



Eugene R. Beem

Charter Member
President - 1954-56
Executive Secretary - 1953

Interview with Eugene Beem (Norman Silber)
New York City
February 10, 1983

Prof. Silber: This is an interview with Prof. Eugene Beem. The interview is taking place at Mr. Beem's office at the offices of the Sperry & Hutchinson Co., 330 Madison Ave., New York City. The interviewer is Norman Silber. The date is February 10, 1983.

Gene, could you tell me how you first became interested in and involved with what was then called CCI, the Council on Consumer Information?

Prof. Beem: I was a good friend of Colston Warne's from the time when I did my doctoral dissertation at the University of Pennsylvania on consumer testing agencies.

Colston was the real creator of that council. He's the one that persuaded me that there was a need which the council could meet. I have a hunch that all the rest of us that went out to the University of Minnesota for that organizing conference were there out of Colston's enthusiasm for the concept, which in turn, sparked all of us individually.

I think the need was there. There were many of us in consumer education coming from different disciplines. It was an area in which not many colleges taught courses. There were some materials available for teaching consumer education in high school, but what was needed was some sort of a clearing house and some sort of a facilitating organization that would bring together periodically, people from all the different disciplines who had an interest in consumer education.

NS: What were you doing at the time?

EB: I was chairman of the economics department at Kalamazoo College. That's where I went after I got my doctorate. I went to Kalamazoo in the fall of 1950.

This organization got started, I see from this newsletter, in 1953. I was active in it the first couple of years. When I left Kalamazoo for Berkeley, was when I must have given up the executive secretary's job. I continued to be a member of the council, I think, as long as I was at Berkeley. Only when I left there for the business world did I resign.

NS: Do you remember getting a letter or call from Colston? Is that the way it happened?

EB: Colston traveled a lot, as you know. There were several occasions when he stayed with us in Kalamazoo on his way to and from, so it was either a letter or telephone call or might even have come on one of those occasions when he was spending the night with us.

NS: Could you further describe your relationship with Colston at that time?

EB: Let me back up to the origin of it. I decided to do my doctoral dissertation on consumer-financed testing and rating organizations. This was at the University of Pennsylvania. I got interested in the organizations out of a course in marketing, wrote a term paper or something like that on them.

It struck me that here was a new, not only new, but a unique kind of institution and that there was a vacuum here in the literature. Nobody had written about Consumers Union or Consumers Research (the only two consumer-financed product-testing agencies.) I wrote to Colston Warne, whose name, as president, I just picked off a copy of *Consumer Reports*. He wrote back saying he was delighted that I wanted to do a dissertation in that area and that Consumers Union and he, personally, would open all the doors, make available any information that was around to help me on the study. Subsequently, as I got into the study, I must have

spent the best part of a week staying with Colston Warne in Amherst.

He took me in, the first day, to his office at Amherst College. He said, "here are three file drawers full of data on Consumers Union; letters, all kinds of things. This is my whole involvement with Consumers Union right from the beginning. It's open to you for whatever use you want to make of it." His only qualifier on that was, "I would appreciate knowing what you're going to use, but whatever you find useful, you can use. Just let me know what you're going to do with it."

That was a fantastic introduction to one of the great human beings that I have known in my lifetime. When I finished the dissertation, I stayed in touch with Colston. I wanted this, but it was Colston who kept the relationship actively alive as he did with so many people.

I then went to Kalamazoo College. I can't remember now, it might have been Colston or I might have initiated it, but I did a follow-up piece of work. That led to an article in the *Harvard Business Review*. It was called "Business Appraises Consumer Rating Agencies." I must have interviewed 40-50 companies who had been rated by Consumers Union. I know Consumers Union financed the study with a grant, probably made to Kalamazoo College.

Once again, I had total control of it. They were not, in any way, trying to dictate what would come out. So that got me closer to Colston. I had quite a few interchanges with key Consumers Union people in the process of that study as I was trying to get their reaction to the business reaction.

I was teaching a course at Kalamazoo College (I was in economics, then) in consumer economics, using Leland Gordon's book. Leland, I'd gotten to know well. I almost took a job at Dennison on the strength of Leland, but then a better offer came through from Kalamazoo College. It was an easier life then for a Ph.D. to find a teaching job. There was still a shortage. I guess all I'm saying is that what I remember is awful fuzzy, but Colston was the dynamo that got this thing going.

NS: Did you think of yourself then as a consumer activist?

EB: I don't think I ever thought of myself as a consumer activist in the sense that I felt a mission for consumer pressure on government for protective legislation of one sort or another. It wasn't that edge of it that got me interested in CCI.

In fact, when you tell me about the debate between being an activist vs. being an educational organization, it doesn't ring any bell because I don't remember that from the early days. It seemed to me, right from the beginning, that this was going to be a clearing house for those with teaching interests in consumer education. I don't remember (it doesn't mean it didn't happen) any discussion at that organizing conference about whether we should be an activist organization. My recollection is, right from the beginning, it was going to be a clearinghouse for educators, some of whom might be activist on the side if they so felt inclined. I think the activism issue must have arisen later, that's all I'm saying now. It came in time, but you know the first things we did. They were all in the area of providing exchange.

NS: Could you describe some of those that you remember?

EB: I remember it, because looking at this newsletter helped to remind me.

