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—
Chair

The Honourable Roger Gallaway

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•(1605)

[English]

The Chair (Hon. Roger Gallaway (Sarnia—Lambton, Lib.)) I call this meeting to order.

Before we get to our witnesses of the day, we have some routine business of the committee. I would ask our guests to bear with us for a moment.

Colleagues, you should have before you a printout on motions. There are actually three of them listed, although they're not numbered. The list refers to the second report of the subcommittee on agenda and procedure, which is the steering committee. It refers to an operational budget, because we are having witnesses come and they are entitled to some travel expenses and other normal fees, as laid out in the Standing Orders. We also have the report of the steering committee, and that requires that we go to the Liaison Committee shortly. I'd like to go this week because we may not be here next week, but who knows...and if you're wondering, that is because the steering committee meets on Thursday. We'd like to get some sort of approval for some funding.

So you have before you the second report of the subcommittee or the steering committee.

Mr. Raymond Bonin (Nickel Belt, Lib.): I move all three.

The Chair: You move all three? All right, we have a mover. Are there any questions? No?

(Motions agreed to [See *Minutes of Proceedings*])

The Chair: Thank you very much, colleagues.

Thank you, Mr. Bonin.

We'll turn to orders of the day. Pursuant to Standing Order 108(2), this is a study on the return of arable land to farmers and formerowners in Mirabel. You'll see that laid out.

We have with us today Mr. Cherry, the president and chief executive officer of Aéroports de Montréal; Monsieur Denis, chair of the Comité des 11 000 acres; Monsieur Éthier, a person whose land was expropriated; Monsieur Jetté, a Transport Canada tenant; and Mr. Macdonald from Bombardier.

Welcome to you all. We're sorry about the delay in starting. As you may know, there were votes today in the House, and that occasioned the delay.

In regard to the weather outside, you might be with us for quite some time. Getting back to Montreal may be a problem.

In any event, we normally allow an opening statement. I don't know if you're speaking individually or collectively. How you're doing it, I haven't been told. I might start by asking you who wants to speak and what order you're going to do it in.

Mr. Cherry, if you want to lead off, go ahead, please.

Mr. James Cherry (President and Chief Executive Officer, Aéroports de Montréal (Dorval and Mirabel)): My name is Jim Cherry, and I am the president of the Montreal Airport Authority. I'd like to thank the committee and the chair for the opportunity to address you here today.

Just for clarity, ADM, or Aéroports de Montréal, is a non-profit organization. It's the local authority responsible for the management, operation, and development of both Montreal Trudeau and Montreal Mirabel international airports, under a 60-year lease entered into with Transport Canada in 1992.

[Translation]

Our strategy is threefold: providing quality airport services that are safe, secure and efficient; fostering economic development in the Greater Montreal Area; co-existing in harmony with the surrounding environment, particularly in matters of environmental protection.

In terms of governance, we are in full compliance with accountability rules issued by the Minister of Transport. We are currently governed by a board of directors comprising 14 members appointed by the Government of Canada, the Government of Quebec, the Montreal Metropolitan Community, the Board of Trade of Metropolitan Montreal, and the ADM board of directors.

The board of directors and management committee are supported by a Community Advisory Committee comprising a minimum of 20 members representing organizations that have an interest in airport development.

As I have already mentioned, we signed a 60-year lease in 1992. It will end in 2052. The lease is renewable for a 20-year period. The ADM has assumed responsibility for all obligations concerning the operation and management of both airports.

Our strategic orientation is clear. We have a three-point growth thrust: passenger traffic, air cargo, and industrial development. In order to fulfil this mission, we have two specialized airports: Montreal-Trudeau, for passenger traffic, and Montreal-Mirabel, for air cargo, industrial development and business aviation.

For your information, I have included in our paper a brief history of Montreal-Mirabel, covering the period from 1969 to date. ADM began in 1992, when we took over the airports. During the 1990s, regularly scheduled international flights were liberalized, and these flights were transferred from Mirabel to Dorval. In 2002, we decided to specialize the two airports. More recently, in early November 2004, we transferred all our charter flights from Montreal-Mirabel to Montreal-Trudeau.

It is important to note that even after the transfer of all of the passenger flights, more than 20 all-cargo carriers still operate out of Mirabel. As you know, there are a dozen world-class industries, among them, Bombardier, operating in the industrial zone. They use the runways to test their aircraft or to undertake repairs on site or nearby. There are approximately 26,000 aircraft movements per year. The key airport services are provided by ADM, NAV CANADA and other suppliers.

[English]

Just for your information, subsequent to our decision to specialize Montreal Mirabel in industrial and cargo, we issued a request for proposal in April 2004 to attract viable projects to redevelop the terminal and related buildings that have been vacated since the transfer of passenger activities. Clearly, the aim of that is to generate jobs and economic spinoffs for the region. Of course, we consulted in that regard with Transport Canada, and we held information sessions with local stakeholders and our community advisory committee. We received eight proposals for the Mirabel buildings, four of which have been retained for phase two of the evaluation. Our decision is scheduled to take place some time in May 2005.

In your documents, you'll see a map. I think it's quite important that you take a look at it now. Very simply, this map lays out the 17,000 acres that are currently occupied by ADM at this point. You'll notice that there are two sets of yellow lines on the map. One is a core set of yellow lines that surround the runways and buildings. That core is at the centre of this map. You can see the runways in the centre. The 6,000 acres that are actually the operational zone of the airport are a very small perimeter, very tight around those runways and those terminal buildings and whatever.

The 11,000 acres that are the subject of this discussion are the larger perimeter that you see. As you can see, the runways and the other parts of the airport assets that are currently being exploited are very close to the borders of those two zones. We'll talk to this in a moment, but it's very clear that if we ever want to add anything to this site—for example, an additional runway—the land used to add it will have to be land in that 11,000-acre zone. Within that 6,000-acre zone, there is no land available whatsoever to expand on that facility. It's important that you look at that, and we'll come back to that in a little bit.

The general objective of our master plan, and especially of the Mirabel master plan, is to identify the major development orientations of the airport in the 2003 to 2023 period. We deposited that plan with the Department of Transport last year.

The next slide in here—and I don't have a larger cutout out of this, but all your documents include it—shows a land use plan that defines the use of the airport land in the zones. Just for your information, this is the entire 17,000-acre parcel. It's important that

you note that the sections outlined in blue are reserved for what we call aviation activity, which includes runways, taxiways, and other aviation-related activities. The areas outlined in red are areas that are reserved for passenger or freight terminals. The only portions on that map that can be used for industrial or other commercial activities are in brown and yellow, so it's very clear that, according to our master plan, the land we have in question is largely reserved ultimately for aviation uses for the most part, and not otherwise.

•(1610)

[Translation]

I will turn to our airport reserve. We mentioned 11,000 acres, including the peat bog, which cannot be used. Today, there are 127 agricultural leases covering this area. These leases bring in a monthly revenue of \$14,600, which represents less than \$180,000 per year. It is important to note that 92 per cent of this revenue returns to Transport Canada under the terms of the lease, with only 8 per cent of this amount remaining in the hands of the ADM.

These leases expire in 2010, and are automatically renewable after each five-year period. We are very much aware of the argument put forward by the farmers who say it is difficult, with a five- or even a ten-year lease, to finance their equipment. That is why in 2003, we offered them an extension to 2023. The offer was never considered by the farmers' union.

[English]

I think it's important that we look at the long-term outlook for Montreal. Montreal Trudeau, the airport that we operate currently on the Island of Montreal, is forecast to meet all of Montreal's passenger needs for at least the next 30 years. However, we very clearly stated in 2002 that there might be a return to Mirabel for passenger activity after 2032. For that reason, the decision that was made by the board of directors of ADM in 2002 was to preserve our ability to return to Montreal Mirabel and to preserve Montreal Mirabel's future as a passenger airport. In order to make the airport profitable and to not continue to lose money on it now, though, we have decided to accelerate the development of air cargo on that site and, to the extent permitted, develop the industrial activity as well.

In the event of a return to Montreal Mirabel, we will need to build at least two additional runways and new terminals in order to meet the requirements of Montreal. It's important that you realize that there are only two runways at Mirabel today, while there are three at Dorval. The day that Dorval no longer meets our requirements, it will be very clear that we'll have to have probably three runways at Mirabel to meet that requirement, or perhaps four. As I said earlier, in referring to the map, there's no room within that 6,000-acre parcel to provide for additional runways.

