

# A working class program to fight inflation

Jerry White  
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The sharp rise in the cost of food, fuel, housing and other basic necessities is exacting an enormous toll on workers in the United States and around the world, threatening millions with destitution.

In the US, consumer prices rose 8.5 percent over the 12 months ending March 31, according to the report by US Bureau of Labor Statistics released Tuesday. This is the largest increase in the Consumer Price Index since 1981.

Fuel prices accounted for more than half the increase. Gas prices jumped 18.3 percent last month in a country where millions are forced to travel 50 miles or more to work. Over the past 12 months, gas prices have risen by 48 percent. The cost of filling up an average sedan has jumped from \$51.48 in March 2021 to \$76.14 last month, with a tank of gas for an SUV or pickup truck increasing from \$74.36 to \$110.

Other energy prices have also shot up. The price of diesel fuel is up 62 percent; home heating oil 58 percent; natural gas 21.6 percent; and electricity 11.1 percent.

At the grocery store, shoppers are paying more and leaving with less in their baskets. The price of food rose another 1.5 percent in March and is up 10 percent over the last year. The index for meats, poultry, fish and eggs increased 13.7 percent over the last year, beef by 16 percent and dairy and related products by 7 percent. Rents, medical costs, car insurance and other living expenses are also up.

“The price of gas and food is crazy,” a young Detroit autoworker told the WSWS. “All you can do is go to work and come back home,” she said, noting that new workers at her factory only bring home \$600 a week. This means higher prices—which were estimated to cost a worker an additional \$327 last month, or nearly \$4,000 a year—are the equivalent of a staggering 14 percent cut in income for newer autoworkers.

President Biden blamed rising inflation on the Russian invasion of Ukraine, calling it “Putin’s Price Hikes.” But prices were going up long before the war, and 95 percent of the population rejects Biden’s claims, according to polls.

The surge in prices is the outcome of the policies pursued by both the Democrats and Republicans, particularly since the 2008 financial crash, of printing up massive amounts of money to prop up the financial markets and increase the fortunes of the super-rich. The inflation of share values on the New York Stock Exchange—which is up 300 percent since 2009—is now exploding throughout the entire economy.

The US-NATO proxy war against Russia and economic sanctions against Moscow have further fueled inflation and food and energy shortages around the world. The ruling class is determined to make the working class pay for the bailouts for the rich and the cost of the war, which they are escalating relentlessly.

Urgent action by the working class is needed to defend living standards. The Socialist Equality Party calls for workers to form independent organizations of working class struggle, rank-and-file committees, in every workplace and neighborhood. These committees should prepare strikes, mass demonstrations and other class actions to win the following emergency demands:

- **Raise base hourly pay by 40 percent to offset declining real income over the last five years.** Two-thirds of American workers are living paycheck to paycheck. Workers have suffered more than four decades of stagnating real income, with an average 0.7 percent increase in annual real wages since 1979.

- **Immediately index all wages to the current inflation level and introduce an automatic monthly Cost-of-Living Adjustment (COLA) escalator to keep pace with rising expenses.** Real average hourly earnings fell another 2.7 percent between March 2021 and March 2022. An uptick of 3.4 percent in wages expected this year, due to the continued high demand for labor, has led to calls for the US Federal Reserve to raise interest rates and use mass unemployment to beat back “wage inflation.”

- **Increase all employer-paid medical and pension benefits in line with inflation.** Soaring health care costs are another major factor in the decline in real wages. To

cite one example, striking Chevron oil workers in California saw a 23 percent rise in out-of-pocket medical costs last year, and retirees regularly choose between spending money on food or medicines.

- **Sharply raise government-funded Medicaid, Medicare and Social Security benefits to protect retired workers and spouses.** The *Wall Street Journal* recently demanded that Biden and the leaders of NATO countries spend more money on guns and less on butter, calling for deep cuts to government programs for the elderly.

- **Stop price-gouging by the energy monopolies and roll prices back to the November 2020 level of \$2.00 a gallon.** Chevron, ExxonMobil, Marathon and the other oil giants made \$205 billion in profits in 2021 and are making even more today due to the war crisis and the moves to remove Russian oil and gas from the world market. These massive profits must be reclaimed to meet social needs, and the energy industry must be nationalized under public ownership and democratic control.

The realization of these measures requires a frontal assault on the wealth of the capitalist ruling elite. The impoverishment of the masses of workers is the other side of the vast enrichment of the corporate and financial oligarchy.

The Forbes 36th annual “Billionaires List,” released last week, showed that the world’s 2,668 richest people are now worth \$12.7 trillion, up 58 percent from March 2020. Elon Musk, Jeff Bezos, Bill Gates, Warren Buffett and their fellow US billionaires increased their net worth by 62 percent since the onset of the pandemic.

A progressive income tax must be implemented that places the burden of taxation on the rich, while lowering taxes for the vast majority of the population. The giant fortunes of America’s billionaires must be expropriated to finance a sharp increase in workers’ wages and fund vital social programs, including public education, health care and the protection of workers and their families from COVID-19.

The development of a counteroffensive in the working class raises three fundamental issues.

First, it must be completely independent of the pro-corporate trade unions, which function as a labor police force to impose the dictates of big business. This requires the formation of rank-and-file committees uniting all sections of the working class in a common struggle.

Over the last two years, the AFL-CIO bureaucracy imposed four- and five-year labor agreements at Volvo Trucks, Dana, Kaiser Permanente, in film and television

production, the oil industry, school districts and countless other workplaces, which included 2-3 percent annual raises, knowing full well this would leave workers vulnerable to the ravages of inflation. In fact, unionized workers received average annual pay raises of only 2.6 percent, even less than the 3.1 percent increase nonunion workers received.

Second, it must be developed as an international movement, uniting workers throughout the world, who confront the same conditions and the same capitalist crisis. In the UK, inflation hit 7 percent in March and government forecasters predict living standards will see their biggest fall since the 1950s. The rise in prices and food and energy shortages have provoked a wave of mass demonstrations and strikes from Sri Lanka, India and Greece, to Lebanon, Tunisia and Peru.

Last year, the International Committee of the Fourth International initiated the International Workers Alliance of Rank-and-File Committees (IWA-RFC) to unite workers around the world independently of the corporate-controlled trade unions and in opposition to the pandemic and the sacrifice of workers’ lives.

Third, the logic of the struggles of workers raises the necessity for a political offensive of the working class against the Biden administration, the two big business parties in the US and every capitalist government in the world. Mass impoverishment, mass death from the COVID-19 pandemic, and the growing danger of World War III are all products of the capitalist system, which subordinates social need to private profit and the wealth of the ruling class.

That is why the fight to protect living standards today is a political struggle, which can be resolved only through the establishment of workers’ power and the socialist reorganization of the world economy.

To build the leadership necessary for this fight, we urge workers to attend the International May Day online rally and to join the Socialist Equality Party.



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