

February 20, 1935

[NRA]

FDR Speech File

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MESSAGE
OF THE
PRESIDENT OF THE
UNITED STATES

TO THE CONGRESS OF THE UNITED STATES:

On May 17, 1933, I asked the Congress to "provide for the machinery necessary for a great co-operative movement throughout all industry in order to obtain-wide re-employment, to shorten the working week, to pay a decent wage for the shorter week and to prevent unfair competition and disastrous overproduction."

The National Industrial Recovery Act was passed by the Congress in June, 1933, and the administrative machinery to carry it into effect was set up during the succeeding month.

It is worth remembering that the purpose of this Law challenged the imagination of the American people and received their overwhelming support. Enforcement during the earlier life of the Act was not a problem which gave the Country concern -- for the very good reason that public opinion served as an enforcing agency which potential violators did not dare to oppose. The immediate objective was to check the downward spiral of the great depression and it met this objective and started us on our forward path. It is not clear that in the Spring and Summer of 1933 many estimates of unemployment in the United States were far too low and we are therefore apt to forget today that the National Industrial Recovery Act was the biggest factor in giving re-employment to approximately 4,000,000 people.

In our progress under the Act the age long curse of child labor has been lifted, the sweatshop outlawed, millions of wage earners have been released from the starvation wages and excessive hours of labor. Under it a great advance has been made in the opportunities and assurances of collective bargaining between employers and employees. Under it the pattern of a new order of industrial relations is definitely taking shape.

Industry as a whole has also made gains. It has been freed, in part at least, from dishonorable competition brought about not only by overworking and underpaying labor but by destructive business practices. We have begun to develop new safeguards for small enterprises; and most important of all, business itself recognizes more clearly than at any previous time in our history the advantages and the obligations of co-operation and self-discipline, and the patriotic need of ending unsound financing and unfair practices of all kinds.

Hand in hand with the improving of labor conditions and of industrial practices we have given representation and consideration to the problems of the consuming public. And it is reasonable to state that with certain inevitable exceptions in the case of individual products there has been less gouging in retail sales and prices than in any similar period of increasing demand and rising markets.

The first codes went into effect in July, 1933. Since then approximately 600 have been added. The average age of these codes of fair competition which have been approved -- ninety percent of the coverable employments were under code -- is less than eleven months -- a brief time indeed for the definite achievements already made. Only carping critics and those who seek either political advantage or the right again to indulge in unfair practices or exploitation of labor or consumers deliberately seek to quarrel over the obvious fact that a great code of law, of order and of decent business cannot be created in a day or a year.

We must rightly move to correct some things done or left undone. We must work out the coordination of every code with every other code. We must simplify procedure. We must continue to obtain current information as to the working out of code processes. We must constantly improve a personnel which, of necessity, was hastily assembled but which has given loyal and unselfish service to the Government of the Country. We must check and clarify such provisions in the various codes as are puzzling to those operating under them. We must make more and more definite the responsibilities of all of the parties concerned.

This Act, which met in its principles with such universal public approval and under which such great general gains have been made, will terminate on June 1st, next. The fundamental purposes and principles of the Act are sound. To abandon them is unthinkable. It would spell the return of industrial and labor chaos.

I therefore recommend to the Congress that the National Industrial Recovery Act be extended for a period of two years.

I recommend that the policy and standards for the administration of the Act should be further defined in order to clarify the legislative purpose and to guide the execution of the law, thus profiting by what we have already learned.

Voluntary submission of codes should be encouraged but at the same time, if an industry voluntarily to agree within itself, unquestioned power must rest in the Government to establish in any event certain minimum standards of fair competition in commercial practices, and, especially, adequate standards in labor relations. For example, child labor must not be allowed to return; the fixing of minimum wages and maximum hours is practical and necessary.

The rights of employees freely to organize for the purpose of collective bargaining should be fully protected.

The fundamental principles of the anti-trust laws should be more adequately applied. Monopolies and private price fixing within industries must not be allowed nor condoned. "No monopoly should be private." But I submit that in the case of certain natural resources, such as coal, oil and gas, the people of the United States need government supervision over these resources devised for the purpose of eliminating their waste and of controlling their output and stabilizing employment in them, to the end that the public will be protected and that ruinous price cutting and inordinate profits will both be denied.

We must continue to recognize that incorrigible minorities within an industry, or in the whole field of trade and industry, should not be allowed to write the rules of unfair play and compel all others to compete upon their low level. We must make certain that the privilege of cooperating to prevent unfair competition will not be transformed into a license to strangle fair competition under the apparent sanction of the law. Small enterprises especially should be given added protection against discrimination and oppression.

In the development of this legislation I call your attention to the obvious fact that the way to enforce laws, codes and regulations relating to industrial practices is not to seek to put people in jail. We need other and more effective means for the immediate stopping of practices by any individual or by any corporation which are contrary to these principles.

Detailed recommendations along the lines which I have indicated have been made to me by various Departments and Agencies charged with the execution of the present law. These are available for the consideration of the Congress and, although not furnishing anything like a precise and finished draft of legislation, they may be helpful to you in your deliberations.

Let me urge upon the Congress the necessity for an extension of the present Act. The progress we have been able to make has shown us the vast scope of the problems in our industrial life. We need a certain degree of flexibility and of specialized treatment, for our knowledge of the processes and the necessities of this life are still incomplete. By your action you will sustain and hasten the processes of industrial recovery which we are now experiencing; you will lighten the burdens of unemployment and economic insecurity.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

February 20, 1936.

