

have five years and a possible two years further to divest themselves, and these all would be ready-marketable stocks.

Mr. FULTON: Stocks now freely traded on the exchange.

Mr. ELDERKIN: That is right. And, in effect, they have probably seven years to bring themselves into line.

Mr. MACKASEY: May I ask a supplementary question. This amendment does not have a date in it. In other words, theoretically could RoyNat go beyond this area and come back by 1971?

Mr. ELDERKIN: The date will be effective from the time that the act comes into force.

Mr. MACKASEY: I am just looking at the date in clause 76(1), which is July 1971.

Mr. ELDERKIN: That would be the divestment section which would apply in the case of investments in deposit-taking institutions, I would say, where the investment is now in excess of the 10 per cent.

Mr. MACKASEY: In other words, if this amendment comes into force with the Bank Act, and RoyNat gets up to \$5 million—I am using this as an example—they stay there.

Mr. ELDERKIN: It is exempt right away.

Mr. SHARP: But they could never enlarge their investment beyond \$5 million—any particular bank.

The CHAIRMAN: With respect to the definition of deposit-taking institutions, what about a body that takes money from the public through selling some secure type of debentures and re loans the money it takes in in that way through mortgaging?

Mr. ELDERKIN: Mr. Chairman, you are raising a very difficult question, which you will have to face on deposit insurance when it comes to a definition of deposits.

Mr. SHARP: This is one of the reasons that in the legislation we have left considerable discretion to the Governor in Council.

Mr. MONTEITH: It has been mentioned that Kinross, RoyNat and UNAS are exempt because of this amendment. What other institutions are going to be affected by it? Is that a fair question?

Mr. SHARP: This was the burden of the question that was put to Mr. Elderkin.

Mr. MONTEITH: Yes, but I do not have any details as to who they are.

Mr. SHARP: There are three deposit-taking institutions.

Mr. MONTEITH: Is there any reason why we could not have their names.

Mr. SHARP: I do not know how much of this is public knowledge. Mr. Elderkin has knowledge that he gains as a result of his official position.

Mr. MONTEITH: Well, we have bandied about RoyNat, Kinross and so on.

The CHAIRMAN: There is a slight distinction there in that the various banking spokesmen came before us and made specific reference to RoyNat and