

Week's War Summary

Since the writing of last week's summary, the German offensive on the West front has reached its most serious and menacing stage, was finally checked, and is now almost quiescent. On Wednesday, Thursday and Friday of last week, the news from the British lines on the west front was the most depressing that has been received since the beginning of the war. In spite of the valiant resistance of the British forces between Ypres on the north and La Basses on the south, the Germans progressed in waves of mass formation, aided by a terrible artillery fire, until they had captured Merville, Neuve Eglise, Bailleul, Meteren, Wulverghem, Wytschaete and practically the whole of Messines Ridge. The German drive developed into a direct attack in a northwesterly direction towards the coast of north France. After taking Messines, the Germans proceeded towards Mont Kemmel, at the same time pressing northward. The British were finally obliged to retire from Ypres and Passchendaele in order to preserve the united strength of their line. The fighting was bitterly contested at every point, and the energies of the Germans were wholly absorbed in this battle, which will be known to history as the Battle of the Lys, the Germans having advanced through the course of the Lys valley. By Friday, the force of the German attack had been spent, and the British, reinforced by bodies of French troops from farther south, were able to repel the enemy at every point. For three days now, very little activity has been reported from the battle zone.

The net result to date of the fierce battle of the Lys last week has been to give the Germans a gain in territory represented in the dangerous salient from which he may be driven at any time. The enemy also suffered extremely heavy casualties. The situation at the week-end, though still serious, gives the allied countries grounds for confidence. The German attempt to break through the British line in the north and make a way clear to the coast has been frustrated, and while continued heavy fighting must be expected so long as the German staff is willing to hurl his reinforcements against the French and British lines in an endeavor to bring about a decisive conclusion to the war in the next few months. But General Foch, the generalissimo of the allied armies on the west front, has given the assurance that his army of manoeuvre is still intact, and will be launched upon the enemy at the proper time and at the right point in the line, to defeat the enemy.

Canadians to the Front

To the Canadians, through the effect of the past ten days' fighting, has fallen the distinguished duty of maintaining the most important portion of the allied line on the west front. The fifteen miles or more, between Lens and La Basses, which includes Vimy Ridge and Hill 70, is the one part of the line between La Fere on the south and Ypres on the north, that the Germans have not attacked. For a time it looked as if the Canadians occupying that foremost position, would be completely "pocketed," and be forced to retire from their hard-won positions on Vimy Ridge and Hill 70. But the breaking of the German attack on the solid line of defence which guarded the northern part of the Canadians' salient, at Givenchy, has enabled the Canadian divisions to retain their strong positions. When Foch's counter attack is finally launched, it is thought by many of the critics that he will strike through the line at Lens or near La Basses, where the Canadians have held their ground so advantageously.

Until a few days ago, the British troops for nearly a month did the bulk of the fighting against the German army which obviously has been directed first to wipe the soldiers of Britain off the soil of France, and then proceed to conquer the French themselves. The arrival of French reinforcements in the north field, the prospect of the immediate arrival of troops from Italy in North France, and the constantly increasing numbers of the Americans promise not only to hold the enemy

effectively, but also to wear him out completely before long.

Americans Engaged

The Americans were engaged in a sharp encounter on Saturday, when the German high command, having been unsuccessful in piercing the British front in Flanders and separating the French and British armies, tried to batter the French and the Yankees at a point just northwest of Toul. Although the Germans attacked in waves of mass formation, and in superior numbers to the opposing line, the French and Americans held their positions and inflicted heavy losses on the enemy. The Berlin official report says that in the drive 183 American prisoners and 25 machine guns were captured by the Germans, but no substantiation of this report has been heard.

That the British fleet is active and vigilant was demonstrated on Sunday, when British cruisers in the waters off

Holigoland chased several enemy warships and forced them to take refuge behind their mined fields. One German cruiser was injured, while the British ships sustained no casualties.

Another new feature is the landing of British and French troops on the Kola peninsula which projects into the Arctic ocean. They are co-operating with the Bolsheviks to protect the Mourman coast against the Finnish White Guards. This is being done, it is stated, to protect Russia's chief northern port, Archangel.

