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Mr. Massimo Pacetti

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● (1045)

[*English*]

The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)): Thank you to the witnesses and groups for taking time out of your day to come before us and provide us with your thoughts for the 2005 pre-budget consultations. We're here pursuant to Standing Order 83.1.

[*Translation*]

to continue with the 2005 pre-budget consultations.

[*English*]

I have a list of the groups, but I understand that the B.C. Cancer Foundation wants to go first.

Ms. McNeil.

Ms. Mary McNeil (President and Chief Executive Officer, B.C. Cancer Foundation): Thank you very much for allowing us, the B. C. Cancer Agency and B.C. Cancer Foundation, the opportunity to present to you today.

I am Mary McNeil, the president and CEO of the B.C. Cancer Foundation. My colleague, Dr. Victor Ling, is the vice-president of research for the B.C. Cancer Research Centre, the research arm of the B.C. Cancer Agency.

The foundation is the fundraising arm of the agency. Although the research centre is part of it, the centre does not get its funding from it, but does its research based on the donor dollars that we raise at the foundation, along with the research grants that it wins from various organizations, including the Terry Fox Foundation, NCIC, Genome Canada, CFI, CIHR, and international grants from the U.S. and elsewhere.

The B.C. Cancer Agency does not just provide cancer care, but provides a system of cancer control that includes laboratory bench to patient bedside research. It also goes into the population with screening programs, going into the well to find those who have the disease. It is this comprehensive and complex system that translates cancer research into high standards of care, providing B.C. residents with superior health outcomes that are 11% to 15% better than elsewhere in Canada.

We are here today to talk to you about how we think the federal government could honour the contribution of a Canadian hero, Terry Fox. When Terry Fox was an 18-year-old boy from Port Coquitlam, he had his right leg amputated 15 centimetres above the knee. Terry's dream of playing varsity basketball at SFU was gone, but a much bigger dream was born, and that dream was for one young man to help focus the entire country on cancer research. Twenty-five years ago this September, at the end of his marathon of hope, the 18-year-old boy had become a 22-year-old man and a world hero.

Terry Fox has received many tributes: the youngest Companion of the Order of Canada; athlete of the year; and Canadian of the year—once while living and once after his death. And there are also: Mount Terry Fox; the Terry Fox Courage Highway; the Terry Fox Humanitarian Award; the Terry Fox stamp; and now, the new Terry Fox coin. These are all wonderful honours, but Terry Fox’s goal was to advance cancer research, and none of these honours do that.

Our vision is for Canada to be a world leader in cancer control. It sounds lofty, I realize, but it is definitely possible. It is just as Prime Minister Martin said recently in an address to senior officials in the federal public service: “Government must be the leader of national undertakings that express our highest aspirations and reflect our deepest values”.

Terry Fox's vision is our vision. Just like Terry, the goal of the B. C. Cancer Agency is to advance cancer research. On the 25th anniversary of his heroic accomplishment, our proposal calls upon the Government of Canada to invest in a permanent monument to honour Terry Fox's determination to win the fight against cancer for all Canadians, by creating the Terry Fox Cancer Research Centre. The current B.C. Cancer Research Centre, which just opened in March, would be renamed in honour of Terry Fox. The Government of Canada and the B.C. Cancer Foundation would invest additional dollars to sustain this Terry Fox Cancer Research Centre. It would be a model of international excellence in research, leveraging the strength of our public health care system for the benefit of all Canadians—and, indeed, the world, by making Canada a world leader in innovative, cutting-edge cancer control programs.

There is no arguing that cancer affects all of us. In this room there's probably not a single person who hasn't been, or doesn't know someone who has been, affected by cancer. In fact, of the approximately 25 of us in this room, statistics say that nine of us will get cancer in our lifetimes. By 2010 cancer will become the leading cause of death in Canada.

● (1050)

It has an enormous effect on Canada's productivity. The direct costs of cancer through hospitalization are approximately $6 billion this year alone. Because of Canada's aging population, this number is expected to double in five years. In North America, the incidence of cancer will grow as much as 70% in the next 15 years. Canada's impact on productivity due to lost workdays has yet to be fully calculated.

We should not forget the twofold connection between investing in cancer research and the current debate around productivity. Economists are convinced, and Minister Emerson and Minister Goodale agree, that Canada has to address the productivity challenge. Demographics will be, in part, a driver when we have fewer Canadians working to support an aging and retiring population, but productivity is also about adopting new technology, hiring skilled workers, and integrating innovation into everything we do. B.C. Cancer Foundation's proposal embraces all of these facets of the productivity challenge.

The Terry Fox cancer research centre would be consistent with federal priorities. By positioning Canada as a premier place to do cancer research it would support innovation, competitiveness, and productivity. By demonstrating national leadership in research, which is an area where provinces do not have the resources to invest, it would support the federal role in health care reform—the transformative changes Roy Romanow talked about. It would address waiting time issues by focusing cancer care on the prevention side and on early detection and diagnosis. Finally, it would honour the truly Canadian hero who this year alone inspired 6.5 million Canadians to go out and raise money.

Specifically, we are asking the federal government to invest a $25-million, one-time, cooperative contribution toward the Terry Fox Cancer Research Centre, and provide secure and stable long-term funding for scientists and infrastructure support and resources for research pilot projects on the five most common forms of cancer, which could be funded through enhanced contributions to Canadian Institutes of Health Research.

There's a lot more I could say but we don't have the time, so I hope that during questions and answers and after Victor Ling's talk we'll have an opportunity to speak with you.

Thank you again.

● (1055)

The Chair: Thank you.

I have just a quick question. How does the B.C. Cancer Foundation fit in with the Canadian Cancer Society? Are you affiliated members?

Ms. Mary McNeil: I would say we're complementary organizations. Our mandate alone is to support cancer research at the B.C. Cancer Agency. So we're a provincial organization that actually supports the research activities at the provincial entity that does cancer control for the province.

The Canadian Cancer Society is a national organization that has a division here in the province, and it does three things. It does prevention, funds awareness programs, and funds cancer research, but through the NCIC, the National Cancer Institute of Canada. So our scientists actually compete for grants and are awarded them, but those dollars that come are not open for core funding. They are for a project within cancer research.

The Chair: Thank you.

Mr. Ling, please proceed.

Mr. Victor Ling (Vice-President, Research, B.C. Cancer Agency): Thank you for this opportunity to present. I should mention that in addition to being the vice-president of research at the B.C. Cancer Agency, I'm on the governing council of CIHR, and on the board of NCI of Canada—just in case there's a perception of a conflict here. But I am presenting on behalf of the B.C. Cancer Agency this morning.

I just want to endorse what Mary has just said, that establishing a Terry Fox cancer research centre would definitely help us to define Canada's place in the world. It would rival and inspire national cancer research initiatives in other countries. It would also bring focus and new energy to Canada's cancer system, and allow Canada to be a world leader in cancer control, for the benefit of our own people and people worldwide. I think this is really what Terry Fox's dream was all about.

