

On eve of teachers' protests in North Carolina and South Carolina Profits, stock buybacks soar, but “no money” for wages or school books

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The wave of strikes and protests by US teachers against cuts in funding for public education is set to hit North and South Carolina this week. At the same time, reports on record stock buybacks and soaring corporate profits are exposing the fraud pushed by Democrats and Republicans alike that there is “no money” to meet teachers' demands for higher wages, guaranteed pensions and adequate funding for basic school supplies such as text books.

Bolstered by windfalls from Trump's tax cuts, corporations have spent at least \$158 billion in stock buybacks in the first three months of 2018, according to a recent analysis by the *Wall Street Journal*, rewarding their shareholders, including their own executives and large investment firms, and artificially inflating stock prices.

Analysts from Goldman Sachs expect that corporate spending on buybacks and dividends will continue at the current record pace, topping \$1.2 trillion by the end of the year. The 500 largest corporations in the US will funnel more money into the pockets of wealthy investors than they will allocate for capital expenditures and research and development.

Apple, which led the way by spending more than \$22 billion on buybacks between January and February, announced earlier this month that it would use its tax windfall on overseas profits to give \$100 billion to investors by the end of the year. The company is also sitting on a cash hoard exceeding \$280 billion.

Corporate profits have gotten a major boost from the tax cuts, rising by 25 percent since last year. Almost half of business income growth is due to the slashing of corporate taxes under the bill passed in December. Apple, which has also led the way in profit growth, has

seen its effective tax rate fall from 25.5 percent last year to just 14.5 percent this year.

- With 3.2 million full-time teachers in the United States, the amount spent on corporate stock buybacks in the first three months of 2018 would suffice to give each a bonus of \$49,000.

- Alternately, each of the nation's 98,200 public schools could be given an additional \$1.6 million in funding.

- Or each of the 13,600 school districts could receive an additional \$11.6 million.

- Or per-student funding for each of the 50.7 million public school students across the country could be increased by more than \$3,000.

- The record total expected to be sunk into stock buybacks is double the \$620 billion that will be spent nationally on public education this year.

Concurrent with the bonanza for big business is a growing movement of the American working class for higher wages and better working conditions, with teachers and other public school employees leading the way. There have already been more major work stoppages in the first five months of this year than in all of 2017, with many more struggles on the horizon.

Since the beginning of the year, tens of thousands of teachers across the US, from West Virginia and Kentucky to Oklahoma, Arizona and Colorado, have gone on strike against low wages and years of inadequate funding for even the most basic supplies, only to be rebuffed by state governments and union leaders who claim their demands are impractical.

On Wednesday, thousands of teachers in North Carolina are set to strike and rally at the state capitol in Raleigh to demand better pay and working conditions

in what is expected to be the largest protest by educators in that state's history. More than 15,000 teachers have indicated on Facebook that they plan to attend the rally. The walkout in North Carolina will be followed on Saturday by a rally of teachers and public-sector workers at the state capitol in Columbia, South Carolina over the same issues.

Adjusted for inflation, per-student funding in North Carolina is still nearly 8 percent less than it was a decade ago, before the Great Recession of 2007-2009. The state ranks 45th in school funding, according to a recent survey by *Education Week*. Democratic Governor Roy Cooper has proposed to allocate less than \$100 million to increase teachers' salaries this year, promising only that their pay might reach parity with the national average over the next four years.

In every state where they have carried out strikes and protests, educators have found it necessary to rebel against the corporatist unions and the wealthy officials who run them. The National Education Association and the American Federation of Teachers have worked with their local affiliates to limit the teachers' demands and isolate and betray each struggle state by state. In the case of Pueblo, Colorado, they have restricted strike activity to a single school district. Everywhere, the unions are working to prevent or suppress strikes and direct workers into the dead end of voting for the Democrats in the November midterm elections.

While teachers in North Carolina have forced the closure of 37 school districts across the state by calling in sick or taking a personal day, the North Carolina Association of Educators has sought to limit Wednesday's strike to a single day to be devoted to lobbying the Republican-controlled legislature. Seeking to demobilize the teachers as quickly as possible, the union is telling teachers to focus on electing Democrats in November.

The skepticism and hostility of teachers toward this diversion is growing, because wherever they have been in control, the Democrats have been no less brutal than the Republicans in attacking public education and the rights of teachers. At the national level, Republican George W. Bush's "No Child Left Behind" program, aimed at boosting privately owned charter schools, was followed by Obama's "Race to the Top," which was even more aggressive in promoting charters. These reactionary programs set the stage for the anti-public

education policies of Donald Trump's education secretary, the billionaire Betsy DeVos.

Last week, Colorado's Democratic Governor John Hickenlooper signed sweeping cuts to teacher and public employee pensions, including a significant increase in the retirement age and a two-year freeze in the cost-of-living adjustment. A weeklong strike by 900 educators in Pueblo, Colorado was brought to an end with the local union claiming a victory on the basis of a miserable two percent raise for teachers.

Anger among teachers across the country is growing over the betrayal of their strikes by the unions, which have sought to portray every sellout as a victory. It is becoming increasingly clear that the struggle needs to be broadened into a national fight against both big-business parties and the corporate interests that control them. Such a fight will be possible only through a break with the unions and the formation of democratically elected rank-and-file committees to organize the broadest possible appeal to workers throughout the country and internationally for united industrial and political action.

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