

with on the basis of the assessment for the previous year. It is nowadays needful for the Provincial Government to see that no Municipality is able to escape paying a fair share of its direct Provincial taxation through the Public Revenues tax by putting the Municipality on an unfairly low assessment basis, hence the power to equalize assessments as between Municipalities has been vested in the Wild Lands Tax Commission.

The foregoing is an outline of the general methods provided for the acquirement of funds for the purposes of the Municipality. At this juncture it may be well to point out some of the errors Councils and Treasurers fall into—sometimes intentionally in order to relieve embarrassment financially, but more often unwittingly.

- (a) It is wrong to place borrowings under sections 3, 4, 5 and 6 hereof under pledge of security of the General Municipal Tax as outlined in Section 2.
- (b) It is wrong to allow the use of any collected Government taxes, whether Supplementary Revenue, Public Revenues or Wild Land taxes, in the General Bank account in any case, but it is *doubly wrong* when these moneys are liable to be used for Municipal purposes, as cannot help but be the case unless the Municipality has a large cash surplus and does not need to borrow for current purposes. The collections on Government Taxes are the property of the Provincial Treasurer, and should be deposited in a separate Trust Account.
- (c) It is wrong to attempt to hypothecate arrears of Taxes as part security for a current loan, according to the law. It is, however, sometimes necessary to hypothecate arrears to secure the repayment of loans unpaid at the end of the previous fiscal year.
- (d) Underestimating of expenditure, coupled with not taking into account a reasonable sum for uncollectable taxes at the end of the current fiscal year, in-