American Axle strike enters second week

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The strike by 3,650 workers against American Axle & Manufacturing (AAM) has entered its second week. Autoworkers are determined to resist the company's demands for a cut in wages from $28 to $14 an hour and other sweeping concessions in benefits and working conditions.

The walkout, which began February 26, has led to the closure of five General Motors plants, which depend on axles and other components produced at American Axle's striking plants in Michigan and New York. On Tuesday, GM shut its Moraine, Ohio assembly plant, adding it to the list of GM plants already closed in Pontiac and Flint, Michigan; Fort Wayne, Indiana and Oshawa, Ontario.

AAM is the principal supplier for GM light trucks and SUVs, and a prolonged walkout could close 10 assembly plants. Chrysler LLC could also be forced to close plants in Newark, Delaware and Saltillo, Mexico due to the strike.

Despite the financial impact of the strike, the corporate executives at American Axle—and behind them, Detroit's Big Three automakers and Wall Street—are determined to break the resistance of the striking workers and impose the type of wage and benefit concessions that have now become the standard throughout the entire industry.

In pressing their demands the auto bosses are depending on the treachery of the United Auto Workers union. The UAW has been complicit in the rollback of autoworkers' living standards and the destruction of tens thousands of jobs at GM, Ford, Chrysler and parts suppliers such as Delphi and Dana.

American Axle CEO Richard Dauch has insisted he is only demanding wage and benefits reductions on par with what the UAW has already granted his competitors. In fact, the UAW has already accepted lower-tier wages at other AAM facilities, where it has signed separate sweetheart contracts. The union is compelling its members at these facilities to keep working during the strike.

In a statement issued March 1, UAW President Ronald Gettelfinger made clear his willingness to grant similar concessions to American Axle. "Our union is a responsible organization, and we've worked through complex problems at Chrysler, Ford, GM, Delphi, Dana and other companies. But negotiations can't be a one-way street."

The UAW is negotiating, not to defend the wages and living standards of American Axle workers, but for the perks and privileges of the union bureaucracy. It is fully prepared to impose the company's demands as long as it gets something in return. At GM, Ford and Chrysler the union agreed to slash the wages and benefits of new hires by two-thirds in exchange for control of a retiree health care trust fund worth $55 billion.

The bidding war now being carried out by the auto parts companies to drive down the wages of their employees is the product of the deliberate policy of the UAW to assist the Big Three in cutting the costs of their parts production. The UAW isolated and betrayed several strikes by parts workers in the 1980s and 1990s. The union then sanctioned the spinning off of GM parts divisions, which led to the setting up of American Axle in 1994 and Delphi in 1999.

Since establishing the company, American Axle CEO Richard Dauch has whittled down the number of higher paid workers at its five core plants in Michigan and New York, while expanding production at non-union plants in the US and factories in Mexico and other low-wage countries. Since 2004, UAW jobs have been cut from 6,500 to 3,650. The company's Buffalo, New York plant has been "idled," wiping out 558 jobs.

Last week Dauch told a *Detroit News* columnist that the core plants have had "drastic red-ink performance." He cited declining production volumes and the company's inability to hire workers at lower, "second-tier" wages as the reasons.

When the strike began, the company said it would only continue to invest in these facilities if a "market-competitive labor cost structure" was in place.

In 2006, Dauch received $1,344,164 in base salary—a 10 percent increase over the previous year. He also pulled in a $3.9 million cash bonus and millions more in stocks and other bonuses. His total compensation was $9,329,628, according to a proxy statement filed with the Securities and Exchange Commission. His weekly earnings were $179,404—or more than 195 times what an American Axle worker earned in a 40-hour week.

The huge payoff came despite the fact that the company reported a $222 million loss for the year. In 2007, AAM made $37 million in profits on sales of $3.2 billion. On Tuesday the board of directors voted to postpone consideration of executive bonuses, saying it would await the outcome of the current negotiations with the UAW to "determin[e] the amount of the bonus."

