PROVINCE OF BRITISH COLUMBIA

FOURTH ANNUAL REPORT

OF THE

COAL AND PETROLEUM CONTROL BOARD

FOR THE

YEAR ENDED 31ST DECEMBER, 1941

PRINTED BY
AUTHORITY OF THE LEGISLATIVE ASSEMBLY.

VICTORIA, B.C.:
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1942.

To His Honour W. C. WOODWARD,
Lieutenant-Governor of the Province of British Columbia.

MAY IT PLEASE YOUR HONOUR:

SIR,—I have the honour to transmit herewith the Report of the Coal and Petroleum Control Board for the year ended December 31st, 1941.

W. A. CARROTHERS,
Coal and Petroleum Control Board.

Victoria, B.C., 1942.

Annual Report of the Coal and Petroleum Control Board

for the Calendar Year ended December 31st, 1941.

On November 28th, 1934, a Royal Commission, known as the Macdonald Commission, was appointed by Order in Council to inquire into coal and petroleum industries in British Columbia, special emphasis being placed on the cost of coal, gasoline, and fuel-oil to the public.

The report of the Commission relating to the petroleum industry was submitted on October 21st, 1936, and the report dealing with the coal industry was completed on September 27th, 1937. These reports were tabled in the Provincial Legislature on November 19th, 1937.

The final section dealing with "the comparative value of coal and petroleum products for economic use in British Columbia and whether or not prices charged for coal and petroleum products was unreasonable" was not completed until December 10th, 1938.

The Provincial Legislature on December 10th, 1937, passed the "Coal and Petroleum Products Control Board Act." This Act set up a Board to control the sale and distribution of coal and petroleum products in British Columbia. The Act has been amended twice; the first amendment came on December 9th, 1938, the second on May 10th, 1940.

Under section 36 of the Act the Coal and Petroleum Control Board was given power "to make regulations deemed advisable to control and regulate effectively in the Province the coal and petroleum industries."

Twenty-one regulations have been passed by the Board since its inception.

Following is a brief résumé of the consolidated regulations of the Board:—

Regulation 1 (amended by Regulations 3, 8, 12, and 13).—This regulation establishes a system of licensing for all phases of the coal and petroleum industries, and sets the licence fee at $1, to be renewed annually.

Regulation 2 (amended by Regulation 4).—This regulation requires all applicants for a licence to make statutory declarations confirming the accuracy of their statements.

Regulation 5.—Regulation 5 requires for firms or individuals engaged in the petroleum industry, both wholesale or retail, to submit confidential monthly gallonage returns.

Regulation 6.—This regulation requires the coal industry to submit reports similar to those of Regulation 5.

Regulation 11 (amended by Regulations 14 to 20 and replacing Regulation 10).—This regulation established rigid standards for the two types of gasoline used by motor-vehicles and also set up fifteen price zones within the Province.

Two grades of gasoline were established for automobile engines—namely, "Regular" and "Premium." The sale of any other types of gasoline for motor-vehicles that do not fall into either of the above categories was forbidden, and all retailers of gasoline had to have marked clearly on their pumps the grade of gasoline being sold.

Price zones set up by this regulation established both wholesale and retail prices in all outlets within that zone, but certain exceptions were made where unusual delivery charges were unavoidable. This regulation also provided that all existing agreements covering the sales of gasoline must conform to the prices in the above-mentioned price zones and forbade any unethical practices on the part of the retailer or wholesaler, such as games of chance, offers of free oil or other commodities in order to promote sales of gasoline.

Regulation 20.—This regulation is a rider to Regulation 11, respecting any special Dominion tax to be added to prices laid down in Regulation 11.

Regulation 21.—This regulation was passed by the Board in accordance with its policy of co-operation with the Dominion Oil Controller and covers the grading and price of gasoline and is supplementary to Regulation 11.

The following paragraphs cover in brief the price-fixing orders of the Board and Court actions arising from these orders and the final settlement.

The first price-fixing order of the Board, known as Regulation 7, was made on October 22nd, 1938, and was to become effective October 26th, 1938. This order made a decrease in the price of the gasoline in the Province, varying from 3 to 9 cents. This order, which was considered very drastic by the petroleum industry, was not so severe as the price reduction recommended by the Macdonald Commission.

This price order was opposed by the nine oil companies, and they were successful in obtaining a temporary injunction restraining the order of the Board. Following hearings in the Supreme Court of British Columbia the injunction was extended until such time as the decision had been heard by the Court of Appeal of the Province, to which Court the Government had carried its case. The Court of Appeal on November 29th, 1938, dismissed the hearings on the injunction.

On December 23rd, 1938, the British Columbia Government entered a plea to the Supreme Court that the "Coal and Petroleum Products Control Board Act" was within the powers of the Province. Hearings commenced on January 9th, 1939. The Act was declared *intra vires*, with the exception of those portions of the Act that dealt with price-fixing. The Province then took steps to appeal the decision.

On June 9th, 1939, the British Columbia Court of Appeal declared the Act as a whole *intra vires*. As a result of this decision the Coal and Petroleum Control Board passed Regulation 10, establishing prices and grades, and requiring grade posting. This regulation called for a 3-cent reduction in the wholesale price of gasoline throughout the Province, with variations to meet special conditions at various points. The division of the Province into price zones in this regulation is similar to that of Regulation 7, with the exception of the Queen Charlotte Islands, which were transferred from Zone 3 to Zone 15. However, on an order of the Chief Justice of British Columbia the Board was restrained from enforcing its order, pending an appeal by the nine major oil companies to the Supreme Court of Canada. On April 23rd this Court declared the Act *intra vires* and Regulation 10 became effective immediately.

