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Development and the Status of Persons with
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Mr. Dean Allison

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Wednesday, February 28, 2007

• (1535)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): Order.

Pursuant to the order of reference of Wednesday, November 8, 2006, we'll begin our meeting on Bill C-269, an act to amend the Employment Insurance Act for improvement of the employment insurance system. Since we have a limited amount of time, I think we should try to get started as quickly as possible.

Ms. Deschamps is going to talk about her bill for a bit. Before we go to her, I'll mention to you that today's meeting has been structured so that we have two meetings. The first is from 3:30 to 4:30. After we take a break, Mr. Eyking will come in and talk for the second hour about his private member's bill.

We'd like to get through at least two rounds of questions, so for the sake of time, I'm going to ask that the first round be five minutes instead of seven, and that the second round be four minutes instead of five. This is just so that we can get in a couple of rounds and we can all ask Ms. Deschamps some questions about her private member's bill.

Without any more talking on my behalf, I would ask Ms. Deschamps to make her opening remarks.

We welcome you. Thank you for being here today to discuss your private member's bill.

[Translation]

Ms. Johanne Deschamps (Laurentides—Labelle): Thank you very much, Mr. Chair

I am very honoured to be here as a witness. I feel a little off kilter because I am used to being seated on the parliamentarians' side. I ask your indulgence, my dear colleagues.

I am pleased because, during this session, I also had the privilege of sponsoring Bill C-269. This bill is the result of a great deal of hard work by the committee and my colleague Yves Lessard. I am very honoured to have had the opportunity to present this bill in the 39th Parliament.

The purpose of Bill C-269 is to improve the present employment insurance system, which the Conservative and Liberal governments have distorted over the years into an unfair program that bears increasingly little resemblance to an insurance plan. More than 50% of unemployed workers are not covered by this insurance, even

though they pay premiums and the plan continues, year after year, to accumulate surpluses in its coffers.

It seems that the contributions of workers and employers have turned into a disguised tax and that the amounts amassed in this fund are used for purposes other than those of employment insurance.

The House of Commons Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities studied this issue in 2004 and, on February 15, 2005, issued 28 recommendations for improving the program.

You will recall that the Conservatives supported certain recommendations of the House of Commons Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities whereby the plan would be reserved for the benefit of workers.

The Bloc Québécois worked on this committee and was primarily responsible for adoption of the report. Thus, on May 8, 2006, I tabled a bill on behalf of the Bloc Québécois, which, if adopted, will make sweeping changes to the program.

Enacting Bill C-269 will provide a lifeline for workers and that is why the government must have the political will to change the system before any more damage is done.

We should recall that, until 1990, the Canadian government contributed to the unemployment insurance fund. In 1990, however, Brian Mulroney's Conservative government destroyed that equilibrium by terminating the federal government's contribution to the fund, leaving the entire funding of it to employers and workers. The withdrawal of federal funding created a major deficit in the fund at that time. The government then tried to solve the problem by slashing the coverage that the system provided, cutting the benefits paid to unemployed workers and tightening the eligibility rules for workers. The effect of this was to reduce the number of people covered by the system by half between 1989 and 1997 and to create enormous surpluses in the fund.

For more than 15 years, workers and employers have been the only contributors to the fund, and every year, the fund surpluses are swallowed up by a federal machine whose appetite knows no bounds. The EI account cumulative balance has ballooned since 1994, reaching about \$50 billion to date.

There is no doubt that this cumulative balance is the result, among other things, of many changes that have restricted coverage of employment insurance since the early 1990s. The reform of employment insurance, in 1996, gave rise to a more restrictive system by tightening the eligibility criteria.

The EI account cumulative balance belongs to the employment insurance system and the government has the moral obligation to restore it in full. The EI account surplus must be applied to the employment insurance system.

In her November 2005 report, the Auditor General of Canada, Sheila Fraser, said there was an accumulated surplus of more than \$48 billion. She also declared that the federal government had the obligation to respect the Employment Insurance Act and added that:

For the past six years, we have drawn Parliament's attention to our concerns about the government's compliance with the intent of the Employment Insurance Act, with respect to the setting of employment insurance premium rates and its impact on the size and growth of the accumulated surplus in the Employment Insurance Account. The accumulated surplus in the Account increased by an additional \$2 billion in 2004-05 to reach \$48 billion by the end of March 2005.

Today, about 40% of people who lose their jobs manage to qualify for employment insurance benefits. That is 4 workers out of 10. The people the most affected by the federal government's reforms are women, young people and seasonal workers. Of course, they are the same persons who are the most dependent on the program because they occupy precarious and unstable jobs.

With the changes to the system, the number of women covered by employment insurance decreased from 73% to 33%. They often have seasonal and unstable jobs.

In some parts of the country, it is impossible for people to accumulate more than 360 hours of work because of the large number of seasonal jobs in agriculture, forestry and tourism. The regions are suffering economically from plant shutdowns and, more recently, job losses in the forestry sector. In my riding, for example, in the regional municipality of Antoine-Labelle, 80% of the local economy is dependent upon the forestry sector; 80% of this industry's activities are at a standstill because of the current crisis.

Workers are victims of massive layoffs and often they do not qualify for employment benefits. Yet, they contributed to the fund for many years. Not only do workers become poorer because they are deprived of the right to EI benefits, but their families and their regions are also impoverished. Statistics show that the number of claimants has gone down since 1996; however, contrary to what we might think, it is the number of eligible claimants that has gone down. The eligibility requirements are so strict that fewer and fewer workers qualify.

The time has come to give contributors what is owed to them and to stop looting the fund. The system we had in the 1990s is no longer suited to today's realities. That is why reforms are needed to help workers. Bill C-269 aims to restore some fairness for workers in the way employment insurance benefits are delivered. The employment insurance system must be updated to make it more accessible for vulnerable workers.

First of all, this bill aims to reduce the qualifying period to a 360 hours regardless of the regional unemployment rate.

This measure will eliminate the inequities between regions on the basis of their unemployment rates. This rule would also cover seasonal workers and those with unstable jobs. The required 360 hours correspond to 12 weeks of 30 hours. The benefit period varies according to the region and the regional unemployment rate. For regions with a high unemployment rate, this would eliminate the infamous "seasonal gap", which leads us to the following recommendation: increase the maximum benefit period from 45 to 50 weeks.

Every year, seasonal workers face the seasonal gap, leaving them without benefits for as long as 10 weeks. Statistics show that 35% of recipients use their full benefits. In a regional municipality in my riding, that figure rises to 43%. According to an excerpt from the report, witnesses stated that the benefit period should be increased to 50 weeks, as is the case for special benefits. This measure would solve the longstanding problem of the seasonal gap, which mainly affects seasonal workers who have no benefits before the start of the next season. Although the government has taken measures to address this problem, further action is required. Resource regions are particularly affected. Bill C-269 puts an end to the seasonal gap by increasing the benefit period from 45 to 50 weeks.

Next, the bill aims to increase the rate of weekly benefits to 60% of insurable earnings rather than 55% as is currently the case.

Unstable jobs are generally the least well paid and these changes would provide claimants with a bare minimum. The Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities made this recommendation in 2005. This measure would help women in particular, since the 55% rate primarily affects low-wage earners, two-thirds of them women.

The Bill also eliminates the waiting period between the time when people lose their jobs and apply for benefits and the time when they receive their first cheques.

Workers should not be penalized for losing their jobs. Their financial obligations continue even if the money is late arriving. The waiting period penalizes workers who have lost their jobs without being fired or resigning. These workers often have a low income and it is further reduced by the period of unemployment they are entering, and which is not justified because the waiting period does not affect the maximum benefit period.

The Bill eliminates the distinction between a new entrant and a re-entrant to the labour force.

This practice is completely discriminatory, especially with respect to young people and women whose work situation is more precarious. The fact that a worker has received benefits is a determining factor in whether or not he or she is considered a new entrant or a re-entrant to the labour force. The eligibility conditions have become incoherent and fragmented. A person not considered a new entrant or a re-entrant must accumulate fewer insurable hours to be entitled to regular benefits, whereas a new entrant or re-entrant must accumulate 910 hours, which is becoming increasingly difficult in many regions. This becomes a major deterrent for individuals who wish to work in agriculture, forestry and several other sectors providing seasonal employment. It is virtually impossible for these individuals to accumulate 910 hours in these sectors.

• (1540)

The Bill will eliminate the presumption that persons related to each other do not deal with each other at arm's length.

The burden of proof with regard to dealing at arm's length is always shouldered by the employees of family businesses, who are deemed guilty until proven otherwise. We understand that it is important to discourage fraudulent relations between employers and employees. However, it should not be up to workers to prove their good faith when they lose their jobs; it should be up to the system to investigate when there are doubts.

The Bill increases the maximum yearly insurable earnings, which stood at \$39,000 when the Bill was tabled.

The maximum has now been set at \$40,000. We were asking that it be raised from \$39,000 to \$41,500 and that an indexing formula be introduced. The current contribution formula is actually a regressive tax that affects low-income earners the most. Once the maximum insurable earnings have been reached, higher income-earners pay no further premiums, whereas lower income-earners contribute for the entire year.

The Bloc Québécois is recommending that there be greater fairness. The maximum was once \$43,000. Furthermore, higher income-earners are only covered for 55% of \$39,000, the maximum yearly insurable earnings when the Bill was tabled. It is difficult to pay one's bills with so little, even if it is only for a few weeks.

Benefits must be calculated based on the 12 best weeks so as not to penalize seasonal workers who sometimes work short weeks.

Only the weeks with the highest earnings in the new benefit calculation period would be considered and the average earnings would be calculated using the 12 best weeks of insurable earnings. The NDP member, Yvon Godin, tabled Bill C-265 in May 2006 in this regard. We believe it is vital that this new formula be implemented.

