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THE PORT OF NEW YORK AUTHORITY

111 Eighth Avenue-at 15th Street New York 11 NY

March 10, 1961

TO: THE HONORABLE ROBERT B. MEYNER, *Governor of the State of New Jersey*
THE HONORABLE NELSON A. ROCKEFELLER, *Governor of the State of New York*, and
THE HONORABLE ROBERT F. WAGNER, *Mayor of the City of New York*

On January 27, 1960, the Downtown-Lower Manhattan Association addressed a report to Your Excellencies, the Governors of the States of New Jersey and New York, and to Your Honor, the Mayor of the City of New York, in which it proposed the establishment of a World Trade Center in the New York-New Jersey Port District. The Association recommended to you that the Port of New York Authority undertake a study of the planning, financing, and activation of such a facility of commerce. That Study, authorized by the Commissioners of the Port Authority at its meeting of February 11, 1960, has now been completed.

A World Trade Center in the bi-state Port, as developed in the Study, would bring together the many government agencies, American as well as foreign, for the greatly improved coordination of the governmental and administrative procedures involved in negotiating, financing, arranging for and clearing the movement of import-export cargo through the Port; centralize the existing trade information agencies located in the Port; provide a central marketplace for international trade through the Port; stimulate the entry of United States manufacturers and business firms into foreign trade activities through the Port; and assist overseas concerns and representatives in their negotiations with American agencies and companies using the Port.

The essential findings of the World Trade Center Study are:

1. The establishment of a World Trade Center in this Port would benefit the people of the entire Port area. It would maintain and stimulate the flow of commerce through the Port District of northern New Jersey and New York and thus would increase employment at the marine terminals of the Port as well as in related businesses and industries in the two States.
2. The development of a World Trade Center with its conforming architectural plan developed during the Study is in the public interest and is economically feasible.
3. The unique problems inherent in the financing, organization and operation of a World Trade Center make it probable that the project could be undertaken successfully only by a public agency.

There has been a positive response to the concept of a World Trade Center from representatives of the world trade community. For example, the United States Customs Service, foreign consulates and trade promotion offices, and the New York Stock Exchange have already expressed interest in participating in the Center.

A final decision on the establishment of a World Trade Center can be made only after additional planning and conclusive negotiation with prospective participants. Further progress in these activities,

however, can be made authoritatively only by an organization empowered to enter into commitments and to proceed with financing and construction. We recommend, therefore, that an appropriate organization be authorized to be responsible for the planning, financing and establishment of a World Trade Center in the Port of New York.

The Port of New York Authority has been honored to have had the opportunity to make this Study which, if implemented, can be of enormous significance to the citizens of the States of New Jersey and New York and particularly to the millions of people who depend upon the continued prosperity of the Port of New York for their livelihood.

The Commissioners of the Port Authority respectfully submit this report to the Governors of the States of New Jersey and New York and to the Mayor of the City of New York for their consideration and determination of any further action they may wish to direct toward the establishment of a World Trade Center in the Port of New York.

Sincerely,

Moore

James C Kellogg

Samuel S. Friedman

Donald S. S. S.

Walter J. S. S.

John S. S.

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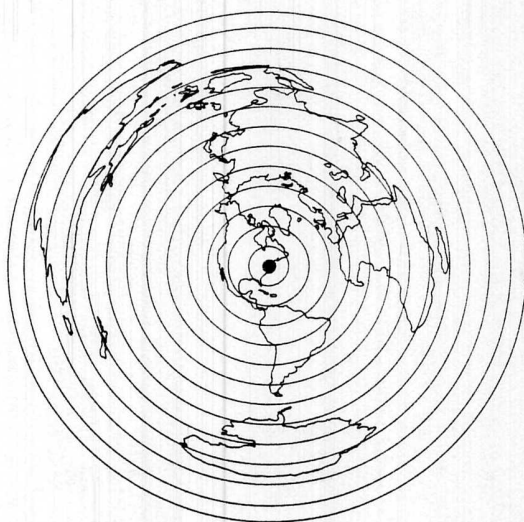
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A World Trade Center in the Port of New York



***A Report by The Port of New York Authority on the need
for and feasibility of a World Trade Center in the
New York-New Jersey Port District***

March, 1961

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Photos of architectural model by Ezra Stoller Associates.

Foreword

On January 27, 1960, a report was submitted by the Downtown-Lower Manhattan Association to the Governors of the States of New Jersey and New York and to the Mayor of the City of New York proposing the establishment of a World Trade Center within the New Jersey-New York Port. The report pointed out that:

"Since the development of a Trade Center involves such broad potential benefits to the Port District, it should attract the support of both private enterprise and government. There is a crucial need for further extensive developmental study if practical and workable plans for an actual physical project are to be evolved. It is appropriate and desirable that a public agency with experience in the planning and development of large and complicated public projects be requested to undertake such a developmental study.

"Under the Port Treaty, the States of New Jersey and New York gave to the Port of New York Authority the prime responsibility for promoting and developing the commerce of the Port of New York. The Port Authority therefore carries on a wide program to encourage and protect the flow of exports and imports into and through the Port of New York. The Port Authority is directed by the Port Treaty to undertake the planning of the future development of the trade and commerce of the Port District."

The report, therefore, recommended:

"That the Port of New York Authority be requested to coordinate and make a detailed study of the planning, financing and activation of a World Trade Center within the Port District. In this connection, it is recognized that the Port of New York Authority would undoubtedly require the cooperation, indeed perhaps the actual participation, of Federal, State and local government agencies and of business.

"That such a study have as its objective the submission of a report containing specific findings and recommendations for the consideration of the Governors and Legislatures of the States of New York and New Jersey, and of the Mayor and governing bodies of the City of New York."

On February 11, 1960 the Board of Commissioners of The Port of New York Authority authorized a Study of a World Trade Center as recommended by the Association. The Governors of the States of New Jersey and New York and the Mayor of the City of New York concurred in the need for such a Study.

The Study was conducted by members of the Port Authority staff who were assisted in specialized fields by consultants. In the course of the Study, greatly appreciated and extensive assistance was received from government officials and private organizations and individuals. Discussions were held with representatives of the United States Treasury Department, the United States Department of Commerce, and other Federal agencies to explore possible areas of their participation in a World Trade Center. Conferences were held with representatives of the States of New York and New Jersey and of the City of New York.

Meetings also took place with representatives of many foreign governments and of all possible areas of world trade activity who might be interested in participating in a project of this kind. These included officials of world trade service agencies, exporters and importers, foreign and domestic chambers of commerce, trade associations and corporations engaged in export activity. Altogether, the Study obtained information from approximately 1400 organizations and individuals involved in various aspects of world trade.



THE NEED FOR A WORLD TRADE CENTER

The generally accepted concept of a World Trade Center involves the establishment and operation of a facility of commerce that would stimulate and facilitate world trade and make more effective and efficient the functioning of related service agencies by bringing together the offices of government and industry involved in world trade activities.

