

# Intelligence MEMOS



From: Rosalie Wyonch  
To: Canada's Regulators  
Date: January 12, 2018  
Re: **THERE ARE PEOPLE WHO STILL DON'T PUMP THEIR GAS?**

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**Y**es there are people that, by law, may not pump their own gas. But as of January 1, folks in rural counties in Oregon can legally pump their own gas. This minor change to a rather archaic labour protection normally wouldn't reach public consciousness outside the affected region. This was a special case because for most people living in a modern developed society (excluding New Jersey and Oregon), it was surprising that self-serve gasoline was illegal and very amusing how daunting a task it seems to rural Oregonians.

It's easy to see the humour. Letting people loose at the pumps isn't exactly controversial labour policy in most of North America. That's exactly the point, it's funny to everyone outside of Oregon, but it's a new unknown for the residents. With it comes uncertainty, resistance to change, and fear that self-serve is going to take away minimum wage jobs.

[Bans on self-serve gas stations have a number of economic effects](#): they reduce the total number and size of gas stations because businesses must pay for labour and can't choose to invest in a larger number of self-serve pumps instead. These effects compound through society because fewer gas stations with slower service results in people [driving further and waiting longer](#) to get gas. All the people working at these gas stations could put their time into other productive activities, meaning that overall output and income per person in the state would likely be higher without the ban. In addition, bans on self-service sales are typically associated with gasoline being [three to five cents per gallon more](#) expensive than it would be if pumping your own gas was allowed.

The significant economic costs associated with lost time, more expensive gas, and inefficient use of labour are a high price to pay for protection from dangers that are mostly unfounded – as evidenced by the absence of wide-spread gas station disaster. The concerns were once thought to be reasonable, since 23 states thought the threats were large enough to warrant a ban.

The controversy over self-serve gas pumps illustrates the result of regulation that stops the adoption of new and beneficial technology: it is ultimately doomed to fail. While automatable jobs can be protected for a while, the improved convenience and cost-savings from technology will eventually make the economic costs of the regulation drastically outweigh the benefits.

There are two lessons here for Canadian governments. First, any existing bans on self-serve gasoline sales, like those in [Richmond and Coquitlam British Columbia](#), should be removed. Second, and more importantly, governments should be wary of discouraging the adoption of new technologies through regulation unless those technologies pose a legitimate threat to public welfare. The result of slowing technological adoption is, by definition, being behind the times. In 50 years, let's be the ones doing the laughing, not the ones being laughed at.

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