

Chapter 9

Indian Summer of the Old Order

DURING the three or four years that followed the Armistice of 1918 there came a subtle change in the emotional weather. The torch of idealism that had kindled the revolt of the American conscience seemed to have pretty well burned itself out. People were tired. In particular their public spirit, their consciences, and their hopes were tired.

The returning soldiers were disillusioned about the crusade they had been sent off on. The war had proved to be a filthy business, in which noble purposes had been less visible than barbarity and cooties; and a good many American doughboys, allergic to foreign manners and ways of living, had seen quite enough of their noble British and French allies to hold them for some time. Foreigners began to seem a dubious lot anyhow; American enthusiasm for the League of Nations petered out, and we decided—disastrously perhaps, but under the circumstances almost inevitably—to play in our own backyard. People felt it was about time to relax; to look after themselves, rather than after other people and the world in general; and to have a good time. The prohibition law—that curious final product of the revolt of the American conscience—had not been long on the books before people began to flout it right and left; pretty soon a great many men and women who had always considered themselves patrons of law-abiding respectability began to patronize bootleggers, or home-brew very peculiar beer, or concoct even queerer bathtub gin,

or wear hip-pocket flasks to parties. Even the reformers themselves were tired, and wondered why they now went limp at the thought of battling for great political causes.

Weary of striving onward and upward, the electorate chose for President in 1920 the handsome Warren G. Harding, a senator whose greatest assets, aside from his magnificent good looks, were his kindliness, folksiness, and humility. An amiable man of no lofty intellectual or moral stature, he had no conspicuous urge to improve anything; he preferred to talk about what he called "normalcy," meaning normality. And he was subsequently discovered to have had among his buddies in office some egregious grafters. When Harding died—some time before the full enormity of the scandals of his regime became known—he was succeeded by Calvin Coolidge, an honest, careful, prudent man but one of the most negative characters ever to attain high American office. Coolidge didn't grapple with any national problem until it was forced upon his attention, could sit through a prolonged social occasion without opening his mouth to utter more than an occasional monosyllable, and liked to take afternoon naps in the quiet of the White House—naps which according to Chief Usher "Ike" Hoover lasted from two to four hours. Coolidge's genius for inactivity seemed to be all right with the majority of the American people, who for the time being wanted to enjoy the sort of happiness that has been said to be the lot of the nation that has no history.

A friend of mine who was a very small boy in 1918 was told by his father that the Armistice had been signed, and asked, "Now that the war's over, what will they find to put in the newspapers?" His father laughed, but in retrospect the question seems to have had considerable point. For the fact is that gradually military affairs and foreign affairs and politics began to yield first place in newspaper coverage to scandals, crimes, disasters, human dramas, and sports, not simply in such sensational sheets as the new tabloids, but also in the more severe and discreet ones. Turn back today to the yellowing pages of the newspapers of the latter part of 1926, when the Hall-Mills murder case was unfolding, and you may be surprised to find

that even the *New York Times*—a paper conscientiously devoted then, as later, to telling everything about everything important—gave front-page, right-hand-column treatment, day after day, to the news from Somerville, New Jersey, where Mrs. Edward Wheeler Hall and her two brothers and her cousin were on trial for the murder of the Rev. Mr. Hall and Mrs. Mills of his church choir. And when, the following spring, young Charles A. Lindbergh flew non-stop from New York to Paris, the papers, along with everybody else, behaved as if his feat had been the most earth-shaking event since the Creation. Nothing that Congress could do, no triumph of the devisers of foreign treaties, no public crisis, seemed to matter alongside the fact that a charming young man had made a bold and exceptionally long flight.

