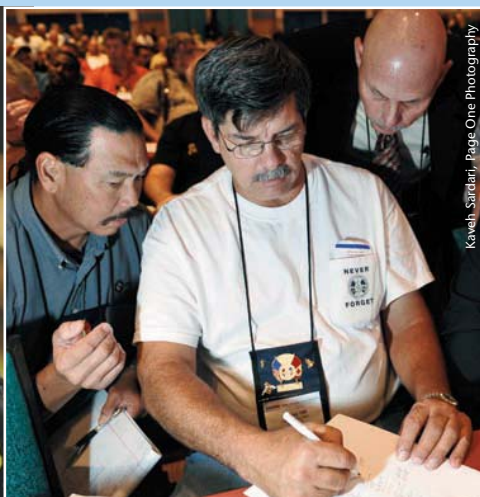


History and Democracy Guide 37th Convention



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From the moment the 37th Grand Lodge Convention was called to order on September 7, 2008 to the dramatic closing ceremony six days later, each one of the 1,466 elected delegates knew they would make history.

Long before the quadrennial event got underway, Machinists in every local lodge were engaged fully in the debate over what kind of union the IAM would become, even as it celebrated its 120th anniversary.

“Our union is at a crossroads,” declared

International President Tom Buffenbarger on the opening day of the Convention. “We have a heavy responsibility to bear.”

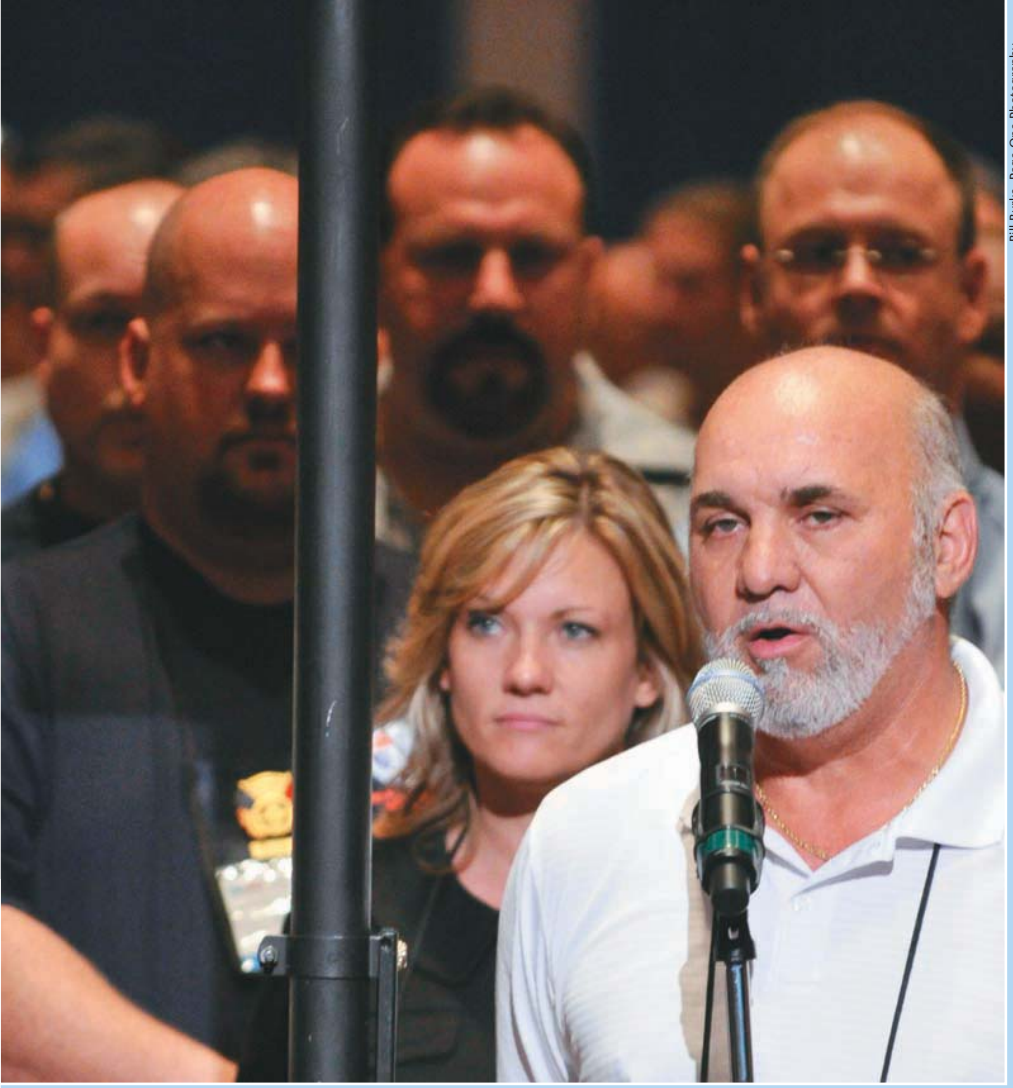
A comprehensive financial report from General Secretary-Treasurer Warren Mart filled in the grim details of a story delegates had been living for the past four years.

