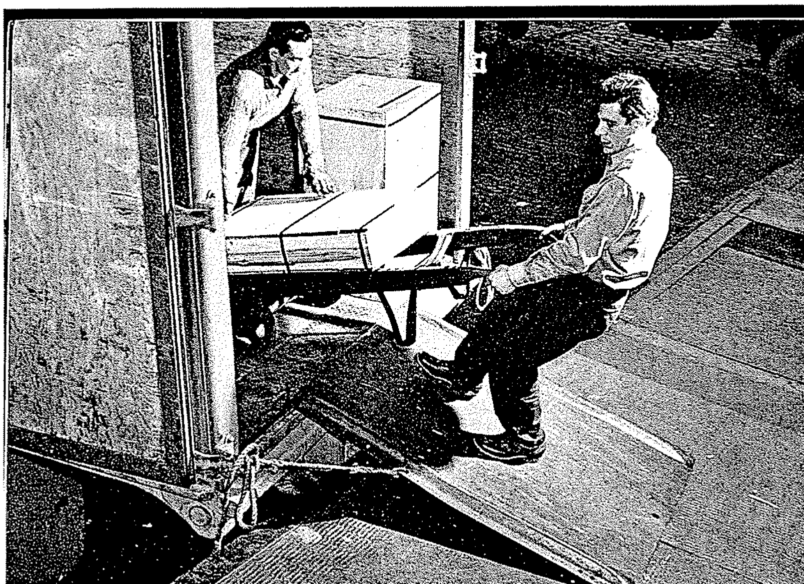
ests, most of its job will be accomplished through personal contact. We will help export and import firms solve problems of freight routing, ship schedules, transportation costs, handling and storage facilities, freight forwarder practices and other services and facilities involved in the efficient and economical use of the Port of New York.

Honorable Rollin S. Atwood, Deputy Director of the Office of South American Affairs, Bureau of Inter-American Affairs, at a luncheon celebrating the opening of the Port Authority's Latin-American office said:

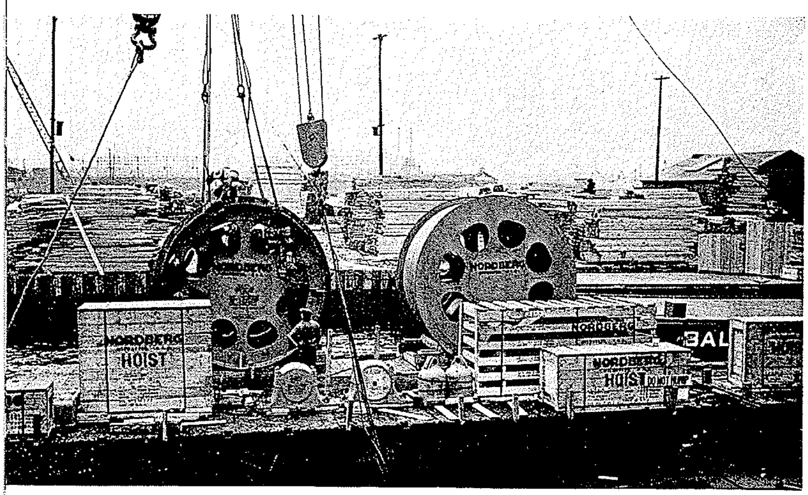
"The Port of New York Authority is starting an interesting experiment in setting up a branch office abroad. In a sense this will be a sales office for the advantages of this great port. The Rio office, working together with the home office and the regional offices of the Port Authority in the interior of the United States, can do much to promote trade relationships between South America and the United States which do not exist today because of lack of continuing contact between would-be sellers and buyers at both ends of the stream of trade.

"The choice of Rio de Janeiro as the headquarters of the original office seems to me a wise one. Brazil today is an increasingly important factor in world trade. Our imports from Brazil are running today at the staggering rate of approximately $1 billion per year and we can confidently expect an increase in this figure. Correspondingly, Brazil is today our second greatest cash customer in the world after Canada. The point to which Brazil's importing capacity may eventually rise as the development of that country goes forward cannot be estimated."

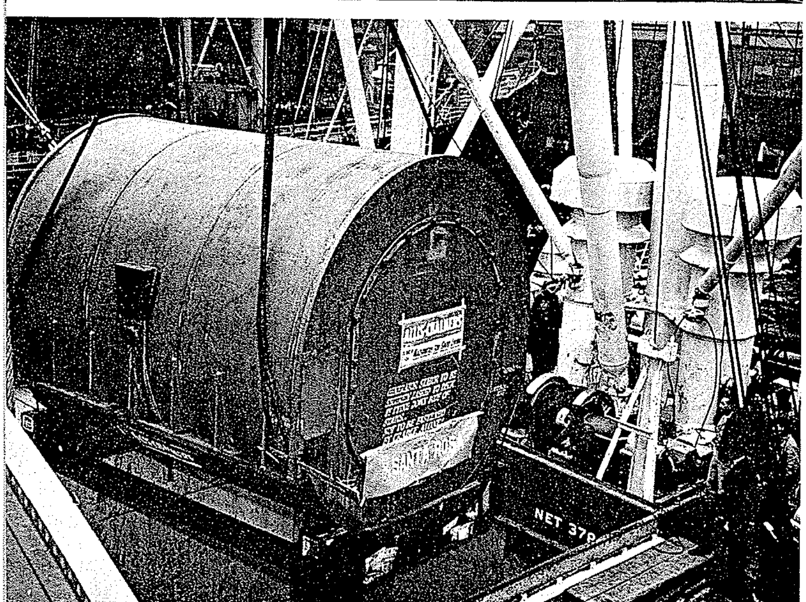
Chicago



The 100th trailer of Champion auto parts from Chicago being unloaded from Midwest Freight Forwarding Company truck at Theodore Ficke, Inc. terminal.



Power equipment to lift more than forty tons of coal 1,310 feet is shipped from the Port of New York to Spain aboard the Garcia and Diaz freighter *Motomar.*



En route from the Allis Chalmers Manufacturing Company, Milwaukee, Wisconsin, to La Guaira, Venezuela, via New York, a 152,300-pound generator section is loaded aboard the Grace Line's *Santa Rosa* at Pier 58, North River.

The Port Authority's Chicago Trade Promotion Office was established in October 1945, the first of our four branch offices in the United States and South America. Managed by George H. Weiss, it plays an increasingly important part in attracting to the New Jersey-New York Port many shipments from our great Central Western producing and manufacturing area, frequently in direct competition with other ports.

In 1951, our Chicago office induced an increasing number of shippers to use the mixed export carload plan advanced by Mr. Weiss with the assistance of our Cleveland and Washington representatives in 1949. This plan takes full advantage of the fact that many steamship companies in the New Jersey-New York Port operate multiple services to various parts of the world from one pier or adjoining piers. This type of service, in conjunction with railroad lighterage rules applying to split deliveries, enables low-cost shipside deliveries of mixed export carloads comprising grouped shipments to a minimum number of piers. During the year, twenty-one large industries in five Midwestern states adopted this plan on the recommendation of our Chicago office. It is now utilized by some fifty-five industries in that area.

Among others, a large manufacturer of automobile parts used this method of shipping extensively during the past year. A mixed export carload, consisting of seventy shipments destined to twenty-four different ports throughout the world, was delivered by railroad lighterage at an average harbor delivery cost to the shipper of only 64 cents a shipment. If the mixed carload had been distributed to shipside by local cartage, the cost would have ranged from $3.50 to $4.50 a shipment. The great savings possible to large industries may be realized when this type of saving was applied to fifty-one carloads shipped by this particular manufacturer in 1951.

A leading Wisconsin manufacturer sent 147 mixed export carloads to the Port of New York during the year, and a well-known Chicago manufacturer of automotive material routed thirty-nine carloads and seven truckloads. The plant of a Chicago concern engaged in world-wide distribution of automotive replacement parts is not located on a railroad siding. The firm was furnished with an adaptation of the mixed export carload plan so that shipside delivery economies would apply in connection with mixed export truckloads to New York. This firm has shipped 109 mixed export truckloads, totaling 1,400 tons, to the Port of New York in a little over a year, at savings of from $100 to $300 a truckload over its former less-carload costs.

In addition to a booklet describing the consolidated method for shipping less-carload export freight, Mr. Weiss prepared a circular for use by shippers of heavy equipment, indicating how they could save railroad heavy lift charges on pieces weighing more than three tons through the utilization of railroad carfloat deliveries on large quantity movements.

Seventy-five per cent of foodstuffs such as lard, milk, dried eggs and cheese and machine tools involved in the rearmament program, have moved through the Port of New York as a result of our contacts with United States and foreign agencies.

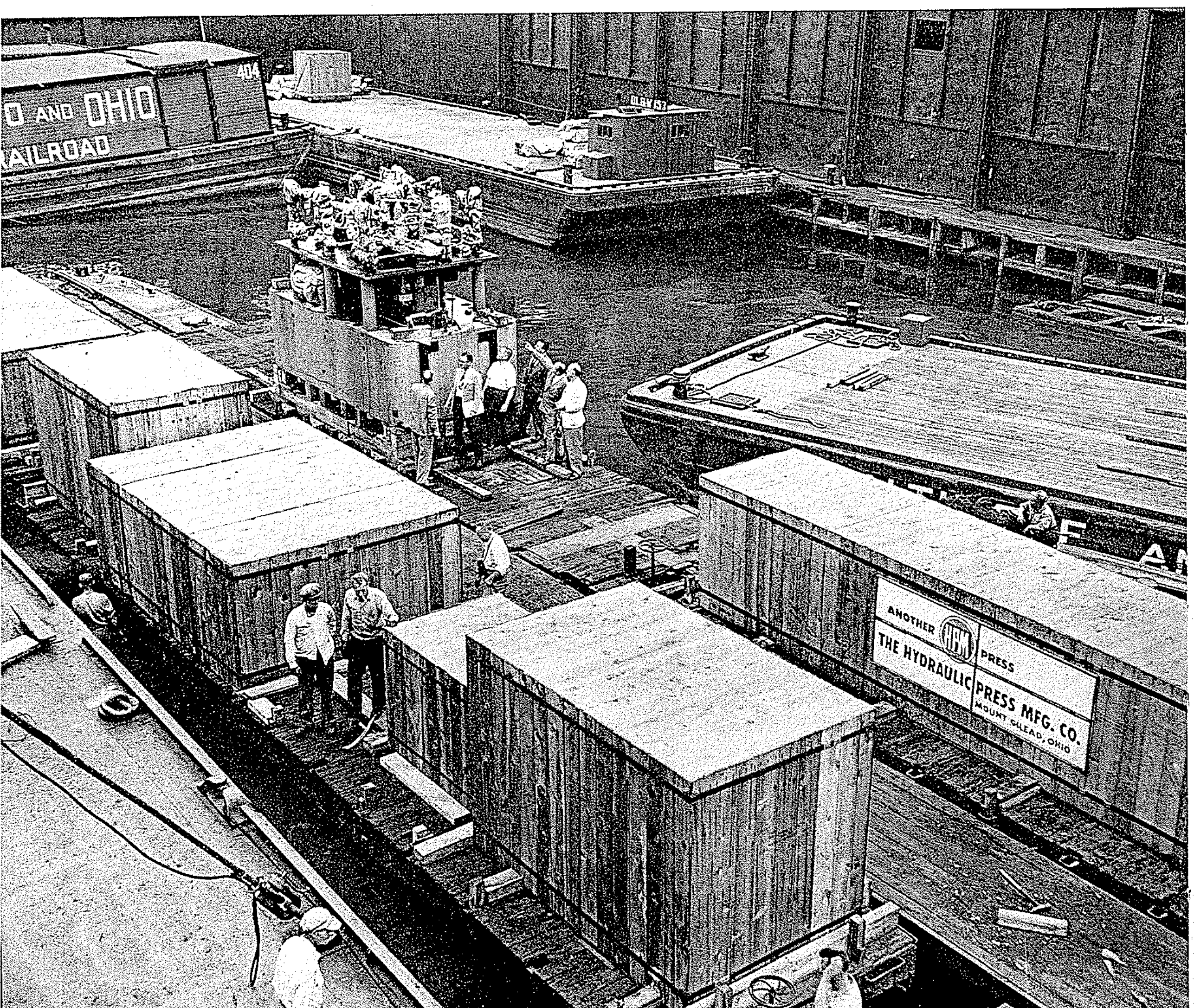
We have kept steamship companies and railroads serving the Port of New York promptly advised on export and import cargoes, so that their solicitors might work with our Trade Promotion Office to obtain routing through the New Jersey-New York Port.

Our Chicago office also has compiled information bulletins dealing with Economic Cooperation Administration industrial development projects in all parts of the world. These were distributed to Central Western industries for their sales departments and also to the Port of New York steamship lines and railroads for their future traffic solicitation guidance.

George H. Weiss (left) Manager, Port Authority's Chicago Trade Promotion Office, discusses carfloat services at the Port of New York with Alvin Z. Randall (center) Traffic Manager, Continental Foundry & Machine Company, East Chicago, Indiana, and Osmond A. Jackson, Second Vice President, Continental Illinois National Bank & Trust Company of Chicago.

Cleveland

Hydraulic press from Mount Gilead, Ohio, destined for France, is transferred across New York Harbor by carfloat. Eight cases and two skids, weighing 398,680 pounds, were hoisted by floating derrick aboard the United States Lines freighter *American Inventor*.



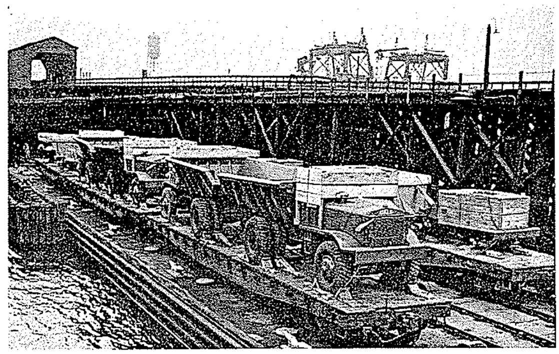
In 1951 our Cleveland Trade Promotion Office continued to be a valuable service for shippers in the Ohio-Indiana-Michigan-Western Pennsylvania area. Established in 1948 under the direction of Charles J. Hafner, during the past year, it played an increasingly important role in providing information and specific assistance on the routing of shipments through the New Jersey-New York Port.

In the Cleveland area, as in the Chicago region, many shippers have adopted the mixed export carload plan as a result of our efforts, in order to take advantage of substantial savings in delivering goods to shipside at this harbor. We have also assisted shippers in making use of free railroad carfloat service for delivery of quantity shipments, in order that they might save railroad heavy lift charges on individual pieces weighing over three tons.

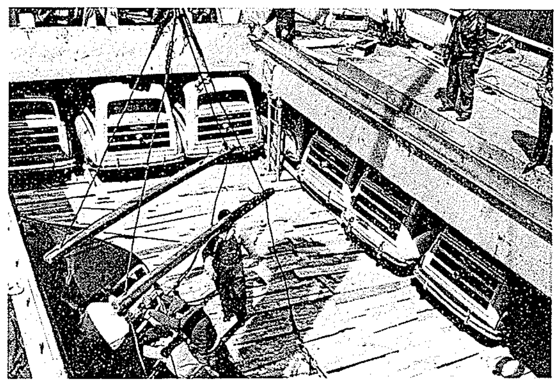
For example, we helped to arrange for the shipment of two power shovels weighing sixty tons each via free carfloat service at the Port of New York en route from Ohio to Australia. Other examples of this type of shipment were 5,000 tons of mining machinery from Pennsylvania to Australia; a 200-ton hydraulic press from Ohio to France; 75 carloads of heavy cranes from Ohio to Italy; 3 large cranes from Michigan to French West Africa; a 600-ton boring mill from Ohio to Italy; a mine conveyor from Columbus, Ohio, to the Belgian Congo. We assisted in the establishment of an export department for a Michigan manufacturer of foodstuffs. Information which we furnished on transportation costs and the availability of services at the Port of New York won for us more than a half of this firm's export shipments.

In addition to general information regarding rates, routes, services and facilities in the bi-state port, we have furnished special services to many shippers. For example, special steamship rates on wine shipped from Italian ports were extended for several months so that Christmas stocks continued to move through the Port of New York during the fall of 1951. At our request, a New York steamship line accepted five unboxed earth-moving units for under-deck storage at a considerable saving to a shipper who had planned to move this cargo through Pacific Coast ports.

During the year, we continued our service of checking and following through cargoes which included major shipments, such as 100 narrow-gauge railroad cars from Ohio to Cuba; earth-moving equipment to Nigeria; 800 tons of hydraulic presses to England; dragline and shovel equipment to Australia, and the like.

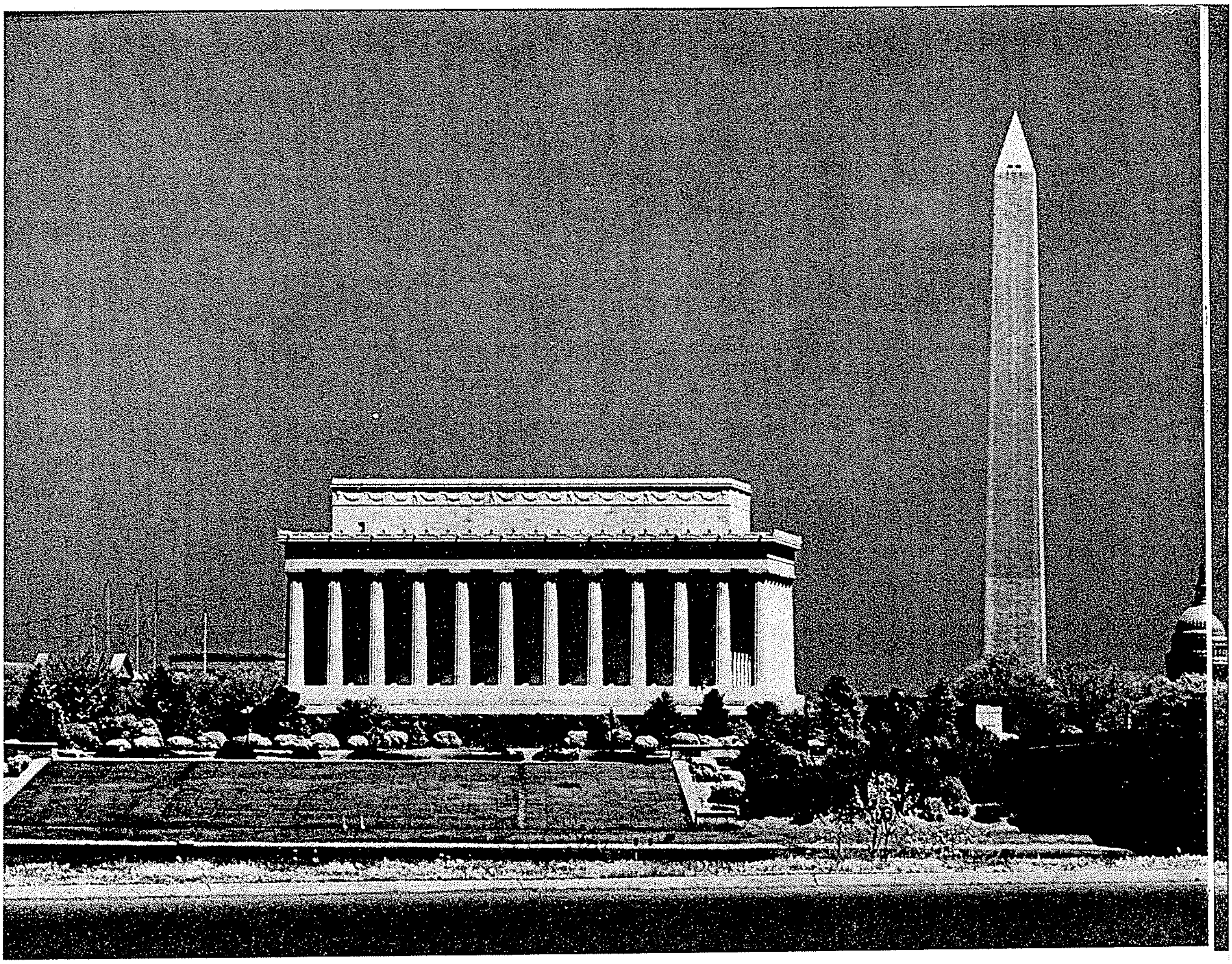


Dump trucks for France from Euclid Road Machinery Company, Cleveland, loaded aboard carfloat at Hoboken.



Loading automobiles aboard *Ciudad DeQuito*, Pier 11, New York Docks, Brooklyn, for Colombia and Ecuador.

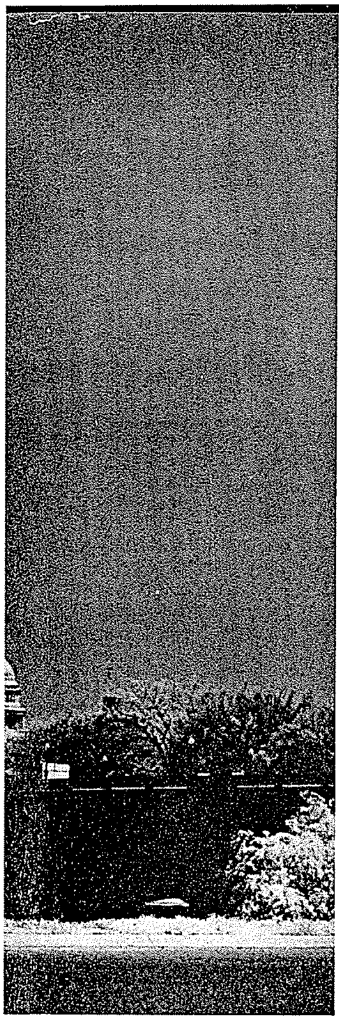
Charles J. Hafner (right) Manager of the Port Authority's Cleveland Trade Promotion Office, checks a New York-bound steel shipment with Roy A. Eldridge, Republic Steel Corporation Traffic Manager, as Hot Mill Shipper Earl Webster of Republic looks on.



Since its establishment in 1948, our Washington Trade Promotion Office has made a major contribution to the movement of commerce through the Port of New York. Lloyd L. Harvey, its manager, has maintained close contact with United States agencies on the routing of government exports and imports. In addition, he has continued to furnish information and assistance to private shippers in Washington, Maryland, Virginia, West Virginia, and southeastern Pennsylvania. As a result of his efforts, purchasing missions for several foreign governments, including Austria, France, Germany, Greece, Israel, Italy, Indonesia, Turkey and Uruguay, have routed many important overseas shipments through the New Jersey-New York Port.

Federal agencies during the past year continued to call upon Mr. Harvey for accurate and up-to-date information on our Port. Their interest included rate services and facilities in connection with the export of foodstuffs, defense materials, and other goods under the various Federal military, rehabilitation and assistance programs, as well as the importation of strategic materials under the stockpiling program.

Our Washington representative also furnishes information to members of Congress and Congressional committees on matters affecting the facilities, services and commerce of the Port of New York. During 1951 he presented testimony before the House Interstate and Foreign Commerce Committee on legislation permitting the use of Canadian vessels in the transfer of grain between United States ports on the Great Lakes. He also appeared before the Senate Appropriations Committee to support the increase in the funds allotted to the United States Customs Bureau in order to help



Symbols of democracy—the Lincoln Memorial, the George Washington Monument and the United States Capitol.

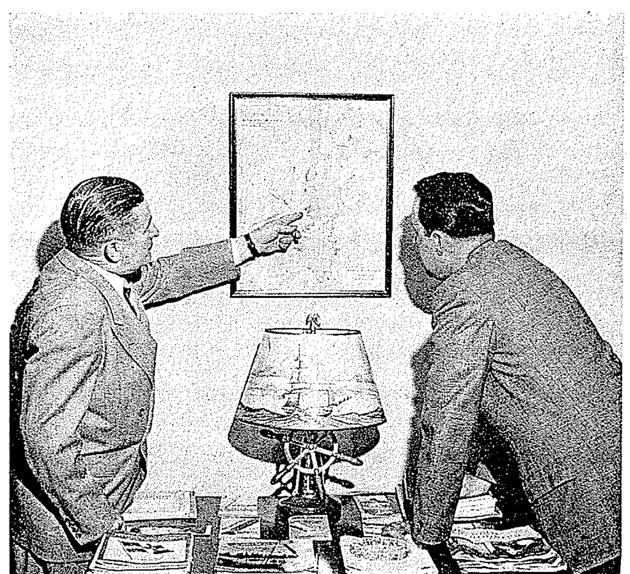
Washington

relieve the congestion in clearing imports in the Port of New York. He participated in conferences with officials of the United States Coast Guard and other government agencies to discuss the handling of cargoes through this Port.

