



PERFORMANCE REPORT

INFORMATION & VIEWPOINTS

Speculation And Fuel Prices Part II by John McLellan

“We have met the enemy and he is us.” Pogo

Every morning, all across the country, in small towns and large towns, groups of retired men gather in local coffee shops to swap stories, gossip and good-natured ribbing. After the usual exchanges and jokes about surgeries, aches and pains, and even erectile dysfunction, the talk often turns to financial matters in general, and incomes in particular. Talk ranges from griping about high gasoline and utility prices to the exorbitant costs of groceries and medical services. Let's sit in on the daily coffee klatsch at Ken's Kafe for a firsthand look at some revealing insights pertaining to speculation and the impact it has on petroleum pricing.

“On the way here, I put gas in my Focus and it cost me nearly seventy bucks to fill up!” The speaker was O'Brien, a retired cop.

“Greedy, blasted oil companies,” exclaimed Jones, a former trucker now living on a nice Teamsters pension. “There ought to be a law against their greediness.”

“It's not just the greedy oil companies, although they certainly profit hugely from the high prices,” added Smith, a retired machinist for a large automaker. “Speculators also

play a large part in driving prices up.”

“You bet your life,” said O'Brien. “Last quarter's profits were up nearly 400%! I read somewhere that speculators add as much as 90 cents to the price of every gallon of gasoline.”

“It's a darn good thing my pension is secure, otherwise I'd never make it with these high petroleum prices,” interjected Schmalz, a retired teacher. “I wish the oil people and those darn speculators would cut us some slack!”

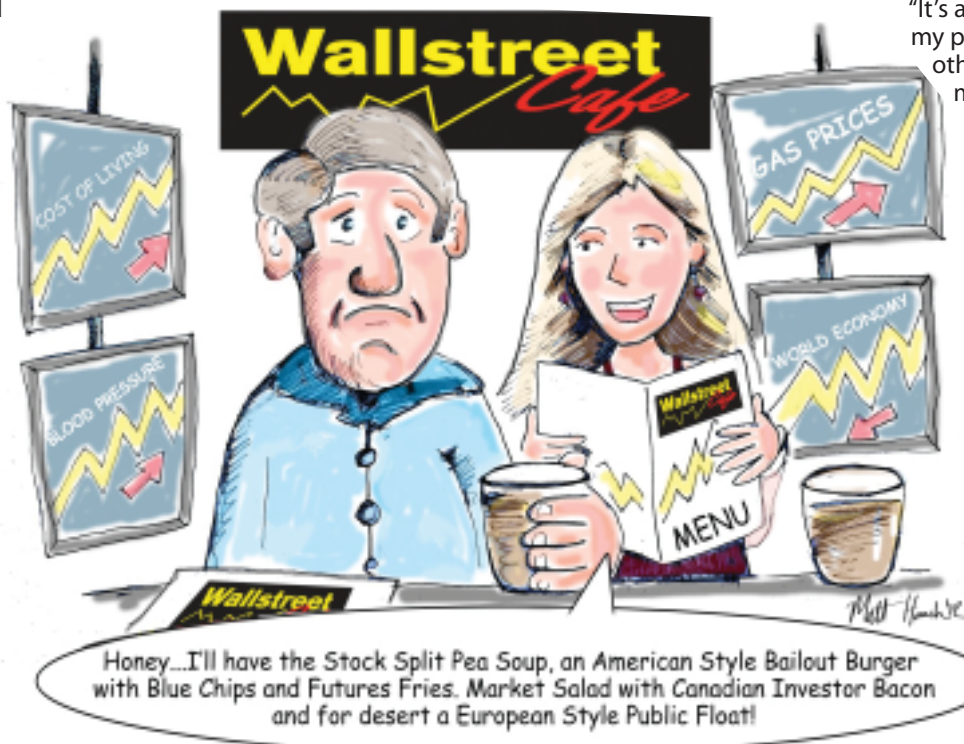
“Ain't gonna happen,” said Smith. “The speculators are too well funded. They get piles of money from all kinds of investment institutions like those big Wall Street banks. Heck, in the last five years alone, money that used to go to the stock market went to the

commodities market instead, primarily petroleum commodities. Those investments went from \$13 billion to over \$300 billion!”

