

THE WORLD TRADE CENTER

Statement Submitted to
THE CITY PLANNING COMMISSION
of the
CITY OF NEW YORK

by

Austin J. Tobin, Executive Director
on behalf of
THE PORT OF NEW YORK AUTHORITY

City Hall
May 3, 1967
(CP-19753)
(CP-19780)
(CP-19754)

Chairman Elliott and members of the City Planning Commission:

On behalf of the Commissioners of the Port of New York Authority, we particularly welcome the opportunity to place before the City Planning Commission this review of the facts with respect to The World Trade Center, because this great public project, while expanding the trade horizons of the entire metropolitan region will, as well, spark that revitalization of Lower Manhattan which is a basic goal of your Commission. We welcome this opportunity, too, to acknowledge the important contributions which your Commission and the staff experts of your Department of City Planning, have made over the past seven years of joint City-Port Authority planning for the Trade Center project.

The Port Authority's Role

In this review, let us first set this Port project in its proper perspective.

In 1962, the Legislatures of New York and New Jersey directed the Port Authority to construct the World Trade Center. They did so because the two Governors and the Legislators of the two States were convinced, to use the language of the statute itself, that "The flow of foreign and domestic cargoes...through the Port of New York (is) vital and essential to the preservation of the economic well-being of the northern New Jersey-New York metropolitan area," and that the Trade Center will "materially assist in preserving for the two States and the people thereof, the material and other benefits of a prosperous port community."

The Port Authority itself was created almost fifty years ago by such forward-looking leaders as Alfred E. Smith in New York and Walter Edge in New Jersey. They recognized that the prosperity and growth of the port region of New York and Northern New Jersey could not be sustained unless the two States and the cities which shared the bi-state port were pledged to carry forward its development on the basis of a unified, comprehensive plan of port development. They said in their Port Compact of 1921 that:

"The future development of (the Port's) 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."

They created the Port Authority to make such far-reaching plans and to finance and build the public transportation, terminal and trade facilities that they knew would be needed to maintain and develop the Port's commerce. They directed the Authority to finance its program

on a self-supporting, business-like basis. That their foresight and confidence were justified may be measured by the fact that over the years the Authority has raised over \$1.8 billion on its own credit, and done so without any burden to the taxpayers of New York and New Jersey.

The Port of New York has maintained its leadership in the flow of international trade and commerce. The Port of New York is still the greatest in the nation. In 1966, New York's share of total United States foreign trade general cargo increased over the previous year to 17.7 per cent. We handled, in 1966, the largest volume of general cargo shipped through the Port of New York since 1947. But this was the first time in five years that our Port's share of the national volume had risen. While the absolute tonnage of the Port has remained fairly constant, the Port of New York has seen its share of this nation's foreign general cargo slip from over one-third to less than one-fifth.

The City Planning Commission is well aware of the real meaning of these cold statistics: one person out of four in the greater New York area is dependent for his livelihood, directly or indirectly, on the amount of cargo that flows through the Port of New York. You have repeatedly indicated your concern.

You may be sure that our rival ports along the North Atlantic, South Atlantic and Gulf Coasts and, more recently, on the Great Lakes, are fully aware of the impact of foreign trade on their economies. They are fighting aggressively and effectively for a larger share of this

country's overseas trade. They have modernized their port facilities and are energetically soliciting traffic. Many of them have established or are planning trade centers of their own.

Modern Piers and Docks

Here in the Port of New York, we too, have carried forward the work of providing new and modern pier and dock and airport and terminal facilities. Since 1945, the Port Authority and the City of New York have been engaged in extensive marine terminal development programs. For the Authority's part, we have invested almost \$290 million in the Port's piers and docks, with an additional \$27 million scheduled for expenditure on marine terminal construction in 1967.

We are financing and developing, and operating six marine terminals: the two miles of modern piers and docks along the Brooklyn shore from Brooklyn Bridge to Atlantic Basin, the Erie Basin docks, the Grain Terminal and Columbia Street pier on the New York side of the Harbor; and the dock and terminal developments at Port Newark and Elizabeth and the Hoboken piers in New Jersey.

Our Brooklyn piers and docks have increased the cargo handling capacity of that part of the City's waterfront from 1,700,000 tons of cargo a year to 3,500,000 tons. Together with the Erie Basin docks and other Brooklyn waterfront properties we have modernized, we now have under development some three and one-half miles of New York's waterfront along the Brooklyn shore.

