Reject UAW plans to sabotage American Axle strike!

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The two-week long strike by American Axle & Manufacturing (AAM) workers against the auto supplier is in danger of being betrayed by the United Auto Workers union. The UAW is working behind the scenes to implement a contract that follows the pattern of wage and benefit concessions it has already negotiated throughout the auto industry.

Monday marked the fifth straight day of bargaining between the UAW and American Axle to reach a deal that would end the strike by 3,650 workers in Michigan and western New York.

Unlike the two-day or six hour "Hollywood strikes" called by the UAW against General Motors and Chrysler, the American Axle walkout has substantially disrupted the operations of the Big Three automakers, which have spearheaded the attack on workers' jobs and living standards. However, even though tens of thousands of GM, Chrysler and auto parts workers have been laid off or forced to work shorter hours due to the strike, there is widespread support for the American Axle workers.

Autoworkers are looking to their brothers and sisters at American Axle to draw a line in the sand against the corporate attack on jobs and living standards. It has long been the practice of the UAW to shut down strikes just at the point when they are having the greatest impact. Preparations must be made now to campaign for a rejection of any contract that contains wage and benefit concessions.

It is necessary to oppose the efforts of International and local UAW officials to push through a sell-out with threats of plant closings and layoffs and offers of bogus "buyouts" aimed at bribing current workers to sacrifice the interests of future generations.

American Axle workers should organize strike committees, independent of the UAW, to expand the strike to workers at Delphi, Dana, GM, Ford and Chrysler, and to make an appeal to Canadian auto workers who will face concessions demands from the Big Three automakers this summer. Workers must demand the restoration of all concessions and wage a fight against the union-management conspiracy to transform the auto plants into low-wage sweatshops.

The last thing the UAW wants is a unified struggle against the auto bosses and their Wall Street backers. Operating as little more than a company union, the UAW has sought to isolate the strike and is working eagerly to end it.

The UAW bureaucracy has already acceded to the bulk of the company's demands. The *Detroit Free Press* reported last week that even before the strike started the union had agreed to substantial wage cuts. According to documents leaked to the newspaper, the "union's wage proposal has several layers, ranging from $14.56 for entry-level, support positions to $21 for core axle-making jobs." In addition, the union proposed a reduction in skilled workers' wages from $32.13 an hour to $27.

Wall Street has already factored in the capitulation of the UAW to the company's wage and benefit demands. According to an article in Reuters, "JP Morgan analyst Himanshu Patel said in a note for clients on Monday that while 'buyout costs for the new contract could be rich,' a new deal could allow American Axle to cut hourly labor costs by $20 per hour on average. He said that would translate to an additional $2 in annual earnings per share."

The Delphi contract and the recent agreements signed by the UAW with GM, Ford and Chrysler have discarded the gains won through the struggles of generations of autoworkers. With the assistance of the UAW, the Big Three automakers intend to replace tens of thousands of higher paid senior workers with employees making $14 an hour, with substandard medical benefits and no employer-paid pensions or retiree health care benefits.

The transformation of autoworkers from the highest paid industrial workers in the world into a poverty-stricken workforce is the culmination of three decades of labor-management "partnership" by the UAW. The UAW has a particularly long history of collaboration with Richard Dauch, the multi-millionaire owner of American Axle.

As an executive vice president of Chrysler during the bailout of the near-bankrupt company in 1980, Dauch traveled with UAW Vice President and Chrysler Department head Marc Stepp to over 150 factories and facilities, where the two threatened workers with the loss of their jobs if they did not increase productivity and accept work rule changes and other company dictates.

In a show of gratitude, Dauch invited Stepp to write the foreword for his 1993 biography *Passion for Manufacturing*, which details his years at Chrysler. Fondly recalling his trips with "Dick," Stepp writes, "Never before had our workers seen management and labor saying the same thing in the same room at the same time. Some long-time union members could not believe it. I asked them to 'lend us your hand to produce quality products. If you will not do that, then give us your goodwill. If you can't do that, then get the hell out of the way so we can take care of business.'"