In conclusion, from ADM's point of view, there is a pressing need to maintain that 11,000-acre reserve. Eliminating that reserve would have serious consequences for the greater Montreal region's airport development and requirements.

Thank you, Mr. Chairman, for your attention.

The Chair: Thank you, Mr. Cherry.

Monsieur Denis, do you want to speak now?

[Translation]

Mr. Marcel Denis (Chair, Comité des 11 000 acres): We have a three-part presentation.

Good afternoon, Mr. Chairman. My name is Marcel Denis and I am a farmer, President of the Sainte-Scholastique—Mirabel Union, the son of an expropriated farmer and President of the Comité des 11 000 acres which was created in 2002. With me today are Mr. Réjean Éthier, an expropriated farmer and past president of the same grassroots union, as well as Mr. André Jetté, whose family was expropriated. Others who are with us have also been expropriated.

Here is a summary of the scandal that began on March 27, 1969, at 3 o'clock. Twelve thousand people were affected, namely 3,126 families and 14 parishes. Although 97,000 acres were expropriated, 80,000 were resold after 16 years of fighting, and some 6,000 acres were earmarked for the airport's operations zone. There remain 11,000 acres covered by a 20-year lease renewable after each five-year period.

The 11,000 acres must be returned to the current occupants. Is it morally, legally or humanly acceptable for a government to expropriate land more than 50 years before there is a need for it? When we think about continuity and succession, in farming, we know that we must protect our investments. Because of the leasing arrangements, the best land around Mirabel cannot be farmed. There's no justification for that.

In 2003, 79 million passengers transited through the Atlanta Airport, which has an area of 4,700 acres. Mirabel, with its 6,000-acre operational zone, has enough room to last forever.

The Mirabel farmers and their families have paid the price for what was to become the model of a modern airport. Reality however has shown that this was a terrible and regrettable mistake. The airport is closed and the search is on for a new vocation. But be careful. We were expropriated for the sole and unique purpose of developing an airport. Neither the federal government nor the ADM can change that fact at whim. Only 5 per cent of the expropriated land was used. What a waste!

In closing, I would like to thank those who have given me an opportunity to speak. I now turn the floor over to Mr. Éthier.

•(1615)

Mr. Réjean Éthier (expropriated person, Comité des 11 000 acres): Ladies and gentlemen, Mr. Chairman, this is an emotional experience for me today, to be seated before members from the four parties, at the level of government that was responsible for my expropriation, without any valid reason, some 35 years ago. I was expropriated in 1969. I was 33 years old. I belong to the fourth generation to occupy the land of my ancestors. I have a dairy farm as well as a growing maple syrup operation.

The expropriation has brought me to Ottawa on numerous occasions. I find it hard to believe that after 35 years, I am still demanding the 11,000 acres that we were fighting for at that time, during the 1980s. I hope that we will not have to continue as long as we had to for the 80,000 acres. The support that we have been given

by members from all opposition parties leads me to believe that things might move along more quickly.

An article in the *Journal de Montréal* said that Jean Lapierre had stated that the federal government would not apologize to those who were expropriated from their land at Mirabel. Prime Minister Martin was more sensitive, however. He acknowledged that a number of people had suffered and said that he felt this should be taken into account.

Back to 1969. We learned about the expropriation through the media. Then, during a meeting in the Sainte-Scholastique church hall, representatives of the federal government, including Paul Martin Senior, came to tell us how our land would be acquired and how the airport would be built. That was 35 years ago.

Today, the Minister of Transport and ADM want to maintain the 11,000 acres for another 30 years, which would mean that land was expropriated 65 years before it was necessary to do so. Mr. Cherry said, during a radio program in which I took part, that these people may never return. I think they would be relieved from federal trusteeship if the land that was expropriated without cause 35 years ago were returned. I might add that they can always expropriate again, if there is a need. Expropriation is no problem: at that time, they expropriated 95 per cent more land than they actually needed.

This useless expropriation caused the so-called need to create the large farming town, Mirabel, which includes a few urban nodes. The expropriated farmers were not able to object to its creation, in 1971. Since then, our agricultural land has come under the Cities and Towns Act and since 1977, in the city, there is a Land Protection Act that also applies. You might wonder why I am raising this now. I am hoping that you will understand the scope of and the harm done by this past mistake. The expropriation caused an upheaval of the community. Creating this town only served to perpetuate that trend.

Thank you for your attention; I welcome your questions.

•(1620)

The Chair: Mr. Jetté

Mr. André Jetté (Transport Canada Tenant (ADM), Comité des 11 000 acres): Mr. Chairman, in 1992, a lease was signed by the tenants of the 11,000 acres to meet the requirements of a major international airport. In 2004, there are no longer any passenger flights out of Mirabel. Everyone acknowledges that with the 6,000 acres within its zone, Mirabel owns more land than the Los Angeles, Heathrow, and Lester B. Pearson airports, to name a few.

The conditions that existed in 1992 are no longer the same; it seems clear to us that common sense would dictate that the 11,000 acres should be returned. It is difficult to farm on leased land. How can you be competitive? Do you drain land that does not belong to you? Do you build a barn or stable on someone else's land? The fact that we are tenants makes us second-class farmers, since our investments cannot be secure.

How can a farm family ensure its succession? Under normal conditions, a long-term loan is part of this succession and provides the parents with a decent retirement. That cannot be done if you are a tenant. Leasing the land prevents us from making the necessary investments and prohibits succession.

My family has been farming in Mirabel since 1850. It hurts me to see how my heritage has been destroyed, for no good reason. It has been clearly demonstrated that the 6,000 acres will meet the airport's long-term needs; the 11,000 acres must be sold back.

Thank you for your attention.

The Chair: Thank you, Mr. Jetté.

[*English*]

Mr. Macdonald.

Mr. John Paul Macdonald (Vice-President, Communications, Bombardier Aerospace): Thank you, Mr. Chairman.

I do not have an opening statement, except to say that I'd like to thank the committee for inviting me here today.

Mirabel is a very important facility for us. It's where we build our CRJ700 and CRJ900 regional jets. It's a state of the art facility and is indeed one of the facilities we are looking at for the possible construction and final assembly of our new aircraft, the C-series.

[*Translation*]

I will be happy to answer questions from committee members, whether on this subject or any other subject related to our Mirabel plant.

Thank you.

[*English*]

The Chair: Thank you.

I'll explain this to people who perhaps haven't appeared before a committee before. Although I'm not certain, you likely will know that questions will be asked now.

We will start with Mr. Nicholson.

Hon. Rob Nicholson (Niagara Falls, CPC): Thank you very much, Mr. Chairman.

Thank you very much for your testimony here today.

Monsieur Cherry, there are 127 agricultural leases on those 11,000 acres. Who holds those leases? Are these the people who originally used to own the properties?

• (1625)

Mr. James Cherry: Quite frankly, I think most of them are. I'm not entirely sure, to be perfectly honest, but most of them are original families. To the best of my knowledge, they're all being used for agricultural purposes by original families.

Hon. Rob Nicholson: They come up for a five-year renewal after each five-year period. I've seen a number of commercial leases. What happens at the end of the five years? Do you renegotiate the rents?

Mr. James Cherry: No, they're essentially extended on the same terms. In fact, what we offered last year, in 2003.... We were fully cognizant of the fact that, as was mentioned earlier by Mr. Jetté and others, it's difficult to get financing to do things like this. We said, why don't we just do it for a 20-year period right now? In fact, we've even talked about going a little bit beyond that.

Hon. Rob Nicholson: One of the things you said was that the 11,000 acres would be available if, in future, additional runways were needed.

Mr. James Cherry: Basically, we don't have any room to build any other runways on that site in the 6,000 acres that are in that plan right now. In the event that we move to Mirabel, it will be to accommodate the needs that would be transferred up from Pierre Elliott Trudeau at that point in time, where we have three runways now. We have more runway capacity at Trudeau today than we have at Mirabel.

Hon. Rob Nicholson: In answer to my question, you said that if you needed more space, you would possibly be using those 11,000 acres.

Mr. James Cherry: Those 11,000 acres are reserved for aviation requirements.

Hon. Rob Nicholson: So presumably, at the end of some five-year period of time, you could give notice to the tenants.

Mr. James Cherry: Indeed, yes.

Hon. Rob Nicholson: And you were appointed by the federal government?

Mr. James Cherry: No.

Hon. Rob Nicholson: Were you elected by the board of directors? Is that what it was?

