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**At The Federal Capital**

The Budget Debate has been disposed of in the House of Commons. It lasted from the 30th of April to the 8th of May. From every point of view, the Canadian budget for the present fiscal year was the most remarkable in the history of the country. It called for far greater expenditure than any previous budget. It dealt with war conditions more strenuous than hitherto had existed and imposed very much heavier taxes upon the Canadian people than have previously been asked for. All this will be readily understood by anyone who gives the slightest thought to the strenuous and arduous conditions through which we are passing. The Budget speech was delivered by the Honourable A. K. McLean, acting Minister of Finance, in the place of Honourable Sir Thomas White who is absent on sick leave. The Budget Speech was, in itself, a model deliverance. It was not more than an hour in length, it was presented with good voice and in clear cut terms. Generally speaking, figures are not the most interesting matter for a public address, but Hon. Mr. McLean had his figures so marshalled that they did not sound monotonous; and on the whole he deserved, as he received, very general congratulations for the Budget speech of 1918. It would be altogether unreasonable to endeavor to present any comprehensive report of the figures of the Budget speech. No attempt at this will be made in this correspondence. All that is attempted is a brief outline of the most salient figures of the financial statement. A few of the more important phases of the Budget are presented as briefly as possible. In the first place, the result of last year's financial operations; next, the enormous amount of money required for war purposes; then, something about the increased taxation; and finally, a word about Canada's public debt.

As a matter of fact, the financial presentation may be divided into two parts: the Civil Budget and the War Budget. By the Civil Budget is meant the revenue and expenditure for the Civil or ordinary business of the country, and by the War Budget is understood the money required for exclusively war purposes in addition to that required for the ordinary business of the country. For the fiscal year ending March 31, 1918, the revenue for ordinary purposes amounted to \$258,000,000, and the expenditure amounted to \$203,000,000, leaving a balance of \$55,000,000 which is applied on the payment of war expenditure. The war expenditure for the year 1917-18 was \$345,000,000, and the total four-year war expenditure up to March 31st, 1918, was \$878,000,000. The public debt of Canada, which before the war was about \$336,000,000, had reached on March 31st, 1918, the sum of \$1,200,000,000. So much for the fiscal year closed on March 31st, 1918. For the present fiscal year, the civil expenditure is estimated at \$230,000,000 and the war expenditure at \$425,000,000; in addition to this, an expenditure of \$325,000,000 is estimated for financing in part our export trade with

Great Britain. This makes the total of money required for the year on which we have entered \$980,000,000, so that it can be very truthfully said that the Budget recently presented by Hon. Mr. McLean was not by far the greatest ever presented to a Canadian Parliament.

Now, how is the money to be found to meet these enormous expenditures? The revenue, expected to be collected by the Government from all sources is placed at \$270,000,000 and the advances by Great Britain to pay for maintenance of Canadian troops overseas is estimated at \$300,000,000. In addition to these, there is a yet unexpended balance of the money raised by the Victory Loan which, on March 31st, 1918, amounted to \$130,000,000. These combined amount to \$700,000,000. When all this is summed up, there still remains to be raised, to be provided for by loans in Canada and elsewhere if possible, \$280,000,000. These are the figures in general outline discussed by the Budget. But this is not all the money that the Government of Canada will require for expenditure during the present fiscal year. A very large amount will be required for railway equipment, and in addition to this, there is no doubt that several millions will require to be provided for the final buying out of the Canadian Northern Railway. Large additions in taxation of various kinds are outlined in the Budget, but generally speaking, the increase of taxation is levied upon those who can best afford it. The wealth and luxuries of the country have additional taxation laid upon them, and it is expected that from the increased taxation in this direction over last year, \$40,000,000 will be raised. These are astounding figures, and there is no doubt at all that the presentation of this a few years ago, or anything approaching them, would have caused consternation or even panic. But, under the conditions which we find ourselves and the absolute necessity of providing for the proper maintenance of Canada's part in the war, there is scarcely a murmur of dissent. Some little criticism here and there, indicating minor changes that might produce as good or better results, by a somewhat different system of taxation is heard, but on the whole it is wonderful the unanimity and even cheerfulness by which the Budget has been received.

