

Chapter Fourteen

AFTERMATH: 1930-31

NOT without long and unhappy protest did the country accept as an inevitable fact the breakdown of Coolidge-Hoover Prosperity. It was a bitter draught to swallow; especially bitter for the Republican party, which had so far forgotten the business cycle's independence of political policies as to persuade itself that prosperity was a Republican invention; and bitterest of all for Herbert Hoover, who had uttered such confident words about the abolition of poverty.

When the stock market went over the edge of Niagara in October and November, 1929, and the decline in business became alarming, the country turned to the President for action. Something must be done immediately to restore public confidence and prevent the damage from spreading too far. Mr. Hoover was a student of business, a superlative organizer, and no novice in the art of directing public opinion; whatever his deficiencies might be in dealing with politicians and meeting purely political issues, the country felt that in a public emergency of this sort he would know what to do and how to do it if anybody on earth did.

The President acted promptly. He promised a reduction in taxes. He called a series of conferences of business leaders who expressed public disapproval of the idea of lowering wages. He recommended the building of public works to take up the impending slack in employment. And he and his associates resolutely set themselves to build up the shaken morale of business by proclaiming that everything was all right and presently would be still better; that "conditions"—as the everlasting reiterated phrase of the day went—were

"fundamentally sound." "I am convinced that through these measures we have reestablished confidence," said the President in his annual message in December. When the year 1930 opened, Secretary Mellon predicted "a revival of activity in the spring." "There is nothing in the situation to be disturbed about," said Secretary of Commerce Lamont in February. . . . "There are grounds for assuming that this is about a normal year." In March Mr. Lamont was more specific: he predicted that business would be normal in two months. A few days later the President himself set a definite date for the promised recovery: unemployment would be ended in sixty days. On March 16th the indefatigable cheer-leader of the Presidential optimists, Julius H. Barnes, the head of Mr. Hoover's new National Business Survey Conference, spoke as if trouble were already a thing of the past. "The spring of 1930," said he, "marks the end of a period of grave concern. . . . American business is steadily coming back to a normal level of prosperity."

At first it seemed as if the Administration would succeed not only in preventing drastic and immediate wage cuts, but in restoring economic health by applying the formula of Doctor Coué. After sinking to a low level at the end of 1929 and throwing something like three million men upon the streets, the industrial indices showed measurable signs of improvement. The stock market collected itself and began a new advance. Common stocks had not lost their lure; every speculator who had not been utterly cleaned out in the panic sought eagerly for the hair of the dog that bit him. During the first three months of 1930 a Little Bull Market gave a very plausible imitation of the Big Bull Market. Trading became as heavy as in the golden summer of 1929, and the prices of the leading stocks actually regained more than half the ground they had lost during the *débâcle*. For a time it seemed as if perhaps the hopeful prophets at Washington were right and prosperity was coming once

more and it would be well to get in on the ground floor and make up those dismal losses of 1929.

But in April this brief illusion began to sicken and die. Business reaction had set in again. By the end of the sixty-day period set for recovery by the President and his Secretary of Commerce, commodity prices were going down, production indices were going down, the stock market was taking a series of painful tumbles, and hope deferred was making the American heart sick. The Coué formula was failing; for the economic disease was more than a temporary case of nervous prostration, it was organic and deep-seated.

Grimly but with a set smile on their faces, the physicians at Washington continued to recite their lesson from *Self-Mastery Through Conscious Auto-Suggestion*. They had begun their course of treatment with plentiful publicity and could not well change the prescription now without embarrassment. Early in May Mr. Hoover said he was convinced that "we have now passed the worst and with continued unity of effort we shall rapidly recover." On May 8th the governor of the Federal Reserve Board admitted that the country was in "what appears to be a business depression" ("*appears to be*"—with factories shutting down, stocks skidding, and bread-lines stretching down the streets!), but that was as far as anybody at Washington seemed willing to go in facing the grim reality. On May 28th Mr. Hoover was reported as predicting that business would be normal by fall. The grim farce went on, the physicians uttering soothing words to the patient and the patient daily sinking lower and lower—until for a time it seemed as if every cheerful pronouncement was followed by a fresh collapse. Only when the failure of the treatment became obvious to the point of humiliation did the Administration lapse into temporary silence.