You might ask why establish a national cancer research centre in British Columbia. Perhaps the simpliest reason is that B.C. was a home to Terry Fox. It was where he went to school and university. It's where Terry's family lives. But importantly, this proposal has the enthusiastic support of Terry's family. Beyond the emotional aspects, there are also sound technical reasons why B.C. is the natural home for a national cancer centre.

The province of British Columbia has a very-well-managed cancer control system, perhaps the best in the world. It has the best outcomes in the country. The mortality rate—the number of people dying from cancer per hundred thousand in B.C.—is 11% lower than the national average, and up to 30% lower than certain parts of this country. That's a huge difference.

Key components of a world-class cancer control cluster and research centre already exist in British Columbia. Unlike some parts of this country, B.C. has an integrated cancer system responsible for prevention, diagnosis, and treatment, all within the single B.C. Cancer Agency.

Two, through the efforts of the late Nobel laureate, Dr. Michael Smith, the B.C. Cancer Agency established the Michael Smith Genome Sciences Centre, which currently has a research staff of 180. It is the only one of its kind in the world uniquely dedicated to cancer research. No other institution in the world is as positively positioned as the Genome Sciences Centre to apply genomics technology to a population-based patient group for the purpose of cancer research. Genome scientists have the potential to unlock the secrets of cancer for early detection and prevention, and for targeted therapy tailored to the patients' molecular profiles.

Three, we have been able to recruit internationally acclaimed scientists like Dr. Marco Marra, Dr. Steven Jones, Dr. Sam Aparicio, and Dr. Robert Holt to our facility. They have come from countries such as the U.K., the United States, and elsewhere because of our system, and not because we pay them top dollars—because their research has the potential to make a real difference to the population at large.

Four, we have a technology development office that specializes in cancer-related intellectual property. It is the only office of its kind in Canada. We have created a successful spinoff company that fits the future of cancer control relevant to the Canadian health care system. In the past five years, six companies, with technology ranging from early detection and diagnosis, to targeted therapies, to better delivery of drugs, are in the process of being successfully commercialized.

We are now in a position to roll out five pilot projects of a scope and scale to have the potential to make a significant impact on cancer outcomes in this country. But we need the federal government's leadership and financial commitment to make it happen. Currently, no program exists in Canada to which we can apply for the scope of these projects that we want to conduct.

● (1100)

I'm sure that no one discounts the importance of what we're proposing. The challenge is to make our proposal fit within the existing envelope of federal funding.

As Mary mentioned, there are several options available to the government. One option that relates specifically to the research projects would be to enhance the current budget and expand the mandate of the Canadian Institutes of Health Research. Today we can only apply for research grants of a much smaller order than required by the pilot projects. The pilots we are proposing would cost approximately $10 million to $15 million each. We are happy to compete and be peer-reviewed, but currently there exists no envelope to which we can apply.

This proposal, when you take into account everything the government has done in recent years for cancer research—from CFI, to Genome Canada, to more CIHR dollars, not to mention the money the B.C. Cancer Foundation and the Government of B.C. have put into our facility—will rival national cancer initiatives in other countries, including France and the United Kingdom. It will provide enormous potential for advancing the government's policy priority, and will honour a Canadian hero at the same time—a truly fitting memorial.

Finally, as Terry has said, “Even though I'm not running any more, we still have to try to find a cure for cancer”. We might not find a cure really soon, but Canada can certainly be a world leader in detecting it earlier so the effects of cancer aren't so devastating on families or the economy.

Thank you.

The Chair: Thank you, Mr. Ling.

Next is the British Columbia Non-Profit Housing Association, Mrs. Sundberg.

Ms. Alice Sundberg (Executive Director, British Columbia Non-Profit Housing Association): Thank you very much.

The B.C. Non-Profit Housing Association is a voice for non-profit housing providers of affordable rental housing. The membership represents a full spectrum of non-profit housing organizations, from emergency shelters right through to the providers of permanent affordable housing with and without supports. Our members work in partnership with government to deliver a continuum of housing options for a range of resident populations.

What I'd like to do today is address a number of questions that relate to productivity and housing—for example, is the current situation increasingly in the red.

While the majority of Canadians are well housed, statistics show that the number of renters in core housing need is increasing. Currently, this percentage is up to 16%, representing seniors, families with children, youths, and single adults.

This presentation will focus on that 16% of Canadians currently under-housed and will offer strategies to serve their housing needs, to move those households into the well-housed category. By investing in affordable housing, we can positively affect productivity and prosperity in Canada.

As one example of numbers—which I understand the committee likes to hear—in a five-year time span, the number of tenants paying more than 50% of their income toward rent has increased by 43%.

How does housing affect productivity and prosperity in Canada? The real estate industry plays a significant role in a national economy and its effects can be seen in local economic conditions. Economic activity is generated through sale and resale of residential property; through design, construction, and renovation of homes; through financing and refinancing of those purchases and building projects; and through the ongoing management and maintenance of single- and multi-family housing.

Most of this economic activity takes place in the private sector, with a variety of incentive programs aimed at home ownership. Since the 1970s, though, the production and delivery of rental housing has declined by the tens of thousands. Unlike other common commodities, the housing market does not follow the laws of supply and demand. The fact that there is a critical shortage of rental accommodation for lower-income households has not generated a response from the private sector, and in fact the vast majority of such accommodation has been produced through partnerships between the non-profit sector and various levels of government.

There is just no profit to be had in rental housing, and even less in rental housing for people who are unable to pay market level rents. The economics simply do not work. Purchase of land and construction of housing cost more than what can be generated in rental income. So meeting this demand has fallen to the efforts of community-based, non-profit organizations, when government assistance has provided the programs that make the business viable by subsidizing the rents of low-income households.

What can we do to sustain long-term productivity and prosperity in existing rental housing stock? Housing developed under the social housing programs of the 1970s and 1980s is facing an uncertain future, as operating agreements and subsidies will expire in the coming decades. This challenge also offers an opportunity to revitalize and modernize those important components of the affordable housing continuum. Each year, the federal government is reducing its annual expenditures on affordable housing because of low interest rates and expiring operating agreements. The BCNPHA membership sees these as legacy dollars that present a real opportunity to build on the assets that these old programs helped to build and to preserve them for affordable housing.

How much are we losing in terms of productivity and prosperity by not having sufficient housing for Canadians? The lack of adequate affordable housing is the key factor in the national growth of homelessness. Lack of a permanent address is a major impediment to getting a job or to accessing education and training.

Lack of proper housing affects individual and family stability and can lead to psychological and emotional problems for those unable to obtain suitable accommodation. Many studies have demonstrated the devastating economic impact of homelessness on the health sector, including physical and mental health. Homeless individuals are more likely to develop drug dependencies and come into conflict with the justice system. It has been shown that providing permanent, subsidized, affordable housing is less expensive than the alternatives of emergency shelters, hospital beds, psychiatric intervention, and prisons.

● (1105)

A 2001 study on the cost of homelessness found that government could save up to $20,000 per person if appropriate housing with supports were ensured. This does not even include the cost ensued by the loss to productivity, a figure as high as $8 billion annually for Canadians with mental illness and addictions. Unemployment rates for people with severe mental disorders hover around 80% to 90%.

