

Senator Perrault: Hear, hear!

Senator Frith: Brace yourselves!

Senator Roblin: The fact is that the original inquiry did not reach the appropriate levels of the Federal Reserve Board. It was made by telephone, and at that time the official contacted declined to release the document. When the Minister of State (Finance) received that information she told her colleague, the Secretary of State, that the document was important and that she wished he would take it up with the officials who had the power to review this decision. That was done. So I believe that the answer is: I am glad to say that the document will be forthcoming.

COLLAPSE OF CANADIAN COMMERCIAL BANK—PRIORITY OF CREDITORS

Hon. Allan J. MacEachen (Leader of the Opposition): I thank the Leader of the Government for that clarification. Would he now attempt to help me on another point with respect to another conflicting situation that has arisen, in the first case, from information provided in Canada and, in the second case, from information provided in California.

We have been told by the government that the Bank of Canada would have first access or first call on liquidated assets of the Canadian Commercial Bank. Now it is reported that the California authorities take the view that the California creditors have first call. Can the Leader of the Government throw any light on that particular problem?

Hon. Duff Roblin (Leader of the Government): Of course, the world is full of rumours and stories these days that are either true, partially true, quite untrue, substantiated or unsubstantiated. There is even a report that the allegations made by the Honourable the Leader of the Opposition in the other place are without foundation. Who would ever have thought to see that?

Senator Flynn: That's not news.

Senator Perrault: Yellow journalism.

Senator Roblin: Apparently, there are some newspaper people who think that that is the case. It has to do precisely with this question of what happened to the assets of the CCB in the United States. The information given in the press report, for which I take no responsibility whatsoever, is that the allegations made, that large sums of money were transferred there in an allegedly improper way, are quite incorrect. I do not know if that is the case. I can just tell my honourable friend that these rumours are circulating, and that's why it is so unsatisfactory for me to try to get specific answers in cases where the full information is simply not available to me. Again, I am sure that this matter will be clarified in the next day or two, but there is no way I can answer or respond this afternoon.

STATUS OF NORTHLAND BANK

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, may I ask the Leader of the Government

[Senator Roblin.]

whether he can tell us about the present status of the Northland Bank. On September 1, the minister told the country that there would be some limited time given to the Northland Bank either to re-organize or to amalgamate. I would like to know what has happened, whether the time has been extended or what is the present status of that bank.

Hon. Duff Roblin (Leader of the Government): As I advised the house yesterday, there are two or three people or organizations who have been discussing with representatives of the Northland Bank and, no doubt, with the minister, the possibilities that may exist for the continued operation of that bank as a going concern. Those discussions are not completed. I think it would be wrong of us to close them off until we have a firm understanding as to whether or not any of them are acceptable.

COLLAPSE OF CANADIAN COMMERCIAL BANK—COMMITTEE STUDY

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, the Leader of the Government has acknowledged the present unsatisfactory state of our information—indeed, his information—on this matter. He has referred to the speculation and counter-speculation, rumour and falsehood that is rife. I think we have an obligation to seek the information from the only source that can provide it, namely the Government of Canada. Now the minister has taken the view that it is not possible for him to answer questions in the detail we would like in this chamber, and he has suggested the possibility of a committee. In answer to the first question today, I think he said that we would have an opportunity shortly to deal with this matter in committee. I wonder if he would clarify that indirect hope which he held out to the searchers on this side of the house.

Hon. Duff Roblin (Leader of the Government): I hope my honourable friend has received the same indications from the committee as I have. The committee met last night to discuss what it should do. As a result of that meeting, the chairman of the committee wrote a letter—and I believe a copy was sent to my honourable friend—in which he proposed the action they should take. For my part, the decision was sensible, and it would mean an early consideration of the matters under question.

Senator MacEachen: Honourable senators, I understand that the Banking, Trade and Commerce Committee met and indicated that an understanding had been reached that it could study matters surrounding the Canadian Commercial Bank if the subject matter of proposed legislation were referred to it. The committee suggested this approach as a matter of efficiency and convenience. I accept that idea in principle, but there are two very important conditions. One is that the committee, if it ever does receive the subject matter for consideration, have very broad and full powers to investigate every aspect of the matter. The second condition relates to the timing of the proposed legislation: When is it coming in? If the Leader of the Government assures us that the proposed legislation will be in the House of Commons next week, then it might be a