

and if that action is subject to democratic review, that is, I think, the appropriate vehicle for policy determination.

As I said before, the courts may be very reluctant to get into policy questions; but they can always be asked to do so; and by the time the Supreme Court of Canada has said it is reluctant to entertain this question, two years and a great deal of money will have gone down the drain.

Senator Haig: Are you not going to deal with this question?

The Acting Chairman: Yes.

Senator Grosart: For the record, if I may make one statement, and I am not concerned with policy, the purpose of my amendment is really to require that the actions of the executive be within the provisions of the act.

The Acting Chairman: It is moved by Senator Grosart that the words "it deems" in line 3 of clause 6 be struck out and the word "are" substituted therefor. That is the motion. All those in favour of the motion please signify by saying "Aye" or raising the right hand.

Vote counted: 3 for, 3 against.

The Law Clerk: The Chairman has a vote, but not a casting vote. In this case, if he votes, it would appear to be in effect the deciding vote.

Senator Grosart: But the Chairman did not vote and therefore it is a tie.

The Law Clerk: And where there is a tie, the matter is resolved in the negative.

Senator Grosart: That is right.

The Acting Chairman: Well, the motion is lost then. I thought I could vote only in case of a tie.

Senator Hollett: You did not say how you would vote.

The Acting Chairman: I did not have to.

The Law Clerk: A tie vote is lost.

Senator Hollett: It does not have to be lost. He could vote for it.

Senator Haig: In clause 7 (d) dealing with investment powers, why do you not put in a restriction that monies may only be invested in trust certificates?

Mr. Golden: There is a provision in clause 8 covering investment of funds which are in the nature of trust contributions to the union. These are things in the nature of donations being held under similar trust powers.

Senator Haig: But under clause 7 (a) if you have any funds left over after your fees are paid at certain times of the year you can invest it in anything you want to.

Mr. Golden: It is not intended that the function of this organization shall be to retain large sums and these sums would be considered to be in the nature of operating funds.

Senator Haig: But at certain times of the year you might have large sums of money on hand and you could invest them in 90-day certificates of banks or trust companies or you can put them into long-term mortgages if you like. I think in a situation where there are no dividends to be paid, you should have some restriction.

Mr. Golden: There are certain provisions covering certain types of funds that might be appropriately kept under that kind of provision, but in the nature of an organization like this there is a lot of money on hand, as it were. At least we hope there will be a lot of money on hand. But whatever operating funds there might be available would not be invested at all. It would simply be kept in a bank account—which I suppose is a form of investment—or put into some short-term investment whereby they would be readily available. The kind of fund going into long-term securities or what is commonly referred to as trustee investment would be money that it was intended to keep for a while and would be invested as retained capital. It is not anticipated that this organization will have any of that. If it could be provided for in an amendment, I would prefer to see it as a separate fund established under the act to be used for that purpose. If it is the wish of the Senate that certain funds be invested in trustee investments, that portion would have to be invested in a separate fund, otherwise it could be interpreted that money given to an organizer in an area to set up the organization there—it might be argued that the money was not a trustee investment.

Senator Macdonald: Surely if it is their money we can let them do what they want with it.

The Law Clerk: Again, this is by no means a conclusive observation at all but this stand-