What were the economic diseases from which business was suffering? A few of them may be listed categorically.

1. Overproduction of capital and goods. During the nineteen-twenties, industry had become more mechanized, and thus more capable of producing on a huge scale than ever before. In the bullish days of 1928 and 1929, when installment buying and stock profits were temporarily increasing the buying power of the American people, innumerable concerns had cheerfully overexpanded; the capitalization of the nation's industry had become inflated, along with bank credit. When stock profits vanished and new installment buyers became harder to find and men and women were wondering how they could meet the next payment on the car or the radio or the furniture, manufacturers were forced to operate their enlarged and all-too-productive factories on a reduced and unprofitable basis as they waited for buying power to recover.

2. Artificial commodity prices. During 1929, as David Friday has pointed out, the prices of many products had been stabilized at high levels by pools. There were pools, for example, in copper and cotton; there was a wheat pool in Canada, a coffee pool in Brazil, a sugar pool in Cuba, a wool pool in Australia. The prices artificially maintained by these pools had led to overproduction, which became the more dangerous the longer it remained concealed. Stocks of these commodities accumulated at a rate out of all proportion to consumption; eventually the pools could no longer support the markets, and when the inevitable day of reckoning came, prices fell disastrously.

3. A collapse in the price of silver, due partly to the efforts of several governments to put themselves on a gold basis—with a resulting paralysis to the purchasing power of the Orient.

4. The international financial derangement caused by the shifting of gold in huge quantities to France and particularly to the United States.

5. Unrest in foreign countries. As the international de-

pression deepened, the political and economic dislocation caused by the war became newly apparent; the chickens of 1914-18 were coming home to roost. Revolutions and the threat of revolutions in various parts of the world added to the general uncertainty and fear, and incidentally jeopardized American investments abroad.

6. The self-generating effect of the depression itself. Each bankruptcy, each suspension of payments, and each reduction of operating schedules affected other concerns, until it seemed almost as if the business world were a set of tenpins ready to knock one another over as they fell; each employee thrown out of work decreased the potential buying power of the country.

And finally—

7. The profound psychological reaction from the exuberance of 1929. Fundamentally, perhaps, the business cycle is a psychological phenomenon. Only when the memory of hard times has dimmed can confidence fully establish itself; only when confidence has led to outrageous excesses can it be checked. It was as difficult for Mr. Hoover to stop the psychological pendulum on its down-swing as it had been for the Reserve Board to stop it on its up-swing.

What happened after the failure of the Hoover campaign of optimism makes sad reading. Commodity prices plunged to shocking depths. Wheat, for instance: during the last few days of 1929, December wheat had brought \$1.35 at Chicago; a year later it brought only 76 cents. July wheat fell during the same interval from \$1.37 to 61 cents. Mr. Legge's Federal Farm Board was not unmindful of the distress throughout the wheat belt caused by this frightful decline; having been empowered by law to undertake the task of "preventing and controlling surpluses in any agricultural commodity," it tried to stabilize prices by buying wheat during the most discouraging stages of the collapse. But it succeeded chiefly in accumulating surpluses; for it came into

conflict with a law older than the Agricultural Marketing Act—the law of supply and demand. When the dust cleared away the Farm Board had upward of two hundred million bushels of wheat on its hands, yet prices had nevertheless fallen all the way to the cellar; and although Mr. Legge's successor claimed that the Board's purchases had saved from failure hundreds of banks which had loaned money on the wheat crop, that was scant comfort to the agonized farmers. A terrific drought during the summer of 1930 intensified the prostration of many communities. Once more the farm population seemed pursued by a malignant fate. They had benefited little from Coolidge Prosperity, and now they were the worst sufferers of all from the nightmare of 1930-31.

