

In the early part of the year 1924 a heavy overproduction of crude oils took place in the United States of America—with a consequent relative overproduction of gasolines. With lack of a ready demand for such increased quantities of gasolines, many operators became pressed financially, with the result that large quantities of such gasolines had to be realized upon under forced conditions, they were thrown upon the market and sold at greatly reduced price. Ontario importers and a number of jobbers and retail dealers, with railway trackage and capacity facilities, took advantage of these conditions and heavy importations of such gasolines were effected principally between January and September, 1924; gasolines so imported were then sold in Ontario at varying margins over the reduced prices paid for them. Ontario refiners, with stocks of crude oils on hand and purchase contracts to be completed, were unable, as they testified, to manufacture gasolines at costs which permitted them to meet competition of such a character except at the expense of serious losses; accordingly they adopted the policy of marketing their gasolines wherever possible at prices which they deemed to be commensurate with the costs of such crude oils. As a result of such efforts on their part variations took place in the retail prices at which gasolines were sold in some localities in Ontario when compared with the rates charged in others. In some districts and particularly at points in lower western Ontario gasolines were sold at low or moderate margins over import distress prices and in a number of instances where Ontario refiners met such prices in protection of their businesses, they claim to have sustained losses; in other localities, however, importers charged and obtained prices equal to those set for gasolines of Ontario manufacture and by so doing assisted to maintain prices there at such levels while some of them received substantial advantages.

It was contended by certain of the refiners and wholesale dealers mentioned that a number of the gasolines sold at low prices in western Ontario were of inferior character and they claimed that such gasolines had been produced by American manufacturers for sale purely on a price basis, without regard to quality, and largely in an effort to reduce their existing stocks and relieve financial necessities. Such contention was seriously maintained by several dealers, but the evidence they offered was of a general nature only and no specific instances were quoted in support of it; on the other hand, no testimony was offered in contradiction to it. With the lapse of time it was impossible for me to obtain samples of the gasolines sold in such prior periods—for analysis—so to assist to verify or refute the contention.

Attached hereto as Schedule "C" is a statement of retail prices charged per imperial gallon for gasolines sold at various points in Ontario and at the times therein mentioned in 1924. Eliminating differentials attributable to increased costs of transportation, the widest variations which occurred in such prices are typified by the following comparisons:—

RETAIL SELLING PRICES PER IMPERIAL GALLON AT

Date	1	2	3	4	Maximum differential between 1 and 3 or 4
	Toronto	Hamilton	Woodstock	Simcoe	
	c.	c.	c.	c.	c.
January, 1924	27	25½	..	25	2
March, "	31	27½	..	25	6
May, "	31	28½	25	25	6
July, "	31	27½	25	25	6
September, "	30	27	20	25	10
November, "	24	22	20	20	4
December, "	24	22	25	20	4

Enquiry was directed to ascertain the reasons for these variations in price.