Something like a World-Series-week spirit—a contagion of delighted concern over things that were exciting but didn't matter profoundly—was dominant. People followed eagerly the sporting exploits of Jack Dempsey, Babe Ruth, Bobby Jones, Helen Wills, Gertrude Ederle, Red Grange, the Four Horsemen of Notre Dame, and other athletic heroes of the hour; agonized over the attempts to rescue from a Kentucky cave an obscure young man named Floyd Collins; hung on the day-to-day reports from the Scopes trial in Dayton, Tennessee, and from the murder trial of Leopold and Loeb; and welcomed to America, with showers of torn paper in New York, heroes and heroines of large and small renown. Why stop to ask whether Queen Marie of Rumania, for example, really rated a public welcome? She was a handsome woman and a queen, and anyhow the party itself, the crowds, the noise, and the torn-up telephone books and streams of ticker tape drifting down from upper windows made a wonderful show.

II

Along with this enjoyment of tremendous trivia there was a very general desire, in the nineteen-twenties, to shake off the restraints of puritanism, to upset the long-standing conventions of decorum.

There had been advance signals of this rebellion. One had been

the dance craze which had arrived about 1912, and which had set stiff-jointed elderly couples to fox-trotting or doing the tango along with their juniors at innumerable *thé dansants*, to the music of Irving Berlin's jazz. Another had been the Armory Show of 1913, which had exhibited to an astonished public some remarkable samples of highly non-academic modern art. Still another had been an outburst of free verse among poets in rebellion against accepted poetic conventions. Furthermore, the war had pulled millions of young men and women out of their accustomed environments, and given them a taste of freedom under circumstances in which it didn't seem to matter very much what Mrs. Grundy said. With many of these young people the postwar reaction took a special form: it was easy for them to think of themselves as a generation who had been condemned to go through the hell of war because of the mistakes of their elders, whose admonitions on any subject must therefore be suspect. At any rate, by 1920 the rebellion against puritanism and stuffiness was widely visible, and it gained in impetus as the decade progressed.

It was the girls who spearheaded it. Did mothers think of corsets as the armor of respectability? A great many daughters decided that dancing without a corset was much more personal and satisfactory. Did mothers think young girls shouldn't drink? Daughters found that a gulp of illegal whiskey from the hip flask of a swain in a parked sedan added an excellent note of zest to the proceedings. Did mothers converse in ladylike circumlocutions? Daughters talked right out about sex and the libido, the latter being a word one got from Freud, who had said, according to report, that repressions were bad for you. Had mothers been brought up in the era of long skirts, when the exposure of an ankle to the public gaze had been regarded as a virtual invitation to masculine lust? Daughters reveled in the emancipation of the new styles, which by the middle of the decade had lifted the hemline all the way to the knee.

In a few short years American women in general changed almost unrecognizably in appearance. As late as 1919 they had worn amply cut, ankle-length dresses over such underpinnings as corset covers, envelope chemises, and petticoats; they had worn their hair long,

and had needed hatpins; and their daytime stockings had been mostly made of black (or brown, or green, or blue) cotton or lisle; silk stockings were considered somewhat luxurious. By the latter nineteen-twenties young women had reduced the yardage of their garments by one-half, were increasingly wearing silk or rayon underwear, and sought desperately to look pencil slim. They wore their hair short—bobbed or boyishly shingled—and made frequent visits to that rising institution, the beauty parlor, which had come into its own following the widespread acceptance of the permanent wave. And since the early twenties they had been unanimously addicted to what proved to be the most durable fashion innovation of our times—flesh-colored stockings. (From their color came the term “cheesecake” for leggy photography.) Older women followed these changes more slowly, and in some cases with a reluctant feeling that they were succumbing to a pernicious cult of youth. But there was no resisting the trend.