Those effects of today are likely to expand if left unaddressed, creating even more severe economic challenges in the future. Children now growing up in unhealthy, unstable, or crowded accommodations will not do as well scholastically, and that will affect their future productivity and ability to contribute to the economy.

If we are to seriously address the theme of productivity and progress in Canada, we must address the need to appropriately house and support more of our vulnerable populations. As we speak, 43% of lone parents who rent are in core housing need.

In a recent national study, 80% of homeless families were single mothers between the ages of 26 and 29, the main reason for their homelessness being the lack of affordable housing. Of the 13,000 households on the social housing wait list in B.C., 8,000 are families, and we know there are thousands more on separate housing waiting lists.

In a 2005 Statistics Canada report on shelters for abused women, data showed an increasing trend of women using shelters due to a lack of affordable housing. A total of 11,650 B.C. women and children were sheltered at ministry-funded transition houses and used this program's services for the fiscal year 2004-05.

While opponents to government involvement in affordable housing claim it is too expensive, the BCNPHA would encourage the finance committee to consider the costs of the alternative in the short term and for our future generations. Our recommendations are that we would strongly urge the finance committee to reiterate its commitment from the federal government's February 2005 budget commitment, that being $1.6 billion for new affordable housing across Canada to be delivered over two fiscal years. This money needs to be released immediately to meet the needs that are out there.

We also would like to see a renewed commitment to the supporting communities partnership initiative, SCPI, to support programs that prevent homelessness and address its root causes. Even if SCPI were to be renewed tomorrow, inevitably there would be a gap in services because of the delay in renewing this program.

We also would urge a continued commitment to the residential rehabilitation assistance program for persons with disabilities, RRAP, to encourage the adaptation of existing housing stock to meet changing demographics, and the dedication of unused housing subsidy dollars back into the housing continuum, funding repairs, rehabilitation, or redevelopment of existing non-profit and co-op housing.

Investing federal dollars in housing assistance programs will pay off in increased productivity and reduced social and health costs. The BCNPHA is a member of the national coalition urging all federal, provincial, and territorial governments to commit at least 1% of their annual budgets to the provision of affordable housing for low-income households. The 1% solution would provide the foundation for programs that would address the specific affordable housing issues of communities across Canada.

BCNPHA believes that affordable, secure, well-maintained, appropriate housing is fundamental to individual and community health. Everyone deserves access to suitable housing, regardless of race, religion, socio-economic circumstances, sexual orientation, age, or ability.

Thank you very much.

● (1110)

The Chair: Thank you, Ms. Sundberg.

We don't seem to have anybody here yet from the Canadian Parks and Wilderness Society, so perhaps I'll go to Mr. Hayden, from the Centre for Molecular Medicine and Therapeutics.

Dr. Michael Hayden (Director and Senior Scientist, Centre for Molecular Medicine and Therapeutics): Good morning.

My name is Michael Hayden. I am the director and founder of the Centre for Molecular Medicine and Therapeutics here in Vancouver, and also part of the University of British Columbia.

I thank you for this opportunity to talk to the Standing Committee on Finance in these pre-budget consultations. I'm here to talk to you about the power and impact of ideas and creativity on economic development, particularly in the area of medical research.

The Centre for Molecular Medicine and Therapeutics, now in its tenth year, has about 140 people who are participating in fundamental medical research that has already seen major payoff in our economy in Canada, as well as locally in British Columbia.

I want to tell you two stories. The first goes back to 1999, when there was a major international competition to identify a gene critical for the prevention of heart disease: the gene that controls the good cholesterol in the body. As a result of support from our colleagues across the country, many supported by CIHR, as well as the NCE genetics program, of which I was the director, we were able to win that international race. We were able to identify a gene that controls the levels of good cholesterol in the body. Immediately, we knew that increasing the level of that gene could result in significant protection against coronary disease and atherosclerosis in the general population.

The result of this discovery was a spinoff company in British Columbia called Xenon Genetics that went on to raise the largest amount of private financing in Canadian history. Last year, Xenon Genetics concluded an agreement with Norvartis, in the order of $200 million, for Canada's largest preclinical deal for a private company in history. This was one example of a particularly significant discovery and its impact on economic development. Today, the company is Canada's largest privately held biotech company and employs between 80 and 90 people. The company is having a significant impact on retaining many of our post-docs and students who might go elsewhere but are now working for this company.

Let me give you one other example. There was significant frustration about the treatment of patients with neurological disease, including patients with MS, ALS, and in particular Huntington disease—a less common disease, which was seen to be neglected. Around 1990 we recognized there was a drug already on the market that potentially could offer hope for these patients for whom the future was hopeless and helpless—dark. In fact, what we did through the funding from CIHR was a pilot program that used a known drug for the treatment of these patients. This drug worked miraculously. Patients were less symptomatic, had less anxiety, less depression, and felt better. But when we went back to the major pharmaceutical company that developed the drug, the company said these patients belong to too small an end; there are too few of them to reach market consideration for true development of this product. With the considerable frustration we were experiencing, we asked, well, why don't we create a company in Canada that will truly take care of and develop drugs for less common and neglected illnessess?

Neglected illnesses don't exist just in Africa and Southeast Asia, but actually exist in Canada. There are no current treatments for these diseases, and they are marketed products that actually are of use for these patients.

As the result of a clinical program, we were able to form a company three years ago called Aspreva—“aspreva” or *spero* meaning “hope”— that essentially focuses on the hopes and aspirations of patients with less common illnesses.

What's the story? Well, Aspreva was able to get a particular product that offers hope for patients with lupus and many other less common illnesses. The company went public with the largest biotech IPO in the world this year, and raised $100 million. Today, Aspreva employs 100 people in Victoria, British Columbia, and has employees elsewhere across Canada and around the world engaged in developing products for less common illnesses.

These stories illustrate in fact both the fragility and the oportunity involved in creating economic development from fundamental discoveries. It is impossible to know where these opportunities will actually come from. My story for you today is here are two examples that essentially have come out of the Centre for Molecular Medicine and Therapeutics, a centre within UBC, and the Children's and Women's Hospitals of British Columbia in which fundamental discoveries translated into companies that are creating economic benefit for Canada, employing individuals, and offering significant hope, not only for economic development but also for the patients the companies serve and for neglected patients in many different parts of the world.

● (1115)

My request and my consideration to this committee is to really consider how these discoveries are made possible. For this in fact you need to continue funding the pipeline. It's often unpredictable where these discoveries come from, but what is needed is a stable and large pipeline that will allow these discoveries to happen, which can then be translated into economic development and fundamental development in Canada.

My specific request to the finance committee today is to consider increasing the base funding for the Canadian institutes of health research. It was really through CIHR and small amounts of funding that came from that organization that some of these fundamental discoveries happened. A significant infusion of funds into CIHR is needed to further foster fundamental research from which many of these discoveries will be made, which can then be translated into economic activity.

In addition, CIHR has a significant translational component, which is also funding not only the discovery but also the translation of these discoveries into economic benefit. These programs are helping investigators like me, directors of research centres across this country, to translate these discoveries into potential economic activity.