The Budget debate on the whole was very moderate and produced no great excitement in the House of Commons. No Minister spoke in the debate except the Acting Minister of Finance, and on the Opposition side the Leader did not speak, nor any front-bencher except Lemieux and McKenzie. One feature of the debate which rendered it extremely monotonous was the manner of discussion; if it could be so called, by the rank and file on the Opposition benches. One after another rose and delivered a prepared essay, written perhaps by himself or someone else, not improbably prepared before the session and outside of Parliament altogether, and bearing on nearly every question that could well be imagined, excepting the Budget. These essays were read to the House, although it is contrary to the rules for Members to read their speeches. But they were fairly memorized and perhaps it would not be so easy to prove positively that they were reading them. In any case it will be readily understood how extremely monotonous such debating necessarily is. Such proceeding does not deserve to be dignified by the name of debate. It is the privilege of every Member to have something to say on the Budget, and no one can reasonably undertake to tell another what he should say or how he should say it. There were a few happy departures from the man-

ner of procedure and a few excellent speeches were made. Among those, probably the foremost was the speech of Dr. Michael Clark, formerly a Liberal and still a free-trader, but elected as a Unionist and a strong supporter of the Union Government and war measures, and indeed of all other Government measures. Very likely Dr. Clark has given positive evidence that his support of the Government war legislation is not for effect. He has given three sons to the army and some of them have suffered severely, too. He is extremely well-informed, has an excellent voice, and is ready at repartee and in every way is excellently equipped as a debater. His rising is always hailed with a generous applause on the Government side. His best points in the debate were made against Mr. McKenzie of North Cape Breton and Mr. Lemieux, and he acquitted himself in a masterful manner, and to the entire satisfaction of his friends on the Government side. Referring to Mr. Lemieux, it should perhaps have previously been stated that he had delivered himself in a very extreme and partisan manner just before Dr. Clark took him in hand. It came about in this way. Mr. Hoeken of Toronto had delivered himself and, to his credit, it must be said, very mildly indeed, but he may have had methods in his mind. He discussed a subject that he was morally certain, at every other one present should be, would arouse resentment on the part of Mr. Lemieux. Mr. Hoeken was so very mild and careful in his discourse that scarcely any exception could be taken to him. But of course he was discussing a subject not agreeable to the people of Quebec, and consequently, Mr. Lemieux could not let it pass. One would almost say that the Toronto Member had laid a trap for his aggressive opponent of Maisonneuve, and that the latter had completely fallen into the trap. In any event, Mr. Lemieux's resentment was extremely bitter. As a matter of fact, the fat was in the fire, and it was right after this set-to that Dr. Clark came on the scene. Someone has said that this canoodling between Ontario and Quebec is not intended to be of any great injury to the worthy combatants themselves, but that it is, like the long-range guns used by the Germans, to do duty away off in the interior. Still in the face of all this, there are those who say that the end of the war will see Ontario and Quebec quite united. Perhaps so.

Prince Edward Island was not altogether neglected in the Budget debate. Mr. McIsaac took occasion to present the Island's claims for consideration. The presentation was moderate and identically well received, and his discourse was very deliberate and much slower than is his wont. He was evidently impressed with the idea that he was speaking in the presence of a critical audience. If this was his reason for the great deliberation manifested in his first speech in the House of Commons his determination was well taken, and the probabilities are that he has laid good foundation for his standing in future debate in the House.