A center was established in New Orleans by the organization of "International House" in 1945 and its companion "International Trade Mart" in 1948. Since then, other world trade centers have been established in San Diego, San Francisco, and Boston, and one is now under construction in Houston. A center also was recently established in Rome, Italy. These centers generally provide merchandise display areas, office space, trade libraries, promotional activities, and related functions. They have in each case reflected a community interest in their establishment and have received, in most cases, public financial support or assistance.

World Trade is Basic to the Economy of the New Jersey-New York Metropolitan Area

The proposal for a World Trade Center in the Port of New York recognizes that the flow of foreign and domestic cargoes through the Port of New York is the most important single economic factor in the prosperity of the New Jersey-New York Metropolitan area. A study conducted by the Port Authority in 1956 indicated that some 430,000 jobs paying over \$2.1 billion in wages each year are provided by the movement of oceanborne cargo through the Port of New York.

Equally important, each of the 430,000 Port jobs creates an economic condition equivalent to two additional jobs—or a total of 1,300,000 jobs,

representing an annual income of \$6.3 billion. Considering the worker and his family, a total of 3,120,000 Port District residents of a total population of about 13,000,000 are found to be directly or indirectly dependent for their livelihood upon the Port's waterborne commerce. Thus, the Port provides the economic basis for existence for one out of every four persons who live in the Port District and provides more than 25% of the total wages earned annually in the Port District.

In addition, the availability of the unparalleled transportation facilities of the Port of New York has been of significant importance to the development of export manufacturing operations in the States of New Jersey and New York. Based on the latest available statistics, 14% of the total United States general cargo exports originate in the States of New Jersey and New York, thus making the bi-state area adjoining the Port the nation's leading export manufacturing center. Indeed, approximately 20% of the manufactured output of the State of New Jersey, valued at more than \$1 billion annually, goes into foreign markets. Approximately 140,000 New Jersey industrial workers are dependent upon this foreign trade for their income. The State of New York sends approximately 12% of its manufactured output valued at more than \$1.5 billion annually into foreign markets. Approximately 206,000 of New York's industrial workers are dependent upon this foreign trade for their income.

The volume of oceanborne general cargo, the most important income-generating segment of the Port of New York's foreign trade, in 1959 climbed to 13.1 million tons, or 8.4% above 1958. The growth of the Port's general cargo, however, did not keep abreast of the national expansion of general cargo in foreign trade. Hence, New York's share of United States oceanborne general cargo declined from 27.0% in 1958 to 24.7% in 1959. Overseas air cargo, consisting primarily of high-value freight, continued its dynamic growth in 1959, increasing 32% over 1958, to 42,600 tons.

In viewing the Port's strong performance in 1959, it must be noted that the record tonnage obscures the fact that the competitive position of the Port as the nation's leading port has been slowly declining since the end of World War II. The 24.7% share of total United States oceanborne general cargo is the lowest which the Port has ever recorded. This low percentage continued the trend which has been evident since 1952 when the Port handled almost 33% of the total United States oceanborne general cargo in foreign trade. The trend is evidenced further by preliminary reports of the cargo tonnages moving through the Port in 1960. Although the volume is higher than it was for the same period in 1959, the percentage share is even lower. This decreasing share reflects the intense competition existing among ports of the United States. It is also representative of the industrial development of southern, midwest, and farwest sections of the nation and the resultant growth of the ports adjacent to these sections. It results too from the many artificial freight rate handicaps which favor other United States ports in their competition with the Port of New York.

It is thus of overwhelming importance to the metropolitan area of northern New Jersey and New York, to its economy and its population, to do everything possible to maintain the pre-eminence of the Port of New

York, to insure that increasing amounts of cargo in foreign trade continue to move through the Port, and to make every effort to preserve and enhance the Port's competitive position as the focal point for United States foreign trade.

The establishment of a World Trade Center in the Port of New York, the nation's leading port and the established center of international trade, thus would be a challenging undertaking. The existing world trade community of the Port includes a complete range of world trade services and involves a multitude of individual organizations and agencies. Not only is the Port of New York the nation's leading port, but to a great extent the international trade community of the United States is focused on the Port. Over one-half of the nation's foreign trade is financed in lower Manhattan. The largest concentration of foreign consulates, exporters and importers in the entire United States is located in the metropolitan area of the Port, and the Port is the natural gateway for the growing influx of foreign business visitors to the United States.

The economic unity of the bi-state Port is exemplified by the operations of this world trade community. Although the service and transaction functions of the community itself are to a great extent located in Manhattan, the cargo with which it is concerned flows across piers located throughout the harbor without regard to state or municipal boundaries. This is illustrated by inbound voyages of four general cargo ships which recently arrived at Port Newark, Jersey City, and Hoboken. These ships discharged approximately 24,000 tons of general cargo involving 832 individual shipments. The processing of the import documents for 821 of these shipments occurred at the Custom House in Manhattan and in most cases was performed by customs brokers whose offices are in Manhattan. Of the total shipments, 657 were controlled by consignees located in Manhattan. These same ships carried approximately 9,700 tons of general cargo involving 543 separate shipments on their outbound voyages. All of these shipments were arranged for by freight forwarders or by shippers located in Manhattan and all export declarations on the cargo were processed at the Custom House in Manhattan. Similarly, the financial, insurance and other necessary service functions vital to world trade, while concentrated in Manhattan, serve all the marine facilities of the bi-state Port area.

Although historically the world trade community is the very basis of the economy of the Port District, to a great extent it suffers today from its dispersal over widely separated areas of Manhattan. A World Trade Center in the Port of New York, therefore, should have as its objective the providing of a focal point for as great as possible representation of the world trade community and of its many and varied functions—consolidated in an effective and efficient working relationship.

On the basis of the Study of the need for a World Trade Center in the Port of New York, a World Trade Center should provide for:

1. The marketing activities of international trade.
2. The multitude of administrative services essential to the movement of goods in international trade including Custom House services.
3. A concentration of the various exchanges for commodities and securities and of the banking institutions which serve international trade.

4. A concentration of informational facilities to enable world traders to transact business more efficiently and expeditiously.

5. A focal point for the world trade community leading to more extensive exchange of ideas and more direct action in the solution of problems in the international trade field.

World Trade Center Benefits to Port

The Study covered the feasibility and the desirability of a World Trade Center designed to provide for this wide range of services and activities. A positive response has been received to the concept of a World Trade Center for the Port of New York embodying these functions. Qualified and competent representatives of every segment of the world trade community have endorsed the proposed World Trade Center as being advantageous to them and to world trade. While this response cannot be interpreted as guaranteeing the ultimate realization of the Center, it provides a sound basis for a reasonable expectation that an economically feasible World Trade Center can be developed.