For it fitted a changing pattern in the relations between the sexes: the much more general acceptance of women’s taking jobs, whether they “needed to” or not; a sharp increase in feminine smoking; the advent of mixed drinking and the introduction of that standard social institution of later years, the cocktail party; police protection of the speakeasy, which in most places was simply a dive where one could get liquor, but in Manhattan might be a well-guarded but discreetly managed restaurant-with-bar; the rising vogue of the night club; a more playful attitude toward sex among young people, and a more tolerant attitude toward divorce, and indeed toward extramarital affairs, among people who considered themselves sophisticated. It was characteristic of the times that during the nineteen-twenties Mary Pickford, the motion-picture embodiment of girlish innocence, was succeeded as a movie goddess by Clara Bow, the “it” girl. What had happened was that feminism had gone into a new phase. Now that the vote had been won, the promised entry of women into politics on a large scale had not taken place; instead, women by and large were asserting the right to enjoy themselves like and with men.

To this generalization one may perhaps add some footnotes from the vantage point of the nineteen-fifties. The first is that by present-

day standards the social conduct of those days was not particularly loose; much more astonishing to us, in retrospect, is the code of puritanical restraint against which the youngsters of the nineteen-twenties were rebelling. Which is another way of saying that, although there have been considerable changes in the accepted modes of social conduct since the nineteen-twenties, it was during that decade that something approaching the present code was established. Yet the atmosphere was different then: there was an air of novelty and self-conscious experiment about the relaxing of the code which was intensely exciting to the participants and shocking to observers who were out of step with the change.

The second footnote is that sages such as Dr. Kinsey insist that there is little change from generation to generation in the amount of actual illicit intercourse; to which one can only answer that ardors of a merely preliminary or tentative sort, when conducted in public or boasted of in public, tend to convey to all and sundry the impression that the days of Saturnalia have arrived, whatever the statistics of consummation may be.

The third footnote is that the prevailing mood was not one of abandonment so much as of rowdiness. Witness the women's fashions, which made mature females look like short-skirted, long-waisted, flat-breasted, short-haired little girls trying to look worldly wise; witness, too, the bright vogue of dances such as the "Charleston," which was a lively but unseductive romp. The final footnote is that of course not everybody let himself or herself go; there were millions of Americans to whom such goings-on as I have been hinting at were all but unthinkable.

Along with this relaxation of the social code went a wave of religious skepticism—wasn't science making mincemeat of the old-time religion?—and of hedonism. Among young men and women who prided themselves on their modern-mindedness there was a disposition to regard church work or social service work or anything else to which the word "uplift" could be applied as "poisonous" and an unwarranted intrusion upon other people's privacy; and besides,

one had a right to enjoy oneself, and taking a ride in the sedan of a Sunday morning was much more fun than going to church. Statistics of church membership showed no conclusive evidence of loss, but it was clear that a lot of church members were at the golf links on Sunday instead of in their pews, and that the church was progressively losing its hold on the brighter members of the younger generation. People of a naturally aspiring turn of mind were likely to be channeling their idealism into a devotion for psychoanalysis, which looked to them like an agreeably uninhibited sort of salvation-through-science; or for progressive education, which was based upon a rebellion against the strictness of the old educational tradition; or for humanism, a rather vague sort of religion without theology.

Disillusionment and rebellion characterized the writers of the time, too: disillusionment over the crusading spirit that had accompanied the United States into World War I, anger at the way in which the writers felt they had been repressed and tormented by dogma and convention in their youth, and scorn for the supposed vulgarity of the business civilization of the day. Hence the astonishing vogue of H. L. Mencken, who scoffed at religion, respectability, Victorian propriety and sentimentality in the arts, reformers, and politicians generally, and who at the same time was a tub-thumper for such tough-grained writers as Dreiser. Sinclair Lewis wrote of the American small town and the American absorption in business with photographic distaste, mingled with sympathy for their victims. Ernest Hemingway, in his sparing prose, convinced those younger intellectuals whose spiritual home was Montparnasse that they were indeed a lost generation, and that there was little left for them but drink and sex. Eugene O'Neill turned Freud and the stream-of-consciousness literary technique to the uses of intense if interminable drama on themes which an earlier generation would have considered shocking.