I would like to make it clear to the Commission that the piers, docks and their supporting facilities at the Port of New York are the best

in the world. There is a popular misconception that the dock system at the Port of New York is obsolete and inadequate. That was true twenty years ago, but it is not true today. It is a misconception that arises, I think, because when people think of the Port, they think only of the broken-down, dilapidated, old wooden piers that line the Manhattan waterfront along the lower West side and the East River. As another by-product of the Trade Center, I might note that we have nearly completed the job of demolishing and removing the ghastly old wrecks of piers along the lower West side, from the Brooklyn Battery Tunnel entrance north to Liberty Street. But these old wrecks are merely vestiges of the past and the true picture of the Port of New York is reflected in the miles of modern docks and terminals that serve the 25,000 cargo ships that load and unload here every year and that are served, in turn, by 23,000 longshoremen and hundreds of thousands of other port workers.

As you know, the Port Authority has no jurisdiction over City-owned piers and can involve itself in their modernization only after specific request of the City. In 1947 and again in 1949, at the request of Mayor O'Dwyer, we made full scale studies of development and improvement programs for New York City piers. On both occasions the City rejected our proposals in favor of plans of the Department of Marine and Aviation.

At the request of the Mayor, the Port Authority over the past year did a major study of passenger ship terminal operations in the Port of New York with a view to formulating a program for development of modern, efficient and attractive terminal facilities for passenger ships on Man-

hattan's Hudson River. The Commissioners of the Port Authority welcomed this opportunity to work with the City toward the goal of meeting the Port of New York's crying need for new passenger ship accommodations. Last week, as you know, we submitted our report of the results of our study to the City. We found and reported that, for an investment of \$76,500,000, a new consolidated passenger ship terminal could be built to provide New York with attractive, pleasant, efficient and modern facilities which would appropriately reflect New York's proper pride in its position of leadership as the crossroads of world travel. If the City wishes, the Port Authority stands ready to discuss with the City how it might be possible for the Port Authority to carry out this program. If the City of New York prefers to undertake the project on its own, the Port Authority would, of course, cooperate to the fullest extent.

Airports

Since 1946 we have, under the terms of a Lease Agreement with the City, had full responsibility for the planning, financing, development and operation of Kennedy and LaGuardia Airports. As of the present time, at least, LaGuardia and Kennedy are the best and most modern in the world. These two airports alone now handle 30 million domestic and overseas passenger trips, and over 600,000 tons of cargo annually. The Port Authority has invested \$526.6 million in these two City airports. Not only has this enormous amount of capital been provided without burden to the City's taxpayer, but under our revised airport agreement, the City received rental payments for 1966 of more than \$5,400,000.

The Need for the Trade Center

But to meet the trade challenges of the future, our leadership in physical facilities is not enough. No matter how modern our piers, docks and airports may be, they must have the backing of a modern marketplace where the world's greatest international trade community can transact its business efficiently and with the fastest dispatch that modern communications and a centralized marketplace can provide. Every tool and convenience of modern business must be at hand for processing the essential documentation which accompanies every shipment of our overseas commerce.

Every responsible person or agency that has studied the problem over the past twenty-five years has come to the conclusion that something must be done to streamline these processes and procedures of business and government involved in the handling of the Port's foreign trade. As your Commission reported in your March 1966 report "The World Trade Center - an Evaluation;"

"It seems clear, in this regard, that a major new World Trade Center would have a positive effect on commercial activities connected with the port. The assemblage of port-related functions in one central location would undoubtedly improve the efficiency of these complex transactions and would dramatically underscore the pre-eminence of the port."

The need is mirrored most sharply in our expected future volumes of trade with the world. It is estimated that by 1970 sales by American firms to overseas markets will reach \$40 billion, twice the volume of our 1961 overseas sales. United States imports in 1970 are expected to reach nearly \$29 billion, again double the value of our imports five years ago. We must be equipped to do the promotion and servicing job that is needed

if New York is to obtain its share of this growing mountain of export-import cargo.

American businessmen have done a tremendous job in the last decade in penetrating the overseas markets. Our sales to Japan have increased by 150 per cent; those to the United Kingdom are up by 95 per cent; our exports to West Germany and Italy are up more than 200 per cent each. These gains are only forerunners of even greater increases in international trade. We have not yet felt the economic impact of the developing nations, which have such great potential as trading partners. We must assure that the Port of New York gets its rightful share of this future trade and commerce. We must protect and foster an atmosphere of world trade and leadership.

The Role of the Trade Center

This, then, is the job of The World Trade Center--to provide New York's tremendous overseas trade and business with a central marketplace, a Trade City within Downtown Manhattan. The Trade Center will expedite, modernize and multiply the efficiencies of our foreign trade business. It will coordinate at a single location the functions, services and activities of our overseas commerce, backing them up with the resources of today's electronic communications and data processing. It will permit our world trade services at the Port of New York to function as an integrated community--with quick interchange of information and proposals, prompt processing of documents and rapid consummation of transactions.