Following this the petroleum industry froze all deliveries of gasoline, save for essential services, for seven days. At the end of this "strike" an agreement was reached between the Government and the industry; Regulation 10 was rescinded and Regulation 11, the present price regulation of the Board, was approved May 14th, 1940. Regulation 11 brought a 2-cent price reduction in gasoline for the Victoria and Vancouver areas and larger reductions in other parts of the Province, varying from 3 to 8 cents per gallon.

The following is a table of the comparative tank-wagon prices of Grade II. gasoline in British Columbia and larger centres in other parts of the Dominion:—

City.	Gasoline (Tank-wagon).	Gasoline Taxes.		Total Price.
		Dominion.	Provincial.	
	Cents.	Cents.	Cents.	Cents.
Hamilton, Ont.	17.5	3	8	28.5
Toronto, Ont.	17.5	3	8	28.5
Brandon, Man.	21.0	3	7	31.0
Winnipeg, Man.	20.5	3	7	30.5
Regina, Sask.	18.0	3	7	28.0
Saskatoon, Sask.	20.8	3	7	30.8
Edmonton, Alta.	18.9	3	7	28.9
Calgary, Alta.	16.0	3	7	26.0
Vancouver, B.C.	15.0	3	7	25.0
Montreal, Que.	17.0	3	8	28.0
St. John, N.B.	16.5	3	10	29.5
Halifax, N.S.	16.5	3	10	29.5

It is to be noted the price of gasoline is lower in British Columbia than in any other part of Canada. This is to be definitely attributed to the existence of the price structure in this Province set up under the Board.

The administration of the "Coal and Petroleum Products Control Board Act" has had a stabilizing influence on the gasoline industry in this Province. The policy of having a fixed price rather than a maximum price eliminated price-cutting, which was continuously detrimental to the industry in certain parts of the Province, but particularly in Vancouver. Restricting the number of licences led to increased volume of sales per outlet. Prior to the advent of gasoline rationing, the position of the service-station operator was improving even though he was operating at a lower margin per gallon than previously. Even under present conditions, the regulations of the Board are beneficial to the industry, and operators are anxious that protection given should be continued.

During the calendar year of 1941 the reduction of the price of gasoline under Regulation 11 has saved the motoring public approximately $1,113,000. Since there were 104,241 passenger vehicles operating in the Province in 1941, this amounted to an approximate saving of $10.67 per motorist.

RETAIL SALES OF GASOLINE TO MOTORISTS FOR THE PERIOD JANUARY 1ST TO DECEMBER 31ST, 1941.

	Gallons.	
Vancouver and District	25,420,033	
Approximate saving at 2 cents per gallon		$508,400.66
Victoria	6,363,091	
Approximate saving at 2 cents per gallon		127,261.82
Balance of Province	15,916,888	
Approximate saving at 3 cents per gallon		477,506.44
Total approximate saving		$1,113,168.92

LICENCES.

The number of licences issued by the Board under Regulation 1, and in force on January 1st, 1941, totalled 3,481. Of these, some 572 were in the coal industry. During the year thirty-eight new licences were granted by the Board, covering both the petroleum and coal industries. Offsetting this increase various licences were cancelled, due to operators discontinuing the sale of either coal or petroleum products, leaving in force at December 31st, 1941, some 3,461 licences.

SUMMARY OF LICENCES, DECEMBER 31ST, 1941.

Petroleum Industry—		
Petroleum refiner	8	
Petroleum wholesaler	355	
Petroleum retailer	2,530	
		2,893
Coal Industry—		
Mine operator	22	
Wholesale coal-dealer	77	
Retail coal-dealer	469	
		568
Total		3,461

The following table gives a breakdown of petroleum licences issued by the Board during 1941 to the various oil companies and individuals, in respect of bulk plants, barrel agencies, or distributing points; and licences restricted to the sale of fuel and lubricating oils.

	Wholesale.	Retail.
Imperial Oil	85	85
Standard Oil	26	50
Shell Oil	46	56
Union Oil	56	56
Home Oil	36	42
B.A. Oil	17	16
B.C. Fuel	3	2
Hi-Way Oil	0	0
Mainland Distributors	1	0
Signal Oil	4	4
McColl-Frontenac	3	3
Total company licences	277	314
Others	38	2,056
Restricted fuel-oil, lubricants, or naphtha gasoline	40	160
Total licences	355	2,530
Licensed gasoline outlets serving the general public are:—		
Garages and service-stations		1,467
Pumps (no service)		459
Marine outlets		130
Total		2,056

NOTE.—In addition to these 2,056 licences, the 314 retail licences issued to the various oil company distribution plants supply gasoline to commercial accounts.

In granting new licences under section 6 of the "Coal and Petroleum Products Control Board Act," careful consideration has been given to public necessity. Apart from this, all new licences granted, through which the sale of gasoline to motor-vehicles would be made, or where the installation of new equipment was applied for, have also the approval of the Dominion Oil Controller, his orders governing both the commencement of new outlets in the petroleum industry and the installation of pumps and dispensing equipment.

Special licences granted under section 6 during 1941 are as follows:—

Petroleum Retailer's Licence, 14.—Of these, 13 are operating; 1 is still waiting delivery of tanks before commencing. These retail licences are as classified below and at the following points in the Province:—

Restricted retail marine, 6: Goose Bay, Nelson, Ladysmith, Sonora Island, Skeena River, and Maple Bay.

Retail restricted to fuel-oil only, 1: Chemainus, V.I.

Retail barrel agency, 1: Abbotsford.

Service outlets, 6: Revelstoke, Castlegar, Sheep Creek, Horsefly, Pinchi Lake, and Clayhurst.

Petroleum Wholesaler's Licence, 4.—Goose Bay (marine outlet), 1; Abbotsford, Duncan (barrel plants), 2; Chemainus (fuel-oils), 1.

