

The First New Deal: Industry and Labor

The National Recovery Administration (NRA), established in 1933 with the National Industrial Recovery Act (NIRA), attempted to end cut-throat competition by setting codes of fair competitive practice to generate more jobs and thus more buying. Although welcomed initially, the NRA was soon criticized for over-regulation and was unable to achieve industrial recovery. It was declared unconstitutional in 1935.

The NIRA had guaranteed to labor the right of collective bargaining through labor unions representing individual workers, but the NRA had failed to overcome strong business opposition to independent unionism. After its demise in 1935, Congress passed the National Labor Relations Act, which restated that guarantee and prohibited employers from unfairly interfering with union activities. It also created the National Labor Relations Board to supervise collective bargaining, administer elections, and ensure workers the right to choose the organization that should represent them in dealing with employers.

The great progress made in labor organization brought working people a growing sense of common interests, and labor's power increased not only in industry but also in politics. Roosevelt's Democratic Party benefited enormously from these developments.

1. What government organization, established in 1933, attempted to end cut-throat competition by setting codes of fair competitive practice?

2. What, enacted in 1935, prohibited employers from unfairly interfering with union activities?

3. What government organization became tasked with supervising collective bargaining?

4. What political group benefited from an increase in labor's power?

- a. Bolsheviks
- b. Democrats
- c. Libertarians
- d. Republicans