

As US workers' wages continue to fall

Oracle CEO pockets \$250 million after Trump tax cut

Niles Niemuth
31 July 2018

Niles Niemuth is the Socialist Equality Party's candidate for US Congress in Michigan's 12th Congressional District. To sign up to get involved in the SEP campaign, visit niles2018.com.

Following her company's stock buyback of \$12 billion, part of a flood of buybacks triggered by Trump's tax cut for corporations and the rich, Oracle CEO Safra Catz sold \$250 million worth of shares. Averaged out over a year, that comes to about \$2,000 per minute.

Thomas Kurian, the computer technology corporation's product development head, followed suit by cashing in on \$85 million worth of stock.

Several months after Mastercard announced a \$4 billion stock buyback program, CEO Ajay Banga sold \$44.4 million in stock.

Eastman Chemical CEO Mark Costa sold Eastman shares for \$5.4 million just two days after his company announced \$2 billion in buybacks. The company's political action committee, EastmanPAC, has donated \$124,000 to congressional candidates this year, including \$2,500 to Democrat Debbie Dingell, the incumbent and my opponent in Michigan's 12th Congressional District.

A recent analysis of Securities and Exchange Commission (SEC) filings by *Politico* reveals that America's financial oligarchs have rewarded themselves with hundreds of millions of dollars in the first half of this year, largely through stock buybacks.

The buybacks, expected to top \$800 billion by the end of the year, artificially inflate stock values to the benefit of wealthy investors and multi-millionaire executives who are compensated with company shares. This is one more example of the self-enrichment of

America's ruling elite that puts paid to the lie that there is "no money" for decent wages, pensions, health care, education or other essential social services.

Economists estimate that by the end of the year, American corporations will have rewarded their top executives and wealthy investors with \$2.5 trillion through buybacks, dividend payments, and mergers and acquisitions. This is equivalent to handing over more than one tenth of the United States' entire annual economic output to the corporate elite.

Obscene sums are being pocketed by the top 5 percent even as employers refuse to budge on meeting workers' demands for higher wages. In fact, rising prices for basic goods and services have cut into workers' wages over the last year.

- A part-time UPS worker making \$15 an hour under the sellout contract the Teamsters union is attempting to push through would have to work 1,900 years to make as much as Oracle CEO Catz made by cashing in a portion of her company stock.

- Teachers in West Virginia, Oklahoma and Arizona who struck earlier this year to demand a living wage and the restoration of education cuts were told by the unions and the politicians there was no money to meet their demands. But the \$250 million payout to Catz by itself would pay for approximately 6,500 new teachers starting at the national average of \$38,617.

- Less than 0.1 percent of the anticipated value of this year's stock buybacks would pay for the 20 percent wage increase demanded by Arizona teachers. Just 0.5 percent of these buybacks would raise education spending in Arizona to the national average.

- The \$800 billion in buybacks is enough to give every one of the 3.2 million full-time teachers in the US

a \$250,000 bonus.

- The \$2.5 trillion flowing into the pockets of the wealthy could triple the \$620 billion that will be spent on public education nationwide this year.

As long as society's resources are plundered to satisfy the greed of the financial oligarchy, none of the pressing needs of working people—the vast majority of the population—can be met. Nor can the problems of crumbling infrastructure, pollution and global warming be tackled.

The billions of dollars that will be spent just this year for new mansions, yachts, designer clothes and other luxury goods consumed by the new aristocrats will be wrung from the sweat and blood of millions of workers, toiling for low wages, mired in debt and one accident or illness away from economic disaster.

The problem of social inequality must be tackled head on. The working class must expropriate the wealth of the oligarchy and put an end to their ownership and control over the means of production—the factories, the internet and telecommunications, transport networks, energy resources, tech firms and banks. They must all be turned into publicly owned and democratically controlled utilities, geared to meet social needs, not private profit. This requires that the working class mobilize in opposition to the political mouthpieces of the financial elite in both big business parties, as well as the trade unions that do the bidding of Wall Street by suppressing the class struggle.

All those fake “socialists” and “populists” who tell workers to put their faith in the Democratic Party—the Bernie Sanders and Ocasio-Cortezes and their pseudo-left promoters—must be sent packing. What is needed is a real socialist alternative!

I am running for Congress in Michigan's 12th District as a member of the Socialist Equality Party to fight for genuine socialism—that is, the independent political mobilization of the working class against the capitalist system.

I urge all those who support this perspective to contact the SEP and join my campaign today by visiting niles2018.com.



To contact the WSWS and the
Socialist Equality Party visit: