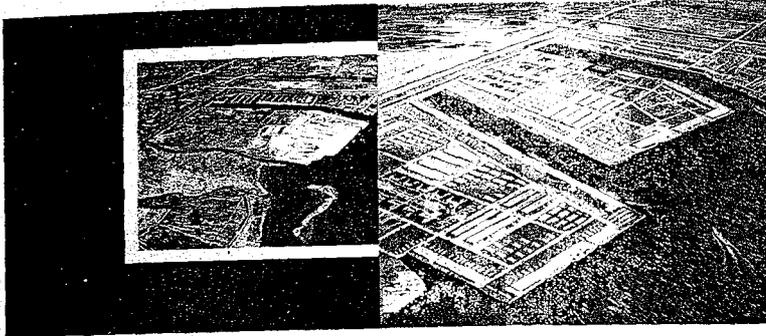


THE PORT OF NEW YORK AUTHORITY

ANNUAL
1958
REPORT





THE PORT OF NEW YORK AUTHORITY **1958**
ANNUAL REPORT



THE COVERS: On the front cover of this report is an artist's aerial conception of the sweeping, quarter-billion-dollar development program for the Elizabeth-Newark waterfront on Newark Bay, New Jersey. The "straight-in" channel at the center is the new Elizabeth Channel. South of this, or in the foreground, will be built the 703-acre, \$150,000,000 Elizabeth-Port Authority Piers. North of this, and extending beyond the angular Port Newark Channel in the background, is the Newark Seaport area. Completion of this area will bring the Port Authority's investment here to \$125,000,000. On the back cover is an aerial photograph of the same waterfront as it appeared prior to the start of dredging. Details of this vast development are in the Marine Terminals Chapter.

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ANNUAL
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REPORT

THE PORT OF NEW YORK AUTHORITY

RESPECTFULLY SUBMITTED IN ACCORDANCE
WITH THE PORT COMPACT OF 1921 TO:

THE HONORABLE ROBERT B. MEYNER, GOVERNOR AND
THE LEGISLATURE OF THE STATE OF NEW JERSEY

THE HONORABLE NELSON A. ROCKEFELLER, GOVERNOR AND
THE LEGISLATURE OF THE STATE OF NEW YORK

COMMISSIONERS

New Jersey

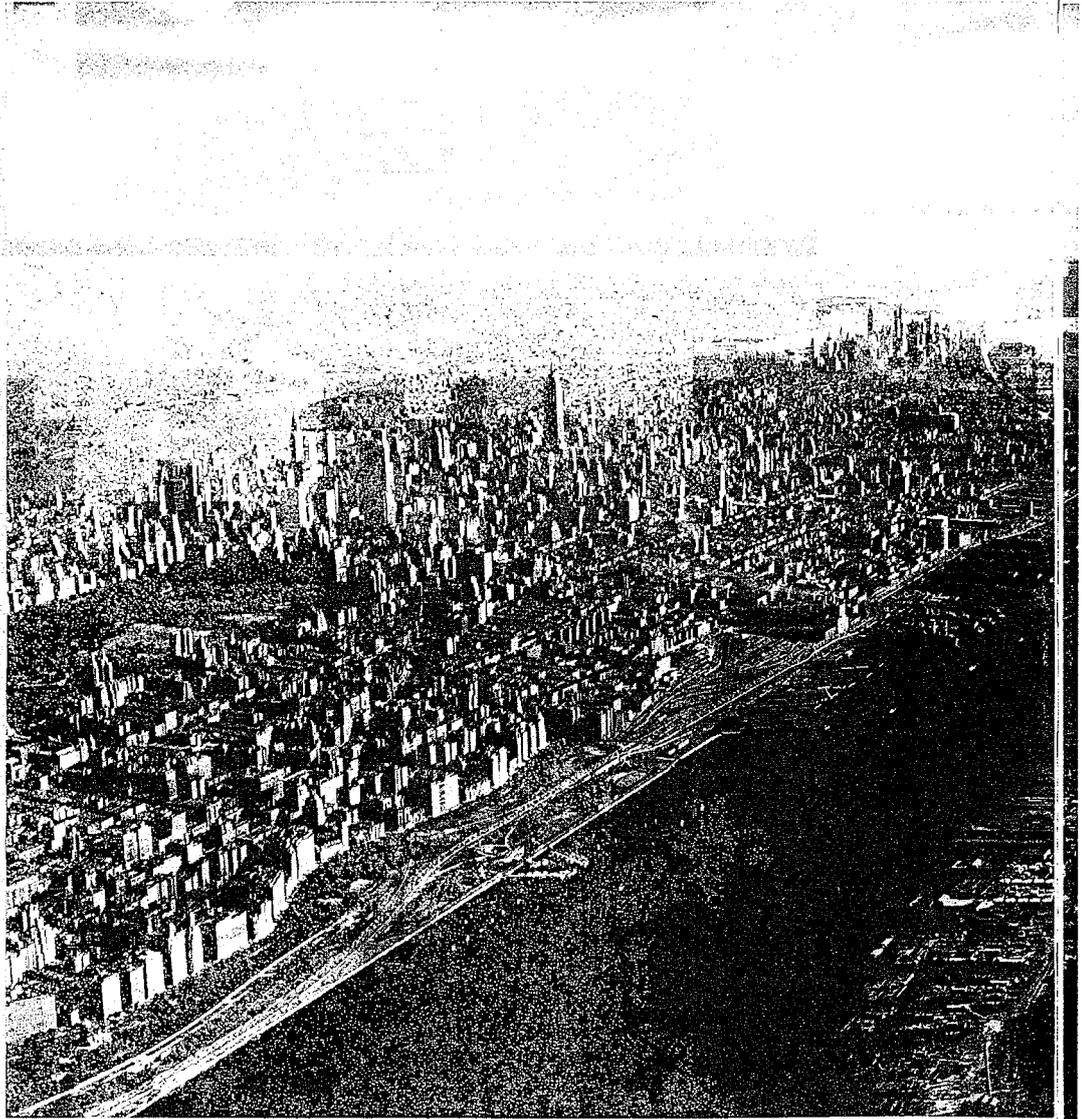
DONALD V. LOWE, CHAIRMAN
HORACE K. CORBIN
JESS HARRISON DAVIS
JAMES C. KELLOGG, III
THORN LORD
JOHN J. CLANCY

New York

HOWARD S. CULLMAN, HON. CHAIRMAN
EUGENE F. MORAN, VICE-CHAIRMAN
S. SLOAN COLT
CHARLES S. HAMILTON, JR.
N. BAXTER JACKSON
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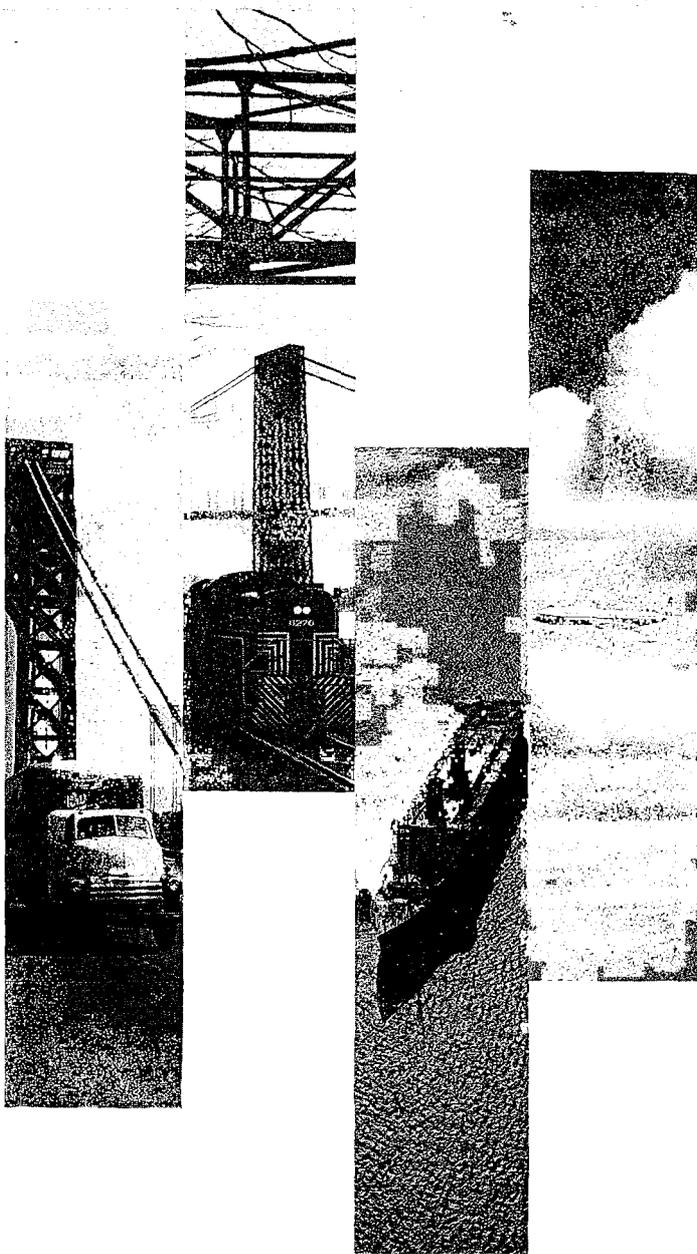


Honorable Nelson A. Rockefeller
Governor of the State of New York





Honorable Robert B. Meyner
Governor of the State of New Jersey



THE STORY OF THE PORT AUTHORITY

Thirty-seven years ago, New York and New Jersey entered into a Compact, with Congressional consent, by which the States pledged ". . . faithful cooperation in the future planning and development of the port of New York," and created The Port of New York Authority as their joint agency to effectuate this cooperative pledge.

PORT COMPACT

In their Compact the two States found and determined that:

"a better coordination of the terminal, transportation and other facilities of commerce in, about and through the port of New York will result in great economies, benefiting the nation, as well as the states of New York and New Jersey;" and that *"The future development of such terminal, transportation and other facilities of commerce will require the expenditure of large sums of money and the cordial cooperation of the states of New York and New Jersey in the encouragement of the investment of capital, and in the formulation and execution of the necessary physical plans."*

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

POWER AND DUTIES

The Port Authority consists of twelve Commissioners—six resident voters from each of the States of New York and New Jersey—appointed by the two Governors with advice and consent of the States' Senates.

In establishing the Authority, the States also created the *"Port of New York District,"* a territory with a radius of approximately twenty-five miles from the Statue of Liberty. Within this Port District, the Port Authority performs duties relating to the port's development as derived from the Compact, The Comprehensive Plan for the development of the Port of New York

(adopted in 1922 under and pursuant to the Compact), and from additional legislation adopted by the two States.

According to the Compact:

"The Port Authority shall constitute a body both corporate and politic with full power and authority . . .

". . . to purchase, construct, lease and/or operate any terminal or transportation facility within said (port) district; and to make charges for the use thereof;

". . . and for any of such purposes to own, hold, lease and/or operate real or personal property, to borrow money and secure the same by bonds or by mortgages upon any property held or to be held by it."

The agency was also authorized to . . .

". . . make recommendations to the legislatures of the two states or to the congress of the United States . . . for the better conduct of the commerce passing in and through the port of New York, the increase and improvement of transportation and terminal facilities therein, and the more economical and expeditious handling of such commerce." And ". . . petition any inter-state commerce commission . . . public utilities commission . . . or any federal, municipal, state or local authority . . . for adoption and execution of any physical improvement, change in method, rate of transportation, system of handling freight . . . which in the opinion of the port authority, may be designed to improve . . . the handling of commerce in and through said district . . ."

A CONTINUING RESPONSIBILITY

Looking forward to a dynamic, continuing program by their agency—the Port Authority—the two States, in the Compact, provided that:

"The port authority shall have such addi-

tional powers and duties as may hereafter be delegated to or imposed upon it from time to time by the action of the legislature of either state concurred in by the legislature of the other."

Thus, as the needs arose, the States by additional enactments specifically charged their agency with the responsibility for airport, marine terminal, inland terminal and vehicular developments.

A SELF-SUPPORTING AGENCY

Basic to the States' mandate to their agency for the planning and development of the Port of New York, is that facilities be provided on a self-supporting basis. The Compact provides:

"The port authority shall not pledge the credit of either state except by and with the authority of the legislature thereof."

The Comprehensive Plan vested the agency with appropriate powers *" . . . not inconsistent with the constitution of the United States or of either state . . ."*—except the power to levy taxes or assessments.

PORT AUTHORITY ACTIVITIES

The Comprehensive Plan directed the Port Authority to proceed with the development of the port *"as rapidly as may be economically practicable."* Today, the Port Authority has twenty-one terminal and transportation facilities; six inter-state bridges and tunnels; five air terminals; six marine terminal areas; two union motor truck terminals, a motor truck terminal for rail freight, and a union bus terminal.

Charged also with promotion and protection of port commerce, the Port Authority appears before governmental regulatory bodies in the interest of the port. It maintains trade development offices in Washington, Cleveland, Chicago, New York, Rio de Janeiro, London, Zurich and an office to open in San Juan early in 1959, to promote commerce via the Port of New York.

**THE
YEAR
IN
BRIEF**



MARINE TERMINALS: \$33,644,000 spent on construction and modernization at Port Authority marine terminals. Work begun on \$274,000,000 project to complete Port Newark and develop adjacent new Elizabeth-Port Authority Piers. Beard's Erie Basin in Brooklyn purchased. At Brooklyn-Port Authority Piers, two new piers were put in operation and work on three others scheduled for 1959 completion. Page 2

TUNNELS AND BRIDGES: George Washington Bridge Second Deck design and operational plans advanced. Functional plans completed and structural design begun for Washington Heights bus passenger facility. First contracts for structural steel let, and demolition on New York approaches made way for new construction. Traffic increased 0.8 per cent at the six Port Authority tunnels and bridges. Holland Tunnel Rotary opened. Page 14

AIR TERMINALS: \$50,373,000 invested in major air terminal construction projects. Well over thirteen million passengers, 443,000,000 pounds of air cargo and mail and 750,000 aircraft movements handled in air terminal system. Regular jet transport operations begun at New York International Airport under specified operating conditions that assure neighboring communities protection from intolerable noise. Page 22

TERMINALS: Port Authority Bus Terminal's 1,000,000 bus departures and 50,000,000 passengers set a new record. High activity levels maintained at New York and Newark Union Motor Truck Terminals while freight operations expanded at Port Authority Building. Page 30

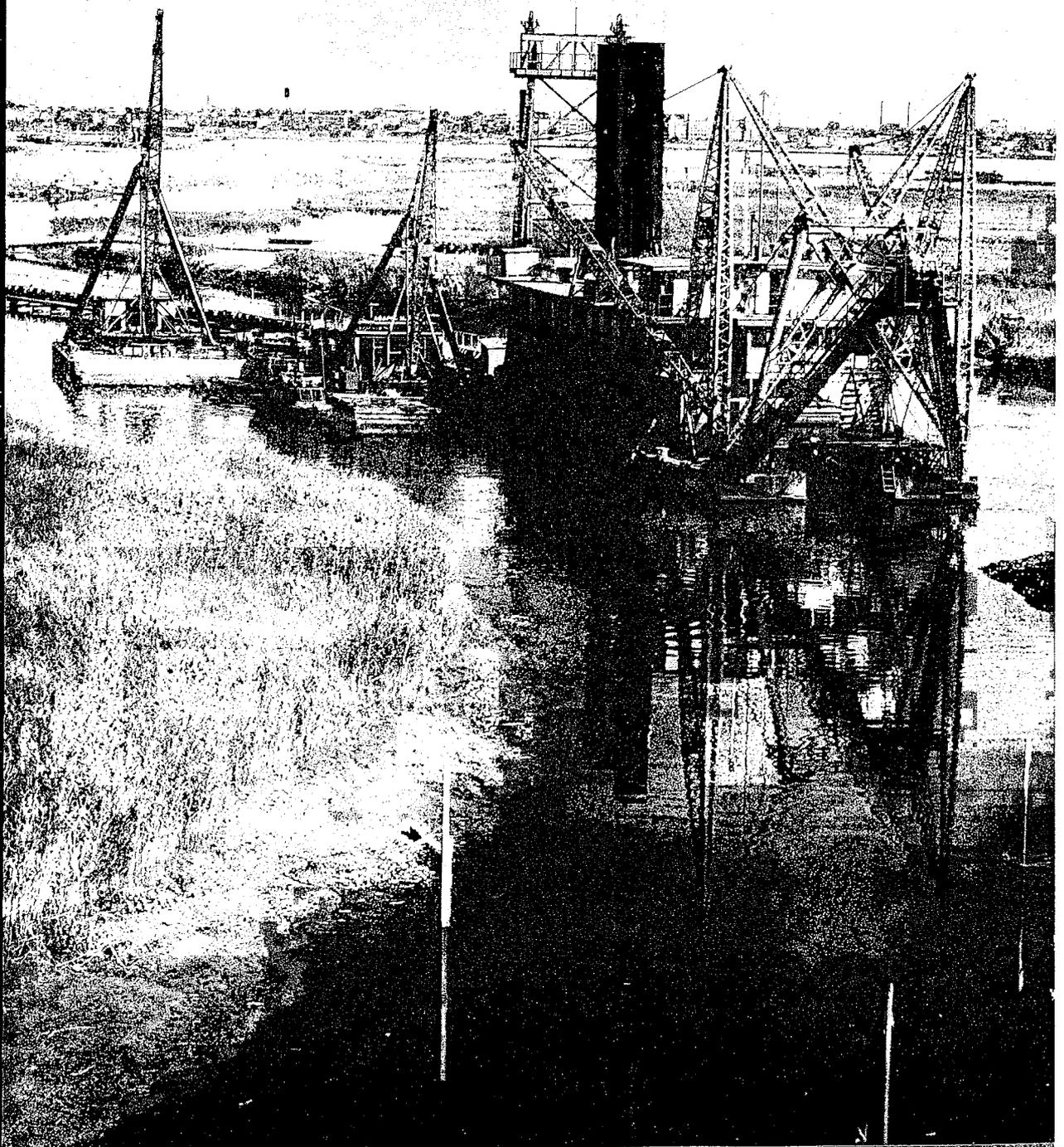
PORT DEVELOPMENT: Chairman Lowe on Western European tour promotes New York Port and opens Port Authority exhibit at Brussels International Exhibition. London and Continental Trade Development Offices opened and Caribbean office authorized by Port Authority Board of Commissioners. Page 34

ADMINISTRATION: Chairman Donald V. Lowe, Honorary Chairman Howard S. Cullman and Vice-Chairman Eugene F. Moran continued in their Board posts during the year. Honorary Chairman Cullman, as U. S. Commissioner General for Brussels International Exhibition, directed preparation and administration of U. S. exhibit. New York's Joseph A. Martino and New Jersey's John J. Clancy appointed to Board of Commissioners. Executive Director Tobin awarded membership in French Legion of Honor. Page 48

THE STAFF: Nine staff members awarded Port Authority medals for outstanding service. Nearly 1,300 employees enrolled in 1,154 courses under training and education refund plans. For fourth consecutive year, Port Authority suggestion system won national award for highest employee participation among government agencies. Page 62

FINANCIAL: Port Authority bonds totaling \$119,000,000 were marketed during 1958 and cumulative amount invested in facilities reached \$816,700,000. Year's gross operating revenues totaled \$93,183,000. Page 66





MARINE TERMINALS

The completion of new, self-supporting piers and the announcement of the most far-reaching marine terminal development in the New Jersey-New York Port's history highlighted the Port Authority's 1958 deep-sea terminals activities.

The Port Authority expended \$33,644,000 on waterfront facilities in the two-state Port District during the year. This continuing improvement and development of the port is one of our best ways to meet the challenge of competing ports and the St. Lawrence Seaway.

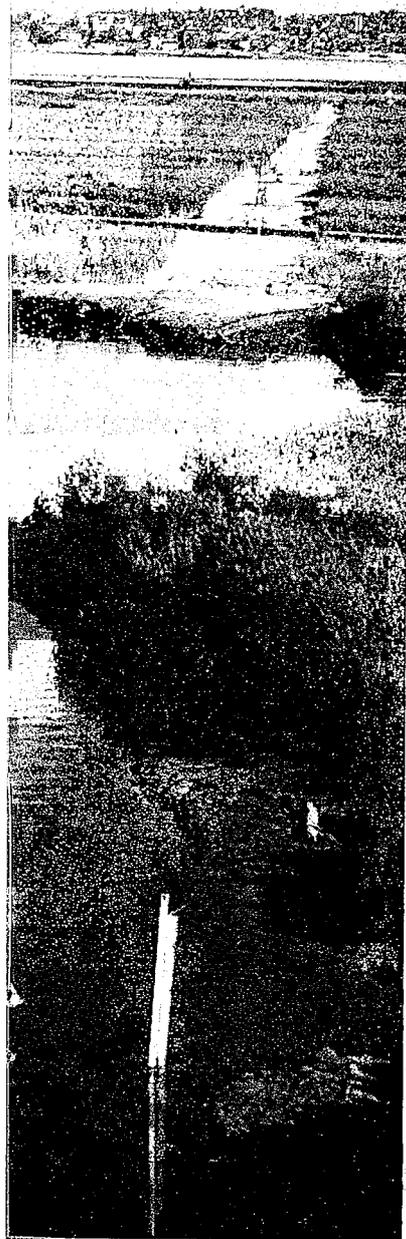
Capital expenditures by United States and Canadian ports for port development projects totaled some \$1,000,000,000 in the twelve-year period, January 1946-December 1957. Of this amount, the North Atlantic ports lead all others with an outlay of some \$375,000,000 or thirty-seven per cent of the total. Approximately a half of this amount, an estimated \$171,000,000, was spent in the New York-New Jersey Port District. During this period, the Port Authority alone was responsible for the expenditure of \$81,000,000, or 47.5 per cent of the Port District's capital investment, both public and private, in redevelopment of the port.

Six regional marine terminals are operated by the Port Authority under the management of the Marine Terminals Department Director, A. Lyle King. They are: the Port Authority Grain Terminal and Columbia Street Pier, the Hoboken-Port Authority Piers, Port Newark, the Brooklyn-Port Authority Piers, Elizabeth-Port Authority Piers and the Erie Basin-Port Authority Piers. During 1958, these self-supporting facilities returned gross revenues of \$10,787,000.

The piers available at these facilities comprise 23.5 per cent of the total usable deep-water piers in the bi-state port. These facilities were constructed by the Port Authority at a cost that totaled \$124,732,000 at year's end. There is budgeted for 1959 a sum of \$27,669,000 for continuing marine developments.

EMPLOYMENT AND TONNAGES

During 1958, Port Authority marine terminals handled nearly 5,205,000 tons of cargo valued at \$2,342,507,712. This cargo included an estimated 48.1 per cent of the lumber, 50.8 per cent of the scrap metal, 39.3 per cent of the cork, 40.9 per cent of the woodpulp, and 70.5 per cent of the export grain that moved through the New York-New Jersey Port.



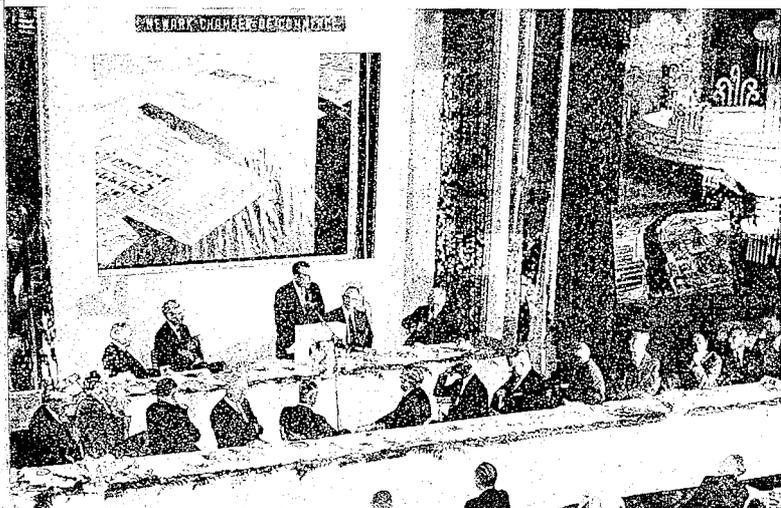
General cargo accounted for some 76.9 per cent of total cargo moving through the Port Authority marine facilities. Employment was provided for 7,514 persons who earned a gross annual income of \$34,073,850 at these marine installations.

FROM MARSH TO MARINE "CITY"

As the covers of this report illustrate, a large area of marshland, comprising some 703 acres south of Bound Creek along Newark Bay, will be transformed into a great "city" for deep-sea ships and will be known as the Elizabeth-Port Authority Piers. At Port Newark, eleven new vessel berths will be provided and 115 additional acres will be developed along the north side of the new Elizabeth Channel. These two marine terminals will provide jobs for about 18,000 people whose \$90,000,000 yearly earnings will flow into the Northern New Jersey area. Dredging of the new channel is already under way.

The public announcement that the Port Authority will go forward with these projects—one of the most important business developments in the history of Northern New Jersey and the entire Port of New York—was made at a meeting of the Newark Chamber of Commerce in April, 1958. The principal speakers on this occasion were Governor Robert B. Meyner of New Jersey, Port Authority Commissioner Horace K. Corbin and Prudential Insurance Company President Carrol M. Shanks.

At the Newark Chamber of Commerce ceremony announcing Port Authority plans for development of the Elizabeth-Newark waterfronts, New Jersey Governor Robert B. Meyner speaks to members and guests of the Chamber. Guests on upper dais, left to right: Port Authority Executive Director Austin J. Tobin; James Mitchell, President, Newark Chamber of Commerce; Governor Meyner, Carrol Shanks, President, Prudential Insurance Company of America; Commissioner Horace K. Corbin.



Governor Meyner at that time repeated his statement made three years ago in Trenton that the Port Authority would complete the development of Port Newark and develop a great new marine terminal in Elizabeth. In April, he said: *"I was able to work with the Commissioners and staff of the Authority on the original planning of this great public improvement. Since that first announcement, I have kept in close touch with the planning that has led, so quickly, to this, a triumphant day in the history of the entire Port of New York."*

At the meeting, Commissioner Corbin stated that the Port Authority will complete the construction of Port Newark by providing facilities that will increase the bi-state agency's investment in that port area from the present \$47,000,000 to \$125,000,000. At the same time, he disclosed that construction would begin on the \$150,000,000 master plan for the Elizabeth-Port Authority Piers, a new marine development covering 703 acres.

When completed, the Newark-Elizabeth sector of the Port of New York, including the new Elizabeth Channel, will represent a total investment by the Port Authority of \$275,000,000. It will handle 11,000,000 tons of cargo a year at sixty-three vessel berths. This tonnage will be forty per cent of the total then handled by the entire port.

Meanwhile, over the next three years, construction will create a labor payroll of \$10,000,000. Proceeding with the entire program as rapidly as business can be developed and the enormous engineering job carried out, the Port Authority hopes that the program will be substantially finished within the next fifteen to twenty years.

PORT NEWARK PROGRAM

In Port Newark, the Port Authority will provide eleven new vessel berths to expand the seaport's capacity from twenty-eight to thirty-nine ships and its annual cargo capacity from 3,500,000 tons to 6,000,000 tons. Altogether,

115 additional acres will be developed in Port Newark along the north side of the new Elizabeth Channel. This construction, together with the building of three new transit sheds on the north side of the present Port Newark Channel and approximately 3,000,000 square feet of distribution buildings throughout the seaport, will complete the Newark development.

Under a \$4,872,000 contract, the Atlantic, Gulf and Pacific Company of New York has commenced the dredging of some 14,000,000 cubic yards to create the Elizabeth Channel in the Bound Creek area. This immense channel will be 9,000 feet long, from 600 to 800 feet wide and thirty-five feet deep. It will extend inshore from Newark Bay.

In addition, the present channel along Newark Bay will be extended 1,060 feet south. It will then be 4,010 feet long, reaching from the Port Newark Channel area to the vicinity of the new Elizabeth Channel. The new channel in Newark Bay will be 300 feet wide and thirty-five feet deep.

The dredging will be followed by the construction of over 4,000 feet of bulkheading with upland and supporting facilities to create seven new berths. Four of these new berths and 2,600 feet of the bulkheading will be in Elizabeth. The other three berths and 1,660 feet of bulkheading will be in Newark. This construction is expected to be completed during 1961. It will bring the total cost of the first phase of the project to \$18,300,000.

NEW ELIZABETH DEVELOPMENT

The great new Elizabeth-Port Authority marine terminal will furnish twenty-four vessel berths serviced by 400 acres of transit open storage area. An additional 300 acres will accommodate about 5,000,000 square feet of distribution and handling space.

The Elizabeth facility will comprise 703 acres. Extensive supporting upland area is one of the most important features of the development, since these large, open spaces are indispensable in the handling of general cargo in the age of container ships. It is estimated that the Elizabeth-Port Authority Piers will handle nearly 5,000,000 tons of cargo annually.

PORT NEWARK CONSTRUCTION IN 1958

The growth of Port Newark continues to accelerate. In 1958, the Port Authority spent \$7,305,000 in waterfront construction at Port Newark. Rapid progress on large-scale construction projects and substantial expansion in vessel and commercial services again made it one of the most active years in the facility's history.

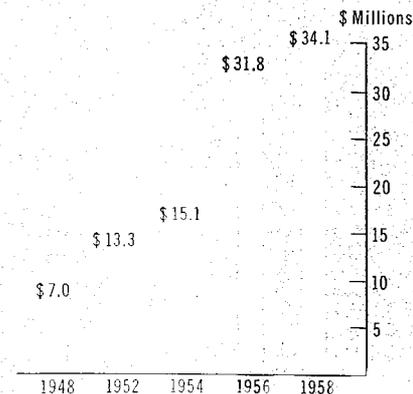
The year 1958 saw completion of the first project in the Port Authority plan to redevelop the 137-acre former Army Base area on the north side of the channel. This project comprises a three-berth facility of three concrete, steel and

P. A. MARINE TERMINALS

PAYROLL

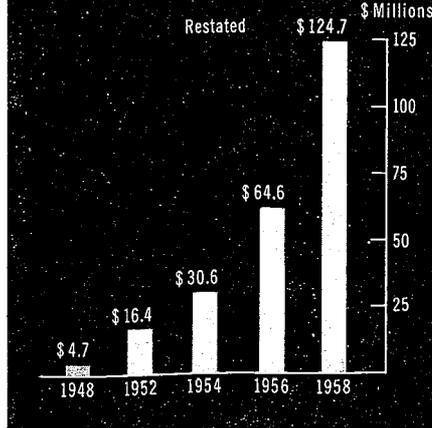
(millions)

Longshoremen, Clerks, Checkers, P. A. Employees, Etc.



CUMULATIVE P. A. INVESTMENT IN MARINE TERMINALS

(millions)



P. A. MARINE TERMINALS

TONNAGES



NOTE: P. A. Operation of Hoboken-Port Authority Piers began October, 1952; of Brooklyn-Port Authority Piers, March, 1956; of Erie Basin-Port Authority Piers, December, 1958.

aluminum cargo terminal buildings served by a fifty-six-foot-wide wharf extending 1,860 feet along Port Newark's channel. There are three deep-sea berths, each 620 feet long. Immediately adjacent to the wharf, each cargo building has a gross area of 91,000 square feet and is 520 feet long and 175 feet wide. Each building is equipped with a twenty-foot-wide truck and rail platform at the rear and double sets of rail tracks with crossovers at front and rear. A large paved area is located at the rear of the terminal.

On the north side of the channel, Army Base buildings for many years provided some 1,800,000 square feet of cargo distribution space. These buildings, constructed in 1917, have deteriorated to a point which precludes further use. During 1958, therefore, a program was undertaken to clear these structures from over 500,000 square feet of space. By December, 1958, the first stage of the job was completed and the construction of 416,000 square feet of a newly designed type of building for closed distribution space has commenced on the cleared area. This new construction design offers, at reduced cost, many of the advantages of the recently erected cargo distribution buildings on the south side. A total expenditure of \$3,300,000 is estimated, with completion scheduled for early 1960.

OTHER PROJECTS

On the south side of the seaport, a \$4,400,000 project—four new cargo distribution buildings—was completed by the end of the year. These one-story structures, each with a total covered area of over 100,000 square feet, were built in advance of actual leasing in anticipation of the increasing demand for distribution space at the seaport. At year's end, leases had been secured for all of this space.

Construction of four additional cargo distribution buildings using the new design technique was started in late 1958 on the south side of the Port Newark Channel. Upon completion, they will provide 568,000 square feet of covered distribution space at an estimated cost of \$4,300,000.

Additional water distribution and more effective fire protection has been provided by the \$1,400,000 installation of new water lines and pumping stations. Completed at the year's end, this system serves the entire marine terminal.

Also completed during 1958 was the \$1,000,000 paving of Tyler Street on the south side of the Port Newark Channel. This project required the paving of a forty-eight-foot-wide strip from Terminal Street to Export Street, a distance of some 4,000 feet. This now provides Port Newark with a second major east-west marine terminal highway on the south side of the channel. Included in the work was the installation of a storm drainage and sanitary sewer system and related utilities under the new street.

A \$245,000 service building at Tyler and Terminal Streets was completed for use by the Towmotor Corporation, manufacturer of cargo handling equipment.

FOREIGN CAR ACTIVITY

Port Newark has been fortunate in handling an increasing volume of imported automobiles such as the Volkswagen, Renault, Volvo, M.G., English Ford, Vauxhall, Citroen and Jaguar, Hillman, Opel, Morris Minor, Triumph, Isetta.

In 1958, 67,876 foreign cars—more than triple the 1957 volume—passed through Port Newark.

This business at Port Newark has developed as a result of the "open" design of the facility and the services available to assist tenants in expediting their merchandise.

Port Newark's wide pier aprons and abundant open areas have led to faster discharge of cars and consequently lowered stevedoring costs. Distributors have consolidated as many as 1,000 cars on one ship which allows the chartering of a single vessel at lower ocean rates.

CONTAINER SHIP SERVICE

Pan-Atlantic Steamship Corporation continued to show tremendous growth during 1958 in its

development of the general cargo container ship service. The extent to which it has grown is shown by the gain of 258.9 per cent in 1957 when 227,737 long tons were handled as compared with 63,257 tons in 1956. Still rapidly increasing during 1958, there was a gain of 468,801 long tons or 206.8 per cent to 696,538 long tons.

In addition, Pan-Atlantic, with two ships in service, has increased its one original route to three. It now provides the following weekly sailings: Port Newark to Tampa, Miami, and New Orleans; Port Newark to San Juan and Ponce, Puerto Rico; and Port Newark to Houston.

The highly successful results of this operation, which represents an innovation in cargo handling methods, give every indication of a fine economic future for the carrier and for Port Newark.

ACTIVE YEAR AT PORT NEWARK

Activities at Port Newark continued to grow at an accelerated pace with general cargo tonnages, employment and payrolls expanding, as they have since the Port Authority assumed responsibility for the seaport in 1948. Total 1958 tonnage was 3,367,600 or 30.9 per cent higher than the 2,570,022 tons handled in 1957.

General cargo tonnages, which included packaged freight, container cargo, scrap metal and lumber, totaled 2,380,152 long tons in 1958, an increase of 41.1 per cent over the 1,687,309 long tons in 1957. New records were established in the handling of scrap metal and container cargo. Port Newark also retained its status as leading lumber port on the East Coast, handling some 202,300,000 board feet.

Payrolls and employment reached new heights, with \$19,488,000 being earned by 4,309 workers during 1958, compared to \$14,887,000 being earned by 3,690 workers during 1957.

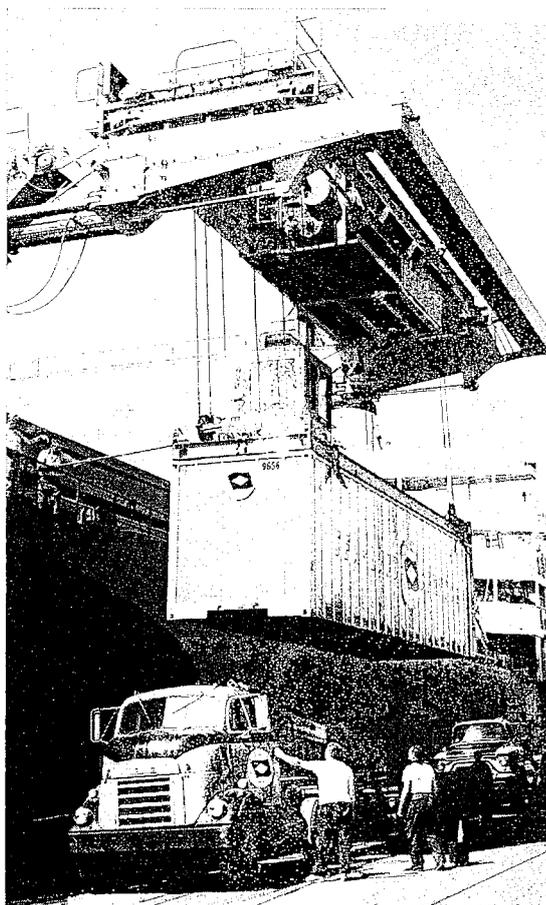
BROOKLYN PORT-AUTHORITY PIERS

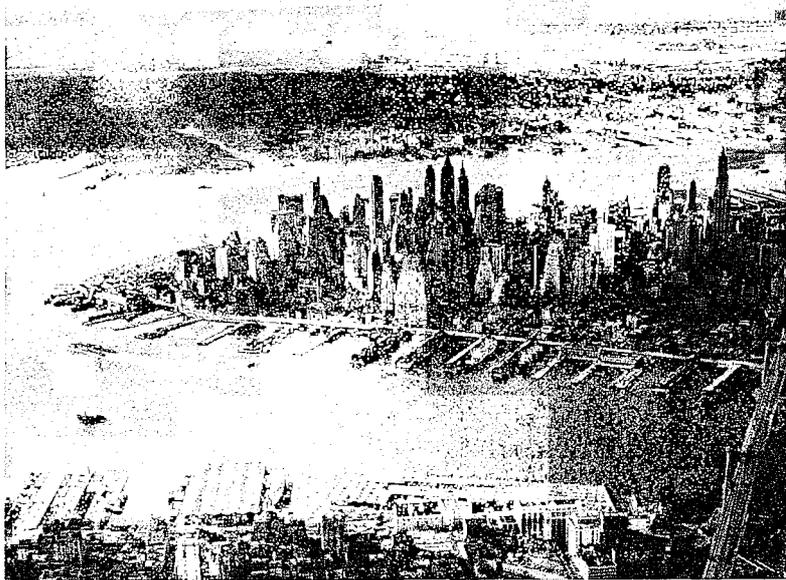
Great strides in the seven-year \$85,000,000 redevelopment program at the Brooklyn-Port Authority Piers have been made since its incep-

tion on March 1, 1956. This property, formerly under the ownership of the New York Dock Company, is located on the forty-foot-deep Buttermilk and East River Channels, extending southward two miles along the waterfront from the Brooklyn Bridge to and including Atlantic Basin. This area is the core of one of the greatest freight generating and handling centers of the world.

Under the Brooklyn-Port Authority Piers plan, twenty-five of the twenty-six obsolete piers, from thirty-six to sixty-five years old, are being replaced with ten wide, single-story structures. One existing pier in the Atlantic Basin will be completely rehabilitated. In all, twenty-five efficient berths will replace forty-four obsolete berths.

Port Newark's container ship service by Pan-Atlantic Steamship Corporation has two vessels capable of lifting trailer-like container bodies from trucks' chassis and stowing them aboard.





South of the landmark Brooklyn Bridge are Piers 1, 2 and 3 of the Brooklyn-Port Authority Piers. Pier 2 (center) opened in September, 1958, while work on Pier 3 (left) and L-shaped Pier 1 (right) progressed toward 1959 completion. Together they will berth seven vessels and have 500,000 feet of upland area.

PIER 11

On June 4, the bi-state agency dedicated the \$8,250,000 Pier 11 in the Atlantic Basin. This pier, leased to the Maersk Line interests, provides a wharf as long as seven football fields (2,100 feet) furnished with a twenty-five-foot-wide apron. Three large berths are backed up by a continuous shed, 1,800 feet long by 150 feet wide, supplying 270,000 square feet of covered interior space. A twenty-foot-wide truck loading platform extending the entire length of the building can accommodate 144 trucks at a time. The upland area comprises 319,000 square feet of paved space.

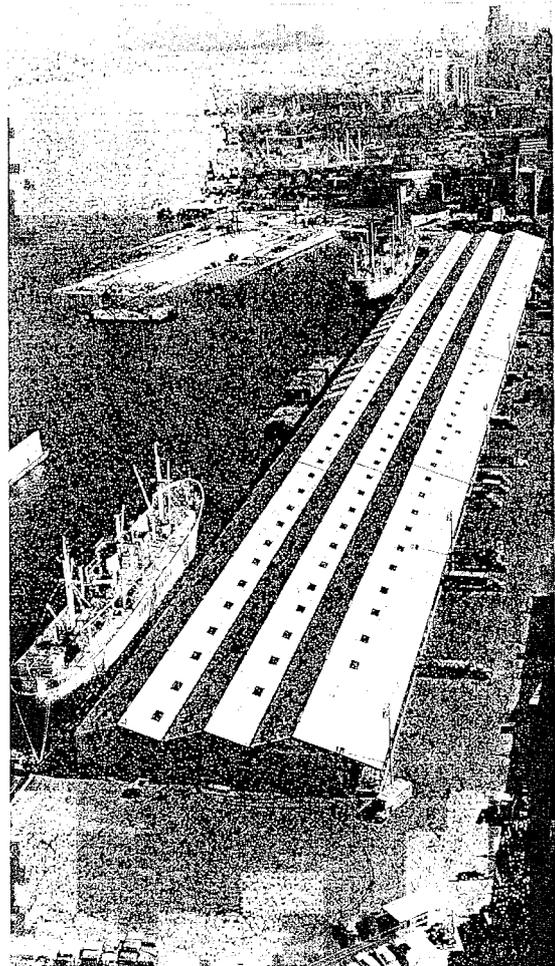
PIER 2

Pier 2 was completed three-and-one-half months ahead of schedule. Dedicated September 9, it was turned over to the Meyer Line under a ten year lease. The facility is 625 feet long and 350 feet wide with thirty-foot-wide aprons on

either side with a twenty-five-foot-wide apron on the outshore end. The pier has 168,200 square feet of covered area, including two-story office space. Plastic skylights provide "daylight" conditions in the building.

There is a tailgate-high truck platform on the inshore end of the pier where sixteen trucks can be handled at a time and truck entrance and exit ramps. Seven spacious cargo doors on each side of the finger pier service the ship berths. Storage and handling of cargo will be facilitated by over 140,000 square feet of paved, open area adjacent to the pier. Fire resistant, the pier is constructed

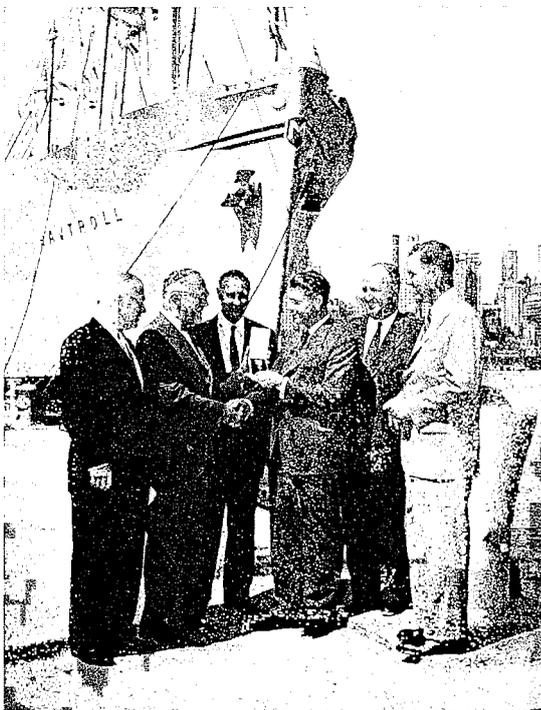
The \$8,250,000 Pier 11 of the Brooklyn-Port Authority Piers opened in June, 1958. Its wharf provides three large ship berths.





At dedication of Pier 11, Brooklyn-Port Authority Piers, Chairman Donald V. Lowe presents plaque comprised of wood from an old pier and the shoe of pier mule to Vice-Chairman Eugene F. Moran, noted port historian and longtime Brooklyn resident.

Port Authority Chairman Donald V. Lowe (second from left) presents key to newly opened Pier 2 at the Brooklyn-Port Authority Piers to Per Meyer, General Partner of Meyer Steamship Lines, lessee of pier. Also present at the dedication were (left to right): Executive Director Austin J. Tobin; Director of Marine Terminals A. Lyle King; and, at right, Port Authority Commissioners Joseph A. Martino and James C. Kellogg, III.



entirely of concrete, steel and pastel blue aluminum. The substructure includes concrete-capped wooden piles. Efficient fire protective devices include a complete sprinkler system.

OTHER NEW PIERS

Three additional piers are now under construction. These are Pier 10 in the northwest corner of the Atlantic Basin and Piers 1 and 3 in the Fulton Terminal area. All have been leased and will be completed by the end of 1959.

PIER 10

Pier 10, which will be completed in June, 1959, is a single-story finger pier 710 feet long and 326 feet wide with thirty-foot-wide aprons. Berths for two ships will be served by 180,000 square feet of covered space. In addition, the pier design includes a platform with fourteen tailgate-high truck spaces. On the in-shore end, tractor-trailer entrance and exit ramps provide access to the pier. Also to be provided are 102,000 square feet of paved upland area.

PIER 1

Pier 1 is L-shaped to conform with the shoreline immediately south of Brooklyn Bridge. Its wharf measures 1,090 feet on the west side and 500 feet on the south side. The pier has a thirty-foot-wide apron to serve its ship berths. Accommodating three vessels, it will have 256,000 square feet of covered interior space. A twenty-foot-wide truck loading platform the length of the pier will be capable of handling seventy trucks at one time. Freight handling will be expedited by 193,000 square feet of paved upland area. Completion of Pier 1 is estimated for April, 1959.

PIER 3

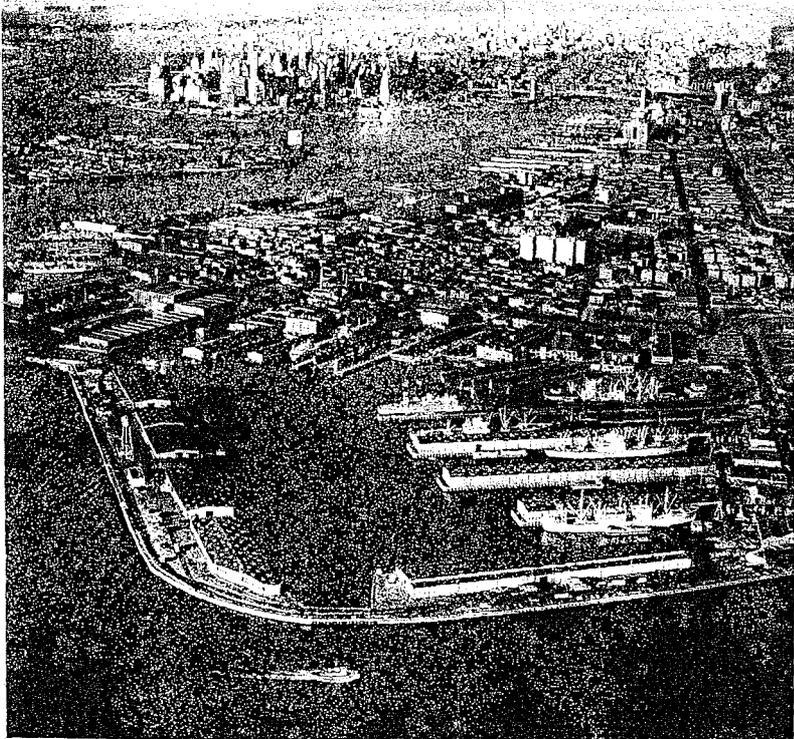
Pier 3, the third pier scheduled for completion in 1959, has been leased to Flota Mercante Grancolombiana Steamship Company which now

occupies existing Piers 22 and 23. The new two-berth pier will be 650 feet long and 350 feet wide. It will have thirty-foot-wide aprons and 176,000 square feet of shedded space. Other features will include sixteen truck back-up spaces on the inshore end and truck entrance and exit ramps. Necessary demolition of existing structures and the grading to provide 160,000 square feet of paved upland area for Pier 3 were completed in December, 1958.

Demolition of the remaining obsolete structures is now underway. Fifty-seven of these buildings have been leveled and the cleared space has been leased to tenants at the Brooklyn-Port Authority Piers for use in their current operations. This has helped to alleviate congestion which in the past hindered activities at this facility.

Maintenance and repair programs have been carefully scheduled to enable the Brooklyn facility to operate with maximum efficiency and safety

Purchased by the Port Authority for \$7,500,000 in December, 1958, Beard's Erie Basin is now known as the Erie Basin-Port Authority Piers and is the Port Authority's 21st vital facility.



during the period of reconstruction. During the year, 1,042,745 long tons of merchandise were handled while 872 vessels received and discharged cargoes at the Brooklyn-Port Authority Piers. Employment was provided for 1,911 persons who earned \$8,732,000.

ERIE BASIN-PORT AUTHORITY PIERS

On September 4, 1958, the Port Authority Board of Commissioners authorized a contract for the purchase of the Beard's Erie Basin property along the north shore of Gowanus Bay in Brooklyn at an agreed price of \$7,500,000.

The sale of this property to the Port Authority was recommended to the Board of Directors of Beard's Erie Basin, Inc. by its president, Colonel Edward Hinman, Jr. at their September 10 meeting, and approved by Beard's stockholders at their meeting of November 25. The transaction was closed and deeds to the property delivered on December 15. The area is now designated as the Erie Basin-Port Authority Piers and is the Port Authority's twenty-first facility.

Established by William Beard, the Beard's Erie Basin property celebrated its centenary in 1949. It comprises a total area of over four million square feet, including approximately thirty-four acres of upland, surrounding the fifty-nine-acre water area of the basin. There are three old finger piers on the property: Piers 1 and 2 on lease to the International Terminal Operating Company; and Pier 3 on lease to Moore-McCormack Lines; a warehouse pier; and two breakwaters with transit sheds (leased to States Marine-Isthmian Lines, Inc.). The tract adjoins the Port Authority Grain Terminal and Columbia Street Pier at Gowanus Bay and lies somewhat more than a half mile south of the Brooklyn-Port Authority Piers. With this acquisition, the Port Authority now has underway the redevelopment and modernization of an estimated three-and-one-half miles of Brooklyn waterfront extending almost without interruption from the Brooklyn Bridge to Gowanus Creek.

HOBOKEN-PORT AUTHORITY PIERS

In 1958, the \$18,000,000 Hoboken-Port Authority Piers continued to be busy under the lease to the American Export Lines. During the year, 424,487 long tons of general cargo valued at \$308,481,602 were handled at the six-berth facility.

In addition 236 vessels were berthed at this marine terminal in 1958.

The total number of persons employed at the Port Authority's Hoboken pier facilities in 1958 was 998 with a payroll of \$4,494,000.

Also, removal of the fifty-two-year-old Building 5 at the north end of the Hoboken Piers property behind Pier C was completed and the area was then paved and added to American Export Lines' leasehold. The 13,000-square-foot space will help to accommodate increased truck,

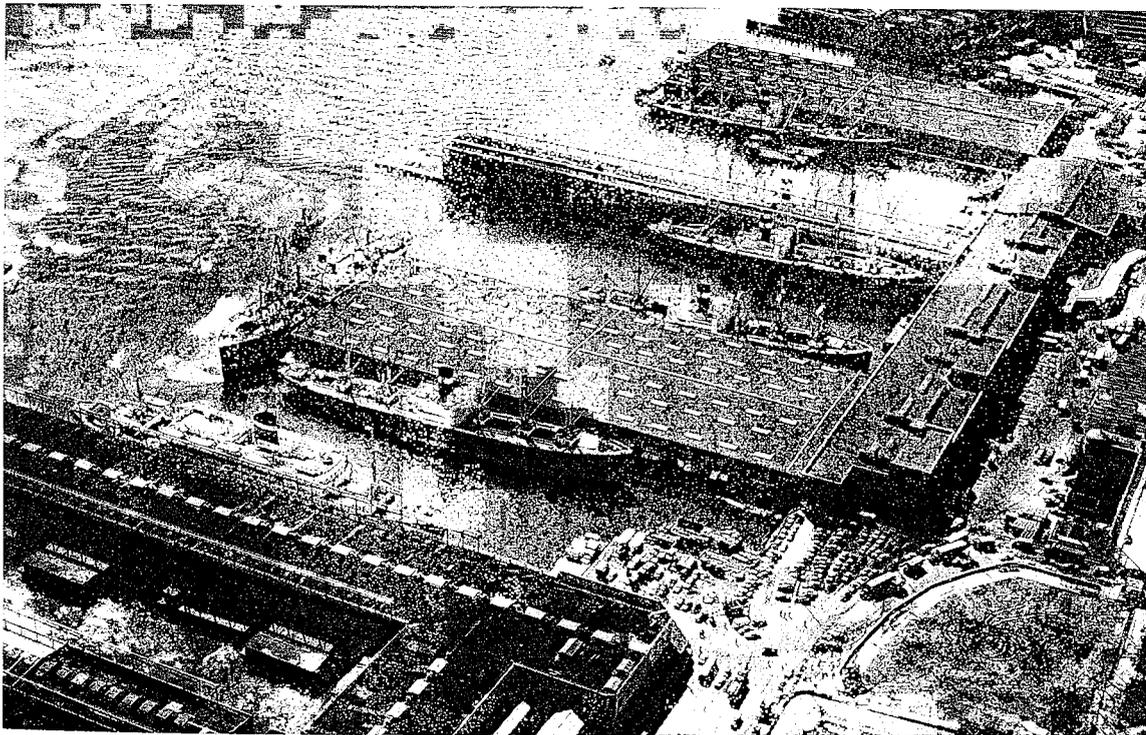
railcar and cargo requirements of American Export's operation.

GRAIN TERMINAL AND COLUMBIA STREET PIER

The Port Authority Grain Terminal, although experiencing an active year, had a somewhat lower level of business than in the record years of 1956-57. With a slow start in the early part of the year, due to the foreign trade slump in the first six months, 6,897,712 bushels were elevated. This was a decrease of 40.7 per cent from 11,625,403 bushels in 1957.

The 1,800,000-bushel elevator is one of two installations in the New Jersey-New York Harbor capable of loading grain directly into deep-sea vessels. It loaded 4,671,359 bushels into forty-eight ocean-going vessels during 1958.

Leased to American Export Lines, the Hoboken-Port Authority Piers have revitalized this section of Hoboken, New Jersey waterfront.



The five-acre lumber terminal adjacent to the elevator also experienced an increase in activity reflecting the rise in construction work in the metropolitan area. In 1958, approximately 61,799,000 board feet or 82,766 tons of lumber were handled, compared to 54,205,760 board feet or 72,597 tons in 1957, an increase of fourteen per cent.

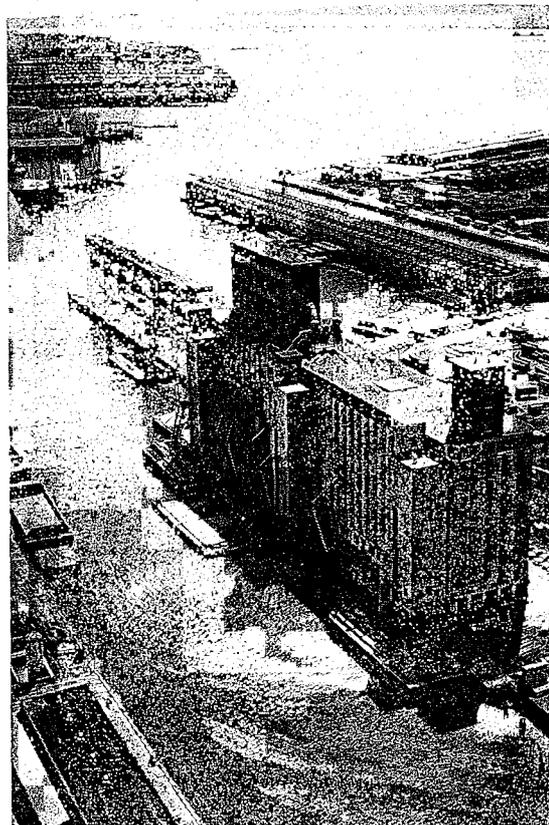
The Columbia Street Pier is occupied by two steamship tenants, the Chilean and Fern Lines, which provide service to South American and Western European ports, the Mediterranean and the Far East. In 1958, these two lines handled a combined total of 109,002 long tons of cargo.

The Port Authority Grain Terminal and Columbia Street Pier, originally constructed by the State of New York as part of the New York State Barge Canal System, were transferred to the Port Authority by the state in 1944. Since then, the Port Authority has spent \$3,400,000 in improving the terminal. Now self-supporting, this facility is an important asset to the economy of the port.

FLOATING GRAIN ELEVATORS

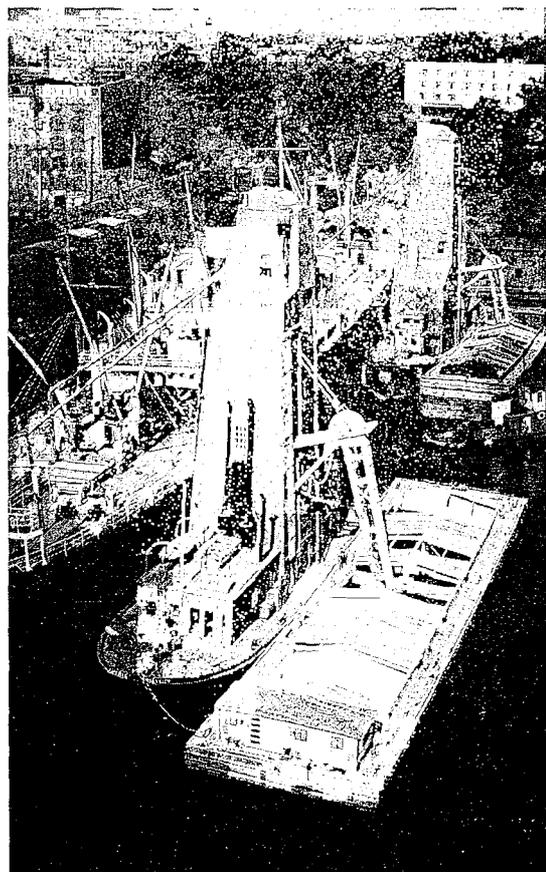
In April, six floating grain elevators, the only such harbor equipment available in the Port of New York, were purchased by The Port of New York Authority from the International Elevating Company for \$276,000. The elevating company's Jersey City pier property, used to berth the elevators, also was purchased by the Port Authority. The transaction assured the continuance of grain elevating service in the Port of New York. The impending disposal of this equipment to a private firm for removal from the bi-state port would have seriously affected the future of grain handling in this area.

Grain has always been an important item in commerce at New York. It is one of the basic commodities which makes good "bottom" for ships carrying light-weight, bulky cargo. The layout of New York Harbor with railroad terminals on the west shore of the harbor makes it necessary to have the grain floated from rail terminal



The Port Authority's 1,800,000-bushel-capacity Grain Terminal in Brooklyn elevated 6,897,712 bushels during 1958, while the nearby Columbia Street Pier handled 109,000 long tons of cargo.

Six floating grain elevators, capable of transferring grain between ships, barges and shore installations, were purchased by the Port Authority early in 1958 to assure their continued service and availability to shippers in the New Jersey-New York Port.

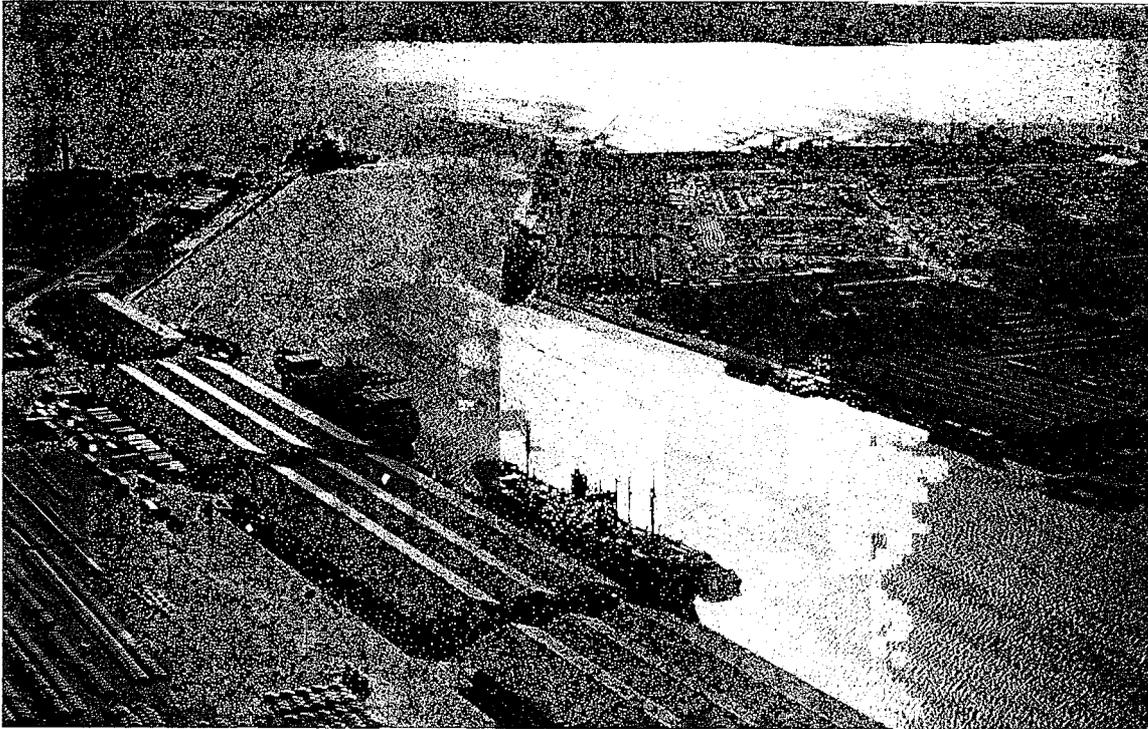


points in New Jersey to vessels berthed at general cargo piers throughout the entire harbor including Brooklyn, Manhattan and the New Jersey shore. The elevators are equipped with "marine legs" and "suckers" for lifting the grain out of barges and transmitting it to vessels or to land-based grain elevators in the harbor.

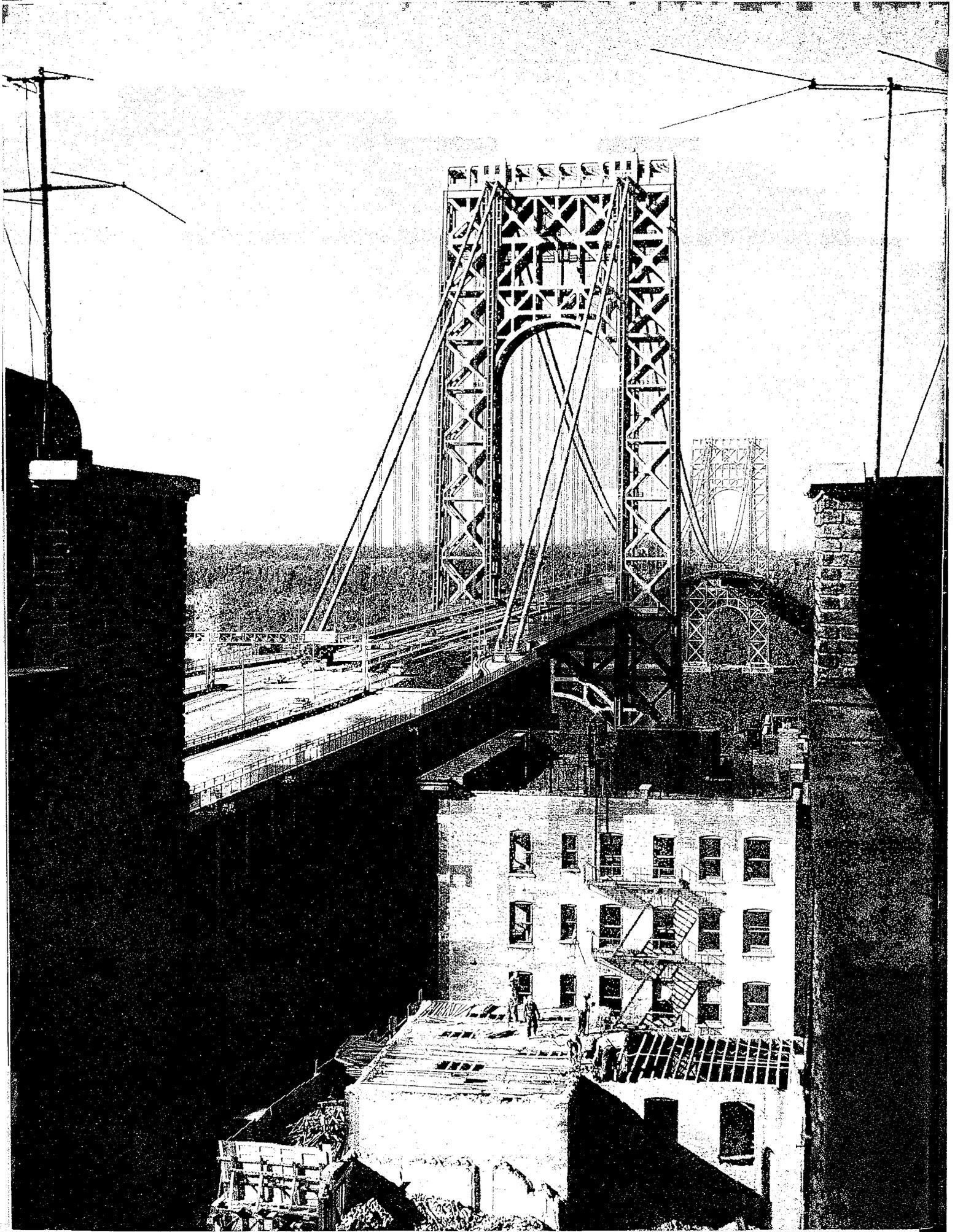
Under the terms of the purchase agreement, the Port Authority retained the International

Elevating Company as agents to administer the elevating operations.

The International Elevating Company, established in 1848, has been operating continuously and has adjusted its equipment and operations over the years to meet the needs of the New York Harbor. By 1958's end 9,176,073 bushels of grain had been handled by this new Port Authority marine service.



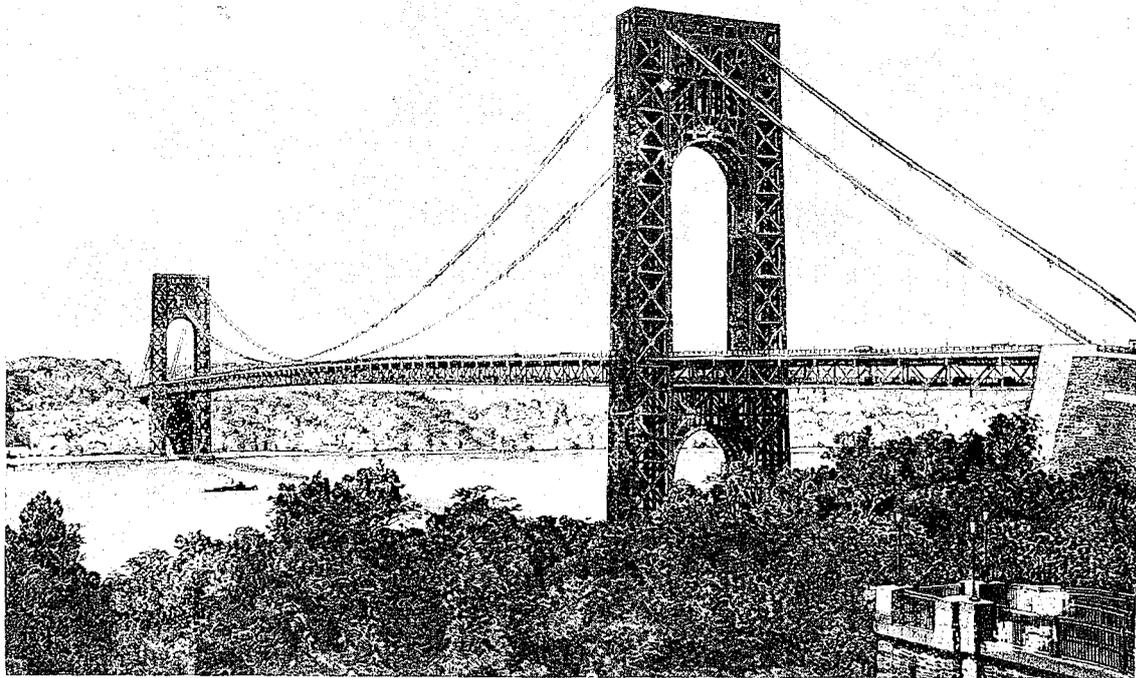
Completion in 1958 of three-berth terminal at Port Newark (foreground) marks first step in redevelopment of a major seaport section.



TUNNELS AND BRIDGES

Traffic over the six Port Authority tunnels and bridges in 1958 totaled 88,798,971 vehicles. This volume exceeded that of 1957 by only 0.8 per cent. Four major factors combined to restrict the growth of this traffic to less than one per cent. Perhaps the most significant but the least measurable of these was the economic recession. Other factors making their impact on the volume were: near-capacity saturation of the Holland Tunnel, George Washington Bridge, and the regional highway network; continuing diversion of traffic to competing facilities; and severe weather during the early months of the year. The relaxing of the economic recession in this area during the second quarter, combined with the return of more nearly normal weather beginning in the last two months of the third quarter, were reflected in traffic increases over the comparable periods of 1957.

Automobile traffic in general during the first half of the year was affected significantly by some of the adverse conditions noted above. Frequent, heavy snowfalls in the first quarter, and continued record precipitation accompanied by unusually low temperatures in the second quarter, severely restricted heavy leisure-time traffic which is normal during this period. One of the most striking features of 1958 traffic was the consistent growth in the volume of trans-Hudson buses. Despite conditions affecting traffic in general, the number of buses gained in every month but one during the year. All truck traffic was at an unusually low level during early 1958. During the last half, however, the proportion of heavier tractor-trailer trucks increased at our crossings, continuing the trend established several years ago toward heavier trucks.

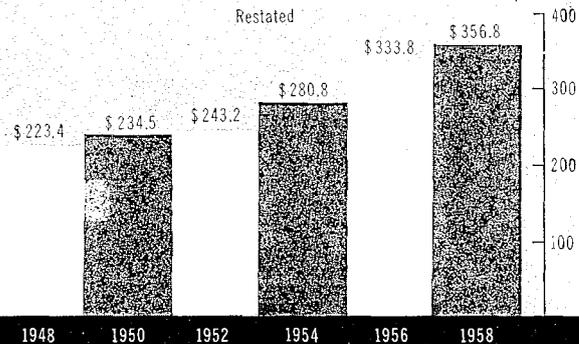


The two-level George Washington Bridge as it will look upon completion of the project — scheduled for 1962.

**CUMULATIVE P.A. INVESTMENT
IN TUNNELS AND BRIDGES**

Restated

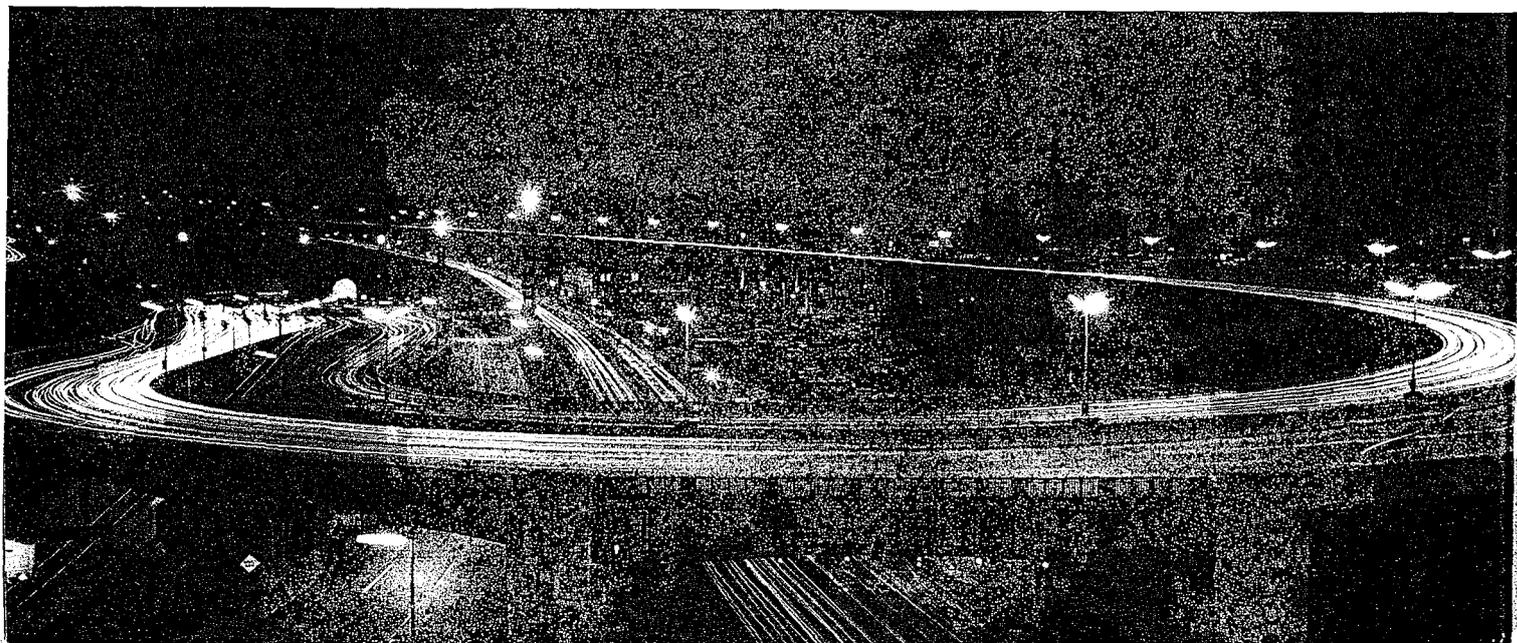
\$ Millions



Gross revenues were \$45,774,000, thus reflecting the effect of the availability of the expanded capacity afforded by the \$95,000,000 Third Tube of the Lincoln Tunnel was felt during 1958. This vastly improved under-river tunnel was the only one of the three Hudson River crossings to show an increase over 1957.

The activities at the six vehicular crossings—the George Washington Bridge, Lincoln and Holland Tunnels, Goethals Bridges and Outerbridge Crossing—were directed by Charles H. Taylor, Director of Tunnels and Bridges. At year's end, investment in these facilities totaled \$356,800,000.

This sweeping view of the Lincoln Tunnel helix in Weehawken, New Jersey, shows traffic patterns on the improved approaches. Tunnel's new Third Tube is visible in the left background of the picture, just right of the two original portals.



LOWER LEVEL EXPANSION

The first major contract for the steelwork of the lower level of the George Washington Bridge was awarded during the year. By the end of 1958, ninety-three per cent of the residents living in the upper Manhattan approach area had been satisfactorily relocated. Twenty-five buildings in the same area were removed.

This \$183,000,000 project was one of the major recommendations in the "Joint Study of Arterial Facilities in the New York-New Jersey Metropolitan Area" announced by the Port Authority and the Triborough Bridge and Tunnel Authority in January, 1955.

Detailed design work for this project has gone forward rapidly and every effort is being made to meet construction schedules which will permit opening of the lower deck and the improved approach system by the end of 1962.

In undertaking construction of this project the Port Authority is faced with problems of great magnitude, many of which are without precedent. The construction of a new six-lane facility and approaches, on the same alignment as an eight-lane facility which must be kept operating at full capacity, is a task that requires engineering and operating skill.

CONTRACT AWARDED

A contract for \$13,610,000 was awarded to the Bethlehem Steel Company in June, 1958, for erection of 14,000 tons of structural steel for the lower level roadway which is to be suspended from the original structure. Construction is to commence in the spring of 1959 and will be accomplished by working from the land at the base of each tower as well as from river barges. Contracts for segments of the New York and the New Jersey approach system also have been awarded, and it is anticipated that by the middle of 1959 most of the major contracts will have been awarded.

An operating plan for maintaining an uninterrupted flow of traffic during construction was developed prior to the overall construction sched-

ule. This operating plan was established well in advance of final design so that requirements for lighting, communications, traffic signs and signals, ventilation, fire fighting and electrical systems could be incorporated. Throughout 1958, negotiations have been carried on between the Port Authority staff and Federal, State and municipal agencies. Agreements were reached with respect to the scope of work, jurisdictions and limits of financial and operational responsibility.

BERGEN FREEWAY AND APPROACH DEVELOPMENTS

The Port Authority entered into an agreement with the New Jersey State Highway Department concerning financial participation by the Port Authority in the construction of the Bergen County portion of a new freeway to extend from Fletcher Avenue in Fort Lee across the State of New Jersey to the Delaware River. This interstate highway will be built by the New Jersey State Highway Department and financed to the extent of ninety per cent by Federal funds available under the provisions of the Federal Highway Act of 1956.

The Port Authority will contribute a maximum of \$25,000,000 to New Jersey's share of the cost of the freeway construction in Bergen County and the improvement of other Bergen County feeder routes determined by the Port Authority Commissioners to be essential to George Washington Bridge traffic. During the course of the year, we worked closely with the New Jersey State Highway Department in the development of functional plans for the interchange between this new freeway and Routes NJ 4, NJ 46, US 9 and the New Jersey approaches to the two-level George Washington Bridge.

In the Borough of Fort Lee, our understanding of 1957 in connection with second level approach improvements was made final by execution of an agreement under which the Port Authority will finance and construct a new \$2,000,000 marginal street system and a 600-car parking lot at an estimated cost of \$415,000.

In New York we entered into an agreement with the New York State Department of Public Works authorizing the Port Authority to design and construct those portions of the Manhattan approaches which the United States Bureau of Public Roads has approved for Federal Aid. Legislation authorizing this agreement was passed by the New York State Legislature and approved by Governor Harriman in March, 1958.

TENANT RELOCATION PROGRAM WELL ADVANCED

By the end of 1958, the Port Authority's Tenant Relocation Program had resulted in the relocation of 1,695 of the 1,824 families from the Washington Heights-upper Manhattan-George Washington Bridge approach area without a single eviction. Thus, this program of assistance to tenants to facilitate their relocation is ninety-three per cent complete after only fourteen and one-half months work by the Real Estate Department. Title to this eight-square-block area had been vested in the Port Authority late in 1957. Of the eighty-two improved parcels, on most of which there were five-story walk-up apartment buildings, forty-one have been completely vacated. Of these, twenty-five have been removed and sixteen are in the process of being removed. It is expected that the Tenant Relocation Program will be completed by July 1, 1959. A more complete discussion of this Real Estate program is found on page 00 of the Chapter on "Administration."

NEW HOLLAND TUNNEL ROTARY

The new Holland Tunnel Rotary was opened on May 14, 1958. The rotary expedites the dispersal of New York-bound traffic exiting from the Holland Tunnel in the Canal Street area of Manhattan. Prior to the construction of this \$2,500,000 improvement by the Port Authority, traffic exiting from the tunnel was immediately confronted with a traffic light at Varick and Laight Streets. The rotary not only simplifies movement in the direction desired by individual

drivers, but also provides a reservoir to receive traffic from the tunnel during peak periods until it can be absorbed by city streets.

IMPROVEMENTS PLANNED FOR STATEN ISLAND BRIDGES

The construction of the Narrows Bridge and various highway projects in Staten Island and New Jersey will have considerable impact on the Port Authority's three Staten Island crossings. New highways proposed or programmed by both states will provide connections with these facilities and increased traffic will require extensive improvements to plaza areas. Construction of the Clove Lakes Expressway between the proposed Narrows Bridge and the Goethals Bridge is expected to be started during 1959 by the New York State Department of Public Works with Federal Aid. Other state highway construction planned for the future on Staten Island includes the Richmond Parkway between Outerbridge Crossing and the Clove Lakes Expressway and the Willowbrook Expressway connecting the Bayonne Bridge with the southeast shore of Staten Island.

In New Jersey, future construction by the State Highway Department is expected to include: the Middlesex Freeway which will provide a new westerly route from Outerbridge Crossing, a spur from new Route 22 to the Goethals Bridge, and an improved Route 440 from the Bayonne Bridge. The normal increases in bridge traffic plus increases to be brought about by construction of the Narrows Bridge and Staten Island expressways and the additional New Jersey connections to the bridges will require extensive approach improvements in both New York and New Jersey for each of our Staten Island bridges. In each case, expanded approach plazas will be required to accommodate the anticipated traffic increases.

During 1958, emphasis was placed on functional plans for the Staten Island approaches to the Goethals Bridge since construction of the Clove Lakes Expressway connecting the Goethals

and Narrows Bridges is expected to commence in the vicinity of the Goethals Bridge plaza. This planning required close liaison with the New York State Department of Public Works (the agency responsible for approving the project for Federal funds), and the Office of the New York City Construction Coordinator.



The \$2,500,000 Holland Tunnel Rotary, opened in 1958, eases traffic movement in the Canal Street area of lower Manhattan.

PORT AUTHORITY'S FIRST FACILITIES CELEBRATE 30th ANNIVERSARY

The Goethals Bridge and the Outerbridge Crossing, the first facilities to be constructed by the Port Authority, marked their 30th anniversaries on June 29, both having been opened to traffic in 1928.

The Goethals Bridge, which spans the Arthur Kill between Elizabeth, New Jersey and Howland Hook, Staten Island was named to honor George

W. Goethals, builder of the Panama Canal and the first consulting engineer of the Port Authority.

The Outerbridge Crossing, connecting Tottenville, Staten Island with Perth Amboy, New Jersey is named in honor of Eugenius H. Outerbridge, first Chairman of the Port Authority.

NARROWS BRIDGE

During 1958, all of the necessary State and Federal approvals were obtained for the construction of the \$320,000,000, two-level Narrows Bridge linking Staten Island and Brooklyn. The New York City Board of Estimate approved the Clove Lakes Expressway on Staten Island and the northerly section of the Gowanus Expressway in Brooklyn. Only the Board of Estimate's approval of the Gowanus Expressway link between 60th Street and the bridge approaches at 92nd Street remained before the detail design phase of the project could be undertaken. This portion of the bridge approach was the subject of City Planning Commission hearings on June 30, 1958. The Commission recommended to the Board of Estimate that it approve the plans as submitted by the Triborough Bridge and Tunnel Authority. The Board of Estimate granted its approval on December 30, 1958, after extensive public hearings, thus clearing the way for the preparation of final design details and the start of construction. The Narrows Bridge is expected to be opened to traffic five years after ground-breaking.

Pursuant to agreements between the two authorities, the Port Authority will finance and construct this span. The Triborough Bridge and Tunnel Authority will operate and maintain the Narrows Bridge under a lease agreement with the Port Authority, and will eventually purchase the facility from the Port Authority.

AUTOMATIC TOLLS COLLECTION

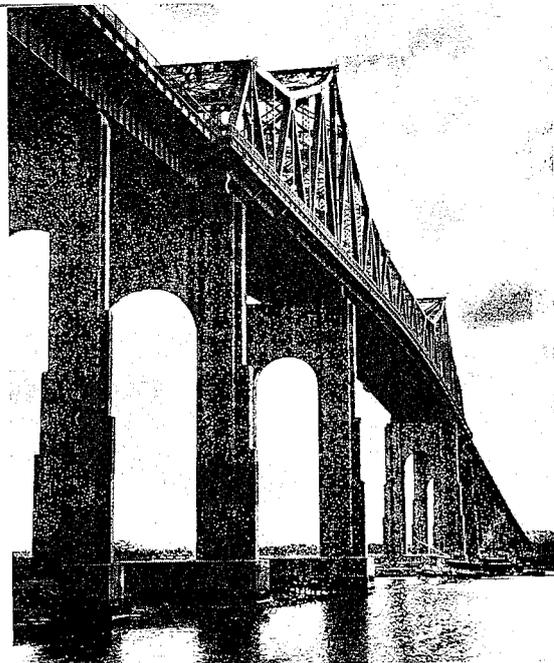
The Port Authority's tunnels and bridges personnel have two main objectives: to provide the most convenient and expeditious service for pa-

trons and to reduce operating costs. To further these objectives, research and trial on the feasibility of automatic tolls collection continued throughout the year. The machines for automatic service to passenger car patrons with exact change, which were installed in four lanes at the George Washington Bridge main plaza in August, 1957, have been constantly improved. Two additional automatic lanes have been installed on the crossing's Palisades Interstate Parkway plaza. Thus, six lanes at the George Washington Bridge are now equipped for automatic service to passenger car patrons.

Experience to date indicates that automatic service for passenger cars is feasible but can be utilized only to a limited degree because of approach traffic patterns and the high percentage of reduced-rate and commutation tickets during peak hours. Studies are now being made of means for handling ticket traffic automatically in the same lanes with exact-change traffic. Solution of this problem will permit more widespread use of automatic service.

MINIATURE RADIOS AID LINCOLN TUNNEL POLICE

To expedite traffic movement, the first application of miniature two-way radios for police work was made at the Lincoln Tunnel during

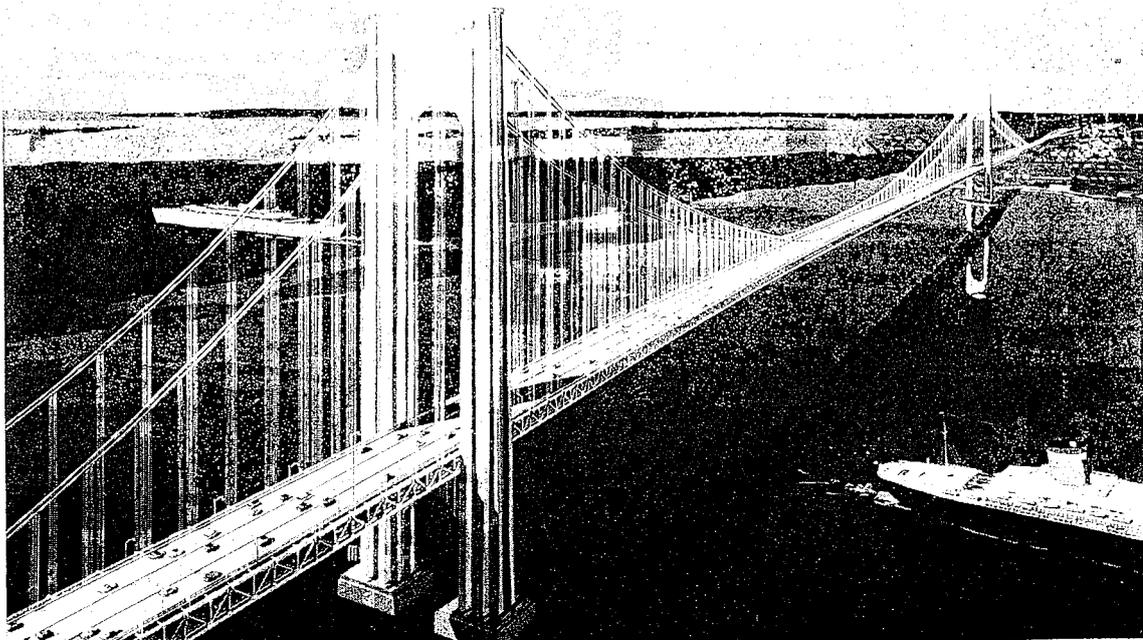


The Goethals Bridge (above) and Outerbridge Crossing, connecting New Jersey and Staten Island, New York, celebrated their 30th Anniversaries on June 29. They were opened in 1928.

1958 when a pocket-sized unit developed by the Radio Corporation of America was placed in service. These units are worn on a belt and afford complete freedom of movement for police officers directing traffic, patrolling roadways, or engaged in other police duties. They permit any officer equipped with a unit to talk with all others wearing similar units and thereby expedite traffic handling.

The miniature radios have proven especially valuable in operations on the Lincoln Tunnel's New York approaches. Traffic moves to the tunnel from all directions, and as the direction of traffic flowing through the center tube of the

Approvals necessary for design and construction of the \$320,000,000 Narrows Bridge, linking Staten Island and Brooklyn across the entrance to New York Harbor, were obtained in 1958. Construction will begin in 1959.



tunnel is changed, adjustments must be made rapidly on the approaches. By means of the radios, police in charge of the center tube change-over are also better informed about traffic conditions on the approaches.

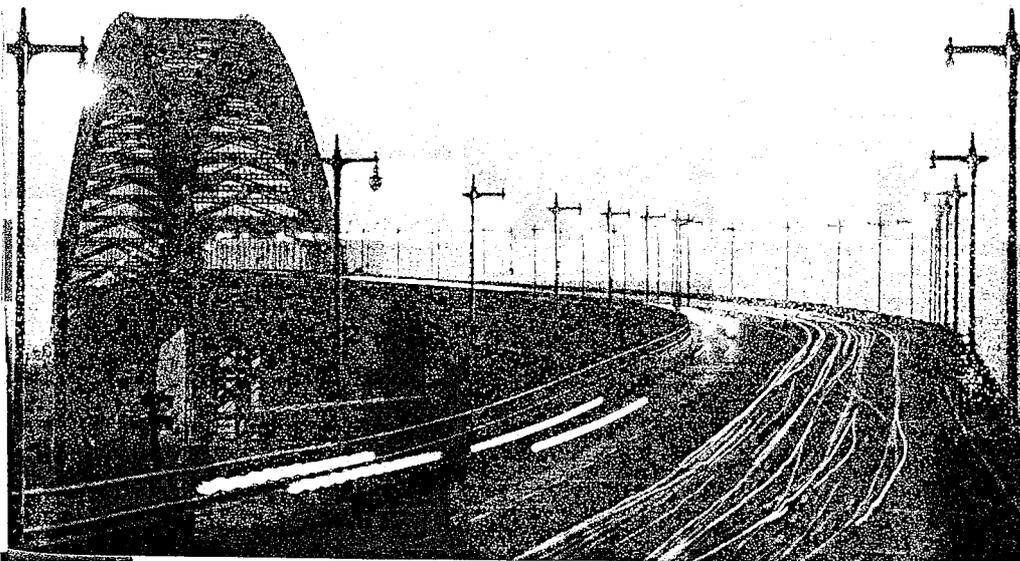
HAZARDOUS CARGO PROGRAM

Maximum protection for our patrons and our physical plants against the hazards inherent in the transportation of dangerous articles is a requisite and an effectively observed rule of the Port Authority's truck inspection program. During 1958, the Port Authority adopted new and more comprehensive regulations governing the transportation of these dangerous articles through the tunnels. In 1958, some 450,000 trucks were inspected at the Hudson River crossings under the enforcement program.

ANNUAL HOLLAND TUNNEL SAFETY BLOCK PARTY FOR JERSEY CITY CHILDREN

The third annual Holland Tunnel Safety "Block" Party for neighboring Jersey City children, co-sponsored by the Port Authority and Jersey City Police, was held on September 3, 1958. Approximately 1,000 children enjoyed the entertainment and refreshments. Each child received a parting gift of a ballpoint pen inscribed "Wait and Walk." The parties were initiated in 1956 to foster the safety-mindedness of Jersey City children.

Steel arch Bayonne Bridge spans the Kill Van Kull between Bayonne, New Jersey and Staten Island, New York.



TRAFFIC 1957 1958



ALL CROSSINGS (in thousands)

Automobiles	73,329	74,082
Buses	3,042	3,095
Trucks	11,680	11,620
Total Vehicles	88,051	88,797



GEORGE WASHINGTON BRIDGE

Automobiles	32,649	32,427
Buses	659	640
Trucks	2,502	2,498
Total Vehicles	35,810	35,565



LINCOLN TUNNEL

Automobiles	17,955	19,304
Buses	2,186	2,276
Trucks	3,114	3,304
Total Vehicles	23,255	24,884



HOLLAND TUNNEL

Automobiles	15,376	15,150
Buses	147	130
Trucks	5,209	5,000
Total Vehicles	20,732	20,280



STATEN ISLAND BRIDGES

Automobiles	7,350	7,190
Buses	50	40
Trucks	854	810
Total Vehicles	8,254	8,060



AIR TERMINALS

The high rate of air terminal construction, the setting of air traffic records, and the beginning of the commercial jet aircraft age, marked 1958 as one of the historic years for aviation in the Port District and the nation. During the year, the Port Authority invested \$50,373,000 in major construction projects, bringing its total investment to \$271,113,000 at the four airports and one heliport that comprise its Regional Air Terminal System.

The Regional Air Terminal System—Newark and Teterboro airports in New Jersey, and La Guardia and New York International airports and the Port Authority-West 30th Street Heliport in New York—are the immediate responsibility of the Director of Aviation, John R. Wiley.

EMPLOYMENT AND PAYROLL

The four airports provided employment for 33,100 persons who earned \$208,000,000 in 1958. In addition, many thousands were employed at the vast construction projects underway.

Gross airport operating revenues for 1958 were \$28,623,000.

AIR TRAFFIC

The four Port Authority-operated airports in the Port District served 13,610,000 passengers in 1958. This total represents an all-time high and is 1.3 per cent above 1957 levels.

This growth rate — smaller than those experienced in previous years — can be attributed in part to the uncertainty that clouded the entire national economy during the earlier months of the year and, in part, to a series of airline strikes which began in October and continued through to the end of the year. The 1.3 per cent gain in passenger traffic, for example, while greater than that for any other form of common carrier transportation, was below the eleven per cent gain between 1957 and 1956. During the closing months of the year the air travel market showed steady recovery from the effects of the national economic decline, indicating an increased rate of expansion for 1959. The overall passenger increase for 1958 would have been larger but for the strikes which affected several of the nation's largest air carriers.

The only other major category of airport activity to experience a gain over 1957 was air mail. The Port Authority airports handled 107,898,000 pounds of air mail—an eight per cent increase. Air cargo traffic was severely affected by the nation-wide economic recession and the 335,940,000 pounds of air cargo handled in 1958 represented a 5.2 per cent decline from 1957. Aircraft take-offs and landings totaling 754,000 represented a decline of 4.8 per cent from last year. This segment of traffic was particularly affected by the airline strikes and the general business downturn during the year.

JET OPERATIONS

On October 4, the Port Authority announced its decision to permit regular commercial operation of the De Havilland Comet IV and the Boeing 707 jet transports at New York International Airport, on the condition that they be operated in accordance with certain noise abatement procedures designed to protect communities near the airport from intolerable noise. These specified conditions and limitations include: a mandatory preferential runway use system which, under normal operating wind and weather conditions, will make it possible for more than half of the jet take-offs to be made over water; when such over-water take-offs are impossible, take-offs will be made in such a way that pilots will make right turns as soon as practicable to avoid flying over communities in a direct line with runways; and take-offs will be made over neighboring communities only after making a power cutback and at a minimum altitude of 1,200 feet.

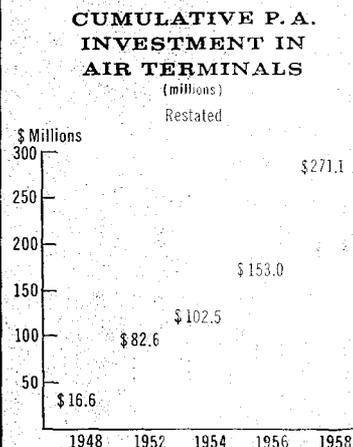
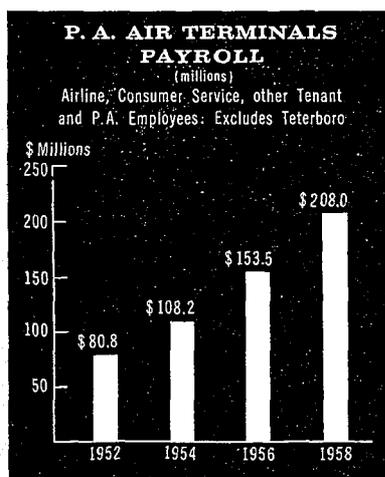
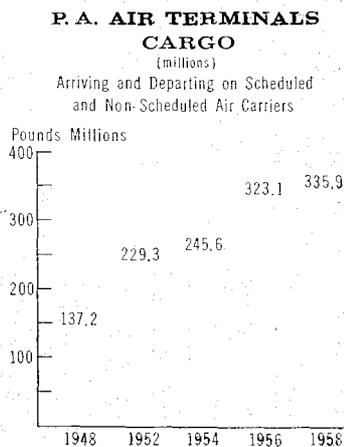
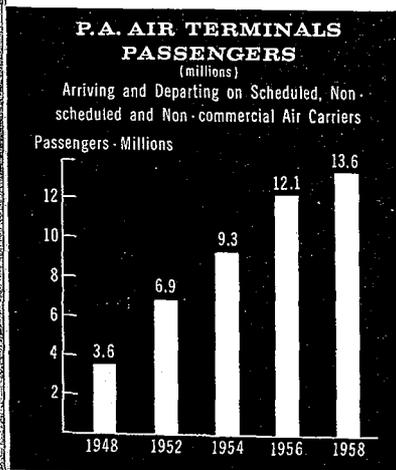
That same day, the Comet IV departed on the first scheduled passenger jet flight from the air-

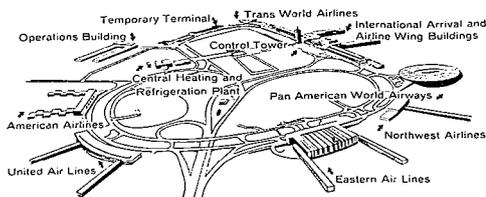
port for a trip to London. Flight time: six hours and twelve minutes. Before the month was out, both types of commercial jet aircraft were flying the Atlantic on regular schedules.

From October 4 to December 31, 1958, there were 366 jet take-offs at New York International Airport by aircraft operated by American Airlines, Inc., British Overseas Airways Corporation, National Airlines, Inc., and Pan American World Airways, Inc. Of this total, 344 take-offs (or ninety-four per cent) conformed with the specified noise reduction procedures and, of these, sixty-three per cent used Runways 25 or 22, climbing out over the water. A review of the twenty-two non-conforming jet take-offs (six per cent) disclosed that in most of these instances an attempt was made to comply with the specified conditions and procedures and in several instances there was a misunderstanding of the procedures. Thus, during this initial three-month period, there was a high degree of compliance by the airlines with the specified noise reduction procedures, indicating a successful effort in keeping the noise level of jet aircraft take-offs to a minimum over the neighboring communities.

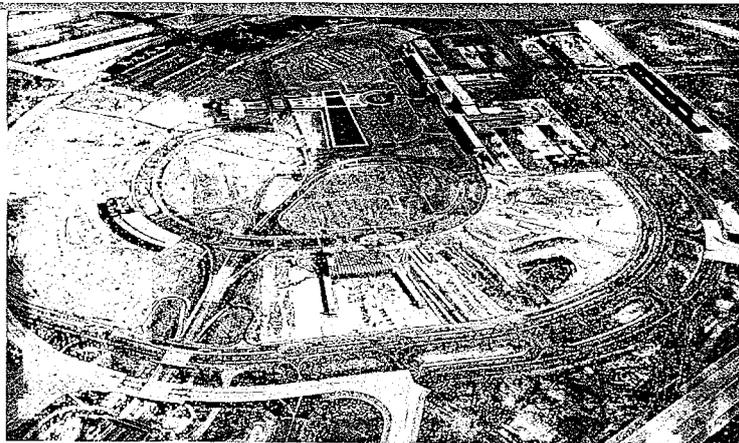
The Port Authority decision to permit the operation of the commercial jet aircraft was the culmination of years of concern and study resulting from the problem of jet aircraft noise. Beginning with the regulation adopted by its Commissioners in 1951 that stated, "No jet or turboprop aircraft may land or take off at an air terminal without permission," the Port Authority firmly held its position that jets would not be permitted to operate at Port Authority airports unless their noise could be reduced to a tolerable level. That policy remains in effect.

The development of jet engine noise suppres-





A comparison between the aerial photograph of the 655-acre Terminal City, taken in December, and the "key" (above) indicates those buildings which have been completed or are in progress at New York International.



sors, together with the observance of the specified restrictions on operating procedures assure that the Comet IV and the Boeing 707 jet transports will be operated at tolerable noise levels in the communities surrounding New York International.

In addition to the Comet IV and the Boeing 707 turbojet aircraft, turboprop aircraft in regular airline service at Port District airports include the Vickers Viscount, Bristol Britannia and Lockheed Electra.

NEW YORK INTERNATIONAL AIRPORT

New York International Airport, the most rapidly expanding air terminal in the regional airport system, served 5,903,000 passengers in 1958. In doing so, it became the leading passenger terminal in the Port District for the first time. It served virtually all of the 2,091,000 overseas air travelers in the Port District, who accounted for 15.4 per cent of the passenger total in the region. The combined overseas and 3,814,000 domestic passengers represented a 12.4 per cent rise over 1957, and accounted for 43.3 per cent of total passenger traffic served at the four airports in 1958.

Aircraft arrivals and departures increased 13.8 per cent to 194,000 movements and the 168,082,000 pounds of cargo and 53,049,000 pounds of mail represented 4.3 per cent and 17.7 per cent gains, respectively, over the previous year. Total Port Authority investment in New York International Airport amounted to \$211,491,753 by the end of the year, of which \$44,431,307 was invested during 1958.

TERMINAL CITY CONSTRUCTION

The International Arrival and Airline Wing Buildings, the first of the great structures to be completed in Terminal City, rounded out their first year of operation on December 5, 1958.

Departures on foreign-flag airlines to overseas destinations were handled in fifteen separate areas in the two Airline Wing Buildings. All arrivals from overseas requiring Federal inspection service were handled in the Arrival Building.

Included in the terminal are Customs, Public Health and Immigration facilities and services. It also houses the Golden Door Restaurant and other restaurants, retail shops and services and public observation areas.

Overseas departures on United States airlines and domestic arrivals and departures continued to be handled in the Temporary Terminal Building. Further progress toward decentralized operation of these services will be made in 1959 as individual terminal buildings being constructed by major United States airlines are completed. By the end of 1958, completion of the various individual airline terminals was scheduled as follows: Eastern Air Lines, May 1959; United Air Lines, September 1959; Pan American World Airways, October 1959; and American Airlines, November 1959. Plans for Trans World Airlines and Northwest Orient Airlines terminals were well advanced.

The 655-acre Terminal City will represent a total Port Authority investment of over \$150,000,000 when completed. In addition to the \$30,000,000 International Arrival and Airline Wing Buildings, investment in completed facilities includes \$7,000,000 for the Central Heating and Refrigeration Plant and \$16,000,000 for roadways, taxiways, utilities, parking lots and landscaping.

HANGAR DEVELOPMENT

Three great aircraft hangars were completed at New York International Airport during 1958.

Work which was started on four more will be completed during 1960. When these are completed, the airport will have a total of seventeen hangars. Each of the three new hangars, the field's largest, were constructed at a cost of approximately \$15,000,000 on sites ranging from fifty to eighty acres leased to American Airlines, Trans World Airlines and Pan American World Airways.

One of the hangars under construction is a six-bay, \$10,000,000 hangar for five foreign-flag airlines: BOAC, Air France, KLM, Sabena and Lufthansa.

Another foreign-flag airline, Swissair, is building its own single-bay, \$2,000,000 hangar on a seven-acre site. Its foundations were nearly finished by the end of the year.

At the fourteen-acre site of the third hangar, Seaboard & Western Airlines, an international cargo carrier, has begun work on a three-bay, \$4,500,000 structure. Also, a hangar—to cost \$3,000,000—will be built on a twenty-acre site by Scandinavian Airlines System.

RUNWAY DEVELOPMENT

New York International Airport's runway development program is designed to increase the airport's instrument weather aircraft capacity and to improve its ability to handle future larger and heavier transport aircraft. The program progressed rapidly during 1958. Work was planned to maintain efficient operation of the airport while recognizing the need to achieve maximum usage of runways preferred for noise abatement procedures.

Work commenced during 1958 on the paving and utilities for the \$12,000,000 new Instrument Runway 4R-22L (northeast-southwest), which is parallel to and 3,000 feet east of the present Instrument Runway 4L-22R. To be completed late in 1959, this new 8,400-foot-long runway will handle instrument landings from either end and will operate as part of a dual instrument runway system with the present runway 4L-22R which will handle take-offs. This dual system, with its high speed taxiway turn-offs, will increase

substantially the airport's capacity during heavy weather and will minimize circling and stacking of aircraft near the airport.

Runway 13R-31L (southeast-northwest) was lengthened from 9,500 feet to 11,200 feet during the year at a cost of about \$620,000. The extension of Runway 7-25 (east northeast-west southwest) from 8,200 feet to 10,000 feet, at a cost of \$950,000, was completed in December.

AIRPORT SURFACE DETECTION EQUIPMENT

A new type of radar was placed in operation by the Civil Aeronautics Administration at New York International Airport in 1958. Called Airport Surface Detection Equipment (ASDE), it provides controllers of the Federal Aviation Agency with an improved means of observing and controlling all aircraft standing or moving on approximately seven miles of runways and twenty miles of taxiways, plus several acres of loading ramps and parking areas. The FAA will provide and operate similar equipment at Newark Airport in 1959.

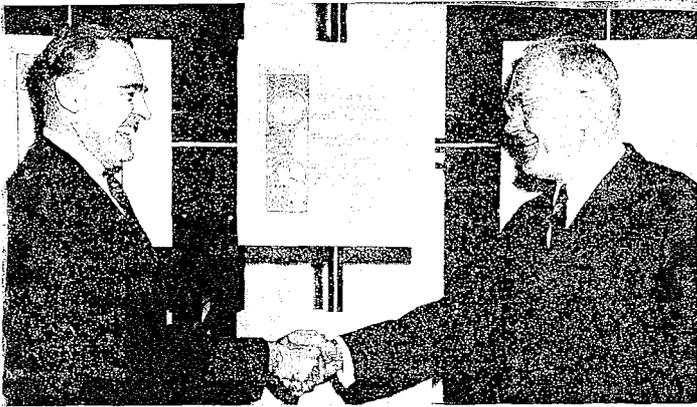
FUEL STORAGE AND SERVICE

The aviation fuel tank farm at New York International Airport, which receives bulk fuel deliveries by barge, handled over 200,000,000 gallons of fuel during 1958. To handle this volume, as well as the increased quantities of fuel that will be required by aircraft at the airport in the future, four 500,000-gallon fuel storage tanks were constructed during the year.

This brings the present storage capacity of the tank farm to 6,880,000 gallons. Capacity will be increased even more since, late in 1958, construction was commenced on six 500,000-gallon tanks at an estimated cost of \$1,145,000.

OTHER DEVELOPMENTS

The 320-room International Hotel, the first hotel to be built in New York City since World



Late in 1958, the Municipal Art Society of New York presented a plaque to the Port Authority for excellence in design and construction at New York International Airport. One of seven such awards received recently, the award was given to Chairman Lowe (right) by Art Society President George H. Fitch.

War II, was opened in the spring. Constructed by the Port Authority at a cost of \$5,000,000, it is operated by Knott Hotels Corporation under a twenty-five-year lease. It has been operating practically at capacity since its opening.

The American Society for the Prevention of Cruelty to Animals dedicated its new \$275,000 Animalport early in 1958. The Animalport—first shelter in the United States built exclusively for the care of animal air travelers—will serve many of the over 100,000 animals, ranging from household pets to wild animals destined for zoos, that pass through the airport each year. The shelter is located in the Air Cargo Center area.

Work got underway on the \$1,400,000 Air Mail Facility in 1958. This 56,000-square-foot building with 320,000 square feet of outdoor space will be located on a seven-and-one-quarter-acre site adjacent to the 150th Street entrance road. It is scheduled for completion in 1959.

The First National City Bank leased a two-and-a-third-acre site adjacent to the Van Wyck approach road for the construction of a general purpose drive-in banking facility. The \$750,000 building is expected to be finished in the late summer of 1959. A three-story office building being constructed by Seaboard & Western Airlines on a 2.8-acre site at an approximate cost of \$750,000 is expected to be completed by June 1959, and a \$1,200,000 Brass Rail Commissary being built near the Air Mail Facility will be completed by the same time.

LA GUARDIA AIRPORT

La Guardia Airport continued to be one of the busiest airports in the world as its 5,118,000

passengers accounted for 44.4 per cent of the total domestic passenger traffic handled by the regional airport system. It did, however, show a decrease in traffic during 1958, and for the first time, was second to New York International Airport in number of passengers handled.

The decline in passenger traffic, which was down 10.1 per cent from 1957's record high of 5,692,000 passengers, reflects the decline in business activity experienced nationally during most of the year. The transfer of certain airline services to New York International early in 1958 accounted for thirty per cent of the decline. La Guardia also experienced a 10.7 per cent decline in aircraft movements to 219,000 aircraft take-offs and landings and a 7.8 per cent decrease in air cargo to 85,286,000 pounds. Air mail also decreased 4.8 per cent to 39,590,000 pounds.

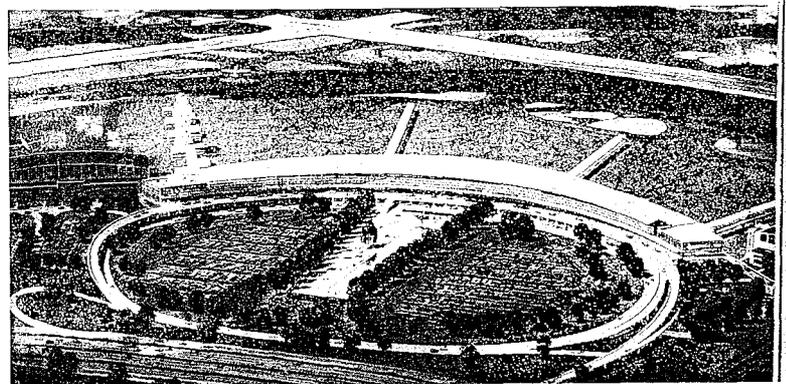
REDEVELOPMENT PROGRAM

As part of a five-year program to expand and modernize La Guardia Airport's facilities, the Port Authority invested \$3,300,000 in La Guardia during 1958, the largest amount of any single year. Total Port Authority investment in the airport amounted to \$14,100,000 at year's end.

The redevelopment program will prepare La Guardia for the 7,000,000 passengers it is expected to serve by 1965. It includes a new passenger terminal building, a new control tower, modernized runways, additional taxiways, hardstands, utilities and expanded parking facilities for the general public and employees. Construction is being carried out in a series of planned stages to insure uninterrupted service.

The new terminal building will operate in a manner similar to the Airline Wing Buildings at

As seen by one artist's conception, a major part of the four-year La Guardia Airport redevelopment program will be a new, modern passenger terminal providing 36 gate positions.



New York International Airport. Each of the six major passenger airlines serving the airport will operate its own section of the terminal.

Outbound passengers will be handled on the second-floor level of that portion of the building operated by the airline on which they travel.

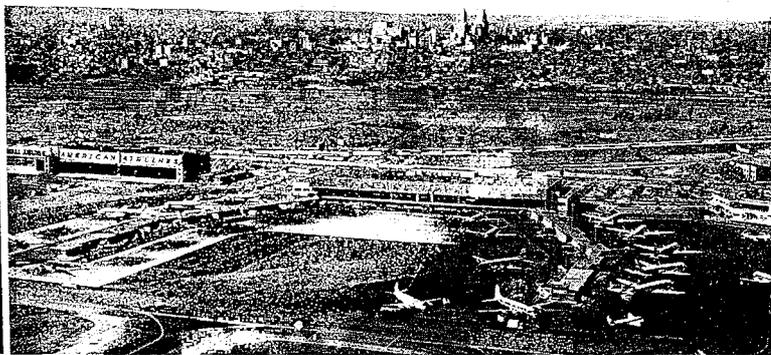
Arriving passengers will utilize only the ground floor of the terminal building. The terminal will have four two-story arcades leading to thirty-six gate positions. There are twenty-four gate positions available at the present terminal.

The first stages of construction were well under way in 1958. In order to replace parking areas on which the terminal will be built, the 15.5-acre boat basin along Grand Central Parkway was drained, filled and furnished with a 2,700-foot storm sewer at a cost of over \$2,000,000. The area will be improved to accommodate some 3,500 cars. A by-pass taxiway to provide access around the new terminal apron and hardstands to provide additional aircraft parking will be completed by the spring of 1959. Construction of the new tower and passenger terminal building will begin in 1959. The program to rehabilitate the field's two runways also will begin in 1959.

NEWARK AIRPORT

Newark Airport, a "pioneer airport" that has played a prominent role in the early history of aviation, experienced increased air activity in some categories, and declines in others during 1958. It served a record 2,531,000 passengers during the year, a one per cent increase over 1957. This was twenty-two per cent of the district's total air passenger traffic. Air cargo activity at Newark Airport declined 8.7 per cent to 82,376,000 pounds while air mail shipments, unaffected by the decline in national business, increased 15.2 per cent to 15,266,000 pounds. The airport handled 131,000

Newark Airport, seen at left with the City of Newark in background, is one of the United States' first aviation centers.



take-offs and landings in 1958, a 3.3 per cent decline from 1957.

Despite inclement weather, more than 250,000 people visited the airport's 30th Anniversary "open house" celebration on September 27-28. The airport was opened on October 1, 1928.

A major construction project was completed at Newark Airport during 1958 and two others were commenced. The \$3,000,000 hangar built for United Air Lines began operation in March, while work on a \$1,750,000 control tower and a \$4,000,000 air cargo center was started in July.

UNITED AIR LINES HANGAR

The United Air Lines hangar, first to be built at the airport since World War II, is located on a nineteen-acre site in the northwestern part of the airport. Each of its two bays is capable of handling a large four-engine aircraft. The hangar contains space for offices and shops and has an open apron servicing area for eight additional aircraft.

CONTROL TOWER

The 150-foot control tower will be located between the field's two active runways and will give Federal Aviation Agency controllers a better view of the field than the present sixty-five-foot tower on the airport's eastern boundary. When completed in late summer of 1959, the FAA will transfer its equipment from the present tower and will install additional equipment at a cost of about \$100,000. This will give Newark Airport a total of \$2,500,000 worth of navigational aids and related communications facilities, making it one of the best equipped airports in the world. At the end of the year, about one third of the tower's construction had been accomplished.

AIR CARGO CENTER

At the end of 1958, most of the paving and utilities contracts had been completed for the airport's new \$4,000,000 air cargo center on a twenty-nine-acre site near the Brewster Hangar.

The facility, which will be completed by early 1960, will have three cargo buildings of 36,000 square feet each and a 28,800-square-foot service building. It will be second in size only to the five-building Air Cargo Center at New York International Airport. The structures are designed for rapid and efficient transfer of cargo between trucks and aircraft, having ground-level platforms on the aircraft side and tailgate-high truck platforms on the ground transportation side. The service building will house freight forwarders and other air cargo agencies.

TETERBORO AIRPORT

Teterboro Airport, one of the busiest non-airline airports in the world, experienced a 12.9 per cent decrease in traffic to 209,000 aircraft take-offs and landings. A 15.5 per cent decline in instructional flying—which represented 55.5 per cent of the airport's total activity in 1958—accounted for a large part of the field's total decrease, with personal and business flying also down 7.5 per cent.

During the year, the CAA installed high-intensity, centerline approach lights at the southwest end of the airport's instrument runway. All Port

Authority airports are now equipped with this aid in safe and efficient all-weather operation.

The Port Authority purchased Teterboro Airport in 1949. At the end of 1958, it represented a total Port Authority investment of \$9,200,000, including \$68,000 invested during the year.

PORT AUTHORITY-WEST 30th STREET HELIPORT

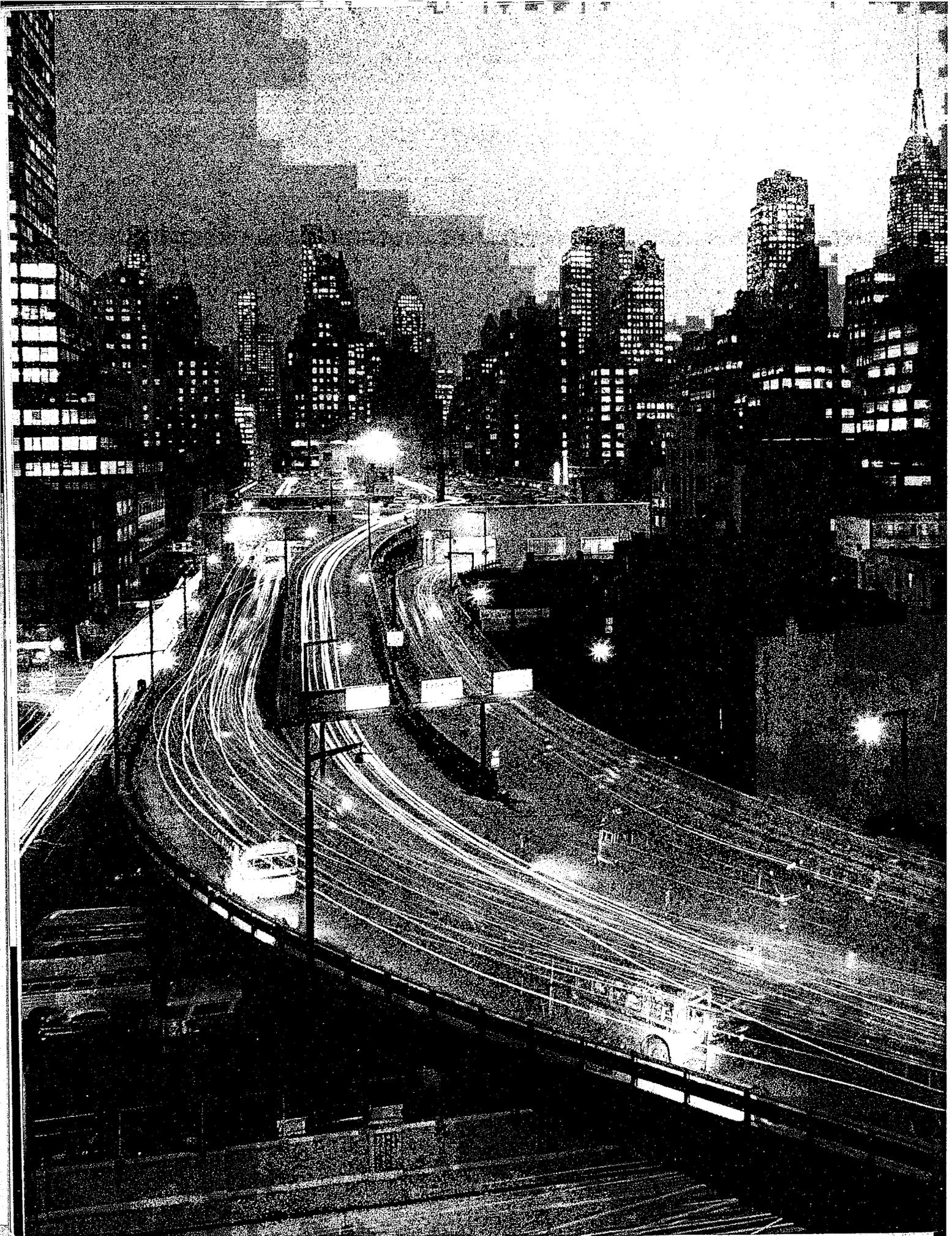
The Port Authority-West 30th Street Heliport is operated by New York Airways. Built in 1956, the facility served 5,340, passengers in 1958, a 30.8 per cent increase over the previous year. A total of 11,173 helicopter landings and take-offs were served by the heliport during the year.

The handling of larger numbers of passengers was made possible when New York Airways inaugurated Vertol 44 helicopter service on May 28. The new fifteen-passenger helicopters are operated between the heliport and the four Port Authority airports, White Plains and Stamford, Connecticut. The service makes 312 seats available from the heliport daily.

Air mail decreased 22.1 per cent to a total of 1,130,000 pounds during 1958, while air cargo increased 96.4 per cent to 19,800 pounds.

AIR TRAFFIC AT PORT AUTHORITY AIRPORTS

NEW YORK INTERNATIONAL AIRPORT AIR TRAFFIC				NEWARK AIRPORT AIR TRAFFIC			
	1958	1957	% Change 1958/1957		1958	1957	% Change 1958/1957
Passengers				Passengers			
Domestic	3,813,765	3,394,161	+12.4	Domestic	2,529,287	2,503,566	+ 1.0
Overseas	2,088,965	1,798,862	+16.1	Overseas	2,019	2,713	-25.6
Total	5,902,730	5,193,023	+13.7	Total	2,531,306	2,506,279	+ 1.0
Mail (Pounds)				Mail (Pounds)			
Domestic	28,680,000	24,279,000	+18.1	Domestic	15,266,000	13,257,400	+15.2
Overseas	24,362,000	20,770,000	+17.3	Overseas	—	—	—
Total	53,042,000	45,049,000	+17.7	Total	15,266,000	13,257,400	+15.2
Cargo (Pounds)				Cargo (Pounds)			
Domestic	95,701,000	98,724,000	- 3.1	Domestic	82,355,000	90,271,100	- 8.8
Overseas	72,381,000	62,476,000	+15.9	Overseas	21,000	—	—
Total	168,082,000	161,200,000	+ 4.3	Total	82,376,000	90,271,100	- 8.7
Aircraft Movements				Aircraft Movements			
Domestic Air Carrier	123,155	108,194	+13.8	Domestic Air Carrier	109,525	117,704	- 6.9
Overseas Air Carrier	55,945	49,157	+13.8	Overseas Air Carrier	58	68	-14.7
Non-Commercial	15,370	13,494	+13.9	Non-Commercial	21,870	18,181	+20.3
Total	194,470	170,845	+13.8	Total	131,453	135,953	- 3.3
LA GUARDIA AIRPORT AIR TRAFFIC				PORT AUTHORITY AIRPORTS TOTAL AIR TRAFFIC (Includes Teterboro)			
	1958	1957	% Change 1958/1957		1958	1957	% Change 1958/1957
Passengers				Passengers			
Domestic	5,118,262	5,682,003	- 9.9	Domestic	11,519,034	11,629,634	- 1.0
Overseas	81	10,173	-92.0	Overseas	2,091,065	1,811,748	+15.4
Total	5,118,343	5,692,176	-10.1	Total	13,610,099	13,441,382	+ 1.3
Mail (Pounds)				Mail (Pounds)			
Domestic	39,590,000	41,560,800	- 4.8	Domestic	83,536,000	79,097,800	+ 5.6
Overseas	—	25,300	—	Overseas	24,363,000	20,795,000	+17.2
Total	39,590,000	41,586,100	- 4.8	Total	107,899,000	99,892,800	+ 8.0
Cargo (Pounds)				Cargo (Pounds)			
Domestic	85,286,000	92,401,400	- 7.7	Domestic	263,538,000	291,744,000	- 9.7
Overseas	—	35,000	—	Overseas	72,402,000	62,531,100	+15.8
Total	85,286,000	92,436,400	- 7.8	Total	335,940,000	354,275,100	- 5.2
Aircraft Movements				Aircraft Movements			
Domestic Air Carrier	178,015	204,607	-13.0	Domestic Air Carrier	411,014	432,978	- 5.1
Overseas Air Carrier	4	315	-98.7	Overseas Air Carrier	56,007	49,540	+13.1
Non-Commercial	41,123	40,418	+ 1.7	Non-Commercial	287,148	309,620	- 7.3
Total	219,142	245,340	-10.7	Total	754,169	792,138	- 4.8



TERMINALS

There was continued progress at the Port Authority's inland terminals during 1958. These facilities—the Port Authority Bus Terminal, the New York Union Motor Truck Terminal, the Newark Union Motor Truck Terminal and the Port Authority Building—are under the supervision of Henry Davison, Director of Terminals.

ACTIVITY: 1958

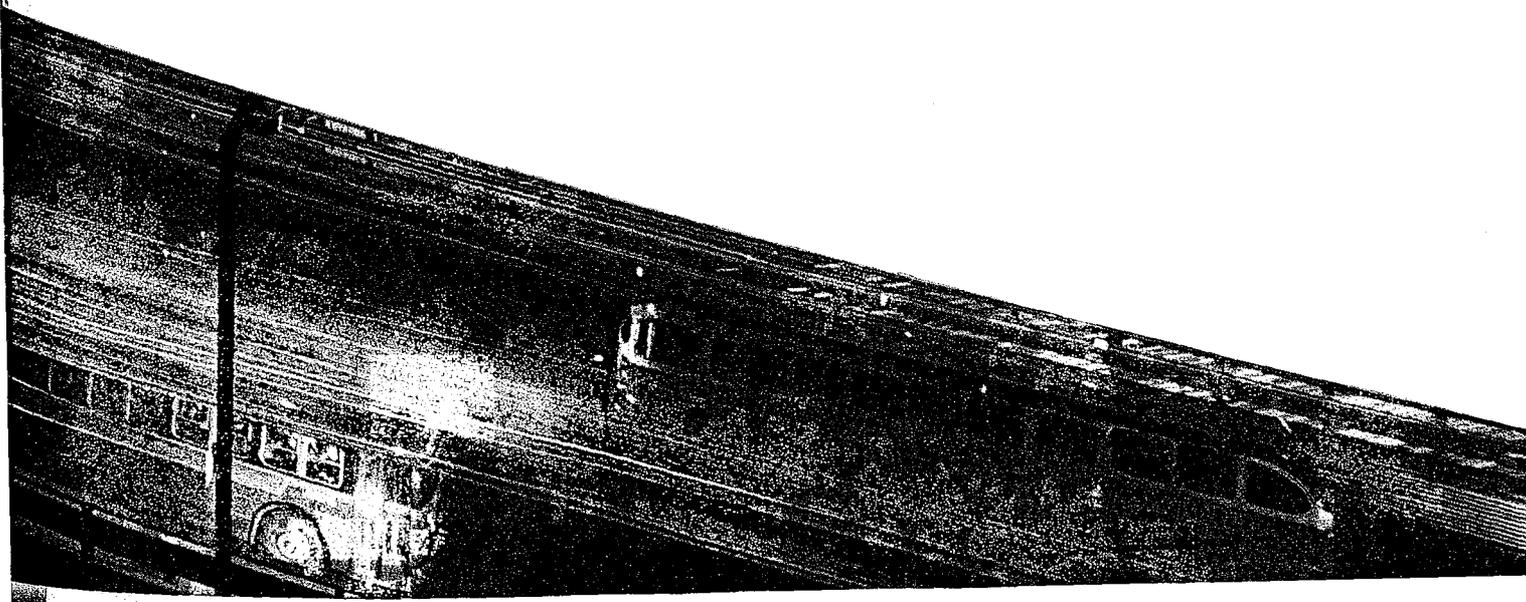
At the Port Authority Bus Terminal, activity followed the pattern of recent years and mounted to new highs. During the year, records were established in bus and passenger activity. At the New York and Newark Union Motor Truck Terminals, operations continued at the high levels of previous years despite the sharp declines in motor freight reported both in the Port District and throughout the country.

On the planning board, the functional layouts for the new Washington Heights Bus Passenger Facility were completed and structural design commenced.

Gross revenues for the inland terminal facilities in 1958 totaled \$7,900,000—an increase of three per cent over 1957. The number of employees at these facilities in 1958 reached 8,860 of which 430 were Terminals Department personnel. Investment in these terminals by the end of 1958 reached a record total of \$64,000,000.

NEW HIGHS AT BUS TERMINAL

Traffic at the Port Authority Bus Terminal at 41st Street and Eighth Avenue in the heart of Manhattan soared to record highs in 1958. Bus departures approached the million mark for the first time in the terminal's history, and almost fifty million travelers used the facility. This continued growth of traffic again emphasized the importance of the midtown terminal to the convenience and economy of the metropolitan region.



On the average weekday, over 5,600 buses and 150,000 passengers used the terminal and its numerous transportation services. About ninety per cent of these buses used the extensive system of connecting ramps which provide direct access to the Lincoln Tunnel and thereby avoided city streets. Almost all of the twenty-nine suburban and long haul bus carriers which use the Port Authority Bus Terminal as their sole terminal point in central Manhattan reported increases in departures during the past year.

Indications that this, the largest bus terminal in the world, has also become the largest center for bus information was seen in the tremendous increase in telephone information requests. The telephone information center at the terminal provided immediate nation-wide bus schedule and fare information for over 1,150,000 patrons during the year. The numerous privately operated shops and stores which are located within the terminal recorded gross sales of more than \$13,300,000 during 1958.

LONG DISTANCE TRAFFIC EXPANDS

The long distance bus lines which operate direct or connecting services from New York City to almost every part of the United States or Canada registered sharp upward growth in traffic during the past year.

Traffic on the long distance level was especially heavy during the long holiday weekends of the summer. Without exception, every holiday during the 1958 summer brought some new record in bus or passenger traffic, and during the non-holiday summer weekends, throngs of vacationers passed through the terminal on their way to the nearby seashore and mountain resorts.

Because of the substantial increase in long haul traffic, total departures during 1958 reached 119,000, twelve per cent over last year.

SUBURBAN TRAFFIC GROWS

During the year, the terminal's fifteen suburban carriers operated more than 1,672,000 trips

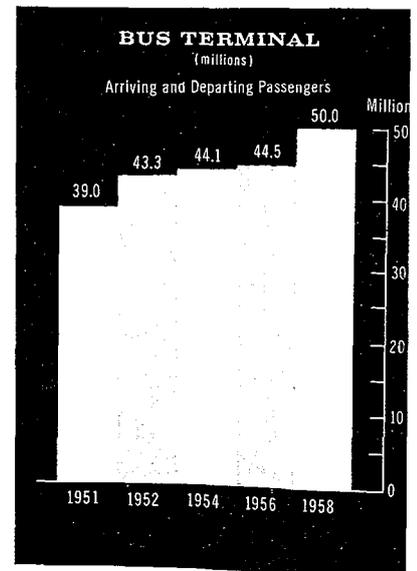
into or out of midtown Manhattan—an increase of almost 3.5 per cent over the similar 1957 total. Peak-hour commuter departures achieved an all-time average high of 20,000 passengers in 1958.

PORT AUTHORITY BUILDING

One of the largest buildings in the New York area, the Port Authority Building is located at Eighth Avenue between 15th and 16th Streets in New York City. On the ground floor of this huge structure will be found a freight-consolidating station including the only point in Manhattan serving several railroads where less-than-carload rail freight can be consolidated. The upper floors of this structure, which include more than two-and-one-half million square feet of floor area, house offices and warehouses of sixty commercial tenants and the main offices of the Port Authority. On the roof of the sixteen-story building is the first helicopter landing platform to be installed on a commercial building in the City of New York.

At the building's railroad freight station, shipments for one or more of the five participating railroads (The Erie Railroad; Pennsylvania Railroad; Delaware, Lackawanna & Western Railroad; New York, New Haven & Hartford Railroad; and Baltimore & Ohio Railroad) can be received or delivered in a one-stop shipment. Also in the building are the consolidated trucking station of the Inter-Boro Truck Transportation Corporation and the freight sorting and consolidating operations of the Railway Express Agency.

Activity was high during the year at the building's various freight-handling stations—especially at Inter-Boro's motor truck station on the main floor of the building. Here, freight for more than a dozen over-the-road truckers is received at the spacious cargo platform.



Another valuable trucking service operated by Inter-Boro is its consolidated delivery service for less-than-truckload shipments bound for overseas via the Port of Embarkation at Brooklyn.

TRUCK TERMINALS

The two Port Authority truck terminals, one located in Newark and the other in Manhattan, continued to serve the metropolitan area as consolidating and distributing centers for less-than-truckload motor freight.

The New York Union Motor Truck Terminal, located in downtown Manhattan near the entrance to the Holland Tunnel, can handle 142 over-the-road trucks simultaneously and is equipped with a roof parking area capable of holding 115 tractor-trailer units. This facility is operated by the Empire State Truck Terminal Co., Inc., which is comprised of eight major over-the-road carriers. The operating company renewed its lease of the terminal in 1958 for an additional five years.

The Port Authority's Newark Union Motor Truck Terminal, which is adjacent to main traffic arteries, is operated on the same basis as the New York terminal. Distribution and collection of shipments within northern New Jersey is performed by a fleet of small, radio-controlled delivery trucks operated by the Terminal Cartage Corporation, a company wholly owned by the Garden State Truck Terminal Corporation which operates the New Jersey terminal. This corporation is comprised of a group of eight large, well-known over-the-road carriers.

Activity at both the Newark and New York Union Motor Truck Terminals remained stable during this past year despite the regional and national declines in motor freight activity.

NEW BUS PASSENGER FACILITY

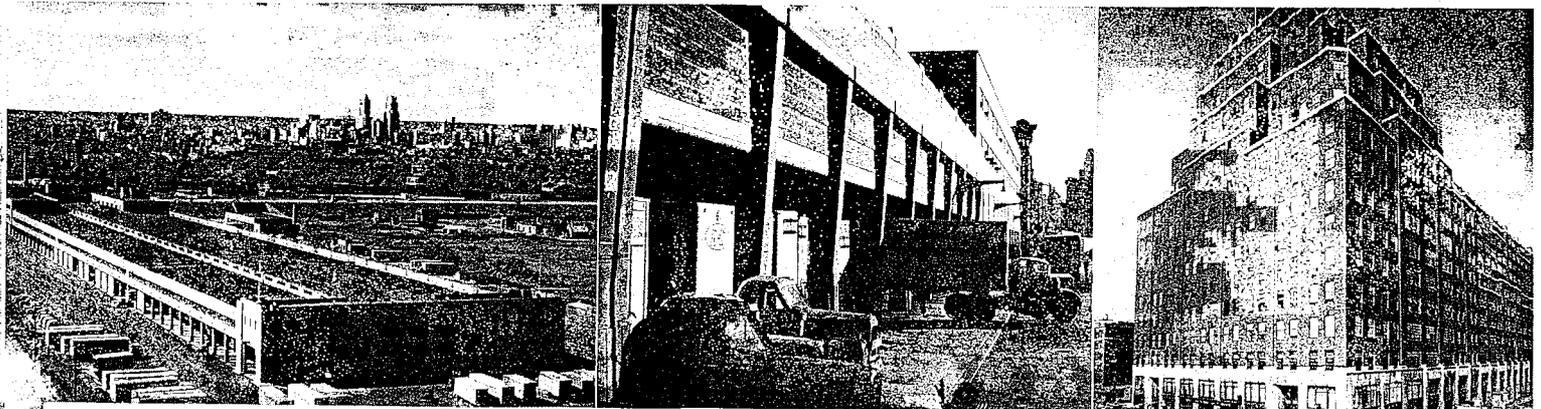
In connection with the construction of the second deck of the George Washington Bridge, the Port Authority has agreed to erect a modern and efficient three-story bus passenger facility in New York City immediately adjacent to the ramp approaches to the bridge. The new Washington Heights Bus Passenger Facility will replace the three smaller individual bus terminals located on busy uptown streets.

Plans for the building's foundations and steel framework are underway. A construction contract has been awarded for two roadway ramps which will provide direct access between the facility and the upper level of the George Washington Bridge. During the year removal of buildings in the area progressed to a point where only a few occupied structures remain. Located between 178th and 179th Streets on Broadway, the new Washington Heights facility will serve about 20,000,000 passengers a year and provide operating facilities capable of dispatching over 250 suburban buses an hour. A direct connection will be provided between the facility and New York City's subway system by means of a passageway.

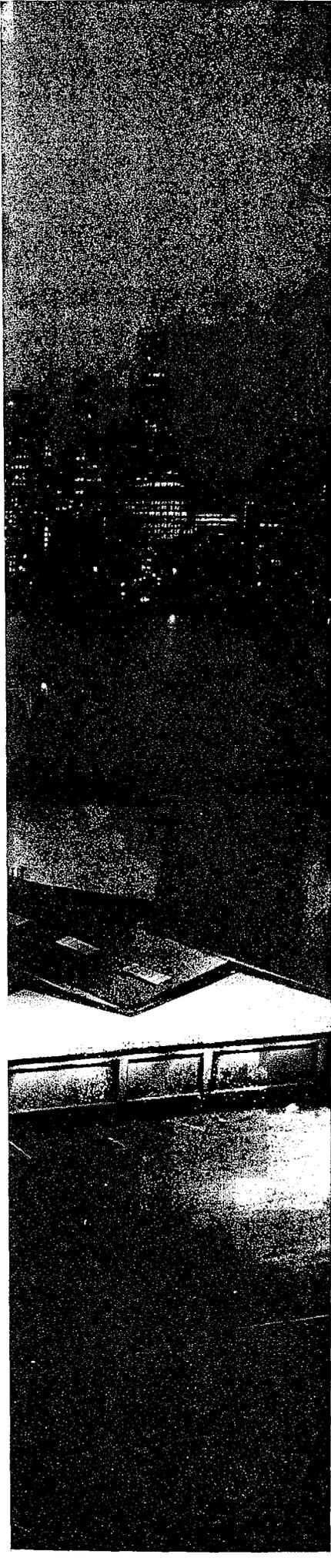
To provide maximum utilization of the loading platforms, especially during the rush periods, buses will be parked on an elevated area located east of the terminal. Thus, a continuous supply of vehicles will be on hand to serve passengers on the loading platforms. The new bus facility at Washington Heights will virtually eliminate bus traffic from uptown Manhattan streets.

In addition, its ideal location will significantly reduce the travel time of over 10,000 daily bus commuters who enter and leave Manhattan by way of the George Washington Bridge.

At left is the 160-truck-capacity Newark Union Motor Truck Terminal. The New York truck terminal, center, has roof parking accommodations for 115 tractor-trailer units. The Port Authority Building, right, is New York City's largest commercial building.







PORT DEVELOPMENT

"Gateway" to the United States for 150 years, the Port of New Jersey-New York has played a significant role in our nation's development. It has provided the basis for development of the New York metropolitan region as the home of 13,000,000 people and the heaviest concentration of economic and commercial activity to be found anywhere in the world. The economic importance of the port is manifested by the fact that harbor-created employment provides the means of livelihood for one of every four persons living in the 1,500-square-mile Port District.

Today, the New Jersey-New York Port's position as a premier port is being challenged on all sides. Other North Atlantic and Gulf ports are competing vigorously for the ocean-borne freight generated by the heavily industrialized Midwest. The deepened St. Lawrence Seaway, which will be opened in 1959, will present competition not only for New York but for other coastal ports. Although still well ahead of its nearest rival in *value* of cargoes handled and general cargo tonnages, New York's share of the total United States ocean-borne trade has declined for the past several years. While the foreign trade general cargo tonnage for the United States as well as for New York decreased during the first half of 1958, it is significant that the Port of New York's share of the national volume rose to 27.1 per cent over the same period in 1957.

The need for a vigorous program of port development must include transportation planning for the region's future, promoting the movement of commerce through the port and protecting the port's shipping from discriminatory rates and practices. This function required a budget of about \$2,000,000 during 1958.

The Port Authority conducts this program under the direction of Roger H. Gilman, Director of Port Development.

RECIPROCAL TRADE SUPPORTED

Basic to the economic well-being of the Port District is a national foreign trade policy which fosters the growth of United States foreign trade. In recognition of this fact, the Board of Commissioners gave full Port Authority support to the extension of the Reciprocal Trade Agreements Act under consideration during the 1958 session of the Congress. Working with other groups favoring a liberal trade policy, Chairman Lowe submitted statements to the appropriate Congressional Committees stressing the importance of foreign trade to the New Jersey-New York region and urging an extension of the agreements. Port District representatives in Congress were informed of our views and their endorsement of reciprocal trade legislation was requested.

TRADE DEVELOPMENT PROGRAM EXPANDED

Late in 1957, our trade development program was expanded to Western Europe through the establishment of branch offices in London and on the Continent in Zurich. During 1958, special emphasis was placed on intensive promotion of the Port of New York in that area—by far the greatest market for United States exports and the largest supplier of United States imports.

The London Trade Development Office was opened in 1958 by Chairman Donald V. Lowe (cutting ribbon). Others, left to right, were: London office Manager Charles S. Devoy; Trade Development Manager Gerard G. Gorman; Port Development Director Roger H. Gilman; Austin J. Tobin, Authority Executive Director.



In order to demonstrate the Port Authority's interest in assisting Western European shippers and to acquaint them with the fact that our new offices will provide advice on time-and-money-saving services available by shipping via the Port of New York, Chairman Donald V. Lowe undertook a seven-week trade development tour of eighteen cities in seven leading Western European nations during March and April. He was accompanied by Director of Port Development Roger H. Gilman, Trade Development Manager Gerard Gorman and European trade development office Managers Carl Barfoed and Charles Devoy.

New Jersey Governor Robert B. Meyner joined Chairman Lowe during the last week of the tour to stress the port's intense interest in serving the Western European area. Governor Meyner and Mr. Lowe jointly addressed meetings in London and Amsterdam, and Governor Meyner also visited Dublin where he met with government and port officials. While "selling" the port in Europe, Chairman Lowe met with more than 2,000 government officials, shippers, businessmen and civic and trade association executives and inspected facilities at nine seaports and eight airports in Italy, Switzerland, Western Germany, France, Belgium, Great Britain and The Netherlands. Returning to the United States, he reported that he was very much impressed by the friendliness and warmth with which he was greeted everywhere. He also reported that executives he met were enthusiastic about the Port Authority's shipper-assistance program.

While abroad, Chairman Lowe presided at the opening and dedication of the Port Authority exhibit in the Hall of Transportation at the Brussels World's Fair and officially inaugurated the activities of the Continental and London Trade Development Offices.

Carl Barfoed, continental office manager, not only accompanied the Chairman's party but during the balance of the year initiated his work of promoting the flow of cargo through the Port of New York in all important cities of the eight countries (France, Switzerland, West Germany,

Denmark, The Netherlands, Belgium, Italy and Austria) to which he has been assigned.

Charles Devoy, London office manager, also participated in the trade development tour and by the close of the year had firmly established his office as an important source of shipper services in the British Isles, Sweden, Norway, Spain, Portugal and Finland.

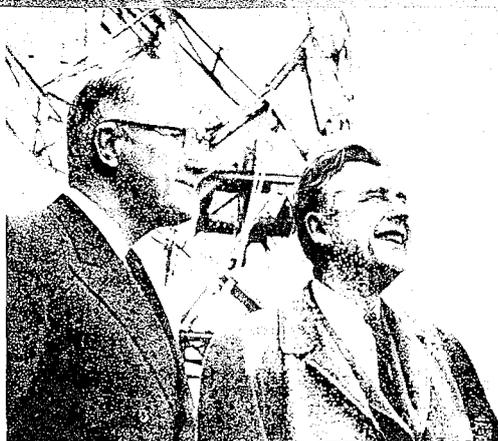
Our experience in the first year of operation of these two offices confirmed the great need for such a service and the substantial benefits to the New York-New Jersey Port from this direct trade solicitation work.

CARIBBEAN OFFICE

During 1958, the Port Authority announced that a new Caribbean area trade development office will be opened in the spring of 1959. The office will serve the West Indies, Puerto Rico, Mexico, Central America, and Colombia, Venezuela, the Guianas and Ecuador. This group of countries is a vital and growing market for the waterborne services of the Port of New York. The shipper-assistance program provided by the new office will help the bi-state port to compete for the cargoes generated in the area. Claudio R. Arce was named manager of this trade office.

In the United States, our Eastern, Washington, Cleveland and Chicago Trade Development Office staffs continued to call on thousands of exporters and importers, public officials and others involved in or responsible for the routing of goods. Trade development personnel regularly reached important cities in an area stretching from Miami on the south and Montreal, Canada on the north to as far west as Denver, Colorado. Assistance provided by these port salesmen on innumerable occasions produced concrete savings in both time and money for shippers and receivers of goods.

The Latin American office in Rio de Janeiro completed its seventh year as an important center of information for South American businessmen engaged in trade with the United States. It will become the South American Trade Development Office when the Caribbean office opens in 1959.



New Jersey Governor Robert B. Meyner (right) joined Chairman Lowe during the Chairman's seven-week trade development tour in seven major Western European nations early in 1958.

During 1958, trade solicitation calls were also made in important cities in Ecuador and Peru—the first such visits by our representatives.

OTHER PROMOTIONAL ACTIVITIES ACCELERATED

The Port Authority's program of personal contact with individuals responsible for the routing of cargo is supplemented by extensive distribution of printed materials and visual aids describing the facilities and services of the bi-state port. These publications include the monthly port commerce magazine *Via Port of New York*—circulation 17,000—and other printed media. Advertising the port's advantages in domestic and overseas trade publications was continued and expanded.

In 1958, the Port Resources Information Handbook Committee, Inc., of which the Port Authority is a member, published *The New York Port Handbook*. It provides a complete description and directory of all facilities and services available in the New Jersey-New York Harbor.

**TOTAL U.S.
GENERAL CARGO**
Imports and Exports (long tons)
22,540,975

New Jersey - New York
PORT'S SHARE
of general cargo
Exports and Imports
(long tons)
6,115,190

(All figures for the first
6 months of 1958)

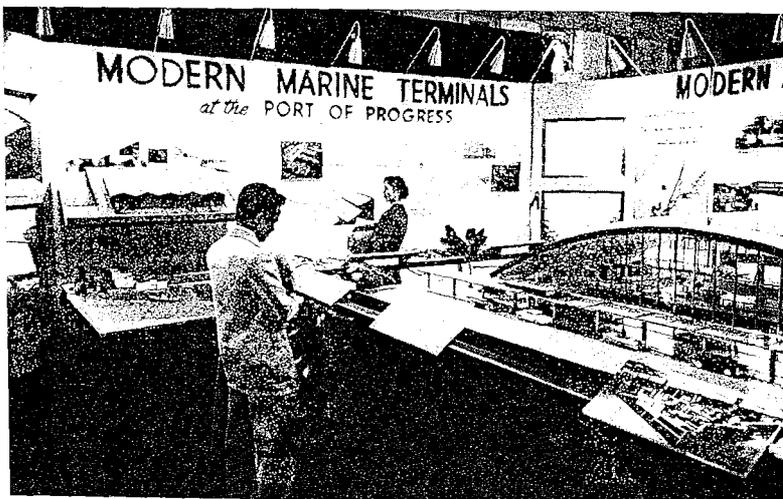
Another developmental media, the twenty-seven minute sound and color motion picture "Via Port of New York," was shown to an additional 74,000 people, making a total of 1,600,000 viewers since its release in 1953. The movie is available in English, French, Spanish, Portuguese and German, and during 1958 an Italian version was prepared.

The Port Authority also participated in the Second Annual United States World Trade Fair held at the New York Coliseum. Featuring displays of the port's unmatched services as well as our aviation and marine terminal developments, this exhibit was viewed by an estimated 32,000 people. Later, additional thousands enjoyed it for nearly a month when it was displayed at one of New York City's largest department stores.

FUTURE'S NEEDS ARE TODAY'S CONCERN

The Authority's extensive port promotion program cannot fully accomplish its goal unless—at the same time—the region is provided with a modern transportation network designed for the efficient handling of cargo. The bi-state agency, therefore, constantly studies the long- and short-term transportation needs of the Port District. Analysis of these needs requires an understand-

The Port Authority's exhibit at the Second Annual United States World Trade Fair in the New York Coliseum featured trade development and aviation as well as marine terminal displays.



ing of long-term trends in the patterns of movement of people and goods, projecting these trends into the future, taking into account the influence of existing or future forces and translating these projections into the what, when, where and how of transportation facilities.

The complex planning assignments under way in 1958 included assistance and liaison on the functional design of several vehicular interchanges involving connections between Port Authority facilities and arterial highway facilities proposed to be built by other agencies. Such projects require close cooperation with the highway departments of both States, the Bureau of Public Roads, the highway and planning agencies of counties and municipalities, and other state and city authorities. Such liaison is essential in the development of a coordinated and efficient highway transportation system.

RAPID TRANSIT

In 1957, the Metropolitan Rapid Transit Commission completed the most comprehensive study ever undertaken of all phases of the rapid transit problem in the New York-New Jersey metropolitan area. The interstate phase was financed by the Port Authority at a cost of over \$800,000.

On January 4, 1958, the Commission submitted its report and recommendations to the Governors and Legislatures of New York and New Jersey. This report recommended that the two States create a permanent Metropolitan Transit District of New York and New Jersey with responsibility for further study, negotiation and development of a comprehensive financial and physical plan of interstate rapid transit. This plan would then be submitted to the Legislatures of the two States for approval before any part of it could be implemented.

Legislation which would create a new Metropolitan Transit District was enacted by the New York Legislature and signed by Governor Harri-man on April 24, 1958. The New Jersey Senate passed an identical measure on June 16, 1958. The New Jersey Assembly, however, did not

approve the bill. The establishment of the Metropolitan Transit District required the passage of identical legislation by both States.

In 1958, legislation (Assembly No. 16) was introduced in the New Jersey Assembly which would direct the Port Authority to take over, finance, develop, improve and operate rail transit in the Port of New York District. The proposed legislation included provision for the pledge of the Port Authority's General Reserve Fund as security for any rail rapid transit purpose bonds. The Assembly's Committee on Federal and Interstate Relations had this legislation under consideration for several months. In their deliberations this Committee as well as the Assembly Committee on Highways, Transportation and Public Utilities, which had under consideration Assembly No. 115 (establishing the Metropolitan Transit District) called upon the Port Authority on several occasions to submit its views in testimony and statements on the nature of the transit problem and the proposed legislative measures to bring about a solution to the problem. Representatives of the Port Authority met with the Committee on Federal and Interstate Relations on June 2, 1958, and again with the Committee and Governor Meyner in the Governor's office on September 11, 1958.

In submitting their views, the Commissioners of the Port Authority expressed themselves as being unanimously and unalterably opposed to any legislation which would involve the Port Authority in any way in responsibility for rapid transit. They pointed out that the assumption by the Port Authority of the increasingly heavy rail commuter deficit was legally, financially and contractually impossible.

On November 24 and December 3, 1958, the Assembly Committees on Federal and Interstate Relations and on Highways, Transportation and Public Utilities held joint hearings to receive the views of all interested organizations, agencies and individuals on this subject. At the hearings the Commissioners of the Port Authority presented to the Committees a unanimous and detailed statement of their position. The letter of the

Commissioners transmitting this statement to the Committees is reprinted below.

At the final meeting of the year on December 8, 1958, the two Committees rejected both Assembly No. 16 and No. 115. In their place, a new bill creating a Metropolitan Transit District was drafted but not passed before adjournment.

The Commissioners' statement of November 24 is as follows:

"Gentlemen:

The Commissioners of the Port Authority welcome this opportunity to submit for the public record and for the consideration of your Honorable Committees and the members of the New Jersey General Assembly the attached statement of our unanimous position on Assembly No. 16. As you know, we have fully reviewed this measure previously both in our communications to Chairman Martin Kesselhaut of the Committee on Federal and Interstate Relations on May 29 and September 11 respectively and in our meeting with Governor Meyner and with the members of that Committee in the Governor's office on September 11.

At the outset we must state, as we have stated repeatedly in the past, that we are unanimously opposed to the adoption of Assembly No. 16 or any legislation which would attempt to involve the Port Authority in any way in the deficits of rail rapid transit.

Our letters of May 29 and September 11 and the attached statement, all contain detailed facts and figures that completely refute the unsound, impracticable and legally impossible recommendations of Assembly No. 16, which would attempt to direct the Port Authority to take over, finance, develop, improve and operate "rapid rail transportation of passenger traffic" in the Port of New York District.

We would also like to reaffirm our view that both rail and highway transportation are essential to the economic welfare of the New Jersey-New York Metropolitan region. It was for this reason that the Port Authority made available to the Metropolitan Rapid Transit Commission over \$800,000 to undertake its recent interstate transit survey. It was for this reason that the Port Authority has devoted its attention and study to the rail rapid transit

problem for the past thirty years. We do not regard an arterial highway program as a substitute for a program of maintaining or improving rail passenger facilities between New Jersey and Manhattan and throughout the Port District. One program is not an alternative for the other.

At the same time, a sound solution to the problem of improving rail facilities cannot be developed through the destruction of the Port Authority's comprehensive program of providing, on a self-supporting basis, the modern port and terminal facilities that are essential to the continued economic pre-eminence of the Port of New Jersey-New York.

In our judgment, any involvement of the Port Authority in rapid transit would have disastrous consequences for the people of the two States and for their joint heritage—the Port District of New Jersey and New York. Such involvement would cause the Port Authority to default on contractual commitments which the Port Authority must honor for the continued development of the public facilities of the Port District—land, sea and air—which will require the Authority to borrow over \$700,000,000 of capital funds during the next five years. These contractual commitments made with the express authorization of the two States involve the following of our facilities:

- Elizabeth-Port Authority Piers
- Brooklyn-Port Authority Piers
- Port Newark
- George Washington Bridge
(second level, plaza improvements and approaches)
- Washington Heights Bus Passenger Facility
- Bergen County Expressway
- New York International Airport
- Newark Airport
- La Guardia Airport
- Narrows Bridge
- Erie Basin-Port Authority Piers

In addition, any involvement of the Port Authority in rapid transit could well lead to the destruction of the Port Authority as a useful agency of the two States for the continued development of essential facilities on a self-supporting basis and without burden to the general taxpayer.

It has been suggested: (1) that the heavy deficits of the New Jersey commuter railroads and the cost of developing a new and compre-

hensive rapid transit system should be assumed by the Port Authority, which could absorb these deficits by use of revenues from its present operations; and (2) that if these rail transit deficits—present and future—proved to be more than the Port Authority's overall revenues could absorb, they could be "made up" by increasing the existing Hudson River tolls and discontinuing the present commutation rates across the George Washington Bridge and through the Holland and Lincoln Tunnels. It also has been suggested that such deficits could be made up by increasing the charges at Port Authority terminal facilities. Another suggestion calls for a state or tri-state (New Jersey, New York and Connecticut) subsidy to the Port Authority to make up the operational and capital deficits of rail transit.

By way of summary of our previous communications and our current statement, we must respectfully submit to your Committees again that:

1. It is legally, financially and contractually impossible for the Port Authority to assume the railroads' increasingly heavy deficits from all or a part of commuter operations, or the cost of developing a new and comprehensive interstate rail rapid transit system.

2. Even if it were legally and contractually possible, very quickly the assumption of rail transit deficits by the Port Authority, the self-supporting agency of the two States, would cripple and destroy the Authority's credit. It would thereby bring to a halt the program now being carried out by the Port Authority on behalf of the two States for the continued development of their essential public marine and inland terminal facilities, airports and interstate arterial systems.

3. The imposition of the deficit financing of rail transit upon motorists would constitute an unfair tax upon a particular group of citizens. A toll increase to 75 cents for all automobiles, including those of regular commuters, and a corresponding increase for all other users of the Hudson River crossings would be required just to meet the 1957 deficits of the New Jersey commuter railroads. If these deficits were to be viewed realistically to include the financing of rapid transit deficits in New Jersey.

New York and, as has been suggested, in Connecticut, the users of the Hudson River crossings, and we presume, other river crossings and turnpikes in the tri-state area, would have to pay a bill for railroad and transit deficits amounting to a sum that might reach as high as \$150 million a year.

4. It is impossible, as has been suggested for the Port Authority to alter existing contracts for charges to users of Port Authority airports, truck terminals, bus terminals, and marine terminals, in any attempt to impose upon them a part of the rail transit deficits. These charges have been established by leases and agreements which may not be altered unilaterally.

5. A New Jersey subsidy of the Port Authority for rail rapid transit purposes is a proposal that commuter deficits to be paid by the taxpayers. We find it difficult to believe that this Legislature would support a bill that proposed that the taxpayers of the State of New Jersey should subsidize Port Authority operation to the extent of from \$12 million to \$20 million or more a year. Furthermore, the Port Authority would cease to be an effective instrumentality of the two States if it were to become a subsidized agency.

In the attached statement we set forth our detailed reasons for these conclusions and describe how the Port Authority finances its projects, the way in which the market for its revenue bonds operates, and the projects to which it is committed over the next five years. Our statement also demonstrates the legal and financial impossibility of the assumption by the Port Authority of any or all of the rail transit deficits, and reviews how and why the assumption of such deficits would destroy Port Authority credit.

To finance Port Authority projects we must sell revenue bonds. The security for such bonds is limited to the revenues which the Port Authority develops and receives from its public projects and from the reserves established from those revenues in accordance with the statutes and our contracts with our bondholders. People will buy Port Authority bonds only so long as they have confidence that our revenues will be sufficient to pay interest and principal on such bonds and create sufficient reserves for

protection against contingencies and adverse developments that might impair the security of the Authority's bonds.

Under our contracts with our bondholders, the Port Authority's reserves and the revenues from present facilities are pledged and committed. They cannot, as a matter of law and contract, be diverted to the development of a deficit rail transit system or for the underwriting of deficits of the New Jersey commuter railroads.

Every responsible expert who has studied Port Authority finance with respect to possible participation in rail rapid transit responsibility has recognized the accuracy of these conclusions. However, in an attempt to ameliorate these legal restrictions, there are those who would have the States of New Jersey and New York subsidize Port Authority operation of the Port District's commuter rail services. Furthermore, they suggest that such subsidy would be required only for a limited period of time and then only in some "limited" amount. The legal impossibility of diverting Port Authority revenues and resources applies to any diversion of revenues and resources regardless of the amount or the period of time during which the diversions might continue. Consequently, if the Port Authority were required by the Legislatures to undertake responsibility in this area, nothing short of an absolute continuing and ever-increasing subsidy for the totality of the transit deficit would suffice.

Two results would flow from such a continuing subsidy, possibly unanticipated by their proponents, but certainly destructive to the continued usefulness of the Port Authority.

First of all, prospective investors of Port Authority obligations would conclude that the subsidized Port Authority operation was only a first step in a process of involvement, and that an attempt to divert the reserves and revenues of Authority would be certain to follow. No investment counsellor who has heretofore advised his clients to purchase Port Authority bonds on the basis of its record of self-support could so counsel them again in the face of this threat. Port Authority interest rates would be forced up at once and at the very minimum certain public facilities, for which com-

mitments have been made with the authorization of the two States, would have to be abandoned because the increased cost of borrowing would put them beyond the possibility of self-support.