Meanwhile industrial production was declining steadily. By the end of 1930 business had sunk to 28 per cent below normal. Stock prices, after rallying slightly during the summer of 1930, turned downward once more in September, and by December a long series of shudders of liquidation had brought the price-level well below the post-panic level of the year before. Alas! the poor Bull Market! Radio common, which had climbed to such dizzy heights in 1928 and 1929, retraced its steps down to—yes, and past—the point at which it had begun its sensational advance less than three years before; and in many another stock the retreat was even longer and less orderly. The drastic shrinkage in brokers' loans testified to the number of trading accounts closed out unhappily. The broker had ceased to be a man of wonderful mystery in the eyes of his acquaintances; he was approached nowadays with friendly tact, as one who must not be upset by unfortunate references to the market. Several brokerage houses tumbled; blue-sky investment companies formed during the happy bull-market days went to smash, disclosing miserable tales of rascality; over a thousand banks caved in during 1930, as a result of the marking down both of real estate and of securities; and in December occurred the

largest bank failure in American financial history, the fall of the ill-named Bank of the United States in New York. Unemployment grew steadily, until by the end of 1930 the number of jobless was figured at somewhere in the neighborhood of six million; apple salesmen stood on the street corner, executives and clerks and factory hands lay awake wondering when they, too, would be thrown off, and contributed anxiously to funds for the workless; and a stroller on Broadway, seeing a queue forming outside a theater where Charlie Chaplin was opening in "City Lights," asked in some concern, "What's that—a bread-line or a bank?"

Early in 1931 there were faint signs of improvement and the deflated stock market took cheer, but by March the uncertain dawn was seen to have been false, and throughout the spring months the decline was renewed. Production ebbed once more; commodity prices fell; stock prices faded until the panic levels of November, 1929, looked lofty by comparison; and discouragement deepened as dividends were reduced or omitted and failures multiplied. Would the bottom never be reached?

The rosy visions of 1929 had not been utterly effaced: it was significant that the numbers of holders of common stock in most of the large corporations increased during 1930. Investors stubbornly expected the tide to turn some day, and they wanted to be there when it happened. Yet the shock of the drop into the apparently bottomless pit of depression was telling on their nerves. "There are far too many people, from business men to laborers," declared an advertisement inserted in the New York papers by the *Evening World* in December, 1930, "who are giving a too eager ear to wild rumors and spiteful gossip tending to destroy confidence and create an atmosphere of general distrust. The victims of vague fear, on the street and in the market place, are a menace to the community. . . . They are the feeders of that mob psychology which creates the spirit of panic."

"Mob psychology"! There had been mob psychology in the days of the Big Bull Market, too. Action and reaction—the picture was now complete.

Two years earlier, when Mr. Hoover had discussed the abolition of poverty, he had prudently added the words "with God's help." It must have seemed to him now that God had prepared for him a cruelly ironic jest. Mr. Hoover was hardly more responsible for the downfall of the business hopes of the nineteen-twenties than for the invasion of Belgium; yet he who had won renown by administering relief to the Belgians had now been called upon to administer relief to the Americans, lest the poverty of which he had once spoken so lightly make tragic inroads among them. He was an able economist and an able leader of men in public crises; yet his attempts to lead business out of depression had come to conspicuous failure. Other business men of wide experience had been as unconvinced as he that the deflation would have to be prolonged and painful; yet when business was on the road to ruin, these men forgot their own former optimism and blamed the President for lack of foresight, lack of leadership, lack of even elementary common sense. They had not been forced to put themselves unforgettably on record; he had. They were not expected to reintroduce prosperity; he was. By the spring of 1931 the President's reputation had declined along with prices and profits to a new low level, and the Democrats, cheered by striking gains in the November elections, were casting a hopeful eye toward 1932. Observing the plight of Mr. Hoover, Calvin Coolidge, syndicating two hundred daily words of mingled hard sense and soft soap from his secure haven at Northampton, must have thanked Heaven that he had not chosen to run for President in 1928; and Governor Smith must have felt like the man who just missed the train which went off the end of the open drawbridge. Doubtless the Administration's campaign of optimism had been overzealous, but Mr. Hoover's great-

est mistake had been in getting himself elected for the 1928-32 term.

