

# AMERICA FACES 1933'S REALITIES

A Reading of the Signs Which Indicates That We Have Emerged From the World of Dreams in Which We Had Been Wandering and Are Ready to Deal With the Facts That Confront Us



From a Woodcut by J. J. Lankester.

As the New Year Dawns We Set Sail for New and Fuller Adventures.

What is the next chapter in the epic of America? What, as the new year opens, is the prospect for the fulfillment of the American dream? These questions are discussed in the following article by Mr. Adams, who has won wide recognition as a student of history and as a surveyor of the American scene.

By JAMES TRUSLOW ADAMS

AS the new year dawns we are all looking toward the future. We scarcely think of the past. Nor are we, as we were a few years ago when we rolled in prosperity, living in the present. A large part of our emotional life is concentrated in hopes or fears as to what is in store.

These hopes and fears are mostly economic; they arise out of a system which is enormously complex. In almost every preceding business crisis of equal intensity, they would have been based on the prospects for weather and the crops. In pre-industrial days it would have been a question of plenty or famine. Even after the industrial era was well under way, an especially bountiful crop of wheat or corn would have been counted upon to help the

mired wheels of the industrial machine to turn again on firmer soil.

Today, so far from there being any dread of famine or lack of commodities of any sort, we actually fear nature's bounty as exploited by our own too efficient methods. What we dread, unless civilization breaks down entirely, is not lack of food from drought or pest but the ending of what I have elsewhere called "the American dream," from failure of mind and character to control and organize the vast forces at our disposal.

The dream is a vision of a better, deeper, richer life for every individual, regardless of the position in society which he or she may occupy by the accident of birth. It has been a dream of a chance to rise in the economic scale, but quite as much, or more than that, of a chance to develop our capacities to the full, unhampered by unjust restrictions of caste or custom. With this has gone the hope of bettering the physical conditions of living, of lessening the toil and anxieties of daily life. We had actually believed ourselves not simply to have abolished the possibility of famine but to be within sight

of abolishing poverty. It is this dream, in its various aspects, which to many today appears to lie shattered under the debris of the economic crash of the past three years.

IN quite a different way from that understood by the "Sunshine" movements and Pollyannas of the past, the new and dangerous elements in the troubles of the world in this depression are psychological. It is, therefore, well worth while to consider what is to be the psychology of 1933. In forecasting the future we have to consider the past, even if our whole interest is in the future. In considering the psychology of 1933 we must take into consideration what it was before 1933.

Looking back over the past century and a half or more, the economist plots for us the graph of alternate prosperity and depression, the familiar phenomenon of business cycles. It seems to me that the historian can plot a somewhat similar curve for the mental atmosphere of the nation. Within each economic cycle of approximately twenty years we may discover at equally regular intervals, related to the business cycle, a period of about four or

five years in which the people have attained most nearly to balance of mind, a period in which the American dream has had the best chance for fulfillment.

When in America the extreme prosperity of each cycle (always feverishly hectic with us owing to our temperament and opportunities) has got well under way, we have lost our balance completely, as we did between 1926 and 1929. It was no new experience. Americans had done precisely the same thing in the great speculative periods of 1834-1836, of 1852-1857, in the overexpansion of 1871-1873, in 1890-1891, and notably in 1905-1907, the last period culminating in the so-called "rich man's panic."

The characteristic of all such periods is the loss of touch with the realities of the situation. Concrete examples from each period might be given, showing how even many of the most noted business leaders lost their hard-headed sense and were living in a dream-world of unlimited expansion and profits. In such periods, when the crash comes, always sudden in appearance, we lose our balance again violently in the other direction. Then, after

two or three years of trial in the fires of comparative poverty, we gain the best balance we possess in any of the years of the regular cycle. In my opinion 1932 may well have marked such a turning point, and if it did, considering our relation to the world today, the fact is of great significance.

IN an article in *The Outlook* in December, 1928, when I predicted that our whole economic system, falsely based, must crash within a few months, I added that such a "crash would not be a mere business affair" but "a colossal psychological disaster." It came, and the nation was as though shell-shocked. Its psychology became abnormal in another way. The dazed mentality of the people still held the ideas which had become firmly lodged in the immediately preceding period, such as our complete self-sufficiency, the discovery we thought we had made of perpetual prosperity, the solution of all problems by the mass production-high wage theory, and so on.

We could not let these things out of our minds, which were not functioning normally. We did not reason but merely felt the vague anger and sense of something wrong which comes to a thwarted child. We were in a daze, and leaders in high quarters had no better mental therapy to offer than Pollyanna suggestions such as might be made to a patient in a hypnotic state.