NS: This is the December 1953, CCI *Newsletter*.

EB: Yes. One that announces that the CCI is going to develop materials in pamphlet form on issues that affect consumers. The thought that I remember about that series was that we would try heroically to present as objectively as we could, the issues that confronted consumers. The

issue of farm price supports was the very first pamphlet. We would try to understand the position of the farmer. We would try to understand the impact on the consumer. But, we wouldn't take a particular position in any of the reports, even where it was fairly obvious what the position should be. We would simply inform.

I went to Berkeley in the Summer of 1954 and I was launching research on consumer giveaways by 1955 or '56. I was no longer executive secretary of CCI. I was active. I can't remember whether I was on the executive board; perhaps not at that point.

I was still a member and somebody asked me if I would do a pamphlet in the CCI series on trading stamps. I wasn't interested only in trading stamps. I was interested in all kinds of consumer giveaways because I saw them as a vehicle for illuminating a theory of competition which I was trying to develop. I wrote a draft specifically for the council on trading stamps and the consumer interest.

This was all before I had anything to do with S&H. Before the draft got approved, S&H had offered me a job. I had already published an article in the *Harvard Business Review*. I think it was called "Who Profits from Trading Stamps."

About two weeks after the *HBR* piece came out, I had a call from a headhunting outfit asking if I would be interested in a job as economist for (as they put it) a large trading stamp company. That's what led to my leaving the teaching field for the time being.

There was a big hassle at that point on the executive committee. I'd written this monograph, *Trading Stamps and the Consumer Interest*, independent of any affiliation with S&H. Now, however, I was about to be with S&H. Does that change things? Does that mean that this is no longer an objective document? Some of the executive committee thought we ought to go ahead and publish it. After all, I didn't do it as an employee of Sperry & Hutchinson. But others of them were not so sure and Marguerite Burk was absolutely adamant on the question of not publishing it. The mere fact of my being subsequently with S&H was enough to absolutely kill the idea. Probably Marguerite was right. Now it's only history, (I haven't thought about this for a long time) but that was my last real official relationship with CCI, the developing of that particular pamphlet.

NS: That would be '56 and '57?

EB: I came to S&H in early '58, I had taken the job before the end of the year, sometime in the Fall of '57. It must have been in the Fall of '57 when that trading stamp manuscript was completed.

NS: In the period you were executive secretary, do you remember what the environment was, what those meetings were like?

EB: I remember that first one. The host was Ray Price, who was an absolutely magnificent host. He's probably no longer around. Is he still alive?

NS: Yes, still in Minnesota.

EB: Oh, good. He must have been about a contemporary of Colston's in age. Ray set a real nice tone and I remember the first night we were there, we talked all day and I think we went to Ray's house. We had a social affair which was just a delightful evening. You remember crazy things. What I remember is what a good dancer Helen Canoyer was. [laughter]

NS: Did Colston pay your way?

EB: He probably did, because I certainly didn't have discretionary money to run up to

Minneapolis. My guess is that probably Consumers Union picked up the tab for everybody who was there.

NS: How many were there?

EB: I would guess maybe 15 to 18. A good many of them are on this executive committee list. Not all on this list were there. Margaret Reid was not there, for example. Is Arch Troelstrup still teaching?

NS: I think he's retired, but he's still with the University in some capacity. There was a social affair and then the next day you got down to business?

EB: We got down to business, I think, the day of the social affair and we were together two days, I believe. That's my recollection of the two-day conference. Now I'm trying to think about what hot issues we talked about at the conference. Right now I draw a blank; maybe if I had some prompting.

NS: You all considered yourself consumer educators?

EB: We did. That was the common theme.

NS: You were in different kinds of academic disciplines, but were you all in business schools?

EB: No. We were all over the line: home economics, I was in pure economics, Helen Canoyer was in marketing with an interest in the consumer. I think, however, if you had a conference like this now, you'd have consumer behavior people there because that's the big thing. At this time, none of these were consumer behavior people. Colston tried to get that thing going, too.

I remember a conference at the University of Michigan. Maybe 20-30 people were there; George Katona who started that survey research center was a key figure. Colston put the money up for that. I'm not saying that consumer behavior, as a separate discipline, wouldn't have arisen without Colston, but he played a role even there.

NS: Nobody who had any business affiliation was there at the first meeting?

EB: Oh, no. These were all educators. I think that, generally, the group at that time would not have embraced the notion of having business people in the group. Now that doesn't mean that we were antagonistic.

As executive secretary, trying to get money to finance these pamphlets that we were going to put out, I recall interviews with the American Association of Advertising Agencies, for example, in New York. We might even have gone to the Association of National Advertising. The two are rather similar in a number of respects. I suspect that what we were trying to do was to get money to develop an objective pamphlet for consumer education on advertising. We wanted them to put the money up. Not to interfere in any way, but we weren't reluctant in those early days to take business money as long as we felt comfortable about controlling the direction studies would go.

I do not remember strong business antagonism in that group, but there was no desire to have them as allies in what we were up to. We were all suspicious of the desire that we saw that business would have to infiltrate and perhaps to control. We didn't want that. I didn't personally consider that an antagonistic viewpoint. That's kind of a reality principle I saw when I was doing work with Consumers Union money.

