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Differentiating Diamonds Transforming Knowledge and the Accumulation of De Beers

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Differentiating diamonds: Transforming knowledge and the accumulation of De Beers

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Abstract.

In 1939, the De Beers diamond company faced a dire situation. The company's accumulation had been dwindling for decades. The Great Depression not only pushed diamond sales to historic lows, it shifted American attitudes around consumption and thriftiness to the detriment of the luxury object. In this article, I bring together Liz McFall's assertion that advertising needs to be studied as a "specific commercial device" with Jonathan Nitzan and Shimshon Bichler's capital-as-power theory of value (CasP), which emphasizes *differential accumulation*. Both McFall and CasP challenge analyses that treat capitalism as an undifferentiated totality. It is from this perspective of differentiated commercial struggle that I analyze De Beers' early advertising campaigns as well as the market research by N.W. Ayer that preceded them. My analysis focuses on an educational component intended to transform the diamond knowledge of the masses. The analysis demonstrates how the research informed the campaign that emerged in contingent relation with various facets of American society and was transformed by changes emergent with WWII.

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Introduction

The De Beers diamond cartel initiated a national advertising campaign in the United States in 1939. The campaign's focus was diamond engagement rings. The diamond engagement ring tradition predated the campaign, but the contemporary hegemonic equation of engagement with diamonds has De Beers advertising among the irreducible contributors to its emergence. Most importantly for De Beers, the campaign was consequential in the company's reversal of decades long decumulation relative to capital-in-general (Figure 1). The company's role in its own success has to be situated among other participants that together comprise what can be considered a global diamond assemblage (De Landa 2006; Lury 2009; Thrift 2005). The emergence of the diamond engagement tradition, the particular form that it took, and its endurance had multiple, intersecting quasi-causes distributed among a range of entities, such as the N.W. Ayer advertising agency, American jewellers, the national magazines in which the advertisements appeared and the readers of the advertisements.

In this article I bring together Liz McFall's (2004) assertion that advertising needs to be studied as a "specific commercial device" (8) with Jonathan Nitzan and Shimshon Bichler's (2009) capital-as-power theory of value (CasP), which emphasizes *differential accumulation*. Both McFall and CasP challenge analyses that treat capitalism as an undifferentiated totality. It is from this perspective of differentiated commercial struggle that I analyze De Beers' early advertising campaigns as well as the market research by the advertising agency N.W. Ayer & Son that preceded them. I analyze the campaign as a qualitative event accounted for in the accumulatory trajectory of De Beers. My analysis focuses on an educational component of the advertising to demonstrate how the research informed the campaign that – in contact with

WWII and post-war marriage trends – drove up diamond sales, created the modern diamond engagement tradition and brought accumulatory success for De Beers.

While diamonds were featured in advertisements before 1939, these were the independent efforts of local jewellers. This disconnected, non-centralized effort failed to return diamond sales to their pre-depression levels. Worse, the advertising of some mail order jewellers actively undermined diamond knowledge by creating the impression that high quality stones could be acquired cheaply.

De Beers CEO Sir Ernest Oppenheimer and his son Harry met with G. M. Lauck of Ayer. The trio discussed the possibility of superseding the disorderly efforts of jewellers by undertaking a mass market campaign. An agreement was struck for Ayer to conduct market research gauging popular attitudes toward diamonds. That research informed De Beers' decision to launch an advertising campaign, as well as the contents of the campaign. In late 1939, the first De Beers' advertisement was printed. While the campaign appears to have helped increase diamond sales, the path from the advertisements to the sales was not simple or straightforward.

Despite varying conceptions among critical accounts of advertising of the role of advertising in society (Slater 2011), these accounts tend to diminish or dismiss the agency of the populations for whom advertisements are intended (Berger 2011; Galbraith 1967; Packard 1957/1980; Williamson 1978). However, neither De Beers nor Ayer took for granted an ability to entice members people to buy diamonds. Untold numbers of hours of effort were required to put something before the consuming public in hopes of attracting their attention. The research intended to help Ayer and De Beers understand the masses was an indispensable aspect of the increase in U.S. diamond sales that came with the end of WWII. This gauging of mass opinion should not be confused with the mainstream perspective on business responsiveness to demand

in which advertising plays a purely informative role (Becker 1996; Nelson 1974; Ozga 1960; Stigler 1961). Such a perspective grants absolute sovereignty to individuals with profit seekers merely responding to exogenous consumer desires. Instead, the research was part of the instauration of a diamond market (Souriau 1943/2015).

The research by Ayer gave De Beers and the advertiser insights into marketing possibilities that may or may not translate into greater sales. Both the diamond company and the advertising agency recognized that while the public, as expressed in the research, contained a large pool of possible diamond buyers, the actualization of sales was far from certain. Although the provision of information was key to De Beers' eventual campaign, this was a performative process neither reducible to nor distinct from either the persuasive, affective elements of the campaign or the popular attitudes about diamonds. It exemplifies Judith Butler's (2010) observation that "universalization is a process" (157). Via the advertisements and Ayer, De Beers was stepping into the middle of the always incomplete universalization diamond knowledge.

The research by Ayer suggested that greater sales required some attitudes about diamonds among the American public needed to be transformed, while others could be amplified. For example, on the one hand, the advertising should change the widely held idea that large stones were gaudy. On the other hand, the advertising could try to build on the significant – though fragile – association between diamonds and marriage. Efforts at transformation and amplification were never guaranteed to pay-off. For example, while De Beers' advertisements emphasizing marriage and romance succeeded in singularizing diamonds as *the symbol* of marital engagement, efforts to associate diamonds with holiday gift-giving failed and were abandoned.

