

THE PORT OF NEW YORK AUTHORITY

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



SEVENTEENTH ANNUAL REPORT

DECEMBER 31, 1937

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 J. PULLEYN

ALEXANDER J. SHAMBERG

RUDOLPH REIMER

CHARLES S. WHITMAN

MICHAEL F. WALSH

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*William
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IN MEMORY

of

JOHN F. MURRAY

At a regular meeting of the Commissioners of The Port of New York Authority held in the City of New York on the fifteenth day of April, nineteen hundred thirty-seven, the following tribute to the memory of the Honorable John F. Murray was offered and unanimously adopted:

The Commissioners of The Port of New York Authority were sorrowed by the passing away of their colleague, the Honorable John F. Murray, on March 27, 1937, following an illness of several months.

The late Commissioner was a qualified engineer, a successful business executive, and a man of high principles and character. He brought to the Port Authority youth, ambition, and energy, and his years of service were marked by a deep devotion to all that was best in public life. He adhered faithfully to his convictions and could not be swerved from his path of duty, as he saw it, by consideration of self or urgings of expediency.

He was one of the oldest Commissioners of the Port Authority in point of membership on the Board. He was first named almost ten years ago by the Governor of his state, prior to the completion of many Port Authority projects and prior to the inauguration of many other major undertakings.

Commissioner Murray's passing is indeed a loss to the public, which he had served so faithfully as a Commissioner of The Port of New York Authority, as well as to those with whom he was personally associated.

The Commissioners of The Port of New York Authority wish to express their tribute to his memory and to convey their personal condolences to his family.

THE PORT OF NEW YORK AUTHORITY

111 EIGHTH AVENUE, NEW YORK CITY

EXECUTIVE

JOHN E. RAMSEY, General Manager

JOHN J. MULCAHY, Assistant General Manager

L. J. KEEFE,
Secretary

MORRIS M. FROHLICH,
Assistant Secretary

H. S. QUIGEL,
Real Estate Agent

P. L. GERHARDT,
Industrial Consultant

E. MORGAN BARRADALE,
Assistant to General Manager

JAMES CLARK McGUIRE,
Purchasing Agent

JOSEPH G. CARTY,
Personnel Director

WILLIAM LEARY,
Treasurer

E. E. MENZER,
Assistant Treasurer

MARION RODGERS,
Auditor

DR. EDWARD LEVY,
Medical Director

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Superintendent of Insurance and
Claims

EDWARD J. TSCHIMBKE,
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Chief Clerk

FINANCIAL ADVISOR

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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

SYDNEY CUMBERLEDGE,
General Superintendent of Bridges

ARTHUR C. DAVIS,
Superintendent of Maintenance

JOHN A. LEE,
Superintendent, Holland Tunnel

ENGINEERING

O. H. AMMANN,
Director of Engineering

J. C. EVANS,
Chief Engineer

EDW. W. STEARNS,
Assistant Chief Engineer

RALPH SMILLIE,
Engineer of Design
(Tunnel Crossings)

ALLSTON DANA,
Engineer of Design
(Bridge Crossings)

CHAS. S. GLEIM,
Engineer of Construction

W. E. THOMPSON,
Tunnel Engineer

GEORGE L. LUCAS,
Engineer of Inspection

AYMAR EMBURY II
Architect

R. F. SCHAEFER,
Assistant Engineer of Design

CHAS. W. MURDOCK,
Mechanical Engineer

J. N. DODD,
Electrical Engineer

CHARLES L. CRANDALL,
Resident Engineer

THOMAS DARROW,
Resident Engineer

R. F. WHEADON,
Resident Engineer

A. B. LINCOLN,
Resident Engineer

E. WARREN BOWDEN,
Assistant to Chief Engineer

L. L. BERWIND,
Assistant to Chief Engineer

CONSULTANTS

JAMES FORGIE,
Consulting Engineer

OLE SINGSTAD,
Consulting Engineer
on Tunnels

ROBERT RIDGWAY,
Consulting Engineer

MORGAN F. LARSON,
Advisory Engineer on
Terminals and Highways

PROF. GEORGE H. BROWN,
Ceramic Engineer

PROF. CHAS. P. BERKEY,
Consulting Geologist

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LAWRENCE SCUDDER & CO.

ACCOUNTANTS AND AUDITORS

February 21, 1938

NEW YORK OFFICE

120 WALL STREET

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, 1937 and submit herewith the following statements:

EXHIBIT A—General Balance Sheet,
As At December 31, 1937.

EXHIBIT B—Combined Income Account,
Year Ended December 31, 1937.

In connection therewith, we did not make 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, 1937, 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. However, apportionment of

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

refunding expenses, premium, etc., applicable to the Lincoln Tunnel has been made with respect to that facility to December 31, 1937.

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 new 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 \$21,757,388.15, included Midtown Hudson Tunnel Construction Funds of \$17,434,478.39 and Investment in Securities totaling \$1,535,194.91 includes \$1,011,289.09 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, 1937, and the results of operations for the year ended at that date, respectively.

(Signed) LAWRENCE SCUDDER & CO.

ACCOUNTANTS AND AUDITORS.

**LETTER OF TRANSMITTAL—ANNUAL REPORT
FOR YEAR 1937**

NEW YORK, *February 14, 1938*

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

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

Despite unsettlement prevailing in the economic system during the latter half of the year 1937, the Port Authority can report a substantial increase in earnings, further progress in its program of refunding the debt, the completion ahead of schedule of the first operating unit of the Lincoln Tunnel, a satisfactory financial condition and a high market rating for all of its securities.

Throughout the year the traffic trend of all facilities continued upward, although toward the end of the year there were indications of a slight slowing up, the result possibly of retarded business activity.

The first operating unit of the Lincoln Tunnel, on which work was started in February, 1934, was dedicated on December 21, 1937, with appropriate ceremonies, and early in the morning of December 22nd the facility was officially opened to revenue traffic.

This initial stage provides for the operation of vehicles in both directions in a single roadway. It is expected that the extensive and comprehensive system of approaches in New Jersey will be completed within eighteen months and that the final stage will be ready for complete operation as a two-tube unit late in 1940.

In August 1937, the Commissioners being of the opinion that the financial market was favorable, issued and sold \$15,000,000 of General and Refunding, Fifth Series, 3¼% Bonds, which provided approximately \$11,200,000 addi-

tional funds to carry on construction work in the Lincoln Tunnel. The balance of \$3,800,000 was obtained for the purpose of refunding Series C Bonds, which were called on January 3, 1938. Based upon present estimates, there still remains an amount of approximately \$20,000,000 of additional construction costs to be financed. Sufficient monies are on hand to carry the construction work forward to the latter part of 1938, and, in the event that market conditions are not satisfactory when these additional funds are required, recourse may be had to the credit of \$29,100,000 obtained on November 11, 1937 through agreement with the Federal Emergency Administration of Public Works, or to temporary loans which may be made through a standing credit agreement with a group of bankers which was arranged on April 21, 1937. Further details regarding both the credit from the P. W. A. and the standing credit agreement with the bankers may be found in the financial section.

New traffic highs were attained on Port Authority facilities during the year. A total of 22,622,316 vehicles were reported, inclusive of the 72,727 which used the Lincoln Tunnel in the last ten days of the year. This compares with a total of 20,345,768 vehicles during the year 1936, or an increase of 11.2 per cent. The total number of vehicles handled in 1936 had increased 6.9 per cent over the total handled in 1935.

The Port Authority Commerce Building remains practically one hundred per cent rented; and Union Inland Freight Station No. 1, which forms a part thereof, handled a total of 74,873 tons of l.c.l. freight, an increase of 5,438 tons, or 7.8 per cent over 1936.

At the direction of the State of New Jersey, the Port Authority made a study and report of suburban transit for Northern New Jersey. The report dealt primarily with the interstate suburban transit problems of Northern New Jersey and pointed out that rapid transit facilities for Northern New Jersey are necessary and desirable but that such facilities cannot be self-sustaining at the existing railroad commutation rate levels unless supported by a plan for public aid. The report recommended to the New

Jersey Legislature that it consider the question of public aid or subsidy for providing the suburban rapid transit facilities, and if an appropriate plan of public aid should be approved, that the task of providing the transit facilities be committed by the New Jersey Legislature to an appropriate public agency.

Port Development and Port Protection activities were continued throughout the year. A study of Overseas Air Terminal requirements at the Port of New York and in its vicinity was completed and report thereon distributed to those concerned.

The report of a Fact-Finding Committee, representing the Pennsylvania, New Haven, Lehigh Valley and New Jersey Central Railroads and the Port Authority, on the economic practicability of the construction of the Greenville Bay Ridge vehicular tunnel (Belt Line No. 1) was completed and submitted to a special committee of the Port Authority by which it is now being considered.

Under the Motor Carrier Act recently enacted interstate motor truckers operating between contiguous municipalities and adjacent commercial zones were exempted, unless the Interstate Commerce Commission should find that such objection would defeat the purpose of the Act. In the case of the Port of New York district the Commission, contrary to representations of the Port Authority and civic and trucking organizations, found the commercial zone under the Act for this district to be limited on the New Jersey side to Hudson County and a narrow strip of Bergen County along the waterfront, excluding Newark, Elizabeth, Perth Amboy and Paterson. The decision was felt to be contrary to previous findings of the Commission in other cases and inimical to the best interests of the district as a whole, and particularly prejudicial to that section of the Port District in New Jersey which was excluded. Accordingly, the Port Authority assisted in bringing a suit for an injunction and declaratory judgment before the Federal Courts to test the legality of the decision. In addition, the Port Authority supported legislation in Congress to amend the Motor Carrier Act to define specifically the zones in which local truckers will be exempt from the

burdens of regulations designed for long-haul over-the-road haulers.

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 J. PULLEYN,
ALEXANDER J. SHAMBERG,
RUDOLPH REIMER,
CHARLES S. WHITMAN,
JOSEPH A. BOWER,
MICHAEL F. WALSH,
Commissioners.

SECTION I—PORT DEVELOPMENT

Belt Line No. 1—Cross Bay Union Freight Tunnel

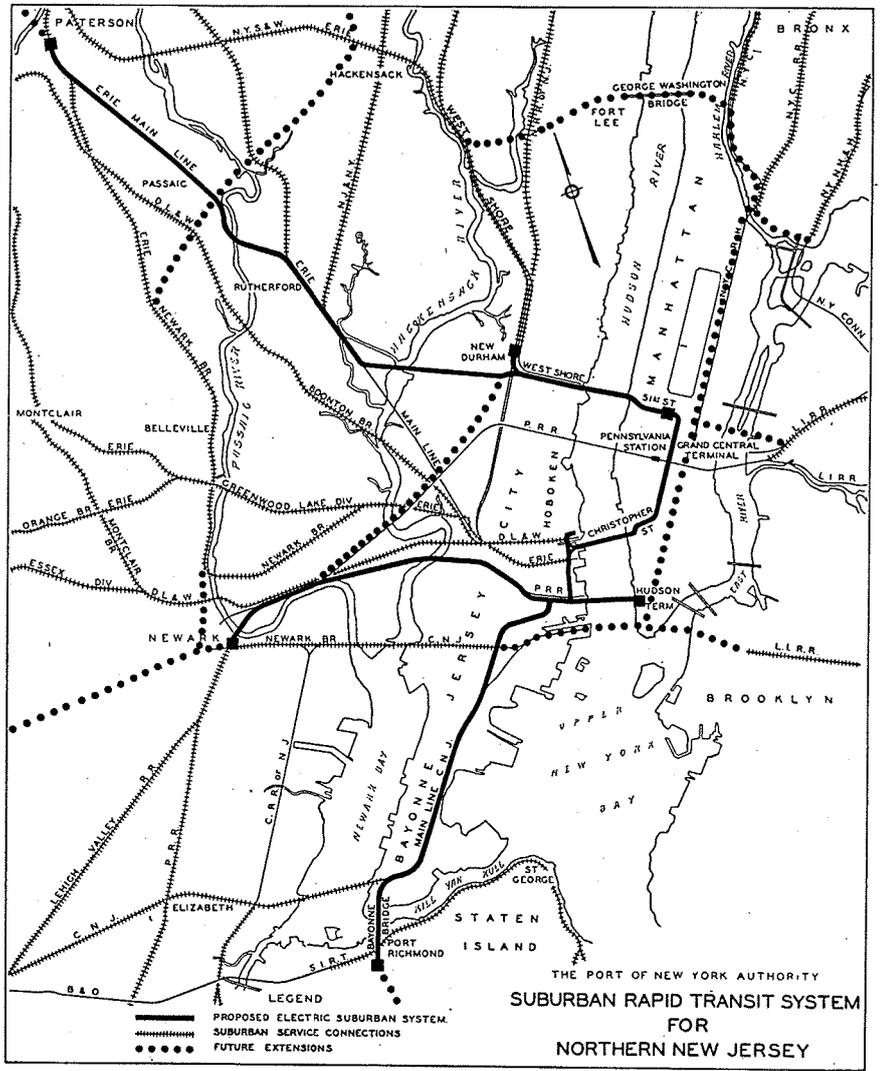
A single track tunnel between Greenville, New Jersey and Bay Ridge, Brooklyn, with a capacity of 5,000 freight cars per day or twice the volume of traffic interchanged over this route by car float in 1935, and including the yard changes, electrification and new operating equipment, would cost approximately \$57,000,000. This cost was estimated by the Joint Fact-Finding Committee, consisting of representatives of the Port Authority and the Pennsylvania, New Haven, Lehigh Valley and New Jersey Central Railroads, in its report submitted on December 1, 1936. The record of public hearing of September 10, 1935, which had been held open for nearly two years at the request of the railroads and other parties thereto, was closed on July 1, 1937.

The report indicated that sixty-eight per cent of the traffic would be expedited, twenty-nine per cent six hours or more. This speeding up of interchange movements, plus elimination of fog and ice delays, would result in a saving of 122,600 car days a year. Other intangible benefits expected to be realized would be elimination of yard delays due to floating, the stabilization of industry and tonnage on carriers' lines by providing all-rail connections across New York harbor, reduction of claims on account of lost markets, release of valuable waterfront property now occupied by float bridges, etc.

The Joint Fact-Finding Committee's report is now receiving consideration by a special committee of the Port Authority.

Suburban Transit

To provide an adequate coordinated interstate rapid transit system to serve the estimated traffic of 125,000,000 passengers per annum from the communities in Northern



New Jersey, it will be necessary to supplement anticipated revenues based on present fare levels by some plan for public aid in order to meet the annual charges on the necessarily large capital investment. These were the findings in a report on "Suburban Transit for Northern New Jersey", dated March 1, 1937, submitted by the Port Authority pursuant to Joint Resolution No. 6 adopted by the New Jersey Legislature and approved by the Governor in 1936. The report recommended to the Legislature that a plan for public aid to bridge the gap between costs and fare revenues be given consideration.

Overseas Air Terminals at the Port of New York

A factual survey of the physical and economic availability of sites for overseas air terminals within the Port District was completed during 1937 and transmitted to state and municipal officers and other parties interested in the subject. The report, which was dated June 10, 1937, concluded that overseas air transport will become a commercial reality within two or three years; that the Port of New York will undoubtedly become a major base of operations; that development of terminals for overseas air transport on a self-supporting basis will be extremely unlikely; and that such projects are not suitable as Port Authority financial undertakings.

Channel Improvements

The Port Authority continued to cooperate in studying and recommending desirable channel improvements in the Port District as well as proposed bridge clearances, modification of harbor lines and miscellaneous improvements to navigable channels.

Actual channel improvement work on projects in the Port District during the year included the following:

- New York-New Jersey Channels—Deepening the Kill van Kull and Arthur Kill along the Staten Island and New Jersey waterfronts to thirty-five feet.
- Newtown Creek—Deepening in the neighborhood of English Kills to twelve feet.

Harlem River Channel—Removal of Johnson Iron Works and straightening of Channel.
Coney Island Creek—Deepening to twelve feet.

New York State Barge Canal

The New York State Barge Canal connecting the Hudson River with the Great Lakes is of great importance to the Port of New York as a competitive artery for low cost handling of bulk tonnage products shipped via the port or refined and processed by industries within the port.

