

Lorne D. Almack *P. Eng.*,
RR#5, Claremont, ON
905 649 2202
lorhoda@gmail.com

October 15, 2013

Open Letter to The Hon. James Flaherty, Minister of Finance

RE: The Federal Lands at Pickering

This letter responds to the June 11 announcement by Finance Minister James Flaherty. Minister Flaherty is generally appreciated in his role as Finance Minister because he works with a team of competent civil service advisors.

The anomaly: Who is advising him on aviation and land-use planning? We fear it is the same self-serving bureaucrats who have kept the Pickering airport boondoggle alive for 40 years. Their message has not changed.

Background

The Pickering airport idea was hatched during the Prime Ministership of Pierre Elliot Trudeau, who was given, and who accepted, some highly misleading advice. The plan was meant to be politically smart. Quebec was being given Mirabel; Ontario had to be treated equally. The professional advice in 1968 from within Transport Canada (then Ministry of Transport) was to fully develop Pearson. But politics trumped facts and wisdom. Transport Canada's planners were told to "JUSTIFY THE NEED FOR A SECOND AIRPORT." Consequently, millions of consulting and public-relations dollars were squandered.

The airport opposition, called People or Planes (POP), was supported by the aviation industry, the Canadian Air Transport Association (CATA), the International Air Transport Association (IATA), the travel industry, and a think tank of talented, conservative citizens. Armed with facts and reasoned argument, People or Planes accepted an invitation from Premier Bill Davis to present their case to the Ontario Cabinet. The Cabinet concluded that a failed airport was not in the best economic interests of Ontario, and decided not to proceed with airport infrastructure. (Even before Mirabel was operational, travel agents were finding ways to circumvent it.) Construction on Pickering was stopped. On Mirabel's opening day, Prime Minister Trudeau declared: *Ontario will be on its knees begging for a second airport by 1980.* He was misled again. Pearson (Malton at the time) was said to be facing 62 million passengers by year 2000. Forty years later, the airport serves only about half that number.

Fast Forward to 2013

Durham Region's dependence on revenue from lot levies and increased property taxes cannot continue. It has been suggested that the solution is to attract a General Dynamics-scale aerospace industry to operate from Pickering. But why would any major industry want to risk being the cash cow to solve Durham's financial problems? Durham should instead support the Province's Seaton development, a well-planned live/work community that could attract modest

but reliable industrial growth. An airport at Pickering would *not* do this and is doomed to fail, for the simple reason that *Pearson* is at the demographic centre of Canada. It is the unrivalled Canadian hub airport.

Airport Planning Criteria

Beware of false truths:

(1) Pickering will be built as a hub airport

Hub airports do succeed. But they are not created by government. It is the air carriers who create hub airports. Pearson is Canada's major hub for airlines departing Europe for Canada, with passengers destined for other hubs or regional airports (Chicago, Atlanta, Miami, Vancouver), and with spokes to regional airports (e.g., Ottawa, Winnipeg). Millions have been invested by governments to attract hub-class carriers to airports. Most of these attempts have failed. It is the major airlines, not government, that create the revenue needed for a hub. When a major carrier moves to a new hub airport, the old hub dies from lost revenue, unabsorbed overhead, and debt. Pearson enjoys two major Canadian carriers, Air Canada and WestJet, as well as major international airlines from the rest of the world. Well-established and successful, those airlines are unlikely to risk moving to a new hub.

(2) Build it and they will come.

Well, not according to a lot of evidence. Believers in this false truth should read "Airfields of dreams," by Steven Malanga, senior editor of *City Journal* and a senior fellow at the Manhattan Institute.

He warns: "Public officials and local business leaders in areas looking to stimulate growth argue that they need to invest in airports ... These officials are willing to risk millions of taxpayer dollars on a bet that it's an airport that drives a local economy, not an energized economy that drives airport expansion. The results are empty terminals and gates, unused runways, and even flight-free airports." He also warns that it's "misguided to think that expansion itself will lure more businesses to a region by offering them more flights. In fact, airport expansions often increase ticket prices, driving businesses away."

We do not have to depend on U.S. experiences to prove the point. Our federal government, to ensure the success of Mirabel, provided acres of industrial park, paved roads, water, sewers, and electricity to serve an anticipated flood of industrial development to the new Mirabel. For a long time, the only "taker" was the federal Motor Vehicle Test Centre.

(3) Pickering airport is needed as a general aviation (reliever) airport

Transport Canada has no mandate to build general aviation airports. This is the responsibility of private investors responding to a market of private customers (corporate jets, recreation flying, training, etc.) But by using the euphemism "reliever airports," officials have been able to assume funding authority.