Your Committees well know that the essence of the Port Authority has been its long tradition of non-political corporate management guided by sound business principles in the operation of public facilities which have been placed on a self-supporting basis. This tradition has been respected by successive administrations of the two States over the past 37 years.

The Port Authority concept is completely incompatible with a power in the Authority to spend tax monies for the raising of which it would have no fiscal or political responsibility. In the case of tax supported public facilities, the determination of the many considerations which are involved in their operation properly lie with the taxpayers who pay for that operation. The Port Authority mechanism, while dependant on legislative authorization and gubernatorial control, must weigh operating decisions against their legal, financial and economic implications to the Authority. That mechanism, therefore, cannot at the same time fit both a subsidized railroad operation and the operations of self-supporting port facilities. The Authority could not possibly observe two standards of management with respect to its operations. The non-business considerations which are completely correct for setting policy for a tax-subsidized railroad operation could in no event be kept out of the agency's other operations, which would be managed by the same Commissioners and the same administrative staff. Thus, the ultimate result of subsidy would be to destroy not only the self-supporting financial management of the Authority but also its managerial efficiency.

The Port Authority is a bi-state agency. It is, therefore, inconceivable that it could be directed by the New Jersey Legislature to relieve New Jersey railroad passenger deficits without being directed also to relieve New York railroads of their passenger deficits. This is recognized in Assembly No. 16 which would purport to direct the Port Authority to finance, develop and improve the facilities for rapid

rail transportation "within the Port of New York District." The present deficits of all commuter railroads and transit operations in the Port District approaches \$150 million a year.

At the present time, as is well known to the Committees, the Port and its activities provide economic support for one out of every four of the 13 million people in the Port District. The responsibility for assuring the continued economic pre-eminence of the Port District, both through providing modern port facilities and promoting the port's commerce, is a responsibility of the very first importance to the people of New Jersey and New York. It would be a great public disservice to the people of New Jersey, and even to the New Jersey rail commuters themselves, if the credit of the Port Authority—which constitutes its whole ability to go forward with its work of port development—were destroyed, as it would most certainly be by any attempt to carry out the provisions of Assembly No. 16.

We believe that as representatives of all the people of New Jersey you will be particularly interested in the fallacies inherent in the unsound and impracticable idea of combining the responsibilities for rail rapid transit with responsibilities for other forms of transportation. It is doubtful that the proponents of this theory have given serious consideration to its implications or its realities.

Following our meeting with the Governor and the Committee on September 11, both the Governor and Chairman Kesselhaut stated that they would "never permit any action that might tend to impair or adversely affect the efficiency or credit of the Port Authority," and the Governor added that "There is no factual background that would indicate rail facilities could be integrated and operated without deficits."

It is our view that a sound proposal for solving the metropolitan rail transit problem exists within the framework of the concept of a Metropolitan Transit District.

Respectfully submitted,

(signed)

Donald V. Lowe	Howard S. Cullman
Horace K. Corbin	Eugene F. Moran
Jess H. Davis	S. Sloan Colt
James C. Kellogg 3rd	Charles S. Hamilton, Jr.
Thorn Lord	N. Baxter Jackson
John J. Clancy	J. A. Martino

WATERWAYS PROGRAM CONTINUED

While the Port of New York has been provided by nature with a magnificent deep-water harbor and deep-water channels, man's assistance is required to make these waterways adequate for today's giant ships of the sea. Channel dredging and maintenance are the responsibility of the United States Army Corps of Engineers. Over the years, the Port Authority has worked closely with the District Engineer in studying the adequacy of the port's waterways and recommending improvements where they were needed and economically justified. We have also endeavored to encourage Congressional support for the New Jersey-New York waterway projects and have participated with the Bureau of the Budget and Congressional committees in assuring reasonable appropriations which will enable the Army Engineers to go forward with waterway improvements in our port.

NEW YORK-ST. LAWRENCE RIVER WATERWAY

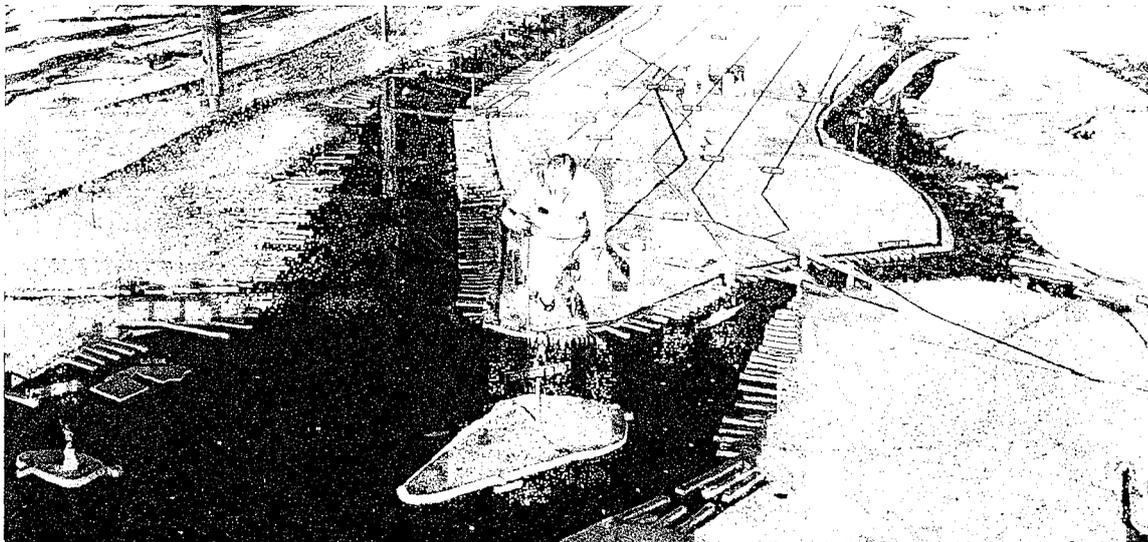
In 1957, the Port Authority, in cooperation with others, urged Congress to authorize a survey

of a waterway between the Port of New York and Montreal. This survey would determine the benefit of a deep-water connection between the port and the rapidly developing industrial centers in the Hudson Valley, Champlain Basin and along the St. Lawrence River. These efforts were helpful in achieving Congressional action in 1958 allocating \$15,000 for a Corps of Engineers' study of the economic feasibility and work required for this waterway. While this is less than one-sixth of the total expected cost, it will permit preliminary investigation of the problem.

NEW YORK AND NEW JERSEY CHANNELS

The New York and New Jersey Channels extend from Raritan Bay along the western shore of Staten Island via the Arthur Kill and Kill Van Kull to Upper New York Bay. They provide an alternate deep-water entrance to the harbor as well as serve heavy industry along the banks of these waterways. We have long been active, among other groups, in urging adequate Congressional appropriations to deepen the six-and-a-half-mile center section of the Arthur Kill to its authorized depth of thirty-five feet. In 1958, the

At Vicksburg, Mississippi, the United States Army Corps of Engineers' model of the entire New York-New Jersey Port area duplicates water action in the "harbor" and aids in studying many problems, including siltation. Specialist in center kneels on the "Battery."



Port Authority, in cooperation with local maritime interests, called to the attention of the Congressional appropriations committees and Port District Congressmen, the fact that allocations for deepening the Arthur Kill contained in the recommended Federal budget were inadequate. Subsequently, under a revised program of Federal spending, the allocations for this deepening were increased from \$4,000,000 to \$5,420,000. Although this amount is somewhat short of the \$6,000,000 urged by the Port Authority, it is hoped that the channel will be completed by 1960.

Another project included in the improvement program for the New York and New Jersey Channels is the replacement of the Staten Island Rapid Transit Railway's swing bridge over the Arthur Kill Channel with a modern lift bridge. We have staunchly supported the need for funds to complete this project as quickly as possible.

In the final appropriations bill, Congress allocated \$2,500,000 for this project in place of the \$1,860,000 originally recommended by the Federal budget. These funds assure the elimination of this serious low-level navigational hazard, probably by 1960.

HUDSON RIVER SILTATION STUDY

Rapid, heavy siltation along the Edgewater waterfront on the New Jersey side of the Hudson River has necessitated excessive dredging expenditures by private owners of waterfront property in this area as well as by the Federal government. Responding to appeals from the Port Authority, the Borough of Edgewater and the Edgewater industries, the Congress in 1958 voted funds to enable Army Engineers to complete a study into causes and possible solutions to the problem.

PROCEEDINGS OF THE PORT AUTHORITY'S COMMISSION ON RAILROADS

The Port Compact of 1921 authorized the Port Authority to intervene in any pending proceeding before the Interstate Commerce Commission or any like body affecting the commerce of the New York-New Jersey Port. Over the past thirty-seven years, we have exercised this authority by participating in hundreds of proceedings before the ICC, the Civil Aeronautics Board, the Federal Maritime Board and other regulatory agencies. This is to protect the port's competitive position against discriminatory rates and practices which would hinder the promotion and development of the harbor's trade and commerce.

RAIL RATE EQUALIZATION

No proceeding has ever been of greater importance than the current ICC case, I&S 6615. A majority of New York-New Jersey harbor rail-

roads are vigorously seeking to eliminate an archaic, discriminatory rate structure and achieve equalization of import-export rail freight rates to and from all North Atlantic ports. The importance of rail rate differentials which favor Philadelphia and Baltimore to the disadvantage of New York cannot be overestimated. Under current railroad tariffs, shippers pay three cents more per 100 pounds to route export-import cargo from the Midwest through New York than through Baltimore, and two cents more per 100 pounds than through Philadelphia. Shippers using New York have been penalized by these discriminatory rates for almost eighty years.

In 1956, most of the Port District railroads (New York Central, Erie, Lehigh Valley, and Delaware, Lackawanna and Western) filed tariffs with the ICC proposing rates on import-export freight equal to those in effect through Baltimore.

In response, the railroads serving Baltimore and Philadelphia (including the Pennsylvania Railroad and Baltimore & Ohio which also serve the New York-New Jersey area) filed new tariffs reestablishing the antiquated rate differential. It is indeed unfortunate that these two railroads, which serve several ports, have seen fit to enter this case against the Port of New York. The ICC thereupon suspended all the proposed new rates and ordered an investigation as to all the proposals.

Hearings in this proceeding commenced in February, 1958, and continued in the spring and summer. During these hearings, completed this fall, Port Authority witnesses and Counsel played an important role in supporting the Port District railroads in their argument for rate equalization. As the year closed, we were awaiting the proposed report of the ICC Examiner.

PROPOSED IRON ORE RATE EQUALIZATION

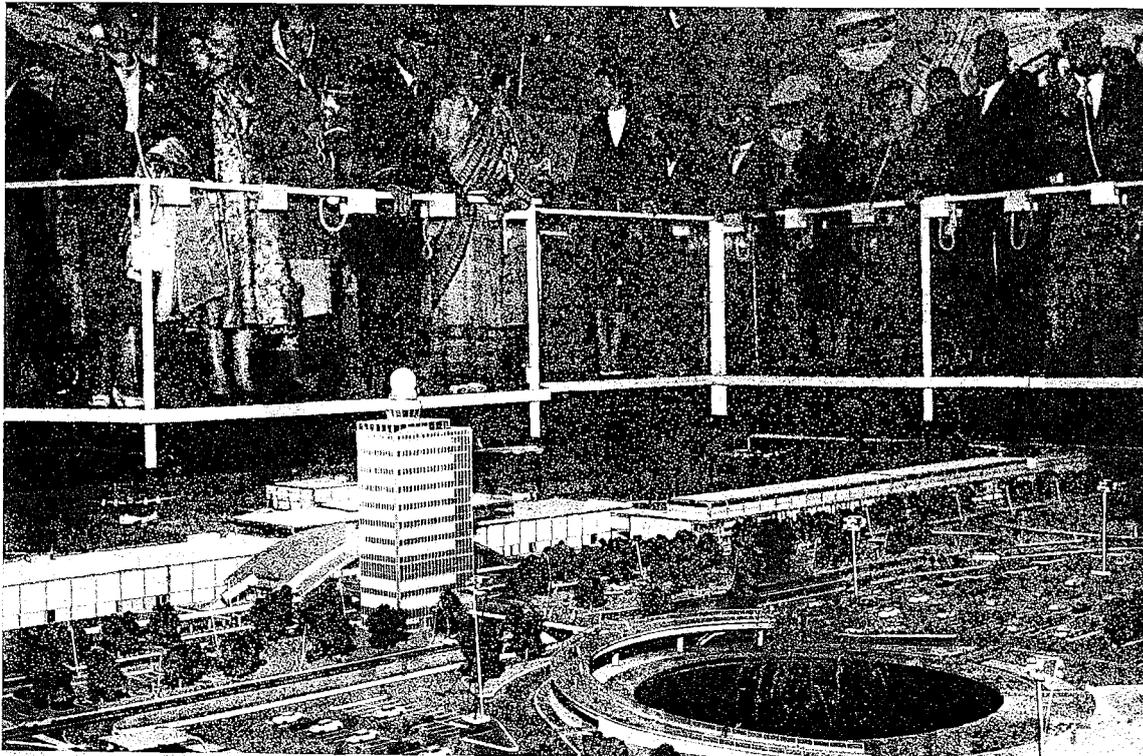
The Port of New York handles only negligible quantities of import iron ore because of the rail rate differentials which make it cheaper to move ore to inland destinations from Baltimore and Philadelphia. The extent to which New York

suffers from this rate differential can readily be seen. In 1957, New York handled a meagre 2,523 tons, while a total of 26,893,458 tons of iron ore moved through other North Atlantic ports, principally through the ports of Baltimore and Philadelphia.

In an effort to provide the New York Port with a basis for competing for a fair share of the mounting volumes of iron ore being imported by the United States, the Port Authority in 1953 supported the action of the New York Central and Erie Railroads in equalizing their rates with those in effect through the ports of Baltimore and Philadelphia. This action has been through a full range of administrative and judicial proceedings. The Supreme Court in 1956 remanded the entire matter to the Commission for further consideration.

Further hearings on the rate proposals were held by the ICC in September and October, 1958, at which time additional evidence was presented by the Port Authority in support of the efforts by the New York Central and Erie Railroads to achieve rate equality on movements of this vital commodity and thus to obtain for the Port of New York an opportunity to share in the rapidly increasing import movement.

The Port Authority's exhibit at 1958 Brussels World's Fair attracted 1,800,000 persons from many nations throughout the world.



EX PARTE 212

In the face of increasing operating costs, the railroads from time to time over the past few years have requested and received ICC approval of increased rates and charges. The Port Authority has taken no position on applications where rate increases are to be assessed uniformly at all ports. We do intervene and participate, however, when rate proposals make handling goods at New York costlier than at competing ports or when the basic economic unity of the port is threatened. In the most recent of these "ex-parte" proceedings, the ICC on February 12, 1958, granted most of the rate increases requested by the railroads early in the year but suspended and held for further investigation three tariff provisions which the Port Authority had protested. These three tariff provisions called for: the establishment of loading and unloading charges at New York City pier stations; reduction of free time on export cargo moving through the port from seven to four days; and a six-cents-per-100-pounds increase on export-import coastwise and intercoastal freight. Hearings on each of the suspended tariff provisions were held during 1958.

The ICC granted the railroads' application to impose the first of these three, loading and unloading charges at New York City pier stations.

The second of the three proposals, reduction in free time to four days, would have placed New York at a distinct disadvantage and would have caused, in all likelihood, diversion of cargo to other Atlantic and Gulf ports. The ICC ruled that the present free time period of seven days should not be reduced.

On the subject of the proposed increase of six cents per 100 pounds on export-import freight, we took the position that we did not object to the increase provided that it was assessed uniformly at all ports and that it did not discriminate against the Port of New York. The ICC decision on this provision allowed the additional charge to go into effect. It has been applied uniformly at all ports thus far.



Latin American Trade Development Office Manager Joseph Marcal, Jr., (left) met with New York Governor Nelson A. Rockefeller during the latter's trip to Rio de Janeiro during 1958.

AIR COMMERCE

During the year, the Port Authority also participated in a number of proceedings before the Civil Aeronautics Board in order to promote and protect the Port District's air commerce.

A typical CAB case was the New York-San Francisco Non-Stop Case (Docket #9214 et al), concerned with the applications of two airlines (American and Northwest) to the CAB for authorization to provide a third non-stop service between New York and San Francisco. At present this market is served by only two non-stop airlines while other major trans-continental markets have three authorized carriers.

Our traffic analyses have indicated for some time that the Port District needs, and can support, a third non-stop airline to San Francisco. The Port Authority, therefore, has urged the authorization of this new service. Our position is based on the size and importance of San Francisco, its strong community of interest with the Port District and the substantial and ever-growing volume of air traffic in this market.

Hearings have been completed in this proceeding and a final CAB decision should be forthcoming early in 1959.

In addition to the cases outlined on preceding pages, the Port Authority has also participated in the following proceedings in order to promote and protect the land, sea and air commerce of the New York-New Jersey Port.

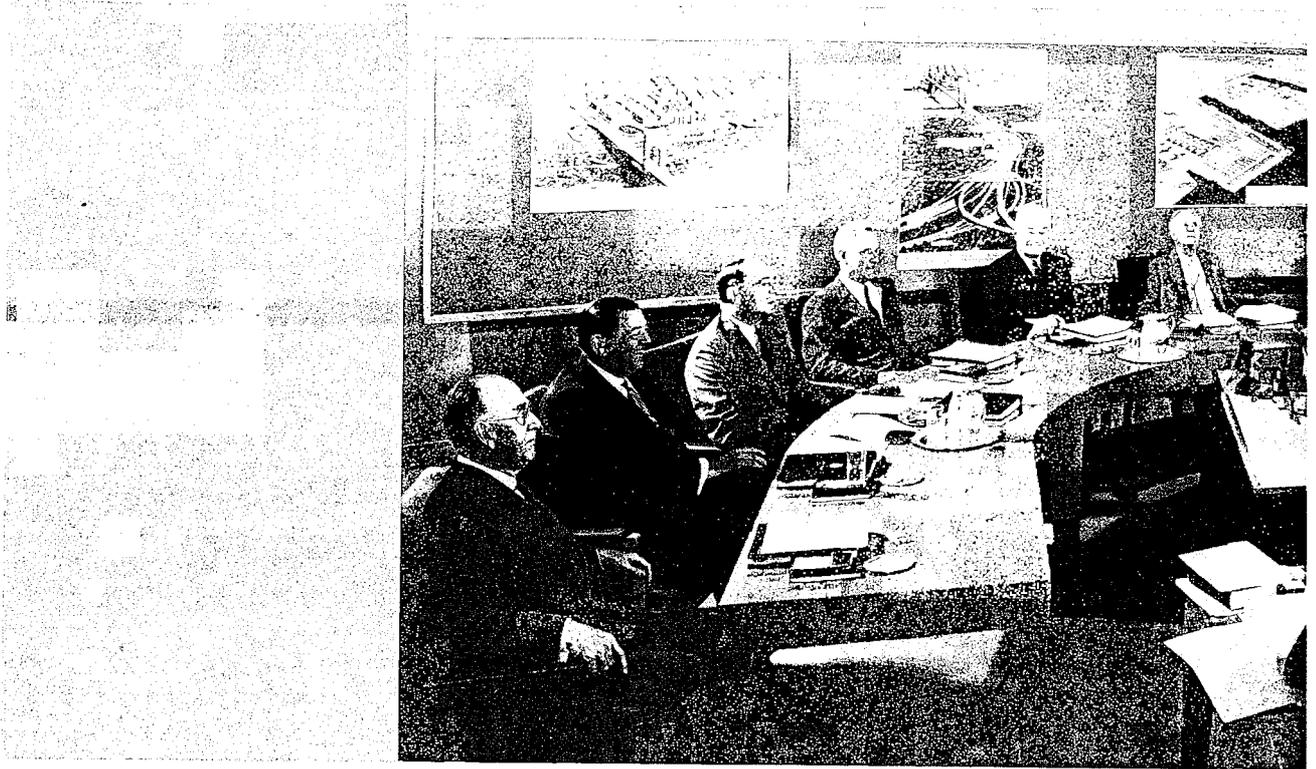
MARINE, RAIL AND MOTOR CARRIER PROCEEDINGS

DOCKET	SUBJECT	STATUS
MC F 6167	Pan-Atlantic Steamship Corporation —Acquisition of S. C. Loveland	*Following further hearings, ICC Examiner approved acquisition. Final decision of ICC not yet issued.
ICC 32290	Increased less-than-carload rates in Official Territory	*Examiner recommended against proposed increase in August, 1958. Final decision of ICC not yet issued.
FMB-GO 72	Proposed revised rules pertaining to:	Three cases combined in one proceeding. Further hearings set for early 1959.
-765	Investigation of practices, operations, actions and agreements of ocean freight forwarders	
-831	Practices & agreements of common carriers by water—payment of brokerage fees	
MC-C 1794	New York City arbitraries—1955	*ICC discontinued proceeding following receipt of petitions for cancellation.
Ex Parte MC-37 MC-C-2	Commercial zones & terminal areas New York, New York commercial zones	Petition for reopening proceeding pending before ICC, which has not acted as yet.
I&S 6834	Piggy-back rates between East and Texas	Hearings completed in April, 1958. Examiner's proposed report not yet issued.
I&S 6967	Lighterage on Lumber in New York area	*Carrier cancelled tariff following Port Authority protest and ICC suspension.
I&S 6953	Coffee — North Atlantic ports to Illinois	Carriers withdrew tariffs concerned before proceeding came to hearing.
I&S 7037	Less-than-carload handling charge—Long Island Railroad	Additional hearings scheduled early in 1959.
FMB 816	Investigation of general practices, charges, services, definitions and agreements of terminal operators at Atlantic and Gulf ports	FMB has not yet scheduled hearings.
FMB S-73	Waterman subsidy application	FMB has not yet scheduled hearings.
Ex Parte 206	Increased freight rates — Eastern & Western Territories, 1956	*Restoration of differentials completed effective July 25, 1958.

PROCEEDINGS BEFORE THE CIVIL AERONAUTICS BOARD

8569 et al	Continuation and expansion of scheduled helicopter service in Port District	Exhibits have been submitted and a hearing is scheduled for early 1959.
6436 et al	Review of local airline service pattern in northeastern U. S.: the Port Authority is supporting additional service to Harrisburg, Bridgeport, New Haven and New London	Hearings completed. CAB decision expected in mid-1959.
8258 et al	Service by cargo-only airlines between the Port District and a number of cities in northeastern U. S.	*Hearings completed. CAB authorized this service in January, 1959.

*Action to date is in accordance with the position supported by the Port Authority



The Port Authority Board of Commissioners receives report from Executive Director Austin J. Tobin Colt, Horace K. Corbin, Vice-Chairman Eugene F. Moran, Chairman Donald V. Lowe, Honorary Chairman Martino. Seated in foreground are General Counsel Sidney Goldstein (left) and Assistant Executive

ADMINISTRATION

The Port of New York Authority was created in 1921 by a Compact between New Jersey and New York which states that the Port Authority "shall consist of twelve Commissioners." These Commissioners, six of whom are appointed by the Governor of New Jersey and six by the Governor of New York, shape and direct policy of the Port Authority. The Board of Commissioners includes leaders in business, finance and industry in the Port District, and its members serve without pay for overlapping terms of six years.

During 1958, Donald V. Lowe of Tenafly, New Jersey, continued to serve as Chairman, for the fourth consecutive year. Howard S. Cullman continued as Honorary Chairman and Eugene F. Moran as Vice-Chairman of the Board.

The year also marked the appointment of two new Commissioners to the Board. Governor Robert B. Meyner appointed John J. Clancy, a New Jersey lawyer, and former Governor Averell Harriman appointed Joseph A. Martino, Presi-

dent of National Lead Company, for an ad interim term in August, 1958, and he was reappointed by Governor Nelson A. Rockefeller in January, 1959.

Chairman Lowe, appointed to the Board of Commissioners in 1945 by former Governor Walter E. Edge, served as Vice-Chairman from 1953 to 1955 when he was first elected Chairman. President of the Lowe Paper Company in Ridgefield, New Jersey, Chairman Lowe is director and officer of many other businesses. He is representative of the U. S. on the Transport and Communications Commission of the Economic and Social Council of the United Nations. He is also active in New Jersey civic affairs.

Howard S. Cullman, who has served on the Port Authority Board for almost thirty-two years, was appointed in 1958 to another six-year term by former Governor Averell Harriman. First named in 1927 by the late Governor Alfred E. Smith, he was Vice-Chairman of the Board from 1934 to 1944 and Chairman from 1945 to 1955. He was then elected to the post of Honorary Chairman by fellow Board members, a position



(center). Members of the Board (from left) are: N. Baxter Jackson, John J. Clancy, Thorn Lord, S. Sloan Howard S. Cullman, Jess Harrison Davis, Charles S. Hamilton, Jr., James C. Kellogg, III, and Joseph A. Director Matthias E. Lukens.

he now holds. He is prominent in philanthropic and civic affairs and is director and officer of many financial and business enterprises. In 1956, President Eisenhower appointed him United States Commissioner General for the 1958 Universal and International Exhibition at Brussels and in that post he directed the United States exhibit. As the Exhibition drew to a close, the President and the Belgian Authorities praised Mr. Cullman for the United States participation in the assignment. President Eisenhower warmly praised him for his services and in a letter to Mr. Cullman said in part: *"The problems you faced were tremendous . . . I shall always be grateful to you for accepting an assignment which we both knew at the outset would be difficult, and for carrying it through so successfully . . ."*

The Vice-Chairman of the Port Authority Board of Commissioners is Eugene F. Moran. He was elected to the position in 1955 and re-named to it in each successive year. The Vice-Chairman was first appointed to the Port Authority Board in 1942 by former Governor Herbert H. Lehman. Board Chairman of the Moran Towing and Trans-

portation Co., Inc., he is also noted for his extensive knowledge of and writing on the Port of New York and other world ports. Vice-Chairman Moran has been a member of the Maritime Association of the Port of New York since 1900 and served as Chairman of its Rivers, Harbors and Piers Committee for nearly fifty years.

There are four working committees of the Board of Commissioners. The committees and their presiding officers are: Committee on Construction, Commissioner Eugene F. Moran, Chairman, and N. Baxter Jackson, Vice-Chairman; Committee on Finance, S. Sloan Colt, Chairman, James C. Kellogg, III, Vice-Chairman; Committee on Operations, Commissioners Jess Harrison Davis and Charles S. Hamilton, Jr., serving as Chairman and Vice-Chairman respectively; Committee on Port Planning, Commissioners Horace K. Corbin and Thorn Lord serving as Chairman and Vice-Chairman respectively. These committees act upon policies and programs related to their specific responsibilities. They may either recommend suitable action to the Board, or, in specific cases, take final action in Committee.

New Jersey

COMMISSIONERS

Donald V. Lowe of Tenafly, New Jersey, is president of the Lowe Paper Company and since 1957 has represented the U. S. on the UN Transport and Communications Commission. A trustee of the New Jersey Manufacturers Association and director of its associated insurance companies, he is also director or former officer of other businesses and associations and a leader in civic, church and school affairs. Chairman Lowe was appointed to the Port Authority by former Governor Edge in 1945 and reappointed by former Governor Driscoll. He was elected Vice-Chairman of the Authority in 1953 and has served as Chairman since 1955.



DONALD V. LOWE

Horace K. Corbin of West Orange, New Jersey, is chairman of the Fidelity Union Trust Company of Newark and a director of insurance, utility and manufacturing companies. He formerly was engaged in business as an engineering contractor. Commissioner Corbin is one of the state's outstanding bankers and business men and is also greatly interested in civic and philanthropic affairs. He is a trustee emeritus of Princeton University. The Commissioner was first appointed to the Port Authority Board in 1948 and reappointed in 1953 by former Governor Alfred E. Driscoll.



HORACE K. CORBIN

Jess Harrison Davis of Hoboken, New Jersey, is president of Stevens Institute of Technology and previously was president of Clarkson College of Technology. He is a leader in engineering instruction based on a scientific, analytical approach and has served as member and officer of leading engineering groups. Formerly an engineering consultant, he was also director of several industrial corporations and is at present director of business and financial organizations. Dr. Davis was appointed a Port Authority Commissioner by former Governor Driscoll in 1952.



JESS HARRISON DAVIS

James C. Kellogg, III of Elizabeth, New Jersey, has been a member of the New York Stock Exchange since 1936 when, at the age of 21, he was its youngest member. He was chairman of the Exchange's Board of Governors and is a senior partner of Spear, Leeds and Kellogg as well as director of other business, banking and financial organizations. Commissioner Kellogg is president of the J. C. Kellogg Foundation for Infantile Paralysis and is active in civic and church groups. He was appointed to the Port Authority Board in 1955 by Governor Robert B. Meyner.



JAMES C. KELLOGG, III

Thorn Lord of Princeton, New Jersey, is a lawyer who has practiced law in that state since 1933. From 1943 to 1945. Commissioner Lord served in the position of United States Attorney for the State of New Jersey. He was appointed to the Board of Commissioners of The Port of New York Authority on July 1, 1955 by Governor Robert B. Meyner.



THORN LORD

John J. Clancy of South Orange, New Jersey, is the senior member of the law firm of Clancy & Hayden. He is a director of The National State Bank of Newark, a director and chairman of the Executive Committee of the Carteret Savings & Loan Association, and is likewise active as a director in other financial and business enterprises. He has served as special counsel to the Commissioner of Banking and Insurance of the State of New Jersey. The Commissioner is a former President of the Essex County Bar Association and its delegate to the American Bar Association and is also interested in various legal, civic and philanthropic organizations. He was appointed to The Port of New York Authority in May, 1958 by Governor Robert B. Meyner.



JOHN J. CLANCY

COMMISSIONERS

New York



HOWARD S. CULLMAN



EUGENE F. MORAN

Howard S. Cullman of New York City is president of Cullman Bros., Inc., and director and officer of many banking and business enterprises. A leader in civic and cultural groups, he is known for his interest and investments in the theatre and his work in medical and health organizations. He has served as U. S. Commissioner General for the Brussels Universal and International Exhibition of 1958. Appointed to the Board by former Governor Alfred E. Smith in 1927, he was reappointed by former Governors Lehman, Dewey and Harriman. Vice-Chairman from 1934 to 1945, he was Chairman for ten years and since 1955 has been Honorary Chairman.

Eugene F. Moran of New York City is board chairman of Moran Towing and Transportation Co., Inc. A member of the Maritime Association of the Port of New York since 1900, he was chairman of its Committee on Rivers, Harbors and Piers for 47 years. He served with distinction in the Navy during World War I and today is noted for his articles and books on the Port of New York. Commissioner Moran was appointed to the Port Authority Board by former Governor Lehman in 1942 and reappointed by former Governor Dewey in 1948 and 1954. He has been Vice-Chairman since 1955.



S. SLOAN COLT



CHARLES S. HAMILTON, JR.

S. Sloan Colt of New York City is a director and member of the executive committee of Bankers Trust Company, having previously served as its president and chairman of the board. He is also a director of leading financial, industrial and insurance companies and a member and officer in leading civic, cultural, educational and philanthropic groups. Commissioner Colt was appointed to the Port Authority Board in 1946 and reappointed in 1950 by former Governor Thomas E. Dewey. He was appointed to a third term by former Governor Averell Harriman.

Charles S. Hamilton, Jr., of Pleasantville, New York, is vice-president, treasurer and director of Russell, Burdsall & Ward Bolt & Nut Co. For many years, he was a member of the Sullivan & Cromwell law firm. Commissioner Hamilton has served as a member of the Westchester County Parkway Authority and Westchester Park Commission. He served as a Moreland Act Commissioner in the field of workmen's compensation. Commissioner Hamilton was appointed to the Port Authority Board in 1947 and reappointed in 1954 by former Governor Thomas E. Dewey.



