

# Reject UAW plans to sell out American Axle strike

Jerry White  
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Behind the backs of more than 3,600 striking workers at American Axle plants in Michigan and western New York state, the United Auto Workers bureaucracy is working feverishly to conclude a deal that would impose severe wage and benefit cuts and betray the 39-day walk-out.

This Friday and Saturday representatives from striking union locals will be in Detroit to meet with UAW International officials to review the status of negotiations. According to UAW International Vice President James Settles, who is overseeing talks with the company, on March 27 and April 1 American Axle provided the UAW with financial data—on health care, pension and profit-sharing costs.

The UAW has long claimed the greatest obstacle to a settlement has been the failure of the company to provide this information, which would allow the union to “make an informed decision about whether to accept or reject” the company’s demands for a two-thirds reduction in wages and benefits.

In a week that began with provocative threats by American Axle CEO Richard Dauch to shift production from his strikebound plants to Mexico or hire scabs to break the strike, the decision of the company to release the data was presented by the news media as a major step toward a settlement.

“Axle info could sway strike,” the *Detroit Free Press* headlined an April 2 article, which cited local union officials to the effect that the development could lead to renewed negotiations between full bargaining teams for the first time since March 11.

Aware of widespread distrust among rank-and-file workers, who rightfully suspect that the union is preparing to sell them out, top UAW officials downplayed suggestions of an imminent settlement. Instead Settles and UAW International President Ron Gettelfinger asserted the upcoming meeting was to “review” the information to see if it included everything the union had requested from the company.

In comments to Reuters news agency, Gettelfinger expressed his frustration with the company, asserting that the strike was unnecessary because the UAW had been willing to accept substantial wage and benefit cuts, similar to concessions it had made to American Axle’s competitors and the Big Three automakers: General Motors, Ford and Chrysler.

“There have been a lot of things that have happened along the way here that have created a much more difficult situation,” Gettelfinger told Reuters. “It would have been much easier to have negotiated a deal in the beginning. And we felt we had a very responsible proposal on the table that addressed the company’s concerns. Apparently they want more.”

Unbeknownst to the union membership, on the eve of the strike, the UAW agreed to a major reduction in wages: a \$14 an hour cut for so-called entry-level support workers, and a \$7 an hour cut for axle-making jobs, according to documents leaked to the *Detroit Free Press*. (See [here](#)).

From the very beginning the chief concerns of the UAW have been (a) how to sell these concessions to its members and (b) what the labor bureaucrats would get in return. In exchange for massive concessions at the Big Three, the union took control of a retiree health care trust fund worth \$54 billion.

American Axle workers have shown their determined opposition to any concessions and the UAW fears that any agreement it brings back could be rejected. In his remarks to Reuters, Gettelfinger complained that the company had picked the wrong time to announce that Dauch received a pay package worth \$10.2 million last year because this has made it more difficult to sell wage cuts to the workers. Noting that he thought Dauch’s \$257 million in compensation since 1997 “has been excessive,” Gettelfinger said, “To come in and want to unilaterally cut people’s pay in half, I just don’t see that.”

Rather than “unilaterally” cutting wages, the Gettelfinger is letting American Axle know it can better realize its wage-slashing aims by working with the union. The UAW’s

record of collaborating with Dauch, after all, dates back to the 1980s, when he was an executive at Chrysler and worked with the union to use the threat of bankruptcy to slash tens of thousands of jobs and drastically roll back wages and conditions.

Several analysts have indicated that both the UAW and American Axle are looking to General Motors—which spun off the factories that make up American Axle in 1994—to help finance buyouts or a “buy-down,” which would subsidize the wages of workers who take pay cuts. This would serve to clear out the older, higher-paid workers and enable the auto parts firm to hire new employees earning little more than poverty wages.

While the UAW worked out such a deal with GM during the Delphi negotiations, the auto giant is under no legal obligation to do the same in regard to American Axle. Nevertheless, on the eve of the strike, *BusinessWeek* cited sources close to GM who claimed the two companies had discussed a buyout involving 2,000 of the company’s 3,650 workers in exchange for cutting the prices of axles and other parts. Because the strike may now disrupt production of GM’s top-selling vehicles, some analysts predict the latter may help broker a deal before too long.

Any such offer would be a miserable betrayal of the principled stand taken by the American Axle workers. Not only would it mean the abandonment of gains won by earlier generations, it would condemn future workers to low-wage, sweatshop conditions. Moreover, in exchange for buy-outs workers would lose their jobs, health care and pensions and be forced to look for work under conditions in which the economy is spiraling into a major economic slump.

After the loss of millions of decent-paying manufacturing jobs over the last three decades, a recent report by the Center for Economic and Policy Research reveals that less than one in four jobs in the US pays at least \$17 an hour and includes employer-sponsored health care and retirement benefits.

From the beginning the American Axle workers have taken a stand against the destruction of jobs and living standards, not only for themselves, but for the entire working class. Behind Dauch and his wage-cutting demands stand the big auto bosses and Wall Street investors. This wealthy elite has carried out the deliberate deindustrialization of Detroit, Buffalo and other cities, accumulating vast personal fortunes in the process, increasingly through speculation and other forms of financial swindling.

The stand taken by the American Axle workers pits them against all the leading institutions of official American society—the unions, the media, the Democrats and Republicans. All of these social elements profit from and defend the capitalist system—a system that sacrifices the needs of the vast majority of the population—to enrich the

super-privileged few.

It is worth noting that that none of the Democratic Party presidential candidates—who present themselves on occasion as friends of labor—have said a word about the American Axle strike, now the longest walkout by auto workers in a decade. Barack Obama and Hillary Clinton are beholden to big business and committed to policies that will continue to transfer wealth from working people to corporate America and Wall Street.

Moreover, their silence is not surprising since both Obama and Clinton have received a total of \$1.1 million in donations from the transportation industry—including executives at American Axle, GM, Ford Motor, Chrysler and Visteon—far surpassing McCain among these traditionally Republican donors.

The American Axle workers can only defend their struggle by appealing directly to auto workers throughout the industry and to the working class as a whole. Strikers should elect rank-and-file committees, led by trusted militants, to immediately prepare a campaign to reject any contract brought back by the UAW that contains wage cuts and other concessions.

Such committees, organized independently of the UAW, must fight to spread the strike throughout the auto industry to overturn the pattern of wage-cutting contracts accepted by the UAW, which threaten to impoverish current and future generations of auto workers. Any attempt to bring in strikebreakers must be answered with the shutdown of the auto industry and a general strike in Detroit.

Above all, what’s needed is the development of a political movement of the working class to advance a socialist alternative to the profit system and the two big business parties that defend it. The auto industry—built up through the labor of generations of workers—can no longer be left in the hands of Dauch and other corporate executives. The auto industry, along with other key industries and the banks, must be placed under public ownership and the democratic control of the working class, so economic life can be reorganized to meet the needs of society as a whole, not the fabulously wealthy handful.



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