(*b*) *Annual Costs and Revenue.*—We calculate annual costs on the conservative basis that the capital cost of the bridge and approaches, with interest during construction, is £3,000,000, as set out in our answer to clause (3) (*c*) of the order of reference. From this we deduct the interest-free sum of £500,000, leaving net capital cost for purposes of computing annual expenditure at £2,500,000.

	£	s.	d.
Estimated Daily Revenue—			
Motor-cars, 4,000 at 1s.	200	0	0
Motor-lorries, 1,000 at 2s. 6d. (average)	125	0	0
Passengers, 16,000 at 1d.	66	13	4
Sundries (bicycles, motor-cycles, &c.)	8	6	8
	£400	0	0

	£	£
Estimated Annual Revenue—		
£400 (daily revenue) x 365		146,000
Estimated Annual Costs—		
Interest at 4 per cent. on £2,500,000	100,000	
Sinking fund : $\frac{1}{2}$ per cent. on £2,500,000	12,500	
Contingencies and development fund : $\frac{1}{2}$ per cent. on £2,500,000	12,500	
Maintenance, operation, and administration	20,000	
		145,000
Estimated annual surplus		£1,000

While we have considered it wise to frame our revenue and expenditure account on the basis of the capital cost of the bridge and approaches being £3,000,000, we reiterate the opinion we have already expressed that the cost may not exceed £2,400,000. We invite attention to the subjoined Table I, which shows the effect on surplus earnings of capital costs ranging downwards from £3,000,000 to £2,400,000 :—

Table I.—Surplus Revenue calculated on the Basis that the Interest-rate is 4 per cent. as shown above, that Revenue is £146,000 as set out above, and that Net Capital Cost is taken as Gross Cost, less the sum of £500,000 interest-free for Twenty Years

Net Capital Cost.	Annual Expenditure.	Surplus.
£	£	£
2,500,000	145,000	1,000
2,400,000	140,000	6,000
2,300,000	135,000	11,000
2,200,000	130,000	16,000
2,100,000	125,000	21,000
2,000,000	120,000	26,000
1,900,000	115,000	31,000

We have also considered it wise to make our estimate of revenue from traffic on a conservative basis, and in doing so we have had regard to the possibility of the growth of traffic being retarded for some years by continuing shortages of motor-vehicles, motor-spirit, and tires. It is to be noted, too, that the traffic volume on which we have based our estimate of revenue is that which may be expected in ten years time, and that