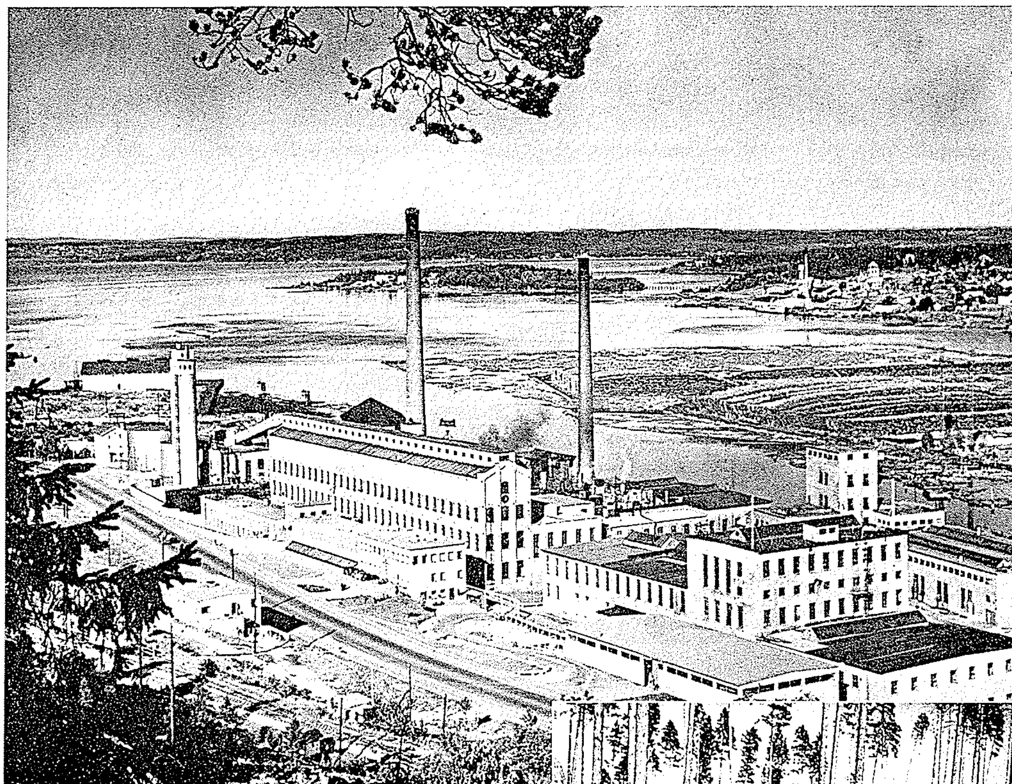
Many firms throughout the country maintain representation in Washington and are regularly contacted by Mr. Harvey. This phase of our work has resulted in the movement through the Port of New York of many major cargoes to the Far East, Greece, Chile, Colombia, India, Germany, Italy and the Philippines.

In the important industrial territory of Maryland, Virginia, West Virginia, and southeastern Pennsylvania, Mr. Harvey has been of assistance in the routing of shipments in connection with E.C.A. and other rehabilitation programs.

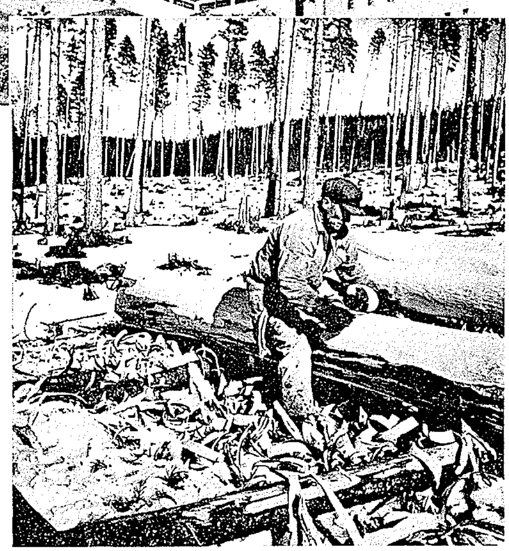
Lloyd L. Harvey, Manager of the Port Authority's Washington Trade Promotion Office, points out features of the Port of New York to Robert A. Shaffer, President of Shaffer International, Inc.



Huge timber rafts alongside a Swedish sawmill.

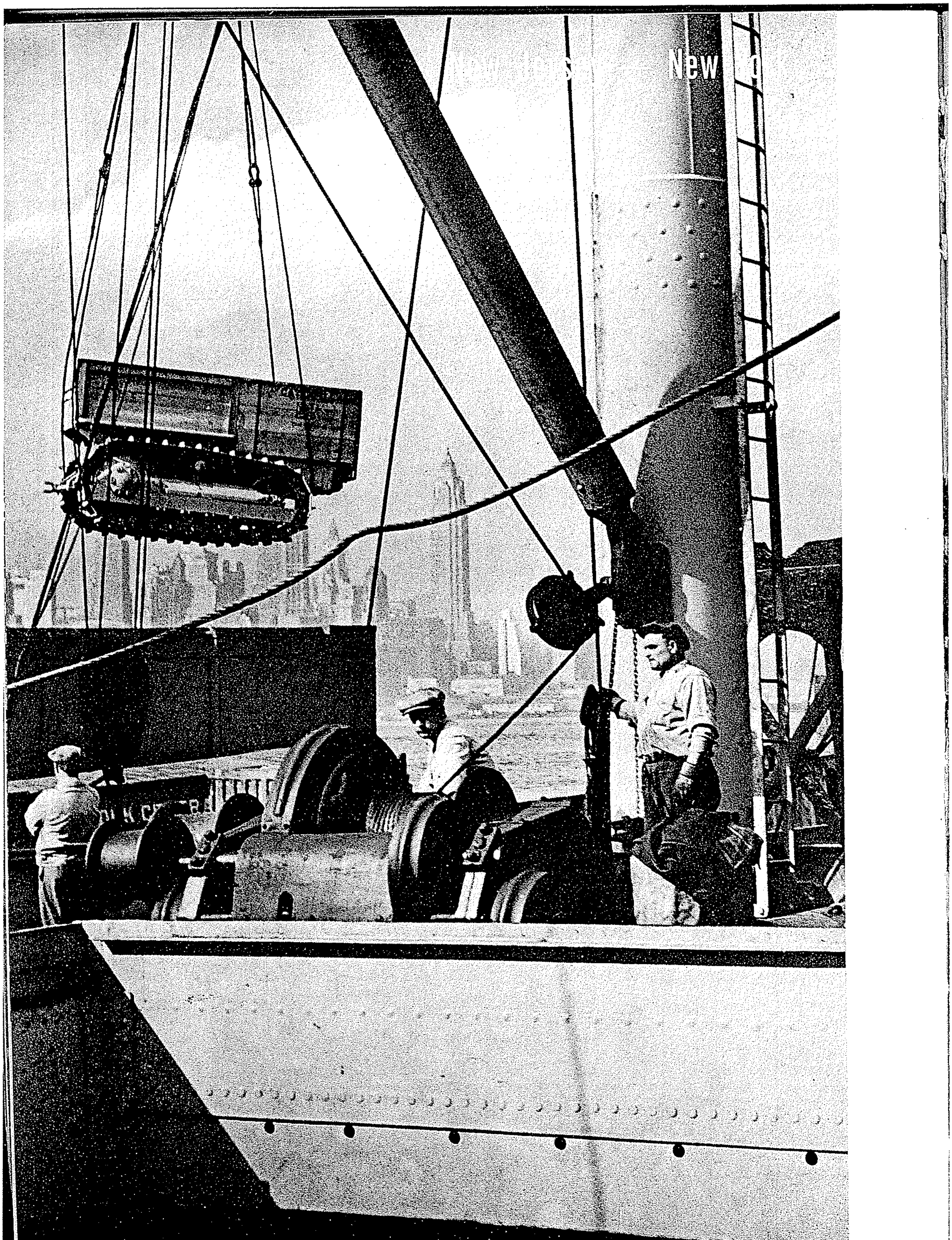


View of Svartvik Pulp Mill, Sundsvall, Sweden.



A Swedish worker strips the bark off pine trunks.

In July 1951, the Port Authority intensified its trade promotion program for the New Jersey-New York Port and engaged the firm of Fallenius & Leffiers of Gothenburg, Sweden, to solicit the routing of wood pulp and other commodities from Sweden, Norway and Finland through our Port. Scandinavian imports through the Port are substantial and the control of routing of these commodities rests with firms at the shipping points. Port Authority improvement of wharf and shipside storage facilities at Port Newark has attracted wood pulp imports back to this harbor. We will endeavor, through our representatives, to replace out-of-date and inaccurate data on the conditions in the Port of New York by circulating current information on facilities and services available at this Port.


New

Our Trade Promotion Division is under the direction of Louis W. Byrne who supervises our field offices as well as the New York headquarters.

In addition to working with our out-of-town trade promotion representatives, our New York Bureau made more than 325 personal calls in the New Jersey-New York Port area. We contacted traffic managers for foreign trade firms as well as export-import representatives of firms with branch office in the area. In 1951 we expanded this program to shippers in upstate New York, New Jersey and New England.

In addition, our New York representatives made some 250 calls on foreign trade officials in connection with their shipping problems. Many of these calls were made at the request of our field offices.

Now in its third year, our monthly magazine "Via Port of New York" is sent to more than 4,000 exporters, importers and transportation officials in the eastern and midwestern sections of this country as well as abroad. During the past year, we extended our coverage to include 150 United States Consular Offices so that they might be acquainted with up-to-date and accurate information on the facilities and services available at the New Jersey-New York Port.

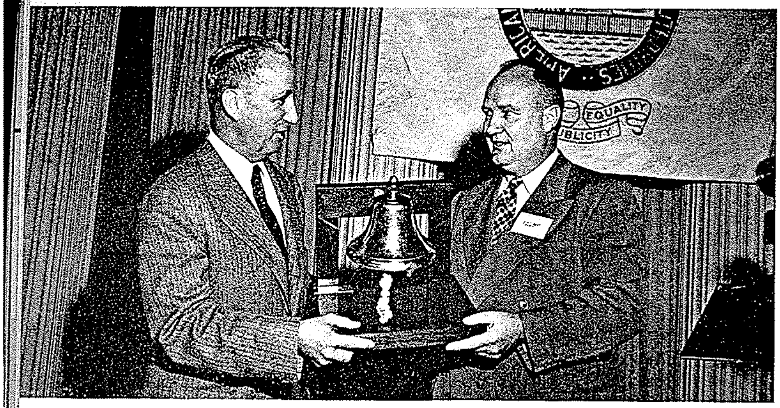
Our port promotion program includes the preparation and distribution of special maps, brochures, information bulletins and other material to assist in the handling of trade in the Port District. In 1951 we printed and distributed 500,000 copies of our popular Metropolitan Road Map which we first made available twenty years ago. We also furnished 9,000 copies of our New York Harbor Terminals Map to exporters, importers and transportation representatives. Port information packets were distributed to libraries, colleges, schools and special groups to acquaint them with the many services and facilities available here.

The Trade Promotion Division arranged more than twenty exhibits illustrating the facilities of the Port Authority, as well as the New Jersey-New York Port, for display in banks, stores, conventions and fairs in the Port District in 1951.

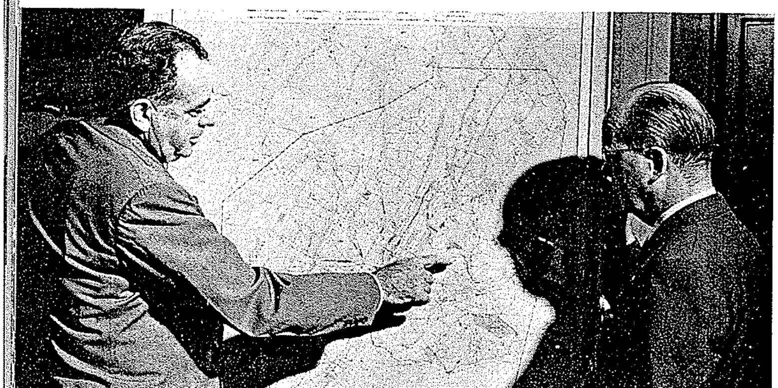
During the year we also made available speakers on the subject of the Port Authority and the Port of New York to civic associations, traffic and business clubs, service organizations, college classes and other interested groups. The Trade Promotion Division, in cooperation with our Department of Purchase and Administrative Services, handled special tours of the New Jersey-New York Harbor for trade representatives and officials from all parts of the United States as well as many foreign countries.

On March 15, 1951, the Subcommittee on Transportation Rate Disadvantages transmitted to John J. Bennett, Chairman of the Mayor's Joint Committee on Port Industry, a report emphasizing the need for an immediate program to eliminate the increases in the pre-war inland rail rate port differentials and other rate disadvantages. Chairman Cullman served as chairman of the Subcommittee. Since the filing of the report the Port Authority, in cooperation with the New York railroads and commercial groups, has made substantial progress in correcting many of the rail and truck handicaps. We are also pressing others before the Interstate Commerce Commission and Federal Maritime Board.

Left: Chief of the Port Authority's Trade Promotion Division Byrne (left) and Edward J. Karr, Vice-President of the Calmar Steamship Corporation, with certificate awarded to Mr. Byrne by the Maritime Association of the Port of New York on Sixth Annual Port of New York Day "in recognition of his distinguished contribution to the development of maritime activities in the Port of New York." Right: Antonio Ovido, Director of Public Relations, Colombian Association of Industrialists, with Robert Unrath, Port Authority Commerce Promotion Agent (right).



Leander I. Shelley, Port Authority Associate Counsel for New York, and Association President in 1951, congratulates the newly elected President of The American Association of Port Authorities, Henry W. Sweet, General Manager of the Georgia Port Authority, Savannah, Georgia, at 40th Annual Meeting of the Association in New York.

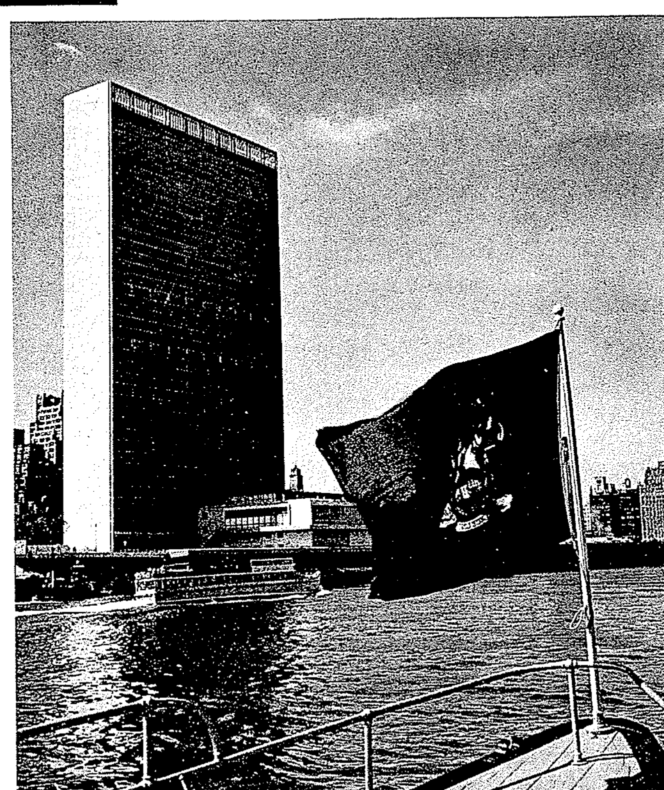


Harry M. Durning, Collector of the Port of New York, studies the Port District Railroad Terminal Map presented to him in his office by the Chief of the Port Authority's Port Promotion Bureau, Mr. Byrne.

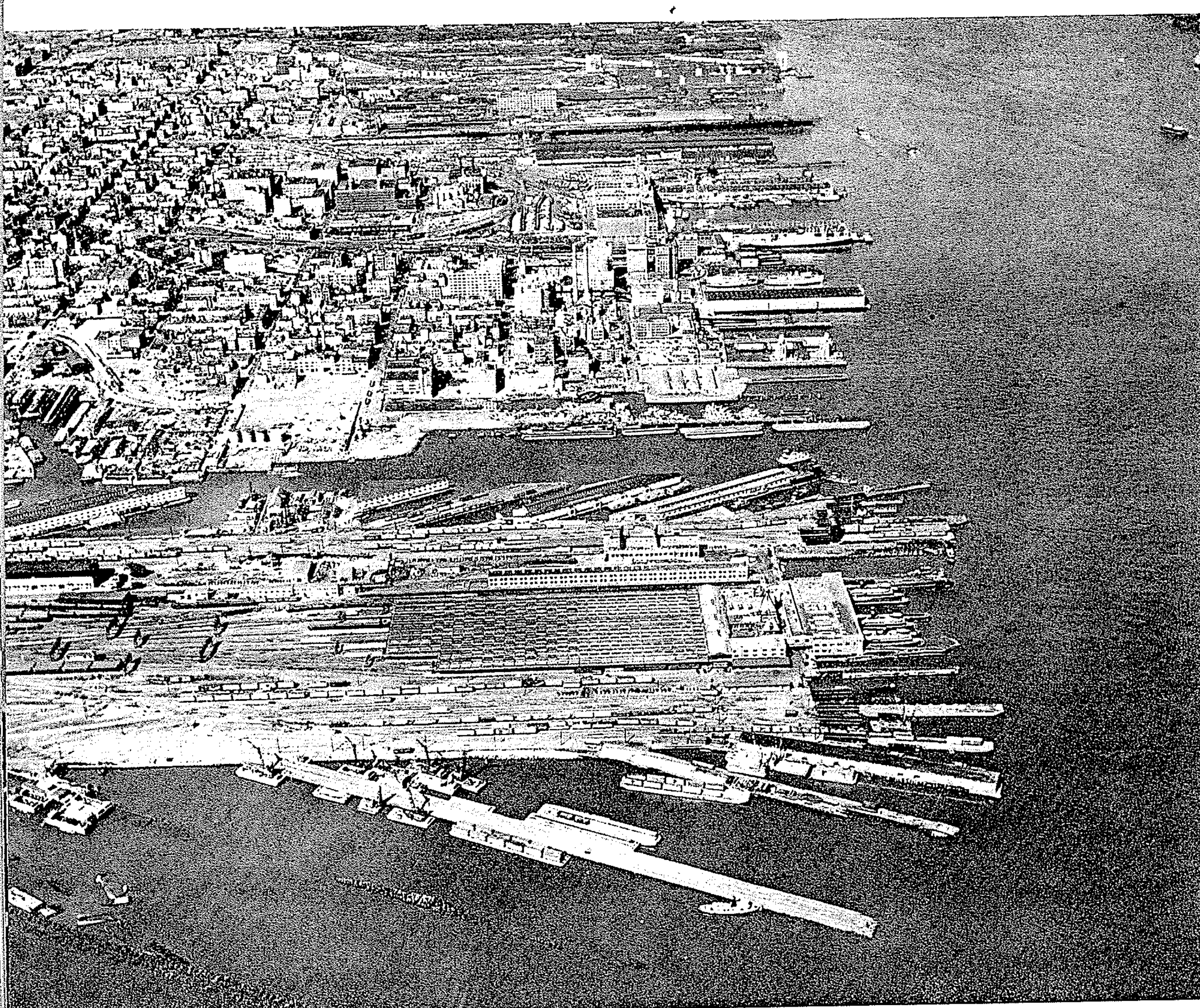
Matthias E. Lukens, First Assistant to the Executive Director of the Port Authority (left) discusses mutual transportation interests with General Gerard Dupont (center) Delegate General of the Union Transport Federations, Paris, France. At right is interpreter.

Chairman Cullman (left) and Edward F. Cavanagh, Jr., Commissioner of the New York City Department of Marine and Aviation, in a light moment at the 40th Annual Meeting of the American Association of Port Authorities.

The U.S.S. *Independence* berthed at Pier 84, North River, New York.



The Port Authority standard waves its greeting to the magnificent United Nations Building during a harbor tour by New York Legislators.



Aerial view of Jersey City shows Central Railroad of New Jersey at Communipaw (foreground). Lehigh Valley Railroad piers and Pennsylvania Railroad Harborside Terminal are also shown.

Port Protection

During the year 1951 the Port Authority intervened formally in twenty-three proceedings before the Interstate Commerce Commission, in four before the Federal Maritime Board and in one before the New York State Public Service Commission. In addition, we participated in numerous hearings, conferences and negotiations with rail, truck and water carriers on proposed charges and services.

Interstate Commerce Commission Rate Cases

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

As a result of a decision of the United States Supreme Court in December 1951, affirming without argument a decision earlier in the year by a Statutory Court, the New Jersey-New York Port is in a position, for the first time in forty-five years, to compete for the handling of export grain on the basis of a parity in inland rail freight rates from Great Lakes territory.

Since 1907, the New Jersey-New York Port District has suffered from a freight rate handicap on the movement of ex-Lake export grain from Buffalo, due to a combination of a lower freight rate and doubled free time before accrual of elevator storage charges at the ports of Baltimore and Philadelphia. These competitive ports have been favored by a total differential on export grain of 33 cents a ton, a serious factor in controlling the routing of a commodity peculiarly sensitive to shipping costs. This has resulted in a critical diversion of export grain away from the Port of New York.

The full impact of the lower rail rate to Baltimore and Philadelphia was felt after 1935 when the ocean rates, which formerly favored the Port of New York, were equalized at all North Atlantic ports. In 1941 the major part of the total export grain moving from the Great Lakes through the ports of New York, Philadelphia and Baltimore still moved through the Port of New York. By 1948, however, the New Jersey-New York Port's share had dropped to 18 per cent of the total.

In 1949 the New York railroads took the initiative in meeting the lower inland rail rate at the other ports. The new schedules were suspended by the I.C.C., however, on complaint of the Baltimore-Philadelphia commercial interests, including the railroads serving those ports. Following extensive hearings in which the Port Authority figured prominently, the I.C.C. denied the rate equalization but approved the equalization of free time. A petition to the I.C.C. for reconsideration was denied in 1950.

An appeal was taken in April 1951 by the New York railroads and the Port Authority to a Federal Statutory Court, sitting in Boston. It challenged the right of the I.C.C. to deny the right of voluntarily meeting competition by rate equalization in the absence of any showing of discrimination or other unlawfulness. The three-judge court, in an opinion dated July 30, 1951, overruled the I.C.C. and upheld the right of the New York railroads to meet competition. Upon appeal by the Baltimore and Philadelphia interests, the Supreme Court affirmed the lower court decision without argument in December 1951.

It is expected that the New York railroads will publish the new equalized rates to become effective early in 1952. The equalization of the rates and the free storage period will do much to bring this important traffic to the New Jersey-New York Port, restoring employment to both land and floating elevators in the harbor and to labor engaged in the handling of grain.*

2. Joint Harbor Rates to Edgewater (New Jersey) Docks (Docket 29891)

In November 1951 a Statutory Court upheld the I.C.C. decision directing the railroads serving the New Jersey-New York Port to establish through rates and routes to the Edgewater, New Jersey, docks on a parity with those applying by all-rail connections to Hoboken piers and by lighterage to all New York Harbor points. The Port Authority, since 1947, has actively cooperated with the Borough of Edgewater and Bergen County in seeking action by the harbor railroads to establish such rates, thus providing access to piers on this portion of the New Jersey waterfront by all-rail routes.

The I.C.C., after lengthy hearings, issued a final order on the subject in January 1951. The railroads,

*While the new export grain rates have gone into effect the Baltimore-Philadelphia interests are counterattacking before the Interstate Commerce Commission in new efforts to reestablish their advantages. Hearings are scheduled for September 1952.

with few exceptions, hitherto had refused to maintain joint rates and through rates by rail connection via the New York, Susquehanna & Western Railroad to the Edgewater docks. By requiring shippers to pay substantially higher rates, they discriminated against this portion of the harbor. Argument was made and briefs were filed in September before a Statutory Court on a railroad request for a permanent injunction, the railroads alleging that the I.C.C. had improperly interpreted the facts and the law.

The Statutory Court decision of November 4, 1951, reminded the railroads that the proceedings had been extended more than three years without the relief ordered by the Commission for the Borough of Edgewater, Bergen County and the public. Since the Court had no serious doubt of the validity of the Commission's order, it saw no reason to warrant a stay pending appeal.

In its report of February 10, 1949 to Governor Driscoll on the development of the New Jersey waterfront, the Port Authority pointed out the importance of this proceeding to increased economy in Port transportation. In addition to aiding the development of the Edgewater waterfront and promoting the unity of the Port from a rate standpoint, the 1951 court action is an important step toward the more flexible utilization of piers on the New Jersey side, which are served by the rails of individual railroads and are not open to competitive railroads except through lighterage.

All carriers now reach every pier by lighterage service. There are, however, only a few points where the New York Harbor rate applies by all-rail connections. Edgewater now will be added to the list which in the past has consisted primarily of Port Newark, Hoboken and the Naval Base at Bayonne.

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

Since 1948, the Port Authority has opposed the position of South Florida ports seeking a preferential handicap against the New Jersey-New York Port on import-export rail rates to and from the Midwest. These rates are similar to the lower rates applying via other South Atlantic and Gulf ports. We opposed any reduction below the New York Harbor rates, citing the competition on Cuban and Caribbean traffic. Such rate competition is not reasonable in that it gives an arbitrary advantage to South Florida ports whose inland rail hauls greatly exceed those via the Port of New York.

In July 1951 the I.C.C., for the third time, denied this proposal. At the close of the year, the South Florida ports had again filed a petition for rehearing. The Port Authority will again oppose rates under those applicable at this harbor.*

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

Since 1947, the Port Authority has vigorously opposed the imposition of additional charges by the railroads for unloading of fruits and vegetables at New York pier stations. Such charges add $3,000,000 a year to the metropolitan food bill. In addition, they threaten to deprive consignees of their right to have their freight delivered at an accessible point under the standard rail rate.

When the I.C.C., by a closely divided vote, failed to disapprove the unloading charges in 1948, the Port Authority, shippers and receivers immediately petitioned for a rehearing, which was granted in 1949. When additional evidence was submitted, two I.C.C. Examiners recommended cancellation of the added charges. The Commission again reopened the case, however, in order to obtain cost data from the railroads.

