

Anger in Detroit over UAW sellout at American Axle

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Opposition to the tentative agreement signed by the United Auto Workers union erupted Sunday at a meeting attended by hundreds of striking American Axle workers in Detroit. Last Friday the UAW announced it had reached a deal covering the more than 3,600 workers who have been on strike for nearly three months at plants in Michigan and western New York.

Workers in Detroit—where more than half of American Axle’s workforce is employed—were presented with a summary of the deal, in preparation for a ratification vote by UAW locals 235 and 262 later this week.

Supporters of the *World Socialist Web Site* and the Socialist Equality Party distributed a statement calling for workers to reject the betrayal and mobilize autoworkers throughout the industry against the pattern of wage-cutting agreements signed by the UAW. (See, “Reject UAW sellout at American Axle! Mobilize auto workers against attacks on jobs and wages!”)

Strikers booed and shouted down UAW President Ron Gettelfinger, Vice President James Settles and other International and local officials who tried to convince workers they could get nothing better if the agreement was overturned. A worker in the balcony tore up a copy of the contract highlights, and threw it at the leadership while others screamed “sell-out” while the union officials were talking.

The sound system at the poorly maintained Detroit high school was malfunctioning—something many workers believed was deliberate—and this added to the chaos. As workers took the microphone to respond, their voices were muffled. After several strikers from the floor denounced the deal, the union shut off the microphone completely to end the meeting.

“If they hadn’t pulled the plug when they did it would have gotten physical,” a worker told the WWS. “These guys had the gall to present something like that. Before he was shouted down, Gettelfinger got up there and said none of us like what we see but this is the best we can do.”

Describing the atmosphere another worker said, “People were apprehensive going into the meeting and became irate after looking at the scale of the cuts.”

Under the agreement American Axle will reduce the wages of current workers from \$28 an hour to \$18.50 for the highest paid production worker and \$14.35 for so-called “factory support” workers. Wages will be even lower at the Three Rivers, Michigan plant where the highest paid will make between \$14.50 and \$18.00 an hour, and factory support workers only \$10 an hour.

Newly hired workers will be paid \$11.50 an hour with no cost of living adjustments—meaning they will receive not much more than the \$21,200 a year the US government considers the poverty level for a family of four. They will also receive substandard health care benefits—requiring that they work three years before getting dental and optical care. The employer-paid retiree health care benefits will be replaced by a worker-contribution health care account.

The UAW accepted the shutdown of the company’s Detroit and Tonawanda, New York forge plants, which will eliminate 760 jobs, and the shifting of production to the company’s non-union US plants.

Other concessions included:

- * Current and retired workers will be forced to pay larger out-of-pocket medical expenses, including increased co-pays
- * The company will freeze its pension contribution payments
- * The union gave up the right to strike over grievances and other local contract violations during the four-year agreement. Instead, all such matters will go to an arbitrator.
- * Skilled trade workers will take a \$6 an hour cut and have job classifications consolidated from 15 to 4.
- * The company will terminate supplementary unemployment benefits if its cap of \$18 million is exceeded.

In order to rid the company of higher-paid workers and replace them with a new cheap labor workforce, the UAW negotiated various buyout and early retirement schemes, including lump sum payments of between \$85,000 and \$140,000, depending on seniority.

There is also a “buy-down” payment of up to \$105,000 over three years for workers who remain on the job and are forced to take a 35 to 50 percent wage cut.

The summary noted that the deduction of union dues would not change even as workers lost thousands due to the wage cuts. Adding insult to injury, the UAW noted that lump-sum cash payments, performance bonuses and profit-sharing payments would be counted as income and subjected to the 1.15 percent monthly income deduction for union dues.

During the meeting, UAW officials said that if workers rejected the contract the buyouts and buy-downs would be taken off the table. They told workers that corporate CEO Richard Dauch could not be prevented from closing his plants completely and shifting production to Mexico and other low-wage countries.

“They were selling us a bill of goods,” John told the WWS. “Workers would be putting everything on the line if they voted

down the contract. The union said Dauch would bring in scabs and they could do nothing about it because this is the way the laws are written. During the strike the union prevented us from stopping trucks shipping axles made by supervisors.”

