

American Public Relations

A short history

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One goes back almost a century to get a perspective on present-day industrial and commercial public relations activity in the United States. Only as we understand the past, can we evaluate the present or project the future. Changes in public relations have resulted from changing social, economic and political conditions. Seven stages divide the time period, 1865 to the present.

The first period, 1865 to 1900, was "the public be damned" period. "The public be damned," spoken by the railroadman Cornelius Vanderbilt, described these times. Businessmen wanted to expand and expand. The public showed little interest in what was considered to be the private affair of business. N. S. B. Gras, the economic historian, has written, "American business in the 19th century went back to the exclusiveness of the medieval guilds in its attitudes toward the public."

The postwar Civil War years in the United States brought rapid industrial expansion and sharp changes, marked by ruthless competition and by strong personal individualism in a *laissez faire* society. The industrialists believed sincerely that private business had only the private interest to consider. The country was so rich, the frontiers so wide, that exploitation by business went on without interference from people or government. And technology developed faster than society's ability to cope with it.

In this period, journalism differed from that of today. The newspapers were not the powerful economic units they are today. Press agency, the puff and the use of newspaper news columns for corporate promotion were a common practice. Advertising was often disguised as news. Deals for coverage of business in the news columns were made with advertisers. Beginning with the 1870's, the influence of the advertising department and the advertising manager grew because advertising grew. Towards the end of the period, newspapers came out of this semi-subsidized state.

The second period, from 1900 to 1917, might be termed "the public be informed" period. Public utilities, gas and electric companies, railroads and streetcar companies which had expanded in the pre-1900 period brought with them abuses and excesses attended with usurpation of the public interest. Movements of the public arose to chal-

lunge and curb the power of the utilities and of the growing trusts.

Stimulated by reformers, the workers and some politicians, the public slowly became aware of the situation. Industrialization and urbanization brought with them increased demands for reform. There was widespread attack on big business. This interest reached a boiling point near the end of the century.

The square deal of Theodore Roosevelt was initiated. Newspapermen, magazine writers and authors started what Theodore Roosevelt called "muckraking campaigns." The *New York World* campaigned against excesses of life insurance companies, which misused premium payments. Ida M. Tarbell exposed the Standard Oil Company. The muckraking magazines, *Everybody's* and *McClure's*, uncovered all manner of scandal. Upton Sinclair attacked the packing industries. William Randolph Hearst, as the champion of the people (1903), portrayed the trusts as kicking around the common people — the sugar, coal, oil, meat, leather, steel and other trusts.

Big business became "word" conscious in self-defense. It engaged former newspapermen and other writers as publicity agents to obtain newspaper space. The purpose was to publicize their companies and products and to counteract the rising antagonism.

Ivy Lee, associated with the Rockefeller family, was among the first to initiate a program of business telling its story promptly and accurately. To gain public acceptance for business generally, he let the public know about business policies and practices as a counterattack to the muckrakers and the growing public indignation.

Others, like Theodore Vail and Arthur Page of the American Telephone & Telegraph Company, told the story of their business to the American public.

In this period, too, the American Newspaper Publishers Association (1908) initiated an active campaign to do away with all so-called free publicity material, regardless of the motives that prompted giving the material space in the newspapers.

Free publicity was considered the bane of newspapers of the period. In 1909 official reports to the Association made by a committee indicated that many publicity men were receiving from \$6,000 to \$12,000 a year. The advertising agencies — Albert Frank & Co., Lord and Thomas, N. W. Ayer & Son, and J. Walter Thompson — had set up publicity departments, diverting publicity fees to themselves from advertisers' newspaper advertising budgets. Actually it was not until the 1930's that the official organization of America's newspapers gave up the fight against so-called "space grabbers."

From 1917 to 1919 is our third period, the era of World War I publicity in America, when our government was the number one factor in public relations. The United States Committee on Public

Information was organized under George Creel, and through publicity methods built morale in our own country, tried to win over the neutrals and to deflate enemy morale. Our government recognized the importance of ideas as weapons and the potency of publicity as a weapon of offense and defense. This activity gave great impetus to the public relations field for two reasons. After the war it was generally recognized that words had played a part in winning the war. The appeal of Woodrow Wilson to the common man throughout the world had had a terrific impact in affecting the attitudes of people all over the world.