The Port Authority early this year, in cooperation with the City of New York and produce shippers and receivers, retained a consulting engineering firm to prepare a report on the costs to the railroads for adequate Manhattan team tracks to permit consignees to take standard dryland delivery of freight.

This survey proved the economy to the railroads of placing the produce on pier station platforms rather than spending large sums for land facilities. It was presented to the I.C.C. Examiner in June 1951, and oral argument was made before the full Commission on November 26, 1951.**

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

In 1950, the railroads serving Baltimore published a sharply reduced rate on superphosphates moving from Baltimore, Maryland, to Lyons, New York, a location on the New York State Canal system. This rate-cutting, which equalized the rate from New York, was based on alleged potential water competition from ocean-going motorships between Baltimore and Lyons.

*The South Florida Ports Complaint was denied for the fourth time in 1952.

** The I.C.C. issued its final decision in May 1952 in the Fruit and Vegetable Unloading Charge Case which, in effect, approved lower added charges. The Port Authority and others are taking new action to fight this decision.

Lyons is served by barge tows from Carteret, New Jersey, and other points in the New Jersey-New York Harbor. The water competition from Baltimore, however, is hypothetical.

The Port Authority, at an I.C.C. hearing in February 1951, pointed out that since there was no water service between Baltimore and Lyons, the proposed reduction in rail rate from Baltimore was not justified. In August, the I.C.C. agreed that there was insufficient justification for the reduction and found the rates to be unjust and unreasonable.

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

In 1950, the Port Authority supported a proposal of the railroads serving the North Atlantic ports to meet the competition of carriers serving southern ports on the movement of imported coffee to the Midwest. Rate reductions at North Atlantic ports were needed to preserve the inland rate relationships from Gulf and South Atlantic ports where rates already had been reduced. The Port Authority presented testimony in January 1951 and filed its brief in February. No decision has as yet been made by the I.C.C.

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

We are also supporting the eastern railroads in their effort to meet proposed lower rates published by the railroads serving Gulf ports on import sugar moving to the Midwest. In November, the Port Authority participated in oral argument in urging the adjustment so that the New Jersey-New York Harbor will not be further handicapped in competing for this important commerce. The I.C.C. decision is pending.

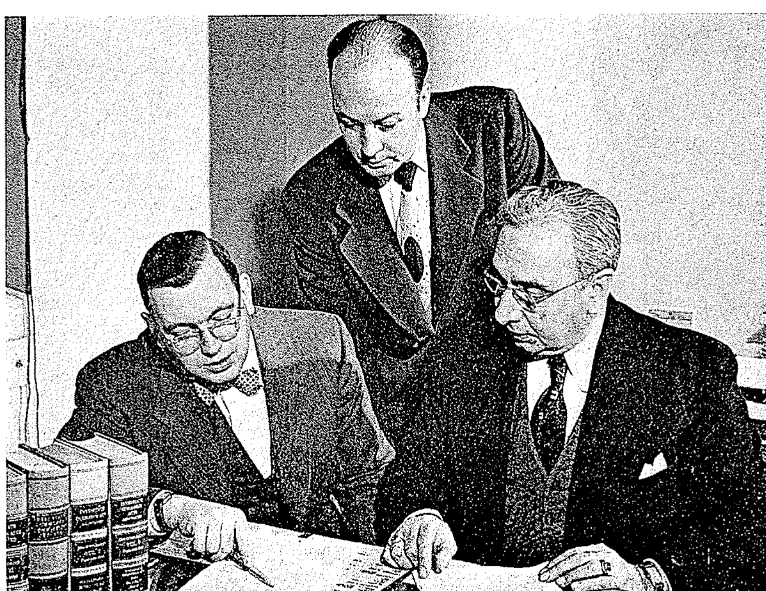
8. Rail Rates on Sulphur, Louisiana and Texas to Great Lakes Ports (I & S Docket 5873 and Fourth Section Application 25541)

When coastwise shipping was terminated during the war, large volumes of sulphur for industrial usage, normally moving from Louisiana and Texas mines by coastwise steamship service via the Port of New York and the New York State Canal to Great Lakes ports such as Cleveland, Detroit, Erie and Buffalo, shifted to the interior railroads or to the subsidized Federal Barge Lines on the Mississippi River.

Upon resumption of coastwise shipping after the war, railroads serving the south and Great Lakes published rate reductions on sulphur to forestall a shift back to the pre-war routes. The Port Authority promptly protested these reductions. At I.C.C. hearings in March 1951, we argued the public necessity of allowing the coastwise lines to re-establish movement of this important commodity with all-water routing through the Port of New York. Briefs were filed in October and the Commission's decision is awaited.

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

The southwestern railroads attempted to forestall re-establishment of coastwise movement of cotton



Port Authority Traffic Manager Edward K. Laux (right) discusses with Assistant Traffic Manager Philip G. Kraemer the preparation of a complaint against revised charges for unloading fresh fruits and vegetables from freight cars on carfloats delivered at New York pier stations, while Assistant Traffic Manager George Gundersen looks on.

linters (a cotton by-product used in mattresses and cushions) from Gulf ports to the New Jersey-New York Port District by raising sharply the rail component of the combined rail-water rate from interior origin points in Texas, Louisiana and Oklahoma to the Gulf ports. The Port Authority presented testimony in March 1951 on behalf of the water-rail rates which would permit continuance of the domestic coastwise service. In October, the I.C.C., finding the proposed rail increases unjust and unreasonable, ordered them cancelled.

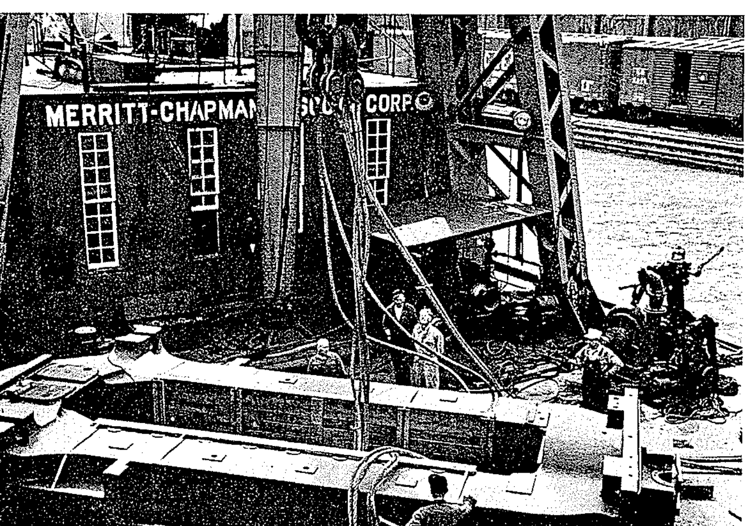
10. Pan-Atlantic Steamship Corporation Certificate Extension (Docket W-376, Sub 10)

In 1950, the Pan Atlantic Steamship Corporation, which provides service between the New Jersey-New York Port and South Atlantic and Gulf ports, applied for an extension of its certificate to include Galveston and Houston, Texas. The Port Authority recommended that the line be given a certificate to these ports, subject to review after one year to determine whether the extended service had generated new business or merely redistributed existing tonnage handled by two other operating steamship lines. In August 1951, the I.C.C. granted a permanent certificate to the line stating that the prospective business justified a third service to the southwest area. Later in the year, another water carrier instituted court action which has prevented the establishment of the Pan Atlantic service to Galveston and Houston up to this time.

11. Coastwise Steamship Rates and Service, New York-Savannah (Dockets 13494, W-543 (2), I & S 5946 and Finance Dockets 17225 and 17357)

Prior to World War II, the Ocean Steamship Company of Savannah provided coastwise service between the New Jersey-New York Port and Savannah, Georgia, attracting shipments not only from the local metropolitan area but also from 174 points in the New England and Middle Atlantic States. Six ships, with twelve sailings a month, handled over 400,000 tons of freight a year.

The line did not resume service after the war and Seatrain Lines applied for a certificate to provide this coastwise service to Savannah. Seatrain operates specially designed ships, each capable of transporting over one hundred loaded railroad cars from its Edgewater, New Jersey, terminal to Cuba and Gulf ports. In Octo-



A large machine housing from West Homestead, Pennsylvania, is loaded aboard States Marine Line Freighter *American Robin* at Pier 51, North River, for shipment to Belgium.

ber 1951, Seatrain also applied for temporary authority to operate this service pending final decision by the I.C.C.

In order to forestall the resumption of coastwise water service to Savannah, competing railroads proposed the cancellation of their tariffs providing for joint water-rail rates and routes.

In December 1951, service between the New Jersey-New York Port and Savannah, was resumed by Seatrain under a temporary authority from the I.C.C. The Port Authority has supported resumption of coastwise service to Savannah since it will provide an alternative service for shippers at lower rates and bring interior commerce to the Port of New York.

12. Newtex Steamship Company Certificate Extension (Docket W-896 (9))

The Newtex Steamship Company, which provides coastwise service between the New Jersey-New York Port District and Gulf ports, applied to the I.C.C. for an extension of its operating rights to include the transportation of crude sulphur from Galveston, Texas, and Port Sulphur, Louisiana, to the Port of New York. In line with its policy of encouraging the resumption of coastwise shipping, which made up 20 per cent of our shipping activity before World War II, the Port Authority has supported this application. A hearing date has been set for early 1952.*

13. Protection of Port Relationships (Ex Parte 175)

The Port Authority participated in the proceeding involving the railroads' request for a general increase in freight rates. It took no position on the reasonableness of general rate increases but sought only to protect the rate relationships between our Port and others.

As in several other proceedings before the I.C.C. since the end of the war, the Commission stipulated that the rate relationship between ports on import, export, coastwise and intercoastal freight be maintained, although rate levels generally are allowed percentage increases. Port differential advantages favoring the other Atlantic and Gulf ports otherwise would be proportionately increased, thus widening the handicap for the New Jersey-New York Port in competing for routing of commerce. At the end of the year, the railroads were expediting the readjustment in port rates in tariffs, the first of which will become effective on February 1, 1952.

Alertness on the part of our Traffic Bureau in checking tariffs filed by the railroads after the I.C.C. decision enabled us to point out that the roads serving southern ports had increased their export-import rates less than the rates to eastern ports. Subsequently, the southern rates were increased the full amount, thus preventing further discrimination against this Port.

14. Water-Rail Rates (Docket 28300)

The I.C.C., in holding hearings on a nationwide revision of railroad class rates, limited its review to all-rail rates and excluded the combination water-rail rates. In January 1951, the Port Authority supported the coastwise shipping lines in their effort to include in the investigation the consideration of a reasonable relationship between the combination rail-water rates and all-rail rates applying between identical inland origin and destination points.**

15. Motor Carrier Commercial Zones (Docket MC-37)

By virtue of an I.C.C. decision in November 1951, Port Newark is now included in the New York commercial zone for local trucking. Starting in January 1952, shippers may employ local truck deliverymen to transport freight of water-borne origin or destination between Port Newark and New York City in the same manner as on movements wholly within New York City or between Hudson County and New York City.

The Port Authority and other local interests have participated in this proceeding for many years, urging that the commercial zone for local trucking in this area be defined as the limits of the entire New Jersey-New York Port District. The report of the I.C.C. recognizes Port Newark as an integral part of the Port, and local truck delivery across the State line can now be carried on without the elaborate regulatory features which apply to interstate over-the-road carriers.

The Commission's action is a slight modification of the 1937 decision which grouped New Jersey territory east of the Hackensack River with New York. The decision required all trucking between New Jersey points west of the Hackensack River and New York to be subject to the same regulations that apply to long distance movement.

The Port Authority, Chambers of Commerce, real estate organizations, certain motor carriers and other local interests had hoped for application of the Com-

*The I.C.C. Examiner in April 1952 reported favorably on the Newtex Steamship Company application.

** In May 1952, the I.C.C. reported favorably on the water-rail rates.

mission's nationwide formula for computing commercial zones. Such action would have resulted in the inclusion of a band of communities in Bergen, Essex, Union, Middlesex and Monmouth Counties in the New York commercial zone. The decision, however, found that this would run counter to the national transportation policy by destroying interests of truckers who had already obtained certificates of convenience and necessity. One Commissioner on the three-man board dissented on this point.

16. Motor Carrier Penalty Charges at New York City

The Port Authority has participated in several proceedings during the year to urge that penalty charges not be imposed on pickup and delivery trucking services in certain areas of the Port District. As a result of new street traffic regulations adopted by New York City for the Manhattan market and garment areas, the over-the-road motor carriers imposed surcharges to cover alleged higher costs. The Port Authority protested these penalty charges but the Interstate Commerce Commission and New York State Public Service Commission failed to suspend the rates.

Following the enactment of the New York State highway use tax which became effective in October 1951, the motor carriers filed tariffs calling for surcharges on shipments moving through, to or from the State of New York, including the Port of New York. The attempt to penalize communities in a State and to base motor carrier rates upon a particular State tax is discriminatory and unprecedented in transportation rate procedure. The Port Authority protested these surcharges to both the I.C.C. and the New York Public Service Commission.

The New York State agency failed to suspend the rates but have scheduled them for investigation (Case 15534). The I.C.C., however, suspended the surcharges proposed by the Middle Atlantic, East Central, New England and other carrier groups with the expectation that hearings will be held in 1952 (I & S M-3929).

The motor carriers have published new rules and charges applying to the pickup and delivery of truck freight, including pickup and delivery inside buildings. Following protest and suspension of the tariff, the Port Authority intervened in April 1951. We recommended that no added charges be assessed at buildings equipped with elevators capable of lifting trucks to shippers or consignees in the building (I & S M-3509, M-C-1189).

There are several such buildings in the New Jersey-New York district, including the Port Authority Building at Eighth Avenue and Fifteenth Street, Manhattan, built at heavy cost to permit economic truck delivery to upper floors. Failure to except these buildings from the added charges would penalize efforts to relieve street congestion and reduce delivery costs.

The motor carriers agreed with the Port Authority's position and offered to make exceptions in the case of buildings equipped with adequate truck elevators.

17. Rate Equalization on Imported Cheese and Meats

The Safeway Truck Lines, Inc. published rates on imported cheese and meats to certain Midwest points from the New Jersey-New York area, equalizing the rates from the Gulf ports. This is an important move in eliminating the inland rate disadvantages to New York in competition for foreign trade.

The new rates have been suspended by the I.C.C. and the tariff set for investigation on complaint of other carriers. The Port Authority, of course, has intervened in support of the equalized rates.*

18. Loading and Unloading Charges on Water-borne Freight (Docket 30446)

In 1950 the Port Authority intervened in a proceeding before the I.C.C. on a complaint by certain Baltimore private terminals against discriminatory arrangements under which the railroads absorb loading and unloading charges on water-borne freight at certain steamship terminals in Baltimore, Philadelphia and Norfolk, and not at others. We participated in the case because the issues were analogous to the situation at various parts of the New Jersey-New York Port.

In August 1951, the Commission found that the railroads' refusal to absorb these loading and unloading charges at privately owned piers was not discriminatory and dismissed the complaint. The private Baltimore terminals have petitioned for reconsideration.

Federal Maritime Board Cases

1. Operating Subsidy for New York and Cuba Mail Steamship Company (Federal Maritime Board Docket S-24)

In 1951 the New York and Cuba Mail Steamship Company applied to the Federal Maritime Board for resumption of an operating differential subsidy on its

*In May 1952, the I.C.C. Examiner's proposed report upheld the Port Authority position on cheese and meat rates.

service from New York to Mexico to permit competition with foreign flag lines. The Port Authority supported this request so that the line might continue to provide the New Jersey-New York Harbor with service to Cuba, the Gulf and East Coast of Mexico. This steamship service permits local business to meet Midwestern competition in these southern markets.

In August, the Federal Maritime Board granted the subsidy, quoting in its decision the Port Authority's testimony on the importance of the availability of this steamship service to the New Jersey-New York area.

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

In December 1950, the Port Authority filed a complaint with the Federal Maritime Board requesting cancellation of the penalty charge of one dollar per ton assessed by foreign-flag ocean carriers on wood pulp from ports in Sweden for discharge at the New Jersey-New York Port. This penalty charge against our harbor has caused diversions of wood pulp to competing ports.

In testimony presented in May 1951 and in a brief filed in October, we pointed out that most of the wood pulp brought into this harbor is discharged at Port Newark, where facilities and services have been vastly improved during the three years of Port Authority management. The evidence advanced by the steamship lines in supporting this penalty charge was largely based on conditions existing prior to these Port Newark improvements. The decision of the Federal Maritime Board is still pending.*

3. Steamship Wharf Practices by Railroads (Federal Maritime Board Dockets 700 and 708)

The Port Authority is participating in several proceedings before the Federal Maritime Board to test the Board's jurisdiction over pier practices of the railroads at steamship terminals controlled by the railroads. These proceedings involve complaints by trucking companies and intercoastal steamship lines. The railroads for many years have granted free dockage and other uneconomic concessions to ships at their wharves and piers at a loss of millions of dollars in revenues. This competitive practice throws a burden on other railroad users and is a serious threat to the future ability of private and public marine terminal operators to provide and maintain essential facilities on a self-supporting basis.

The Federal Maritime Board Examiner has issued a proposed report in Docket 700 involving the trucking complaints, establishing jurisdiction and recommending that the discrimination at railroad piers on charges, free time and storage provisions favoring freight delivered to the railroads, be found unjust and unreasonable. The proceedings now await final decision of the Board. Through a Committee of the North Atlantic Ports Association, the Port Authority, together with private and other public terminal operators, continues to urge upon eastern rail carriers a voluntary policy of charging minimum dockage rates to eliminate revenue losses to all terminal operators as well as the railroads themselves. The matter is now under consideration by a special committee of railroad executives.**

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

In January 1951, the Port Authority filed its brief with the New York State Public Service Commission in connection with the general investigation of motor carrier rates which has been in progress over the past several years. This study involves the entire motor carrier rate structure of intrastate motor carriers in New York. We called for protection of the Port of New York District and urged the Commission to prescribe uniform rate zones within the District so that the economic unity of the metropolitan area would be maintained. The decision of the Commission is still pending.

Carrier Committee Hearings and Discussions

The Port Authority's Traffic Bureau continued, during the past year, to keep in close touch with all traffic matters relating to rates, services, routes and practices of rail, truck and water carriers affecting the commerce of the New Jersey-New York Port District. Bureau representatives, in addition to their participation in proceedings before regulatory agencies, appeared before many hearings of carrier committees to urge that rates and rules at this Port be maintained on a competitive basis with other Atlantic and Gulf ports. In many instances, our recommendations have been adopted.

*In March 1952, the Examiner recommended that the discrimination on wood pulp be removed, upholding our position.

** In February 1952, the Federal Maritime Board decision in Docket 700 upheld our position on their jurisdiction over railroad pier charges and practices.

In 1951 we appeared at carrier committee meetings to initiate, support or oppose more than 150 rate proposals involving the Port of New York. Of sixty-five actions taken by the committees on these proposals, fifty-three were in accordance with our views. The competitive inland rate position of the Port was restored on many important items, including chemicals, alcohol, cocoa beans, dried beans, china clay, coffee, gypsum rock, drugs and medicines, fertilizers, internal combustion engines, latex, canned milk, machinery, bauxite, chrome, manganese and copper ores, pig iron, iron and steel articles, fruits and spices, crude sulphur and lumber.

We continued to urge the New York Harbor railroads to modify their local rules under which heavy lift charges are assessed on shipside lighterage deliveries weighing more than three tons. Railroads at other ports do not make these charges, and the Port of New York is therefore handicapped in attracting this type of cargo.

We were successful in our efforts to convince steamship companies to withhold an increase in penalty charges on import freight held on their piers more than five days. They modified their proposal and agreed to confine penalties to 10 cents per hundred pounds for the second period of holding time, from six to ten days after the expiration of free time. Originally, the companies proposed a rate of 20 cents for such holding time. The higher rates would have placed us at a disadvantage as compared with competing ports.

We supported the action of three New York railroads when they voluntarily increased their allowances to consignees performing their own lighterage on bulk vegetable oil moving through the Port of New York. The new $1 per ton allowance which became effective on December 1, will permit the Port of New York to compete with other ports for this type of cargo.

Miscellaneous Port Protection Activities

Our Traffic Bureau in 1951 issued six traffic advices to keep some 2,000 traffic managers and shippers throughout the country informed of the advantages available to them in the Port of New York. The traffic advices include local rate and service information.

The Director of Port Development was requested to testify before the New York hearings of the Kefauver Committee in March 1951 on complaints we have received from shippers about the charges and practices of loading and unloading water-borne freight at local shipping piers. The New York State Fact Finding Commission, appointed at the time of the waterfront strike here in the fall of 1951, also requested that we furnish these data.

New Jersey-New York Harbor Radar

The Port Authority Commissioners on February 9, 1951 authorized the establishment of an experimental Harbor Radar Information Center at Fort Wadsworth, Staten Island, to test the feasibility of the use of radar in transmitting information to ships on their positions in relation to channel markers and other craft during periods of poor visibility in the Port of New York.*

At the same time, the Commissioners authorized an expenditure of $45,000 for the experiment. The Sperry Gyroscope Company, Inc. of Great Neck, Long Island, and the Raytheon Manufacturing Company of Waltham, Massachusetts, furnished and maintained without charge the radar equipment involved in the shore-based experiment. It is housed at a site made available by the United States Army at Fort Wadsworth, and the project is directed by a Port Authority staff. The Port Authority also has provided the necessary radio transmitting station, a number of walkie-talkies for ship-to-shore communications and other miscellaneous equipment.

The four principal objectives of the experimental operation of the Harbor Radar Information Center are:

1—To determine whether or not the use of a shore-based radar system as a navigation aid is feasible in New York Harbor with its complex configuration and heavy traffic.

2—If it is found to be feasible, to demonstrate its effectiveness to masters, pilots, ship owners and other interested parties.

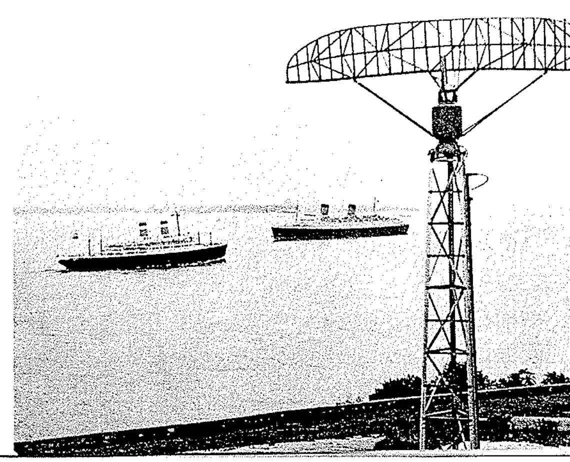
3—To determine how far the costs of a permanent system would be exceeded by the savings to shipping lines through the avoidance of costly delays.

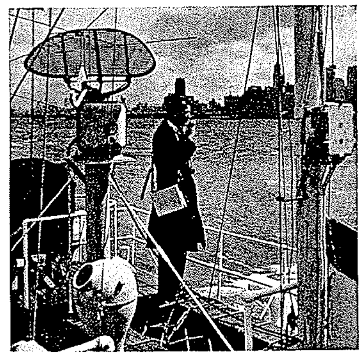
*On November 8, 1951 the Port Authority Commissioners authorized a six-month renewal of the harbor radar experiment at Fort Wadsworth at a cost of $30,000, and on June 12, 1952 authorized an additional period not to exceed nine months at a cost of not more than $20,000.

The second renewal was authorized following the receipt of a request from Admiral Edmund J. Moran, Chairman of the Harbor Radar Advisory Committee, whose members include representatives of the shipping lines, pilots associations and government agencies, that we continue the test installation in stand-by operational conditions to permit the shipping interests and the pilots to get together on some plan for a permanent operation.