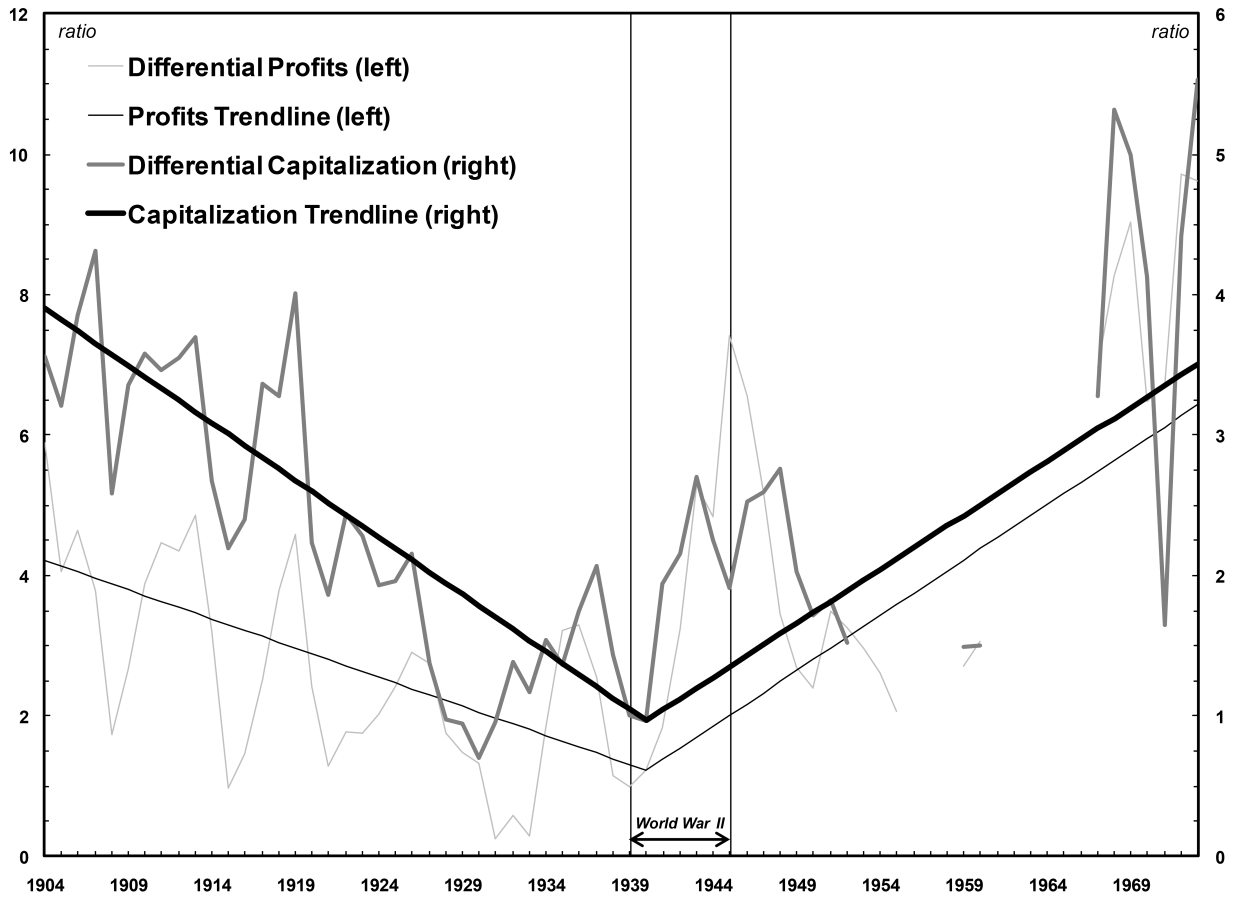


Figure 1: From Profits to Accumulation, De Beers vs. S&P Composite Index, 1904-73

DATA: De Beers: The Times (London), various issues; selected De Beers' annual reports (Guildhall City Archives); S&P Composite Index: Online Data Robert Shiller (www.econ.yale.edu/~shiller/data.htm).

NOTE: Series are the differential value of De Beer's profits and capitalization with the S&P Composite index profits in the denominator (1939=1). De Beers data adjusted for US-UK exchange rate.

Advertising enters into milieus of pre-existing, though mutable, attitudes and desires. Together, the psychology of desire, the market research, the advertising campaign and the mechanisms of sale construct the ‘subject of consumption’ (Miller and Rose 1997). However, that subject needs to be understood as an object of accumulation.

My analysis keeps advertising grounded in the pursuit of accumulation, but considers it fraught with contingency because of all the mediating relays between the drive for gain and its actualization. Of particular concern are the differential desires and buying habits of the masses, which can only be surmised through research into the attitudes of a small sample or data gathering and statistical analysis of actual buying practices. I will attempt to trace the connections from De Beers’ tentative contemplation to undertake an advertising campaign, through the market research conducted by Ayer, and into contact with people through the content and placement of the advertisements. I will consider the on-going transformation of the advertising as it encountered situated individuals, institutions and events that all participated in constructing the meaning of diamonds.¹ That co-construction of meaning will then be linked to diamond sales and the accumulation of De Beers.

Theorizing Advertising as a Mechanism of Accumulation.

The critical theorization and analysis of advertising has been characterized by treatment of the practice as an ideological, rather than commercial, mechanism within capitalism (Slater 2002; McFall 2004). This theorization has been dominated by a semiotic structuralist approach (see Barthes 1972, 1977; Goldman 2005; Williamson 1978). The approach relates examples of language and imagery from specific advertisements to abstract conceptions of capitalist society. For example, in one work Roland Barthes (1977) examines an advertisement for Panzani brand

canned tomatoes (32-51). He bypasses the accumulatory interests of Panzani in favour of abstracted claims about systemic rhetoric. For Barthes, and others within the critical semiotics mode, the particularities of any advertisement only have meaning as a support for the structural connotations.

McFall (2004) notes that the meaning of advertisements continue to be informed by the semiotic structuralist approach despite well-known shortcomings. One of those shortcomings is the aggregation of all advertisements into advertising-in-general. This is conjoined to a critical conception of accumulation as an absolute process of capital-in-general. Nitzan and Bichler (2009) criticize this conception and argue that accumulation is a relative process. In other words, capitalists seek returns that 'beat the average.'

In order to beat the average, capitalists engage in a struggle of differentiation. Advertising is part of that process. In critical theories of advertising, where advertisements are treated in the aggregate as the expression of a totalized capitalist ideology, particular advertisements, and the interplay among advertisements, or even the interplay between advertisements and the consumers they target, are given no constitutive capacity.

Capitalism, in the theory-driven approach, is an enveloping system that determines all the activities within it and can be understood by way of analyzing its abstract parts, such as production, exploitation, ideology and consumption. Advertising in this conception provides a window into capitalism's ideology.² Conversely, from an empirical perspective, advertising becomes an indeterminate entity that emerges from the intra-capitalist struggle for accumulation. First, as McFall emphasizes, advertisements need to be produced (McFall 2004; Slater 2002). Advertisement production is not an abstract ideological process, but involves people in offices, equipped with necessary, ever changing machinery. In the case of print advertising, there is the

actual printing process, which is manufacturing in the stereotypical mould of production. The printed materials are then handled by prospective buyers, who must flip through the pages, scanning for items of interest. It is this process that is of greatest concern to the advertiser and their client, since attention is an obligatory passage point between the entire process and the sale. As Yiannis Gabriel and Tim Lang argue, consumers have proven themselves “unpredictable, contradictory and unmanageable” (Gabriel and Lang 2006, viii). The entire apparatus of advertising production is organized to attract attention to carefully conceived advertisements.³

Advertisements enter into contingent relationships with viewers/readers whose ideal response, from the perspective of those who produced the ad, is a differential purchase. In other words, sellers wish for buyers to choose their product rather than another. Although consumerism and other negative social attributes appear to be an aggregate consequence of advertising-in-general, these are best understood as the emergent outcomes of the differential struggle among capitalists. Along the way, this struggle passes through numerous entities — advertising agencies, market research firms, ad buyers, magazines, printing companies, television producers, models, newsstand distributors — whose interactions contribute to the reproduction of capitalism.

The Accumulation of De Beers.

The CasP theory of value rests on an insight that accumulation is relative. Companies assess their successes and failures against various benchmarks comprised of other companies. This analytical emphasis on relative nominal values contrasts with standard value theories that juxtapose nominal values with so-called ‘real’ values (Nitzan and Bichler 2000). The latter are intended to remove price effects to express the well-being contained in nominal values. Adopting

CasP as an analytical method, my analysis of De Beers' accumulatory history compares the market capitalization and profits of the diamond company the S&P Composite Index (Figure 1). Both series are expressed as an indexed ratio (1939 = 1).