Work is progressing on federal improvement to the Canal, authorized for a total sum of \$27,000,000 which will deepen channels between locks and increase clearances of bridges. Work on this project is twenty-two per cent complete and allotments are being made at the rate of approximately \$5,000,000 per annum.

Since the federal improvement funds will be cancelled if tolls are imposed upon the canal by the State, and since competitive waterways serving Montreal and New Orleans are toll free, the Port Authority continues to cooperate with other public agencies and farm, labor, industrial and consumer representatives in opposing the perennial proposal to eliminate the constitutional prohibition against levying of tolls.

Diversion of Canadian Grain by British Import Regulations

Renewed efforts have been made by the Port Authority in cooperation with other port, carrier, elevator, and grain interests to re-constitute the flow of Canadian grain in transit to United Kingdom by way of United States ports. This movement was greatly restricted by British Customs regulations requiring proof of "through consignment" following the imposition of a tariff on non-Empire wheat by Great Britain in 1932.

Efforts are being continued to secure the entire elimination of the cumbersome documentary proof now required and further progress is anticipated if and when a reciprocal trade agreement is negotiated between Great Britain and the United States.

Highway Traffic Studies

As an aid to economic and engineering decisions in programming approach connections and framing toll schedules and operating regulations, the Port Authority carried on a continuous analysis of current traffic trends in the Port District, including direction of flow of traffic to and from river crossings, together with its origin and destination, utilization of streets in the vicinity of bridge and tunnel plazas and the number of passengers carried by buses and passenger cars on trans-Hudson crossings.

These field studies, which have been prosecuted with the aid of personnel assigned by the United States Works Progress Administration, have proven of value not only to the Port Authority, but also to the City of New York, the New Jersey State Highway Department, New York City Tunnel Authority, and the Regional Plan Association.

New York Commercial Zone—Motor Carrier Act Exemption

Reference was made in the 1936 Annual Report to an investigation by the Interstate Commerce Commission to determine the limits of the area adjacent to and commercially a part of the municipalities in the New York District. The Act of 1935, establishing regulation of interstate over-the-road motor carriers, provided for an exemption of trucking wholly between contiguous municipalities and within an adjacent commercial zone.

In hearings before the Interstate Commerce Commission, the Port Authority urged that exempt territory be defined to include all municipalities within the Port of New York District. The Examiner for the Interstate Commerce Commission recommended an area substantially similar to the port district, but the Interstate Commerce Commission, in decision of April 16, 1937, excluded from the exempt zone municipalities west of the Hackensack River, including Paterson, Passaic, Newark, Elizabeth, and Perth Amboy. This decision has the effect of subjecting local truckmen operating between Newark and Manhattan or Elizabeth and Staten Island to the same detailed regulations with respect to obtaining certificates of convenience and necessity, filing tariffs, submitting accounts, issuing bills of

lading, as would apply to long haul truckers between New York and Chicago or New York and Baltimore. Failure to conform would result in heavy penalties.

Since numerous commercial organizations, municipalities, local truckmen and individual industries within the port are convinced that this decision will reduce the number of available local truckmen, increase cost of distribution, and discriminate against those sections of the port which are excluded from the zone, there is widespread dissatisfaction with this decision. The Port Authority endeavored to secure a rehearing and further argument from the Interstate Commerce Commission but its petition was twice denied and the order went into effect on July 1, 1937.

Believing that the Commission's order withdrawing the exemption from cities within the Port District west of the Hackensack River was contrary to the intent of Congress and also was arbitrary in that due notice of this proposed action was not given, no testimony on the point taken, and no findings of fact made in support of it, the Port Authority, acting in cooperation with local truckmen, filed a petition with the Federal Courts asking for an injunction against the Interstate Commerce Commission, an annulment of its order, and a declaratory judgment by the court. The hearing before a three judge court in Trenton has been set for January 17, 1938 and will be participated in by the cities of Newark, Elizabeth and Perth Amboy, together with numerous commercial organizations, industries and truckmen.

In order to clarify the act by fixing the limits of the zone and making these limits mandatory upon the Interstate Commerce Commission, bills were introduced in the Federal Congress by Representative Kenney of New Jersey, (H.R. 8129) and by Senator Moore, (S. 2818). Hearings on these bills are anticipated during 1938.

***Storage of Import Property on Steamship Piers—
U.S. Maritime Commission Docket 221***

The 1935 Annual Report referred to efforts to deal with the problem of storing inbound freight on steamship piers at New York harbor and the free time allowance to con-

signees in connection therewith. Following representations by steamship lines, warehousemen, truckmen, and others at a public hearing held by the Port Authority in 1934, legislation was passed in New York State to vest control of this problem in the Port Authority. However, a similar bill in New Jersey failed of passage and in the meantime the United States Maritime Commission instituted hearings as a result of complaints filed by competing ports.

At this hearing and in subsequent briefs and oral argument before the Maritime Commission, the Port Authority took the position that limitation of free time on piers was desirable but that the most satisfactory progress would be made by having the Federal Commission issue an order condemning unreasonable storage and then require the steamship lines to file the tariffs fixing the proper period, with due regard to the competitive situation at other ports and the needs of individual trades.

In a decision handed down on November 22, 1937 the Maritime Commission ordered the steamship companies, effective January 21, 1938, to limit storage to a maximum of ten days after discharge.

While this time is generally as liberal as time accorded at other ports, there are specific commodities where longer free time periods are allowed, which, if not adjusted, will adversely affect the commerce of the port. One of these instances is green coffee where the trade enjoys twenty days or more free time on docks at New Orleans and fifteen days at Houston. The Port Authority, together with leaders in the coffee importing trade and several of the steamship lines handling coffee, petitioned the Maritime Commission for a stay of thirty days on the coffee portion of their New York order, asking at the same time for an opportunity to be heard on the New Orleans situation. Petition was denied. Further steps are in contemplation in connection with this situation.

Philadelphia Port Differential Case—ICC Docket 27427

In the 1936 Annual Report attention was drawn to a formal complaint filed by the City of Philadelphia with the Interstate Commerce Commission attacking the import-

export rate structure, including rates to the Port of New York, and alleging discrimination against Philadelphia.

The Port Authority's interest in this case was primarily one of protecting port interests and guarding against the possibility of widening existing differentials between New York and Philadelphia. The complaint raised the familiar issues of port relationships and lawfulness of shipside rates in New York harbor.

On June 2, 1937 and again on September 14, 1937, the Commission heard testimony of the complainant and its rebuttal. At these hearings the cities of New York and Newark, and the Port Authority submitted data on investment in terminal facilities at the Port of New York.

A joint brief, filed by the Port Authority and representatives of the Port of New York on December 6, 1937, asked the Commission to dismiss the complaint, asserting that the case was devoid of substantial support; that testimony offered by Philadelphia interests narrowed the complaint down to a controversy between Philadelphia and Baltimore, with a distinct political aspect, and that a decision favoring Philadelphia would result in a disruption of the existing port differential rate structure.

Rates from Central Territory to Gulf, North Atlantic and Canadian Ports—I & S Dockets 4122, 4252

Annual reports for previous years have recorded the long standing litigation before the Interstate Commerce Commission involving relationship of the Port of New York and other North Atlantic ports to Gulf and Canadian port competitors on traffic originating in midwest territory.

Preferences accorded to Gulf ports on this traffic from points east of Chicago, Indianapolis and Cincinnati, which are under control of the Eastern carriers, have generally been eliminated, but there have been long delays and three separate cases before the Interstate Commerce Commission dealing with the item of unboxed automobiles. The export of these automobiles, manufactured in Detroit, South Bend, Auburn, and other midwest producing points, is an important item in the trade of the Port of New York. Rates on unboxed passenger cars have favored New Or-

see over

leans and other Gulf ports to the extent of as much as three dollars and forty cents per ton.

Gulf interests succeeded in complicating the controversy by bringing into issue rates via Canadian ports. Further hearings were held beginning June 15, 1937 which brought out that the volume of this traffic moved through Canadian ports was unimportant, and the Commission has finally settled the matter, allowing the railroads to put into effect new tariffs which will eliminate the Gulf port advantage. This litigation is now closed with results satisfactory to the Port of New York.

***Sugar Rates from North Atlantic Ports—
Fourth Section Application 16929 et al***

Railroads serving the North Atlantic ports have applied to the Interstate Commerce Commission for authority to depart from the long and short haul clause of the Interstate Commerce Act and to put in reduced rates to Cleveland, Toledo and Detroit to meet water competition via the New York State Barge Canal.

The applications propose a scale of rates which would give advantages of forty and sixty cents per ton under New York to Philadelphia and Baltimore, respectively, despite the fact that water competition from those ports is negligible, and that sugar rates to other portions of Central territory are fixed generally on a distance basis rather than a port differential basis.

Hearings scheduled on these applications by the Interstate Commerce Commission have not yet been held but some informal negotiations already have been held with the railroads, pointing out the inconsistency of giving port differentials to Philadelphia, Baltimore and Norfolk in the Great Lakes territory, which is geographically closer to New York and influenced by water competition primarily from New York, and at the same time maintaining a basis of rates to other Central territory points which ignore port differentials. The railroads are expected to modify their rate proposals to correct this inconsistency.

SECTION II—CONSTRUCTION

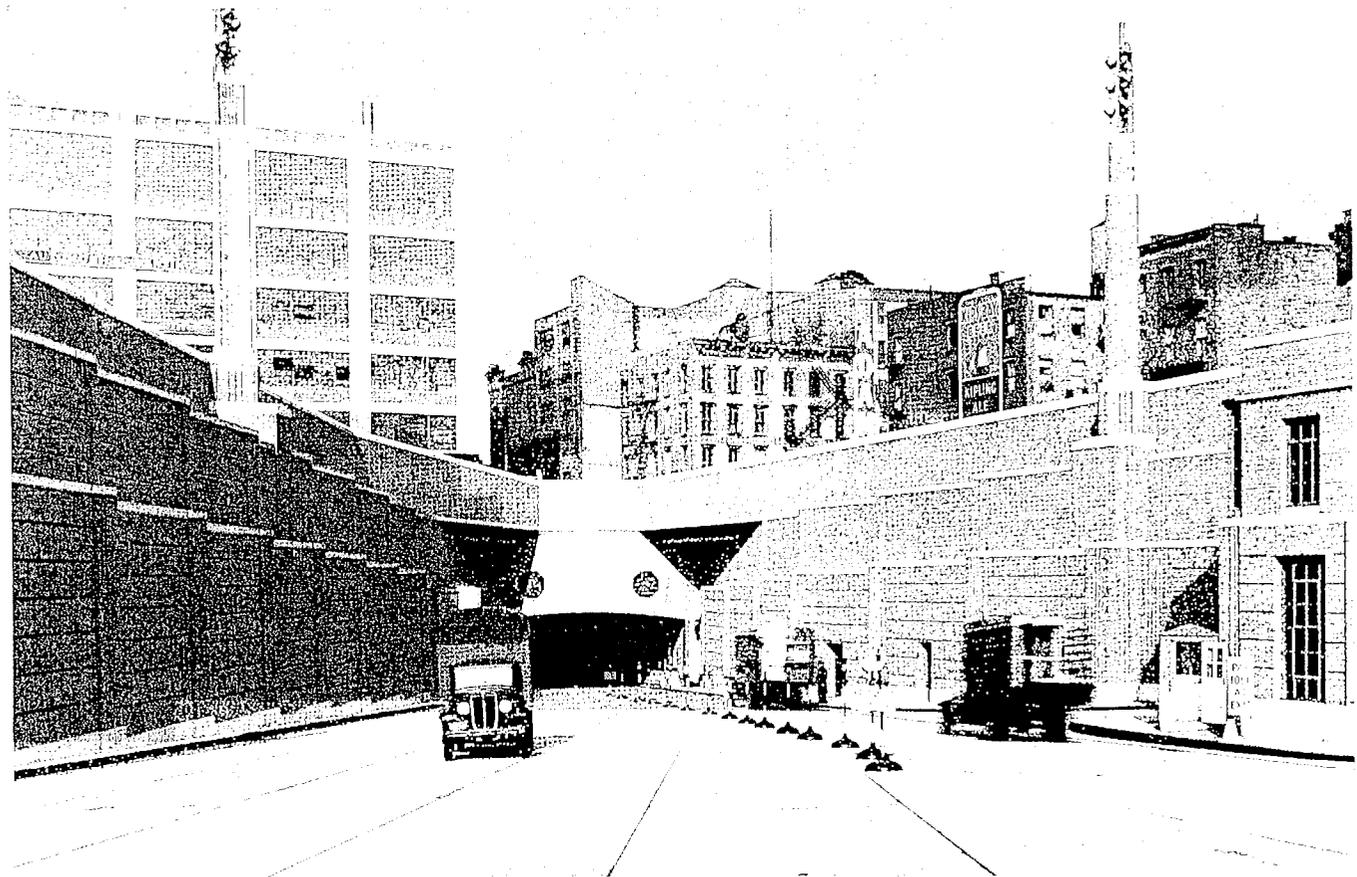
Part I—Lincoln Tunnel

The First Operating Unit of the Lincoln Tunnel was dedicated with appropriate ceremonies on December 21st and opened for traffic at 4:00 A.M. on the following day. The plaza of the completed south tube, located in the west half of the block east of 10th Avenue and south of 39th Street, together with Dyer Avenue, the new approach street extending from 34th Street to 42nd Street, comprise the New York approach facilities.

In New Jersey, the Weehawken toll area, with ramp connections to Hudson County Boulevard East and to Park Avenue, together with the south marginal roadway between Hudson County Boulevard East and Pleasant Avenue and both north and south marginal streets from Pleasant Avenue to New York Avenue in Union City comprise the completed portions of the tunnel approach.

At the close of the year the first portion of the "loop" viaduct structure, which will ultimately connect the south end of the Weehawken toll area with the depressed express highway across the Palisades, was built as far as the east side of Hudson County Boulevard East, and the section forming the upper portion of the loop, north of the toll area, from the east side of Hudson County Boulevard East to and across Pleasant Avenue was about forty-five per cent completed. In December four contracts for construction of the remainder of the "loop" approach were executed as was also a contract for excavation for the depressed express highway from Bergenline Avenue in Union City to Prospect Avenue in North Bergen.

Excellent progress was made on the tunneling operations for the second tube. The rock tunnel under King's Bluff was completely excavated and was being lined with concrete. Excavation for the New Jersey ventilation shaft was completed and shield tunneling operations had pro-



Lincoln Tunnel — First Operating Unit — New York Plaza

gressed about one-third of the distance under the river toward the shaft of the river ventilation building at the New York bulkhead line. The caisson forming the shaft was sunk to rock and sealed in November. Shield tunneling under New York streets was completed on December 22nd when the shield entered the side wall of the caisson through a hole burned in the steel plates to admit it.

Considered as a whole the north tunnel contract for the rock tunnel, shield tunnel and shafts was over fifty per cent completed, the entire operation being advanced several months ahead of schedule. The contract was let in February, 1937.

The contract for the cast iron and cast steel tunnel lining, awarded at the close of 1936, was practically completed during 1937.

All contracts for the First Operating Unit, except those for viaduct sections of the New Jersey approach, were either completed or practically so. The work on the Weehawken sections of the New Jersey Approach is scheduled to be finished before the end of 1938 and the entire New Jersey Approach by the summer of 1939. The second tube and its New York Approach are expected to be completed in 1940.

