

Surging cost of living in US drives class tensions to the breaking point

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The latest inflation data published Tuesday shows that the working class confronts months of immense hardships as wages lose their value in the face of rising living costs. The ruling class's attempt to make the working class pay for the crisis of capitalism is driving workers into struggle across the world, including in the United States, where teachers, nurses, and possibly railroad workers are launching powerful strikes.

Price increases in virtually all consumer items led to a 12-month inflation rate of 8.3 percent, the US Bureau of Labor Statistics reported Tuesday. Rents, groceries, and medical care costs drove the rise in the Consumer Price Index (CPI) in August. Household furnishings, new vehicles, motor vehicle insurance, and education also saw increases.

For the working class, life is becoming intolerably more expensive by the day.

Rental housing costs rose another 0.7 percent in August, bringing the 12-month increase to 6.2 percent, the highest since 1986. Utilities were up 2.1 percent in August and are up a staggering 19.8 percent over the past year. The cost of food was up 0.8 percent last month and has risen by 11.4 percent over the last year, the sharpest rise since 1979.

President Biden did not refer to the new figures during a White House event to celebrate the passage of the phony "Inflation Reduction Act" Tuesday afternoon, only saying glibly, "We have more to do." The president touted the three-month fall in gasoline prices, without mentioning that gas is still up 26 percent over the last year.

Biden, the Democrats and Republicans have provided at least \$50 billion to arm Ukraine this year, but they have done nothing to alleviate the impact of rising costs on working class and middle-class families.

In a separate report Tuesday, the Bureau of Labor

Statistics said real average hourly earnings fell another 0.2 percent from July to August. Over the last year, real average hourly pay of an American worker fell by 2.8 percent.

"Everything is going up except our paychecks," James, a Detroit Chrysler (Stellantis) worker, told the *World Socialist Web Site*. "I'm working two jobs and at least 80 hours a week to make it. It's crazy. I don't have any time to sleep."

The rise in living expenses—which has added \$460 to a typical family's monthly costs—is escalating class conflict in the United States and internationally. This week alone, 15,000 nurses in Minnesota participated in one of the largest private sector health care strikes in US history; 6,000 Seattle teachers walked out of classrooms; and more than 100,000 railroad workers are set to strike at 12:01 a.m. EDT on Friday morning.

The American ruling class, and the Biden administration in particular, is relying on the trade union apparatus to enforce contracts with wage increases that are far below the rate of inflation. Indeed, workers in trade unions have seen nominal wage increases that are significantly lower than for workers who are not in unions.

In an effort to enforce labor "peace" at home, while it wages war abroad, the Biden administration is working on further integrating the trade union apparatus—and its thousands of officials making six-figure salaries—into a tripartite corporatist relationship directed against the working class.

The teachers unions are doing whatever they can to suppress the fight of educators against horrific conditions and the spread of the pandemic as schools open. The health care unions are isolating the powerful struggle of Minnesota nurses, while limiting their strike to only three days. The AFL-CIO apparatus is

desperately trying to keep a lid on anger that is boiling to the surface.

Nowhere is this clearer than in the rail industry, where workers have not had a raise in years and have no sick days. Many are forced to remain on call 24/7, leaving no time for their families or rest.

While the Biden administration and the millionaires in the US Congress are threatening to use strikebreaking legislation against workers, the unions are engaged in a divide-and conquer strategy aimed at forcing through a sellout agreement. They promoted the fiction that a “Presidential Emergency Board” would propose a contract favorable to workers—the very same proposal that Congress is preparing to try to ram through over overwhelming opposition.

The ruling class is engaged in a policy of class war. Federal Reserve Chairman Jerome Powell, with the full backing of the Biden administration, has made it clear that he is willing to throw the economy into a recession with sharp increases in rate hikes, which are designed to “exert pain” and use mass unemployment to beat back workers’ demands for raises that keep up with the rate of inflation.

Inflation, however, is not caused by workers’ demands for raises to keep up with rising costs but the infusion of trillions of dollars by the US government and central banks to bail out Wall Street and prop up the stock market bubble. The economic crisis has been exacerbated by the limitless resources handed over to the Pentagon to wage war against Russia and China.

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.

A network of rank-and-file committees, as part of the International Workers Alliance of Rank-and-File 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.

- 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.

- Increase all employer-paid medical and pension benefits in line with inflation.

- Sharply raise government-funded Medicaid, Medicare and Social Security benefits to protect retired workers and spouses.

- Immediate relief for unpaid credit card, student loan, car and housing debt.

- Stop price-gouging by the energy monopolies and roll prices back to the November 2020 level of \$2.00 a gallon. The profits must be reclaimed to meet social needs, and the energy industry must be nationalized under public ownership and democratic control.

Rank-and-file committees have already been initiated in critical industries, including among rail workers, health care workers, educators and autoworkers. The campaign of Will Lehman for president of the United Auto Workers is spearheading the fight for a rank-and-file rebellion against the union apparatus and the establishment of democratic control on the shop floor. It is winning a powerful response from autoworkers and other workers throughout the country.

A counter-offensive in the working class, freed from the constraints of the union apparatus, is the only way to break the dictatorship of the corporate and financial oligarchy and its two parties, the Democrats and Republicans. Only in this way can any of the great problems confronting workers be resolved.

The development of the class struggle must be connected to the building of a socialist and revolutionary leadership in the working class, in the United States and throughout the world. Capitalism offers nothing but poverty, exploitation, war and dictatorship. If there is to be a future for workers, it is through the fight to expropriate the ruling elites, establish genuine democratic control over economic life, and reorganize society on the basis of social need, not private profit. That is, it is through the fight for socialism.



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