Referring to the manner of conducting the Budget debate by Members of the opposition, it should be said that for the most part of the essays, already referred to, were in the French language, and this was an additional reason why that fashion of debate was still more monotonous and tiresome to those who were not familiar with the language. One after another of those gentlemen rose in his place with remarkable regularity and precision and went on to give the product of his own, or someone else's meditations. Of course, the particular thing in view was the placing of the whole business on the pages of Hansard, for future use and reference. This being secured, it matters not that the jubinations received from the Members present, no attention

whatever. The last speaker in the Budget debate was Mr. Lafortune, on the Opposition side. Mr. Lafortune is a sturdy, swarthy, middle-aged French Canadian, a lawyer by profession quite witty, too, and perhaps entertaining for those who could understand him and would have the time to listen to him. He addressed the House in French and aroused considerable merriment among his own people. He evidently addressed himself to about every subject under the sun except the one immediately under discussion. Always when he is seeking the floor of the House he pleads that he is to occupy but twenty minutes of time, and an idea of the fidelity to which he adheres to his resolve is given by pointing out that, in the last Parliament, he was the last speaker on the motion for the second reading of the Military Service Bill. Time was very precious, and one would be expected to be as brief as possible; he claimed his twenty minutes, he recognized and held the floor for six hours. This time, he again asked for his twenty minutes, but from past experience the Members of the house were quite prepared for a discussion of several hours. It need scarcely be said that when he, or anyone else, addressed the House in a similar line of debate, the result is the House quickly empties itself and the speaker has the great satisfaction of having himself as his principal auditor. However, on this occasion, Mr. Lafortune was not quite so bad as last time; his twenty minutes extended to only two hours, so he disarmed a very great amount of the resentment that was accounted against him for his former extraordinary conduct.

Quite a little breeze was stirred up in the House on the morning of the 8th. When the orders of the day were called by Mr. Speaker, Sir Sam Hughes rose to make certain inquiries. It is permissible to rise at this stage to a question of privilege, but no discussion is allowed, or anything approaching a speech is permitted by the rules. But Sir Sam seems to have a notion that he is a rule unto himself, and that he is not particularly bound by any fixed rules governing the conduct of public business in the House of Commons. This is evidently Sir Sam's weakness and his doubt was the cause of his fall from his official position in the Government. On this occasion, Mr. Speaker, after allowing him all the latitude that could be expected, called him to order. The General did not seem disposed to obey and finally after several calls to order, Mr. Speaker was obliged to threaten to name him and have the penalties of the House enforced against him. Matters seemed at considerable tension. Finally the Prime Minister intervened and the white dove of peace once more hovered over the scene.

The Federal Parliament has been invaded, not by the Huns, however, but by a tremendous army of farmers, mostly from Ontario and Quebec. They came to interview the Prime Minister and his colleagues relative to the taking away of the men from the farms for military service. Of course, no one will deny that some hardships must be expected in consequence of the strong call to the colors, but when all is said, the paramount question stands "The condition of the front requires men, more men, and still more men. That is the answer the farmers received from the Prime Minister in the last analysis. The Prime Minister and his colleagues and everybody else feels the hardship and the inconvenience that is to be suffered by the farmer, and at this particular time the taking of the able-bodied men from their vocations. But should the Huns break through and the Allied armies fail, what good would our farms and crops or anything else be, the things that we look upon as necessary for our sustenance and maintenance, too, of the boys at the front? Let the Germans once triumph and all is lost! The farmers constitute a formidable delegation without count. They fill the hotels and the streets—would more than fill the House of Commons twice over. Everywhere you go you fall in with them, and there is much visible evidence that a large addition has been made temporarily to the population of Ottawa. They have had their interview with the Prime Minister, and now return to their homes.

**Closing Of St. Dunstan's University**

The Commencement Exercises of St. Dunstan's University, held on Wednesday afternoon, May 15, were successfully carried out. The valedictory, and prize essay as usual were of high literary merit, the address by the Rector was eloquent and forceful, and the musical numbers were rendered very creditably.

An impressive feature of the occasion was the reading of the Address to the Graduates written by the late Dr. Conroy. This was referred to by His Lordship the Bishop "as a message from beyond the tomb," and the large audience were deeply affected as Dr. MacMillan delivered the message to the students.