Finally, we must extend program coverage to self-employed workers, given that they currently represent 16% of the labour force. These workers have no coverage should they become unemployed. Premiums would be paid on a voluntary basis and the rate would be established by the chief actuary on the basis of need. Complete coverage should be provided.

In closing, I would like to remind the committee that workers, employers, the Auditor General of Canada, the Bloc Québécois and

now even the UN have criticized the federal government and its employment insurance program. In an article that appeared in *La Press* on May 23, it was reported that the UN Committee on Economic, Social and Cultural Rights, and I quote:

—recommends that the State party reassess the Employment Insurance scheme with a view to providing greater access and improved benefit levels to all unemployed workers.

Furthermore, during the last election campaign, the Conservatives made a commitment to put in place an independent employment insurance program and to create an autonomous fund administered by employees and employers. They also supported the recommendations of the Standing Committee on Human Resources whereby the plan would be reserved for the sole benefit of workers. They deemed the practice of accumulating a surplus intellectually dishonest, and a deliberate attempt to overtax workers and their employers for the purpose of diverting funds to finance other government priorities.

Obviously, there are serious shortcomings in the management of the employment insurance fund. The priority is to end the injustices that harm workers, their families and businesses. We must quickly enact the necessary measures allowing workers to benefit from the insurance program to which they contribute.

Thank you.

• (1545)

[English]

The Chair: Thank you, Madame Deschamps.

We're now going to move to our first round. I'll just remind the members that for the sake of time, we're going to have rounds of five minutes instead of seven for the first round.

Mr. Savage, you have five minutes, sir.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Thank you, Chair.

I'd like to congratulate Madame Deschamps for getting this bill as far as it has gone so far. There's a lot of good stuff in this bill.

Employment insurance is a huge issue to large parts of the country. It's big where I come from in Atlantic Canada. You've mentioned your own riding and, in general, the province of Quebec and areas of high employment. I'm not sure it's an issue that's understood by people who aren't directly affected—people whose communities aren't directly affected by high unemployment and by seasonal work—but it's a very important issue.

Much of the bill I like. I like the elimination of the two-week waiting period. In fact, quite often when people lose a job through no fault of their own, they end up waiting a lot longer before they get their first cheque, and I think it's a bit of an insult to have to wait the two weeks.

I support the five-week covering of what we call the “black hole”.

We have some amendments that we're going to put forward, especially in terms of new entrants and the number of hours required, but I do believe it's time to do some reforms in employment insurance.

There were reforms in the 1990s. Back then, in fact, we had a deficit on EI for many years, until a strong economy led to a surplus, although there is no EI surplus; it's not a carry-forward amount of money, but a notional surplus. Premiums have gone down, but I think it's time to recognize that we need to do something on the other end, so I congratulate you on that.

I will ask the obvious question: what is the cost of this bill to the treasury?

• (1550)

[Translation]

Ms. Johanne Deschamps: With the help of the members of this committee, we have identified the costs associated with Bill C-269. Those costs total \$1.7 billion at this time, while the fund is generating surpluses of more than \$2.2 billion a year.

Thanks to those surpluses, we feel very comfortable about the requirements of Bill C-269, the costs of which will not exceed \$1.7 billion.

[English]

Mr. Michael Savage: The employment insurance program was reformed again in 2004 when the Liberal government said it didn't make sense to have a lot more going in than coming out. So each year it's actuarially determined as well as possible to identify what might be paid out, and make sure it matches what's going in.

Pilot projects have been in place in different parts of the country—I'm sure you're aware of them—and I wonder if you can tell us how this bill compares with the pilot projects that have been designed for areas of high unemployment.

[Translation]

Ms. Johanne Deschamps: Thank you for the question.

I would like to take this opportunity to turn a spotlight on my riding. Currently, in the northern part of my riding, Laurentides—Labelle, which is located north of Montreal from Saint-Sauveur to Mont-Laurier, the economy is based on the tourism, agriculture and forestry industries. There is a small RCM north of my riding that is facing a crisis right now, as I indicated during my testimony. The forestry industry accounts for 80% of its economy. At this time, 80% of the forestry industry is shut down or in slowdown mode. There are seven lumber mills in the area. Four have closed down for an indefinite period, one is closed permanently, and at the other two mills, operations have been cut back. This has caused the loss of 1,450 jobs in the past six months.

The people in the RCM had access to a program that allowed them to increase the period from 45 to 50 weeks. However, under the current conditions, few people qualify for the program, based on the requirements of the system. This is financially disastrous for these people.

That RCM is a single-industry community. There is no other industry or alternative to offer those workers. If the system were set up to pay back the money those people have paid in over their years of work, they could benefit from the employment insurance they have bought for themselves. This is not the case right now.

[English]

Mr. Michael Savage: Thank you.

The Chair: Thank you, Ms. Deschamps.

Mr. Lessard, please.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chair.

I would first like to congratulate my colleague and tell her that it has been an honour for me to work with her on preparing this bill.

Obviously, this bill is complicated for all of us here today. It is complicated because an enormous amount of work is needed to correct the employment insurance system. While this might at first seem like a lot of measures, it is clear after a closer look that they are all necessary, given the needs of unemployed Canadians. I would like to give full credit to my colleague.

As my colleague pointed out, and rightly so, in the early and mid 1990s, the Liberal government took steps to balance the employment insurance fund. Those measures were probably needed at that time. Perhaps we would have made different choices. Those measures were so draconian that, over the years, they have generated surpluses that have accumulated on the backs of unemployed Canadians. These measures have not been justified since 1996 and 1997.

What pleases me today, and has pleased me over the past few days, is listening to members of the Liberal Party also acknowledge that we must take action to change this. Our colleague, Mr. Savage, did so earlier. I think this gives us reason to hope that the situation can be corrected. I should also be pleased that some of the 28 recommendations that were made are backed by the Conservative government. I should not get excited too soon, however, since the Conservatives have been known to flip-flop. I will wait and see.

I have a question for my colleague. In addition to her excellent work in the House of Commons, I know she is also doing exceptional work in her riding. I would like her to tell us a little bit more about the impact of EI cuts on families. What happens to these people when they run out of employment insurance and run out of money?

• (1555)

Ms. Johanne Deschamps: You are familiar with the system currently in place in Quebec, which falls under the Ministère de l'Emploi et de la Solidarité sociale. It provides people with very minimal social assistance. It is known as last resort assistance. People who are ineligible and cannot receive employment insurance benefits—Those who are eligible are already very much affected. They once had an average income but now must live temporarily on EI benefits which amount to less than they were earning, knowing that when their benefits run out, they will probably still be unemployed, because the factories are closed. Their only recourse is social assistance.

Social assistance does not allow the recipient to have any assets, that is, property of any value. In order to be eligible for that kind of assistance, people must sell their assets. I think that anyone who wants to make their way and benefit from services within our society finds this aspect very disagreeable and demeaning.

Mr. Yves Lessard: In your work, you focused on the fiscal imbalance, on the additional burden placed on the Quebec government, due to the fact that Ottawa is holding on to money that belongs to the workers and employers. Can you tell us a little more about that?

[English]

The Chair: You have about 30 seconds left.

[Translation]

Ms. Johanne Deschamps: The burden was passed from a federal system onto a provincial system. The people who paid in, those who contributed to the system and who are ineligible or cannot benefit, are turning to what is in place and what is provided by the provincial government. For these people, social assistance is provided by funds that come directly from the provincial government. Thus, they pay into a system at one level, the federal level, but are forced to turn to the coffers of the provincial government, which provides this program with its own money.

[English]

The Chair: Thank you, Mr. Lessard.

The next five minutes will go to Mr. Godin.

Mr. Godin, welcome back to the committee; it's been a while.

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Thank you very much.

Hello from me, as well. Every time the subject of employment insurance comes up, we meet again. I care very much about this file.

I would like to thank Ms. Deschamps for her presentation. Both you and Mr. Lessard of the Bloc Québécois have explained the importance of the employment insurance program, and your colleague praised your excellent work. I think we are on the same page here, since, for many years, we proposed bills or amendments to employment insurance, or initiatives to help workers directly.

I do not have much to say in praise of the Liberals, because they said they had to solve the EI deficit or the country's deficit. They did so on the backs of our workers. They are the ones who ruined employment insurance for our workers. When EI premiums rose to \$3.07, there was a surplus of \$7 billion. There were plenty of surpluses. The Liberal government of the day, when Paul Martin was finance minister, liked to pat itself on the back. It boasted that it had balanced the budget, had reached a zero deficit and had a \$7 billion surplus. At the same time, look at what was in the consolidated revenue fund. There was \$7 billion in the EI fund. They are saying themselves that this does not exist. Of course, they took it.

Now we are told there is a \$2 billion surplus. The Minister of Human Resources said that this is minimal. Do you really believe that this is minimal, when there are people who still need EI benefits? The bill will cost some \$1.7 billion to implement. I would

say that that amount is minimal, if we want to help workers and families. Some 800,000 workers—the research officer can correct me if I'm wrong—pay EI premiums and yet are ineligible for benefits. And this is precisely why we have 1.2 billion hungry children in Canada. As you said, Madam, if these people are ineligible for employment insurance, they are forced to turn to social assistance and the burden falls to the provinces.

We now have a government... When in opposition, the Conservatives supported only eight of the 28 recommendations, including one for an independent fund—but I fear that, with them, this means privatization—and another involving lowering EI premiums. We now see that the surplus has been reduced from \$7 billion to \$2 billion. The premiums were cut back at the same time as the measures intended to help those men and women who get up and go to work every day, yet lose their jobs. Do you agree with me?

• (1600)

Ms. Johanne Deschamps: I agree entirely, Mr. Godin. Perhaps you hadn't arrived yet, but I paid you a compliment during my testimony when I referred to your Bill C-255.

Mr. Yvon Godin: I was not here, but I saw that.