So we have two examples of remarkable stories that essentially have led the world now, the first focusing on genetic discoveries that are leading to drugs for common diseases like heart disease or various neurological diseases, and the other filling a niche in the industry—that is, all the power of ideas, the power of frustration that comes from individual scientists about the research that leads to promise and then the translation of that into something in Canada that offers hope for patients with less common illnesses and significantly offers hope for economic development. In fact that's what we've seen.

Thank you.

● (1120)

The Chair: Thank you, Mr. Hayden. Do you have an amount you're looking for in terms of an increase in the base funding?

Dr. Michael Hayden: I would just say a 10% increase to base funding of CIHR in the next year.

The Chair: And you're happy with the way CIHR distributes the money?

Dr. Michael Hayden: I think CIHR has performed outstandingly. I think a secure increase in funding for CIHR would have a significant impact on fundamental research and then, through the translation activities of CIHR, the opportunity to translate this to economic activity. What's very interesting now is CIHR's translational component, where it's looking to find ways to foster economic development through some of these fundamental discoveries.

It's important to recognize that if you don't continue to fund the pipeline, those discoveries really are not likely to happen. And they happen in unexpected places. They're not totally predictable. You need to create a stable increase in funding for CIHR that will lead to these particular discoveries that can then be translated through many other programs of CIHR.

The Chair: Thank you, Mr. Hayden.

We were supposed to also have the Greater Vancouver Gateway Council, but they're not going to be here.

We'll go to the Hepatitis C Council of British Columbia, with Mr. Thomson.

Mr. Ken Thomson (Acting Chairperson, Working Group, Hepatitis C Council of B.C.): Thank you.

I just wanted to start off by saying that I hadn't realized until recently the volume and diversity of briefs and oral presentations that this committee attends to and then has to synthesize into a report. As a taxpayer, I just wanted to thank you for that. I'm sure there are some days that this is a really grueling job. It's one of those things for which you probably don't get enough kudos; it's probably a pretty difficult task.

What I wanted to talk about today is why investing in and addressing HCV—hepatitis C virus—is a smart financial decision. HCV is already expensive, and the costs are expected to increase dramatically. Right now, approximately a quarter of a million Canadians are infected with hepatitis C, and about 5,000 to 8,000 new infections occur every year.

The CIHR has estimated that the current annual cost to Canadians is about $500 million, and that's going to mushroom up to about a billion dollars annually by 2010, three or four years from now. Statistical models from the U.S. are showing that this upward trajectory is going to continue for the next 20 to 25 years. We're unaware of any evidence here in Canada to counter this trajectory.

Part of the reason for that—and something we have a great deal of concern about—is what we call the double-decade demographic, which is a disproportionately large cohort of people who were either infected through the blood system or through other routes of transmission prior to 1990. The reason this is such a concern is that it usually takes about 20 years for HCV infection, and the body's immune response to it, to overwhelm the liver's ability to repair itself and to continue functioning in an adequate manner. Approximately 25% of that 250,000—65,000 or 70,000 people—will progress to cirrhosis, which is extensive scarring of the liver, liver failure, or liver cancer. Unfortunately, due to the large size of this group of people, we're already beginning to see a doubling in the number of cases of cirrhosis, decompensated cirrhosis, and liver cancer.

Over the next few years the need for liver transplants is going to increase by almost 250%, and transplants are expensive. They can cost anywhere from $120,000 to $250,000 each, and that's not counting the subsequent lifelong need for expensive anti-rejection drugs. Transplants are also hard to come by. In Canada, we only perform about 400 per year. In many ways, they're an expensive and somewhat dangerous stopgap measure, because the newly transplanted liver almost invariably becomes infected with the hepatitis C virus, and because the person is needing to take immunosuppressant drugs, the progression of the disease is often much more rapid.

The lifetime costs of HCV infection have been estimated at anywhere between $100,000 and $1 million per infected person.

What's being done today? Following the tainted blood scandal and the Krever commission, the federal government rolled out a five-year hepatitis C prevention support and research program with an annual budget of $10 million. Just days before the end of the fifth fiscal year, at the second Canadian conference on hepatitis C, the government announced a one-year extension but only for projects that were funded in the previous year and only if the extension fit within the goals and objectives of that previous year's project. Eighteen months later—about a month ago—a second extension was announced but just for the final six months of this fiscal year. Most HCV-focused community-based organizations were not included in this process, regardless of their need or the excellence of their plans, because they weren't funded in the previous two years.

For the past two years in B.C., the annual investment in community-based support and education projects has amounted to $6 per infected person annually. Despite this, community-based initiatives have made remarkable contributions to HCV treatment care, education, and prevention efforts.

● (1125)

Another issue that concerns us is the $300 million “Care not Cash” undertaking between the federal government and the provinces. It's viewed by many as a boon to general revenue accounts but a betrayal of individual Canadians. This is the money that was promised to Canadians to help cover the extraordinary costs the government foresaw them needing to cover. This year, 2005, is supposed to be the year within that undertaking agreement when this gets evaluated. The question that comes up is, what has this committee or any other committee in the government done to ensure that this extraordinary sum of money is being spent as promised?

We realize that in comparison to the overall size of budgets and surpluses, this is a tiny and modest amount of money, but it was intended to assist in the quality of life of many of the nearly quarter-million Canadians who are infected with hepatitis C. We have to ask, how much suffering and needless death can we shut our eyes to and still call ourselves good Canadians?

Today we are a few short months from the beginning of another fiscal year, and we're still unaware and uninformed as to how the government, Health Canada, and the Public Health Agency of Canada plan to address the HCV crisis in Canada. Our greatest fear is that next to nothing will be done, and by that we mean there will be platitudes said but very few resources made available. The HCV epidemic is not over, and as you've heard, it's just getting started. We're just beginning to feel the impacts of it.

The good news is we know what to do. Despite the fact that we're treating so few people on an annual basis that we don't even keep up with the number of new infections—here in B.C. we're currently treating about 1% of infected people per year, and most of us will be dead by the time any sort of reasonable treatment rates occur—we have a new generation of antiviral drugs that can reduce the virus to undetectable levels in a majority of patients, anywhere between 55% and 80%. It's important to realize this is a single course of treatment between six months and 48 weeks in duration, not a lifelong measurement of drugs.

Despite the fact that treatment carries significant risks and discomforts, we've learned that, in conjunction with appropriately educated health care providers, the provision of adequate treatment supports can significantly increase adherence to the treatment regime, enabling even more HCV-infected individuals to achieve treatment success.

A cost-benefit analysis done a few years ago by Dulworth et al showed that every dollar spent on treatment resulted in $4 of medical cost savings. This was with the older generation of drugs, so I would imagine the savings are even greater now because the newer drugs are no more expensive, just more effective.

Despite having few resources, HCV-focused community-based organizations have done some incredible work, as I mentioned earlier. I won't get into the details, but it is important to note that they are effective, they are cost-effective, and in addition to education and support they can provide treatment support, thereby freeing up physicians and liver clinic nurses to focus on medical care and not basic treatment, basic education, and support.