What the comparison shows is an inflection point in 1939/40. From shortly after the company's inception until that point, the relative value and profits of De Beers declined. Then, De Beers' long-term decline was reversed into relative gain that, though volatile, endured into the early 1970s. My argument in this article is that advertising was an important, but uncertain, piece of De Beers' accumulatory puzzle.

Pace essentialist theories of value, which reduce nominal values to postulated real entities – labour in the case of Marxist value theory and utility in the case of neoclassical value theory – in order to give value meaning, CasP derives meaning from differential valuation. Nitzan and Bichler (2009) argue that, in differential relation, nominal values express the relative power of capitalized entities as understood by the evaluators constructing capital prices. In other words, accumulation is a process of power redistribution among the owners of capital.

Capitalized power transcends production to include anything that market participants anticipate could affect what Nitzan and Bichler have termed the 'elementary particles' of accumulation.⁴ For the purposes and time frame of my analysis, I can ignore the elementary particles other than profits, since both value and profit follow the same long-term pattern of relative decline reversed into gain centred on the early war years.⁵ By moving from differential capitalization to differential profits I am able to sidestep the pricing process to focus on differentiating events and processes that affected De Beers' profits.

It must be emphasized that my analysis is not reducing De Beers' accumulatory trajectory to the advertising campaign. There were numerous transformations of the global diamond

assemblage that affected De Beers' reversal of its long-term decline. For example, the war effort required a dramatic increase in the use of industrial diamonds. De Beers' also controlled the supply of industrial stones and engaged in research to increase the possible uses of industrial diamonds. However, De Beers' near-monopoly over industrial diamonds drew the attention of the U.S. Department of Justice (DoJ), which began an anti-trust investigation of the company at the behest of U.S. corporations that used the stones. Industrial diamond, diamond tool innovations, the DoJ, the anti-trust lawsuit were just four other participants in the instauration of the diamond assemblage that saw intensive and extensive transformations over the period of analysis. According to the CasP theory of value, the differential accumulation by De Beers express relative gains in power. However, as Latour (2005) argues, power does not explain. Rather, power is what must be explained (63-4). The carefully constructed advertising campaign is just one part of that explanation.

The Diamond Market Research.

McFall (2004) notes that critical theory's treatment of advertising in the aggregate is both a cause and effect of the under-analysis of the inner workings of advertising agencies and the construction of advertising campaigns. An important constituent of this construction is the market research that precedes a campaign's design. I begin with an examination of two reports produced by N.W. Ayer for De Beers based on research into the state of popular attitudes toward diamonds in the United States.⁶ To focus the analysis, I concentrate on the research that highlights poor diamond knowledge among respondents. Of particular concern to the researchers was a persistent under-estimation of diamond prices. The research, the documents, and their

findings are all consequential difference-makers in the eventual transformation of the U.S. diamond market that was translated into greater differential profits and accumulation by De Beers.

The quantitative analysis of De Beers' accumulation (Figure 1) expresses a temporal sweep incorporating uncountable quasi-causal entities and their effects. That incorporation masks the granularity of capitalists' concerns. De Beers' concerns extended to the attitudes of the individuals sampled by Ayer, which were intended to represent American consumers as a whole. The reports produced by Ayer aggregated the survey responses of those individuals in order to perform a 'revelation' of attitudes pertinent "to the problem at hand" and to assist "in planning any promotional effort."⁷

If capitalism is a deterministic totality, as in standard critical perspectives, the particularities of the diamond market are inconsequential. However, this market – like all markets – is indeterminate and precarious. The diamond market was created, stabilized and expanded through much effort as well as contingent, irreducible events. In turn, the diamond market was quasi-causal and affective. It had a transformative effect on marriage and family, generating meaning for the diamond as an expression of commitment, aspiration and family heritage (Falls 2005). Advertising played a key role, as did advertising's constituent parts, particularly the research by Ayer.

The findings of the Ayer research documents contributed to the eventual campaign, which had both successes and failures. The successes were actualized as increased sales and the birth of the modern diamond engagement ring tradition. The failures included an attempt to create a 'brown diamond' tradition for men. The construction of these research documents, while serving a need by Ayer to understand how U.S. consumers might be persuaded to buy diamonds, also

had to convince De Beers that undertaking an advertising campaign would be advantageous. To do so, the documents construct the idea that Americans' relationship with diamonds was potent but tenuous. Despite Ayer's own interest in De Beers agreeing to undertake the campaign, they could not simply impose their wishes on the diamond company through the report. Instead, the idea leveraged the research, which was informed by De Beers' existing sense that American attitudes toward diamonds were changing.

The survey reports are full of figures compiled from Ayer's questionnaires, as well as their interpretation of those figures. The contents of the report do not constitute an objective representation of a latent diamond market, simply waiting to be mined for sales. However, neither are those contents purely the invention of Ayer. Rather, the reports were 'texts' in the sense of the Latin etymological root *texere*: "to weave, to join, braid, construct, fabricate." Ayer's reports wove together an abstract diamond market from an assemblage that included the researchers and the subjects of the surveys, as well as the survey equipment, which included the questionnaires and a display of artificial diamonds. The reports also relied on established research habits, some nascent statistical methods, as well as the Ayer's reputation and previous advertising success. The texts were meant to explain the recent history of the diamond market and chart possible paths for a future in which De Beers could achieve greater profit. The reports expressed concern over the prospects of the diamond market, indicating that although diamonds remained popular, their popularity appeared to be waning. Predictably, the researchers also found evidence that advertising could have a positive effect on future sales. However, this evidence had to be carefully framed in the context of the survey results and De Beers own knowledge of the diamond market.

The researchers recognized the importance of the survey, and anticipated questions by De Beers of its veracity and usefulness, making multiple mentions of the reliability of the technique as a barometer of broader attitudes. Perhaps to offer credibility to their findings, the reports included a detailed, unadorned breakdown of the answers to the questionnaire. Despite the self-serving aspect of the researchers' interpretations, when De Beers went ahead with the campaign, the direction taken by N.W. Ayer was clearly based in the nascent insights of the survey report. My analysis will focus on those parts of the research that appear to have informed the subsequent campaign's efforts to improve the masses' knowledge of diamond sizes, prices and other qualities, such as clarity and colour.

The lack of knowledge among all classes of potential buyers was deemed by the researchers an important aspect of the tenuousness of people's relationship with diamonds. The researchers noted that while both men and women were reasonably accurate in estimating sizes, they consistently under-estimated prices. The one carat stone cost, at the time, between U.S. \$500 and \$600. Yet two-thirds of women and almost three-quarters of men estimated its value at less than \$400.

Blame for the poor state of the masses' diamond knowledge was placed on mail order diamond jewellers. These advertisements claimed their low prices would deliver high quality stones. Stones were described as 'perfect cut and 'blue white' and 'clear.' The advertisements leveraged some of the mystique that existed at the time with respect to diamond mining by categorizing stones according to different mine names. They offered different prices for Jagersfontein diamonds vs. Wesselton diamonds. However, since the vast majority of the stones were coming from De Beers, which controlled all the South African mining, and it did not market the stones according to such origins, these differentiations were meaningless with respect

to the actual mines and misleading. Additionally, to offer the diamonds at the prices listed, the stones would have been of poor quality. But because the language of the 4Cs had not been popularized and diamond knowledge was not formalized, there was little restriction on the descriptions the jewellers could give.