It will house the Port's services related to the movement of trade, including the collection and appraisal functions of the United States Customs Services which are now located a mile and a half apart. It will house the trade services of foreign government trade agencies; the foreign departments of the principal American and foreign banks; the offices of those mainstays of world trade--the freight forwarder and the customs house broker; marine insurance and admiralty law firms; and steamship, rail, truck and air carriers.

An important service will be the establishment, within the Center, of a World Trade Information Service which will provide the international businessman with assistance in understanding and keeping abreast of world trade markets, international trade regulations, and trade opportunities. American businessmen will also benefit from the Center's Trade Institute which will foster education, promotion and research in world trade.

Tying these services together will be the most advanced communications system ever designed for commercial use, matched only by the scope and sophistication of the systems currently operated by the military. This system will make available in every trade office in the Center, large and small, finger-tip access to central computer processing services and to information storage and retrieval units that will provide instant data on every aspect of world trade.

As an international marketplace, the Trade Center will have attractive exhibit areas where American and foreign businessmen will display their products to thousands of potential buyers from all parts of the world.

The Center's site in downtown Manhattan is in an area which has always been associated with the movement of trade between the United States and the world's markets. Its physical plan, developed by the world-famed architectural firms of Minoru Yamasaki and Associates and Emery Roth and Sons, calls for the construction of two great 110-story tower buildings rising majestically from a five-acre plaza surrounded by four low-rise plaza buildings.

The development of the architectural design of the Trade Center was a gradual process. We simply gave Yamasaki our space and our functional requirements and told him that we had come to him, after intensive study of his buildings, because we were attracted by the quality of his work as reflected in his office, university and exhibit buildings, and his development of attractive plaza areas. We told him that despite our space requirements, we did not want the necessary 10,000,000 square feet of space housed in fortress-like building-line to building-line structures. The Port of New York's position of pre-eminence in world trade was to be reflected in these public buildings by their architectural significance and by the harmony of their proportions. And so it was that, as his design progressed, the plaza area spread out and, to meet our space requirements, the tower buildings thrust upwards.

Yamasaki developed over one hundred models before he submitted the final design and form of the structures. No effort has been spared to provide a great public facility which will exist in harmony with the vibrant City which it will be a part. Your Commission itself, after its March 1966 review, reaffirmed your conclusion that the Trade Center will

bring long-range benefits to the City, both symbolically and financially; that it will have a stimulating effect on commercial activities connected with the Port; and that it will be a major asset to Manhattan, spurring its continued growth as the nation's management and business center.

History of the Trade Center Project

The concept of a Trade Center to promote the expansion of port trade originated here in New York twenty years ago. In 1946, the State of New York organized The World Trade Corporation. That Corporation considered providing an exhibit center for foreign trade displays. This, of course, is only one of the many functions which will be housed in the World Trade Center we are discussing today. This idea of an exhibit center was pursued for several years during Mayor O'Dwyer's administration, then dropped in favor of the then greater need to rebuild the City's piers.

In 1960, the business and shipping interests and the insurance and real estate men who comprise the extensive membership of the Downtown-Lower Manhattan Association revived the idea of a World Trade Center to promote the commerce of the Port of New York. They reported to Governor Rockefeller, Governor Meyner and Mayor Wagner that such a Trade Center would "assist immensely in servicing the constantly increasing volume of international commerce," and that it would benefit not only labor and business in the Port, but also manufacturers, large and small, throughout the Port District whose products were or could be sold abroad. The Association asked the Governors and the Mayor to request the Port Authority to undertake a detailed study of the planning, financing and construction of such a center. The Governors and the Mayor agreed that the Port Authority should go forward with such a study.

In March, 1961, the Port Authority submitted its report on the results of its study to the Governors of New York and New Jersey and to the Mayor of the City of New York. At the same time, the report was submitted to every member of the Legislature of New York and New Jersey.

The report concluded that a World Trade Center would benefit the people of the entire Port area by maintaining and stimulating the flow of international trade in the Port.

City Joins in Trade Center Planning

Mayor Wagner promptly designated your then Chairman, James Felt, as the City's liaison with the Port Authority for the continued study of the project. At this stage in the planning, the site was on the east side of Manhattan and the plan included facilities also for the New York Stock Exchange.

The States of New York and New Jersey were at first unable to agree on details of the bi-state legislation by which they would direct the Port Authority to carry out the project. Then, in December 1961, just before he took office, Governor Hughes worked out an agreement with Governor Rockefeller and between the legislative leaders of the two States for moving the site of the project to the west side of Manhattan where it would be coordinated with the Manhattan Terminal of the Hudson Tubes railroad facility. Mayor Wagner was immediately advised of this change in plan and again designated Chairman Felt as his representative to review it in detail.

