

made strong representations for the Farm Credit Corporation to be more realistic. Some of these areas have been touched on by the new administration in the Farm Credit Corporation. There is some resentment. I am not saying that they are perfect in what they are doing. Some of the suggestions of the Sibbald report have been followed up quite rapidly. For the first time there has been a director of the Farm Credit Corporation appointed from outside the public service. He is a young farmer from eastern Ontario who is bilingual.

● (1450)

Some hon. Members: Oh, oh!

Mr. Whelan: He has had past experience in the Farm Credit Corporation. He is an actual farmer. This is a new breakthrough, as far as I am concerned. I am concerned about the Farm Credit Corporation being operated in a proper fashion. We must have some real basic facts which indicate that something improper was done, rather than a rumour mill.

Some hon. Members: Oh, oh!

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POST OFFICE

STRIKE AT OTTAWA—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have a question for the Postmaster General. Can the Postmaster General tell this House what progress is being made in resolving the illegal and damaging work stoppage still continuing in the Ottawa Post Office?

An hon. Member: Good question, Lloyd.

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I am pleased to advise the hon. gentleman that the backlog which was a built up last week is now being cleared. There are 400,000 CPP cheques coming in today which will be processed. Unfortunately, we have had to do that with the hiring of additional casuals, which was done after a great deal of hesitation. However, there are approximately 250 regular employees who are now clearing the mail. Hopefully, the meetings we are attempting to have with the local will take place within a short period of time in order for the matter to be regularized.

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THE CANADIAN ECONOMY

MEASURES TO STOP EXODUS OF CAPITAL TO UNITED STATES—REASON REAL ESTATE DEVELOPERS WILL NOT INVEST IN CANADA

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Finance. There are continuing alarming reports of the mass exodus of individual and corporate investment money going from Canada to the United

States, such as millions of dollars that Canadians are investing in Florida real estate, manufacturing and banking. The United States is openly encouraging businesses in Montreal and Toronto to move to the United States. They are meeting with some success, because industry and business just cannot survive in the current Canadian climate. I should like to ask the Minister of Finance if he is planning any meetings with the business communities to help this flow of money and businesses, or is he planning a new budget to try to stop this serious situation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have been meeting continuously with provincial governments and with leaders of the business community. The hon. member posed two questions. The first was with regard to budgetary changes. I remind him that something over \$700 million of changes were made in favour of the corporate business sector in the March 31 budget. We believe it is a favourable climate, combined with the changes in the dividend tax credit for business investment in Canada.

On the question of the problem of inflation in Canada, indeed that continues to be a problem. The competitiveness of Canadian industry is a matter of grave concern, and it is for that reason we have continued to place very heavy emphasis on restraining the increase in costs in this country.

Mr. McKenzie: Mr. Speaker, unemployment is somewhere between a million and a million and a half. The construction industry has ground to a halt. Real estate developers in Canada this year have poured \$2½ billion into real estate development in the United States. Canadian real estate developers are developing 17 major complexes in the United States. In view of all this, could the minister arrange some meetings with the real estate development industry in this country to find out why they will not invest in Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, the obvious conclusion would be that at the present time,—and speaking only for my own community—there is a substantial excess of commercial capacity in this country. Obviously when there is that commercial capacity at the present time, it does not make sense to further invest.

Mr. Hnatyshyn: Just like the depression.

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LABOUR CONDITIONS

PENSIONS FOR RETIRED RAILWAY EMPLOYEES—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the fact that three years have gone by since the minister commissioned Dr. Noel Hall to make a report on railway pensions, and in view of the fact that consideration of that report by management and the unions does nothing for the railroad workers already retired and on pension, will the