

Inflation to fuel long, hot summer of workers struggles in the US

Marcus Day
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Millions of workers in the US and around the world are being pushed to the brink by the staggering impact of rising prices for essential goods and services. “We can’t continue to live like this” is the sentiment gripping ever-growing numbers of people.

Inflation in the US surged 8.6 percent year over year in May, surpassing economists’ estimates. This was the fastest increase in consumer prices since 1981, more than 40 years ago.

Gasoline prices surged the most, rising 48.7 percent from last year, up 7.8 percent in just one month. A gallon of gasoline cost a record average of \$5.01 as of Sunday. In many of the country’s most populous metro areas, the price is significantly higher, averaging nearly \$6.50 in Los Angeles, close to \$6.00 in the Chicago region and approximately \$5.60 in Phoenix, Arizona.

A substantial portion of workers’ paychecks is being eaten up simply to pay to get to work. In the US, it is not uncommon for workers to commute 50 miles or more roundtrip, refueling multiple times a week. One day’s work on a \$15 an hour wage will now not even cover filling up a tank of gas in many trucks and larger vehicles, the cost of which can easily exceed \$100.

Beyond fuel, surging costs for many goods and services are making life more and more impossible. Families are spending an additional \$460 per month for essentials, according to a recent Moody’s Analytics report.

Food prices rose 10.1 percent overall in May. Prices for meats, poultry, fish and eggs increased 14.2 percent; dairy products 11.8 percent; and fruits and vegetables 8.2 percent. A gallon of milk is now averaging \$4.33, and the price of a dozen eggs hit \$2.86, up more than \$1 from a year ago, according to data from the Federal Reserve of St. Louis.

Even as rising food prices mean that more people will be choosing which meal they will have to skip today, the Democrats and Republicans are planning to throw millions of children into even greater hunger. Congress deliberately failed to renew an extension of COVID-related free school lunch programs in its last spending bill, meaning that an

estimated 10 million children will no longer receive free meals after the end of the month.

Meanwhile, the housing affordability crisis is worsening. Average rents increased 15.2 percent compared to a year ago, according to real estate company Redfin. The median monthly rent being asked for apartments hit a record \$2,002 in May, the firm said.

Home ownership, out of reach for many before, is now completely inaccessible for large portions of the population for the foreseeable future. The median listing price for a home hit \$447,000 in May, an increase of 17.6 percent from 2021, while average home loan rates are hitting their highest levels in more than a decade.

With rising prices, workers are making less in real terms than they did a year ago, falling further and further behind. Real wages fell 3 percent between May 2021 and May 2022, according to the Bureau of Labor Statistics on Friday.

The pro-corporate trade unions bear central responsibility for this brutal retrogression, having pushed workers into contracts that lock in raises of just 2-4 percent, far below inflation, while often raising out-of-pocket health care costs. The average wage hikes for unionized workers (3.5 percent) were actually less than for non-union workers (4.9 percent) over the last year, according to the latest figures from the Bureau of Labor Statistics.

Inflation has become the focal point of workers’ anger. However, rising prices and falling wages are among a whole series of social grievances building up in the working class. There are the degrading sweatshop conditions, overwork, understaffing, six or seven-day workweeks, the ongoing pandemic and deadly working conditions. Then there are the manifestations of the capitalist breakdown more broadly, such as recent shortages of everything from baby formula to tampons. All these issues and more, directly and indirectly, are driving workers into struggle.

Significant battles by workers have already emerged this year, from the ongoing six-week-long strike by CNH farm and heavy equipment workers, to the earlier walkouts by Chevron oil workers in California, strikes by nurses in

California and New Jersey, teachers in Minneapolis and Sacramento, as well as opposition among Arconic aluminum workers, Kroger grocery store workers and many others.

New sections of workers are set to enter into battle in the coming weeks and months. More than 12,000 Minneapolis and St. Paul nurses are currently working without a contract, and contracts are set to expire for 20,000 West Coast port workers, 50,000 construction workers in Southern California, 5,000 University of Michigan Hospital nurses and tens of thousands of teachers in Los Angeles and New York City. Three thousand car haul truck drivers, who have already overwhelmingly voted to strike, will learn the details Thursday of the concessionary contract the Teamsters agreed to.

The development of the class struggle is an international process extending far beyond the borders of the US. Rising fuel prices triggered strikes by truck drivers in South Korea last week. In the UK, 50,000 rail workers are set to strike later this month, in the largest series of rail strikes since the late 1980s. And in Sri Lanka, out-of-control inflation and shortages of basic goods have provoked mass anti-government demonstrations and a series of one-day general strikes this year.

In every case, however, workers are coming into headlong conflict with the unions that claim to represent them. At the same time, the corporate and political establishment, in particular the Biden administration, is relying ever more heavily on the trade union bureaucracies to enforce “labor discipline,” i.e., the suppression or isolation of strikes and other forms of worker opposition.

The ruling class is well aware of the explosive implications of its policies. “If people can’t feed their children and their families, then the politics unsettles,” David Beasley, head of the United Nations World Food Programme, told CNN last month.

The White House has crudely sought to deflect anger over inflation and channel it behind its war effort against Russia, dubbing higher gas costs “Putin’s price hike.”

The surge in inflation, however, began long before the Russian invasion of Ukraine. It is the outcome of the massive money-printing operation of the Federal Reserve and other central banks, which has been used to bail out the rich during the COVID-19 pandemic. The impact of these monetary policies is now exploding through the economy as a whole.

As for the war, the facts show that the US government instigated and provoked Putin’s reactionary invasion of Ukraine. Since the war’s outbreak, the US and its NATO allies have recklessly escalated the war, pouring weapons into Ukraine and blocking a negotiated settlement.

The financial aristocracy has no progressive reforms or

proposals to expand the social safety net on offer. Imperialist war abroad and class war at home—this is what is planned.

By raising interest rates, the chief aim of the Federal Reserve and other central banks is not to rein in inflation as such but rather to trigger a recession, drive up unemployment and attempt to force back workers’ demands for higher wages.

Spelling this out bluntly, a financial analyst for FWDBONDS told Reuters last month, “Job gains across the country are slowing, but few workers are actually losing their jobs. This isn’t a soft-landing or a hard-landing for the economy yet. No sign of company layoffs means the labor market isn’t loosening up as much as Fed officials were hoping.”

A movement in the working class against this entire rotting setup is emerging. Workers are increasingly rebelling against the claims of the corporations, the capitalist state and the trade unions that there is no money to provide workers a decent standard of living. This rebellion has found initial expression through the rejection of a series of company-friendly contracts over the last year and a half, from Volvo Trucks to Kroger and Detroit Diesel most recently.

But this incipient movement must find the organizational form and political program equal to the challenges workers confront. In growing numbers of workplaces, workers have begun to organize independently of the pro-corporate unions, launching rank-and-file committees with the assistance of the WSWs and the Socialist Equality Parties in order to fight for their essential needs. This network of committees must be vastly expanded and developed, under the framework of the International Workers Alliance of Rank-and-File Committees (IWA-RFC) launched last year.

At the same time, the desperate economic situation facing workers requires a fighting program. Wages must be dramatically raised, cost-of-living adjustments implemented to protect against inflation, fully paid pensions and health care restored, and workers’ control over line speed and workplace safety imposed.

The realization of these measures and more will necessitate a direct assault on the ill-gotten wealth and privileges of the billionaires and financial aristocracy so that social needs, not private profit, determine how society’s resources are organized.



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Socialist Equality Party visit:

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