Most US states saw jobs losses in March

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The US Department of Labor's Bureau of Labor Statistics report on state and regional unemployment for March 2015 shows a deteriorating economic situation. Despite modest job growth nationally, nonfarm payroll employment declined in 31 states and the District of Columbia last month. Only 18 states saw an increase in employment.

In particular, states and regions that once benefited from a boom in domestic oil production are now hemorrhaging jobs as a result of the oil price decline. States with the largest over-the-month job losses were Texas (25,000), Oklahoma (12,900) and Pennsylvania (12,700).

In percentage terms, the largest over-the-month declines in employment occurred in Oklahoma (0.8 percent), followed by Arkansas, North Dakota, and West Virginia (0.6 percent each).

The rapid job losses in Texas—America's second most populous state with 27 million residents, with an economic output equivalent to Spain—has generated concerns in major economic and political circles. March 2015 is the first time in 53 months that the state of has showed a net loss of jobs.

JP Morgan Chase economist Michael Feroli was among many analysts who predicted a severe loss of oil-related jobs in the state in late 2014, earning him the ire of then-President of the Dallas Federal Reserve who last month, despite overwhelming evidence to the contrary, publicly dismissed such predictions with contempt.

Referring to the March jobs report, Feroli said if the national economy had lost jobs in the same proportion as Texas did, the US would have lost 304,000 jobs last month, an amount associated with a full-blown recession.

The slump in oil prices threatens jobs in other industries, including steel and automobile manufacturing. The steel sector closely followed the boom in shale oil and natural gas production over the past several years when higher oil prices prevailed. Globally, the industry has undergone a restructuring over the last quarter century that is almost without parallel, forcing prices down and destroying jobs and productive infrastructure.

On Friday, United States Steel Corporation sent layoff notices to 1,404 workers involved in producing pipe and tube products used in the oil and gas sector. The layoffs could come as early as June for 579 employees at a plant in Lone Star, Texas, 166 at a factory in Houston, 255 at a mill in Pine Bluff, Arkansas, and 404 managers in the company's tubular operations.

Since March, US Steel has announced plans to idle its Granite City, Illinois, factory that employs 2,000 workers, a tubular steel facility in Ohio employing 614 workers, as well as layoffs and closures in Pennsylvania and Minnesota.

Ford Motor Company announced Thursday that it will idle 700 workers at the Michigan Assembly Plant in the Detroit suburb of Wayne starting June 22, citing decreased demand for more fuel-efficient vehicles. The facility produces a number of vehicles in this category, including the Ford Focus, Focus ST, Focus Electric, C-Max hybrid and C-Max Energi plug-in hybrid.

Sales of the Ford Focus fell 14.5 percent in March, and sales of the C-Max Hybrid were down 22 percent during the same period and by 31 percent during the first quarter. General Motors has announced similar plans for facilities making its more fuel-efficient models.

The United Steelworkers and the United Auto Workers unions accept without question the destruction of tens of thousands of jobs by the corporate giants, with the USW predictably blaming foreign steelmakers for "dumping" steel.

The report on state unemployment further exposes the

Obama administration's lies about the supposed economic "recovery." It dovetails with poor economic figures in recent months, including retail sales, industrial production and home building, all of which point to a deepening economic downturn.

Flush with more than $1.3 trillion in cash—and benefiting from virtually free credit poured into the financial markets by the Federal Reserve—major corporations are not investing in expanding production. Instead they are pouring billions into stock buybacks and dividends to benefit wealthy investors, and to fuel a wave of mergers and acquisitions that will destroy even more jobs. Meanwhile the workers who remain are subjected to unrelenting demands for lower wages and benefits and higher levels of exploitation.

Financial news outlets are now referring to "mega-mergers." A case in point is this month's takeover by energy giant Shell of the smaller firm BG in a $70 billion deal. ExxonMobil is also widely expected to make a bid for BP. Both the Shell-BG mega-merger, as well as any acquisitions by rival ExxonMobil, will serve to boost profits not through new investment in infrastructure, but through layoffs, closures and the lowering of labor costs.

While better-paying jobs in the US manufacturing sector are evaporating, what little job growth there is consists largely of low wage service sector work. In one sign of the deteriorating conditions for workers in these industries, a study by the University of California's Center for Labor Research and Education released April 13 found that a majority of spending on public assistance programs goes to households headed by someone who is working.

"When companies pay too little for workers to provide for their families, workers rely on public assistance programs to meet their basic needs," Ken Jacobs, chair of the labor center and co-author of the new report said in a press release.

Thus, at the state and federal level, the US government subsidizes companies that pay poverty wages, to the tune of $153 billion per year.

According to the report, workers in a diverse range of occupations systematically rely on public assistance, and in staggering proportions, including frontline fast-food workers (52 percent), childcare workers (46 percent), home care workers (48 percent) and even part-time college faculty (25 percent).

While Wall Street executives are making record bonuses, four out of 10 bank tellers in New York City are forced to rely on some form of public assistance because their wages are too low to survive.