

# Mobilize auto workers behind the American Axle strike

**Statement of the World Socialist Web Site editorial board  
20 March 2008**

The *World Socialist Web Site* and the Socialist Equality Party call upon all auto workers to mobilize in defense of the three-week-old strike by 3,650 workers at American Axle & Manufacturing plants in Michigan and western New York. By resisting the company's wage-cutting demands, American Axle workers are taking a stand for the entire working class.

What is at stake in this struggle? Once again, a company run by multi-millionaire owners is demanding that the wages and conditions of the workers be permanently slashed to near-poverty levels. This is a situation that confronts millions of workers in the US.

American Axle CEO Richard Dauch—who received at least \$60 million in total compensation over the last five years—has threatened to close plants and shift production to lower-wage factories in the US and Mexico unless workers accept a \$14-an-hour wage cut, sharp reductions in medical coverage, the elimination of employer-paid pensions and retiree health care benefits, and hundreds more job reductions.

Last week, three workers at the Detroit plant were arrested after the company began to implement its threat to ship products out of the strikebound factories.

This is a struggle not simply against one company. Behind Dauch stand the biggest corporate and financial interests, which are determined to make the working class pay for the financial crisis on Wall Street resulting from the bursting of the real estate bubble.

The question posed is: Who is to pay for the failure of American capitalism?

It is not only manufacturing workers whose livelihoods are being attacked, but far broader sections of the working class. At the bankrupt investment bank Bear Stearns, more than half of the company's 14,000 employees lost their jobs and the entire work force at a stroke saw their life savings wiped away by the collapse of the firm's stock.

The needs of working people are irreconcilably opposed to a system that is entirely geared to increasing corporate profits and further enriching a financial aristocracy. The fact that the entire working class confronts a ruthless offensive by big business, backed by a government and two-party system that defend corporate America, demonstrates that this is fundamentally a political struggle between opposing social classes.

The industrial mobilization of the working class must be guided by a new perspective and strategy and the building of a political movement that opposes the capitalist system, whose failure is being demonstrated each day in the spread of home foreclosures, a financial crisis that threatens to plunge the country into a new

Depression, and growing social inequality.

## **The role of the UAW**

The fight against wage-cutting, the loss of jobs and the destruction of all the gains won by previous generations of workers cannot be conducted through the existing labor organizations, such as the United Auto Workers union. They categorically defend the profit system through their collaboration with the corporations and their political alliance with the Democratic Party, which they falsely portray as a "friend of the working man" in order to block the building of an independent party of the working class.

Last year the UAW signed contracts with the Big Three automakers that imposed on its own members 50 percent wage cuts and the destruction of health benefits and pensions. In return, the union became the proprietor of a health care trust that constitutes one of the largest private investment funds in the US, with more than \$50 billion in assets. Under the terms of the deal, the UAW has become the single largest shareholder in General Motors and Ford.

How, by any stretch of the imagination, can one describe such an outfit as a working class organization? It is a business, controlled by a bureaucracy that at every point sets out to advance its own financial interests by collaborating with the auto companies at the direct expense of the workers who are compelled to pay dues into its coffers. Its major function is to stomp out dissent within the ranks and soften up workers to accept management's demands.

With its control of tens of millions of shares of GM and Ford stock, the UAW has a direct financial incentive to assist the auto bosses in slashing labor costs, wiping out jobs and driving up the exploitation of its own members on the shop floor.

American Axle was set up in 1994 after GM spun off its axle and forging operations in order to slash labor costs for its parts production. The number one auto maker and its Wall Street investors are demanding that American Axle deliver a decisive blow to the striking workers in order to break the resistance of all auto workers to even greater concessions that will be demanded as the US auto companies face slumping sales and a further loss of market share.

The most dangerous threat facing American Axle workers is the deliberate effort of the UAW to isolate and sabotage their struggle. The UAW's top leadership has taken the negotiations out of the hands of local representatives in a sure sign that a sellout is being prepared.

On March 4 the *Detroit Free Press* reported that the UAW offered substantial wage cuts to American Axle on the eve of the strike.