Special licences granted under section 6 to new operators taking over existing businesses in the petroleum industry:—

Petroleum retailers	290
Petroleum wholesalers	7

Special licences granted in the coal industry to persons newly commencing in the industry:—

Retail coal-dealers	16
Wholesale coal-dealers	2
Mine operators	2
Total	20

New operators taking over existing businesses in the coal industry:—

Retail coal-dealers	5
Wholesale coal-dealers	1
Total	6

The Board had for consideration during 1941 fifty-eight applications for licences from persons wishing to commence new businesses in either the coal or petroleum industries. These were dealt with in co-operation with both the Dominion Oil Controller and the Dominion Coal Administrator, resulting in fourteen licences being refused by the Board.

Twenty-six retail outlets selling gasoline closed down during the year, while ten surrendered their licences. The others closed mainly due to lack of business. The following types of outlets were closed: Four garages, six service-stations, sixteen pumps (located at stores or connected with businesses not catering exclusively to the automobile trade).

During the year there has been no change in the number of oil companies operating in the Province. The Signal Oil Company was purchased by the Standard Oil Company of B.C. and licences held by them were taken over with the approval of the Board. The Imperial Oil, Limited; Shell Oil Company of B.C.; Union Oil Company of Canada, Limited; and the Standard Oil Company of B.C. extend their operations over the greater part of the Province. The Home Oil Distributors, Limited, and the B.C. Fuel Company, Limited, have more or less extensive distributing facilities, but do not cover the entire Province, the B.C. Fuel Company, Limited, confining its distribution to the lower mainland and Vancouver Island.

The British American Oil Company, Limited, and the McColl-Frontenac Oil Company, Limited, distribute their products mainly in the eastern and southern part of the Province.

In addition to its regular work the Board has co-operated with the Dominion Oil Controller and the Dominion Coal Administrator, and acts especially in an advisory capacity to the latter.

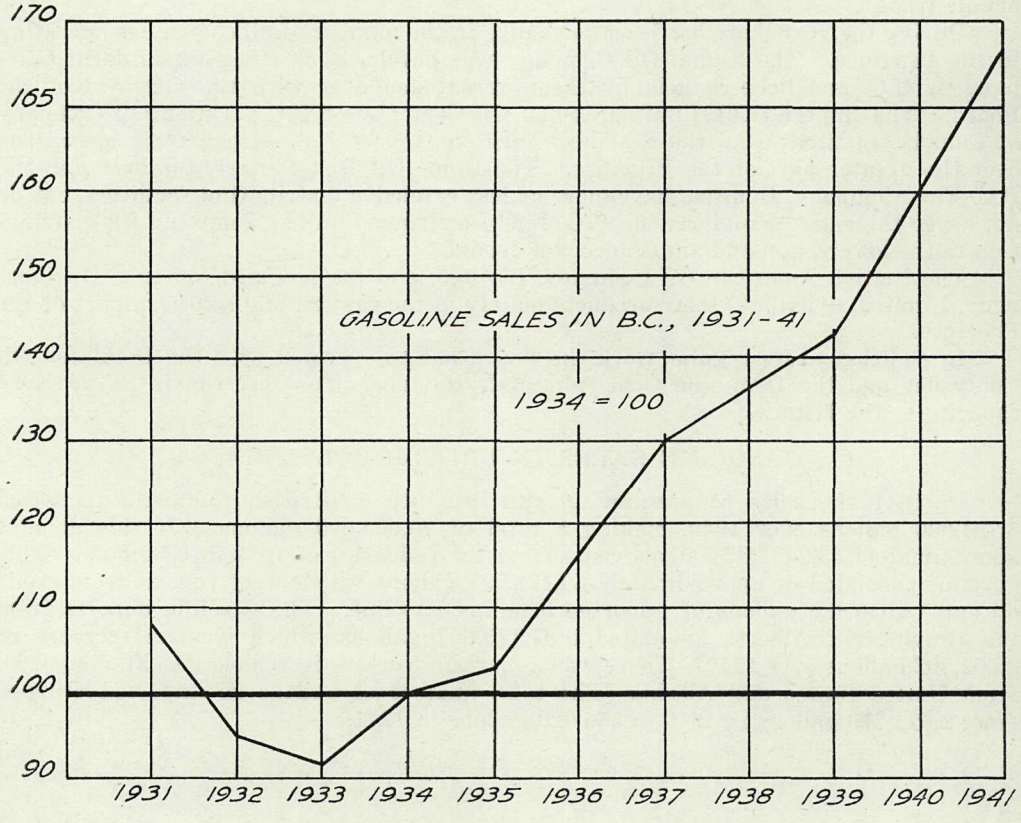
GASOLINE SALES IN BRITISH COLUMBIA.

In 1941 the sales of gasoline in the Province of British Columbia increased 5,784,000 gallons over 1940, making a total of 70,995,000 gallons. Of this amount approximately 63,249,283 gallons came from the refineries of British Columbia. This gasoline consisted of approximately 50,178,797 gallons which were refined from crude oil and 13,070,486 gallons of imported blending gasoline. The gasoline imports from the Province of Alberta amounted to 7,189,697 gallons, which was an increase of 2,552,892 gallons over 1940. There was a marked decrease in refined gasoline imported from United States and Alaska. The total number of gallons so imported dropped from 2,672,719 gallons in 1940 to 556,020 gallons in 1941.

