



BCHighMUN 30

The New Deal and Great Depression



Hoovervilles were common across the US. Named for President Hoover's refusal to act during the depression



Dear Delegates,

My name is Matthew Hurley. I'm 16 years old and a junior at BC High. I will be one of the chairs of your committee. I have participated in Model UN since 9th grade and currently I am one of the moderators of the middle school Model UN club. I have been to about 10 conferences and this is my third year participating at BC High's Model UN conference. Outside of Model UN I am active in my Boy Scout troop and am currently working on my Eagle Scout project.

I look forward to hearing the fruitful debate and solutions about problems created from the American Great Depression.

Sincerely,

Matthew Hurley'23

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Hi Delegates,

My name is Tyler Kwong. I am a junior at BC high. I am one of your chairs for this committee. I have been a part of Model UN since freshman year. Matthew and I run the middle school MUN program at BC High. We are very excited to host an in person committee and are especially excited about some of the new features added to this committee (look at positions and the event wheel). I look forward to meeting all of you in person.

Thank you,

Tyler Kwong'23

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Committee Description

INTRODUCTION

This committee is based on FDR's first 100 days during the Great Depression. We will include issues like the Dust Bowl and bank-runs as well as smaller issues. We will focus on policies going forward such as: regulating banks, consumer debt, the role of the Federal Reserve and Federal Government, worker's rights and corporate obligations, stock market regulation, and potential welfare systems. Politically, the committee will be balanced between interventionists and non-interventionists to create a fair environment for debate and negotiation.

Our committee will have four time periods, each representing 25 days. At the end of each section, we will spin an event wheel, which may have positive or negative effects. Effects include midwestern migrations and xenophobia due to dust storms, droughts, locust plagues, food shortages, disease outbreaks, consolidation of smaller at-risk banks, creation of organized labor movements and philanthropic bodies to aid the unemployed, rain in drought areas, new lines of credit for the US government, state reforms, and other events.

Additionally we will include non-federal government officials like business leaders and local officials for different perspectives on issues. These special delegates will have certain abilities outside of the usual role of delegates. These include forming non-federal-government initiatives and groups, or the ability to lobby politicians for votes.



Background

The Great Depression began at the advent of the 1929 New York Stock Exchange crash which took 25 years to recover. Throughout the Great Depression, consumer spending halted, deflation surged with prices dropping an average of 10% per year from 1930 through 1933. Additionally, industrial output halted with gross national product (GNP) dropping by 47% between 1929 and 1933. (Today we know GNP better as Gross Domestic Product). And US unemployment rose to a staggering 25% in 1933. (The 2021 US unemployment rate was 3.9%)

Overall timeline:

1. During the 1920's, US investors increased borrowing to invest in the stock market. The increased use of debt caused stock prices to become detached from the actual values of businesses and the overall economy. By the end of the 1920's industrial production had slowed, unemployment had risen, wages were low, consumer debt was high, and the agricultural Midwest was struggling due to drought and falling food prices. The debt ridden US economy was prime for a correction.
2. When the stock market fell by 11% on Black Thursday, consumers and investors became spooked. Five days later, on Black Tuesday, the market fell another 12%, which triggered lenders to call back consumer debt from retail investors. Many could not afford to pay back their loans and were wiped out. Business leaders became scared and consolidated by firing employees, decreasing wages, and slowing production. The unemployed could not afford to pay interest payments on mortgages, so many lost their homes.
3. By 1930, 4 million were unemployed and by 1931, 6 million were unemployed. Industrial production had dropped by half. Soup kitchens and homelessness became common across



the US. Farmers could not afford to harvest crops, so food rotted in fields while people starved.

4. In 1930, massive dust storms decimated crops in Kansas, Nebraska, Texas, and Oklahoma, destroying crops, livestock, and causing dust pneumonia. Farmers migrated into cities fearing sickness and poverty.
5. Bank runs occurred from 1930 to 1933. In the three years over 9,000 banks closed. In the three years, 180 billion dollars in deposits were lost, about 3 trillion in 2021 dollars.
6. After Black Tuesday, Hoover asked business leaders to not cut wages, he convinced railroads and utilities to spend on construction, had the Federal Reserve (FED) cut interest rates, and in 1932 the Hoover administration created the Reconstruction Finance Corporation to lend to businesses and fund public works, but by the end of the Herbert Hoover Administration, unemployment was at 25%. Hoover refused to directly give support to the unemployed, he believed it was the role of state and local governments to do so.
7. In an effort to raise crop prices, Hoover enacted tariffs in 1930, and in retaliation Canada and France raised additional tariffs on the US. US trade slumped. Falling from \$5.2 billion in foreign trade in 1929 to \$1.7 billion in 1933.
8. At the end of his term, Hoover created the 12 regional district banks under the Federal Home Loan Bank Board, and passed the 2 billion dollar Emergency Relief and Construction Act.
9. In the 1932 election, Franklin Roosevelt ran on the Democratic Party ticket, which included policies such as:
 - a. Repealing the 18th amendment (Ending prohibition)



