

## On Establishment of the Seniority System in the U.S. Automobile Industry

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**Abstract :** This paper examines the establishment of the seniority system in the U.S. automobile industry, focusing on the role of the Automobile Labor Board (ALB) in the early New Deal era. In the early 1930s, the automobile industry was characterized by frequent layoffs and rehires due to seasonal production fluctuations. The criteria for layoffs and rehires were unclear, and employment was unstable for workers due to arbitrary decisions by foremen, age discrimination, and discrimination against union activists. In September 1933, the automobile code was issued under the National Industrial Recovery Act (NIRA), but it did not include a seniority clause as a criterion for layoff and rehires. Instead, the code permitted employers to select employees according to individual “merit”. However, following the presidential settlement of the auto disputes on March 25, 1934, the President stated that seniority should be used as one of the criteria for employment and layoff. The ALB was established to adjudicate grievances of auto workers. The ALB then issued rules on layoffs and rehires in accordance with the presidential statement, requiring companies to create records of seniority and workers excluded from seniority list. As a result, arbitrary employment practices on the part of companies were revised, and stricter seniority systems began to take shape. Although the ALB was short-lived, it played an important role in the establishment of the seniority system in the U.S. automobile industry thereafter.

**Keywords :** Automobile Labor Board, New Deal era, seniority, AFL, automobile code

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