Edward Bernays: The Father of Consumerism

I. Opening Comments:

When I first told my children about my assignment on Edward Bernays – my children were deeply grateful to Quest – grateful because they were confident that my topic must surely involve cuisine given the pronunciation of my subject’s surname. My children have been of the opinion for some time that my limited legal acumen has greatly overshadowed my tenuous grasp of home economics.

You might imagine my children’s horror, however, when I informed them (with appropriate gravitas) that Julia Child 2.0 should not be an expected result from this Quest paper – and that scrambled eggs and spaghetti (from a jar) would remain Trent staples. Instead, my topic would take aim at consumerism (or as my children might say “buying the latest and greatest necessities of life!”) and that Santa and all of those troublesome little elves would likely be caught up in the cross-hairs.

II. So Let’s Get Started: Just what is Consumerism?

In order to understand “consumerism” – one must start with understanding what an “ism” is. According to the Merriam-Webster dictionary an “ism” is defined as:

a) A distinctive doctrine, cause or theory; or,
b) An oppressive and especially discriminatory attitude or belief.

The term “consumerism” has two alternative definitions: first, it is “a theory that an increasing consumption of goods is economically desirable”; and, second, “it is a preoccupation with an inclination toward the buying of consumer goods.” The first known
use of the word did not occur until 1944, which is not altogether surprising from a historical perspective because both Big Politics and Big Business at the time had a vested interest in identifying an eventual replacement for a wartime, industrial economy — and a consumer-based, peace-time economy seemed the only viable alternative. Consumerism is one of the roughly 887 “isms” that officially exist, which, of course, include things like racism, sexism, alcoholism, ageism and extremism among others - In short, you might say that “we all have to come to grips with our isms.” Consumer-ISM is no exception.

III. So Who is Edward Bernays?

It is difficult to imagine that anyone in this room is not familiar with Sigmund Freud: the father of psychoanalysis. Among other things, he theorized about dreams, the rampant libido and the violent, irrational impulses of individuals — and, most infamously perhaps, that sons want to kill their fathers and have a sexual relationship with their mothers.

But how many of you are familiar with his nephew: Edward Bernays? While Freud is without argument the better known of the two (2) men, one might legitimately conclude that it is Bernays rather than Freud, whose actions and ideas resulted in greater transformative change in our everyday lives. First, Bernays is actually responsible for “packaging and selling Freud” by having his work translated into English when Freud found himself in financial ruins and might have otherwise lived out his life relatively unknown to Americans. Second, Bernays appropriated Freud’s ideas about individuals - that they were unruly, impulsive and

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desire-ridden – but he believed those impulses could be systematically controlled. Bernays repeatedly proved that the American collective self-consciousness could be manipulated and shaped through “spin” for monetary and/or political gain based on the agendas of a very few, mostly unknown men. Like Bernays.

A few housekeeping matters must be addressed before I continue further. Given the holiday season (which now starts on or before Halloween at most retailers) and the distinctive burning smell heavy in the air from overused magnetic strips worn thin on American credit cards - this paper focuses simply on Bernays’s influence over individual consumer spending. Bernays, however, is equally as fascinating if one considers that his methods deeply impacted politics, economics, national security, education, social services, American culture and tradition, journalism, public health, and science. In point of fact, Bernays is credited for toppling the Guatemalan government in 1954 when he assisted both the Chiquita Banana Corporation and the Central Intelligence Agency – and some cite his tactics used again as recently as 2009 in the overthrow of the Honduran president at the time. Bernays is also the reason our water is fluoridated. Finally, and perhaps most importantly in a “free” society, Bernays may also be responsible for the death of fact-based journalism in America (except, of course, at Fort Wayne’s Journal-Gazette and News-Sentinel).