Another key thing is that much of the prevention effort has been based on the HIV model, which has been fairly successful for reducing new HIV infections, but it doesn't work very well for hepatitis C. In part that's because there are so many more people who are infected and because it's 10 to 15 times more infective through blood. Not only do we need to increase the availability of prevention and harm reduction education and material, but we also need to pilot some innovative strategies and tap into some of the knowledge that's within the drug-using communities. They know what works and what doesn't. They know what things people won't go near and the kinds of changes people will embrace.

● (1130)

Despite the fact that we still have huge gaps in our knowledge about hepatitis C, we have some of the best researchers in the world. Canada does have the capacity to be a world leader even though we've lost some ground in the last few years, but it's only going to happen with your commitment and your support. It's not only Canadians who will benefit; worldwide there are over 200 million people who are infected with hepatitis C. As Mr. Hayden was saying, there are incredible spinoffs that can come out of some of the research and treatment advances that happen here in Canada.

To finish off, I'll say we strongly support the recommendations contained in the recently released “Responding to the Epidemic: Recommendations for a Canadian Hepatitis C Strategy”. This document, which is from a collaboration of community-based organizations across Canada, recommends an investment of $5 million annually in both prevention and community capacity building, $18 million in community-based support and education, $5 million in both care and treatment support and interdisciplinary research, and a program management component of $4.5 million, for a total of $37.5 million annually. This modest investment can be recouped easily by simply preventing between 38 and 380 new infections per year. Even as a very conservative estimate, this can be achieved by reducing new infections by only 7.6%. That's a piece of cake, and of course the savings due to improved prevention efforts are only a small part of the total savings that can be realized by implementing a coordinated national strategy.

I also must mention we're in support—

The Chair: I'm sorry to cut you off, but we're at 12 minutes. I have to go to the next one because we have to—

Mr. Ken Thomson: I was just going to say we're in support of the research initiative on HIV-AIDS and hepatitis C that CIHR is connected with.

The Chair: I'm sorry.

Ms. Jessen, you're here from the Canadian Parks and Wilderness Society of B.C.

I need to have the members ask questions, and we're running out of time.

Mrs. Sabine Jessen (Conservation Director, Canadian Parks and Wilderness Society - British Columbia): Thank you very much. I'd like to thank the committee for the opportunity to present today.

I am the conservation director of the B.C. chapter of the Canadian Parks and Wilderness Society, and I'm also the national lead of our organization on marine conservation issues here in Canada. I'm here today to discuss the urgent need for funding for Canada's oceans action plan. I'm going to focus specifically on the opportunities to establish marine protected areas on Canada's three coasts, as well as on reducing use conflicts in the oceans through the advancement of integrated management planning in the oceans.

I realize that you're having to make a switch now from some more medically oriented and other kinds of issues, so I hope you can start to think about being out there on those big oceans.

In a recent report to Parliament, the Commissioner of the Environment and Sustainable Development highlighted the risk to Canada's oceans as a result of inadequate government funding and action. The commissioner called on the government to make oceans management a priority. In our view, making oceans management a priority makes good sense, both environmentally and economically, and it's also part of making sure Canada will meet its international obligations and commitments. The long-term economic sustainability of our nation depends on its ecological sustainability—in other words, on protecting our natural capital. Thus nature conservation must be a fundamental element of any long-term strategy for the future of our country.

Before getting into the details of what we're recommending and into some of the background, I'd like to tell you about CPAWS, as we're called, and what we do. We're a national non-profit conservation group that works to protect Canada's wild ecosystems, parks, wilderness, and other kinds of natural areas to preserve the full diversity of habitats and their species. We were founded in 1963 and have 12,000 members across the country in 12 chapters, and we have a national office in Ottawa. We have been working to advance marine conservation in Canada since about 1985, and we played an instrumental role in the passage of one piece of federal legislation, the Canada National Marine Conservation Areas Act.

I have provided some of my background in the brief, and I won't take the time to go over that now, because I really want to emphasize and have the time to talk to you about what I see as the desperate situation in Canada's oceans. There's an urgent need to develop and implement a plan to reverse the precipitous decline in the health of Canada's oceans. A tremendous opportunity exists for Canada to play a leadership role in ocean conservation and management, based on the experience, knowledge and technology that reside in the public and private sectors in Canada.

You may have heard from recent reports that the world's oceans are in crisis. A study published earlier this year showed, for example, that 90% of all the large fish have disappeared from the oceans. In recent years there are unmistakable signs of this decline in Canada: whether it's the disappearance of cod on the east coast or rockfish and salmon here on the west coast, the list goes on. The challenges demand more immediate attention.

I think we're all aware that Canada is clearly a maritime nation; we're virtually surrounded by rich and varied environments in our three major oceans, together with the inland seas of the Great Lakes. Our social, economic, and cultural well-being are intimately tied to these oceans and lakes. We are the custodians of the longest coastline in the world and one of the largest continental shelves. The ocean area within Canada's exclusive economic zone is equivalent to about 30% of our land mass. Clearly our ocean environments are an important part of our country.

When Canada passed the Oceans Act in 1997, we became the first country in the world with legislation that explicitly addressed the need for a comprehensive and coordinated approach to oceans management. Certainly the act was in keeping with Canada's past leadership on oceans issues, such as during the negotiations on the United Nations Law of the Sea.

When Canada released its oceans strategy in 2003, we only came marginally closer to achieving the vision of the Oceans Act, because today we really have not fundamentally changed how our oceans are managed across governments, nor really have we changed the view of the oceans as a boundless source of fish and other resources. The Oceans Act and the oceans strategy defined the vision, principles, and policy objectives of oceans management in Canada. Unfortunately, they were an unfunded mandate until recently, and the Oceans Act still has no regulatory framework to give it teeth.

In my brief I've also provided a bit of background to the recent oceans management plan, which, as you know, was referenced in the most recent Speech from the Throne and led to a budget allocation for the first time this year.

● (1135)

The oceans action plan is based on four main pillars: international leadership, sovereignty, and security; integrated oceans management for sustainable development; health of the oceans; and ocean science and technology. I'd like to focus on two key aspects of the oceans management plan, which are marine protected areas and integrated oceans management.

Marine protected areas are recognized internationally as an important tool for conservation in the oceans. Canada has three federal legislative programs to establish marine protected areas, and we've committed internationally to establishing a network of marine protected areas by 2012. If we continue to work at the current pace of establishment, it is unlikely that we will meet this international timeline, and marine biodiversity will continue to decline.

The commissioner in her report came to the same conclusion, and let me tell you why. In 1998 the Government of Canada made commitments to establish ten marine protected areas under the Oceans Act. The first one was designated in 2003 off the B.C. coast, and the second one was designated in 2004. But it wasn't until earlier this month that another three sites were finally designated on the east coast. So at the rate of seven years to designate five sites, we cannot hope to complete the networks on all of our coasts by 2012.

Integrated management planning is part of a modern approach to oceans governance and management, and basically, it's a comprehensive way to manage human activities to reduce conflicts between them and to ensure that both conservation and sustainable use can proceed. The oceans action plan has identified five priority regions for integrated management planning on our different coasts, but today only one of them on the east coast has made any significant progress.