Schmalz interjected, “Yeah! I heard that 27 barrels of crude are traded by speculators for every one we actually use. Imagine that!” He continued, “In fact, I read the other day that those barrels of crude are bought and sold in name only...most often no actual oil ever changes hands, only large amounts of money.”

“Something they call 'futures,’” said O'Brien. “They sign contracts to buy or sell crude oil at some date in the future,

(Continued on page 2)



INSIDE INFORMATION

- Information and Viewpoints •
 - Speculation And Fuel Prices Part II..... 1, 2
 - Allstar •
 - New Allstar Product.....2,3
- Manufacturers Spotlight •
 - Eastwood3,4
 - New Product Showcase •
 - TechMate, Husky Liner, Loctite, JBA, FST . 5,6
- Charlie Jobber •
 - Five Types I Can Live Without 7,8

when they can make more money. Futures trading has driven meat and grain prices sky high and has also ruined the real estate industry."

"I saw on TV the other night that the flow of speculator money, compared to the amount of crude oil involved, is like a flea on an elephant's back," said Jones.

"Did you catch that fat cat from Jay Peamorgan when he was before Congress last week? He said the prices are strictly a product of supply and demand, not speculators. I wanted to choke him! And then, those elected geeks pretty much bought what he said."

Up until now, Hurley, a retired accountant, had remained silent. He broke the silence, saying, "Guys, I agree that speculators are to blame for a sizeable portion of the gasoline price increases, but you are not looking at the whole picture. Anybody care to guess where many speculators get the money to play with?"

"The ###%@* oil companies, I'll just bet," answered O'Brien.

"Wall Street investors, I think," muttered Schmalz.

"It's them durn oil countries," offered Jones.

"In a way you are all correct," stated Hurley. "These factors do have a considerable influence on gasoline and heating oil prices. But, we have to delve deeper."

"What do ya mean," asked O'Brien.

Hurley replied, "You guys are all collecting some kind of retirement pension, right? O'Brien, you collect almost as much now as you did when you were walking the beat. Jones, your Teamster's pension is pretty cushy, too. Schmalzy, you collect a nice teacher pension. Smitty, the auto worker's pension plan union has always treated you right, hasn't it?"

All nodded in agreement.

"You guys may unwittingly be a part of the speculation situation. You see, many of the speculators are investing large amounts from pension plans, 401K's, IRA's and other money that guys like Schwab, James, Jones and so on invest for you. Money managers are not, as a whole, a very creative bunch. Often times, they will pool cash from several sources into a larger fund to make the potential returns larger as well. When one money manager rakes in large bundles of profits because a month or so earlier he bid on contracts for future crude oil delivery on the commodities market, pretty soon there will be a thousand of them doing the same thing. The result is chaos on the exchange, and higher gas prices."

"So," quipped O'Brien, "when gas prices are high, we should be checking our portfolios for upward movement."

"That's one way to look at it," said Hurley.

"Now I know why those gas stations sell donuts and coffee. They stand to make more profit than they will on gasoline they pump," mused Smitty.

Hurley concluded, "There is no easy solution to the problem of speculating and high gas prices. At least you guys stand to make some of the money back, but what about all the poor folks who are unemployed or destitute for some other reason?"

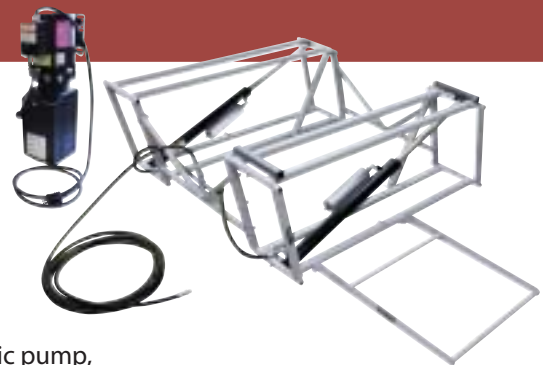
There you have it. Keep in mind that although speculation on oil futures is responsible for a percentage of the gasoline price situation, there are other factors. Why else would there be over a hundred percent increase in little over two years?