In a pointed question, one worker asked Gettelfinger if he and other officials were going to take pay cuts like those that they negotiated for the workers. While saying nothing about any such pay cuts, Gettelfinger complained that the union was going to have to dissolve locals at the two forge plants and that some union positions had been eliminated.

In fact, it appears that the one fight the UAW did take up against American Axle was over the perks and positions of the UAW bureaucracy. According to the contract summary, management wanted to stop funding the joint UAW-American Axle programs and eliminate several company paid union positions.

As part of the settlement, the contract summary stated, the corporation agreed to pay “100% for all remaining Joint Programs and Training” and to retain several of the joint program representative positions that were going to be eliminated. The union also protected overtime bonuses for local officials doing “union business” and promotion opportunities for district committeepersons and joint program and benefits representatives.

A veteran worker, Walter, told the WWSWS that the joint programs were a big source of income and privileges for union officials. “As long as management had the UAW working with them on lean manufacturing, cutting jobs and other things, they went along with the joint training programs. All the company wanted was UAW officials to co-sign statements from the company. The joint training reps got paid for nothing. They went on trips and were wined and dined with the best food like greedy pigs by top company officials, like Dick Dauch’s son.”

He continued, “The first page of the summary was the special attrition program. The union is most interested in getting rid of people. We have been on strike for nearly three months and nothing was gained. The consensus is that this is going to be voted down but a lot of workers are going to take the buyout and leave.”

“The cover page had a letter from the bargaining committee that said, ‘We did the very best for you under the circumstances.’ Is this what we are supposed to accept after standing in the cold, burning wood in the barrels and losing our homes? And from a company that did not file for bankruptcy, that made a profit and is building facilities all over the world—especially the Third World to get slave labor wages? From a company, where the CEO stuck millions in his pocket.”

As disgusted workers poured out of the meeting, many stopped to speak to the WWSWS.

Paul Williams, said, “This is an insult to everybody. We have been on the street for months waiting on a decent contract. We’ve been betrayed by the UAW. Gettelfinger and [UAW Vice President James] Settles have cut our salaries—but they aren’t taking any pay cuts.”

Henry, a worker with 14 years, said, “This is a horrible deal but the union says it’s the best they could get. I’ve told my buddies at Ford that it’s going to be them next. We’re just trying to maintain our wages at a sustainable level, but they keep cutting and cutting.” Referring to the fact that European carmakers are

relocating to the US to take advantage of lower wages, he said, “Right now we’re becoming the Mexico for Europe.”

Trina Harris said, “I hope the people reject it, but people are hurting. I think they have sold the people out. We still have no information. People are very angry.”

She placed no confidence in the UAW to conduct a fair ratification vote. “I think they are going to steal the election. They are going to work to make sure they are in a position to make it pass, whether or not the people here vote it down.

“A lot of people don’t want to take that buyout; it is hard to find a job. Dauch wants us out, but a lot of people want to stay.”

John Yenson, a skilled trades worker with 12 years, came outside with a copy of the contract summary. “This will mean a big hit for everybody, even workers at nonunion jobs.”

Commenting on the proposal to reduce wages in some categories to below \$12 an hour, he said, “They had guys hired in on summer jobs that got no less than \$12 an hour.

“Skilled trades is going to take a \$4-6 cut and they want us to pay our benefits by the week, that’s another cut. We just got off a four-year contract with no raises.

“I have been in a lot of contracts. I worked at Massey Ferguson in Chicago. We gave them everything they wanted in cuts. Within a year they had moved back to Canada and laid off every American worker.

“They took the profits out of our plant here and built plants in Mexico, Scotland and China. In Mexico I heard they are making \$40 a week.”

John said he planned to vote no, even though he would be eligible to collect social security if he accepted the buyout. “I have never voted yes on a contract in my life. Anyone who takes the buyout can’t get medical, they will be hurting. They are proposing a buyout so they can get older people to leave and bring in younger workers at lower wages.”

Chauncey Jarrett, a job setter, told the WWSWS, “I have no choice but to vote it down. After all we have fought for I am not going to bow down to global slave labor. There is no telling if these jobs will stay if we take concessions.”

As for the claim that workers at American Axle are overpaid, he said, “We are getting paid our share of the profits they are making. I understand what Dauch is trying to do. I could go into business myself and make money if I could pay slave wages. It doesn’t take any special skill.”

As for the role of the union, “The UAW has turned into a corporation, much like any other.”



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