Colston would have been happy if some of the things I said, I hadn't said, but I never felt there was any control from CU. I felt I could be as objective as I was able to be. We all wanted to feel

that way with reference to business support for CCI publications. I was well aware of the fact that, just as good public relations people in business will try to foster understanding of their organization's viewpoints, so Colston was doing the same thing with reference to Consumers Union. Actually, Colston was a magnificent public relations director for Consumers Union. I don't see anything wrong with that.

NS: Do you think that the fact that most of the initial money for CCI that came from Consumers Union influenced it detrimentally in any respect that you can think of?

EB: I don't think so. You see, Colston never tried to control CCI. Not in my days, at least. He would have been for activism. That's his very nature.

I don't remember Colston in any way trying to push a particular direction for CCI. We must have talked in those early days, in that very first conference about this issue, but I just don't remember it ever being a live option.

NS: If you had been inviting the leading consumer educators to a meeting to discuss the formation of a Council on Consumer Information, would this have been your list?

EB: As of that time? Yes. I don't think the list was in any way loaded.

NS: Were these the leading consumer education professionals in the country at that time?

EB: They were. There is at least one that's not on that list and I can't remember why, Leland Gordon. I'm sure Leland was invited. Leland was very close to Colston Warne, but he wasn't at the conference and I see here, he's not on that list. It's probably just that he was into too many other things at that time.

NS: I believe he is in the history that Henry Harap wrote of ACCI.

EB: Oh, I didn't know he wrote one.

NS: He wrote a short one. In fact, I think I saw a copy of it. You, at one point, reviewed it.

EB: Did I?

NS: Yes. Late '60s, I think. Let me quote: "The following were elected to the executive committee: Miss Burk, Messrs. Beem, Damon, Harap and Price. This committee chose Eugene Beem as its executive secretary, a logical selection since he was winding up a research study on a grant from Consumers Union. Our selected group of strong-minded and dedicated pioneers was not easy to manage, but the sessions ended harmoniously."

That implies some amount of controversy.

EB: Much more so than I recall, it does indeed.

NS: "The conferees decided to establish a Council on Consumer Information for the purpose of stimulating the exchange of ideas among persons, that the council was to be non-political and to take no stand on public policy. Its sole purpose was to contribute to the more effective fact-finding and dissemination of consumer information."

In the year, 1953-1954, that was the height of the red scare in this country. Senator Joe McCarthy was holding sway on the Senate investigations. This apolitical stand, do you see that in any way as having been a response to the social and political environment?

EB: The watching of CCI? I don't think so. I think that Colston was trying to bring back the

consumer movement in all these things he was doing.

You know much more about this than I do but, by the 1950s, the protest that was so strong in the '30s had all but died.

I think that the launching of this organization was part of Colston's desire to quicken consumer education and to promote the consumer cause in all the different ways that he could conceive of that would be useful.

NS: Was your participation and willingness to be executive secretary based on your feeling that you didn't think of yourself as an activist, but you did think of yourself as working for the consumer cause?

EB: Yes, but there is a lot of difference, you see, coming up out of an economics discipline with a respect for the market. You read my dissertation. I can't remember what I said in it, but I'm sure it must have been essentially where I am now. In a very complex interdependent economy, you need an informed consumer to make the system work, to maximize the interest of the consumer. I was certainly a missionary, in a sense, of the need for consumer education and felt strongly about the inequality, you might say, of skill between a consumer and a marketer.

In my years in business and my teaching of marketing, I have come to a more mellow view of this problem from the standpoint of the consumer. I would no longer, for example, talk about the plight of the consumer as I did in that dissertation.

Sometimes I think about that and I think that bias is something that all of us have, inescapably. We have it out of the fact that our experience is one-sided. The most dangerous bias is when it's unconscious. I had it in my graduate school days out of partial information. I have it still out of partial information, but I have a different set of partial information than I had then. I was a missionary for consumer education, that's certainly true. I do not recall, at least, that I ever felt any strong compulsion for the answer to be found in government protection.

NS: Were you thinking of exchanging information primarily at the college level?

EB: No. There were quite a few of the early people who were primarily working in consumer education at the high school level—people for example, like Ed Damon from Washington. It seems to me Henry Harap had written stuff at the high school level, and maybe Arch Troelstrup, too. I'm not sure. A good many of our early members of CCI were high school teachers, so there was no intent to limit it to university level.

NS: What was it that wasn't happening, that you hoped that CCI would accomplish? I mean, what was it that wasn't going on in the sense that CCI helps to encourage?

EB: It was the encouragement to increase the importance of consumer education, one. Then, secondly, to provide and to be a clearing house to tell people about materials that would be useful in the teaching of it. I think that's enough to justify an organization, particularly in a day when there wasn't that much good material around.

Would I join such an organization were it starting now? I would probably not. I wouldn't see this a priority among all the ways I could use my time.

I wouldn't see the problem of consumer education as so critical as I did then. That's what happens when you're 20-odd years in the business world, I suppose.

NS: Could it be that the economic climate and the state of the marketplace in those years was particularly chaotic and disorganized, perhaps? Were there a special set of economic and social

circumstances during the years, 1950-53 that may have made this organization particularly needed?

EB: Maybe it was needed more then, than it is needed now.

