

Resignation Of Members Seen As Killing United Party Hopes

By ED SIMON
Canadian Press Staff Writer
Thirteen members of South Africa's Parliament have voluntarily sought the political wilderness in order to convince their country's Negro population that it still has friends among the white race.

Their resignation from the United Party has killed its hopes of supplanting the Nationalist government in the foreseeable future. It will probably cost them their parliamentary seats at the next general election.

But it has freed them to speak out on racial issues at a time when increasing numbers of Negroes are resorting to violence as their last method of resisting white domination.

Apartheid, the segregation of South Africa's black and white inhabitants, played no part in the United Party split. The immediate issue was the failure of the party to press for increased allotments of land for native occupancy.

ILLUSION ENDED
Their inability to sway the party even on a minor point of racial policy signified the end of the illusion that moderate elements could influence the opposition from within. The 13 resolved to go their own way, freed of the restraints of party discipline.

With four years to go before the government is required to call a general election, the rebels retain a forum to express their views in Parliament itself. But their prospects of winning support from the all-white electorate are dubious at best.

Violence offers a poor breeding ground for the growth of moderate opinion. And the government shows no sign of essential modifications in its racial policies as a result of the communal disturbances in Durban and elsewhere.

The government's dilemma is that the principle of segregation

cuts across the needs of the country's white industrialists for Negro labor, necessitating a certain amount of chopping and changing in the apartheid laws.

DANGEROUS PROBLEM
More dangerous is the problem imposed by the government's constitutional amendment depriving the 10,000 non-whites of parliamentary representation, even by nominated white delegates.

The move severed the last link between the government and 75 per cent of the population, resulting in an inevitable distrust of authority by the disfranchised natives.

Durban city council has been informed by Lloyd's that the British company is no longer willing to insure the city against riot. Before proceeding with their in-

tent to seek coverage elsewhere, the councillors might do well to have a word with their prime minister.

Sub-Killers Visit Aussies

OTTAWA (CP) — Two Argus sub-killer aircraft of the RCAF's Maritime Command will leave their base at Greenwood, N.S., early in September, for a month-long tour of Australia and New Zealand.

Air force headquarters said Tuesday that the tour, arranged at the invitation of the Australian and New Zealand governments, will coincide with Queensland's

centennial celebrations and Australian Air Force week Sept. 14-20.

Commander of the operation will be Group Capt. John H. Roberts of Prince George, B.C. The two aircraft will be skippered by W-C Cyril Toronto of Ottawa and F-L E.N. Starink of Winnipeg.

Americans Said Shocked By U.S. Investment Critics

TORONTO (CP) — Henry Kearns, assistant United States commerce secretary Tuesday said the U.S. is shocked by some implications of Canadian criticism of the huge American investment in this country.

He suggested also that Canadians would be well advised to think in terms of trade expansion and not restrictions in grappling with the problems of increasing foreign trade competition.

U.S. experience with protectionism had shown that protectionism exacted "too high a price" in economic deterioration, Mr. Kearns said in a speech before the Toronto board of trade.

"Truly, protectionism has priced itself out of the market and expanding trade barriers is not the answer to any question confronting either the U.S. or Canada."

The statements were included in the text of his address issued to the press before delivery.

NEWSPAPER CRITICISM
Turning to criticism of U.S. investments, Mr. Kearns said he recently read a Financial Post article entitled Can We Survive U.S. Investment? which, while undoubtedly written as a result of genuine concern, seemed predicated on the assumption that U.S. private investment was a tool of political or economic imperialism.

"It must be reported to you that such a contention comes as a shock below the border where we have been, perhaps naively, proud of our efforts to increase the availability of U.S. capital to foreign countries."

"We have made much of the importance of the capital flow to Canada and of its role in facilitating Canada's phenomenal expansion in the post-war period. We find there seems to be no lack of agreement in Canada that there will be for some time a need for foreign capital. Thus, it is a surprise to find that there are some people here who question the desirability of capital from the United States."

U.S. investors had sent more into Canada than they had taken out. In the 1953-58 period the U.S. net capital flow into Canada including reinvested earnings totalled \$4,226,000,000. This was more than double the \$1,826,000,000 taken out of Canada by U.S.

investors in that period.

TAX REVENUE
Canadian income tax revenues on American investments amounted to some \$450,000,000 a year. Through these investments, Canadians were able to build up industries to boost exports. U.S. direct private investment in Canadian pulp and paper amounted to some \$600,000,000 — about 40 per cent of the total investment in that industry — while exports of the industry's products to the U.S. amounted to some \$1,000,000,000 annually. This added to Canada's national income.

Canadians also had to remember there was a "small but growing contingent" in the U.S. which wanted to prevent further exports of capital on the grounds such capital created jobs abroad, increased imports to the U.S. and put Americans out of work.

This was something "which might be pondered by those commentators who charge that U.S. investment is choking the Canadian economy."

Touching on trade generally, Mr. Kearns said he is convinced opportunities for expanding world trade for outweigh the possible hazards of increasing competition. In the next decade U.S. economic expansion would require an estimated 30-per-cent increase in raw materials, much of this coming from Canada.

U.S. restrictions on lead and zinc imports were unpopular in Canada but the U.S. had lifted restrictions against Canadian oil and had made it possible for Canadian firms to get American turbine contracts, Mr. Kearns said.

COAL PROBLEMS
And while Canada had problems in lead and zinc, the U.S. had problems in coal. These problems were complicated by the fact that Canada subsidized shipments of Nova Scotia coal to the central Canadian markets, discouraging sales of American coal in these markets.

"We hope Canadians will be more inclined toward optimism about the prospects of their trade in view of its steady performance in the recession. You are supplying a very large and vigorous economy in the U.S. which by the record is growing in importance for Canadian production year by year."

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CJRW-Radio—9:15 - 9:30 p.m. AST
Inserted by the P.E.I. Liberal Association

Forced Prayer Is Not Allowed

MINEOLA, N.Y. (AP)—A state Supreme Court justice has ruled that a public school can not force students to participate in a state-approved prayer.

Justice Bernard S. Meyer Monday ruled against a Hericks, N.Y., school which had ordered the prayer to precede the opening of classes.

Five parents objected that the use of the prayer violated the constitution and the principle of separation of church and state.

The 22-word prayer, approved by the state board of regents for use in public schools, says:

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