

specific taxes such as gasoline taxes are used to finance current expenditures, for example, maintenance (but not construction).

As to debenture borrowing, the procedure is as follows:

An estimate of the total dollar value of construction (province's share) is passed by the House of Assembly at each yearly session. This legislative approval sets a top limit of expenditures as well as the total amount which may be borrowed against highway construction. As the year proceeds and expenditures are made, borrowing for these and other capital expenditures are made at such times as it is possible to take advantage of suitable rates on the bond market. Borrowings are usually limited to the amount of actual expenditures; however, in the early part of the fiscal year it is possible to anticipate future expenditures. This is balanced up toward the end of the year.

The second form of financing is through shared-cost projects. The province may make expenditures on such projects as the Trans-Canada Highway, where certain portions of the expenditure under certain conditions are assumed by the Federal Government. The province then will finance by way of debenture issue only its own share. Other highway projects may involve the building of highways through cities or towns, in which case part of the cost of negotiation may be paid by such cities or towns.

New Brunswick:

Expenditure of public monies on highways, bridges, etc., is authorized by the Legislature and all monies provided under a separate vote for each service. Funds are obtained from the consolidated revenue fund of the province or by the issue of debentures which are likewise authorized by law. There are no specific taxes earmarked for the construction of roads and bridges, although several years ago the gasoline tax, vehicle registration and licenses were earmarked for highway-construction purposes only. This was later changed by an Act of the Legislature, and all revenue derived from this source was incorporated into the consolidated revenue fund.

Quebec:

The monies for highway construction are deposited directly from the consolidated provincial fund, a method which eliminates special taxation, bonds, loans, etc., as sources of revenue. The Minister of Finance appropriates the necessary sums to the various departments, according to the programmes they themselves draw up.

Since October 27, 1960, the Province of Quebec has been receiving approximately 50 per cent of the subsidies granted by the Federal Government for the 400-mile Quebec section of the Trans-Canada Highway. This agreement will last until the completion of the highway (that is, five or six years).

Ontario:

Ontario does not allocate any of its ordinary revenues, tax or otherwise, for specific expenditures either on ordinary or capital account. The province does not issue debentures specifically for highway construction. Each debenture issue put out by the province is for general purposes and would be used, in part, to finance highway construction.