Appeal to working class, not corporate shareholders, to back American Axle strike

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The following statement is being distributed to American Axle strikers and other auto workers attending a protest organized by the United Auto Workers union at the company's shareholders meeting in Detroit. Click here *to download the statement as a PDF.*

Workers gathering at American Axle headquarters in Detroit are legitimately outraged that the shareholders meeting is considering a long-term incentive plan, which would give millions more to CEO Richard Dauch and other top executives.

Dauch, who pocketed $10.2 million in 2007 and $258 million since 1997, has provoked the eight-week strike with his demand that 3,600 workers accept a 50 percent wage cut. In statements this week, Dauch reiterated his threat to shut down the striking plants if his demands are not met.

Indeed, Dauch's compensation should be sharply reduced and he should be forced to pay back the millions he has squeezed out of the company. However, it must be stated bluntly: appeals to corporate shareholders and big investors are fruitless and self-defeating. Such tactics, promoted by the UAW, are a diversion from a struggle to mobilize the entire working class behind the American Axle strikers.

Who are these shareholders? They include some of the biggest institutional investors and Wall Street firms, including Fidelity, Dimensional Fund Advisors and Barrow, as well as the Sandra J. Dauch Gift Trust. To these big shareholders, the executives are doing precisely what is necessary to guarantee the highest returns on their investments.

In the eyes of the big investors, the more the executives extract out of workers the more compensation they deserve. Appealing to their self-interest, the company wrote in a statement to its shareholders, "Our executives showed proactive leadership in returning AAM to profitability in 2007 as AAM continued to resize, restructure and recover." Additional bonuses, incentives and salary adjustments are guaranteed for the executives if Dauch and the others can wrench even more from workers in a new UAW agreement.

This structure cannot be reversed through appeals to the compassion and conscience of individual shareholders. The anti-social behavior of American Axle is not simply the product of personal greed, but an expression of the crisis of the entire capitalist economic system, which is impoverishing working people in the US and internationally while providing untold wealth to the super-rich.

The attack on the wages of American Axle workers is part of a broader process. Over the last three decades the unrelenting assault on workers' jobs and living standards has produced a massive transfer of wealth upwards to the top. Today, less than 2 million manufacturing workers in the US are earning at least $20 an hour, down 60 percent—even after taking into account inflation—since 1979. During the same period the richest 1 percent of the population saw its share of the national income more than double. Corporate CEO pay rose from 36 times the amount of a worker's average salary in 1976 to 369 in 2005, according to *Fortune* magazine.

In remarks last week before a local Michigan Democratic Party fundraiser, United Auto Workers President Gettelfinger cited these executive compensation figures, telling the audience, "It makes my blood boil what these managers are earning at the expense of the workers."

In fact, the UAW bureaucracy has played the decisive role in enabling this process to occur. The union

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accepts entirely the principle of private profit—that the giant companies should be run in the interests of a handful of people rather than in the interests of workers and society as a whole. In the name of making the corporations more "competitive," the union has repeatedly and openly collaborated in slashing labor costs.

In the past two years alone, the UAW has negotiated buyout and early retirement packages that have enabled the Big Three automakers—General Motors, Ford and Chrysler—and Delphi to get rid of more than 100,000 higher-paid veteran workers.

Dauch has pointed to the concessions the UAW has given to other parts makers to justify demands for sweeping wage cuts. This includes the deals he has signed with UAW at other American Axle plants—covered by a different contract—including Ohio-based Colfor, where workers make as low as $10 an hour.

If the UAW president expresses concerns about Richard Dauch's pay it is because he feels it is making it more difficult to sell concessions to American Axle workers.

The inevitable outcome of the union's support for the capitalist system has been the transformation of the UAW into a big business itself, with control of tens of millions of shares of GM and Ford stock.

Many workers at American Axle had looked to a rally called last week as a means of mobilizing large numbers of auto workers behind the strike. But the UAW cancelled the rally because the Solidarity House leadership is opposed to any such struggle that would undermine its relations with the corporations.

Rather than appealing to shareholders, the Socialist Equality Party urges American Axle workers to make a direct appeal to their brothers and sisters throughout the auto industry to wage a struggle to overturn the wage and benefit cuts accepted by the UAW. A rank-and-file committee of strikers and other auto workers should be elected to take the conduct of the struggle out of the hands of the union bureaucrats and launch an industry-wide strike.

To launch a real struggle against social inequality workers must shake off their prejudices against socialism—which are the product of years of pro-capitalist propaganda by the unions, the media and the two corporate-backed parties—and develop their fight on the basis of a perspective that begins with the needs of the working class, not the sanctity of capitalist private property.

The auto industry can no longer be left in the hands of corporate executives, hedge fund managers and private equity firms whose sole interest is to further enrich the capitalist class at the expense of workers and the communities they live in. The vast productive forces of the global auto industry—built up by the labor of generations of workers—must be put under workers' control and run on the basis of a democratic and scientific plan to meet the needs of society, not the wealthy few.

These are fundamental questions facing workers throughout the country and around the world, not just at American Axle and not just in the auto industry. The present economic crisis that has engulfed Wall Street and threatens global recession is once again exposing the bankruptcy of the profit system and its inability to meet basic human needs—everything from food and housing, to a decent job.

To fight against this system, workers need their own political party, which is independent of the Democratic and Republican politicians who are beholden to and defend the bankrupt profit system. We urge auto workers to study our history and program and make the decision to join and build the Socialist Equality Party and the new revolutionary leadership of the working class.

To contact the WSWS and the Socialist Equality Party visit:

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