

“People are struggling and can’t feed their kids”

US workers speak out as May inflation hits 8.6 percent, rips household budgets

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Led by food and energy prices, the US inflation rate rose to an 8.6 percent annual rate in May, blowing a hole in the budgets of working class families already struggling after more than two years of a deadly pandemic. It is the highest official inflation rate since 1981, more than 40 years ago.

Energy costs, including gasoline, surged in May rising a staggering 34 percent year over year. The next highest price rise was in groceries, which rose 11.9 percent over last year. Both items are core essentials.

The price surge has become the source of continuous discussions in households, at gas pumps and in supermarket checkout lines as families struggle to meet daily household expenses.

The 11.9 percent rise in food prices was the highest increase since 1979 during the administration of Jimmy Carter. Prices of meat, baked goods, cereals, dairy products and eggs all increased at double digit rates. Eggs soared 5 percent in May alone and are up more than 32 percent from a year ago. The US Department of Agriculture has estimated that the price of eggs received at the farm will rise 75 percent this year, translating to consumers paying 19.5 to 20.5 percent more in the store.

California has seen some of the highest increases in gasoline prices in the US. Ric, a retired Los Angeles teacher, told the *World Socialist Web Site*, “Gas is approaching \$7 a gallon, and the price of food has shot up quite a bit. This puts a crimp on everything. The thought of going on vacation this summer is out the window. I’ll be too busy clipping coupons and trying to find food items on sale while walking instead of using my car if possible.”

“We’re skipping healthy foods in favor of less expensive calories,” said Michael, a court interpreter and also medical interpreter in San Luis Obispo, California who lives with his wife and two school-age children. “It’s hard to explain to people who have discretionary income that for those living paycheck to paycheck, even a small increase in prices can flip the raft over.”

An Amazon worker in Baltimore said, “people are struggling and can’t feed their kids. Water, BGE (Baltimore Gas & Electric) is going up, gas is rising. This isn’t what I imagined

for my family living paycheck to paycheck. It’s hard as hell in the world today.”

In addition to food and energy, airline fares surged 37.8 percent from one year ago while hotel prices were up 19.3 percent. Price rises were highest in the US South where inflation averaged 9.2 percent. Tampa-St Petersburg, Florida residents saw prices go up at an 11.3 percent annualized rate.

And rising prices don’t show any signs of letting up. Matthew Luzzetti, chief US economist at Deutsche Bank, told the *New York Times* that he expects consumer prices to still be climbing at 7.3 percent over the year as of December.

Sara House, an economist with Wells Fargo, told the *Wall Street Journal* she expected the Consumer Price Index to hit 9 percent next month and stay at that level until autumn.

Unlike the 1970s when the last major surge of inflation occurred, unionized workers now have no cost-of-living clauses in their collective bargaining agreements, as all the major unions long ago bargained those away along with countless other essential benefits.

The price increases have far outstripped the minimal wage gains by workers over the course of the past year, with the Department of Labor reporting that real average hourly earnings fell by 3 percent since last year, probably an underestimate given the outsize role basic necessities play in a typical worker’s budget.

While the rising cost of living has helped fuel a rising tide of worker anger and militancy, the unions have sought to strangle this movement, imposing a whole series of derisory wage settlements in the 2 to 3 percent range, guaranteeing a cut in real wages for unionized workers in excess of the three percent average.

“Housing is the biggest area that hurts for me,” said a Mack Trucks worker from Macungie, Pennsylvania. “My taxes went up, my electric went up, heating oil is crazy expensive and I need to fix my roof while materials for it have gone to the moon since Covid.” This is “while my pay has only increased 1 percent, and I still am stuck in a tier system that the UAW does nothing about.”

A CNH farm equipment worker in Racine, Wisconsin, where

workers have been on strike for more than a month, told the WSWS, “We’re told that our wages can’t increase every time we ask for more money because that’s what drives inflation up. And lo and behold, they don’t increase the wages and inflation goes up anyways. It’s funny how that works.”

The continued price surge has led to speculation in the financial press that the US Federal Reserve will resort to even larger than planned increases in interest rates in coming months. The US central bank had already announced a series of 0.5 percent rates hikes through to the end of 2022. The goal is to reduce demand by driving up the unemployment rate and further impoverishing workers in order to forestall demands for wage increases. By that perverse logic, the report that the US economy added 390,000 jobs in May was not good news for economic policy makers.

The Biden administration predictably responded to the latest inflation report by ramping up its demagogic attacks on Russia. In anticipation of today’s numbers, White House press secretary Karine Jean-Pierre told reporters Wednesday, “Given the impact of [Vladimir] Putin’s price hike at the pump, on gas prices in May, we expect the headline inflation number to be elevated.”

Of course, the press spokesperson did not mention the fact that the United States and its NATO allies provoked the Russian invasion of Ukraine and have conspired to block a cease fire in order to help destroy Russia, using Ukrainian workers as cannon fodder.

In remarks Friday at the Port of Los Angeles, President Biden feigned sympathy with workers suffering the impact of inflation. He then boasted of his efforts to resolve the supply chain problems highlighted by the backlog at the ports. However, his “solution” has involved working with the unions to undermine the conditions of port workers, including forcing around-the-clock operations. Biden then took jabs at various malefactors including “foreign shippers,” Senate Republicans and of course arch devil “Vladimir Putin.”

In a de facto acknowledgement of the enormous social anger building up against price gouging by the corporations, in response to a reporter’s question, Biden took a mild jab at ExxonMobil, which along with the other top five oil companies banked \$35 billion in profits in the first quarter of 2022 alone.

For its part, the Republican Party attacked Biden from the right on the inflation report, denouncing the minuscule Covid-related payments to workers last year in the administration’s relief package, claiming that was the source of the price surge.

US inflation is part of a global inflationary upsurge, a byproduct of the disastrous policies pursued by the entire ruling class in response to the global pandemic, which has yet to be contained except in China. This includes the electronic printing of trillions of dollars to artificially bolster the financial markets and the widespread disruption of supply chains, not to mention the devastating human cost of sickness and death.

Added to this is the funneling of record billions to the budget

of the Pentagon as well as militaries across western Europe, including recently an additional \$40 billion in US weapons shipments to Ukraine.

Michael added, “Inflation is now a shameless euphemism for price gouging: pretending it’s the workers’ fault for taking more than they need and leaving too little for the owner class, while the exact opposite is happening. Slow smoldering war with limitless funding was leveraged to squeeze global fuel supply, and pave the way for food insecurity that has already been announced.”

Ric, the retired teacher said, “What is also funny is to hear capitalist Democrats now decrying the very Corporate America that funds their campaigns. They can do this because they know there aren’t enough votes to do anything about it. It’s all empty posturing. So, while the Congress cannot agree on allocating any money for social programs, they just blew \$40 billion in military spending for Ukraine in their war against Russia. It went out the window with no strings attached.”

The fight against inflation means a fight against the anarchy of the capitalist system, which subordinates all questions of social policy to the single-minded drive to maximize profits. The question of who will pay for the disaster created by the profit system is a class question and will only be decided in struggle. To free its hands for this battle, workers must break away from the political parties of the ruling class, the Democrats and Republicans, as well as the pro-corporate trade unions who are seeking to block any struggle against the bosses.

This requires the independent industrial and political mobilization of the working class on a socialist and internationalist program aimed at placing the controlling economic levers of society under the democratic ownership and control of the working class.



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