

UAW calls off rally, prepares sellout of American Axle strike

By Jerry White
17 April 2008

The United Auto Workers union cancelled a rally to support the American Axle strike, which was scheduled for Friday in downtown Detroit. The move is a further indication that the UAW bureaucracy is preparing to sell out the more than seven-week-old strike by 3,600 workers in Michigan and western New York, who are fighting wage cuts that would reduce hourly pay from \$28 to as low as \$11.50.

A notice posted at the UAW Local 235 hall in Detroit, signed by UAW Region 1 Director Joe Peters, read, "Please be advised that the rally scheduled for April 18 has been postponed. UAW President Ron Gettelfinger and Vice President Settles believe that it is in the best interest of the negotiating process to delay the rally at this time. While these are extremely difficult negotiations and the outcome is uncertain, some progress has been made and we are hopeful movement will continue."

After calling the rally two weeks ago, UAW President Gettelfinger wrote in an op-ed column in the Detroit News, "We'd like nothing better than to cancel our rally because the strike was resolved by having a ratified contract."

In the same piece, Gettelfinger said the union had put forward proposals to "address American Axle's legitimate concerns" and made an offer that would impose "real sacrifices on our members."

The cancellation of the rally followed a meeting Wednesday morning between local union representatives and the UAW International after weeks in which proposals and counter-proposals by the union and company have been kept secret from striking workers.

Throughout this period, the UAW has kept workers on poverty-level rations, with a strike benefit of only \$200 a week—although the union bureaucracy sits on a strike fund of nearly three-quarters of a billion dollars.

Both the secrecy and the low strike pay are part of a deliberate effort by the UAW to break the resistance of strikers and soften them up to accept a contract that will impose the bulk of the company's wage-cutting demands.

There is growing disquiet over this state of affairs among rank-and-file workers. Walter said, "If the union brings back anything that looks like concessions we are going to vote it down. There is going to be a very hostile reaction to the union leadership. They are going to tell us if they hadn't agreed to the concessions the company would move out of the country. Then they are going to hang some money in front of us for early retirements and buyouts. All along they've been wanting to get rid of us, especially the ones willing to question the acts of the union leaders."

"The union has a big strike fund," said Ron, a worker with 14 years at the company. "We should be getting a lot more because we're fighting for all auto workers. But the union won't do that. Inside the shop, the UAW looks the other way while the company

violates work rules. Now they are carrying out negotiations behind the backs of the workers.

"Eventually," he continued, "they are going to come back with a lousy contract and say, 'This is the best we could do. Go vote for it.' But it will be all lies. They're just dragging this out, and now a lot more are willing to take the buyouts then at the beginning of the strike.

"All the GM plants should be out with us," Ron said. "That would strengthen us and all auto workers. But the UAW won't do it. That shows they are nothing but a business themselves."

A veteran American Axle worker with 27 years in the auto industry said, "I've seen rough times since hiring in at GM in 1977, and here we go again. I don't trust the company or the union. Generations have fought for what we have, and now the union is giving it all back. The union doesn't want to pay us more strike benefits because they don't want us to fight too long. We can hardly fight the company, but how do you fight the union too?" he asked.

Last weekend, the union and management exchanged proposals. Despite the UAW's willingness to hand over substantial wage and benefit givebacks, the company said it was "disappointed" with the union's offer because it would still maintain wages at "double the market rate." It reiterated the threat to shut down its four original plants in Michigan and western New York if workers didn't accept the drastic wage and benefit concessions it was seeking.

If the union has cited "progress" in the negotiations, it can only mean that it has moved even further to meet the demands of American Axle CEO Richard Dauch. The union did not reveal the content of the company's counter-proposal. The UAW had earlier signed a confidentiality agreement regarding financial data provided by the company, which the union said it needed in order to determine whether the wage-cutting demands were justified.

The Big Three automakers

Behind Dauch—who has pocketed nearly \$250 million since leading a group of private investors to take over General Motors' axle and driveline business in 1994—stand the Big Three automakers, GM, Ford and Chrysler LLC.

Using axles and other parts produced at an American Axle plant in Mexico, GM has begun reopening some of the nearly 30 plants that were fully or partially closed due to the American Axle strike. Company officials have assured Wall Street that production of its top-selling passenger cars would not be disrupted, even if the American Axle walkout continued indefinitely.