Some of the writers of the day exhibited such disillusionment even with disillusionment itself that they approached complete negation, but on the whole the new mood was not frustrating; indeed it was intensely stimulating. Throughout the world of the arts, there was

a feeling that now at last one could shake off the traditional restraints upon candor and could tell the truth. And the result was a sort of intellectual renaissance: the blossoming time not only of Lewis and Hemingway and O'Neill and Dreiser but also of Dos Passos, Sherwood Anderson, Maxwell Anderson, Willa Cather, Edna St. Vincent Millay, Ellen Glasgow, F. Scott Fitzgerald, and a great many other able novelists, poets, and dramatists. Despite the rise of the movies to the status of a vast industry which drew millions of people into the theaters every twenty-four hours, the legitimate stage had never fared so well: during the single year 1927 there were no less than 268 openings on Broadway—a huge figure compared with those of recent years. It is true that the idols of the young American writers and artists were predominantly foreign, or transplanted: Proust, Joyce, T. S. Eliot, Gertrude Stein, the French modern painters, the Bauhaus architects; yet signs were multiplying that the United States was coming of age culturally.

III

The highbrows scorned Babbitt, a gross and vulgar fellow in their eyes. Yet Babbitt himself was riding high. More important in retrospect, perhaps, than the loosening of conventions or the enlivenment of letters and the arts was the brief triumphal march of American industry and business during the seven fat years from 1923 through 1929—or, to be more precise, until October, 1929.

These were booming years, and for this fact there was ample basis. For one thing, there was the great growth of the automobile industry—which meant expanding business not only for automobile manufacturers and parts manufacturers but also for dealers, garagemen, filling-station operators, trucking companies, bus companies, roadside businesses, and so on almost indefinitely. There was the sudden blooming of the radio industry after Dr. Frank Conrad put on the first scheduled broadcast in 1920; by the end of the decade radio sales totaled over three-quarters of a billion dollars a year, and the radio advertisers found they had struck pay dirt. There was the lively rise of the construction industry, as a confident business community called for bigger and better office buildings, and a more and

more congested urban population called for new apartment houses, and the motorized suburbs and booming resorts called for new real-estate developments. There was the onset of the rayon industry and the multiplication of chain stores and chain services of many kinds. Better still, manufacturers had been learning what new machines and a careful planning of production could do to increase output. During the years between 1922 and 1929 the physical production of the agricultural, manufacturing, mining, and construction industries increased by 34 per cent—an astonishing figure—and between 1920 and 1930, output per man hour increased by 21 per cent!

So far, so good. The stuff could be produced all right. The question was whether it could be sold. The consensus was that a brisk enough salesman could sell it. And so the nineteen-twenties saw the canonization of the salesman as the brightest hope of America.

Sales quotas were imposed on young men setting out to vend their wares. Contests among salesmen—often merciless contests—were devised. Executives told their juniors that the day of the order taker was over; that instead of waiting for customers, they must go out and *find* them. "Look down there," Charles E. Mitchell, the sales-conscious head of the National City Bank, would say, leading one of his bond salesmen to a window. "There are six million people with incomes that aggregate thousands of millions of dollars. They are just waiting for someone to come and tell them what to do with their savings. Take a good look, eat a good lunch, and then go down and tell them." Advertising firms produced copy and pictures and layouts so glossily persuasive that they made the advertising pages of an earlier day look amateurish, and exploited to the limit the techniques of frightening the consumer into buying and of appealing to the most primitive forms of social ambition. ("Four out of five lose"—in other words, they get pyorrhea if they don't use the right toothpaste. "Often a bridesmaid but never a bride"—because she has unpleasant breath from not using the right mouthwash. "When your guests are gone—are you sorry you ever invited them?"—because, not having studied the *Book of Etiquette*, you have behaved boorishly.) Sales conventions became more plentiful and livelier, along with trade conventions—partly, of course, because it was fun

for gregarious men to get away from the home folks to a place where their adventures with bootleg hooch would be uninhibited by any fear of meeting their neighbors; but also because the arts of salesmanship could be stimulated by a comparison of notes on methods and procedures, conducted in an atmosphere of positively revivalist fervor for bigger and better sales.