N. BAXTER JACKSON



JOSEPH A. MARTINO

N. Baxter Jackson of New York City is chairman of the executive committee of the Chemical Corn Exchange Bank and is a director of other banking, insurance, industrial and business corporations. Active in civic and philanthropic affairs, he is a trustee of Roosevelt Hospital, director and treasurer of Beekman-Downtown Hospital and a member of the board of trustees of Vanderbilt University. He was appointed to the Port Authority Board of Commissioners in 1955 by former Governor Averell Harriman.

Joseph A. Martino of Manhasset, New York, is president of the National Lead Company. He is a director of the Chase Manhattan Bank and a director or officer of other leading industrial, business and insurance organizations. He is also on the governing boards of outstanding business promotion and advisory groups. Commissioner Martino is active in civic affairs and is director or trustee of several hospitals and medical research foundations. He was appointed to the Port Authority Board of Commissioners in August, 1958 by former Governor Averell Harriman for an ad interim term and reappointed by Governor Nelson A. Rockefeller in January, 1959.

THE STAFF

The policies and programs formulated and authorized by the Board of Commissioners are carried out by the Executive Director of the Port Authority. Elected annually by the Board of Commissioners, Executive Director Austin J. Tobin held this office in 1958 for the sixteenth consecutive year. As head of the staff, Mr. Tobin reports directly to the Board of Commissioners. Mr. Tobin during the year was awarded the chevalier of France's Order of the Legion of Honor for his cooperation with and assistance to the Aeroport de Paris, and its President M. Louis Couhe who was designated by the President of France to make the presentation. Aiding Mr. Tobin in administering all Port Authority activities is Assistant Executive Director Matthias E. Lukens.

The Secretary of the Port Authority is Joseph G. Carty who prepares and keeps the official minutes of the Board of Commissioners meetings as well as all other official records of the Port Authority. Mildred Porth, a Port Authority staff member for thirty-one years, was named to the post of Assistant Secretary during 1958.

Belgium's Queen Mother Elizabeth (second from left) discusses a display at the United States Pavilion of the Brussels World's Fair with Port Authority Honorary Chairman Howard S. Cullman, who served as the Director General of the United States exhibit.



DEPARTMENTAL ORGANIZATION

The Port Authority is organized into "line" and "staff" departments which report to the Executive Director.

The line departments direct the development, operation and day-to-day maintenance of Port Authority facilities. They are: the Aviation Department, John R. Wiley, Director; the Tunnels and Bridges Department, Charles H. Taylor, Director; the Marine Terminals Department, A. Lyle King, Director; and the Terminals Department, Henry Davison, Director. Their activities are discussed in this report's first four chapters.

The staff departments provide specialists, advice and services to the Executive Director and to the line departments. Their roles in the Port Authority's programs are discussed on the following pages.

LAW DEPARTMENT

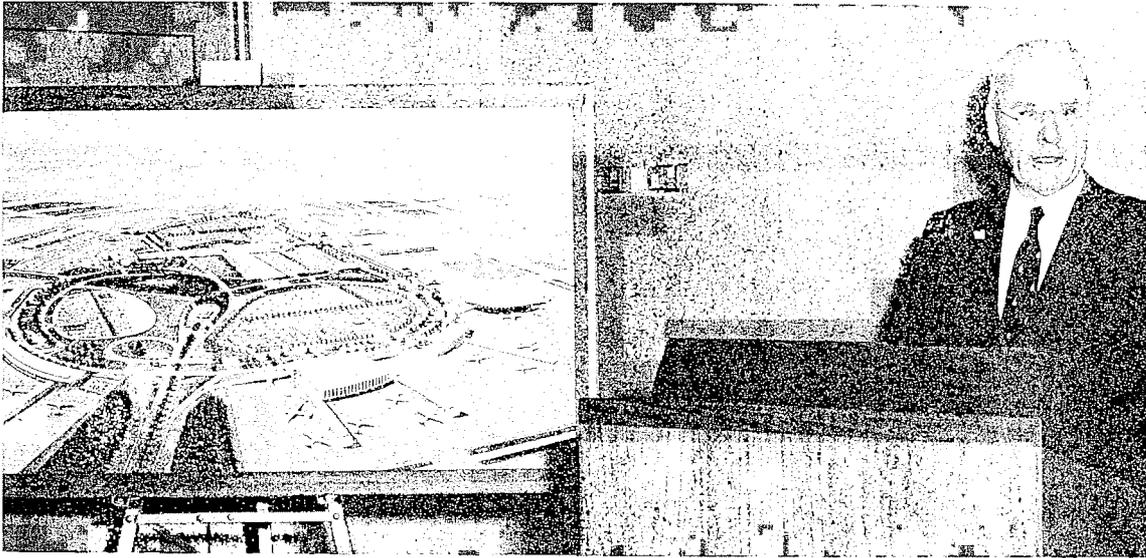
Under the By-Laws, the General Counsel of the Port Authority is the legal advisor of the Board of Commissioners. Traditionally and in recognition of the fiduciary nature of this relationship, General Counsel, like the Executive Director, is elected by the Commissioners each year at the annual meeting of the Board. Sidney Goldstein, a member of the Port Authority legal staff for twenty-four years, is serving as General Counsel for his seventh successive year.

The Law Department also functions as a staff service department, providing advice and counsel to the Executive Director and staff on the day-to-day work of the Port Authority in order to solve legal problems as they arise.

ENGINEERING DEPARTMENT

To manage the Port Authority's large construction program, the Engineering Department, under the direction of Chief Engineer John M. Kyle, divides its work into three phases; design, supervision of construction, and testing of materials.

A major portion of the department's 1958 de-



Building of the world's first airport synagogue moved closer to reality late in 1958 when a lease for a one-acre site at New York International Airport was signed. Commissioner S. Sloan Colt addressed guests on behalf of the Board. The site is in a three-acre airport "cloistered" area that has been set aside for chapel developments by Jewish, Catholic and Protestant faiths.

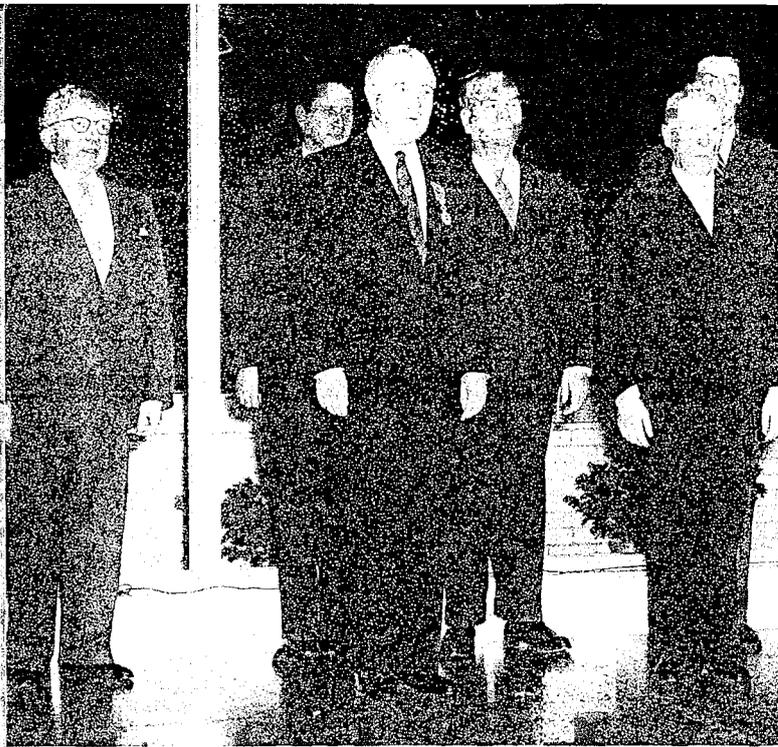
sign work was directed toward expansion of facilities at the George Washington Bridge and at New York International Airport. Plans for the suspended lower level of the bridge and its New York approaches were developed for contract construction work and bids for this work totaling approximately \$26,000,000 have been received. Also, design work was substantially completed on an estimated \$14,500,000 worth of bridge contracts on which bids have yet to be solicited.

Three aspects of the Engineering Department's work on the bridge project are especially worthy of mention. The first of these was the department's adaptation and use of electronic computer systems to problems of design affecting the stiffening-trusses of the bridge structure, its New York approaches and the Trans-Manhattan Expressway. The time usually required for calculations of such complexity was reduced by many weeks. The second was the unusual contribution to the design of the George Washington Bridge Second Deck made by Port Authority Structural Engineer Arne Lier. After the adoption and the start of the development of the basic design of the second deck floor system along traditional concepts, Mr. Lier conceived a radical alteration of this design which proved to be feasible and accomplished a saving

of approximately \$3,000,000. Third, the time savings in the bridge design achieved by the Engineering Department resulted in additional economies since this enabled steel to be purchased during a period of depressed prices and contracts to be let in a stiffly competitive market.

At New York International Airport, the design staff of the Engineering Department was concerned principally with the construction of Hangar 17, Runway 4L-22R (southwest-northeast) extensions of Runways 7-25 (east northeast-west southwest) and 13R-31L (southeast-northwest). These latter projects represented a large part of the \$9,000,000 program to ready New York International Airport as quickly as possible for the advent of jet planes. Accomplished in this program was the record-time preparation and delivery to the Aviation Department of completed plans and specifications for the construction of connecting taxiways and additional shoulders, the widening of the peripheral taxiway system, and for the installation of taxiway lights, paving and utilities.

The Engineering Department is responsible for supervising directly all bridge and tunnel and inland terminal construction. In addition the Engineering Department is responsible for setting construction engineering standards for all Port



During 1958, Executive Director Austin J. Tobin was awarded the chevalier of France's Order of the Legion of Honor for assistance to the Aeroport de Paris. At the ceremony, left to right, were: U. F. M. Dellaert, Director, Schiphol Airport, Amsterdam; M. Kebaili, Counselor to the French Embassy in Mexico; Executive Director Tobin; Louis Lesieux, President of Air France; Louis Couhe, President of the Paris Airport Authority; Pierre D. Cot, Director General of the Paris Airport.

Authority construction and for making periodic inspections of construction projects to insure that these standards are met. The Engineering Department exercised these responsibilities in connection with 111 contracts and \$41,000,000 of construction payments during 1958.

To insure the integrity of all structures erected for the Port Authority, a comprehensive inspection and materials testing program was instituted by the Engineering Department many years ago. In 1958, this involved performing 10,000 tests and 2,400 individual inspections at manufacturing and processing plants.

As part of this program, the department has done pioneering work in soils analysis and testing as an aid to improved and more economical design and construction. At year's end, a technical paper describing consolidation of deep compressible layers of unstable marsh earned Martin S. Kapp, one of our soils engineers, a \$1,000 award for excellence in original thought and ingenuity in the field of foundation engineering.

In the light of the shortage of competent technical and professional personnel felt throughout most of the country, the Engineering Department

this year reconstituted its program for hiring and training recent graduates of accredited engineering schools. Each of the department's current roster of fifteen trainees is now required to participate in a two-year program during which he is not only exposed to selected work experiences involving active engineering projects in the Design, Construction and Materials Divisions of the department, but he is also given the opportunity to follow a single project from its beginning to its end. He is expected thereby to acquire much of the perspective and understanding requisite to his future assignments. Periodic visits to other Port Authority departments and facilities—together with regularly scheduled orientation meetings with various management personnel—round out the curriculum.

FINANCIAL DEPARTMENTS

In 1958, James J. Doyle was designated Director of Finance, Eugene A. Mintkeski, Deputy Director of Finance and Treasurer, and Carl M. Wahlberg, Comptroller. They assist the Director in financial planning for the Port Authority. The Director of Finance is the chief financial officer of the Port Authority and in that capacity, he administers and coordinates its financial affairs and activities and advises the Executive Director on all aspects of finance.

The Treasury Department, under the direction of Mr. Mintkeski, is responsible for the administration of the Port Authority's debt and for the financing program required for the Port Authority's plans for current and long-range capital improvements. This department is also responsible for the investment of the Authority's capital, operating and reserve funds and directs its credits and collection policies.

The Comptroller's Department, under the direction of Mr. Wahlberg, also is responsible for financial planning, the development and maintenance of an adequate system of financial control, for accounting policy and procedures, and for reporting, accounting and financial matters. This department is responsible for auditing the

internal affairs of Port Authority departments as well as the records of various lessees and contractors. Administration of the Authority's insurance programs, maintenance of budgetary controls and electronic data processing are also responsibilities of the Comptroller's Department.

Progress in the integration of data processing was made during 1958. Through the use of a medium-size electronic computer, increased volumes of work are handled and better reports rendered without a corresponding increase in costs.

Efforts continued during 1958 to develop and maintain markets for future insurance requirements. In this connection, as construction of the George Washington Bridge second deck neared, a conference was held for some 200 top insurance executives and underwriters who evaluate and underwrite the Port Authority bridge and tunnel risk coverage. The purpose of the meeting was to convince those attending that the structural integrity of the bridge would not be affected by the construction of the second deck either during or after the construction of the second deck. The results were considered most satisfactory since the underwriters subsequently extended the existing All-Risk coverage on the George Washington Bridge through the second deck construction, and, in addition, gave informal commitments in excess of those which will be required for the insurance coverage of the George Washington Bridge lower level.

PUBLIC RELATIONS DEPARTMENT

The Public Relations Department, directed by Mrs. Lee K. Jaffe, advises the Executive Director and the staff on public relations aspects of Port Authority policies. The department also serves as a central source of information for the public and press, radio and television on all Port Authority policies, facilities and activities.

During the year, two awards in the field of government public relations were presented to the Port Authority, bringing to five the number of such awards honoring the Authority.

In May, Mrs. Jaffe accepted, on behalf of the

Port Authority, the American Public Relations Association's "Silver Anvil" for the "Best in Government" public relations program for 1957. The award, the highest honor which the association can bestow on a member organization, referred especially to the public relations program for New York International Airport. More than 4,000 stories and 150 editorials on the great airport appeared in New York and New Jersey and national and international publications when the first new structures of the airport's Terminal City were dedicated on December 5, 1957.

In September, *Public Relations News*, after careful study of several hundred programs and events reported in its issues, announced that the Port Authority was selected to be honored with its "Annual Achievement Award for 1958" for "*capable conduct of the public relations program of a government agency requiring the use of highly developed public relations professional skills in meeting the problems of this complex billion-dollar operation.*"

The award, which has been described as "*the highest recognition in the public relations field,*" was presented to the Port Authority through Chairman Lowe by Mrs. Denny Griswold, Editor and Publisher of *Public Relations News*, at a meeting of the Board on November 13, 1958.

Mrs. Lee K. Jaffe, Port Authority Director of Public Relations, receives a *Public Relations News* "Annual Achievement Award for 1958" from Chairman Donald V. Lowe at the November 13 Board meeting. Seated in foreground, left to right, are: Commissioner Horace K. Corbin and Vice-Chairman Eugene F. Moran.



OPERATIONS SERVICES DEPARTMENT

Under the direction of Daniel N. Mandell, the Operations Services Department is responsible for inspection and observation programs of facility operation and maintenance standards.

It not only sets standards for the department's 1,076-man Port Authority police force but also inspects its compliance with performance regulations. Through its Inspection and Safety Division, the department also makes periodic examinations of all Port Authority properties, evaluating conditions from a safety and maintenance viewpoint.

The effectiveness of such inspections is illustrated in many ways. As an example, the Traffic Engineering Division's efforts to eliminate traffic accident potentials at Port Authority facilities have been largely responsible for cutting the accident rate of 12.5 per million vehicle miles in 1950 to 8.7 in 1957. This thirty per cent reduction is two and a half times greater than the reduction of twelve per cent in the national traffic accident rate for the same period.

New Jersey Legislators and families are bid farewell at the end of their inspection of Port Authority terminal and transportation facilities by, left to right: Chairman Donald V. Lowe, Commissioners Thorn Lord and John J. Clancy, Assistant Executive Director Matthias E. Lukens and Secretary Joseph Carty.



The Operations Services Department also provides technical services to other departments. For example, the department cooperated with other departments in reviewing construction plans to assure good operating and maintenance design, while maintenance and improvement projects throughout the Port Authority are accomplished by the department's Central Maintenance Engineering Division. In addition, the Central Automotive Division supervises the design, selection and upkeep of a fleet of service and heavy-duty vehicles valued at several million dollars.

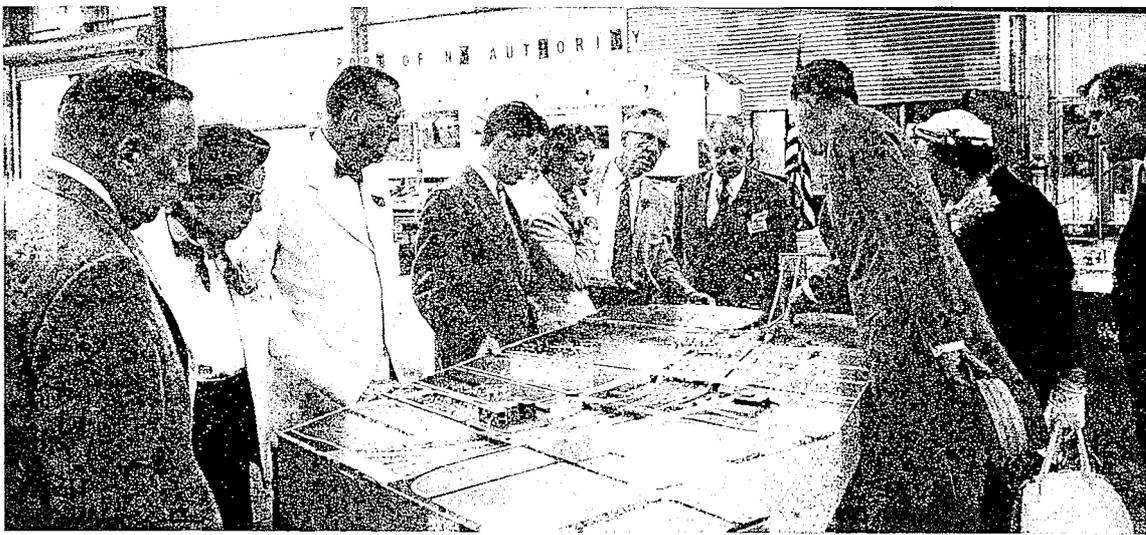
REAL ESTATE DEPARTMENT

The Real Estate Department, directed by Robert S. Curtiss, had a most active year in 1958. In carrying out the Washington Heights tenant relocation program begun in 1957, the Real Estate Department, with the cooperation of hundreds of real estate brokers, at the end of the year had located suitable new homes and apartments and helped move some 1,695 of the 1,824 families to be relocated. In addition, ninety of the 109 commercial tenants relocated. This permitted twenty-five buildings to be removed, while another sixteen of the structures are in the process of being removed to make way for this vital public improvement. The program's fulfillment assures that relocation will be completed in advance of established time schedules for construction of the George Washington Bridge second deck and approaches.

During the year, the department also completed negotiations for properties required for the bridge approaches in New York and New Jersey. Land for expansion of the Brooklyn-Port Authority Piers and for the Elizabeth-Port Authority Piers was also acquired.

In 1958, non-operational tenants at Port Authority facilities produced rental revenues to the agency of \$10,793,000, nine per cent more than 1957 and eleven per cent of all income.

Among the tenants serving the public at Port Authority facilities, and at the same time assuring the self-support of the terminals, is the Inter-



Members of the New York Legislature and guests hear a description of some of the proposed improvements to be undertaken at the George Washington Bridge second level project during an inspection of the Port Authority's facilities and operations in 1958.

national Hotel at New York International Airport. Its opening in May, 1958, culminated several years of planning and negotiations by the Real Estate Department.

Several hundred tenants in many private businesses also lease office, commercial and other types of space in the huge Port Authority Building, the two truck terminals and other facilities. The Real Estate Department's regularly scheduled program of tenant facility inspection insures that these tenants provide the public with good service and merchandise and adhere to Port Authority maintenance and cleanliness standards.

DIRECTOR OF ADMINISTRATION

The Director of Administration, Daniel L. Kurshan, supervises the planning and general direction of Port Authority administration. Under his direction are five staff departments whose operations contribute to the Port Authority's efficient functioning or develop public understanding of the Port Authority and its operation. These departments are: the Community Relations Department, Medical Department, Organization and Procedures Department, Personnel Department and Purchase and Administrative Services Department.

PURCHASE AND ADMINISTRATIVE SERVICES DEPARTMENT

Under Director James Clark McGuire, the Purchase and Administrative Services Department provides all facilities and departments with a

variety of services for carrying out their programs effectively and promptly.

As the Port Authority's central purchasing and supply unit, the department buys and distributes materials and equipment for all Port Authority units. During 1958, the division in charge of this function purchased thousands of items whose value totaled nearly \$6,000,000.

Indicative of the quality of work done by the department's staff are the honors awarded photographers of the Visual and Reproduction Services Division. For the fifth consecutive year, "on-the-job" pictures taken by them were selected for display and given merit awards at the 1958 National Industrial Photographic Conference. Like other photographs taken and processed by the division, these are used for engineering, legal, operational and port promotional purposes.

The reproduction section also serves the entire Port Authority. In 1958, this unit duplicated 2,000,000 square feet of engineering plans and scores of vital reports and other essential documents. Other work done by the division includes three dimensional models and printing layouts by the models and exhibits and the graphic and pictorial sections.

Centralized mail, telephone, transcribing and library services are provided to all departments by the Office Services Division, which recorded some 2,172,000 pieces of mail handled and 32,875 books and periodicals loaned to the staff. In 1958, the division's record services section carried forward the file decentralization program in all departments.

The department's Food Services Division served

over 335,756 employee meals at the Port Authority Building and Holland and Lincoln Tunnels.

Implementing the Port Authority's public and community relations programs and port promotion work, the department's Special Services Division conducts inspections of New York Harbor and Port Authority facilities. During 1958, some 4,518 visitors from sixty-four different countries were shown general Port of New York and Port Authority projects and operations. The division also plans and coordinates dedications and other public events.

During 1958, an exhibit featuring an animated model of New York International Airport's Terminal City was erected and operated under Director McGuire's supervision at the Brussels Universal and International Exhibition. The exhibit included showings of "The Golden Door," a film promoting the Port of New York. More than 1,400,000 people including heads of state and dignitaries and ranking businessmen from all over the world visited the exhibit, a successful aid to the opening of the Port Authority's European trade development offices.

PERSONNEL DEPARTMENT

The Personnel Department, under the direction of John D. Foster, is responsible for recruiting and helping to maintain a staff in which each person is qualified to make his contribution to the Port Authority's public program. To fulfill this responsibility, the department's policies and procedures are based on the best possible techniques of public and industrial personnel administration.

The Personnel Department prepares and maintains a complete description for each of the 611 kinds of jobs in the Port Authority. These specifications serve as guides for filling positions by promotion from within the Port Authority or by recruitment from outside the agency.

Under the department's promotion and selection program, promotion or appointment to any position is earned on merit with due consideration for experience and seniority. Applicants must demon-

strate their qualifications in examinations designed specifically for each position.

Supplementing the promotion program is the department's personnel development and training program. Its objectives are to identify and provide the various kinds of training needed by Port Authority staff. Through courses offered by the Personnel Department, employees may improve their technical or managerial skills for better performance in their jobs and for preparation for future advancement.

Each year, the Personnel Department conducts a survey of top business and governmental organizations in the area to assure that Port Authority salaries compare favorably with those paid elsewhere for similar work. Also administered by the department are vacation and sick leave allowances, retirement benefits and group life and health insurance plans which also compare favorably with those of other organizations.

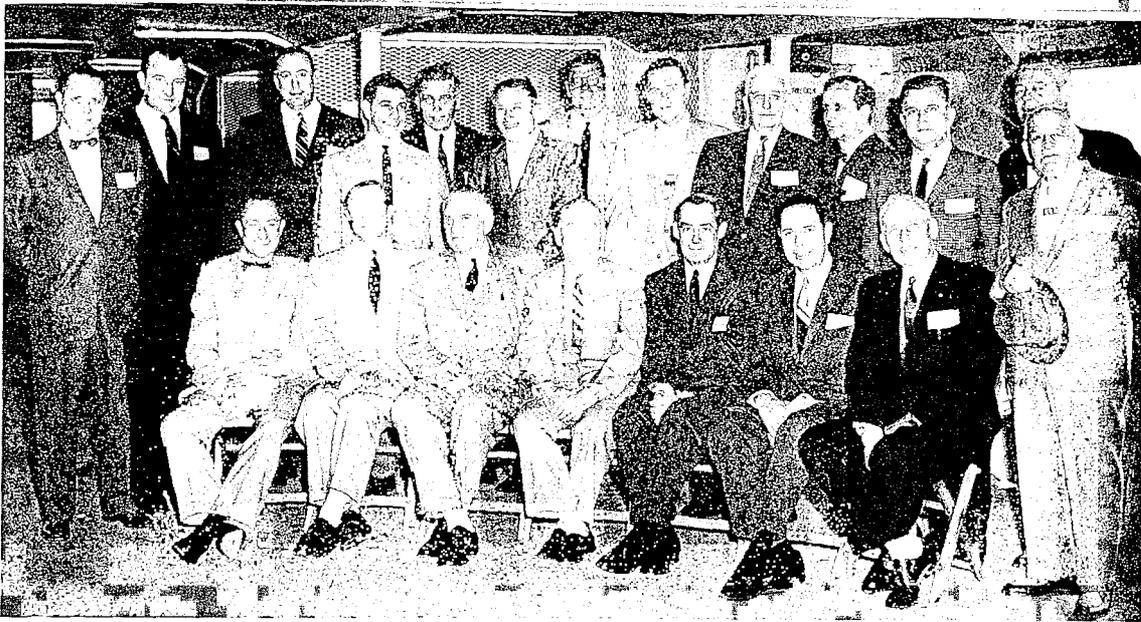
The department's communications program keeps the staff informed about the operations and objectives of the organization. It also encourages questions, suggestions and other forms of active participation to improve operations and provides recognition for the accomplishments of staff members.

MEDICAL DEPARTMENT

Dr. Samuel I. Kooperstein as Medical Director is responsible for planning and administering the Port Authority's medical program which helps maintain the staff's health and efficiency.

The department provides initial care to employees for illness and injury; a health counseling service for employees and their families; dissemination of health education information and administration of the agency's blood bank.

An important part of the medical department's work is the compulsory pre-employment and annual employee examinations it conducts. In 1958, some 5,500 such examinations were made. These enabled the medical staff to observe the individual's physical condition; detect ailments in their early stages; and advise and assist in ob-



Pictured at an inspection of the bi-state harbor by New York and New Jersey municipal officials, standing, are: Mayors Walter E. Boright, Kenilworth, N.J.; Steven J. Bercik, Elizabeth, N.J.; Richard S. Hendey, White Plains, N.Y.; John R. Armellino, West New York, N.J.; Joseph M. Healey, Kearney, N.J.; Francis E. Rodgers, Harrison, N.J.; Joseph F. Regan, Edgewater, N.J.; Chester W. Paulus, New Brunswick, N.J.; William S. Meakin, Rochelle Park, N.J.; Hubert J. Franklin, Rutherford, N.J.; Frank C. L. Merritt, Oradell, N.J.; Deputy Mayor Russell Kupfer, Malverne, N.Y.; and Commissioner Carmine Savino, Sr., Lyndhurst, N.J. Sitting, left to right, are: Mayors William J. Durgin, Westwood, N.J.; George Auslander, Hewlett Harbor, N.Y.; former mayor Irving Zion, Lawrence, N.Y.; Mayor William J. Hurst, Linden, N.J.; Port Authority Assistant Executive Director Matthias E. Lukens; Mayor Gilbert Helman, Hewlett Bay Park, N.Y.; and the former mayor of Little Falls, N.J., Jacob De Young. Over 170 officials attended the inspection.

taining proper medical care and to help assure maintenance of employee well-being.

The department's program is noted in the field of industrial medicine for its especially high quality. It utilizes the most advanced methods and techniques and observes the highest standards known to the medical profession. This Port Authority staff unit constantly conducts research to develop new health methods and improve the medical services provided.

In this area, in addition to \$35,000 appropriated by the Port Authority, the U. S. Public Health Service recently approved the appropriation of \$65,000 which will be used in the investigation of the prevention, treatment and possible cure of the "bends," the painful illness which affects persons working under compressed air.

COMMUNITY RELATIONS DEPARTMENT

The Community Relations Department, directed by Edwin B. Wilson, works with Port District communities to aid in their knowledge of the bi-state port's transportation and trade and the impact of this commerce on the region's development.

In its program of progress report meetings and community contact meetings, representatives of

the department meet with civic leaders and discuss the functions and operations of the Port Authority as well as its program for future Port District development. This program, which includes conferring on community problems related to Port Authority operations, has established a valuable exchange of information between the communities and the agency.

The department's weekly press and speakers bureaus also took active parts in keeping communities informed on port and Port Authority activities.

ORGANIZATION AND PROCEDURES DEPARTMENT

The Port Authority's newest department (formerly the Organization and Procedures Office) provides the Executive Director and Port Authority departments with a management consulting service to increase efficiency and reduce costs.

Comprehensive management surveys of a number of departments and divisions were completed. These surveys, conducted in cooperation with the unit concerned, covered the objectives, functions, organization structure, planning, procedures, work methods and cost controls in each unit and produced significant improvements in services and costs.



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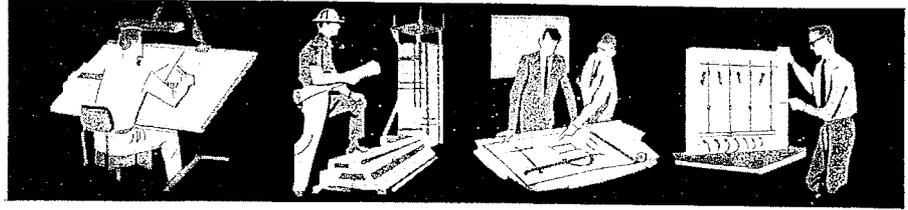
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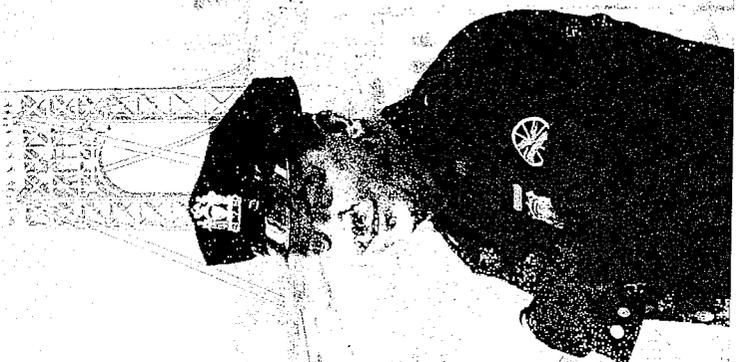
TRUCK TERMINAL N. J.

R. J. WALSH, MGR.

TRUCK TERMINAL N. Y.

R. J. WALSH, MGR.





THE STAFF

Port Authority men and women have a measure of justifiable pride in the unusual depth and breadth of their experience. But, most particularly, they have been recognized for their ability to get things done at the Port Authority's twenty-one public terminal and transportation facilities, at the main offices, and elsewhere.

The best examples of this ability to "do" have been described in previous chapters. Here, under the title of "The Staff," are indicated the 1958 activities of the 4,335 Port Authority employees themselves.

During the year, the fresh energies of 305 newcomers were joined with the experience provided by our longer-service members—109 of whom have devoted thirty or more years to serving the public in their careers with the Port Authority and its facilities. Nine members of the staff joined the ranks of those who earned the Port Authority's highest tributes—the award by the Board of Commissioners of the Port Authority's medals for meritorious service. Recipients in 1958 included an inspection supervisor, a structural engineer, an electrician, a terminal planner, a facility manager and an accountant.