An early study by the Auditor General of Canada on the value of reliever airports at Vancouver (e.g., Pitt Meadow) reported that they did not relieve Vancouver International but merely provided more choices for recreational flying.

A general aviation airport at Pickering would not replace Buttonville. It would not serve North Toronto and York Region. Buttonville is 36 km from Pickering.

The 2010 *Needs Assessment Study Report* prepared for Transport Canada by the Greater Toronto Airports Authority concluded that even if two to three “at risk” airports, such as Buttonville, Oshawa, and/or City Centre, closed, there was sufficient capacity at other airports to accommodate CJ/GA traffic beyond the study’s planning horizon of 2032. The Report further acknowledged that the City of Oshawa’s 2008 commitment to operate Oshawa for a minimum of 25 years reduced the likelihood of such multi-airport closures. In a scenario where only one of the “at risk” airports (e.g., Buttonville) closed, the Report concluded that other CJ/GA airports “would appear to be capable of absorbing the displaced activity fairly readily.”

The logical Buttonville replacement for recreational light aircraft is Markham Airport. Furthermore, a general aviation airport at Pickering would directly compete with Oshawa Airport. Oshawa does not need competition. It needs the support of the Region to ensure that it remains a viable business. As it happens, Oshawa Airport’s runways are virtually identical in length to Buttonville’s, so the airport could handle Buttonville’s traffic without physical expansion. In addition, it’s just a short hop from the airport to the Oshawa GO station (where service to Toronto is now every half hour), and it will soon be another short hop from the airport to the Hwy 407 extension.

The bottom line, though, is that any airport at Pickering is doomed to failure because, as stated earlier, *Pearson* is at the demographic centre of Canada. It is the unrivalled Canadian hub. It has capacity to grow and continue to serve passengers for more years than anyone can forecast.

A Bright Future

No other municipality in Ontario has the economic benefit of 18,000 acres of Canada Land Inventory Class 1, highest-fertility foodland. This natural, irreplaceable resource is capable of supporting a profitable, tax-paying, job-creating community, an agriculture industry of food growers, processors, and marketers.

The Government of Canada should declare the Federal Lands an **Agricultural Preserve**, governed by a **Foodland Conservation Trust**, mandated to create a viable and prosperous food industry. The Trust would govern through established organizations, such as Agriculture Canada, Farm Credit Corporation, the Toronto and Region Conservation Authority, and/or agriculture colleges (possibly an Agriculture Faculty at Durham College), providing courses and research in farm business management, animal husbandry, crop science, and the support of innovative products and processes.

The Trust could use the extensive and talented resources of Farm Credit Corporation and Agriculture Canada to evaluate farm plans and advise on land values for farming purposes. The Trust could accept offers from tenant farmers to purchase lands they lease, subject to conservation easements. Large grain farmers with multiple leases might alternatively wish life-time leases, also subject to conservation covenants.

Secure tenure and pride of ownership would produce a community of stewards who would invest time and funds to enhance their businesses. A reliable supply of produce would encourage investment in infrastructure such as cold storage, meat packing, and farmers' markets with year-round heated and air-conditioned retail space (as at Guelph, St. Jacobs, etc.). This food-producing community would serve the economic, financial, and social interests of Greater Toronto and Canada, by contributing to international food security.

Although it could take years to fully implement this plan, while being fair to existing leaseholders and investors, immediate benefits would accrue as tenants became stewards of large and small farm units. These rich lands are capable of producing a cornucopia of grains, vegetables, meats, and dairy products for direct sale and to supply a food marketing and processing industry. Taxes would be paid. Municipal budgets would be balanced. Sprawl would be stopped. And food security would be provided for urban neighbours.

Durham Region's Green Door Alliance and Green Durham are fully aware that Transport Canada has never dropped its plan to keep at least 5,000 acres of the Federal Lands for a possible airport. Until such time as an airport is *proven* to be needed – and that time is nowhere in sight right now – those 5,000 acres should be leased to farmers under long-term leases under the governance of a Land Trust.

We firmly believe that the plan outlined above would provide more financial and health benefits to the people of Durham Region and the GTA as a whole than would any new airport at Pickering.

The concerned citizens of Durham and Ontario would welcome the opportunity of meeting with you or your advisors to try for a consensus on land use for the 18,600 acres.

Yours truly,

Lorne Almack

For more details, see www.greendurham.ca, under Publications 2012: "A Prospectus for: Management of the Federal Lands at Pickering."

Lorne D. Almack, P. Eng., has a long career operating and as a Partner in a prestigious professional firm consulting to industry and government clients – World Bank, Auditor General of Canada. For the past 40 years he has maintained a running critique and study of the business, aviation, and conservation issues arising from the 1972 expropriation of 18,600 acres of farmland for an airport.