The Big Three and Wall Street are determined to make auto workers pay for the economic downturn and slumping sales of the US-based automakers. Top GM, Ford and Chrysler executives are no doubt calculating that a defeat of the American Axle strike would create the best conditions to reopen UAW contracts well before they expire in 2011 and impose even greater concessions,

including slashing the wages of current workers, as American Axle is seeking.

The last thing the UAW wants is a unified struggle of auto workers that threatens to overturn the wage-cutting contracts it has negotiated throughout the industry. In exchange for accepting 50 percent wage cuts for new hires, the UAW was given control of a multi-billion-dollar retiree health care trust fund known as a Voluntary Employees' Beneficiary Association, or VEBA.

The UAW has taken over the provision of health care for retirees and a fund estimated to be worth \$52 billion, financed largely with shares of GM and Ford stocks. Last week, a panel of Michigan doctors acknowledged that the UAW would be under even greater pressure than the car companies to reduce medical coverage and increase co-payments on retirees in order to keep the fund solvent.

UAW isolates strike

The canceling of the rally is part of the bureaucracy's effort to keep American Axle workers isolated from their fellow auto workers. Last week the UAW announced it might launch strikes over local contract issues at six GM plants in Ohio, Michigan and Texas. It has cancelled any action at three of the plants, while factories in Lansing, Grand Rapids and Warren, Michigan could be called out as early as Thursday or Friday. On Tuesday, the UAW call out fewer than 100 workers at parts supplier Alliance Interiors in Lansing, which could lead to the shutdown of the GM assembly plant in Lansing. The walkouts, if they occur at all, have nothing to do with extending the American Axle strike.

On the contrary, they are designed to pressure GM to help finance the buyout of thousands of American Axle workers as the automaker did with its former employees at Delphi. The latter agreement enabled the UAW and Delphi to dissipate opposition to mass layoffs and a two-thirds reduction in wages and benefits, which was imposed on the remaining workforce. A similar agreement would be a betrayal of everything American Axle workers have stood on the picket line for more than seven weeks to oppose.

Another American Axle worker, Maynard, told the WSWS, "The workers at Delphi, the other suppliers and the Big Three have all taken wage cuts. Dauch is pointing to that to justify his demands. We have to stay where we are. How can we take a pay cut with the cost of everything going up?"

From the beginning the chief concern of the UAW has been to find a way to impose the dictates of the auto companies and, at the same time, to protect the income and privileges of the union bureaucracy. The UAW is reportedly seeking guarantees from American Axle that

it will employ a minimum number of workers at UAW-represented plants, enabling the UAW to continue to collect dues from workers earning near poverty-level wages. The UAW may also be seeking the expansion of the multi-million-dollar joint training program with American Axle, which has been the source of other perks and income for the union bureaucracy.

Referring to the VEBA fund the UAW received in exchange for the concessions it granted to the Big Three automakers, Walter said, "While we are out here suffering on the picket line, Gettelfinger was hosting a large group of Wall Street investors at Solidarity House to celebrate the VEBA deal. It's a disgrace. They were drinking and having festivities with these Wall Street types while strikers out here are getting food vouchers and many are on the verge of bankruptcy.

"We're getting no information. That itself has a demoralizing effect. This is what the union leaders want. They've already agreed to concessions. The local officials have sold us out along with the International. The UAW is gone from the standpoint of being for labor. It's with Wall Street and is one of the biggest shareholders in the auto companies.

"We need a national strike of auto workers but the UAW is against it. They are telling us we have no choice: either accept the concessions or they'll move the work out of the country."

Ron added: "Dauch should come to us and say thanks for the \$37 million we made him last year. But he's greedy and wants to use the cheap labor he gets in other countries against us. It's just like at Delphi where workers were cut down to \$14 an hour and the CEO made millions. As far as the government is concerned, all they do is protect the rich."

If the struggle of American Axle workers is not to be defeated, the conduct of the strike and negotiations must be taken out of the hands of the UAW. Workers should elect rank-and-file committees to campaign now for a rejection of any contract brought back by the UAW that contains concessions and to fight to extend the strike throughout the auto industry.

The nationalist poison of the UAW must be rejected and a special appeal made to auto workers in Canada, Mexico and other countries to unite in a common struggle against the assault on jobs and living standards being carried out by the global auto giants.

Above all a new political movement of the working class is needed that will oppose the two big business parties and the capitalist profit system, which subordinates the needs of the world's working people to a small minority of super-wealthy executives and Wall Street investors.