- b. Helping the impoverished
 - c. Expansion of the federal government to confront the depression
10. Roosevelt won the 1932 Presidential Election, garnering 57% of the popular vote. The Democrats gained 101 seats in the House, and 12 seats in the Senate.
11. The only states which Hoover won were Connecticut, Delaware, Maine, New Hampshire, Pennsylvania, and Vermont.



Current Situation (1933)

It is March 1933 right after the Presidential Inauguration of Franklin Delano Roosevelt (FDR). The majority of US citizens want action from the federal government. Breadlines and Soup kitchens are needed to support the increasing number of homeless and wageless Americans. All banks have closed for 4 days while FDR and congress work to pass legislation. FDR's "Fireside Chats" help with public image and stability. As FDR's cabinet members, your first duty is to calm the public. Then you must stabilize the economy.

Issues that must be addressed:

1. Unemployment, poverty, and homelessness (25%)
2. Deflation (1930-1933, 10% annual drops in prices)
3. Restarting American business (Operations at 50%)
4. Policies, new government bodies, and laws to prevent a future depression (Role of government oversight and support, if any)

Secondary Issues:

1. Stemming bank runs (Ensuring deposits and savings)
2. Dust Bowl (Midwestern migration, resettlement)
3. Revitalizing foreign trade (\$5.2 billion in 1929 to \$1.7 billion in 1933)
4. Aid to foreign nations

Questions To Consider

1. Does the US government have the right and obligation to directly support workers?
 - a. If so, should the government support the American people?
2. Should laws and government bodies be created to prevent future crises?



3. Is the free market self-regulating? Is the free market in jeopardy when the government intervenes?



Committee Positions

A Letter From Former President Hoover

My Fellow Americans,

Although we lost the 1932 election, over 15 million Americans voted for the republican ticket. The public asks for government support, and we have given them government support. Yet, they are not satisfied with my administration's policies. They say they need more, more stimulus, more aid, more assurances. My friends, there is a point where the government no longer has a right to intervene. The government cannot willfully bend to the people when rough times occur. We live in a society, which rests upon the shoulders of the free market. We must preserve the freemarkets of America if we are to retain long term prosperity.

Non-interventionists:

1. **Former President:** Herbert Hoover (R)
2. **Minority Leader:** Bertrand H. Snell (R–New York)
3. **Minority Whip:** Harry L. Englebright (R–California) - **Only whips may motion for roll call votes on bills**
4. **Conference Chairman:** Robert Luce (R–Massachusetts)
5. **Senator:** Warren Austen (R-Vermont)
6. **Senator:** John Townsend Jr. (R-Delaware)
7. **Senator:** Daniel Hastings (R-Delaware)
8. **Senator:** Roscoe Patterson. Concerned with federal deficits and spending (R-Missouri)



9. **Republican National Committee Chairman:** Henry Heteller. Concerned with the expansion of government. Does not want permanent government programs or intervention. Seeks to reaffirm the idea that the American people can govern and moderate themselves



Portion of FDR's 1933 Inauguration Speech

The basic thought that guides these specific means of national recovery is not narrowly nationalistic. It is the insistence, as a first consideration, upon the interdependence of the various elements in all parts of the United States--a recognition of the old and permanently important manifestation of the American spirit of the pioneer. It is the way to recovery. It is the immediate way. It is the strongest assurance that the recovery will endure.

In the field of world policy I would dedicate this Nation to the policy of the good neighbor--the neighbor who resolutely respects himself and, because he does so, respects the rights of others-- the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors.