The truth was that what had taken place since the Big Bull Market was more than a cyclical drop in prices and production; it was a major change in the national economy. There were encouraging signs even when things were at their worst: the absence of serious conflict between capital and labor, for instance, and the ability of the Federal Reserve System to prevent a money panic even when banks were toppling. Doubtless prosperity was due ultimately to return in full flood. But it could not be the same sort of prosperity as in the nineteen-twenties: inevitably it would rest on different bases, favor different industries, and arouse different forms of enthusiasm and hysteria. The panic had written *finis* to a chapter of American economic history.

§ 2

There were other signs of change, too, as the nineteen-thirties began. Some of them had begun long before the panic; others developed some time after it; but taken together they revealed striking alterations in the national temper and the ways of American life.

One could hardly walk a block in any American city or town without noticing some of them. The women's clothes, for instance. The skirt length had come down with stock prices. Dresses for daytime wear were longer, if only by a few inches; evening dresses swept the ground. Defenders of the knee-length skirt had split the air with their protests, but the new styles had won out. Bobbed hair was progressively losing favor. Frills, ruffles, and flounces were coming in again, and the corset manufacturers were once more learning to smile. A measure of formality was gradually returning: witness the long white gloves, the masculine silk hats and swallow-tail coats. Nor did these changes follow

any mere whim of manufacturers and stylists. Manufacturers and stylists may issue decrees, but not unless the public is willing to follow does the fashion actually change. Did not the clothing business try to bring back the long skirt early in the nineteen-twenties, but without success? The long skirts and draperies and white gloves of 1930 and 1931 were the outward signs of a subtle change in the relations between the sexes. No longer was it the American woman's dearest ambition to simulate a flat-breasted, spindle-legged, carefree, knowing adolescent in a long-waisted child's frock. The red-hot baby had gone out of style. Fashion advertisements in 1930 and 1931 depicted a different type, more graceful, more piquant, more subtly alluring; decorum and romance began to come once more within the range of possibilities.

What the fashions suggested was borne out by a variety of other evidence. The revolution in manners and morals had at least reached an armistice.

Not that there was any general return to the old conventions which had been overthrown in the nineteen-twenties. The freedom so desperately won by the flappers of the now graying "younger generation" had not been lost, and it was difficult to detect much real change in the uses to which this freedom was put. What had departed was the excited sense that taboos were going to smash, that morals were being made over or annihilated, and that the whole code of behavior was in flux. The wages of sin had become stabilized at a lower level. Gone, too, at least in some degree, was that hysterical preoccupation with sex which had characterized the Post-war Decade. Books about sex and conversation about sex were among the commodities suffering from overproduction. Robert Benchley expressed a widely prevalent opinion when he wrote in his dramatic page in the *New Yorker*, late in 1930, "I am now definitely ready to announce that Sex, as a theatrical property, is as tiresome as the Old

Mortgage, and that I don't want to hear it mentioned ever again. . . . I am sick of rebellious youth and I am sick of Victorian parents and I don't care if all the little girls in all sections of the United States get ruined or want to get ruined or keep from getting ruined. All I ask is: don't write plays about it and ask me to sit through them."

Apparently a great many playgoers and readers were beginning to feel as Mr. Benchley did. George Jean Nathan noted the arrival on Broadway of a new crop of romantic and poetic playwrights, and reported that "the hard-boiled school of drama and literature . . . is all too evidently on the wane." Henry Seidel Canby, writing in the *Saturday Review of Literature*, came to the same conclusion. Reticence had returned from exile; indeed, even before the Post-war Decade closed, "Journey's End," which managed to make war real without the wholesale introduction of profanity or prostitutes, had been applauded with something like relief. The contrast between "Journey's End" and "What Price Glory" was suggestive of the change in the popular temper. The success of such novels as *The Good Companions*, *Angel Pavement*, and *The Water-Gypsies* was perhaps a further indication of the change. There were enough exceptions to the rule to remind one that easy generalizations are dangerous, but two conclusions seemed almost inescapable: sex was no longer front-page news, and glamour was coming into its own again.

