

Lower gas prices vital for families and U.S. trade

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Even though [gas prices](#) are increasing for the summer driving season, some politicians and big government advocates continue to allege that lower gas prices are a bad thing. Many elected officials are trying to capitalize on the reduced prices by raising fuel taxes.

The voters disagree. One example was Michigan's Proposition 1, which was soundly defeated on May 5. Lawmakers supporting the measure claimed it was essential to repair transportation infrastructure; opponents pointed to the harm it would do to the economy.

Those supporting the concept that high prices encourage investment say decreased prices at the pump will hurt the stock market, but opponents point to the harm it does to middle class Americans.

Recently, the [Wall Street Journal](#) noted that "American families are enjoying a level of economic relief they haven't experienced in six years—and it is largely attributable to the recent slide in gasoline prices... Families are saving ... at the pump and are paying less for groceries and everyday goods thanks to lower transportation costs. Considering that median family incomes are 3% lower than they were six years ago, this is a welcome reprieve for the middle class. Politicians, on the other hand, see an opportunity to ask Americans for more of their paychecks. On Feb. 4 Democrats in the House of Representatives, led by Rep. Earl Blumenauer (D., Ore.), introduced a bill that would raise the federal gas tax by 15 cents—nearly doubling the current 18.4-cent-per-gallon tax. Meanwhile, legislators and governors in more than 15 states are pursuing gas-tax hikes of their own... While the various proposals differ, one thing is the same: None should be passed into law."

The [CATO Institute](#) reports that "we cannot say that the drop in oil prices is bad for the economy. We could unambiguously say that it is good if we knew that all individuals are participating in the gains—or, at least, that no individual experiences a loss. An alternative way to say that the price drop cannot be bad is to say that it is potentially good. If there is more of all goods, everyone can potentially benefit."

Increasing energy production, which would support lower prices, is not only advantageous for American families, but vital for the suffering U.S. trade imbalance.

According to [Trading Economics.com](http://TradingEconomics.com) “The United States recorded a trade deficit of 51367 USD Million in March of 2015. It is the biggest trade deficit since October 2008...The United States has been running consistent trade deficits since 1976 due to high imports of oil and consumer products...”