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According to a March 17 article in the *Automotive News*, the UAW International is seeking “job guarantees” from American Axle to end the walkout, basically on management’s terms. “General Motors has contracted hundreds of millions of dollars of new business annually with American Axle. The union wants those axles and other parts built in UAW-represented US plants, not in Mexico, said a source close to the situation,” the publication reported.

It continues, “The job guarantees are needed to salve the pain of concessions the UAW must make at American Axle to bring wages and benefits more in line with the axle maker’s competitors, said Dave Cole, chairman of the Center for Automotive Research think tank in Ann Arbor, Michigan. ‘Plant investment is the quid pro quo,’ he said.”

As always the UAW is negotiating, not to defend its members, but to defend its own interests. The *Automotive News* article makes clear that the UAW International is trying to arrive at agreement with Dauch to secure the maximum number of dues-paying workers in return for agreeing to the wholesale destruction of wages, benefits and working conditions.

Whatever “job guarantees” the UAW claims it has obtained will not be worth the paper they are written on. The UAW said it received such promises from GM, Ford and Chrysler last year. But once the contracts were ratified the companies eliminated entire shifts at their assembly plants and wiped out thousands of jobs.

American Axle workers are defying the pattern of wage- and benefit-cutting contracts the United Auto Workers union has accepted throughout the auto industry. Having faced widespread opposition to its betrayal of Big Three auto workers, the UAW is determined to make sure the American Axle strike does not become a rallying point to oppose its pro-business policies.

### **The way forward**

If this struggle is not to be isolated and sabotaged, the conduct of the strike and negotiations must be taken out of the hands of the UAW. Rank-and-file committees should be set up, independently of the UAW, to unite auto workers and working people in the communities threatened with layoffs and plant closings. These committees should call demonstrations, organize mass picketing to stop production at the American Axle plants, and fight to expand the strike to GM, Ford, Chrysler, Delphi and the other auto and auto parts companies in order to overturn the concession contracts signed by the UAW.

The fight of auto workers must be linked up with the struggle of the working class as a whole—against the threat to jobs, the

wave of home foreclosures, cuts in social programs, and the squandering of billions on the war in Iraq. This must be the start for the building a new political movement of the working class based on the fight for an international and socialist alternative to capitalism.

The decimation of cities like Detroit, Cleveland and Flint, Michigan has been part of a deliberate policy of deindustrialization, which has led to the destruction of six million manufacturing jobs since 1979. This was done by the most powerful financial interests, which sought to free up capital from “underperforming” industries in order to reap vast fortunes in the stock market and through other forms of financial swindling.

At the same time, companies like American Axle shifted production to Mexico, China and other low-wage countries in order to maximize returns for investors and enrich the top corporate executives. The response of the UAW has been to peddle nationalist poison in order to drive a wedge between US workers and their brothers and sisters internationally, while collaborating ever more closely in the slashing of wages, benefits and jobs.

The attack on auto workers is international. In recent days, BMW has announced the elimination of 8,000 jobs in Germany, and GM Europe said it would cut 5,000 jobs in Belgium, France, Spain and Germany. A genuine fight in defense of jobs is possible only by uniting auto workers on an international scale based on a socialist program.

American Axle’s financial books must be made public. The huge payouts for Dauch and other top executives must be frozen and the tens of millions they have squeezed out of the company returned.

The vast assets of the auto industry—built up by the labor of generations of workers—can no longer be the personal property of America’s wealthy elite, who dispense with them as they see fit. If the industry is to be run for the good of society, it must be transformed into a publicly owned utility and placed under the democratic control of working people. This will not only guarantee a good standard of living for auto workers and their families, but the production of safe, high-quality and affordable transportation for consumers.

The fight for this socialist and internationalist policy requires a break with the Democratic Party—the twin party with the Republicans of big business, inequality and war—and the building of a mass socialist party of the working class. This is the aim of the Socialist Equality Party. We urge auto workers to consider our program and make the decision to join and build the SEP as the new revolutionary leadership of the working class.

*We encourage autoworkers and others to contact the WSWS.*