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# Inflation, layoffs, and the \$1 trillion war budget

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## TECH LAYOFFS GLOBALLY



(Source: Company announcements, media reports)

In January, tech companies [laid off 97,020](#) workers, more than double the layoffs in the first month of last year.

Amazon, Microsoft, and Google were responsible for most of the January cuts – 18,000, 10,000, and 12,000, respectively.

Not all of the layoffs are highly paid researchers, coders, etc. The many assistants, repair technicians, office cleaners, and others work hard but don't enjoy high wages and perks.

Each of the giant corporations issued remarkably similar statements citing the reasons for the layoffs. One might suspect that there was consultation among themselves. Their justification for the layoffs is all over the map – explaining it away as a list of temporary problems.

They say they hired too many people during the pandemic because millions of people turned to the internet, and they incorrectly thought their spike in revenue would be the new normal. When the activity dropped off, so did advertising, which is a significant portion of their revenue. They also say inflation has slowed their growth and point to a likely recession, as well as higher interest rates.

They list the problems as if each one is unrelated to the others and imply that they are all happening at once in a perfect storm. Then, if you believe their narrative, they conclude that the seas will calm and everything will return to normal.

The technology sector of the U.S. economy has the most cash reserves of all the filthy-rich U.S. corporations. According to an analysis by Investor's Business Daily, 13 tech companies are hoarding more than \$1 trillion. Those recently announced layoffs are near the top of the list.

Karl Marx referred to investments in new technology as “commercialized innovation.” He explained that companies don't innovate because innovation helps humanity. They do it to gain an edge over the competition. The incentive to innovate dwindles as competition gets eliminated and markets become monopolized by fewer

companies. So instead of investing in new production methods, they hoard cash.

Big tech isn't laying off tens of thousands because they are unprofitable. It is only that their rate of growth is slowing down.

The corporate class and their functionaries blame inflation, not overproduction, for their decline.

They blame wages and hope unemployment will cut wages. They claim wages are too high and cause inflation. Wages have never caused inflation and, in fact, cannot cause inflation. They know this.

As does Jerome Powell, the Federal Reserve Chairman. Powell is a former Carlyle Group senior executive with a personal investment portfolio worth \$55 million. Powell was appointed by Trump and asked to stay on by Biden. In a [Dec. 21, 2021, article in Business Insider](#), Powell admitted, "Wages are not a big part of the high inflation story that we're seeing."

But then, in a [May 26, 2022, article](#) by Ben Norton, Powell is quoted saying his campaign of raising interest rates would solve the issue "by moderating demand ... to get wages down and then get inflation down without having to slow the economy." By anyone's measure, real wages have not kept up with inflation, and that has been the case for decades. It's no secret, and all official statistics bear witness. The "Fed" is purposely attacking wages to raise profits, not to reverse inflation.

The smoking gun in investigating this wave of inflation isn't wages at all. It is years of a bloated military budget, its portion of the federal budget growing every single year. The manufacture of weapons of mass destruction adds nothing productive to the economy. This doesn't get mentioned by Fortune magazine, Forbes, Business Insider, or even any of the slightly more "liberal" capitalist mouthpieces. Nearly \$1 trillion a year officially is spent on the U.S. "defense" budget. More is hidden in the

U.S. Energy Department's budget, and now an extra \$100 billion has been thrown in to weaponize Ukraine in the U.S. proxy war against Russia. These staggering expenditures are debt-financed. Arms manufacturers and banks grow richer, death and destruction threaten the world, and nothing of value is returned to society.

The working-class upsurge of the 1930s nearly forced the right to a job to become the law of the land. FDR, out of fear of a revolution, proposed an "Economic Bill of Rights" in 1944 that referred to a job being the same as a property right. Right-wingers in Congress got it watered down, but even today, the historic example points to a way for working-class leaders to take the offensive. A united workers movement would fuel a demand that Jerome Powell be investigated for his duplicity, demand that the Pentagon be abolished and that the \$1 trillion war budget be used for jobs or income for everyone.

