

on gasolines sold. Such costs were in excess of the average margins obtained by Woodstock and Simcoe dealers and—except in isolated instances and with certain dealers only—they left refiners and importers where they were unable to sell at Woodstock and Simcoe prices without sustaining losses.

These conditions, with adoption of the common policy on the part of importers to adhere to Imperial Oil Company, Limited, prices, the increased costs paid by certain of such importers for gasolines of improved quality, and the unwillingness of independent service station owners to operate on bases similar to those which obtained in Simcoe and Woodstock were, I find, responsible for the variations in price mentioned.

I desire, in conclusion, to acknowledge the courtesies and assistance given to me by officers of the Department of Public Works and Highways for the Province of Ontario, and by Dr. L. F. Goodwin, of Queen's University, Kingston.

I have the honour to be, Sir,

Your obedient servant,

(Sgd.) G. T. CLARKSON.