NEW ALLSTAR PRODUCT



Race Car Lift

Portable lift collapses to a low 3" profile and is easily positioned under race car to raise off the ground simplifying tire changes and chassis tuning. Strong 14 gauge steel lift raises up to 17" and supports up to 2,400 Lbs. Complete system includes a 110V hydraulic pump, safety struts to lock raised lift in place, assist handle and 20' of hydraulic quick connect hose to attach pump to lift. The pump provides power up/gravity down operation and can be mounted either horizontally or vertically, typically mounted to trailer or a hand cart. Pump is compatible with hydraulic fluid, ATF, 10W30 or 10W40 oil (not included). Assembly is required, all hardware included.



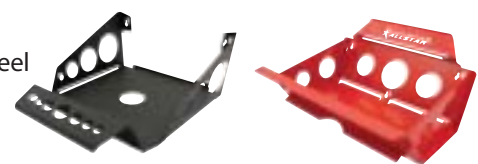
Tire Siper Holder **ALL10571**

Bracket bolts to electric tire prep stand ALL10565 and holds ALL10266 heated tire siper.



Shop Towel Holders

Secure to shop wall, trailer or near sink to keep towels ready at hand! Steel towel holder is available in black wrinkle or red smooth finish.



NEW ALLSTAR PRODUCT (Cont.)



Magazine Racks

Mount to shop or trailer wall to keep favorite publications and manuals neatly organized! Steel racks are available in black wrinkle or red smooth finish and in a number of configurations.



Third Link Assembly Without Bushings

Third link assembly designed to increase traction to rear tires uses interchangeable polyurethane bushings (sold separately, two required) to absorb energy under acceleration and braking. Bushings can be quickly changed to adjust to changing track conditions. 2-1/4" wide x 3" tall assembly has a 3/4"-16 RH chrome moly stud for attaching a suspension tube. 3/4" ID inner steel bushings are stepped to keep link centered in poly bushings. A good starting point is a 70 durometer acceleration bushing and 90 durometer brake bushing.



Frame Mount Panhard Bar Bracket Radiused Climbing Style

ALL60238

Easily adjust your Panhard bar with only one wrench! Climbing style adjuster allows any amount of adjustment without having to remove or re-align any spacer/tabs. Radiused slot so you don't have to re-square the rear end after adjustments. Steel bracket with inside/outside mounting holes (most modifieds and GRT) fits 1-1/2" x 1-1/2" tubing. Bracket comes complete with hardware.



MANUFACTURER SPOTLIGHT



NEW VENDOR

Curt Strohacker worked in a service station to earn some spending money and also repaired cars in his free time, buying and selling countless vehicles. He learned valuable lessons about restoration. As the market for automotive refurbishing began to take off in the 1970s, Curt realized that if enthusiasts had the proper tools and techniques they could save time and money.

DO THE JOB RIGHT.

In the fall of 1978, Curt launched a business to better serve the burgeoning market of auto restoration and customization hobbyists. He called it Eastwood. The first Eastwood catalog was eight black-and-white pages of metal-finishing tools and equipment.

Continued success led to 5,000 copies of the catalog being distributed annually. Eastwood also sold its line of products directly to restorers at select car shows.

In the early 1980's, unexpected endorsement of an Eastwood Car Wash Brush by two high profile foreign car clubs caused sales and staff to double. Soon after, the introduction of the Eastwood Spot-Weld Gun, a tool which duplicates the industrial spot-welds found on virtually every metal-bodied car, proved even more fortunate for the growing retailer.

By the end of 1985, Eastwood ads appeared in over 50 magazines, including Hot Rod, Car Craft, and Popular Mechanics. The catalog prospered as well, comprising 96 pages with a four-color cover by 1986 and reaching over 100,000 auto restorers bimonthly. By 1990, Eastwood's customer file had grown to over a half-million.

7-Piece Hobbyist Hammer and Dolly Set **EAS31198**

An ideal set for the do-it-yourself enthusiast who appreciates high quality tools. The set contains three forged, polished head, fiberglass handle hammers with superb balanced and feel, four hardened and tumble polished multi-angle dollies in the most common profiles and shapes and a storage/carry case.



accepts:



MANUFACTURER SPOTLIGHT (Cont.)



DO THE JOB RIGHT.

