

On eve of vote at largest Detroit local

UAW pushes through sellout at smaller American Axle plants

By Jerry White

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A majority of American Axle workers in the Buffalo, New York area, Three Rivers, Michigan, and a smaller forge plant in Detroit have reluctantly voted to ratify the sellout agreement accepted by the United Auto Workers union, according to news reports.

The union locals that have voted represent around 1,600 workers. On Thursday, nearly 2,000 workers at the company's largest facility—members of UAW Local 235 in Detroit—will cast the deciding vote on the contract.

There is widespread hatred for the contract, which cuts wages from the current level of \$28 an hour to \$18.50 for some workers and as low as \$10 for others, freezes pensions and imposes deeper out-of-pocket medical expenses. The union also agreed to the closing of three plants and the elimination of 2,000 jobs.

Both corporate CEO Richard Dauch and the UAW leadership have used economic blackmail to intimidate workers and undermine the opposition of rank-and-file workers. The two parties have agreed to the shutdown of the Detroit and Tonawanda, New York forges and the closing of the already idled Buffalo manufacturing plant. The UAW told workers that if they did not ratify the deal they would lose tens of thousands of dollars in buyouts and “buy-down” payments negotiated by the union to ease the transition out of their jobs.

The ratification was a vote of no confidence in the UAW, which made it clear it would do nothing to stop the wage cuts and job losses. Top UAW officials said there was nothing the union could do to stop the company's plans to shift production to low-wage plants in the US and Mexico. In the event the contract was rejected, UAW officials said they would do nothing if the company made good on its threat to bring in scabs to break the strike.

On the eve of the agreement, UAW President Ron Gettelfinger announced the company was demanding the closure of the 116-worker Cheektowaga machining plant—the last of its operations in the Buffalo area. A

week later, the union announced it had “saved” the plant in a cynical maneuver to get approval of the deal. According to the Associated Press, 80 percent of the workers in western New York voted in favor of the contract.

The UAW held a snap ratification vote in New York, giving workers no time to examine the contract. Union officials also sought to intimidate opponents, including supporters of the *World Socialist Web Site* who were passing out a leaflet opposing the betrayal and calling for the mobilization of all auto workers against the job and wage cuts.

One worker from the Tonawanda forge told the WSWS, “We shouldn't have to just accept anything that's thrown at us and have to make a decision in a matter of an hour. They're not giving us time to think about what was on the table and talk to other people about it.”

The UAW, she said, “presented it in a manner of ‘take it or leave it—this is what we have to offer. Our plant closed and we are in a do-or-die situation. If you want it take it, if not...”

On Monday members of UAW Local 262 at the Detroit Forge, where 300 workers will lose their jobs when the facility is closed November 30, approved the deal by an undisclosed percentage.

One worker told the WSWS, “Having us out so long makes us realize how important having of job is. People know its rotten but they're afraid to go back on strike. They are having their homes foreclosed,” he said, adding that it was impossible to live on the \$200 in strike benefits the UAW was paying.

Another worker said, “The company is playing hardball here. They're making us compete with labor costs in Mexico and China, while Dauch is taking his machines to Oxford, Michigan where he is paying \$10.50 an hour.”

With 800 workers, American Axle's Three Rivers plant is the largest employer in the western Michigan town of 7,300 people. There the UAW negotiated a

separate wage-cut to “save” the plant. Top wages will be \$18 to \$14.50, with so-called factory support workers bringing home an annual pre-tax income of \$20,800—below the official poverty line for a family of four, according to the US Labor Department.

David Morris, the bargaining chairman of UAW Local 2093 at the plant, told the *Kalamazoo Gazette* that if Detroit workers voted against the contract Thursday and remained on strike his local would break ranks, sign a separate agreement and send its members back to work.

The threat by UAW officials in Three Rivers to act as strikebreakers flows logically from the long-standing strategy of the UAW to assist management in pitting company vs. company, plant vs. plant and auto worker vs. auto worker to boost the profitability of the auto companies.

No matter how large the concessions, however, the Big Three auto companies are determined to drive down the living standards of auto workers even further, particularly as the downturn in the US economy and rising gas prices lead to falling sales and profits.

The UAW-American Axle agreement will cut labor costs, including benefits, by \$32 per worker—bringing its all-in labor cost into the low-\$40-per-hour range, Citi Investment Research analyst Itay Michaeli told

the Detroit News. The agreement will also lead to substantial savings for General Motors—American Axle’s biggest customer—which put up \$218 million for buyouts and other compensation to end the strike and now expects sharp reductions in prices for its components.

Lehman Brothers projects that 1,200 of the 3,650 striking workers will take the buyouts or early retirements. Those employees will “not be replaced in the U.S. but in Mexico,” wrote analyst Brian Johnson in a note to investors. In 2000, the company opened up an axle plant in Guanajuato, Mexico, which employs nearly 700 workers making around 135 pesos or \$13.00 a day.

Nevertheless, Wall Street still considers American Axle’s US labor costs too high and over the last two days has driven its stock price down nearly 8 percent.

Opposition to the betrayal of the UAW runs deep in Detroit where American Axle workers shouted down UAW President Ron Gettelfinger and other International and local officials during an informational meeting on Sunday. The company is reportedly looking to eliminate 900 workers at the Detroit Gear & Axle facility, which has traditionally been the center of opposition to wage and benefit concessions agreed to by the UAW.