The following table shows the monthly consumption of gasoline for the past ten years in gallons (000 omitted):—

	1932.	1933.	1934.	1935.	1936.	1937.	1938.	1939.	1940.	1941.
January	2,513	2,259	2,585	2,411	3,087	2,864	3,481	3,748	4,224	4,605
February	2,369	2,051	2,487	2,664	2,628	2,770	3,313	3,522	4,177	4,574
March	2,911	2,521	2,842	2,819	3,042	3,634	3,885	3,950	4,449	5,051
April	3,371	2,948	3,152	3,471	3,569	4,043	4,383	4,425	4,845	6,050
May	3,477	3,408	3,749	3,868	4,084	4,902	5,037	5,412	5,680	6,030
June	3,757	3,707	4,036	3,075	4,574	5,301	5,379	5,541	5,979	6,359
July	4,117	4,368	4,435	4,805	5,252	5,997	5,824	6,073	6,728	7,654
August	4,266	4,246	4,593	4,954	5,343	6,157	6,308	6,571	6,944	7,160
September	3,806	3,854	4,305	4,417	4,854	5,619	5,571	5,718	6,065	6,469
October	3,385	3,469	4,053	4,215	4,498	5,008	4,866	5,393	5,973	5,980
November	2,813	3,096	3,233	3,744	3,976	4,484	4,822	4,917	5,287	5,670
December	2,673	2,780	2,868	2,967	3,816	3,996	4,266	4,554	4,860	5,393
Totals	39,458	38,707	42,338	43,410	48,723	54,775	57,135	59,824	65,211	70,995

Source: Taxation Department, Province of British Columbia.



The following table gives a breakdown of gasoline sold by the various bulk plants throughout the Province. These sales vary slightly from those in the previous table supplied by the Taxation Department.

Retail outlets took 47,700,011 gallons out of a total of 69,778,737 gallons. The remainder was divided between marine sales, which were 5,179,142 gallons, and sales direct to consumers, which were 16,899,584 gallons. The latter consumers consisted of commercial, industrial, and farmers' accounts. For the key to the various zones *see* the map at the end of this Report.

	To Resellers.	To Consumers.	Marine.	Total.
	Gallons.	Gallons.	Gallons.	Gallons.
Victoria	6,363,091	2,053,042	189,837	8,605,970
Vancouver and District	25,420,032	6,029,973	1,488,857	32,938,862
Balance of Province	15,916,888	8,816,569	3,500,448	28,233,905
Totals for Province	47,700,011	16,899,584	5,179,142	69,778,737
Zone 1 (less Victoria)	2,435,712	1,626,194	234,776	4,296,682
Zone 3	1,798,771	1,911,655	2,935,548	6,645,974
Zone 4	958,225	531,522	58,810	1,548,557
Zone 5	1,118,644	535,067	69,043	1,722,754
Zone 6	97,780	42,396	4,699	144,875
Zone 7	202,427	27,636	489	230,552
Zone 8	1,399,638	501,432	13,649	1,914,719
Zone 9	3,001,994	1,275,774	9,090	4,286,858
Zone 10	1,924,873	639,951	16,386	2,581,210
Zone 11	104,472	91,302	90	195,864
Zone 12	174,183	167,700	188	342,071
Zone 13	909,504	253,834	1,674	1,165,012
Zone 14	258,507	85,435	1,887	345,829
Zone 15	1,532,158	1,126,671	154,119	2,812,948

Bulk Plant Gasoline Sales in Principal Cities and Towns in British Columbia for 1941.

(In Gallons.)

	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Totals.
Vancouver and District	2,422,357	1,987,658	2,568,549	2,962,864	2,738,830	3,236,970	3,270,526	3,074,090	2,700,612	2,641,533	2,660,599	2,674,274	32,938,862
Victoria	613,616	603,189	665,307	696,330	707,146	767,550	850,855	810,932	763,177	731,638	716,639	679,591	8,605,970
Nanaimo	200,236	207,325	226,633	240,692	234,004	248,495	292,635	266,745	226,577	212,587	219,257	205,626	2,780,812
Penticton	70,656	74,566	83,654	95,021	110,857	101,520	135,224	111,013	102,060	108,890	100,887	79,967	1,174,315
Vernon	56,376	67,748	65,423	99,093	110,903	103,179	129,256	111,810	116,755	102,352	100,151	81,913	1,144,959
Trail (Tadanac)	76,649	67,918	73,786	95,389	96,852	105,332	116,418	109,944	126,785	99,250	97,523	84,959	1,150,805
Nelson	56,408	56,581	49,287	77,923	81,287	92,584	110,256	94,604	96,113	99,219	71,970	63,358	949,590
Chilliwack	79,078	82,057	95,000	122,804	125,614	115,084	159,992	141,808	118,660	119,104	106,409	96,221	1,361,831
Cranbrook	48,226	45,934	53,494	71,221	84,997	102,309	133,943	112,706	121,984	89,451	70,357	67,123	1,001,745
Kamloops	54,095	56,742	58,968	88,004	82,935	103,460	128,976	118,692	119,351	100,546	80,720	66,108	1,058,597
Kelowna	41,627	45,544	49,405	72,291	66,614	71,928	83,509	77,231	78,784	77,735	60,138	52,033	776,839
Port Alberni	44,588	40,145	51,490	52,330	61,100	58,619	59,694	54,566	60,720	65,152	55,774	61,985	601,163
Courtenay	52,793	55,130	66,540	66,421	67,096	59,842	70,650	60,806	69,252	55,623	64,768	45,362	734,283
Mission	58,694	64,238	64,328	74,074	82,307	78,642	114,882	84,135	82,423	85,036	84,571	80,685	954,015
Abbotsford	48,714	37,586	46,121	61,425	46,518	46,485	61,597	55,753	50,183	46,166	47,516	46,478	594,542
Creston	15,587	13,409	23,473	31,107	23,211	31,860	38,926	40,866	49,061	28,105	26,125	20,341	342,071
Princeton	23,306	20,793	23,423	30,604	34,114	35,201	43,402	39,744	36,071	39,027	35,311	26,899	387,895
Powell River	39,212	32,532	34,878	32,448	39,304	36,777	39,715	37,213	41,031	32,940	39,679	28,404	434,133
Quesnel	15,280	15,317	15,252	20,972	29,396	27,997	36,520	33,060	32,602	30,220	24,293	18,990	299,899
Agassiz	17,101	21,059	22,086	52,633	22,640	31,736	37,758	28,023	34,930	32,155	33,822	26,986	360,929
Prince George	23,799	26,511	27,701	40,664	50,047	61,332	64,412	83,812	68,917	53,197	43,948	49,008	593,348
Prince Rupert	27,821	33,895	34,573	53,722	52,156	62,730	68,741	67,102	60,301	45,828	38,037	39,007	603,913
Salmon Arm	13,588	13,888	19,275	27,928	24,272	28,382	38,908	34,411	27,519	27,161	22,732	17,225	295,289
Revelstoke	7,727	5,145	6,357	15,301	22,243	41,388	60,471	57,852	42,524	26,566	15,339	8,718	309,651
Williams Lake	10,522	10,630	13,278	21,028	23,344	23,207	28,662	25,806	24,587	24,652	23,497	15,970	245,183
Grand Forks	14,630	14,717	12,227	18,971	24,305	23,672	32,472	24,804	22,310	22,551	22,485	15,420	248,564
Ashcroft	10,837	12,883	18,385	22,624	26,464	32,908	48,122	47,390	41,739	37,574	25,188	15,654	261,352
Burns Lake	4,134	6,214	4,414	5,541	11,563	10,333	11,489	14,331	15,448	14,525	13,147	12,344	123,483

