

GM offers \$200 million in bid to end American Axle strike

By Joe Kay
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In an effort to finalize a deal to cut wages and benefits for striking workers at American Axle, US auto giant General Motors announced Thursday that it was prepared to spend \$200 million to finance buyouts and buy-downs of workers at the auto parts company.

GM conditioned the funds on a speedy agreement between the United Auto Workers union and American Axle. Renee Rogers, spokeswoman for American Axle, said the company was hopeful the funds “will facilitate an expedited resolution to the international UAW strike.” She added, “It’s been costly and disruptive. A quick return to work will be a win-win-win for everybody.”

The strike at American Axle has resulted in the total or partial closure of many GM facilities.

Adrian King, the outgoing president at UAW Local 235 in Detroit, Michigan, has said he estimates that half of the American Axle work force would take buyouts of up to \$140,000 and leave the company. While the agreement being worked out will be a win for GM and American Axle, it will be a devastating loss for the workers at American Axle. No details of the contract negotiations have been officially released, but a framework for an agreement reportedly includes the slashing of wages from the current \$28 an hour to between \$14 and \$17 for most workers. The agreement would also close two forging plants and possibly another manufacturing plant, eliminating several hundred jobs.

This is a stunning indictment of the UAW leadership, since it indicates that workers have no confidence the union will defend their jobs and wages. The workers, in the eleventh week of their strike, have been strung out on a meager \$200 a week in strike pay, and many are facing increasing financial distress.

One of the strategies of the UAW has been to

pressure GM to step into the dispute, a move that the company had resisted until this week. Apparently as part of this tactic, the union has called or threatened local strikes at several GM plants.

On Thursday, the UAW announced that it had reached tentative agreements with GM at two locals in Michigan that had threatened to strike. Two plants, one in Kansas and one in Lansing, Michigan, are still on strike. The UAW has said, however, that the actions are part of local contract disputes and are unrelated to the American Axle strike.

The union praised the move by GM to offer \$200 million to American Axle. UAW Local 235 Shop Chairman Dana Edwards told the *Detroit Free Press*, “It is good news,” while saying that negotiations would continue over the details.

The main outcome of the GM offer will be to help the union and American Axle impose a contract with massive concessions, which will then be a model for similar concessions throughout the auto industry.

The *World Socialist Web Site* spoke to workers at the forging plant in Detroit, one of the facilities likely to be shut down. A posting on a blog run by American Axle workers reported that the UAW International told some workers on Thursday morning that the Detroit forge would close. However, the workers on the picket line on Friday said they had received no information outside of what was presented in the media.

Steve, a worker with 12 years at American Axle, said, “I think [American Axle CEO] Dick Dauch is going to take \$200 million of GM’s money, and we still get stiffed.” He said that he hoped to be able to move to another job at American Axle if the forge is shut down.

He said a decision by the UAW to cancel a rally last month was a concession to the company. “Dauch did not want the media coverage that would have come

with the rally,” he told the WSWS. He noted that the national media was only rarely reporting on the strike. “When it is in the media, the coverage is not in our favor,” he noted.

On the role of the Democrats, he said, “Supposedly, Hillary Clinton sent a letter to Dick Dauch, but there has really been nothing from the Democratic candidates. [Republican presidential candidate] John McCain was out here recently, but he said nothing about the auto industry.”

Bob, a forge worker with 10 years’ experience, remarked that the concessions being demanded from American Axle workers would ultimately be demanded of other workers in the auto industry. “GM, Chrysler will be next after us. If we accept cuts, they are next. They should all be out on strike in support,” he said.

Another worker, who had heard the reports that American Axle wanted to shut down the plant, said that such rumors had circulated during every contract negotiation for years. But he noted that American Axle had been acquiring new forges. “Dauch just bought a new forge in Oxford, Michigan,” he said, “and there is one in Mexico as well. He hired in all the workers at lower wages.”

Another striker said that the stabilizer division of the forge unit made \$4.4 million in the last quarter of 2007. “Over all, in the forge plant they may have lost money, but I know they made money in the stabilizer division. In fact, there is a lot of room in this plant but they won’t use it. That doesn’t make sense to me.”

He said that workers had known the company was going to demand concessions. “But we can’t accept a 50 percent pay cut, especially when Dauch makes \$10 million. The conditions for the American worker are steadily getting worse. It is becoming like other countries where wages are low and you have brutal regimes.”

After a discussion on the need for a political struggle by the working class, he added, “One of the things people have to realize is that the law is against us as well. The police are on their side. There are no police cars now, but they have had a constant presence throughout the strike.”

The WSWS spoke to workers at the Tonawanda Forge plant, in Buffalo, New York, which is also rumored to be on the chopping block. The workers expressed frustration at the union’s policy of pitting

different plants within the same company against each other.

Herman, with 14 years at American Axle said, “Whatever happens to us is going to trickle down to everyone. What we lose, they lose. It’s corporate greed. The corporations buy the government.”

Bob added, “I see a workers revolution coming. I question the UAW International strategy of opposing us against Detroit. When they shutdown the American Axle plant in Develan the union said, ‘don’t worry about them, worry about you.’ Now we are five plants, then three, then two and finally there will be none.”

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