

37th Grand Lodge Convention of the International Association of Machinists and Aerospace Workers

KEYNOTE ADDRESS by R. Thomas Buffenbarger, International President

Brothers and Sisters, I have the honor to announce to you that the 37th Grand Lodge Convention of the International Association of Machinists and Aerospace Workers is officially open for business.

When I say “business,” I mean serious business.

Our union is at a crossroads. And over the next few days, the 1,530 delegates in this hall will make critical decisions --- life and death decisions --- about the kind of union the IAM is going to be.

And make no mistake about it --- we’re being watched.

Our members are watching --- and for what we decide, they will hold us accountable.

Our brothers and sisters in the labor movement --- they, too, are watching ... and worrying. They know that for as long as anyone can remember, we’ve been the toughest and the smartest and the cleanest union in all of North America. If the IAM cannot withstand the forces arrayed against us, what’s going to happen to them?

And as always, the corporate predators are out there --- circling, sniffing the air, waiting patiently for a sign of panic or a whiff of blood.

When I think the choices --- and the threats --- that our great union faces, I am reminded of a time in the history of the United States when a President had to make the toughest decisions --- decisions on which would ride the fate not only of his own nation, but of the whole world.

That President was Franklin Delano Roosevelt.

The time frame was the first week of January, 1941.

FDR was giving his ninth State of the Union Address.

It was --- and these were his exact words --- “an unprecedented moment in the history of the Union.”

He was not exaggerating.

In that cold January night, the countries of Western Europe --- France, the Netherlands, Belgium, Luxemburg, Denmark and Norway --- were under Hitler’s heel. In Asia, Hitler’s Japanese allies were engaged in the systematic conquest of China.

So FDR began his speech with a history lesson.

He described how the democratic way of life is at this moment being directly assailed and how the assailants were still on the march.

He dismissed the idea that “an unprepared American, single handed, and with one hand tied behind its back, can hold off the whole world.”

1941 was no time for false bravado.

FDR wanted to prepare the United States for an “all-inclusive national defense.”

He demanded “a swift and driving increase in our armament production.”

And he defined America as an arsenal for the democracies.

By then, the democracies were few in number -- Great Britain, Canada, Australia and New Zealand --- and they were fighting for their very existence.

We Americans,” FDR intoned, “are vitally concerned in your defense of freedom. We are putting forth our energies, our resources and our organizing powers to give you the strength to regain and maintain a free world. We shall send you, in ever-increasing numbers, ships, planes, tanks, guns. This is our purpose and our pledge.”

With those words, FDR launched his Lend Lease plan --- a courageous and daring act of international solidarity.

And yet, Lend Lease was but a bandaid.

FDR knew it.

The democracies knew it.

America's likely adversaries did too.

So FDR told the American people the harsh, inescapable truth. He said --- and I quote:

No one can tell the exact character of the emergency situations we may be called upon to meet. The Nation's hands must not be tied when the Nation's life is in danger.

No truer words were ever spoken.

Eleven months and one day later, the United States was plunged into World War II with the surprise attack on Pearl Harbor.

FDR saw the storm war clouds on the horizon. He saw how desperately unprepared the Nation was for what was coming. And he acted to ready the Nation for the almost inevitable conflict.

Brothers and Sisters, what was true for a great nation is equally true for our great union.

We, too, face a moment unprecedented in the history of our beloved Machinists Union.

Today, the IAM stands where America stood in 1941.

And as delegates to this absolutely crucial convention, meeting at a time of great danger, we are called upon to determine the future of our union.

On the horizon, we can plainly see the black clouds and the lightning and we can hear the thunder. A massive, continental sized storm system is headed our way--- and we'd better be ready for it.

For eight years now, George W. Bush and Dick Cheney have been in charge of guarding the financial hen house --- and those sly foxes have thrown the doors wide open for the bankers and the brokers and the Wall Street wise guys.

These corporate thieves, who are as nasty vicious and bloodthirsty as foreign invaders, have been allowed to get away with the biggest rip-off in history --- a multi-trillion dollar scam.

We've seen huge banks like Indymac and Countrywide crash and burn. We've watched Wall Street icons like Bear Stearns come crashing down. We've seen Robert Ruben from CitiBank go to Dubai with tin cup in hand. And we have discovered that what used to be the mightiest of the mighty -- Fannie Mae and Freddie Mac --- are not much more than hollow shells.

In the Bush years, the Wall Street wizards have had a license to steal --- and they've made the most of it.