GASOLINE IMPORTS FROM ALBERTA, 1941.

British-America Oil Co.	1,679,951
Home Oil	480,965
Imperial Oil	4,310,473
McColl-Frontenac	488,594
Union Oil	227,244
Miscellaneous	2,470
Total	7,189,697

COAL INDUSTRIES.

The number of licences issued in the coal industry during 1941 was 568, as compared with 572 in 1940. Under the regulations of the Board, all dealers are required to make monthly returns to the Board; from these a consolidation of the retail sales in the Province is made, a copy of which is forwarded to the Coal Administrator at Ottawa.

The following table shows the amount of coal sold at retail in the various districts of the Province during the year ended December 31st, 1941.

(Short Tons.)

Districts.	British Columbia. Coals.	Alberta Coals.	U.S.A. Coals.	Unknown Origin.	Unrecorded Sales.	Totals.
Vancouver Island	410,246¾	752	.....	22	3,263	414,283¾
City of Victoria	45,872½	8,499¼	110½	.....	1,681	56,163¼
City of Vancouver	86,298½	29,891½	773	59¾	6,095	123,117¾
District of West Vancouver	310	693¾	.....	.....	202	1,205¾
City of North Vancouver	7,899	1,408¾	.....	22	222	9,551¾
City of New Westminster	26,708½	2,759¾	21½	3½	39	29,532¼
Fraser Valley	4,999	4,702¼	.....	18	359½	10,078¾
Kootenay District	562,010½	25,943½	.....	305	4,024	592,283
Merritt-Princeton District	36,569	72	.....	.....	223	38,864
Okanagan District	3,851½	6,124	.....	17½	831½	10,824½
Kamloops District	1,930	7,056¾	.....	.....	221	9,207¾
Balance of Province	12,583½	10,225¾	.....	21¾	2,630	25,461
Totals	1,199,278¾	98,129¼	905	469½	19,791	1,318,573½

APPENDIX.

REGULATION 11.

(Approved May 14th, 1940; and as amended June 14th, 1940; July 3rd, 1940; July 10th, 1940; July 16th, 1940; August 2nd, 1940; August 9th, 1940; and March 4th, 1941.)

ESTABLISHING GASOLINE PRICES AND GRADES AND REQUIRING GRADE POSTING.

1. In this regulation, "automobile" includes any motor-vehicle used or operated on any highway, and "motor-vehicle" and "highway" shall have the meaning given thereto by the "Motor-vehicle Act."

2. There is hereby established within the Province two grades of gasoline for use in automobile-engines, namely, "Premium" and "Regular," in accordance with the standards set out in Schedule A attached hereto. No person shall, within the Province, sell or offer for sale for use in an automobile-engine any gasoline that is not either "Premium" or "Regular."

3. The Province is hereby divided into fifteen price zones, numbered 1 to 15, inclusive, and the area contained in each zone is the area described opposite the distinctive number of such zone in Schedule B attached hereto.

4. (1.) No person shall sell or offer for sale "Regular" gasoline to any retailer except at a price per imperial gallon, inclusive of all taxes and of delivery, service, and other charges, of:—

22c. in Zone 1 and at Muir Creek and Jordan River.
21c. in Zone 2.
23c. in Zone 3.
22c. in Zone 4.
23c. in Zone 5.
24c. in Zone 6, and at Skidegate, Masset, and Arrandale.
25c. in Zone 7 and at Stewart.
26c. in Zone 8.
27c. in Zone 9.
28c. in Zone 10 and at Terrace, 100-Mile House, Smithers, and Hazelton.
29c. in Zone 11 and at Williams Lake, Prince George, Vanderhoof, Fraser Lake, Burns Lake, Dawson Creek, and Pouce Coupe.
27c. in Zone 12.
26c. in Zone 13.
25c. in Zone 14.
26½c. at Bridge River, Shalalth, Pemberton, Lillooet, and Clinton.
29½c. at Quesnel.
32c. at Fort St. James and Stuart Lake.

(2.) No person shall sell or offer for sale "Regular" gasoline at any place within Zone 15, not mentioned in subsection (1) of this section, to any retailer except at the price per imperial gallon, inclusive of all taxes and of delivery, service, and other charges, as fixed by subsection (1) of this section at the place where the wholesale outlet supplying such retailer is situated, plus the cost of delivery from that wholesale outlet to that retailer.

5. No person shall sell or offer for sale "Premium" gasoline to any retailer, in any zone or at any place in the Province, except at a price two cents in excess of the price per imperial gallon, inclusive of all taxes and of delivery, service, and other charges, fixed under the provisions of section 4 of this regulation for "Regular" gasoline sold in such zone or at such place to any retailer.