Mr. James Cherry: I was hired by the board of directors of the Aéroports de Montreal, correct.

Hon. Rob Nicholson: Thank you.

With respect to this possible need—and you probably know the history of this—isn't this something that has been trotted out every year, almost for a generation?

I was checking, Mr. Chairman, the original speeches that were made at the time. Mr. Trudeau said, "It is quite possible that within a short period of time the Mirabel facilities will be in greater demand than we had anticipated." Somewhere along the line, after almost thirty years now, shouldn't we maybe come to the realization that to keep telling people we're going to be needing or could possibly need it for more facilities isn't being realistic and, quite frankly, is not being fair to the people who hold these leases?

Mr. James Cherry: My mandate is to make sure we maintain the right services for the people of greater Montreal.

Hon. Rob Nicholson: That's fair enough.

At the end of one of these five-year periods of time, it's very possible that if the Parliament of Canada decided that we were going to make an arrangement with the rightful owners of this, there would be no legal impediment to that. At the end of the five-year period of time, your corporation wouldn't be able to stand in the way of that if there was a consensus to sell these back to these people, would they?

Mr. James Cherry: There would be an issue under the lease, because we would perhaps have some difficulty in meeting the requirements of the aviation community today.

There are two things you have to be aware of. First of all, there is a great deal of industrial activity that does require that airport. As I mentioned earlier, there are 26,000 aircraft movements a year already on that site. If we wanted to add any activity there at some point, we might have to add runways.

Hon. Rob Nicholson: If you accept my premise that if we keep talking about what we're going to add or possibly use it for in the future, you're right, we could say for a hundred years that there is no possibility. But there is no legal impediment, as far as you know, to an arrangement being made with the original owners of this, to return that property to them if there was a consensus between the parties.

Mr. James Cherry: If there was a consensus between the parties, the legal impediment would be that there would be compensation due under the lease, because there is a lease between us and the federal government for 60 years.

Hon. Rob Nicholson: But presumably in a five-year lease between you and these tenants, at the conclusion of one of those five-year periods of time there's nothing stopping a different arrangement from being made with the agreement of all the parties.

Mr. James Cherry: That's absolutely true.

Hon. Rob Nicholson: Those are my questions, Mr. Chairman.

[*Translation*]

The Chair: Ms. St-Hilaire, please.

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Thank you very much, Mr. Chairman.

Thank you, gentlemen, for coming on such short notice.

As a follow-up to what my colleague Mr. Nicholson said, a motion has indeed been adopted here in committee and in the House of Commons. I think we will have to find a solution eventually.

My questions are mostly for you, Mr. Cherry. You spoke of your 60-year lease. What was the initial purpose of this lease? What exactly was your mandate?

Mr. James Cherry: Our mandate has not changed. As I have already said, we have a mandate to manage both of the Montreal airports for which we are responsible, Pierre-Elliott-Trudeau International Airport and Mirabel International Airport, in order to meet the needs of the greater Montreal region. This mandate has been the same since 1992.

• (1630)

Ms. Caroline St-Hilaire: Okay. I have a copy of your lease. This is what it says: The tenant undertakes to no longer use, permit, tolerate the use of all or part of the leased premises for any other commercial activity undertaken for purposes other than those of a major international airport

When we read your invitations to tender, it looks like what you want is to build a shopping centre. What is it?

Mr. James Cherry: No, it is not a shopping centre, Ms. St-Hilaire.

Now that the passenger operations have been transferred from Mirabel to Dorval, we have a few buildings remaining. This is not a shopping mall. However, we are entitled to use the buildings and eliminate the losses generated by the fact that some of our operations were quite costly last year or in previous years. We want to eliminate these losses.

The airport will have to continue to operate. We have not changed the airport's vocation. It is still an international airport. Moreover, it now serves the needs of air-cargo operators.

Ms. Caroline St-Hilaire: Do you have anything in mind for the 11,000 acres?

Mr. James Cherry: There are no plans for the 11,000 acres for the time being.

Ms. Caroline St-Hilaire: That worries me. You said that there might be some projects, something done with the 11,000 acres. When we hear what the farmers have to say...

Mr. James Cherry: I said it was possible that something might be done some day.

Ms. St-Hilaire, have a look at the document that I have brought with me. There is a master plan for Mirabel. The 11,000 acres are in blue on the map.

Ms. Caroline St-Hilaire: That is bigger than what is inside.

Mr. James Cherry: Yes, but this is for aviation, in other words, for the runways. We must absolutely save some land for runways.

Ms. Caroline St-Hilaire: I would like to know why.

Mr. James Cherry: If it is necessary some day to transfer new activity from Montreal-Trudeau to Mirabel, which could happen, according to our forecasts, in 30 or 35 years, we will need this land.

Ms. Caroline St-Hilaire: Can you explain that to me, Mr. Cherry? I wasn't there in 1969. I was barely an infant.

Mr. James Cherry: I was 14 at the time.

Ms. Caroline St-Hilaire: In 1969, someone had the brilliant idea to build Mirabel. Today, you are telling parliamentarians and farmers that one day, maybe, passengers will return to Mirabel. Why close it, then? Why did you not continue to use Mirabel? I don't understand. Do you really think that passenger service will some day return to Mirabel?

Mr. James Cherry: Well, that will depend on the growth in passenger traffic and cargo service for greater Montreal. There may be a day when Dorval will no longer be able to keep up. At that point, it might be necessary to return to Mirabel. That is why we want to keep this land in reserve. It's as simple as that.

Ms. Caroline St-Hilaire: Mr. Cherry, so far, the objectives set by the government for Mirabel have not been reached. Can we really believe you when you say that in 30 or 50 years, Mirabel might become what it should have been? How are we supposed to believe that?

Mr. James Cherry: According to the current forecasts, there will have been 10.4 million passengers through Dorval this year, in 2004. That is a record. It's our best year ever.

Is it possible to imagine that we might reach 20 million passengers in Montreal some day? Yes, it is imaginable. According to current forecasts, that will take 30 years. At that point, Dorval will be saturated and we will have to find another solution. It is because there might be a return to Mirabel that we are stating that we have to keep land in reserve. It's a simple fact.

Ms. Caroline St-Hilaire: Which means that you are not ready to discuss a solution. Is that what you are saying?

Mr. James Cherry: Absolutely not, Ms. St-Hilaire. We have already said that we were even prepared to grant a long-term lease for that land, that is, for 20 years, for agricultural purposes. We are ready to do that anytime. In fact, we made the offer last year.

Ms. Caroline St-Hilaire: That doesn't solve the farmers' problem.

Mr. James Cherry: I feel that it can solve part of their problem. They claim that they cannot finance their operations or any buildings. Can they get a loan if they have a long term lease? The answer is yes. We can provide the farmers with whatever they need to obtain a loan for their operations.

•(1635)

[English]

The Chair: You have time for one more question. Do you want to ask one?

[Translation]

Ms. Caroline St-Hilaire: No, thank you.

[English]

The Chair: Thank you.

Madame Desjarlais.

Mrs. Bev Desjarlais (Churchill, NDP): Just so I'm clear, I've heard your answer to Mr. Nicholson, Mr. Cherry, in regard to whether or not there would be a problem if the land was given back to the farmers involved. You indicated that it would be a problem according to the lease, so it would have to be something that was agreed upon.

To clarify it for everyone here and for anyone who happens to read the minutes afterwards, am I to understand that the Government of Canada has signed away their say in what happens at all of the airports in Canada to the airport authorities, and that those airport authorities can do whatever they want at those airports?

Mr. James Cherry: Absolutely not. That's not what I said at all.

Mrs. Bev Desjarlais: I'm asking you if that's what the Government of Canada has done, and you're saying no.

Mr. James Cherry: No, that's not what they have done. In fact, they have some very significant measures.

This document that's in your document here is known as a land use plan. It's a very important document. It says in very clear terms—and this is approved by the minister—

Mrs. Bev Desjarlais: No, my question was whether or not the government had signed away their right to say anything. Your response to Mr. Nicholson was that you have a lease, so unless all the parties agree—and that includes the airport authorities and all other parties—the Government of Canada can't say you have to give that land back to the farmers.

Mr. James Cherry: They could always say that, but there would have to be some consideration due or some quid pro quo, because at the same time as they gave us that land, they gave us a mandate and they gave us an obligation to provide a level of service. They gave us an obligation—

Mrs. Bev Desjarlais: Okay, I got that part, but I want to be clear.