In these two periods of boom and depression, the American dream had been so changed as to have lost its saving power. The dream of a richer, better, fuller human life for all citizens instead of for a small class had been turned by our leaders and ourselves into a statistical table of standard of living, the items consisting notably and almost wholly of tangible and expensive possessions.

The Spring and early Summer of 1932 may be considered to have marked the crisis in our national mental disorder. Throughout the preceding years since the crash in 1929 we had not only persisted in the old hallucinations but at intervals, in the stock market and elsewhere, had acted upon them as though they were realities. Between April and July, 1932, there was a violent alteration in our psychology. As in a vast physical purge and flux, the hallucinations were swept out of the minds of many of us. This psychological change was reflected in the panic prices on the security markets. We suddenly let go of hallucinations, beliefs, stocks and bonds in one simultaneous flood. The remainder of 1932 may be regarded as a period of mental convalescence.

IN contrast with the past, what may we now look for in 1933? It seems to me that the outlook, psychologically, has many hopeful features and some dangers. If I am right in my suggestion of a psychological cycle operating within the economic one, then it would appear that as a nation we are entering upon that portion of the cycle following the abnormalities of boom and crash when our minds and outlook on life are at their best. Taking ourselves collectively, we are likely to be less ridden by hallucinations, to face realities more steadily, uninfluenced by mere wishes, to live more by reason and less by emotion, and to reappraise life once more in saner values.

There is the practical danger ahead, if the depression deepens, that owing to ignorance all sorts of quack remedies may be proposed for its cure. This has been characteristic of all periods of depression from biblical times down, and we cannot escape this particular symptom. Against this, however, looking ahead into 1933, I think we can set many encouraging ones; I think the psychological conditions will be better for recovery of prosperity and the American dream than for a long time past.

So long as we retained our old illusions and hallucinations we were incapable of reacting to reality; so long, for example, as we were firmly convinced that prosperity in

the United States was in no way dependent upon that in other nations we were incapable of making the apparent sacrifices for the prosperity of others which, in reality, was the only way of regaining our own. That delusion persisted, speaking generally, until the great purge at the beginning of last Summer. With our returning sanity we are beginning to face the reality of international dependence instead of being unable to turn away from the fixed idea of complete independence as a peculiar attribute of the United States of America.

We still have some way to go toward full and willing acceptance of

and cotton by buying and storing the surplus crops of American farmers.

Once freed from the intellectual tyranny of the unreal, we shall be able to face the real and find that prosperity cannot return without some rise in world prices; that they cannot rise without increasing international trade; that trade cannot be increased unless the flow of goods and the functioning of the exchanges are relieved of the fetters of prohibitive tariffs and un-economic debts. These are the realities of the situation, though men may differ as to how to achieve the desired results.

It was an indication of what I

other hand, a sense of reality in this respect is steadily seeping down through the mass of our people. Whether it will permeate the whole sufficiently for the nation to act in accordance with reality within the next four months or so is perhaps the most important psychological problem in the entire world for 1933. All that can be said is that, like the passing of the shadow in an eclipse, the light of reason appears to be steadily extending over the nation.

There are other indications that we have freed our minds from "wishful thinking" and are able to face the realities of the world again like normal adults instead of abnor-

talked only about balancing income and expenses by 1934.

The reality was that, with the nation resting to an unprecedented extent upon governmental credit, the whole structure would collapse if that credit were impaired, and that it could not fail to be impaired by several successive and colossal deficits. Unwilling to face this fact, we preferred to believe that wishes were horses and that events would painlessly balance our budget for us with no unpleasant reduction in expenses, or extension of taxation to new classes.

OTHER examples might be given of our return to realities after our long period of abnormality, precisely as might be expected in the portion of the psychological cycle we are now entering. I judge from many of the hundreds of letters which I receive from strangers in all parts of the country that this change is beginning to make itself felt in the private life and that it came in marked degree only in 1932.

