



Badger Lodge News

Newsletter for United Lodge 66, Machinists Union, AFL-CIO

Chartered: November 30th, 1895

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www.unitedlodge66.org

May 2024

United Lodge 66

Business Meeting

May 14th at 7:00 PM

1650 S 38th Street

Milwaukee, WI 53215

414-671-3800

**All lodge members are
encouraged to attend**

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Office Hours:

By appointment only. Call 414-671-3800 or email lodge66@gmail.com

All Contract issues must be settled by your Business Rep at District 10. See Last Page

Wisconsin State Council of Machinists

By Jon Zancanaro

April 7th –9th The Wisconsin State Council of Machinists was held in Madison Wisconsin. The Council kicked off with a great first night of speakers including our new International President Brian Bryant and Midwest Territory General Vice President Sam Cicinelli. IP Bryant spoke on the current state of our union as well as the next steps as we prepare for the future. He cited the Committee on the Future and it's many listening sessions across the country that helped collect ideas on where our union is headed. He said the future is bright and we will continue to fight. GVP Cicinelli had a similar message and highlighted that there will be a new vision on our identity as The Machinists Union. He said all things were on the table from a name change to a logo re brand.

The second day featured something I never imagined I'd have the ability to be a part of. Wisconsin Governor Tony Evers spoke to us in the morning on how this is the year of the worker and it's his determination to do all he can for working people across Wisconsin. He then vetoed a bill at our council that would have allowed 14 year olds the ability to get a work permit without their parents consent, remarking how the GOP has no idea on how to address the worker shortage other than to let children go to work instead of school. We also heard speeches from Hasan Solomon, our lead lobbyist at International. He was an exceptional speakers and spoke about our unions efforts in Washington to help get legislature passed that will help union members not only in the IAM but the country as well. Tip McGuire also spoke to us and always repeated that the Machinists Union and it's members are in every room he enters when he is representing the people of Wisconsin. He is a true friend of labor and especially a friend of ours.

The final day saw a conclusion for District 10 Business Representative Alex Hoekstra on the future within our district. He urged all of us to look into the hybrid/satellite (virtual) meeting format that could potentially allow more members to attend.

See 'State Council' on pg. 5

Past Sacrifices, Future Victories: May Day

May Day or International Workers' Day has a long and rich history dating all the way back Roman Republic era (509 BC to 27 BC). May Day began as a festival of Spring held over multiple days and some held over the whole month of May to celebrate the change of seasons. Although May Day's origins aren't tied to organized labor it would eventually be used to observe a tragic but important event in the Labor Movement.

In 1886 May 1st was set by the Federation of Organized Trades and Labor Unions as the day the 8 hour work day would be standard. As the day approached many labor unions within the United States began preparing for a general strike in support of the 8 hour work day. An estimated 300,000 to 500,000 workers across the country joined in the general strike with 30 to 40,000 workers participating in Chicago, Illinois.

The general strike lasted a couple of days and on May 3rd at the McCormick Harvesting Machine Company the strike would turn violent. Workers at McCormick had been locked out of work for almost 2 months and were joined by half of the strikebreakers at the facility for the general strike. Strikebreakers had been and continued to be under the protection of some 400 Police Officers and Pinkerton Guards. There was a rally held outside of the McCormick plant on May 3rd and when the end of workday bell rang striking workers rushed to confront the remaining strikebreakers. Police fired on the crowd killing 2 with some reports of as many as 6 fatalities.

As a result of the police violence there was a rally planned for the next day at Haymarket Square. The rally was a calm and peaceful gathering of an estimated crowd of 600 to 3,000. However around 1030 police began marching on the rally and ordering them to disperse. Someone in the crowd lit a home made bomb and threw it into the advancing officers killing 7 officers. With the explosion demonstrators began to flee

while the police fired on the crowd killing 4 and wounding some 70 more.

Because of the violence the labor movement was subject to a barrage of anti union sentiment tipping power back to the employers. The push for the 8 hour work day was slowed and 8 suspects from the Haymarket Massacre were rounded up and put on trial. The trial was riddled with anti union coverage by the press who labeled the defendants as "arch counselors of riot, pillage, incendiarism and murder." In a trial that took place from June 21st, 1886 to August 11th 1886 the jury found all 8 men guilty sentencing 7 to death and 15 years for the remaining defendant. The result of the trial prompted protests around the world.