In general, the approval of the concept of a World Trade Center in the Port of New York-New Jersey resulted from a recognition that such a Center would provide the following advantages to the world trade community and to the Port:

1. Simplify and expedite the processing of administrative and procedural matters involved in arranging for the movement of export and import cargo through the Port, resulting in savings in time and money as well as improved service.

2. Centralize and improve the trade information services now located in scattered areas of the Port.

3. Provide a marketplace for United States products available for export through the Port which would attract foreign buyers from around the world.

4. Provide an international marketplace for import products for United States buyers.

5. Establish a central location for agencies of the United States and foreign governments concerned with the Port's commerce, thereby making it possible for them to serve the world trade community more effectively.

6. Simplify communication among members of the world trade community in the Port, permitting them to identify more easily their common problems, to devise means of solving these problems and to implement programs to achieve solutions.

7. Stimulate the entry of United States manufacturers into export activities by providing information on foreign markets, giving them exposure to buyers for these foreign markets, and offering assistance in identifying and using efficient procedures for their export trade operations through the Port.

Most importantly, to our two States and to the many municipalities along the shores of this great harbor, such a World Trade Center in the Port of New York would have the direct benefit of increasing the amount of cargo

moving across the docks in every area of the New Jersey-New York Port. These increases could be expected to result from the fact that the World Trade Center would:

1. Further enhance the Port's ability to provide shippers with the most efficient possible service.
2. Attract more buyers and sellers to world trade, thus expanding the Port's trade.
3. Bind more tightly to the Port the management offices controlling export and import operations of United States and foreign firms, thus keeping them especially aware of the Port of New York and of the many advantages it offers.
4. Enhance the competitive position of the New Jersey-New York Port by bringing together into more efficient working relationships the participating segments of the Port's world trade community and by serving as a constructive symbol of the Port's leadership in handling international trade.

THE FUNCTIONS OF A WORLD TRADE CENTER

To achieve these potential benefits, a World Trade Center would provide for an extensive representation of the world trade community. As shown on the chart on page 7, the functions of a Center have been grouped into the general classifications of World Trade Marketing, World Trade Services, World Commerce Exchange, World Trade Information Service, World Trade Institute and auxiliary services.

WORLD TRADE MARKETING

Perhaps the greatest challenge lies in the world trade marketing area. A world trade market must be basically a place for the buying and selling of goods.

The various channels of marketing now available to the international trader are numerous. They include distribution channels based in the United States, such as resident buyers or other types of middlemen, which will be described in subsequent sections of this report; the direct use of distribution channels based abroad such as agents, distributors, salesmen or buyers located in foreign markets, and an increasingly important segment of marketing, the direct production of goods in the foreign market area, either through subsidiary corporations or through licensing agreements. Many firms may use several of these different channels of distribution, depending upon the requirements of individual foreign markets or, in some cases, the requirements of specific transactions.

Most proposals for a World Trade Center have involved a marketplace consisting primarily of permanent exhibition facilities. Permanent exhibit facilities, however, are but one aspect of the many and varied marketing mechanisms and activities involved in the conduct and development of world trade. This Study, therefore, has evolved a concept for the provision

of facilities to suit the individual needs of all those agencies and firms involved in the exchange of goods in international trade. Thus, the World Trade Center would provide for the varied office functions involved in international trade operations and also for permanent exhibition of goods, but in quantities and spatial relationships that would suit the needs of the individual participating firms. The concept then is one which focuses both on the goods moving in international trade and on the persons and organizations involved in the exchange of goods.

The proposed World Trade Center, therefore, should include an area which provides (1) substantial quantities of space suitable for permanent exhibits, and (2) office space adjacent to the display areas. This area, combining both office and exhibit facilities, would be available to a continuing flow of buyers throughout the year. The response to this proposal during the Study indicates substantial interest in participation in an area designed along these lines and which might appropriately be called a World Trade Mart. The Study indicates also a general recognition by world traders that significant benefits could be obtained in creating such a central point for world trade marketing operations.

There are three general areas of the international trade process that should be accommodated within a World Trade Mart:

- a. United States Export Activities
- b. United States Import Activities
- c. Trade Promotional Activities

Export Activities in the World Trade Center

While a precise measure of the number of firms in the export trade is not available, studies indicate the following potential market:

- 1) 2,900 United States corporations whose products account for 76% of the total dollar volume of United States exports.
- 2) 200 combination export managers who represent over 3,000 manufacturers, and are responsible for more than half of the dollar volume of business through combination export managers.
- 3) 2,000 general exporters with operations large and stable enough to be considered for possible interest in a World Trade Center.

From the standpoint of export operations, the United States Department of Commerce has stated that less than 4% of the manufacturing concerns in the United States maintain continuing export programs. This concept of a World Trade Mart therefore offers a possible starting point for entry into international trade by the multitude of United States firms which do not now participate. These firms could gain exposure to thousands of foreign businessmen arriving through the Port of New York. The United States Export Expansion Program is aimed at enlarging the number of American firms participating in export trade, and such a program would undoubtedly complement actively the participation of such firms in a World Trade Mart.

Import Activities in the World Trade Center

There are in the United States at the present time approximately 4,200 import establishments. Of these, almost one-half are located in the Port of New York. Our studies indicate that the potential market for interest of importers in the World Trade Center would include:

1) 1,800 import merchants. Statistics from the United States Bureau of the Census indicate that the number of firms and the volume of import business of this group and of the import agents has, since 1954, been growing at a more accelerated rate than that of the over-all import volume. The concentration of world trade services and information facilities is of particular interest to this group.

2) 250 import agents. With the increase of actual buying for the volume of imports for various areas of commerce within the United States, the import agent has become increasingly important. His function does not ordinarily require display space.

3) 150 foreign firms having sales offices in the United States. With the increasing expansion of production of corporations in foreign countries has come an increase in the number of sales offices established by these companies in the United States.

Survey Shows Mart Concept Feasible

Conferences were held with executives of 67 representative national import and export trade associations and with executives of 57 United States corporations exporting abroad, which for the most part represented leading firms in their respective fields. In these discussions, the reaction to the proposed World Trade Mart was overwhelmingly favorable.

There was uneven interest in the Mart by those in the import field. Those importers currently located in market areas for consumer goods have little interest in moving from these market areas. However, they do express specific interest in the more extensive and more easily accessible information which could be available in a World Trade Center. Those importers active in the commodity trades more easily fit into the concept of the World Trade Center. Their interest in participation, however, would depend upon the inclusion in the Center of the various commodity exchanges described in a succeeding portion of this report.

In contrast, there has been active and significant interest in the establishment of national areas within the World Trade Center. As explained in the following section of this report, these national areas would be concerned initially with trade promotion and development rather than with actual business transactions.