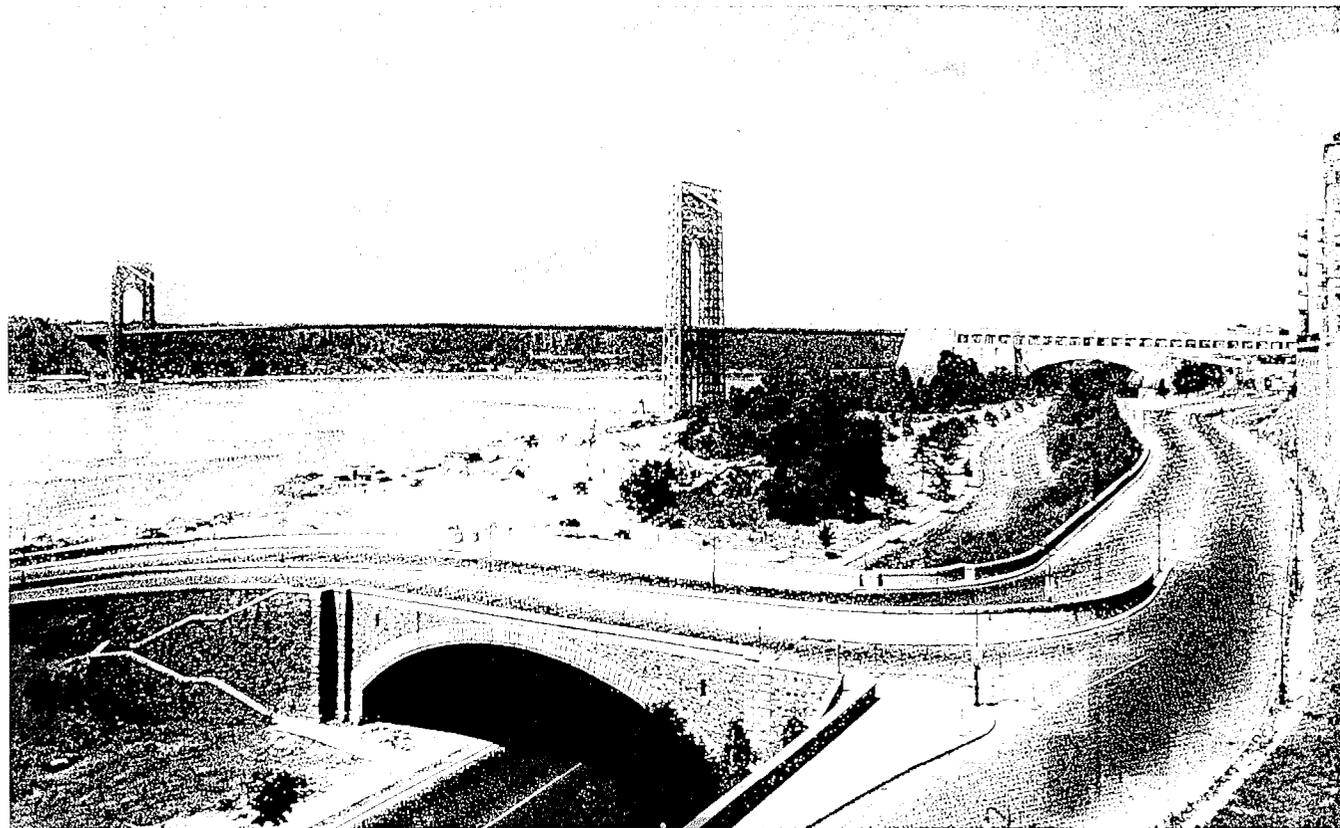
SECTION II—CONSTRUCTION

Part 2—George Washington Bridge

Construction operations for completion of the 178th Street vehicular tunnel approach were continued during 1937.

Contract HRB-23 for extension of the tunnel under Amsterdam Avenue and construction of the approach in Highbridge Park was completed and the manufacture of ventilation equipment for the tunnel, under Contract HRB-21, was continued. Contract HRB-22 for the ventilation building was executed in April and, at the end of the year, work under the contract was fifty-five per cent completed. Construction remaining to complete the tunnel is essentially interior finish and paving and installation of electrical equipment. Plans for these contracts are well advanced.

In June, the Commissioners authorized the Staff to proceed with detailed plans for completion of the New York anchorage and approach ramps to Fort Washington Avenue. These plans and preparation of specifications for the work were advanced to such a point that contracts will be advertised early in 1938. It is anticipated that the work will be completed and the enlarged approach facilities, including the 178th Street tunnel to Amsterdam Avenue opened to traffic by the summer of 1939.



George Washington Bridge—Proposed Finish for Anchorage and Arch over Riverside Drive

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 1—Holland Tunnel

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

Traffic

With a total of 13,079,269 vehicles using the Holland Tunnel in 1937 compared with 11,887,304 vehicles in 1936, an increase of 1,191,965 vehicles or ten per cent, the previous peak year of 1931 was exceeded by over 320,000 vehicles. For ten successive months, beginning with March and ending with December, the number of vehicles using the Tunnel exceeded one million a month. Trucks, including tractors and trailers, showed a gain for 1937 of 7.4 per cent. The trend of truck movements through the Holland Tunnel was steadily upward during the year until October when a peak of 205,035 trucks was reached, establishing an all time high for truck movements since the Tunnel was opened.

Revenues and Expenses

Gross income for 1937 amounted to \$7,282,282.10 compared with \$6,726,228.37 in 1936, an increase of \$556,053.73 or 8.3 per cent. Total operating expenses for 1937 were \$1,576,974.39 compared with \$1,634,002.40 for 1936, a decrease of \$57,028.01 or 3.5 per cent.

Net income from operations for 1937 amounted to \$3,762,798.65 compared with \$3,125,937.15 for 1936, an increase of \$636,861.50 or 20.4 per cent.

Improvements and Changes

All traffic lanes on the New York Plaza were equipped with vehicular treadles which were put into official service on April 15, 1937. At the same time issuing of tickets by toll collectors and collection of same at the New York Entrance Plaza was discontinued.

On June 10, 1937, all special charges for towing and tire changes to vehicles breaking down in the Tunnel were eliminated. The practice of selling gasoline to vehicles running out of gas was discontinued, such vehicles being towed out of the Tunnel into a safety zone in the approach streets nearby.

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 2—Lincoln Tunnel

The first operating unit of the Lincoln Tunnel, consisting of one tube only, was opened to traffic December 22, 1937. Until 1940, when the second tube of the Tunnel will be completed, traffic will continue to move in both directions in the one tube.

Traffic

For the ten days in which the Tunnel was in operation prior to the end of the year it was used by 72,727 revenue vehicles, of which 65,887 were passenger automobiles, 3,667 buses, and the remainder trucks and motorcycles.

Revenues and Expenses

Gross income for the ten days of operation in 1937 amounted to \$38,246.25. Operating expenses were \$19,519.99. After deducting operating expenses and interest on funded debt there resulted a net deficit of \$16,666.41.

Tolls

The toll schedule adopted for the Lincoln Tunnel is identical with that for all other Port Authority vehicular crossings, which is as follows:

Class	Vehicle Type	Total Axles	Rate
1	Passenger Auto	(2)	\$.50
	Horse-drawn Vehicle (Bridges Only).....		
2	Motorcycle	(2)	.25
	Animals ridden, led, or herded (Bridges Only).....		
3	Bus	(2)	1.00
4	Truck, not over 2 tons capacity.....	(2)	.50
	Tractor		
5	Truck, over 2 tons but not over 5 tons capacity.....	(2)	.75
6	Truck, over 5 tons capacity.....	(2)	1.00
7	Tractor with Semi-Trailer } Not over 5 tons	(3)	.75
	Truck		
	Tractor		
	Passenger Auto with Semi-Trailer.....		
8	Tractor with Semi-Trailer } Over 5 tons	(3)	1.25
	Truck		
	Bus		
9	Tractor with Semi-Trailer.....	(4)	1.50
	Truck with Trailer.....		
	Pedestrians, with or without bicycles (Bridges Only) .	...	.05

Combination rates for vehicles moving through the Lincoln Tunnel and over any of the Staten Island bridges are in effect. As at all other Port Authority crossings there are no charges assessed for special services for vehicles stalled in the Tunnel requiring towing, changing of tires, etc.

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 3—George Washington Bridge

The George Washington Bridge was opened to traffic on October 25, 1931.

Traffic

The steady growth in the use of the George Washington Bridge experienced since its opening was continued during 1937. A total of 7,950,705 revenue vehicles used the Bridge, an increase of 893,321 vehicles or 12.7 per cent over the figure of 7,057,384 for 1936. Pedestrian traffic increased 23.4 per cent to a total of 172,111. Intensive use of the Bridge by buses continued throughout 1937, total traffic amounting to 643,273 compared to 592,670 in 1936, an increase of 8.5 per cent. The month in which the greatest number of vehicles used the bridge was July when a total of 975,785 was attained.

Revenues and Expenses

Gross income amounted to \$4,682,148.61 in 1937 compared to \$4,392,579.25 in 1936, an increase of \$289,569.36 or 6.6 per cent.

Operating expenses for 1937 totaled \$447,033.16, a decrease of \$32,368.09 or 6.8 per cent, from the 1936 total of \$479,401.25.

Net income for the year was \$2,099,639.66, and in 1936, \$1,744,925.53 showing a gain for 1937 of \$354,714.13 or 20.3 per cent.

Tolls

On June 10th the rate for bicycles, formerly twenty-five cents, was eliminated and the users permitted to walk them on the sidewalks on payment of the five-cent pedestrian toll.

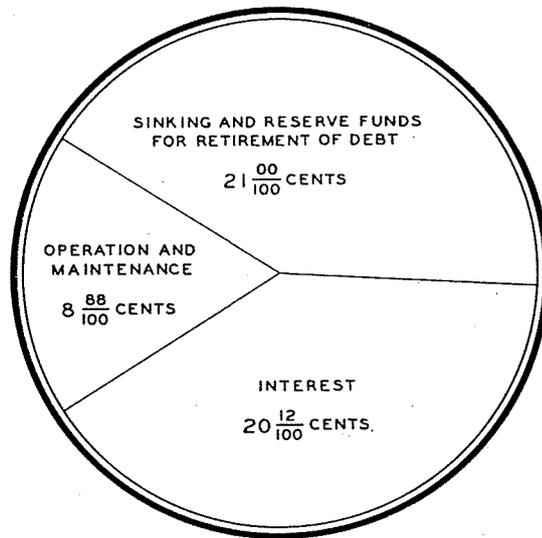
With the opening of the Lincoln Tunnel on December 22nd the use of combination tickets was extended to the George Washington Bridge in conjunction with the Staten Island Bridges. At the same time the time-limit on the use of these tickets was extended from two hours to 8 A.M. of the day following date of purchase.

As at all other Port Authority crossings assessment of charges for special services for vehicles requiring towing, changing of tires, etc., was discontinued.

THE 50¢ TOLL – WHERE IT WENT

BRIDGES AND TUNNELS

YEAR 1937



THE 8 $\frac{88}{100}$ CENTS FOR OPERATION AND MAINTENANCE ARE DIVIDED AS FOLLOWS –

TOLL COLLECTIONS	1 $\frac{03}{100}$ CENTS
LIGHTING AND TUNNEL VENTILATION	1 $\frac{39}{100}$ CENTS
CLEANING	$\frac{38}{100}$ CENTS
POLICING	2 $\frac{05}{100}$ CENTS
INSURANCE	$\frac{72}{100}$ CENTS
OTHER OPERATING EXPENSES	2 $\frac{18}{100}$ CENTS
DEVELOPMENT	$\frac{21}{100}$ CENTS
ADMINISTRATION AND LAW	$\frac{92}{100}$ CENTS
TOTAL	8 $\frac{88}{100}$ CENTS

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 4—Bayonne Bridge

The Bayonne Bridge, connecting Port Richmond, Staten Island with Bayonne, N. J., has been in operation since November 15, 1931.

Traffic

In 1937 the Bayonne Bridge was used by 539,781 vehicles, an increase of 47,179 or 9.6 per cent over the total of 492,602 for 1936. The principal increase occurred in the classification of passenger automobiles with a figure of 431,131 for 1937 compared with 384,601 in 1936, an increase of 12.1 per cent.

Revenues and Expenses

Gross income for 1937 amounted to \$260,858.13 compared to \$344,281.25 in 1936, a decrease of \$83,423.12 or 24.2 per cent. The decrease is attributable to the fact that in 1936 miscellaneous income, in which is included income from investments, etc., amounted to \$116,182.18, whereas in 1937 this item totaled only \$13,416.58. On the basis of toll revenues only, the picture is reversed, the figure for 1937 being \$246,724.00 and for 1936, \$226,341.90 or an increase of \$20,382.10 or 9.0 per cent.

Operating expenses for 1937 totaled \$73,627.71. The figure in 1936 was \$77,132.08, showing a decrease for 1937 of \$3,504.37 or 4.5 per cent.

Operations in 1937 resulted in a net deficit of \$298,917.07 compared to the deficit of \$213,397.99 for 1936. This was brought about by the decrease in 1937 in the item of miscellaneous income, which includes income from investments, etc.

Tolls

A few minor changes affecting toll rates were made during the year. On June 10th the rate for bicycles which was formerly twenty-five cents was eliminated and the riders permitted to use the bridge upon payment of the five-cent pedestrian toll.

With the opening of the Lincoln Tunnel the use of combination rates was extended so that they might be used between the Staten Island Bridges and the Lincoln Tunnel and George Washington Bridge as well as the Holland Tunnel. At the same time the time-limit on the use of these tickets was extended from two hours to 8 A.M. of the day following date of purchase.

As at all other Port Authority crossings there are no charges assessed for special services for vehicles stalled on the bridges requiring towing, changing of tires, etc.

SECTION III—OPERATION OF INTERSTATE VEHICULAR CROSSINGS

Part 5—Arthur Kill Bridges

Goethals Bridge and Outerbridge Crossing, known as the Arthur Kill Bridges, have been in operation since June 29, 1928.

Traffic

Total traffic on these two facilities for 1937 amounted to 979,834 vehicles, which, compared to a total of 908,478 in 1936, represents an increase of 71,356 or 7.9 per cent.

Revenues and Expenses

Gross income in 1937 for these facilities was \$486,370.67 as compared with \$457,363.47 for 1936, an increase of \$29,007.20 or 6.3 per cent.

Operating expenses for 1937 totaled \$147,897.76, as compared with \$147,569.27 for 1936.

While operations in 1937 resulted in a net deficit of \$191,940.61 it was less by \$30,965.06 or 13.9 per cent than the 1936 net deficit of \$222,905.67.

Goethals Bridge Bus Line

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

	Passengers Carried	Gross Revenue	Operating Expense	Net Oper. Revenue
10 Months 1931	197,137	\$19,873 55	\$28,873 80	\$9,000 25*
Year 1932	214,769	24,369 40	28,117 00	3,747 60*
Year 1933	195,096	22,430 05	24,179 86	1,749 81*
Year 1934	202,619	22,937 67	24,127 89	1,190 22*
Year 1935	220,084	24,597 35	25,613 91	1,016 56*
Year 1936	235,651	26,861 40	26,297 33	564 07
Year 1937	238,948	26,880 86	26,276 19	604 67

* Deficit.

For the second successive year this line shows a small net operating revenue.

Tolls

A few minor changes affecting toll rates were made during the year. On June 10th the rate for bicycles which was formerly twenty-five cents was eliminated and the riders permitted to use the bridges upon payment of the five-cent pedestrian toll.

With the opening of the Lincoln Tunnel the use of combination rates was extended so that they might be used between the Staten Island Bridges and the Lincoln Tunnel and George Washington Bridge as well as the Holland Tunnel. At the same time the time-limit on the use of these tickets was extended from two hours to 8 A.M. of the day following date of purchase.

As at all other Port Authority crossings there are no charges assessed for special services for vehicles stalled on the bridges requiring towing, changing of tires, etc.

SECTION IV—GENERAL

Part I—Financial

Results of Operations

In 1937 gross income amounted to \$14,050,580.61, as compared with \$13,103,567.05 for the year 1936, an increase of \$947,013.56, or 7.23 per cent. Interest, operating expenses and all other charges amounted to \$8,548,132.43, a decrease of \$126,860.83, or 1.46 per cent. The net income was \$5,502,448.18, an increase of \$1,073,874.39, or 24.25 per cent.

Facility	Net Income		Increase or Decrease
	1937	1936	
Holland Tunnel	\$3,762,798 65	\$3,125,937 15	\$636,861 50
George Washington Bridge....	2,099,639 66	1,744,925 53	354,714 13
Lincoln Tunnel	16,666 41*	.....	16,666 41*
Bayonne Bridge	298,917 07*	213,397 99*	85,519 08†
Arthur Kill Bridges.....	191,940 61*	222,905 67*	30,965 06
Inland Terminal No. 1.....	82,571 57	39,653 01*	122,224 58
Other Sources	64,962 39	33,667 78	31,294 61
	\$5,502,448 18	\$4,428,573 79	\$1,073,874 39

* Deficit.

