

This Day in History... June 16, 1933

National Industrial Recovery Act

On June 16, 1933, President Franklin Roosevelt signed legislation passing the National Industrial Recovery Act. It was a bold and ambitious attempt to fix a broken economy during one of the hardest times in American history.

In the presidential election of 1932, Democratic nominee Franklin D. Roosevelt promised a “new deal” for the “forgotten man.” Reacting to the ineffectiveness of the Hoover administration in meeting people’s needs during the Great Depression, Americans overwhelmingly voted in favor of this promise.

One of Roosevelt’s first moves after taking office was convincing Congress to pass his National Recovery Act. The act was a direct result of the general business decline during the Great Depression. Roosevelt and his advisors blamed part of the cause of the Depression on unrestrained competition. Leading businessmen and trade associations were called upon to draft the specifics of the plan, which focused on fair trade and labor practices. It was first introduced to the House on May 17. After passing the House and Senate on June 10 and June 13, it was signed into law by President Roosevelt on June 16, 1933.



Stamp issued to gain support for the NRA.

The National Industrial Recovery Act authorized Roosevelt to regulate industry in order to raise prices after severe deflation and stimulate the economy. A second title in the National Recovery Act established the Public Works Administration, outlining the public works the bill would fund. This part of the law focused on creating jobs. The PWA gave the government money to hire workers to build public projects like roads, bridges, schools, dams, and hospitals. These projects not only gave people jobs but also improved the nation’s infrastructure.



The NIRA was a big part of Roosevelt’s New Deal and the larger effort to pull the US out of the Great Depression.

The act also created the National Recovery Administration (NRA) to enforce the new law. The NRA worked with businesses to create codes of fair competition. These codes set rules for things like prices, production levels, wages, and working hours. The idea was that if all businesses followed the same rules, no one would be forced to cut wages or lay off workers just to stay competitive. For example, businesses that signed up with the NRA had to agree to pay their workers a minimum wage and limit how many hours they could work per week.

Businesses that joined the NRA could display a blue eagle logo in their windows and advertisements. The slogan “We Do Our Part” became a symbol of patriotism and support for the recovery effort. Consumers were encouraged to shop at stores with the blue eagle, believing they were helping the country by doing so.

To gain support for the NRA, Roosevelt requested the creation of a new stamp, which he emphasized must be “issued at once to be most effective.” After Roosevelt suggested the stamp, it was produced and placed on sale in just 13 working days.

Roosevelt was pleased with the stamp, which he called “grand.” However, the public was divided. Some remarked on the way the farmer carried his scythe on his left shoulder, which is rarely done by real farmers. Others noticed the characters were walking in step except the businessman, which they interpreted as meaning he wasn’t looking ahead to recovery as the others were. And some pointed out that while four people were portrayed, they only shared 7 legs between them.

At first, many Americans supported the NIRA. Workers liked the fact that it gave them better wages and shorter hours. Business owners liked that it helped reduce unfair competition and many people saw the law as a hopeful sign that the economy was starting to turn around.

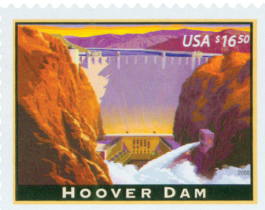
However, the NIRA also had problems. Not all businesses followed the codes, and enforcement was often weak. Small businesses sometimes felt the rules helped big companies more than them. Some business owners said the government was interfering too much in private business. Others argued that the law didn’t go far enough to protect workers or create real change. Some of the codes were also very complicated and hard to understand. With so many rules, it became difficult to manage everything, and confusion often slowed down progress.

In 1935, just two years after it was passed, the US Supreme Court ruled that the NIRA was unconstitutional in the case of *Schechter Poultry Corp. v. United States*. The Court said the law gave too much power to the president and the federal government over businesses. As a result, the NIRA came to an end.

Issued for the 40th anniversary of Wagner Act, the basis of modern US labor law.



Even though the law was struck down, some of its ideas lived on. For example, the Wagner Act (also known as the National Labor Relations Act), passed later in 1935, gave workers the right to form unions and bargain for better wages—something the NIRA had supported. Other programs from Roosevelt’s New Deal also continued to help Americans through the Depression.



The Hoover Dam was partly funded by the NIRA’s Public Works Administration.



The Supreme Court declared the NIRA unconstitutional after just two years.

