**National Recovery Act (NRA)**

“If all employers in each competitive group agree to all pay their workers the same wages – reasonable wages – and require the same hours – reasonable hours – then higher wages and shorter wages will hurt no employer. Moreover, such action is better for the employer than unemployment and low wages, because it makes more buyers for his product. This is the simple idea which is the very heart of the Industrial Recovery Act.” - President Roosevelt during a July 1933 fireside chat

What does this mean?

During the Depression prices of products and wages were falling (deflation)

In order to stop the downward spiral of wages and prices, the National Industrial Recovery Act is passed.

The act:

1. Had the government and companies within a particular industry fix prices of products they sold
2. Had the government and companies within a particular industry fix wages of workers they employed

These kinds of behaviors could lead to abuse of employees, so the law also allowed workers to bargain (negotiate) as groups in order protect themselves (called collective bargaining).

Can anyone think about something that Obama is trying to get congress to pass that is related to the idea of a fixed fair wage?

How many hours is a regular work week?