

# American Axle strikers in Detroit determined to halt wage-cutting

**Our reporting team**

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*The following article is posted as a leaflet in pdf format.*

Striking workers at the American Axle & Manufacturing plant in Detroit expressed their determination to defeat wage and benefit-cutting demands, as the walkout of 3,650 workers in Michigan and western New York entered its fourth week.

American Axle's corporate CEO Richard Dauch, who has made at least \$60 million over the last five years, is demanding that workers accept cuts in pay from \$28.15 to as low as \$11.50 an hour, and accept up to 1,000 additional job cuts. If the workers do not agree to the massive rollback in their living standards, American Axle has threatened to idle the majority of its plants and shift production to low-wage centers in the US and Mexico.

Industry analysts have indicated that the company is already shifting some axle manufacturing to its facility in Guanajuato, Mexico to fill orders from its main customer General Motors and give the company more time to weather the strike. The walkout has forced GM to shut down seven pickup and SUV assembly plants, and slow or halt production at 22 other plants in the US, Canada and Mexico, resulting in the layoff of some 37,000 workers.

Despite these hardships the strikers have won widespread support from GM, Ford, Chrysler and other auto workers, who see the struggle as a stand against the wave of wage-cutting contracts signed by the United Auto Workers union, including last year's labor agreements at the Big Three automakers. Workers throughout the industry have come to the American Axle picket lines to express their solidarity with the strikers.

The strike, however, is in danger of being isolated and betrayed by the UAW. In a sure sign that a sell-out is being prepared, the UAW International has taken over negotiations from local representatives. A report in the *Automotive News* earlier in the week said the union was seeking "job guarantees" from the company in exchange

for ending the strike largely on management's terms. On the eve of the strike, the UAW offered to accept substantial wage cuts, according to documents leaked to the *Detroit Free Press*.

Several strikers at the company's main complex in Detroit spoke with the *World Socialist Web Site* about the issues in the strike and more broadly about the struggle confronting the working class as a whole.

A young worker, Shawn, said GM and American Axle are trying to bust the unions. The government and corporations are collaborating in an effort to widen the gap between the haves and the have-nots, he said. "The union took concessions to get the company out of financial trouble" in the past, Shawn noted, and now, "The union has said to prepare for the worst." He added, "People are all in this together, we're the last line of defense; we are not just struggling for ourselves." "The bosses are profiting and prospering while we are out building the company. It's a slap in the face. They have been bringing in second-tier workers, but they almost don't need it anymore because they're bringing the wages of the top tier down to the second tier."

Shawn said that the American Axle workers had received support from other workers. "A couple of people came up from Mexico and said they had sympathy with us. They had been fired for trying to organize a union at their plant. It was right across the border from Texas. The company they work for has its headquarters near here, in Sterling Heights. They make \$40 a week.

"A guy who worked at Ford for 33 years came by and said we needed a national strike. The companies won't respect us if we're not united. I don't think we understand the power we have."

Shawn also spoke about the mounting financial crisis on Wall Street and the latest actions by the Federal Reserve to bail out investors. "The interest rates that the Fed is lowering are not going to have any effect on the interest

rates common people pay on things like their credit cards or mortgages. It only affects the people with the big money.”

“Bush is a businessman first,” Shawn said. “He’s like a figurehead or a puppet. If you ask me, the two parties have not done anything for us. A rich Democrat is the same as a rich Republican.” When asked about the role of the UAW, which agreed to wage cuts at the Big Three in exchange for control of a multibillion-dollar retiree health-care trust fund, Shawn said, “They have their foot in the door. One of my cousins is a UAW official at Delphi in Alabama, what he told me is, ‘Watch your union.’”

Another worker, who transferred to American Axle after the final shutdown of GM’s Cadillac Assembly plant, said, “The working class is the majority of the country. We don’t want to be the sacrificial lamb, but someone has to say, ‘You can’t take anything more from us.’”

“We do have power. Look at how we have shut down nearly 30 GM plants. I think it’s time for a national strike of all auto workers. We have to show the government the working class people aren’t going to take anymore.

“The companies have a long-term plan. GM and Ford got rid of parts suppliers Delphi, Visteon and American Axle to lower their costs. Now maybe they are going to go the other way and start making parts again since they have so-called ‘non-core’ workers inside the Big Three plants making \$14.50 an hour.”

Commenting on the report that the UAW would end the strike in exchange for job guarantees, he said, “Those promises wouldn’t be worth the paper they’re written on. We gave up concessions in 2004 to keep the Buffalo plant open. They put language in the contract promising not to close the plant. Then before the strike began they ‘idled’ the Buffalo plant and got rid of just about everyone in it.”

Referring to UAW International President Ron Gettelfinger’s decision to embrace last year’s takeover of Chrysler by the private equity firm Cerberus, he continued, “At first Gettelfinger denounced Cerberus as a ‘strip and flip’ company and opposed them. Then all of a sudden he changed his tune when the UAW was offered control of the corporation’s big retiree health-care trust fund. Here at American Axle they are talking about taking away our retiree medical benefits. They want to get rid of our pensions and give us 401(k)s, which will make big bucks for the Wall Street investors, not us.”

Joe, a skilled tradesman with 37 years in the auto industry told of his disillusionment with the claims by CEO Richard Dauch, echoed by the UAW, of a partnership between workers and management. “I am a

GM transplant. I came to American Axle because I used to work for GM’s Fleetwood in Detroit, which closed in 1987.

“When I first came here this plant was old like the other GM plants. Dauch fixed it up. He seemed like he cared. I felt he was a different type of executive. He even knew my name. One day he came through the plant with his family. He waved, said ‘Hi Joe!’ and turned to wife, saying, ‘That is one of the hardest working guys at American Axle.’

“I’ve been hurt on the job but I still haven’t missed work. Now Dauch is telling me I am not worth what I am paid. I gave everything for the company. Now it seems like it was all a façade. Because of the economic times these executives are all using the opportunity to throw us away.”

A pipe fitter at the plant said, “Accepting this deal from the company would be cutting my own throat. I’ll have to cut my spending, but the company is making all this money.” He said he lives in a small house, but still has financial difficulties. “It’s a question of whether you can afford more than bare necessities. Can you afford college for your kids? Engineers and management also feel threatened. The bosses were in yelling at them, saying, ‘I can pay five Indians with MBAs with the same amount I pay you.’ They’re getting cut, too.

“It’s coming down to the rich and the poor—they’re getting rid of the middle class. Gas prices are always going up, produce is going up because of the price of gas.”



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