Some of the men associated with the U. S. Committee on Public Information, of whom I was one, recognized when they came back to the United States that what they had done to build up goodwill for the government might be applied with effectiveness to other and sectors of society, profit non-profit.

Our fourth period, 1920—29, saw the rise of a new profession — public relations, concerned with improving the relationships between an institution and the public on which it is dependent. It tried to establish a mutuality of interest, an adjustment to the public. Persuasion and information were basic to mutual understanding. The concept of public relations as a two-way street emerged.

The historian, Eric F. Goldman, in his book *TWO-WAY STREET, The Emergence of the Public Relations Counsel* refers to this period when he says: "Jet-propelled by the war, interest in the whole opinion field whirled ahead. 'Propaganda' quickly passed from an esoteric term associated with the Catholic Church to a common idea, expressed in household conversations, debated in the popular magazines, mulled over in the learned periodicals. Though a coinage of the eighteenth century, the phrase, 'public opinion', made its initial appearance in *Webster's Dictionary* in 1920. The year after the Armistice, the first market survey was set up in an advertising agency and the first independent surveying organization was established; three years later, the J. Walter Thompson Company was introducing market surveys in most of its far-flung offices. 'Since Public Opinion is supposed to be the prime mover in democracies,' Walter Lippmann could write in 1922, 'one might reasonably expect to find a vast literature. One does not find it. There are excellent books on government and parties But on the sources from which these public opinions arise, on the processes by which they are derived, there is relatively little.' Lippmann's own 1922 publication, *Public Opinion*, was a notable contribution to the sudden postwar expansion of the literature of the field. In 1915, the *Book Review Digest* had no listings for publicity or public opinion; in 1921 it had three entries under publicity and six under public opinion. Under the headings, public opinion, public relations, and publi-

city, the New York Public Library lists only eighteen items printed in all the years before 1917, but it includes twenty-eight titles published between 1917 and 1925.

"Public relations, the most practical phase of the new interest, shared the boom. In 1921, the Library of Congress officially welcomed the new field into respectable literature by publishing a bibliography, *List of References on Publicity, with special reference to press agents.*"

In 1923 a real effort was made to give professional status to public relations. With that in view I arranged for New York University to offer the first course in the subject ever to appear in the curriculum of an American university. I conducted the class.

In 1923 I wrote and Boni and Liveright published the first book-length writing devoted exclusively to public relations, *Crystallizing Public Opinion*. I tried to disassociate public relations from press agency or publicity. The public relations man's "primary function," I wrote, was not to bring his clients by change to the public's attention, nor to extricate them from difficulties into which they have already drifted. Rather, the main function of the public relations man was to modify insofar as necessary and possible company policy and public attitudes so as to bring about a rapport between the two. "The public relations counsel," I went on to say, "will find that the conditions under which his client operates, be it a government, a manufacturer of food products or a railroad system, are constantly changing and that he must advise modifications in policy in accordance with such changes in the public point of view . . . He helps to mould the action of his client as well as to mould public opinion."

I pointed out the social role of public relations in combatting stereotyped thinking which impels the public to oppose new points of view. The "urge toward suppression of minority or dissentient points of view is counteracted in part," I stated, "by the work of the public relations counsel . . . The social value of the public relations counsel lies in the fact that he brings to the public facts and ideas of social utility which would not so readily gain acceptance otherwise. While he, of course, may represent men and individuals who have already gained great acceptance in the public mind, he may represent new ideas of value which have not yet reached their point of largest acceptance or greatest saturation."

I emphasized the ethical duty put on the public relations counsel — "He must never accept a retainer or assume a position which puts his duty to the groups he represents above his duty to his own standards of integrity — to the larger society within which he lives and works."

The reviews of *Crystallizing Public Opinion* give an indication of the initial hostility with which the phrase "public relations counsel" was greeted. The editor of the *Survey*, a magazine of the period, in response

to a letter from the publisher of the book as to whether a book on public relations would serve a useful purpose, wrote: "I guess there is a big need in my part of the world for a book on the new profession of public relations counsel — for — hell, I didn't know there was any such animal." In the *Brooklyn Eagle*, Nunnally Johnson, now a great motion picture producer, said, "The P. R. C. has now been added to the H. C. L." (high cost of living) The *Nation* said public relations counsel was a new name for the "Higher Hokum". The *New York Times* said: "If, with the change of name there is to come a change in the ethics and manners of the press agent, people will be delighted to call him a public relations counsel or sweet buttercup or anything he wishes."

