

that while some areas were very wealthy, other areas were known as "have-not" areas, and, through the dominion-provincial taxation agreements, arrangements were made whereby provincial governments, whether they were in the wealthy areas or in the "have-not" areas, were able to supply similar services to their people. I think this was a major step in the process of holding Canada together. How long would this nation survive if the governments of some of the more wealthy provinces were able to provide services to their people that the less fortunate provinces could not?

But, times change from year to year and new problems arise. I think it is well that these fiscal arrangements be reviewed, that we profit from our experience and make new suggestions to the provinces—and of course receive suggestions from them—and modernize the agreements to meet today's needs. So I am pleased that these conferences are being held and that a new agreement will come into effect in 1967.

The Speech from the Throne then makes reference to the unprecedented prosperity and growth we are enjoying in Canada. I do not think anyone can deny that we have increased our production, that ever increasing investments are taking place in Canada, and that our trade is expanding, but sometimes I am a little concerned when some people talk of foreign domination of our industry and of our life.

Honourable senators, I am not one of those who are afraid of foreign investment. In my humble opinion, there is only one thing wrong with it in Canada—there is not enough of it. Why do I say that? The Lord was kind when he created this part of the world. There are few areas in the world with more natural wealth than this country of ours, but how could we in the space of 100 years and with a population only now of 20 million have created enough savings to develop and exploit the resources of this nation? It is not possible. People do not create those kinds of savings in a mere 100 years. Savings are accumulated only over generations, one after the other, and we have to look to older areas of the world for the investment capital we need to develop our tremendous resources.

Some of the best examples of this are in my home province, where today we have some of the greatest developments that are taking place anywhere in Canada. I refer to the potash industry. We have now three potash mines in production, with another seven under construction. Each mine takes a capital investment from \$50 million to \$80 million.

How on earth could the people of Saskatchewan, a mere million people, possibly have saved in sixty years sufficient money to develop this one resource? That resource is being developed by Canadians, Americans, Frenchmen, Germans; and personally, I am mighty happy that they are prepared to invest their money in Saskatchewan to develop our resources and give employment to our people.

Hon. Senators: Hear, hear.

Hon. Mr. McDonald: In Saskatchewan it is not only the potash industry, but the oil industry. When I think of the many millions of dollars that have been spent in the oil industry in the exploration field alone, I suggest to you it would be impossible to raise this kind of money in Canada to do this sort of thing in all our provinces.

Of course, apart from foreign investment, we are now getting some assistance through an Act of Parliament known as the Area Development Incentives Act. That has been of great benefit to Saskatchewan. Since the act came into effect we have been able to negotiate—again with a New York firm—to construct a pulp mill in the Prince Albert area, in the northern part of the province, which will mean an investment of about \$65 million, but the main effect of this investment is that it will create 3,000 jobs in an area where we have had tremendous problems with unemployment, especially among the native people in that area, the Metis.

I want to say to honourable senators that I do not care where the money comes from; if it will come in and develop a resource that we have been unable to develop ourselves, and provide employment in areas where most of the people have lived on social aid—and I am talking about natives and the Metis—then we welcome that investment. I hope, as far as my province is concerned—and, I am sure, as far as Canada generally is concerned—that peoples of other lands will have enough confidence in Canada to continue to invest their savings here in order to make this a better place for all of us to live in.

However, we do have a really serious problem in Canada today, despite the fact we have this general prosperity, and that is the fact that all Canadians are not benefiting from the general prosperity under which we live. Some economists have gone so far as to estimate that 40 per cent of Canada's population are not enjoying this general prosperity. I do not know whether or not that figure is accurate, but I do know that today there are