This Day in History... June 16, 1933

National Industrial Recovery Act

On June 16, 1933, President Franklin Roosevelt signed legislation passing the National Industrial Recovery Act. It was a bold and ambitious attempt to fix a broken economy during one of the hardest times in American history.

In the presidential election of 1932, Democratic nominee Franklin D. Roosevelt promised a “new deal” for the “forgotten man.” Reacting to the ineffectiveness of the Hoover administration in meeting people’s needs during the Great Depression, Americans overwhelmingly voted in favor of this promise.

One of Roosevelt’s first moves after taking office was convincing Congress to pass his National Recovery Act. The act was a direct result of the general business decline during the Great Depression. Roosevelt and his advisors blamed part of the cause of the Depression on unrestrained competition. Leading businessmen and trade associations were called upon to draft the specifics of the plan, which focused on fair trade and labor practices. It was first introduced to the House on May 17. After passing the House and Senate on June 10 and June 13, it was signed into law by President Roosevelt on June 16, 1933.



Stamp issued to gain support for the NRA.

The National Industrial Recovery Act authorized Roosevelt to regulate industry in order to raise prices after severe deflation and stimulate the economy. A second title in the National Recovery Act established the Public Works Administration, outlining the public works the bill would fund. This part of the law focused on creating jobs. The PWA gave the government money to hire workers to build public projects like roads, bridges, schools, dams, and hospitals. These projects not only gave people jobs but also improved the nation’s infrastructure.



The NIRA was a big part of Roosevelt’s New Deal and the larger effort to pull the US out of the Great Depression.

The act also created the National Recovery Administration (NRA) to enforce the new law. The NRA worked with businesses to create codes of fair competition. These codes set rules for things like prices, production levels, wages, and working hours. The idea was that if all businesses followed the same rules, no one would be forced to cut wages or lay off workers just to stay competitive. For example, businesses that signed up with the NRA had to agree to pay their workers a minimum wage and limit how many hours they could work per week.

Businesses that joined the NRA could display a blue eagle logo in their windows and advertisements. The slogan “We Do Our Part” became a symbol of patriotism and support for the recovery effort. Consumers were encouraged to shop at stores with the blue eagle, believing they were helping the country by doing so.

To gain support for the NRA, Roosevelt requested the creation of a new stamp, which he emphasized must be “issued at once to be most effective.” After Roosevelt suggested the stamp, it was produced and placed on sale in just 13 working days.

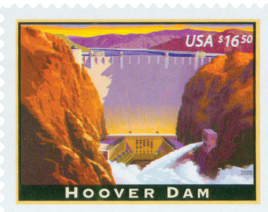
Roosevelt was pleased with the stamp, which he called “grand.” However, the public was divided. Some remarked on the way the farmer carried his scythe on his left shoulder, which is rarely done by real farmers. Others noticed the characters were walking in step except the businessman, which they interpreted as meaning he wasn’t looking ahead to recovery as the others were. And some pointed out that while four people were portrayed, they only shared 7 legs between them.

At first, many Americans supported the NIRA. Workers liked the fact that it gave them better wages and shorter hours. Business owners liked that it helped reduce unfair competition and many people saw the law as a hopeful sign that the economy was starting to turn around.

However, the NIRA also had problems. Not all businesses followed the codes, and enforcement was often weak. Small businesses sometimes felt the rules helped big companies more than them. Some business owners said the government was interfering too much in private business. Others argued that the law didn’t go far enough to protect workers or create real change. Some of the codes were also very complicated and hard to understand. With so many rules, it became difficult to manage everything, and confusion often slowed down progress.

In 1935, just two years after it was passed, the US Supreme Court ruled that the NIRA was unconstitutional in the case of *Schechter Poultry Corp. v. United States*. The Court said the law gave too much power to the president and the federal government over businesses. As a result, the NIRA came to an end.

Even though the law was struck down, some of its ideas lived on. For example, the Wagner Act (also known as the National Labor Relations Act), passed later in 1935, gave workers the right to form unions and bargain for better wages—something the NIRA had supported. Other programs from Roosevelt’s New Deal also continued to help Americans through the Depression.



The Hoover Dam was partly funded by the NIRA’s Public Works Administration.



Stamp honors several New Deal programs, including the NRA.



Issued for the 40th anniversary of Wagner Act, the basis of modern US labor law.



The Supreme Court declared the NIRA unconstitutional after just two years.