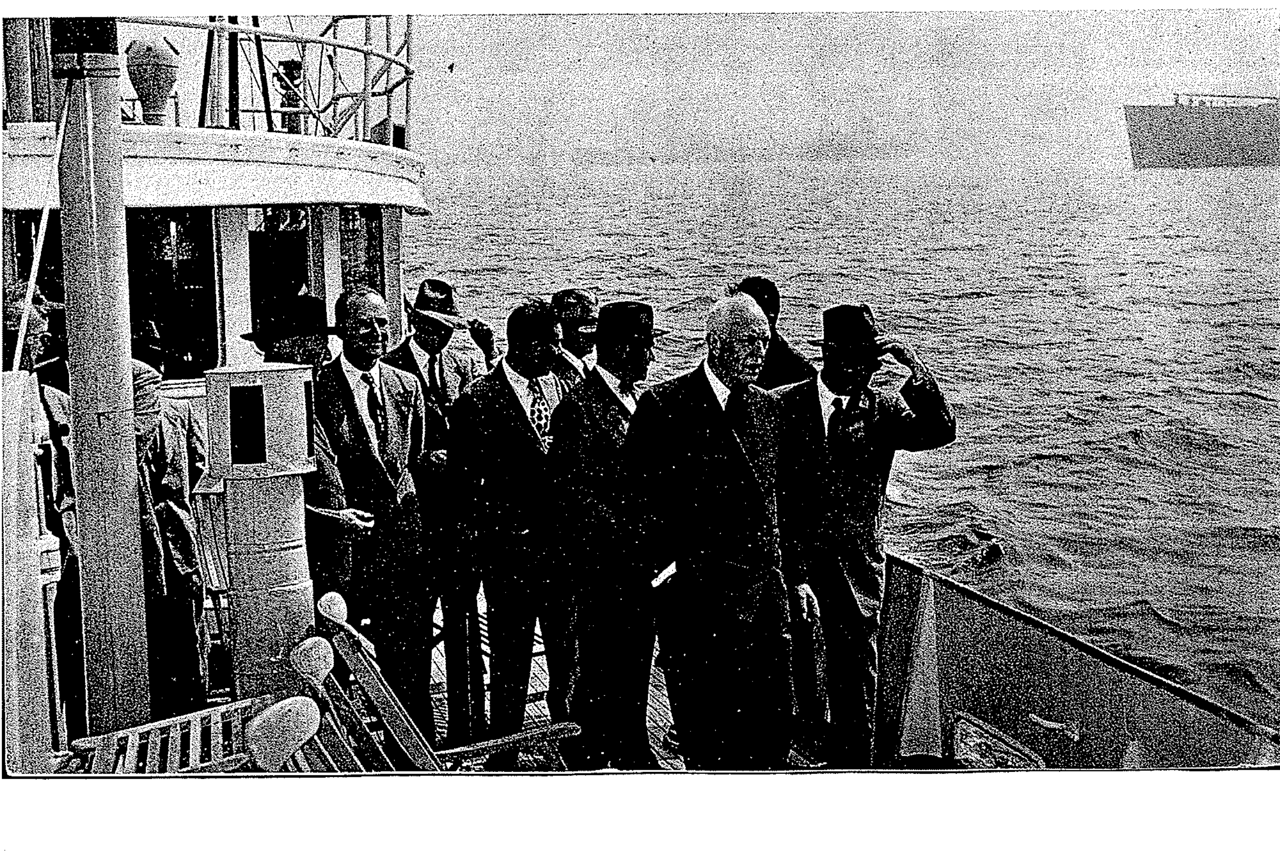
The Port Authority also received a communication from Rear Admiral W. S. DeLany, Commandant, Third Naval District, requesting permission for United States Navy to participate in the operation of our installation for personnel training purposes.

Port Authority experimental harbor radar test operation began with "shake-down" to determine range and accuracy of equipment, and to train project staff at Harbor Radar Information Center, Fort Wadsworth, Staten Island. Tests later were extended to deep-sea ships. Top left: Operator plots ship's position on Information Center radar scope. Top right: Chief of Planning Division Frank W. Herring uses ship-to-shore radio to confirm location as established by Information Center, as Visual Presentation Supervisor A. H. Simpson looks on. Lower left: Radar scope presentation, with superimposed outline of New York Harbor. Lower right: Radar Information Center antenna rises above ships steaming through the Narrows.





Captain H. Milde (left) and Pilot Captain P. Cullison check the location of the S.S. *Washington* with Harbor Radar Information Center operators at Fort Wadsworth, Staten Island. Upper right: Project Director John Culbertson makes radio contact with Radar Information Center from Sperry Corporation experimental ship *Wanderer*. Bottom: Port Authority Commissioners and Staff view Staten Island radar station during harbor tour. Left to right: Commissioners Armstrong, Hamilton and Sly, Chief of Port Planning Division Herring, Vice Chairman Byrne, Director of Port Development Hedden, Commissioner Pope and Executive Director Tobin. Commissioner Lowe is at extreme left.



4—In the event harbor radar proves to be both operationally and economically feasible, to develop equipment specifications and operational procedures suitable for a permanent harbor radar installation.

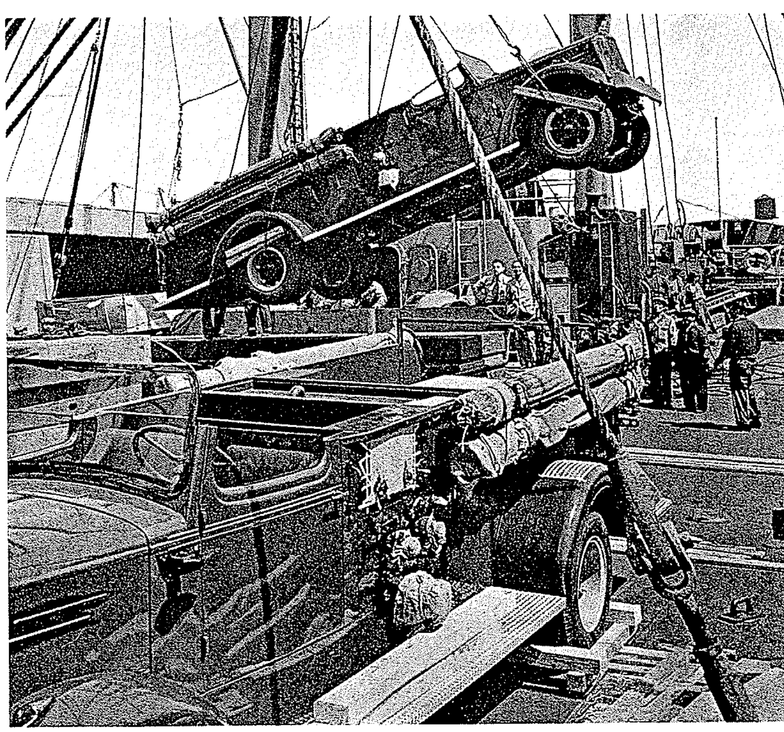
The Port Authority experiment followed more than a year of preliminary staff study of the use of radar at Liverpool, England; Long Beach, California, and other ports. Many ships using the facilities of the New Jersey-New York Port are equipped with radar gear to aid in their navigation. Use of shore-based radar for marine traffic, however, is limited to a few ports in this country and abroad. Radar is used extensively at airports throughout the United States for general surveillance of regional air traffic and for the direction of the approach and landing of aircraft during periods of low visibility.

The apparent need for a radar system in New York Harbor is based on the costliness of delays to shipping caused by low visibility conditions. Weather Bureau data indicate that on the average there are 480 hours a year during which visibility at the Battery is less than one mile. Conditions in Lower New York Bay are roughly comparable, although the prevalence of fog in this area is often unrelated to weather in the Upper Bay.

Reports received from shipping companies during the past year permit tentative estimates of the out-of-pocket delay costs due to additional ship and pier expenses. Varying with the size and type of ship and the nature of its cargo, these costs appear to range from $100 to $1,500 per hour of delay. It is estimated that the losses for an average year would reach $500,000. This does not take into account additional operating losses that may be unreported nor capital costs involved. The magnitude of these losses clearly shows that there is an economic incentive for developing a harbor radar system in New York Harbor.

Federal Barge Lines

The United States Government in 1924 established a Federal Barge Line system on the Mississippi River



A Mack fire engine is loaded on the S.S. *Maipo* at 57th Street Pier, Brooklyn, en route to Chile.

in an effort to promote barge traffic. Although the Government planned to dispose of the system promptly to private operators, barges are still Federally maintained at low cost rates. The subsidized operation of this system competes unfairly with the privately owned and operated lines on the Mississippi, as well as the New York State Canal System and the railroads serving the Port of New York. In 1951, therefore, we continued to oppose before Congress the extension of federal grants to the line. We particularly opposed the financing of new extensions of a project which the Federal Government 30 years ago indicated was to be only temporarily financed. No new financing was approved during the year.

New York State Barge Canal

As in previous years, in 1951 we cooperated with Federal and State officials in promoting the improvement of the New York State Barge Canal which provides a direct water link between the Great Lakes and the New Jersey-New York Harbor. Our efforts included close cooperation with the barge line operators and shippers to encourage the increased use of this important means of transportation.

The St. Lawrence Seaway

Our Director of Port Development in April 1951 appeared before the Public Works Committee of the United States House of Representatives to express the Port Authority's opposition to the navigation features of the proposed St. Lawrence Seaway. He presented testimony to the effect that Federal construction cost estimates were unrealistically low, and tonnage estimates ridiculously high. The Port of New York would suffer from the diversion of from three million to four million tons of premium foreign commerce a year with a consequent loss of a billion dollars in payroll. In addition, New York and New Jersey taxpayers would be called upon to pay fifteen million dollars a year to make up their share of Federal financial deficits.

The Seaway Bill was tabled by the House Public Works Committee in July 1951. A revised bill was later introduced and hearings began in October which were not completed by the end of the session. It was expected that the issue would be revived in 1952.*

*On June 18, 1952, the Senate, by a vote of 43 to 40 disapproved the Seaway Bill by returning it to the Foreign Relations Committee.

Port of New York Channels

During the past year the Port Authority, as in several previous years, continued to urge a more equitable allocation of Federal funds for the improvement of channels in the New Jersey-New York Port. Since World War II, the Port of New York has been allotted less than 3 per cent of Federal funds appropriated for the deepening of all United States rivers and harbors. The unreasonableness of this small allocation can be measured by the fact that our Port handles 40 per cent of all United States foreign trade.

President Truman, in his budget message to Congress, recommended an allocation of $2,796,000 for the improvement of channels in the bi-state harbor for the fiscal year 1951-1952. This amount was approved by final action of the Congress.

We continued our close cooperation with the United States Army Engineers and local marine interests in promoting needed channel improvements in the Port. During 1951, work was completed on the deepening to thirty-five feet of the Port Newark channel and the approach to Port Newark from the Arthur Kill and Kill Van Kull by way of Newark Bay. The Port Authority reimbursed the Army Engineers in the sum of $290,000 for dredging that portion of Port Newark channel for which we are responsible. We also helped locate spoil disposal areas for placing the dredged material. The work will be completed when certain rock excavation is accomplished at Bergen Point in Bayonne, at the entrance to the Newark Bay Channel.

During the year the Port Authority reviewed sixty-three applications for channel modifications referred to us by the District Engineer of the United States Army. Our recommendations or comments were related to the effect of the various proposals on commercial navigation in the harbor.

In December we informed the Army Engineers that we were opposed to an application for permission to lay a sixteen-inch gas main only four feet below the bottom of the bay along the westerly shore of Newark Bay. We pointed out that this would seriously hamper the future development of the Elizabeth and Newark waterfronts. We suggested that the gas mains could and should be constructed under conditions that would protect navigation and access to the area. This application was also opposed by the New Jersey Department of Conservation and Economic Development, the City of Elizabeth, and various private property owners.

To protect the approaches to New York International Airport, we suggested to the New York City Board of Transportation the need for appropriately designed clearances and obstruction lighting systems for new bridges which the City proposes to build in Jamaica Bay in connection with its acquisition of the Rockaway branch of the Long Island Railroad for an extension of the New York City subway system.

Marine Borer Research—New York Harbor

The Marine Borer Research Committee of New York Harbor, of which our Director of Port Development is chairman, continued its research on this important subject. Comprised of representatives of waterfront industries and public agencies, the committee has installed test boards at about fifty strategically located points in the harbor. The Port Authority maintains three test boards—one at Port Newark, one at Outerbridge Crossing in the Arthur Kill, and one at New York International Airport in Jamaica Bay. The boards are analyzed by the William F. Clapp Laboratories in Duxbury, Massachusetts.

During the past year, and to some extent in the previous year, there has been a slight general increase in marine borer activity along the entire North Atlantic coast. This may be a part of a cyclical rise from the low point of 1948. The borers have increased in some locations, and have appeared at other test sites for the first time in many years, but there is no evidence of substantial infestation of the harbor inside of the Narrows.

Vital New York Central Railroad yards at Weehawken, New Jersey, showing close relationship between rail and water transportation.

Administration

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

The Commissioners of the Port Authority, at their annual meeting on January 11, 1951, re-elected Howard S. Cullman of New York City to his seventh term as Chairman of the Port Authority. At the same time, the Commissioners re-elected Joseph M. Byrne Jr. of Newark to his seventh term as Vice Chairman.*

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

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

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

The Commissioners of the Port Authority are:

New Jersey

Joseph M. Byrne Jr., *Vice Chairman*
Donald V. Lowe
F. Palmer Armstrong
Horace K. Corbin
John Borg
John F. Sly

New York

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

Chairman Cullman (left) congratulates Executive Director Tobin after presenting him with the Holland Tunnel Exceptional Service Medal.

Following Usual Procedure of Government Bodies, Commission Work Is Handled Originally by Committees

Under the bylaws of the Port Authority, four Committees handle the detailed work of the Board. Full Board action takes place only after original Committee action and recommendation. The administrative efficiency of the Board is greatly increased under this procedure.

The entire Board receives reports from the four Committees, and passes on all important questions of policy as well as those which require full Board action.

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

The four Committees of the Port Authority Board are: the Committee on Port Planning, the Committee on Finance, the Committee on Construction and the Committee on Operations.

Committee on Port Planning

The Port Authority's study, detailed action and recommendations on programs and policies related to terminal and transportation problems and facilities in the Port District are the responsibility of the Committee on Port Planning. This Committee has the power to authorize or arrange for Port Authority appearances before committees of Congress, as well as for intervention in proceedings before governmental boards, commissions and agencies in the interests of the people of the New Jersey-New York Port District.

*Chairman Cullman and Vice Chairman Byrne were re-elected to their eighth terms on January 10, 1952.

Members of the Port Planning Committee in 1951 were:

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

Committee on Finance

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

Members of the Finance Committee in 1951 were:

Bayard F. Pope, *Chairman*
S. Sloan Colt, *Vice Chairman*
F. Palmer Armstrong
Horace K. Corbin
John Borg

Committee on Construction

All matters relating to construction of Port Authority projects are referred to the Committee on Construction. This Committee authorizes or arranges for construction contracts within appropriations previously made by the Board.

Members of the Construction Committee in 1951 were:

Eugene F. Moran, *Chairman*
F. Palmer Armstrong, *Vice Chairman*
John Borg
Chas. H. Sells
John F. Sly

Committee on Operations

Operation and maintenance at the policy level of all Port Authority facilities and properties fall under the general direction of the Committee on Operations. This Committee has authority to act on personnel matters and appointments. It authorizes and arranges for maintenance and repair contracts, as well as for contracts for the acquisition of real and personal property within appropriations previously made by the Board for these purposes. It has authority to adopt, rescind or modify rules and regulations governing the use of facilities. In addition, it makes recommendations with respect to tolls, fees, or other charges for the use of Port Authority facilities. It authorizes leases, permits, contracts and agreements related to Port Authority facilities and properties.



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

BAYARD FOSTER POPE of New York City (left) Chairman of the Board of the Marine-Midland Corporation, is an outstanding figure in the business and banking community, as well as a leader in numerous civic and welfare organizations. In November 1951, he was awarded the gold medal of the National Institute of Social Sciences for "services to humanity." Chairman of the Community Service Society of New York, he is also a trustee of the National Foundation for Infantile Paralysis and a director and member of the executive committee of The Greater New York Fund. Prior to his association with the Marine-Midland Corporation, he was a member of the firm of Stone, Webster & Blodgett. He was appointed to the Port Authority by Governor Dewey in February 1944 and reappointed in January 1950. DONALD V. LOWE of Tenafly, New Jersey (center) is President of the Lowe Paper Company and Director of the New Jersey Manufacturers Association Insurance Companies. An officer and director of many businesses and associations, he is state chairman of the Citizens Committee for the Hoover Report. He is particularly active in school, civic and church affairs. Commissioner Lowe was appointed to the Port Authority by Governor Walter E. Edge in January 1945 and reappointed by Governor Driscoll. F. PALMER ARMSTRONG of Keyport, New Jersey (right) is President and Director of the Keyport Banking Company and Treasurer and Director of the Second Keyport Loan Association. He is a Director of the Federal Reserve Bank of New York, Second Federal District. Past President and life member of the executive committee of the New Jersey Bankers' Association, he is active in various local and state banking interests and has devoted much of his time to the public service. He was President of the Keyport Borough Council and Chairman of its Finance Committee. Commissioner Armstrong was appointed to the Port Authority by Governor Walter E. Edge in July 1945.

Members of the Operations Committee in 1951 were:

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

Port Authority Staff

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

He serves as the chief executive officer of the Staff and, like the president of a corporation, is responsible to the Board for carrying out its policies.

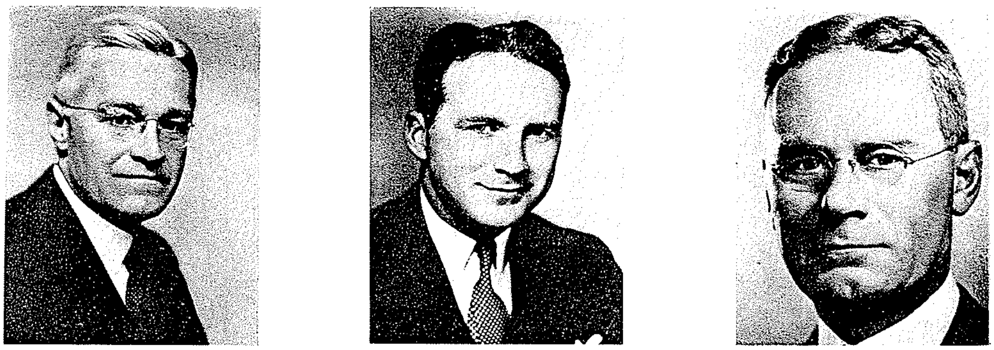
Members of the Port Authority Staff include:

J. E. Carroll............Director of Terminals
Joseph G. Carty............Secretary
Karl G. Clement............Comptroller
Robert S. Curtiss............Director of Real Estate
John D. Foster............Personnel Director
Fred M. Glass............Director of Aviation
Sidney Goldstein............General Counsel
Walter P. Hedden............Director of Port Development
Lee K. Jaffe............Director of Public Relations
A. L. King............Director of Marine Terminals
Dr. S. I. Kooperstein............Medical Director
C. J. Kushell Jr............Director of Finance
John M. Kyle............Chief Engineer
Matthias E. Lukens
First Assistant to Executive Director
D. N. Mandell
Deputy Director of Tunnels and Bridges
James Clark McGuire
Director of Purchase and Administrative Services
Thomas S. Menkel
Special Assistant to Executive Director
Eugene A. Mintkeski............Treasurer
A. Z. Schneider............Assistant to Executive Director
Billings Wilson............Director of Operations

Port Authority Personnel

At the end of 1951, the Port Authority Staff totaled 3,322, an increase of 144 over those employed at the end of 1950. This $4\frac{1}{2}$ per cent increase indicated a leveling off of the Staff, as compared with the sharply increased number employed by the Port Authority over the past few years with the increase in the number of facilities and services.

On September 13 the Commissioners authorized a forty-hour week for Port Authority police. This 4.5-



S. SLOAN COLT of New York City (left) President and Director of the Bankers Trust Company since 1931, entered the banking business in 1914. A leader in financial, business, civic and philanthropic affairs of his community, he was President of the New York State Bankers Association in 1935. A Corporal when he entered World War I, he rose to the rank of Major. Commissioner Colt was appointed to the Port Authority by Governor Dewey in April 1946 and reappointed in February 1950. CHARLES S. HAMILTON JR., of Pleasantville, New York (center) is a member of the law firm of Sullivan and Cromwell. He takes an active interest in state and local government, was President of the New York State Young Republican Clubs, was active for many years in that organization, and was President of the New York City Young Republican Club in 1940. He was appointed to the Port Authority by Governor Dewey in June 1947. HORACE K. CORBIN of West Orange, New Jersey (right) President of the Fidelity Union Trust Company of Newark and Director of the Prudential Insurance Company and other insurance, business and industrial organizatons, is one of New Jersey's most prominent businessmen. Greatly interested in civic and philanthropic affairs, he is a charter trustee of Princeton University. Commissioner Corbin was appointed to the Port Authority in May 1948 by Governor Driscoll.

hour reduction a week in working hours made it necessary for us to hire 115 new officers in order to assure the continuance of the high standard of police efficiency at our facilities. Of the 5,905 men who applied for these and other police vacancies, 3,516 participated in tests given simultaneously at four high schools in the Port District. An eligible list of 369 was established from which the new positions were filled.

In 1950 the Commissioners established a military leave policy for Port Authority employees who volunteer or are drafted for extended duty with the armed forces. Employees on military leave retain their regular status, maintain their seniority, and are assured of employment on their return. They receive up to four weeks' pay on leaving for active military service, and their group health insurance and retirement system benefits are protected. During 1951, 110 employees were granted military leave. This brought the total number of our personnel on military leave to 143.

Personnel Policies

Personnel policies of the Port Authority compare favorably with those of the most progressive agencies of government and business. In the field of government, they are, perhaps, unique, since the Port Authority Commissioners believe that the absence of political interference in the selection and advancement of personnel is basic to the efficient functioning of the organization. Preferential consideration is not granted to any employee on account of political or other influence.

Our policy combines the best features of a government merit system with those of a private business personnel program. Merit alone controls the selection of new employees and, together with seniority, governs the advancement of Port Authority workers. Port Authority policy assures tenure of employment to permanent personnel, subject to good behavior and proper performance of duties. Employees may not be discharged, demoted or otherwise penalized except for cause and after a hearing.

The Port Authority employees are members of the New York State Employees' Retirement System. Under a group life insurance program initiated in 1950, they may obtain life insurance equal to at least one-half a year's salary. The Port Authority shares the payment of some of the premiums. More than 90 per cent of our workers have enrolled and since they are entitled to a benefit of up to one-half a year's salary under the Retirement System, their estates are assured of substantial insurance in the event of their deaths while in Port Authority service. Among the important non-salary benefits enjoyed by Port Authority employees are sick leave privileges, periodic medical examinations and medical consultations.

Most employees are also members of the Port Authority Group Health Insurance Program, which provides hospital and surgical-medical benefits. The Port Authority contributes 70 per cent of the cost of membership in this program for all employees receiving salaries up to $10,000.

Port Authority employees' organizations represent them in negotiations with management. With the cooperation of the Port Authority, the employees have independently and voluntarily organized many group activities in which hundreds of employees participate to develop social as well as working relationships.

Salary Administration

The Port Authority Commissioners have believed for many years that salaries, working conditions and opportunities for advancement must compare favorably with those in progressive private industry if properly qualified candidates are to be attracted to our career service.

Accordingly, each year we conduct a survey to determine the salary levels in private companies, state and municipal agencies in the metropolitan New Jersey-New York area.

In the spring of 1951, it was decided to raise the salaries of certain employees immediately, in view of the salary trends observed in this area at the time, rather than to defer the increases until our regular autumn survey.

Of our 3,213 employees in service at the end of April, 2,187 received salary increases. This added about $400,000 to our annual payroll of approximately $13,400,000 as of April 30, 1951. It brought the salaries of our employees earning less than $9,500 to about 10 per cent more than our January 15, 1950 rates.

In October, our regular annual survey was made. Salaries for thirty-four key job classes in the Port Authority covering about 1,105 of our employees were compared with those of more than 53,000 workers in comparable positions at forty representative organizations in New Jersey and New York. As a result of this survey, we increased the pay of our maintenance and operating employees about 3.75 per cent. No increase was indicated for our police, clerical and administrative employees.

Our salary administration policy requires that we classify and evaluate positions to assure equitable consideration of employees on the basis of their responsibilities. During the past year we continued our periodic review of job classifications and individual assignments to keep our plan up-to-date and accurate.

Staff Training

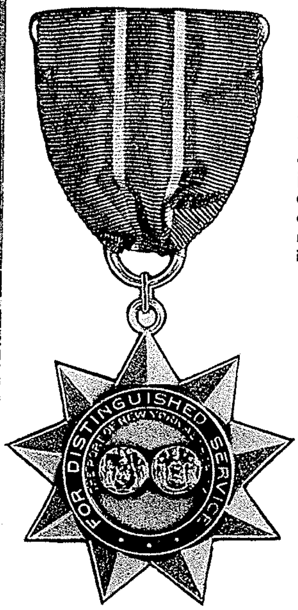
In accordance with our continuing policy to maintain a well-trained Staff, during the past year, our personnel program included fifty-two training courses. These were related to various job requirements including clerical, supervisory, technical and special activities. The courses included lectures, conferences, work assignments, practice sessions and supervised field operations. Films, charts, manuals, job sheets, models, and working equipment were used. Advisory committees of top supervisory personnel assisted the Training Division in the development of the courses.

Our Education Refund Plan was also continued

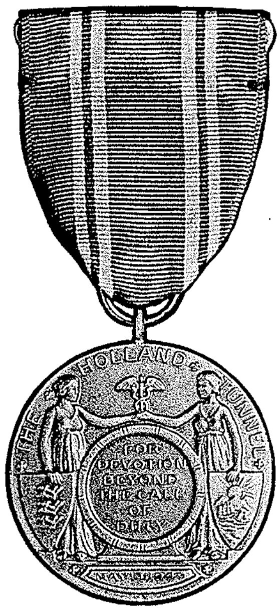
CHAS. H. SELLS of Cross River, Westchester County, New York (left) is a consulting engineer with offices in New York. Formerly Superintendent of Public Works for the State of New York, he was also Westchester County Engineer and the county's first Commissioner of Public Works. He was in charge of the building of supply lines in Iran under the Lend-Lease agreements. Commissioner Sells was appointed to the Port Authority in January 1949 by Governor Dewey. JOHN BORG of Hackensack, New Jersey (center) is Chairman of the Board of the Bergen Evening Record, Hackensack. Until recently he was the publisher of this major New Jersey daily newspaper. Earlier in his career Commissioner Borg served the Port Authority from July 1938 until January 1945 under appointments by Governor A. Harry Moore and Governor Walter E. Edge. He was reappointed to the Commission by Governor Driscoll in May 1950. JOHN FAIRFIELD SLY of Princeton, New Jersey (right) is Professor of Politics at Princeton University and Director of the Princeton Surveys in State and Local Government. Dr. Sly has taught in a number of leading American universities and is the editor and author of many works in the field of state and local government. He served in the 210th Regiment of the Engineers in the United States Army in 1918. Chairman of the New Jersey State Commission on Tax Policy since 1944 and member of numerous other advisory commissions in state government, Commissioner Sly was appointed to the Port Authority in May 1951 by Governor Driscoll.

