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Consumer in Chief

Presidential Leadership in America's "Consumer Republic"

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On September 16, 1920, a bomb that had been hidden in a horse-drawn carriage ripped through the lunchtime crowd in the heart of New York's financial district. The blast killed thirty-eight people and wounded hundreds more.[1] Despite years of investigations, the crime was never solved, but it is likely that the bombing was carried out by radical anarchists protesting the power of Wall Street's corporate institutions.

Even more remarkable than the bombing is what ensued the following day: business as usual. The *New York Tribune* described the scene at Morgan Bank—the likely target of the attack—on September 17: "It was a novel sight . . . to see dignified executives at work with heads bandaged, to see clerks operating typewriters and adding machines with one disabled hand."[2] In less than twenty-four hours, as the *New York Tribune* put it, Wall Street had "returned to routine work."[3]

Eighty-one years later, another New York City symbol of finance was struck by terrorists. The attacks of September 11, 2001, were grander in scale, killing and wounding many more than the Wall Street bombing. But in remarks following the attacks, President George W. Bush echoed his twentieth-century forbearers by calling on Americans to get back to business. Speaking to workers at O'Hare International Airport, Bush told the crowd that "one of the great goals of this nation's war is . . . to tell the traveling public: Get on board; do your business around the country; fly and enjoy America's great destination spots; get down to Disney World in Florida; take your families and enjoy life the way we want it to be enjoyed."[4] In short, don't let the terrorists deter you from spending—the economy needs you.

In spite of their similarities, it was the differences in the responses to terrorism in 1920 and 2001 that captured just how much the American economy had changed in less than a century. More specifically, Bush's remarks demonstrated the importance that consumption had come to play for the economy by the twenty-first century. When workers limped back to financial institutions the day after the Wall Street bombing, a large part of their waking lives were devoted to work. An even greater part of their identities were defined by work.

Americans in 2001 still worked, of course—President Bush did not neglect "business" in his call to arms. But citizens in Bush's America also spent a lot of time and money consuming. They consumed lots of stuff. But they also spent an increasing amount of their income on services like travel, health care, and financing all of this spending. That's because they had far more time for leisure than their early twentieth-century counterparts. Most significantly, for many of these Americans, what they bought, the car they drove, the cell phone they used, the neighborhood they lived in, and the places where they traveled defined who they were.

Some people made fun of President Bush when he blithely told Americans to "get down to Disney World in Florida; take your families and enjoy life." But in fact, President Bush was carrying out what had become an essential responsibility of the twenty-first-century president. In his response to the 9/11 attacks, even as Bush modeled what it meant to be a strong commander in chief, he juggled another role that had become almost as important: *consumer in chief*.

Apropos of my theme, this chapter will serve as something of a historical shopping trip. In it, I survey the history of the presidency in the twentieth century, perusing and collecting some of the key moments in the evolution of the office of the presidency, particularly after World War II. Over that period, two features of the White House's role in national life have contributed to the emergence of a full blown consumer-oriented economy and to creating a culture in which consumption is as natural as the air we breathe. (Or the bottled water we drink?) One of these features is the growing power of the modern president to shape public policy. The other is symbolic: the president as the nation's first and leading consumer. At times, these dual roles add up to a responsibility that rivals the president's obligation as commander in chief.[5]

How did the president emerge as consumer in chief? The presidential part of the answer is easy. From relative nonentities in the nineteenth century, presidents evolved into the acknowledged leaders of the free world in the twentieth. This transformation was the product of many factors: American economic growth, the development of national—and then international—communications networks, and, finally, America's military might. With the emergence of a mixed economy in which the federal government was responsible for priming the economic pump directly, by increasing government spending when the economy faltered, and indirectly subsidizing major sectors of the economy—from the military industrial complex to millions of mortgages and student loans—presidents ignored economic conditions at their peril. If they broke the economy, they owned it.

The consumer part of the answer is a little more complicated. But if one were to simplify and reduce it to a bumper sticker, it too would read, "It's the economy, stupid." The emergence of the modern presidency coincided with a major transformation in American economic culture and political economy. In the nineteenth century, the economy was powered by a producer ethic. But by the middle of the twentieth, a powerful consumer ethic shaped the economy.

The producer ethic in American culture was epitomized by the Protestant work ethic, in which religion was a cornerstone that also sanctioned work in the material world. Nineteenth-century Americans valued things like labor, sacrifice, and saving. Capitalism and good citizenship, they believed, required hard work and self-denial. These were values that served both God *and* the republic.

By the end of the nineteenth century, however, the political economy was changing dramatically. Charles Darwin's ideas about evolution had penetrated deeply into elite circles, replacing religious motivation with secular goals. A truly national market had emerged, overshadowing regional economies. By the 1920s, industrialization churned out mountains of mass-produced goods, from Uneeda Biscuits to automobiles. Waves of immigration from abroad, and internal migration from the country to cities, transformed what had been a rural and provincial nation into an urban and international leader. Together with industrialization, the emergence of white-collar professions like medicine, law, and management meant that the United States was no longer a nation of individual producers.

It was against this backdrop in the early twentieth century that the consumer ethic appeared. This ethic was characterized by an emphasis on the individual fulfillment through the purchase of commodities and the quest for the "good life." That good life included plenty of "stuff," but, increasingly, it also included services, often delivered by professionals. It also embraced leisure, travel, education, teaching, and mass-produced entertainment.

The consumer ethic and the political economy that emerged in the twentieth century pushed aside notions of thrift. Spending, not saving, now fueled the economy. Not only was this consumer ethos crucial to personal success but it also became central to a new ideal of citizenship. Buying, rather than saving, would sustain the health of the national economy. Many Americans believed that they had left a world of scarcity behind and that the nation had entered a world of abundance. And it was the role of the government to ensure that purchasing power remained strong. This idea led to the birth of what one scholar has called "pocketbook politics"—citizens' efforts to lobby the federal government to keep access to consumer goods affordable and policymakers' commitment to intervene in the marketplace to that end.[6]

Work, of course, still mattered. But increasingly, Americans were working in order to afford the leisure that wages could buy. Corporations as well reoriented their strategies to promote growth through "new competition." Prosperity—not thrift—was the order of the day, and corporations went to great lengths to ensure that manufacturers, laborers, and retailers worked together to that end. "The basis of American prosperity," New York attorney and banker Orion Howard Cheney put it in 1928,

> is high efficiency, high buying power and a high standard of living. The prosperity of the manufacturer and merchant depends on the prosperity of the wage-earner and the prosperity of the wage-earner depends on that of the manufacturer and merchant. The wheels of American prosperity keep on going at a good speed as long as there is nothing seriously affecting efficiency, buying power or standard of living. . . . The new competition has become an overwhelming influence towards higher efficiency, higher buying power and higher standards of living. In fact, it is probably the most important influence on these factors today.[7]