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# THE PORT OF NEW YORK AUTHORITY

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## SIXTEENTH ANNUAL REPORT

DECEMBER 31, 1936

### COMMISSIONERS

#### NEW JERSEY

FRANK C. FERGUSON  
Chairman

GEORGE deB. KEIM

IRA R. CROUSE

JOHN MILTON

JOSEPH M. BYRNE, Jr.

JOSEPH A. BOWER

#### NEW YORK

HOWARD S. CULLMAN  
Vice-Chairman

JOHN F. MURRAY

JOHN J. PULLEYN

ALEXANDER J. SHAMBERG

RUDOLPH REIMER

CHARLES S. WHITMAN

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CHARLES S. WHITMAN

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

**EXECUTIVE**

**JOHN E. RAMSEY, General Manager**

**JOHN J. MULCAHY, Assistant General Manager**

**L. J. KEEFE,  
Secretary**

**MORRIS M. FROHLICH,  
Assistant Secretary**

**H. S. QUIGEL,  
Real Estate Agent**

**F. L. GERHARDT,  
Industrial Consultant**

**JAMES CLARK McGUIRE,  
Purchasing Agent**

**JOSEPH G. CARTY,  
Personnel Director**

**WILLIAM LEARY,  
Treasurer**

**E. E. MENZER,  
Assistant Treasurer**

**MARION RODGERS,  
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Chief Clerk**

**E. TRACY LANTERMAN,  
Superintendent of Insurance and Claims**

**LAW**

**JULIUS HENRY COHEN, General Counsel**

**WILBUR LAROE,  
Associate Counsel, Washington**

**LEANDER I. SHELLEY,  
Assistant General Counsel**

**RUSSELL E. WATSON,  
Associate Counsel, New Jersey**

**A. J. TOBIN,  
Assistant General Counsel**

**DEVELOPMENT AND OPERATION**

**BILLINGS WILSON, Assistant General Manager**

**W. P. HEDDEN,  
Chief, Bureau of Commerce**

**GLENN S. REEVES,  
Engineer, Port Development**

**CORNELIUS F. CAHALANE,  
Police Consultant**

**E. MORGAN BARRADALE,  
Superintendent of Tunnel Operation**

**SYDNEY CUMBERLEDGE,  
General Superintendent of Bridges**

**ARTHUR C. DAVIS,  
Superintendent of Maintenance**

**FINANCIAL ADVISOR**

**SAMUEL L. FULLER**

## ENGINEERING

O. H. AMMANN, Chief Engineer

EDW. W. STEARNS,  
Assistant Chief Engineer

J. C. EVANS,  
Terminal Engineer

RALPH SMILLIE,  
Engineer of Design

CHAS. S. GLEIM,  
Engineer of Construction

W. E. THOMPSON,  
Tunnel Engineer

GEORGE L. LUCAS,  
Engineer of Inspection

R. F. SCHAEFER,  
Assistant Engineer of Design

E. W. BOWDEN,  
Assistant to Chief Engineer

CHAS. W. MURDOCK,  
Mechanical Engineer

J. N. DODD,  
Electrical Engineer

CHARLES L. CRANDALL,  
Resident Engineer

---

## CONSULTING ENGINEERS

JAMES FORGIE,  
Consulting Engineer

OLE SINGSTAD,  
Consulting Engineer  
on Tunnels

ROBERT RIDGWAY,  
Consulting Engineer

MORGAN F. LARSON,  
Consulting Engineer

DANIEL E. MORAN,  
Consulting Engineer  
on Foundations

LEWIS B. STILLWELL,  
Consulting Electrical  
Engineer

PROF. GEORGE H. BROWN,  
Ceramic Engineer

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## ARCHITECT

AYMAR EMBURY II

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## CONSULTING GEOLOGIST

PROF. CHAS. P. BERKEY

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LAWRENCE SCUDDER & CO.

ACCOUNTANTS AND AUDITORS

February 10, 1937

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

GENTLEMEN:

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

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

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,  
(Signed) LAWRENCE SCUDDER & CO.

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

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NEW YORK, FEBRUARY 26, 1937

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

THE PORT OF  
NEW YORK AUTHORITY

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

## SECTION I—PORT DEVELOPMENT

### *Belt Line No. 1—Cross Bay Union Freight Tunnel*

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

### *Channel Improvements*

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

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

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

East River—Excavation to complete 40-foot channel.

