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Road trip!

by BRIAN LOCKHART

Every summer, a lot of Canadian families and plenty of single people pile into their cars and head out on a classic road trip.

A lot of you have probably done the classic Ontario tour of heading east to see the Maritimes.

Cruising the Cabot Trail alongside the ocean in Nova Scotia is an unforgettable drive.

You can take a ride to P.E.I. on the Confederation Bridge across miles of water.

The real adventurous types keep heading east and take the ferry to visit the The Rock and have some fun with Newfoundland culture and scenery.

My big road trip wish has always been to drive west to the Pacific ocean. Many people tell me that heading through Manitoba and Saskatch-ewan can be pretty tedious with miles and miles and miles and flat, straight highway along the Trans Canada. I don't care. I'd like to see prairie big sky country in all its glory.

The planned trip includes a couple of side trips in Saskatchewan to see the farm where my paternal grandparents settled in the 1870's and visit some long-lost family places.

A couple of years ago I started planning this epic adventure.

I calculated fuel costs alone, to be slightly over $3000 and as much as $3500 when gas prices hit a high, if I drove to Vancouver and returned via the North U.S. to see those States as well since I would be travelling.

The same trip now, would be around $2,100 give or take a few hundred dollars depending how you drive.

That's a huge difference.

Most of you have probably been enjoying the low gas prices that have been at the pumps recently. Notably I paid 74 cents per litre one week.

One of the longer tips I take on occasion usually costs me around $50 round trip. The last time I went I paid only $30.00 gas, there and back.

This drop in fuel prices happened rather quickly and there's a whole lot behind the story of why crude oil is selling at an historic low.

The bottom line is, of course, supply and demand.

The COVID-19 pandemic has played a part in this. With millions and millions of people world-wide suddenly staying home and not driving, no one was buying anywhere near the amount of gas they would normally use to get back and forth to work. Both the U.S. and China, the number one, and number two consumers of oil in the world, started to go under a lock-down.

However, the drop actually started before the pandemic when they started producing more oil than the world needed.

When the big oil-producing countries got together to figure out what to do about falling oil prices, notably Saudi Arabia and Russia, they couldn't come to any kind of agreement. That resulted in the biggest drop in oil prices since 1991.

It seems both countries need the income from oil experts too much to start slowing down production.

According to experts in the oil industry, even if they managed to agree on a cutback in oil production, that will cause the gas prices to level out ? not go up.

For every 42-gallon (US) barrel of crude oil, around 19 gallons are refined into gasoline. The rest is divided into asphalt base production, heating oil, diesel fuel, and jet fuel.

This should translate into lower air costs once airlines start again flying internationally.

While low gas prices may be good for the average person on a day-to-day level, over all this could have some negative impact on the larger economy.

Fuel companies and fuel taxes are responsible for a fairly large portion of the job market, including transportation. And all those taxes raised from gas sales do go to support government programs.

At least for now, the low fuel prices are giving us a needed break among rising costs in other markets such as the beef industry which is going to see a spike in prices since several producers have had to shut down after being contaminated with the virus.

If OPEC and related industry countries keep up their feud, the Saudi princes may have to start driving Chevys and Russian oil barons may be back to scooting around town in Soviet-built Ladas.

With an historic low in fuel prices, this might be the year the road trip is back on ? even if you have to resort to baloney sandwiches for lunch during picnic stops.