Let me also be clear – Bernays’s strategies for “spin” implementation are also quite dangerous not only because they are so very effective but also because they are so readily reproducible in a sophisticated, modern society. Even Bernays came to regret his own effectiveness – particularly with regard to his role in representing Big Tobacco. In point of
fact, Nazi leadership credited their reading of Bernays’s “spin” strategies as greatly assisting them in “selling” their alternative to democracy – and ultimately to their ability to gain the complicity of Germans in the slaughter of Jewish men, women and children.

As you listen to this paper, consider how the newest communication mediums not available to Bernays - social media, the internet, and twenty (24) hour news – have the power to exponentially transform public opinion and habits through “spin” and repetition – essentially cost-free to those who seek to influence perceptions. Then we must ask ourselves – “Have we been manipulated?” Regretfully, there is only one reasonable answer to the question: Yes.

IV. The Early Years, the Committee and World War I

Bernays was born in Vienna in 1891 to Jewish parents and was a nephew to Freud on both sides of his family: his mother was Freud’s sister and his father was the brother to Freud’s wife. In 1892, the Bernays family moved to New York City where eventually Bernays graduated from Cornell University with a degree in agriculture in 1912 – an obligatory degree given that his father was a prosperous grain merchant. Bernays, however, ultimately chose journalism rather than agriculture for his career – and that single choice – changed his course, and, most certainly, world history.

One of Bernays’s first jobs began in World War I. Bernays worked for the Woodrow Wilson Administration’s Committee on Public Information (the “Committee”). The Committee was an independent agency of the United States government created to influence
public opinion regarding American participation in World War I. At that time most of America was neutral, if not against, the war - viewing it as ongoing border disputes between old European dynasties. From April 14, 1917 to June 30, 1919, the Committee used every available medium (newsprint, radio, posters, cards, buttons, cartoons, telegraph, cable and movies) to engender U.S. enthusiasm for the war, including positing the notion that America would be fighting to make ‘the world safe for democracy” and that WWI would be the “war to end all wars.”

In addition to various print mediums, the Committee recruited 75,000 “Four Minute Men” who spoke about the war at social functions for precisely four (4) minutes. Four (4) minutes was determined by the Committee to be the average human attention span – which probably does not bode well for the rest of this paper. The Four Minute Men are estimated to have made 7.5 million speeches, to 314 million people in 5,200 communities during World War I. The mantra of the Committee was to publish simple, straightforward facts in support of the war and focus on the bringing of “democracy to all of Europe” – though in reality spreading democracy had little to do with it.

The Committee transformed America’s image into the global defender of liberty throughout the world. While the “war to end all wars” failed to pan out, the picture of the U.S. created by the Committee continues to shape the world’s expectations of the U.S. even today - as to when we “should” exercise our military and economic might to liberate nations and suppressed peoples – even when we lack substantial strategic or economic interest in doing so.
At the end of World War I, Bernays was asked by President Wilson to accompany him to the Paris Peace Conference - where Bernays was stunned to see President Wilson received as a hero of the masses and of individual liberty – a direct result of the Committee’s work. The masses believed the messaging about Wilson and the war. It is little wonder therefore that Bernays wrote the following in the opening passage of his 1928 book entitled *Propaganda*:

> The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government, which is the true ruling power of our country. We are governed, our minds molded, our tastes formed, our ideas suggested, largely by men we have never heard of. This is a logical result of the way in which our democratic society is organized.

Scary stuff when you think about it. While governments, churches and heads of state had certainly utilized persuasive, exaggerated practices to advance policies, doctrine, causes, and even war and rebellion – World War I represented the first time that governments systematically deployed “propaganda” *en masse* using all available print and non-print mediums with the results so effective that culture and social attitudes were shaped and, in some cases, permanently changed even to this day.

Moreover, as both the development and reach of multiple mediums expanded as a result of industrial and technological advancement occurring in the United States and around the globe – so did the power wielded by the very few who could control, if not manipulate
and fabricate, the messaging. After his stint on the Committee and the reception that President Wilson received in Paris, Bernays began to wonder: Can public opinion be as equally and effectively swayed during times of peace? He concluded it could – and set his quest for professional and financial success accordingly.