IV

What was there to hamper the furious onward march of business? Not the government, whose regulatory officials and commissions seemed mostly to be napping along with Coolidge. Not labor: after an angry wave of strikes immediately after the war, unionism languished; total trade-union membership in the United States dwindled from over five millions in 1920 to less than four millions in 1927 and three and a third millions in 1931. (One reason for this decline, possibly, was that union membership required effort and devotion and that union members, like other people, preferred to relax. Another was that wages were rising anyhow, though not, perhaps, as fast as productivity was rising. A third was that the prevailing union leadership was old-fashioned, large-waisted, and slow.)

What was destined to halt the forward progress of business was the fact that the businessmen of America had become bemused with paper values—with the piling up of speculative or artificially generated wealth which had little relation to the production of goods. At a time when the greatest economic need of the nation was for devices which would distribute as widely and fairly as possible the fruits of industrial progress, without destroying the incentives (to capital, to management, and also to workers) which sparked that progress, there developed a speculative mania which benefited immediately only those who could lay their hands on capital; and in addition, there were invented or improved a series of devices for distributing the fruits of prosperity—or what looked like them—into the pockets of the few.

These devices included company mergers at inflated prices which

gave insiders a chance to line their own pockets; the piling of holding companies one upon another until—as in the Insull and Van Sweringen empires—they were sometimes five or six or seven deep, with the result that the heaviest cream of the profits of the concerns at the base of such a pyramid could be drawn off by the owners of the concern at the top; the formation by banks of “security affiliates” which in effect used the depositors’ funds to make investments, in securities and in real estate, such as were denied to the banks themselves by law; the frequent practice of inflating corporate profits by selling properties back and forth among a group of companies at rising prices; and the formation of stock-market pools in which the officers of a company would join with brokers and well-heeled speculators to push up the price of the company’s stock—and then unload the stock on a new lot of buyers, thus making money at the expense of those officers’ own stockholders.

These were only a few of the widely employed devices of that day. Not only did they represent, collectively, an appalling breakdown of the fiduciary tradition; but—this is the primary fact to bear in mind—they tended, collectively, to knit speculative or even phony values into the economic fabric of the country at so many points that if values fell, bank after bank and company after company—and their depositors and employees—would be hard hit. The irresponsible actions of men who did not stop to think that they were constructing a caricature of the capitalist system were paving the way for disaster.

Accompanying the employment of these ingenious schemes—and intensified by them—came an immense speculative boom. Not long after the fantastic Florida real-estate boom exploded, in 1926, the Big Bull Market in common stocks began. It really got under way in 1927, went into high gear in 1928, and after a series of convulsive setbacks rose to its majestic climax in September, 1929.

Just how many people were speculating in stocks during those wild years is unknown, but probably a million or so were buying on margin—putting up only a fraction of the price of the stocks they bought—and a million or two more, though they were paying

cash in full for their purchases, were following the stock-market quotations in the financial pages with almost equally rapt attention. Not only were financiers and businessmen of high and low degree speculating, but housewives, ranchers, stenographers, clergymen, elevator men—whoever could lay hands on some cash to put into General Motors or Radio common or Monty Ward or Case Threshing or Electric Bond & Share. The story is told of a young man who went to a financier for advice on how to get a business education and was told to buy such-and-such a stock and watch what happened to it; a couple of weeks later he came back to the financier agog: "How long has this been going on?" he asked in bewildered rapture. During most of 1928 and 1929 buying stocks was like betting at a race track at which, fantastically, most of the horses won. Prices climbed and climbed and climbed. The Standard Statistics index of common stock prices averaged 100 during the year 1926; by June, 1927, it had reached 114; by June, 1928, it had got to 148; by June, 1929, to 191; and by September, 1929, to the dizzy height of 216!