Executive Director Tobin pins Holland Tunnel Exceptional Service Medal on Traffic Officer Albert F. Neuman as fellow award winners from the Holland Tunnel look on. Left to right: Maintenance Man Michael Brennan, Mr. Tobin, Building Attendant Harry Croskey, Officer Neuman, Nurse Kathryn Dobby, Traffic Officer William Veverka, and Clerk Joseph Spelman.

Paul Rucker of Newark Airport was one of seven to receive the Authority's Distinguished Service Medal, presented on behalf of the Commissioners by Vice Chairman Byrne.



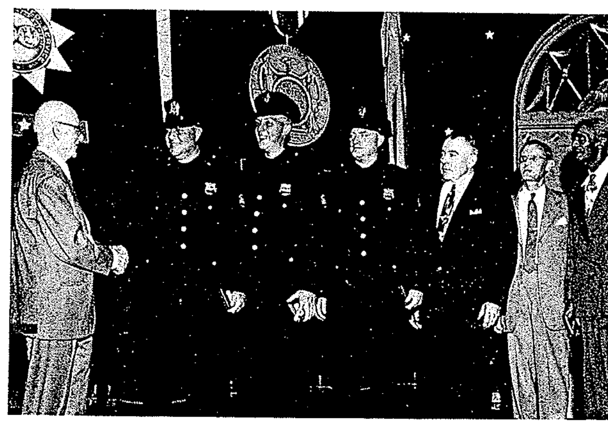
Port Authority's Distinguished Service Medal is given for "unusually efficient or distinguished service involving exceptionally good conduct, judgment or initiative." Seventeen non-executive employees have been awarded the medal since its establishment in 1944.



Holland Tunnel Exceptional Service Medal "For devotion beyond the call of duty" was presented to more than 600 employees who displayed extraordinary efficiency and courage during the Holland Tunnel fire on May 13, 1949.

Traffic Officer Herman Jaeger of the Lincoln Tunnel, (left) winner of Distinguished Service Medal in 1948, congratulates fellow Traffic Officer Roy Van Deursen, a winner of the medal in 1951.

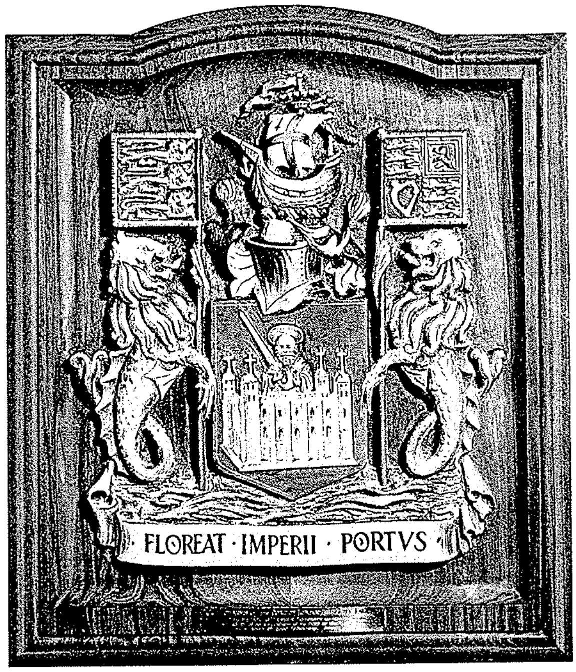
Executive Director Tobin and Mr. Schneider present Holland Tunnel Exceptional Service Medal to Traffic Officers John Conners, William Cunliffe, John Manzione, John Fogarty, and George Krieger, of the Holland Tunnel.



Police Consultant Cornelius F. Cahalane (left) elected "cop of the century" by Crime Clinic of Bergen County, New Jersey, with fellow recipients of Distinguished Service Medal, Traffic Officers LeRoy W. Schwab, George Washington Bridge; Roy Van Deursen. Henry Brinkman, Plumber Frank Gehrmann, of Lincoln Tunnel; Accountant Albert Hancock, Department of the Comptroller; and Laborer Paul Rucker, Newark Airport.

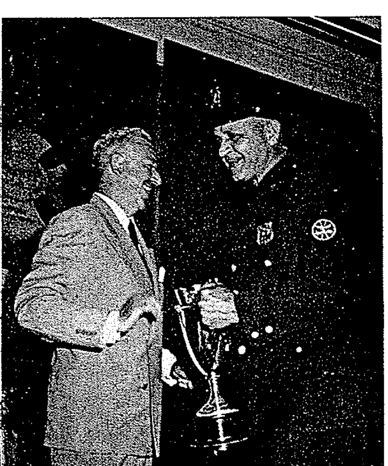
Executive Director Tobin congratulates Mrs. Concetta Colacurcio of the Bus Terminal upon receiving Holland Tunnel Exceptional Service Medal, as Assistant to the Executive Director Schneider (right) presents similar awards to Mrs. Madeline Juskus and Mrs. Margaret A. Jameson of the Port Authority Cafeteria.

Famed drama critic Brooks Atkinson (left) gathers material for a story for *The New York Times.* With him are Director of Marine Terminals Lyle King and Mrs. Lee K. Jaffe, Director of Public Relations. Mrs. Jaffe for the second consecutive year received on behalf of the Port Authority the award of the American Public Relations Association "in recognition of outstanding achievement in public relations in the field of government."



Carved walnut replica of the Coat of Arms of the Port of London Authority presented to The Port of New York Authority on the 30th anniversary of establishment of the American agency.

Vice Chairman Byrne presents Commissioners' Cup to Traffic Officer Albert Cutillo of the George Washington Bridge, ten-year winner of the Port Authority Pistol Shooting Performance Tests. Officer Cutillo now has permanent possession of three Cups and the first leg on a fourth.



Executive Director Tobin (right) pins Sergeant's badge on Bernard Loganbuhl of the Staten Island Bridges and William Monahan of the Lincoln Tunnel.

Traffic Officer Albert Cutillo (second from right) shows Commissioners' Cups to fellow pistol team members. At his left, Sergeant Joseph Lawless, Holland Tunnel, team captain; Traffic Officers Wraga, Newark Airport; Charles Ness, Lincoln Tunnel; and (right) George Michelin, George Washington Bridge.

during the past year. Under this plan, employees are reimbursed for approved courses successfully completed at nearby colleges and trade schools. During the past year, 125 Port Authority employees benefited from this program.

The growth of the Port Authority over the past several years has brought with it the usual problem of the maintenance of sources of competent supervisors. We have instituted a training program for our supervisory Staff and, in addition, have continued our trainee program. Each spring we select several young college graduates on a competitive basis for participation in a year's training in all departments of the Port Authority. At the end of the training year, the selectees are given permanent assignments with career opportunities.

Our supervisors are trained in fundamental Port Authority policies, general management techniques, and in the solution of the various human relations problems which confront supervisors in their day-to-day operations. Over the past year, 250 participated in this program.

Information Program

Port Authority employees are kept regularly informed of the affairs of the agency. In order to facilitate the distribution of information to the Staff, we issue a weekly review of Port Authority affairs to all management and supervisory people. On a more personal level, a monthly newspaper, to which employees contribute material, is provided for all employees. This comprises news of individuals and groups of Port Authority employees. In addition, this paper interprets general policy for employees and gives recognition for their achievements.

Other matters of special interest are covered by letters, notices, booklets and bulletins prepared especially for the information of the Staff. Bulletins tell of promotional opportunities and announce results of examinations. Each employee receives a personnel handbook or guide. In addition, new employees receive a portfolio which includes leaflets about the Port Authority as an organization and a place to work, booklets explaining the group health and life insurance plans, the retirement system and a copy of the employee newspaper.

Medical Service

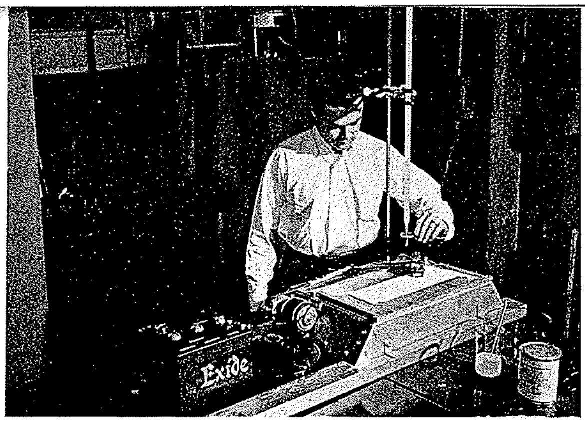
The clinics at the Port Authority Building, the Holland Tunnel and the Lincoln Tunnel, served by our Medical Department under the direction of Dr. S. I. Kooperstein, handled 19,262 visits during 1951. This included 1,387 pre-employment examinations and 2,804 periodic examinations. The latter were conducted by Port Authority physicians in accordance with our policy of providing annual examinations for all employees in an effort to maintain the health of our Staff.

Cafeteria Service

In 1951 the Port Authority Building cafeteria served 129,120 luncheons at an average price of 46 cents, and the Holland Tunnel cafeteria served 56,699 meals at an average price of 32 cents.

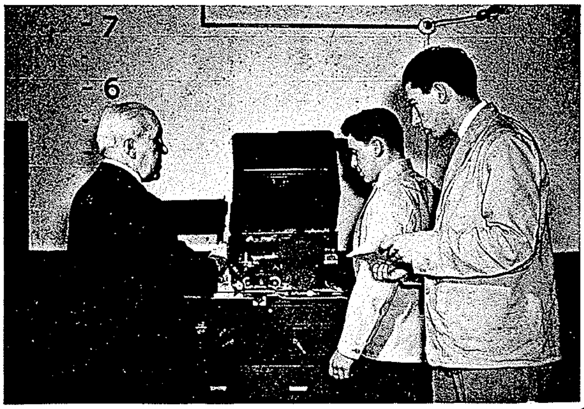
These employee cafeterias continue to provide an important contribution to the health and welfare of our personnel. Located in areas where there are few restaurants serving wholesome, nourishing food at reasonable prices, these services have played an important part in improving the efficiency of our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

Executive Director Tobin congratulates Mrs. Katherine C. Hankinson of the Department of Public Relations on the 25th anniversary of her service with the Port Authority.



Donald E. Kafka, Chemist, demonstrating new paint testing machine in Port Authority laboratory.

Eleanor V. Maxwell, Port Authority Laboratory Technician, using new blood testing equipment on Charlotte Pollack. Miss Maxwell in 1951 received a citation from Women for Achievement, Inc. "For her contribution to the field of medicine—her interest in the scientific pursuit of her profession—her duties at The Port of New York Authority and elsewhere—and because she has advanced the understanding of the races wherever she has been through the application of her belief in the brotherhood of man."

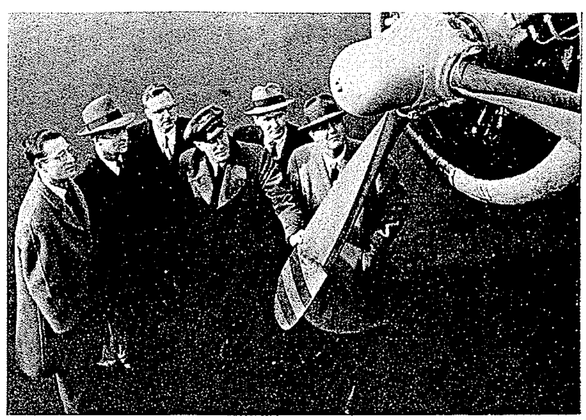


Albert J. Lenz, Supervisor of Mail and Delivery Services, demonstrates the use of the postal meter mailing machine to Michael Savino (left) and Bernard Weinstein (right).

John J. McElliott and Helen Guthrie of the Port Authority Graphics Section work on plates for film strip.

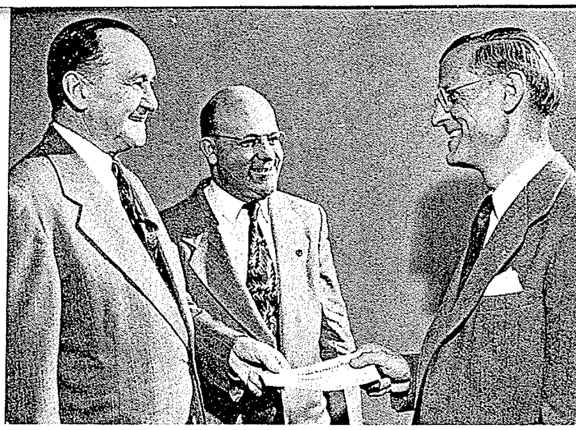
Assistant to the Executive Director Schneider (center) holds monthly conference with Junior Professional and Administrative Assistant Trainees D. A. Walsh, R. T. Dietrichson, and G. F. Mayrer. Training Coordinator R. B. Johnson is at right.

Trainees (left to right) D. Stoddard, L. Katz, R. Halsey, W. McGuire, and R. Sullivan with Assistant Watch Engineer H. Brosnan at the Port Authority Building.

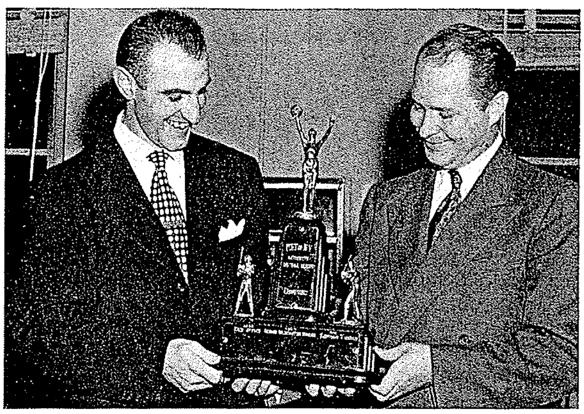


Trainees on tour at La Guardia Airport with Supervisor A. Cycoveck.

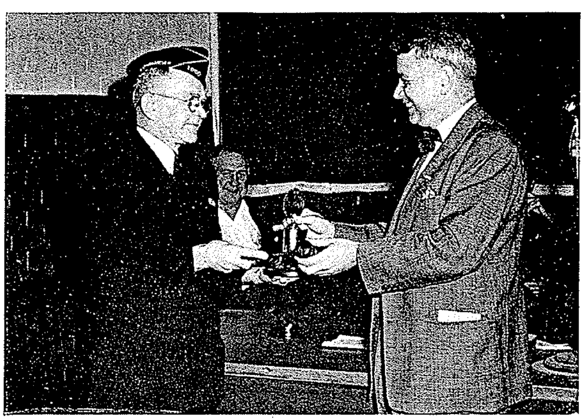
Trainees on tower of the George Washington Bridge with Assistant Manager E. Black.



Harold Dunkerley, Department of the Comptroller, presents A. L. Hancock of the same department with a check for Welfare Fund from Ponya Players, Port Authority amateur theatrical group. Visual Presentation Supervisor A. H. Simpson looks on.

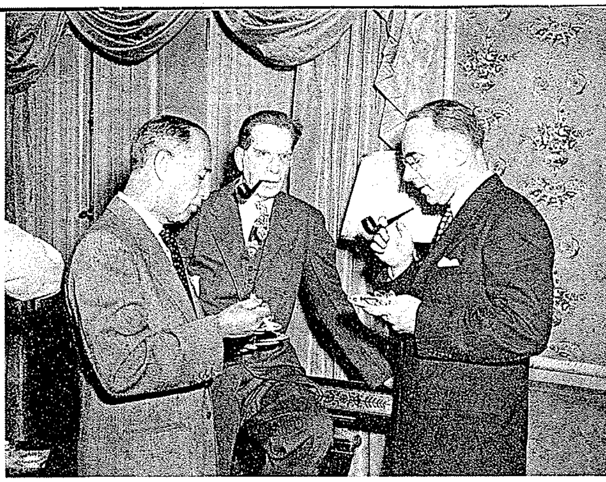


Traffic Officer Joseph Dondero (left) of the Lincoln Tunnel, captain of winning Port Authority softball team, receives trophy from Personnel Director Foster.



Assistant Personnel Director William E. McCarthy presents gavel and bell to American Legion Commander John J. Kiernan of Port Authority Post No. 1660 of Legion at dedication of new headquarters.

Lucille Heinzelmann, Aviation Department, bowls in Port Authority League.



Chairman Cullman (left) in a serious discussion with Commissioner Sly, at his right, and Commissioner Hamilton.

Chairman Cullman (right) receives a Citation of Merit for his outstanding efforts on behalf of the New York Cerebral Palsy Campaign from Peter Grimm, Chairman of the Commerce and Industry Division of the Campaign. In 1951, Mr. Cullman also received a Civil Service Leader Public Service Award of Merit, and The Private Citizen Class Gold Medal Award from the Greater New York Civic Center Association, Inc., for "the improvement and preservation of downtown Old New York."

At Port Authority Drivers Training School. First row (left to right) Special Assistant to Superintendent of Security Peter T. Feury, Police Consultant Cornelius F. Cahalane, Deputy Director Tunnels and Bridges Daniel N. Mandell. Second row: Engineer of Maintenance Research and Inspection George T. Reilly, Chief of Operations Standards John R. Shelton, Director of Operations Billings Wilson. Third row: Driver-Training Instructor Robert Jones and Traffic Officer Julius Levine.

Financial

In their Port Treaty of 1921, the States of New Jersey and New York created The Port of New York Authority and directed it, as their joint agency, to go forward with the Comprehensive Plan for financing, constructing and operating public terminal facilities necessary for the continued development and prosperity of the port area of the two States. A fundamental objective of the Treaty was that the comprehensive and continuing port program which the two Legislatures directed the Port Authority to carry forward should ultimately be self-supporting and should not add to the burden of the general taxpayers.

With this objective in view, the two States agreed in the Treaty of 1921 that "the future development of such terminal, transportation and other facilities of commerce will require the expenditure of large sums of money" and the two Legislatures accordingly pledged themselves to cooperate through the Port Authority "in the encouragement of the investment of capital." To implement this pledge the two States authorized the Port Authority to collect "charges, rates, rentals or tolls" for the use of the terminal and transportation facilities which the Port Authority was directed to build and operate. So, too, the two States "covenant and agree with each other and with the holders of any bonds . . . of the Port Authority . . . that the two said States will not . . . diminish or impair the power of the Port Authority to establish, levy and collect tolls and other charges in connection therewith; . . ."

The enabling legislation delineated the broad objectives of the plan for the development of terminal, transportation and other facilities and of port development through the medium of a joint State agency. The agency was directed to plan on a continuing basis for the long-term development of the New Jersey-New York Port, and to promote and protect the flow of commerce into and through the port. It was directed, also, to advise and cooperate with other governmental bodies and private transportation companies and, in addition, to finance, construct and operate public terminal and transportation improvements.

In 1931, the Authority was directed by the two States to create a general reserve fund through the pooling of surplus revenues, and to build this fund up to an amount equivalent to 10 per cent of its outstanding bonds. Through this and other acts, the Legislatures made provision for the financing of such terminal and transportation facilities on a self-supporting basis. This annual report indicates the extent to which the Port Authority has, in accordance with these legislative plans, discharged this responsibility.

Known requirements, necessary to the continued development of terminal and transportation facilities in the port district, indicate the possibility of some $500,000,000 of additional capital expenditures in the years ahead. Such expenditures include a third tube at the Lincoln Tunnel, a possible new Hudson River Crossing, and necessary traffic improvements to the bridge and tunnel approach systems, all of which total a minimum of $300,000,000. In addition, an appraisal indicates that ultimate facilities needed to keep pace with terminal requirements—land, sea and air—of this transport center of the world will total no less than $200,000,000.

With continued sound and prudent management such tremendous capital requirements can be made available, without adding to the burden of the taxpayers of New Jersey and New York.

The Port Authority Annual Financial Report which follows was made public on March 13, 1952.

Summary of 1951 Operations

The revenues from Port Authority operations in 1951 exceeded the revenues of any previous year. Gross operating revenues of $50,270,382 were 19 per cent higher than 1950 gross operating revenues of $42,198,237. Total figures are not comparable for the two years since the New York and Newark Union Motor Truck Terminals and the Port Authority Bus Terminal were not in operation for the full year of 1950. Excluding these facilities, the gross operating revenues of the facilities which are comparable indicate an increase of 14 per cent.

Total operating, administrative and development expenses were $21,064,566 as compared with $16,390,640 in 1950, an increase of 28 per cent. Again excluding those facilities which were not in operation for the two full years, the increase in expense was 18 per cent.

Net revenues available for appropriations to reserves in accordance with various legislative requirements and agreements with bondholders were $18,845,972, an increase of 17 per cent over such net revenues for 1950. Appropriations from the General Reserve to cover deficits of the facilities related to Air Terminal Bonds and Terminal Bonds, Series M, totaled $692,039.

The form of the annual statement of Net Revenues has been changed to incorporate in one statement the consolidated results of all Port Authority operations and financial activities, other than those of the capital accounts. The 1951 Statement of Net Revenues and Reserve Fund Operations combines these revenues, expenditures and debt service. Revenues and expenditures of the three Reserve Funds, summarized in the "Reserve Fund Changes" column, are detailed in Exhibit C of the Financial Statements. The "Memorandum Combined Total" column is presented for general information purposes only. It is not intended to be a representation as to the revenues which are applicable to each of the Authority's different types of outstanding bonds. These are as set forth in the various applicable bond resolutions. The combined results are carried forward to the Ten Year Summary of Net Revenues and Reserves.

Facilities Financed by General and Refunding Bonds

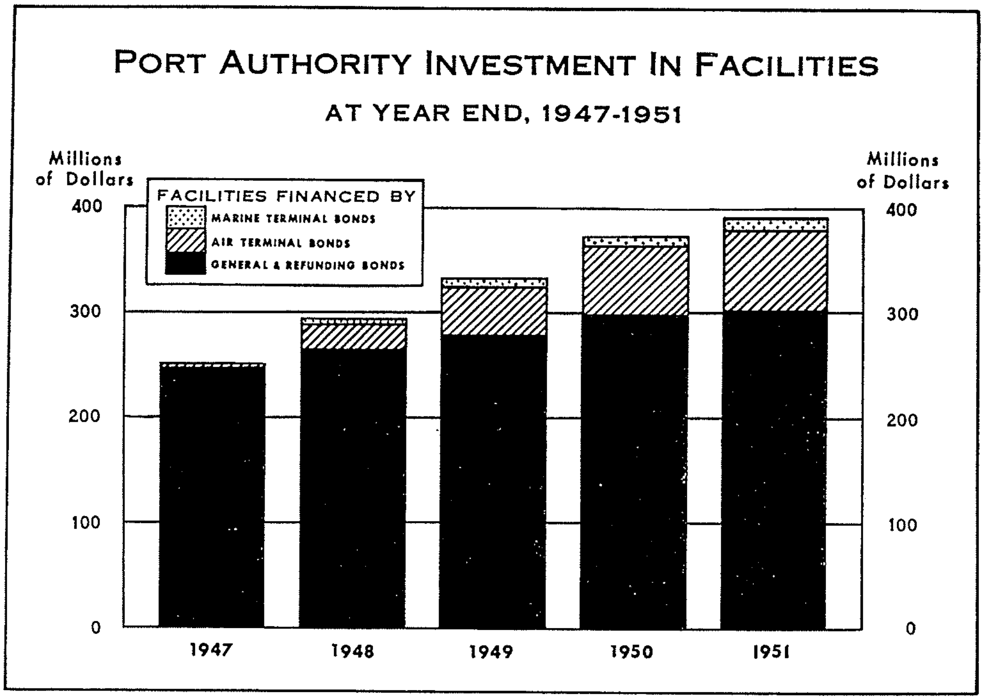
The facilities financed by General and Refunding Bonds at December 31, 1951 were:

Chairman Cullman making one of his numerous speeches on transportation and terminal problems in the Port District.

Operating Facilities	*Date of Opening for Operation*
Holland Tunnel	November 13, 1927
Goethals Bridge	June 29, 1928
Outerbridge Crossing	June 29, 1928
George Washington Bridge	October 25, 1931
Bayonne Bridge	November 15, 1931
Port Authority Building	October 3, 1932
Lincoln Tunnel—South Tube	December 22, 1937
Port Authority Grain Terminal and Pier	May 1, 1944
Lincoln Tunnel—North Tube	February 1, 1945
New York Truck Terminal	November 28, 1949
Newark Truck Terminal	July 12, 1950
Port Authority Bus Terminal	December 15, 1950

The Port Authority Bus Terminal became a General and Refunding facility on March 1, 1951 when the Terminal Bonds issued for its construction were exchangeable for General and Refunding Bonds, Twelfth Series.

