

Competition Could Drive Prices Down

BY MICHAEL HIRSCH
 What can St. Lawrence County residents who want to know why gas prices here are as much as 28 cents a gallon higher than elsewhere in the state learn from the example of convenience stores in the Tri-Lakes area?

Plenty, according to a St. Lawrence County planning office study on gas pricing.
 When the Stewart's retail chain opened stores in Lake Placid and Saranac Lake in 1984, local residents were soon buzzing about the outlets. But it wasn't the 36 flavors of Stewart's own brand of ice cream that had them talking.
 In a region where residents had become resigned to paying some of the highest gas prices in the state, the Stewart's stores began selling gas at five to ten cents a gallon less than other stations. Within weeks, gas prices in the region dropped as other retailers sought to stay competitive.
 Stunned locals stood back and watched the first gas price war in northern New York.

But a St. Lawrence County planning office study said, there is no station or chain driving prices down. Instead, gasoline wholesalers and retailers here charge what they think they can get for their products.

"There can be no question that many retailers have a 'charge what the traffic will bear' attitude," the study stated. "Several retailers commented that they set their pump prices according to what they see other area retailers charging."

The 42-page report, obtained Thursday by Park Newspapers before its official release, repeatedly said that a strong "charge what the market will bear" attitude among sellers was the prime reason for high gas prices in St. Lawrence County.

"More competition among wholesale distributors and among retailers could modify this attitude and push down area prices," the study said.

"In the Tri-Lakes area it has been demonstrated that area retailers and wholesalers could be made to lower prices in response to a strong competitor. Such a downward push on prices appears to be absent from St. Lawrence County, except in highly localized situations."

The report later concluded that in St. Lawrence County, "meaningful competition is virtually absent."

The study, which had been requested by county Legislature Chairman Rosemary Sanford, cited several other factors for high gas prices here, including reliance on contract purchasing and greater transportation costs. But it also implied that some companies were benefitting from the high prices.

Although it specifically stated that it "did not seek to place blame with any particular individuals or group," the study later suggested that wholesale gas distributors were profiting the most from high prices at North Country pumps.

On average, gas stations surveyed near major cities in the

state sold 5.4 times as much gasoline as stations surveyed in St. Lawrence County. But contrary to popular opinion, one official said that retailers in St. Lawrence County were not making a higher profit to compensate for the lower sales volume. Supporting this, a graph comparing price to volume of gas sold for St. Lawrence County stations found no correlation between the two variables.

"...Ralph Bombardiere of the New York State Association of Service Stations said he believes that gasoline retailers in northern New York, including St. Lawrence County, earn the same average profit per gallon as retailers elsewhere in the state, approximately seven to ten cents gross profit per gallon," the report stated.

"This indicates that profit per gallon and possibly retail prices are not related to volume sold. Mr. Bombardiere instead stressed the lack of competition among wholesale distributors and the price-making position of retailers in the primary causes of high gasoline prices in St. Lawrence County."

"Retailers in St. Lawrence County are often depicted as being price-takers because they must often accept the price charged by wholesalers and because they have little ability to negotiate a lower price."

The example of Stewart's also supports the assertion that wholesalers are reaping most of the rewards of higher gas prices in northern New York. The retailer association's representative and the director of Franklin County's Department of Weights and Measures "attribute the drop in pump prices (in the Tri-Lakes region) to reductions in wholesale prices, rather than retailers trimming their profit margins," the report stated.

Boynton, the representative of Stewart's, said he thought distributors in the Tri-Lakes area were probably earning very high profits. He called prices in the area "unusually high."

Although the study offered no concrete recommendations, it did provide some hope that gas prices in St. Lawrence County could some day be reduced by increased competition.

Loan Receipts Due

CANTON — Friday is the last day for honey producers to request loans at the St. Lawrence County ASCS office in Canton. The 1987 loan rates on the 86 crop are: white 67.1 cents per pound, extra light amber 63.1 cents per pound, light amber 58.2 cents per pound and other table class honey 52.2 cents per pound. Honey loans will mature nine months after the month in which they are disbursed.

There is also a new honey buy-back provision this year. A producer can buy back honey at a lower rate than initially loaned on. Currently the buy back rates are: white 44 cents per pound, extra light amber 39 cents per pound and light amber 35 cents per pound. For more information call 386-2401.



HOT SHOTS — The winners of the Elks Lodge 2074 local Hoop Shoot contest are, from left to right: Morgan Cassara, Dan Almasy, Cory Bandy, Nicole Rowe, Tara Seguin, and Darcy LeVac. Standing in back is Gary Bartow of the Elks Lodge. (Dan Williams photo)

sports

Hoop Shoot Winners

Six new foul shooting champs were crowned Jan. 11 when the Potsdam Elks Lodge 2074 held their local finals at Clarkson University's gymnasium.

Taking the title in the 8-9 boys was Cory Bandy, from Norfolk Elementary School. He outlasted Tom Lavine, of Norwood Elementary. Nicole Rowe was the girls 8-9 champ, representing Norfolk Elementary. In second place was Simone Ames, from Colton-Pierrepont Elementary. Dan Almasy, from Norwood Elementary, won the boys 10-11 age group, edging runner-up Chad LaDue, from Norfolk Elementary. Tara Seguin (Norfolk Elem.) edged Nicole Burkett (A.A. Kingston) for the girls 10-11 title.