If I read the temper of our people correctly, we now realize as we have never realized before our interdependence on each other; that we can not merely take but we must give as well; that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective. We are, I know, ready and willing to submit our lives and property to such discipline, because it makes possible a leadership which aims at a larger good. This I propose to offer, pledging that the larger purposes will bind upon us all as a sacred obligation with a unity of duty hitherto evoked only in time of armed strife.

With this pledge taken, I assume unhesitatingly the leadership of this great army of our people dedicated to a disciplined attack upon our common problems.

Interventionists:

1. **President:** Franklin D. Roosevelt (1933-1945) - Ability to veto legislation if bill is under a 2/3 majority
2. **Speaker of the House:** Henry T. Rainey (D-Illinois)
3. **Majority Leader:** Joseph W. Byrns (D-Tennessee)
4. **Democratic Whip:** Arthur H. Greenwood (D-Indiana) - Only whips may motion for roll call votes on bills
5. **Democratic Caucus Chairman:** Clarence F. Lea (D-California)



6. **Senate Majority Floor Leader:** Sen. Joseph T. Robinson (D-Arkansas)
7. **Vice President:** John Nance Garner (D-Texas)
8. **Governor of Oklahoma:** William H. Murray (D-Oklahoma) - May create non-federal governmental aid organizations with other business leaders and local officials.
9. **Texas Doctor:** George Waller Dawson - opened a soup kitchen in Texas and aided locals suffering from dust pneumonia. Calling for government assistance. May create non-governmental aid organizations with other business leaders and other local officials.
10. **Mayor Fiorello La Guardia:** New York City Reform Mayor aiming to bring back jobs. Broke up Tammany Hall and seeks to work with Roosevelt
11. **Robert Moses:** Ally of La Guardia. You do not like Roosevelt. You think he is weak and you want less federal oversight for your role as city park commissioner. You believe that public works can spur the failing economy.
12. **Louisiana Senator:** HUEY "THE KINGFISH" LONG (D-Louisiana) - started a movement called "SHARE OUR WEALTH." With the motto "EVERY MAN A KING," Long proposed a 100% tax on personal fortunes exceeding a million dollars. The elderly would receive pensions. The poorest Americans were promised an estate worth no less than \$5,000, with a \$2,500 yearly minimum income guaranteed. Strongly opposed to FDR. Believed that FDR was not doing enough.
13. **Reformer and Doctor:** Francis Townsend (D-California) - Believed FDR did not reach far enough. Seeking to stall or add on more socialist policies to the New Deal.



Non-Partisans:

1. **Editor of the “Dalhart Texan” newspaper and creator of the Last Man Standing Club:** John McCarty (Texas) - Advocating for Midwest residents to tough out the Dust Bowl. May create non-governmental aid organizations with other business leaders and local officials.
2. **Federal Reserve Official - Fed Officials are supposed to be non-partisan:** Eugene Mayer selected by Hoover - Preference for non-intervention. May lower or raise interest rates when in agreement with other FED officials.
3. **Federal Reserve Official - Fed Officials are supposed to be non-partisan:** Eugene Robert Black selected by Roosevelt - Preference for increased FED spending and stimulus. May lower or raise interest rates when in agreement with other FED officials.
4. **Chase National Bank:** Winthrop Aldrich - Representing US corporate interests. Seeking to bring back the American economy, but not impose major regulations on business. Wanting to show that the economy can recover without government intervention. May create non-governmental aid organizations with other business leaders and local officials. May spend up to 3 billion (50 Billion in today’s dollars).
5. **Citibank Head:** James H. Perkins - Representing US corporate interests. Seeking to bring back the American economy, but not impose major regulations on business. Wanting to show that the economy can recover without government intervention. May create non-governmental aid organizations with other business leaders and local officials. May spend up to 3 billion (50 Billion in today’s dollars).
6. **Goldman Sachs Head:** Gus Levy - Representing US corporate interests. Seeking to bring back the American economy, but not impose major regulations on business.



Wanting to show that the economy can recover without government intervention. May create non-governmental aid organizations with other business leaders and local officials.

May spend up to 3 billion (50 Billion in today's dollars).

7. **Governor:** Alf Landond (R-Kansas) - Caught in between non-interventionist republicans and economically depressed midwestern farmers. May create non-governmental aid organizations with other business leaders and local officials.



Sources

<https://www.infoplease.com/us/government/executive-branch/cabinet-members-under-f-d-roosevelt>

[elt](#)

<https://www.history.com/topics/great-depression/great-depression-history>