When the land was expropriated, the land was expropriated with the intent that it was going to be used as an airport. Correct me if I'm wrong, but my understanding was that it would be an airport that was for passenger air service, because it was seen that there needed to be more passenger air service than what was available at Dorval. What happened after that was that it all changed. There's obviously an admission that we didn't need Mirabel for passenger air service. That's fair.

Part of the plan of the airport authority is for industrial use at Mirabel and to exploit the resources of Mirabel, to use your words. That's fair enough, because obviously the resources of the farmers were exploited by the Government of Canada, so I understand that the airport authority is going to take the same opportunity to exploit the resources. But I also recognize that you operate as a not-for-profit, so in the process of exploiting the resources, who is receiving the benefit of the not-for-profit exploitation?

Mr. James Cherry: I'll be very clear. With the money that is derived from the operations of the airport, we pay property taxes to the city to the tune of about \$30 million, and we pay rent to the federal government to the tune of about \$20 million. Any surpluses that are generated—and this is a model, by the way, that you'll find across the country—any net revenues that are generated, are reinvested in the airport authorities themselves. There are no dividends paid to anyone, there is no distribution of profits. Any profits that arise from the operations of an airport authority, whether they come from real estate or aviation operations or any other activity, are reinvested in the airport itself.

Mrs. Bev Desjarlais: Okay, they're reinvested in the airport.

Obviously those of us who were part of the transport committee before this Parliament knew that one of the concerns was that airport authorities appeared to be spending money a little bit differently from what people using the airports, such as passengers, thought it should be used for, such as buying artwork or increasing the salaries of people who were part of the boards and working at the airports. Bearing in mind both that and the comment that Bombardier needs the access, I'm wondering whether the intent is that there would be profit from Bombardier's usage of the airport.

Mr. James Cherry: In fact, Bombardier builds airplanes at both of those airports now. There are long-term leases signed with Bombardier in both cases, for pretty nominal amounts, in fact. They don't generate a great deal of income for ADM.

As I mentioned earlier, in the case of Dorval, which is the easier one, there was a lease in effect before the construction and the formation of ADM, and 92% of any gross revenue that's derived from Bombardier actually gets transferred back to the Crown in the form of rent. In the case of Mirabel, it's slightly different from that. I think it's 80%, but it's a pretty substantial portion. Any rental revenue generated gets transferred back to the Crown, of course.

• (1640)

Mrs. Bev Desjarlais: You've indicated that Bombardier has leases for the area they're using now, correct?

Mr. James Cherry: Correct.

Mrs. Bev Desjarlais: So after thirty-some years, they're still not using this amount of land that the farmers are indicating they'd like back. It appears not just to the farmers, but I think to all Canadians, that it was taken under false pretences—maybe with good intentions, but it certainly appears they were false pretences now.

I can't help but wonder if you could just give back those 11,000 acres and worry about it thirty or sixty years down the road, when you might need some more room. Wouldn't that just make sense, rather than keeping the farmers on hold for thirty years?

Mr. James Cherry: Are you suggesting—and I hope this is not what I'm hearing you suggest—that we would sell the land back at this point and then re-expropriate it at a later date?

Mrs. Bev Desjarlais: I'm betting on the fact that you're probably never going to need it again.

Mr. James Cherry: Well, I'm betting on the fact that we are, and I don't think I'd want to put somebody through that again, quite frankly.

[*Translation*]

The Chair: You have the floor, Mr. Bonin.

Mr. Raymond Bonin: Thank you, Mr. Chairman.

Mirabel currently has two runways. One goes east and the other northeast.

Mr. James Cherry: One is 06-24 and the other, 11-29.

Mr. Raymond Bonin: You will need room for other runways. That is what takes up most of the land.

Mr. James Cherry: It is clear that most of the land that is now occupied by the farmers is being held in reserve for aviation, that is, for other runways with the same or a different orientation. We must not forget that we only have two existing runways. If traffic were to return to Mirabel one day, we would need more runways than we now have.

Mr. Raymond Bonin: I know what you are saying; I spent 25 years working for an airline. However, I can't imagine having runways with an orientation that is different from the existing runways. That would not be safe.

Mr. James Cherry: In fact, we have planned two runways, more than 5,200 feet apart.

Mr. Raymond Bonin: So there would be two or even three new runways, added to the other two, which means five in all. There are only 11,000 acres, so would you not say that it is obvious that with three more runways, you could do without 5,000 or 3,000 acres that could be given to these people? Even 500 acres could help a family.

Have you at least attempted to determine what the airport will not be using?

Mr. James Cherry: No, sir, for the simple reason that we have not yet undertaken the studies to determine how many runways we will need in 20, 25 or 30 years. We don't know what civil aviation will look like in 30 years. Things have changed enormously since 1969, since the original expropriation.

Mr. Raymond Bonin: You know that you can't have a runway or an approach running in opposite directions.

M. James Cherry: No, obviously.

Mr. Raymond Bonin: You know it's never done, it is dangerous.

Mr. James Cherry: It's dangerous.

Mr. Raymond Bonin: We know that most of the land is outside the approach to the northeast runway.

• (1645)

Mr. James Cherry: That's true.

Mr. Raymond Bonin: So there is a huge area that cannot be used for runways.

Mr. James Cherry: Are you talking about the right side? That's possible.

Mr. Raymond Bonin: It's to the north, at the top.

Mr. James Cherry: No. The area that you are talking about is probably where the next runway would be built.

Mr. Raymond Bonin: Yes, but it is still on a northeast orientation.

Mr. James Cherry: It's the same orientation. You have worked in the industry and you know that 80 to 90 per cent of the time, the winds blow in that direction. That accounts for the existing runways' orientation.

Mr. Raymond Bonin: That is why I wonder why you need so much land northwest of the northeast runway.

Mr. James Cherry: Which runway are you referring to?

Mr. Raymond Bonin: The one near the top, at 1 o'clock.

Mr. James Cherry: Okay. The next runway will probably be here, running parallel.

Mr. Raymond Bonin: Running parallel?

Mr. James Cherry: Running parallel, yes.

Mr. Raymond Bonin: And you could have one on either side?

Mr. James Cherry: Exactly, yes.

Mr. Raymond Bonin: There is still a lot of land remaining at the top there.

Mr. James Cherry: Yes, I know.

Mr. Raymond Bonin: In the same direction.

Mr. James Cherry: Yes, I know.

Mr. Raymond Bonin: Could you not undertake an analysis to see if you couldn't take part of the land at the top to accommodate at least a few people?

Mr. James Cherry: We can take a look at that. However, I must admit that it has not yet been done.

Mr. Raymond Bonin: Okay. It might be a good idea to do it.

Mr. James Cherry: Of course.

Mr. Raymond Bonin: The 11,000 acres might be too may. Perhaps 8,000, 6,000, 4,000, 3,000 or 2,000 acres would be enough. That is something that could be done.

[English]

The Chair: Thank you.

Mr. Gouk.

Mr. Jim Gouk (British Columbia Southern Interior, CPC): Mr. Bonin was on the same tack as I wanted to take.

I've worked on airports for 22 years myself. You talked about up to four runways. The obvious potential for two are parallels to the existing runways. Your northeastern one would go to the eastern side of that, so that it wouldn't overextend into the terminal area. Your east-west one would go south of that, again so that it wouldn't be lined up—

Mr. James Cherry: It would go north of that, because you would want to maintain a difference of more than 5,200 feet between them so that you could do simultaneous takeoffs and landings.

Mr. Jim Gouk: And you don't have that to the south?

Mr. James Cherry: You wouldn't have that to the south, no. You'd have that to the north, but not to the south.

Mr. Jim Gouk: Well, based on this, it seems to me—

Mr. James Cherry: You can see on the other chart behind you, sir, that it's pretty clear.

Mr. Jim Gouk: Yes, that's the one I'm looking at, and it looks to me—

Mr. James Cherry: There isn't 5,200 feet, the right length, in that area to do what you're looking to do. There would be north of there, but not south of there.

Mr. Jim Gouk: It seems that you have a lot more room to the south of your east-west runway than you have to the east of your northwest runway.

Mr. James Cherry: It's not very long, though. You can see that I'd have to extend that into a piece of land we don't own at this point.

Mr. Jim Gouk: What is in that small area at the bottom left corner of that chart?

Mr. James Cherry: Currently, that's all being farmed. That's in the 11,000 acres that are being cultivated today.

Mr. Jim Gouk: What about the area that extends beyond your border, down in the bottom corner?

