Article:

The Science Behind Dreaming, Scientific American

Passages from Swedenborg:

Secrets of Heaven #1975

As for dreams, it is well known that the Lord revealed the arcana of heaven to the prophets not only by means of visions but also by means of dreams, and that dreams were just as much representative and carried a spiritual meaning as visions, being almost all of the same type. It is also well known that things to come were disclosed by means of dreams to others besides the prophets, for example, by means of the dreams which Joseph had, by means of the dreams of those who were in prison with Joseph, by means of the dreams which Pharaoh, Nebuchadnezzar, and others had. From these considerations it becomes clear that dreams of that kind, just as much as visions, flow in from heaven, the difference being that dreams take place when the body is asleep but visions when it is not. The manner in which prophetical dreams and those such as are described in the Word flow in — indeed come down from heaven — has been shown to me visually.

Secrets of Heaven #1976

There are three types of dreams. The first type comes from the Lord mediately by way of heaven; such were the prophetical dreams spoken of in the Word. The second type comes by way of angelic spirits, especially those who are situated in front and above, over towards the right where the paradise gardens are. This was the source of the dreams that members of the Most Ancient Church had, dreams that were instructive, 1122. The third type comes by way of the spirits who are close to a person when he is asleep. These too carry spiritual meanings. Delusory dreams however come from a different source.

Secrets of Heaven #1980

Here is another thing worth mentioning: When I would wake up and report on what I had seen in my dreams–long stories, they were–a different group of angelic spirits than those described above would say that these agreed and coincided exactly with the subjects they had been discussing among themselves. There was absolutely no discrepancy. Yet it was not the themes themselves of their discussion that appeared in my dreams. Rather it was objects representing those themes–objects that their thoughts would be

changed and transformed into, on reaching the world of spirits. (Angels' thoughts turn into representative images in the world of spirits.) As a result, each and every thing they discussed among themselves was represented this way in my dream.

Moreover they told me that the same conversation could have been represented in other ways as well, more like my dream or less like it, with unending variety. It was the state of the spirits around me and therefore the state I was then in that caused it to be represented the way it was, they said.

In short, many different dreams can develop out of the same conversation and so out of a single source. The reason, again, is that the things we remember and the things we love are vessels [§1977]. The thoughts contained in those vessels are received as various representations, according to differences in their form and changes in their state.

Books for further readings:

The Natural Depth in Man, Wilson Van Dusen

The Wisdom of Your Dreams, Jeremy Taylor

Dreamwise: Unlocking the Meaning of Your Dreams, Lisa Machiano, Deborah Stewart, Joseph Lee