The trial and sentences followed by the public hanging of the defendants in which they all strangled to death in front of spectators instead of dying quickly re invigorated the labor movement. The first International Workers' Day celebration was planned for May 1 1890 to commemorate the loss of life in Chicago 4 years earlier in the general strike for the 8 hour work day. Headlines in The New York World on May 2nd 1890 read "Parade of Jubilant Workmen in All the Trade Centers of

the Civilized World" and "Everywhere the Workmen Join in Demands for a 'Normal Day.'" The first International Workers Day was a world wide success.

Today as we look back on the events that led to the creation of International Workers' Day we must remember the sacrifices by those who came before us who fought tirelessly to ensure our right to not only an 8 hour workday but also for all of the other safety and health improvements we enjoy on the job today. Without their relentless dedication and ultimate sacrifices for the labor movement we may still be fighting for the things that workers were fighting for in the spring of 1886.

On The Mark

April 2024

The Magnificent 7 or the Magnificent 24?

Key Takeaways

- Strong performance of the “Magnificent 7”¹ (Mag 7) has led many U.S. market indexes to be concentrated in a small number of highly valued companies.
- We find that these companies are more diversified than you may think. However, they are expensive, and they may struggle to meet lofty expectations.
- We don’t think investors need to avoid the Mag 7, but it may be prudent to augment Mag 7 exposure with non-U.S. markets which offer geographic and sector diversification.

The “Magnificent Seven”

The “Magnificent Seven” (Mag 7) refers to seven leading U.S. companies associated with big technology trends like artificial intelligence, cloud computing, and high-performance computer chips. These companies comprise almost 30% of the S&P 500. Compared to the past, this is a very high concentration in a small number of companies. Their high concentration, along with their high valuations, have led some investors to eschew equity markets.

We find that the Mag 7 are not as concentrated as some might think, and they may be worth their high valuations. However, investors should be cautious about having too much exposure to the Mag 7 because investing in companies with

extremely high expectations can be risky. Instead of avoiding the Mag 7, we suggest diversifying to non-U.S. equity markets, which offer geographic and sector diversification.

The “Magnificent 24”?

The best companies evolve over time. For example, in 2000, Apple was basically a computer company (it changed its name from Apple Computers to Apple Inc. in 2007). Today, Apple Inc. has at least five distinct and highly successful business lines – iPhones, wearables, Macs (computers), iPads, and software services. Many of today’s big technology companies have similarly diversified their product lines. If you look at the underlying businesses within the Mag 7, you see that there are actually 24 distinct business lines with annual revenues above the median company in the S&P 500 (\$13B).

Clearly, many of those business lines are related to technology, but some are related to other industries, like retail (Amazon) or autos (Tesla). In certain cases, these business lines can complement each other to create an “ecosystem” that encourages more and more product adoption. This has created a “winner-take-all” phenomenon with several big technology companies, where the success of one business line has led to the success of other business lines.

High Valuations

This success has helped the Mag 7 trade at very high price/earnings ratios (28 times next year’s estimated earnings) compared to the rest of the

market (the remaining 493 securities in the S&P 500 trade at a price/earnings ratio of 19 times). But the Mag 7 are also growing much faster than the other 493 companies in the S&P 500. Mag 7 companies grew their earnings by 43% over the last year, compared to only 7% for the rest of the S&P 500. Further, analysts expect that Mag 7 companies will continue to grow by over 25% over the next year. Is this additional growth worth the higher price? It depends on whether they can deliver on exceptionally high expectations.

A Cautionary Tale

In March 2000, Cisco Systems was dubbed the “backbone” of a revolutionary new technology (sound familiar?)—the Internet. At the time, they were trading at an astronomical price/earnings ratio of 325 times. Since then, they have tripled their revenue and grown their earnings per share by an impressive 1,800%, but their stock price has declined by 33% since 2000.

Great companies can produce exceptionally good *financial results* (earnings growth, etc.), but their *investment results* (share price appreciation) may be very different if they are not able to meet the lofty expectations incorporated into their prices.

