



**New Jersey Gasoline, C-Store, Automotive Association (NJGCA)**

*(Formerly New Jersey Gasoline Retailers Association)*

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**FOR IMMEDIATE RELEASE**

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**Hold on to Your Wallets**

New Jersey Gasoline, C-Store and Automotive  
Association (**NJGCA**) is Very Concerned

Oil Companies Will Reap Huge Profits Because of Investment Speculation

**Sharp Rise in Crude Oil Prices not in Synch with Supply and Demand!**

Consumers and Gasoline Retailers Will Feel the Pain

Speculator, NY-- This release is originating from NJGCA winter offices located high in the Adirondacks of Speculator NY, rather than NJGCA headquarters in Springfield, NJ. It is decidedly proper to send this release from Speculator NY since it appears as if *speculators in the crude oil market* are going to keep it very cold in America this coming winter. Winter in Speculator NY is usually very cold, and it is about to get colder.

Despite sharp rises in crude oil prices over the past month, gasoline prices had remained relatively stable. Upward pressure from dramatic price hikes for crude oil has now forced the price of gasoline, diesel and heating oil to higher levels.

Sharp increases in the price of crude oil have not followed normal supply and demand economics. Stocks of crude oil have remained relatively steady in comparison to the same period last year. Stocks of gasoline are also similar. Only stockpiles of distillates such as diesel fuel and heating oil are slightly down from this same point last year.

Overall demand for gasoline and other refined products also remain relatively on par as of the same period last year.

Yet crude oil is priced \$30 per barrel higher today than it was at this time last year. Gasoline prices are presently 55 cents per gallon higher today than they were at this time last year, and this does not yet reflect the recent sharp increase in crude oil prices.

So why has there been such a sharp rise in the price of crude oil? Speculation! Speculation!

This is yesterday's dictionary definition of speculation: Speculation (n.)— Risky transaction, a financial transaction that involves risk, but is potentially profitable.

Here is today's definition of speculation: Speculation (n.)—1. The ability of oil companies to bid up higher crude oil prices, and make billions for themselves. 2. The ability of oil companies to empty the wallets of consumers, gasoline retailers, and small business owners and transfer the contents to their own bank accounts.

The New Jersey Gasoline, C-Store, and Automotive Association (NJGCA) want to be certain that the motoring public understands where the blame for expected price increases should be placed.

Responding to climbing gasoline prices over the last 5 days, NJGCA Executive Director Sal Risalvato stated, "I want to be certain that motorists that are filling their tanks know that these high prices benefit the major oil companies and ONLY the major oil companies".

"The rise has only just begun. Once prices at the pump truly represent today's price of crude oil, motorists will begin to display the same anger that they felt back in late spring of this year. This time they have good reason to be angry, since it is not supply and demand that is driving the price, but speculation and profit taking for oil producers", said Risalvato

NJGCA represents operators of retail gasoline stations. NJGCA's 1500 members subscribe to capitalism and free market principles, but they are angry because it is not supply and demand that is driving the price upwards now. They fear the added squeeze in their profit margins, combined with the added requirement of extra cash to buy inventory will cause some to close their doors.

"Motorists should understand that an independent small business owner operates the gas station where they make their gasoline purchase. They should know that the person operating that retail facility makes about 10 cents on every gallon of gas sold regardless of whether the price on the pump is \$2 or \$3". Risalvato said.

"Do you know how much my members have to pay for a truckload of gas? Risalvato asked. "When gas costs \$2 a gallon my member has to have \$17,000 cash waiting when that delivery arrives. When gas is \$3 a gallon, then a truckload costs \$26,000. That's right! - and it is C.O.D., the cash has to be waiting when the truck pulls in the driveway!" He complained.

Risalvato continued, "I just want the motoring public to understand that it is not the small business owner that is selling the gasoline, but rather it is the major oil companies that are reaping huge profits. "I always tell folks that the best remedy for high gas prices IS

high gas prices! Motorists have a breaking point, and when the price gets too high, they will change their driving habits in order to use less gas”.

Risalvato ended with, “Once demand falls because motorists have reduced their consumption, then true market forces and the law of supply and demand will kick in. The price will eventually drop again, However; when oil companies can increase price based on speculation rather than market forces, then they are betraying the public,”

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