Ms. Johanne Deschamps: We are working on the assumption that, at this time, only employees and employers pay into the fund in order to allow workers to enjoy benefits if they lose their job or at the end of a seasonal contract. It is entirely reasonable that these people should receive the insurance they have paid for. With the new contribution rate, the fund is currently generating surpluses of approximately \$2.2 billion. It is entirely reasonable to assume that it can pay for itself.

Mr. Yvon Godin: The Auditor General said that the fund should have some \$15 billion. I find it strange to hear the Liberals and the Conservatives saying that there is no more money. There is a surplus of \$51 billion hidden away somewhere, which belongs to someone, and now they are saying that we cannot make any changes to employment insurance because there is next to no surplus. Is this not disingenuous or misleading?

Ms. Johanne Deschamps: No, I agree with you entirely. My colleague Yves Lessard and I travelled throughout Quebec when we were working on Bill C-269.

[English]

The Chair: There are 30 seconds left.

[Translation]

Ms. Johanne Deschamps: We met with workers, associations that defend the rights of the unemployed, and with employers. In many areas of Quebec, workers and employers told us that they are prepared to pay higher premiums, if that would help ensure justice, so that any worker in need will be eligible to receive EI benefits.

Mr. Yvon Godin: Thank you.

[English]

The Chair: Thank you very much, Mr. Godin.

We're now going to move to the last questioner of this round. Mr. Lake, five minutes please.

•(1605)

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Thank you.

Ms. Deschamps, thank you for coming in. I appreciate the opportunity to talk to you about your private member's bill.

I want to address something right from the start. I believe I heard that over half the unemployed don't have access to EI. Numbers I've seen refer more to 83%, I believe, of the unemployed who have paid into the program and had recent job separation and qualified were eligible to receive benefits. So obviously there's a big difference between 50% and 17%.

Can you tell me specifically who fits into that 50% that you're saying don't receive employment insurance?

[Translation]

Mr. Yves Lessard: One moment, please, if you don't mind, Mr. Chair.

I do not wish to interfere with my colleague's question, but I must say that he is working on an assumption that is inaccurate. The 83% is not based on the number of people who pay into EI, rather, it is based on the number of people who are eligible under the new rules.

[English]

Mr. Mike Lake: This is actually not the issue.

Could the witness answer?

The Chair: We'll let the witness answer the question.

Ms. Deschamps.

[Translation]

Ms. Johanne Deschamps: You are finished speaking?

[English]

Mr. Mike Lake: Is my clock running right now?

The Chair: I'll restart it.

Mr. Mike Lake: Thank you.

Again, you had said that over half of unemployed people don't have access to benefits. The numbers I've seen show that over 83% of the unemployed who had paid into the program and had recent job separation, who qualified, were eligible to receive benefits.

Obviously there's a big difference in the two numbers. I would like you to tell me specifically who you are counting in that 50% who you're saying don't qualify or don't receive benefits.

[Translation]

Ms. Johanne Deschamps: I have no idea what your sources are or where you are getting that. We are probably coming at this differently.

However, this is what we learned from HRDC, and our figures are very accurate. Out of everyone who contributes to the EI fund, and under the system's current eligibility rules, approximately four out of every ten workers are eligible for EI at this time.

I have not invented any of this. We visited all regions. It was also following the committee work—

[English]

Mr. Mike Lake: I only have a little bit of time, so I want to ask you a specific question.

In the situation where my wife taught for five years, paid into EI, got pregnant, we had a child, she went through her maternity benefits and then decided to stay home, would she fit into your numbers as far as being an unemployed person who's not receiving EI?

[Translation]

Ms. Johanne Deschamps: I suppose so, because the system is probably meant to provide regular benefits. There are also special benefits, as we know.

[English]

Mr. Mike Lake: Clearly some people would have no expectation. We didn't have any expectation that we should be receiving EI beyond that period. So there would be people within that number who would really have no expectation of the benefits, but you would say they should be receiving them anyway, I guess.

My wife stayed home for several years after that. How long would she continue to be counted in your numbers, the 50%?

[Translation]

Ms. Johanne Deschamps: Right now, Mr. Lake, we are talking about special benefits, while Bill C-269 aims to improve the current system. That is, it aims to make the EI system accessible to every worker who pays into it.

•(1610)

[English]

Mr. Mike Lake: Fair enough. I take it that you're not sure.

I'm curious about the specifics of the program—for example, the two-week waiting period. I'm sure you've costed that out. Could you tell us what it would cost to wipe out the two-week waiting period?

[Translation]

Ms. Johanne Deschamps: I do not have the figures in front of me. Perhaps my colleague, Yves Lessard, can elaborate on this.

[English]

Mr. Mike Lake: With all due respect, we have five minutes, and you're the sponsor of the bill. I assume you have the research that you've done in front of you. So I'll ask you about the rationale behind the proposal to extend the maximum range of benefits from 45 to 50 weeks. Can you give me the costing out that you've done on that? And also, could you give me the evidence that adding five more weeks will significantly meet the needs of the unemployed people it would affect?

The Chair: There are just 30 seconds left.

[Translation]

Ms. Johanne Deschamps: If you listened carefully during my testimony, you will recall that I already talked about this. The five additional weeks aim to eliminate the gap increasingly faced by seasonal workers.

[English]

Mr. Mike Lake: How many? You say increasing numbers.

[Translation]

Ms. Johanne Deschamps: As I said earlier, in my region, 43% of workers receive EI benefits.

[English]

Mr. Mike Lake: What's the cost nationwide?

[Translation]

Ms. Johanne Deschamps: That means that 43% of the workers in my region run out of benefits before they return to work. The gap can be as long as ten weeks.

[English]

Mr. Mike Lake: I asked about the cost, though. That was the first part of my question, the costing of that.

The Chair: That's all the time we have, Mr. Lake.

We're going to have to move to our next round of four minutes. I apologize for the shortness of questions. It's so we get the second round in.

Ms. Dhalla, four minutes please.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Thank you very much to Ms. Deschamps for coming forward and for your interest on this particular issue.

In the view of time, I'm going to actually ask all of my three questions at once. I would also follow up on Mr. Lake's question in regard to costing for the five-week period. I know you've told us a percentage, but it would be beneficial for the committee to have a costing.

I want to touch upon two other questions that are perhaps in a similar area. As a health care provider prior to becoming elected, I worked with a number of individuals who were on employment insurance, and one of the main goals during their treatment plan was to ensure that they returned to their pre-injury status. We were able to have rehabilitation done and ensure that they went back, hopefully better, into the workforce, and had proper integration.

With your proposal here of extending the benefits from 15 to 50 weeks, there are probably about 10 million Canadians, from the figure that I have, who actually access private disability income-replacement plans. With the extension from 15 to 50 weeks, with some of these private plans that are in place right now there is an opportunity for early intervention, there is an opportunity to ensure that individuals are rehabilitated.

So how would the increase from the 15—

[Translation]

Mr. Yvon Godin: I would like to call a point of order, Mr. Chair.

[English]

The Chair: I think the bill you're referring to is the one we're going to deal with next. You're on Bill C-269?

Ms. Ruby Dhalla: Yes.

The Chair: Okay, sorry. Go ahead.

Ms. Ruby Dhalla: What type of impact would that have in terms of your bill? And could you talk about any other legislative changes that would be required?

[Translation]

Mr. Yves Lessard: May I make a suggestion, Mr. Chair?

This question has to do with Bill C-278, which was introduced by his own party and will be debated immediately afterwards.

[English]

The Chair: Ms. Deschamps is going to answer what she can answer.

[Translation]

Ms. Johanne Deschamps: Thank you.

I can answer the first question. You asked approximately how much an additional five weeks will cost. Our calculations of the additional costs associated with Bill C-269 indicate that increasing the maximum from 45 to 50 weeks would cost \$11 million. I spoke earlier about the total costs, which are in the order of \$1.7 billion.

As for your second question, concerning the people who can access insurance if they lose their job, you will have a clearer picture once the second witness appears. In any case, we are talking about insurance. Bill C-269 definitely has to do with employment insurance. All workers who pay into EI are paying into an insurance system.

Imagine that, as a good home owner, you purchase insurance for your house. You pay into and abide by a system, knowing that you can count on it in the event of a disaster. But somewhere along the way, your insurance company completely alters the system, deciding that certain parts of the house are no longer covered. When a disaster occurs and your house is ruined, you go to your insurance company to make a claim, but you are told that the criteria have changed, that the living room and dining room are no longer covered.

This is similar to what our workers are currently facing. They are paying into a system for which they will no longer be eligible, because the requirements have been tightened up over the years.

• (1615)

[English]

The Chair: Thank you, Ms. Dhalla.

We're now going to move to Mr. Asselin for four minutes.

[Translation]

Mr. Gérard Asselin (Manicouagan, BQ): Mr. Lessard is going to give us an introduction.

Mr. Yves Lessard: If you don't mind, Mr. Chair, I would like to provide some clarification.

On December 5, 2004, with the Liberal government in power, at the request of the committee, we heard Malcolm Brown, who was at that time the Assistant Deputy Minister of HRDC. He provided us with the following information, based on studies conducted by his department.

He told us that it would cost \$11 million to increase the maximum number of weeks from 45 to 50. I am pointing this out for Ms. Dhalla, who asked a question about it. We have the amounts associated with each amendment proposed for the bill.

My colleague would like to ask a question. Please go ahead.

Mr. Gérard Asselin: Mr. Chair, during the last election campaign, the Conservative government acknowledged that there was a fiscal imbalance. The imbalance was caused by cuts made to transfer payments. At the time, the Liberals, who were cutting the transfer payments, made cuts to the EI fund. There was a surplus of \$6 billion a year, which led to an accumulated surplus of some \$51 billion. Those are the Auditor General's figures.