In terms of the current budget commitment, our view is that it really wasn't enough to make significant progress. Prior to the most recent budget commitment, no new funding had been provided for implementation of the Oceans Act since its passage in 1997. According to the report of the Commissioner of the Environment and Sustainable Development, Fisheries and Oceans Canada has estimated that it has redirected $100 million from its other operations over the past eight years to fund its activities in support of the act and the strategy. As you know, the commitment to the oceans action plan in the Speech from the Throne and more recently in the federal budget led to a commitment of $28 million over two years for phase one—the first money since 1997. This $28 million is spread across Canada's three oceans, seven federal departments, and 18 broad deliverables. While I have to acknowledge that it's certainly better than nothing, after waiting so many years to get some funding for this initiative I think it really is inadequate to enable substantial progress on the two areas I'm interested in, let alone all the other pillars of the oceans action plan. I would really call it “a drop in the ocean”.

One of the 18 deliverables is targeted at the binational Gulf of Maine initiative, which includes the provinces and the federal government working with their state and federal counterparts in the U.S. We are working here on our coast on a similar initiative, known as the Big Eddy, which is off the west coast of Vancouver Island. It's gaining lots of local and transboundary support. This is an initiative that does require federal investment along the lines provided for the Gulf of Maine.

Phase two of the oceans action plan is not scheduled for another 18 months under the current arrangement. We believe that funding needs to be allocated in the next budget to allow for meaningful progress on the plan's elements and to engage other fellow departments in the oceans action plan implementation.

I'll conclude by suggesting what we think is needed.

Last year, the Green Budget Coalition recommended that the Government of Canada invest $20 million over two years simply to establish eight priority marine protected areas under the Oceans Act, and $480 million over five years to implement the oceans action plan, with a focus on 30 additional marine protected areas under the Oceans Act and the other federal legislation that can be used to establish marine protected areas. Together with funding allocated to Parks Canada in 2003, the proposed investment of $500 million over five years would result in the establishment of eight new Oceans Act marine protected areas by 2006, and an additional ten sites by 2011, including, off our coast, the Hecate Strait sponge reefs in B.C., which exist nowhere else in the world, along with five new national marine conservation areas and ten additional sites by 2011.

● (1140)

Considering the significant need for funding to fully implement the development of integrated management plans in the current five priority areas and begin integrated management planning in additional priority regions in Canada's oceans, the financial need becomes even greater. To date, only one integrated management planning process has reached the draft plan stage. This is only at the objective levels, and it has taken over five years to reach this stage.

We estimate that each of the anticipated twelve to fifteen integrated management planning processes will require five to ten years to complete, and likely between $750 million to $1 billion in funding in total to complete all of them over the next ten years. This compares with investments made in the U.S. and Australia. The U.S. oceans action plan is seeking congressional approval for $1.3 billion per year over three years. In Australia, the annual investment is almost $500 million.

In light of the urgent need to make progress, we recommend that $150 million be allocated for fiscal year 2006-07—$50 million toward marine protected areas and $100 million to more adequately address the need to move forward quickly in the five integrated management areas currently underway. This will begin the much needed progress of ramping up the capacity to make significant progress over the next ten years. Each subsequent year will require significant additional investments.

It is time for Canada to become a serious player on oceans management. There are significant economic returns that will come from the recommended investment, together with meeting our international obligations to protect important marine ecosystems.

Thank you very much for the opportunity to present today.

● (1145)

The Chair: Thank you, Ms. Jessen.

We have five minutes each, and we'll go to Ms. Ambrose.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Thank you to the presenters for coming today and sharing your presentations with us.

I have a question for Ms. McNeil and Mr. Ling.

I was looking at some of the statistics. I know our topic is productivity, but from what I saw in regard to cancer, I know our economy loses up to $540 million in waged-based productivity due to cancer. It's also that the direct health care cost of cancer will exceed something like $175 billion.

I wanted to ask you about the current state of where things are with cancer control. From what you're saying and what I've heard from a lot of other organizations, I understand that it's very fragmented and uncoordinated to a certain extent. One of the things under discussion right now is the issue of the Canadian strategy for cancer control. My understanding is that it's supported by every cancer group, including the Canadian Cancer Society. It's spear-headed by over 700 cancer experts and cancer survivors.

This was something on which, I'm proud to say, our party, the Conservative Party, introduced a motion in the House of Commons. It's something we've been pushing very strongly for, in terms of it being fully funded, but at this point there has been some resistance.

As my question to you, one of the things I understand about the Canadian strategy for cancer control is that it will coordinate this fragmentation between all the different stakeholders and create a network. The other thing is that one of the benefits of it, the groups are saying, is that it won't create another layer of bureaucracy or create another organization, but will instead create a network.

What I wanted to know from you—and I should say the costs are only about $260 million over five years to fully fund the strategy, from what I understand, so it's something we're completely in favour of—is if you can explain to me what your organization is requesting funding for today, because it's quite a bit of money as well to go toward the Terry Fox research institute. How would that work with this? Does it work in conflict, because it is another organization? How would these two work in tandem?

Mr. Victor Ling: It's a fairly large question. I will be as brief as possible, and Mary can jump in any time she wants to.

The Canadian strategy is a strategy we support. What we're asking for is not in competition with the strategy but is actually complementary to the strategy. The strategy is supported across Canada by the provincial cancer agencies, which rose out of cancer control within the provinces. As you know, the strategy is a national strategy; it's part of the Public Health Agency of Canada. Within the strategy there is a very small amount of money asked for research, but that's only to coordinate the communication of research across the country. There is really no money being asked for research itself. What we're asking for, really, is to focus on research, because in our view we are managing cancer as well as we can. In B.C. it's an integrated system, and part of the strategy is to say, “Look at the best example in the country, look at British Columbia”. Provinces like New Brunswick don't have a system at all; they can model their system on ours, and in fact we have consulted with New Brunswick for that purpose. That's part of the strategy.

Finally, what we're saying is that in order to really improve our system and take advantage of the integration strategy, we really need to put new knowledge into the system. The only way you're going to get new knowledge in the system and improve the system is to do research, particularly transnational research, with pilot projects of a size and scale that would make a difference to our population, because we are a population-based health care system. Our proposal is really to start in B.C., which has the best outcomes in the country, and eventually roll it out across the country in a network of research and coordination, using the strategy as a way of communicating the results for application.

● (1150)

Ms. Mary McNeil: The only thing I might add is that what we're asking for that's different from the Canadian strategy is actually money for where the rubber hits the road. That's as basic as you can get. Here in B.C. it's not fragmented; it is integrated. We do have better outcomes, but there's a better way to do it, and what the experts are saying—the researchers, the geneticists, the actual cancer-care providers, the oncologists—is that there's a better way to do this. We're already doing it as well as possible across Canada, but we're still only curing 50%. That is absolutely not good enough. We know there are ways to treat, specifically, these five individual cancers better. And what we're looking for are large amounts of cash where there is no funding mechanism currently available to allow us to compete to get those dollars to make a difference in the five basic cancers. After proving that there is a better way to treat each one of those cancers, you can then roll it out across the country.