† Decrease.

The net income for the year 1937 was disposed of as follows:

Sinking Fund—Holland Tunnel.....	\$1,500,000.00
Sinking Fund — George Washington Bridge	1,500,000.00
Statutory Reserve Fund — George Washington Bridge	599,639.66
Sinking Fund—Inland Terminal No. 1..	82,571.57
General Reserve Fund.....	2,314,361.90
Insurance Reserve Fund.....	13,399.14
Operating Reserves (Deficits).....	507,524.09
Total.....	\$5,502,448.18

Funded Debt

The funded debt outstanding as of December 31, 1936 was.... \$192,217,000
 The following new securities were issued during the year:

General and Refunding Bonds, 4th Series, 3%, issued for refunding by exchange.....	\$2,746,000
General and Refunding Bonds, 5th Series, 3¼%, issued for:	
(a) Lincoln Tunnel Construction	11,236,000
(b) Refunding serial issues...	6,501,000

Total increase in Funded Debt.... \$20,483,000

The following securities were removed from circulation during the year:

Maturities paid were:	
Series B 4s.....	\$1,000,000
Series E 4¼s....	1,000,000
	\$2,000,000

Bonds acquired, and pledged in accordance with the terms of General and Refunding Plan were:	
Series B 4½s....	\$3,557,000
Series C 4s.....	2,292,000
Series D 4¼s....	804,000
	\$6,653,000

Bonds (pledged in previous years) matured in 1937 and actually retired and removed from pledge were:	
Series B 4s.....	\$1,000,000
Series E 4¼s....	56,000
	1,056,000

\$5,597,000

Total decrease in Funded Debt.....	\$7,597,000
Net Increase in Funded Debt.....	12,886,000

The funded debt outstanding as of December 31, 1937 was.... \$205,103,000*
 Sinking and Statutory Reserve Funds..... 11,988,544

Net funded Debt..... \$193,114,456

* After providing for unrepresented bonds called for redemption or retirement as follows:

Series A 4½s.....	\$6,000 00
Series B 4s.....	54,000 00

This amount was reduced on January 3, 1938, by the redemption of the remaining outstanding Series C Bonds in the sum of \$4,455,000.

Lincoln Tunnel Financing

As of December 31, 1937, there had been sold \$62,584,000 General and Refunding Bonds to provide funds to construct the Lincoln Tunnel. Approximately \$20,000,000 additional funds will still be needed to complete the project to its ultimate stage of two tubes. Funds on hand are suffi-

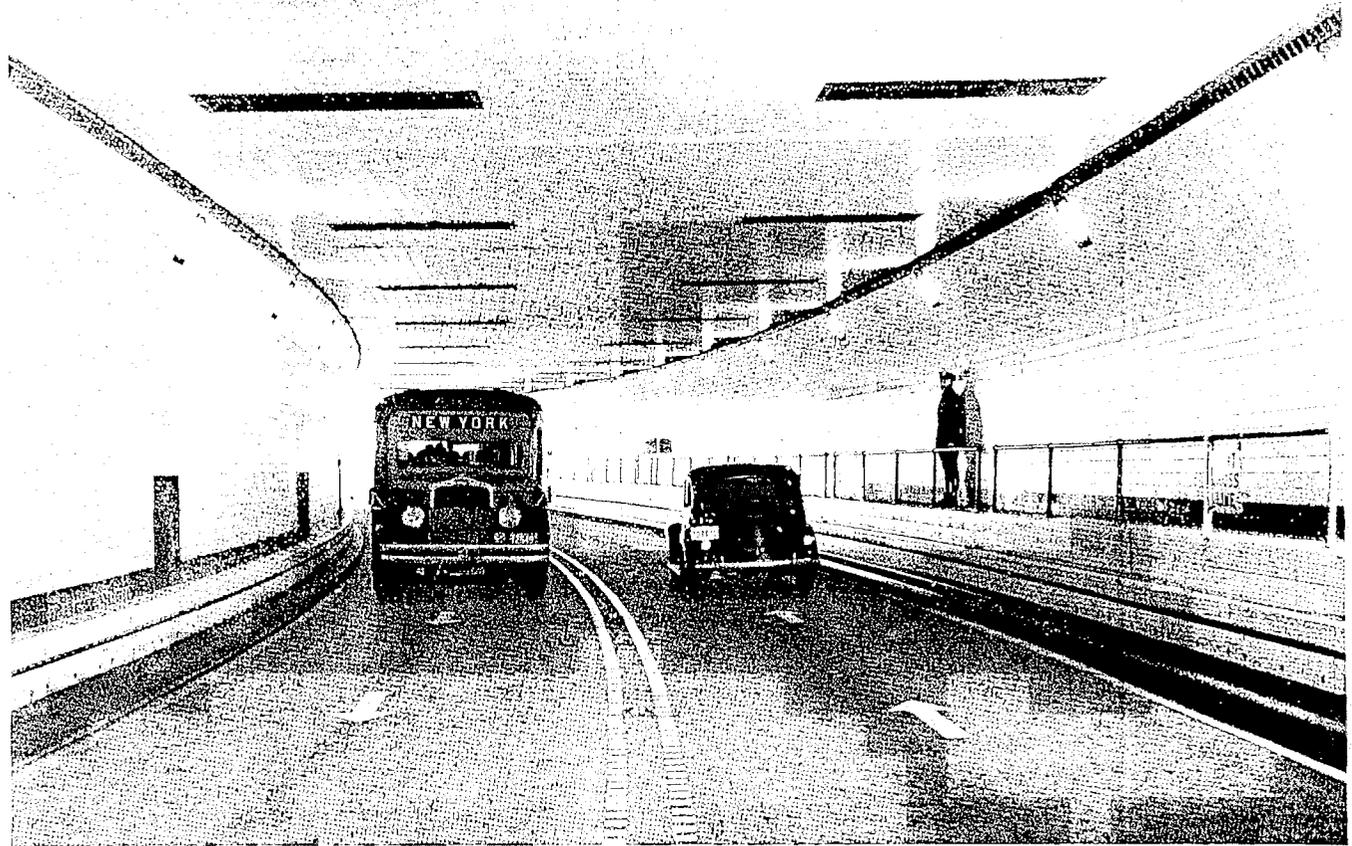
cient to carry construction costs until the latter part of 1938 at which time it will be necessary to provide additional funds. If at that time market conditions are unfavorable the Port Authority will have recourse to an agreement of the Federal Public Works Administration obtained under date of November 11, 1937, which agreement provides for a credit in an amount not to exceed \$29,100,000 in which is included a further undertaking by the Government to make a grant not to exceed \$3,100,000. The funds may be acquired as needed, by sale to the Administration of Lincoln Tunnel 4% Notes maturing November 1, 1942, the notes to be secured by General and Refunding 4% Bonds due November 1, 1977.

In addition to this credit the Port Authority, under date of April 21, 1937, entered into an agreement with the National City Bank, the Chase National Bank, the Manufacturers Trust Company and the Chemical Bank & Trust Company, all of New York, which provides for a credit of \$26,000,000. This amount is divided into three credits; the first for the sum of \$10,000,000 expiring December 1, 1938; the second for the sum of \$7,000,000 expiring July 1, 1939, and the third for the sum of \$9,000,000 expiring July 1, 1940. The borrowings will be made upon Port Authority notes. These short term obligations, if and when issued, are to bear interest at the rate of $\frac{3}{4}$ of 1 per cent higher than the rate prevailing for six months time collateral loans, at the time borrowed. However, the minimum rate against each note is $2\frac{1}{2}$, 3 and 4 per cent respectively. The notes are to be secured by General and Refunding bonds already authorized, or General and Refunding bonds to be authorized, in an amount equal to 110 per cent of the notes outstanding.

These completed arrangements assure the funds necessary for the remaining construction costs of the Lincoln Tunnel.

Cash and Securities on Hand

Cash and securities in all accounts amounted to \$43,522,109.74. Of this sum construction funds amounted to



Lincoln Tunnel — First Operating Unit — Interior

\$20,740,955.13 of which \$18,446,912.50 is specifically set aside for construction of the Lincoln Tunnel.

Deposits in two hundred and fifty-one banks located in New York and New Jersey amounted to \$25,898,809.63. Of this sum more than \$16,500,000 was not immediately required so that it was deposited in banks at varying rates of interest. Deposits are fully secured by collateral, or by Federal Deposit Insurance.

Securities acquired for investment purposes, at cost, totalled \$16,800,935.41, as of December 31, 1937. These are listed below:

Security	Amount	Per Cent
United States Government.....	\$5,043,960 17	30.02
State of New Jersey	459,633 47	2.74
State of New York	2,499,961 08	14.88
New York Municipals	969,844 94	5.77
New Jersey Municipals	118,966 74	.71
Port of New York Authority		
Series B Bonds	35,543 64	.21
" D "	8,555 00	.05
" E "	5,070 10	.03
" F "	1,137,370 00	6.77
G & R, First Series.....	370,988 75	2.21
" Second "	354,387 50	2.11
" Third "	272,575 00	1.62
" Fourth "	3,966,313 92	23.61
" Fifth "	1,557,765 10	9.27
		45.88
Total	\$16,800,935 41	100.00

The Refunding Program

Legislation was enacted in 1931 which permitted the Port Authority to pool revenues from all of its facilities so that all revenues could be applied to the costs of the facilities as a group. The initial step toward actual unification was the establishment of the General Reserve Fund. The next step which had as its purpose the refunding of the debt so as to spread amortization over longer periods than had been established in the early bond issues, was instigated in March, 1934, by the sale of the first series of General and Refunding Bonds. Continued favorable market conditions enabled the program to progress to such an extent that there now remains to be refunded only George Washington Bridge 4½% Bonds, Inland Terminal 4¼% Bonds and Holland Tunnel 4¼% Bonds.

The following table indicates the bonds already refunded and pledged as of January 3, 1938, and those yet to be refunded:

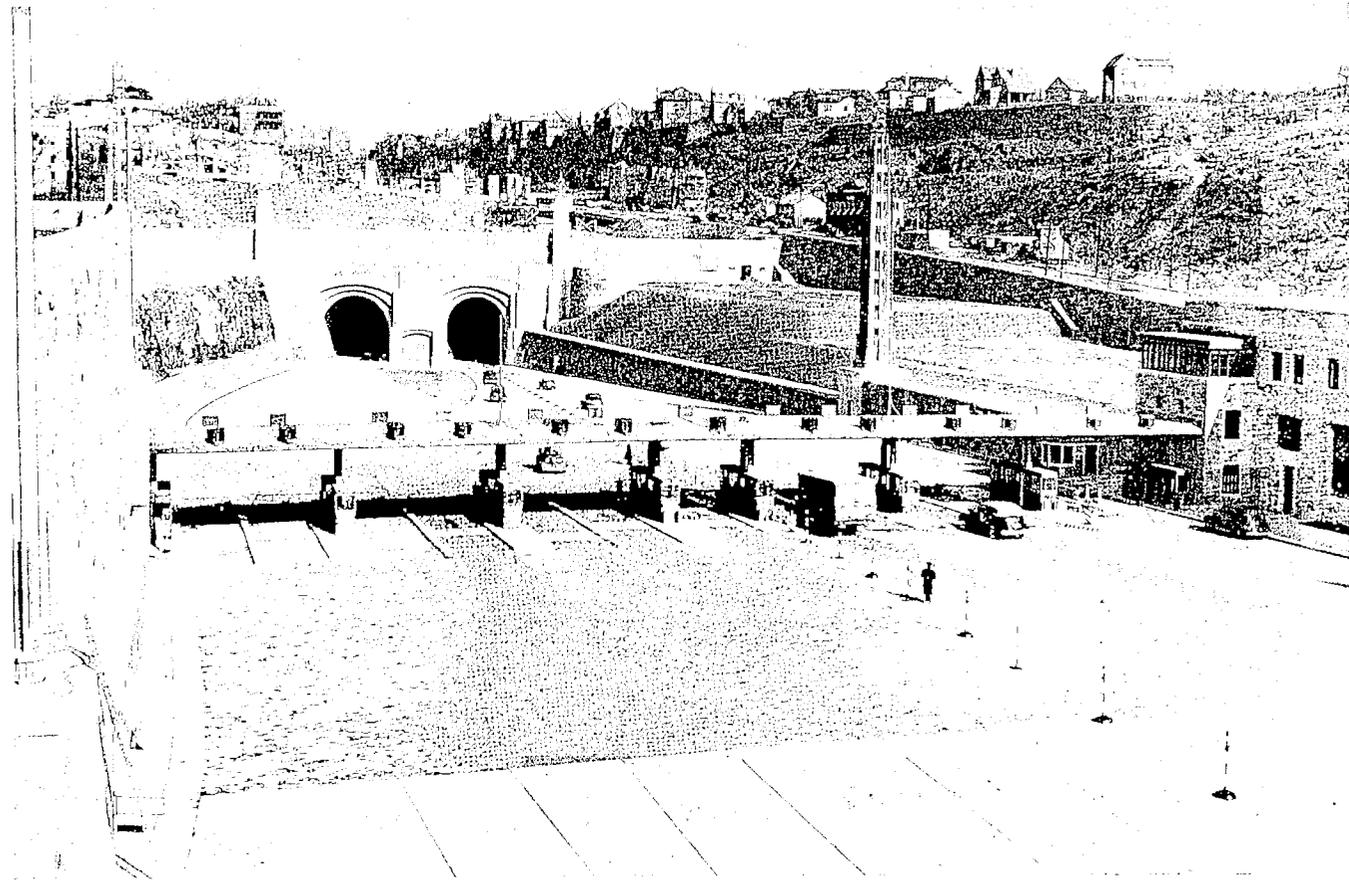
	No. of Bonds Refunded and Pledged	No. of Bonds To be Refunded	Note
Series A 4½s.....	12,200	None	1800 bonds retired.
" B 4s.....	18,000	None	2000 bonds retired.
" B 4½s.....	3,572	26,428	Callable @ 105 Nov. 1, 1939.
" C 4s.....	10,352	None	1648 bonds retired.
" D 4¼s.....	2,324	13,676	Callable @ 105 March 1, 1941.
" E 4¼s.....	936	34,864	Callable @ 105 March 1, 1941.
			Outstanding 44,064 bonds of which 9200 will be retired on or before call date 3/1/41. 5000 retired to date.
Totals	47,384	74,968	

General and Refunding Bonds in the amount of \$113,980,000, par value, had been issued as of December 31, 1937. Of this amount \$62,584,000 were issued for Lincoln Tunnel construction and purposes incidental thereto. The remaining \$51,396,000, par value, of bonds were issued to refund, in part, Series A to Series E Bonds. General and Refunding Bonds thus far issued, price obtained and offering price to investors, are indicated in the following table:

Issuance of General and Refunding Bonds

Issue	Date	Amount issued	SOLD TO SYNDICATE			OFFERING PRICE TO INVESTORS	
			Date	Price	Yield to maturity	Price	Yield to maturity
G. & R. 4% First Series	3/ 1/35	\$47,439,000 (a)	3/25/35	105.3983	3.74	106.75	3.68
G. & R. 3½% Second Series.....	12/ 1/35	16,500,000	12/11/35	97.111	3.91	99.00	3.81
G. & R. 3½% Third Series.....	5/ 1/36	17,500,000	5/14/36	99.714	3.507	101.00	4.458
G. & R. 3% Fourth Series.....	12/15/36	14,804,000 (b)	12/15/36	103.85999	2.838	104.75	2.80
G. & R. 3½% Fifth Series	8/15/37	17,737,000 (c)	8/18/37	99.5179	3.271	101.00	3.20

(a) \$34,300,000 sold
13,139,000 exchanged
(b) \$10,000,000 sold
4,804,000 exchanged
(c) \$15,000,000 sold
2,737,000 exchanged



Lincoln Tunnel — New Jersey Plaza

Proceeds derived from these sales were obtained for the following purposes:

Series	Purpose of Issuance		Total
	Refunding operations	Construction	
First Series 4s.....	\$22,591,000	\$24,848,000	\$47,439,000
Second Series 3¾s.....	.....	16,500,000	16,500,000
Third Series 3½s.....	17,500,000	.....	17,500,000
Fourth Series 3s.....	4,804,000	10,000,000	14,804,000
Fifth Series 3¼s.....	6,501,000	11,236,000	17,737,000
	\$51,396,000	\$62,584,000	\$113,980,000

Sinking, Reserve and Construction Funds

(a) General Reserve Fund:

This fund was established in 1931 by special legislation to provide a greater security for bondholders. The fund is made up from surplus earnings and may be used for debt service or to meet other obligations accruing account of insufficient revenues. The Port Authority is permitted to maintain this fund in an amount equal to 10 per cent of all outstanding bonds and notes. The following indicates the operations of this fund for the year 1937:

Balance, January 1, 1937.....	\$4,372,875 26
Additions during the year:	
From surplus earnings	
Holland Tunnel	\$2,262,798 65
Income from Investments.....	51,563 25
	<hr/>
Additions	2,314,361 90
	<hr/>
	\$6,687,237 16
Deduction for Series F Bond Interest.....	75,140 64
	<hr/>
Balance, January 1, 1938.....	\$6,612,096 52

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

(1) Sinking Fund

The monies accumulated in this fund, as of December 31, 1937, from earnings of the George Washington Bridge total \$2,500,000 and consist of:

Cash	\$ 798,076.65
Securities	1,701,923.35
	<hr/>
Total.....	\$2,500,000.00

It is provided in the bond resolution that the accumulations in this fund may equal 10 per cent of George Washington Bridge Bonds issued.

