

Senator Flynn: It was covered by warrant.

Hon. Mr. Drury: Not by warrant. That was covered out of the contingency vote.

Senator Molgat: The nub of my question is this. If this does not pass by Friday of this week, if it is not passed until next Wednesday, what happens? Is that a great calamity?

Hon. Mr. Drury: There are a number of different dates covered here. Unlike the Unemployment Insurance Commission, a single date covering all of them, such as February 8, 9 or 10, whatever it may be, cannot be established. There is a sum of money to be granted to the Cape Breton Development Corporation. They require this supplementary money in order to pay wages and salaries. The current resources will be exhausted some time between February 5 and 9. I do not think this means that if they do not get this money they will close down the operation. They can always go to the bank and make an appeal. So it does not represent really a calamity, of necessity.

Senator Prowse: It is a calamity if the bank makes claims on you and if you do not have the collateral, if you get into a situation like that.

Senator Flynn: It would not be the first time.

The Deputy Chairman: I wonder if I might ask Mr. Drury a general question. How much of this total of \$1.2 billion has already been spent, roughly? We might start with \$590 million under Governor General's warrants, which is already in hand and presumably has been spent. How much more of this has been spent, just to give us a general idea of what we are dealing with here?

Hon. Mr. Drury: The amounts of the warrants, Mr. Chairman, are \$590 million.

The Deputy Chairman: Yes.

Hon. Mr. Drury: They will be essentially exhausted. Those funds will all be spent by about February 8. The balance is really for such things as the Local Initiatives Program, the direct employment program by the government, the fitness and amateur sports grants. Up to \$590 million has been spent. The balance is for future expenditures, the continuation of the programs to the end of the fiscal year.

Senator Flynn: If we could have a dissolution of Parliament tonight, you probably would have less trouble, as you could get Governor General's warrants for all these items.

Senator Prowse: Don't tempt him!

Hon. Mr. Drury: There is not really any temptation, I am glad to say, Mr. Chairman. We cannot get Governor General's warrants. The law provides this quite clearly, and this kind of situation has been contemplated by people with more wisdom in earlier years. The government cannot get Governor General's warrants at any time when Parliament is in session, or within a shorter

period than 15 days before Parliament is due to assemble. It must be a period no later than 15 days before the assembly of Parliament for one to seek these warrants. From then on, you have to do something else, or do without. Certainly, while Parliament is in session we have to do without. Essentially, the problem here is that if Parliament does not act on these estimates, or on the unemployment insurance bill, the government will do without, but also so will many of the unemployed, so will many people on the LIP and so will many farmers.

Senator Carter: Could we solve your problem by adjourning for a month?

Senator Flynn: While we have the minister here, Mr. Chairman, I might point out that in the case of the CNR bill we usually find that most of the money has already been spent when Parliament is called upon to approve the capital expenditures of the CNR.

Hon. Mr. Drury: On some occasions, Mr. Chairman, this is correct, and it has to be approved by Parliament after the event rather than in prospect.

Senator Phillips: What percentage of the LIP has been approved to date?

Hon. Mr. Drury: Regarding the warrants for the initial program of some \$85 million authorized during the fall, all of that \$85 million was approved before Christmas. There was a further supplement of \$80 million and that is now in the process of being examined, analyzed and approved on a day-to-day basis. Every day there is more and more in the way of approvals. What it is, as of February 6, as a percentage of the second \$80 million, I am not too sure.

Senator Phillips: Once approval is granted, Mr. Minister, do they automatically begin work?

Hon. Mr. Drury: Once approval is granted, I am not sure that they automatically begin work but they are authorized to begin work. Some projects perhaps get organized and under way more rapidly than others.

Senator Phillips: Yes, but they have authority to begin work?

Hon. Mr. Drury: That is correct.

Senator Phillips: So basically, as to the amount in this LIP, if it was delayed two or three days, these people are already under way in many of these cases?

Hon. Mr. Drury: If it is delayed, they can go on working, but there will be no authority to pay them and they will be working without being paid. What is being sought here is authority to pay these people who are currently engaged under a number of LIP programs, and if there is no parliamentary authority to pay them...

Senator Phillips: You will pardon my lack of knowledge, Mr. Minister. What method is used in paying the recipients under the LIP? Are they getting paid each week or are they paid quarterly throughout the program, or what method is used?