

## \$5.85 an imperial gallon: New record gas prices in Canada

Contributed by Peter James  
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Angry Canadians are organizing a 'Gas Out' day this week to protest the ridiculous new high prices of gas in Canada. But while fuel costs soar to record levels, some consumers, pundits and politicians are debating the pros and cons of higher prices on the Canadian environment, driving habits, vehicle purchases and vacation planning. While no one likes to pay more for a fill-up, there may be some long-term benefits paying \$1.30 a litre (or more) at the gas pump.

Good old days long gone as Canadian fuel prices hit new highs

We used to laugh at drivers in Europe and Asia paying astronomical prices for gas. Those certainly seem like the good old days as fuel prices hit the equivalent of \$5.85 an imperial gallon in British Columbia - probably the highest gas prices in North America now. No one's laughing any more!

It's been seven years since frustrated drivers in Atlantic Canada organized a "Gas Out" day to protest new gas prices of \$.72 a litre - just a little under half of today's pump prices. Now it's all Canadians turn to not buy gas for a day to send a message to Canada's oil and gas companies.

Quite frankly it amazes me that nearly doubling the price of gas in less than a decade has not shot Canada's and America's inflation rates through the roof. Petroleum products - unleaded and diesel - drive our economy - literally - from the produce-raising farms to the long-haul trucks to the freight-carrying railways to passenger-moving airlines. In addition, petrol products are used in countless different manufacturing processes for consumer goods we use every day. It seems these higher delivery and assembly costs are being absorbed by manufacturers rather than passed onto consumers - to date at least. So far Canada and the United States has avoided the double-digit inflationary spiral that plagued North American economies in the 1980s.

Not all Canadians believe high gas prices are bad

But not everyone believes that high gas prices are a bad thing. We certainly have to pay attention to our lifestyle. Nothing concentrates the mind like money.

The fact is, between 1995 and 2005, national gasoline consumption rose 15%, according to Statistics Canada. We are using more gasoline than ever, ignoring greenhouse gases impact on the environment, impending oil shortages and alternatives like hybrids, transit and cycling.

As fuel prices continue to rise, vehicle owners will consider other ways to commute, shop and vacation. In addition, we can expect new developments in fuel cells, hybrid autos, electric cars and other modes of transportation cost-justified by soaring price of gas.

Can Canadians change their driving habits? It's inevitable as we look for more fuel economy from our cars, trucks and vans. My son-in-law is already taking the bus to work, which adds an hour to his daily commute, but saves him \$200 a month in fill-ups. My daughter bought a Toyota Yaris because it offered the best gas mileage in its subcompact category. In many ways the high price of gas is fueling some exciting changes to the future way we drive in Canada.