(2) Statutory Reserve Fund

Cash	\$56,189.76
Securities	4,106,642.78
	<hr/>
Total	\$4,162,832.54

These monies were also derived from earnings.

This fund, like the Sinking Fund, may accumulate an amount equal to 10 per cent of the George Washington Bridge Bonds issued. It may be used for George Washington Bridge operating expenses, including a proper proportion of general expenses, payment of bond interest and payment into the Sinking Fund.

(c) Series C—Bayonne Bridge Funds:

(1) Sinking Fund

On August 15, 1937, General and Refunding 3¼% Bonds were sold to provide, among other things, sufficient funds to call outstanding Series C Bonds. The refunding program provided that monies remaining in the Sinking Fund were to be used to retire as many of the Series C Bonds as possible.

As of December 31, 1937, there were \$7,545,000, par value, of these bonds that had been acquired and placed in pledge in accordance with the Refunding Program. The remaining \$4,455,000 were in the hands of the public. These bonds were called for payment on January 3, 1938. The Sinking Fund, at that time, contained sufficient funds to retire \$1,648,000, par value, of bonds, so that after all of the bonds have been paid by the Paying Agent there will remain in pledge \$10,352,000, par value, of bonds.

(2) Construction Funds

As of December 31, 1937, the balance of these funds amounted to \$86,997.58.

(d) Series E—Holland Tunnel Sinking Fund:

The accumulations in this fund are derived from earnings. As of December 31, 1937, the fund consisted of:

Cash	\$1,123,049.02
Securities	3,380,298.09
	<hr/>
Total	\$4,503,347.11

The maturity of \$1,000,000 of Series E Bonds due March 1, 1938, will be paid from this fund leaving a balance of \$3,503,347.11. The earnings of the Holland Tunnel will be sufficient to meet operating expenses and interest during the year 1938 so that no further withdrawals are anticipated from this fund during the year.

(e) Insurance Fund:

The Commissioners authorized the establishment of this fund out of General Reserve Fund monies for the purpose of handling transactions in connection with self-insurance of Port Authority liability under the Workmen's Compensation Statutes. As of December 31, 1937, this fund consisted of:

Cash	\$61,630.96
Securities	510,492.50
Total	<u>\$572,123.46</u>

Summary

The various items are summarized below:

General Reserve Fund	\$6,612,096 52
Holland Tunnel	
Sinking Fund	\$4,503,347 11
Operating Reserve	100,000 00
Construction Funds	19,171 98
	<u>4,622,519 09</u>
George Washington Bridge	
Sinking Fund	\$2,500,000 00
Statutory Reserve Fund	4,162,832 54
Operating Reserve	151,611 04
Construction Funds	2,153,083 52
	<u>8,967,527 10</u>
Bayonne Bridge	
Construction Funds	86,997 58
Inland Terminal	
Construction Funds	30,133 28
Insurance Fund	572,123 46
	<u>\$20,891,397 03</u>

To the George Washington Bridge—Statutory Reserve Fund there was added the sum of \$599,639.66 in January 1938, being an apportionment of 1937 net income, and to the Inland Terminal Sinking Fund there was likewise added \$82,571.57.

To the Insurance Fund there was added \$13,319.14, representing the income derived from this fund for the year 1937.

SECTION IV—GENERAL

Part 2—Real Estate

Union Inland Freight Station No. 1

Union Inland Freight Station No. 1, built as the first step in effectuating the Statutory Plan to reduce cartage costs and street congestion on Manhattan Island, has been in operation since October 3, 1932. This station, which was built by the Port Authority, is operated under lease by eight New York railroads as a receipt and delivery point for less-carload freight. The volume of railroad l.c.l. freight for the calendar year 1937 amounted to 74,873 tons, an increase of 7.8 per cent over the 69,435 tons handled in 1936.

The Railway Express Agency, which sub-leases a portion of the station from the railroads, handled an additional 110,884 tons during 1937, compared to 99,932 tons in 1936. The combined freight and express reached a total of 185,757 tons in 1937 and 169,367 tons in 1936, an increase of 16,390 tons, or 9.7 per cent.

The peak month of operation occurred in October, 1937, when 13,000 shippers' trucks called at the station with 8,134 tons of freight which was consolidated into 1,834 railroad trailers and despatched to the railheads of each carrier for prompt movement to interior destinations.

During 1937 the carriers again renewed their lease on the station for a one year period beginning October 1, 1938.

Port Authority Commerce Building

The Port Authority Commerce Building maintained practically 100 per cent occupancy throughout the year. While certain relatively small areas were vacated by the Triborough Bridge Authority and their consulting architects and by the Treasury Department of the Federal Government, substantially the same areas were re-rented to new occupants.

The total of the areas vacated during the year amounted to 38,920 square feet, and of this total 33,431 square feet have again been leased.

The gross income from the building for the year 1937 was \$1,235,160.82, or an increase of 7.5 per cent over the previous year's income of \$1,149,445.63.

During the year the following shows utilized Commerce Hall, the exposition floor located in the Port Authority Commerce Building:

- Associated Terrier Club
- Automotive Industries Association
- Empire Cat Club
- National Business Show Company
- Northeastern Poultry Producers Council
- Radio Parts Manufacturers National Trade Show

This was the fourth consecutive year that the National Business Show used the facility, and the third for the Poultry Industries Exposition.

Lincoln Tunnel

All of the real property required for the initial operating unit of the Lincoln Tunnel had been acquired prior to the beginning of the year. The total cost of real property taken for the first tube was \$6,472,530.

Negotiations were commenced with the owners of property needed for the second tube and up to December 31, 1937, eight parcels were acquired at an aggregate cost of \$1,785,250.

Of the 125 buildings in the vicinity of the New York approach to the first operating unit affected by changes in street grades, agreements have been reached with the owners of all but five of these buildings. These agreements cover either a money payment representing damage to the buildings sustained as a result of the change of street grades, or performance by the Port Authority of the work of physically altering the buildings to adapt them to the new condition. The owners of 86 buildings elected to accept the money damages agreed upon and adapt the buildings to the new street grades, while in 34 instances the Port

Authority was requested to undertake such work in lieu of the payment of money damages. At the end of the year payments aggregating \$299,787.50 had been made to owners and \$79,993.45 had been expended by the Port Authority in the alteration work. These settlements were made pursuant to Chapter 876 of the Laws of New York, 1935, and Chapter 186 of the Laws of New Jersey, 1935, by virtue of which the Port Authority is empowered in its discretion to enter into voluntary agreements with owners to pay a fair and reasonable sum to such owners to cover the damage occasioned by changes in the street grades to buildings and improvements on such properties as are affected.

In New Jersey 137 parcels of real estate, extending through Weehawken and Union City into North Bergen, were acquired for approach purposes, at an aggregate cost of \$2,329,027. Although agreements heretofore have been reached with the New York Central and Erie Railroad Companies, for the acquisition of certain necessary properties and property rights, formal conveyances have not yet been executed mainly because of the necessity for clarifying certain title questions.

SECTION V—ACCOUNTS AND STATISTICS

Table
No.

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

Table No. 1
THE PORT OF NEW YORK AUTHORITY
General Balance Sheet as at December 31, 1937

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

ASSETS	
INVESTMENT IN PHYSICAL PROPERTY:	
Arthur Kill Bridges:	
Outerbridge Crossing.....	\$9,920,412 64
Goethals Bridge.....	7,357,218 55
Total Arthur Kill Bridges.....	\$17,277,631 19
Bayonne Bridge.....	13,151,109 00
George Washington Bridge.....	57,865,477 53
Holland Tunnel.....	50,729,931 77
Lincoln Tunnel (In Process of Construction — First Tube Opened December 22, 1937).....	49,772,057 98
Inland Terminal No. 1.....	16,310,285 82
Total investment in physical property.....	\$205,106,493 29
CURRENT ASSETS:	
Cash in banks and on hand (includes Lincoln Tunnel Construction Funds of \$17,434,478.39).....	\$21,757,388 15
Cash on deposit with paying agent for unredeemed bonds and interest coupons.....	4,817,110 00
Cash and investment — Insurance Fund.....	572,123 46
Cash and accrued interest receivable available for refunding program purposes.....	2,217,391 12
Investment in securities:	
Port of New York Authority Bonds (par value \$13,000.00).....	\$13,753 75
Municipals and governments (par value \$1,500,000.00).....	1,521,441 16
Accrued interest receivable on investments.....	1,535,194 91
Bills receivable.....	70,173 07
General reserve fund:	91,746 85
Cash in banks.....	\$1,019,457 87
Investment in securities:	
The Port of New York Authority bonds (par value \$1,704,000.00).....	\$1,647,984 52
Municipal and governments (par value \$3,886,000.00).....	3,920,530 46
Accrued interest receivable on investments.....	5,568,514 98
Statutory reserve fund — George Washington Bridge:	24,123 67
Cash in banks.....	6,612,096 52
Investment in securities:	\$56,189 76
The Port of New York Authority bonds (par value \$1,650,000.00).....	\$1,662,122 87
Municipals and governments (par value \$2,395,000.00).....	2,444,519 91
Insurance reserve.....	4,106,642 78
Total current assets.....	\$41,836,056 62

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

LIABILITIES AND RESERVES	
FUNDED DEBT OUTSTANDING:	
(For details with respect to amount of bonds authorized, amount retired and amount of bonds acquired as Collateral Security for General and Refunding Bonds, reference is made to Page 3 of this Exhibit.)	
New York — New Jersey Interstate Bridge Bonds:	
Arthur Kill Bridges — Series A bonds outstanding (after providing for unrepresented bonds called for redemption).....	None
George Washington Bridge — Series B bonds outstanding (after providing for unrepresented bonds called for redemption or retirement).....	\$26,428,000 00
George Washington Bridge — Series F bonds outstanding.....	2,500,000 00
Bayonne Bridge — Series C bonds outstanding (after providing for bonds called for redemption — included in current liabilities — funds for which were on deposit with Paying Agent at December 31, 1937).....	None
New York — New Jersey Interstate Tunnel Bonds:	
Holland Tunnel — Series E bonds outstanding.....	44,064,000 00
New York — New Jersey Terminal Bonds:	
Inland Terminal No. 1 — Series D bonds outstanding.....	13,676,000 00
General and Refunding Bonds:	
First Issue — 4% due 1975 — outstanding.....	\$47,439,000 00
Second Issue — 3½% due 1965 — outstanding.....	16,500,000 00
Third Issue — 3½% due 1976 — outstanding.....	17,500,000 00
Fourth Issue — 3% due 1976 — outstanding.....	14,804,000 00
Fifth Issue — 3½% due 1977 — outstanding.....	17,737,000 00
Total general and refunding bonds outstanding.....	113,980,000 00
Total funded debt outstanding (after providing for unrepresented bonds called for redemption or retirement).....	\$200,648,000 00
CURRENT LIABILITIES:	
Audited vouchers payable.....	\$565,674 53
Accrued interest payable on bonds.....	2,362,562 04
Unredeemed bonds and interest coupons.....	4,733,730 00
Mortgages payable and accrued interest thereon.....	353,208 34
Liability for Employees' Retirement System.....	292,391 46
Sundry current liabilities.....	82,605 81
Total current liabilities.....	\$8,390,172 18
SUBORDINATED LIABILITY FOR APPROPRIATION TO AID IN CONSTRUCTION OF BRIDGES AND FOR PRELIMINARY STUDIES AND SURVEYS:	
State of New York.....	\$9,299,840 17
State of New Jersey.....	4,300,000 00
Total subordinated liability.....	\$13,599,840 17
DEFERRED CREDITS:	
Provision for liability in lieu of taxes.....	\$230,000 00
Accrued depreciation.....	138,048 38
Series F bond reserve.....	237,500 00
Sundry unadjusted credits.....	22,126 61
Painting reserve.....	69,163 49
Insurance reserve.....	76,595 74
Total deferred credits.....	\$772,424 00

SINKING FUND ASSETS:			
Series B Bonds — Sinking Fund:			
Cash		\$798,076 65	
Investment in securities:			
The Port of New York Authority bonds (par value \$1,580,000.00)	\$1,497,641 81		
Municipals and governments (par value \$200,000.00)	204,281 54		
		<u>1,701,923 35</u>	
			<u>2,500,000 00</u>
Series E Bonds — Sinking Fund:			
Cash		\$1,123,049 02	
Investment in securities:			
The Port of New York Authority bonds (par value \$2,308,000.00)	\$2,376,573 56		
Municipals and governments (par value \$993,000.00)	1,003,724 53		
		<u>3,380,298 09</u>	
			<u>4,503,347 11</u>
			<u>\$7,003,347 11</u>
Total sinking fund assets			
			<u>\$7,003,347 11</u>
OTHER ASSETS:			
Unamortized discount and expenses of refunding—less premium on funded debt	\$1,977,462 73		
Unexpired insurance premiums	268,273 65		
Investment in capital stock of subsidiary companies — 100% owned	1,100 00		
Mortgage receivable	200,000 00		
Miscellaneous	100,292 62		
Grants receivable in aid of construction	480,000 00		
			<u>\$3,027,134 00</u>
Total other assets			<u>\$3,027,134 00</u>
TOTAL ASSETS			<u><u>\$256,973,031 02</u></u>

RESERVES:			
Holland Tunnel:			
Operating reserve	\$100,000 00		
Income applied in reduction of debt	5,746,652 89		
Sinking fund reserve	4,503,347 11		
			<u>\$10,350,000 00</u>
George Washington Bridge:			
Operating reserve	\$151,611 04		
Income applied in reduction of debt	2,000,000 00		
Statutory reserve	4,162,832 54		
Net revenue after interest and after a sinking fund provision of \$1,500,000.00 for the year ended December 31, 1937, available for statutory reserve	599,639 66		
Sinking fund reserves — Series B bonds	2,500,000 00		
			<u>9,414,083 24</u>
General Reserve:			
General reserve — unappropriated	\$6,612,096 52		
General reserve — appropriated	3,504,328 80		
			<u>10,116,425 32</u>
Lincoln Tunnel:			
Reserve (for period from December 22, 1937 to December 31, 1937)		16,666 41	
Bayonne Bridge:			
Reserve (Deficit)		1,191,650 55	
Arthur Kill Bridges:			
Reserve (Deficit)		1,122,684 75	
Inland Terminal No. 1:			
Reserve (Deficit)	\$817,392 17		
Sinking fund reserve	82,571 57		
			<u>734,830 60</u>
			<u>\$26,814,686 25</u>
Total reserves — net			
			<u>\$26,814,686 25</u>
APPROPRIATIONS BY STATES OF NEW YORK AND NEW JERSEY FOR PRELIMINARY SURVEYS FOR LINCOLN TUNNEL			
			<u>\$400,000 00</u>
GRANTS IN AID OF CONSTRUCTION			
			<u>\$4,780,000 00</u>
RESERVE — SERIES F BONDS — SETTLEMENT OF ADVANCE IN AID OF CONSTRUCTION OF THE GEORGE WASHINGTON BRIDGE WITH THE STATE OF NEW JERSEY			
			<u>\$1,566,898 20</u>
			<u>\$256,973,031 02</u>

TOTAL LIABILITIES AND RESERVES

CONTINGENT LIABILITIES REPORTED AND OTHER NOTES

MIDTOWN HUDSON TUNNEL:			
Construction contracts awarded, less payments to cover work performed to December 31, 1937		\$9,665,205 76	
Contingent liability relative to acquisition of easement payable if and when a building is erected over the Lincoln Tunnel by the owner of the land — not to exceed		330,000 00	
			<u>\$9,995,205 76</u>
GEORGE WASHINGTON BRIDGE:			
The cost to complete the 178th Street Tunnel and additional approach facilities at George Washington Bridge after deducting contract payments made to December 31, 1937 is estimated at		\$2,300,847 00	

CERTIFICATE OF AUDIT

We hereby certify that, in our opinion, the above General Balance Sheet, subject to the Comments in the accompanying letter of this report dated February 21, 1938, correctly reflects the financial position of the Port of New York Authority as at December 31, 1937.

