

**Provincial Funded Debt Incurred for Highways.**—By far the greater portion of the highway expenditures has been made by the provinces and consequently must be paid out of provincial taxes. Payment for much of the construction costs has been deferred and this has accounted for part of the rapid increase in provincial funded debt since 1919. In 1919 the net funded debt of all the provinces was \$290,748,592; by 1939 it had increased to \$1,731,943,154; the portion chargeable to highways was \$685,648,472 or more than double the net debt for all purposes in 1919. As already explained at p. 570, the provincial systems of modern motor roads have been developed almost entirely since 1919 and prior to that time the provincial expenditures on highways were relatively small.

#### 6.—Provincial Government Funded Highway Debt and Annual Charges Thereon, 1937-39

NOTE.—Provincial Governments report for their respective fiscal years ended on the dates indicated in Table 1, p. 571.

Province	Highway Debt Outstanding			Annual Interest, Sinking Fund and Capital Payments						
	1937	1938	1939	1937	1938	Details, 1939			Total	
						Interest	Sinking Fund	Payment of Capital		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
P.E.I...	767,636	1	1	231,825	1	1	1	1	1	1
N.S....	49,674,625	59,129,853	61,422,253	1,939,333	2,270,448	2,229,469	297,861	Nil	2,527,330	
N.B....	49,979,092	62,627,812	74,016,817	2,433,981	2,785,127	2,829,428	424,129	545,000	3,798,557	
Que....	80,736,741	94,826,232	100,106,289	4,490,550	7,182,175	3,213,412	Nil	Nil	3,213,412	
Ont....	258,770,555	291,647,936	313,542,031	12,938,528	14,582,397	15,677,102	"	"	15,667,102	
Man....	17,794,182	18,050,417	23,244,420	938,255	840,896	859,332	104,000	"	963,332	
Sask....	33,673,494	33,818,920	33,818,920	1,630,610	1,546,118	1,617,694	135,633	"	1,753,327	
Alta....	37,025,514	39,701,159	39,650,000	1,062,155	1,100,890	1,100,730	Nil	50,000	1,150,730	
B.C....	41,297,772	39,856,076	39,847,742	3,378,548	1,849,174	1,797,943	45,360	214,449	2,057,752	
<b>Totals.</b>	<b>569,719,611</b>	<b>639,638,405</b>	<b>685,648,472</b>	<b>29,043,785<sup>2</sup></b>	<b>32,157,225<sup>2</sup></b>	<b>29,325,110</b>	<b>1,006,983</b>	<b>809,449</b>	<b>31,141,542</b>	

<sup>1</sup> Not reported.

<sup>2</sup> Less sinking fund payments in Ontario and Alberta.

<sup>3</sup> Less sinking fund payments in Ontario, Manitoba and Alberta.

**Provincial Government Revenue.**—The taxation of motor-vehicles, garages, chauffeurs, etc., is an important source of Provincial Government income. In every province the following licences or permits, duly issued by the provincial authorities, are required: motor-vehicles of all kinds, trailers (in all provinces except Alberta), operators or drivers, paid chauffeurs, dealers, garages and gasoline and service stations. A sales tax on gasoline is also levied by each province,\* the rates being 10 cents per imperial gallon in the three Maritime Provinces, 8 cents in Quebec and Ontario, having been increased from 6 cents in April, 1939, and 7 cents in the four western provinces. The more important sources from which provincial revenues from motor-vehicles are derived are shown in Table 7. Dominion Government revenues from import duties, excise and sales taxes are not included.

\* Now (1941) there is a Dominion tax of 3 cents per gallon in addition.