

# Bitter strike by American Axle workers enters third week

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The strike by 3,650 American Axle & Manufacturing (AAM) workers in Michigan and western New York has entered its third week with the auto supplier pressing ahead with demands to cut current workers' wages and benefits by two-thirds.

Negotiations between the United Auto Workers union and company officials reportedly broke down Monday after five straight days of talks. No formal negotiations took place Tuesday, although company officials say they will resume later in the week.

UAW International President Ronald Gettelfinger said no progress had been made in the talks, telling a Detroit radio talk show host Tuesday that "from day one, it has been American Axle's way or the highway."

The breakdown is not the result of a lack of effort by the UAW to appease American Axle. Before the strike began the UAW had agreed to substantial wage cuts, including a 50 percent reduction in wages for new hires and a \$7-an-hour cut for current production workers. It called the strike not to oppose these drastic givebacks, but as an "Unfair Labor Practices" protest, arguing that American Axle refused to share financial information needed to justify its concession demands.

American Axle, however, is demanding even deeper wage cuts, particularly for current workers. American Axle's CEO has threatened to shut his US facilities unless he can become competitive with other suppliers, such as Delphi and Dana Corporation, as well as in-house producers at Detroit's Big Three automakers—GM, Ford and Chrysler—where the UAW has already accepted sharp reductions in labor costs, including reductions in wages for new hires from \$28 to \$14.50 a hour.

The walkout, which began February 26, has disrupted production for American Axle's biggest customer General Motors. GM has been forced to idle 11 plants in Michigan, Indiana, Ohio, Missouri and Ontario, and reduce output at another 17 factories, affecting a total of 42,000 hourly and salaried workers.

Although the strike has been costly to the number one automaker, GM officials have stated they will not intervene to end the strike. At Delphi, GM shelled out billions of dollars to finance buyouts and buy-downs for workers at its former parts division in order to facilitate the imposition of wage and benefit rollbacks on the remaining workforce.

GM's president and chief operating officer, Frederick Henderson, said Monday the automaker did not plan to intervene in the American Axle dispute. "You never want to be in a situation

where you've got your own assembly plants down and suppliers going down. But I think you have to respect the bargaining process that's taking place between American Axle and the UAW, and expect they'll find a solution," he said.

Henderson told the media it would be different if GM were losing sales and reiterated that the company had a large inventory of unsold cars to weather a longer strike. GM's CEO Richard Wagoner said the impact was "negligible" given the weak market for full-size pickups and SUVs, which rely on the strikebound company's axles.

In fact, the strike has cost GM financially. Nevertheless GM and its Wall Street backers want American Axle to hold its ground and deal a decisive defeat to the striking workers in order to break the growing resistance of workers to the pattern of wage-cutting contracts the UAW has agreed to throughout the auto industry.

Although the strike has led to layoffs and shortened workweeks, the American Axle workers enjoy widespread support for the stand they are taking. This was acknowledged by the *Detroit Free Press*, which ran an article Tuesday headlined "GM workers root for strikers." The article quoted one GM worker from Toledo, Ohio, where the strike has resulted in layoffs, saying, "We should have been out on the line like that.... Once suppliers saw the UAW buckle at GM, Ford and Chrysler, these little companies said: 'Well, we've got to cut, too.'"

Ever since 1993-94, when GM spun off its axle and drive line division to a group of private investors, led by former GM and Chrysler executive Richard Dauch, American Axle has functioned as a virtual subsidiary of GM and a stalking horse for its drive to reduce labor costs at its parts suppliers. The company has full design responsibility for GM axles and does 80 percent of its business with the number one automaker.

The UAW has a long record of collaborating with Dauch, dating back to the Chrysler bailout of 1979-80, when Dauch was a top executive at the near-bankrupt company. Dauch and UAW International Vice President Marc Stepp toured every Chrysler plant together threatening workers with plant closings and layoffs unless they accepted wage cuts, speed-up and the destruction of job classifications and other work rules.