Fender Roller **EAS31158**

Use the Fender Roller to easily form fender lips to clear wider tires and eliminate rubbing. The fender roller adapter plate mounts directly to the hub flange using the vehicles wheel studs and lug nuts. Attach the adjustable rolling arm (from 14" to 22-3/4" dia.) and rotate the Delrin ball-bearing roller to form the fender lip without damaging the paint. Non-returnable –if defective, it will be replaced.



Professional 7 Piece Hammer and Dolly Set **EAS11979**

It's designed for the professional craftsman and offered at an affordable price. The set contains three hammers, each made from alloy steel and balanced for optimum impact, three hardened and tumble polished multi-angle dollies in the most common profiles and shapes, and a storage/carry case.



Deluxe Polishing Kit **EAS50341**

Deluxe polishing kit includes: 5 compounds (one 4 oz. tube each: brown Tripoli, gray stainless, white rouge, jeweler's rouge, blue plastic), 5 small felt bobs, 2 mushroom buffs, 2 large buffs (round tapered), and 3 wheels (2 spiral-sewn, 1 loose sewn). Perfect for tight spots and open surfaces, such as valve covers and air cleaners. 1/4" arbors fit electric and cordless, battery-powered drills.



Bead Roller Kit **EAS28187**

Eastwood's bead roller mounts in a bench vise. Kit includes 6 mandrels: 1/16", 1/8", and 1/4" flanging mandrels, 1/4":3/8", 1/2" bead mandrels, 1/2" backing plate with 17 inches of depth. Made from 1/2" thick steel plate with shaft bushings that can be greased. Forms aluminum and steel up to 18 gauge.



Eastwood MIG 135 Welder **EAS12011**

Welder includes everything except the bottle! 110VAC input and a powerful 135 amp output assure portability, versatility and the power needed to perform any shop welding project. Includes a Tewco® – style gun, ground cable, contact tips, regulator, and 2 lb. a spool of MIG wire and instruction manual.



Eastwood MIG 175 Welder and Spool Gun **EAS12012**

Powerful 220VAC input and 175 amp output gives the professional and hobbyist alike enough power to complete almost any welding task. Features infinitely adjustable heat and wire settings, spool gun for aluminum, stainless or steel welding. Includes a Tewco® style gun, ground cable, contact tips, regulator, and 2 lb. spool of MIG wire and instruction manual.



Eastwood TIG200 AC/DC Welder **EAS12746**

Welder operates on either 110vAC, 15amp circuit or 220vAC, 30 amp circuit offers affordable professional quality TIG welding on aluminum, stainless, sheet metal, and tube or bar stock with precise welding of thinner gauge materials up to 1/4" thick. Features a high frequency start for precise arc control, square wave inverter for accurate aluminum welding, WP-17" type torch accepts common cups and collets, up to 1/8" electrodes. Duty cycle 45% at 150 amps.



Eastwood Versa-Cut Plasma Cutter **EAS12740**

The Eastwood Versa-Cut Plasma Cutter is a smart choice for making clean, precise cuts through steel, stainless and aluminum. Inverter technology allows use with 110V AC or 220V AC and a duty cycle of 60% at 40 amps. Kit includes 20 feet of torch cable and 10 feet of ground cable with clamp. Use with a compressor with an airflow rate 3.0 CFM at 20-65 psi. Backed by a 3-year warranty.



NEW PRODUCT SHOWCASE

tecMATE

NEW VENDOR

TecMATE, a new vendor, offers some revolutionary battery maintenance products engineered to meet the needs of high performance vehicles on the street or on the track.

OptiMate 1 Smart Charger TECTM-85

The OptiMate 1 Smart Charger is cost effective and very easy to use. Plug it into the nearest power outlet and the rest is automatic. The charger will bring the battery to full charge and switch to float mode to keep charging rate at a safe voltage limit, never overcharging the battery.



OptiMate 2 TECTM-421

The OptiMate 2 Smart Charger-Maintainer is a cost effective solution for long term maintenance of 12 volt batteries in any vehicle or craft that is stored indoors or outdoors. Weather-proof, .8 amp constant current charge brings the battery to full charge then switches to unique OptiMate battery maintenance charge mode to keep battery at 100% ready.