6. No person shall sell or offer for sale to any person other than a retailer any "Regular" or "Premium" gasoline, in any zone or at any place in the Province,

except at the price fixed under the provisions of sections 4 and 5 of this regulation in respect of such grade and of such zone or place, plus a charge for retailing of—

4c. per imperial gallon in Zones 1 to 5, inclusive:

5c. per imperial gallon in Zones 6 to 15, inclusive.

7. Notwithstanding the provisions of sections 4, 5, and 6, the prices fixed thereunder may, on account of unusual delivery costs, be increased by the following amounts per imperial gallon at the following places:—

½c. at Tappen, Monte Lake, Pritchard, Lower Nicola, and Nicola.

1c. at Notch Hill, Cherry Creek, Sorrento, Bella Coola, Chase, Squilax, Solsqua, Westwold, Malakwa, Quilchena, Hedley, and Spences Bridge.

1½c. at Walhachin, Deer Park, and Blind Bay.

2c. at Savona, Marble Canyon, Hat Creek, Dot, and Aspen Grove.

3c. at Vermilion Crossing, Celista, and Magna Bay.

8. Sections 4, 5, and 6 shall not apply to the sale of gasoline by licensed wholesalers to commercial users. For the purpose of this section, a commercial user means a licensed wholesaler or a person other than a retailer who takes delivery in storage facilities on his own premises or in drums, and in amounts of not less than forty gallons at one time.

9. Wherever special provision is made that all or any part of any tax of the Dominion or the Province otherwise required to be paid upon gasoline shall not be collected, the prices specified in this regulation shall be reduced by the amount of the tax not required to be collected.

10. No person in any zone shall sell or offer for sale, for use in any automobile-engine, gasoline in any drum or other container unless such drum or container has marked or labelled thereon, in letters and figures easily legible, the number of imperial gallons and the grade of the gasoline contained therein.

11. No person in any zone shall put into, deliver to, or have in any tank or container, except in a tank-wagon, any gasoline for the purpose of selling or offering the same for sale to the consumer for use in any automobile-engine, unless such tank or container, or the pump connected therewith, has posted or painted thereon, in letters easily legible, the grade of the gasoline put into, delivered to, or had in such tank or container.

12. No person in any zone shall sell or offer for sale gasoline to a consumer for use in any automobile-engine unless there is posted or painted on the pump, tank, or container from which the gasoline is so dispensed, in letters easily legible, the grade of gasoline contained in such pump, tank, or container.

13. Wherever it is required in this regulation that the grade of gasoline shall be marked, labelled, painted, or posted, the grade shall be in conformity with the standards set forth in Schedule A, attached hereto, and shall be known by the names prescribed therein.

14. Any existing covenant or agreement for the purchase or sale within the Province of gasoline for use in the Province shall be varied so that the price shall conform to the price fixed by this regulation.

15 (1.) No licensee shall conduct any lottery or game of chance for the purpose of promoting the sale of gasoline.

(2.) No licensee shall give without charge to any person and no person shall accept from any licensee any premiums, trading-stamps, coupon-books, oil, or other commodities or things of value, nor shall any licensee sell to any person any coupon-books or any oil or other commodities or things of value at a price below the recognized fair market price, applicable to the method of delivery, of such oil or other commodities or things of value, where the giving without charge or selling at a reduced price is contingent upon or designed to promote the sale of gasoline.

(3.) Nothing in this section shall be deemed to prevent any licensee from furnishing water for radiators or air for tires free of charge, or from performing the service of wiping off windshields or windows, dusting off hoods, or draining crank-cases of automobiles free of charge.

16. This regulation shall not apply to the sale of gasoline for use in marine engines.

17. The schedules herein referred to shall be deemed to be part of this regulation, and where mining divisions are referred to in Schedule B the same shall be the mining divisions as described in The British Columbia Gazette on October 19th, 1936, and May 6th, 1937.

18. Regulation 10 of the Coal and Petroleum Control Board is rescinded.

19. This regulation shall come into operation immediately upon its approval by the Lieutenant-Governor in Council.

SCHEDULE A.

Specifications for Gasoline.

1. All gasolines known as " Premium " or " Regular " shall meet the following tests:—

(*a.*) *Appearance.*—The gasoline shall be clear, i.e., free from undissolved water and suspended matter.

(*b.*) *Sulphur.*—The total sulphur content shall not exceed 0.25 per cent. by weight. The test shall be conducted in accordance with A.S.T.M. Procedure D-90.

(*c.*) *Corrosion.*—The fuel shall pass the test for corrosion in accordance with A.S.T.M. Procedure D-130.

(*d.*) Freezing-point (from October to March, inclusive).—The freezing-point of the fuel as indicated by the initial formation of solid matter shall not be higher than minus 36.6° C. (minus 30° F.). The test shall be made by cooling the sample in a test-tube equipped with a suitable thermometer and stirrer, and jacketed by a second test-tube, the whole being immersed in a carbon dioxide ether mixture.

(*e.*) *Vapour-pressure.*—The vapour-pressure of the fuel shall not exceed 10 lb. per square inch from April to September, inclusive, and 13 lb. per square inch from October to March, inclusive. The test shall be conducted in accordance with A.S.T.M. Procedure D-323, except that a vapour-pressure 1 lb. greater shall be permitted at the refinery or at delivery from railway tank-car.

(*f.*) *Gum.*—The increase in weight in the test according to A.S.T.M. Procedure D-381 shall be limited to 15 mg. per 100 cc. Any increase in weight shall be considered as gum. In the case of gasolines stated to contain top-cylinder lubricant, allowance may be made for any increase in weight due to the presence of such lubricant, at the discretion of the Board.