NS: Maybe the kinds of purposes that it had then. The charter that developed then was, in some sense, an historical document in that the goals and functions of the organization seemed particularly appropriate at that point in time; for example, the council's decision to be non-political and to take no stand on issues of public policy. Later on that changed somewhat in the sense that model consumer legislation, etc. would be drafted at a later point in time.

At this point in time, the statement was made that the sole purpose was to contribute to more effective fact finding and dissemination of consumer information. Did that mean that you really felt, at that time, that the best way to achieve these goals was to stay out of politics? Were there certain bounds or parameters that you saw to consumer education then?

EB: I think our group was all over the lot. I'm not sure where I was. I know where I am now. I do not recall ever feeling that the problem was other than consumer education as against consumer activism.

NS: Do you think you could go through that list of the members and talk a little bit about where you recall they were at that point in time? Maybe you could distinguish between your views and theirs.

EB: Everybody was for education. The question is, who also saw salvation possible only by much more government regulation? I see Leland Gordon was on the executive committee. I forgot about that. I think Leland would have. Certainly Colston would have, Dean Worcester would have. Probably Ed Reich. There were a few consumer behavior people here (that is as against consumer educators) like Willard Cochrane, Hazel Kyrk, Margaret Reid.

NS: These were people who were working in the field of?

EB: —of consumer behavior, early people in the field of consumer behavior as against consumer education.

NS: Why was that a split?

EB: The split is that with consumer education, what you're trying to do is make people wiser buyers in the marketplace. With consumer behavior, what you're trying to do is understand why people behave the way they behave in the marketplace.

NS: Does that distinction have implications for the direction of the organization?

EB: I think it does because I think they're different fields. Why are marketers so concerned with consumer behavior? It isn't that the people working in the consumer behavior vein of marketing are passionately devoted to more informed consumers in order to make the market work better. The real marketers are interested in consumer behavior because they want to manage demand and you can manage demand better if you understand why people do what they do than if you don't. They may also be trying to adapt their own products and offers better to the consumer. You see, they're interested in it from the seller's standpoint, not from the buyer's standpoint, whereas most of this group are there because they're interested in consumer education on behalf of consumers. Does that make any sense?

Incidentally, Ruby Turner Morris is another one that had done some writing in consumer behavior. I'd say that she, too, is not there as a consumer educator. We must have had some controversy, I would think, in that group just between the handful of pioneer behaviorists and

the rest of us who were consumer educators. I don't know. Are any of those people on your list?

NS: Do you remember? You put out the newsletter, right? For a couple of years you were executive secretary, '53, '54, part of '55, I think.

EB: No, probably not. When I went to Berkeley I think I gave that up.

NS: Do you remember putting together this newsletter? How did you go about doing it? Was there editorial decision-making that went on that you had to decide? I mean, here's a new organization just starting. You were involved in the first publication, really, that the organization put out—a new venture. What did you see as your mandate in this newsletter?

EB: I think one mandate was to build up the membership of the CCI. It was a kind of a promotional piece, first of all. We could send it out to known teachers of consumer education in high schools, colleges and universities, home economists, teachers of home economics. I don't remember what—all lists were used. But we mailed to lists. I can remember going through name lists and finding people to work with me, just student assistants. They did a lot of the detail work. So that was part of it. And then, once people were members, they would tell others about us.

We gave a lot of attention, in my day at least, to this thing that was on the back, "what to send for and where." We thought that that, alone, might be a powerful membership building service.

NS: Bibliographies of articles on topics.

EB: Right.

NS: I note, for example, that you are in some ways trying to make it a bit of a newspaper, "Housewives United," "Lobbies for Consumer Interests," "Consumers Union Cleared of Subversive Charges."

EB: Oh, that's interesting. I forgot about that one.

NS: You were a bit of an editorialist here, in some sense. Were you trying from the beginning to speak for the community of consumer educators?

EB: I don't think we were trying to speak for them, I think just to them. I never had the feeling that I was representing the consumer educators. I saw them as (what we say in marketing), "market targets," as people that we wanted to get in and get involved in CCI. I saw my role primarily as building up the membership.

NS: Would anybody have identified themselves as a consumer educator in 1951 or 1952? If you asked them what they did, would they say, "I'm a consumer educator"?

EB: Not very many. I think the people who could have said that most accurately were the home economists who were consumer educators in the very broad sense—not just consumer buying.

It wasn't the kind of thing, even with Leland Gordon who wrote the leading textbook. I don't believe Leland would ever have said he was a consumer educator. He would have said, "I'm an economist with an interest in a number of areas, one of which is consumer education."

NS: Would that have been the case for most of these people? I have a list. Aside from the editorial board, the charter members are at the top there. What you just said is interesting to me. I'm an economist with an interest in consumer education or I'm a home economist who is interested in consumer education, or I'm a marketing instructor with an interest in consumer education.

In a sense, was the organization started, perhaps, to heighten the identity or create a discipline where none had existed before or create an identification where none had existed before?

EB: It's a very interesting point, Norman. We certainly wanted to facilitate the interaction among these people. This was the whole idea—not just a newsletter, but we'd have a conference once a year. I went to two of those.

I went to one when I was still at Berkeley. I think it was at St. Louis. The only thing I can remember about that is getting interviewed on a television program. My *Harvard Business Review* article on trading stamps had just recently come out.