V. The Emerging Field of Public Relations

Bernays was not keen to be professionally labeled a “propagandist.” In the United States, the word “propaganda” was pejorative - greatly associated with the German Central Office for Foreign Services, which among other Anti-American activities was tasked with sending German war propaganda to neutral nations – persuading them to side with Germany against the United States. German propaganda relied heavily on the mythology, nationalism and the martial nature associated with Germanic culture – and consistently emphasized the inevitable forthcoming German victory. Even during the end days of the war, German propaganda produced downright lies concerning its military success. As a result of the negative connotations associated with the term propaganda, Bernays coined a more acceptable term: “public relations.”

Bernays believed that understanding the group mind from a data-driven point of view permitted control of the masses according to the will of a few – without the masses even realizing it. He referred to this as the “engineering of consent.” Bernays was deeply influenced by the work of Gustave LeBon and Wilfred Trotter – writers who published and promoted the ideas of “crowd psychology” and “herd mentality.” Bernays, however, took these more theoretical concepts – and applied them to the American consumer utilizing
many of the techniques that the Committee had used previously – forever changing America’s culture and economy from one that generally purchased according to need – to one that made purchases motivated by desires, insecurities and subtle suggestion.

Bernays was a public relations master originating and perfecting many techniques that seem quite commonplace now (but nonetheless remain exceedingly effective). For example, Bernays was one of the first to utilize “third party authorities.” He used paid celebrities. He associated products that had no obvious connection with health and wellness – to health and wellness. He made connections between any number of products to power, success, sexuality and beauty. The best way to illustrate how Bernays brilliantly manipulated the American consumer is to provide a couple of illustrations.

For example, if Bernays wanted to sell a piano – he was not apt to simply hype the attributes of the piano itself – he would convince the public through repetitive print and non-print mediums that a well-appointed home for a successful, middle-class family really should include a music room – He would also utilize news and magazine outlets to report on American trends in home construction or decor for example. And the beguiled consumer, would subsequently conclude (as if it was their own idea as a matter of free will) that a piano would be a good fit in the music room they now felt they needed to appropriately present their “image” to friends and neighbors. As you might imagine, many a scarcely played piano was purchased by American consumers who might otherwise not have purchased them. The jingling of money as a result of increased sales was a tune the piano industry liked, and Bernays was a Pied Piper.
Here’s another example: If I were to ask you how you would define the quintessential American breakfast – what would you say? Even in 2015, a great many of you would still say a big, hearty breakfast of “bacon and eggs.” Oh you naïve and compliant lemmings! Let me tell you the real story behind the Big American Breakfast cooked up by Bernays!

Bernays was approached by an American meat packing company whose problem was that sales were slumping. Bernays needed to fix that fundamental problem – and he did so spectacularly. First, Bernays conducted systematic, scientific polls to obtain a broad, accurate assessment of what American breakfast eating habits actually were. The polls told him that the American public actually ate a very light breakfast of coffee and, maybe, a roll. This was, obviously, a problem for a meat packer – and one not solvable without changing the existing habits of the masses. Bernays considered breakfast objectively – noting, for instance, that it was eaten in the morning when people woke up from many hours of slumber. Bernays (who held no medical degree) brainstormed that a hearty breakfast must be better than a light breakfast because the body was in an active state after a long period of inactivity and, therefore, required more calories. But he did not stop there.

Bernays went to his personal physician and persuaded him to agree that it was not unreasonable to conclude that a heavier breakfast could be more beneficial from a health standpoint. Bernays took it yet further. He then asked his personal physician if he would be willing to write to 5,000 physicians he knew – and ask them if they thought Bernays’s brainstorm seemed plausible. His personal physician agreed to his request (there is the suggestion that some renumeration may have taken place), and, lo and behold, 4,500
physicians wrote back confirming the brainstorm was not wholly unreasonable. With 4,500 physician letters in hand, Bernays re-characterized his initial brainstorm as a “medical opinion.”