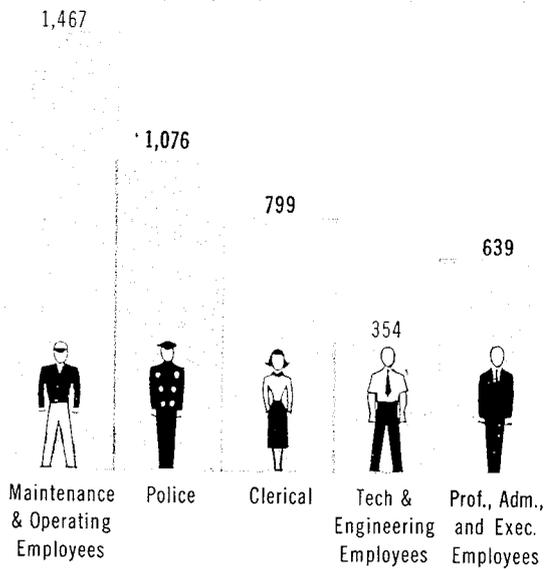
Men and women in every branch of Port Authority operation find many other ways to invest individual interest, talent, time and energy to the job at hand.

Personal improvements for the benefit of both individual employee and the Port Authority, is one of these career "investments." Close to 400 staff members were enrolled for a total of 1,100 courses under the Port Authority's Education Refund Plan, which provides reimbursement for the successful completion at approved schools of





The annual musical production, the "PONYA Show," was one of many employee activities undertaken by the staff during 1958.



Clerical staff members receive instruction in job-related improvement courses conducted for employees by the Port Authority.

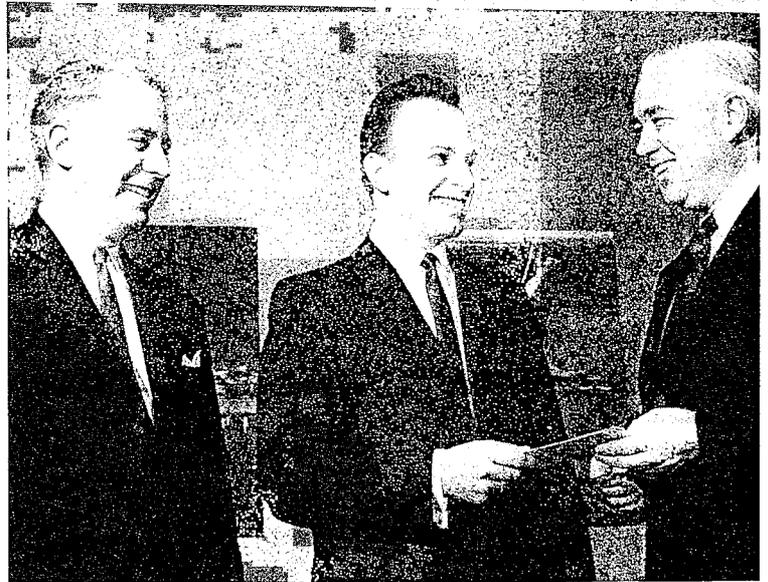
courses related to some phase of Port Authority work. Nearly 900 participated in one or more of the development activities offered through the fifty-four job-related courses on technical, professional and managerial skills conducted by the Port Authority.

Participation in the employee's suggestion system during 1958 surpassed the 1957 effort, which earned the Port Authority staff its fourth consecutive award for the highest participation rate among governmental agencies belonging to the National Association of Suggestion Systems. (The 1957 award was accompanied by a citation for notable improvement over the previous year's record.)

One of the objectives of the multi-faceted development programs, is more effective performance of current job assignments. Another is foresighted preparation for future promotion competition. During 1958, over 2,500 men and women participated in 154 promotion examinations; 470 showed themselves qualified by merit for specific types of positions and 355—or an average of one in eight staff members—advanced to new posts.

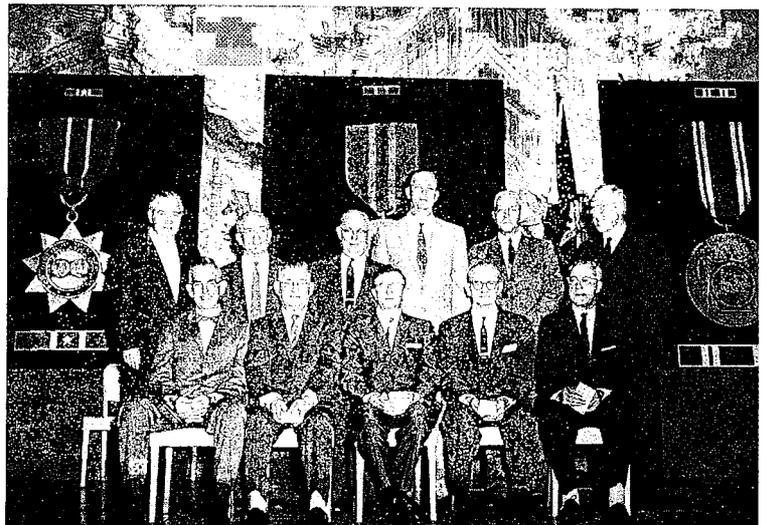
Other activities in which Port Authority men and women pooled their talents and energies toward improvement were numerous. At work they participated in the ever-continuing safety program, in the development of new operating standards and better operating procedures. With colleagues, they gave continued support to the Employees Welfare Fund, donated a record 974 pints to the Employees Blood Bank and maintained an extensive program of recreational activities. In their home communities in New York and New Jersey, they expressed the good citizen's active interest in school, church, civic and welfare projects.

Many instances of especially notable individual and team accomplishment were reported in the pages of the employees' newspaper and the management newsletter. But each of these "mentions" represented only a particularly prominent part of our staff's over-all, every-day pattern of able and concerted accomplishment.



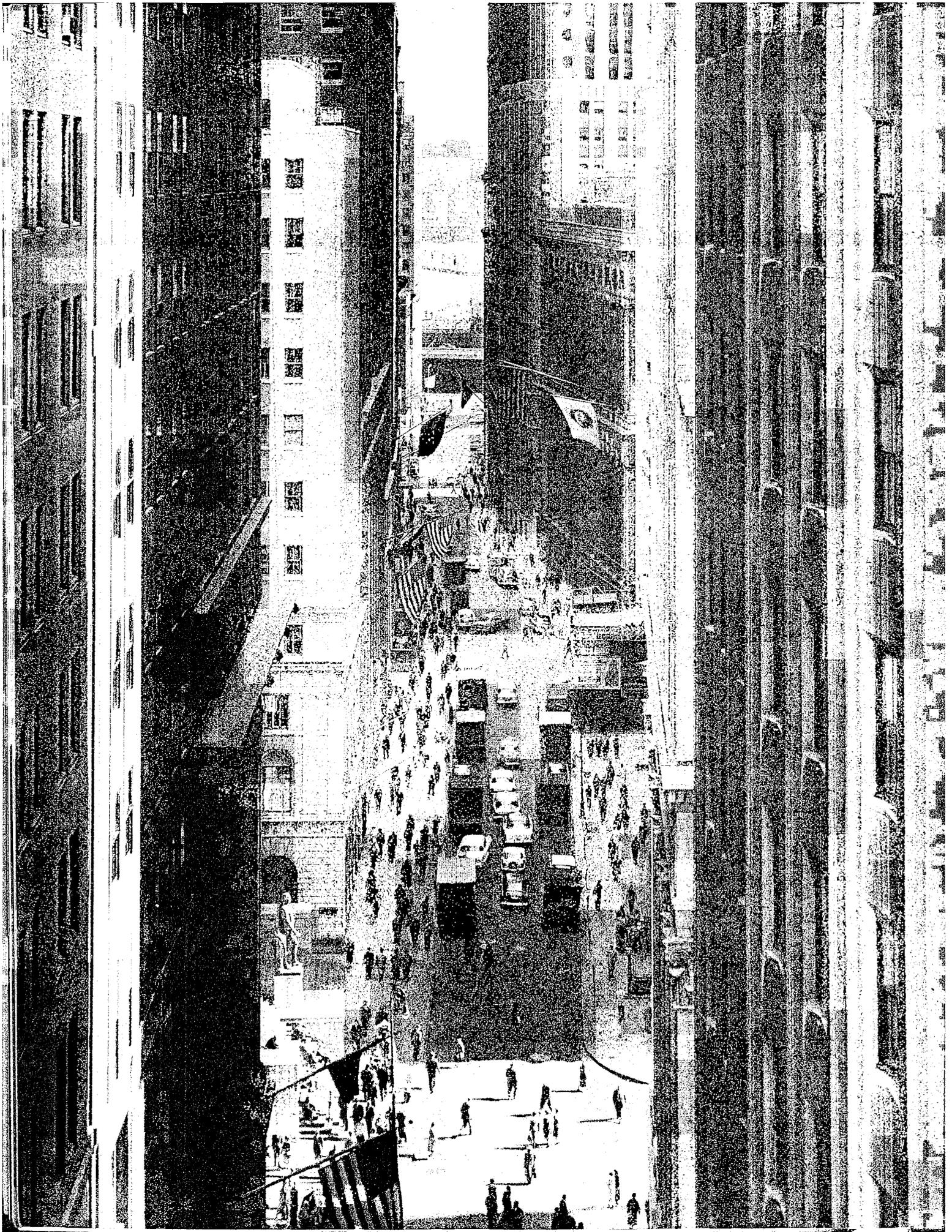
Winner of 1958's best suggestion, George Buesing (center), receives check from Executive Director Austin J. Tobin as John R. Wiley, Director of the Aviation Department, looks on.

Flanked by Chairman Donald V. Lowe (standing, right) and Executive Director Austin J. Tobin (standing, left) are the 1958 recipients of the Port Authority's Distinguished Service and Commendation Medals. In the front row, from left, are Clifford Mellor, William Monahan, Sr., Anthony Manzi, Marion Hackler, and Arne Lier. In the second row, are Mardiros Mardirosian, Martin Christensen, Homer Wright and George Cole.



Admiring their engraved clocks which were awarded for more than thirty years of service, Eugene Reilly (left) and Mahlon Parsons together hold a record ninety-six years of service at several of The Port of New York Authority's public facilities.





FINANCIAL

By the end of 1958, the cumulative amount invested by the Port Authority in its facilities was \$816,700,000. During 1958 alone, \$91,306,000 was invested, principally for construction at New York International Airport, the Brooklyn-Port Authority Piers, Port Newark and for acquisition of the Erie Basin-Port Authority Piers. In the past six years, the Port Authority's cumulative investment in essential transportation and terminal facilities in the Port District has more than doubled from the \$400,600,000 invested at the end of 1952 to \$816,700,000 at 1958's end.

REPORT OF OPERATIONS

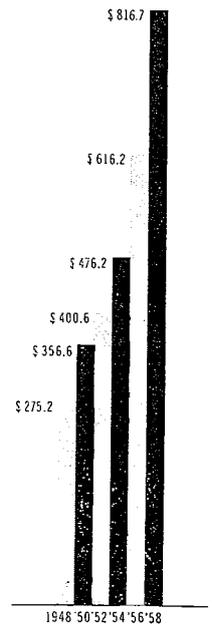
Combined gross revenues of the Port Authority's facilities increased to \$93,183,000 — ten per cent more than in 1957 while operating expenses increased seven per cent to \$42,513,000. Other income, from the Port Authority's investments in U. S. Government and Port Authority Bonds, increased twenty per cent to \$2,677,000. This, however, was more than offset by a downward security valuation adjustment reflecting the lower price levels prevailing in the U. S. Government Bond market at the end of 1958. The Port Authority follows a conservative policy of valuing all long-term and short-term bonds held for investment at the lower of their respective aggregate book or market value. Net revenues available for debt service and reserves totaled \$49,434,000 as compared with \$50,485,000 in 1957.

RESERVES

As required by statute and by its agreements with bondholders, the Port Authority — after paying debt service of \$40,589,000 from revenues and reserves, including \$31,430,000 principal and \$9,159,000 interest — transferred remaining revenues to the various Port Authority reserve funds. These funds had a net increase for the year of \$8,844,000 (Exhibit B). As in the past, the balances of these reserve funds met all requirements of the various Port Authority statutes, agreements with bondholders and established policy of maintaining at year end reserves in excess of the next two years' debt service. At year end, these reserves totaled \$64,682,000 and were only \$755,000 in excess of the next two years' debt service.

The General Reserve Fund, at \$50,799,000, was maintained at its statutory amount of ten per cent of outstanding Port Authority bonds.

CUMULATIVE
P. A. INVESTMENT
IN FACILITIES
(millions)
Restated

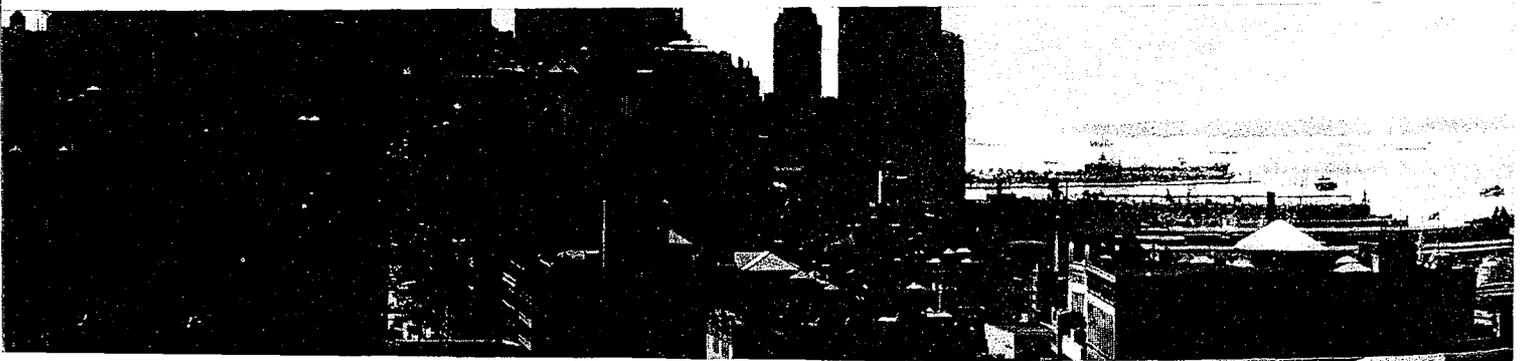


A TEN YEAR COMPARISON (IN MILLIONS)

	10-Year Total	1958	1957
REVENUES AND RESERVES			
Gross Operating Revenues (Note A)	\$630.4	\$ 93.1	\$ 84.7
Operating Expenses	283.3	42.5	39.5
Net Operating Revenues	347.0	50.6	45.1
Other Income			
Income from Investments—Net	14.4	2.6	2.2
Security Valuation Adjustment	(4.5)	(3.9)	3.0
Debt Service (Note B)	356.8	49.4	50.4
Net Increase in Reserves (Note C)	331.2	40.5	31.8
	25.6	8.8	18.6
	10-Year Growth	1958	1957
FINANCIAL POSITION AT YEAR END			
Invested in Facilities	501.0	816.7	725.3
Construction and Other Funds	(6.4)	137.4	100.3
Funded Debt (Note D)	494.5	954.1	825.7
Equity and Reserves	195.1	507.9	420.6
	\$299.4	\$446.1	\$405.0
Equity	\$276.5	\$381.4	\$349.2
Reserves	22.9	64.6	55.8

NOTE A—The totals are presented for general information purposes since the net revenues of the various groups of facilities are pledged in support of particular issues of bonds without availability for other bonds or for expenses of facilities financed by other bonds, except through the medium of the General Reserve Fund.

NOTE B—Includes short term note maturities and accelerated debt retirement.



1956	1955	1954	1953	1952	1951	1950	1949
\$ 76.7	\$ 68.6	\$ 64.1	\$ 59.2	\$ 53.8	\$ 50.2	\$ 42.1	\$ 37.5
37.0	30.4	29.8	26.8	24.4	21.0	16.3	15.1
39.6	38.1	34.2	32.4	29.3	29.2	25.8	22.4
1.5	1.1	1.1	1.0	.9	.7	2.0	.7
(2.5)	(1.2)	.4	.3	(.1)	(.7)	—	—
38.7	38.0	35.7	33.8	30.3	29.1	27.8	23.1
34.1	36.4	34.1	35.5	32.2	27.6	38.1	20.4
4.5	1.6	1.6	(1.6)	(1.9)	1.5	(10.3)	2.6

1956	1955	1954	1953	1952	1951	1950	1949
616.2	531.7	476.2	432.8	400.6	377.5	356.6	315.6
65.8	71.2	59.3	65.4	65.7	56.7	62.4	143.8
682.1	602.9	535.6	498.2	466.4	434.3	419.1	459.5
324.8	279.9	246.7	241.6	241.6	237.1	248.4	312.8
\$357.2	\$322.9	\$288.8	\$256.6	\$224.7	\$197.1	\$170.6	\$146.6
\$320.0	\$290.3	\$257.8	\$227.3	\$193.7	\$164.2	\$139.2	\$104.8
37.1	32.6	30.9	29.3	30.9	32.9	31.4	41.7

NOTE C—1949 is restated.

NOTE D—Bonds outstanding at the end of 1949 include duplication of debt to the extent of \$54,000,000 issued during the year, proceeds of which were used to refund Fourth Series General and Refunding Bonds in 1950, and at the end of 1951, \$3,000,000, proceeds of which were used to refund Series W Notes in 1952.



FUNDED DEBT

As the result of issuing bonds amounting to \$119,000,000 during the year, and retiring bonds amounting to \$31,677,000, funded debt increased from \$420,676,000 at the end of 1957 to \$507,999,000 at the end of 1958. Bond retirements included \$1,011,000 principal amount of outstanding bonds previously purchased by the Port Authority in the open market in anticipation of future years' sinking fund requirements. As a key factor in the maintenance and preservation of its credit, the Port Authority has long followed the policy of retiring funded debt as quickly as sound financial management allows. Owing materially to this policy, the Port Authority's investment in its facilities has, over the years, outpaced the rise in its funded debt. Investment in facilities has grown by \$416,062,000 since 1952, the year in which Consolidated Bonds were established, whereas outstanding funded debt has increased by only \$266,311,000 during the same period.

CONSOLIDATED BONDS

Consolidated Bonds, first issued in October, 1952, were established in order to unify and simplify the Port Authority's financial structure. Consolidated Bonds have come to represent an ever-increasing share of the Port Authority's debt and now constitute over seventy per cent of outstanding bonds.

Consolidated Bonds are secured by the pledge of the General Reserve Fund on an equal basis with the three earlier classes of Port Authority bonds — General and Refunding, Air Terminal and Marine Terminal Bonds. They also have a first lien on the net revenues of the Hoboken-Port Authority Piers, the Brooklyn-Port Authority Piers, the Port Authority-West 30th Street Heliport, the Elizabeth-Port Authority Piers (after construction) and the Erie Basin-Port Authority Piers, as well as on the net revenues of any other facilities hereafter financed by means of Consolidated Bonds. The Consolidated Bond Resolution of 1952 permanently discontinued the issuance of the three older classes of bonds. Eventually,

as these classes are retired at or before maturity, Consolidated Bonds will have a first lien on those facility net revenues presently pledged to the older bonds.

Since these older bonds are still outstanding, the pledge of the General Reserve Fund presently constitutes the principal security for Consolidated Bonds. Facility net revenues individually pledged to the three earlier classes of bonds are available, after payment of debt service on each related class of bonds, to maintain the General Reserve Fund at its statutory amount of ten per cent of outstanding Port Authority Bonds, and to increase the individual special reserve funds which provide additional security for such earlier classes of bonds. As a result, any necessary appropriations from the General Reserve Fund for payment of debt service on Consolidated Bonds are made up by payments to the General Reserve Fund from net revenues of facilities related to the three earlier classes of bonds (Exhibit A).

Consolidated Bond facilities had gross revenues in 1958 of \$4,259,000 and net revenues available for debt service of \$1,861,000.

EARLIER BONDS

Gross revenues of General and Refunding Bond facilities were \$54,827,000. Net revenues available for debt service and reserves totaled \$33,072,000. General and Refunding Bonds have a first lien on the net revenues of the six Port Authority bridges and tunnels, four inland terminals, the Port Authority Grain Terminal and the adjacent Columbia Street Pier.

The Air Terminal Bond facilities produced gross revenues of \$28,612,000 in 1958. Net revenues available for debt service and reserves were \$12,966,000. Air Terminal Bonds have a first lien on the net revenues of La Guardia, New York International, Newark and Teterboro Airports.

Operations at Port Newark, the sole facility whose net revenues are pledged in behalf of the Marine Terminal Bonds, resulted in gross revenues of \$5,483,000. Net revenues available for debt service and reserves totaled \$2,926,000.

REVENUES AND RESERVES

	Year Ended December 31,	
	1958	1957
	(In Thousands)	
GROSS OPERATING REVENUES	\$ 93,183	\$ 84,753
OPERATING EXPENSES	42,513	39,579
Net Operating Revenues	50,669	45,173
OTHER INCOME		
Income on investments—net	2,677	2,218
Security valuation adjustment	(3,913)	3,093
	49,434	50,485
DEBT SERVICE		
Interest on funded debt	9,159	6,146
Serial maturities and sinking fund requirements	11,633	10,118
Short-term note maturities	19,000	13,500
Debt retirement acceleration	796	2,070
Total Debt Service	40,589	31,835
NET INCREASE IN RESERVES	8,844	18,649
Reserve balances—beginning of year	55,837	37,187
RESERVE BALANCES—END OF YEAR	<u>\$ 64,682</u>	<u>\$ 55,837</u>

FINANCIAL POSITION

	December 31,				1957
	1958				
	Capital Funds	Reserve Funds	Operating Funds	Combined Total	Combined Total
	(In Thousands)				
ASSETS					
INVESTED IN FACILITIES	\$816,700	\$ —	\$ —	\$816,700	\$725,394
INVESTMENT IN SECURITIES	69,505	64,035	8,482	142,023	113,628
CASH	10,857	646	1,325	12,829	5,756
OTHER ASSETS	2,961	—	10,846	13,807	11,464
TOTAL ASSETS	<u>900,025</u>	<u>64,682</u>	<u>20,653</u>	<u>985,361</u>	<u>856,244</u>
LIABILITIES					
FUNDED DEBT	507,999	—	—	507,999	420,676
DEBT RETIRED THROUGH INCOME	381,427	—	—	381,427	349,220
RESERVES	—	64,682	—	64,682	55,837
ACCOUNTS PAYABLE AND OTHER LIABILITIES	10,599	—	13,687	24,287	24,154
PROVISION FOR SELF-INSURANCE	—	—	2,748	2,748	2,303
DEFERRED CREDITS TO INCOME	—	—	4,217	4,217	4,052
TOTAL LIABILITIES	<u>\$900,025</u>	<u>\$64,682</u>	<u>\$20,653</u>	<u>\$985,361</u>	<u>\$856,244</u>

See Notes to Financial Statements

THE PORT OF NEW YORK AUTHORITY

Exhibit A

OPERATING FUNDS REVENUES

Year Ended December 31, 1958

	Related to				Combined Total
	General and Refunding Bonds	Air Terminal Bonds	Marine Terminal Bonds	Consoli- dated Bonds	
	(In Thousands)				
GROSS OPERATING REVENUES	\$ 54,827	\$ 28,612	\$ 5,483	\$ 4,259	\$ 93,183
OPERATING EXPENSES	21,876	15,674	2,559	2,403	42,513
Net Operating Revenues	32,950	12,938	2,923	1,856	50,669
OTHER INCOME					
Income on investments—net	472	154	22	19	668
Security valuation adjustment	(349)	(125)	(19)	(14)	(509)
Net Revenues	33,072	12,966	2,926	1,861	50,828
DEBT SERVICE					
Interest on funded debt	1,117	1,765	207	6,068	9,159
Serial maturities and sinking fund requirements	4,690	414	294	6,234	11,633
Short-term note maturities	—	—	—	19,000	19,000
Total Debt Service	5,807	2,180	502	31,302	39,792
TRANSFERS TO AND (FROM) RESERVES	27,265	10,786	2,424	(29,441)	11,035
ANALYSIS OF TRANSFERS					
From General Reserve—to cover net deficit	—	—	—	(29,441)	(29,441)
To General Reserve—to bring to 10% of funded debt	26,424	10,453	2,349	—	39,227
To special reserves	841	332	74	—	1,248
NET TRANSFERS	\$ 27,265	\$ 10,786	\$ 2,424	\$(29,441)	\$ 11,035

Exhibit B

ANALYSIS OF RESERVE FUNDS

Year Ended December 31, 1958

	General Reserve Fund	Special Reserve Fund	Air Terminal Reserve Fund	Marine Terminal Reserve Fund	Combined Total
		(In Thousands)			
Balance—January 1, 1958	\$42,067	\$10,795	\$2,368	\$606	\$55,837
Income on investments—net	1,510	391	85	21	2,009
Security valuation adjustment	(2,564)	(658)	(144)	(36)	(3,403)
	41,013	10,529	2,309	591	54,443
Appropriations for:					
Debt retirement acceleration—payments to sinking funds	—	796	—	—	796
	41,013	9,732	2,309	591	53,646
Transfers (to) and from Operating Funds:					
Deficit related to Consolidated Bonds	(29,441)	—	—	—	(29,441)
Revenues related to:					
General and Refunding Bonds	26,424	841	—	—	27,265
Air Terminal Bonds	10,453	—	332	—	10,786
Marine Terminal Bonds	2,349	—	—	74	2,424
Net Transfers	9,786	841	332	74	11,035
Balance—December 31, 1958	\$50,799	\$10,573	\$2,642	\$666	\$64,682
Represented by:					
Investment in securities	\$50,291	\$10,467	\$2,616	\$659	\$64,035
Cash	507	105	26	6	646

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

December 31, 1958

The Port of New York Authority, created in 1921 by compact between the States of New York and New Jersey with the consent of Congress, has no stockholders or equity holders; all revenues or other cash received must be disbursed for specific purposes in accordance with provisions of various statutes and agreements with holders of its bonds and others.

NOTE A—ACCOUNTING PRINCIPLES:

1. Accounts of the Authority are maintained in accordance with (1) generally accepted accounting principles and (2) because they are appropriate for the Authority, the principles set forth in this Note.
2. Deductions are made from revenues and reserves equal to payments to sinking funds and other principal payments on debt. These deductions are credited at par to the account "debt retired through income," and constitute the effective recovery of facility costs. Therefore, no separate deductions for depreciation are required.
3. The amount "invested in facilities" consists primarily of expenditures to acquire, construct, place in operation and improve the facilities of the Port Authority and includes net discount and expense incurred in connection with bonds and notes issued for construction purposes as well as net interest expense during the period of construction.
4. The statement of combined total revenues and reserves is presented for general information purposes only and the amounts stated do not represent revenues applicable to any particular type of bonds. Debt service on each type of bonds is secured, first, by revenues of certain facilities as set forth in the various bond resolutions and secondly, by the General Reserve Fund. The amount and disposition of revenues applicable to each type of bonds is set forth in Exhibit A and the amount and disposition of revenues applicable to the reserve funds is shown in Exhibit B.

PRICE WATERHOUSE & CO.

56 FINE STREET

NEW YORK 6

February 2, 1959

The Port of New York Authority
New York, N. Y.

In our opinion, the accompanying statements present fairly the financial position of The Port of New York Authority at December 31, 1958 and the results of its operations for the year, in conformity with accounting principles set forth in Note A of Notes to Financial Statements, applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

5. The long-term and short-term securities are stated at the lower of their respective aggregate amortized cost or market values.

NOTE B—COMMITMENTS:

At December 31, 1958, the Authority was committed under various contracts to the completion over the next two or three years of approximately \$155,000,000 of structures. Cash and securities in the capital funds at that date were primarily for these commitments.

NOTE C—GENERAL:

The New York Air Terminals and the Newark Air and Marine Terminals are

leased from the Cities of New York and Newark, respectively. In each case, these leases expire (a) upon the payment by the Authority of all of its funded debt issued in connection with such air and marine terminals or (b) in the years 1997 (New York) and 1998 (Newark), whichever occurs sooner. The Hoboken-Port Authority piers are leased from the City of Hoboken. This lease will expire in the year 2002, unless a fifty year extension is executed on or before that date.

NOTE D—FUNDED DEBT:

On January 20, 1959, the Authority sold \$30,000,000 Consolidated Notes, Series H, 1.92 per cent.

Exhibit C

FUNDED DEBT

Year Ended

December 31, 1958

	January 1, 1958	Issued	Retired	December 31, 1958
	(In Thousands)			
GENERAL AND REFUNDING BONDS				
Eighth Series, 2% due 1974	\$ 17,177	\$ —	\$ 729	\$ 16,448
Ninth Series, 1½% due 1985	7,754	—	75	7,679
Tenth Series, 1¾% due 1985	4,223	—	102	4,121
Eleventh Series, 1¼% due 1986	10,790	—	105	10,685
Twelfth Series, 1½% due 1958-1962	5,450	—	1,090	4,360
Fifteenth Series, 1½% due 1958-1964	25,200	—	3,600	21,600
	70,594	—	5,701	64,893
AIR TERMINAL BONDS				
First Series, 3% due 1978	26,400	—	—	26,400
Second Series, 2½% due 1979	28,562	—	—	28,562
Third Series, 2.20% due 1980	11,786	—	422	11,364
	66,748	—	422	66,326
MARINE TERMINAL BONDS				
First Series, 2½% due 1978	5,922	—	232	5,690
Second Series, 2.20% due 1980	2,720	—	98	2,622
	8,642	—	330	8,312
CONSOLIDATED BONDS				
First Series, 3% due 1982	30,367	—	1,199	29,168
Second Series, 2¾% due 1984	20,000	—	—	20,000
Third Series, 1.70% due 1958-1964	15,125	—	2,625	12,500
Fourth Series, 2¾% due 1985	30,000	—	—	30,000
Fifth Series, 2.90% due 1983	16,000	—	—	16,000
Sixth Series, 3% due 1986	29,400	—	600	28,800
Seventh Series, 3.40% due 1986	25,000	—	—	25,000
Eighth Series, 3.40% due 1987	50,000	—	—	50,000
Ninth Series, 6% due 1958-1961	7,200	—	1,800	5,400
	3¼% due 1962	1,800	—	1,800
	3½% due 1963-1975	19,800	—	19,800
Tenth Series, 3¾% due 1987	30,000	—	—	30,000
Eleventh Series, 6% due 1959-1962	—	8,000	—	8,000
	2.40% due 1963	2,000	—	2,000
	2.50% due 1964-1966	6,000	—	6,000
	2.75% due 1967-1969	6,000	—	6,000
	3% due 1970-1978	18,000	—	18,000
Twelfth Series, 3¾% due 1988	—	35,000	—	35,000
Thirteenth Series, 6% due 1959-1963	—	6,250	—	6,250
	3¼% due 1964-1966	3,750	—	3,750
	3.40% due 1967-1969	3,750	—	3,750
	3½% due 1970-1977	10,000	—	10,000
	2¾% due 1978	1,250	—	1,250
	274,692	100,000	6,224	368,468
CONSOLIDATED NOTES				
Series G, 1.92% due December 15, 1958	—	30,000	19,000	—
(Refunded)		(11,000)		
	274,692	119,000	25,224	368,468
TOTAL FUNDED DEBT	\$420,676	\$119,000	\$31,677	\$507,999

See Notes to Financial Statements

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The Port of New York Authority

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The New York-New Jersey Harbor's broad waterways have made the surrounding region a focal point for trade and transportation. The bi-state port and its unending waterborne commerce is a source of livelihood for one out of every four of the thirteen million who live within twenty-five miles of the Statue of Liberty.

The Port Authority is proud of the fact that close to 52,000 individuals find employment in many organizations at its twenty-one land, sea and air facilities. They earned a total of \$294,180,000 in wages during 1958, while an additional 5,000 persons earned an estimated \$40,000,000 at facility construction projects.