Trade Promotion in the World Trade Center

Perhaps the most enthusiastic response to the World Trade Marketing concept has come from those agencies interested in promoting the interna-

tional exchange of goods rather than in actually transacting business. One group of agencies involved in such promotional efforts are the foreign consulates, foreign trade commissions and foreign chambers of commerce. Interviews with 68 of the foreign consulates and trade commissions and with 14 of the foreign chambers of commerce indicated strongly that there is a sound basis for organizing promotional activities through national units. The Mart thus might contain numerous foreign areas, each incorporating the consulate (or at least the commercial section), trade commission, chamber of commerce and sales offices of major corporations or a combination of two or more of these activities of each nation involved.

Another area of participation in the Mart by promotional agencies is that of various United States regional organizations. A prime example of this type of agency is The Port of New York Authority, which unquestionably would move its Eastern Trade Development Office to the World Trade Mart. Similarly, it can be expected that other regional groups of the United States might want to locate exhibit areas in the World Trade Mart. The Study has not attempted to evaluate through actual formal survey the possibility of such participation on a regional basis, although informal expressions of interest have been received from several out-of-town sources.

WORLD TRADE SERVICES

As the nation's leading Port and international business center, the Port of New York is unsurpassed in the scope of services which it offers for world trade. First are the services concerned with the actual movement of goods. For this movement the Port of New York has developed an unparalleled transportation system of railroad and truck networks together with prime airport and marine terminal facilities. A concentration of freight, charter and sales services of the steamship companies, waterway operators, railroads, airlines and truck companies is a necessary part of World Trade Center operation.

The second area of world trade services is concerned with administrative processing of import and export movements. The movement of all goods into or out of the United States is subject to Federal laws and the regulations of the various Federal departments and agencies for the enforcement of the laws. Although a number of departments and agencies concerned with products and commodities moving in foreign trade maintain field offices in New York, the primary responsibility for the enforcement of laws relating to goods moving into or out of the country has been placed with the United States Customs Service.

The hub of the administrative process in moving goods into or out of the United States is customs documentation and clearance. On the import side, this process at the Port of New York is now performed primarily at two locations in Manhattan 1½ miles apart—the Custom House at Bowling Green and the Appraiser's Stores on Varick Street. With certain exceptions, all documents necessary for the clearance of each shipment passing through the New Jersey and New York sides of the harbor are filed at the Custom House, and duties and charges are paid there. For shipments arriving at New

York International Airport, Perth Amboy and Port Newark, the documents may be filed and duties paid at the local branch customs offices. The documentation of the vast majority of sea shipments, including those over the New Jersey piers, occurs however at the Manhattan Custom House.

A portion of every commercial shipment must be physically examined by the Appraiser's staff for determination of dutiable value and for the correct tariff description which governs the rate of duty. While the examination of some kinds and classes of goods may take place at the pier or other point of arrival, or may be made by sampling, packages from a substantial percentage of ocean freight shipments are sent to the Appraiser's Stores for examination. All international mail believed to be liable to duty is also examined there. Shipments arriving at New York International Airport, Perth Amboy and Port Newark are examined at their local branch customs offices.

Whether the examination takes place in the Appraiser's Stores or elsewhere, it is done by the merchandise examiners (sometimes with the benefit of laboratory analysis), whose official reports on the invoices and other entry papers form the basis for the assessment of duty by the Collector of Customs. There is a continuous and heavy flow of papers between the Custom House and the Appraiser's Stores and a great deal of telephone and personal dealing between the Customs officers at the two locations.

Representatives of the Treasury Department having supervision over the Customs Service have stated that a consolidation and streamlining of their activities at the Port of New York would make more efficient operations possible and would enable Customs to provide improved service to the world trade community. The diagrams on pages 12 and 13 show the facilities of the United States Customs Service and how they might be consolidated within the World Trade Center.

Perhaps the most important service that the World Trade Center would offer to international trade and traders is to simplify and expedite the administrative processing of cargo through the Port of New York. Thus, the location within the World Trade Center of all customs clearance facilities in Manhattan, both Collector's and Appraiser's, is fundamental to the trade service concept.

Customs Brokers

As shown in the chart on page 14, the customs broker is vitally concerned with the clearance of imported goods through customs. Each broker must be licensed to practice by the Commissioner of Customs. The 200 licensed brokers at the Port of New York prepare and follow through the customs operation most of the 600,000 formal entries filed here annually, prepare and file 250,000 documents for goods in transit to other ports, post bonds which permit the release of the goods before final determination has been made of the duties to be paid, and perform many other services for their principals. The most important of these services are: (1) determining the type of entry (consumption, warehouse, transit, temporary, etc.) and classification which will best suit the purposes of the importer, and (2)