OptiMate 5 TECTM-221

The OptiMate 5 with 2.8 amps is ideal for medium to large 12 volt batteries. Its weather-proof sealed enclosure includes a wall mount. OPTiMate will diagnose, recover, charge, test and maintain batteries automatically. Recommended for use on standard, sealed, AGM, lead-acid 12 volt batteries from 8Ah to 120Ah.



OptiMate 6 TECTM-181

The OptiMate 6 Ampmatic with 5 amps of charge current is an advanced battery saving charger, tester, and maintainer for marine and automotive batteries from 15Ah to 240Ah. Weatherproof sealed enclosure has built-in wall mounts and is ideal for marine and snow markets. Improved cables are good to minus 40 degrees Fahrenheit.



OptiMate Lithium TECTM-291

OptiMate Lithium charger with 5 amps of current uses multi-step AmpMatic to recharge and balance cells and protect lithium batteries. The Lithium performs pre-qualification test, low voltage recovery, bulk charge, dead cell check, charge verification, voltage retention test, and charge maintenance. Repeats after a 24 hour cycle as long as the charger remains connected. OptiMate Lithium protects the battery against over charge indefinitely and provides 100% safe long-term charging.



X-act Contour Floor Liners

X-act Contour floor liners incorporate key elements from vehicle's interior for a customized look. The patented "Form-fit-edge" at the door thresholds contains debris and allows easy entry and exit. "Sta-Put-Nubs" prevent shift-

ing. Fluid containment ribs and treads channel messes away and keeps mud, snow, water, and debris off expensive carpet.

Easily cleaned, with a lifetime guarantee against cracking and breaking. Available to fit GM, Ford and Dodge pickups.



Husky Quad Caps

Husky's Quad Caps protect 2007-12 GM Silverado and Sierra standard 6'5" pickup bed rails and offer rugged styling with a 2-piece design for easy and seamless installation. Thicker and stronger than most other bed rail protectors, Quad Caps are backed by a lifetime warranty against cracking and breaking. Removable stake pocket covers are included.



(Continued on page 6)

NEW PRODUCT SHOWCASE (Cont.)



Here are some new, extremely useful products from Loctite. There's something here for every hot rodder and racer.

Anti Seize Stick

Anti Seize with less mess, in a convenient stick, protects metal parts from rust, corrosion, galling, and seizing. Apply to header bolts, wheel studs, etc. Recommended for temperatures up to 1800 degrees. Available in copper (LOC37616) and silver (LOC37617).

Silver Anti-Seize Brush Top LOC37565

Heavy duty temperature resistant petroleum based lubricant fortified with graphite and metallic flake. Use during assembly to prevent seizing, galling, and corrosion. Recommended for temperatures up to 1600 degrees.

PST Thread Sealant Stick LOC37516

The Loctite PST stick is a single component, semi-solid anaerobic pipe sealant compound. Wt. 19 grams.

High Flex Gasket Maker LOC38657

High flex gasket maker is a form-in-place gasket that resists high temperatures. Fills gaps to .020" (0.5mm) and cures to a tough, solvent resistant gasket that flexes with flange movement. 1.69 oz. tube.

Weather Strip Adhesive

Freeze and Release LOC996456

Instantly freezes seized and rusted bolts, nuts, studs down to -45 deg. The "freeze" effect causes microscopic cracks in the layer of rust, allowing the penetrating oil to wick around rusted components. The assembly can be dismantled after allowing 1-2 minutes penetration time.



2011-12 Mustang 5.0L Stainless Steel Cat4ward Shorty Headers

JBA Cat4ward shorty headers for 2011-12 Mustang 5.0L are made from mandrel-bent stainless steel tubing with 3/8" thick, laser-cut exhaust flanges that resist warping, prevent leaks, and are easier install. Pipes are welded to JBA Firecone collectors outfitted with factory emission bungs. The larger 1-3/4" tubing increases flow, improves throttle response and produces maximum horsepower and torque gains.