#169

R. N. P. A. Feb 20, 1935

To the Congress of the United States:

On May 17, 1933, I asked the Congress to "provide for the machinery necessary for a great co-operative movement throughout all industry in order to obtain wide re-employment, to shorten the working week, to pay a decent wage for the shorter week and to prevent unfair competition and disastrous overproduction."

The National Industrial Recovery Act was passed by the Congress in June, 1933, and the administrative machinery to carry it into effect was set up during the succeeding month.

It is worth remembering that the purpose of this Law challenged the imagination of the American people and received their overwhelming support. Enforcement during the earlier life of the Act was not a problem which gave the Country concern -- for the very good reason that public opinion served as an enforcing agency which potential violators did not dare to oppose. The immediate objective was to check the downward spiral of the great depression and it met this objective and started us on our forward path. It is now clear that in the Spring and Summer of 1933 many estimates of unemployment in the United States were far too low and we are therefore apt to forget today that the National Industrial Recovery Act was the biggest factor in giving re-employment to approximately 4,000,000 people.

In our progress under the Act the age long curse of child labor has been lifted, the sweatshop outlawed, millions of wage earners have been released from the starvation wages and excessive hours of labor. Under it a great advance has been made in the opportunities and assurances of collective bargaining between employers and employees.

Under it the pattern of a new order of industrial relations is definitely taking shape.

Industry as a whole has also made gains. It has been freed, in part at least, from dishonorable competition brought about not only by overworking and underpaying labor but by destructive business practices. We have begun to develop new safeguards for small enterprises; and most important of all, business itself recognizes more clearly than at any previous time in our history the advantages and the obligations of cooperation and self-discipline, and the patriotic need of ending unsound financing and unfair practices of all kinds.

Hand in hand with the improving of labor conditions and of industrial practices we have given representation and consideration to the problems of the consuming public. And it is reasonable to state that with certain inevitable exceptions in the case of individual products there has been less gouging in retail sales and prices than in any similar period of increasing demand and rising markets.

The first codes went into effect in July, 1933. Since then ~~nearly~~ ^{affectionately} 600 have been added. The average age of these codes of fair competition ~~of~~ ^{90 percent} of the conceivable improvements which have been approved -- codes which represent over ~~ninety~~ percent ^{were} ~~under code~~ of industrial employment -- is less than eleven months -- a brief time indeed for the definite achievements already made. Only carping critics and those who seek either political advantage or the right again to indulge in unfair practices or exploitation of labor or consumers deliberately seek to quarrel over the obvious fact that a

great code of law, of order and of decent business cannot be created in a day or a year.

We must rightly move to correct some things done or left undone. We must work out the coordination of every code with every other code. We must simplify procedure. We must continue to obtain current information as to the working out of code processes. We must constantly improve a personnel which, of necessity, was hastily assembled but which has given loyal and unselfish service to the Government of the Country. We must check and clarify such provisions in the various codes as are puzzling to those operating under them. We must make more and more definite the responsibilities of all of the parties concerned.

This Act, which met in its principles with such universal public approval and under which such great general gains have been made, will terminate on June 16, next. The fundamental purposes and principles of the Act are sound. To abandon them is unthinkable. It would spell the return of industrial and labor chaos.

I therefore recommend to the Congress that the National Industrial Recovery Act be extended for a period of two years.

I recommend that the policy and standards for the administration of the Act should be further defined in order to clarify the legislative purpose and to guide the execution of the law, thus profiting by what we have already learned.

Voluntary submission of codes should be encouraged but at the same time, if an industry fails voluntarily to agree within itself, unquestioned power must rest in the Government to establish in any event

certain minimum standards of fair competition in commercial practices and, especially, adequate standards in labor relations. For example, child labor must not be allowed to return; the fixing of minimum wages and maximum hours is practical and necessary.

The rights of employees freely to organize for the purpose of collective bargaining should be fully protected.

Handwritten notes:
The fundamental principles of the anti-trust laws should be more adequately enforced and maintained. Private price fixing within industries must not be allowed or condoned. But I submit that in the case of certain natural resources, such as coal, oil and gas, the people of the United States need government supervision over these resources devised for the purpose of eliminating their waste and of controlling their output and stabilizing employment in them, to the end that the public will be protected and that ruinous price cutting and inordinate profits will both be denied.

We must continue to recognize that incorrigible minorities within an industry, or in the whole field of trade and industry, should not be allowed to write the rules of unfair play and compel all others to compete upon their low level. We must make certain that the privilege of cooperating to prevent unfair competition will not be transformed into a license to strangle fair competition under the apparent sanction of the law. Small enterprises especially should be given added protection against discrimination and oppression.

In the development of this legislation I call your attention to the obvious fact that the way to enforce laws, codes and regulations relating to industrial practices is not to seek to put people in jail. We need

other and more effective means for the immediate stopping of practices by any individual or by any corporation which are contrary to these principles.

Detailed recommendations along the lines which I have indicated have been made to me by various Departments and Agencies charged with the execution of the present law. These are available for the consideration of the Congress and, although not furnishing anything like a precise and finished draft of legislation, they may be helpful to you in your deliberations.

Let me urge upon the Congress the necessity for an extension of the present Act. The progress we have been able to make has shown us the vast scope of the problems in our industrial life. We need a certain degree of flexibility and of specialized treatment, for our knowledge of the processes and the necessities of this life are still incomplete. By your action you will sustain and hasten the process of industrial recovery which we are now experiencing; you will lighten the burdens of unemployment and economic insecurity.

The White House
February 20, 1935.

*2nd Draft
file Personnel*

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Franklin D. Roosevelt

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