As Ms. Bonsant was saying, six out of ten people pay into EI but do not qualify when the time comes to receive benefits. I am sure we all recall Minister Axworthy's reform, followed by that of Minister Young. They helped themselves to the surpluses from the EI fund, while tightening up the eligibility criteria. Fewer and fewer workers were eligible. The primary goal was to create a surplus of \$6 billion a year in the EI fund and then move it to the consolidated revenue fund. You say that this \$51 billion no longer exists? They used it to reduce the deficit and balance the budget. It became a hidden tax, on the backs of seasonal workers.

At this time, six out of ten workers are not eligible for employment insurance. With the reforms and the bill proposed by the Bloc Québécois, can we estimate that at least eight or nine out of ten will qualify?

• (1620)

[English]

The Chair: There is one minute left for a response.

[Translation]

Ms. Johanne Deschamps: The improvements proposed in Bill C-269 are aimed precisely at restoring that balance. The goal is to ensure that the majority of people who wish to be eligible can indeed receive benefits.

I cannot say that the results will equal 100%, but we can probably say that the majority of workers will qualify for the EI system following the improvements that we would like to make.

[English]

The Chair: Merci.

We're going to move to Mr. Godin for four minutes, sir.

[Translation]

Mr. Yvon Godin: Thank you, Mr. Chair.

First of all, I would like to ask our analyst, Mr. Kerr, to give us a report in the next few days of what was said during previous committee meetings, when representatives of HRDC said that the people who pay into employment insurance—Mr. Lake was quite clear. He said that 83% of people who are eligible for EI receive benefits.

He just told us that the government is in the process of stealing another 13%, because he said that only 83% of those who are eligible actually receive benefits. It should be 100%. Things are going from bad to worse.

Some people at this table are worried about how much this is going to cost. Are you not more worried about the human cost of this, how much this has cost families, and how much this adds to the suicide rate in the regions, where people work mainly seasonal jobs? People work in fisheries, in forestry or pick blueberries, and berries cannot be picked in January. Nor can Christmas trees be cut down in July. People in Calgary seem to have a hard time understanding this. People seem to think that, since Calgary is doing well, the rest of the country is doing well.

We see what happened as a result of cuts to employment insurance. Last year, Russian workers came to work in fish processing plants in PEI. Then they flew back and spent their money in Russia. Canada lost all that revenue. Is it not the same where you are from?

Ms. Johanne Deschamps: That is the most serious aspect that stood out during the tour that my colleague Yves Lessard and I made. We are in the process of impoverishing our regions. They are feeling increasingly isolated.

Over the past year, there have been massive closures in the forestry and textile industries. Many factories are closing their doors because of international competition.

For instance, we met with people in Mauricie. In that region, the workers are poor precisely because of the few hours worked, because the industry is seasonal. The people are very dependent on that industry. I have a figure here. We are told that the economy of Gaspésie is losing some \$50 million a year. There are approximately 8,000 eligible people, and if there were 40% more, that would mean a real improvement for the local economy.

Mr. Yvon Godin: Ms. Deschamps, at the time, did Brian Mulroney not introduce the GST in order to pay off the debt, and not to steal employment insurance from workers? That is how they pay off the debt and reach zero deficits, on the backs of workers, by accumulating surpluses.

Mr. Yves Lessard: I am not the one who said it, but he is right.

Ms. Johanne Deschamps: That is your comment, Mr. Godin.

Mr. Yvon Godin: Do you agree with me? I also toured the country. I, too, saw people crying in Toronto, Vancouver, Nanaimo, Prince George and Yellowknife. I saw those tears.

Ms. Johanne Deschamps: You have just reinforced my testimony, Mr. Godin. Thank you.

Mr. Yvon Godin: Thank you.

[English]

The Chair: Thank you. That's all the time we have.

We're going to move to our last questioner, Mr. Lake.

Mr. Mike Lake: Ms. Deschamps, a thought occurred to me today as we were discussing this. As members of this committee know—most of the members who are here know—I have a son with autism. In the fall we voted on a private member's motion, motion number 172, by Andy Scott, regarding a national autism strategy. It was a very well-thought-out motion.

All three of the other parties voted for this motion, except yours, on the basis that it had the word “national” in it and you couldn't support that. Now you're introducing a bill that deals with an exclusively federal program. To me, it sounds a little bit like a political game. I'm just wondering how you justify that.

•(1625)

[Translation]

Ms. Johanne Deschamps: Sir, I would like you to be more specific, because I do not at all see how your question relates to the matter before us.

I am talking about a bill that will improve the current employment insurance system, and aims to restore justice for workers who are currently paying into the system. Yet, you—

[English]

Mr. Mike Lake: What I'm saying is it's inconsistent. In the past, you voted against legislation that was designed to help people, simply because of wording difficulties, because you can't accept the word “national”. Clearly, EI is a federal program. How do you justify introducing a private member's bill dealing with what is clearly a national program? And of course just prior to this, we—

Mr. Yvon Godin: It's a federal program.

Mr. Mike Lake: Even on Bill C-257—The last bill we dealt with here was Bill C-257, which also dealt with federal jurisdiction. It seems that you kind of pick your spots politically here. I'm wondering how you justify it.

[Translation]

Mr. Yves Lessard: Please excuse the interruption, but for the benefit of our interpreters, I must say that there is a BlackBerry going off beside our colleague, which is hindering the work of our interpreters.

[English]

The Chair: I would ask people to turn off their BlackBerry.

Go ahead, Mr. Lake.

Mr. Mike Lake: I think she actually heard the question anyway.

[Translation]

Ms. Johanne Deschamps: Yes, I believe certain people would like to change the subject.

If you have suggestions, especially since you are a member of the government, and you would like to see a bill that improves the situation to which you alluded, by all means, please bring forward a bill. At this time, however, I am talking about Bill C-269 and the nine recommendations included therein.

I believe these nine recommendations constitute the very least we can do right now to give back—

[English]

Mr. Mike Lake: Thank you. I understand.

I really want to get to this last question, because it's further to what I was talking about before. I'm wondering again, going back to my line of questioning from before, about the costing of cutting down the 360-hour requirement. I also want you to comment on whether you think that possibly might create a disincentive to work. I'm sure you've done some research on that, and I'd like to hear the evidence you have.

[Translation]

Ms. Johanne Deschamps: You mention disincentives, sir. Can you please be more specific?

[English]

Mr. Mike Lake: Sure.

I believe this is about balance in the EI system. It's there for those who need it. The balance is that it not negatively affect the incentive to work. I understand that there are legitimate challenges. Mr. Savage brought up the fact that there are legitimate challenges in parts of this country, certain territories where there are specific issues that this EI program is designed to address. But nationwide, generally, the labour market is quite strong. I know that in my area of the country we have very real difficulties, and I know that there are other areas of the country in which there are real difficulties in finding people to work.

[Translation]

Ms. Johanne Deschamps: Mr. Chair, once again, there is a BlackBerry preventing the interpreter from translating what is being said. I find it extremely rude.

[English]

Mr. Mike Lake: My BlackBerry is not going off.

I guess the point I'm trying to make is that I want to have a system that addresses the legitimate challenges without causing unintended consequences. I'm sure that you've thought this through, and thought that there could potentially be an unintended consequence in terms of a 360-hour entrance requirement creating a disincentive to work. So I'm wondering what research you can give that—

[Translation]

Mr. Yvon Godin: I would like to call a point of order.

[English]

This is the third time we're asking for the BlackBerry to be shut down, and there's a witness in the back or somebody just sitting, and I'm asking him to shut it down.

•(1630)

The Chair: Okay.

Mr. Mike Lake: Are you asking everybody to turn off their BlackBerry in the room?

Mr. Yvon Godin: If it's going to continue like that, then yes, because she cannot hear. With all respect, she cannot hear what you're saying.

Mr. Mike Lake: Okay, that's fair.

Mr. Yvon Godin: We want to be fair. We want her to hear what you're saying.

The Chair: We would just ask people to put those on "silent" again.

Mr. Mike Lake: It's not silent, though. That's the trouble. It interferes with the reception anyway.

The Chair: You can have just a very quick question, because we're out of time here. We've got to suspend the meeting to move on to our next bill, so we need just a quick response.

Mr. Mike Lake: Specifically, on the 360-hour entrance requirement, I'm wondering what research you have that proves that this will not create the unintended consequence of a disincentive to work.

[Translation]

Ms. Johanne Deschamps: Thank you.

As we all know, over time more and more workers have had to be satisfied with part-time work. Gone are the prosperous years and the job security that we enjoyed over 10 years ago. Our current situation is rather precarious. Seasonal, part-time and unstable employment are increasingly common for people. We came up with the 360-hour rule after consulting with unions, employers, employee associations and groups that defend the rights of the unemployed.

In closing, I would like to say that I find somewhat deplorable and condescending the suggestion that this bill will incite people to stay unemployed. I do not know anyone who does not want to work. We know the conditions people are facing. In my opinion, allowing people to take advantage of the benefits to which they have contributed is one way of restoring some of their dignity.

[English]

The Chair: Thank you. I apologize, but that's all the time we have.

Mr. Mike Lake: If you could just let me comment on that—

The Chair: Trust me, you're way over time. We're going to end it there.

I want to thank you for coming today, Ms. Deschamps.

We're going to suspend for just two or three minutes until we can bring our new witness, Mr. Eyking, in.

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_____ (Pause) _____

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•(1635)

The Chair: Pursuant to the order of reference of Tuesday, December 5, we're examining Bill C-278, an act to amend the Employment Insurance Act on benefits for illness, injury, or quarantine.

We have Mr. Eyking here, and he is going to give us his presentation. I believe we also have Mr. Kyle, from the Canadian Cancer Society, as well as Mr. Arango, from the Heart and Stroke Foundation.

I certainly want to welcome all of you here today.

How are we going to do this, Mr. Eyking? Are you going to share your time?

Hon. Mark Eyking (Sydney—Victoria, Lib.): Yes.