Mr. James Cherry: Those are farms as well. This might be a question....

[Translation]

The area located to the southwest is the original 80,000 acres, the land that was sold and returned.

[English]

As the gentleman confirmed, in terms of the 80,000 acres that were expropriated originally and returned in the eighties, part falls to the outside perimeters of all his properties, so it would be farmland as well.

Mr. Jim Gouk: You mentioned possibly two other runways. Where would they be?

Mr. James Cherry: No, I said two runways in addition to the two that are there, for a total of four.

Mr. Jim Gouk: Oh, I understand you to say up to four more, but it's two more, or twin parallels.

Mr. James Cherry: Yes, sir.

Mr. Jim Gouk: Just following on what Ms. Desjarlais said about the concept of providing land back and re-expropriating, you've had the property for what now, 35 years?

Mr. James Cherry: That's correct, 35 years.

Mr. Jim Gouk: So we haven't needed it yet, but we want to keep it for another 35 in case the first 35 were wrong but the second 35 are the ones when we need it.

Notwithstanding what you said, what would happen if it was returned, but with a restrictive covenant that said that, in the event that a justifiable case can be made for expropriation...? In other words, when the time has come that we have to start planning that runway we're going to put in, it wouldn't be that we would want to take it back again because, gee, we might need one 20 years from now. With restrictive covenants going on it when it goes back, you wouldn't be able to go and subdivide it, build houses, and build a bunch of things, just the ownership would go back.

If the next 35 years are like the last 35 years and you don't need it, then why be sitting on that property for 70 years, depriving the former owners of the right to run their property? Could that not be considered under those circumstances, with the right restrictive covenants on it?

Mr. James Cherry: I think it's entirely possible.

Mr. Jim Gouk: Thank you.

[Translation]

The Chair: Mr. Laframboise, it's your turn.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel): Thank you, Mr. Chairman.

My first question is for Mr. Macdonald. We are proud to have Bombardier in Mirabel. I want you to know that the people there are very proud. We are even hoping that they will expand.

However, let's be clear. Are the 11,000 acres part of your short, medium or long-term business plans? In view of current business opportunities, will the 6,000 acres be enough? Do you think that you might some day have an opportunity to use the 11,000 acres of land?

Mr. John Paul Macdonald: As you know, Mr. Laframboise, in view of the current situation as it applies to the global aeronautics industry, as well as the precarious situation in which some of our customers find themselves, it is very difficult to predict what will happen in a month, let alone 20 or 35 years.

I can tell you that we currently occupy about 100 acres. If we assemble the C Series aircraft in our Mirabel plant, we will need, at most, 150 more acres. We will certainly have no need for the 11,000 acres.

• (1650)

Mr. Mario Laframboise: If I understand correctly, even with the 150 extra acres, from 100 to 150 acres would still be available near the Bombardier plant.

Mr. James Cherry: Yes, there is land available next door, in the 6,000 acre zone.

Mr. Mario Laframboise: I have a question for you now, Mr. Jetté. I want you to understand. You are being offered some leases. I would simply like you to confirm what I am saying. I contacted the city of Mirabel's evaluation service. I was told that all of the land within the 11,000 acres is, on average, assessed at 50 per cent less than the rest of the farmland located in Mirabel. As Mr. Éthier stated so well a little earlier, Mirabel is, for the most part, a farming town located in an agricultural zone. I was told that the 11,000 acres were assessed at about 50 per cent of the value of the rest of the Mirabel farmland located in the agricultural zone. Is it true that this is simply due to the fact that the development work was not done, because, for example, there is no drainage, and the buildings were not maintained?

Mr. André Jetté: Yes, that is the situation. As I understood it, if I go see my financial institution, even though the lease is still in effect for another 23 years, it will not lend me any money if I do not own the land. It will require collateral other than my land.

In farming, one's land constitutes one's pension fund. That is what you can live on. There comes a time when your children go into debt. In Mirabel, for as long as we remain lessees, that is something we cannot do. It is frustrating. We have had it up to here with major international airports. I don't think that such a thing exists. Are we going to have to keep on undoing what our parents were able to achieve since 1850 because of some utopia that will never come into existence? It becomes very frustrating.

Mr. Mario Laframboise: Mr. Denis, earlier on some of my colleagues asked what would be done with the land. You are president of the Committee of 11,000 acres. In Quebec the UPA is a defender of agricultural zones, green zones. If ever this land were returned to you, it would automatically become an agricultural zone and it would be absolutely impossible to use it for industrial, commercial or residential development. I know that you farmers are always opposed to this kind of development. I know that is the case when cities want to make use of certain land to expand. You are always ready to defend farm land. What kind of situation would arise if ever this land were to be returned to you?

Mr. Marcel Denis: In the event the land were returned, there is no doubt that the farmers would become the landowners. The land would then become an agricultural zone. In other words, this zone would come under the protection of the law. In such a case, it is clear that the landowners would protect the farmland as is now the case and in keeping with our usual practice.

However, with respect to retaining the possibility of building a highway or expanding the airport one day, we do not know about the likelihood of such requirements in the future. Such things are

impossible to predict. Nonetheless, it is not normal to expropriate this land for such a long period of time, 50 years in advance. We are told that they may need the land. It is absolutely essential for this land to be released and sold off as quickly possible.

In 1969, they forecast that the population of Mirabel would be 100,000 people by the year 2000 whereas the actual population of the town is 30,000 inhabitants. They also forecast that there would be some eight million passengers when in fact there was about a quarter of that number. I don't know who is responsible for these forecasts but they were far off the target. All these analyses have little basis in fact.

Like the farming community in general, I hope that the farmers will be able to get back this land as early as possible. So far we have been the guardians of these lands. If there hadn't been any farmers close by, we can imagine that all this land would have lain fallow. In a certain respect, we are the guardians of the land and this constitutes a certain security for the airport.

I've been told that future runways will probably be developed. At the present time, the airport is hardly using a half of the 6,000 acres. Let's not let ourselves get carried away. There isn't much activity taking place in the airport. They aren't even using half of the 6,000 acres. In the country, we have the expression "to bite off more than you can chew". We have to put an end to all this business and return this land to the farmers. We can't hold these people to ransom for two generations.

• (1655)

Mr. Mario Laframboise: My last question is for Mr. Éthier.

You were there in 1992 when 80,000 acres were returned. I'm sure you had to be informed about some of the forecasts that attempted to justify their retaining 17,000 acres, including the 11,000 outside the fences. If not, you certainly would have fought to retain the 11,000 acres.

Mr. Réjean Éthier: Obviously, at the time they insisted that we give up these 11,000 acres because of the future development requirements of the airport. We certainly did demand the return of this land, both the people who left for nothing and those who stayed and leased the land and continued to farm it. When we signed this lease, no one told us that the airport might be shutting down in 2004. That wasn't mentioned. No one thought about that.

[English]

The Chair: Thank you.

We're going to go to Mr. Karygiannis, and then Ms. Desjarlais.

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Thank you for coming.

Mr. Cherry, I just have a couple of questions regarding Pierre Elliott Trudeau International Airport. When was the last time any renovations of major magnitude were done?

Mr. James Cherry: Before the ones that we're undergoing right now? Probably in the 1960s.

Hon. Jim Karygiannis: What is your forecast for the ones you're undergoing right now?

Mr. James Cherry: We launched this program in 2001. It was a program that had three phases. The first phase is entirely complete. The second phase is almost complete; it will be completed in the summer of 2005. There will also be some other activities that will take it on until 2007 or so.

Hon. Jim Karygiannis: Can you describe the renovations that you're doing right now? Are they major renovations? Are they new buildings or renovations to the existing buildings?

Mr. James Cherry: Actually, they're a combination of both, sir. For the most part, some of the original buildings have been torn down, but there have been substantial modifications to the other buildings.

We have built a brand new departure area for the transborder flights to the United States. We've just completed a brand new facility to house customs, immigration, and incoming baggage for all international and transborder passengers, or about 60% of our passengers in Montreal.

There will be a brand new international wing, which will be installed and ready for the summer of 2005. There will be some major changes to the check-in facilities. And we're also upgrading and modernizing the entire baggage system within the building itself as well.

Hon. Jim Karygiannis: Would you say your forecasting at this point is better than the forecasting of 35 years ago?

Mr. James Cherry: If I knew that answer, I don't think I'd be here talking to you folks. I'd be rich somewhere.