Chairman Felt represented the City at the December 28, 1961 meeting held between representatives of Governor Rockefeller, Governor-Elect Hughes and the Port Authority to discuss the legislation necessary to authorize the joint project. At that meeting, Chairman Felt recommended against inclusion of the Stock Exchange in the Center. The Port Authority's planning proceeded thereafter on the assumption that the Stock Exchange

would not be included in the Center. Chairman Felt continued to represent the City at the series of meetings to draft the enabling legislation which eventually was adopted as Chapter 209, Laws of New York of 1962.

Chairman Felt and Joseph Leiper, as the Planning Commission's Director of Transportation Planning, also attended and participated actively in the series of meetings between the Port Authority staff and a group of City officials headed by then City Administrator Charles Tenney at which the memorandum of agreement on general principles to govern the cooperation of the City and the Port Authority in the effectuation of the port development project was jointly written. Chairman Felt reviewed this draft with Mayor Wagner personally and obtained his concurrence therein on February 28, 1962. The City thereupon supported the Port Project legislation and it was passed in both States with overwhelming legislative support.

During the week of December 15, 1963, Mayor Wagner and many other officials of the City of New York, including Chairman Ballard and Vice Chairman Bloustein of your Commission, reviewed the Yamasaki plan for the Center buildings. Chairman Ballard and Executive Director Richard Bernstein accompanied Commissioners Orton, Sweeney and Guggenheimer when they reviewed the World Trade Center model and discussed Center plans with staff of the Port Authority on January 14, 1964. Shortly thereafter the plans were released for public review.

On January 24, 1964 representatives of all the interested New York City departments met with Port Authority staff for a detailed review of the World Trade Center plans. Chairman Ballard again attended with a number of members of your staff.

On April 30, 1964, Mayor Wagner formally established a coordinating committee of 17 City officials to cooperate with the Port Authority in the effectuation of the World Trade Center plan. A Subcommittee on Streets and Traffic, under the Chairmanship of then Manhattan Borough President Dudley, included the Chairman of your Commission and the heads of the Traffic, Police, Fire and Highway Departments as well as the Chairman of the Transit Authority.

On May 19, 1964, the first meeting of the Subcommittee on Streets and Traffic took place and began its review in detail of the World Trade Center plans. The City Planning Commission was represented by Irving Ashworth, Joseph Leiper, Max Kozerowitz and John B. Girardi, Jr. Thereafter, the staff of the Planning Commission recommended numerous changes in the plans to accommodate traffic and pedestrians in and around the Trade Center site and these changes were incorporated, along with the recommendations of the other members of the Subcommittee, in the plans to which the Subcommittee gave approval in its report to Chairman Milton Mollen on October 30, 1964.

On March 22, 1965, the Port Authority staff met with Messrs. Jack Smith and Sam Joroff of your Planning Department and its consultants, Whittlesey and Conklin, architects; Wallace and McHarg, planners; and Alan Voorhees and Associates, traffic consultants, to review the plans for the World Trade Center as part of the Lower Manhattan Study being carried out by your Commission.

On May 5, 1965, Port Authority officials met with representatives of the City Planning Commission, Regional Plan Association and Tri-State

Transportation Committee to review, among other subjects, the City Planning Commission's plans for the Lower Manhattan Study, including the relationship of the Trade Center to the Study. In attendance were Chairman Ballard and Messrs. Bernstein, Leiper, Jack Smith and Alan Sloan of your staff.

On October 1, 1965, testifying before a New York State Senate Standing Committee on the Affairs of the City of New York, Chairman Ballard evaluated the World Trade Center project as a key factor in your Commission's goals for the redevelopment of Lower Manhattan and the realization of the potential of the City's waterfront. He testified too, to the complete coordination and full cooperation between the City and the Port Authority in the planning of the Trade Center project.

On December 27, 1965, your Commission briefed various civic and planning organizations on your proposal for the development of Lower Manhattan. Again, The World Trade Center was included as a key element in this plan.

In the second month of his Administration, Mayor Lindsay was given a full and complete briefing on the Trade Center project by your Chairman and staff. At the request of the Mayor, your Commission then made a formal written report and evaluation of The World Trade Center project. This March 1966 report affirmed your Commission's participation in the planning of the project and approval of its basic features.