The Chair: We'll do that, and then we'll do the same thing as last time. Because we have bells at 5:30, we're going to have one round of five minutes of questions and a second round of four minutes.

You guys can go ahead and give us your presentation on Bill C-278.

Hon. Mark Eyking: Thank you very much, Mr. Chairman and committee members. This is the first time I've been a witness at a committee, after six years of asking questions.

I'd also like to thank my two witnesses here today. They've helped a lot on this bill and have given us a lot of background information. Manuel is from the Heart and Stroke Foundation, and Ken's from the Canadian Cancer Society. They're going to take three minutes each to give their perspectives, and then we'll be open for questions.

As you know, my bill is Bill C-278. It's a bill to increase EI sickness benefit eligibility from 15 weeks to 50 weeks due to a prescribed illness, injury, or quarantine.

When the EI Act was passed in the late 1990s, sickness benefits were provided in the spirit of compassion and support for someone who has to leave the job market temporarily due to illness. This financial support is intended to allow an individual to focus on their treatment and get well, so that they can return to the work force as soon as possible.

Current legislation allows the claimant to receive up to a maximum of 15 weeks. The time span for which a claimant is eligible is determined by a medical certificate from a health care professional, attesting to the person's inability to work and stating the probable duration of the illness.

Many of us have had constituents, friends, and family members who have experienced financial hardship as they recovered from a debilitating disease such as cancer, heart, or respiratory disease, or any other of the many serious afflictions that we face as Canadians. A persistent scenario, however, and one familiar to many of the MPs here and to many of your staff—we had it in our office—is that we have people who have applied for EI sickness benefits and have received the full fifteen weeks, but have found themselves incapable of returning to work.

A 2004 survey of women fighting breast cancer revealed that a full 76% of the respondents reported being off work for more than the 15-week period. One of our local doctors, Dr. Ron MacCormick, head oncologist at the Cape Breton Cancer Centre, will attest that it can take at least one year after treatment for cancer before the patient will start to regain their energy. In fact, most oncologists will tell you that treatment surgery, chemotherapy, or radiation alone can take up to a year.

The harsh reality is that diseases such as these are attacking people of all ages. The unfortunate part is that these people still potentially have lots of years of work left ahead of them. Moreover, if we don't enact programs to bridge that gap when they are sick, we will continue to be faced with people returning to work too early, with an inherent potential of relapse.

Too many are facing unnecessary financial stress at a time when they should be directing 100% of their energies toward battling their ailments and recovering. No Canadian, nor any of their loved ones, should be left trying to figure out where they're going to get the money to pay the rent, buy groceries, or pay to heat their home.

Mr. Chair, there remains a misconception that a claimant who has maximized EI sickness benefits can simply apply for Canada Pension Plan disability benefits. As many MPs would know, the criteria for this program are strict, and most often patients are denied because they're not considered 100% disabled. The small number who do meet the criteria are faced with a three-month application process, and there's a long waiting period before the CPP disability kicks in.

Once again, let me state that only a small percentage of people will be awarded CPP disability. We also need to recognize—and this is very important—that not all employers, as many of you know, offer long-term disability programs.

It is evident that a one-size-fits-all approach is failing sick Canadians, a fact realized by a subcommittee of this committee in the last Parliament. Among the recommendations from that committee was to increase the number of weeks that sickness benefits can be claimed. The department's 2005 employment insurance monitoring and assessment report states: "About 32% of sickness beneficiaries in 2004/05 used the entire 15 weeks of benefits to which they were entitled." This portion has been relatively stable in recent years, suggesting that for some types of claimants, 15 weeks is not enough.

• (1640)

Determining exactly how many Canadians need extra help is quite hard to quantify, given that the length of time a claimant would receive benefits is decided by an independent source—namely, a

doctor. The 2004-05 data, however, suggest a potential maximum 95,000 claimants would have been entitled to more weeks of sickness benefits under Bill C-278. Based on a 2005 monitoring and assessment report, we can assume that a small proportion of these 95,000 would be claiming benefits to the full 50 weeks.

I mentioned my supporters here, but the list of stakeholder supporters for Bill C-278 is substantial. It includes letters of support; we have letters of support from the Canadian Cancer Society, the Canadian Lung Association, the Cape Breton Cancer Centre, social workers of Princess Margaret Hospital in Toronto, and many front-line health workers.

Mr. Chairman, we also received support from such labour organizations as the Canadian Labour Congress and the Canadian Auto Workers.

I would urge you to follow their lead and support this bill. This bill is a bill for our time. EI sickness benefits remain the only viable vehicle to help alleviate the financial burden for individuals suffering from a major illness, and for whom 15 weeks is simply not enough to get better and return to work.

Thank you, Mr. Chairman. That's my portion. I'm going to pass it on to my witness.

Mr. Kenneth Kyle (Director, Public Issues, Canadian Cancer Society): Thank you.

First off, let me thank all parties and all members for their support for the Canadian strategy for cancer control. This is a wonderful thing, and I think this bill fits nicely within that.

The Canadian Cancer Society, on behalf of its 220,000 volunteers across the country, welcomes this opportunity to address the issue of the employment insurance illness benefit. We congratulate committee members for tackling this important health issue.

I will present five reasons to show why 15 weeks of benefits is not long enough for cancer patients.

Number one, an individual may have been ill or unable to work for quite a while before he or she applies for EI benefits. In the case of a cancer patient, there would have undoubtedly been waiting times for diagnostic tests and surgery before receiving a diagnosis, and a recovery waiting period prior to the start of treatment.

Second, once started, treatment is typically spread over many months, and recovery can take several more months.

Third, individuals facing serious illness have many collateral financial stresses, including the cost of uninsured treatment and drugs, travel costs for specialized treatment, special diets, and non-prescribed medical supplies. Temporary income replacement of longer duration would greatly relieve many of these burdens. As has been referred to earlier, a 2004 Canadian breast cancer network survey of nearly 500 women with breast cancer found that there is a significant, unexpected, and stressful financial impact on women diagnosed with breast cancer and on their families. When asked whether 15 weeks of employment insurance benefits were enough to get them through treatment, 75% of respondents said they were not long enough, and 76% of respondents reported being off work for over 15 weeks.

Fourth, chemo patients can be immune-suppressed for a period of time after completion of treatment and thus need to remain segregated from groups, extending the optimal recovery period.

Fifth, even after an individual completes treatment for a serious illness, there are many vague lingering effects, although medical documentation is difficult. For example, chemotherapy patients report concentration and endurance deficits—they call this “chemo fog”—fatigue, personality changes, and the like; these deficits impact their ability to perform job tasks at safe or pre-condition levels. Psychological issues around serious illness and suitability for return to work may be poorly documented, but they are nonetheless very real.

For many patients the recovery from the effects of cancer often takes many months. Requiring recovering cancer patients to return to the workforce before they have regained some measure of improved health is to put in jeopardy the patients' and their families' prospects for recovery.

We all bear the burden when a patient returns too early to the workforce. When their recovery falters and their health suffers, there are increased costs, not only to the health care system but also to family life, the economy, and other contributions of individuals to society.

Bill C-278 is a good bill. The Canadian Cancer Society urges committee members to support it.

Thank you.

• (1645)

The Chair: Thank you, Mr. Kyle.

Now we'll go to Mr. Arango for his statement.

Mr. Manuel Arango (Assistant Director, Government Relations, Heart and Stroke Foundation of Canada): Thank you, Mr. Chair and committee members, for the opportunity to appear before you today to present the perspective of the Heart and Stroke Foundation of Canada regarding Bill C-278.

Let me begin by commending Mr. Eyking for introducing this important initiative, which could help many people across the country.

Today I will focus briefly on the impact that this bill could have on those afflicted with heart disease and particularly stroke.

Heart disease and stroke are the leading causes of death, hospitalization, and drug prescriptions, and are the largest disease-based cost drivers on the Canadian economy.

First, I will speak briefly about the implications of this bill for those afflicted with heart disease. There are some instances in which this bill could assist those recovering from heart bypass surgeries. We know that those undergoing bypass surgeries generally can return to work within eight to twelve weeks. However, those who have existing co-morbidities such as diabetes or depression and those who have manual labour employment could take longer before returning to work; that is, potentially more than 15 weeks, so these people could benefit from an extension in benefits.

More pertinent, however, for the purpose of our discussion today, are those people afflicted by stroke, which is more of a disabling disease. Of those 15,000 Canadians who died from stroke in 2003, approximately 1,300 were under the age of 65. Knowing that approximately 80% of those who have a stroke survive, we can estimate that each year about 5,200 Canadians survive a stroke under the age of 65.

One study relevant to this age demographic has suggested that only 20% will return to gainful employment within the ensuing three years after their stroke, and few will return to work within a year. Naturally, some of these survivors would be severely impaired and would presumably qualify for CPP disability. However, many of those with moderate to minor disability would not qualify for CPP. This group would benefit from an extension of the benefits beyond 15 weeks.

We also know from another study examining stroke survivors between the ages of 15 and 45 that the average time to return to work was about eight months. In Canada, this particular group would number around 1,000 people and would very clearly benefit from an extension. I would also point out that 1,000 people would not pose a huge burden on the EI system.

Finally, I would also like to indicate, as many of the committee members already know, that income has a significant impact on health. As such, providing income support for those who are ill longer than 15 weeks can help to maintain health and consequently further increase the likelihood of getting stroke survivors back to work faster and improving productivity.

Aside from this, we also have to remember to take into account the human and compassionate side of this issue; that is, the need to help individuals and families cope with the difficulties associated with major illnesses such as heart disease and stroke.

In conclusion, it is the foundation's perspective that extending the EI benefit beyond 15 weeks will benefit those afflicted with heart disease and stroke.

The Chair: Thank you, Mr. Eyking, as well as Mr. Kyle and Mr. Arango.