They've sliced and diced so many loans that they cannot find the underlying assets with an electron microscope.

And they've been doing it all across the globe.

For the last thirteen months, the Federal Reserve Chairman and the central bankers in Europe and Asia created trillions – yes, trillions with a “T” – in liquidity in a vain effort to ease the subprime credit crunch.

In the six months between last December and this past May, the Federal Reserve provided banks and investment companies over \$435 billion in short-term loans.

Just three weeks ago, the Fed upped that ante by another \$25 billion in short-term loans.

Why?

Because the banks and investment houses don't trust each other's numbers anymore. Without the Federal Reserve's interventions, they would refuse to loan each other funds.

Think about that for a minute.

Citibank cannot trust Lehman Brothers; Wells Fargo isn't sure Morgan Stanley is a good credit risk. Forget about Countrywide. We're talking the platinum names of global finance.

What's the big deal?

They tell us it is all about sub-prime mortgages.

And they LIE.

Try \$47 trillion – again, with a “T” – in almost worthless securitized loans.

Try \$47 trillion in unsecured and uncollateralized debt instruments floating around the globe.

In the past decade, the bankers, brokers and hedge fund wise guys have gone hog wild. They have created enormous wealth for themselves --- and enormous risk for the rest of us.

But that's not the only economic storm system we face.

We all complain about the cost of a gallon of gas. And we should. But it is far worse than shelling out another twenty bucks each time to fill up your tank

As a gallon of gas moved up to \$3.50 ... \$3.75 \$4.00 and now \$4.35 a gallon, the price of diesel fuel mounted those stairs in lockstep. And so did aviation fuel costs rise.

Try filling up a tractor trailer when diesel is at \$5.00 per gallon. With two sixty gallon tanks, a fill up costs 600 bucks.

Or fill up the tanks of a 747 when jet fuel is \$5.34 per gallon. A cross country flight will burn 36,000 gallons --- and burn through over \$200,000 in five hours.

What's that have to do with the cost of anything?

Everything.

As the cost of a barrel of oil hovers between \$120 and \$150, our jobs begin to vanish!

Manufacturers like Freightliner shut down their production lines --- and our members head off to the unemployment line.

When United grounds its fleet of 747 --- and good ole TED stops flying --- our members on the ramps and behind the customer contact desks start getting pink slips.

Those rising prices are like the upturned leaves of the trees before a major storm – just nature’s early warning device.

So here we sit.

The smart money on Wall Street is heading for the doors.

The banks, brokerages, insurance companies and hedge funds are drowning in their own debt.

The upward spiral of fuel and food prices pick our members’ pockets.

The unemployment lines are lengthening --- slowly, deliberately, menacingly.

And, if we are absolutely candid with each other, we know our political leadership cannot do much about it.

In Ottawa, Canada, the government couldn’t give a damn about working families.

In Washington, DC, the government – the Bush Administration – has posted a sign that says: OUT TO LUNCH.

You know --- and I know --- we’ve been in a recession for over a year now. And the Bush Administration still cannot get its act together.

To the next President, George W. Bush has left a crippling legacy --- a one-year federal deficit of half a trillion dollars --- and a country that is hopelessly in hock to the Communists in China and the oil sheikhs of the Middle East.

Where is all this going to end?

No place good for the working men and women of this world --- on that, you can count.

In this union of ours, we have a lot of very smart, very decent people.

We are people who want only the best for our families, our communities and our employers. And there was a time --- I can remember it --- when there was from at least some people in management a certain feeling of reciprocity.

That feeling is gone --- long gone.

In the world as it is today, we confront across the bargaining table the cold-blooded, single-minded true believers in a ruthless business ideology.

To them, workers are the enemy. And in dealing with us, their objective is simple --- to give nothing and to take everything.

That's why everybody needs a strong union.

It's a fact of life. Either you get a union --- a strong, tough union--- or you get the shaft.

Corporate recruiters today go into business schools all over the world looking for the two-legged equivalents of Rottweilers --- attack dogs.

These folks have been trained to believe that the corporate bottom line trumps everything.

To workers, to communities, to values --- even to nations like the United States and Canada --- they have no loyalties at all.

Brothers and sisters, remember that people like this rule the business world today.

And for too damn long, they have also run the governments of the United States and Canada.

That must change.

If we are to protect our jobs ... if we are to protect our freedoms, then we cannot just sit here and wait for Tinker Bell to sprinkle angel dust over these menaces to society.