2. Gasoline known as " Premium " gasoline shall meet, in addition to the requirements of section 1 hereof, the following requirements as to distillation range:—

Not less than 10 per cent. shall be recovered at 155° F.;
Not less than 50 per cent. shall be recovered at 265° F.;
Not less than 90 per cent. shall be recovered at 380° F.;

and shall have an octane number not less than 78.

3. Gasoline known as " Regular " gasoline shall have, in addition to the requirements of section 1 hereof, the same distillation range as " Premium " gasoline and shall have an octane number of not less than 68.

4. (1.) Subject to the provisions of subsection (3) hereof, the method of procedure to be used in making the above distillation tests for all grades is that described in A.S.T.M. D-86.

(2.) Subject to the provisions of subsection (3) hereof, the octane number in all cases is to be determined by the CFR motor method in accordance with A.S.T.M. Procedure D-357.

(3.) All the tests shall be as set forth in the foregoing or by such methods as may, from time to time, be prescribed by the National Research Council of Canada, unless otherwise prescribed by the Board.

5. (1.) Gasoline meeting the requirements of sections 1 and 2 of this schedule shall be known as " Premium " gasoline.

(2.) Gasoline meeting the requirements of sections 1 and 3, but not section 2, of this schedule shall be known as " Regular " gasoline.

SCHEDULE B.

Gasoline Price Zones.

Zone 1.—Nanaimo Mining Division south of an east-and-west line through the mouth of Chef Creek, running into Deep Bay, and south of Lasqueti Island; that portion of Victoria

Mining Division east of the westerly boundary of the Esquimalt and Nanaimo Railway Company's Land Grant and of a line drawn due south from the south-west corner of said land grant.

Zone 2.—That portion of Vancouver Mining Division south of the northerly boundaries of the District Municipalities of North Vancouver and West Vancouver and east of the middle line of Queen Charlotte Channel of Howe Sound and its production south-westerly; that portion of New Westminster Mining Division west of and including the District Municipality of Langley and west of a line running due north from the northerly boundary of said municipality through the easterly end of McMillan Island, south of the northerly boundary of the District Municipality of Maple Ridge, the southerly shore-line of Pitt Lake, and the northerly boundary of the District Municipality of Coquitlam, together with the area west of the easterly boundary of the watershed of Indian Arm south of an east-and-west line through the north-east corner of the District Municipality of North Vancouver.

Zone 3.—Victoria and Nanaimo Mining Divisions, except those portions in Zone 1; Vancouver Mining Division, except that portion in Zone 2; Skeena Mining Division, except that portion within the Skeena River watershed above and including the drainage-basins of Zymagotitz River on the north and Lakelse River on the south; together with Alberni, Clayoquot, Quatsino, and Bella Coola Mining Divisions.

Zone 4.—That portion of New Westminster Mining Division lying to the west of the easterly boundary of the District Municipality of Sumas, the westerly and north-westerly boundaries of the District Municipality of Chilliwhack, the southerly production of and the middle line of Harrison River, the westerly boundary of the watershed of Chehalis River, south of the easterly production of and the northerly boundaries of the District Municipalities of Mission and Maple Ridge, and east of the area described in Zone 2.

Zone 5.—That portion of New Westminster Mining Division, excepting areas described in Zones 2 and 4, and also excepting the drainage-basin of the Fraser River on the south side, above and including Wahleach Creek.

Zone 6.—That portion of New Westminster Mining Division within the drainage-basin of the Fraser River on the south side, above and including Wahleach Creek; Yale Mining Division, except that portion east of the Fraser River, north of an east-and-west line through the mouth of Anderson Creek.

Zone 7.—That portion of Yale Mining Division east of the Fraser River, north of an east-and-west line through the mouth of Anderson Creek; that portion of Ashcroft Mining Division east of the Fraser River and south of an east-and-west line through the mouth of Sakum Creek and south of Nicola River.

Zone 8.—Nicola and Similkameen Mining Divisions; Ashcroft Mining Division, except that portion described in Zone 7; that portion of Kamloops Mining Division south of the 51st parallel of latitude and west of the 120th meridian of longitude.

Zone 9.—Osoyoos, Vernon, Lardeau, and Windermere Mining Divisions: That portion of Kamloops Mining Division south of the 51st parallel of latitude and east of the 120th meridian of longitude; that portion of Revelstoke Mining Division within the drainage-basin of Eagle River and the drainage-basin of Columbia River below the mouth of Martha Creek; that portion of Golden Mining Division within the drainage-basin of the Columbia River above the mouth of Blaeberry River.

Zone 10.—Greenwood, Grand Forks, Trail Creek, and Slocan City Mining Divisions; Nelson Mining Division, excepting that part east of Kootenay Lake and Kootenay River flowing thereinto, south of the watershed of Sanca Creek; that part of Ainsworth Mining Division east of Kootenay Lake, south of an east-and-west line through the mouth of Hendryx Creek.

Zone 11.—Arrow Lake and Slocan Mining Divisions; Ainsworth Mining Division, excepting that part east of Kootenay Lake, south of an east-and-west line through the mouth of Hendryx Creek.

Zone 12.—That portion of Nelson Mining Division east of Kootenay Lake and Kootenay River flowing thereinto, south of the watershed of Sanca Creek.

Zone 13.—That portion of Fort Steele Mining Division lying to the west and north of the westerly boundary of the watershed of Gold Creek, an east-and-west line through the south-east corner of Lot 2374, Kootenay Land District, and the westerly boundary of the watershed of Elk River.

Zone 14.—That portion of Fort Steele Mining Division lying to the east and south of the westerly boundary of the watershed of Gold Creek, an east-and-west line through the south-east corner of Lot 2374, Kootenay Land District, and the westerly boundary of the watershed of Elk River.

Zone 15.—All that portion of the Province not hereinbefore described.

REGULATIONS SUPPLEMENTARY TO REGULATION 11.

