

the purchase of gasoline for Crown-owned vehicles have been developed and were submitted to the Treasury Board on February 11, 1966 for approval. It is anticipated that the new procedures will become effective April 1, 1966. However, participation by the Royal Canadian Mounted Police is still under study.

It is gratifying to note that this matter, which was first drawn to attention in my 1961 Report to the House and on which it is estimated that annual savings of \$158,000 can result, is about to be brought to fruition.

11. *Unemployment Insurance Fund and its Administration.* The Committee stated its opinion that it is in the public interest that the Government's consideration of the report of the Committee of Inquiry be completed as soon as possible, and that the Government bring forward promptly such proposals as it may deem necessary to deal with the problems raised by the report.

The Committee also reiterated the additional recommendation made in its Fourth Report 1963 that preparation of the annual financial statements for the Unemployment Insurance Fund should be made a statutory responsibility of the Unemployment Insurance Commission and that the statements should be reported on by the Auditor General.

*Comment by the Auditor General:* The Minister of Labour wrote to me in the following terms on this subject under date of March 10, 1965:

In reply to your letter of February 26th and more specifically to the observations made in the Fourth Report of the Public Accounts Committee, dated July 28th, 1964 relating to the Unemployment Insurance Fund administration, the Prime Minister stated on February 20th, 1964 in the House of Commons:

One of the many examples of pending measures—it is one not only of importance but one which is very close to many members, indeed to all members—is the reform of unemployment insurance. The large reduction in unemployment which has been achieved in recent months has made this a less dramatically urgent problem than when the unemployment insurance fund had to be rescued from bankruptcy, but reforms certainly are required. The House was informed at the start of the last session that legislation was under consideration, and that consideration has been proceeding. If the parliamentary timetable permits, we will be ready with legislation later in the year.

This was the position of the Government at that date and continues to be the position today.

With respect to the preparation of the Annual Financial Statements of the Unemployment Insurance Fund, dealt with in paragraph 37 of the Fourth Report, this is a matter which you would appreciate will require a revision of the Unemployment Insurance Act. In the meantime, I might add that informal arrangements have been made, as you are aware, for the Auditor General to audit the Annual Financial Statements of the Unemployment Insurance Fund.