We may convene here in Disney.

But that doesn't mean we live in a fantasy land.

We can see what's happening, up close and personal to our members --- at Hawker Beechcraft, the Boeing Company, Northwest Airlines and three thousand smaller businesses across this continent.

We know when Katie Couric and Brian Williams sugar coats the news. We know when Maria Bartolomo and Jim Cramer flack for the Ponzi schemers.

They cannot hide from us this truth: Corporate America and its allies in the White House have triggered a deep and prolonged recession.

And that recession could get worse, much worse.

And yet, the danger from the George Bush and Dick Chaney doing nothing for the next few months is only marginally greater than the danger of them actually doing something.

We're damned if they do.

We're damned if they don't.

But we, as the fighting Machinists, will not sit on our hands and let them extend their execrable record of attacks on the working men and women of this country for four more years.

The gravest risk to our jobs and our freedoms lies in two words: John McCain.

They tell us he is a war hero ... a straight shooter ... a maverick.

Well, one out of three of those statements is true. The other two are total fabrications.

We know John McCain --- all too well.

After September 11th when the Congress was trying to prevent economic collapse, John McCain demanded that any relief to the airline industry be predicated on them gaining concessions from their workers.

Yes, we know John McCain --- all too well.

We know him as the sponsor of baseball arbitration, an opponent of Social Security and Medicare and as an anti-labor congressman and senator whose money comes from the Business Roundtable and the National Association of Manufacturers.

Sadly, we know the real John McCain.

John McCain is the Bush Legacy.

George Prescott was Bush ONE.

George Walker was Bush TWO and THREE.

And John McCain will be Bush FOUR

Twelve years out of the last twenty years we have had to put up with bush league presidents. And, if John McCain wins the White House, he will make it an even score.

And brothers and sisters, he will even the score. He will go after unions like ours with a chain saw --- and it will be a massacre.

That's the harsh reality we face.

But that's what fighting Machinists do --- face up to harsh realities.

There's a military recruiting ad running on US television --- one that promises to make a kid "Army strong."

We need to be UNION STRONG.

There's no other choice.

And that's what we'll be talking about here in the days to come.

I have spoken to you today about the dark days of 1941 --- and I have done so because I believe that the choices confronting FDR are similar to the choices we face today for our union.

We know that we face powerful, determined enemies.

And if they can tear this union down and turn back the clock on everything we've fought for and won, they'll do it --- in a nano-second.

Our allies?

I don't think it's any secret to anyone that the labor movement is weak, divided --- and like Britain in 1941, hanging on for dear life.

If it's true what they say --- that the AFL-CIO is what stands between John Mc Cain and the White House --- then we are in a world of hurt.

Let's face it --- the AFL-CIO is a toothless tiger, wheezing and infirm.

It collects a hundred million dollars each year, yet has no reserves --- none!

It's like one of those old boxers who tries a comeback. He hopes nobody's going to notice that he's older and fatter and a whole lot slower than he was back in the day.

But they do notice.

How could they not?

We can NOT become like them.

We cannot --- no, we will not --- let this great union of ours atrophy, watch our strength ebb away, permit our differences to split us apart.

We will not mortgage the IAM's future to current cash flows --- borrowing from Peter to pay Paul --- as the AFL-CIO now does.

We will not sweep our financial problems under the rug in the vain hope that some bank will loan us enough money to get through the year --- a loan secured by future revenues --- as the AFL-CIO has.

We will not mortgage our headquarters building to pay off a line of credit, flip the old mortgage and meet financial losses due to a construction project --- as the AFL-CIO has.

And we will not resort to the kinds of financial shell game that makes us look good on paper just as Enron did --- and as the AFL-CIO now does.

That will never happen at the IAM --- and you have my personal pledge on that.

You have this Executive Committee's pledge on that.

This great union of ours will take the steps necessary to protect itself, its legacy and its future.

Now, some may see a rosier scenario.

But I don't.

I see three massive storm systems on the horizon. A deep recession that could devastate our membership --- producing WARN notice after WARN notice.

Corporate America and its lackeys are sharpening their knives --- to cut our throats at the bargaining table and knife us in the back during organizing drives.

And this presidential campaign is a huge gamble. A couple of points separated Senators Barack Obama and John McCain over the summer. Now, with the conventions behind us, the spot light shines on the battleground states.