51 Foreign Consulates
63% of Total

27 Foreign Consulates
33% of Total

397 Freight Forwarders
71% of Total

189 Customs Brokers
95% of Total

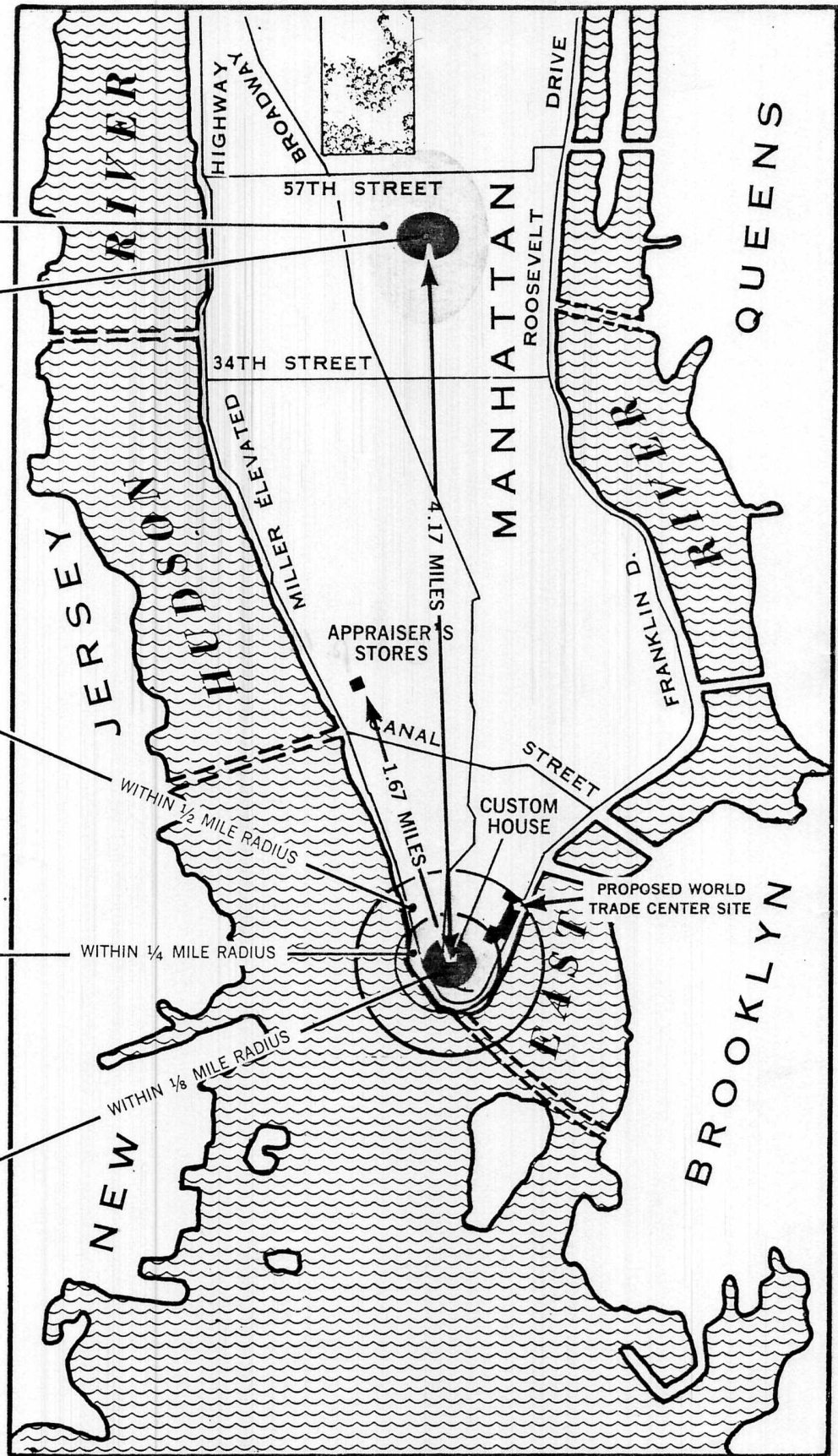
369 Freight Forwarders
66% of Total

180 Customs Brokers
39% of Total

12 Foreign Consulates
15% of Total

218 Freight Forwarders
39% of Total

133 Customs Brokers
67% of Total



LOCATIONS OF TRADE SERVICE AGENCIES

obtaining the most favorable rate of duty and evaluation for the goods. The broker must not only follow the movement of his entry documents through the Custom House and the Appraiser's Stores, but must often consult the Appraiser's examiners before action is taken on the vital matters of rate, value, or marking of goods, and other factors affecting landed costs.

The consolidation of the Collector's and Appraiser's functions within the World Trade Center would result in significant savings in time and money for the customs brokers. About 95% of the customs brokers are presently clustered around the Custom House which is 1½ miles away from the Appraiser's Stores.

Foreign Freight Forwarders

Nearly all licensed customs brokers are also registered as freight forwarders, and engage to some extent in export forwarding. There are 579 registered forwarders in the Port of New York. The size of these firms varies from a one or two man operation, which is to a great extent dependent upon one or two firms for business, to large organizations which handle more than 50,000 transactions a year. These freight forwarders represent 65% of the total registered in the United States, processing approximately 1,838,500 export transactions a year through the marine terminal facilities located on both the New York and New Jersey sides of the harbor. Of these transactions, approximately 30% or about 600,000 documents also require processing through one of the foreign consulates which, for the most part, are located in mid-Manhattan.

As shown on the chart on page 15, the primary function of the international freight forwarder is to arrange for the movement of the goods from point of production or sale to port of export, thence by the carrier and routes best suited to the needs of the exporter, to foreign port of discharge, and beyond that, through his counterpart abroad, to the ultimate destination. He must be expert in his knowledge of shipping practices, cargo handling requirements, freight tariffs, documentation requirements and other technical matters involved in transportation by rail, truck, air, and water in this country and abroad.

The forwarder also prepares many of the export documents such as consular invoices, when required, and the export declarations which he takes to the Custom House for validation. The freight forwarder industry is concentrated around the Custom House but is relatively distant from the majority of the foreign consulates located in the midtown area of Manhattan.

Supporting Services

A wide variety of other service functions are located in the Port of New York and are important to the effectiveness of the Port as the headquarters for international commerce. These include marine insurance companies, admiralty law firms, customs law firms, foreign trade publications and firms dealing in international public relations, advertising and manage-

ment consultation. To a great extent, firms in these fields are located in downtown Manhattan from which they could serve the World Trade Center. Regardless of their proximity to the proposed site, however, it is expected that some of these firms would desire to relocate to the World Trade Center.

Unique Asset of Port of New York

Because of the huge volume and great variety of imports moving through the Port of New York, the Customs officials here have been forced to specialize on a part of the complex operation, or on one class or type of merchandise. The result is that the outstanding specialists in any phase of the customs clearance are found at the Port of New York. The same is true of the customs brokers, many of whom specialize in the clearance of a class or type of product. This combination of government and commercial service is one of the great assets of the Port of New York. Brought together in closer contact in the World Trade Center, their mutual efforts would stimulate, facilitate and expedite the clearance of goods through the Port in ever-increasing volume. Similarly, the bringing together of the foreign freight forwarders, the commercial offices of the foreign consulates and the Custom House would expedite the administrative processes vital to the export activities of the Port of New York.