“We have to face the fact that our union has paid a high price to outlast our

adversaries this long,” said Mart, who detailed the effects of a “perfect storm” of falling membership numbers, rampant outsourcing and corporate bankruptcies.

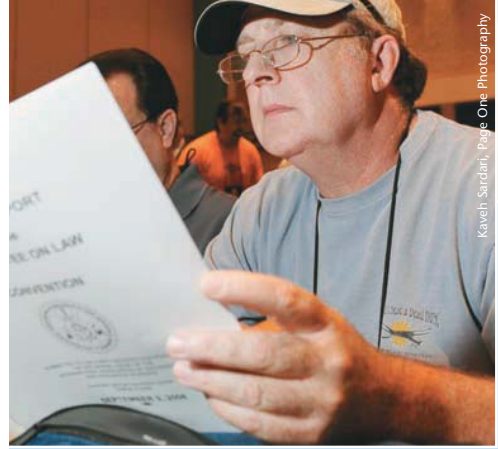
Battling bankrupt airlines on behalf of its members cost the IAM more than \$10 million since 2001.

Despite significant cost-cutting measures at every level of the union, it was clear the union needed a new financial strategy



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IAM President Tom Buffenbarger, far left, opened the 37th Grand Lodge Convention with a call to action to the more than 1,400 elected delegates from local lodges across North America.

to survive. A plan dubbed the *Program for Progress*, crafted by delegates at the 1976 Convention, had outlived its intended life-span and needed serious updating.

First Proposal

The first salvo in the debate over the per capita tax came on the third day of the Convention. Law Committee Secretary Randy Canale reported on

the Law Committee's review of the 74 proposals submitted by local lodges as well as a proposal by the Executive Council.

"Of the 75 proposals submitted, only five disagreed completely with the need for any form of financial fix," said Canale, who commended the IAM's year-long effort to fully engage members across the U.S. and Canada in the debate over financing the union.

The debate picked up steam following a proposal by the Law Committee to increase the Grand

Lodge per capita tax base rate by \$5 per month in 2009, with a second increase of \$1 in 2011. Future annual per capita increases would be based on the Consumer Price Index (CPI).

Dozens of delegates spoke out from six microphones on the Convention floor, both for and against the Law Committee's proposal.

The Committee's proposal, which was an aggregate of all proposals received, would also eliminate most special dispensations and allow locals

and districts to set their own dues rates and collection methods.

"I rise in support of the Law Committee's decision," said Richard Ryan, a delegate from Local 737 in Minneapolis, MN. "Everything I have, and my family has, is a result of this union."

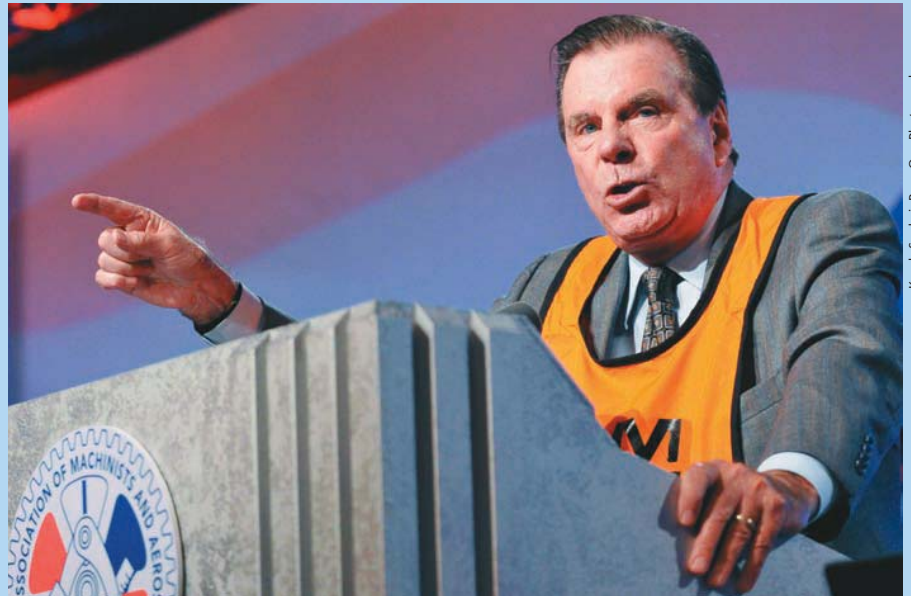
Others opposed the proposal, citing its potential impact on organizing drives and members facing financial hardship.

