

# US consumer prices jump as workers pay for American imperialism's war on Iran

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Consumer price inflation jumped to 4.2 percent in May, according to data released Wednesday morning by the Bureau of Labor Statistics (BLS). The annual inflation rate has shot up from 2.4 percent in February, before the US war against Iran, to 3.3 percent in March, 3.8 percent in April and now 4.2 percent, the highest in three years.

Energy prices accounted for 60 percent of the inflationary surge, according to the Labor Department, with the cost of fuel oil rising 58.9 percent compared to May 2025, and gasoline rising 40.5 percent over the same period. Airline fares jumped 26.7 percent, largely due to the rising cost of jet fuel. Overall energy prices rose by 23.5 percent.

While gas prices hit \$4.56 a gallon on average in May, they have since dropped slightly. But it is not just gas at the pump that is devastating working-class living standards. The cost of basic necessities is soaring. The price of meat is 7.6 percent higher than a year ago, with fruits and vegetables up 6.1 percent, driven by a 25 percent rise in the price of tomatoes. Electricity charges are up 5.9 percent, hospital services up 5.7 percent and car repairs and services up 6.1 percent.

So-called “core” inflation, which excludes volatile energy and food prices, rose from 2.7 percent in April to 2.9 percent in May, an indication that the impact of the war, as well as Trump’s tariff policies, is being felt throughout the US economy.

A separate BLS report found that workers’ wages fell behind prices for the second consecutive month, with the gap widening from 0.3 percent in April to 0.7 percent in May—the largest one-month cut in real wages since 2023. The rise in gasoline prices alone has erased more than a year of wage increases, pushing real wages back to where they stood when Trump was inaugurated in January 2025. Even this understates the impact on working-class households, which spend a far larger share of their income on necessities such as groceries, rent, utilities, gas and

used cars.

The inflation report was issued only hours before Trump announced a new round of airstrikes on Iran, which will undoubtedly have a further catastrophic impact on world energy supplies and prices. Workers in the United States, and around the world, are paying the price for the US military slaughtering the people of Iran.

Trump himself underscored that connection at a press briefing at the White House, as he signed into law a bill providing \$70 billion for the police-state operations of Immigration and Customs Enforcement (ICE) and Customs and Border Patrol (CBP) for the next three years. Asked about the increase in the Consumer Price Index, he responded with his characteristic mixture of indifference, lies and sheer incoherence.

“You know what I really love? I love inflation,” he declared. “You know why? Because as soon as this war is over, I can say it now, you know we’ve been taking out millions of barrels of oil. Nobody knows it. You know who did not know about it? Iran until right now.”

Trump claimed that the US had successfully brought dozens of tankers through the Strait of Hormuz, saying, “That is why oil is \$85 a barrel.” (Actually, it is closer to \$95, and the price will rise quickly as the war escalates.)

Trump then described gas prices as “the one bad thing” in the “best economy we’ve ever hit ... we just hit the highest stock market in history.” As he was hailing the performance of Wall Street, the market plunged more than 900 points on renewed fears that war and inflation would make it impossible for the Federal Reserve to lower interest rates and provide the credit required to keep the speculative bubble going in the financial markets.

Trump’s remarks are the latest in a series of declarations in which he has expressed the indifference of the billionaire oligarchy toward the impact of the war on the broad mass of the population.

In April, he declared that the government should stop

worrying about “Medicaid, Medicare, all these individual things” and focus on “one thing, military protection.” By this he means, not protection for working people, but protection for the giant oil companies and the vast fortunes of the super-rich. Asked last month about the impact of the Iran war on the cost of living, he replied, “I don’t think about Americans’ financial situation. Not even a little bit.”

The same crisis of American and world capitalism that drives the ruling class to war abroad drives it to impoverish workers at home. The hundreds of billions spent bombing Iran, financing the proxy war against Russia in Ukraine and funding the ICE police-state machine must be extracted from the working class. Trump has said so openly, though the entire political establishment, Democrat and Republican, agrees.

The same contradictions driving the ruling class to war are driving workers into struggle, and the past three months have seen a powerful growth of the class struggle. As in similar periods in the past, price inflation and the slashing of living standards are having a radicalizing effect on millions of working people and fueling an increasingly oppositional mood in factories, warehouses and workplaces of all kinds.

The sharpest expression is the rebellion among auto parts workers. At Nexteer Automotive in Saginaw, Michigan, 1,700 workers have rejected three consecutive UAW-backed contracts and voted by 86 percent to strike while the union apparatus refuses to strike and has instead rushed through a fourth agreement that does nothing to overturn decades of union-administered poverty wages, speedup, job cuts and brutal exploitation. One thousand workers are on strike at the American Axle plant in Three Rivers, Michigan.

The latest act of defiance is the massive rejection by over 90 percent of UAW-backed contracts at Dana Corp. plants in Fort Wayne, Indiana; Toledo, Ohio, and Kansas City.

The resistance by auto parts workers is part of a far broader movement, including strikes at Long Island Rail Road, JBS meatpacking workers in Colorado, nurses in California, Michigan and New York, and K-12 teachers and university workers in many areas.

The trade union apparatus is engaged in a systematic operation to suppress opposition among workers. The UAW Constitutional Convention opens Monday amid a series of betrayals of auto parts workers. On Wednesday, the UAW announced that it had reached a tentative agreement at American Axle in an attempt to shut down

the strike before the convention begins and block the development of a united movement with Nexteer, Dana and other parts and auto workers.

The union apparatus as a whole is doing nothing to oppose the attack on wages and living standards. Workers are trapped in multi-year contracts that lock in real wage cuts while the bureaucracies function as arms of corporate management and labor police forces, controlled by privileged officials drawing six-figure salaries.

The Socialist Equality Party encourages the formation of rank-and-file committees in every workplace, independent of the union apparatus and both corporate parties, to organize a struggle to defend living standards, oppose war and defend democratic rights.

These committees, organized through the International Workers Alliance of Rank-and-File Committees should raise and fight for immediate demands, including: a large increase in wages to recover income stolen through decades of stagnation and inflation; the automatic indexing of all wages, pensions and benefits to the cost of living through a monthly escalator; a sharp increase in Medicaid, Medicare and Social Security, against all cuts; and an end to price-gouging by the energy and food monopolies.

But these demands raise the necessity for a direct assault on the wealth and power of the capitalist oligarchy. The giant energy corporations, food monopolies, banks and financial institutions must be transformed into publicly owned utilities, democratically controlled by the working class. The fortunes of the billionaires and corporate executives—amassed through war, speculation, exploitation and price-gouging—must be expropriated and used to meet urgent social needs.

The fight against inflation is inseparable from the struggle to end the war, and both require breaking the grip of the financial oligarchy over economic life. This is a political struggle: for the independent mobilization of the working class against both capitalist parties, for workers’ power and for the socialist reorganization of the world economy to serve human need, not private profit.



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