New York, N. Y.
February 21, 1938.

LAWRENCE SCUDDER & CO.
Accountants and Auditors.

Table No. 1—Concluded

(Exhibit A, Page 3, Lawrence Scudder & Co., Audit)

Statement of Funded Debt

FUNDED DEBT:		
New York — New Jersey Interstate Bridge Bonds:		
Arthur Kill Bridges — Series A — 4½% 1936-1946:		
Authorized.....		\$14,000,000 00
<i>Less:</i>		
Bonds retired.....	\$1,800,000 00	
Bonds acquired as collateral security for general and refunding bonds.....	12,194,000 00	
Bonds called — not presented for redemption (included in current liabilities).....	6,000 00	
	14,000,000 00	
Series A bonds outstanding (after providing for unrepresented bonds called for redemption).....		None
George Washington Bridge — Series B Bonds:		
Authorized.....		\$80,000,000 00
Issued — 4% Series 1936-1950.....	\$20,000,000 00	
<i>Less:</i>		
Bonds retired.....	\$2,000,000 00	
Bonds acquired as collateral security for general and refunding bonds.....	17,959,000 00	
Bonds called — not presented for redemption (included in current liabilities).....	41,000 00	
	20,000,000 00	
Outstanding — 4% Series 1936-1950.....		None
Issued and outstanding — 4½% Series 1939-1953.....	\$30,000,000 00	
<i>Less:</i>		
Bonds acquired as collateral security for general and refunding bonds.....	3,572,000 00	
	\$26,428,000 00	
Series B bonds outstanding (after providing for unrepresented 4% bonds called for redemption or retirement).....		\$26,428,000 00
George Washington Bridge — Series F bonds — 3% due 1941 — authorized and outstanding.....		
Bayonne Bridge — Series C — 4% 1938-1953:		2,500,000 00
Authorized.....		\$12,000,000 00
<i>Less:</i>		
Bonds acquired as collateral security for general and refunding bonds.....	\$7,545,000 00	
Bonds called — not presented for redemption (included in current liabilities) funds for which were on deposit with Paying Agent at December 31, 1937.....	4,455,000 00	
	12,000,000 00	
Series C bonds outstanding.....		None
New York — New Jersey Interstate Tunnel Bonds:		
Holland Tunnel — Series E — 4½% 1936-1960:		
Authorized.....		\$50,000,000 00
<i>Less:</i>		
Bonds retired.....	\$5,000,000 00	
Bonds acquired as collateral security for general and refunding bonds.....	936,000 00	
	5,936,000 00	
Series E bonds outstanding.....		44,064,000 00

New York — New Jersey Terminal Bonds:		
Inland Terminal No. 1 — Series D — 4¼% 1936-1980:		
Authorized.....	\$16,000,000 00	
Less:		
Bonds acquired as collateral security for general and refunding bonds.....	<u>2,324,000 00</u>	
Series D Bonds outstanding.....		13,676,000 00
General and Refunding Bonds:		
First issue — 4% due 1975:		
Issued.....	\$47,439,000 00	
Second issue — 3¾% due 1965:		
Authorized and issued.....	16,500,000 00	
Third issue — 3½% due 1976:		
Authorized and issued.....	17,500,000 00	
Fourth issue — 3% due 1976:		
Authorized.....	\$22,000,000 00	
Less:		
Unissued.....	<u>7,196,000 00</u>	
Fourth Series — issued.....		14,804,000 00
Fifth issue — 3¼% due 1977:		
Authorized.....	\$25,000,000 00	
Less:		
Unissued.....	<u>7,263,000 00</u>	
Fifth series — issued.....		<u>17,737,000 00</u>
General and Refunding bonds outstanding.....		<u>113,980,000 00</u>
TOTAL FUNDED DEBT OUTSTANDING (AFTER PROVIDING FOR UNPRESENTED BONDS CALLED FOR REDEMPTION OR RETIREMENT)....		<u><u>\$200,648,000 00</u></u>

Table No. 2
ANALYSIS OF CURRENT ASSETS AND SINKING FUNDS
 AS AT DECEMBER 31, 1937

PROJECT	Total	Cash	Cash on deposit with paying agents	Securities	Interest receivable	Sinking funds	Other current assets
Holland Tunnel	\$5,337,694 10	\$774,822 38	\$20,430 00	\$1,380 00	\$30,971 17	\$4,503,347 11	\$6,743 44
George Washington Bridge	5,710,215 70	2,620,161 54	11,740 00	522,182 42	36,283 15	2,500,000 00	19,848 59
Arthur Kill Bridges	162,611 79	161,902 99	22 50	198 21	.....	.....	488 09
Bayonne Bridge	1,173,840 77	154,305 18	1,018,630 00	145 19	.....	.....	760 40
Inland Terminal — No. 1	1,538,645 66	488,664 52	3,697 50	1,011,289 09	.....	.....	34,994 55
Lincoln Tunnel	17,532,891 63	17,486,869 59	.....	.....	625 00	.....	45,397 04
Refunding Program	5,979,981 12	2,003,647 69	3,762,590 00	.....	213,743 43	.....	.....
General Reserve Fund	6,612,096 52	1,019,457 87	.....	5,568,514 98	24,123 67	.....	.....
Insurance Fund	579,504 70	61,630 96	.....	510,492 50	2,293 75	.....	5,087 49
Statutory Reserve Fund	4,162,832 54	56,189 76	.....	4,106,642 78	.....	.....	.....
Miscellaneous	72,497 88	70,661 95	.....	.....	.....	.....	1,835 93
Total	\$48,862,812 41	\$24,898,314 43	\$4,817,110 00	\$11,720,845 17	\$308,040 17	\$7,003,347 11	\$115,155 53

Table No. 3
COMBINED INCOME ACCOUNT

	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Operating and other revenue.....	\$13,667,463 87	\$12,397,153 81	\$1,270,310 06	10.2
Other income†.....	383,116 74	706,413 24	<i>323,296 50</i>	<i>45.8</i>
Gross income.....	<u>\$14,050,580 61</u>	<u>\$13,103,567 05</u>	<u>\$947,013 56</u>	<u>7.2</u>
II. Deductions from gross income				
Operating expenses.....	\$2,698,829 80	\$2,796,566 89	<i>\$97,737 09</i>	<i>3.5</i>
Interest on funded debt.....	5,723,020 99	5,789,556 61	<i>66,535 62</i>	<i>1.1</i>
Other income charges.....	126,281 64	88,869 76	37,411 88	42.1
Total deductions.....	<u>\$8,548,132 43</u>	<u>\$8,674,993 26</u>	<u><i>\$126,860 83</i></u>	<u><i>1.5</i></u>
Net income.....	<u>\$5,502,448 18</u>	<u>\$4,428,573 79</u>	<u>\$1,073,874 39</u>	<u>24.2</u>
Disposition of Net Income:				
Reserve for Sinking Fund.....	\$3,082,571 57	\$3,000,000 00		
Operating, Statutory and other reserves.....	105,514 71	231,031 14†		
General Reserve Fund.....	2,314,361 90	1,659,604 93		
Total.....	<u>\$5,502,448 18</u>	<u>\$4,428,573 79</u>		

* Decrease shown in italics.

† Denotes deficit.

‡ In addition to other income reported in tables 4 to 9, inclusive, this account includes income earned from General Reserve Fund, \$51,563.25 in 1937 and \$33,667.78 in 1936, and income earned from Insurance Fund, \$13,399.14, in 1937.

Table No. 4
HOLLAND TUNNEL
Income Account

	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue.....	\$7,199,271 99	\$6,597,239 81	\$602,032 18	9.1
Other income.....	83,010 11	128,988 56	<i>45,978 45</i>	<i>35.6</i>
Gross income.....	<u>\$7,282,282 10</u>	<u>\$6,726,228 37</u>	<u>\$556,053 73</u>	<u>8.3</u>
II. Deductions from gross income				
Operating expenses.....	\$1,576,974 39	\$1,634,002 40	<i>\$57,028 01</i>	<i>3.5</i>
Interest on funded debt.....	1,919,583 32	1,962,083 34	<i>42,500 02</i>	<i>2.2</i>
Other income charges.....	22,925 74	4,205 48	18,720 26	445.1
Total deductions.....	<u>\$3,519,483 45</u>	<u>\$3,600,291 22</u>	<u>\$80,807 77</u>	<u>2.2</u>
Net income.....	<u>\$3,762,798 65</u>	<u>\$3,125,937 15</u>	<u>\$636,861 50</u>	<u>20.4</u>
Disposition of Net Income:				
Reserve for Sinking Fund.....	\$1,500,000 00	\$1,500,000 00		
General Reserve Fund.....	2,262,798 65	1,625,937 15		
Total.....	<u>\$3,762,798 65</u>	<u>\$3,125,937 15</u>		

* Decrease shown in italics.

Table No. 5
LINCOLN TUNNEL
Income Account

	*December 22 to 31, 1937
Income from Operations:	
I. Gross income	
Tolls and other revenue.....	\$38,246 25
Gross income.....	\$38,246 25
II. Deductions from gross income	
Operating expenses.....	\$19,519 99
Interest on funded debt.....	35,392 67
Total deductions.....	\$54,912 66
Net income.....	\$16,666 41†
Disposition of Net Income:	
Operating reserve.....	\$16,666 41†
Total.....	\$16,666.41†

* Opened for operation December 22, 1937.
† Denotes deficit.

Table No. 6
GEORGE WASHINGTON BRIDGE
Income Account

	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue.....	\$4,462,975 58	\$3,967,587 63	\$495,387 95	12.5
Other income.....	219,173 03	424,991 62	<i>205,818 59</i>	<i>48.4</i>
Gross income.....	\$4,682,148 61	\$4,392,579 25	\$289,569 36	6.6
II. Deductions from gross income				
Operating expenses.....	\$447,033 16	\$479,401 25	<i>\$32,368 09</i>	<i>6.8</i>
Interest on funded debt.....	2,102,780 00	2,146,064 97	<i>43,284 97</i>	<i>2.0</i>
Other income charges.....	32,695 79	22,187 50	10,508 29	47.4
Total deductions.....	\$2,582,508 95	\$2,647,653 72	<i>\$65,144 77</i>	<i>2.5</i>
Net income.....	\$2,099,639 66	\$1,744,925 53	\$354,714 13	20.3
Disposition of Net Income:				
Reserve for Sinking Fund.....	\$1,500,000 00	\$1,500,000 00		
Statutory Reserve.....	599,639 66	244,925 53		
Total.....	\$2,099,639 66	\$1,744,925 53		

* Decrease shown in italics.

Table No. 7
ARTHUR KILL BRIDGES
Income Account

	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue.....	\$485,085 23	\$456,538 84	\$28,546 39	6.3
Other income.....	1,285 44	824 63	460 81	55.9
Gross income.....	<u>\$486,370 67</u>	<u>\$457,363 47</u>	<u>\$29,007 20</u>	<u>6.3</u>
II. Deductions from gross income				
Operating expenses.....	\$147,897 76	\$147,569 27	\$328 49	.2
Interest on funded debt.....	528,640 00	532,033 30	3,393 30	.6
Other income charges.....	1,773 52	666 57	1,106 95	166.1
Total deductions.....	<u>\$678,311 28</u>	<u>\$680,269 14</u>	<u>\$1,957 86</u>	<u>.3</u>
Net income.....	<u>\$191,940 61†</u>	<u>\$222,905 67†</u>	<u>\$30,965 06</u>	<u>13.9</u>
Disposition of Net Income:				
Operating reserve.....	\$191,940 61†	\$222,905 67†		
Total.....	<u>\$191,940 61†</u>	<u>\$222,905 67†</u>		

* Decrease shown in italics.
† Denotes deficit.

Table No. 8
BAYONNE BRIDGE
Income Account

	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Tolls and other revenue.....	\$246,724 00	\$226,341 90	\$20,382 10	9.0
Other income.....	14,134 13	117,939 35	103,805 22	88.0
Gross income.....	<u>\$260,858 13</u>	<u>\$344,281 25</u>	<u>\$83,423 12</u>	<u>24.2</u>
II. Deductions from gross income				
Operating expenses.....	\$73,627 71	\$77,132 08	\$3,504 37	4.5
Interest on funded debt.....	480,000 00	480,000 00		
Other income charges.....	6,147 49	547 16	5,600 33	1023.5
Total deductions.....	<u>\$559,775 20</u>	<u>\$557,679 24</u>	<u>\$2,095 96</u>	<u>.4</u>
Net income.....	<u>\$298,917 07†</u>	<u>\$213,397 99†</u>	<u>\$85,519 08</u>	<u>40.1</u>
Disposition of Net Income:				
Operating reserve.....	\$298,917 07†	\$213,397 99†		
Total.....	<u>\$298,917 07†</u>	<u>\$213,397 99†</u>		

* Decrease shown in italics.
† Denotes deficit.

Table No. 9
INLAND TERMINAL NO. 1
(Port Authority Commerce Building)
Income Account

	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Amount	Per cent
Income from Operations:				
I. Gross income				
Rent and other revenue.....	\$1,235,160 82	\$1,149,445 63	\$85,715 19	7.5
Other income.....	551 64	1 30	550 34	42333.8
Gross income.....	\$1,235,712 46	\$1,149,446 93	\$86,265 53	7.5
II. Deductions from gross income				
Operating expenses.....	\$433,776 79	\$458,461 89	\$24,685 10	5.4
Interest on funded debt.....	656,625 00	669,375 00	12,750 00	1.9
Other income charges.....	62,739 10	61,263 05	1,476 05	2.4
Total deductions.....	\$1,153,140 89	\$1,189,099 94	\$35,959 05	3.0
Net income.....	\$82,571 57	\$39,653 01†	\$122,224 58	308.2
Disposition of Net Income:				
Operating reserve.....		\$39,653 01†		
Reserve for Sinking Fund.....	\$82,571 57			
Total.....	\$82,571 57	\$39,653 01†		

* Decrease shown in italics.
† Denotes deficit.

Table No. 10
COMBINED TRAFFIC STATISTICS

Class	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	18,513,212	16,450,210	2,063,002	12.5
Motorcycles.....	28,011	25,015	2,996	12.0
Buses.....	1,009,351	1,001,698	7,653	.8
Trucks — up to 2 tons.....	1,407,532	1,301,553	105,979	8.1
Trucks — 2 tons to 5 tons.....	783,859	768,794	15,065	2.0
Trucks — over 5 tons.....	303,731	317,739	14,008	4.4
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers....	144,770	110,280	34,490	31.3
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	407,098	350,905	56,193	16.0
Tractors or trucks with trailers, 4 axles.....	24,350	18,262	6,088	33.3
Bicycles — animals.....	316	1,178	862	73.2
Specials.....	86	134	48	35.8
Total vehicles.....	22,622,316	20,345,768	2,276,548	11.2
Pedestrians.....	180,201	147,800	32,401	21.9

* Decrease shown in italics.