In your letter, Norman, you said that I was once a president and editor of the *Journal of Consumer Affairs*. I was never editor and I was never president.

That top list, the charter members, are the people that were pretty much the people that were at Minneapolis, although Leland wasn't there.

Jessie Coles was. She's another one that was out of home economics. She also was more on the buyer education side than on consumer behavior.

NS: At that time, anyway, were those fundamentally distinct categories?

EB: No. There wasn't really any consumer behavior field, it was just that some of these people writing about consumers were focusing on trying to understand their behavior and some were focusing on buyer education, and some were trying to do both.

NS: You were in a particularly interesting situation. Here you were, writing a dissertation at just about this time. I would think that you could perhaps define the environment better than most people that existed at the time that this organization was set up. What did the professional field of consumer education look like in 1954 and 1953?

EB: There wasn't a great deal of it. This is what it comes down to.

NS: Were there other texts you could have used?

EB: Jessie Coles had a textbook. Marguerite Reid had one. Hazel Kyrk had one. All of those were college oriented, but they were more oriented toward the sort of consumer education that you would package into home economics, whereas Leland Gordon came out of my discipline, which is economics, not home economics. I was, therefore, more inclined to what he was doing.

I don't know how many adoptions that Leland had, but I suppose, as part of economics curricula as against home economics, there were not many schools that even taught the subject.

I put it into Kalamazoo College, for example. It wasn't there when I went to Kalamazoo. I would guess that probably less than 5% of the economics curricula around the colleges and universities had any offering of consumer education. I don't know what it is now, but it may not be any more than that.

NS: Not in those terms, consumer education, but economics.

EB: Or *consumer economics*. That's what we called it at Kalamazoo, and I think that was the title of Leland's book.

NS: Do you think, if you had had a dream in 1954 about what you might accomplish, that one of the elements of that might have been the integration of consumer economics with the

curriculum of home economics and economics throughout the nation?

EB: I wouldn't be surprised. It was probably very high on my agenda to make a contribution toward that. I even had started a file. I was going to write my own textbook on consumer economics. Obviously, I never got around to it. I intended to do that because I thought that there were some problems with Leland Gordon's. I liked some of what he did and I didn't like some things of what he did and I was going to write the authoritative book on consumer economics.

NS: Was there some sense in which one wanted to take this inchoate fractionized group of economists here, home economists here, and high school people and turn this into a profession with a capital P to put it in a colloquial sense?

EB: I think there may have been. You see, whether we called it that or not, we certainly wanted to raise the status of this field. We wanted to increase its importance as a course at the college and university level. At least my recall is that we weren't that sure at the high school level whether it ought to be incorporated into other courses or whether it ought to be a special course. I was never that much interested, personally, at the high school level.

NS: There were others that were?

EB: Oh, yes, there were others that were.

NS: To me this is interesting because I get the feeling that, for these people it was an exciting venture. Here was somebody, Colston from Consumers Union, who had the money to allow you a certain latitude to start to define a profession which maybe hadn't had sufficient resources or, prior to this, to develop the apparatus and the trappings of a real discipline and a real professional endeavor. I could be wrong about that.

EB: You're probably right, Norman. I think that was probably in the minds of a lot of us.

NS: Did you feel, when you did your dissertation, that you really were working in an area that most of your professors weren't comfortable with because it was different enough from what they were doing?

EB: I thought I was in a virgin territory. That was part of the excitement of doing the dissertation.

NS: Something that might expand and that would be in the future, a very important field in the area of economics?

EB: I'm sure that is what was in my mind.

NS: When Colston came to you and said, "Would you like to be a part of an organization designed to exchange information among consumer educators?" did that perhaps offer you the prospect of helping to build the status and respectability of consumer education in a field that you thought was virgin territory?

EB: I think so. Right on! Yes.

NS: As you were saying before, it's very different from being an activist for consumer causes, isn't it?

EB: Yes, I think it's quite different.

NS: I'm really interested if there is anything you can remember about the personalities of the

people who were on the committee in those years. Any kind of policy decisions that the organization made in those early years which you felt strongly about or prior to the S&H question and the trading stamp issue. For example, you talked about the farm policy, the issues pamphlets. How did you decide what issues you were going to explore?

EB: We encouraged ideas to come in, particularly from the executive committee, and we tried to pick things that were topical at the time. The farm price support program was a very hot issue at that time. I can't remember who it was that wrote that one, but it was Marguerite Burk who proposed it. I think she was the editor of the pamphlets at that time. I remember feeling about Marguerite's involvement in that pamphlet the way she felt about my involvement in the trading stamp pamphlet.

I remember having some fundamental arguments with her in the process of editing that pamphlet which I thought was leaning too much toward the presentation of the farm view and not recognizing the inherent clash between the farmer interest and the consumer interest. She was arguing that that wasn't the case.

NS: I happen to have a copy of the first conference which was held in Dayton, Ohio. Were you at that conference?

EB: I see my name down here, but I cannot remember that conference in Dayton, Ohio.

NS: It did take place. I would suppose that, again, the idea of the conference was inherent from the very beginning. You must have, really, from the beginning, thought that a primary function of this . . .

EB: Oh, yes. We said, bring these educators together once a year so they get to know each other and don't just know each other through publications and a newsletter.

