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Review of: The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry by Barry Bluestone and Bennett Harrison

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Citation
of documentation made possible through declassification of White House records and top secret documents from the Johnson Library. He has made skillful use of this body of information. The documentation is meticulous and thorough. The book succeeds in filling many of the gaps that existed in the public record on Vietnam since the publication of the Pentagon Papers.

As the military picture in Vietnam became increasingly grim for the United States, President Johnson orchestrated an elaborate process of in-house debate and deliberation within the councils of his administration to assess the alternative courses of action open to him. Few governmental decisions of such importance have been made with what would appear to be such care and deliberation. Yet Berman suggests that this elaborate process, particularly during July, 1965, "may have been the president's tactic for building consensus within the administration to legitimize a previously selected policy for political elites in Congress and subsequently to the American public" (pp. 6-7).

Johnson inherited from the presidencies of Truman, Eisenhower, and Kennedy a general commitment to the policy that South Vietnam was a vital U.S. interest in the containment of communism. But it was under Johnson that the question of expanding our involvement reached its critical stages. Berman writes: "Johnson would not lose Vietnam by running away. And so the decision was made to lose Vietnam slowly. The president and his advisors, of course, did not see it this way, but in retrospect it seems perfectly clear that the United States had little chance of achieving its limited goal against a country waging total war" (p. 124). So Johnson pursued his guns and butter policy without revealing to the general public the depth of U.S. involvement.

Of special interest in the book are four crucial memos to the president, two by McGeorge Bundy, and one each by Robert McNamara and George Ball. These memos are reprinted in full in the Appendix. On June 28, 1965, Ball wrote to the president: "In my view, a deep commitment of United States forces in a land war in South Vietnam would be a catastrophic error. If ever there was an occasion for a tactical withdrawal, this is it" (pp. 86-87). Regarding Johnson's rejection of Ball's advice, Berman writes: "Johnson believed that to accept Ball's advice would be political suicide and result in political paralysis for the next three years. The domestic repercussion if the United States abandoned its commitment would be too great for a four-year president ever to recoup. Congress, Johnson believed, would turn on the president and the right-wing backlash would be devastating" (p. 146).

As Berman makes clear, Johnson "used his great talents to forge a marginal consensus—enough to get the United States into war, but insufficient for war termination" (p. 149). LBJ was juggling the Great Society, the war, and his hopes for the future.

The Vietnam war was truly an American tragedy. Berman's book is a chilling account of how that tragedy was planned.

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This is an important book about an important subject. It exposes the essential contradiction that exists between the imperatives of capital accumulation and the needs of communities. Bluestone and Harrison demonstrate, in considerable detail, why and how the recent "hypermobility of capital" is both a source of America's deindustrialization and of the increasing social dislocation and insecurity that pervades the country. As they put it, "the essential problem with the U.S. economy can be traced to the way capital... has been diverted from productive investment in our basic national industries into unproductive speculation, mergers, and acquisitions, and foreign investment. Left behind are shuttered factories, displaced workers, and a newly emerging group of ghost towns" (p. 6).

Bluestone and Harrison begin their argument by showing that disinvestment is not a trivial problem. In fact, taking into account all the ways that capital moves (that is, via the redirection of profits, the reallocation of capital, the physical relocation of equipment, or, complete closure), somewhere between 32 and 38 million jobs were lost in the 1970s as a result of private disinvestment. Moreover, large-scale disinvestment was not restricted to the declining Northeast and Midwest but impartially afflicted all parts of the country.

Bluestone and Harrison go on to show, with numerous examples, the damaging social and economic impact of the "hypermobility of capital." Plant closures result in: long-term unemployment for about one-third of those directly affected, the depletion of family savings and wealth, increased incidences of physiological and psychological trauma, ripple effects through communities (with an employment multiplier of over 2), and the decay of the social fabric of communities. In addition, and important to their
overall argument, the authors contend that "lay-offs created by plant closings can actually improve the business climate" (p. 79) by weakening the power and combativeness of labor. Interestingly, the other side of this hypermobility of capital-boomtowns is shown to usher in different and often equally serious problems; for example, increased social inequality and crime rates and few secure, high-paying jobs. Sensibly, Bluestone and Harrison do not advocate resistance to change. Rather they urge societies "to identify a sensible, socially-manageable speed of disinvestment" (p. 105). In their view, the present speed is too fast.

Bluestone and Harrison explain the increasing tempo of capital mobility by analyzing the historical changes in two crucial relationships: competitive relationships between giant firms and the relation between capital and labor. As they describe it, the undisputed dominance of the United States after the Second World War enabled U.S. capital to expand in geographic and product space without serious challenge. Technological advances (particularly in transportation and in communication) and the rapid centralization of capital facilitated this expansion, a point which they stress. Alongside this expansion, and partly based on it, a social contract was forged between capital and labor that established a sort of truce in their historical struggle. But this "golden age" came to an end in the early seventies as international competition intensified and stagnation afflicted the capitalist world. The resulting squeeze on profits compelled U.S. business to either find new, more profitable uses for its capital or to cut production costs. The pursuit of the first strategy led to frenzied conglomerate mergers and to the adoption of a new kind of management policy that treated plants and subsidiaries in a very cavalier manner. The second strategy required that labor's postwar power be severely undermined. The movement of capital from older industrialized areas of the country to union-free regions here and abroad helped to weaken labor. Local and national governments assisted in this "assault on labor" (p. 178) by reducing the social wage. Both strategies required U.S. corporations to "move mountains of capital between economic sectors and among regions" (p. 148).

Bluestone and Harrison conclude the book by criticizing several economic policies holding center stage in the current debate on industrial policy and by presenting the bare outline of a program for a "democratic socialist reindustrialization" (p. 262). The book should be widely read, for it raises the crucial but obscured issue in this debate: "how can we go about the business of constructing a productive economy which produces livelihoods without destroying lives?" (p. 21).

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This is the second volume of Philip Burch's three-volume study of the top appointive officials in the federal government from 1789 until the present. It begins with the first Lincoln administration and ends with the Hoover administration. According to Burch, Elites in American History is really two books in one: a source of information on the socioeconomic backgrounds of important federal officials, and an analysis of that information intended to "make a rough general assessment of the distribution of power in the country and thereby shed some light on the 'elitist' versus 'pluralist' controversy" (p. xi). In addition, Burch tries to link the socioeconomic backgrounds of federal officials to their actions in public office, although he does so tentatively and with full awareness that he cannot draw any specific conclusions but can only demonstrate "that there is some connection between the two" (p. xii).

Burch's summaries of the social, economic, and educational backgrounds of presidents, cabinet officials, key diplomats, and Supreme Court justices do not lend themselves to easy reading, but they do present a clear picture of the men who ran the country from 1861 to 1983. Most of what we learn is hardly shocking, but it is worthwhile to have all this information collected in one place and in a clear and easily accessible format. The tables and charts at the end of the book are especially useful and make for interesting browsing.

Burch's own analysis of the data is a disappointment, however. He is primarily interested in determining whether each individual federal official should be characterized as coming from an "elite" or "non-elite" socioeconomic background. Since the terms of classification are never precisely delineated, however, the classifications themselves become meaningless. Burch seems to classify as a member of the elite anyone who has connections to big business. Newspaper editors and university professors, to take just two examples, are classified as non-elites unless they own corporate stock, sit on corporate boards, or have close friends in big business. It may be justifiable