Gross operating revenues for 1951 of facilities financed by General and Refunding Bonds increased 14 per cent over 1950 to $40,712,968, while total operating, administrative and development expenses of $13,077,201 increased 36 per cent. For those eight



facilities which were in operation throughout the two full years of 1950 and 1951, gross operating revenues increased 8 per cent while their operating, administrative and development expenses increased 12 per cent. Net operating revenues of the facilities financed by General and Refunding Bonds increased 5.8 per cent to $27,635,766.

Each of the four bridges and two tunnels established new traffic records in 1951. These crossings carried 67,702,252 vehicles, an increase of 8,176,978 vehicles, or 13.7 per cent compared with 1950, while gross revenues increased but 8.3 per cent.

The record of vehicular traffic using these facilities over the past two decades, and particularly during the past six years, indicates the extreme need for expanding the capacity of existing crossings and eventually providing additional crossings.

The passenger vehicle commutation toll ticket for regular users of the Hudson River Crossings was available for a full twelve months in 1951, having been introduced on June 15, 1950. The $10 H-4 ticket, which is good for 30 days and provides for 40 trips, was used by 20.1 per cent of the passenger vehicles in 1951, compared with 17.5 per cent in the six and one-half months of 1950. Average weekday usage of this ticket reached a new high of 32.2 per cent of all passenger vehicles during the period December 3 through December 7, 1951.

A further toll reduction authorized by the Board of Commissioners effective September 1, 1951, provided for the sale of toll scrip (usable by any type vehicle in lieu of a regular cash fare) at 90 per cent of its face value, and a 20 per cent reduction in passenger vehicle tolls by means of 40¢ per trip tickets good for two years in addition to the year in which sold. An increasing number of motorists are benefiting by this reduced rate and it is estimated that 50 per cent of the non-commuting motorists will eventually use this ticket.

The Port Authority Bus Terminal completed its first full year of operation in 1951. It is serving 120,000 commuters daily. Approximately 50 per cent of the $1,668,372 gross revenue of this Terminal was from concessionaires and office tenants. It is the objective of the Authority to develop maximum revenue from concession and other businesses as only in this manner is it possible to construct and operate such a terminal for the benefit of the bus operators and the public.

The Authority is proceeding to work out a new platform operating arrangement under which the over-the-road carriers (or their joint agent) at both its New York and Newark Union Motor Truck Terminals will have complete responsibility for integrating road, terminal and pick-up and delivery operations.

Capital sums expended and committed during 1951 on facilities financed by General and Refunding Bonds were as follows:

Holland Tunnel	$ 67,820
Lincoln Tunnel	2,354,606
George Washington Bridge	1,851,444
Grain Terminal and Pier	125,701
All other	390,647
	$4,790,218

The Port Treaty of 1921 recognized the reconstruction and development of the terminal and transportation facilities of the Port District of Northern New Jersey and New York as a continuing task. The realistic nature of that approach was emphasized again by the New Jersey Joint Legislative Committee of 1940 whose report " . . . adopted the dynamic concept of the Port of New York Authority, the concept which contemplates further development of the facilities in the Port District as the need for such facilities is indicated from time to time. The adoption of this concept is more truly in line with the fundamental purpose upon which the Port District was created, namely, for the continuous development of Port facilities."

With the continued development and growth of the Port District itself, the Legislatures of the two States have from time to time specifically directed the Port Authority to go forward with the development of such public terminal and transportation facilities as the airports of the metropolitan district, the Bus Terminal, the Union Motor Truck Terminals, and the much needed reconstruction and modernization of the waterfront itself. These are facilities which, from a financial standpoint, are so marginal in character that private enterprise cannot undertake their construction. Yet, they are all facilities which are vital to the continued leadership of northern New Jersey and New York as the great transport center of the world, a position of leadership upon which 10 per cent of the people of this metropolitan area depend for their livelihoods.

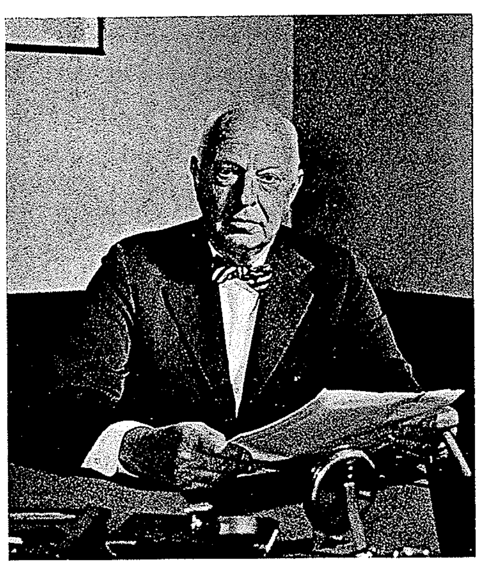
Aside from the construction of these new facilities, the growth and development of the traffic of the Port District requires the reconstruction, improvement, and development of existing facilities, and the expenditures of large sums of money on a constantly recurring basis to meet changing traffic patterns, as indicated by the detailed report which precedes this chapter.

Facilities Financed by Air Terminal Bonds

The airports financed by Air Terminal Bonds are:

Airport	*Date of Commencement of Operation by the Port Authority*
La Guardia	June 1, 1947
Newark	March 22, 1948
New York International	July 1, 1948
Teterboro	April 2, 1949

Gross operating revenues of the four Port Authority airports reached a new peak of $7,078,111 in 1951 or an increase of 34 per cent over 1950. This increase was a result of the program of aviation development undertaken by the Authority and of the general ex-



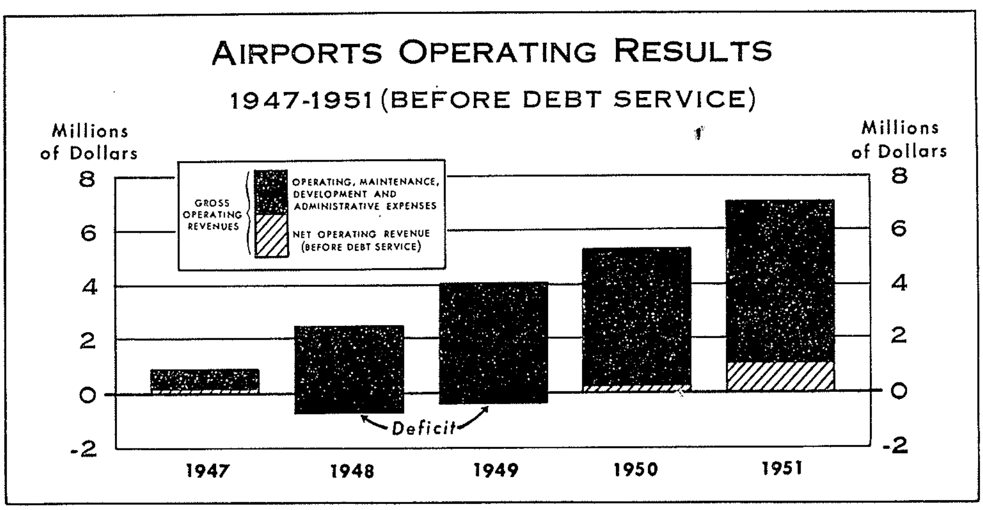
Comissioner Pope, Chairman of the Port Authority's Finance Committee, at his desk in the Marine-Midland Corporation, of which he is Chairman of the Board.

pansion of air traffic caused by the high level of the national economy and accelerated defense activity. The largest increase in gross operating revenues occurred at New York International Airport where new facilities came into operation.

Combined airport operating, administrative and development expense of $5,983,841 increased 19 per cent over 1950. Thus, net operating revenues before debt service of $1,094,270 were realized as compared with $246,591 in 1950, a 343 per cent improvement.

Interest charges of $1,708,823 on Air Terminal Bonds were the only debt service charges in 1951, since initial payments into Sinking Funds for retirement of principal on Air Terminal Bonds are not required until 1955. The resulting net deficit after such interest charges was $578,904 in 1951 compared with $423,337 in 1950. The deficit was appropriated from the General Reserve Fund by the Board of Commissioners as provided for by Chapter 43, Laws of New Jersey, 1947 and Chapter 802, Laws of New York, 1947.

The increase in activities reflected by the revenues and expenses of the four Port Authority airports since the Authority assumed their operation are graphically shown in the following chart.



During 1951, $15,899,915 was spent or committed on capital improvements on Port Authority airports as follows:

Airport	
La Guardia	$ 978,152
Newark	10,853,442
New York International	2,735,346
Teterboro	1,332,975

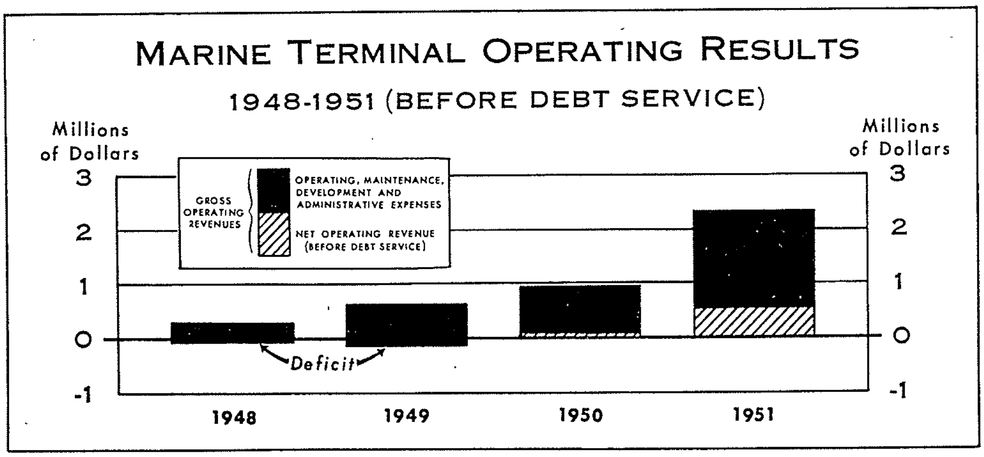
Facilities Financed by Marine Terminal Bonds

Gross operating revenues at Port Newark, the only facility financed by Marine Terminal Bonds, were $2,328,055 in 1951, an increase of $1,343,978 or 137 per cent over 1950. Operating expenses for the year were $1,771,808 as a result of this increased activity, an 82 per cent increase over 1950, and net operating revenues were $556,247 compared with $10,903 in 1950. The results of Port Authority operation since the Authority leased this facility in 1948 are shown on the following chart.

Since sinking fund payments to amortize outstanding Marine Terminal Bonds are not required until 1953, interest expense on these bonds was the only debt service charge applied to net operating revenues in 1951. Thus, net revenues after debt service were realized for the first time. Accordingly, at the year end, $189,289 of the $380,544 net revenues was paid into the Marine Terminal Reserve Fund, established by Section 8 of the Marine Terminal Bond Resolution adopted November 23, 1948, after payment into the

General Reserve Fund of the balance, representing the pro rata share of the amount required to bring this fund to 10 per cent of all outstanding debt.

During 1951, $1,789,263 was spent or committed for capital improvements, bringing the total amount invested by the Port Authority to $10,233,423.



Funded Debt

The outstanding funded debt of the Port Authority as of December 31, 1951 totaled $237,172,000. The decrease of $11,266,000 during the year may be summarized as follows:

Funded Debt—December 31, 1950		$248,438,000
New financing during 1951		12,000,000
		$260,438,000
Debt retired during 1951		
Maturities and sinking fund call	$11,703,000	
Debt retirement acceleration	11,563,000	
Total debt retired		23,266,000
Funded Debt—December 31, 1951		$237,172,000

New Financing

The Port Authority sold $3,000,000 principal amount of its General Reserve Fund Notes, Series W, on January 23, 1951 to The National City Bank of New York at par plus accrued interest to delivery date. These notes, dated January 15, 1951, due January 15, 1952, bearing interest at the rate of 1¼% per annum, were issued for capital improvements in connection with the Lincoln Tunnel, the George Washington Bridge, the Port Authority Grain Terminal and the Port Authority Bus Terminal.

The National City Bank of New York also purchased on November 20, 1951 a total of $9,000,000 par value of the Authority's General Reserve Fund Notes, Series X, dated November 15, 1951, $2,000,000 due on November 15, 1953 bearing interest at the rate of 1⅜% per annum, $4,000,000 on November 15, 1954 bearing interest at the rate of 1½% per annum, $2,000,000 on November 15, 1955 bearing interest at the rate of 1⅝% per annum and $1,000,000 on November 15, 1956 also bearing interest at the rate of 1⅝% per annum. The bank paid par plus accrued interest to the delivery date for the entire issue, which was equivalent to an average net interest cost to the Authority of 1.538%. The proceeds from the sale of these notes will be used to redeem the presently outstanding $3,000,000 principal amount of the General Reserve Fund Notes, Series W, due January 15, 1952 and for capital improvements to the George Washington Bridge, the Holland Tunnel, the Lincoln Tunnel, the Port Authority Grain Terminal and for the completion of the Port Authority Bus Terminal.

Debt Retired

During the year 1951, the Authority met all of the requirements of its bond and note resolutions pertaining to the scheduled retirements of its outstanding obligations through the operation of its sinking funds and the payment of bonds at maturity, as follows:

1) Obligatory redemptions through the operation of sinking funds:

Date	*Description*	*Par Value*
February 15	General & Refunding, Fifth Series, 3¼%	$ 913,000

2) Serial maturity payments from current revenues:

Date	*Description*	*Par Value*
June 15	General & Refunding, Twelfth Series, 1½%	1,090,000
July 15	General & Refunding, Thirteenth Series, 1.40%	1,500,000
December 15	General & Refunding, Fourteenth Series, 4%	3,600,000

3) Maturity payments from the General Reserve Fund:

Date	*Description*	*Par Value*
February 15	General Reserve Fund Notes, Series V, 1%	1,600,000
November 1	General Reserve Fund Notes, Series T, 1½%	3,000,000
	Total obligatory debt retirements	$11,703,000

In addition to the obligatory debt retirements of $11,703,000 par value of Port Authority bonds, the Authority retired $11,563,000 par value of bonds in connection with its program of retiring General and Refunding Bonds with available funds. The Committee on Finance gave consideration at its meeting held on January 25, 1951 to the possible refunding of the outstanding General and Refunding Bonds, Fifth Series, 3¼%, due 1977, but decided that such action was inadvisable at that time. Subsequently, on August 15, 1951, $10,000,000 of the then outstanding $37,594,000 par value of General and Refunding Bonds, Fifth Series, 3¼%, due 1977, were redeemed at 103% of par. The cost of the partial redemption, including the payment of the call premium, was met by transferring $6,576,460 from the Special Reserve Fund and $3,715,241 from the General Reserve Fund into the Fifth Series Sinking Fund.

Moreover, as of December 31, 1951, the Port Authority retired a total of $1,563,000 principal amount of various General and Refunding Bonds which were purchased in the open market during the year. The bonds so purchased and retired in anticipation of future sinking fund requirements were as follows:

$126,000 General and Refunding Bonds, Eighth Series, 2%, due August 15, 1974

$340,000 General and Refunding Bonds, Ninth Series, 1½%, due April 1, 1985

$290,000 General and Refunding Bonds, Tenth Series, 1¾%, due April 1, 1985

$807,000 General and Refunding Bonds, Eleventh Series, 1¼%, due March 1, 1986

The table below shows the retirements of Port Authority bonds in anticipation of future sinking fund requirements during the five-year period 1947-1951, and the savings to the Port Authority over and above the book cost resulting from these open market purchases.

	1947	1948	1949	1950	1951	Total
Par Value	$2,989,000	$2,232,000	$1,316,000	$3,262,000	$1,563,000	$11,362,000
Call Premiums	32,290	48,600	25,580	62,440	14,115	183,025
Total (*)	$3,021,290	$2,280,600	$1,341,580	$3,324,440	$1,577,115	$11,545,025
Book Cost	2,598,322	1,969,505	1,197,418	3,039,326	1,383,343	10,187,914
Savings	$ 422,968	$ 311,095	$ 144,162	$ 285,114	$ 193,772	$ 1,357,111

(*) Represents the sums which would have been required in the future to fulfill normal sinking fund requirements.

Bond Exchange

The Port Authority adopted a resolution on December 21, 1950 which provided that the then outstanding $13,080,000 par value of Terminal Bonds, Series M, be exchanged, beginning March 1, 1951, for a similar amount of General and Refunding Bonds, Twelfth Series, in accordance with the agreement with holders of said bonds. The bonds were originally issued in the principal amount of $16,350,000, bearing interest at the rate of 1½% per annum, due serially at the rate of $1,090,000 each year through June 15, 1962, for the construction of the Port Authority Bus Terminal.

Authorized 1952 Redemption

The Port Authority adopted a resolution on December 13, 1951 authorizing redemption on February 15, 1952 of an additional $15,000,000 par value of the presently outstanding General and Refunding Bonds, Fifth Series, 3¼%, due 1977, at 102% of par which will leave a total of $12,594,000 par value of said bonds outstanding as of the redemption date. In order to accomplish the partial retirement of these Fifth Series, 3¼% Bonds, the Board authorized the issuance of $9,000,000 of General Reserve Fund Notes, Series Y, dated January 1, 1952, due October 1, 1952, bear-

With the Port Authority's Director of Finance Charles J. Kushell are (left) Comptroller Karl G. Clement and Treasurer Eugene A. Mintkeski.

ing interest at the rate of 1.32% per annum. These notes are to be sold to the United States Trust Company of New York early in January 1952 at par plus accrued interest to delivery date. The proceeds of the sale of Series Y Notes and $6,300,000 from the Special Reserve Fund are to be paid into the Fifth Series Sinking Fund and used to redeem said $15,000,000 principal amount of Fifth Series General and Refunding Bonds.

Investment Policy

The Port Authority, of necessity, maintains substantial balances of liquid assets classified into three major categories:

(a) those representing proceeds from the sale of bonds and notes which are applied to the construction or improvement of facilities,

(b) those representing net operating revenues which accrue during the year, and

(c) those required to fulfill the provisions of the resolution adopted by the Board of Commissioners on November 13, 1947 to maintain the General Reserve Fund and special reserve funds in an amount equal to at least the next two years' debt service in cash and/or United States Government obligations.

It is the policy of the Port Authority to invest these funds in securities which will return the greatest possible yield, consistent both with the provisions of the bond resolutions governing such investments and with sound business judgment.

Monies derived from the sale of Port Authority bonds and notes for construction purposes are invested, to the extent not immediately required, in short term United States Government obligations. An average of $25,593,000 of such funds was invested during 1951, upon which a total of $402,008, or 1.57% was earned. These earnings were credited to the respective capital accounts.

Net operating revenues, over and above those required to maintain cash working balances, are invested in either long or short term Government securities depending upon whether they are required for current debt service, or will ultimately be transferred to the reserve funds. The amount so invested fluctuated considerably during the year but averaged approximately $15,108,000 and earned $312,795, or 2.07% in interest. These earnings are treated as "Other Income" and are so designated on the statement of "Net Revenues and Reserve Fund Operations".

The General Reserve and special reserve funds are managed and administered in accordance with the resolution adopted by the Port Authority on November 13, 1947, which provides that said reserve funds shall be maintained in an amount equal to the next two years' debt service in cash and/or U. S. Government obligations. The assets in these funds are not subject to any particular requirement dates and are thus adaptable to investment in long-term Government securities. Throughout the year, an average of $25,435,000 of reserves was invested in securities upon which earnings of $646,159 or 2.54% were realized. These interest earnings are also treated as "Other Income" and are so shown on the "Net Revenue and Reserve Fund Operations" statement.

It is the policy of the Port Authority, following sound financial practice, to amortize the premium or discount on United States Government securities purchased for investment and to include the net interest earnings on such investments in its accounts. These securities are carried in the Authority's accounts at such amortized book cost. In 1951, long term U. S. Government bonds sold below par for the first time in many years. In order to reflect this situation, and to place the assets of the reserve funds on a cash equivalent basis, the reserves were reduced on December 31, 1951 by an amount equal to the difference between the aggregate market bid value of all securities held, and their aggregate book value as of that date.

Summary of Reserves

The balances of reserve accounts in various funds as of December 31, 1951 and 1950, maintained in accordance with various legislative requirements and agreements with bondholders, are as follows:

	December 31 1951	December 31 1950	Increase or Decrease
General Reserve	$23,717,200	$24,843,800	—$1,126,600
Special Reserve	9,050,181	6,582,721	+ 2,467,460
Marine Terminal Reserve	189,289	–0–	+ 189,289
Sinking Fund Reserves	–0–	948,206	— 948,206
	$32,956,670	$32,374,727	+$ 581,943

Total Reserve Funds, as itemized above, contain the following assets valued on a cash or cash equivalent basis:

U. S. Government Securities	$31,701,741	$30,349,861	+$1,351,880
Port Authority Bonds	938,875	914,443	+ 24,432
Cash and Accrued Interest	316,054	1,110,423	— 794,369
	$32,956,670	$32,374,727	+$ 581,943

The General Reserve Fund balance of $23,717,200 at December 31, 1951 was equal to 10 per cent of the par value of all outstanding Port Authority bonds, and the total reserves satisfy the contractual requirements of two years' debt service upon the bonds of the Authority outstanding at December 31, 1951. Thus, all of the requirements of the resolutions regarding the administration of the various funds have been met.

The Marine Terminal Reserve Fund was established in accordance with the applicable provision of the Marine Terminal Bond Resolution.

All normal sinking fund requirements have been satisfied or anticipated and there were no balances in the respective sinking funds on December 31, 1951.

THE PORT OF NEW YORK AUTHORITY

Statement of Net Revenues and Reserves

	1942	1943	1944
NET REVENUES			
G & R Facilities — Note A			
Gross Operating Revenues	$ 16,142,811	$ 14,968,842	$ 17,775,840
Operating Expenses	4,127,996	3,730,581	4,796,975
Net Operating Revenues	$ 12,014,815	$ 11,238,261	$ 12,978,864
Other Income	20,628	22,720	90,771
Net Revenues	$ 12,035,443	$ 11,260,981	$ 13,069,635
Debt Service	6,551,344	6,531,053	7,352,292
Available for Reserves	$ 5,484,098	$ 4,729,926	$ 5,717,343
Air Terminals			
Gross Operating Revenues			
Operating Expenses			
Net Operating Revenues			
Other Income			
Net Revenues			
Debt Service			
Available for Reserves			
Marine Terminals			
Gross Operating Revenues			
Operating Expenses			
Net Operating Revenues			
Other Income			
Net Revenues			
Debt Service			
Available for Reserves			
Total — All Facilities — Note B			
Gross Operating Revenues	$ 16,142,811	$ 14,968,842	$ 17,775,840
Operating Expenses	4,127,996	3,730,581	4,796,975
Net Operating Revenues	$ 12,014,815	$ 11,238,261	$ 12,978,864
Other Income	20,628	22,720	90,771
Net Revenues	$ 12,035,443	$ 11,260,981	$ 13,069,635
Debt Service	6,551,344	6,531,053	7,352,292
Available for Reserves	$ 5,484,098	$ 4,729,926	$ 5,717,343
RESERVES			
Additions to Reserves			
Revenues Available for Reserves as above	$ 5,484,098	$ 4,729,926	$ 5,717,343
Income from Reserve Fund Investments	93,587	146,337	219,296
Total Additions	$ 5,577,685	$ 4,876,263	$ 5,936,639
Deductions from Reserves			
General Reserve Debt Service	$ 833,000	$ 824,200	$ 815,400
Debt Retirement Acceleration	—0—	—0—	—0—
Capital Expenditures	—0—	—0—	500,000
Adjustment to Reduce Cost of Reserve Fund Securities to Market	—0—	—0—	—0—
Debt Refunding Expense	—0—	—0—	1,771,069
Restoration and Improvement — Note C	—0—	1,500,000	1,300,000
Employees Retirement and Insurance — Note C	—0—	—0—	—0—
Total Deductions	$ 833,000	$ 2,324,200	$ 4,386,469
Net Changes in Reserves	4,744,686	2,552,063	1,550,169
Reserves — End of Year			
General Reserve	11,616,491	14,168,555	15,718,724
Special Reserves	—0—	—0—	—0—
Total	$ 11,616,491	$ 14,168,555	$ 15,718,724
BONDS OUTSTANDING — END OF YEAR			
General and Refunding Bonds — Note D	$180,580,000	$179,446,000	$179,372,000
Air Terminal Bonds	—0—	—0—	—0—
Marine Terminal Bonds	—0—	—0—	—0—
Other	2,400,000	1,600,000	800,000
Total	$182,980,000	$181,046,000	$180,172,000

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

NOTE B—This total is presented for general information purposes only.

