

the view of the Canadian Government the situation demanded that the members of the Committee put behind them the opening phases of the negotiations and proceed immediately with their task.

It was in this spirit that, on June 6, I replied to your earlier letter enclosing the new Soviet disarmament proposals of June 2. The Canadian Government, along with the other Western governments participating in the Ten-Nation Committee, found your revised proposals worthy of careful study. In this connection, I would call your attention to the following remarks made by the Secretary of State for External Affairs in the House of Commons on June 15, 1960:

'The Canadian Government wants these proposals to receive a patient and searching examination in the Ten-Nation Committee, as marking the opening of a phase of detailed, business-like and uninterrupted negotiations. We believe there should be no hasty, ill-considered reaction to the new Soviet proposals, but the most careful and constructive examination of these proposals in the Committee which circumstances permit.'

Nevertheless, your revised proposals embodied a number of provisions which differed materially from those you submitted to the United Nations on September 18, 1959. It was not unreasonable, therefore, that the submission of your proposals of June 2 should have given rise to a series of probing questions by the Western side in the course of the ensuing sessions of the Ten-Nation Committee. Nothing in your letter explains why, during the same period, the Soviet Government and its allies began to give public indications of an intention to break off the negotiations. Such actions stand in odd contrast with your professed desire for genuine negotiations, and scarcely reflect a recognition of the urgency and importance of the work of the Committee.

My greatest difficulty is in understanding why the Soviet Government chose to break off the negotiations when it was aware that the Western countries were about to introduce new proposals which, together with the Soviet proposals of June 2, gave promise of bringing new life into the negotiations. A full opportunity was offered to the Soviet Union and its allies to reconsider its position on the day following the withdrawal of the Soviet and other Eastern delegations. That opportunity was not taken.

It had always been my understanding that the General Assembly of the United Nations would have an opportunity periodically to review the work of the Ten-Nation Disarmament Committee. I had assumed that the next session of the General Assembly would provide the first such occasion. I had hoped that, rather than return to the United Nations with a record of failure, the Ten-Nation Committee

could instead have reported progress. You suggest in your letter that progress in the negotiations was not to be expected. My conclusion is that there was every chance for progress at the time of the Committee's precipitate adjournment.

When you have had an opportunity to study the new proposals from the Western side, I hope you will agree that these proposals show that the Western countries are sincerely desirous of reaching a disarmament agreement. I hope too that on reflection you will find it possible to authorize your representative to resume participation in the vital work of the Ten-Nation Committee.

Yours sincerely,

Yours sincerely,

Signed

John G. Diefenbaker"

SOUTH AFRICAN ENVOY VISITS PM:

On July 5, the newly-appointed High Commissioner for the Union of South Africa, His Excellency Willem Dirkse-van-Schalkwyk, made his first call on Prime Minister Diefenbaker. The High Commissioner was accompanied by Dr. C.B.H. Fincham, First Secretary, and was introduced by the Deputy Chief of Protocol, Mr. Ph. Thibault. Mr. Van Schalkwyk served in Ottawa from 1938 to 1944 as an Attaché to the Office of the Union's accredited representative to Canada.

WHOLESALE PRICE INDEX

The wholesale price index of 30 industrial materials (1935-39=100) eased down 0.5 per cent from 244.4 to 243.3 in the three-week period from May 27 to June 17. Moderately lower prices were recorded for beef hides, steel scrap, raw sugar and linseed oil, while six commodities showed fractional declines. Hog prices were substantially higher and a small increase was reported for oats.

The index for Canadian farm products at terminal markets rose 0.8 per cent from 222.9 to 224.7 in the three-week period. The index for animal products increased 1.5 per cent from 260.7 to 264.6, reflecting increases for hogs, both East and West, which were partly offset by lower prices for eggs, lambs and calves, and in the East for poultry and raw wool.

The field products index edged down from 185.1 to 184.8, as declines reported for western hay, rye and flax, and eastern rye, peas and barley were almost balanced by increases for western potatoes and eastern corn. Regional indexes were: West, up 0.9 per cent from 194.3 to 196.0; and East, up 0.8 per cent from 251.5 to 253.5.