We are going to do the same thing we did the first hour. That will be a first round of five minutes, followed up by a second round of four minutes, so that we can finish.

The first member is Mr. Savage. You have five minutes, sir.

Mr. Michael Savage: Thank you, Mr. Chair.

I want to congratulate Mr. Eyking. This is a very important and timely bill. As a Nova Scotian MP, I am delighted and proud of you today. We have two other Nova Scotia colleagues, the Honourable Robert Thibault and the seldom honourable Rodger Cuzner, here in his support.

Some hon. members: Oh, oh!

Mr. Michael Savage: So I want to congratulate you, Mr. Eyking. I also want to acknowledge the hard work—I've met with you, and I know the hard work that Lindsay MacPhee of your staff has done in researching and working on this. She is someone we all have a great deal of respect for. Also, Ken Kyle has been a really strong advocate. He has appeared before the finance committee and the health committee before on a lot of issues. The Canadian Cancer Society is a leader on a lot of advocacy issues, and there is my old friend Manuel Arango, from my days on the board of the Heart and Stroke Foundation.

To have the Heart and Stroke Foundation and the Cancer Society here indicates the seriousness of this issue. These are the two biggest disablers in Canada—not you two—cancer, and heart disease and stroke. So this is really a very important bill. We have all been touched by heart disease and by cancer specifically.

I would like to ask Mr. Eyking if there was any particular inspiration for him for this bill, whether it was a person, individual, or family member, a friend or somebody who inspired him to work on this bill, if he is comfortable in answering that.

Also, I would ask him if he has had a chance to have a look at what other countries are doing on this issue.

• (1650)

Hon. Mark Eyking: Thank you. Thank you very much, Mike. I also commend you. You're no stranger to the health problems people face, especially with your dad being a doctor, and with the work you've done on this committee.

Why did I do this bill? I guess when I first got elected, probably six or seven years ago, I came up here and found out what a private member's bill was all about. You find out. I remember talking to Herb Gray, and he said, "A private member's bill is a bill that a member puts forward when there is something he believes in and that is going to help people. Some make it, and some don't, and some really affect the people of the country." He said, "Don't take it lightly. If you're going to do a private member's bill, try to do one that benefits most Canadians."

I always thought about that. Of course, we were in government for quite a few years. Last year I was thinking about what kind of private member's bill I could do.

I had a staff meeting. Of course, many MPs here know that there are many people who come to your office with all kinds of problems. One of the situations that was most heart-wrenching in our office

was that of people coming in who were getting caught between the cracks. They have an illness, and they're waiting for their EI, and they're also going through this whole stressful period.

Then I talked to my roommate Rodger Cuzner, and he was on the committee. He mentioned that this thing was looked at before. So that's where we started with it, and then we started getting support, and people were encouraging us, especially people from home. Once it started, we started getting e-mails from people across the country. So that gave us the inspiration to go. We had good support in the House with it, so that's where it went.

Of course, as you know, you have to do your homework on it. We had to get some research done on numbers. We also talked to our local HRDC people.

I know I don't have too much time for your question, but you asked what other countries are dealing with this or have this situation. Most of the European countries already have.

How much time do I have?

The Chair: You have one minute and ten seconds.

Hon. Mark Eyking: Most European countries already have a bridge there. They don't rely on companies to bridge that gap for people who have an illness.

I think it first started in western Germany about ten years ago, and then in Sweden. In most of the European countries it's kind of a norm now, especially as they have entered the EU. Most of them have that legislation in place to help people bridge the gap from when they have an illness so they can get back into the workforce.

These countries see it not as welfare or as a gift or whatever you call it. They want their people to stay productive in society. If they're coming out of production or coming out of the workforce, they want to make sure that they're bridged to get back in. That's where they see the benefit of it. It's not necessarily a welfare thing. It's a bridge to get them back into society and back working as a productive citizen. We found out that those are their reasons for doing it.

The Chair: Thank you, Mr. Eyking. Thank you, Mr. Savage.

We are now going to move to the Bloc. Mr. Lessard, you have five minutes.

[Translation]

Mr. Yves Lessard: Thank you, Mr. Chair.

Of course, I too would like to congratulate our colleague Mr. Eyking on this initiative. We completely concur with the objective. I would also like to thank both witnesses for being here today.

You know, personally, I think this again gives real meaning to the work we should be doing here as members, that is, introducing bills or regulations that will help those who need it most.

I would like to take this opportunity to commend the remarkable work of volunteers who work with people with health problems. Mr. Kyle mentioned earlier that his organization has more than 220,000 volunteers. The work they do is extraordinary. They are often referred to as natural caregivers, as though it were natural for them to make up for a shortcoming on the part of the government. People will generally help their loved ones out of the goodness of their hearts, and they do not need support in any way.

However, in other circumstances, they are forced to stop working for a certain period of time. Mr. Eyking told us earlier that 32% of people who use what is known as compassionate leave do so for the maximum period, which is 15 weeks. This shows that 32% of these people needed more time. It is a stable ratio. The average is nine weeks a year and, over the years, it has been increasing by about 1%. Thus, we see that it is stable. So we are not too far off in the assessment of the costs involved, especially since there seems to be a consensus on this, I believe.

I am pleased to see here again today two of our colleagues, Mr. Cuzner and Mr. Godin, who were here in 2004 when we worked on the recommendations for the EI reforms. There were 28 recommendations. Recommendation no. 27 specifically addresses this. If we are to be consistent, we should support your bill. If we are to be consistent, we should all, including the Conservatives, endorse this support.

I want to be very clear. I have a great deal of sympathy for Mr. Lake's situation. We found ourselves earlier hearing an argument that has to do with another bill. In this case, there is no question of overlapping responsibilities. It is a federal responsibility that has to do with money held by the federal government, which must fulfill its responsibilities.

Mr. Chair, I will not drone on about the need for this bill. The question I would like to ask our three guests is the following. The current prevailing argument states that we could undermine the protection of workers in terms of their private insurance or group employment insurance. It seems to me that it is up to the insurers to adapt accordingly. They have always done so in the past, when new legislation is adopted. I would like you to talk a little bit about this. We have even received letters about it. I have before me a letter from the Canadian Life and Health Insurance Association. I do not blame these people for writing to us to express their concerns, but I would like to hear about the situation in terms of real consequences. Have you had the opportunity to reflect on this? If so, in what way?

•(1655)

[English]

Hon. Mark Eyking: Thank you very much, and thank you also for your support in the House on this bill.

You mentioned your report, and that's really one of the bases—the report that this committee has done—on which we were putting forward our bill.

Often with EI, it becomes a regional thing—certain regions depend more on it than others. I think that when you look at this bill, you'll see it's for all Canadians. There's no area that has more heart disease or cancer than another area. But that being said, your recognition of volunteers was very important. We've seen a lot at the HRDC offices. We've talked to people who have seen a big problem with the people coming to the office.

Your question was on what effect this would have on private insurance, the companies themselves. I guess what we're finding is there's a substantial number of people who have no insurance, whether you're a tow truck operator or you're working—They don't have any insurance at all. So when these people become eligible for this, it will not have any effect because they don't have the insurance itself.

A lot of private health insurance deals with many things, from dental... There are a lot of incidentals they already take care of. It's not going to have any effect on that per se. There's no doubt it would supplement and help a bit in their income overall. If they're paying into insurance, this is an extra, I guess.

•(1700)

The Chair: Thank you, Mr. Lessard.

We're going to move to Mr. Godin for five minutes, please.

Mr. Yvon Godin: Thank you.

I want to start by saying that our friend by the wall had his BlackBerry off and he was just looking at his e-mail, and I'm sorry. It was an MP that had his BlackBerry open.

The Chair: That's okay.

Mr. Yvon Godin: I want him to feel good.

I want to congratulate you for the bill.

[Translation]

Hats off to you, because this is a good thing.

The same thing happened to me in my office. I am thinking of whoever makes the best case.

[English]

How do you answer a person? I find it tough, because someone gives you a call and says, "Look, I didn't break my legs or my arm and in two months or in 15 weeks I can go back to work. I have cancer, and I'm probably going to die. I am alone, I'm not married, and if I cannot get my EI for more than 15 weeks, that means I'm going to be on welfare at \$468 a month." What do you tell that person? He's a worker who may have worked 15 or 20 years.

And sometimes I hear the government—the previous government or this one—say that people abuse EI and people just want to get on EI.

I'd like to raise a question for the witnesses, especially since we have key witnesses here. Do you think a person who has a stroke will abuse the system if he needs a year or six months to come back? Do you think a person with cancer who needs chemotherapy will abuse the system? Do you think we will be making a good gesture if this Parliament agrees and doesn't ask for a royal recommendation? I'm worried about it, because they talk about money, and they think it belongs to the Queen in England, but it belongs here and it belongs to the worker.

I'd like to have your comments on that.

Mr. Manuel Arango: First of all, maybe some individuals would take advantage, but I have to assume that the large majority are going to be sincere about the symptoms and the situation they're going through and they would be honest. There's no indication out there that in fact people would intentionally deceive when they're that sick. That's my impression.

Mr. Kenneth Kyle: Thank you for the question.

I would agree with my colleague from the Heart and Stroke Foundation. I'm not aware of substantial abuses.

I would add that cancer is more a disease of older people, and as our population ages, even though cancer rates are stable, the incidence of new cases of cancer is going to skyrocket. We're going to have a tsunami in about three years. A tsunami of cancer is going to hit this country, and that's why Parliament voted the funds for the Canadian strategy for cancer control to deal with that. The population is getting older, and MPs are going to be faced with more and more of these people coming to their offices.

Mr. Yvon Godin: When we're talking about trust and people who have abused it, let's not forget that the polls say that the worst ones to look at are the politicians, because we are at the bottom of the list. We have no lesson to give to Canadians. We should trust Canadians more.