Among the visitors in attendance were His Honor Lieutenant Governor, Macdonald, His Lordship the Bishop of Charlottetown, Sir Charles Dalton, wearing the uniform of his Knightly rank, Mr. A. B. Warburton, K. C., Mr. James Paton, M. P., and other leading citizens. Rev. J. A. Macdonald, Grand River, Rev. Father Bourdault, Rev. I. R. A. Macdonald, Rev. Alexander McAnulty, Rev. Dr. McEllan, Rev. Father McInlyre and other members of the clergy. The ladies were represented in large numbers.

The platform had the Union Jack and Stars and Stripes displayed on either side, and six vacant chairs bearing the names of the absent graduates who had donned the khaki, were each draped with the colours which these young men had gone forth to defend.

His Lordship Bishop O'Leary, in addressing words of congratulation to the Rector and students, commented on the fact that this would have been a banner year for the institution only for the war. The fact that so many of the students promptly enlisted is a manifestation of their patriotism and indicates that the teaching of St. Dunstan's is of the best. The university trains them not only in languages, science and mathematics, but it prepares them for becoming splendid types of citizens, and one of the essentials of true citizenship is patriotism. At the beginning of the year 192 enrolled, but the attendance had been cut down to 80 before the close. In spite of this the year on the whole was quite successful.

**New Alumni President.**

Congratulations will be extended throughout the city and province to Mr. D. O'M. Reddin upon his appointment as a Governor of St. Dunstan's University in succession to the late lamented Dr. Conroy. At a meeting of the Alumni Association of St. Dunstan's University, held at the close of the Commencement Exercises on Wednesday last, Mr. D. O'M. Reddin was elected President of the Association, and a Governor of the University, as successor to the late Dr. Conroy. Mr. Reddin is a St. Dunstan's graduate, first entering the institution as a day student in 1874, and later as a boarder in 1876, remaining five years. He has been on the Alumni Executive for several years. The honor of being chosen successor to Dr. Conroy was entirely unexpected, and indicates how highly Mr. Reddin is regarded by the Alumni. There are two Governors of St. Dunstan's College, Mr. Reddin's colleague being Hon. Sir Charles Dalton.

There will be no further campaigns for the Canadian Patriotic Fund after the end of the present fiscal year, that is to say, after March 31st, 1918. This was the decision reached at the meeting of the National Executive of the fund, when the whole situation was fully discussed. The attendance from all parts of the country was representative, the Governor-General presiding.

**Progress of the War**

London, May 17.—Still another day has passed without the Germans renewing their offensive in Flanders or Picardy. Nowhere have the infantry operations by either side of these battlefronts or for that matter, in any part of the numerous theatres of the war, risen in importance above patrol engagements. North of Kemmel, where the Germans on Tuesday, gained a footing on Hill 44, one of the bloodiest sectors on the western front, the lost vantage points have been retrieved through the persistent counter-attacks of the French who succeeded in expelling the enemy from the shell holes along the slopes to which he had been tenaciously holding. Not alone were the Germans forced to recede, but the French advanced their line and also took prisoners.

Likewise south of Hailes, in the Amiens region, the French have taken another bite into the German line and successfully ward off a German counter-attack launched in an endeavor to recapture the lost ground. The Germans in these manoeuvres suffered heavy casualties and also lost men and prisoners. Throughout Wednesday, the British were left severely alone by the German Infantry. Although the enemy is keeping his infantry to their trenches, he continues to use his artillery vigorously against salient positions held by the British and French all along the front, especially against Field Marshal Haig's forces south of Albert and against the French north of Kemmel. The French north of Montdidier and along the curve in the battlefield between Montdidier and the Noyon also have been under an intensive fire from the German guns.

