

**ARCTIC WARNING LINE:** Canada and the United States have agreed on the need for the establishment of "a distant early warning line across the far northern part of North America, and have directed that detailed planning for such a line should be initiated at once," a joint announcement of the two nations' Defence Departments stated on September 27. The text:

"On April 8, 1954, the Governments of Canada and the United States issued a joint announcement, which after referring to the construction of the Pinetree radar chain, announced plans for the establishment of a further radar system generally to the north of the settled territory in Canada. The Canadian Government subsequently decided that it would be appropriate, as a part of its contribution to the common defence requirements of the two countries, for Canada to undertake responsibility for financing, constructing and operating this new system, which is generally referred to as the "Mid-Canada Line".

**EARLY WARNING LINE**

"During the time that plans for the Mid-Canada Line have been under development, studies have also been going on to determine the feasibility of providing even earlier warning of the approach of hostile aircraft. As a result of these studies, the Canadian and United States Governments have agreed in principle that there is a need for the establishment of a distant early warning line across the far northern part of North America, and have directed that detailed planning for such a line should be initiated at once. The basis of participation by the two countries in the construction and operation of the line, and the division of costs, will be determined after the detailed plans have been considered and agreed.

"In developing the complete system for warning of the approach of hostile aircraft and for the control of interceptor forces, the two Governments have followed a policy building outward from the likely target areas. Thus the first step, which has now been largely completed, was the construction of the main control and warning radar installations in the continental United States and the populated part of Canada. The second step, which is now under way, is the provision of the Mid-Canada Line. A third measure, the need for which has now been agreed upon between the two Governments, will be the provision of a distant early warning line across the most northerly practicable part of North America. Portions of the complete warning and control system in Canada will be extended to seaward on both flanks of the continent by the United States.

"The establishment of these North American defence installations is a costly and difficult task, which is being undertaken because our security requires it and is being accomplished successfully because of the readiness of Canadians and Americans to work together in a common cause."

**AUGUST EXPORTS:** Increased shipments of a number of commodities, including planks and boards, wood pulp, newsprint paper, aluminum and products, copper and products, and nickel, were more than offset by substantial declines in wheat, other grains, and wheat flour, and Canada's domestic exports to all countries in August declined 5.8% from a year earlier. The decrease in the January-August period was 8.8%. Prices averaged 3.4% lower in August and volume declined 2.5%

Domestic exports in August were valued at \$322,700,000 as compared with \$342,600,000 in the same month last year, bringing the cumulative total for the January-August period to \$2,487,400,000 as compared with \$2,729,300,000. Re-exports of foreign produce in August were valued at \$5,360,000 as compared with \$4,304,000, and in the 8 months aggregated \$41,976,000 as compared with \$35,565,000.

Geographically there were reduced shipments in August to the United States, the United Kingdom, and Europe, but increases to Latin America and the rest of the Commonwealth as a whole.

**WHEAT DECLINE**

Largest decline among the individual commodities in August was in wheat, which dropped sharply to \$29,485,000 from \$60,082,000 a year earlier. Other grains were cut to \$8,278,000 from \$21,008,000, and wheat flour to \$6,482,000 from \$7,715,000. In the January-August period wheat exports dropped to \$228,767,000 from \$402,903,000, other grains to \$74,703,000 from \$120,581,000, and wheat flour to \$61,588,000 from \$70,384,000.

August's exports of newsprint paper climbed to \$54,818,000 from \$49,399,000, wood pulp to \$23,246,000 from \$21,421,000, and planks and boards to \$37,981,000 from \$26,478,000. January-August exports of newsprint rose to \$414,014,000 from \$400,498,000, wood pulp to \$177,049,000 from \$161,898,000, and planks and boards to \$203,308,000 from \$190,165,000.

Domestic exports to the United States in August fell to \$191,611,000 from \$196,529,000, gains in the wood and paper and non-ferrous metals groups being more than offset by declines in the other groups. In the 8-month period the value fell to \$1,502,995,000 from \$1,593,707,000, decreases occurring in all groups except animals and animal products.

Exports to the United Kingdom in August were cut to \$58,410,000 from \$66,775,000, and the January-August value fell to \$398,250,000 from \$461,907,000.

\* \* \* \*

Sales of Canadian retailers in July were virtually unchanged from a year earlier and cumulative sales for the January-July period were down a moderate 1.3%. The July decrease was held to 0.1%.