

# THE STRUGGLE OVER THE PEACE DIVIDEND

Diverse forces are now converging in an attempt to carve up the military budget. There are those who would cut it to reduce the deficit. The solvency of the nation, in many people's eyes, is threatened by the size of the debt compared with our GDP. About 30% of our government runs on borrowed cash. The same proportion can be applied to the military budget.

Then there is growing group that wants to "Move the Money" to much-needed social services, like health and education, and also to repair our crumbling infrastructure.

Many parties, on the other hand, believe that the weaponry produced in Connecticut is still militarily necessary. The argument for its continued production, however, is largely economic: \$13 billion annually in military sales, 100,000 jobs.

Given the overall decline in manufacturing in Connecticut, these jobs loom increasingly important.

## TIME FOR CONVERSION

The IAMAW in our national convention in 2012 passed a resolution on Economic Conversion. I have included it in your handout.

We understand the realities of the pressure on the military budget and are making plans for alternative uses of the 'procurement' part of that budget. This is about \$100 billion of the \$700 billion. We advocate re-assigning workers and switching capital to products which have a peacetime use. This does NOT mean abandoning factories and retraining manufacturing workers to be nurses, teachers, and construction workers.

We don't need any more construction workers right now, and most military manufacturing workers are not suited or inclined to training in the social services. In addition, folding up this significant sector of US manufacturing, with no replacement products would have a disastrous impact on the US economy.

Economic Conversion means designing peacetime manufactured products that are in demand, and re-tooling military facilities to produce them. The growing market for green technology and modern transportation on the sea and rails are most often cited.

The two other groups who would cut the military budget, for deficit-reduction and social needs, are not focused on the impact of eliminating so much value-adding industry. \$100 billion is a big chunk of all US metalworking.

Economic Conversion is a difficult, complex question. There is little precedent for using government funds to manufacture anything but weapons. But if we don't try to understand it and embrace it, the likelihood of achieving other benefits of the peace dividend fades, as the defense workers, our unions, and employers resist *any* change.

We strongly urge that the proposed Futures Commission be enacted, and that a central feature of its work be the outlining of a plan for Economic Conversion.

The military budget is large enough that the goals of all three of the groups, who are preparing for its reduction, can be addressed. To fully achieve them, we need a broader agenda, including new taxes on people who can afford to pay, another IAM strategy.

*Bill Sturteell Machinist Union*

## RESOLUTION NO. 2

Subject: Economic Conversion Program

(Referred to Resolutions Committee)

Submitted by Lodge's 751-E, 751-F, 751-C, 751-A, 1123, 86, and 1951

WHEREAS the Congress and the Obama Administration are working on our national budget for next year and on into the future; and

WHEREAS spending on defense related programs is projected to decrease significantly into the future; and

WHEREAS many working people employed in these defense-related jobs will then be surplus and laid off; and

WHEREAS many of these workers are represented by the IAMAW and are working under union contracts with "family level" wages and benefits; and

WHEREAS these wages and benefits will be lost unless a program of economic conversion providing alternative union standard jobs is implemented to meet needed civilian construction, replacement of national infrastructure, and transportation improvements and the many other needs of our national economy; therefore, be it

RESOLVED that the Grand Lodge shall create and fund a working committee, with a member from each Territory, to examine and consider various proposals for a national planned Economic Conversion Program, including plans previously put forward by our Union, and to make a report to our 2013 National Planning Committee meeting; and be it further

RESOLVED that the Grand Lodge consider and incorporate into our political goals the recommendations of that committee; and be it finally

RESOLVED that the Local Lodges and District of our Union coordinate political efforts with this committee and support and pursue its recommendations.