

traffic will probably tend to increase at a more rapid rate after the bridge is completed. The subjoined Table II illustrates the effect on surplus earnings of variations in traffic volume :—

Table II.—*Surplus Revenue calculated on Basis that the Net Capital Cost is £2,500,000 as above, that Annual Expenditure is £145,000 as above, and that Traffic Volumes vary as shown hereunder*

Daily Traffic Volume.					Revenue from Sundries.	Annual Operating Result.	
Toll-paying Vehicles.			Toll-paying Passengers.	Non-toll-paying Buses.			Total Vehicular Traffic.
Total.	Cars.	Trucks.					
3,750	3,000	750	12,000	375	4,125	£ 6½	£ 35,470 deficit
*5,000	4,000	1,000	16,000	500	5,500	8½	1,000 surplus
6,250	5,000	1,250	20,000	625	6,875	10½	37,470 surplus
7,500	6,000	1,500	24,000	750	†8,250	12½	73,939 surplus
8,750	7,000	1,750	28,000	875	9,625	14½	110,409 surplus
10,000	8,000	2,000	32,000	1,000	11,000	16½	146,878 surplus

* Toll-paying traffic assumed by Commission for 1956.

† Estimated traffic in 1965.

This table ignores increased costs of administration (toll-collection, &c.), resulting from increases in traffic volume.

The most important item in the annual expenditure is the interest to be charged on capital cost. For the reasons we have already given, we consider that the rate should be fixed at 4 per cent. per annum. The subjoined Table III shows the effect on annual expenditure of variations below and above that rate :—

Table III.—*Effect on Annual Financial Results of Variations in the Interest-rate charged on Net Capital Cost, where Net Capital Cost is taken as £2,500,000 and Annual Revenue is £146,000 as shown above*

Interest-rate, per Cent.	Operating Results.
3	£ 26,000 surplus.
3½	13,500 surplus.
4 (rate recommended by Commission)	1,000 surplus.
4½	11,500 deficit.
5	24,000 deficit.

We append a further table—Table IV—of comparative toll charges, from which it can be seen that the rates recommended by us, which we regard as initial rates only, compare favourably with those charged in other cases that we have cited. We recommend also that, as and when the revenue position permits, the Government reduce the toll charges as suggested earlier in this report, either directly or by the provision of return and other concession rates, or both.