



HOW GAS AND 'PETROL' PRICES FEEL DIFFERENT

Europeans and Americans think very differently about gas prices. Across the pond, gas is seen as a privilege. Not so, stateside.

By [Sheila Eldred](#)

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THE GIST

Europeans pay double at the pump because of higher taxes and gasoline that is not as subsidized as it is in the U.S.

Americans are more likely to complain about the high cost of gasoline.

A recent poll shows that 85 percent of Americans think the president and Congress should control the price of gas.

Europeans pay at least double what Americans do in gas prices. In some countries, gas prices are even more than that.

As American families pack up their cars and head out on the road for the long Memorial Day weekend, many will grumble about gas prices. Though, prices are projected to be modestly lower than a year ago, the pain at the pump feels like a very American ailment.

It's not as much of an issue, let alone a political talking point, across the pond as it is here. To Europeans, gas is viewed as more of a privilege than a right.

Where does that thinking come from?

Kelly Rigg has lived in many American cities from Los Angeles to Boston, but she's spent most of the past 22 years in Amsterdam where gas prices are often triple the price Americans pay at the pump.

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"Ever since the oil embargoes of the 1970s, I can't remember when gas prices were NOT an issue in the U.S.," says Rigg, who has been running public interest campaigns (including climate change) for the last 30 years. "It seems to be an ever-present drum beat whenever prices take a jump. I subscribe to two Dutch daily newspapers, but have never noticed any major turmoil around prices at the pump."

The government projects that U.S. summer gasoline prices will average \$3.79 a gallon, up 8 cents from last year. Prices in Europe are often more than double that, thanks to stiff taxes and no subsidies. Yet, despite insistence from economists that changing gas prices affect household income only minimally, Americans gas prices are such a hot-button topic in the U.S. that political advisers manage campaigns around it.

"Nobody likes to pay more for the same thing, but why gas prices are so special eludes a lot of people -- including me," said Jos Dings, director of Transport & Environment, a non-government organization in Brussels that campaigns for sustainable transport. "There is definitely a degree of hysteria in the US; it is

ridiculously politicized. It seems that for some it is difficult to accept that the oil price is made on the world market, not in America. Some even think that one pipeline will change the way the world market works; this is simply misleading and dishonest."

Part of the reason for the disconnect is the amount of time Americans spend in the car.

"Despite the fact that, on average, we pay four dollars a gallon tax and you only 50 cents, you end up spending \$700 a year more a head on fuel than we do," Dings said. "You are so used to cheap 'gas' that you burn three times more per head than we do."

It's not that Europeans happily fuel up for twice the price, as recent protests by truck and taxi drivers in Italy attest.

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"But Sweden, Ireland and Belgium are examples of countries that raised fuel taxes too recently without much, if any, public protest," Dings said.

Europeans realize that the oil price is set by the world market, Dings said. Also, since so much of the price comes from taxes, prices don't fluctuate as much. In fact, when adjusted for inflation, prices are similar to what they were 30 years ago, Dings said.

In the U.S., it's much more political, said Peter Van Doren, a senior fellow at the Cato Institute.

"U.S. antipathy to oil companies goes back to the Standard Oil Trust over 100 years ago," he said, referring to the company John D. Rockefeller formed in 1863 and built through 1868 to become the largest oil refinery firm in the world. "The real price of gasoline declined throughout most of the 20th century...from the [1970s] forward, people blamed oil companies for everything.

The American public has a misconception of the president's role in the American economy. In short, he said, Americans tend to think that the president controls the macroeconomy.

President Barack Obama recently asked Congress to increase federal supervision of oil markets and to heighten penalties for subverting markets.

"Voters and politicians act as if politicians can do something about things that they can't do anything about," said Van Doren, who co-authored a story about it in [U.S. News and World Report](#). "And that's not good." In a recent [Gallup poll](#), 85 percent said the president and Congress should "take immediate actions to try to control the rising price of gas."

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Obama, he said, is actually trying to deliver the message that there's not much he can do in the short term.

If voters vote for a candidate who reduces expectations about what he can do, like Obama has maintained, "that might open the road to future politicians not feeling forced into overpromising," Van Doren said. But if Obama sticks to his message and loses, others are unlikely to try to take the high road, Van Doren said.

Obama repeated the message in April in the Rose Garden:

"There are politicians who say if we just drill more, gas prices will come down," Obama said. "What they don't say is that we have been drilling more." Drilling doesn't change the fact, he said, "that we use more than 20 percent of the world's oil and we only have 2 percent of the world's oil reserves."

Exactly, echoes Dings.

"By far the best bet is using less oil; the simplest way to get there is a higher fuel tax," he said. "The European model indeed; it has served us very well. I realize how dreadful this sounds to American ears, but someone has to say it."

Exactly how much are others paying? Click [here](#) for a current report. As for the U.S., the U.S. Energy Information Administration predicts that regular-grade gas prices could peak at \$4.01 next month.