NS: Instead of meeting ad hoc at the American Home Economics Association or meeting ad hoc at the Home Economics Association, here was going to be the conference for consumer educators.

EB: Yes.

NS: And behaviorists. [laughter]

EB: I do not remember that, I wonder whether I was there.

NS: April 8 and 9, 1955.

EB: Oh, I wasn't.

NS: By then, you were gone?

EB: I was gone from any leadership role in the organization.

NS: I have a memo to council members that you sent out, I guess it was '53, in which you were reporting—well, could you describe that?

EB: For a second Council of Consumer Information conference? I only remember one conference.

NS: Is there a date on that?

EB: No. Bad. I have since learned that all memos should be dated.

NS: I think that's in October of 1953, if I'm not mistaken, unless there's a date on that that contradicts me.

EB: I don't see any date at all.

NS: It has to be 1954. It says, "Please reserve Monday and Tuesday, April 19 and 20, 1954, at the University of Minnesota for our second conference." This would be after that initial meeting that you got together in 1953. You were appointed executive secretary and then you went back to organizing a second conference to be held at the University of Minnesota in '54, I guess.

EB: It was just possible that I wasn't there because, by April of '54, I knew I was going to Berkeley in the summer. It's possible that one of the things they did at that second conference was to pick a new executive secretary.

NS: So your career plans materially affected your ability to stay in the group.

EB: I think so, because otherwise something would ring a bell about that second conference.

NS: It's interesting that it was called the Council on Consumer Information. Do you remember any question about the name, and trying to choose a name for the council?

EB: I do remember that we wrestled with that and went through a bunch of names. Why did we come out with Council of Consumer Information? You see, it's very much related to this non-activist focus that the organization had at that time, that we were going to be a clearing house. I can't recall any subsequent discussion, I regret to say.

NS: The clearing house idea was an attractive one, I would imagine. It did imply neutrality, doesn't it? It doesn't imply either that this council is going to be strictly in the consumers' interest. It's saying that the Council on Consumer Information simply could mean it's really an open-ended kind of . . .

EB: It is. I don't think any of us saw it that open-ended. We saw the advancement of the consumer interest through education as the paramount thing. You're quite right, the title doesn't imply that it is a pro-anything.

NS: But it doesn't say "interests" for example; later it would become the Council on Consumer Interests.

EB: Oh, that's fascinating. Yes, of course! When did that happen?

NS: That happened in the '60's, actually around '63, '64, '65. Beginnings of the re-examination of some of the basic issues that were involved in the organization when the *Journal of Consumer Affairs* began to come out. In a sense, it doesn't show that people were thinking in terms of a discreet consumer interest as opposed to a business interest, even. All it seems to say to me, and I'm wondering if, at the time, you yourself were thinking in terms of a consumer interest?

There were books. Persia Campbell had written a book earlier called *The Consumer Interest*, but why not the Council on Consumer Interest? Were those kinds of discussions held, do you remember?

EB: I don't remember, Norman. I thought Persia Campbell was there. Was she on that list of charter members? There she is.

NS: I'm trying to find out what the state of the consumer movement was in 1952, 1953 and,

again, the word movement. Did it deserve to be called a consumer movement when that council was set up?

EB: I don't think so. As of that historical time, there really wasn't any consumer movement. It's not that organizations like Consumers Union weren't still growing, they were. I'm sure Colston maybe has, or will certainly tell you, that the subscribers to Consumers Union had been interested in buyer information. They didn't see themselves as part of any cause. I think that was long a frustration for Colston, because the organization saw itself as a cause. It didn't see itself just as an organization that tested and rated competing products in the marketplace. They were out to change, not just to inform consumers, but to change the world in a variety of ways.

NS: And that was too much for this group?

EB: Yes. It was too much for that initial group. Now, there had to be lots of discussion on that, Norman. I can't even remember any strong positional debates.

NS: I do have a statement of what was perceived to be in the planning stage, the primary functions of the organization down at the bottom paragraph. It doesn't get behind that. That's sort of a summary.

This is a news release from the council regarding the preliminary plans for the organization and it's hard to get behind the news release to these discussions and deliberations that led up to it.

EB: There were no minutes on that first meeting?

NS: We have some letters, but no minutes.

EB: I don't even remember the chairman of the affair unless it was Ray Price, because he was the host and he was our first president.

I wish I could remember better what went on at that meeting, but fortunately, you've got some other people to tap that may have better memories. All this area, I haven't thought about it for 15 years, till you called.

NS: I think we're trying to assess the kinds of contributions that this group made. For example, in questioning some of the current board members about what sorts of things they're interested in, certainly the establishment of the organization is among those topics of great interest and the reasons for people who became involved. I mean, your personal reasons for getting involved in an organization of this sort is very interesting to us, it would seem logical. You'd written a dissertation in the area.

EB: Oh, sure. I know that I had a missionary zeal on behalf of the consumer buyers just to, sort of, right the imbalance in what I thought of as the power on the opposite side of the market.

NS: Did classroom education seem to you to be the best approach?

EB: Yes, one approach. It spins off from then on. You don't routinely believe necessarily all of what you read. You know where to look for additional information. I guess the answer is, yes. I saw classroom education as very central. I also saw a major role for organizations like Consumers Union which were selling information services.

NS: Who were the workhorses in the organization in the early years?