Discussions between the City and the Port Authority looking toward agreement on the many details involved in the effectuation of such a major project as this, went forward with Deputy Mayor Price serving as

Chairman of an ad hoc City committee on which your present Chairman, Donald Elliott, was a member. On August 3, 1966, the following joint statement of the accord reached between the City and the Port Authority as a result of these discussions, was announced jointly by Mayor Lindsay and Port Authority Chairman, S. Sloan Colt:

"The City Administration and the Port of New York Authority announced today a nine-point agreement clearing the way for immediate construction of the \$525,000,000 World Trade Center in Lower Manhattan.

"The accord, culminating weeks of intensive negotiations between the Mayor's Negotiating Committee and the Port Authority, was announced jointly by Mayor John V. Lindsay, Deputy Mayor Robert Price, Chairman S. Sloan Colt of the Port Authority and Austin J. Tobin, Executive Director of the bi-state agency.

"Mayor Lindsay and Chairman Colt said that the agreement, which they described as a "framework of partnership and mutual understanding," establishes a practical, working relationship through which the City and the Port Authority would operate in close coordination on other projects designed to further enhance the position of the nation's No. 1 port.

"Among the projects given significant momentum by the agreement, are:

(1) A plan under which the Port Authority will create 28 acres of valuable new land for the City on the Lower Manhattan waterfront by providing landfill for obsolete piers along the Hudson River between Battery Park and the World Trade Center.

(2) A speedy determination of the economic feasibility of constructing a major consolidated steamship passenger terminal along the Manhattan Hudson waterfront.

(3) A South Brooklyn urban renewal project which would provide for the development of approximately 1,600,000 square feet of space upland of the Port Authority's Brooklyn piers to accommodate modern cargo-handling facilities including over 1,000,000 square feet to serve as upland space for the handling of containerized cargo.

The Mayor and Chairman Colt said in a joint statement:

'The program gives full recognition to the City's legitimate financial interests both in the World Trade Center and in Port development while preserving appropriate recognition of the Port Authority's responsibilities as a bi-state agency.

'In this framework of partnership and mutual assistance, we hope to move ahead rapidly on a series of projects to benefit the entire Port area.

'We are particularly indebted to George M. Shapiro who at the invitation of the Mayor and the Port Authority agreed to participate in these meetings. He brought to the discussions a unique knowledge of State and City relationships and rendered an outstanding public service in the development of the agreement."

Mr. Shapiro was a member of Governor Dewey's legal staff in Albany from 1945 to 1954 and served as Counsel to the Governor from 1951 to 1954. He is now a partner in the firm of Proskauer Rose Goetz & Mendelsohn.

The highlights of the agreement include the following points:

1. When the World Trade Center is completed, the Port Authority will make annual payments in lieu of taxes to the City equivalent to the taxes which would normally be paid by a private developer on all office, store and hotel space leased to World Trade Center occupants who are engaged in private enterprise.

For the first year of completed occupancy, this "in lieu" payment is estimated to be \$6,175,000. Over the life of the project the payment will be increased or decreased to the extent that the tax rate and assessed valuations on comparable privately-owned properties rise or fall.

2. During the period of construction of the World Trade Center, the Port Authority will pay \$1,697,737.11 annually in lieu of taxes, which represents the full amount of taxes paid to the City by the former owners of the properties on the site.

3. The Port Authority will expend approximately \$7,500,000 on improvements for City facilities, in the course of construction of the World Trade Center. Street widenings, street grading, improved sewer facilities, larger water mains and three pedestrian underpasses will be provided under this program. There will be no expense to the City for the relocation of other City utilities and traffic control facilities within the site, nor for modifications required to permit improved access to subway facilities at the Center.

In addition, the Port Authority will aid in the City's proposed program to widen Liberty Street from the Hudson River to the East River by assuming the cost of acquisition of a key block between Maiden Lane and Liberty Street east of William Street. This property is required for the widening of Liberty Street to handle river-to-river traffic.

4. The streets surrounding the World Trade Center will be widened for improved traffic circulation. The Port Authority will convey approximately 160,000 square feet of its property for this purpose. The City streets in the interior of the site will be closed and made available for Trade Center purposes.

5. The City will convey to the Port Authority five parcels of City-owned land within the site, comprising approximately 17,000 square feet, at their fair market value determined by a joint appraisal.

6. The Port Authority will, as requested by the City, improve its relocation program grants to tenants presently on the site. Shopkeepers on the site will thus be entitled to liquidation grants and small business displacement grants comparable to those provided in Title I urban renewal projects in the City.

7. The Port Authority and the City will work together on plans to create a new land area for the City of approximately 1,230,000 square feet - or 28 acres - facing on the Hudson River between Battery Park and the World Trade Center site. This land area would be created by the Port Authority as part of the World Trade Center construction program by building a suitable retaining structure along the pierhead line in the Hudson River and depositing suitable materials excavated from the site in the enclosed area.