WORLD COMMERCE EXCHANGE

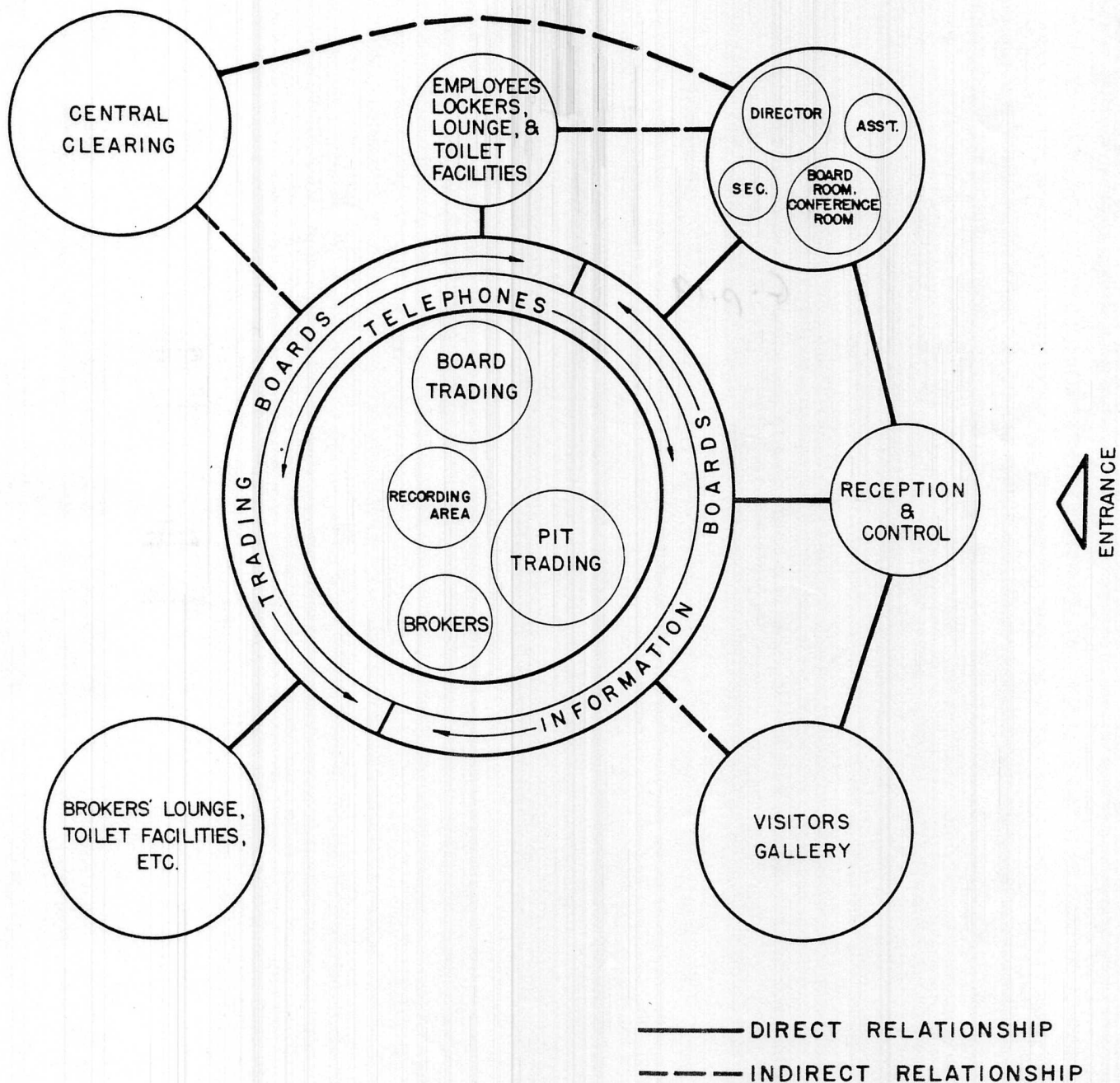
The Port of New York has been historically the center of financial and exchange activities for the United States. These activities are concentrated generally in the downtown Manhattan area, and many of the agencies face problems of expansion and need for close proximity to related activities.

Commodity Exchanges

At present, six of the nation's commodity exchanges are located in the Port of New York. Of the nation's most important commodities, nine (cocoa, copper, sugar, hides, lead, zinc, rubber, coffee, and wool) are traded exclusively at the six Port of New York exchanges. These exchanges are an integral part of the world trade community and a vital component in the highly important commodity trade operations of the Port of New York.

In 1959, the ten key products traded at these commodity exchanges accounted for over 3 million tons of general cargo for the Port, representing 23.5% of the Port's total general cargo. Of the 3 million total tons, 2.7 million were commodity imports, and only 0.3 million were commodity exports.

Several of the exchanges have expressed interest in bringing their activities together at a location where operations would be centralized, but where their individual identities would be maintained. The exchanges' interest in this possibility was motivated primarily by the greater ease with which mem-



ber firms could maintain concurrent operations at several of the exchanges, and by the expectation that operating economies could be achieved by consolidating certain of their administrative activities. Representatives of the exchanges also expressed the belief that a central location would increase exchange activity by promoting a greater public awareness of the exchanges and their purposes.

The diagram and plan on pages 19 and 20 show the activities of the commodity exchanges and how they might be incorporated within the World Trade Center.

Securities Exchange

In the report issued in January 1960 by the Downtown-Lower Manhattan Association proposing the World Trade Center, a recommendation was made that consideration be given to a central securities exchange. This suggestion was based upon preliminary discussions between representatives of the Downtown-Lower Manhattan Association and the officials of the New York Stock Exchange in which the possible interest of the Stock Exchange in such a relocation was indicated, because the Stock Exchange faces a need to expand its physical facilities. During the Study, discussions were continued with representatives of the New York Stock Exchange with a view toward including within the World Trade Center appropriate facilities for the Exchange. The Stock Exchange has expressed its real continuing interest in the project, subject of course to additional planning and negotiation on a more detailed basis.

The New York Stock Exchange has substantial importance in international trade. At the end of 1960 over 300 foreign securities—stocks and bonds—were listed on the Exchange with a total market value of \$6 billion. This total represented every major region of the world. Member firms of the Exchange maintain 140 branch offices in 23 foreign countries and, in 1960, over \$2¼ billion of transactions were handled on the Exchange for foreign investors. Another aspect of the Exchange's importance in world trade is represented by the great number of companies listed on the Exchange which operate plants and/or subsidiaries outside the United States. As of the end of 1958, industrial companies listed on the Exchange had plants, subsidiaries, or both in 110 foreign countries.

International Banking Facilities

International banks and banking agencies in the Port of New York include 24 domestic banks, 23 foreign bank agencies and 57 foreign bank representatives. Together, they finance more than half of the total foreign trade of the United States. They are necessary to the services of world trade since letters of credit, drafts and foreign exchange are processed through them. They are necessary also in the actual underwriting of transactions in the marketplace of international trade. In addition, international financial agencies sponsored directly by the United States Government such as the

Export-Import Bank and the International Finance Corporation are becoming increasingly important in the development of international commerce.

The support of banking interests is a basic factor in the World Trade Center concept. Personal interviews have been held with officers of ten of the major domestic banks of the City, and all support the concept of the World Trade Center.

WORLD TRADE INFORMATION SERVICE

Exporters and importers must have access to a wide variety of information in order to obtain assistance with the myriad problems they face in the complex procedures involved in moving goods in export from one country to another. Such information is required in connection with virtually every aspect of international trade, ranging from simple inquiries regarding location of steamship piers to complex assistance in market research or financing.

Each overseas market poses problems peculiar to that market. The techniques involved in selling and shipping goods to Brazil for example, are vastly different from those involved in moving the same commodity to Great Britain or France. Furthermore, the experience gained in shipping a specific commodity overseas may not be applicable to the movement of a different commodity to the same destination. Thus, in a sense, knowledge of international trade practices must be acquired for each commodity on an individual basis in each market area.

Throughout the Study, the need for an over-all and concentrated Information Service has been stressed by representatives of all areas of world trade. In a sense, of course, the whole World Trade Center would be an information center. Vast amounts of information on various aspects of international trade are at present available in the Port of New York. The problem has always been to make these services more readily available so that governmental representatives, and foreign and American businessmen could take full advantage of this information.

Presently located in the Port of New York are a number of agencies whose function it is to furnish information on a free and unrestricted basis in various aspects of world trade. These include the New York Field Office of the United States Department of Commerce, the Eastern Trade Development Office and other trade services of The Port of New York Authority, the New York State Department of Commerce Field Office, the New York City Department of Commerce and Public Events, as well as information experts of the United States Passport Service and Customs Service. There are also a number of privately sponsored information agencies equipped to offer valuable information services on a limited basis.