A few years later, Stanley Walker, onetime City Editor of the *New York Herald Tribune*, in his book said: "Bernays has taken the side-show barker and given him a philosophy and a new and awesome language... He is no primitive drum-beater . . . He is devoid of swank and does not visit newspaper offices; and yet, the more thoughtful newspaper editors, who have their own moments of worry about the mass mind and commercialism, regard Bernays as a possible menace, and warn their colleagues of his machinations." This reflected the feeling in certain quarters toward this new phenomenon.

In the twenties critics of public relations belabored the public relations counsel on the basis of two false assumptions: 1) he was trying to get pieces in the newspapers, 2) public relations counsel was a euphemism for press agent.

Illustrative of this trend were two vigorous critics of the field, who kept up a continuing barrage against the activity. Irving Romer, the publisher of *Printers' Ink*, authoritative journal of advertising, deplored the activity because he felt it would take advertising space and revenue away from publications. Marlen Pew, the editor of *Editor & Publisher*, conducted vigorous campaigns in his magazine trying to draw a deadly parallel between the old-time press agent and the new public relations counsel.

And yet, in this period, a few men in the field, despite prejudice and attack, maybe because of it, gained business and professional stature for themselves and the field and created for it public identification distinct from publicity and press agency.

When the business boom collapsed in 1929, public relations entered on a new phase of development. The period 1929—1941 might be termed "public relations comes of age". 1929—1941 was marked by tremendous changes in our country and throughout the world. The stock market crash and the depression put business into the doghouse and had a great effect on the development of public relations.

Throughout the depression in contra-distinction to business, public

relations enlarged its activities. Business realized that, in addition to selling its products under unfavorable conditions, it had to resell itself to the public, had to explain its contribution to our society. During this time, too, in view of the general situation, the importance of sound public relations to maintain America's democratic patterns was stressed by leaders in many fields. They urged business to modify its attitudes and actions to conform to public demands.

Until about 1936 business was too shell shocked to grapple with the new conditions. Co-operative activities of trade associations in carrying on public relations sagged. Leaders of corporations had lost prestige. The public, due to its insecurity, was sensitive about everything a corporation did or did not do. Companies were exposed to attacks on all sides from the most unexpected quarters. False rumors that companies were inimical to Catholics, to Jews and to Protestants, false rumors that the company gave false weight in its packages or that the owners were Fascist—no subject was too minor to cause a wave of disapproval. As a result, the public relations man came into his own. Large corporations started to realign their policies and practices. Faced with new conditions, they engaged experts who could keep them in touch with their publics.

The public relations counsel was called on at all hours of the day or might to rush to the fire and put out what might well be a disastrous conflagration. And then, too, the day of the straw man and the stuffed shirt was over. America no longer wanted clay idols. It wanted as heroes men who recognized that private business is a public trust.

Beginning about 1936 trade associations staged a comeback too. The National Recovery Administration had created numerous public relations problems for a number of industries. Consequently many trade associations carried on public relations activities. The U. S. Chamber of Commerce and the National Association of Manufacturers, each in its own way, attempted to rationalize and reintegrate business into the thinking of the American people. And large corporations expanded their public relations activities, among them U. S. Steel Corporation, American Telephone, Telegraph, General Motors, Pennsylvania Railroad, Standard Oil and others.

Outside influences fostered growing recognition of the field. The American Political Science Association devoted its December 1934 number to the subject. The American Academy of Political and Social Science published a study of propaganda and pressure groups in 1935. The Herald Tribune Institute in 1935 gave one of its sessions to the subject. Universities discussed it—such as The University of Virginia in 1936, at its Institute on Public Affairs, and Bucknell University. The Boston Conference on Distribution covered the subject thoroughly.

The lay, the financial and the trade press as represented by the

Atlantic Monthly, *Business Week*, *Tide*, *Nation's Business* and other magazines—presented articles on the subject. Meetings of executives in fields as diversified as railroads, banks and gelatin discussed public relations.

Business was coming to recognize that its no longer merely private business but that it must be based on "the public interest, convenience and necessity."