In states like Ohio, Michigan, Pennsylvania, Missouri, Virginia and even Wisconsin, the outcome remains very much in doubt.

Some hope that maybe those massive storm systems will disappear --- and maybe we'll get some people in power in Washington and Ottawa who will, for a change, figure out that they work for the people of the country -- - not for the corporations.

But tell me --- are you willing to bet the union on the outcome of this election?

To that question, my answer is "NO!"

In the end, we've got to rely upon ourselves --- ourselves alone. And that's why the decisions we make this week are so important.

In these times and for this union, weakness is not an option.

For us, there's no place to hide --- no place to run to. If our corporate opponents sense for a moment that we are easy pickings, believe me --- they'll come for us. Given the chance, they will reduce us to a pale, cowering shadow of what once we were.

So let me ask you this:

Is there anyone here who wants to go fetal --- to suck on their thumb --- to whimper and simper --- and let the wolves of Corporate America devour our future?

[Audience response: No!]

I cannot hear you

[Audience response: No!]

Is there anyone here who wants to play possum in the political season --- roll over and play dead --- just because this is a tough race?

[Audience response: No!]

I cannot hear you

[Audience response: No!]

Is there anyone sitting here who really and truly wants to belong to "the organization formerly known as the fighting Machinists?"

[Audience response: No!]

I cannot hear you

[Audience response: No!]

And is there anyone in this room who wants to sign the death certificate of the International Association of Machinists and Aerospace Workers?

[Audience response: No!]

I cannot hear you

[Audience response: NO!]

There better not be!

For the last 120 years, each and every member of International Association of Machinists and Aerospace Workers undertook a certain obligation. Literally millions of men and women were asked --- and answered --- a very simple question:

Do you agree to enroll yourself in this Association, and to promote its principles and interests in every lawful way?

Those who said “yes” were asked to raise their right hand and repeat an obligation, an obligation that is twelve decades old and as new as our newest member.

Each one of you sitting here today pledged your sacred word of honor that you would “promote its interests, further its principles, attend its local meetings, take part in its deliberations and discharge all duties imposed” by the IAM.

As delegates to this 37th Grand Lodge Convention, you have a special responsibility --- to chart a new course for our union. You have a duty to all who went before you ---- and all who may come after you --- to promote the interest and further the principles of this great union of ours.

Do you accept that sacred duty?

[Audience response: Yes!]

I cannot hear you

[Audience response: Yes!]

Another duty is to offer “the assistance of each one present in preserving order. Let your remarks be confined to the question before the Grand Lodge and entirely free from personal attacks, in order that harmony may prevail and the transaction of business be speedy and effective.”

Do you accept that duty?

[Audience response: Yes!]

I cannot hear you

[Audience response: YES!]

Excellent!!

This week, we will be talking about doing things that are hard for us --- and that may not be popular with all of our members.

But we really don't have a choice.

The current formula for calculating our dues was put in place in the very different world of 1976.

That's a while ago.

In 1976, Jimmy Carter was elected President, the Cincinnati Reds with Pete Rose, Johnny Bench, Joe Morgan and Tony Peres won the World Series and the record of the year was "Love Will Keep us Together" by the Captain and Tennille.

In 1976, the average new house cost \$54,000 --- and at the gas pump, a gallon of regular went for 62 cents.

Back then, the IAM had almost 900,000 members. We had 1,804 local lodges and 8,700 contracts with companies all over North America.

But now, we are living in a different era.

We've seen our membership drop to a bit more than 400,000. All by itself, the September 11 atrocity cost us over 75,000 jobs.

With money, this union is frugal.

At every level, we've initiated hard-nosed cost-cutting measures. But even so, we've come up short.

Our membership revenues have dropped, but the costs of running a strong, first class union have not.

In the airline industry alone, we spent over \$10 million on fighting efforts by certain carriers to use bankruptcy as a means of shredding the contracts, pensions and health benefits for a whole generation of airline workers. We fought like hell to keep our members working.

For each of our districts, we declared a pension holiday --- that means that every Directing Business Representative and General Chairman had thousands and tens of thousands of dollars freed up to organize just 250 new members each year.

We provided the members of every local lodge with a way to help their union grow. We set up special websites, sent out a million letters and bumper stickers, held an Organizing Summit for local union presidents and organizers.

We begged. We pleaded. We offered carrots --- and sticks. We sat down with every single district business rep or general chair to create strategic organizing plans and budgets. And we funded campaign after campaign to grow this union.

And the results?

