



Businessweek : There is No Gas Shortage!



So how does it feel?

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Washington DC April 2, 2008; The AIADA newsletter reported that on March 5, 2008 President George Bush told the Associated Press, "It should be obvious to you all that the [gasoline] demand is outstripping supply, which causes prices to go up."

BusinessWeek columnist and automotive expert Ed Wallace has just one problem with this statement: it isn't true.

Gasoline reserves on hand are at the highest levels since the early 1990s. In fact, average gasoline reserves on hand have risen since this past October, while oil reserves in this country have gone up virtually every week this year.

There's no shortage of gasoline or oil in the U.S. today, and we have near-record reserves on hand. Meanwhile the Congressional mandate for ethanol has jacked up the price of food.

In addition, demand has actually fallen in recent months. In January of this year, the U.S. used 4 percent less petroleum than we did a year ago and demand was down 3.2 percent in February.

So why is our government perpetuating these commonly held, but wrong beliefs? Because it's protecting those responsible for creating yet another speculative bubble in oil futures, and is protecting investors in the ethanol industry.

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