I think we're better at understanding what the forecasts are today than we were 35 years ago. We've been more accurate the last couple of years, on a year-to-year basis.

I have to say that when I looked back 35 years and saw the assumptions that went into building Mirabel at that time, in retrospect—and I have to say it's definitely in retrospect; I wasn't focused on airports when I was 14 years old—they looked pretty rosy at that point.

Hon. Jim Karygiannis: But, Mr. Cherry, you agree with me that the lay of the land, as well as the political landscape of Montreal, has certainly changed in the last 35 years.

Mr. James Cherry: Dramatically. Certainly it has.

Hon. Jim Karygiannis: Have your forecasted figures in the last five or six years been bang-on?

Mr. James Cherry: Yes, they have been actually, other than, I have to admit, the effect of 9/11.

Hon. Jim Karygiannis: SARS and 9/11.

Mr. James Cherry: September 11 affected us more, but we're back up in 2004 to where we expected to be before that happened.

Hon. Jim Karygiannis: So if your forecasts have been bang-on for the last five or six years, what are you forecasting in the next twenty to thirty years? Are you forecasting to go back to Mirabel?

Mr. James Cherry: Not in the next twenty years, no. What we're saying is that, based on the current forecasts that we have—and we band these in a realistic, optimistic sort of scenario—we judge that it wouldn't be before 2032 at the earliest that we would expect to go up there.

• (1700)

Hon. Jim Karygiannis: So it's in 28 years, that type of thing?

Mr. James Cherry: Correct.

Hon. Jim Karygiannis: How much land in 2032 would you require in order to service the capacity, as well as, in another thirty years into the future—

Mr. James Cherry: There would be two major requirements. One would be that we'd have to build two more runways, because as I said earlier, we have two runways there now and we have three runways at Dorval. To at least exceed the capacity that we have at Dorval today, we'd have to have four runways in that site.

The second thing is that there is one terminal building there. It was built in 1975, and in 35 years it will be something like sixty-odd years old and will not meet the requirements of aviation at that point in time. Clearly, a new terminal building would have to be built.

The building that's up there now also only deals with international flights. There was always a provision at Mirabel that there would be as many as six terminals built on that site.

Hon. Jim Karygiannis: But if you were to move back to Mirabel, would Pierre Elliott Trudeau International Airport still be functional in 2035, or would you foresee that it would be about time that we shut the airport down, bite the bullet, and go on?

Mr. James Cherry: I think one of the fatal mistakes that were made—and this is looking at it objectively, from the business point of view—was to split the traffic between two sites. That was a major error, and along with the political change in Montreal, among other things, it actually did irreparable damage to the aviation business in Montreal. So I think it would be a dreadful mistake if you decided to split the traffic between two airports at that point in time.

Hon. Jim Karygiannis: If you were to forecast, as your forecasts include the next five years, and if you were to really be bang-on and use actual figures, how much land would you say we would need in the next fifty to sixty years?

Mr. James Cherry: I haven't done that into detail of calculation. What we've said is that the 11,000 acres in question give us the room necessary to build two additional runways and to build the terminals that would be necessary to support those and also provide the access roads and other things that would be necessary to support an airport that we would need based on the requirements for that point, plus into the future.

Hon. Jim Karygiannis: Are you absolutely bang-on, dead-on, that you need 11,000 acres? If I were to say that you might need 15,000 or 5,000, what figures—

Mr. James Cherry: No sir, I'm not that good. But I'd have to say that we look at these things and say that, based on the information we have today, the best guess we have is that 11,000 acres looks about right. It provides for the buildings we need, plus a reserve.

Hon. Jim Karygiannis: And when you were to build these buildings in that reserve, what would the property value around the area be? Would it be a prime location for people to buy and build homes?

Mr. James Cherry: Not right next to the airport, but up until that zone, I would say yes.

Hon. Jim Karygiannis: If I were to tell you that right beside the Toronto airport, land goes at a prime—

Mr. James Cherry: Industrial land or housing land?

Hon. Jim Karygiannis: Housing.

Mr. James Cherry: I think they have much better tolerance than the people around Montreal, then.

The Chair: Thank you, Mr. Karygiannis.

We'll go to Ms. Desjarlais for her last question, and then we'll start the alternating.

Mrs. Bev Desjarlais: First, Mr. Cherry, I want to thank you for your acknowledgement that it would be possible to do things a bit differently, to put in covenants and possibly find some resolve to this situation to ensure that if the land went back.... If that approach could be taken rather than the one saying we might need this in 30 years, I think it would seem a lot fairer to all concerned.

And certainly the acknowledgement from Mr. Macdonald that Bombardier's usage would be 150 acres, as compared to a number of thousands, is important as well.

Again, I've done comparisons between the numbers of acres of land used at numerous airports around the world. Like many parliamentarians, I've hit a few of them over time and have recognized that they can do tremendous things at airports with limited amounts of land. Bearing that in mind, as I'm sure a lot of us have, we would certainly encourage that the best efforts be made to come up with a plan that uses the least amount of land, in order to turn back that land to the farmers involved.

Rather than our butting each other's heads for a long period of time, I actually think it's beneficial to the airport authority to make that move. As I indicated, our committee was tasked with looking at the whole issue of how airport authorities were operating, and there is a recognition now, too, that we're acknowledging that possibly airport rents were too high. However, always in the back of our minds is the degree of fairness that's involved for all parties. So I would certainly hope it's an opportunity that the airport authority would take.

I look at the area and I have to tell you that it's huge compared to what I've seen in other areas. Your indication that there hasn't been an assessment done and that it's just a thought that we might need this much land was a bit disappointing, but I'm glad there was an acknowledgement that things could be done differently.

That's it.

• (1705)

The Chair: Thank you.

Mr. Scheer.

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): I think the main issue here is the question of property rights. The right to own and enjoy property is the major foundation of the free market and economy that create opportunity here in North America. This is about righting a gross violation of those rights 30 years ago.

A voice: Hear, hear!

Mr. Andrew Scheer: I want to get into some of the practical questions about this. How large is Dorval? How many acres are we talking about?

Mr. James Cherry: To the best of my knowledge, it's between 3,000 acres and 4,000 acres.

Mr. Andrew Scheer: It's 3,000 to 4,000 acres.

Mr. James Cherry: It's about 2,000 hectares, but I can't remember the definitions anymore.

Mr. Andrew Scheer: So for less than the acreage of Mirabel, you have three runways.

Mr. James Cherry: Yes, there's no question.

Mr. Andrew Scheer: Is there something that would structurally prevent adding runways to the Dorval location because of the limits around Dorval?

Mr. James Cherry: Yes.

Mr. Andrew Scheer: There is? Okay.

Is there anything existing that you could rework? I'm thinking of a runway. If you want to change the schematics of it, you don't have to knock any buildings down. Would it ever be possible to add runways by realigning—

Mr. James Cherry: At Pierre Elliott Trudeau Airport?

Mr. Andrew Scheer: No, at Mirabel, if you needed to add them.

Mr. James Cherry: There are two things you have to be aware of. On the land we have right now, no, because between two operating runways there are physical limitations. There's space that you have to provide between runways.

One of the difficulties we have with the 6,000 acres out there is that although it is a fair bit of land, it's a narrow strip. If you look at the way it's oriented, there isn't a lot of room to do something in parallel. You couldn't add runways within the 6,000 acres the way they're laid out right now and have a safe operation on that airport.

Mr. Andrew Scheer: When you talked about the possibilities of economic development, you said you would bet that in 30 years we would need not just Mirabel, but a bigger Mirabel. That's the same bet that's been going on for 35 years, and all signs point to nowhere.

Mr. James Cherry: No, that's not the same bet that's been going on. As I said, one of the fatal mistakes they made in the past was that they allowed the two airports to operate in parallel. All the traffic never went to Mirabel.

Mr. Andrew Scheer: All right, so your projections would then be based on closing Dorval?

Mr. James Cherry: On 100% of the traffic being at Mirabel, correct.

Mr. Andrew Scheer: I have a quick question about ADM. That entity was created by the federal government. It's not technically a crown corporation, but it's—

Mr. James Cherry: It's not a crown corporation at all. It's a not-for-profit organization. It stemmed from a national airports policy of the Mulroney government in the eighties. There were four leases created in 1992. The first four airports leased to not-for-profit organizations were Montreal, Edmonton, Calgary, and Vancouver.

Mr. Andrew Scheer: So it's not like an entity responsible to voters, it's a layer of bureaucracy that has been created by different levels of government.