This was problematic for the jewellers selling higher quality stones at higher prices. Upon hearing the prevailing prices, the Ayer report notes, the buyer's "sales resistance is immediately stiffened." The report advocated an advertising campaign to educate the masses on prevailing prices of stones sold by "the honest jeweller." "Wider knowledge," the researchers claimed, "would render suspect" the bargain offerings of quality stones at low prices.⁸

De Beers wanted a market for the cheap, low quality stones being sold by the mail order jewellers. However, the claims that such cheap stones were of high quality undermined De Beers' business strategy, which was to sell every stone at the highest possible price. This meant that a low quality stone should not be confused with one of high quality. Most importantly, these advertisements undermined the masses' perception of diamonds as intrinsically valuable and therefore worth the high prices that were commanded by high quality stones.

Folk Knowledge and Diamonds.

As knowledge of diamonds was not proliferated via formal education systems, what people knew about diamonds can be considered a component of 'folk knowledge.' This is the knowledge that circulates along informal channels. It constitutes the basis of what sometimes gets called 'common sense,' but can include everything from widespread hygiene practices to local horror stories to claims of naturalized gender distinctions.⁹ The concept of folk knowledge is most prominent in anthropology, where it is used in the analysis of societies without formal

scientific practices (Antweiler 1998; Caws 1974; Crick 1982; Read and Behrens 1989; Sillitoe 1998). However, there is no reason to exclude the concept from analysis of Western societies. Indeed, it is a concept that can help us transcend the dichotomization between The West and The Rest that marks ‘modernity’ (Latour 1993; Latour 2010; Mitchell 2002). All communities have normalizing information that is relayed outside sanctioned educational channels.

The sources of diamond knowledge are multiple and, during the era considered, included the advertisements for mail order jewellery offering low price stones with descriptions connoting high quality. The immediate effect of these advertisements was to attract luxury spending dollars, diverting them from the storefront jewellers that sold more expensive, higher quality stones. Beyond that, with claims that their stones were ‘perfect cut’ and ‘blue white’ the mail order jewellers were feeding an idea that high quality diamonds could be had more cheaply than De Beers or retail jewellers were offering them. They were transforming diamond folk knowledge, which was a greater threat to De Beers ordering of the gem diamond assemblage, and the important place of retail jewellers within it, than just the diversion of sales. For this reason, the educational component would be an important feature of the subsequent campaign.

While the researchers took it for granted that respondents from higher classes were more knowledgeable about diamonds, this knowledge differential is indicative of class differences in the folk knowledge that people encounter. Wealthy people are connected to different networks of knowledge circulation than working class people. As Anna Tsing (2015) states, “class formation is also cultural formation” (p. 134) and knowledge circulation is an important link in that conjoined process (Lukács 1999; Steinmetz 1992; Somers 1994). School systems were unlikely to teach how to estimate the size of a diamond. Yet, among those from more privileged backgrounds, there were sources and some processes that facilitated greater diamond knowledge.

An important source was actual diamonds, which members of higher classes were more likely to encounter. These experiences would have taken place in a context of whispers about the value of the jewellery or gossip about the wealth of the wearer or her husband. Despite the lack of a formal education on stone size and prevailing prices, the upper class survey respondents were generally more knowledgeable of the sizes and prices of the display stones. However, worryingly for the researchers, even among the members of the higher class “the number of reasonably correct estimates of cost was small.”¹⁰

The propagation of folk knowledge is difficult to trace as it circulates along clandestine trajectories, which is one reason the diamond survey was of value. This means folk knowledge is difficult to stabilize or control, making it an unruly object for capitalist power. It is one component of Gabriel and Lang’s (2006) description of consumers as ‘unmanageable.’

The survey results also indicated that folk knowledge was either growing poorer relative to the actuality of gem diamonds or greatly improved with age since younger people’s estimates of size and price were more erroneous than older respondents. Other results, including the greater desire for diamonds among older respondents, gave the researchers reason to believe it was not just a matter of older people having more time to gain knowledge of diamonds. Instead, the transformation of diamond folk knowledge was be conjoined to less desire for the stones among younger people.

Younger people seemed to have less care for the stones, which translated into less attention and less learning. This ignorance was particularly disconcerting as young people constituted the future of the diamond market. The generational worsening of diamond knowledge and the importance of the young led De Beers and Ayer to undertake efforts at educating people via multiple channels. These efforts were an intervention in the circulating folk knowledge, making

the advertisements a particularly affective node in the network of distributed diamond knowledge (Hutchins 1995). The advertisements were the commercial mechanisms through which the rhetoric abstracted in the analysis of Barthe (1977) and other semioticians is actually generated and circulated.

Of central concern to the semiotic approach to advertising is a distinction between ‘meaning’ and ‘reality’ (McFall 2004). However, as far as Ayer’s researchers were concerned, the reality of the diamond market was thoroughly imbued with the meaning of diamonds. If diamonds were considered gaudy and audacious symbols of excess, then sales would be weak. If, however, diamonds meant romance and glamour, then greater sales were possible.

Underestimation of diamond size and price, as well as objections to stones greater than one carat on the basis of style, were matters of concern to Ayer and De Beers, even if underestimation ostensibly constituted poor knowledge, while style objections constituted an emotional bias. We can see how the two positions twist together. If most observers are unable to tell the difference between a half carat and a one carat stone, then there is no esteem anchored in the differential meaning of the two sizes to be gained by wearing the latter.

Mainstream value theory suggests that as desire shifted toward smaller stones the prices of larger sizes should come down. However, price was also an indissociable quality of diamonds. Larger diamonds were not desirable just because they were flashier. They had been desirable *because they were expensive*. They expressed one’s wealth, making it visible to those who understood the code. When the additional qualities, later formalized as the 4Cs, are added, the result is a fine gradient displaying one’s social position, as long as observers are knowledgeable of diamonds (Proctor 2001). Lowering the price of those stones would not necessarily bring greater sales as it would undermine diamond’s expression of social position.

The consequences filter further as resistance among the wealthy to larger stones could undermine the aspirational and luxury aspects of diamonds. Wealthy buyers were to be the outlet for the largest, most profitable stones. Although members of lower classes might not be able to afford the same stones, they could buy smaller versions as an emulative act (Veblen 1994). If the middle class began wearing the same size stones as members of the upper class, who have limited the size of diamonds worn on the basis of style, then diamonds may no longer be regarded as a luxury or an object worthy of emulative display. If, however, stone sizes, qualities and prices were more widely known, then diamonds could serve as an appropriate signifier of one's place in the social hierarchy and could be an object of aspiration. As will be seen below, appeals to the The American Dream became an important part of the eventual campaign. Indeed, aspiration became a vital link connecting the association between diamonds and romance with De Beers' need to sell the entire range of diamond sizes and qualities.