The meeting between the German and Austrian emperors at German grand headquarters seemingly has been productive of a strengthening of the relations between Germany and the Dual Monarchy which it had been reported unofficially, were somewhat strained. After parting, Emperor William and Emperor Charles exchanged messages of felicitation over the accord arrived at in the discussions and expressive of deep mutual friendship. It is asserted that the emperors not only reached an agreement on the solution of the question of eastern border states that they also selected monarchs for Lithuania, Courland, Estonia, and Poland.

London, May 18.—The lull continues. Though short, sharp bursts of fire at various points occur at frequent intervals, they are not the big storm itself but merely signs that it is brewing. Flanders and the Plains of Picardy are heavy with mud. Every other day showers sweep over the battlefield and swell the brooks and rivers between the belligerents. There is a general belief that Ludendorff has timed his blow for the beginning of next week when the moon will be in the same phase as it was in March 21. Every ounce of German strength will be put into the next thrust. On land on sea and in the air the enemy will strive desperately to crush the British defenses. The daring British attacks on the Belgian coast are almost certain to bring German naval action. Not since early in March has a German airplane appeared over the district around London. When the great thrust is launched Britain expects that Germany will use everything—her bombing airplanes, her U-boats and destroyers, and possibly her high seas fleet. Next week the moon will be in the right place for nocturnal activity. It will furnish enough light for the movement of troops and aerial attacks.

Ludendorff will attempt to spring surprises in the initial stages of the offensive and depend upon the weight of his forces to follow up any early advantages he may gain. Germany is well supplied with young officers who are able to set upon their own initiative and upon them will fall the tactical direction of the coming thrust. If the next blow comes in Flanders or at Amiens, it is not likely that there will be any preliminary bombardment, because neither side is deeply entrenched, it is probable that the enemy will hurl over a lot of gas shells, followed by a rain of high explosives. Last night

he used a lot of gas shells around Dickenbusch Lakes south of Ypres and in the fighting upon the front before Amiens but the infantry has remained in the trenches. According to the German press reports the recent Emperor's conference resulted in the pooling of German and Austrian military resources. What really happened was that Emperor Charles agreed to Ludendorff's demand that Austria strike against Italy. The German militarists dictate Austrian policy today with the same authority that they handle affairs at home.

Among the rugged peaks of the Asiago Plateau, east of the Branta River, the Italian front has again flamed up into violent action. The aggressive has been taken by the Italians however, and the Austro-German forces, instead of launching their long expected assault on the Italian lines, have been compelled to fight hard to maintain the positions where they have stood since last November. The fighting seems to have centered on the comparatively short section of the battle line between Monte Salone and Monte Pertice. These two heights about three miles apart, rise to an altitude of about five thousand feet, while between them there is a sort of "saddle" on which the Teuton forces have taken up strong positions. The fact that the Italian armies have taken the initiative in the fighting would seem to indicate that they have sought to carry the fight to the enemy in such a way as to break up any arrangement for the launching of a strong Teutonic assault. This has many precedents in the present war, a strong offensive at a threatened point being considered the best defense under certain circumstances. Nowhere have the Italian lines been reached by attacking parties of Austrians.

London, May 19.—The surest sign of the imminence of a German attack can be found in the activity of the enemy's aviators. The fine weather of the last two days has brought them out in flocks and from all parts of the battle zone come reports of aerial fights. Both sides have been making many nocturnal raids both near the lines and in the back areas. Abortive raids on Paris are a part of the enemy's scheme to demoralize communications behind the line and force the French to withdraw their airplanes for the protection of the capital. Today's report shows that there have been artillery duels at many points. The frequency with which the enemy's guns bombard the line between Arras and Albert confirms the belief that the German strategy includes a drive toward Doullens, one of the five key centers on the British front. Foremost in Ludendorff's scheme is undoubtedly the capture of Amiens. That he will make a frontal attack on either seems unlikely. It is possible that the northern push will consist of two drives, one north and one south of that ghost-like town. One blow will be aimed at the junction of the Belgian and British lines and the other at the union of the British and French forces.

