

Natural Gas Company, operating in the south-western States. And Westcoast is connected with Inland Natural Gas Company, to which it sells gas for distribution in the interior of B.C. What has been created is in fact one vast interlocking gas empire extending from the San Juan basin in New Mexico to the Peace River.

The arrogant power of this empire has been openly displayed in the case of the little B.C. town of Prince George. There local businessmen some time ago organized a small utility company to distribute gas. The Westcoast pipeline company, however, subsequently made an exclusive contract to sell to its own associate, Inland, in the B.C. interior. The Prince George company can therefore exercise its local franchise only via Inland.

The main pipeline does not, of course, go through the town. It is all of $4\frac{1}{2}$ miles away. But Westcoast insists that Prince George can have gas only if Inland first has the gas for those $4\frac{1}{2}$ miles. Westcoast will sell to Inland, and Inland to Prince George. And what will the markup be for those $4\frac{1}{2}$ miles? A cool 50 per cent.

Westcoast sells to Inland at a demand charge of \$3.21 per 1,000 cubic feet a month and a commodity charge of 20 cents per 1,000 cubic feet for gas actually used. This is the same basis on which Pacific Northwest sells gas from the same source after it has been moved more than 400 miles further, into the United States. But for moving it $4\frac{1}{2}$ miles the charges are raised from \$3.21 to \$5.00—56 per cent increase—and from 20 cents to 30 cents—50 per cent increase. Indeed, Westcoast's gas will get to the Prince George Company at more than three times the cash price at which Westcoast sells it across the border to its associated company, Pacific Northwest. The cash prices are, of course, on a different load factor. But on an equivalent basis, the Prince George price is still more than twice the export price.

One may well ask how this can possibly be. One of the conditions of Westcoast's licence to export at all is supposed to be that it shall not charge more to Canadian customers than it charges for exports. The trick is that its customer, it claims, is Inland, to whom it sells at the same price as the export price. What Inland does to the price in the next $4\frac{1}{2}$ miles is, legalistically, no business of Westcoast's. Legalistically, the president of Westcoast has nothing to do with his brother, the president of Inland.

It must be said that such arrogant goings-on as these would probably be impossible in any Canadian province except one run by the Social Credit Government of B.C. But it is a clear warning of what the gas companies are liable to attempt, in whatever measure they can get away with it.

There are those, of course, who conclude that the thing to do is to have pipelines publicly owned. That is not a wise conclusion. There is every reason to think that public ownership would reduce efficiency and create more problems than it solves. Public opinion will be driven to look kindly on public ownership only if it seems to be the only alternative to the gas companies getting away with murder.

Hon. Mr. Reid: What about the telephone companies?

Hon. Mr. Croll: I will be back to the telephone companies. I am now dealing with large corporations. The article goes on:

It is up to the government at all levels—federal, provincial and municipal—to ensure, under the spur of a vigilant public opinion, that companies on which a monopoly has been conferred don't get away with anything more than a proper return

for efficient operation. That is the only way to preserve the great advantages of private ownership by fair service to the public.

This house can readily understand that at the present time the public is concerned. It is disturbed and angered and there is serious talk of nationalization. There is no use saying that is socialism. If you do it will be very hard for the Senate and anyone else to explain away the Canadian National Railway System, the Trans-Canada Air Lines, the Canadian Broadcasting Corporation, the Ontario and Quebec Hydro systems, the crown corporations and, as one senator indicated today, the Canadian Wheat Board. These are proof that we are not bound by any particular philosophies or doctrines, but that we are realists in a realistic world. The *Toronto Telegram*, which has been the spokesman for arch conservatism for a very long time, had this to say on November 2 of this year, in an editorial entitled *Own The Gas Line*:

The Government, instead of Trans-Canada, could operate the Northern Ontario section it now owns. It could, as CCF leader Coldwell said in the house the other day, "restore to the people of Canada ownership and control of that part of the pipeline alienated from the people by money provided by this Parliament".

A little farther on the editorial says:

The *Telegram* supported it then and advocates it now, not as a socialist principle but because it believes nationalization would still best serve the interests of the people of Canada.

The demand will continue to grow because there is a growing feeling that natural monopolies belong to the people. The people are not unaware that the communication system in the province of Saskatchewan belongs to the people there, as it does also in the province of Alberta. In Great Britain the communication system is publicly owned. All these systems give good service at reasonable rates. Communication has taken on new importance in this atomic age.

Let me give a further illustration. In this country we have great service corporations, the banks, which are incorporated under an Act of Parliament. They are supervised and watched over by the Inspector General of Canada and the Department of Finance. They are influenced and gleamed at by the Bank of Canada. Every ten years they come to Parliament, which examines them, and they lay bare their souls—if a corporation has a soul. We find that is profitable to Canada, as well as good and healthy for the banks. By that method the public has a proper understanding and appreciation of banks and their function. The act is revised in the light of present needs and requirements, having the best interests of the people at heart. The latest review of the