

Impact of American Axle strike spreads

Talks continue through weekend

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General Motors reported that it could be forced to wholly or partially shutdown a total of 29 factories in the US and Canada as the strike by 3,650 workers at Detroit-based American Axle nears the completion of its second full week. The production cutbacks affect over one-quarter of the number one automaker's North American workforce.

The strike involves workers at four American Axle plants in Michigan and New York state, who are facing draconian cuts in pay and benefits in line with concessions the United Auto Workers union has already granted other auto part suppliers and the major US car manufacturers—GM, Ford and Chrysler.

GM says it plans to cut production at eight powertrain plants this week due to parts shortages created by the walkout. Seven assembly plants have already been forced to completely shut down along with two engine plants. Many other plants are slowing production. Independent parts suppliers have also been forced to carry out layoffs.

However, GM insists that it has ample inventories of all vehicle stock, including a 90-day supply of its best selling pickup trucks, and that the production cuts will not impact sales.

Nonetheless the widening impact of the strike means there is a high likelihood the United Auto Workers will call off the walkout. There is a regular pattern of the union bureaucracy scuttling strikes just at the point when they are having their biggest impact. Negotiators for the UAW and American Axle resumed talks late last week and met throughout the weekend in an effort to reach a deal.

An automotive analyst told the *Detroit News* that General Motors at some point would have to intervene to end the strike. "Eventually GM will have to jump in and mediate the situation; and when GM mediates, they will have to bring their pocket book," meaning the automaker would likely help finance "buy downs" for senior workers, whose wages are set to be slashed, as it did in the case of parts makers Delphi last summer.

In the Delphi negotiations GM put up billions of dollars to help subsidize one-time payouts to senior Delphi workers. It calculated that this cost would be more than offset in the long run by savings from parts purchased from Delphi and would help establish a precedent for further wage cuts throughout the

auto industry.

"Buy downs" are part of a carrot and stick strategy worked out by the auto bosses and the UAW. While American Axle and the union browbeat workers with the threat of further job cuts they are offering them an "out" in the form of one-time cash payoff if they vote to surrender wages and benefits won over decades of struggle. Meanwhile details are being worked out to pay senior workers to leave the company through "buyouts" now being negotiated by the union and the company.

No cash payout can begin to offset the damage done by the surrendering of wages and benefits that have set the standard for generations of industrial workers in the US and internationally. The conversion of auto workers into a cheap labor force will do irreparable harm to cities like Detroit and Buffalo, New York, which have already been devastated by decades of wage cuts and downsizing.

American Axle wants to cut hourly pay from \$28.15 per hour to \$14.50 and as low as \$11.50 per hour for some workers and eliminate defined benefit pensions. The company is reportedly offering buyouts to senior workers whose pay stands to be cut by as much as 50 percent.

Jim, an American Axle worker in Detroit with 13 years responded to reports that the company was proposing to cut pay to \$11.50 per hour for workers making stabilizer bars. "That's stupid. A stabilizer bar is part of a car. \$11.50 an hour, that's \$445 a week—after taxes you might walk home with \$320.

"It's just a one way street. I don't like giving up money, especially after I've worked here so long. I don't feel like going back down."

Another American Axle worker said, "They told us to base your lifestyle on working 40 hours per week. Now they are saying you have to make one-half of that. I'll lose everything I have."

According to a report in the *Detroit Free Press*, the UAW offered prior to the strike to reduce wages to \$14.56 an hour for what it called "entry level support positions" and \$20.50 for "core axle-making jobs." The union also offered to cut the pay of skilled trades workers by \$5 per hour, from \$32.13 to \$27.

These savage reductions are in line with concessions that the UAW accepted last year with parts makers Dana and Delphi, which set the pattern for the Big Three negotiations. In those

contracts the UAW agreed to cutting new hire pay to 50 percent of standard wages, the elimination of employer-paid retirement benefits and sharp reduction in health care coverage.

In exchange the UAW bureaucracy received a multi-billion dollar payout in the form of a trust fund covering retiree health care benefits. For its part the UAW agreed to accept payment for only a fraction of the full cost of the automakers' outstanding health care obligations, ensuring there will be benefit cutbacks as funds run short.

As the strike continues workers have become more critical of the UAW, which has kept workers largely in the dark as to what is happening. Further, press reports flatly contradict claims of local officials that no wage cuts have been already accepted.

Jim was angered by reports that the UAW had agreed to pay cuts even before the strike began. "Our union has already sold us out. The UAW is like a business. They are worried about their own jobs. The (UAW) International is only looking out for themselves. They are supposed to be looking out for the individual - but they are looking out for themselves. [UAW International President Ron] Gettelfinger knows that no matter what happens he will not be hurt.

"I truly believe there is a contract proposal that has already been agreed on. We are only out here because they want to make themselves look good, so they can say, 'we went on strike—we did the best we could.'"

As always the UAW with the aid of the news media is attempting to divert attention away from its utter betrayal of the interests of autoworkers by stoking antagonism toward foreign workers. Reports in Buffalo and Detroit newspapers have attempted to frame the strike as essentially a battle between American and Mexican workers over jobs.

In fact, the auto companies don't have to leave the US to find cheap labor. The conditions of poverty and destitution in Detroit and other major industrial centers have helped create conditions for super exploitation. American Axle has shifted production to non-union facilities in the US and other factories where the UAW has already imposed drastic wage cuts.

Comments by a number of workers on the picket line at the American Axle plant in Detroit reflected a critical attitude to the barrage of chauvinist propaganda by the UAW bureaucracy and the media. "They couldn't build those plants in Mexico, China and France without the money they are making from us. I would like to see the standard of living brought up in China. Many people there are living in houses made out of pallets. They should be brought up to our level," remarked one worker.

Another worker called the UAW strategy "worthless." "We need to tackle this on the national and international level," he said.

The fact that the UAW had to call a strike in the first place reflects the fact that the union hierarchy is quite aware that workers will not voluntarily agree to the level of sacrifices being demanded. The war in Iraq, rising oil prices, declining

home values are all on the minds of American Axle workers. Further fueling tension is the fact that while demanding draconian concessions the company continues to make money. CEO Richard Dauch took home \$9,329,628 in salary and other compensation in 2006.

Jim remarked, "Five or six years ago Dauch brought us all together and told us we are family, we are all part of the team. Now we are reaching a situation where you will have just two classes of people, the very rich and the very poor.

"Meanwhile we are sending trillions of dollars to that war. I am against the war. Oil, that's all the war was about.

He continued, "You are going to lose everything. You might as well go down fighting."

American Axle workers should reject the consensus of the media, big business politicians and the UAW, which present the surrender of pensions, health care and wage standards as unavoidable. By resisting concessions American Axle workers can set a precedent that would galvanize the entire working class.

However, a serious fight is only possible by breaking out of the straitjacket imposed by the UAW, which functions as a profit-making business, not a genuine workers organization.

It means mobilizing workers throughout the auto industry in the US and internationally against the corporate assault on living standards. This requires the building of new organizations of struggle, rank-and-file strike committees to take direct charge of the strike, carrying out negotiations in public and under the control of the workers.

Workers must recognize that both Washington and Wall Street are united in the ongoing assault on the working class. The fight to defend jobs and living standards is linked to the building of a political movement, independent of both corporate-controlled parties based on a fundamentally different social principle: economic life must be organized not to serve corporate profit and private wealth, but rather the needs of working people and society as a whole.



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