It is estimated that the City could realize as much as \$30 million from a sale of the filled-in land to private developers. The landfill project would be an immediate step toward achieving the basic goals of the City to strengthen the downtown business core, to take maximum advantage of the potential great beauty of downtown's waterfront for building and park area.

One of the proposed uses for the filled-in waterfront area is a large middle income housing project directly overlooking the harbor area. It is estimated that development of the site will also produce a substantial new source of taxable property resulting in millions of dollars of tax revenues annually for the City.

The landfill program will require federal approval. It is estimated that the cost of the landfill program to the Port Authority will be \$8 million to \$10 million.

8. The Mayor, Chairman Colt and Mr. Tobin emphasized that close cooperation between the Port Authority and the City will continue on other projects as planning for the entire Port region proceeds. In this connection, they called attention to the Port Authority progress on the study being conducted, at the City's request, of a consolidated passenger steamship terminal on the West Side of Manhattan. The Port Authority has already determined that the consolidated terminal should comprise nine passenger ship berths on the Hudson River. The study looks toward the most modern terminal conveniences for arriving and departing passengers and visitors. The Port Authority has assured the City that every effort will be made to attain this objective promptly.

The Mayor, the Chairman and Mr. Tobin expressed the hope that the project will be found to be economically feasible, and the Port Authority assured the Mayor of its all-out effort to reach that goal. A definitive report is to be submitted by the Port Authority to the Mayor within the next four or five months.

9. Deputy Mayor Price said that he would undertake to restudy, in conjunction with the Borough President of Brooklyn and the Port Authority, the urban renewal project publicly announced on March 23, 1964, by Borough President Abe Stark for improving the South Brooklyn waterfront to facilitate the handling of containerized cargo. The plan envisions the redevelopment of about 60 acres, situated north of Hamilton Avenue and bounded generally by Van Brunt Street on the west, Congress Street on the north and Hicks Street and Brooklyn-Queens Expressway on the east.

One part of the twofold plan contemplates medium and light manufacturing development. The other, to which the Port Authority would contribute an investment of \$6,620,000, would include 1,030,000 square feet of upland area and 570,000 square feet to be improved with buildings especially designed for distribution of cargo and off-street loading and unloading of trucks."

Overwhelming Public Support of the Trade Center

It is very seldom that an important public project, particularly a project such as the World Trade Center which has national and regional, as well as local significance, has received such overwhelming public support from Federal, State and municipal officials concerned with international trade. The leading civic, trade and labor organizations in the New York-New Jersey metropolitan area have also praised the Center and have actively supported it.

The late President John F. Kennedy, in his speech before the Economic Club, complimented New York and the Port Authority on their plans to go forward with the Trade Center, and noted its importance in connection with this Trade Expansion Act and its importance in the whole national effort to market America's products overseas.

The World Trade Center has also received the enthusiastic support of Secretary of State Dean Rusk, Secretaries of the Treasury Douglas Dillon and Henry H. Fowler and Secretaries of Commerce Luther Hodges and John T. Commor. Former Under-Secretary Franklin D. Roosevelt, Jr. appeared before the Council to reiterate his support of the Trade Center.

Secretary of State Dean Rusk, participating in a presentation of the World Trade Center plans to the Washington diplomatic corps, said:

"We welcome the plans of the Port Authority to provide facilities for the encouragement of trade and to provide a place where all citizens, as they come to New York, can see the vital part that trade plays. We are committed to a major effort to expand our trade."

In May 1964, Secretary of the Treasury Douglas Dillon stated:

"The Treasury wholeheartedly supports the concept of the Center because it offers space in which we can combine our Customs services that are now scattered in different locations all over the town. The Center would, in our view, furnish an ideal solution for facilities that are today in many respects outmoded, inadequate and inconvenient. It would save us money and manpower and would also enable the Treasury markedly to improve service to the public by bringing together Customs and the users of Customs, the agents of steamship firms, Customs brokers and the many others who would lease space in the Trade Center."

These views have been reiterated by the present Secretary of the Treasury, Henry H. Fowler.

Former Commerce Secretary Connor publicly expressed the view that "The World Trade Center...will provide an outstanding facility for expansion of overseas commerce."

As you know, The World Trade Center has also been wholeheartedly endorsed and supported by Governor Nelson A. Rockefeller of New York and Governor Richard J. Hughes of New Jersey.

