

1968

## The New Industrial State

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John K. Galbraith

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the Falaise-Argentan pocket — the battle in which in August 1944 American, British, French, Polish, and Canadian forces surrounded the better part of six Wehrmacht corps, trapping six infantry divisions, part of a seventh, and parts of two panzer divisions. Although a considerable number in eight other panzer divisions managed to escape the trap, they “did so at the cost of a great proportion of their equipment.” A Stalingrad? Perhaps not, but the Wehrmacht suffered staggering losses, forcing the Germans to withdraw to the Vosges. Within 12 days after the last shot had been fired in the Falaise pocket, Montgomery entered Antwerp; within 20 days, Bradley crossed the Siegfried Line before Trier.

This translation from the French reveals Eddy Florentin as an extensive researcher, and, perhaps, an overly ambitious writer. The story of the battle of the Falaise gap is an exciting one, and in telling it the author chooses to adopt the technique of Walter Lord — using the experiences of eyewitnesses and participants in the action. It makes for fascinating reading but also for confusion. In the first place, the battle was fought over about 1,400 square miles in slightly less than 4 weeks. The “front,” or sectors of contact where combat action took place, at one time exceeded 150 miles. Of necessity, the author tells his story by narrating the action at various critical points along this front. He identifies the locale by reference to the route numbers of the myriad roads that crisscross this area of central Normandy, or by reference to towns or terrain features. Unfortunately, of the seven maps contained in the book, not one has route numbers of roads, and less than one-third of the towns or terrain features can be found on the maps. This not only confounds the reader but is exceptionally frustrating

to anyone who is a student of military history. To add somewhat to the confusion, the author, on several occasions, describes quite vividly the actions leading up to the capture of a town or hill and then, without any warning, jumps back in time 5 or 6 days to tell the story of the actions on the enemy side. This chronological shift is not apparent until one has covered two or three pages and suddenly realizes that the town just captured appears to be back in enemy hands. Having identified what the author is doing, the reader then finds himself continually looking back in an attempt to correlate in his own mind the actions taking place on both sides. But to give M. Florentin credit, he is an excellent storyteller. If the reader is not a student of military history, is not particularly interested in the big picture, and likes highly descriptive, blood and thunder war stories, he will really enjoy this book.

A. V. RINEARSON, III  
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Galbraith, John K. *The New Industrial State*. Boston: Houghton Mifflin, 1967. 427 p.

Galbraith's newest best seller is a sustained argument that big corporations do not respond to markets but, instead, replace them by corporate planning of prices, costs, sales, and profits. He postulates that the 500 largest corporations (producing, according to him, almost half the goods and services in the U.S. economy) make up what he calls the “industrial system.” These corporations are run by groups of specialists whom Galbraith labels collectively as the “technostructure.” Unlike the traditional entrepreneur (e.g., Henry Ford), the technostructure contributes brainpower rather than capital to the enterprise, and it is not rewarded out of

profits. Instead of seeking to maximize profits, the technostructure plans for growth. The heart of Galbraith's argument is that the large corporation develops because only large-scale organizations of capital and specialized skills are able to harness modern technology. This, in turn, involves such a large commitment of resources (including time) that the modern corporation cannot depend on the vagaries of the marketplace. Hence, it replaces the market by planning and "managing" its costs, sales, and profits. Of especial importance is the management of demand or control of consumer behavior through the design of marketing strategies involving mass advertising, packaging, and product development. This theme was more fully developed in his previous book *The Affluent Society*. Galbraith also alleges that there exists an intimate set of connections between the industrial system and Government to form the "industrial state." Corporations depend on Government to stabilize demand at high levels of employment, to finance research and development, to provide a market of high-technology products (especially military hardware and systems), and to train the scientists, technicians, and managers who comprise the technostructure.

Galbraith's thesis will persuade many readers and perhaps some economists. The style is ironical, witty, at times graceful, and frequently sarcastic — the expected hallmark of this author. In general, Galbraith is long on assertions and gratuitous attacks against the "conventional economic wisdom," but short on empirical data to support his contentions. Despite this drawback (or possibly because of it), *The New Industrial State* is an important book. All those who are interested in the workings of the American economy should read it. But they

should read it with a Galbraithian sense of skepticism.

F. R. ROOT  
Chair of Economics

Martin, Laurence W. *The Sea in Modern Strategy*. New York: Praeger, 1967. 190 p.

As explained in the Preface to this study, Mr. Martin has attempted to fill a gap in the current literature on strategy, that is, the place of seapower in today's strategy. He has done a remarkable job in achieving this aim. After placing naval forces in the modern context with a brief historical review, the author discusses the role of present-day navies from three aspects: general war and nuclear deterrence, limited war (both land and sea), and cold war contingencies. Then a very timely study of the effect of increasing costs and commitments on ship design and procurement is presented, and a look into the next two decades of naval power follows. Among the many valuable features of this very readable book are a comprehensive discussion of the value of aircraft carriers in limited war and cold war diplomacy, comparisons of nuclear and conventional power for surface ships, problems presented to the major seapowers by smaller nations' navies, and a consideration of the present ASW problem. Various issues faced and conclusions reached by the author will have been considered by the professional naval officer, but it is doubtful if an analysis of the "big picture" has been available in such concise form elsewhere. *The Sea in Modern Strategy* is highly recommended as a basic up-to-date naval strategy text for all naval officers and for all others interested in an understanding of the importance of seapower.

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