

California Service
Station &
Automotive Repair
Association

1605 Fourth St., Suite C
Santa Rosa, CA 95404

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Phone: 707/ 545-6376 FAX: 707/ 545-6751

<http://www.cssara.org>

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\$100 PER BARREL - HOW CRUDE

The big money game is being played at your customers' expense as crude oil spot prices reach the \$100 per barrel mark. Consumers have been masterfully set-up and can now expect to pay European retail prices for fuel.

What is actually happening is that Big Oil has found another scapegoat – the price of crude – to justify their collective hike in fuel prices.

Crude oil is bought and sold on an unregulated commodities market known as the New York Mercantile Exchange. Since there is no government oversight of this market, the spot price of crude oil is being heavily influenced by issues such as politics, economic fears, rumors, market manipulators such as OPEC members and, of course, the major oil companies. The major oil companies also own most of the world's oil producing wells and they purchase very few barrels of crude at spot market prices. In fact, less than 7% of the crude produced is purchased and sold on the spot market. This cleverly orchestrated scam will allow big oil to continue to reap their mega-profits for many years.

Hiding behind the smoke screen of artificially inflated crude prices, the majors are mostly unchecked by the only real power able to stop their gouging ways – our government. Our government officials have real problems in dealing with hard core issues created by big oil profits. If government interferes it will hurt itself because tariffs and taxes would diminish. States such as California would lose money because less sales tax would be collected. Politicians would not be able to be influenced by the large contributions they now receive and maybe – just maybe – they would redirect their efforts and interest and actually represent and be accountable to their constituents.

A recent U.S. Chamber of Commerce Report entitled “A Dozen Facts You Should Know About Anti-Trust and the U.S. Oil Industry,” exonerates the majors' antitrust behavior! (Be aware that the U.S. Chamber represents big oil.) The report was written

by Timothy J. Muris, a former Bush appointee who headed up the Federal Trade Commission and Richard G. Parker, former Director of the FTC's Bureau of Competition under the Clinton administration. The authors suggest that “*instead of pursuing market-distorting initiatives that would harm consumers, the government should remove constraints on industry members, [“yes, big oil”], to respond quickly to future supply disruptions and eliminate state laws that needlessly increase gasoline prices.*” In other words, let Big Oil completely have its way! No wonder our country is being gouged. Look at the attitudes of two of our former top bureaucrats charged with the responsibility of protecting the American public from the desired profits of the major oil companies' boardrooms. Yes, it seems that the fox has been guarding the proverbial hen house. Are you also aware that the current head of the FTC is a former major oil company executive?

There is one additional player who is capitalizing on the opportunities created by high petroleum prices, that is the environmental opportunist. I'm not saying society should not decrease its dependency on carbon fuel. What I am saying is the transition needs a commonsense approach and our elected officials need to better scrutinize that transition to protect the interests of the public, small businesses and people on fixed incomes. As long as we are apathetic about getting involved and do not **demand** better representation from our elected officials, we will be victimized.

By Dennis C. DeCota
Executive Director CSSARA

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