

development fund, into which all surplus revenue not immediately required will also be paid. We propose that the contingencies and development fund, together with accumulated surpluses, be applied to and for the following purposes :—

(i) Supplementing the earnings of the sinking fund if they should fall below the estimated average rate of $3\frac{1}{2}$ per cent. per annum.

(ii) Extending and improving the approaches as and when necessitated by increases in the volume of the traffic.

(iii) By arrangement with the appropriate local bodies, extending and improving the streets and roads feeding traffic to the approaches.

(iv) Meeting the cost of making good any extraordinary damage to the bridge and its approaches not covered by the allowance for ordinary maintenance and upkeep.

(v) Assisting the appropriate local bodies to meet the cost of providing special facilities—*e.g.*, bus terminals and shelters—necessary for the efficient handling of increased traffic.

(vi) Reimbursing the interest-bearing portion of the capital sum provided by the Government at an earlier date than that at which it would be amortized by means of the sinking fund.

(vii) After reimbursement of the portion of the capital sum referred to in the preceding subparagraph (vi), reimbursing the sum of £500,000 provided by the Government interest-free for a term of twenty years, with interest accruing thereon at the rate of 4 per cent. per annum from the expiration of that term.

We recommend that, after making such provision as the Government deems prudent for the matters referred to in subparagraphs (i) to (vii) and after reviewing the actual financial results of operation, the Government, if it is satisfied that a reduction of toll charges is warranted, should reduce such charges directly and/or by making provision for return and other concession rates. We are strongly of the opinion that the contingencies and development fund and any accumulated surpluses should be entirely at the disposal of the Government, to be used for the foregoing and other purposes of a cognate nature at such times and in such manner as it considers proper.

In our answer to the question set out in clause (3) (c) of the order of reference we estimated the capital cost of the bridge and its approaches, at *present-day prices*, to be—

	£
Bridge structure	2,200,000
Approaches, &c. (first stage only as previously defined) . .	550,000
Interest during construction	250,000
	£3,000,000

The above estimate was arrived at after paying due regard to factors such as the following :—

(1) World-wide shortages of steel, paint, and construction plant; lack of competition among contractors; and abnormally high freights.

(2) Local shortages of cement, timber, electric energy, fuel, technical staff, skilled labour, and transport.

If, as we recommend, a period of at least five years is allowed to elapse before incurring any expenditure save on investigations, designs, and economic studies of the project, we venture the opinion that the capital cost should not exceed £2,400,000, made up as follows :—

	£
Bridge structure	1,750,000
Approaches, &c. (as above)	450,000
Interest during construction	200,000
	£2,400,000