

FILM REVIEW

□ Joe Feinglass

The Business of America

produced by California Newsreel, 1984

In the *Business of America*, the filmmakers at California Newsreel have once again demonstrated their ability to produce lively and substantive documentary on economic issues. In the late 1970s, they produced *Controlling Interest*, perhaps the most incisive film analysis of multinational corporations ever made. *The Business of America* turns out to be a worthy sequel.

The film emphasizes the human and social costs of the decline of American industry. It presents an indictment of the short-run, profit-maximizing decisions of corporate managers, which have produced mass unemployment and economic devastation throughout the "smokestack" regions of America. By giving voice to the perceptions and hopes of working people, this film makes a unique contribution to the debate over industrial policy and the future of the American economy.

The film opens with a striking visual image: the dynamiting of a row of abandoned U.S. Steel blast furnaces. As the huge towers crumble into the dust, we are given a chronology of the rise and fall of the once mighty American steel industry. Frustrated steelworker union activists describe the rapid deterioration of their outmoded plant, the increasing down-time and safety hazards, and their futile attempts to negotiate improvements to avoid a shutdown. Steelworkers and their families, pain and anxiety clearly visible in their faces, wait in line for free groceries at a union food give-away. Their comments display the anger and bitterness of people who having once trusted their livelihoods to the steel companies, find themselves betrayed and vulnerable—thrown out with no preparation for an uncertain future. What has happened?

Some would have us believe the problem is inadequate resources to modernize. Standard appeals for profit-led growth, tax cuts, and government deregulation are aired by U.S. Steel Chairman David Roderick, Ronald Reagan, and a host of costumed Founding Fathers doing a singing commercial for the U.S. Chamber of Commerce. We are invited to join the Business Offensive against Big Government

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and Excessive Consumption. What is needed is good old American hard work and sacrifices at the altar of Savings and Investment.

Almost four years into the resurrection of the Age of Coolidge and Hoover, the words ring hollow. After \$50 billion a year in tax breaks to corporations and wealthy investors, after all the billions slashed from social programs, after import controls, "trigger prices," and environmental deregulation, steel employment continues to fall and investment in steel is a fraction of what it was two decades ago. And now, storm clouds are just over the horizon of the much celebrated "economic recovery" now supposedly in full swing. New answers are required.

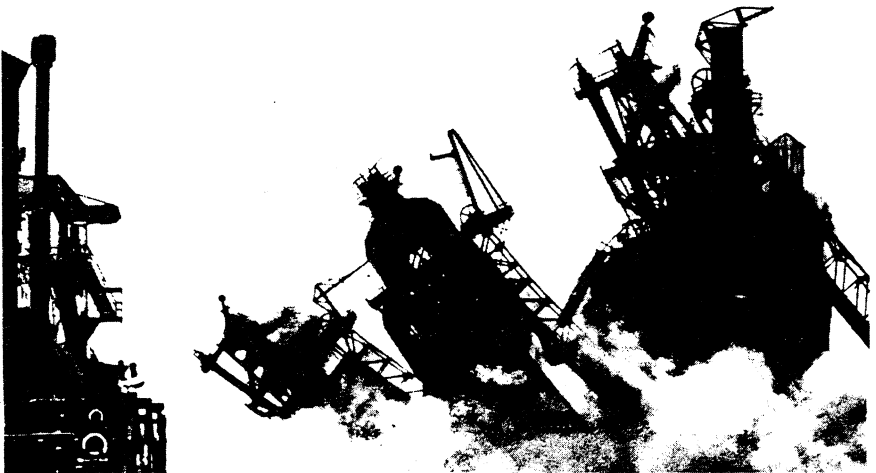
The Business of America would have us look at the structural incentives which reward non-producing investment and financial speculation. U.S. Steel took its tax breaks and bought Marathon Oil, a Disneyworld hotel, office buildings and shopping centers, leaving only 25% of its assets in the steel industry. According to the film, U.S. companies have been pouring more money into suing each other than into basic research.

American corporate managers go for the quick buck. Showing a profit *today* speeds the ambitious executive up the ladder of success. The film presents brief interviews with economists, business professors and stock analysts. American businessmen are scored for lack of real commitment to actually producing and selling products in a real industry. Instead, our corporate managers have become "paper entrepreneurs," experts at "moving financial assets around on a financial chessboard." In the words of activist Staughton Lynd, these are the men who "make and break the Youngtowns and Homesteads of this world between coffee and Martinis," while paying none of the costs of the economic crisis they have caused. Against this context, the film makes an eloquent statement for the necessity of economic democracy and worker and public participation in management decisions.

Yet the film may appear to some as focusing blame too narrowly on greedy executives, who would rather milk "cash cow" companies into the ground than research new products and technologies. It seems that lust for short-term profits may have let the foreign competition get the jump on us. Deeper sources of economic crisis remain ambiguous in *The Business of America*. The revolution in information processing and communications technologies has given multinationals the ability to quickly relocate production facilities across national boundaries. How can American workers expect to retain their living standards in a "global factory" if abundant cheap labor is readily available overseas? This issue, so well explored in *Controlling Interest*, is largely absent in *The Business of America*.

Lurking in the background is another significant issue. To what extent is the "deindustrialization of America" a response to the petering out of demand and worldwide excess capacity in many basic industries. Most mainstream economists and politicians would argue that we are witnessing the inevitable flow of investment from lower to higher productivity industries. This process has always entailed an unavoidable dislocation and disruption of some older communities, with corresponding growth and affluence for high-tech areas. Mainstream solutions often call for protectionist measures to ease the suffering, or for more liberal trade adjustment allowances and retraining programs. What is generally agreed is that the current process of disinvestment and industrial job loss is ultimately a necessary reaction to international competition and the evolution to a service economy.

THE BUSINESS OF AMERICA...



Many questions can be raised about this scenario. Will investment in high-tech and service industries be sufficient to replace jobs lost today? Is a job gained at McDonald's equal to a job lost in the steel industry? What will become of the people in our older capital-starved cities? While not directly addressing many of these issues, *The Business of America* does introduce us to emerging popular initiatives being taken by workers themselves.

As the power of unions at the bargaining table is eroded by runaway plants and high unemployment, new forms of protest and struggle will inevitably emerge. As we watch several thousand angry steelworkers seize the U.S. Steel headquarters in Pittsburgh, we are witnessing what may be a long-term movement towards new forms of political protest. It is likely that the labor movement will increasingly need to emulate the peace, civil rights, and women's movements and develop strategies to influence and mobilize public opinion. As deindustrialization threatens whole communities, labor politics will gravitate towards community political coalitions and mutual aid efforts. In the process, American workers will have to challenge what has previously been sacred "management prerogatives" such as investment planning, technology assessment and job training decisions.

The *Business of America* explores new patterns of worker ownership, utilization of union pension funds and public investment strategies. While some of the programs mentioned may prove to be unsuccessful, they demonstrate the range of creative thinking and experimentation required in this period. Underlying all of the alternatives discussed in the film lies a new consciousness that democracy must be extended into our economic life. This is the most inspiring part of *The Business of America*: the articulate voices of ordinary working people who have realized the need to take responsibility for the future into their own hands. We can once again thank the filmmakers of California Newsreel for a thoughtful, well-made documentary ideally suited for use in classrooms, meetings and discussion groups.

• *The Business of America* . . . is available for sale or rental in 16 mm film or ¾" u-matic videocassette from California Newsreel, 630 Natoma Street, San Francisco, CA 94103; (415) 621-6196.