Mr. James Cherry: It is a not-for-profit organization that is accountable to its board of directors. The board of directors, as I mentioned earlier, is designated by various stakeholders, including municipal, federal, and provincial governments, and local stakeholders.

Mr. Andrew Scheer: When we asked the questions about finding a way to sell the land back that all parties would agree on, you indicated that there would be some problem with the lease that ADM holds right now from the federal government.

• (1710)

Mr. James Cherry: There are two things. In our lease, we get use of land that is owned by the federal government for a period of sixty years, in exchange for a mandate.

Mr. Andrew Scheer: I guess what I'm asking you is whether ADM would need to be compensated financially, the way you see it.

Mr. James Cherry: I'm not a lawyer. I'd have to look at it in detail, but I would say there would have to be some consideration given to the lease and the clauses in the lease as a result of any move by the federal government to sell that land that has been leased to us. What form that might take, I don't know.

Mr. Andrew Scheer: I'd like to ask you, Mr. Denis or Mr. Éthier, what you think of a situation where you have different layers of government, different layers of bureaucracy, as the main roadblock to getting your land back. How does that sit with you?

[Translation]

Mr. Réjean Éthier: In any case, we do not believe that the government needs to keep these 11,000 acres because of everything that we were told in the past. Way back in 1969, I spent many hours discussing the matter with experts in aeronautics who told us all about the risks and the fact that they needed this large expanse of land. We don't believe any of that today. We've heard too much talk.

We no longer believe that they need to keep these additional 11,000 acres that haven't been put to any use for 35 years. We no longer believe that they will really need this land in 30 years, as Mr. Cherry said. Perhaps they will never need it. We don't believe it anymore. We note that Mirabel never exceeded 25 per cent of its capacity at its busiest even though it covers twice the area of Dorval.

Mr. Cherry talked about runways. I'm close to this structure of runways and airplanes. As a matter of fact, I am in a corridor. The Mirabel runways measure 12,000 feet. I don't remember the length of the Dorval runways but they are not nearly as long.

So we don't believe in this requirement. We want to get back our land, the 11,000 acres. This land must be returned to people. If it is needed one day, then it will be expropriated once again.

This is an attempt to treat people as wards for three or four generations. It seems to me that in a country as democratic as Canada, we should put a stop to this. It doesn't make any sense.

[English]

The Chair: Thank you, Mr. Éthier.

Thank you, Mr. Scheer.

Mr. Scarpaleggia.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Yes, thank you, Mr. Chair. My question is of a more general nature.

My riding is right next to the airport, as you know. There has been a lawsuit launched by some citizens in my riding. As a point of information—

Mr. James Cherry: It's not at the point of a lawsuit yet. They've asked for leave to form a class action.

Mr. Francis Scarpaleggia: It's a class action on the noise issue and so on.

Mr. James Cherry: Correct.

Mr. Francis Scarpaleggia: But no decision has been rendered in all that.

Mr. James Cherry: None, no.

Mr. Francis Scarpaleggia: What is the trend internationally? As a trend, are airports more and more being located outside of urban centres, or is the inner-city airport still a popular model?

Mr. James Cherry: When Mirabel was conceived back in the sixties and seventies, that was definitely the trend, because at that point in time airplanes were noisy and the forecasts were for a lot of heavy aircraft and a lot of supersonic airplanes, hence the length of the runways at Mirabel. We have three runways at Dorval, and they range from 7,500 feet to 11,000 feet. They're 7,500 feet and just under 10,000 feet, with one at 11,000 feet. They are far more operational than long, 12,000-foot runways. We don't need 12,000-foot runways anymore.

If the sense of your question is whether the trend today is to put airports far away from cities, actually it's less so than it was 25 to 30 years ago, the reason being that airplanes are not as noisy, their motors don't generate as many irritants as they did, and there's a great price to be paid for convenience.

You'll see a mix, in fact. A lot of cities have resisted building airports far from town and have modified the airports closer to cities as a consequence.

Mr. Francis Scarpaleggia: Thank you. That was just a general question I had.

[Translation]

The Chair: Mr. Carrier, you have the floor.

Mr. Robert Carrier (Alfred-Pellan, BQ): Welcome, thank you for coming to meet us.

My question is for Mr. Cherry. For 30 years families have been penalized for no reason because of the expropriation of their land. We know that land is far more important to farmers than to urban property owners like me. Today I was expecting you to provide us with a far more precise demonstration of the need for the additional 11,000 acres we are talking about. You simply say that you expect you will need this land, but it hasn't been demonstrated in any study.

It is expected that in about 30 years, Montreal-Trudeau Airport will be operating at full capacity and that it will be necessary to return to Mirabel. We should remember that Montreal-Trudeau Airport now occupies 3,200 acres. If flights were transferred to Mirabel, a 6,000-acre terminal would be available. I don't see any need to expand it unless this can be specifically demonstrated. It hasn't been demonstrated to me that the possible transfer to a 6,000-acre airport in 30 years would require the immediate enlargement of this space.

Earlier on, Mr. Bonin raised the issue of the 11,000 acres you do not wish to let go of. It seems to be a very large expanse of land. It may be that a very detailed study could demonstrate the need to retain an additional 2,000 acres of the 11,000. It would be interesting to see. At the present time, you are presenting us with a bald statement to the effect that 11,000 acres will be required for a possible expansion. That is difficult to accept.

• (1715)

Mr. James Cherry: I understand.

Let me specify that it is not possible to add runways in the 6,000-acre zone. Because of the orientation of the land, we cannot build new runways on the land that we now occupy.

I accept the premise of Mr. Bonin and others that it is possible to reduce the use of the 11,000 acres by using a smaller part of this land for the construction of runways. Yes, that is a possibility. We must recognize that present analyses clearly indicate that we cannot add a third or fourth runway in the 6,000 acres, but that we would have to make use of the reserved land in the other sector. Does that mean it is necessary to keep the entire parcel? We have to admit that there is no analysis dealing with that.

Mr. Robert Carrier: Do you expect to carry out such analyses in order to provide information to parliamentarians, who are very concerned about this question?

M. James Cherry: We can do so but we will need some time to determine the best orientation of the runways and the optimal distance between them. We can do so, but we can't have this kind of information ready for tomorrow.

Mr. Robert Carrier: I trust you will be diligent. Thank you.

[English]

The Chair: We'll go to Mr. Karygiannis, and then Mr. Nicholson.

Hon. Jim Karygiannis: Thank you, Mr. Chair.

I commend our colleagues, especially Mr. Laframboise, for being here to make sure his constituents do get represented.

Let me ask you a couple of questions, if I may, Mr. Marcel, Mr. Réjean, and Mr. André. Provided that some decision is made today, tomorrow, or the next day, and this property does come back to you or the property somehow gets divested, and the airport certainly takes off and becomes profitable and running in thirty years if we're to believe Mr. Cherry, then you stand to make a lot of money from the land.

An hon. member: That's an unfair premise.

Hon. Jim Karygiannis: Do you know what? I gave you latitude, so I hope you extend the same courtesy to me.

The Chair: Mr. Karygiannis, please ask your question.

Hon. Jim Karygiannis: I expect that the land beside the airport certainly will stand to make a fair amount of bucks, given that it could be sold for residential and/or industrial. Am I correct on that?

[Translation]

Mr. André Jetté: I think that this land is zoned as agricultural land. I suppose that that will be the trend. We know that the price of farmland has evolved over the past 30 years. However, we told you that the Quebec act for the protection of land and agricultural activities means that this land will be protected for farm production. There is legislation in Quebec that prevents the rezoning of this land. That means that this land will have to be maintained for agricultural use.

In my opinion, it would be proper that for two or three generations, the heritage constituted by the appreciation of this land return to these farmers, as is the case in normal areas. In our view, expropriation makes no sense if the land is not being used. It amounts to preventing people from accumulating their pension fund. During this time, they are kept in a state of alert and the transfer from one generation to the next cannot take place. That is something we tried to demonstrate to you earlier.

Does that answer your question?

• (1720)

[English]

Hon. Jim Karygiannis: Actually, no, it doesn't, and I'm going to put my question again very simply.

Once the airport does come back to Mirabel, there stands to be industrial land needed around the neighbourhood, be it for transportation needs, be it for trucking, or be it for anything else. Am I to understand that you are in agreement, or am I to understand that there are laws that forbid the farmers from selling the land if we consider giving it back to them?