Survey respondents had generally positive regard for diamonds. A large part of this regard was the stone's association with engagement and marriage. However, this association did not appear to have much relationship with the stone's size. The researchers stressed that "*popular taste as well as ability to buy limits the sale of stones over one carat.*"¹¹ Although wealthier respondents could afford larger stones, there appeared to be no consideration by them that they therefore ought to buy a larger stone.

The waning meaning relating one's material standing and the size of the stone also helps explain support for a trend toward diamond wedding bands that worried diamond jewellers. At the time, the engagement ring typically bore a single large stone, and the band, if it had stones, would contain several much smaller stones known as *melée*. The meaning of diamonds as a luxury object, where size mattered, was not necessarily connected to their meaning as a symbol

of romance and marriage. If the meaning attached to diamonds was simply a connection between the stones and romance, then it could be actualized just as readily with small stones on a wedding band as with an expensive and ostentatious engagement solitaire

To achieve sales would require accessing diamond folk knowledge. If those sales were to grow, then the knowledge itself would have to be transformed. In particular, young people would have to become more interested in diamonds. The researchers identified this need very clearly in the report:

The fact that the typical amount invested in the purchase of an engagement ring is as low as is here indicated, coupled with the fact that an engagement ring is perhaps the symbol of love for another, suggests the need for persuading young men to spend a larger amount for the jewel which should be more important to them and their fiancées than any they will acquire in later life.¹²

In the subsequent section, I will focus on the intervention in diamond folk knowledge, which was clearly expressed with an informational panel on diamond qualities and prices. Because, as noted above, there is no clear distinction between diamond information and diamond meaning, I will connect the effort to reconstruct diamond knowledge to the efforts to strengthen the association among diamonds, romance and engagement, and entangle that association with aspiration.

The Advertising Campaign.

The purpose of the diamond campaign was, obviously, increased diamond sales at prevailing prices, which required enticing people to buy. This was far from a simple or given undertaking given the public's diverse knowledges, ideals, desires and intentions. Of great concern was the potential for 'sticker shock' when the poor knowledge of potential buyers

encountered actual retail prices. Mapping some intersections of the public with diamonds was the purpose of the Ayer research described above. The advertisements then made use of that map to orient De Beers' efforts at transforming people into diamond-buyers. Teaching them about prevailing prices was an important component of the undertaking.

A unique product, coming from a unique company, the diamond advertisements were also unique, and even innovative, in both appearance and content. Most advertisements at the time were constructing what Michael Schudson calls "capitalist realism" (Schudson 2013, 210-8). Technologies were front and centre. Copy extolled innovations in materials and production processes. Advertisements named patented chemicals, cited 'research laboratories,' described technical components and connected products to high-profile technologies. These were all linked explicitly and boldly to the brand of the company selling them. These products were the embodiment of American progress and acquiring them was synonymous with achieving The American Dream in material form (Marchand 1986).

De Beers advertisements, by contrast, primarily made an emotional appeal, connecting diamonds to the feelings and memories of a young couple. Diamond's material quality of hardness was leveraged to construct the idea of diamonds as a durable, constant reminder of the couple's formation and an object around which the future memories of their life together could be built. This durability was contrasted with the other objects that might populate a couple's life. The copy did not denigrate those objects. Rather, the diamond became a stand-in for all the fleeting ephemera and a container for the romance of everyday life. Copy from a November, 1939 advertisement (Image 1) suggests that a couple "discerns ultimate significance in the most prosaic object" such as a washing machine. However, according to the copy's telling, the

diamond alone is “imperishable” and that is why it “traditionally symbolizes the immortal passion.”







C. D.
 Record Book
 R. Scott
 8/20/39



*"Bright as young diamonds
 In their infant dew . . ."* — DRYDEN



THE YOUNG PEOPLE just engaged and planning their future home are in the happy state which discerns ultimate significance in the most prosaic object. . . . In the meshes of a mixing machine, they find deathless romance. . . . The pattern on their china assumes the importance of Han dynasty painting. Nor may one cry a lacking sense of value in those to whom all values take on sublime importance. . . . Let them but remember this: of all their early purchases, one alone is most likely to survive their lifetime. . . . The choice of the diamond that marks their engagement calls for calmest forethought. At the outset, they should seek the advice of a reliable merchant. (Many will be glad to assist you in the purchase of a handsome stone by extending the payments over a period of months.) They should acquire a stone whose flame, purity and deep brilliant cutting will be lastingly precious. This is as important as purchasing a diamond whose size will honor their future destiny. With their diamond, they obtain one of the few imperishable mundane objects. That is why it traditionally symbolizes the immortal passion.

DE BEERS CONSOLIDATED MINES, LTD., AND ASSOCIATED COMPANIES

CURRENT PRICES OF QUALITY DIAMONDS
 (Exact weights shown are infrequent. Fractional weights at relative prices.)

One-half carat, \$100 to \$200   One carat, \$325 to \$600  

Two carats  (Square-cut)  (Brilliant) \$900 to \$1750

Three carats (Marquise)  (Brilliant)  from \$1500

Size alone does not determine diamond value. Purity, color and excellence of cutting affect the prices of diamonds, regardless of weight. These prices do not include mounting.

No. 11—1939—9 3-8 x 12 1-8—General Magazines—Nov.—N. W. Ayer & Son, Inc. 13519

Image 1: The Most Prosaic Object
 SOURCE: N.W. Ayer & Sons, Incorporated Advertising Agency Records, National Museum of American History, Smithsonian Institution

The campaign was not a matter of De Beers newly transforming diamonds into an object of romance. That was a role the gem already served. Rather, the advertisements were an effort to bolster and augment that meaning, in order to leverage it into greater sales and greater profits. Accomplishing this end was not just about selling *more* diamonds. It was also about selling diamonds across the entire range of qualities. This goal required not just an emotional appeal for couples to include a diamond in their life. It required an educational appeal to teach men and women alike the qualitative differentiators of diamonds.

To sell diamonds across the range of sizes and qualities, at their highest possible price, De Beers attached the stones to the aspirational drive of Americans. To that end, the De Beers advertisements also made use of The American Dream, although in a manner different from most of the era's advertisements. The copy of a December 1940 advertisement told men to "select this stone for his lifetime, to the measure of all the hopes he plans to realize." This is encouragement for men to go beyond the stone they can afford now, and buy a stone that accords with their aspirations. Where the romance of the advertisements spoke to the couple's past, the aspiration spoke to their future. An advertisement from June, 1941 (Image 2) states that diamonds are "traditionally bearers of noble family sentiments" and suggests the diamond engagement ring will be just the first diamond of many. Those diamonds will not only adorn the man's wife, but carry his legacy in the adornment of "generations yet to be." The diamond was to serve simultaneously as a storehouse of memories and of hopes and dreams. However, to actually express that meaning, the masses had to be knowledgeable of the qualities relevant to the range of diamond prices.

flowering of tradition

In the women who bear his name, the man of importance sees the flowering of his tradition. Jewels that have shone upon his fairest ancestors are lit with fairer radiance in their gentle keeping. And to them he adds the gifts of his own pride and gratitude.

Diamonds are traditionally the bearers of noble family sentiments. No light of love so pure—no brilliance so endless as that lit in their sleepless fires.