Bernays popularized the use of the press release, so it is little surprise that he subsequently arranged for newspapers around the country to run headlines such as “4,500 physicians urge bigger breakfast” noting that bacon and eggs should be the central part of that healthy breakfast. He used “news” stories to give greater credibility to his self-elevated “medical opinion” concerning the benefits of bacon and eggs to the American morning diet. News articles, unlike paid advertisements, didn’t cost his clients anything and were perceived by the public as credible - which of course his clients especially liked. It did not take very long for the sale of bacon to skyrocket - and for his meat-packing client to find itself in financial hog heaven. Bernays repeatedly employed these tactics with great success for many products – never changing the product (after all, bacon is bacon isn’t it?) but reshaping America’s habits.

Bernays was also keenly adept at changing social taboos. When Big Tobacco wanted to increase sales, there was an obvious, untapped market: women. After all, the American Tobacco companies weren’t stupid – no sales to half of their potential market made no financial sense. At that time, there was a strict social taboo against women smoking in public. In fact, in some communities, women would be arrested for publicly lighting up. And, just as he did with pianos and bacon, he sought to change what could be changed – society rather than the cigarette product itself.
Men were, of course, already smoking in great number (at the time the belief held was that smoking was healthy). Connecting cigarette smoking to health and wellness; therefore, was simply not going to incentivize women to smoke. And, so, much like his observations concerning breakfast - Bernays objectively observed and studied women in American culture. Since understanding women is a challenge for most men (present company excepted of course), Bernays reached out to a prominent psychoanalyst who suggested to him that a cigarette was symbolic of the penis and male sexual power. Bernays also noted that the role of women in America was in a process of change –with women increasingly desiring financial, political, sexual and social empowerment – equal to that of men. Celebrity women heroes, like Amelia Earhart, were also daring to do things that women had not done before.

While the idea that “sex sells” is extremely commonplace now, Bernays was the first to openly equate smoking in public with women’s desires – to be both beautiful and feminine and to be socially, financially and sexually empowered. In 1929, Bernays staged the Easter Parade in New York City and employed fashion models holding lit Lucky Strikes to attend. Bernays called the lit cigarettes they held: “Torches of Freedom.” In addition, he would often note that it was “suffragists” who were smoking in “protest.” As is classically Bernays, he also convinced the news outlets in New York and across the United States that the social acceptance of women’s public smoking habits was in fact “news.” He made women’s smoking in public normative in society through relentless repetition of the theme. And, once again, because it was “news” – he saved his clients a great deal of money because
they didn’t need to purchase advertising. After the parade and related campaign, women’s smoking increased dramatically throughout the United States – and Big Tobacco was now even Bigger Tobacco.

Considering the repetitive techniques used to shape American consumerism, it should be no surprise to discover that in addition to Freud, Bernays was influenced by the work of Ivan Pavlov. He just applied it to the American consumer rather than to dogs – and found the results were more often than not the same. The idea that smoking makes someone more powerful, of course, is completely irrational – but repeatedly linking the act of smoking to the desire to be powerful – made women feel powerful when they smoked – and, hence, they began to smoke to be powerful. More importantly, Bernays linked the notion that the more you smoked, the more powerful you inevitably had to be. Smoke more and smoke often made for a very happy Tobacco industry. Transforming the way Americans decided to make purchases from need to desire – changed not only what they purchased but how much of it they purchased. Consumerism, basically the consumption of goods without necessity or for unreasonable justification (think pianos, bacon and cigarettes), was entrenched in the spending habits of Americans – and more was always better. For Bernays and the growing group of public relations professionals, the template was set – and it could be mass produced and broadly disseminated for any product.
VI. Consumerism in America Today

a. Unsustainable Spending, Infinite Choice and Financial “Do-Overs”