When war came to the United States in 1941, we see a sixth period, World War II, 1941—1945. Early in the war big business recognized the necessity of maintaining goodwill and understood the implication such a policy had in business maintenance and future expansion. Public relations expanded. The wartime contribution of American business to winning the war was stressed in this effort.

Public relations was also officially recognized when the United States established its Office of War Information, a huge public relations effort of our government.

Just before World War II ended there was as movement in the United States looking towards integrating business (and, for that matter, other institutions) into the postwar society. Public relations activity was used by many industries and corporations to help bring this about.

After World War II this effort was continued. We now come to the seventh and present period, 1946 on—expanding public relations, based on co-incidence of public and private interest. To many captains of industry public relations had become the great force that was to help business advance. Men like Standard Oil of New Jersey's Frank W. Abrams, General Motors' Paul Garrett, Santa Fe's Fred Gurley and Monsanto's Edgar Queeny emphasized that good business public relations is good performance publicly appreciated.

However, many American businessmen still did not recognize the necessity for adjustment of company policy to the changing attitudes of the public. By 1949, 4,000 corporations, according to *Fortune* magazine, were supporting public relations departments and programs; 500 individual public relations firms were functioning, supported mainly by business. Nevertheless, business was still, in the words of *Fortune*, not "out of the doghouse yet."

Sales promotion, publicity and press agency were still being confused with true public relations. This was strikingly revealed in a study on '*Public Relations in Business: The Study of Activities in Large Corporations*, made in 1950 by Nugent Wedding, assistant professor of marketing in the University of Illinois. This study undertook to find out how 85 American business firms representative of consumer goods, individual goods, railroads, public utilities and banks carried out public relations. Only 35% saw it as a two-fold activity embracing

proper policy formation and interpretation to the public. The remaining 65 % had a great many varying definitions, all limited in scope. Here is the table of findings:

Concept	Per Cent of Total
1. Two-fold: proper policy formulation; interpretation to public.	35.3
2. Favorable public opinion; building of goodwill.	29.4
3. One aspect of selling job.	10.6
4. Solely a publicity activity.	10.6
5. Interpreting business to the public and the public to business management.	8.2
6. Interpreting aims and activities of company to the public.	7.1
7. Combined sales and personnel function.	4.7
8. Community and industrial relations.	4.7
9. An information function.	4.7
10. Relations with employees.	4.7
11. Influencing or molding public opinion for legislation (lobbying).	3.5
12. Saying right thing in right way at right time.	3.5
13. Confined mainly to community relations.	2.4
14. Corporate good manners.	2.4
15. Putting Golden Rule into business.	2.4
16. Whitewash measures, necessary only when business is under fire.	1.2

It is not surprising that Elmo Roper, summarizing the public's opinion of business, reported that a majority of the people believed that very few businessmen had the good of the nation in mind when they made important decisions. This same majority believed that business was too greedy and the government should keep a sharp eye upon it. Although he stated that less than 5 % of the public said they were against private ownership, and about two-thirds were inclined to think well of bigness in business, nevertheless, business enjoyed "the most tentative and precarious kind of approval."

Of course, some corporations which view public relations in its true light rated high in public approval, for example, American Telephone & Telegraph, General Motors, Standard Oil of New Jersey. However, the *Fortune* survey demonstrated what many cognizant with the field knew well — that tremendous sums of money were and are being wasted by American business on ineffective efforts to

convert the public. There is still an emphasis on words instead of deeds.

The great opportunity for public relations today, and its obligation, is to convince business that more than lip service must be paid to the concept of the social responsibility of business.

Public relations must be performed, not merely talked about. It must emerge as a form of social statesmanship.

The public relations counsel today, acting with the full co-operation of his client, must view his function as follows:

1. To define the social objectives of his client or to help him define them.

2. To find out what maladjustments there are between these objectives and the elements in our society on which his client is dependent. These maladjustments may be distortions in the mind of the public due to misinformation, ignorance, or apathy, or they may be distortions due to unsound action by the client.

3. To attempt to adjust the client's policies and actions to society so that the maladjustments may be resolved.

4. To advise the client on ways and means by which his new policies and actions, or old policies and actions, if it is deemed advisable to retain them, may be understood by the public.

Will public relations counsel rise to this demand of modern day society?

This is the challenge and the opportunity that face all who practice the profession today.