Public statements recognizing the importance of and the need for The World Trade Center have been made by the following civic and trade organizations, many of whom have, I understand, communicated directly with you to reiterate their support of the Center:

- Bronx Board of Trade and Chamber of Commerce, Inc.
- Brooklyn Chamber of Commerce
- Citizen's Housing and Planning Council
- Citizen's Union of the City of New York
- Commerce and Industry Association of New York, Inc.
- Downtown Brooklyn Association
- Downtown-Lower Manhattan Association
- International Executives Association
- New York Chamber of Commerce
- Queensborough Chamber of Commerce
- Regional Plan Association, Inc.
- Staten Island Chamber of Commerce
- Washington Heights Chamber of Commerce
- West Side Association of Commerce in the City of New York, Inc.

New Jersey State Chamber of Commerce
Bergen County Chamber of Commerce
Hoboken Chamber of Commerce
Jersey City Chamber of Commerce
Greater New York Chamber of Commerce
Passaic Area Chamber of Commerce
Eastern Union County Chamber of Commerce

Unfounded Attacks on the Trade Center

Despite this support and acclaim of the Trade Center and despite this recognition of its significance and importance to the Port of New York, to the whole metropolitan area and to the nation itself, it is opposed by the head of the syndicate which owns the Empire State Building. He does not want a Trade Center taller than the Empire State Building in New York City. His opposition to the Trade Center project began only after we announced that components of the project would be taller than the Empire State Building. He has organized and is supporting a front organization called The Committee for a Reasonable World Trade Center. He has gone to the courts and they have found that his arguments had no merit. He has gone to the Legislature and been defeated. He has gone to the Congress and been defeated. He has conducted throughout a scurrilous campaign.

The public record answers all his attacks.

Litigation

While the City and the Port Authority have been moving forward in close cooperation with the planning of The World Trade Center, both have been confronted with litigation designed to halt the Trade Center project.

In July 1962, the Corporation Counsel of the City of New York joined Port Authority counsel in defense of the action instituted by a group of merchants on the site to have the enabling legislation declared

unconstitutional. Judge Adrian Burke wrote the decision of the Court of Appeals upholding the statute in every respect. In declaring the Trade Center's purpose of "the gathering together of all business relating to world trade" to be a public purpose, Judge Burke noted that "the history of western civilization demonstrates the cause and effect relationship between a great port and a great city." This first case terminated in favor of the project in November, 1963, when the United States Supreme Court dismissed the appeal from the Court of Appeals "for want of a substantial federal question" and then dismissed the group's petition for a rehearing.

In September 1964, Mr. Lawrence Wien of the Empire State Building brought suit against the Port Authority, the City of New York and the individual members of the Board of Estimate to have The World Trade Center project declared invalid and its progress enjoined. The Corporation Counsel joined in the defense of the action. When the Port Authority's proceedings for condemnation for World Trade Center purposes were instituted Mr. Wien and his associates opposed the condemnation petition.

The Port Authority's application to acquire the property needed for The World Trade Center project was granted by State Supreme Court Justice Sarafite after he determined that "the present plan submitted by the Port Authority contemplates a taking for a public purpose and is not in violation of the statute authorizing The World Trade Center." Justice Sarafite rejected Mr. Wien's attack with a finding that "In view of the testimony of the Port Authority now before the

Court, it is idle to assume that by further examination the respondents will be able to establish other than public, proper and correct motives to the Port Authority."

Justice Sarafite was unanimously affirmed by the Appellate Division of the Supreme Court, First Department. The Court of Appeals again affirmed and the United States Supreme Court again rejected the case.

Nevertheless, Mr. Wien is back in the courts with the same rejected arguments. Within the last month, he has brought three more suits, one against the City and two more against the Port Authority.

Other Deceptive Charges and the Answers

When the design and plan for the Trade Center was announced in January 1964, we estimated the cost of construction, that is, payment to contractors, at \$350 million. All of our public statements, including our official financial statements, made it clear that this cost did not include administrative, engineering and property acquisition costs which we estimated at more than an additional \$100 million. Thereafter, progress on the Trade Center was delayed, in part by the litigation, for over two years. The total project estimate of \$575 million includes the cost of this delay, the cost of escalation, increasing construction costs, and final modifications and additions to the low-rise buildings. There is, therefore, no direct relationship between the estimate of construction contracts of \$350 million made three years ago and the total cost of the project.

So also, it was alleged as a fact by Mr. Wien in a recent newspaper advertisement that the 110-story design would require "twice as much steel--and steel of a more expensive quality--than would be required for several less lofty skyscrapers with the same total floor space. This extra steel cost will be \$115 million." (emphasis added) The fact is that our total steel costs will be under \$85 million.

In a similar vein, Mr. Wien has made grossly inaccurate and exaggerated reports recently concerning possible interference by the Trade Center structures with television reception in the metropolitan area. As noted in the City Planning Commission's report on the Trade Center in March 1966, tall structures in New York City regardless of whether they are 30, 70 or 110 stories in height, create problems of reception and transmission.