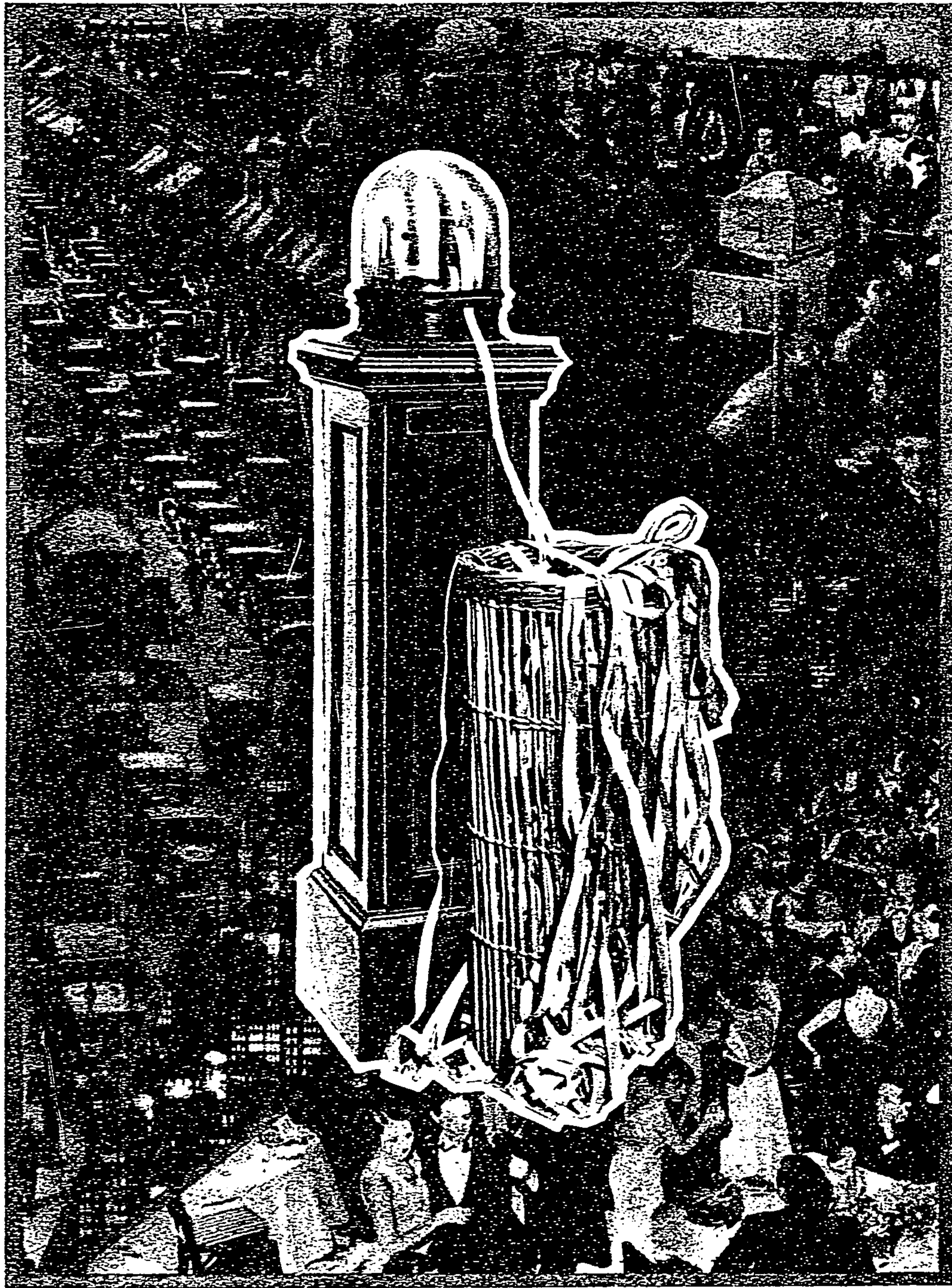
Most people before that had had to economize and depart from much of their accustomed scale of living as developed in the post-war orgy of extravagance. But to a great extent, even when not done resentfully but cheerfully and bravely, it had been done as a supposed temporary necessity. The old hallucinations, such as that we had found the way to eternal prosperity and that a high standard of living in material things had become the birthright of Americans, persisted. Since prosperity was believed to be always just around the corner a couple of months ahead, any genuine reconsideration of real values in life did not seem necessary. Both people and leaders had come to believe that the American dream was materialized in a bath to every bedroom and a two-car garage for every three-room bungalow.

THE trouble was not that Americans took pleasure in cars, expensive devices, and a miscellany of gadgets, but that they had come to believe in the fallacy that a full and happy life could be built out of these things even if acquired at the expense of most of the other things which civilized men and women have learned are essential. It was part of the general flight from reality which characterized the American mind in the years preceding 1929, and which was carried over until the Spring of 1932. With the return to reality since then, there appears to be a genuine revaluation of the goods of life. People are beginning to doubt the salesman who tells them their social position depends on the price of their car or to wonder what a social position so dependent is worth in terms of effort, as compared with other good things.

It is partly that after going without many things for three years or so people have found that they were not so essential after all, especially when friends and neighbors were without them also. It is partly that, having no money to spend, they have found again many simple forms of happiness which cost nothing. But it is even more, I think, a part of the general return to reality instead of hallucinations implanted by high-pressure salesmen and mass opinion. The material standard of life's values has been debunked by the reality of an empty pocketbook, and there is a chance that the real American dream can now again replace the nightmare of all post-war and boom periods.

