

## IN THIS ISSUE...



### "MOST BAD GOVERNMENT RESULTS FROM TOO MUCH GOVERNMENT."

- Thomas Jefferson

A message from  
President and CEO  
William S. DeArment

I recently wrote about the ongoing lack of leadership in our country.

Nothing new to report, yet...

We continue to be driven by unknowing, no "skin-in-the-game," income-redistributing, progressive-spendthrift members of Congress and White House staff. They have no respect for the private sector, for manufacturing or for our country.

In my part of this world the good news is: ARLEN SPECTER IS GONE, and we have a very viable Republican Senatorial candidate in Pat Toomey.

Northwest Pennsylvania recently completed a very vigorous Congressional primary for the Republican position to run against our one-term Pelosi puppet, Kathy Dahlkemper, D-Erie, Pa.

Big hopes for November!

"THEY" (see above) say the economy is rebounding.

"THEY" say inflation is under control.

"THEY" say all is good in La-La land...

Here are some indicators:

- Increased supply chain price pressure. Crude goods/materials (defined as iron/scrap steel, non-ferrous metal ores and copper and aluminum scrap) up 28.8 percent year over year, with the core products up +49.5 percent, year over year.
- Public sector being pinched. Public transportation costs up 0.7 percent in April. Water, sewer and trash collection rates all up 0.6 percent for the month of April on a national basis. Local, county and state governments are all looking for ways to stop bleeding budgets.
- Intermediate Material Cost increases. In April, softwood lumber prices were up 4 percent, hardwood lumber prices were up 1.4 percent; plywood was up 8.7 percent; and gypsum products were up 2.4 percent. These increases continue to put upward pressure on pricing.
- Interest rates will start going up, yes, even though "THEY" say not. I look at the 30-day LIBOR rate, a true reflection of actual interest rate activity and the cost of capital. In April, 30-day LIBOR stood at 0.259 percent. Today (June 8), six weeks later, it stands at .35 and increase of 91 basis points, or 35 percent. Folks, that's inflationary. In addition, the money supply (M2) velocity is increasing.

It seems obvious that there is serious, mounting pressure on supply-chain pricing. These pricing pressures cannot continue to be absorbed by existing profit margins and/or productivity improvements.

It seems obvious that all forms of government are bleeding severely - to include that giant, hemorrhaging federal budget - with no signs of let up. This means cost increases on public-provided services. (While not a "tax" increase, this certainly is a fee increase to local citizens.)

It seems obvious that inflation will heat up...

None of this bodes well for the embattled U.S. dollar and our balance of payment problems.

For the Obama administration to claim that all is well and the economy is improving seems farcical.

We need fiscal restraint.

We need a manufacturing-sector program to make U.S. manufacturers more competitive on a global basis. The Obama Administration doesn't even consider this.

We need a true international game plan that makes sense.

We need to treat our service personnel with respect and dignity.

We need to quit sponsoring/apologizing to/subsidizing foreign governments that sponsor terrorist activity.

We need a real energy policy that will truly wean us off Middle East oil.

We need to cut federal government costs - not reduce the increase in their budgets, but CUT them at least 10 percent across the board... fiscal restraint.

We need control of our borders.

We need LEADERSHIP and true statesmen.

If you have any candidates in your part of the world that represent these thoughts: Support them! Help them! Put a sign in your yard! DO SOMETHING for them!

Regaining control of our country starts with this November's elections. I hope you will be there.

[View full article](#)



Vice President of Sales & Marketing Ryan DeArment shows the "Cool Tools" crew one step in the manufacturing process of the 412 V-Jaw pliers

### 412 V-JAW PLIERS TO GUEST STAR ON "COOL TOOLS."

CHANNELLOCK® is becoming a regular on DIY Network's "Cool Tools." In March, its crew headed to Meadville - for the second time in the show's history - to see how our new, versatile 6.5" 412 V-Jaw pliers are made. Their first visit, in 2007, was to see how a slightly bigger tongue-and-groove plier was made - the 20.25" BIGAZZ®. That doesn't even take into account the many other times the show has featured CHANNELLOCK® as part of trade show reviews and other exclusive episodes.

The crew appreciated the opportunity to get up close and personal while our associates forged, machined, assembled, polished and dipped-and-gripped a piece of raw steel into a tool that plumbers and do-it-yourselfers find very handy. After a full day in the factory, they saw first hand why CHANNELLOCK® is known for manufacturing quality pliers.

Not only was the TV crew familiar with manufacturing for the show, they were also tool lovers. So, it was a great compliment to hear their admiration for the efficiency of our process and the passion of our associates. You could even see a twinkle in the eyes of the crew while our associates forged the 412 pliers - or maybe it was just the sparks...

Look for the 6.5" 412 V-Jaw pliers in the "Compact Power" episode of season 7, which begins in November. We'll announce the air date and time when DIY Network finalizes its schedule in the fall.



Ryan, Jon and Bill DeArment pose with Jim Brown, a third-generation Channellock sales representative from Southern California, at the National Hardware Show. Brown retired in December 2009 after 36 years of service.

### NATIONAL HARDWARE SHOW A SHOWCASE FOR CHANNELLOCK®

*New products,  
reputation for quality  
draw large number of  
media and attendees.*

Last month, CHANNELLOCK® once again was a must-see destination for attendees and media alike at the National Hardware Show (NHS) in Las Vegas. NHS is the premiere trade show for the hardware industry, where manufacturers and retailers put their best on display. Some even go to extravagant extremes to lure people into their booths.

That's not true for CHANNELLOCK®. The combination of exhibiting new products - high-leverage linemen's pliers, ratcheting wrenches, and several combination tools - and a proven record of manufacturing the highest quality pliers in the industry never fails to create interest in what CHANNELLOCK® brings to the show.

"Our experience at this year's show was especially rewarding because many of the people that we talked to had an appreciation for our commitment to manufacturing pliers in Meadville," said Ryan DeArment, vice president of sales and marketing at Channellock, Inc. "It was satisfying personally and professionally to hear their gratitude because everyone at Channellock works hard to provide people with quality tools."

## BLUE NOTES

This is the electronic version of American Blue™, our quarterly newsletter.

If you have a story you'd like to see in American Blue™, please submit it to:

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