In his selection of his gifts of diamonds the informed layman, like the connoisseur, seeks for fine color, exquisite cutting and absence of imperfection rather than for mere size alone. A trusted jeweler is his consultant, naturally. Diamond values are permanent. From the many fine stones now available, a man may build with confidence a collection of diamonds to adorn the beautiful women of his family now—and for generations yet to be.




PAINTING BY MARIE LAURENCIN, FROM THE DE BEERS COLLECTION

Current Prices of Unmounted Quality Diamonds. (Exact weights shown are infrequent.) Size alone does not determine values. Purity, color and excellence of cutting affect the price. Many reliable jewelers will arrange payments for fine stones over an extended period.

ONE-HALF CARAT, PRICED  BETWEEN \$100 AND \$200

ONE CARAT, PRICED BETWEEN  \$325 AND \$600

TWO-CARAT STONES, GENERALLY PRICED  FROM \$800 TO \$1750

THREE-CARAT STONES  ARE OBTAINABLE FROM \$1500

DE BEERS CONSOLIDATED MINES, LTD., AND ASSOCIATED COMPANIES

Image 2: Traditional Bearers

SOURCE: N.W. Ayer & Sons, Incorporated Advertising Agency Records, National Museum of American History, Smithsonian Institution

For this reason, education figured prominently in the advertisements. To counter the misleading content of advertisements by mail order jewellers, De Beers' advertisements listed the range of prices they would encounter at most retail outlets. From the beginning of the campaign, the advertisements contained a section of text separate from the main copy. The copy in this section was remarkably constant over the period of my analysis. It informed the reader that "size alone does not determine diamond values." Clarity, cut and colour were important additional factors. The copy was attached to images of diamonds in sizes ranging from one-half carat to three carats, with a price range attached to each. The price range at a given size reinforced that other qualities were relevant to pricing.

In addition to the advertisements, De Beers' intervention into diamond folk knowledge operated via the jewellers. Through several mechanisms, including a separate advertising campaign in industry journals aimed at the jewellers, De Beers enrolled the jewellers to reinforce the campaign's knowledge construction. The retail jewellers who supplied diamonds across a range of qualities were an important node in the diamond assemblage for the actualization of De Beers' selling strategy. The company required their goodwill and compliance to the system. De Beers wanted to minimize some of the discounting practices that other retailers might use if they found a certain line of products was not selling. Regardless of whether it was high quality three carat stones or middling quality half carat stones, the company did not want discounting associated with diamonds in any way.

Part of ensuring the continued cooperation of the jewellers was paying homage to them in the advertisements. In addition to informing the masses the prevailing range of prices for various sizes, and explaining that the prices were determined by more than just size, the advertisements also recommended the buyer seek a jeweller who was "reliable" or "trusted" or "experienced."

The jeweller, because of their superior diamond knowledge, was touted as the means for the buyer to find the right diamond. Of course, the right diamond for the jeweller, and for De Beers, was the most expensive diamond they could convince the buyer to acquire.

Given the important role of the retail jewellers, the advertising campaign was not just directed at the public. Advertisements also ran in industry journals such as *The Jewelers' Circular Keystone (JCK)* and *National Jeweler*. With these advertisements, De Beers declared that the national campaign was the jewellers' own campaign: "Who's Behind All This Talk About Diamonds? You are!" The advertisements advised the jewellers on talking points to use with potential buyers. For example, during the war, jewellers were told to explain the importance of industrial diamonds and the role of gem diamonds in supporting the extraction of these vital inputs to the war effort. This made the jewellers an important node in De Beers' interventions in diamond folk knowledge while the war had its own effects that transformed that intervention.

War's Transformations of De Beers' Advertising.

World War II was more than a context for the advertising campaign. The war had a transformative effect on the diamond assemblage and this affected the advertisements. Just as De Beers was a powerful force with which the entire diamond trade had to contend, the power of the war effort had to be contended with by De Beers. The war could have completely upset the market for gem diamonds. Such extravagances were contrary to the wartime sentiment of sacrifice. For example, during the Civil War, women were encouraged to refrain from wearing jewellery and even to donate their gemstones to the war effort.¹³

C. D.

Record Book

How far its beam A little light, so constant and so sweetly clear
it finds his heart across the widest waters and hours of loneliness.
That is his diamond on her finger — an ever-fixed beacon, pledge
to safe home-comings and fair rewards in their new-day life to be.



LITTON BY BERNARD LAMOTTE. PAINTED FOR THE DE BEERS COLLECTION

One-half carat		\$200 to \$350
One carat		\$400 to \$800
Two carats		\$1050 to \$2500

Facts You Should Know About Diamonds: These are average current prices for unmounted quality diamonds, including federal tax. (The exact weights shown occur infrequently.) Size alone does not determine diamond values. Color, cutting, brilliance and clarity have an equally important bearing. You should have a trusted jeweler's best advice when buying diamonds.

Industrial Diamonds — a key priority for high-speed war production — come from the same mines as gem stones. Millions of carats are used in United States industries today. The occasional gem diamonds found among them help defray production costs for all these fierce little "fighting" diamonds. Consequently, there are no restrictions on the sale of diamond gems.

DE BEERS CONSOLIDATED MINES, LIMITED, AND ASSOCIATED COMPANIES

Image 3: Safe Homecomings and Fair Rewards

SOURCE: N.W. Ayer & Sons, Incorporated Advertising Agency Records, National Museum of American History, Smithsonian Institution

In response to the U.S. entry into the war, De Beers' reduced its advertising. Consider the series of advertisements placed in *Life*. The weekly magazine carried the very first De Beers advertisement aimed at the public in its September 11, 1939 issue, with one more in October, two in November and another in December. Then, the advertisements ran more or less monthly, minus the summer months, until June 1942. No De Beers advertisements ran in *Life* again until September 1943.

When the advertisements returned, they bore the effects of wartime (Image 3). A forlorn woman stares out to the ocean. She wears a diamond on her finger. The copy tells the reader that the stone is a "pledge to safe home-comings and fair rewards in their new-day life to be." The diamond was not a luxury. It was a symbol of faith and promise. The text retains the aspirational component of the early advertisements. Now, the life aspired to is a reward for the couple's sacrifices.

The primary text of the wartime advertisement is now wholly devoted to the emotional appeal. The educational elements have been completely shifted to the text box explaining diamond prices. However, another educational component was added. In case a couple was unconvinced and thought a diamond might be an inappropriate symbol, De Beers introduced into diamond folk knowledge another reason to continue to buy the gem stone: industrial diamonds. It is worth quoting the blurb in its entirety:

Industrial diamonds — a key priority for high-speed war production — come from the same mines as gem stones. Millions of carats are used in the United States industries today. The occasional gem diamonds found among them help defray production costs for all these fierce little "fighting" diamonds. Consequently, there are no restrictions on the sale of gem diamonds.

A new piece of diamond knowledge is being established for potential diamond buyers.