Summing up, I would say that the change in the psychology of the American people from 1932 to 1933 is of happy augury to the world. We are still in many ways provincial, as some other important nations are. We are largely ignorant of world affairs, as we found when we undertook to be the international bankers for the world. We have got to learn and to feel our way. The main point, however, is that we seem to have turned the corner and to have slammed the

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*Times Wide World, Nesmith, Dr. Evich Salomon, Associated Press Photos.*

"The Trouble Was Not That Americans Took Pleasure in Cars, Expensive Devices and a Miscellany of Gadgets, but That They Had Come to Believe in the Fallacy That a Full and Happy Life Could Be Built Out of These Things . . ."

the concept of dependence and toward devising the best methods of cooperation for the common aim. The chief point is that we have recovered enough to envisage the reality, or that at least a sufficient number of people have done so to make the psychological background for any international action better than at any time before last Summer.

This is a fact of prime importance, for so long as we were unable to look at the realities of the situation, which are international, and believed only in the unreality of our supposed independence, we spent our strength and wasted time and money in such fantastic methods of attempting to save ourselves from disaster as taxing ourselves to hold up the world prices for wheat

think was a turning point in the psychology of the American people last Spring and early Summer that in July Senator Borah changed his attitude, at least publicly, and came out for a revision of the war debts under certain conditions. It is unhappily true that vast numbers of our people have not yet reached that point and still believe that the European nations should be able to remain on the gold standard while we force them to pay their debts and expect them to buy our surplus of goods even though we do not allow them to sell their goods to us.

This is mere wishful thinking. We are annoyed that we cannot make reality conform to our wish, and many prefer to insist on their wishes and deny reality. On the

mal ones or children. One of these is the overwhelming defeat of prohibition. The hallucination that it worked or, if not, that it ought to be kept just the same, has gone the way of other unrealities, and we have brought ourselves to face a complicated situation realistically instead of insisting upon the reality of an unreal solution.

Yet another indication may be found in our attitude toward our unbalanced budget. Until very recently the fact that we were running behind by billions in our national management seemed to be taken very lightly by both people and politicians. Even Mr. Hoover, who, both as President and a renowned "efficiency expert," might have been expected to realize the dangers implicit in the situation.

# AMERICA FACES THE NEW YEAR'S REALITIES

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door of Fool's Paradise behind us. We are now willing to face the facts and revalue the goods of our own private lives. We are willing to face reality in our national life and in our international position.

That is the great and important difference between the promise of what our national psychology may be in 1933 from what it has been for some years past. It is impossible to say whether we as a people shall in the future pass through the various psychological phases noted in every generation. We do not know to what extent the business cycle depends upon psychology and how much psychology depends on the cycle. There is undoubtedly action and reaction between them. After a generation has burned its fingers in a crash it becomes cautious and looks at things realistically. Then, gradually, a new generation comes to the front in business which has had no experience of panic and is wishful and optimistic, which loses touch with reality and follows dreams.

It may be said that if we could stabilize business, so as to have merely a steady volume year after year, we could stabilize psychology also. We do not as yet

## A Reading of Signs That We Have Awakened

however, know how to do this, so the experiment cannot be tried. All the many "plans" proposed call, first, for a degree of despotic action on the part of some central body which it is by no means certain would be accepted by the people; and, secondly, for a group of men of superhuman wisdom in control. Moreover, without abandoning economics for mysticism, it may be suggested that all nature is rhythmical—birth, life, death; the pulse of the blood, the tides; the planets and even the comets in their orbits; day and night; the seasons — and that nothing we know progresses steadily in a straight line.

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**A**LTHOUGH the economic cycle influences the psychological one, there is much in human life besides economics, in spite of a certain school of historians, and it might well be that there would still remain psychological cycles, like those in the climate, even though we made the business progression absolutely stable—a thing there is no sign of our doing as yet

If I am right in my suggestion as to there being psychological cycles coincident with, if not indeed partly the cause of, the economic ones, we should be at our best in the next few years for dealing with all the problems which confront us. If, as I believe many signs indicate, we have come back to the world of realities, then there is a fair prospect for international recovery. If we have not, then there is little chance of early improvement for either the world or ourselves. There is also little chance for the American dream which alone has set our own nation off from others in the modern civilized world.

That dream has always meant more than the mere accumulation of material goods. It has been warped almost to the breaking point by the materialism of the past dozen years. We can recover it only if we come back to the realities, not simply the realities of political and economic policy, but the realities of human life and values. Our future as an idealistic people depends on whether we cling to The Dream or the stock market, not idle or false dreams, but The Dream, which we have tried to make real, of a fuller and better and happier life for all.

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