Informational organizations at the Port of New York are not centered in any particular location but, rather, are scattered throughout the downtown and midtown Manhattan area. In other words, the fragmentation of world trade activities which is the basis for the need for a World Trade Center itself, is paralleled by a similar fragmentation of sources of trade information. Thus a centralized information service as a basic function of a World Trade

Center would be imperative.

A centralized information service has been from the beginning a fundamental consideration in the planning of a possible World Trade Center, since the Center is conceived as a center of activity for American and foreign governmental representatives and businessmen engaged in international trade. It has been increasingly evident that the establishment of an Information Service, international in its scope and unique in the services it renders, presents a major challenge. The Information Service as part of the plan has been discussed in about 310 personal calls. In each visit the idea was enthusiastically received. This approval has come from government officials, corporation executives, trade association administrators and leaders of chambers of commerce and similar organizations. It is significant that officers of organizations which themselves have extensive information programs are most eager to see a successful over-all service organized. Our mail survey of corporations also has disclosed support for a centralized information facility in the World Trade Center.

The role of the World Trade Center in providing information services should be one of improving the availability of existing services rather than establishing competing informational programs. There is no doubt that such a service must be all-inclusive. It also must be closely allied with international trade and must be recognized and used as a clearing house for international trade information.

WORLD TRADE INSTITUTE

An extensive sampling of the attitude of the foreign trade community indicates a general desire to support the World Trade Center by active participation in some aspects of its program. Personal conferences indicated also that many interested corporations and individuals who are not in a position to occupy space in the Center, want to contribute to or participate in an appropriate membership organization.

There are in existence numerous organizations within the Port of New York which currently conduct programs associated with world trade activities. The establishment of a World Trade Center offers an opportunity to bring together in physical proximity the offices of some of these organizations. This would prove convenient for enlisting the World Trade Center community in support of programs designed to further their common interest in the promotion and expansion of world trade through the Port of New York. With such a centralization of these organizations and from the concentration of the world trade community within the World Trade Center, it would be feasible to form a World Trade Institute to undertake cooperative action in world trade education, promotion and other areas of constructive activity. The Institute would not be a substitute for already existing organizations and their programs, nor would it be a regulatory or directing organization. It would, however, constitute a voluntary rallying point for these activities and might, where appropriate, initiate projects of its own. It is anticipated that such an organization would be initiated by the formation of a committee of leaders in various phases of world trade activity.

AUXILIARY SERVICES

In a development of the magnitude of the proposed World Trade Center, a comprehensive program of services would be required to satisfy the needs of the tenants' employees as well as the needs of business and other visitors. It is apparent, moreover, that provision of such services would also promote over-all interest in the World Trade Center.

A substantial number and variety of stores and services would tend to hold total interest and create an "entity" of the Center. Such services should include hotel accommodations for visitors to the Center, consumer services to provide facilities for the daily needs of its own population, and off-street parking facilities.

THE ESTABLISHMENT OF A WORLD TRADE CENTER

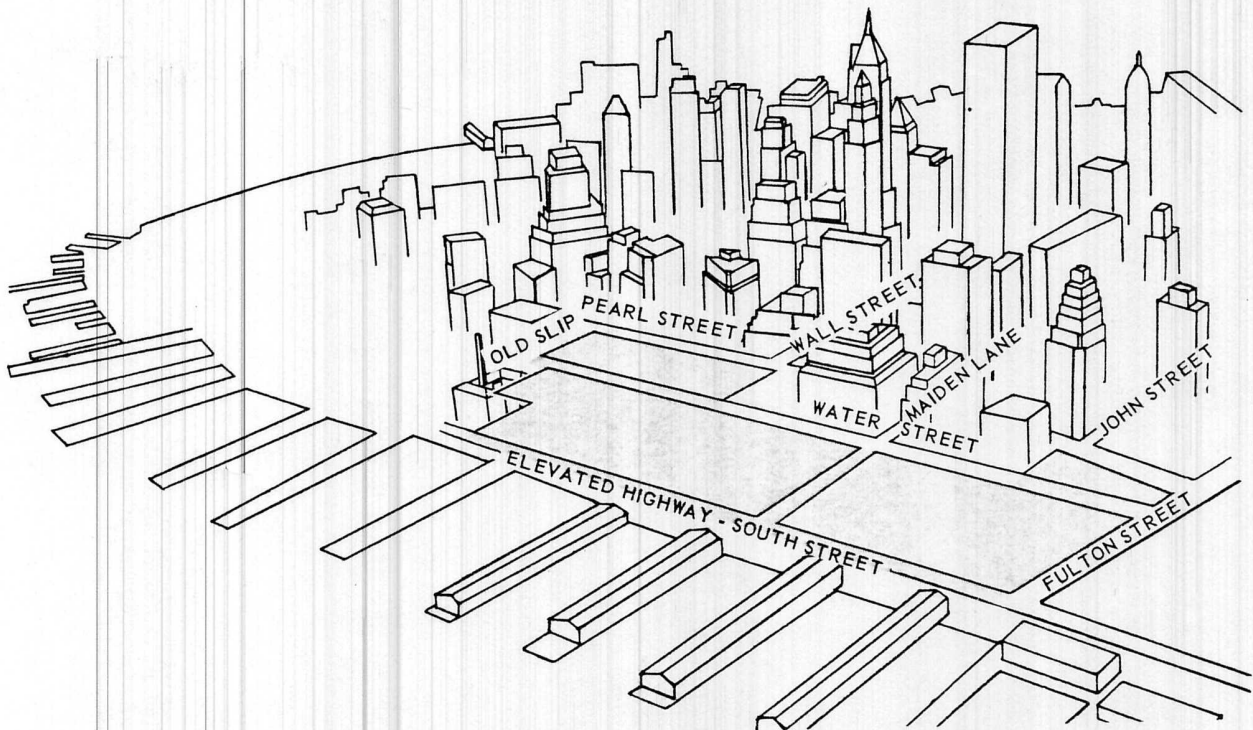
The development and activation of a facility of commerce which would meet the complex requirements of the world trade community to the benefit of the entire Port of New York, would be a difficult and challenging task. This Study has developed a plan for a World Trade Center which would meet this challenge. The proposed World Trade Center would combine functional requirements with esthetic values and appeal. Located in downtown Manhattan it would command a panoramic view of the great bi-state harbor with its thousands of overseas vessels which annually carry almost every conceivable commodity between the Port of New York and every country on earth.

The Proposed Site

In its report the Downtown-Lower Manhattan Association proposed that the World Trade Center be located on a site in lower Manhattan along the East River, bounded by Old Slip, South Street, Fulton Street, and Water Street. This site had been identified by the Association as being appropriate for redevelopment and as presently representing "a drain upon" the economic health of the area.

The site recommended for a World Trade Center by the Association is approximately that which the Study has shown to be the most appropriate in the New York-New Jersey Port District. During the Study, various areas in New Jersey, Long Island and Westchester County, as well as in the City of New York were considered as possible locations for the Center. In considering these other possible locations, various sites were found which possessed a single outstanding quality such as low cost of land or immediate access to mass transportation facilities. None of these locations, however, is as well qualified in general as the proposed site. No other single site was considered to be appropriate when all of the requirements were evaluated.

