

UAW offered wage cuts on eve of American Axle strike

By Jerry White
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A report in the *Detroit Free Press* Tuesday revealed that United Auto Workers (UAW) negotiators offered to impose sweeping wage and benefit concessions on their members at American Axle & Manufacturing before talks on a new four-year labor agreement broke down February 25. The *Free Press* article was based on documents outlining the bargaining positions of the two parties.

The following day 3,650 workers walked out on strike at four factories in Detroit, Three Rivers, Michigan and the Buffalo-Niagara area of western New York. In calling the strike the UAW claimed it was “fighting to preserve good-paying US manufacturing jobs at the company.” In reality, the union had already accepted substantial wage cuts.

According to the documents leaked to the *Free Press*, American Axle demanded that current production workers accept a wage cut from \$28.15 an hour to \$14.50 for workers who make axles, and \$11.50 an hour for what the company referred to as “direct commodity” jobs, such as manufacturing driveshafts and stabilizer bars.

As a counter-offer, the *Free Press* reported, “The union’s wage proposal has several layers, ranging from \$14.56 for entry-level, support positions to \$21 for core axle-making jobs.”

The company also proposed “reducing pay for skilled workers from \$32.13 an hour to \$20.50. The union proposed a reduction to \$27.”

In other words, the UAW agreed to a \$7 an hour wage cut for current production workers and a \$5 an hour reduction for skilled workers.

These revelations make a farce out of the union’s claim to be fighting the company’s wage-cutting demands. Last week, Dana Edwards, shop chairman for UAW Local 235 and a member of the negotiating committee, attempted to stop supporters of the *World Socialist Web Site* from distributing articles to workers on the picket line at the American Axle plant in Detroit. Edwards claimed the WSWS had published lies when it wrote, “There is every indication that the UAW has already accepted the majority of the wage- and benefit-cutting demands and is trying to work out what the union bureaucracy will get in return.”

In fact, the actions of the UAW at American Axle fit the pattern of wage-cutting contracts negotiated by the union throughout the auto industry. In recent labor agreements at parts makers, such as Delphi and Dana, and the Big Three automakers General Motors, Ford and Chrysler, the union

accepted a fifty percent wage cut for new hires, the elimination of employer-paid pensions, and the gutting of retiree health care benefits—all gains won through the struggles of generations of auto workers.

American Axle workers on the picket lines have expressed their determination to fight to defend their jobs and living standards against a profitable company, which has rewarded its top executive—Richard Dauch—with multi-million dollar bonuses. Behind their backs, however, the UAW has already accepted the company’s claim that it must cut labor costs to “remain competitive.”

The UAW—which has promoted labor-management “partnership” with the auto bosses for nearly 30 years—rejects any unified struggle by workers against the corporations and Wall Street. In fact the union created conditions for the current bidding war—in which autoworkers are pitted against each other to see who will work for the lowest wages and worst conditions. The UAW deliberately isolated and betrayed a series of struggles by parts workers in the 1980s and 1990s, and then allowed GM to spin off American Axle and Delphi in order to sharply lower the costs of parts for the Big Three auto companies.

The sole concern of the UAW bureaucracy is to preserve its income and privileges, even as it assists the companies in creating conditions not seen since the 1930s, before the mass industrial struggles that built the union.

In exchange for the 2007 wage-cutting contract it signed with Dana Corporation—American Axle’s largest competitor—the UAW was handed hundreds of millions of dollars in a retiree health care trust fund. Last year a much larger deal was negotiated with GM, Ford and Chrysler, which gave the UAW control of a \$55 billion trust fund, much of it paid for in bonds convertible to Ford and GM stock—making the union the largest shareholder in the two auto companies.

The main sticking point in the current dispute is likely what the UAW will get in return for imposing American Axle’s demands on its members. As UAW International President Ron Gettelfinger said at the beginning of the strike, “Our members cannot be expected to make the extreme sacrifices American Axle is asking for with nothing in return.”

According to the documents cited by the *Free Press*, it appears another obstacle to a deal may be haggling between the UAW and American Axle over the amount the company

will pay to rid the company of older higher paid workers so it can replace them with a cheap labor workforce. The union is looking for an increase in the buyout packages in hopes that it can get its members to agree to a contract betraying the interests of future generations of auto workers.

“The documents show that American Axle proposed buyouts of \$80,000 over three years for workers with fewer than 10 years at the company, and \$110,000 for workers with 10 years or more of seniority,” the *Free Press* said.

The article notes that the UAW is pressing for buyouts of \$100,000 for workers with fewer than 10 years seniority and \$140,000 for more senior workers, in addition to six months of insurance for workers who take the packages.

“Both sides proposed buydowns in exchange for lower wages,” the article continued, referring to a scheme to subsidize the pay of senior workers who were being transitioned out of the company. While American Axle did not disclose a formula for a proposed buydown, the union proposed a buydown of four years of lost wages.

The union is seeking the best terms through which it can help the company downsize its operations. According to the contract proposals, American Axle is seeking to reduce the number working at its four plants covered by this contract from 3,650 to 2,600. It has “idled” the Buffalo plant and has threatened to do the same to facilities in Detroit, Three Rivers and New York State and continue to shift production to non-union locations, as well as other facilities where the UAW has already signed sweetheart contracts with \$14-an-hour wages.

There is a real danger that the UAW will either abruptly call off the strike or isolate it to wear down the resistance of its members and impose a contract that includes virtually all of the company’s demands. To prevent a betrayal of their struggle American Axle workers must break free of the UAW’s control and organize an independent campaign to reach out to other auto parts workers, as well as workers at GM, Ford and Chrysler, to mount a unified struggle against wage-cutting and downsizing throughout the industry.

Workers must reject the flag-waving nationalism used by the UAW to divide US workers from their brothers and sisters internationally. An appeal must be made to Canadian auto workers on strike at US-based parts maker TRW in Windsor, Ontario, other Canadian auto workers facing a contract struggle this year, as well as workers in Mexico, Asia and Europe who are facing attacks by the same global auto companies.

The struggles of the working class must be revived on the basis of an entirely new political strategy, which is independent of the two big business parties and the profit system they defend. The vast industrial assets of the auto industry and the wealth produced by the collective labor of workers can no longer be the personal property of corporate CEOs like Dauch and wealthy hedge fund managers, who are destroying the lives of millions in their single-minded drive to enrich themselves. The auto industry must be placed under public ownership to provide high quality and affordable transportation and guarantee economic security to workers and their families.