In his 1993 book *Passion for Manufacturing* Dauch praised Stepp, saying, "We would go in, stop operations, and talk to people. Marc has the ability to communicate in his own special way, telling them bluntly, 'No quality, no sales. No sales, no jobs.' Saying this when he was standing arm in arm with a

management guy, especially an executive vice president, got attention. Our message—delivered in these Town Hall meetings—was teamwork, cooperation, quality improvement, and responsibility to the market.”

In 1994 the UAW supported Dauch’s takeover of GM’s former factories, provided him with a two-tier wage scale and assisted the company in clearing out higher paid senior workers. In 2004, the union accepted another concessions contract.

This collaboration has produced riches for the company’s top executives. Dauch has been one of the auto industry’s highest paid executives, receiving total compensation of \$58 million from 2003 to 2006, according to the *Automotive News*. This included a \$9 million payout in 2006, the same year the company lost \$222 million.

Last week, the company’s board of directors postponed its decision on proposed bonuses for Dauch and other top executives, saying it would await the outcome of the strike to determine the amounts they would receive, according to a company regulatory filing.

The UAW bureaucracy, which confronted substantial rank-and-file opposition to its betrayal of GM, Ford and Chrysler workers last year, is determined to isolate the American Axle strike and prevent a unified struggle by auto workers to reverse the wage and benefit concessions it has granted to big business.

American Axle workers should organize rank-and-file committees, independent of the UAW, to oppose any contract that accepts wage and benefit cuts and fight to expand this strike by appealing to auto workers at Delphi, Dana and Detroit’s Big Three automakers.

On Tuesday a WSWS reporting team spoke with American Axle workers on the picket line at the company’s Detroit manufacturing complex. There was widespread discussion on the WSWS statement, “Reject UAW plans to sabotage American Axle strike”.

Lee told the WSWS, “We are not going into a recession. We are in a recession. It has been their plan all along to get rid of the middle class, but if they do, who do they think is going to buy their vehicles? If I am making \$14 an hour I won’t be buying a truck.

“I think we need a new CEO. It is all corporate greed. They don’t care about the little man—it is the hourly worker that is keeping this economy going, not the rich. It is not just this company; no one cares about the worker any more.”

Her friend commented, “Where’s the American dream? The big oil companies can raise prices any time. Gas prices dictate everything to the world. I just heard that food is going up because truck drivers are paying more for gas. And they want us to take a cut.”

Greg, a younger worker, was angered by the lack of information from the UAW. “I don’t trust anybody. They took so long to tell us anything. The first meeting we had wasn’t until a week ago.”

Ray, a skilled trades worker who started in 1994, told the WSWS, “There is constant harassment. They want the skilled trades to work on the line when they are not doing repairs. They say there is no value added off us—if they see us sitting around we are wasting money—so they come around and say we will write you up for loitering.

“I don’t think the strike [over unfair labor practices] is winnable,

because there is nothing in place legally to do it. They will give them a slap on the wrist and say ‘don’t do it again.’

“The government is run by big business. ‘For the people, by the people,’ went by the wayside a long time ago. If everyone thinks it is just us against American Axle, then they don’t understand.

“Big business has bought the government and more or less bought the unions and the universities too. If you do something the government doesn’t want, they don’t give you the money.

“The universities are turning out business majors with the mentality that only managers deserve anything. They are running business cutthroat and business ethics doesn’t mean a thing. It is totally run by big business—they are dictating the curriculum.

“Now they want people to work here for \$15 an hour? I say, excuse me—I am a machinist—that takes knowledge and schooling. I have a degree. I went to school and did a lot of training—I had to learn a lot of different things and I am still learning every day.”

Francis, who has worked a 12 years at the forge unit, told the WSWS, “To me, the first contract they present us we need to turn down. We are hurting them now and if we can hurt them deeper maybe they will give more.

“We gave them all that money. He [Dauch] used the money to build plants overseas, now he says we are not good enough for him.”

Mike has been with American Axle since 2000, which makes him a low seniority worker. Workers in his unit are what the company calls “direct commodity” workers, which the company wants to reduce to an \$11.50-an-hour wage level. “He would be making a ton of money if he did something like that,” Mike said.

“If we give up now, we aren’t going to get anything back the next contract. We are fighting for everyone. We are like the stepping stone with the Canadian Auto Workers contract coming up this summer.”



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