The Chair: Thank you, Ms. Ambrose.

We're going to go to Mr. Bouchard, then Ms. Crowder, and then Mr. Bell and Mr. Penson.

Mr. Bouchard.

Before we begin, witnesses, we have five minutes, and that includes questions and answers, so if you could keep your answers brief I would appreciate it. Thank you.

[*Translation*]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Thank you, Mr. Chairman. Thank you as well to all of the witnesses for their excellent presentations.

My question is for Ms. Alice Sundberg from the British Columbia Non-Profit Housing Association.

You stated that 16 per cent of Canadians were affected by your demands. I would imagine that these individuals spend more than 25 per cent of their income on housing. You also stated that one per cent of all funding in the federal budget should be earmarked for affordable housing.

Were you aware that the Canada Mortgage and Housing Corporation has a $4 billion surplus and that a portion of this money could be invested immediately in the construction of new social housing? Would you be prepared to back a proposal calling for CMHC to allocate a portion of these funds to an affordable housing program?

[*English*]

Ms. Alice Sundberg: Yes, CMHC each year has a considerable surplus and that has accumulated to quite a large amount of money. We would definitely be in favour of having the CMHC surplus dedicated to developing new social housing, but as well to look at the reason for that surplus. There are two reasons that I would really analyze. One is the savings in the cost of delivering subsidies due to reduced interest rates at this time based on programs that started with high interest rates. The low interest rates are now creating large savings for CMHC in terms of the delivery of those subsidies. We would like to see those dollars not returned to general revenues or to CMHC's surplus, but to return it back into the revitalization of aging social housing development. As well, we believe that there are far too high mortgage insurance fees being charged against non-profit development, whether it be under programs or not under programs. Those mortgage insurance fees need to be significantly reduced in order to enable social housing development to take place.

● (1155)

[*Translation*]

Mr. Robert Bouchard: My second question is directed to the B. C. Cancer Foundation.

You stated that by 2010, different forms of cancer would be the leading cause of death in Canada. You also stated that there were fewer cancer-related deaths in British Columbia.

In your opinion, is prevention a good way of reducing the number of cancer-related deaths?

[*English*]

Ms. Mary McNeil: Yes. This is obviously a question better asked of the experts in the field, but from my understanding, prevention is one way. Having said that, cancer is caused by a variety of reasons, none that can be absolutely guaranteed as the reason to cause cancer. So what's more important than prevention is early diagnosis. If the disease can be diagnosed early enough, the treatment is less invasive and it becomes less costly to treat. For instance, if you get it in stage one or stage two, the chances are you can do it through surgery and you may not even need chemotherapy or any kinds of follow-up drugs. Although we'd love to prevent cancer completely, realistically it's more an issue of diagnosing it early enough, figuring out the what the causes are, thereby finding out who's at risk and watching those people at risk throughout their lifetime so you get an early warning and are able to treat them on a less costly basis, less invasive and with less time off work.

[*Translation*]

The Chair: Thank you, Mr. Bouchard.

Madame Crowder.

[*English*]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you.

Again, I want to thank all of the presenters. Because of the structure, we only have five minutes, so I'm going to ask you to be really succinct.

I want to start by saying that I'm very supportive of the B.C. cancer strategy and the need for an integrated approach, and I don't specifically have a question because I think you have addressed many things and the other panel members here have raised the issues.

Ms. Sundberg, I want to specifically talk about housing. At the weekend I actually met with a non-profit seniors' organization that provides affordable housing for seniors. One of the questions they specifically asked me to follow up was the fact that when affordable housing units are built, there is actually no easy way for them to access money for environmentally friendly initiatives, retrofits—it's difficult for them to get retrofits. It's difficult for them to actually build new buildings that are environmentally friendly.

Have you taken a look at any of that? Perhaps I could ask you to be really brief, because I have a question for someone down the end of the table as well.

Ms. Alice Sundberg: I'm actually going to defer to the Canadian Housing and Renewal Association—they are working more on a national level with those kinds of issues—but there is a strategy being worked on and being developed to look at environmental issues, particularly energy efficiency issues, and to retrofit and to build new housing with those things in mind.

Ms. Jean Crowder: But there currently isn't funding in place specifically for non-profits today. My colleague Monsieur Bouchard pointed out the CMHC funds, but I understand that the non-profits, to access CMHC funds, currently pay often a premium rate.

Ms. Alice Sundberg: That's right. They pay a premium rate because they're non-profits, which is interesting given the fact that the default rate for non-profits is much lower than it is for the private sector. Why the mortgage insurance fee is larger is beyond us; we're not sure why that is.

● (1200)

Ms. Jean Crowder: And yet we know that by their very nature, non-profits are primarily the ones that build affordable housing because it isn't particularly attractive to the market.

Ms. Alice Sundberg: That's right. It's only non-profits that are addressing rental housing for lower-income people.

Ms. Jean Crowder: People keep talking about productivity, but some would argue that the genuine progress indicator is a far more effective measure of the health and welfare of Canada economically, socially, and environmentally than is a solely economic-based productivity indicator.

Ms. Alice Sundberg: Yes.

Ms. Jean Crowder: Mr. Hayden, I specifically wanted you to talk about the fact that one of the things we're coming across in Canada is the cost around catastrophic drugs. I think many of the illnesses you talked about actually end up falling under catastrophic drugs, because the drug costs are very high. When I'm talking about catastrophic drugs I'm actually talking about the price of them; it's a catastrophe.

Is there some mechanism you can see in what you're suggesting around knowledge transfer and commercial application whereby we could actually keep some of these drugs in the affordable range for some of these illnesses? Some people are paying thousands of dollars for medication because it's a rare illness, or it's not commercially viable. Could you comment on that specifically?

Dr. Michael Hayden: I would say first that, yes, there are some companies that are really charging I would say catastrophic prices for catastrophic illnesses. These include some rare enzyme deficiencies, where a company like Genzyme, for example, is charging hundreds of thousands of dollars per year per medication. I would say that's not the rule but the exception, because there are many other affordable medications—Aspreva, for example, which is now for such extremely rare diseases as pemphigus, myasthenia gravis, lupus—that are really in the hundreds of dollars, not tens of thousands.

The problem we have is that when there's incredible exclusivity and there's only a single product, the companies make the justification for the research costs they need to justify these investments. This poses huge challenges to the health care system across the country, and yet for these patients, of course, they're alone and neglected, and desperately in need of these therapies. The challenge is to try to find some way to work with these companies to provide appropriate incentives and to not create precedents for them, because these are issues around the world. It's a very difficult issue.

Genzyme is one example that involves hundreds of thousands of dollars per patient per year. It's very hard to get these companies to consider repricing these, because this has an impact not only here but around the world as well. I think we need to challenge these companies directly about making these appropriately affordable, perhaps not affordable in the sense of regular medications but still in a more reasonable cost containment. One of the ways is to offer the ability—and this is from the provincial side as well—to make the drugs more widely available if the prices are appropriately in line. Certainly many countries around the world have set very clear prices for which the drugs would be made available and paid by government.

