

2. The following is a report on the work done by your Committee at these meetings.

3. In the course of its meetings your Committee gave consideration to:

(a) the action, or lack of action, by departments as a result of previous recommendations made by the Committee;

(b) the Auditor General's Report for the year ended March 31, 1965, as follows:

Unemployment Insurance Commission—paragraphs 72 and 142(7); item 11 of Appendix 1

Department of National Health and Welfare—paragraphs 87 and 88; item 34 of Appendix 1

Department of National Revenue (Taxation Division)—paragraphs 101, 102, and 169

UNEMPLOYMENT INSURANCE COMMISSION

4. *Electronic data processing system abandoned*

(pp. 1293-1303)

The Committee considered paragraph 72 of the 1965 Report of the Auditor General to the House dealing with the failure of an electronic data processing system due to faulty planning by the Commission and the manufacturer.

Members of the Committee questioned the Chief Commissioner and his officials concerning the system and the fact that no claim had been made by the Commission against the manufacturer for any part of the operating costs of \$200,000. The Chief Commissioner stated that he did not believe a basis existed on which any claim could have been made against the manufacturer.

After hearing the evidence the Committee is of the opinion that an effort should have been made by the Commission to obtain at least partial compensation from the manufacturer within the terms of his guarantee to the Commission.

5. *Unemployment Insurance Fund and its administration*

(pp. 1303-1305)

In its Fourth Report 1964, 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 (tabled on December 20, 1962) 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.

The Chief Commissioner advised the Committee that the Minister of Labour has stated that it is the Government's intention to bring legislation before the House in due course covering the Report of the Committee of Inquiry. With respect to the second or additional recommendation made by the Committee, the members were pleased to learn that pending the passing of legislation with regard to the preparation of annual financial statements for the Unemployment