Anyway, that being said, when we look at a person having cancer and having treatment, do you think that it could be counter-productive to the treatment if the person walks home and says to his wife and four kids that he will have no more earnings after 15 weeks?

Mr. Kenneth Kyle: That's a real issue. That's a real problem. We don't want the stress on the family. If people are under stress, they're not going to recover as quickly from cancer. There are a lot of psychological problems that attend cancer, and if people have assurance of a little bit more income and they can afford the drugs and can afford this and that, then I think they actually will end up recovering and being cancer survivors a lot quicker.

Mr. Manuel Arango: I would add that there's a whole pile of literature that indicates very clearly the impact that income has on health and that stress and psycho-social factors have on health. Lots of work has been done, and there is lots of evidence. It's very clear that it does have an impact.

[*Translation*]

Mr. Yvon Godin: Heart problems are also linked to stress. If a person who has had a stroke is exposed to stress, we can automatically put two and two together.

[*English*]

Mr. Manuel Arango: Absolutely. That's absolutely correct, and it's documented through a lot of research studies, as well.

• (1705)

Hon. Mark Eyking: Is there any more time left?

The Chair: You have 15 seconds.

Mr. Yvon Godin: I have 15 minutes. Oh, that's 15 seconds.

Hon. Mark Eyking: There already is a system in place. The doctors already give out certificates when you're ill. There's a system in place. There are criteria. The HRDC people know how it works. They know the doctors who come in. That is all there, so it's not like we have to really do a whole new system. The system is there.

The Chair: Thank you very much, Mr. Godin, Mr. Eyking.

We'll now move to Mr. Lake. Five minutes, sir.

Mr. Mike Lake: I want to start by just saying to all the witnesses, including Mr. Eyking, that I really do appreciate the things you had to say—and Mr. Kyle particularly. My own father-in-law passed away about six years ago of cancer, after a four-year battle, and a lot of the things he had to say regarding the challenges ring true to me.

I can honestly say that because of Mr. Eyking bringing up the bill in the first place, I have more awareness of the issue than I would have had in the past, and that's a good thing right off the start.

My only concern would be whether EI is the right tool for the job. I think it's pretty clear that something needs to be done soon. This is a real challenge. We just have to figure out what the right tool is.

I note that we recently supported a motion by the Liberal whip, Ms. Karen Redman, to study CPP disability coverage. I guess I was a bit confused. There is an amendment from a member of this committee, I believe, to have the committee delay reporting back until the fall on that. I think it needs to be studied sooner than that.

I guess I'll speak to that first, with my first question. It's been pointed out that extending EI sickness benefits will have implications for CPP disability. Has there been any study of the impacts this bill might have on CPP disability benefits, Mr. Eyking?

Hon. Mark Eyking: I don't know if there's any study out there. As I said before, CPP is mostly designed for people who are not coming back to work. It takes longer for them to receive it. They have to go through quite a process. Some of them don't receive it until up to a year, by the time it's all gone through the works. CPP really doesn't take care of the people who are going through life and who need that bridge, because they're productive people and they're going to go back into society and work. It's almost a separate thing.

We often have that question coming to our office, where we ask, "Can we help this person with CPP?" Well, that person has cancer, and by the time it goes through the process, it's not happening. It just takes too long.

So CPP should be there, but it's for a different reason. It's more about permanent disabilities. It's for people who are not coming back.

You asked the other question, whether the EI fund is the right place. It definitely is, for various reasons.

First of all, as I mentioned to Mr. Godin, the mechanism is in place. The doctors know where they have to fill out the forms. The people in HRDC are there. They're on the front line. They're dealing with it. They know what needs to be done.

The other thing is—and we all realize it—the employers and the employees are paying into the system.

Technically, what we're trying to do is bridge people to get them back into the workforce. So if both are really paying into the system for the benefit of the employee and the employer, there's no better fit than this extra, because that's what exactly it will be doing. It will be helping that person bridge, to help the employee-employer.... That way, the user is technically paying for something that they will receive.

Mr. Mike Lake: A question regarding the history of this.... It is my understanding that there have been, I think, private members' bills in the past to extend EI sickness benefits to 50 weeks. Are you aware of that?

Hon. Mark Eyking: I'm sure there were all kinds of bills put forward on EI, but not particularly this one.

I think, and I said it in my opening remarks, this is definitely a bill for our time. Twenty or thirty years ago, people were having strokes and getting cancer and were not able to come back or were not able to work. Now there seem to be more people having strokes and cancer, but they're getting cured. So I think this is a bill for its time. Maybe it would not have been as applicable years ago because people were not as liable to come back into the workforce.

Mr. Mike Lake: In the interest of being consistent with my questioning—I think you might have been here for part of the last discussion we were having—I'm curious as to why 50 weeks. What kind of a study, what kind of research went in to determine that?

Secondly, has there been any study in terms of the financial implications of the bill?

• (1710)

The Chair: Mr. Eyking—30 seconds left, sir.

Hon. Mark Eyking: Why the 50 weeks? There are two reasons, I guess. One is based on the two major illnesses that we have out there. It seems to take a year. Some of it goes a little longer, some a little shorter. A year is an average, whether you have to go through the chemotherapy process or you have to go through rehabilitation.

It also dovetails with where the whole EI program is on maternity leave. In that sort of vein, it takes a year for somebody to do things properly when you're dealing with a medical situation.

We've seen with the illnesses that are out there, that are serious enough, it takes around that, but this doesn't necessarily say they all have to take a year.

Right now I think there are about 300,000 who apply for that 15 weeks and there's only one-third who use the full 15 weeks. So it's the same thing.

When you're dealing with the major illnesses, it's about a year. If it's any more, then there's a tendency to go to the CPP. If you're going to be any more than a year, you have a pretty serious condition, so you'll probably end up going in the other direction.

Mr. Mike Lake: Thank you very much.

The Chair: Thank you, Mr. Lake.

Mr. Cuzner, welcome to the human resources committee. You've got four minutes.

Mr. Rodger Cuzner: That's great, and it's great to be among such open-minded and compassionate people who are entertaining a good piece of legislation today.

I want to commend my colleague for putting forward this piece of work. I have to admit it's the first time I've ever heard a member of Parliament, when referring to CPP disability, use the words "apply" and "simply" in the same sentence. In the experience I've had, they usually don't mesh, but I think that underlines the significance of putting forward this piece of legislation. Again, as my colleague, Monsieur Lessard, had indicated, this was a recommendation that came out of a study that was done in 2004 by an all-party committee as well, and I commend my colleague for bringing this forward.

There are two questions, if I could ask Mr. Arango one first and then go to Mark with the second one.

The information you shared, Mr. Kyle, with regard to cancer before, during, and in the follow-up, and the situation with immune suppression following chemo, I think is important to note. And your work on stroke is also important.

With heart and with corrective surgery, the surgeries that are being done now, typically what's the duration from the diagnosis through to the treatment, through to recovery, and through to working hard again? Is there a typical time span we can refer to?

Mr. Manuel Arango: I think the period from diagnosis to treatment really varies, so I can't give you a standard number for that, but definitely the number I have is post-treatment, and that is eight to 12 weeks. But as I mentioned, for certain people who have diabetes, etc., it can be more than that, so 15 weeks plus, but between diagnosis and treatment, there's not as much disability as there is post-treatment in the case of bypass surgeries, where it's very disabling.

Mr. Rodger Cuzner: Okay.

Mark, I guess this is coming off the question Mr. Lake had posed. Do you have a ballpark figure as to what the annual percentage of EI claims that would be deemed medical in nature might be?

In your consultations with officials from HRSDC, were there any indications there may have been any abuse of that system, or was it one aspect of the EI program that they felt was well administered?

And finally, do you anticipate you would need further checks and balances or any further protocol to pursue this extended period of benefit?

The Chair: Mr. Eyking, about 45 seconds left, sir.

Hon. Mark Eyking: Thank you for the question.

I don't know the exact percentage of all EI claimants, but we're hitting around 95,000 right now with this one. I think we're at 300,000. I don't know where I got this figure. It was 300,000, so one-third is the medical part. That's the percentage.

When you talk about the abuse, we did our homework. We went to the office of HRSDC and we asked them what was coming in and out their door. They were so glad somebody was going to address this, because these people are coming back to them and they have to give them bad news.

They didn't seem to think there was abuse, especially with this one. They said guys are getting unemployment and they're babysitting somebody or there are all kinds of abuses out there, but not with the medical one, because you need the doctors. They know the doctors in the region. They know this doctor, whether he does hip replacements or whatever, so they know the community. They know the doctors and they know they're legitimate. They pretty well told us this is one of the few areas with the least amount of abuse because of that system, which carries it into where we're going, and it would be the same thing where you would get more specialists in there.

On checks and balances, I think there's no doubt you'd have to do a little more homework on this than somebody who has a broken ankle and was getting ten weeks. You would probably have to have a revisit; maybe a cancer specialist would come and do a reassessment. I think that would be pertinent, so whoever's doing the claim would say they needed a 40-week checkup, to come in and say they're almost cured, they need one more radiation treatment.

So I think you would need a little more documentation from the doctors or specialists as you went along. I think that should be put in there, which would make sense.

• (1715)

The Chair: Thank you, Mr. Eyking and Mr. Cuzner.

We're going to move now to Mr. Lessard. You have four minutes.

[*Translation*]

Mr. Yves Lessard: Thank you, Mr. Chair. I would like to come back to what Mr. Kyle and Mr. Arango said about stress.

We spoke earlier about the stress placed on the family when someone is ill. If the illness is serious, the person who is ill faces stress, and so does the entire family.

Are you in a position to say whether extending benefits to 50 weeks will reduce the level of stress, not only for the employee, but for the person who is ill and the entire family? Am I wrong to say that this affects more than just the employee who is given extended leave?