As prices soared, some of the current wise men said they had reached a permanent plateau; this was a New Era. Others advanced the bright idea that presently the whole nation would enrich itself by owning common stocks. Still others said that what was happening was a wild gamble, and a lot of people would surely lose their shirts, but a crash wouldn't matter much otherwise; after the smoke had cleared away, things would hum along as before. What they did not realize was that the speculative market had now become so huge that the mechanisms that were supposed to make it self-regulating—the automatic selling out of unlucky buyers, for example, which was supposed to cause a drop in prices which would invite new buyers—would become mechanisms for compounding disaster; and that such a large part of American business was geared to these inflated values that the repercussions of a crash would shake the whole economy.

Who could have halted the march to disaster? President Coolidge? He knew little of finance, and a boom looked good to him; he even

innocently encouraged it on occasion. Andrew Mellon, his astute Secretary of the Treasury? Perhaps; Mellon once went so far as to make a mild statement, soon forgotten, to the effect that it was a good time to buy bonds; but Mellon was apparently too wedded to the idea that government must keep its hands off business to do anything more. The Federal Reserve System? It tried hard to halt the price inflation by means of banking regulations—and was roundly denounced for so doing—and failed to bring about more than a temporary halt. Said Roy Young, governor of the Federal Reserve Board, laughing one day as he looked at the rising prices on the ticker tape, "What I am laughing at is that I am sitting here trying to keep a hundred and twenty million people from doing what they want to do!"

Herbert Hoover succeeded Calvin Coolidge as President in March, 1929. Could he have stopped it? By the time he reached the White House it was too late to do so without causing at least a minor panic—and what President would want to have a panic follow immediately upon his accession to office on a campaign slogan of "four more years of prosperity"?

Well then, could the responsible leaders of American finance—the Morgan firm, for example—have stopped it? Hardly; for the Morgan firm was itself involved in some of the most ambitious of the holding-company schemes whose fortunes depended on high prices; and in any case, though it enjoyed such prestige that the lesser men of Wall Street hesitated even to breathe its name in casual conversation, preferring to refer merely to "the Corner" (meaning the firm on the corner of Broad and Wall Streets), nevertheless it wielded no such direct authority as it had in the days of the implacable Pierpont Morgan the Elder.

No, there was no one in responsible power with both the will and the ability to check the onrush. So the gay summer of 1929 ran to its end, and the autumn began. . . .

Let us pause for a second to look at some other figures.

During that very year 1929, according to the subsequent estimates

of the very careful and conservative Brookings Institution, only 2.3 per cent of American families had incomes of over \$10,000 a year. Only 8 per cent had incomes of over \$5,000. No less than 71 per cent had incomes of less than \$2,500. Some 60 per cent had incomes of less than \$2,000. More than 42 per cent had incomes of less than \$1,500. And more than 21 per cent had incomes of less than \$1,000 a year.

"At 1929 prices," said the Brookings economists, "a family income of \$2,000 may be regarded as sufficient to supply only basic necessities." One might reasonably interpret this statement to mean that any income below that level represented poverty. *Practically 60 per cent of American families were below it—in the golden year 1929!* The Brookings economists added another cautious observation: "There has been a tendency, at least during the last decade or so, for the inequality in the distribution of income to be accentuated."

If the nineteen-twenties constituted a sort of Indian summer of the old order, when Wall Street seemed more than ever to be the axis on which America turned, and when bankers and brokers walked the earth like kings, and it looked as if prosperity could be soundly based upon making the rich richer and letting the gravy trickle down, drop by drop, to those in the lower ranks of society, it was nevertheless an Indian summer with a difference. The warmth of it was a false warmth because the values upon which it was founded were unreal and destined to be self-destroying, and because it deepened the gulf between the fortunate and the majority.