Bernays’s impact on consumerism in America today can be summed up as follows: unsustainable spending, practically infinite choice, and culturally and legally acceptable financial “do-overs.” A cogent argument can be made that Bernays’s ideas and techniques were simply too effective – that “the good life has become inseparable from the maximum consumption of things - the dogma of new religion is the dogma of increasing wants.”\(^2\) We have likely entered into a state of hyper-consumerism – with impacts to our financial and national security, to our laws and to our social fabric. Here are the statistics on debt across Americans who have debt as of October 2015:

- Average Credit Card Debt: $16,140
- Average Mortgage Debt: $155,361
- Average Student Loan Debt: $31,946

In total, American consumers owe:

- $11.85 trillion in household debt (an increase of 1.7% from 2014)
- $890.0 billion in credit card debt
- $8.17 trillion in mortgages
- $1.19 trillion in student loans (an increase of 7.1% from last year)

Almost 1 in every 100 households will file bankruptcy. Only 2% of American homes are paid for in full. Nearly half of Americans have less than $10,000 saved for retirement.

The availability of product for purchase has also exponentially increased. In 1950, there were 500,000 different consumer goods available versus the twenty-four (24) million-plus now offered on Amazon.com. And, of course, old-fashioned notions of “waste not, want not” – have been replaced by a “throwaway” culture that overwhelms our landfills, depletes our natural resources, and endangers our fragile ecosystems. American consumers may well be struggling with “affluenza” meaning “the bloated, sluggish and unfulfilled feeling that results from efforts to keep up with the Joneses; an epidemic of stress, overwork, waste and indebtedness caused by the dogged pursuit of the American Dream [i.e. material wealth]; and an unsustainable addiction to economic growth [i.e. more and more consumption].³

In fact, consumerism is now a medical condition formally defined as an “impulse control disorder, an obsessive-compulsive disorder, a bipolar disorder.” Freud would have appreciated that. Compulsive Buying Disorder or (“CBD”) is characterized by an obsession with shopping that causes adverse consequences. CBD sufferers tend to “understand their feelings poorly and have a low tolerance for unpleasant psychological states such as bad moods.” The onset of CBD typically occurs in the late teens and early twenties and is generally chronic. Promising medications for CBD include selective serotonin reuptake inhibitors and support groups such as Debtors Anonymous. CBD starts in early experience – with failed parent-child relationships and utilizing objects to fill those voids. People with CBD often feel low self-esteem and are lonely utilizing things as substitutes for affection.

³ www.pbs.org/kcts/affluenza/ (December 8, 2015) Affluenza has also been used successfully as a defense to serious criminal/felony charges in the case of a young man who killed four (4) people.
If Bernays was the mastermind behind American consumerism, then credit cards were the catalyst. Americans make over $1.5 trillion credit card purchases annually. After all, “There are some things that money can’t buy. For everything else, there is MasterCard.” In mid-September 1958, Bank of America launched its all-purpose credit card program by sending 60,000 unsolicited credit cards to American consumers. While there were charge cards like Diners Club (that required payment in full at the end of each billing cycle) – there were no cards that functioned as a revolving line of credit that could be used in a more widespread fashion. In 1966, a national credit card system was formed when a group of credit-issuing lenders joined together. Credit card use didn’t really take off until 1978, when the U.S. Supreme Court allowed nationally chartered banks the ability to charge out-of-state customers the interest rate set in the bank’s home state. With the rise of the credit card, consumerism was fully unleashed.

b. Fostering Consumerism in the Law: the Bankruptcy Code and Consumer Protectionism

