

Elect rank-and-file committees to oppose UAW sell-out

American Axle strike at the crossroads

By Jerry White
2 April 2008

The five-week strike by more than 3,600 American Axle & Manufacturing workers in Michigan and western New York is at a critical juncture. The militant stand the strikers have taken against the company's wage-cutting demands has won widespread sympathy from workers throughout the industry and beyond. The strike has disrupted the operations of American Axle's largest customer, General Motors, and is threatening sales of its top-selling vehicles.

It is precisely at this point—when the strike is beginning to have its greatest impact—that strikers must be on guard against a sell-out by the United Auto Workers bureaucracy.

If this struggle is not to be isolated and betrayed—like so many walkouts before it—rank-and-file workers must take the conduct of the strike and negotiations out of the hands of the UAW. Strikers should elect rank-and-file committees of trusted workers—known and respected in the factories—to prepare opposition to any concessions contract brought back by the UAW, and expand the strike throughout the auto industry.

In recent days, American Axle has escalated its threats against the striking workers. CEO Richard Dauch said that if workers did not agree to substantially lower pay and benefits, he would shut down the striking plants and shift production abroad.

American Axle has also taken initial steps to hire strikebreakers by taking out job ads in local newspapers. On Monday, hundreds of laid off or injured American Axle workers rejected the company's effort to blackmail them into crossing picket lines by cutting them off unemployment or disability benefits. Instead they joined the ranks of the striking workers.

Moves by the company to break the strike should not be taken lightly by auto workers. The downsizing of the auto industry and the economic recession in Michigan and throughout the country have created large numbers of unemployed workers desperate for

work. The company claims it received an overwhelming response to advertisements in Detroit area newspapers for replacement workers.

The last time a major auto company used scabs to try to break a UAW strike in Detroit was during the bitter struggles to organize Ford Motor Company during the 1940s. Any attempt to bring in strikebreakers should be met with the shutdown of the auto industry and a general strike in Detroit.

The biggest threat to this struggle comes from the deliberate effort of the UAW to isolate the strike while it negotiates a contract—behind the backs of the membership—which accepts the bulk of the company's demands. In the face of Dauch's threats, the UAW International has issued no public denunciation.

On Tuesday, UAW Vice President James Settles, who heads the union's bargaining team with American Axle, issued a statement saying the company had finally begun to provide the union with financial information it was seeking on the impact of health care and retiree benefits on the company's hourly labor costs.

The union, Settles said, was reviewing the data it received on March 27 and April 1 "to determine if it is fully responsive to our requests." He added, "We hope the company will do what is required to meet its legal obligation to provide data necessary for bargaining—and reinstate benefits to injured and laid-off workers—so that we can settle this dispute and bring our members back to work as soon as possible."

It should be recalled that on the eve of the strike the UAW offered Dauch substantial wage and benefit concessions.

The UAW, Settles said in a letter to the *Detroit Free Press* published Tuesday, "has made responsible proposals that recognize today's competitive realities. But the company has refused to provide the information we need to evaluate its proposals and has refused to budge from its drastic positions. The settlement of the strike," he continued, "will require both labor and management to listen—honestly—to the concerns expressed by the other side. We are more than ready

to do our part.”

In other words, the UAW is prepared to accept Dauch’s demand for a “market cost competitive labor agreement” on par with what the UAW has granted his major competitors. But the UAW bureaucracy wants something in return.

In exchange for wage and benefit cuts that reduced hourly labor costs at GM, Ford and Chrysler by two-thirds, the UAW was given control of a \$54 billion retiree health care fund—a so-called Voluntary Employees’ Beneficiary Association or VEBA—much of which was financed by shares of GM and Ford stock.

It is necessary to ask: what is the UAW looking to get in exchange for selling out the jobs and livelihoods of American Axle workers? Is there another VEBA in the works? Is the UAW seeking a guarantee of a minimal number of UAW-represented jobs, so that it can continue to collect dues from workers earning near poverty wages?

The union is well aware that there is overwhelming opposition to a sell-out agreement, even if it includes bogus buyouts and buy-downs, which mean little to thousands of workers too young to retire early. Distrust in the union bureaucracy is such that workers in several locals have reportedly passed motions demanding that they see the actual contract language—not “highlights”—of any agreement a week before a ratification vote and that they have observers at the ballot boxes and during the vote count.

Along with the corporation, the UAW is hoping financial pressure on the strikers will wear them down and soften them up for management’s demands. The union is paying strikers only \$200 a week, while sitting on a strike fund worth an estimated three-quarters of a billion dollars.

The UAW does not want to deplete the fund in part because it has become a huge source of income for the labor bureaucrats at union’s Solidarity House headquarters. A recent filing with the Department of Labor showed that the union made \$75 million in interest income in 2007—up from \$59 million in 2006. This was in spite of the fact that the UAW lost 73,538 members in 2007—or 13.7 percent of its

membership—and saw a reduction in dues revenue.

This income stream enabled the UAW International, along with servicing reps, regional and local officials, to increase their salaries. The fact is that the interests of the union officials are completely antagonistic to the interests of the workers they claim to represent.

American Axle workers must get their full wages and benefits until a victory in the strike is won. That will send the most important signal to Dauch and the Wall Street investors behind him that workers are prepared to wage a protracted struggle to defend their jobs and living standards.

The fate of the strike depends on the independent initiative of auto workers themselves. Strikers should elect rank-and-file committees to carry the struggle forward. The strike should be expanded to the Big Three and to Delphi, Dana and other parts companies, in order to overturn the pattern of wage-cutting contracts.

This must be the first step in a political mobilization of the entire working class against the capitalist profit system and the two big business parties—the Democrats and Republicans—that defend it.

Last year the UAW contributed nearly \$8 million on Democratic politicians, and it plans to spend far more this year supporting the Democrats’ eventual presidential nominee. But these so-called “friends of labor” have been silent on the American Axle strike, even though it has become national news as the longest auto workers strike in a decade.

That is because Hillary Clinton and Barack Obama—despite their claims to speak for working people—defend the capitalist system and are beholden to corporate America. The same goes for state and local Democratic Party politicians in Detroit, who have overseen the impoverishment of the working class and have said nothing about the strikebreaking threats.

A new political movement of the working class must be built—independent of the Democrats and Republicans—that will fight to reorganize economic and political life to meet the needs of working people, not the corporate and financial elite. That is what the Socialist Equality Party is fighting for.