In the boys 12-13 group, Canton's Morgan Cassara took first place honors. N-N's Mark Henry was second. Darcy LeVac, from N-N, took the girls' title and Colton-Pierrepont's Amy McKee was runner-up.

The first place winners will shoot in the district shoot-offs Jan. 24 at Jefferson Community College.

Pine Street Schedule

Jan. 28
 Adults and Tots 10-11 a.m.
 Open Hockey 12:45-1:45 p.m.
 Public Skate 2-3 p.m.
 Figure Skate 3-4 p.m.
 P.C.S. vs. Thousand Islands 6:30-8:30 p.m.
 Merrill Sharp 8:45-10:15 p.m.
 Jan. 29
 Open Hockey 12:45-1:45 p.m.
 Public Skate 2-3 p.m.
 P.C.S. Hockey 3:15-4:45 p.m.
 Potsdam Junior Hockey 5-7 p.m.
 Public Skate 7:15-8:15 p.m.
 Potbelly 8:30-9:30 p.m.
 Jan. 30
 Adults and Tots 10-11 a.m.
 Open Hockey 12:45-1:45 p.m.

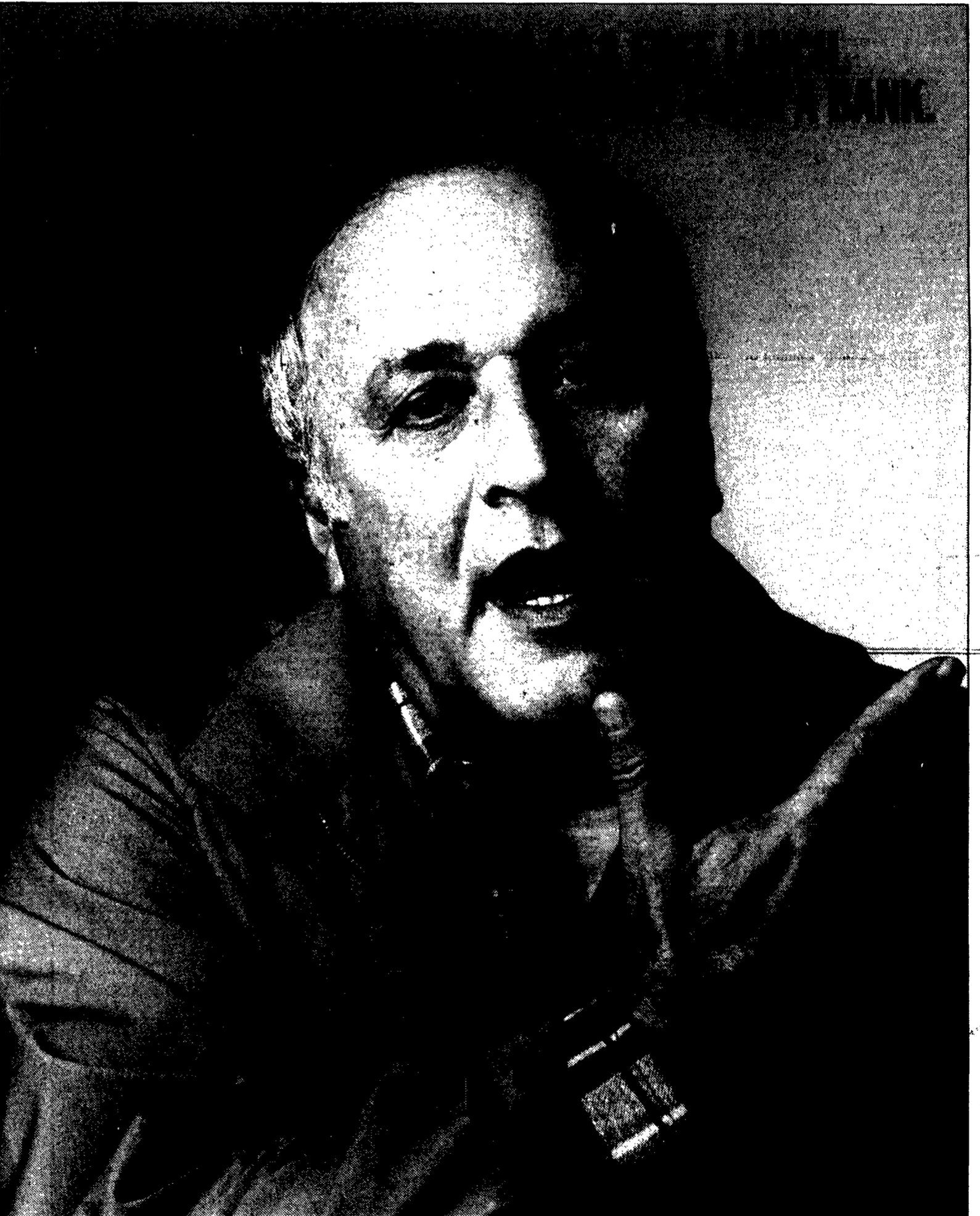
Feb. 1
 Potsdam Junior Hockey 6 a.m. to 12:45 p.m.
 Public Skate 1-2:30 p.m.
 Potsdam Junior Hockey 2:45-5:45 p.m.
 Part Timers 6-7:30 p.m.
 Broomball 7:40-9:50 p.m.

Feb. 2
 Adults and Tots 10-11 a.m.
 Open Hockey 12:45-1:45 p.m.
 Public Skate 2-3 p.m.
 P.C.S. Varsity 3:15-4:45 p.m.
 Potsdam Figure Skate 5-9:30 p.m.

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