Similarly the southern front may see attacks both north and south of Amiens. Regarding the defenses at Ypres the military critic of the semi-official Norddeutsche Allgemeine Zeitung writes: "Ypres is being most obstinately and valiantly defended by the enemy. General Plumer doesn't entertain any idea of voluntary retreat or of relinquishing the town, the retention of which, according to the unanimous opinion of all neutral military experts, is a tactical and even a strategic mistake, and of this fact the English General is probably aware. For the English army, however, Ypres unlike any other town, in its name alone means everything. Its loss would have an extraordinary effect all over the world and these places which have not realized that English defeats have taken place would realize it then. The question, therefore, of the most unyielding defense of Ypres has become a question of prestige and the town will be held with true British stubbornness, even though it costs thousands of lives."

London, May 21.—The village of Ville-sur-Ancres north of Morelancourt, on the Amiens front has been recaptured by the British, and Australian troops making a successful raid during the night, in which they took 360 prisoners and 20 machine guns, according to Field Marshal Haig's report. The casualties on the British side were light.

The fortifications of the town and its immediate neighborhood show that General Plumer is quite decided on this point. Numerous rows of concrete fire trenches lie one behind the other in full view of our observers at Hill 80. "Everywhere along the whole front, trenches constructed for previous battles have fallen in. Here, however, in the neighborhood of Ypres, they have been carefully preserved, cemented, and fitted with all that modern technique could suggest. But behind them lies Ypres—once a flourishing city, but now only a heap of ruins—but a heap where every foot of ground means a fortification. [The English have understood the art of fitting numerous solidly built vault-like cellars of the town with machine guns and mine throwers and providing them with loopholes, thus making a rebuff of every single cellar. It would serve no real purpose, if our high command were to launch our brave troops against these devices simply in order to announce the taking of Ypres a few days sooner. An enemy in a position between our wings always has been crushed and finally squeezed out.

London, May 19.—Trench raids are becoming increasingly frequent on the western front. Last night the British made an attack on Ville-Sur-Ancres, northwest of Morelancourt recapturing that place. They succeeded in taking a number of prisoners and machine guns as well as strengthening their front line positions. There were raids northwest of Albert and in the vicinity of Hamel on the British sector. Every patrol sent out succeeded in taking prisoners and collecting valuable information. In the Luneville sector the Germans tried to make a strong silent attack on the American positions southwest of Breuil. The attempt was a complete failure and the enemy was routed with heavy losses. The Americans fought hand to hand with the Germans, using hand grenades, rifles, revolvers and trench knives and after ten minutes of terrific fighting the enemy was forced to give up his ambitious enterprise and beat a hasty retreat. This increased activity of the patrolling portends the beginning of the long expected German offensive. The Primary object of Patrols is to collect valuable information about what the enemy is doing. Prisoners captured are quizzed about the extent of preparations, the movement of divisions and the rumors in the enemy camp. Along with the increase in raiding parties has come a marked decline in the severity of the artillery fire of the enemy. The Hun evidently has the stage set for his next effort and is only awaiting fair weather. Indications point to a renewal of the offensive some time this week. The moon will be in the same place at the end of this week that it was at the beginning of the March 21st push. Evidently this is what Ludendorff is waiting for. He will then be practically assured of favorable weather for a fortnight and to carry on a successful attack on the scale planned by the German general staff required most favorable weather conditions.

London, May 20.—The stage is set for the third act of the great drama. All the characters in the mammoth production have rehearsed their parts. The first and second act had late winter for a background; the third is set with a "robust" bright with orchard blossoms and green hills and trees. Nature heals wounds quickly at this season, even No Man's Land lacks the sinister appearance which it has during the winter months. In many respects Ludendorff is like the master of a gigantic, three-ring, open-air circus. He has already snapped his whip and the aerial performers have begun their daring deed. No circus audience has ever witnessed such thrilling feats, no acrobats had ever risked their lives in such a care-free way as these rival aviators are doing today over thousands of square miles of northern France.

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