TO YIELD 30,000 MEN

The recent amendments to the Military Service Act by which exemptions of men in Class I of the ages of 29, 31 and 32 are cancelled. Thus, all unmarried men and widowers who were of these ages when they claimed exemption will be required to join the

colors, irrespective of any exemption from military service granted or pending.

The calling to the colors of the three years mentioned is expected to yield at least 30,000 men physically fit for combatant service overseas.

Decision to cancel the exemptions was reached at a meeting of the cabinet council on Saturday. Then the draft order-in-council authorizing further action under the Military Service Act, and approved by both houses of parliament on Friday, was formally passed.

Details of the procedure to be followed will soon be announced. In all probability district registrars throughout the Dominion will be instructed to notify all men affected that their exemptions are cancelled and that they must report for duty by a specified date. A week or ten days will, in all likelihood, be allowed each man to arrange his personal affairs. Notices will also be widely published, announcing the action of the government.

ANOTHER LOAN THIS YEAR

The budget for the fiscal year 1918-19 will be presented to the House of Commons this week by the acting Minister of Finance, Hon. A. K. MacLean. Plans for meeting Canada's direct expenditure this year on her own war and domestic accounts will be submitted. There will have to be new forms of direct taxation to meet the increasing burdens of war expenditures, railway financing, debt interest, pensions, etc. While taxation announcements are kept as government secrets until formally announced in the budget speech it is understood that the main new taxation to be imposed this year will be a substantial jacking up of the toll taken from the men of big incomes.

Canada will follow the example of Great Britain and the United States in this respect. The details of the new proposals are conjectural but it is pretty certain that the government will take the lion's share of anything over \$15,000 per year.

So far as the tariff is concerned, little or no change is anticipated. At any rate no change effecting the protective system has been hinted at. The duties on agricultural implements are unlikely to be touched this year. As a revenue producer the tariff is now up to or even past the limit of its taxation for revenue usefulness.

As a matter of fact a reduction in customs revenue for this year is predicted. Since the beginning of 1918 monthly decreases have been recorded. For March the customs revenue was nearly \$2,000,000 below March of last year. For the past fiscal year customs revenue totalled \$143,311,395 as compared with \$133,531,185 during 1916-17, but the increase was all made in the earlier months of the year. For the current fiscal year, unless, of course, tariff taxation on tea, coffee, or some other commodity of general use now on the free list, is resorted to, the customs revenue will probably be \$10,000,000 or more less than last year. Excise revenue will also show a drop of \$8,000,000 or \$9,000,000 this year owing to the cutting out of the manufacture of liquor. Possibly this may be counterbalanced by increased excise on tobacco.

A new domestic war loan of probably \$250,000,000 will doubtless be foreshadowed in the budget speech. The balance of the Victory loan available for this year's expenditures is about \$150,000,000 sufficient to tide the government along until July or August.

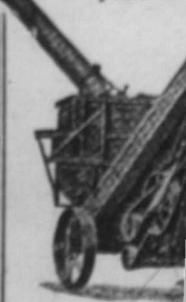
Another loan is a necessity for the autumn. The financial statement of the Dominion for March as just published shows that the net debt of the Dominion has now risen to \$1,106,394,023, an increase of nearly \$300,000,000 as compared with the end of the preceding fiscal year. An increase in the per capita debt by about \$40 dollars in one year indicates both the increasing pressure of the permanent war burden on the taxpayer of Canada and the magnitude and complexity of the government's task in continuing to provide the sinews of war from Canada's own internal resources at a time when the pre-war inflow of money to Canada for loans and investments has been practically entirely stopped.

April 24, 1918



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Subsequent reports and tests from other points show clearly that there was no foundation in the rumours that formaldehyde had been tampered with. On the other hand a large number of tests made of individual samples of grain indicated besides that the grain being used was of good germinating strength and strong vitality.

Eighty-five per cent. of the wheat area of the province is already seeded.

It was a grave misfortune that this