Dismal to disappointing.

Only a handful of districts met the goal of organizing 250 new members each and every year.

Many districts --- far, far too many --- did little or no organizing.

Organizing was “Plan A.”

So this week we gather to devise “Plan B.”

We need to face up to the harsh reality that our finances do not match our members’ rightful expectations – nor our current and legitimate expenditure levels.

And I am confident that this convention will come up with a “Plan B” that can --- and will --- secure our future not just for next calendar year but for the next thirty years.

I believe we have the foresight and the capacity to build a dues structure that will carry our union through to its 150th anniversary.

And I believe that if we take this bold step, our children and grandchildren will live in a better world.

The strength we have today is derived from the battles Machinist after Machinist fought since 1888.

Let us resolve here and now that delegates meeting fifty, a hundred, or a hundred and twenty years from now will see no less resolve from this convention.

That's the way it is --- the way it's got to be.

That's what a strong, first class union does.

And if we don't want to be a first class union, we might as well just fold the tents and slink away.

Anybody can make sweetheart deals with management --- hell, there are people who do that all the time and we all know who they are.

But in the world of 2008, only a strong union can really deliver for the membership.

In this world, only a first class union can prosper and survive.

So here's what we need to ask ourselves.

Are we smart enough to insist upon such a union?

Are we strong enough?

Patient enough?

Determined enough?

Are we brave enough to do what's right and honest enough to go back home and tell it like it is, like it was, like it will be?

I believe that we are all of these things.

We will step up.

We will meet the challenge.

Brothers and Sisters, we are the guardians of a great and honorable legacy. What our fathers and mothers built for us and for our children cannot become yesterday's news.

They struck.

They walked the picket line.

They bled.

They died.

They sacrificed so that you and I --- and our children and our children's children --- could lead a better life.

Remember those Depression era photographs and film clips we just saw?

THAT is what our parents and grandparents fought to change.

They did so by building up this great union of ours bit by bit, member by member, lodge by lodge, district by district and territory by territory.

They made us **UNION STRONG!**

That was their legacy to us.

Our jobs.

Our homes.

Our cars.

Our pensions.

Our working conditions.

Our wages.

Our health insurance.

That was their legacy to us.

It is a legacy that we cannot take for granted.

It is a legacy we are duty bound to preserve, improve upon and make permanent.

We owe it to them.

We owe it to ourselves.

And we owe it to the next generation of Machinists.

What was it that FDR said?

No one can tell the exact character of the emergency situations we may be called upon to meet. The Nation's hands must not be tied when the Nation's life is in danger.

And neither can the hands of this great union be tied.

THAT is the work of THIS convention.

In the midst of unprecedented threats to our members and their families, the Machinists Union cannot become another AFL-CIO – bankrupt, atrophied, emasculated and neutered.

In the midst of unprecedented threats to our members' economic security, the Machinists Union cannot become like the bankers and brokers --- bankrupt, begging for handouts from governments and wailing against fate.

And, in the midst of unprecedented threats to our members' freedoms --- the freedom of religion, freedom from fear, freedom from want, freedom of speech --- the Machinists Union cannot become like those weak and timid souls who cower in the shadows ... who blame themselves for what the powers-that-be have wrought ... who act like frightened little children.

No! That we will NOT do.

Not this week.

Not this month.

Not this year.

Not this decade.

And not this century.

We have come too far --- fought for too long --- worked too hard --- to let this great union of ours wither away.

Yes, we have decisions to make.

And yes, they will be tough decisions. They will go to the heart of who we are and what we want to be.

Brothers and sisters, I believe in you.

Seated in this room are two thousand delegates, alternates, guests and staff who have a huge stake in what the next thirty years brings.

Not every generation faces so many massive storm systems simultaneously.

But every generation of Machinists must face their own harsh realities, their own tough decisions, and their own moments of greatness.

This week, it is our turn.

Brothers and sisters, you didn't get here by being shy.

You didn't get here by holding back.

You didn't get here by running away from tough choices.

And you didn't get here all alone.

We are here, brothers and sisters, representing not just the current members of your local lodge but the hundreds --- and sometimes thousands --- of members who built your local lodge and this Grand Lodge over time.

Sisters and brothers, it is a very heavy responsibility to shoulder. It is a responsibility that I am convinced you will meet with courage and wisdom and determination.

So now, in your capable hands, rests the future of the International Association of Machinists and Aerospace Workers.

Let us begin our work.