7 or 24, Still Mostly Tech

Whether you think of the Mag 7 as seven large technology companies or 24 technology-related businesses, the dominant industry exposure is still technology. The 24 different business lines within the Mag 7 offer some diversification of product lines (most small- and mid-sized companies rely on one product), but most of the underlying business are still related to technology.

As U.S. technology companies have grown, U.S. equity markets have gotten progressively tilted towards technology. For example, 39% of the S&P 500 is now composed of technology² companies. In contrast, developed non-U.S. equity³ markets have much less exposure to technology (only about 13%) and more exposure to traditionally cyclical sectors like industrials (17%), financials (19%), and consumer discretionary (12%). Additionally, non-U.S. markets are also quite a bit cheaper on a price/earnings basis.

In our view, investors should not necessarily avoid the Mag 7 – these are some of the best-positioned companies in the world – but this may be a good time to diversify into non-U.S. markets.

1. The Magnificent 7 are: Alphabet (Google), Meta (Facebook), Amazon, Tesla, Apple, Microsoft, and Nvidia.
2. Includes both Communication Services and Information Technology.
3. Sector exposures are for MSCI EAFE, as of 4/11/24.

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'State Council' from pg. 1

He also said that there may be locals merging in the near future and urged us all to work together as they happen. Lastly we went to the Capitol building to speak with our representatives. Most of them were back in their districts but we spoke with the teams of Greta Neubauer, Tip McGuire and had a nice 20 minute talk with Bob Wirch.

Leaving Madison left me feeling excited for the future of our union and our local. It was great to catch up with other members across the state and make new connections.



***Wisconsin Governor
Tony Evers***



***International President
Brian Bryant***



***General Vice President
Sam Cicinelli***



***State Representative Tip
McGuire***



***Political and Legislative
Director Hasan Solomon***



***Directing Business Rep
Alex Hoekstra with Gov-
ernor Tony Evers and
Wisconsin State AFL-CIO
president Stephanie
Bloomingdale***



A historic moment! Governor Evers vetoes a bill at the 2024 Wisconsin State Council of Machinists

Seniors Corner: President Biden’s Historic Progress

Fact: Without the Inflation Reduction Act, seniors would not have insulin copays capped at \$35 a month, free recommended vaccines, and out-of-pocket costs capped at \$2,000 a month starting next year.

**“We’ve made historic progress
in the last three years:
35 bucks for insulin for seniors,
\$35 for inhalers for asthma,
\$2,000 a year total cap on costs
for seniors.”**

President Joe Biden

After years of drugmakers hiking the cost of insulin, inhalers, and making lifesaving medications unaffordable for patients, people are finally getting some relief thanks to President Joe Biden and Democrats in Congress. That's progress worth celebrating.

Upcoming Events and Important Dates:

| | | | |
|--|--|--|---|
| Milwaukee Area Labor Council Delegate Meeting Wednesday, May 1st at 6:30 PM Milwaukee Labor Temple 633 S. Hawley Rd. Milwaukee, WI | District 10 Business Meeting Monday, May 13th At 7 PM Satellite Meeting @ Lodge 66 1650 S. 38th Street Milwaukee, WI | Lodge 66 Business Meeting Tuesday, May 14th at 7 PM Local Lodge 66 1650 S. 38th Street Milwaukee, WI | Deadline to submit articles for the next Badger Lodge News is May 24th Submit articles by email: lodge66@gmail.com |
|--|--|--|---|

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Officers of Local Lodge 66

Machinists Union

- President Mike Oettel
- Vice President Mike Stark
- Recording Secretary .. Jon Zancanaro
- Secretary/Treasurer ... Kenny Mullan
- Conductor/Sentinel
Adam Duedenhoefer
- Trustees: Don Aiello, Thomas Schaab
and Liam Maltz
- Communicator Jon Zancanaro
- Educator Mike Stark
- Editor Jon Zancanaro

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www.YouTube.com/badgerlodge

Do you have any concerns, complaints or congratulations you would like to bring up to those representing you in Government? Give them a call or send them a note and let your voice be heard

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