Nor, for that matter, were people quite so positive now that every manifestation of Victorianism and of the eighteen-nineties was to be laughed at uproariously by "moderns." Collectors were beginning to look with less scornful eyes upon Victorian furniture, and people who had read *The Mauve Decade* and the debunking biographies with an air of condescension toward pre-war conventions found themselves looking with wistful eyes, only a few years later,

at William Gillette's revival of "Sherlock Holmes" and at the sentimentalization of the 'nineties in "Sweet Adeline."

The young people of the early nineteen-thirties presumably knew just as much about life as those of the early and middle twenties, but they were less conspicuously and self-consciously intent upon showing the world what advanced young devils they were. LaMar Warrick, who taught at a large Middle Western university, reported in *Harper's* in the autumn of 1930 that the biological novels of Aldous Huxley, the biological psychology of John B. Watson, and the biological philosophies of Bertrand Russell were "fast becoming . . . out of date" among the students in her classes. She found the new younger generation tiring of what one of these students called "a modernism which leaves you washed out and cynical at thirty." A staff reporter for the *Des Moines Sunday Register* queried professors and undergraduates at three colleges in Iowa as to the validity of Mrs. Warrick's contentions, and an impressive majority of those with whom he talked told him that what she had said held true in Iowa as well as in Illinois. One young Iowan remarked that at his college there was not now a single "Flaming Mamie" who could be compared with "the girls who five years ago were wearing leopard-skin coats, driving expensive roadsters, and generally raising hell." That hell-raising was actually on the decline seemed almost too much to expect of inflammable human nature; but at least the burden of testimony suggested that ostentatious hell-raising was not quite so certain a way to social renown as in the heyday of flapperism.

The revolt of the highbrows had spent its force. The voice of H. L. Mencken no longer shook the country from Provincetown to Hollywood, and people who were always denouncing George F. Babbitt and the dangers of standardization were beginning to seem a little tiresome. Many of the once distraught intellectuals were now wondering if life was

such a ghastly farce as they had supposed. The philosophical and literary theme of futility had been almost played out. Even Hemingway, whom the young *émigrés* to Montparnasse in 1926 or thereabouts had hailed as a major prophet of the emptiness of everything, struck a new note, almost a romantic note, in his *Farewell to Arms*, published late in 1929; this novel told the story not of a series of shallow and fleeting passions, but of a great love which possessed the very values of whose future Joseph Wood Krutch had despaired. Lewis Mumford declared in 1931 that Mr. Krutch should have realized that civilization had merely been molting a dead skin, not going into dissolution; speaking for the young intellectuals of the nineteen-thirties, Mr. Mumford announced that "the mood of defeat is dead. We have not yet hauled down our flag, because, like Whitman's Little Captain, we can still say collectively, *We have not yet begun to fight.*" Here again, easy generalizations are dangerous; yet one doubts if any representative of the intelligentsia could have spoken of fighting in 1925 and felt that he was representing the opinion of his up-to-date contemporaries. The fashionable posture in 1925 had not been belligerent; it had been the posture of graceful acquiescence in defeat. Now the mood of intellectual disillusionment was passing; the garment of hopeless resignation began to look a little worn at the elbows.