During the Chrysler bailout, the UAW set a new standard for

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betraying its members when it collaborated with the company in the shutdown of dozens of plants, the elimination of 50,000 of its members' jobs and the imposition of $500 million in wage cuts and other concessions. In recognition of the union's services, Chrysler Chairman Lee Iacocca appointed UAW President Douglas Fraser to the company's board of directors.

American Axle was founded in 1994 when a private investor group, led by Dauch, purchased the five key axle and forge factories from GM. The UAW supported Dauch's ownership, agreed to lower wages for new hires and helped the company move out its higher paid, senior workers.

This opened up the era in which much of the auto industry was been hived off to financial pirates. For Dauch and the new private equity owners of Chrysler, the vast industrial assets built up by generations of workers are little more than personal ATM machines, from which they can extract tens of millions of dollars in salaries, bonuses and stock options.

In 1997 private equity firm Blackstone Group bought a controlling share in American Axle and then resold it in a series of stock sales, which netted $600 million for its wealthy investors. These included David Stockman, the former budget director in the Reagan administration. Stockman is currently under indictment for fraud and other charges stemming from the bankruptcy and liquidation of another auto parts maker, Collins & Aikman.

In 2006, Dauch received $9,329,628 in salary, bonuses and stocks, 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—even though the company reported a $222 million loss for the year.

Dauch is not an exception. In 2006 top auto executives made an average of $7.1 million, including Ford chief Alan Mulally who pocketed $39.1 million and Johnson Controls head John Barth who walked away with $30.8 million. At the same time workers and retirees were forced to give up medical benefits and tens of thousands of workers were laid off.

Over the last 30 years a one-way war has been conducted against the working class in which trillions of dollars have been transferred from workers into the hands of America's wealthy elite. During this time the UAW, along with its allies in the Democratic Party, have sought to blame the assault on jobs and living standards not on the corporate bosses and the capitalist profit system, but on workers in other countries and so-called "unfair foreign competition."

The claim that the auto industry does not have enough resources to pay decent wages and benefits is a lie. American Axle's financial books must be made public. The huge payouts for Dauch and other top executives must be frozen and the tens of millions they have squeezed out of the company returned.

However, workers at American Axle confront more than just the greed of Dauch and other individuals. They confront a social system, capitalism, which subordinates all decisions effecting millions of people to the profit demands of a tiny elite. Dauch & Co. are rewarded handsomely for delivering profits to investors in the form of cuts in wages and benefits.

Under the capitalist "free enterprise" system, the corporate executives and Wall Street investors have a monopoly over the decision-making process, but they are not the ones who pay for their disastrous choices. Time and again their single-minded drive to enrich themselves undermines the long-term health of these companies.

The first step needed to protect the interests of working people is to institute democratic control over all business decisions affecting work, safety, salaries, hiring and hours. These decisions cannot be made by the wealthy few—whose interests are antithetical to the needs of working people—but by committees of factory floor workers, technicians, accountants and other experts committed to the interests of the working class.

The auto industry, upon which millions of workers and their families depend, can no longer be the personal assets of America's wealthy elite, who dispense with them as they see fit. The last three decades of industrial decay—the ruination of Detroit, Cleveland and other "Rust-Belt" cities and the devastating consequences of the sub-prime mortgage crisis and the collapse of the housing market—have demonstrated that these people are unfit for the job.

If the auto industry is to be run for the good of society, not personal profit, it must be transformed into a publicly owned utility and placed under the democratic control of working people. This will not only guarantee a good standard of living for autoworkers and their families, but the production of safe, high-quality and affordable transportation for consumers. The revolutionary advances of technology and globally integrated production put to use to meet the vast requirements and problems of modern society.

It is essential that American autoworkers reject the flag-waving chauvinism of the UAW bureaucracy and the Democratic Party—which only serves to divide and weaken the international working class—and unite with their class brothers and sisters in Europe, Latin America and Asia in a common fight to defend the jobs and basic rights of all working people.

The fight for this socialist and internationalist policy requires a break with the Democratic Party—the second party of big business, inequality and war—and the building of a mass socialist party of the working class. This is the aim of the Socialist Equality Party. We urge American Axle workers to consider our decades-long struggle against the betrayals of the UAW bureaucracy, to study our history and program and make the decision to join and build the SEP as the new revolutionary leadership of the working class.

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