Table No. 11
HOLLAND TUNNEL
Traffic Statistics

Class	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	10,457,632	9,377,182	1,080,450	11.5
Motorcycles.....	17,281	14,504	2,777	19.1
Buses.....	331,585	378,295	<i>46,710</i>	<i>12.3</i>
Trucks — up to 2 tons.....	1,051,133	963,618	87,515	9.1
Trucks — 2 tons to 5 tons.....	611,941	607,747	4,194	.7
Trucks — over 5 tons.....	201,880	205,720	<i>3,840</i>	<i>1.9</i>
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers.....	118,913	84,324	34,589	41.0
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	270,304	240,017	30,287	12.6
Tractors or trucks with trailers, 4 axles.....	18,514	15,763	2,751	17.5
Specials.....	86	134	<i>48</i>	<i>35.8</i>
Total vehicles.....	13,079,269	11,887,304	1,191,965	10.0

* Decrease shown in italics.

Table No. 12
LINCOLN TUNNEL
Traffic Statistics

	*December 22 to 31, 1937
Passenger automobiles.....	65,887
Motorcycles.....	80
Buses.....	3,667
Trucks — up to 2 tons.....	2,653
Trucks — 2 tons to 5 tons.....	389
Trucks — over 5 tons.....	14
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers.....	29
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	7
Tractors or trucks with trailers, 4 axles.....	1
Total vehicles.....	72,727

* Opened for operation December 22, 1937.

Table No. 13
GEORGE WASHINGTON BRIDGE
Traffic Statistics

Class	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	6,737,741	5,940,875	796,866	13.4
Motorcycles.....	9,331	9,041	290	3.2
Buses.....	643,273	592,670	50,603	8.5
Trucks — up to 2 tons.....	232,380	217,949	14,431	6.6
Trucks — 2 tons to 5 tons.....	124,647	115,937	8,710	7.5
Trucks — over 5 tons.....	65,908	69,283	3,375	4.9
Tractors with 1 axle trailers and trucks 3 axles— under 5 tons, passenger autos with 1 axle trailers....	19,047	19,959	912	4.6
Tractors with 1 axle trailers and trucks 3 axles— over 5 tons, buses 3 axles.....	112,714	88,549	24,165	27.3
Tractors or trucks with trailers, 4 axles.....	5,378	2,153	3,225	149.8
Bicycles — animals.....	286	968	682	70.6
Total vehicles.....	7,950,705	7,057,384	893,321	12.7
Pedestrians.....	172,111	139,527	32,584	23.4

* Decrease shown in italics.

Table No. 14
ARTHUR KILL BRIDGES
Traffic Statistics

Class	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	820,821	747,552	73,269	9.8
Motorcycles.....	974	1,075	101	9.4
Buses.....	1,349	1,311	38	2.9
Trucks — up to 2 tons.....	75,909	73,616	2,293	3.1
Trucks — 2 tons to 5 tons.....	31,319	29,897	1,422	4.5
Trucks — over 5 tons.....	29,881	36,206	6,325	17.5
Tractors with 1 axle trailers and trucks 3 axles— under 5 tons, passenger autos with 1 axle trailers....	4,522	3,400	1,122	33.0
Tractors with 1 axle trailers and trucks 3 axles— over 5 tons, buses 3 axles.....	14,668	15,029	361	2.4
Tractors or trucks with trailers, 4 axles.....	368	221	147	66.5
Bicycles — animals.....	23	171	148	86.6
Total vehicles.....	979,834	908,478	71,356	7.9
Pedestrians.....	3,564	3,719	155	4.2

* Decrease shown in italics.

Table No. 15
BAYONNE BRIDGE
Traffic Statistics

Class	Calendar year, 1937	Calendar year, 1936	Increase or *Decrease	
			Number	Per cent
Passenger automobiles.....	431,131	384,601	46,530	12.1
Motorcycles.....	345	395	50	12.7
Buses.....	29,477	29,422	55	.2
Trucks — up to 2 tons.....	45,457	46,370	913	2.0
Trucks — 2 tons to 5 tons.....	15,563	15,213	350	2.3
Trucks — over 5 tons.....	6,048	6,530	482	7.4
Tractors with 1 axle trailers and trucks 3 axles — under 5 tons, passenger autos with 1 axle trailers....	2,259	2,597	338	13.0
Tractors with 1 axle trailers and trucks 3 axles — over 5 tons, buses 3 axles.....	9,405	7,310	2,095	28.7
Tractors or trucks with trailers, 4 axles.....	89	125	36	28.8
Bicycles — animals.....	7	39	32	82.1
Total vehicles.....	539,781	492,602	47,179	9.6
Pedestrians.....	4,526	4,554	28	.6

* Decrease shown in italics.

Table No. 16
INVESTMENT IN PHYSICAL PROPERTY
 To December 31, 1937

PROJECTS	Total	Engineering	Investment in land	Construction	General expenditures	Interest and income during construction	Unclassified
George Washington Bridge.....	\$57,865,477 53	\$3,504,271 94	\$9,829,708 25	\$35,115,808 89	\$1,242,183 00	\$8,173,505 45	.....
Bayonne Bridge.....	13,151,109 00	1,086,848 66	2,969,568 24	7,623,278 82	330,188 75	1,141,224 53	.....
Arthur Kill Bridges.....	17,277,631 19	1,127,332 05	1,295,035 94	13,135,911 28	236,386 01	1,482,965 91	.....
Inland Terminal No. 1.....	16,310,285 82	583,958 82	3,754,425 54	9,424,661 87	625,213 43	1,922,026 16	.....
Lincoln Tunnel.....	49,772,057 98	4,258,927 04	10,586,807 93	28,983,702 26	1,760,982 14	4,181,638 61	.....
Holland Tunnel *.....	50,729,931 77	.....	.....	.....	.....	.....	\$50,729,931 77
Total.....	\$205,106,493 29	\$10,561,338 51	\$28,435,545 90	\$94,283,363 12	\$4,194,953 33	\$16,901,360 66	\$50,729,931 77

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

Table No. 17
Expenditures Under Construction Contracts
LINCOLN TUNNEL
NOVEMBER, 1930, TO DECEMBER, 1937, INCLUSIVE

Contract reference	DESCRIPTION	BIDS RECEIVED				Engineer's estimate of contract items	EXPENDITURES			Remarks
		Number	High bid	Low bid	Accepted bid		Contract items	Contingent work	Contract items plus contingent work	
MHT-1.....	Test borings.....	6	\$23,938 50	\$16,707 50	\$16,707 50	\$22,810 82	\$18,336 82	\$120 00	\$18,456 82	Complete
MHT-1-A.....	Test borings.....	7	8,206 00	4,654 00	4,654 00	.....	6,337 90	.....	6,337 90	Complete
MHT-1-B.....	Test borings.....	8	2,641 50	1,542 50	1,542 50	4,000 00	1,632 96	.....	1,632 96	Complete
MHT-1-C.....	Test borings.....	5	10,000 00	4,124 00	4,124 00	4,000 00	6,458 08	.....	6,458 08	Complete
MHT-1-D.....	Test borings.....	4	14,194 25	8,027 00	8,027 00	7,680 00	9,506 82	.....	9,506 82	Complete
MHT-1-E.....	Test borings.....	5	15,020 00	7,588 00	7,588 00	15,000 00	8,915 09	.....	8,915 09	Complete
MHT-1-F.....	Test borings.....	4	3,120 00	1,485 00	1,485 00	4,000 00	1,436 56	.....	1,436 56	Complete
MHT-2.....	Cast iron and cast steel tunnel lining.....	4	2,636,750 00	2,358,150 00	2,358,150 00	2,140,600 00	2,356,217 81	.....	2,356,217 81	Complete
MHT-3.....	Bolts, nuts and washers for tunnel lining.....	2	215,940 00	177,664 08	177,664 08	251,000 00	178,485 65	.....	178,485 65	Complete
MHT-4.....	Shield driven tunnel and shafts.....	6	8,783,830 00	6,452,300 00	6,452,300 00	7,109,500 00	6,300,412 12	89,040 22	6,389,452 34	Complete
MHT-5-A.....	New Jersey Rock Tunnel Section.....	5	1,178,393 00	1,052,405 00	1,052,405 00	892,961 00	1,050,230 35	4,146 39	1,054,376 74	Complete
MHT-5-B.....	New Jersey Steel Bent Sections and Plaza.....	5	2,965,873 30	2,654,053 25	2,654,053 25	2,221,793 00	2,449,095 20	110,124 88	2,559,220 08	99.7%
MHT-6.....	New York Land Sections, Plazas and Approaches.....	10	3,873,624 00	2,720,304 00	2,720,304 00	3,204,890 00	2,733,862 70	116,639 56	2,850,502 26	*
MHT-7.....	Demolition and removal of buildings on the site of the New York Approach.....	6	73,850 00	33,923 00	33,923 00	75,000 00	30,172 82	134 64	30,307 46	Complete
MHT-8.....	Fans, motors and transmissions.....	5	248,000 00	186,230 00	186,230 00	250,069 00	166,601 36	1,021 50	167,622 86	*
MHT-9.....	Weehawken Plaza Connections.....	5	1,439,444 00	1,237,417 00	1,237,417 00	1,300,000 00	1,021,196 03	1,654 07	1,022,850 10	97%
MHT-10.....	New York River Ventilation Building.....	17	474,000 00	347,350 00	347,350 00	454,000 00	340,114 08	.....	340,114 08	*
MHT-11.....	New Jersey Ventilation Building.....	4	567,000 00	526,516 00	526,516 00	650,000 00	506,114 40	1,581 43	507,695 83	*
MHT-12.....	Purchase and sale of ceiling tile.....	1	161,000 00	161,000 00	161,000 00	180,000 00	158,508 63	80 50	158,589 13	*
MHT-14.....	New York Land Ventilation Building.....	6	476,000 00	427,000 00	427,000 00	600,000 00	416,225 60	.....	416,225 60	*
MHT-15.....	Electrical installation.....	10	1,419,979 68	948,366 30	948,366 30	900,000 00	896,053 68	32,070 29	928,123 97	*
MHT-16.....	Tunnel Finish.....	7	429,819 50	350,127 20	350,127 20	340,000 00	311,195 63	690 00	311,885 63	*
MHT-17.....	New York Plaza Finish.....	7	549,690 00	471,000 00	471,000 00	430,000 00	420,084 90	2,273 87	422,358 77	*
MHT-18.....	Tunnel and Plaza Brick Paving.....	6	161,270 30	134,987 00	134,987 00	125,000 00	121,789 80	.....	121,789 80	*
MHT-19.....	Permanent Field Office Building.....	3	439,685 00	429,568 00	429,568 00	399,310 00	384,388 90	52,431 00	436,819 90	*
MHT-20.....	Pumping equipment.....	7	68,480 00	47,845 00	47,845 00	45,000 00	32,682 92	.....	32,682 92	*

Table No. 17 — Continued
Expenditures Under Construction Contracts
LINCOLN TUNNEL
NOVEMBER, 1930, TO DECEMBER, 1937, INCLUSIVE

Contract reference	DESCRIPTION	BIDS RECEIVED				Engineer's estimate of contract items	EXPENDITURES			Remarks
		Number	High bid	Low bid	Accepted bid		Contract items	Contingent work	Contract items plus contingent work	
MHT-21	Toll booths.....	7	\$113,300 00	\$81,457 00	\$81,457 00	\$75,000 00	\$65,906 86	\$86,562 10	\$152,468 96	97%
MHT-23	New Jersey Approach.....	4	2,341,901 00	2,252,705 00	2,252,705 00	2,097,830 00	681,618 19	675 00	682,293 19	44%
MHT-24-A	Excavation and foundations for concrete and steel viaduct section in Weehawken, New Jersey.....	6	338,280 00	217,615 00	217,615 00	214,000 00	.....	.....	.....	.....
MHT-24-B	Steelwork for steel viaduct section in Weehawken, New Jersey.....	6	387,934 00	276,372 00	276,372 00	393,980 00	.....	.....	.....	.....
MHT-24-C	Concrete viaducts and concrete piers and deck for steel viaduct section in Weehawken.....	6	805,567 00	579,582 50	579,582 50	680,545 00	.....	.....	.....	.....
MHT-25	Marginal streets in Union City, New Jersey.....	5	43,484 00	21,894 00	21,894 00	48,080 00	19,759 23	.....	19,759 23	*
MHT-26	Toll signaling and recording equipment.....	4	63,620 00	58,738 00	58,738 00	55,000 00	.....	.....	.....	88%
MHT-27	Excavation and fill in Weehawken, New Jersey.....	4	320,700 00	231,250 00	231,250 00	273,000 00	.....	.....	.....	.....
MHT-30	Widening of 19th Street, Weehawken, New Jersey.....	5	16,808 00	10,912 00	10,912 00	14,893 00	8,752 95	.....	8,752 95	.....
MHT-50	Cast iron and cast steel tunnel lining.....	4	3,287,605 00	3,080,252 00	3,080,252 00	2,913,220 00	2,690,844 80	.....	2,690,844 80	89%
MHT-51	Shield driven tunnel and shafts.....	1	8,764,003 00	8,764,003 00	8,764,003 00	8,800,000 00	3,872,423 33	7,237 33	3,879,660 66	53%
MHT-52	Test borings.....	6	6,651 00	2,113 60	2,113 60	3,000 00	1,539 04	1,800 93	3,339 97	Complete
MHT-70	Excavation and incidental structures, Prospect Avenue, North Bergen to Bergenline Avenue, Union City, N. J.	6	1,221,141 25	773,272 50	773,272 50	1,288,000 00

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Table No. 17
Expenditures Under Construction Contracts—Concluded
GEORGE WASHINGTON BRIDGE
 NOVEMBER, 1935, TO DECEMBER, 1937, INCLUSIVE

Contract reference	DESCRIPTION	BIDS RECEIVED				Engineer's estimate of contract items	EXPENDITURES			Remarks
		Number	High bid	Low bid	Accepted bid		Contract items	Contingent work	Contract items plus contingent work	
HRB-21.....	Fans, motors and transmissions.	4	\$54,400 00	\$49,952 00	\$49,952 00	\$44,000 00	.....	.....	.....	.....
HRB-22.....	Ventilation Building for West 178th Street Vehicular Tunnel.....	9	498,765 00	456,700 00	456,700 00	495,000 00	\$216,201 78	\$5,657 44	\$221,859 22	55%
HRB-23.....	Extension of West 178th St. Vehicular Tunnel and Approach in Highbridge Park.....	9	521,520 00	347,946 00	347,946 00	371,241 00	349,347 85	34,031 83	383,379 68	Complete
HRB-34.....	Landscaping in Highbridge Park.....	2	7,764 80	6,625 00	6,625 00	5,500 00	6,227 50	863 00	7,090 50	

Note.— Engineer's estimate of contract items is arrived at on basis of estimated quantities at an assumed cost, based on fixed unit prices bid by the contractor and the engineer's estimate of quantities.

* Contract completed as of December 31, 1937, but final payment not made.