We have been working closely and continuously with the Television Broadcasters on arrangements which we hope will prevent any problem of interference with television receptions arising from construction of The World Trade Center.

We have, in fact been working cooperatively with the Television Broadcasters on this problem for more than a year with the aid of the best consultants in the industry. Preliminary studies would indicate that this interference can be avoided by having Stations broadcast from the World Trade Center.

The technical studies and our understanding with the Broadcasters should be in final form shortly. The Port Authority is very confident that a mutually acceptable arrangement for realizing the potential of The World Trade Center for television broadcasting will be arrived at.

Contrary to Mr. Wien's dire predictions, the Trade Center is going to be a successful project - not only economically, but functionally as well. At this early stage of construction, with first occupancy still three and one-half years away, over five hundred private firms involved in world trade have reserved space in the Center. Their requirements for space in the Trade Center total over two million square feet. Considering the Custom House space, the requirements of the State of New York and of the Port Authority itself, as well as the space required for auxiliary services and parking, we are certain the ultimate problem will be a shortage of available space in the Trade Center rather than a shortage of tenants from the world trade community.

In this connection, I should note that only those private firms involved in world trade activities are allowed to rent space in the Trade Center. In October of 1964, the Port Authority Board of Commissioners adopted the following policy statement:

"...this Board has not authorized and does not intend to authorize private tenancies in The World Trade Center having no connection with the purpose of providing centralized accommodations, functions, activities and services in World Trade and Commerce."

These eligibility requirements are strictly enforced. We have rejected many firms which wanted space in the Trade Center. In several cases, we have rejected firms desiring to rent several hundreds of thousands of square feet of Trade Center space because the firms did not meet our eligibility requirements.

Those firms participating in the Trade Center represent the entire spectrum of world trade activities. Our tenants to date include 234 export, import and manufacturing firms, 102 freight forwarders and customs brokers, 19 international banks, 63 steamship lines, agents and brokers, and 85 other vital world trade service firms. Many of these are foreign firms. This overseas participation, of course, comes primarily from the industrialized nations with representation from the United Kingdom, France, Belgium, Italy, Japan, Germany, Sweden, The Netherlands and other countries.

Our banking tenants thus far include international offices of the First National City, Chase Manhattan, Bankers Trust, Franklin National, Manufacturers Hanover, Chemical New York, Midland Bank of London, Credit Lyonnais, and eleven others from other cities in the United States and overseas. Their requirements total approximately 350,000 square feet.

In addition to these 500 private firms, twenty-one State and regional government offices and twenty foreign governments have agreed to use the Trade Center as a means of servicing cargo documents or to develop their trade activities. Since the announcement of the project, we have invited some 80 nations to participate in The World Trade Center. We have had the active assistance of the Department of State in discussing the Trade Center with the representatives of these governments. The nations which have already accepted include India, Bulgaria, Burma, Republic of China, El Salvador, Korea and the Philippines. Most of the other governments have indicated their very definite interest, and active discussions are under way both here in New York and abroad, to determine how each of them might best utilize the Trade Center for their trade activities.

Another important asset will be New York's new Custom House which will consolidate all of its offices and its examination and appraisal areas in the Trade Center. These customs facilities are now scattered among four locations in Manhattan. Since Congress approved the participation of Customs in the Trade Center in September 1965, we have proceeded with detailed design activities in conjunction with the Bureau of Customs and General Services Administration. The resulting Customs installation in the Trade Center will provide a most efficient processing headquarters for the millions of customs documents which annually accompany the flow of cargo through this great Port.

We have also been working closely with the State of New York in connection with the centralization in the Trade Center of most of the State offices now located in the City of New York. This consolidation, announced by Governor Rockefeller in January of 1964, is in accord with the general State policy of consolidating the State's offices in each of the State's major cities. We expect that the basic lease document, which will detail the agreement we have reached with the State Office of General Services, will be completed in the near future. Then, in accordance with State statute, it will be submitted by General Services to Comptroller Arthur Levitt for his review. We are confident that he will find the terms of the lease fully meet his standards of economy for the State.

The Trade Center is only a part of the Port Authority's program of providing needed transportation and terminal facilities. Large as the Trade Center is, it represents less than half of our total

capital program over the next seven years. This comprehensive program of continued Port Development includes airports, docks, terminals and the continued reconstruction of PATH.

We are confident that The World Trade Center project will continue to move forward within the framework of City-Port Authority cooperation and coordination of effort which has marked the project since its inception and to which your Commission has contributed so importantly.