Despite significant support for the Law Committee's initial proposal, the Convention as a whole, which included more than 800 first-time delegates, voted to recommit the Law Committee's proposal for further study.

Modified Proposal

The Law Committee returned the following day with a modified proposal that preserved the current system of calculating annual per capita increases for two years before shifting to an average of the U.S. and Canadian CPI.

At the heart of the revised



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Among the many guest speakers at the Convention, American Federation of State, County and Municipal Employees President Gerald McEntee gave a rousing address and brought a \$100,000 donation to the Strike Assistance Fund for IAM members on strike at Boeing.

Law Committee proposal was replacing the original \$5 and \$1 per capita increases with a fixed increase of \$4 in 2009 and an additional \$2 in 2011.

The Law Committee emphasized that a slight delay would allow locals and members to absorb the new system, but that further delay was fiscally irresponsible.

"Our union has run a cumulative deficit of \$44 million, or roughly \$5.5 million a

year since 2000, and the reserves in our General Fund are at a critically low level," said Canale. "Doing nothing is not an option."

Delegates again took to the floor to debate the new proposal.

"The proposal from the Law Committee is a \$4 increase in the per capita tax, from \$21.81 to \$25.81," stated Buffenbarger. With the expected annual increase of 78 cents, "the new per capita tax to the Grand Lodge for the year 2009 is \$26.59. That's a total per capita increase of \$4.78.

"If you take that \$4.78, divided by the 173 work hours in a month, it equals 2.7 cents per hour," said Buffenbarger. "That's what we're talking about, brothers and sisters, 2.7 cents per hour."

Under the revised proposal, per capita tax in 2010 would increase from \$25.81 to \$27.39. In 2011, with the \$2

"I wasn't sure what to expect, as this was my first Convention. I was familiar with the issues and knew there would be debate and even disagreements, but it was all handled very well. There was a lot of back and forth among the delegates, and a lot of respect, too. No one was afraid to speak their minds."



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Karisa Compton
Woodworkers Local W38
Shelton, WA

increase, the Grand Lodge per capita tax would go from \$27.39 to \$29.39, with an estimated annual CPI-based increase of 77 cents, which would bring the total per capita tax for 2011 to \$30.16.

In 2012, the per capita tax would rise by the average estimated CPI, which is expected to be 79 cents per hour, bringing the 2012 per capita tax to \$30.95.

The debate over the new proposal was lively but far less rancorous than the previous day.

By a resounding voice vote, the delegates approved the Law Committee's revised proposal, ensuring the IAM would have the resources to deliver the programs and services that has long set the Fighting Machinists apart from other unions.

But securing the IAM's financial future wasn't the only order of business for Convention delegates.

Clinton Calls for Obama Endorsement

With less than 60 days remaining before the close of the presidential campaign, there was keen attention to the narrowing contest between Democrat Barack Obama and Republican John McCain.

A personal appearance by New York Democratic Senator Hillary Clinton triggered a sustained ovation by delegates for the IAM's endorsed candidate

in the Democratic primaries.

"You stood with me during that long, hard-fought campaign," said an emotional but energized Clinton. "And I want you to know that I will stand with you; that I will be your partner and your advocate as we try to change what's going on in this country.

"I believe this country is worth fighting for," said Clinton. "That's why I got up every morning and did my best to make my case to the American people. We fell a little short, but I will never quit fighting for America, and that's why I am fighting to elect Barack Obama the next President of the United States."

Clinton urged the delegates to make every effort to convince their fellow members to vote for the Obama-Biden ticket on

"This Convention confirmed to me that we truly are a democratic union and that the big decisions are still in the hands of the members. This was an historic event and I look forward to telling my father about what we did here. He's 85 and a lifelong union member."

Joe Swiatkowski
Local 585
Buffalo, NY

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November 4, 2008.

"No one has more at stake in this election than the American labor movement," declared Clinton. "This has been the most anti-union, anti-labor, anti-worker presidency in American history" with the worst job creation record of any president in the past



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Senator Hillary Clinton, on stage with IAM President Tom Buffenbarger, right, and General Secretary-Treasurer Warren Mart, left, received an honorary IAM membership. Clinton asked delegates to join her in supporting presidential candidate Barack Obama, which delegates did with a unanimous endorsement.



IAM delegates wore bright orange "The November Team, Ending the Bush Error" vests on the day Senator Barack Obama addressed delegates via live satellite feed.

70 years.

At the close of her remarks, President Buffenbarger entertained a motion to make Senator Clinton an honorary

member of the Machinists Union, an honor accorded only twice in the past 60 years.