For the Ten Years 1942 to 1951, Inclusive

1945	1946	1947	1948	1949	1950	1951
$ 19,344,475	$ 25,491,344	$ 27,614,283	$ 29,188,773	$ 32,846,635	$ 35,931,128	$ 40,864,214
6,038,265	7,176,168	7,239,150	8,461,827	9,945,126	10,381,027	13,308,914
$ 13,306,210	$ 18,315,176	$ 20,375,133	$ 20,726,946	$ 22,901,508	$ 25,550,102	$ 27,555,298
167,626	184,610	276,118	259,219	253,577	341,929	253,578
$ 13,473,836	$ 18,499,786	$ 20,651,251	$ 20,986,165	$ 23,155,085	$ 25,892,031	$ 27,808,878
7,100,746	7,114,756	7,161,062	7,500,107	8,441,594	10,380,406	9,456,584
$ 6,373,088	$ 11,385,028	$ 13,490,189	$ 13,486,058	$ 14,713,491	$ 15,511,625	$ 18,352,294
		$ 952,552	$ 2,463,426	$ 4,045,864	$ 5,283,030	$ 7,078,111
		902,161	3,195,500	4,432,840	5,036,439	5,983,841
		$ 50,391	($ 732,073)	($ 386,975)	$ 246,591	$ 1,094,270
		—0—	—0—	—0—	17,745	35,648
		$ 50,391	($ 732,073)	($ 386,975)	$ 264,336	$ 1,129,918
		—0—	—0—	30,660	687,674	1,708,823
		$ 50,391	($ 732,073)	($ 417,636)	($ 423,337)	($ 578,904)
			$ 278,128	$ 632,410	$ 984,077	$ 2,328,055
			310,877	735,967	973,173	1,771,808
			($ 32,749)	($ 103,557)	$ 10,903	$ 556,247
			—0—	1,796	890	4,797
			($ 32,749)	($ 101,760)	$ 11,793	$ 561,044
			—0—	14,583	175,000	180,500
			($ 32,749)	($ 116,344)	($ 163,206)	$ 380,544
$ 19,344,475	$ 25,491,344	$ 28,566,834	$ 31,930,328	$ 37,524,910	$ 42,198,237	$ 50,270,382
6,038,265	7,176,168	8,141,311	11,968,205	15,113,934	16,390,639	21,064,566
$ 13,306,210	$ 18,315,176	$ 20,425,523	$ 19,962,123	$ 22,410,975	$ 25,807,597	$ 29,205,815
167,626	184,610	276,118	259,219	255,374	360,565	294,023
$ 13,473,836	$ 18,499,786	$ 20,701,641	$ 20,221,342	$ 22,666,349	$ 26,168,162	$ 29,499,839
7,100,746	7,114,756	7,161,062	7,500,107	8,486,838	11,243,082	11,345,907
$ 6,373,088	$ 11,385,028	$ 13,540,579	$ 12,721,235	$ 14,179,510	$ 14,925,078	$ 18,153,932
$ 6,373,088	$ 11,385,028	$ 13,540,579	$ 12,721,235	$ 14,179,510	$ 14,925,078	$ 18,153,932
670,897	313,460	506,793	365,524	479,840	1,693,518	438,539
$ 7,043,985	$ 11,698,488	$ 14,047,372	$ 13,086,759	$ 14,659,350	$ 16,618,596	$ 18,592,471
$ 911,211	$ 2,854,604	$ 2,931,250	$ 3,806,633	$ 1,741,476	$ 9,090,000	$ 4,625,424
1,833,631	1,562,070	2,598,322	9,469,053	7,197,417	17,113,000	11,675,044
1,000,000	—0—	—0—	537,961	3,028,217	749,047	—0—
—0—	—0—	—0—	—0—	—0—	—0—	761,854
1,419,575	—0—	—0—	—0—	—0—	—0—	—0—
925,000	—0—	—0—	(1,723,947)	—0—	—0—	—0—
—0—	—0—	—0—	—0—	(5,597,764)	—0—	—0—
$ 6,089,417	$ 4,416,674	$ 5,529,572	$ 12,089,700	$ 6,369,346	$ 26,952,047	$ 17,062,322
954,569	7,281,814	8,517,799	997,059	8,290,004	(10,333,451)	1,530,148
16,673,293	18,932,900	21,573,500	23,399,900	31,289,400	24,843,800	23,717,200
—0—	5,022,208	10,899,408	10,070,067	10,470,573	6,582,721	9,239,470
$ 16,673,293	$ 23,955,108	$ 32,472,908	$ 33,469,967	$ 41,759,973	$ 31,426,521	$ 32,956,670
$161,620,000	$176,326,000	$179,624,000	$168,696,000	$217,530,000	$146,358,000	$140,772,000
—0—	—0—	—0—	30,000,000	61,400,000	74,400,000	74,400,000
—0—	—0—	—0—	7,000,000	7,000,000	10,000,000	10,000,000
21,500,000	13,003,000	36,111,000	28,303,000	26,964,000	17,680,000	12,000,000
$183,120,000	$189,329,000	$215,735,000	$233,999,000	$312,894,000	$248,438,000	$237,172,000

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

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

( ) Indicate red figures.

General and Refunding Bonds

Par Value — Series — Rate & Maturity	$27,594,000 Fifth Series 3¼% due 8/15/77		$22,369,000 Eighth Series 2% due 8/15/74		$9,582,000 Ninth Series 1½% due 4/1/85		$6,026,000 Tenth Series 1¾% due 4/1/85	
Year	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest
1952	$ (a)	$ 896.8	$ (b)	$ 447.4	(c)	$ 143.7	(d)	$ 105.5
1953		896.8	463.5	447.4		143.7		105.5
1954		896.8	920.3	439.5		143.7		105.5
1955		896.8	938.5	422.6		143.7	125.5	105.5
1956		896.8	957.3	404.2		143.7	159.5	103.8
1957		896.8	976.5	385.5	8.6	143.7	162.3	101.2
1958		896.8	996.0	366.4	293.1	143.6	165.2	98.4
1959		896.8	1,006.1	346.9	296.1	140.3	167.2	95.6
1960	934.6	896.8	1,026.1	327.1	300.5	135.9	170.2	92.7
1961	1,296.1	870.6	1,046.7	306.8	305.0	131.5	173.1	89.7
1962	1,339.4	829.9	1,067.5	286.1	309.6	126.9	176.2	86.7
1963	1,383.0	786.5	1,088.9	265.0	314.2	122.3	179.2	83.6
1964	1,427.9	741.7	1,099.7	243.5	317.4	117.7	181.5	80.5
1965	1,474.3	695.5	1,121.7	221.5	322.1	112.9	184.6	77.4
1966	1,522.2	647.8	1,144.1	199.2	326.9	108.1	187.9	74.2
1967	1,571.6	598.5	1,167.0	176.4	331.8	103.2	191.2	70.9
1968	1,622.8	547.6	1,190.3	153.1	336.9	98.3	194.5	67.6
1969	1,675.5	495.1	1,214.1	129.3	341.9	93.2	197.9	64.2
1970	1,729.9	440.8	1,238.3	105.1	347.0	88.1	201.4	60.7
1971	1,786.9	384.9	1,263.2	80.4	352.2	82.9	204.9	57.2
1972	1,844.2	327.1	1,288.4	55.2	357.5	77.7	208.5	53.7
1973	1,904.1	267.4	1,313.9	29.5	362.8	72.3	212.1	50.0
1974	1,966.1	205.7		3.3	368.8	66.9	215.9	46.3
1975	2,030.0	142.1			373.8	61.4	219.6	42.6
1976	2,095.4	76.4			379.4	55.8	223.5	38.7
1977		8.5			385.2	50.1	227.4	34.8
1978					390.9	44.4	231.4	30.9
1979					396.8	38.5	235.4	26.8
1980					402.7	32.6	239.5	22.7
1981					408.7	26.6	243.7	18.6
1982					414.7	20.5	248.0	14.3
1983					421.3	14.3	252.3	10.0
1984					426.8	8.0	256.7	5.6
1985						1.6		1.1
1986								
TOTALS	$27,604.0	$16,137.3	$22,528.1	$5,841.4	$9,592.2	$3,037.8	$6,036.3	$2,122.5

Schedule of Annual Payments of Interest, Sinking Fund and Serial Maturities on Bonds Outstanding as of December 31, 1951 (In Thousand Dollars)

$13,411,000 Eleventh Series 1¼% due 3/1/86		$11,990,000 Twelfth Series 1½% due 6/15/52-62		$3,000,000 Thirteenth Series 1.40% due 7/15/52-53		$7,200,000 Fourteenth Series 4% due 12/15/52-53		$39,600,000 Fifteenth Series 1½% due 12/15/54-64	
Sinking Fund	Interest	Maturities	Interest	Maturities	Interest	Maturities	Interest	Maturities	Interest
$ (e)	$ 167.6	$ 1,090.0	$ 170.9	$1,500.0	$ 32.4	$3,600.0	$ 282.0	$	$ 594.0
	167.6	1,090.0	154.6	1,500.0	11.4	3,600.0	138.0		594.0
	167.6	1,090.0	138.2					3,600.0	591.8
	167.6	1,090.0	121.9					3,600.0	537.8
	167.6	1,090.0	105.6					3,600.0	483.8
	167.6	1,090.0	89.2					3,600.0	429.8
	167.6	1,090.0	72.9					3,600.0	375.8
	167.6	1,090.0	56.5					3,600.0	321.8
	167.6	1,090.0	40.2					3,600.0	267.8
.9	167.6	1,090.0	23.8					3,600.0	213.8
485.0	167.6	1,090.0	7.5					3,600.0	159.8
491.1	162.6							3,600.0	105.8
497.2	156.5							3,600.0	51.8
500.9	150.3								
507.2	144.1								
513.5	137.8								
519.9	131.4								
526.4	124.9								
533.1	118.3								
539.7	111.6								
546.4	104.9								
553.2	98.1								
560.2	91.2								
567.2	84.2								
574.3	77.1								
581.4	70.0								
588.7	62.7								
596.0	55.4								
603.5	47.9								
611.1	40.4								
618.8	32.8								
626.5	25.1								
634.0	17.3								
641.9	9.3								
	1.3								
$13,417.2	$3,898.8	$11,990.0	$ 981.3	$3,000.0	$ 43.8	$7,200.0	$ 420.0	$39,600.0	$4,727.8

Air and Marine Terminal Bonds

	AIR TERMINAL BONDS						MARINE TERMINAL BONDS			
Par Value —	$31,400,000		$30,000,000		$13,000,000		$7,000,000		$3,000,000	
Series —	First Series		Second Series		Third Series		First Series		Second Series	
Rate & Maturity	3% due 6/15/78		2½% due 10/1/79		2.20% due 12/1/80		2½% due 11/1/78		2.20% due 12/1/80	
Year	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest	Sinking Fund	Interest
1952	$	$ 942.0	$	$ 750.0	$	$ 286.0	$	$ 175.0	$	$ 66.0
1953		942.0		750.0		286.0	211.1	175.0		66.0
1954		942.0		750.0		286.0	216.4	171.6		66.0
1955		942.0		750.0	407.5	286.0	222.8	166.4	94.0	66.0
1956		942.0		750.0	416.4	285.3	227.3	161.1	96.1	65.8
1957		942.0		750.0	425.6	276.6	234.0	155.6	98.2	63.8
1958	1,203.6	942.0		750.0	434.9	267.7	237.5	150.0	100.4	61.8
1959	1,240.8	923.0	1,197.9	750.0	444.5	258.5	242.4	144.2	102.6	59.7
1960	1,276.9	887.4	1,228.9	727.9	449.9	249.2	249.5	138.3	103.8	57.5
1961	1,316.2	850.7	1,259.5	698.1	459.8	239.7	254.7	132.3	106.1	55.3
1962	1,342.6	812.9	1,290.0	667.4	469.9	230.0	262.1	126.1	108.5	53.1
1963	1,381.8	774.0	1,323.3	636.0	480.3	220.1	266.0	119.8	110.8	50.8
1964	1,424.3	733.9	1,342.0	603.8	490.8	209.9	272.6	113.2	113.3	48.4
1965	1,465.9	692.6	1,376.6	570.8	496.7	199.5	278.4	106.6	114.6	46.1
1966	1,509.9	650.0	1,410.0	536.9	507.6	188.9	286.3	99.7	117.1	43.6
1967	1,540.9	606.2	1,446.2	502.2	518.8	178.1	292.5	92.7	119.7	41.1
1968	1,586.2	561.1	1,482.4	466.7	530.2	167.0	296.8	85.6	122.4	38.5
1969	1,634.8	514.6	1,503.3	430.2	541.9	155.7	304.2	78.2	125.0	35.9
1970	1,682.8	466.7	1,540.9	392.9	548.3	144.1	311.8	70.7	126.5	33.3
1971	1,733.2	417.4	1,579.5	354.6	560.4	132.3	319.6	62.9	129.3	30.5
1972	1,767.6	366.6	1,618.9	315.4	572.7	120.2	327.6	55.0	132.2	27.7
1973	1,820.6	314.3	1,659.4	275.1	585.3	107.8	335.8	46.9	135.1	24.9
1974	1,875.2	260.4	1,700.9	233.9	598.2	95.2	344.2	38.6	138.0	22.0
1975	1,931.5	204.9	1,743.4	191.6	611.3	82.3	352.8	30.0	141.1	19.0
1976	1,989.4	147.7	1,787.0	148.3	624.8	69.2	361.6	21.3	144.2	16.0
1977	2,049.1	88.8	1,831.7	103.9	638.5	55.7	370.7	12.3	147.4	12.9
1978		28.2	1,877.5	58.4	652.6	41.9		3.1	150.6	9.7
1979				11.7	666.9	27.8			153.9	6.4
1980						13.5				3.1
1981										
1982										
1983										
1984										
1985										
1986										
TOTALS	$31,773.3	$16,895.4	$30,199.3	$13,925.8	$13,133.8	$ 5,160.2	$ 7,078.7	$ 2,732.2	$ 3,030.9	$ 1,190.9

Schedule of Annual Payments of Interest, Sinking Fund and Serial Maturities on Bonds Outstanding as of December 31, 1951 (In Thousand Dollars)

TOTAL DEBT SERVICE (f)		
	$234,172,000 All Issues	
Sinking Fund & Maturities	Interest	Total
$ 6,190.0	$ 5,195.6	$ 11,385.6
8,864.6	5,010.8	13,875.4
9,826.7	4,800.0	14,626.7
8,478.3	4,651.0	13,129.3
7,546.6	4,523.9	12,070.5
6,595.2	4,401.8	10,997.0
8,120.7	4,293.0	12,413.7
9,387.6	4,160.9	13,548.5
10,430.4	3,988.4	14,418.8
10,907.2	3,779.9	14,687.1
11,540.8	3,554.0	15,094.8
10,618.6	3,326.5	13,945.1
10,766.7	3,100.9	13,867.6
7,335.8	2,873.2	10,209.0
7,519.2	2,692.5	10,211.7
7,693.2	2,507.1	10,200.3
7,882.4	2,316.9	10,199.3
8,065.0	2,121.3	10,186.3
8,260.0	1,920.7	10,180.7
8,468.9	1,714.7	10,183.6
8,664.0	1,503.5	10,167.5
8,882.3	1,286.3	10,168.6
7,767.0	1,063.5	8,830.5
7,970.7	858.1	8,828.8
8,179.6	650.5	8,830.1
6,231.4	437.0	6,668.4
3,891.7	279.3	4,171.0
2,049.0	166.6	2,215.6
1,245.7	119.8	1,365.5
1,263.5	85.6	1,349.1
1,281.5	67.6	1,349.1
1,300.1	49.4	1,349.5
1,317.5	30.9	1,348.4
641.9	12.0	653.9
	1.3	1.3
$235,183.8	$77,544.5	$312,728.3

NOTES:

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

(a) The sinking fund requirements of the Fifth Series Bonds for the years 1952 through 1959 and for part of 1960 were anticipated by a call for redemption of bonds through the Fifth Series Sinking Fund.

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

(c) The 1952 to 1956 and part of 1957 sinking fund requirements for the Ninth Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Ninth Series Sinking Fund.

(d) The 1952 to 1954 and part of 1955 sinking fund requirements for the Tenth Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Tenth Series Sinking Fund.

(e) The 1952 to 1961 sinking fund requirements for the Eleventh Series Bonds were anticipated by purchases in the open market and retirement of bonds through the Eleventh Series Sinking Fund.

(f) These totals include not only the sum of the foregoing items but, in addition, principal and interest payable on General Reserve Fund Notes, Series X, due November 15, 1953/56, as follows:

	Principal	Interest	Total
1952	$	$136,250	$ 136,250
1953	2,000,000	132,812	2,132,812
1954	4,000,000	101,250	4,101,250
1955	2,000,000	44,687	2,044,687
1956	1,000,000	14,218	1,014,218

but do not include principal and interest on $3,000,000 par value, of General Reserve Fund Notes, Series W, due January 15, 1952, funds for the redemption of which were provided by the sale of Series X Notes above.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

NEW YORK

1600 EQUITABLE BUILDING
120 BROADWAY
DELIVERY ZONE 5

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

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

TORONTO, CANADA

CORRESPONDENT AT LONDON

CABLE ADDRESS
"ERNSTAUDIT" N. Y.

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

We have examined the statement of financial position of The Port of New York Authority as of December 31, 1951, and the related statements of net revenues and reserve fund operations and other accounts for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial position and related statements of net revenues and reserve fund operations and other accounts present fairly the position of The Port of New York Authority at December 31, 1951, and the results of its operations for the year then ended, in conformity with accounting principles and procedures set forth in Note 1 of Notes to Financial Statements, applied on a basis consistent with that of the preceding year.

Ernst & Ernst

New York, N. Y.
February 18, 1952

Net Revenues and Reserve Fund Operations

Year ended December 31, 1951

	Facilities Related To General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Other Terminal Bonds (Note 1i)	Reserve Fund Operations (Exhibit C)	Memorandum Combined Total (Note 1k)
GROSS OPERATING REVENUES	$40,712,968	$7,078,111	$2,328,055	$151,246	$ —0—	$50,270,832
OPERATING EXPENSES (Note 1)	13,077,201	5,983,841	1,771,808	231,714	—0—	21,064,566
Net Operating Revenues	$27,635,766	$1,094,270	$ 556,247	($ 80,468)	$ —0—	$29,205,815
OTHER INCOME						
Interest on investments, less amortization of purchase premiums, etc.	273,356	34,609	4,797	33	646,159	958,956
Net gain or (loss) on sales of investment securities	(19,811)	1,039	—0—	—0—	(207,620)	(226,391)
	$ 253,545	$ 35,648	$ 4,797	33	$ 438,539	$ 732,565
Net Revenues	$27,889,312	$1,129,918	$ 561,044	($ 80,434)	$ 438,539	$29,938,380
OBLIGATORY DEBT SERVICE						
Interest on funded debt	3,233,884	1,708,823	180,500	32,700	25,424	5,181,332
Payments of serial maturities	6,190,000	—0—	—0—	—0—	4,600,000	10,790,000
	$ 9,423,884	$1,708,823	$ 180,500	$ 32,700	$ 4,625,424	$15,971,332
Balance of Net Revenues and Reserve Fund Operations	$18,465,427	($ 578,904)	$ 380,544	($113,134)	($ 4,186,884)	$13,967,048
APPROPRIATIONS FROM GENERAL RESERVE TO COVER NET DEFICITS		578,904		113,134	(692,039)	
OTHER RESERVE APPROPRIATIONS						
Debt retirement acceleration					(11,675,044)	(11,675,044)
Adjustment to reduce cost of securities to market (Note 1j)					(761,854)	(761,854)
DISPOSITION OF REVENUES AS REQUIRED BY RESOLUTIONS OF THE COMMISSIONERS						
To General Reserve — to bring total amount to 10% of funded debt	(9,284,059)		(191,255)		9,475,314	
To special reserves	(9,181,368)		(189,289)		9,370,657	
	$ —0—	—0—	—0—	—0—		
NET CHANGE IN RESERVES					$ 1,530,148	$ 1,530,148

See Notes to Financial Statements.

( ) indicate red figures.

Financial Position

December 31, 1951

	Capital Accounts (Exhibit A)	*Operating Accounts* (Exhibit B)	*Reserve Fund Accounts* (Exhibit C)
ASSETS			
INVESTMENT IN FACILITIES			
Including expenditures authorized (Note 1)	$393,239,403	$ —0—	$ —0—
CASH	1,053,029	1,547,509	259,738
INVESTMENT IN SECURITIES			
U. S. Government securities (Note 1j) (Exhibit F)	20,865,622	3,919,224	31,701,741
The Port of New York Authority bonds (Note 1j) (Exhibit F)	—0—	1,369,330	938,875
Accrued interest receivable	101,014	45,143	56,316
	$ 20,966,636	$ 5,333,697	$32,696,932
OTHER ASSETS			
Prepaid insurance, deposits, and sundry accounts	808,759	3,265,570	—0—
ASSETS HELD FOR RETIREMENT OF GENERAL RESERVE FUND NOTES, SERIES W			
Cash	4,532	—0—	—0—
U. S. Government securities (Exhibit F)	2,995,467	—0—	—0—
	$ 3,000,000	$ —0—	$ —0—
ADVANCES FOR WORKING CAPITAL (Note 1h)	$ 1,600,000	$ —0—	$ —0—
TOTAL ASSETS	$420,667,829	$10,146,778	$32,956,670
LIABILITIES, RESERVES, AND EQUITY ACCOUNTS			
FUNDED DEBT (Exhibit G)	$237,172,000	$ —0—	$ —0—
EQUITY ACCOUNTS (Exhibit E)	164,225,373	—0—	—0—
RESERVES APPLICABLE TO THE FOLLOWING FUNDS			
General Reserve Fund	—0—	—0—	23,717,200
Special Reserve Fund	—0—	—0—	9,050,181
Marine Terminal Reserve Fund	—0—	—0—	189,289
ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND DEPOSITS	3,617,706	5,634,237	—0—
COMMITMENTS	9,706,625	445,429	—0—
APPROPRIATIONS PENDING COMMITMENT	5,946,123	113,740	—0—
DEFERRED CREDITS TO INCOME			
Unredeemed toll tickets, etc.	—0—	849,305	—0—
Long-term rental prepayments	—0—	1,504,065	—0—
LIABILITY FOR WORKING CAPITAL (Note 1h)	—0—	1,600,000	—0—
TOTAL LIABILITIES, RESERVES, AND EQUITY ACCOUNTS	$420,667,829	$10,146,778	$32,956,670

CONTINGENT LIABILITIES—Note 3

See Notes to Financial Statements.

Notes to Financial Statements

December 31, 1951

Note 1 — STATEMENT OF ACCOUNTING PRINCIPLES AND PROCEDURES:

a. The Port of New York Authority was created as a corporate instrumentality in 1921 by compact between the States of New York and New Jersey with the approval of Congress. The Authority has no stockholders or equity holders and all revenues or other cash received must be disbursed for specific purposes in accordance with provisions of various statutes and agreements with holders of its bonds. Accounting principles followed by the Authority, other than those described in this Note, are in conformity with generally accepted accounting principles. Those accounting principles outlined in this Note are based on resolutions of the Commissioners, and on the Authority's interpretation of applicable statutes and agreements.

b. Deductions are made from revenues and reserves for payments to sinking funds and for serial maturity payments on funded debt, and for expenditures to maintain in good condition all facilities, the net revenues of which are pledged as security for Port Authority bonds. Such expenditures include renewals and replacements of equipment and minor capital expenditures.

No deduction from revenues has been made for depreciation of facilities or for amortization of leasehold improvements, nor has an allowance for depreciation been established.

c. "Investment in Facilities" represents the investment necessary to place the various facilities into operation. It is the total amount expended, less the net proceeds received from the sale or disposition of property. Except for such proceeds, no reduction has been made in the investment for (1) properties transferred to state or local bodies upon completion; or (2) property demolished, scrapped, or abandoned.

"Investment in Facilities" also includes the following: (1) the net discount and expense, amounting to $7,238,337 at December 31, 1951, incurred in connection with bonds and notes issued for construction purposes (no provision has been made for amortization of such discount and expense), (2) interest expense on such bonds and notes during the period of construction (less income earned on unexpended construction funds), and certain interest expense applicable to periods subsequent to the dates of official opening of the respective facilities, amounting to $22,505,373 at December 31, 1951.

d. In the opinion of its General Counsel, the Authority is not subject to federal, state or local taxes, unless both the States of New York and New Jersey expressly consent to such taxes by statutes. Such consent has not been given except for local real estate taxes upon property acquired for rehousing residents of areas acquired by the Authority for terminal and transportation facilities. The States have also authorized the Authority to enter into voluntary agreements with municipalities to pay a fair annual sum in lieu of taxes upon property acquired for inland and marine terminals, including air terminals; full provision has been made at December 31, 1951 for liability under such agreements then in effect.

e. Commitments are recorded at the time contracts are awarded and orders placed for construction, supplies, etc. Certain appropriations pending commitment at each year-end also are recorded.

f. The cost of refunding and consolidating debt, consisting of call premiums, interest and other expenses, less premiums received and interest earned, amounted to $15,594,833 at December 31, 1951, unchanged from December 31, 1950. The net cost of refunding and consolidating debt is deducted from equity accounts (no provision has been made for amortization of such costs).

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

The Port Authority is self-insured for workmen's compensation and other liability insurance, except that outside insurance is carried for losses in excess of certain amounts. Awards arising out of claims under self-insurance are charged to Revenues as payments are made.

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

i. The Port Authority Bus Terminal, related to Terminal Bonds, Series M, incurred a net operating deficit for the period January 1, 1951 to February 28, 1951, prior to the exchange of such bonds for General and Refunding Bonds, Twelfth Series. Such deficit has been charged against the General Reserve, in accordance with Section 10 of the Resolution establishing said Series. The net deficit, including interest, so charged amounted to $113,134. The Bus Terminal became a General and Refunding Bond facility on March 1, 1951 when conditions precedent to issuing General and Refunding Bonds, Twelfth Series, had been met. Since that date the Bus Terminal operating results have been

Notes to Financial Statements

December 31, 1951

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

included with those of other facilities related to General and Refunding Bonds.

j. Securities held in the Reserve Funds are valued at the lower of cost or market at December 31, 1951, in the aggregate for each fund.

k. The "Memorandum Combined Total" of Net Revenues and Reserve Fund Operations is presented for general information purposes only, and it is not intended that the amounts stated represent net revenues applicable to any type of bonds.