[*English*]

Mr. Manuel Arango: Yes. Stress would invariably be reduced for the family and for the person. If you extend it to 50 weeks you would bridge the time between treatment and illness and the time you get CPP disability.

You can imagine going 30 weeks or so without income and having to depend on welfare. That's going to create a huge stress for a family, for the individual, cause more illness and a downward spiral of sorts for the individual and for the family.

Covering that gap from illness to the time you could potentially get CPP disability is make-or-break for a lot of people.

Mr. Kenneth Kyle: I would certainly concur with that. I don't have a specific study, but it is just common sense, as Mr. Arango said, that you would relieve stress not only on the individual but the whole family who was suffering.

[*Translation*]

Mr. Yves Lessard: Thank you. I have no further questions, Mr. Chair.

[*English*]

The Chair: Thank you, Mr. Lessard.

We'll move to Mr. Godin. Four minutes, please.

[Translation]

Mr. Yvon Godin: Thank you, Mr. Chair. Mr. Lake indicated that employment insurance may not be the best system for that, and that perhaps it should come under the Canada Pension Plan. As far as I know, the Canada Pension Plan is paid for by the employer and the employee, just as employment insurance is paid for by the employer and the employee. We must simply determine in which system the money should be placed.

The problem is that the Canada Pension Plan might pay \$840, while employment insurance, if the individual earns the maximum salary, could pay up to \$1,720 a month for the period they are ill, have cancer or suffer a stroke. For instance, an MP would receive about \$7,000 a month. We can see the difference. This does not constitute abuse. The idea is for people to be given a minimum. I put forward the idea of the Canada Pension Plan. I do not know if Mr. Lake was listening, but I suggested that perhaps this should come under the Canada Pension Plan. However, the Canada Pension Plan is paid for by employees and workers, while employment insurance is paid by employers and employees. The government does not put in any money. The money belongs to taxpayers.

Do you agree with me that it makes no difference if we replace one with the other, apart from the fact that the Canada Pension Plan pays less than the other system?

• (1720)

[English]

Hon. Mark Eyking: I see where HRDC is the fit. I guess that's what you're asking. Why is it a fit? It's because they pay into both systems. I think it's a fit because in a way HRDC is set up for workers and taking care of workers and that whole bridge. It's more dealing with that part, to keep them working in society. That's why I see it as a fit.

Mr. Yvon Godin: No, no. The difference between the two, with all respect, is that with employment insurance you make an application, and if you have a doctor who certifies you are sick it's accepted automatically. With the Canada Pension Plan they pay doctors to say the client should not be paid. It doesn't take one year to get your Canada Pension Plan; it sometimes takes two years. That's the difference between the two.

Do you agree with that?

Hon. Mark Eyking: Yes, and we don't want that.

Mr. Yvon Godin: Then you're agreeing with me.

Hon. Mark Eyking: I'm agreeing that we want a fast track.

Mr. Yvon Godin: No, no. I'm sorry. Are you agreeing with me that the problem we have with the Canada Pension Plan is that we have sick people and it takes them two years to battle their sickness while at the same time battling to bring food home, and the plan is paying doctors to say no? I don't know how they could do it professionally, but that's what they do.

And here is a system you say fits the workers.

Hon. Mark Eyking: That's right.

Mr. Yvon Godin: You have human resources. You go there with a doctor's slip and say, here, I need an operation—or, I have cancer, or, I have this—and then automatically, it goes down.

That's why it's the best program you could give to the working men and women who built this country.

Hon. Mark Eyking: That's right, and I agree.

I want to add one little footnote. You mentioned the amount. When we did our research, the average claim was \$285 a week. There's not big money being claimed here. It's \$285 a week, as was already mentioned, and that gets them through this period.

I have a little correction, because Mr. Cuzner asked me a question about the percentages. There are 300,000 claims a year for sickness, but there are 95,000 that go the full 15 weeks.

[Translation]

Mr. Yvon Godin: I just wanted to be sure to use the highest number. Of course there are people making minimum wage. There are people earning \$10 an hour. I used the highest number to demonstrate that it is not all that high, compared to what an MP would receive. It is simply to help the person who is ill. The company should show its employee some degree of compassion. All employers should do so, and so should colleagues.

[English]

Hon. Mark Eyking: That's the reason it's \$285, because the sad reality is that most of the working poor do not have coverage. That's the reality of it. Somebody asked, how much is it going to cost? Everybody thinks it's going to cost, but it's not going to cost a lot, because most of the working poor don't have coverage.

The Chair: Thank you, Mr. Godin.

Mr. Eyking, I believe Mr. Lake has a quick comment, and then Mr. Preston will be asking you some questions.

You have four minutes, please.

Mr. Mike Lake: My comment is a clarification on the CPP disability idea. First, it's not a proposal I'm making, but more of a question or an idea for discussion.

Mr. Eyking made some comment or mentioned some challenges with CPP disability. I want to clarify that this is why we want to study it in this committee, and maybe we can address some of those issues.

I'll pass on to Joe Preston.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): I was going to say the same thing. I'm not suggesting that CPP is where this should be either.

Mr. Godin, you told the same story as I could have, and most of us could have told, of someone coming into your office with those same types of difficulties. We must also look at some CPP changes. One of the changes might be the ability to bridge it down to meet the need, rather than accept that it takes a year and sometimes longer.

Mr. Eyking, again thank you very much for coming today.

Also thank you, Mr. Kyle and Mr. Arango. It's great to hear from both of your organizations.

The talk we had was about how we arrived at 50 weeks. Mr. Kyle, I think you said that it fits. It's about where we were, but we've gone from 15 to 50. Do we have any sort of a study that the reach is right, that 15 to 50 is right? I know you mentioned that it's against the maternity benefits or other ways.

• (1725)

Mr. Manuel Arango: As I mentioned, when you look at an age cohort of 15 to 45 years old for stroke victims, eight months is the median time. So some are going to fall on the other side; some are going to fall on the lower side. It seems kind of appropriate, because for CPP disability, I think doctors often approve it if the person is going to be sick for more than one year. It seems like a good bridge.

Mr. Joe Preston: Have we had any conversation with employers' groups? In your prelude you obviously mentioned some of the medical organizations and also a couple of the union groups. But have we had this discussion with any of the employers on where you're headed?

Hon. Mark Eyking: I spoke to our local chamber of commerce, and they were very supportive, especially when I went public with what I was doing. I've had a lot of support, especially from small businesses that only have a couple of employees and don't have that coverage. We've had a lot of support from the local chamber of commerce and similar groups. You're talking about the employer's side, yes?

Mr. Joe Preston: Good. We're on that one.

You said that you've had some direct talk over at HRSD about the changes to EI, and I also have to agree with Mr. Godin on this. I don't think this is an area where we're going to find misuse. I'm not certain there's anybody out there who wants to be sick or injured in order to collect EI. We can all be pretty sure that this is the case.

I believe you said they were pretty happy to hear you're heading this way, because they actually bear the brunt of people saying it wasn't enough, or it wasn't long enough. Is that what you said?

Hon. Mark Eyking: All MPs here have the same thing. The first place people stop is the HRDC office, so that's their first refusal. Then they come to our office and we think, "What the hell are we going to do here now?" because sometimes their whole family comes into your office.

But the HRDC people have gone through this 15-week thing. They know how to do it, and they know who's out there. In this day and age with cancer, heart problems, and strokes, this is something that has to be put in place.

Back to Mr. Godin, there are no better gatekeepers to deal with this than the people in the HRDC office. CPP is a different animal. They're more—to tell you that you can't. These people don't need this stuff when they have cancer.

Mr. Yvon Godin: We want them to get it.

Hon. Mark Eyking: But the HRDC people are the best gatekeepers here. They know the system, the people, and the doctors. I think one of the best things we could ever do as a Parliament is do something like this to bridge it.

Mr. Joe Preston: Mr. Lake would like one more question.

The Chair: Sure.

Mr. Mike Lake: I think everybody on the committee received a letter from the Canadian Life and Health Insurance Association stating that extending benefits under EI could result in the reduction of or even the elimination of private employer coverage, which is often superior to EI coverage.

I don't know if you got that, Mr. Eyking, or if you've seen the letter.

Hon. Mark Eyking: No. But before I got involved I was a business person, and we had insurance. They're losing their premiums. It's technically competition. Maybe some companies will think they don't need to have it because they pay into the EI system, so why not, if one of their employees gets sick—It's more that they think somebody's going on their territory, but so be it.

The Chair: Mr. Savage.

Mr. Michael Savage: Mr. Eyking, this bill is so important, timely, and bullet-proof that we can all see the necessity of it. I wouldn't be surprised if the government saw the light and decided to put this in the budget. You'd be okay with that, wouldn't you?

Hon. Mark Eyking: Yes.

We did some numbers. Of course, you're always prepared for the question.

Mr. Yvon Godin: A point of order. We tried to do it when the Liberals were there, and they didn't listen. I hope the Conservatives listen.

Mr. Mike Wallace: That was my question.

Hon. Mark Eyking: You always think of the question that somebody's going to ask, but nobody asks it: what's it going to cost?

Right now we have up to 15 weeks and most don't fully utilize it. We're around \$800 million right now. On the numbers we have from HRDC, everybody who hits the 15 weeks will not go to 52 weeks. They figure it will probably be bumped up 10 to 15 weeks on average for those major illnesses. They're looking at roughly \$200 million to \$250 million. That's what it all boils down to. It could go back and forth, but that's where it's at.

When you talk to employers and people out there, there's a net benefit here. That \$200 million is money well spent to get people back and productive in our society.

•(1730)

The Chair: Thank you very much.

Mr. Yvon Godin: That's what we want to hear.

The Chair: Mr. Eyking, Mr. Arango, and Mr. Kyle, thank you very much for being here today as our witnesses.

I'll just remind members that if they have amendments, get them to the clerk by tomorrow at noon before we go to clause-by-clause.

The meeting is adjourned.

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