

sovereignty and independence. Nor are these necessarily in conflict at all points, for economic growth is essential to sovereignty and independence.

In developing the complex of vital relationships between Canada and the United States, Canadians must choose very carefully if they are to resolve satisfactorily the conflicts which do arise between maintaining their high standard of living and preserving their political independence. They can have both. In an era of heavy demand for energy and other resources, the cards are by no means stacked in one hand.

The Rich-Poor Nation Imbalance

The frustration of developing countries during the next decade will increase as they feel more acutely the limitations on their own technological and material progress, compared with that of industrialized countries. Their sense of impotence to gain quickly and effectively a more equitable distribution of needed resources will become more bitter if the signs of flagging interest and disillusionment on the part of more-developed countries are not reversed. The frustration is likely to manifest itself in various ways. Developing countries will increasingly set aside their political differences to form regional blocs that will urge and put pressure on developed countries to adopt policies that will accommodate the needs of developing countries. If these efforts fail, or do not succeed as quickly as the developing countries hope, recriminations, racial tension and, in some cases, political and economic reprisals against the governments, private investors and nationals of the more-developed countries are likely to increase in magnitude.

The emphasis of development efforts during the coming decade will probably be on human development, including education, social change and control of population. These in turn will lead to a greater awareness of the outside world and a greater appetite for quick change. In addition, a shift of emphasis can be expected from direct development assistance to a range of more sophisticated methods of effecting resource transfers to developing countries and of increasing their export earnings. Industrialized states will be called upon to take meaningful steps to facilitate the access to their markets of products from developing countries, and such other measures as financing unexpected shortfalls in the foreign exchange receipts of developing countries. There is likely to be growing pressure to recognize that a long-term solution to the growing disparity between rich and poor will entail a more rational international division of labour. This