EB: Henry Harap. I certainly was, for a year. Ray Price. I think Marguerite Burk was really

strong. Ed Damon. I think those were the key people. Once it got going, I do not remember Colston being strongly in there. I think he saw his role to get it started, let's see what happens.

NS: But after that, he more or less took a back seat?

EB: Yes. Start it, support it, keep the subsidy flowing from Consumers Union. That must have been the major source. I don't think we got money from any other source during the time that I was there other than Consumers Union.

I remember making a proposal to Arthur Kallet and a few other key people other than Colston on what we were up to. It wasn't to the whole board of Consumers Union. What I remember most about that is that there were two of us that were making proposals for money, the other was Jim Tobin from Yale. He wanted the money for consumer behavior. I don't know why we were both there. I would have thought they would have had one and then the other, but we were both there.

They gave me almost no trouble at all and they gave him all kinds of trouble. I think it's just a function of their seeing the consumers' interest being more parallel to what they were doing than with what Jim Tobin wanted to do. He was a young, promising economist at that time, not that well known.

NS: This consumer behavior/consumer education dichotomy. I would suppose that, if it were to emerge at CCI in the early years, it would have been in terms of what issues to explore, right? What pamphlets to put out.

EB: It's very clear who was in control. It was those of us that were the educators not the behaviorists.

NS: Does that mean that, in that respect, it led the organization away from the professional psychologists and economists and towards the home educators, the high school educators, the consumer curriculum?

EB: I believe that's exactly what it did. I could be wrong. You may have a tally here. Somewhere we did have a batting average response rate on the letters that went out. I just remember it as being of much more interest to the high school people.

NS: Here's a note that you made. Could you read that?

EB: "Henry, this letter went to our up-to-date 500 to 600 personal name file and the leaflet to 20,000 at all levels. Depending upon response here, we may use personal letters to some of your former mailing lists. Sure hope we will have you with us November 1."

That does not help me too much.

NS: It doesn't speak to the batting average question.

EB: No.

NS: It doesn't tell you who you're sending those out to. 20,000 can't possibly be directed to the professional level.

EB: I don't know where in the world we got 20,000 names. They had to be lists of home economists or something or other. There wasn't any list of consumer educators as such.

NS: Would Consumers Union have given you a list?

EB: No. We got no lists from Consumers Union, I'm quite sure of that.

NS: You were involved in targeting those first mailings that would, in a sense, form the foundation for the membership of the organization.

EB: That's right. We had to have been going after all those (whatever their educational teaching levels) who were teaching consumer education one way or another.

NS: Today, the organization is geared to professionals. I heard it said that, early on, the idea was not necessarily to be strictly a professional organization. It's true that the initial group seems to be consumer educators but these issues pamphlets were in fact directed to the public at large, were they not? The farm policy pamphlet, trusts and estates, how to buy, fair trade laws, the policy issues and fair trade laws. These issues pamphlets weren't just directed to teachers were they? The issues pamphlets were for the public at large, or am I mistaken?

EB: We saw them as appropriate materials to use for student reading and teaching.

NS: Did you try to sell them on the newsstand or something like that?

EB: No. There was no effort to sell them beyond the members of the organization.

NS: Were they appropriate for college courses?

EB: I only remember two. Of course, I remember the one I did. I had in mind a college level audience when I wrote that. I think the farm issues pamphlet, the first one, would have been also college level. Now that I think about it, I wouldn't see it assigned for reading in a high school course. Maybe by the teacher at the high school level, but it wasn't written to the high school audience.

NS: What kind of a curriculum?

EB: In a consumer economics course of some sort at the college level. That's my recollection of the writing level of those pamphlets.

NS: Mr. Harap has it that the situation with your manuscript for the trading stamp pamphlet occurred in 1957.

EB: Yes. That would be right. I came to S&H in February of 1958, but I knew I was coming sometime in the late fall of '57.

NS: Here's what he says. "A critical situation arose in 1957, when Eugene Beem submitted a manuscript to the publications committee pertaining to the distribution of trading stamps by retail dealers while employed as economist by the Sperry & Hutchinson Co., which sells its green stamps to merchants. The publications committee not only questioned the contents of the proposed pamphlet but also felt that it could not approve a publication prepared by an employee of a business whose policies he advocated. After a bitter dispute, the manuscript was withheld from publication. The controversy saddened the leaders of the council because Eugene Beem was its first executive secretary."

You gave us a little bit of the background about this controversy before. In essence, when you left at that time, did you harbor ill feelings?

EB: Toward the council?

NS: Yes.

EB: I think I wanted the council to publish it. I know that Marguerite Burk, in particular, didn't like my treatment of trading stamps. It was more open to the possibility that in the muddy world of the marketplace, trading stamps might be more in the consumer interest than what would happen if trading stamps weren't there.

That actually is not that different from the position that Consumers Union was taking on trading stamps in *Consumer Reports*. Even before I wrote this, there was a piece, the drift of which is that in the world we live in, at least the consumer gets some substance of benefit from the trading stamp form of promotion.

There were an awful lot of consumer educators that had a very strong antagonistic attitude to the stamps which they saw as a con game. By the time I was through studying trading stamps, I didn't see it as a con game. I wouldn't have come to the company if I had.

NS: You wrote the issues pamphlet prior to considering a job at S&H?