Note 2 — NET ASSETS HELD FOR ADDITIONAL CONSTRUCTION AT DECEMBER 31, 1951 ARE AS FOLLOWS:

	Facilities Related To			
	General and Refunding Bonds	*Air Terminal Bonds*	*Marine Terminal Bonds*	*Combined*
Total Assets (as shown in Exhibit A)	$8,522,710	$13,065,549	$1,240,165	$22,828,425
Deduct:				
Liabilities recorded	1,071,317	1,642,517	903,870	3,617,706
Commitments	2,540,308	6,597,893	568,423	9,706,625
Appropriations pending commitment	17,646	5,927,184	1,293	5,946,123
Total	$3,629,271	$14,167,594	$1,473,586	$19,270,454
Net assets held for additional construction	$4,893,439	$(1,102,045) (A)	$ (233,421) (A)	$ 3,557,971

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

The Port Authority has established the policy of recording grants from the United States Government under the Federal Airport Act when received. At December 31, 1951 there was approximately $479,612 which had been certified to the United States Government, but which according to the above policy had not been recorded. These amounts, when received, will increase the assets held for additional construction of the facilities related to Air Terminal Bonds by $479,612.

Note 3 — CONTINGENT LIABILITIES AT DECEMBER 31, 1951:

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

b. Eight airline companies brought suit on December 13, 1948 against the Port Authority, its Commissioners and two of its officers for a declaratory judgment, injunctive relief and damages, on account of the Port Authority's alleged repudiation of leases and agreements in connection with New York International Airport. No amount of damages was specified in the complaint.

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

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

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

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

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

Exhibit A

December 31, 1951

Capital Accounts

Detail of Assets, and Liabilities and Equity Accounts

	Facilities Related To			
	General and Refunding Bonds	*Air Terminal Bonds*	*Marine Terminal Bonds*	*Combined*
ASSETS				
INVESTMENT IN FACILITIES (Note 1)				
Completed construction—at cost	$277,808,027	$ 6,297,112	$ —0—	$284,105,139
Construction in progress—at cost	23,048,527	85,110	—0—	23,133,637
Leasehold improvements—at cost	—0—	60,684,170	9,663,705	70,347,876
Commitments (see contra)	2,540,308	6,597,893	568,423	9,706,625
Appropriations pending commitments (see contra)	17,646	5,927,184	1,293	5,946,123
	$303,414,509	$79,591,470	$10,233,423	$393,239,403
ASSETS HELD FOR ADDITIONAL CONSTRUCTION AND PAYMENT OF LIABILITIES (Note 2)				
Cash	$ 329,053	$ 637,412	$ 86,563	$ 1,053,029
U. S. Government securities—at cost (Exhibit F)	7,754,376	11,962,246	1,149,000	20,865,622
Accrued interest receivable	20,348	76,064	4,601	101,014
Mortgages receivable	232,510	—0—	—0—	232,510
Deposits	135,500	—0—	—0—	135,500
Miscellaneous	50,922	389,826	—0—	440,749
	$ 8,522,710	$13,065,549	$ 1,240,165	$ 22,828,425
ASSETS HELD FOR RETIREMENT OF GENERAL RESERVE FUND NOTES, SERIES W				
Cash	$ 4,532	$ —0—	$ —0—	4,532
U. S. Government securities—at cost (Exhibit F)	2,995,467	—0—	—0—	2,995,467
	$ 3,000,000	$ —0—	$ —0—	$ 3,000,000
ADVANCES FOR WORKING CAPITAL (Note 1h)	$ 1,600,000	$ —0—	$ —0—	$ 1,600,000
TOTAL ASSETS	$316,537,220	$92,657,020	$11,473,588	$420,667,829
LIABILITIES AND EQUITY ACCOUNTS				
FUNDED DEBT (Exhibit G)	$152,772,000	$74,400,000	$10,000,000	$237,172,000
EQUITY ACCOUNTS (Exhibit E)				
Debt retired through income	156,402,110	—0—	—0—	156,402,110
Contributed by federal and state agencies in aid of construction	10,860,411	4,089,425	—0—	14,949,836
Appropriated reserves invested in facilities	8,468,259	—0—	—0—	8,468,259
	$175,730,781	$ 4,089,425	$ —0—	$179,820,206
Less cost of refunding and consolidating debt	15,594,833	—0—	—0—	15,594,833
	$160,135,948	$ 4,089,425	$ —0—	$164,225,373
OTHER LIABILITIES				
Accrued interest payable	$ 31,601	$ 21,198	$ —0—	$ 52,800
Accrued liability for payments in lieu of taxes (Note 1d)	—0—	18,000	—0—	18,000
Other accounts payable, accrued expenses, etc.	1,039,715	1,603,319	903,870	3,546,906
	$ 1,071,317	$ 1,642,517	$ 903,870	$ 3,617,706
COMMITMENTS (see contra)	$ 2,540,308	$ 6,597,893	$ 568,423	$ 9,706,625
APPROPRIATIONS PENDING COMMITMENT (see contra)	17,646	5,927,184	1,293	5,946,123
TOTAL LIABILITIES AND EQUITY ACCOUNTS	$316,537,220	$92,657,020	$11,473,588	$420,667,829

See Notes to Financial Statements.

Exhibit B

Operating Accounts

December 31, 1951

Detail of Assets, and Liabilities and Other Credits

	Facilities Related To			
	General and Refunding Bonds	*Air Terminal Bonds*	*Marine Terminal Bonds*	*Combined*
ASSETS				
CASH	$ 525,279	$ 890,199	$132,030	$ 1,547,509
INVESTMENT IN SECURITIES				
U. S. Government securities—at cost (Exhibit F)	1,888,000	2,000,224	31,000	3,919,224
The Port of New York Authority bonds—at cost (Exhibit F)	1,369,330	—0—	—0—	1,369,330
Accrued interest receivable	28,630	16,270	242	45,143
	$3,285,960	$2,016,494	$ 31,242	$ 5,333,697
OTHER ASSETS				
Prepaid insurance	1,122,001	283,318	112,444	1,517,765
Accounts and notes receivable	319,344	524,155	251,088	1,094,589
Accrued revenue	235,643	281,688	4,901	522,233
Deposits	—0—	—0—	100,000	100,000
Miscellaneous	13,073	16,097	1,811	30,982
	$1,690,063	$1,105,260	$470,246	$ 3,265,570
TOTAL ASSETS	$5,501,303	$4,011,954	$633,520	$10,146,778
LIABILITIES AND OTHER CREDITS				
ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND DEPOSITS				
Accrued interest on funded debt	$ 688,355	$ 229,384	$ 34,666	$ 952,407
Unredeemed bonds and interest coupons (less $433,366 on deposit with paying agents)	7,987	—0—	—0—	7,987
Accrued liability for employee retirement, etc.	2,361,372	—0—	—0—	2,361,372
Accrued liability for rent	—0—	379,890	98,979	478,869
Accrued liability for payments in lieu of taxes (Note 1d)	188,479	—0—	—0—	188,479
Other accounts payable, accrued expenses, etc.	1,042,564	186,720	293,280	1,522,564
Deposits	36,061	85,096	1,400	122,557
	$4,324,820	$ 881,090	$428,326	$ 5,634,237
COMMITMENTS	336,040	96,488	12,900	445,429
APPROPRIATIONS PENDING COMMITMENT	109,440	4,300	—0—	113,740
DEFERRED CREDITS TO INCOME				
Unredeemed toll tickets, etc.	731,001	106,009	12,293	849,305
Long term rental prepayments	—0—	1,324,065	180,000	1,504,065
LIABILITY FOR WORKING CAPITAL (Note 1h)	—0—	1,600,000	—0—	1,600,000
TOTAL LIABILITIES AND OTHER CREDITS	$5,501,303	$4,011,954	$633,520	$10,146,778

See Notes to Financial Statements.

Exhibit C

December 31, 1951

Reserve Fund Accounts

Detail of Assets and Reserves, and Analysis of Reserves

	General Reserve Fund	Special Reserve Funds: Special Reserve Fund	Special Reserve Funds: Marine Terminal Reserve Fund	Combined
DETAIL OF ASSETS AND RESERVES				
December 31, 1951				
ASSETS				
Cash	$ 92,841	$ 100,083	$ 66,812	$ 259,738
U. S. Government securities (Note 1j) (Exhibit F)	22,654,824	8,924,917	122,000	31,701,741
The Port of New York Authority bonds (Note 1j) (Exhibit F)	938,875	—0—	—0—	938,875
Accrued interest receivable	30,658	25,181	476	56,316
TOTAL ASSETS	$23,717,200	$9,050,181	$189,289	$32,956,670
RESERVES				
Balances at December 31, 1951	$23,717,200	$9,050,181	$189,289	$32,956,670
ANALYSIS OF RESERVES				
Year ended December 31, 1951				
Balances at January 1, 1951	$24,843,800	$6,582,721	$ —0—	$31,426,521
Add:				
Interest on investments, less amortization of purchase premiums, etc.	544,751	101,408	—0—	646,159
Less net loss on sales of investment securities	(145,979)	(61,640)	—0—	(207,620)
	$ 398,771	$ 39,768	$ —0—	$ 438,539
	$25,242,571	$6,622,489	$ —0—	$31,865,061
Deduct:				
Appropriations for:				
Obligatory debt service:				
Interest on funded debt				
Series T Notes	15,468	—0—	—0—	15,468
Series V Notes	9,955	—0—	—0—	9,955
	$ 25,424	$ —0—	$ —0—	$ 25,424
Payment of serial maturities				
General Reserve Fund Notes, Series T	$ 3,000,000	$ —0—	$ —0—	$ 3,000,000
General Reserve Fund Notes, Series V	1,600,000	—0—	—0—	1,600,000
	$ 4,600,000	$ —0—	$ —0—	$ 4,600,000
Transfers to Operating Accounts to cover deficits of facilities related to:				
Air Terminal Bonds	$ 578,904	$ —0—	$ —0—	$ 578,904
Terminal Bonds, Series M (Note 1i)	113,134	—0—	—0—	113,134
	$ 692,039	$ —0—	$ —0—	$ 692,039
Debt retirement acceleration:				
Transfer of funds to Sinking Funds for call and retirement in anticipation of future requirements (as shown in Exhibit D)	$ 3,715,241	$6,576,460	$ —0—	$10,291,701
Transfers of The Port of New York Authority bonds to Sinking Funds for retirements in anticipation of future requirements (as shown in Exhibit D)	1,383,343	—0—	—0—	1,383,343
	$ 5,098,584	$6,576,460	$ —0—	$11,675,044
Adjustment to reduce cost of securities to market value (Note 1j)	$ 584,638	$ 177,216	$ —0—	$ 761,854
Total deductions	$11,000,685	$6,753,677	$ —0—	$17,754,362
	$14,241,885	$ (131,187)	$ —0—	$14,110,698
Add transfer of Revenues for 1951 of facilities related to:				
General and Refunding Bonds	9,284,059	9,181,368	—0—	18,465,427
Marine Terminal Bonds	191,255	—0—	189,289	380,544
Balances at December 31, 1951	$23,717,200	$9,050,181	$189,289	$32,956,670

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

Exhibit D

Analysis of Sinking Fund Reserves

Year ended December 31, 1951

	Fifth Series	*Other Series**	*Total*
Balances at January 1, 1951	$ 948,206	$ —0—	$ 948,206
Add:			
Income from investments	482		482
Funds transferred to Sinking Funds for call and retirement in anticipation of future requirements:			
Appropriated from General Reserve	3,715,241		3,715,241
Appropriated from Special Reserve	6,576,460		6,576,460
The Port of New York Authority bonds transferred to Sinking Funds for retirement in anticipation of future requirements:			
Appropriated from General Reserve		1,383,343	1,383,343
Adjustment of cost to redemption price**		193,771	193,771
	$11,240,390	$1,577,115	$12,817,505
Deduct:			
Payments made from Sinking Funds for redemption of General and Refunding Bonds:			
Principal amount of bonds redeemed	913,000		913,000
Premium on bonds	27,390		27,390
Retirement of The Port of New York Authority bonds in anticipation of future Sinking Fund requirements:			
General and Refunding Bonds:			
Fifth Series:			
Principal amount of bonds redeemed	10,000,000		10,000,000
Call premium thereon — normal	150,270		150,270
Difference between normal call premium and redemption premium	149,730		149,730
Eighth Series:			
Principal amount of bonds redeemed		126,000	126,000
Call premium thereon		3,780	3,780
Ninth Series:			
Principal amount of bonds redeemed		340,000	340,000
Call premium thereon		3,400	3,400
Tenth Series:			
Principal amount of bonds redeemed		290,000	290,000
Call premium thereon		2,900	2,900
Eleventh Series:			
Principal amount of bonds redeemed		807,000	807,000
Call premium thereon		4,035	4,035
Total debt retired through Sinking Funds	$11,240,390	$1,577,115	$12,817,505
Balances at December 31, 1951	$ —0—	$ —0—	$ —0—

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

See Notes to Financial Statements.

Exhibit E

Analysis of Equity Accounts

Year ended December 31, 1951

	Debt Retired Through Income	*Contributed by Federal and State Agencies In Aid of Construction*	*Appropriated Reserves Invested in Facilities*	*Less Cost of Refunding and Consolidating Debt (Note 1f)*	*Total*
Balances at January 1, 1951	$133,136,110	$13,243,931	$8,468,259	$15,594,833	$139,253,467
Add:					
Reserves applied to retirement of debt:					
Sinking Fund Reserves:					
General and Refunding Bonds:					
Fifth Series	10,913,000				10,913,000
Eighth Series	126,000				126,000
Ninth Series	340,000				340,000
Tenth Series	290,000				290,000
Eleventh Series	807,000				807,000
General Reserve:					
General Reserve Fund Notes, Series T	3,000,000				3,000,000
General Reserve Fund Notes, Series V	1,600,000				1,600,000
Net Revenues applied to retirement of debt:					
General and Refunding Bonds :					
Twelfth Series	1,090,000				1,090,000
Thirteenth Series	1,500,000				1,500,000
Fourteenth Series	3,600,000				3,600,000
Received under the Federal Airport Act for the share of the United States Government in the construction cost of certain projects at the Air Terminals		1,705,906			1,705,906
Balances at December 31, 1951	$156,402,110	$14,949,837	$8,468,259	$15,594,833	$164,225,373

See Notes to Financial Statements.

Exhibit F

Investment in Securities

December 31, 1951

	Principal Amount	Cost (A)	Quoted Market Value
ASSETS HELD FOR ADDITIONAL CONSTRUCTION, ETC.			
GENERAL CAPITAL ACCOUNTS			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Discount Bills, due January 24, 1952	$ 3,500,000	$ 3,496,814	$ 3,496,430
U. S. Treasury Discount Bills, due February 7, 1952	1,000,000	998,562	998,270
U. S. Treasury Certificates of Indebtedness, 1⅞%, due April 1, 1952	434,000	434,000	434,082
U. S. Treasury Certificates of Indebtedness, 1⅞%, due July 1, 1952	1,200,000	1,200,000	1,200,360
U. S. Treasury Certificates of Indebtedness, 1⅞%, due October 1, 1952	1,525,000	1,525,000	1,525,198
U. S. Treasury Bonds, 2%, due September 15, 1953-52	100,000	100,000	99,875
	$ 7,759,000	$ 7,754,376	$ 7,754,215
AIR TERMINALS CAPITAL ACCOUNTS			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due April 1, 1952	$ 3,513,000	$ 3,513,000	$ 3,513,667
U. S. Treasury Certificates of Indebtedness, 1⅞%, due July 1, 1952	640,000	640,000	640,192
U. S. Treasury Certificates of Indebtedness, 1⅞%, due October 1, 1952	5,270,000	5,270,000	5,270,685
U. S. Treasury Bonds, 2%, due September 15, 1953-52	2,537,000	2,539,246	2,533,829
	$11,960,000	$11,962,246	$11,958,373
MARINE TERMINAL CAPITAL ACCOUNTS			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due July 1, 1952	$ 29,000	$ 29,000	$ 29,009
U. S. Treasury Certificates of Indebtedness, 1⅞%, due October 1, 1952	1,120,000	1,120,000	1,120,146
	$ 1,149,000	$ 1,149,000	$ 1,149,155
TOTAL—HELD FOR ADDITIONAL CONSTRUCTION, ETC.	$20,870,000	$20,865,622	$20,861,743
ASSETS HELD FOR RETIREMENT OF GENERAL RESERVE FUND NOTES, SERIES W			
GENERAL CAPITAL ACCOUNTS			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Discount Bills, due February 7, 1952	$ 3,000,000	$ 2,995,467	$ 2,994,810
OPERATING ACCOUNT ASSETS			
GENERAL OPERATING ACCOUNTS			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due April 1, 1952	$ 1,888,000	$ 1,888,000	$ 1,888,360
THE PORT OF NEW YORK AUTHORITY BONDS			
General and Refunding Bonds, Fifth Series, 3¼%, due August 15, 1977	122,000	124,745	124,135
Air Terminal Bonds, Second Series, 2½%, due October 1, 1979	1,275,000	1,244,585	1,294,125
	$ 1,397,000	$ 1,369,330	$ 1,418,260
	$ 3,285,000	$ 3,257,330	$ 3,306,620
AIR TERMINALS OPERATING ACCOUNTS			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due April 1, 1952	$ 1,065,000	$ 1,065,000	$ 1,065,202
U. S. Treasury Bonds, 2%, due September 15, 1953-52	935,000	935,224	933,831
	$ 2,000,000	$ 2,000,224	$ 1,999,033
MARINE TERMINAL OPERATING ACCOUNTS			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due July 1, 1952	$ 31,000	$ 31,000	$ 31,009
TOTAL—OPERATING ACCOUNTS	$ 5,316,000	$ 5,288,554	$ 5,336,662

(Continued)

Investment in Securities (Continued)

December 31, 1951

	Principal Amount	Cost (A)	Quoted Market Value
RESERVE FUND ASSETS			
GENERAL RESERVE FUND			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due October 1, 1952	$ 178,000	$ 178,000	$ 178,023
U. S. Treasury Bonds, 2¼%, due June 15, 1962-59	1,322,000	1,322,000	1,279,862
U. S. Treasury Bonds, 2½%, due December 15, 1968-63	8,250,000	8,220,786	8,023,125
U. S. Treasury Bonds, 2½%, due June 15, 1969-64	7,978,000	7,926,590	7,723,700
U. S. Treasury Bonds, 2½%, due December 15, 1969-64	5,247,000	5,208,490	5,069,914
U. S. Savings Bonds, Series G, 2½%, due June 1, 1957	100,000	100,000	95,500
U. S. Savings Bonds, Series G, 2½%, due March 1, 1958	100,000	100,000	95,200
U. S. Savings Bonds, Series G, 2½%, due January 1, 1959	100,000	100,000	94,700
U. S. Savings Bonds, Series G, 2½%, due June 1, 1960	100,000	100,000	94,800
	$23,375,000	$23,255,866	$22,654,824
THE PORT OF NEW YORK AUTHORITY BONDS			
Marine Terminal Bonds, First Series, 2½%, due November 1, 1978	$ 925,000	$ 922,472	$ 938,875
	$24,300,000	$24,178,338	$23,593,700
Adjustment to reduce cost of securities to market value (Note 1j)		(584,638)	
	$24,300,000	$23,593,700	$23,593,700
SPECIAL RESERVE FUND			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due October 1, 1952	$ 785,000	$ 785,000	$ 785,102
U. S. Treasury Bonds, 2%, due September 15, 1953-52	1,528,000	1,528,366	1,526,090
U. S. Treasury Bonds, 2%, due December 15, 1954-52	500,000	500,000	497,188
U. S. Treasury Bonds, 2¼%, due June 15, 1962-59	578,000	578,000	559,576
U. S. Treasury Bonds, 2½%, due December 15, 1969-64	4,753,000	4,718,410	4,592,586
U. S. Treasury Bonds, 2½%, due March 15, 1970-65	1,000,000	992,357	964,375
	$ 9,144,000	$ 9,102,133	$ 8,924,917
Adjustment to reduce cost of securities to market value (Note 1j)		(177,216)	
	$ 9,144,000	$ 8,924,917	$ 8,924,917
MARINE TERMINAL RESERVE FUND			
U. S. GOVERNMENT SECURITIES			
U. S. Treasury Certificates of Indebtedness, 1⅞%, due October 1, 1952	$ 122,000	$ 122,000	$ 122,016
TOTAL—RESERVE FUNDS	$33,566,000	$32,640,617	$32,640,633

(A) Book carrying amount of individual securities represented by purchase price less amortization to date of purchase premium or discount.

See Notes to Financial Statements.

( ) indicate red figures.

Exhibit G

Funded Debt

December 31, 1951

	Amount Outstanding December 31, 1951	
RELATED TO GENERAL CAPITAL ACCOUNTS		
GENERAL AND REFUNDING BONDS		
Fifth Series 3¼% due 1977 (A) (B)	$27,594,000	
Eighth Series 2% due 1974 (B)	22,369,000	
Ninth Series 1½% due 1985 (B)	9,582,000	
Tenth Series 1¾% due 1985 (B)	6,026,000	
Eleventh Series 1¼% due 1986 (B)	13,411,000	
Twelfth Series 1½% due $1,090,000 annually to June 15, 1962 (A) (C)	11,990,000	
Thirteenth Series 1.40% due $1,500,000 annually to July 15, 1953 (A)	3,000,000	
Fourteenth Series 4% due $3,600,000 annually to December 15, 1953 (A)	7,200,000	
Fifteenth Series 1½% due $3,600,000 annually from December 15, 1954 to December 15, 1964	39,600,000	$140,772,000
NOTES		
General Reserve Fund Notes, Series W, 1¼% due January 15, 1952 (A) (D)	3,000,000	
General Reserve Fund Notes, Series X: (D)		
1⅜% due November 15, 1953	2,000,000	
1½% due November 15, 1954	4,000,000	
1⅝% due November 15, 1955	2,000,000	
1⅝% due November 15, 1956	1,000,000	12,000,000
Total related to General Capital Accounts		$152,772,000
RELATED TO AIR TERMINALS CAPITAL ACCOUNTS		
AIR TERMINAL BONDS		
First Series 3% due 1978 (B)	$31,400,000	
Second Series 2½% due 1979 (B)	30,000,000	
Third Series 2.20% due 1980 (B)	13,000,000	
Total related to Air Terminals Capital Accounts		$ 74,400,000
RELATED TO MARINE TERMINAL CAPITAL ACCOUNTS		
MARINE TERMINAL BONDS		
First Series 2½% due 1978 (B)	$ 7,000,000	
Second Series 2.20% due 1980 (B)	3,000,000	
Total related to Marine Terminal Capital Accounts		$ 10,000,000
TOTAL		$237,172,000

(Continued)

NOTES TO EXHIBIT G

(A)—Serial maturity payments to be made within one year from December 31, 1951 are as follows:

General and Refunding Bonds:	
Twelfth Series	$1,090,000
Thirteenth Series	1,500,000
Fourteenth Series	3,600,000
Notes:	
General Reserve Fund Notes, Series W (Note D)	3,000,000
	$9,190,000

On January 8, 1952, $15,000,000 principal amount of General and Refunding Bonds, Fifth Series, were called for redemption on February 15, 1952. To provide funds in part for this redemption, $9,000,000 principal amount of General Reserve Fund Notes, Series Y, were sold on January 2, 1952, the remaining funds required are to be provided from the Special Reserve Fund.

(B)—Payments into sinking funds are not required until 1960 for the Fifth Series (before the aforementioned redemption); 1953 for the Eighth Series; 1957 for the Ninth Series; 1955 for the Tenth Series; 1961 for the Eleventh Series; 1958 for the Air Terminal Bonds, First Series; 1959 for the Air Terminal Bonds, Second Series; 1955 for the Air Terminal Bonds, Third Series; 1953 for the Marine Terminal Bonds, First Series; and 1955 for the Marine Terminal Bonds, Second Series.

(C)—As of March 1, 1951, $13,080,000 principal amount of General and Refunding Bonds, Twelfth Series, 1½%, due $1,090,000 annually to June 15, 1962 were issued, to be exchanged for a like amount of then outstanding Terminal Bonds, Series M, bearing the same interest rate and maturities.

(D)—Bonds and Notes issued during the year:

a. On January 23, 1951, a loan was obtained from The National City Bank of New York, evidenced by General Reserve Fund Notes, Series W, in the amount of $3,000,000. The proceeds were allocated for capital expenditures for the Lincoln Tunnel, the George Washington Bridge, the Port Authority Grain Terminal and the Port Authority Bus Terminal. Interest is at 1¼% and principal becomes due January 15, 1952 (see below).

b. On November 20, 1951, a loan was obtained from The National City Bank of New York, evidenced by General Reserve Fund Notes, Series X, in the amount of $9,000,000. The proceeds were allocated to refund $3,000,000 principal amount of General Reserve Fund Notes, Series W, and for capital improvements to the George Washington Bridge, the Holland Tunnel, the Lincoln Tunnel, the Port Authority Grain Terminal and for the completion of the Port Authority Bus Terminal.

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DATE DUE	BORROWER'S NAME	ROOM NUMBER
[illegible]	[illegible]	[illegible]