Whether religion was regaining any of its lost prestige was doubtful. The net gain in membership of all the churches in the United States was only a trifle over one-tenth of one per cent in 1930—the smallest gain since Dr. H. K. Carroll began his annual compilation in 1890. But at least the religious scene had changed. The Fundamentalists and Modernists were tiring of their battle. Dayton had become ancient history. The voice of science no longer seemed to deny so loudly and authoritatively the existence of spiritual values in the universe; and when readers of Eddington and

Jeans concluded that there was a crack in the air-tight system of scientific materialism after all, and the modernist clergy hastened to report that the crack was wide enough to admit God, their assertion attracted less excited rebuttal than formerly, if only because the new scientific philosophies were too hard to understand and the argument had been going on for so many weary years. The voice of psychology, once so deafening and bewildering, had especially lost authority; it was evident that neither Freud nor Watson had infallible answers for all the problems of humanity, and that the psychologists were no more united than the Democrats. Those who watched the religious life of the colleges as the nineteen-twenties gave way to the nineteen-thirties doubted if the ranks of the agnostics were decreasing, but found, nevertheless, a change in the general attitude: fewer young men and women bristled with hostility toward any and all religion, and there was a more widespread desire, even among the doubters, to find some ground for a positive and fruitful interpretation of life. What was true of the colleges was presumably true of the country as a whole: although the churches were hardly gaining ground, neither, perhaps, was religion losing it. Like manners and morals, religion showed signs of stabilization on a different basis. Whether the change was more than temporary remained to be seen.

The great American public was just as susceptible to fads as ever. Since the panicky autumn of 1929, millions of radios had resounded every evening at seven o'clock with the voices of Freeman F. Gosden and Charles J. Correll, better known as Amos 'n' Andy; "I'se regusted" and "Check and double check" had made their way into the common speech, and Andy's troubles with the lunchroom and Madam Queen had become only less real to the national mind than the vicissitudes of business and the stock market. In September, 1930, the Department of Commerce had found at

least one thoroughly prosperous business statistic to announce: there were almost 30,000 miniature golf courses in operation, representing an investment of \$125,000,000, and many of them were earning 300 per cent a month. If the American people were buying nothing else in the summer of 1930, they were at least buying the right to putt a golf ball over a surface of crushed cottonseed and through a tin pipe.

Yet the noble art of ballyhoo, which had flourished so successfully in the nineteen-twenties, had lost something of its vigor. Admiral Byrd's flight to the South Pole made him a hero second only to Lindbergh in the eyes of the country at large, but in the larger centers of population there was manifest a slight tendency to yawn: his exploit had been over-publicized, and heroism, however gallant, lost something of its spontaneous charm when it was subjected to scientific management and syndicated in daily dispatches. A few months after Byrd reached the South Pole, Coste and Bellonte made the first completely successful non-stop westward flight across the Atlantic; yet at the end of 1930 it was probable that fewer Americans could have identified the names of Coste and Bellonte than the name of Ruth Elder. Heroism in the air was commonplace by this time. Endurance flyers still circled about day after day in quest of new records, but they were finding the crowds more sparse and the profits in headlines and in cash less impressive. As for Shipwreck Kelly, premier flagpole sitter of the nineteen-twenties, he was reported to have descended from the summit of the Paramount Building in 1930 because no one seemed to be watching. Bathing-beauty contests? Something had happened to them, too. Atlantic City had given up its annual beauty pageant in 1927. And in all 1930 there was not one first-class murder trial of nation-wide interest, not one first-class prize-fight, not one great new sporting hero crowned.

Indeed, a sporting era was passing. Rickard, who had known how to surround two heavyweight fighters with a two-million-and-a-half-dollar crowd, was dead; pugilism had fallen again into shady repute. Dempsey was in retirement. Tunney was reading Shakespeare. Ruth still hammered out home runs, but Jones and Tilden had both turned professional, and Knute Rockne, the greatest football coach of the nineteen-twenties, had been killed in an airplane accident, to the official regret of the President of the United States. With the passing of Grover Whalen to the aisles of Wanamaker's, New York City, the fountain-head of ballyhoo, had lost some of its lavish taste for welcoming heroes to the Western Hemisphere; the precipitation of ticker tape and torn-up telephone books in lower Broadway in 1930 was the smallest in years. Perhaps hard times were responsible for the decline of the hero racket. But perhaps there was more to it than that. The ballyhoo technic possessed no longer the freshness of youth. Times had changed.