[Translation]

Mr. André Jetté: You are quite correct in your understanding of the legislation on the protection of land and agricultural activities. Even if people offer us a fortune for our land in agricultural zones, we do not have the right to sell it because such land constitutes a protected agricultural zone.

[English]

Hon. Jim Karygiannis: Mr. Cherry, to your knowledge, has there been any contravention of this act? Has there been any—

Mr. James Cherry: The act that the gentleman mentioned?

Hon. Jim Karygiannis: Yes.

Mr. James Cherry: Actually, I'd have to admit that it's pretty strictly enforced in Quebec. In my thinking, no, I can't remember any particular references to that. You may be asking the wrong person, though.

Hon. Jim Karygiannis: Am I to understand that if the farmland goes back to the farmers, they can use it strictly for nothing else except farming?

Mr. James Cherry: I'm not aware, but I think somebody suggested earlier that this would be the case. There might even be ways to further covenant it so that it was certainly done that way. Again, I'm not a lawyer, but I would think this sounds like a reasonable possibility, yes.

Hon. Jim Karygiannis: That's all, Mr. Chair.

The Chair: I have Mr. Nicholson, Mr. Gouk, and Ms. St-Hilaire left.

Mr. Jim Gouk: I just wanted to clarify something. I actually wanted to do it earlier, just to clarify a point that was mentioned by Mr. Cherry.

You referred to parallel runways, and you said there's a minimum legal distance that you have to have them apart.

Mr. James Cherry: With simultaneous departures, yes.

Mr. Jim Gouk: I'm assuming that you're referring to the 5,200 feet necessary for simultaneous instrument approaches.

Mr. James Cherry: Correct.

Mr. Jim Gouk: I don't know of an airport in Canada that does simultaneous IFR approaches. They use one for arrivals and one for departures, which have different criteria.

Mr. James Cherry: In order to minimize the capacity, and not to do what Toronto has done and build six runways, the studies we've done have said we could live with four if we're allowed to do simultaneous ones. Basically, it's just a better utilization of the resources available.

Mr. Jim Gouk: After 22 years as an air traffic controller, I can tell you that it's not advantageous to have simultaneous approaches on two runways unless you have different runways that you can use, which in a crossing configuration you can't. It's more efficient to use one for arrival and one for departure.

Mr. James Cherry: Indeed, you're right. But I think you want to maintain the possibility of doing it. It's a limitation today that we have at Dorval, because the two runways are 4,900 feet apart. We miss it by 300 feet, and it actually imposes a limitation on us.

The Chair: Mr. Nicholson.

Hon. Rob Nicholson: Thank you, Mr. Chairman.

Mr. Cherry, as the president and CEO, you're also a member of the board of directors of this non-profit corporation.

Mr. James Cherry: Yes, I am.

Hon. Rob Nicholson: Thank you.

As a member of the board of directors, and indeed as the president and CEO of that non-profit corporation, you're sitting on approximately 16,000 acres or 17,000 acres that are owned by the Government of Canada, with which you have a lease.

You are probably very aware, I'm quite sure, of the feelings and the thoughts of the sub-tenants as to what they want. If there were a consensus on what the tenants have been asking for, and if the Government of Canada sent out the signal that they would like to see those 11,000 acres back in the hands of the people who have owned them, that would be a pretty powerful statement and direction. As president and CEO, as a member of that board of directors, do you believe this non-profit corporation would have any problem

complying with what the government and what the sub-tenants want?

• (1725)

Mr. James Cherry: The way that you've phrased it, it would be very difficult for me to say otherwise under those circumstances.

Hon. Rob Nicholson: Thank you.

Messieurs Denis and Éthier and Monsieur Jetté, as a lawyer I'm somewhat familiar with estate planning. One of the things you've said that seems to strike a very true chord with this group is your difficulty in the whole question of estate planning, trying to leave a legacy, to leave some assets to your children and then, by definition, your grandchildren. I think that is one of the very powerful arguments you've made.

I actually have no further questions, but I can assure you, gentlemen, that we will do everything possible to make sure this happens. I agree with you that a great wrong has been done, and I don't believe you should have to wait another 30 or 35 years to see if these projections are any better than they were 35 years ago when you heard the first ones.

Those are my comments, Mr. Chairman. Thank you.

The Chair: I just want to say that it's coming on to 5:30. We can go beyond 5:30 if you want, but unless I hear from someone else, we're going to give the last questions of the day to Madame St-Hilaire.

[*Translation*]

Ms. Caroline St-Hilaire: I will be brief.

Mr. Cherry, can you tell me whether the leases you had the expropriated farmers sign contain a clause relating to the establishment of a time period in case of emergency?

Mr. James Cherry: Honestly, I can't say whether such a clause exists. To the best of my knowledge, the leases are...

Ms. Caroline St-Hilaire: I imagine the farmers should know, if they signed these leases.

Mr. Réjean Éthier: I'd like to answer the question. I took part in the drafting of all the clauses in the lease. If the government indicated the need to take back this land, it should normally inform the farmer two years ahead of time, because of the harvests to be carried out or buildings to be removed. If there were an emergency, this time period could be six months. If the farmer were required to relocate on an emergency basis, then he would be offered higher compensation.

Mr. James Cherry: Our planning has always provided for the renewal of leases for five years. In our mind, the normal advance notice would probably be the duration of the lease. Planning for an airport takes place well ahead of time.

Ms. Caroline St-Hilaire: When you talk about signing leases for 20 years, you realize that the two-year or six-month clause penalizes farmers, don't you?

Mr. James Cherry: If we conclude a 20-year lease where a time period is specifically established and injury results, the airport is responsible. If it is necessary to terminate the lease after 15 years rather than 20, then we believe the farmer should be compensated.

Ms. Caroline St-Hilaire: It's more difficult for a banker to make loans based on that kind of reasoning.

Mr. James Cherry: Yes.

Ms. Caroline St-Hilaire: Earlier on, you talked about certain mistakes made by the government, notably the decision to set up two airports.

Mr. James Cherry: Not the setting up of two airports, but splitting the traffic between the two airports.

Ms. Caroline St-Hilaire: According to what was said by Mr. Macdonald, who is very involved with Bombardier and very familiar with aeronautics policy as well as the related problems, Bombardier is unable to forecast what will be happening in a month. As for ADM, it is able to forecast that 30 years from now flights from Dorval will be returning to Mirabel. In 2004, you transferred chartered flights from Mirabel to Dorval. In 1992, when ADM took over the two airports, did it not foresee that this would happen?

Mr. James Cherry: I wasn't present at the time but I don't think that it was foreseen. It should be noted that in our case, it is much easier to forecast aeronautic trends. It is not like the aircraft manufacturing sector, an area that I'm familiar with, where manufacturers may be flying high in a particular year but then find themselves bankrupt a few years later because they didn't make the right product choice. I'm not talking about Bombardier. In the case of an airport, demand is more stable. The growth rate in air traffic is relatively predictable. For a company related to the manufacture of aircraft, trends are not as easy to predict. It is not at all the same kind of market.

Ms. Caroline St-Hilaire: You have a very positive outlook and it's quite encouraging.

Mr. Cherry, you said that you needed 11,000 acres. Let's take the example of other large airports. Heathrow has 3,000 acres and 63 million people transited through Heathrow in 2003. From your optimistic perspective, how many people will be transiting through Mirabel if it goes back into service one day? Eight million? And you need 11,000 acres more? I have some trouble following you. Help me.

Mr. James Cherry: It's very easy. Take a look at the map I gave you.

● (1730)

Ms. Caroline St-Hilaire: I'm looking at it but I don't understand it any better.

Mr. James Cherry: We cannot treat the number of flights... In Heathrow, there are three airstrips. There are 63 million passengers but 400,000 aircraft movements. In Dorval, there are some 200,000 aircraft movements at the present time. The capacity of an airport is not measured by the number of passengers but by the number of landings and take-offs. They require airstrips. In Heathrow, there are three airstrips. In Mirabel, there are two. In Dorval, there are three.

The day we will have to leave Dorval will not be brought about by the number of air terminals or passengers, but by the number of airstrips. We will no longer be able to carry out our operations from Dorval. We will have to go to a place where we will have at least three if not four airstrips to handle the number of flights.

[*English*]

The Chair: Thank you.

Unless we want to keep going, that is the end of our designated time today.

I want to thank our witnesses for coming. I would ask you to be careful in leaving here today. It's very treacherous out there.

Thank you, colleagues. We stand adjourned.

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