When the motion carried and the applause subsided,

Sister Clinton returned to the podium and addressed her fellow members: "As an honorary member of the Fighting Machinists, I would ask this assembly to join me in supporting Senator Obama and Senator Biden to become the next President and Vice President of the United States."

Delegates responded to Clinton's call for unity with unanimous approval to endorse Senator Obama and Senator Biden.

Satellite Address by Senator Obama

The appearance by Senator Clinton was followed several days later by an equally dramatic address via two-way satellite by Illinois Senator Barack Obama. Delegates were

Convention Action Highlights

Delegates Approve Strike Benefits Formula

Delegates approved a proposition to link increases in weekly strike benefits to the balance of the IAM Strike Fund. According to the new formula, strike pay would increase from \$150 to \$175 per week when the Strike Fund balance exceeds \$150 million. Strike pay would increase an additional \$25 per week for each additional increase of \$25 million in the overall Strike Fund balance.

Any decrease in the Strike Fund balance would result in a decrease in benefits to the previous level, but not below \$150 per week.

The current balance of the IAM Strike Fund is about \$122 million and is funded with 10 percent of each month's Grand Lodge per capita tax, as well as revenue from investments derived from Strike Fund assets.

Electronic Voting

Five separate proposals were submitted to authorize electronic balloting for officer elections, contract ratification and/or bylaw voting. A review of internet related balloting revealed numerous problems, including the absence of a reliable paper ballot trail.

To accommodate members in unique circumstances, the Law Committee urged the Executive Council to monitor the Department of Labor's rulings on electronic balloting in union elections. When the DOL issues definitive regulations on electronic balloting, the IAM will institute a pilot program in IAM Flight Attendant lodges.

Additional Action

Throughout the Convention, delegates debated and voted on dozens of proposed resolutions, propositions and amendments. Delegates approved resolutions to

pressure Congress for regulation of airline fares and capacity and to ensure the Railway Labor Act and the Jones Act are enforced as intended.

Delegates also passed resolutions directing the union to continue its efforts to advance international collective bargaining and to secure adoption of a national public policy to ensure every person has access to technical skills training.

Proposals to support the Parti Quebecois in Canada and for a national holiday celebrating the life and work of Cesar Chavez were also resoundingly approved.

decked out for the occasion in bright orange vests and hats bearing *The November Team* logo that will clearly identify Machinists as they campaign in key battleground states.

Senator Obama thanked the delegates for their endorsement, and then ripped into the policies of his opponent, Arizona Senator John McCain.

"I know John McCain is casting himself as an agent of change," said Obama. "But I'm having a little trouble squaring that with his declaration that we've made 'great progress economically' over the past eight years. Or his boast that he's voted with President Bush over 90 percent of the time."

Obama questioned McCain's support for trade deals and his opposition to requirements that the U.S. government buy American-made products. McCain once called Buy American provisions "disgraceful."

"Just ask the workers across this country who have seen their jobs outsourced. The very companies that shipped their jobs overseas have been rewarded with billions of dollars in tax breaks that John McCain supports

and plans to continue," said Obama.

"So when American workers hear John McCain talk about putting country first, it's fair to ask – which country?"

Sen. Obama brought the delegates to their feet with his view of change.

"Change is a President who's walked on picket lines; who doesn't choke on the word 'union' and who will finally make the Employee Free Choice Act the law of the land," declared Obama.

Convention Closes

Buffenbarger closed the historic week acknowledging the work delegates accomplished and urging all members to elect a labor-friendly Congress and President.

"We looked trouble, big trouble, for our union straight in the eye," said Buffenbarger. "We did not blink or back away. Instead, we stepped up."

"In the great struggles for human rights and human dignity, we've been there," declared Buffenbarger. "We have a great history, a proud history. And on November 4th, the Fighting Machinists are going to help make history."

Youngest and Oldest Delegates Reflect on Convention

At age 81 and with nine Grand Lodge Conventions under his belt, Baltimore, MD Local 1784 delegate John Jefferies was present at the 1976 Convention when delegates approved the financial restructuring plan known as the *Program for Progress*.

"It was a tough decision, just like at this Convention, but in the end, the delegates united to take this union forward," said Jefferies, who recalled when the IAM was a million members strong in 1969. "I'm looking forward to it being that way again."

Local 2705 delegate Alex Miner from Westerly, RI, wasn't even born when the *Program for Progress* was passed in 1976. He was the youngest delegate at the 2008 Convention.

"I went to my local meetings and became a shop steward and a delegate because I wanted to get more involved," said Miner. "It was an extraordinary experience to hear all the speakers and to be part of the big decisions being made."



Eighty-one-year-old John Jefferies, left, of Local 1784 in Baltimore, MD was the oldest delegate and Alex Miner, right, of Local 2705 of Westerly, RI was the youngest.

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