

American Axle CEO Richard Dauch and the “right” of private property

By Jerry White and Joe Kay
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In his first public comments since the early days of a month-long strike, American Axle CEO Richard Dauch has threatened to permanently close his factories unless workers accept his demand for a two-thirds cut in wages and benefits.

Dauch told the *Detroit Free Press*, “We will not be forced into bankruptcy in order to reach a market-competitive cost structure in the United States. If we cannot compete for new contracts in the US, there will be no work in the original plants,” he said, referring to factories in Detroit and Three Rivers, Michigan, and in the New York towns of Tonawanda and Cheektowaga.

By a “market-competitive cost structure,” Dauch means sharply lower wages. In particular, he is demanding that workers accept a wage cut from \$28.15 to \$14.50 an hour and, in some cases, as low as \$11.50. He is also seeking a sharp reduction in health coverage, the elimination of employer-paid pensions and the destruction of at least 1,000 more jobs.

“We have the flexibility to source all of our business to other locations around the world,” Dauch told the *Free Press*, “and we have the right to do so.”

Dauch went on to insist that it was necessary to eliminate “the Detroit entitlement mentality,” by which he meant the belief that workers should be able to make a decent wage and have certain benefits.

Dauch’s comments no doubt express a degree of frustration and anger. From the point of view of Dauch and the Wall Street investors who stand behind him, the contract negotiations have not proceeded according to plan. Dauch expected that the company would make its demands and the union bureaucracy would force the concessions on the workers. This has certainly been the pattern in the auto industry for decades.

Despite the best efforts of the United Auto Workers union to isolate and wear down the strike, however, American Axle has confronted the determined resistance of the rank and file, who are prepared for a

long fight. If a concessions contract is presented to the workers it could very well be voted down. The oppositional mood among workers on the picket lines reflects a growing radicalization of workers in the United States and internationally.

The response of Dauch is to assert his inherent right to enforce his demands, whether the workers like it or not. “We have the right” to move our operations somewhere else, he said. And in a fundamental sense, he is correct. The capitalist system is based on the private ownership of the means of production, on the institutionalized exploitation of the workers, who are forced to sell their labor power on the market.

If American Axle does not like the wages workers are demanding in Detroit and New York, Dauch has the right—a right defended by the unions, the courts, and both political parties—to move his operations somewhere else or to shut them down all together. It does not matter to the likes of Dauch that such a decision would devastate the lives of thousands, since what drives the capitalist system is not the interests of the workers, but private profit.

For all the talk of democracy in the United States, the fact is that in the sphere of economic life—in the decisions that directly impact the lives of millions of people—there is no democracy. Every company is run as a dictatorship, a dictatorship of capital over labor.

Ultimately, it is the acceptance of this right of capital that explains the complete bankruptcy of the UAW and its inability to in any way defend the interests of auto workers. Back in 1937, John Lewis, the head of the Congress of Industrial Organizations, of which the UAW was a part, declared, “Unionization, as opposed to communism ... recognizes fully and unreservedly the institution of private property and the right to investment profit.”

The unions have degenerated a great deal since the 1930s, but the root of this degeneration was their acceptance of the profit system. In defense of this principle, the union bureaucracy, after the Second World War, purged from its ranks all socialist-minded militants. Over the past three decades, the unions have

transformed themselves from instruments for defending the interests of workers within the framework of capitalism, into instruments for imposing upon the workers the demands of the corporations. It is during this period that the American corporate elite has carried out a wholesale dismantling of the industrial base of the United States.

In the current struggle, the union bureaucracy is pursuing its own financial interests, at the direct expense of the workers it claims to represent. In exchange for the historic concessions granted to the Big Three automakers last year, the UAW was given control of a retiree health care trust fund with an estimated value of \$54 billion. With much of this fund financed with GM and Ford stock, the UAW will have a direct incentive to collaborate with management in the further slashing of jobs and other labor costs throughout the entire auto industry.

If the struggle of the American Axle workers is not to be isolated, worn down and defeated, the strike and negotiations must be taken out of the hands of the UAW through the setting up of rank-and-file committees, which will expand the walkout to auto and auto parts plants throughout the industry. An appeal for solidarity must be made to workers in Canada, Latin American, Asia and Europe to unite in the struggle against the global auto companies in order to defend all jobs and protect living standards.

This industrial mobilization, however, is only the first

step to defend the interests of workers. A new political party of the working class needs to be built, independent of the Democrats and Republicans, which both unconditionally defend the capitalist system. In opposition to the right of Dauch and others to throw people out of work and slash wages—even while pulling in tens of millions of dollars for themselves—workers must assert the right to a decent job and home, the right to a quality education, the right to health care, the right to equality. But the demand for these rights comes into immediate conflict with the principle of private ownership of production.

The situation confronting workers at American Axle is exactly the same as the situation confronting workers throughout the United States and in every country. With no ownership or control over the vast productive forces that dominate the global economy, workers everywhere are subject to the whims of the market. As the economic crisis deepens, the corporations will respond with a vicious attack on the jobs and living conditions of workers all around the world.

The political and economic dictatorship of the financial aristocracy must be broken and genuine democracy established. The giant forces of production—built up through the labor of generations of workers—must be owned and controlled democratically in the interests of social need and not private profit. That is, in place of capitalism workers must take up the fight for international socialism.