Part No.	Description
JBA1685SJS.....	Mustang 5.0L Shorty, 1-3/4" Tube, Silver Ceramic
JBA1685SJT.....	Mustang 5.0L Shorty, 1-3/4" Tube Titanium Ceramic
JBA1685S.....	Mustang 5.0L Shorty, 1-3/4" Tube Standard
JBA6685SJS.....	Mustang 5.0L Full-Length, 1-3/4" Silver Ceramic
JBA6685SJT.....	Mustang 5.0L Full-Length, 1-3/4" Titanium Ceramic
JBA6685S.....	Mustang 5.0L Full-Length, 1-3/4" Standard



JBA1685SJS



FloMax 700 Series Inline Fuel Filter

High flow, low restriction "in-line" cartridge style, 4-micron pleated filter flows over 300GPH. Ideal for all types of gasoline, racing fuels, ethanol and methanol, the filter separates and sheds water. Measures 2.5" in diameter and 11.5" long and both ends are fitted with threaded in ORB fittings (-8AN or -10AN) for premium sealing capabilities. Burst rate is over 900PSI (a NASCAR minimum requirement). Weighs 20 oz. Made in U.S.A.





Five Types I Can Live Without

I've been around this business for more years than I can safely recall and in that time I have learned a thing or three about engines, racing and, for the purpose of this epistle, about the people involved. First off, let me say that the serious racers and street enthusiasts, the REAL serious ones, the ones who know what they want and are willing to listen to advice and pay whatever it takes to make it happen, are the finest, most

reliable customers in the world. They are the top rung of the performance customer ladder. I have several of these customers and we get along just fine. I like to refer to our working relationships as *franchises*. By that, I mean that once I have built complete race engines for them, and they have won with them, I

can count on repeat business from them, and even some new business from their close associates. My reputation brings them in. These fellows are my real bread and butter, and I love them.

Coming down the ladder, one rung at a time, reveals the slightly less-than-ideal customers, those for whom I always hold out the hope that they will take that one vitally important step and ascend to favored customer status. They almost never do. In fact, most fall further and make my life even more miserable. Here, in descending order are my examples of the Dirty Half-Dozen, Minus One troublesome customers.

The Step-Skipper This guy came to me with a small block in a basket and wanted all the machine work, flow bench testing and balancing done so that he could take the pieces home and assemble his own engine. This guy had some experience, so when my part was done he paid me, loaded all the new goodies in his little station wagon and off he went...after hopefully absorbing my standard lecture about re-checking clearances, using proper torque procedures, replacing ALL of the parts of the oiling system and, above all, priming the oil pump before firing it for the first time. Guess what! After spending thousands and thousands of dollars, this guy got impatient and when he couldn't get the pickup/screen assembly he needed - a six dollar part - he rinsed the old one out and re-used it. Predictably, a microscopic scrap of metal found its way into

the oil pump, seized it solid, and the aftermath included wiped out bearings and cam.

The Cheapskate He approached me and asked me to hang his new set of pistons on his old rods. He asked how much and I told him. He balked and I outlined the entire procedure, including re-sizing the rods, to justify my fee. He said, "That engine was new and only has about 300 runs on

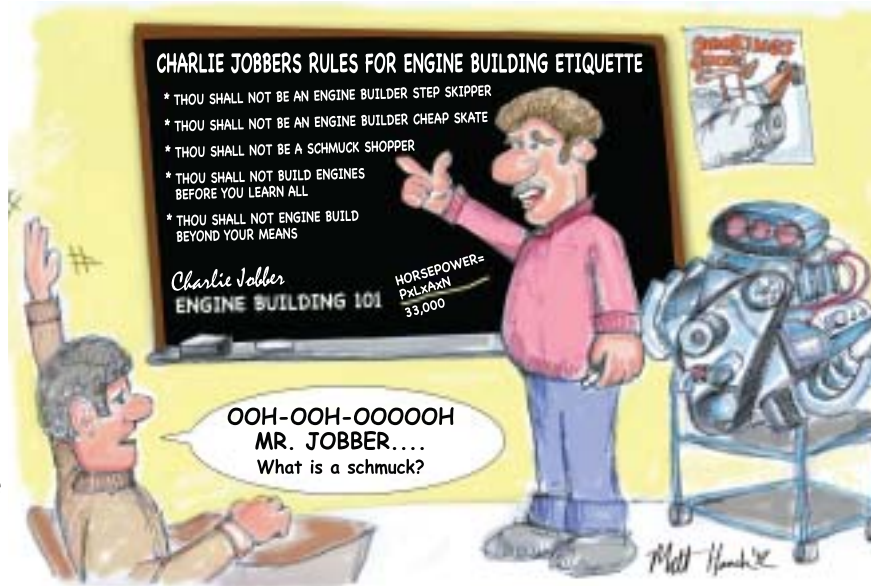
it. Those rods should be OK." I insisted that they should be re-sized. He insisted they were perfectly fine. I hung his pistons against my better judgment (my mistake) and sent him on his way without re-sized rods. A week later, he grenaded the engine just as he shifted into second gear at the local strip. Guess who got blamed! I do not need grief like this, ever!