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Separately, American Axle has elected to raise compensation for its directors that are not employed by the company—eight of the board's nine members. They will receive a $10,000 raise to $50,000 a year. They also will see a $10,000 increase in the restricted stock they receive, to a value of $70,000 a year.

Workers on the picket line at American Axle's main production facility in Detroit—members of UAW Local 235 and 262—expressed their determination to fight the company's attacks.

Michael Carter, a worker with 14 years at the plant, said, "The last contract we saw no increase in our pay. Now they want to cut our pay. But nothing is going down in costs. People are losing their homes to foreclosures already.

"The last contract they said if we took concessions they would leave the Buffalo plant open. They 'idled' the plant anyway and have moved all the machinery from Buffalo to this plant here.

"If they push through these givebacks it is going to set a pattern for future generations. The oil corporations and the other big companies are making billions and all we want to do is hold onto our $23 an hour jobs."

Another worker, Teredia said, "We can't just decrease our pay. We own homes. We have kids in private schools and we're paying car notes on our vehicles.

"They want to move production to China and Mexico but what makes them think the workers over there want to work for slave wages? They want wages like workers in the US too."

Julian Lawrence, an American Axle worker with 14 years told the WSWS, "Everything is against the middle class and for the rich. Everything is going up, and he wants to take away. The media is pro-American Axle and against us.

"Dauch wants us to take a cut to $14 an hour. I see us being forced to take a cut to $18 or $19. I think a lot of people are scared about the future. My wife works here also, we are both on strike. We saw this coming so we prepared ourselves."

Dennis Parks is a skilled trades worker at the forge unit. He is a member of UAW Local 262. He told the WSWS, "They offered Delphi workers a buy-down. They want to cut us down cold. You can't take away one-half and expect life to continue as normal."

He noted that American Axle recently purchased two forging companies: Ohio-based Colfor Manufacturing and Oxford, Michigan-based MSP Industries. UAW members at those facilities are covered by a separate contract—paying lower wages—and are not on strike.

"I think they are going to try to get rid of all of us. Once Dauch gets what he wants he will take the work out of here and go to Oxford.

"Now that they have the Oxford forge up and running they are taking stuff out of here. There he has no long-term legacy costs. They have taken work out of the original American Axle plants and put it in those plants. They have their 10-year project, and it doesn't include us. None of us will be here. There will be none of us working here in the next four years. There was vibrant activity here when I first started, now there is nothing.

"I think we should all get together to stop this. It's not just NAFTA anymore. It is all over the world. There are no longer cradle-to-grave benefits like the old UAW. I don't think the UAW is like what it was years ago. They can get people to go on strike, but then you wonder, why?"

Todd, another forge worker who joined the company when it first opened in 1994, said, "They're taking machinery out of the forging plant and moving it to a non-union plant in Oxford where the workers start at $10 an hour.

"We aren't going to have any longevity here. They have already threatened to 'idle' the forging plant here in December. If we don't take these cuts the machines are going to go out the door and so are our jobs. In 1994 there were 800 workers at the forge plant. Now there are only 300.

"There were originally five plants when AAM was set up. Now there are 17 in the US and he plans to close the original five where workers have higher wages and benefits and leave everyone else making $14 an hour.

"This is a nightmare. You work at a place for 14 years and you are used to a certain lifestyle, and then they tell you to work for half as much. How am I going to make my mortgage? Can I tell the bank to take half a payment? They'd throw me in the street. If I made $14 an hour I would go bankrupt and I'd be just another foreclosure statistic.

"Twelve years ago Dauch gave us the spiel about making money with the American worker. Now we feel like cattle. He doesn't care—he's got his money.

"All the stuff that our forefathers fought for—cost of living increases, pensions, health care benefits—they are taking away. The union has caved in on every contract. The concessions haven't saved one job. Now we're on the company's hit list of plants to 'idle' if we don't take the cuts. I don't believe we should accept any pay cuts. They are making millions."

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