The post-war apathy toward politics and everything political continued apparently undiminished. In the autumn of 1929, when Ramsay MacDonald came to America with a message of peace and good will strikingly reminiscent of the preachments of Woodrow Wilson, he was received with astonishing enthusiasm, and for a time it seemed as if idealism were about to manifest itself once more as in the days before the coming of complacent normalcy. The mood persisted long enough for the London Treaty for renewed limitation of naval armaments to pass the Senate with flying colors, much to the credit of President Hoover and Secretary Stimson; otherwise, however, cynicism and hopelessness still prevailed. Chicago threw out the notorious Thompson and the Tammany scandals in New York City aroused some resentment; but the general attitude as the summer of 1931 approached still seemed to be "What's the use of trying to do anything about it?" and the racketeer still flourished like

a hardy weed, as did the bootlegger, the rum-runner, and the prohibition issue.

But if the country still expected as little as ever of politics and politicians, and still submitted to the rule of the gangster, at least it was somewhat less satisfied with *laissez-faire* for business than in the days of Calvin Coolidge. The public attitude during the depression of 1930-31 presented an instructive contrast with that during previous depressions. The radical on the soap-box was far less terrifying than in the days of the Big Red Scare. Communist propaganda made amazingly little headway, all things considered, and attracted amazingly little attention; for one reason, perhaps, because many of the largest employers met the crisis with far-sighted intelligence, maintaining the wage-rate wherever possible and reducing hours rather than throwing off employees; for another reason, because during the Big Bull Market innumerable potential radicals had received from the stock-market page a conservative financial education. Naturally, however, there was a general sense that something had gone wrong with individualistic capitalism and must be set right—how could it be otherwise, with the existing system dragging millions of families down toward hunger and want?

There was a new interest in the Russian experiment, not unmixed with sober fear. Maurice Hindus's *Humanity Uprooted*, which had come out during the month of the panic and had sold very slowly at first, became a best seller during the gloomy autumn of 1930. In the summer of 1929 Russia had seemed as remote as China; in 1931, with bread-lines on the streets, the Russian Five-Year Plan became a topic of anxious American interest. The longer the paralysis of industry lasted—and how it lasted!—the more urgent became the demand for some measure of American economic planning which might prevent such disasters from recurring, without handing over undue power to an incompetent or venal bureaucracy.

With the return of full prosperity this demand would doubtless weaken; nevertheless the inevitable slow drift toward collectivism, interrupted during the bumptiously successful nineteen-twenties, promised to be haltingly resumed once more. Despite the obvious distaste of the country for state socialism or anything suggesting it, there was no denying that the economic system had proved itself too complex, and machine production too powerful, to continue unbridled. The chief difficulty, perhaps, was to find any persons or groups wise enough to know how to apply the bridle and persuasive enough to be allowed to keep their grip upon it. The experience of the past few years had given no very convincing evidence of the ability of financiers or economists to diagnose the condition of the country's business, or of the emotional public to respond to treatment. Yet there stood the problem, a problem hardly dreamed of by most Americans when Coolidge Prosperity was blooming; and as 1931 dragged along, month after month, without any immediate promise of business revival, no other problem seemed to the country half so vital or so pressing.

§ 3

Many of these specific signs of change were of uncertain significance; possibly some of them were illusory. Yet the United States of 1931 was a different place from the United States of the Post-war Decade; there was no denying that. An old order was giving place to new.

Soon the mists of distance would soften the outlines of the nineteen-twenties, and men and women, looking over the pages of a book such as this, would smile at the memory of those charming, crazy days when the radio was a thrilling novelty, and girls wore bobbed hair and knee-length skirts, and a transatlantic flyer became a god overnight, and common stocks were about to bring us all to a lavish Utopia.

They would forget, perhaps, the frustrated hopes that followed the war, the aching disillusionment of the hard-boiled era, its oily scandals, its spiritual paralysis, the harshness of its gaiety; they would talk about the good old days. . . .

What was to come in the nineteen-thirties?

Only one thing could one be sure of. It would not be repetition. The stream of time often doubles on its course, but always it makes for itself a new channel.