The Shopper

This dude spends all his time on line,

checking prices on each and every part he will need to build an engine. The heads may come from Acme, the block from Engine Amateurs, the pistons from heaven knows where, and on and on. Of course, he knows just what pieces and parts to order because he has been in my shop at least fifty times asking questions, getting part numbers and listening to suggestions. Then he shows up and asks me to put the whole thing together for him. As if this is not bad enough, he then has the audacity to suggest that I should give him a break on labor because he has saved me the time it would have taken to order all the parts. This schmuck picks my plate pretty clean of meat and potatoes and the only "green" he leaves me is that disgusting little sprig of parsley. The worst part of this is that he has no clue as to the injustice he has wrought. With characters like this, I find myself wanting to shout from the rooftops, at anyone who will listen, that I don't make all my income from the actual machine work and assembly. I NEED PARTS SALES TO STAY ALIVE IN THE OVERALL SCHEME OF THINGS!

The Apprentice He walked in my door shortly after he graduated from high school. He had taken automotive related shop classes and was looking for a job and an opportunity to develop skills as a machinist and engine builder. I didn't really need someone full time, but I told him I would use him as much as possible. He did quite well, catching on to the machining process quite readily. I eventually let him do some of the engine sub-assembly, mainly things



(Continued on page 8)

CHARLIE JOBBER by John McLellan

Five Types I Can Live Without

(cont. from page 7)

like assembling valve train components, installing timing gears and so on. He started going to race events with me to see, firsthand, how the engines performed in the competitive arenas for which they were designed. He was, predictably, bitten by the race engine bug and wanted more involvement. I cautioned him to take it easy and good things would happen in due time. He couldn't wait. One day he gave me a week's notice and walked away to start his own race engine business. He specialized in two types of engines. Some were low on power and could not win. Others were set on kill, with more than enough power to get the job done, but with some severe longevity issues. The grounds of the local drag strip, circle track and truck and tractor pulling arena were soon littered with shrapnel from his products. Yes, as far as the learning went, I taught him everything he knew. Unfortunately for his customers he cut out early and I didn't have the opportunity to teach him everything I know!

The User Of all the types outlined here, this fellow is the most detestable and fully deserving of the bottom rung on the ladder. After leading me on with platitudes about how great my engine building abilities were, and how much he wanted to have me put together a big block for his drag boat, he went out and bought one of those high dollar,

high power "recipe" engines for about forty grand. I'm sure it was a premium piece, and worth every penny he laid out for it. He told everyone who would listen that he felt I wasn't quite ready for the "big leagues" yet.

Unfortunately (for him), three traumatic experiences befell this guy almost at the same time. First, a wicked wave cracked the hull of his boat beyond repair. Second, the balloon payment on his house came due earlier than he had planned. Third, and perhaps most grievous, his wife intercepted an intimate text message from a young lady in which she repeatedly expressed a more than passing familiarity with the guy's anatomy.

There would have been a fourth trauma in his miserable life if I hadn't counted to ten when this nutcase came to me and asked if he could put his recipe motor on my showroom floor with a For Sale sign tacked on it. It wasn't my engine. I had nothing to do with it. I sure did not want it in my establishment. I sent him packing, but not before I offered an earnest suggestion as to what he could do with his big league engine.

There you have it, in a nutshell. Do you know any of these five dud(e)s? I'll bet you do!



CAT108.5

8300 Lane Drive • Waterlilet, Michigan 49098 • www.motorstate.com
Toll Free 800.772.2678 • Phone 269.463.4113 • Fax 800.772.2618