EB: Oh, yes. I hadn't the foggiest idea that I was ever going to be working for a trading stamp company when I wrote it, or when I wrote the *Harvard Business Review* article. That all came subsequently. I did come out with a different orientation to trading stamps than was held by 98% of my friends that were in the field of consumer education, so I remember the strong controversy.

NS: Could you describe that meeting?

EB: I wasn't there. All I know is that there were some who wanted to publish it and Marguerite Burk led the opposition.

NS: Do you know who else was in the opposition?

EB: No. Probably Henry, I'm not sure. Again, I could be wrong. I think Arch Troelstrup may have been on the publications committee at that time. There was at least one person on that committee (maybe two) that wanted to go ahead and publish it, but Marguerite Burk was the "over my dead body" sort of position. I think Persia Campbell felt the same way.

NS: In a way, you at that time perceived yourself as a consumer educator, certainly not as a business man who had any interest.

EB: I certainly didn't perceive myself as a business man but it is true I wasn't teaching consumer economics at Berkeley. I was hired in the marketing department.

NS: You were in the business school?

EB: I was in the business school and I was probably directed toward more understanding of some marketer's position than I had been in my days when I saw myself as an economist with a strong interest in consumer education. Still, when I wrote it, I was as independent (in a sense, even more independent) than when I did my doctoral dissertation.

NS: Were you the only one in a business school in that whole group?

EB: No, Helen Canoyer was a professor of marketing at Cornell. That would have been business school.

NS: Was there any inquiry being made on the board at that time, as to whether or not there was any kind of structural or strict way of judging whether there were conflicts of interest among board members, whether they were business, had affiliations or any of those things?

EB: I don't think so. I think that I was the first conflict of interest issue to arise.

NS: And yours was a very hard case. It was probably as tough a case as one could imagine since everybody agreed that you'd written it prior to the involvement with S&H. They knew that that had happened. This question of conflict of interest, you're saying, had not come up in the organizing of the original board.

EB: I don't remember it at any time. I remember my feeling it. I guess we were aware of that on this first farm pamphlet, since Marguerite Burk was working in the Department of Agriculture and I thought she had a biased pro-farmer view just as she thought I had a pro-trading stamp company view in that stamp pamphlet.

NS: What was the burden of the organization supposed to be, completely neutral and totally objective?

EB: At least the pamphlets were supposed to be.

NS: Who was the ideal objective person? How do you find somebody who is completely objective or completely neutral?

EB: You don't. I don't know whether I understood this then, but I now understand it. You never do. The inevitability of bias, conscious or unconscious. It just comes out of partial information.

NS: To close up this discussion, Gene, how do you look back on those days? How do you think about your own role and your own involvement?

EB: I don't think I have any bitter memories about my experiences. I thoroughly enjoyed these people, and they're just great human beings. The personal interaction was delightful and I thought that I was pushing a worthwhile cause, which was to get more appropriate attention to consumer information, to consumer buying, into the curriculum, into the teaching of economics and everywhere. This is what society needed, a more informed consumer. That was kind of a missionary element in me.

It's very much on the side, but I feel that this whole area of promotional inducements is a great big vacuum in the literature of marketing. Inducements such as stamps or price deals don't work like advertising or other messages, yet they're treated that way in the literature. Marketers do not know how to understand (at least the academic ones) this kind of marketing effort.

I'm chairman of a workshop on promotion that's going to occur at Babson College in the spring. It's not unlike the thing I did with CCI almost 30 years ago. It's just the missionary in me, except now it's a problem area in the field that I'm in, and I want to make a contribution. I guess it's exactly the way I felt 30 years ago about consumer education.

I'm not sure, knowing all that I now know, that if I had it to do again, I would do it. I don't think that my involvement in those early days moved the ball ahead significantly.

NS: What do you mean?

EB: I think that the ACCI would probably be exactly where it is now and all of the events that have transpired that relate to this group and to consumer education would have happened just about the same way it did if I had never personally been involved in it. Now I don't like that feeling, but I don't really think that I made a significant difference in the whole course of these things.

They had to have somebody to be an executive secretary to start with. If I hadn't done it,

somebody else would have done it and so the organization didn't live or die on my contribution.

Looking back on it, I say, "Well, I don't really think I made that much difference in this cause," and so with that hindsight, as I say, I probably wouldn't do it again, but you don't know those things as you move along.

I may have felt some pain. I probably did, when the publications committee voted to reject my stamp pamphlet, but it didn't last for very long. I didn't realize it until I started talking to you, but I find that I still do have some residual of antagonism to Marguerite Burk. I'm sorry about that, but that probably relates to her role and being so very strong on not wanting to publish my pamphlet. That just came out.

NS: In principle, would you have argued that it was an important thing to maintain a degree of purity?

EB: Absolutely. Whatever the facts, if I were affiliated with S&H at the time the pamphlet came out as I would have been, whatever the objectivity, whatever the merits of the pamphlet, it would look wrong and therefore, they made the right decision.

I'm sure I didn't feel that way at the time, but as of right now, if I were on a publications committee voting on an issue like that, I would vote to reject it. It wouldn't be unlike Henry Harap's decision. I wasn't aware of what he had said, but I think he was dead right. I think the committee should have rejected it.

NS: Thank you very much.

EB: You're welcome.