Although the claim regarding the extraction of diamonds was strictly true — gem and industrial stones do come from the same mines — it was also very misleading. At the time, the vast majority of industrial diamonds being used by U.S. industry were coming from the Belgian Congo. However, these mines produced few gem stones, and most were of poor quality. The Belgian mining companies that worked the Congolese deposits were included in the De Beers cartel to retain control of the diamond trade. In return, they paid a premium for the company's gem diamonds. Further, most of the diamonds going into production were coming from large, existing stockpiles, since before the war the extraction of industrial stones well outstripped their use. Industrial diamonds were indeed a priority input to wartime production and De Beers – with Ayer – leveraged that fact to reduce resistance to buying gems at a time of war.

The advertisements directed at jewellers also introduced talking points to confront buyer resistance. In advance of the resumption of advertising in popular outlets, De Beers targeted and prepped the merchants. Jewellers were told to emphasize the “dual position and meaning of diamonds in the world at war.” A June 1943 advertisement (Image 4) asked, “For Brides — or Bombers?” The answer it gave, after explaining how diamond tools are used in the war effort, is that “gem diamonds and industrial diamonds are fighting helpmates in our war economy.” A March 1943 advertisement that ran in *JCK* rendered gem diamonds into a symbol of freedom and contrasted the diamond relationship of Americans with that of the enemy. The headline that accompanied an image of a diamond ring screamed: “Emblem of love ... or weapon of war?” The text tells us that “a Jap” and “a German” would say it was “a weapon.” In America, however, “It is the same flashing symbol of love and beauty it has always been.” The text goes on to contrast the allies ready access to industrial stones with the Japanese and German need to confiscate gem diamonds for use in industrial applications. The fact that American men can

continue to give diamonds, the jewellers are told, should be touted as evidence of the very thing they are fighting for.

Although De Beers was insisting that people need not feel any guilt about buying gems at a time of war, and even tried to make it an act supporting the war effort, there was still capitulation to the wartime sense of sacrifice. The advertisements in *Life* that ran from 1939 to 1942 listed prices for stones up to three carats. The prices were listed as “from \$1,500” with no upper limit. Although this lower limit was less than the upper limit of the two carat stones, presumably the open-ended pricing and size were an extravagance even beyond the justifications for gem diamonds made in the wartime advertisements. The three carat stone never returned to the popular outlets. Additionally, advertisements for non-engagement diamonds placed in outlets aimed at wealthier potential buyers ended for the duration of the war.

After the war was over, the advertisements again changed. Most obviously, the blurb about industrial ‘fighting diamonds’ was dropped. The text celebrated the return of servicemen. In a December 1945 advertisement, the text read that with their return “the waiting’s ended; ahead lie only years and pleasures to be shared.” The diamond is invoked as the means to retain the memory of his joyous return. But of course, retaining the aspirational element, the stone should be “as fine as earth affords.” The images for the series of advertisements after the war were all of soldiers’ marriages. This imagery was touted to the jewellers as “deepening and spreading an understanding of the diamond engagement ring tradition.” The war’s affect was conjoined to the earlier survey findings of a waning connection between diamonds and engagement.

C. D.
Record Book

V. Carter
4/7



For Brides - OR BOMBERS ?

THE machines that fashion the delicate mechanism of his giant motors must be true as your own sweet heart. . . .

That's why they are dressed with tools set with **DIAMONDS**.

Nothing is too precious if it helps keep him safe, up there. . . .

And nothing except a diamond is so efficient for the infinite speed and precision work required in many tasks to build our flying fleets.

Any bride would give her diamond for such a vital task. . . .

But, fortunately, no bride needs to. To the chagrin of the enemy, our

side controls almost the world's entire supply of another kind of diamonds to do the countless jobs of speed and skill in pouring out armament for the United Nations' Victory. Almost 5,000,000 carats will be used by the United States alone this year. Your lovely gem stone has helped put them to work!

How can that be?

By helping pay for the great quantity of industrial diamonds needed. Gem stones and industrials are found and mined together. Only one out of each four carats discovered in 16 tons of blue ground is fine enough to be gem quality. Its

sale defrays a great share of the mining costs for all.

Then diamonds are for brides and bombers BOTH?

Yes, gem diamonds and industrial diamonds are fighting helpmates in our war economy.

See that your customers understand these points about the dual position and meaning of diamonds in the world at war. Published in the interests of the jewelry trade of America by De Beers Consolidated Mines, Ltd., and Associated Companies.

Image 4: For Brides and bombers.

SOURCE: N.W. Ayer & Sons, Incorporated Advertising Agency Records, National Museum of American History, Smithsonian Institution

My argument is that the diamond campaign emerged as the convergence of entities, the contributions of which cannot be reduced to them, since the campaign is an *ex nihilo* creation; the campaign is an emergent addition to the world. The public, as translated into the market research survey, as well as the jewellers and diamonds, were all participants in creating the campaign. However, all of their contributions were mediated by the accumulatory demands of De Beers. When the war broke out, its force was felt through many different institutions that had their own effects on the campaign, including U.S. manufacturing, soldiers and widespread rhetoric about sacrifice. With the end of the war, these institutions were transformed and the campaign necessarily changed in response. All of this defies generalizations about advertisements as either mechanisms of information or instruments of mass manipulation or a moderated position between these two extremes.

Conclusion.

Briefly, I want to examine the effect of the campaign. I've linked De Beers' advertising to its reversal of accumulatory fortune, although neither can be reduced to the other. I've also noted that De Beers did not invent the diamond engagement ring tradition. Rather, WWII and the campaign came together to instaurate the contemporary tradition. The end of war and the return of soldiers from abroad resulted in record marriage levels in the U.S. (Figure 2). That spike perfectly correlates with a large spike in diamond imports.

At first glance, the movements of marriage rates and diamond imports suggests the advertising campaign failed during the early part of the war, since even when marriages were increasing the value of diamond imports was falling. However, the sales by U.S. jewellers, of which diamonds were a significant component, rose every year of the war, but for a slight drop

in 1944, increasing 39 percent from 1939 to 1945, relative to GDP. The meaning of this gap between import values and jewellery sales suggests that jewellers were able to satisfy increased demand associated from existing inventories. Although this did not mean immediate sales for De Beers, it would have helped solidify the loyalty of the jewellers to the campaign.

The effectiveness of the advertising campaign decisively shows itself in 1946. This, I argue, is when the contemporary diamond engagement tradition was really born. Measured per 1000 unmarried women, the marriage rate in 1946 and 1947 remain American all-time highs. The marriage rate remained relatively high for the next decade or so after the war when compared to the pre-war marriage rate. Moreover, the war and post-war years saw people marrying younger.

The increase in marriage among young people was occurring as part of post-war social enthusiasm. The balance between marriage as a practical matter and marriage as an act of romance was shifting ever more toward the latter (Coontz 2006). This shift was conjoined with the spread of inter-ethnic marriage. Robert Proctor (2001) argues that the diamond engagement ring served as a cross-ethnic tradition as ethnic-based marriage practices declined in popularity. It was also these years that engendered the contemporary traditional view of marriage. The diamond engagement ring has a place within this mythology as a symbol of the happy couple's bond. When contemporary women cite their mothers' and grandmothers' diamond rings as a motivation for their diamond desires (Falls 2005), that tradition originates in the post-war years.