REGULATION 20.

(Approved May 1st, 1941.)

(Respecting Dominion Tax on Gasoline.)

1. Notwithstanding anything to the contrary in Regulation 11 of the Coal and Petroleum Control Board, the prices for gasoline therein prescribed shall not include any special tax on gasoline imposed or to be imposed by the Parliament of Canada during 1941 or thereafter, and, where such tax is payable, the amount thereof per gallon shall be added to the prices prescribed in said Regulation 11.

2. This regulation shall come into operation on the 30th day of April, 1941.

REGULATION 21.

(Approved November 19th, 1941.)

Whereas powers of regulation of grades and prices of gasoline have been given to the Oil Controller under the laws of the Dominion of Canada, and it is desirable that the regulations heretofore made under the provisions of the "Coal and Petroleum Products Control Board Act" be revised in order to eliminate any conflict with the policy and orders of the Oil Controller:

And whereas the Oil Controller, by order numbered 008A and dated September 26th, 1941, has prescribed grades of gasoline, referred to in the Order as "Grade I." and "Grade II.":

The Coal and Petroleum Control Board hereby makes the following regulation:—

REGULATION 21.

(Respecting Prices and Grades of Gasoline.)

1. During such time as the grades of gasoline established by the Oil Controller by his order numbered 008A and dated September 26th, 1941, are in effect, or until further order of the Coal and Petroleum Control Board, Regulation 11 of the said Board, as amended and supplemented by Regulations 14 to 20, inclusive, shall be subject to the following special provisions:—

(*a.*) Sections 2 and 13 and Schedule A are suspended:

(*b.*) The grades of gasoline referred to as "Premium" and "Regular" shall be the grades of motor-fuel established by the Oil Controller as "Grade I." and "Grade II." respectively in his order numbered 008A:

(*c.*) Each of the prices set out in subsection (1) of section 4 may be increased 1c. per imperial gallon.

2. This regulation shall come into operation immediately on its approval by the Lieutenant-Governor in Council.

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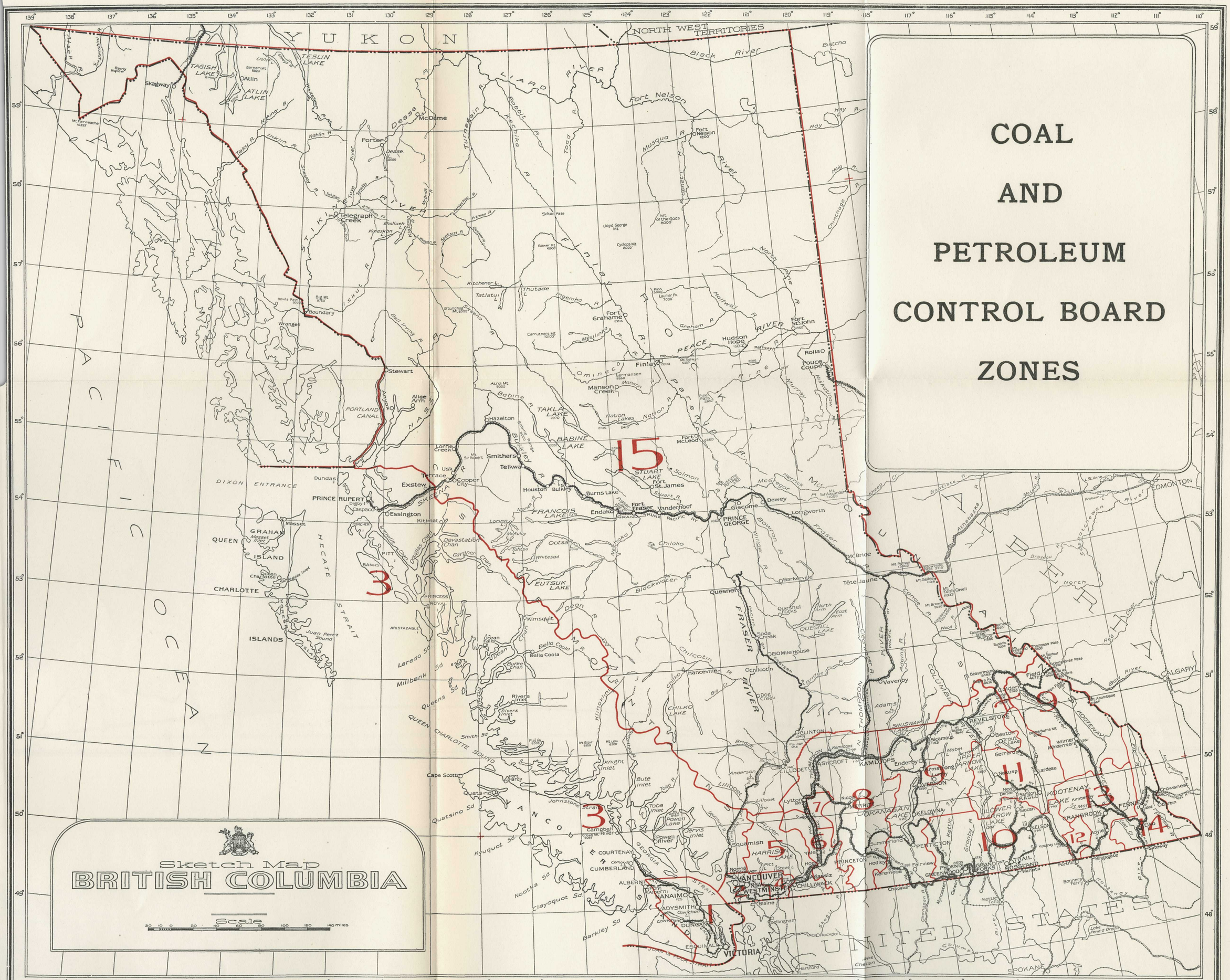
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