Given its significant downsides, it might seem counterintuitive that consumerism would be protected, if not brazenly encouraged, by any number of laws and public policies but, of course, it very much is. The first modern Bankruptcy Act in America, sometimes called the “Nelson Act” entered into force in 1898 not long after Edward Bernays was born. This confluence of events is certainly noteworthy when one considers the growth of modern consumerism as a whole. The Bankruptcy Act of 1938 signed into law by Franklin D. Roosevelt, sometimes called the “Chandler Act,” expanded voluntary access to the
bankruptcy system and made the filing of bankruptcy more attractive to debtors by instituting referees that could supervise the bankruptcy process where the district judge was absent. In the Bankruptcy Reform Act of 1978, Congress enacted the Bankruptcy Code, abolished the referee system and instituted “trustees” who were supervised by the Department of Justice. In 2005, the Bankruptcy Abuse Prevention and Consumer Protection Act (“BAPCPA”) was enacted. There are two (2) main aspects of a bankruptcy that support the theory that the fostering of consumerism clearly has been legislated. First, the two (2) main goals of any individual consumer bankruptcy can be fairly summed up as a) making no repayment and getting a discharge from one’s debt; or, b) using the law to “cram” one’s debt down to a significantly lower amount and getting a discharge. A discharge allows an individual consumer to walk away from all personal liability concerning his debts and emerge with a “fresh start.” The result is the same, the spending that brought the debtor to the courthouse – is reduced or eliminated entirely – and the individual is free to spend again. In addition, BAPCPA does not preclude repeat filings – it merely limits them.

Consumer protectionism laws have also been passed e.g. the Fair Debt Collections Practices Act, the Fair Credit Reporting Act, the Truth in Lending Act, etc. These laws are designed to ensure the rights of consumers making purchases in the marketplace. They are typically punitive to creditors – and in many cases, damages are awarded on the basis of strict liability – meaning the consumer has experienced no actual damage from the legal violation. In many instances, the protections also provide for the recoupment of the consumer’s attorney fees in prosecuting the action. This is extraordinarily different from the
general American Rule, which provides that litigants bear their own fees and costs in a lawsuit. Lawsuits of this nature have created what might fairly be characterized as a cottage legal industry. These lawsuits may be filed – even if the underlying debt is discharged or crammed down. Thus, not only are the negative impacts of consumerism dischargeable – they may also be profitable for consumers and their attorneys.

As we are all now officially students of Bernays, the real questions lurking beneath the surface are, of course, - who is actually controlling our government and just who is responsible for these consumerism-encouraging laws? Is Bernays right? Does an invisible government really exist? Are we being manipulated by an intelligent minority? If so, what is their end goal?

VII. Closing Statement

In closing, while it may sound cliché – it doesn’t make it untrue – writing this paper on Edward Bernays and consumerism (conspiracy issues aside) has been a reminder to me that genuine happiness simply does not come from the purchase of products. I am not a better, kinder, more loving mother, for example, because my children are sated with gifts on Christmas morning from a Santa who may simply be Bernays in disguise. Happiness is not sold on Ebay – real happiness comes from our relationships with our families and friends, from service to and sacrifice for others, from an unexpected kind word received or given, and from belief in something greater than self. But even as I condemn frivolous overspending – I cannot ignore that stinginess is no more a virtue than consumerism.
Misfortune is also a part of our imperfect world, and I am not so arrogant so as to believe that its cause is solely self-inflicted or that relief therefrom is inappropriate or immoral.

However, it seems to me that there is a significant distinction between consumerism and *joyful generosity* and that inherently different outcomes result - depending upon which of the two serves as the motivation for individual spending. Let us all be so fortunate as to more times than not choose *generosity* and set our course accordingly – with warm charity in our spirits, kindness in our actions, and gentleness in our thoughts – during this holiday season and throughout 2016. For in the words of a redeemed and generosity-filled Ebenezer Scrooge: “Let us start anew, let us make amends, let us make quite certain the story ends, on a note of hope, and on a strong amen.”

*Merry Christmas and Happy Holidays!*
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