

Year	Number Operating	Number who Earned Profits	Number who Sustained Losses
1920.....	2	1	1
1921.....	3	1	2
1922.....	3	2	1
1923.....	4	3	1
1924.....	4	2	2

The rates of profits obtained by certain of such importers and distributors in the above period were considerably greater than those obtained by Ontario refiners and were largest in 1924, when they were able to buy gasolines in the United States of America at distress prices and sell them at many points in Ontario at rates equal to those obtained for gasolines of Ontario manufacture; statements available for the enquiry indicated, however, that the rates of profit of such importers and distributors had become very much reduced in the first six months of 1925. Other such wholesale dealers, whose accounts were examined, did business at a loss over the whole period of their operations in Ontario up to December 31st, 1924, and also in the year 1924, when their widest margins of sales of gasolines were obtained.

Statements submitted by the seven refiners and wholesale dealers herein mentioned showed that their average investment in ninety-six service stations owned or operated by them throughout Ontario was \$19,181. A large proportion of such stations had been operating for periods of less than one year and while accounts submitted showed costs of operation in certain instances as low as three and one-half cents per gallon, the expenses of the majority of the stations, with their businesses in the course of development, were higher, running up to as much as eight cents per gallon in certain instances. Accounts submitted in respect of forty-eight stations in Toronto showed that the average capital investment in them was \$24,830 and that otherwise conditions relating to their operation were largely similar to those which obtained with respect to operation of service stations throughout Ontario, as a whole.

Summarizing the evidence given and the opinions and conclusions hereinbefore expressed, I therefore report that—

(1) No standard specifications prevail with respect to the manufacture and sale of automobile lubricating oils in Ontario, but the public there is compelled to rely for its protection upon the fair dealing and honesty of the retailers from whom it shall purchase such oils, and in the case of branded oils and those sold in sealed packages, upon the responsibility and reputation of the refiners and wholesale dealers distributing them.

(2) Sales of automobile lubricating oils amount to between three and four per cent in volume of the quantity of gasolines sold in Ontario, and the prices at which such oils are ordinarily sold vary between 100 and 200 per cent in advance of their cost to wholesale dealers. Net earnings obtained by refiners, wholesale dealers and retailers show that these margins do not leave unreasonable or excessive net profits, but that they are largely absorbed by costs of administration, selling, advertising, packages and handling to wholesale dealers, and by handling and other attendant expenses to retailers.

(3) Analyses of samples obtained during July and August, 1925, show that many of the gasolines then being sold in Ontario were of superior quality and all of those analyzed with one exception—an imported product—were within United States Motor Gasoline Specifications. In the case of the exception mentioned it was admitted that it had been purchased on a price and gravity basis without further specifications as to quality.