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

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

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

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

#### ***Regulations Covering Transportation of Hazardous Cargoes***

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

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

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

#### ***Suburban Transit***

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

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

#### ***New York State Barge Canal***

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

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

#### ***Ice Breakers for New York Harbor***

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

#### ***Overseas Air Terminals***

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

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

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

#### ***Highway Traffic Studies and Traffic Aids***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## SECTION II—CONSTRUCTION

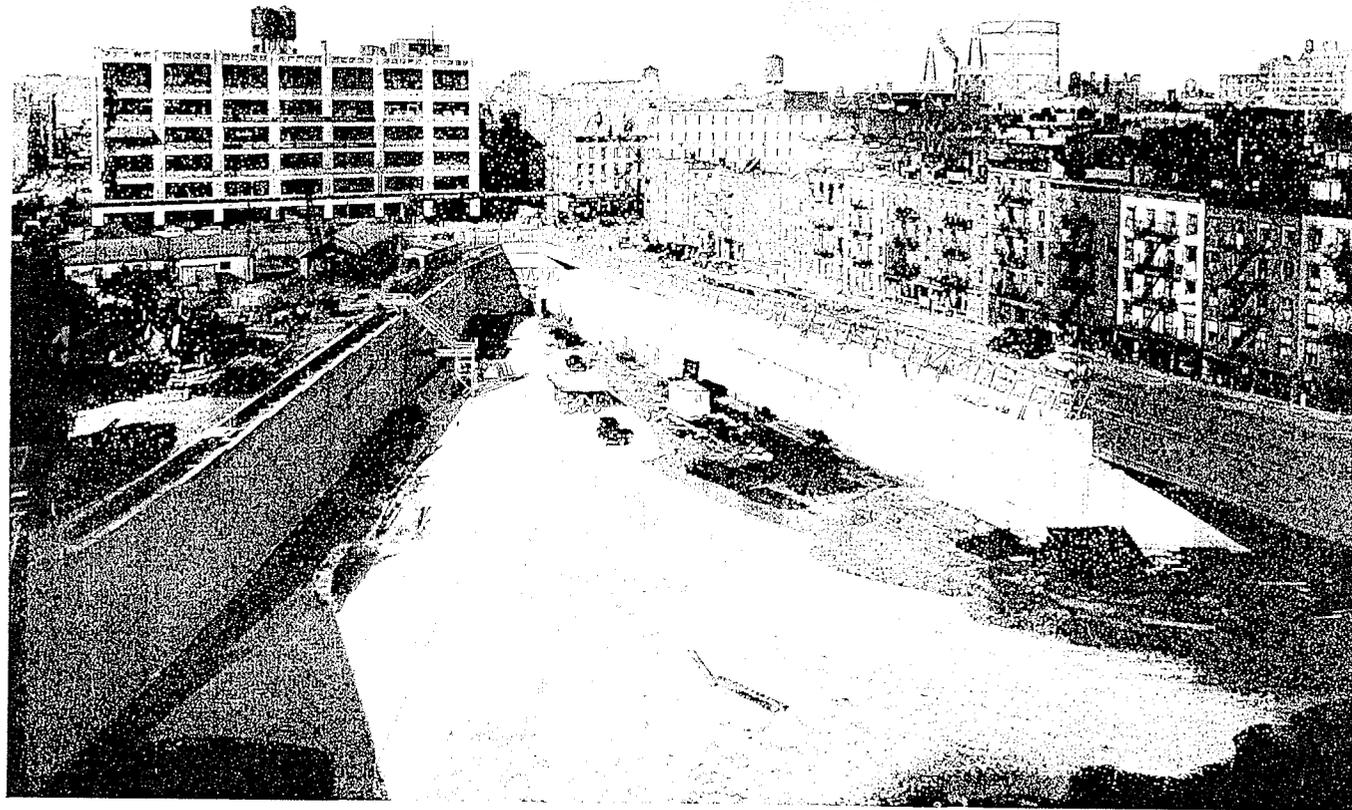
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### Part I.—Midtown Hudson Tunnel

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

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

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



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

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

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

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

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