Table No. 18
FUNDED DEBT
DECEMBER 31, 1937

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Interstate Bridge Bonds</i> Construction of bridges across the Arthur Kill between Perth Amboy, N. J., and Tottenville, Staten Island, N. Y., Elizabeth, N. J., and Howland Hook, Staten Island, N. Y.	" A "	\$14,000,000	3/1/1926	\$14,000,000	4½%	March 1 and Sept. 1	National City Bank of New York	Called March 1, 1936		Legal for investment of funds of the States of New York and New Jersey and their municipal subdivisions; also insurance companies and associations, savings banks, executors, administrators, guardians, trustees and all other fiduciaries of the two States. Callable on any interest payment date on or after March 1, 1936, at 105 and accrued interest. See Note 1, page 76.
				Less: Bonds retired at maturity.....\$1,800,000						
				Bonds called and acquired for retirement....12,200,000						
				Outstanding Dec. 31, 1937.....None						
<i>New York-New Jersey Interstate Bridge Bonds</i> Construction of a bridge over the Hudson River between Fort Lee, N. J., and 178th Street, Manhattan, New York City.	" B "	\$60,000,000	12/1/1926	\$20,000,000	4%	June 1 and Dec. 1	National City Bank of New York	Called December 1, 1936		Legal for investment of funds of the States of New York and New Jersey and their municipal subdivisions; also insurance companies and associations, savings banks, executors, administrators, guardians, trustees and all other fiduciaries of the two States. Callable on any interest payment date on or after December 1, 1936, at par and accrued interest. See Note 1, page 76.
				Less: Bonds retired at maturity.....\$2,000,000						
				Bonds called and acquired for retirement....18,000,000						
				Outstanding Dec. 31, 1937.....None						

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Table No. 18
FUNDED DEBT — Continued
DECEMBER 31, 1937

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Interstate Bridge Bonds (Cont'd)</i> Construction of a bridge over the Hudson River between Fort Lee, N. J., and 178th Street, Manhattan, New York City.	" B "	\$60,000,000	11/1/1929	\$30,000,000	4½%	May 1 and Nov. 1	National City Bank of New York	Nov. 1		Legal for investment of funds of the States of New York and New Jersey and their municipal subdivisions; also insurance companies and associations, savings banks, executors, administrators, guardians, trustees and all other fiduciaries of the two States. Callable on any interest payment date on or after November 1, 1939, at 105 and accrued interest. See Note 1, page 76.
								1939	\$1,500,000	
								1940	1,500,000	
								1941	1,500,000	
								1942	1,500,000	
								1943	1,500,000	
								1944	1,500,000	
								1945	1,500,000	
								1946	2,250,000	
								1947	2,250,000	
1948	2,250,000									
1949	2,250,000									
1950	2,250,000									
1951	2,250,000									
1952	3,000,000									
1953	3,000,000									
Less:										
Bonds acquired for retirement.....				3,572,000						
Outstanding Dec. 31, 1937.....				\$26,428,000						
<i>New York-New Jersey Interstate Bridge Bonds</i> Construction of a bridge over the Kill van Kull connecting Bayonne, N. J., and Port Richmond, Staten Island, N. Y.	" C "	\$12,000,000	1/3/1928	\$12,000,000	4%	Jan. 3 and July 3	Guaranty Trust Company	Jan. 3		Legal for all state and municipal officers and bodies, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies, insurance associations, administrators, executors, guardians, trustees and other fiduciaries, and may properly and legally be deposited with and received by any state or municipal officers or agencies for any purpose for which bonds or other obligations of the two States may be deposited. Callable on any interest payment date on or after January 3, 1938, at 103 and accrued interest. See Note 1, page 76.
								1938	\$300,000	
								1939	400,000	
								1940	400,000	
								1941	400,000	
								1942	500,000	
								1943	600,000	
								1944	700,000	
								1945	800,000	
								1946	900,000	
1947	1,000,000									
1948	1,000,000									
1949	1,000,000									
1950	1,000,000									
1951	1,000,000									
1952	1,000,000									
1953	1,000,000									
Less:										
Bonds acquired for retirement.....				7,545,000						
Outstanding Dec. 31, 1937.....				\$4,455,000						

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Table No. 18
FUNDED DEBT — Continued
 DECEMBER 31, 1937

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Terminal Bonds</i> Construction of a union freight terminal at West 15th Street, West 16th Street, Eighth Avenue and Ninth Avenue, New York City, N. Y.	"D"	\$16,000,000	3/1/1931	\$16,000,000	4¼%	March 1 and Sept. 1	City Bank Farmers Trust Company	March 1		Legal for all state and municipal officers and bodies, all banks, bankers, trust companies, savings banks, savings associations, and building and loan associations, investment companies, insurance companies and associations, administrators, executors, guardians, trustees and other fiduciaries in New York and New Jersey, and may properly and legally be deposited with and received by any state or municipal officer or agency in New Jersey and by any municipal officer or agency in New York, for any purpose for which the deposit of state bonds or other state obligations is now or may hereafter be authorized. Callable on any interest payment date on or after March 1, 1941, at 105 and accrued interest. See Note 1, page 76.
								1938	\$300,000	
				Less:						
				Bonds acquired for retirement.....				2,324,000		
				Outstanding Dec. 31, 1937.....				\$13,676,000		

Table No. 18
FUNDED DEBT — Continued
DECEMBER 31, 1937

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>New York-New Jersey Interstate Tunnel Bonds</i> For repayment to the State of New York and the State of New Jersey of amounts expended in the construction of the Holland Tunnel.	" E "	\$50,000,000	3/1/1931	\$50,000,000	4 1/4 %	March 1 and Sept. 1	City Bank Farmers Trust Company	March 1 1938	\$1,000,000	Legal for all state and municipal officers and bodies, all banks, bankers, trust companies, savings banks, savings and loan associations, investment companies, insurance companies and associations, administrators, executors, guardians, trustees and other fiduciaries in New York and New Jersey, and may properly and legally be deposited with and received by municipal officers or agencies in the States of New York and New Jersey for any purpose for which the deposit of state bonds or other state obligations is now or may hereafter be authorized. Callable on any interest payment date on or after March 1, 1941, at 105 and accrued interest. See Note 1, page 76.
								1939	1,000,000	
								1940	1,000,000	
								1941	1,000,000	
								1942	1,000,000	
								1943	2,000,000	
								1944	2,000,000	
								1945	2,000,000	
								1946	2,000,000	
								1947	2,000,000	
								1948	2,000,000	
								1949	2,000,000	
								1950	2,000,000	
1951	2,000,000									
1952	2,000,000									
1953	2,500,000									
1954	2,500,000									
1955	2,500,000									
1956	2,500,000									
1957	2,500,000									
1958	2,500,000									
1959	2,500,000									
1960	2,500,000									
Less: Bonds retired at maturity \$5,000,000 Bonds acquired for retirement 936,000 Outstanding Dec. 31, 1937 \$44,064,000										
Issued in liquidation of all claims of the State of New Jersey by reason of appropriations made in aid of construction of the George Washington Bridge.	" F "	\$2,500,000	6/1/1935	\$2,500,000	3 %	March 1 and Sept. 1	Central Hanover Bank and Trust Company	March 1 1941	\$2,500,000	Legal for all state officers and savings banks in New York and New Jersey. Eligible, if the Comptroller of the State of New York consents, to a limited extent, to secure deposits of funds of the State of New York other than those made by the Commissioner of Taxation and Finance. See Note 1, page 76.

Table No. 18
FUNDED DEBT — Continued
 DECEMBER 31, 1937

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>General and Refunding Bonds</i> For refunding of certain outstanding notes and bonds and to provide funds for the construction of the first operating unit of the Midtown Hudson Tunnel.	1st	\$47,439,000	3/1/1935	\$47,439,000	4%	March 1 and Sept. 1	Central Hanover Bank and Trust Company	March 1 1975	\$47,439,000	Redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 104 on March 1, 1941, and thereafter on or before March 1, 1944; at 103 thereafter on or before March 1, 1948; at 102 thereafter on or before March 1, 1952; at 101 thereafter on or before March 1, 1958; and at 100 thereafter to maturity. See Notes 1 and 2, page 76.
<i>General and Refunding Bonds</i> Construction of first operating unit of the Midtown Hudson Tunnel.	2nd	\$16,500,000	12/1/1935	\$16,500,000	3¾%	June 1 and Dec. 1	City Bank Farmers Trust Company	Dec. 1 1965	\$16,500,000	Redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 105 on or before December 1, 1940; at 104 thereafter on or before December 1, 1944; at 103 thereafter on or before December 1, 1948; at 102 thereafter on or before December 1, 1952; at 101 thereafter on or before December 1, 1958; and at 100 thereafter to maturity. See Notes 1 and 2, page 76.

Table No. 18
FUNDED DEBT — Continued

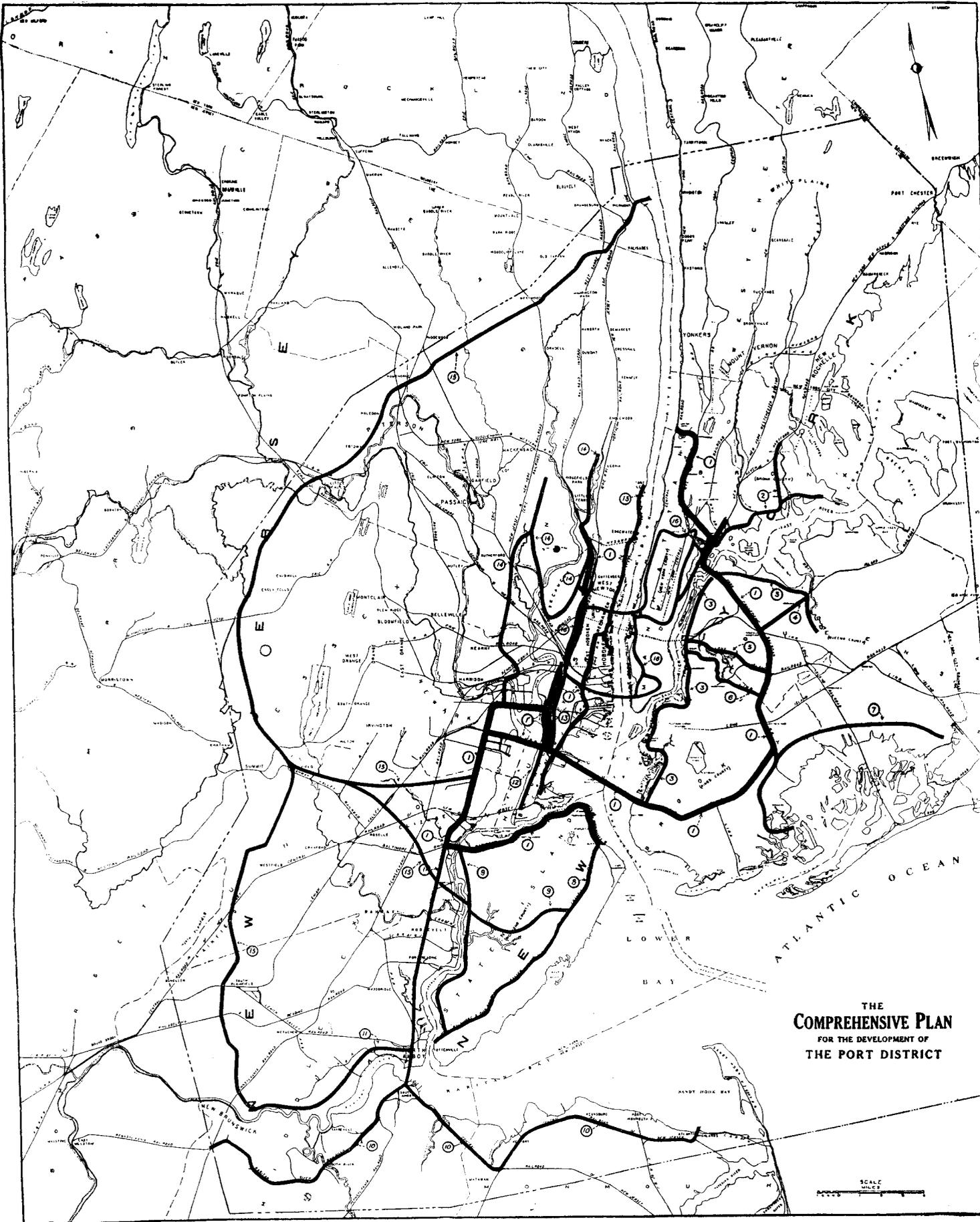
DECEMBER 31, 1937

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>General and Refunding Bonds</i> For refunding of Series "B" 4% bonds and for other purposes for which General and Refunding bonds may be issued.	3rd	\$17,500,000	5/1/1936	\$17,500,000	3½%	May 1 and Nov. 1	Central Hanover Bank and Trust Company	May 1 1976	\$17,500,000	Redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 103 on May 1, 1941, and thereafter on or before May 1, 1945; at 102 thereafter on or before May 1, 1950; at 101 thereafter on or before May 1, 1955; and at 100 thereafter to maturity. See Notes 1 and 2, page 76.
<i>General and Refunding Bonds</i> For refunding of certain outstanding bonds and to provide funds for the construction of the second (north) tube of the Midtown Hudson Tunnel.	4th	\$22,000,000	12/15/1936	\$14,804,000	3%	June 15 and Dec. 15	The Chase National Bank of the City of New York	Dec. 15 1976	\$14,804,000	Subject to redemption prior to December 15, 1950, only through the operation of the Sinking Fund created and established for the Fourth Series Bonds. Subject to this limitation, redeemable, in whole or in part, on thirty days' notice, on any interest payment date as follows: At 103 on December 15, 1941, and thereafter on or before December 15, 1945; at 102 thereafter on or before December 15, 1950; at 101 thereafter on or before December 15, 1955; and at 100 thereafter to maturity. See Notes 1 and 2, page 76.

Table No. 18
FUNDED DEBT — Concluded
DECEMBER 31, 1937

DESIGNATION	Series	Amount authorized	Date of issue	Amount issued and outstanding	Rate	INTEREST		MATURITIES		Remarks
						Date payable	Payable at	Date	Amount	
<i>General and Refunding Bonds</i> For construction of the second (north) tube of the Lincoln (Midtown Hudson) Tunnel; for refunding of Series "C" 4% bonds and for refunding certain outstanding bonds.	5th	\$25,000,000	8/1/1937	\$17,737,000	3¼%	Feb. 15 and Aug. 15	City Bank Farmers Trust Company	Aug. 15 1977	\$17,737,000	Subject to redemption prior to August 15, 1951, only through the operation of the Sinking Fund created and established for the Fifth Series Bonds. Subject to this limitation, redeemable in whole or in part, on thirty days' notice, on any interest payment date as follows: At 104 beginning on August 15, 1942, and thereafter on or before August 15, 1946; at 103 thereafter on or before August 15, 1951; at 102 thereafter on or before August 15, 1956; at 101 thereafter on or before August 15, 1961; and at 100 thereafter to maturity. See Notes 1 and 2, page 76.

Total bonds issued and outstanding at December 31, 1937 — \$205,103,000.
 NOTE 1 — Free from New York and New Jersey taxes. Exempt from Federal Income Tax.
 NOTE 2 — Eligible under existing legislation, for investment in New York and New Jersey for state and municipal officers, banks and savings banks, insurance companies, trustees and other fiduciaries. Eligible under existing legislation, for deposit in New York and New Jersey with state or municipal officers or agencies for any purpose for which the deposit of bonds or other obligations of the States of New York or New Jersey, respectively, is now or may hereafter be authorized.



THE
COMPREHENSIVE PLAN
FOR THE DEVELOPMENT OF
THE PORT DISTRICT

SCALE
MILES

Description of the Comprehensive Plan

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

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

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

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

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

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

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

No. 6—A portion of this line exists and a portion is new. It connects the Middle Belt Line (No. 1) with the marginal railroad No. 3 in the Greenpoint section of Brooklyn. The existing portion to be improved and added to where necessary. It will open up territory for industrial development. It has a length of approximately four miles, of which two miles now exist.

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

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

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

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

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

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

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

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

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

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

No. 17—By authorization of the States of New York and New Jersey, the Port Authority has constructed four interstate bridges, has acquired the Holland Tunnel, and has completed and placed in operation for the handling of traffic in both directions the first operating unit of the Lincoln Tunnel, extending from 30th Street in Manhattan to Weehawken, New Jersey. Three of the four Port Authority bridges connect Staten Island with New Jersey, as follows: Outerbridge Crossing, between Perth Amboy, N. J., and Tottenville, S. I.; Goethals Bridge, between Elizabeth, N. J. and Howland Hook, S. I.; and the Bayonne Bridge, between Port Richmond, S. I. and Bayonne, N. J. The two former bridges were opened to traffic on June 29, 1928, and the Bayonne Bridge, November 15, 1931. The fourth bridge, George Washington Bridge, spanning the Hudson River between Fort Lee, N. J., and Fort Washington, New York City, was opened to traffic October 25, 1931. The Holland Tunnel, between Jersey City and Manhattan, has been in operation since November 13, 1927. It was acquired by the Port Authority March 1, 1931. Work on the construction of the second tube of the Lincoln Tunnel is now underway, together with a comprehensive system of approaches in New Jersey, and it is expected that the entire project will be completed in 1940.

THE PORT OF NEW YORK AUTHORITY.

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