As shown on the drawings on page 26, the recommended site is located near the traditional core of world trade activity in lower Manhattan. The condition of the area is such that, assuming urban renewal assistance, it should be available at a reasonable cost. Transportation access to this area



PROPOSED WORLD TRADE CENTER SITE

is excellent as shown on the map on page 27. It is served by all three divisions of the New York City Subway system, by the Hudson & Manhattan Railroad, interstate railroad ferry service, the Staten Island Ferry and two City bus lines. These mass transportation facilities, together with the Brooklyn-Battery Tunnel, the Brooklyn Bridge, the East Side and West Side elevated highways, and the future Lower Manhattan Crosstown Expressway, provide an unmatched concentration of transportation services. In addition, the area is served directly by the Port Authority-Downtown Heliport. It is reasonable to assume that this facility will have an increasingly important role in handling international air travellers between New York International Airport and the world trade community in lower Manhattan. The site is also adjacent to an established core of the metropolitan area's business district so that participants in the World Trade Center could maintain a close relationship with the general business community.

Of the 163 buildings in the area, 134 or 83% were built before 1858. Only four were built between 1915 and 1929, the last period of major new construction in this section of Manhattan. This is in contrast to the considerable amount of post-war construction which has taken place in the financial district immediately to the west. Only 14 of the buildings on the proposed site are fireproof. In many cases, upper floors are vacant and boarded up.

As the area has declined in use and quality, scattered buildings have been torn down and converted into parking lots. Most of the buildings are of outmoded design, obsolescent, and have been inadequately maintained. The blocks are small in comparison with average city blocks. There are very few off-street truck loading facilities, so that most material-handling activities have to be conducted on the sidewalks of the narrow streets and cause frequent congestion. Under the present wasteful and inefficient street pattern and because of the multiple ownership of small lots into which the blocks are subdivided, the efficient development of the area by the gradual process of redevelopment by private interests is improbable.

Geological Conditions

The original shore line of lower Manhattan has been periodically altered as the land area in this congested section has been expanded to accommodate the ever increasing demand for additional building sites. Years ago, ocean going sailing vessels anchored at piers and wharfs on the proposed site of the World Trade Center. These piers and wharfs were buried as the land was reclaimed by filling from the old shore line to the present bulkhead line along South Street. As a result, a typical geologic profile through this area, as shown on page 30, consists of man-made fill, soft river silt and deposits of firm sand, gravel and boulders overlying the rock that forms Manhattan Island. The type of rock and the depths to rock formations were verified by a series of borings which confirmed in general, the boring data which had been gathered from engineering firms concerned with other construction projects in the area. The location of rock on the north-eastern portion of the site, however, proved to be deeper than the previous boring data indicated.

The depth of the rock varies considerably, ranging from 30 feet in the southern portion of the site to over 300 feet at the extreme north end.

No structural support could be expected in either the man-made fill or the river silt for the foundation of any buildings that might be erected in this area. Therefore, all foundations would have to be carried to the sand stratum or the underlying rock. Because some of the structures of the proposed Center would be located over the old shore line, buried timber piers, wharfs and ships hulks as well as old building foundations would be encountered in sub-surface construction.

The existence of two subway tunnels and major utility systems in the area would also have to be considered in the location of any structures in this area.

Utilities

An extensive analysis has been made of the existing utilities serving the area of the proposed site. Based upon the anticipated requirements of a World Trade Center for electrical power, communications, water, steam and drainage, it has been concluded that all the necessary utilities are available in sufficient amount or could be provided without economic penalty.

The Financing of a World Trade Center

Construction of the proposed World Trade Center would require an investment of approximately \$355 million. This estimated cost was based upon preliminary but rather detailed foundation, structural, and architectural plans for the entire World Trade Center and included provision for design, engineering and supervision, administration, financing, and other cost elements. The total cost estimate assumes urban renewal assistance and a construction schedule beginning in 1962 and ending in 1968. The method of financing the investment would depend upon the resources of the sponsor.

In evaluating the economic feasibility of the proposed Center, potential income levels were based upon the current real estate market. The rental factors utilized reflect the conviction that the Center would be a most desirable facility for participants and that income could be expected to increase as the Center became established. Estimated operating, maintenance and administrative charges assumed that the Center would be developed and operated as a unit and that high standards would be maintained.

In an undertaking of this magnitude, financial loss is to be expected during a limited initial period of development. It would appear that the proposed Center could achieve an annual break-even position five years after beginning operations, which would be two years after all construction is completed. The cumulative development loss would be eliminated four years later. Although the Center would be self-supporting over the period of its debt retirement, the Center would not produce substantial net revenues. This assumes that there will be payments to the City of New York to hold the

City harmless from loss of tax revenues and, in addition, to reflect some equivalent of taxes on those portions of the Center, other than the exhibit areas themselves, occupied by private persons and firms. Areas which would be tax exempt in their own right if title were in the governmental occupants, as for example the United States Customs Service, would, of course, continue to enjoy the benefit of this status as would areas devoted to general public use such as streets and public parking areas.

The Activation of a World Trade Center

The proposed World Trade Center would have to be an integrated development of the varied world commerce activities of the Port of New York. To be successful the Center must provide appropriate facilities for various specialized trade functions in a manner consistent with the over-all objectives of the Center. Thus there must be a unity of design, construction, and administration which could best be achieved under the guidance of one organization.

The marginal financial return anticipated from the proposed World Trade Center, together with other considerations, suggests that the successful activation of the World Trade Center could be undertaken only by a public agency. The very nature of the World Trade Center and its importance to the general Port community requires that its operation be motivated not by the development of maximum economic return, but by the improvement of the competitive position of the Port to assure its continued prosperity. In addition, the proposed World Trade Center requires extensive participation by government agencies representing the United States, various state, city and local jurisdictions, and foreign nations. The participation of these governmental agencies could most likely be achieved if the development of the World Trade Center were to go forward under the aegis of a public agency.

It should be noted that a final verification of the feasibility of the proposed World Trade Center would depend upon successfully completing negotiations with key organizations and translating into actual commitments the expressions of general approval made by governmental and business executives during the Study. While this Study provides a reasonable basis for the expectation that the proposed Center would be feasible, the hard test of obtaining actual commitments on participation would be basic to a final decision to undertake construction of the Center. Further progress in the development of a World Trade Center, therefore, requires the designation of an agency which would be fully empowered to conduct leasing negotiations and to proceed with construction of the Center if and when it is satisfied that the feasibility of the project is confirmed.

A Physical Plan for a World Trade Center

The plan for the World Trade Center represents a unique architectural solution to the complex problem of providing a unified facility of commerce

The World Trade Center in the Port of New York