

Price Gouging

By Paul Gibson



So I hear the price of oil is skyrocketing!
We are up to \$72 a barrel.

While the price of oil continues to rise around the world, politicians and especially oil companies are taking advantage of the situation to file record profits and gains.

The dichotomy or irony of it all is that as soon as you hear that the price of oil, petrol or gasoline has gone up in the marketplace, you are not surprised to see the price of petrol at the petrol station go up above a euro... You are officially the victim of a FRAUD!called Price Gouging.

Price gouging is very simple to commit and hard to prove. Take the example of "petrol" for example. The actual time lapse that occurs between a rise in price of oil per barrel and the price "at the pump" or at the petrol station should actually be a red flag, especially when you here one week that the price of oil has risen and then you see higher prices the next.

When you hear that inflation in this country or any country is caused by energy prices or petrol prices...the first question you should ask is what were the prices of petrol like six months ago at the least, NOT the price six days ago. The reason is simple: it is simply idiotic for any business to price their products or services based on yesterday's price of petrol. Reason? They may be endangering there annual profits. Services are priced annually to maximize profits, and smart businesspeople will not engage in such practices. So it is safe to say that the "just price" of petrol is based on the price of petrol from six months ago, not six days ago.

In fact, the person who does raise their prices will LOSE money in the end. Price gougers raise prices even higher than market prices to take advantage of and deceive their customers. They think (erroneously), that they will make more money, when in fact they are hurting their own business.

As mentioned before, it is not easy to "prove" price gouging, as it seems politicians/lawyers like to define the difference between profiting and profiteering according to their own whim. Blaming petrol companies for the economic woes of any country may make sense if their economy depends on it, but let's face it, unless you are Saudi Arabia, Iraq, or any OPEP producing nation, you DO NOT DEPEND ON IT! Tomorrow, you can ride your bike to work and still make money...but if 85 percent of your businesses are built around the petrol industry, your country DOES depend on oil prices and higher prices benefit your country...so who are the real winners here... you be the judge...but it seems pretty clear where the problem is NOT in the case of Spain.