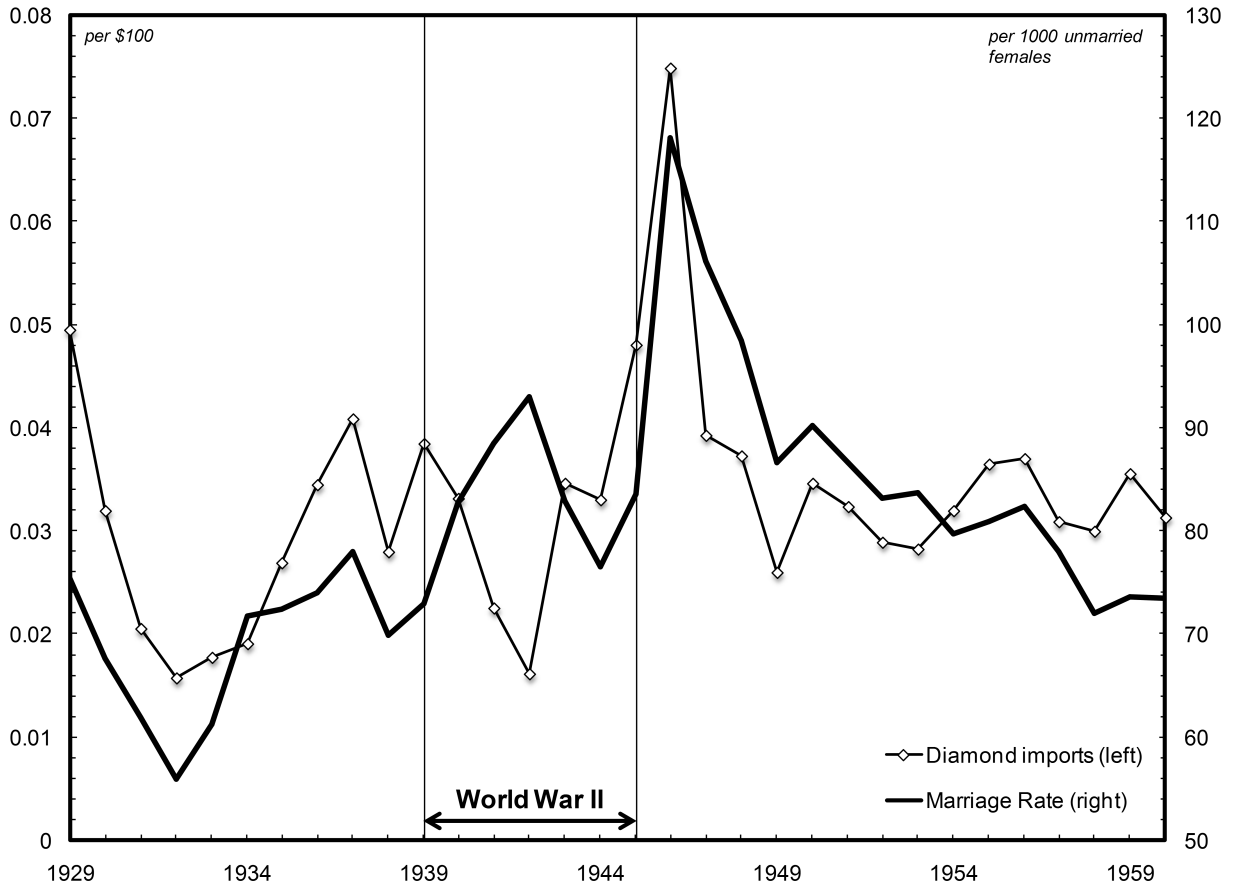


Figure 2: Catalyzing Tradition: Diamonds & Marriage, 1929-60

DATA: Diamond Imports: United States Geological Survey, Minerals Yearbook, various issues; Marriage

Rate: United States Historical Statistics, series Ae508

NOTE: Diamond imports is the total of rough and cut stones relative to U.S. GDP. Marriage rate denotes the number of marriages per 1000 adult women.

The De Beers' engagement ring campaign is both celebrated and vilified based on a cursory overview of the diamond engagement ring tradition and De Beers' perceived role. However, the company's success was never guaranteed. The campaign took multiple forms and had many informants. It is impossible to reduce the campaign's success to any single component, but neither can the constitutive role of these components be neglected. While we can now look back on De Beers' advertising as a whole, the company and N.W. Ayer could not have produced it as a whole. The research generated an aggregation of attitudes towards diamonds that then informed the construction of the campaign. While the campaign emerged from that aggregation, it had to be constructed piece-by-piece. I attempted to detail aspects of the campaign that panoramic political economy would typically neglect in its analytical preference for sweeping concepts such as 'ideology.' However, such details, I argue, are precisely what constitute the qualities of accumulation.

¹ The role of consumers in systems of production is getting attention from social scientists (see Zwick and Cayla 2011). However, the focus has been on contemporary marketing practices with little attention to historical examples.

² Another approach to advertising considers the effects of ads on the masses, generally with a focus on pernicious, undesirable social outcomes, such as consumerism, negative self-esteem and waste (see Berger 2011). This approach similarly bypasses the differential aspect of advertising.

³ While discussions of the ‘attention economy’ are new, it is incorrect to suggest that attention is a ‘new currency’ of business (Davenport and Beck 2013). It has been an indispensable component of accumulation at least since the emergence of advertising formalized efforts at attracting notice for products.

⁴ The elementary particles are the variables that comprise the capitalization formula for calculating the present value of capital. Capital value is expected profits times a hype coefficient divided by a risk coefficient and the normal rate of return. For more on the elementary particles see (Nitzan and Bichler 2009 Ch. 11).

⁵ The decline in profits after the war is over-stated owing to financial reporting changes made by De Beers. The company used a complex structure of subsidiaries as part of gaining and retaining control of the global diamond trade, which affected the way profits were reported. The profits here are for the core business, De Beers Consolidated Mines, Ltd. However, the end of the war did bring a marked decline in the use of industrial diamonds, although that decline was short-lived. Unfortunately, data on the relative share of profits coming from gem or industrial diamonds is unavailable.

⁶ The reports were accessed through Mass Observation Online (<http://www.massobservation.amdigital.co.uk/>; last accessed: November 13, 2014). The site has digitized documents gathered by British researchers beginning in 1937 under the name Mass Observation. The purpose of the data gathering was to observe and assess the state of popular opinion. Why a survey of the U.S. diamond market conducted by a U.S. advertising firm was gathered into the database is unclear. It may indicate the importance of the cartel to the U.K. government and the British war effort. Unless otherwise indicated, all quotes in this section come from the two surveys, *Trade Survey of the United States Diamond Market* and *Consumer Survey of the United States Diamond Market*.

⁷ Consumer Survey, 1.1.

⁸ Consumer Survey, 1.3.

⁹ Although I have made a distinction between ‘folk’ and ‘formal’ knowledge, these exist along a continuum. The evening news is neither traditional schooling nor local gossip.

¹⁰ Consumer Survey. 2a.2.

¹¹ Consumer Survey, 1.2; emphasis in original.

¹² Trade Survey, 3.

¹³ In a scene from *Gone with the Wind*, Scarlett and Melanie donate their wedding rings to the Confederate army.