Ms. Jean Crowder: Right. We don't have a national pharmacare program, and we don't actually have a catastrophic drug program in Canada. It's a joint federal-provincial responsibility here, and of course that will have an impact for the finances.

Am I out of time, Mr. Chair?

The Chair: Yes. Thank you, Ms. Crowder.

Ms. Jean Crowder: Thank you.

The Chair: Mr. Bell.

Mr. Don Bell (North Vancouver, Lib.): Thank you.

First of all, welcome to all of you.

Mary and Victor, I'm pleased to see you're restating the centre. I think it would be great to recognize Terry and the contribution he made. We have a statue of Terry Fox right across from Parliament to remind us, so it would be very fitting.

One of the things I notice—and it's not really a question—is the reference that we do have a cluster here in B.C. that we should take advantage of, and why in B.C. we have this cluster. So I will just say I'm supportive.

Regarding the hepatitis C, Ken, you mention that 2005 is the year of evaluation of the program. Do you know when that's expected?

Mr. Ken Thomson: I have no details other than that. That is what was in the undertaking agreement. I have heard absolutely nothing about whether that's actually happening. I know that the agreement itself is worded fairly loosely, but I have no information other than that.

● (1205)

Mr. Don Bell: I gather, based on your presentation, that between 55% and 80% could be cured through treatment.

Mr. Ken Thomson: Essentially. They've sort of called it a viable cure. If somebody's gone through 20 years of ongoing liver damage, getting the virus down to undetectable levels is still going to leave them with a really beaten-up liver. Fortunately, it's an incredibly resilient organ, and given time and taking care of your health, even cirrhosis can begin to reverse. So there is some hope.

Mr. Don Bell: Thank you.

Michael, I just have a comment. I'm very interested, and afterwards I'd like to get some information on Aspreva. I have a grandson who has one of those rare diseases, primary pulmonary hypertension—there are only two of them in B.C., I think—and it's a problem. At age two he was given two years to live; he's now ten years old, but the death sentence is still there. He wears a backpack 24 hours a day for intravenous and he has to carry icepacks on his back for the chemical. There are changes in drugs now that enable this to not have to be cooled, and instead of being changed twice or three times a day, it can be changed once a day or every two days. This idea of getting these drugs has just been recently accepted by Canada, and now the question is getting the provinces to approve it for payment.

So I'm very sensitive to what you're talking about in dealing with these less common illnesses. I gather either a senator or a congressman in the States recently brought in a bill that deals with these rare diseases. I would appreciate getting some more information on that.

Dr. Michael Hayden: I'd be happy to do that.

Let me just comment on primary pulmonary hypertension, because, for example, there are drugs being used for other indications that offer tremendous hope for that particular disease. The challenge is to generate the evidence that spans all the scientific tests and shows that it's useful and to pay for the trials to do that, and big pharma doesn't want to do that. So this is the big niche: that we can generate the resources—by the way, we can generate it from the private sector—do the trial, and show that it's useful for patients with primary pulmonary hypertension, and to get it appropriately approved for that indication, so you don't have to carry these packs around when a single drug that's just like any other medication will do. These patients are worthy of the appropriate investment.

Mr. Don Bell: Finally, to Sabine, you commented on the Canada ocean action plan. I gather you're generally happy with it; you just think it needs to be implemented more quickly than it is presently.

Mrs. Sabine Jessen: Yes. It was great to finally see some money allocated to the plan, but we need to ramp up more quickly than has been suggested with the phase one and phase two. That is why I'm recommending funding in this next budget rather than waiting—

Mr. Don Bell: Rather than 18 months of the phase two.

Mrs. Sabine Jessen: Yes.

Mr. Don Bell: What do you feel is the main reason? You said 90% of the large fish have disappeared. Is it overfishing? Is it pollution? I mean, it's a combination—

Mrs. Sabine Jessen: It's overfishing. The biggest threat to the world's oceans is what we're taking out of them. It's clearly overfishing, and it's every fish stock around the world. Very few are being managed sustainably.

Mr. Don Bell: Okay.

My question on the housing was answered already, so that's it. Thank you very much.

The Chair: Thank you, Mr. Bell. Thanks for the 30 seconds.

Mr. Penson.

Mr. Charlie Penson (Peace River, CPC): Thank you, Mr. Chairman, and I'll be quick as well.

I just wanted to say this to Ms. McNeil. I think you're the one who introduced the idea that looking at the demographic situation is really going to put pressure on our productivity issue. I agree with that, and while we haven't heard anything here this morning on the issue, I'm sure we will. We have in the past. It relates to the health side, and it is that some of the obesity problems we have in this country are a ticking time bomb, I believe, in terms of cost and loss of productivity at a time when our demographics are looking rather bad because there will be fewer people working and a lot more people retired.

So it's an important issue you've raised, and as you've said, it's a productivity challenge in itself on the health side. I'd just like to introduce the idea that this part of our health also needs to be focused on, because it can introduce a lot of problems on the health side that we're going to have to face.

● (1210)

Ms. Mary McNeil: Exactly.

The Chair: Thank you, Mr. Penson.

Just before we adjourn, Ms. Sundberg, I want to understand the logic in your brief where you say that "Unlike other common commodities, the housing market does not follow the laws of supply and demand". I thought the housing market was typical of supply and demand in terms of pricing and how the whole market works.

Ms. Alice Sundberg: I think the sale or purchase market does follow supply and demand. For example, while the market for the sale of affordable or starter homes is a little bit distorted here in British Columbia compared with the rest of Canada, the response to the need for starter homes in the lower mainland, for example, has been with small condominiums. That's been the response. So the private sector construction industry and development industry responds in that way: we can make the units more affordable by making them smaller, because it costs *x* amount of money to build them—and real estate has inflated exponentially here in B.C.

But in terms of the laws of supply and demand for low-income people who can't afford to access the private sector rental market, their needs are not being met. Their demand for affordable low-cost rental housing is not being met. It's not being met by the private sector because the private sector is not interested in losing money, which is basically what would have to happen if they were to build new housing.

The Chair: But I'm still trying to follow this. So you're saying that low-income people are not getting big houses at an affordable price.

Ms. Alice Sundberg: No, they're not getting any housing.

The Chair: But if the market is for low-cost housing, wouldn't the suppliers provide that?

Ms. Alice Sundberg: The suppliers do not. There's been a reduction in the amount of rental housing that is developed; since the seventies, there's been a vast reduction in the amount of rental housing being developed. What developers in the private sector do develop is ownership, or condominiums, which there's no way low-income people can afford.

We're trying to achieve what's considered affordable, to be able to have your shelter costs paid for with 30% of your income or less—but it's just not possible for someone to be able to access home ownership if they have a low income. If their income is less than $20,000 a year, for example, or even less than $40,000 a year, they can't access home ownership.

The Chair: Exactly.

Ms. Alice Sundberg: They can't access home ownership; it's completely beyond them. But they can't even get access to rental accommodation for 30% of their income.

The Chair: Thank you, Ms. Sundberg.

Thank you to all of the witnesses for taking the time out of your day. We appreciate it.

We still have a big day ahead of us, so the meeting is adjourned.

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