

## Bill Rea ? How low can the price go?

This being my first column of 2015, I think I'll do some reflecting back a couple of years.

What were you doing July 3, 1999? Take your time as you throttle your thoughts back more than 15 years. It was a Saturday, if that's any help (I had to look that up on a perpetual calendar, if it makes you feel any better).

I had not quite been married a year at that point. The first anniversary for Beth and myself was a couple of weeks away. I was still editing community newspapers in eastern part of Toronto, working for a company that had less than six months to go before it went under, and it's possible that I found myself doing something job-related that day (I've been a workaholic for a long time, you know?) But there is one thing I absolutely know I did that day some 15 and a half years ago, because I have the documentation in front of me.

I got gas for my car, which was brand new at the time. It was a Saturn, and I had had it less than a month to that point. It was the fifth time I filled the tank.

Alas, one's memory fails as one gets old, so I can't tell you where I tanked up. I do know there was a gas station in the area of Gerrard Street East and Pape Avenue in Toronto that was just a little outside of my professional stomping grounds. Its appeal dealt with the price they charged for gas, which was frequently about two cents per litre less than the going rate at other stations with which I was familiar.

It's been many years since I've been in the area, so I don't even know if the station is still there.

And the price I paid for each of the 34.52 litres I pumped into my new tank that day was 49.2 cents.

When was the last time you paid that rate at a gas pump? The reason why I consider it sort of remarkable was it was the last time I paid less than 50 cents for a litre.

Those were the days.

Although I accepted, at the time, the obvious economic reality that the price of things normally increase over time, I remember clinging for a very long while to the hope that a litre would drop back where it belonged, like at less than half a buck. But life does have a tendency to be annoying (one of the reasons why they have newspapers).

Within a month, I found myself paying 60 cents per litre. I remember as that threshold approached, vowing that there was no way I would pay such exorbitant rates. I'd stop driving if I had to. There was only so far that I would let inflation drive me.

History records, of course, that the price of gas passed 60 cents per litre in due time, and went past 70 and even 80 while I was still driving the Saturn. I went along with it because, like everyone else, I had no choice.

I drove that car for about five and a half years. I had been hoping to get another year out of it. I probably could have, despite the fact I had put about 360,000 kilometres on it and it was definitely showing its age. Alas, my mother passed away in the fall of 2004, leaving behind a condo full of furniture, a cuckoo clock (which hangs on the living room wall of my house) and an eight-year-old Toyota Camry with less than 33,000 kilometres on it, among other things. The car she and my dad shared until his death 12 years earlier had given out, so the Camry was the first and only car she ever bought on her own. It is a fact my mom did not drive much, but she wanted a car at hand in case she needed it. My brother drove it home for her from the dealership. And within a week, she extended to me an offer to take it for a spin. I subsequently learned that I actually drove it before she did.

It was also a fact that the Camry was sitting in her condo parking spot some months after she died, while my brother and I were sorting out the estate. He had recently acquired a new set of wheels (actually a new used set of wheels), and he also knew the Saturn's days were numbered, so he urged me to take the Camry as part of my share of the inheritance.

?It goes like stink,? he commented as part of his pitch.

I went through the necessary, prolonged procedures to transfer ownership of the Camry from my mother's estate to my name. I even had to produce a copy of my late father's death certificate (Mom never updated her will after he died, so he was still listed as main beneficiary).

Thus the Saturn was history. I filled its tank for the last time May 6, 2005, paying 84.7 cents for each of the 42.37 litres I bought that day.

I have a habit, probably a bad one, of letting the tank drain almost to empty before gassing up. The result was I bought gas for that Saturn 577 times, putting in a total of 21,892.59 litres into the tank. The average litre over those five and a half years cost 69.75 cents (incidentally, I'm such a tightwad that I never spring for premium ? I always buy the cheap stuff).

Isn't that all interesting?

Now reflect on what the price of gas is today.

I filled the tank of my current car, a 2008 Ford Fusion, Friday, paying 89.9 cents per litre. It was the 433rd time I had filled the tank,

and thus far, I have paid 116.2 cents for the average litre. The first time I gassed it up was Feb. 15, 2009, paying 82.6 cents for each and every one of those 57.08 litres I pumped into the tank.

In case you're wondering where I get all these figures from, I have always kept track of gas mileage since I bought my first car almost 30 years ago. The information comes in handy at tax time. I also figure that if I see a sudden, unexplainable change in my fuel consumption, it's probably an indication that something needs to be checked out on the auto.

And yes, many, many people have told me I really need to get a life.

We've now come into a period when the prices we pay at the pumps seem to be almost in free fall. People like me, who drive a great deal, must surely think this is good news. Yet for some reason, I keep reading and hearing a lot of negative reaction. There are fears the petroleum industry is going to take a major hit because of the dropping prices.

I think we should all realize that when it comes to the economy, just about everything runs in cycles, be it the markets, prices for various goods, etc.

Besides, as I observed above, economic reality should tell us that prices of just about everything eventually go up, especially if there's a demand. And I don't think we're going to see the demand for gasoline disappear any time soon.

So for the moment at least, the price of gas is low enough that I can actually afford to drive. It's going to take a certain amount of financial analysis to convince me that's bad news

