

SUPREME COURT OF MICHIGAN

Michigan Tool Co. v. Employment Security Commission, 346 Mich. 673

78 N.W.2d 571 (1956) · No. Docket No. 8, Calendar No. 46,747 · Decided October 1, 1956

SUMMARY

The Michigan Supreme Court considered whether employees were disqualified from unemployment benefits because their unemployment resulted from a work stoppage caused by a labor dispute. The court upheld the appeal board’s finding that the employer failed to prove that an alleged production slowdown caused the plant closure, and held that the employer bore the burden of producing competent evidence of the slowdown. The court reversed the circuit court and remanded for reinstatement of the appeal board’s order.

CASE DETAILS

COURT	Supreme Court of Michigan
WRITING FOR THE COURT	Boyles, J.; Dethmers, C.J.; Sharpe, J.; Smith, J.; Edwards, J.; Kelly, J.; Carr, J.; Black, J.
JURISDICTION	Michigan
DECIDED	October 1, 1956
DOCKET	Docket No. 8, Calendar No. 46,747
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal by unemployment-benefit claimants from an Ingham County Circuit Court judgment reversing the employment-security appeal board and disqualifying the claimants from benefits.
STANDARD OF REVIEW	The court may reverse factual findings of the employment-security appeal board only when those findings are contrary to the great weight of the evidence.
PRECEDENTIAL VALUE	Published Michigan Supreme Court decision; precedential.
PARTIES	The 129 employee claimants v. Michigan Tool Company, Employment Security Commission

TOPICS

- unemployment benefits
- labor law
- administrative law
- evidence
- burden of proof

PRACTICE AREAS

employment law

administrative law

evidence

QUESTIONS PRESENTED

1. Whether the claimants' unemployment was due to a stoppage of work existing because of a labor dispute, so as to disqualify them from benefits under section 29(1)(b) of the Michigan Employment Security Act.
2. Whether the employment-security appeal board's finding that the asserted slowdown was not proved was contrary to the great weight of the evidence.
3. Whether the employer, rather than the claimants, bore the burden of producing competent and convincing evidence of the alleged slowdown when the relevant facts were peculiarly within the employer's knowledge and control.

HOLDINGS

1. Section 29(1)(b) disqualifies an individual only when the unemployment is due to a stoppage of work existing because of a labor dispute. The existence of disputes between the employer and union did not establish that the plant closure and resulting unemployment were caused by those disputes.
2. The appeal board's finding that the employer failed to prove a slowdown was not contrary to the great weight of the evidence and therefore could not be reversed.
3. Although claimants generally bear the burden of establishing eligibility for benefits, the employer bore the burden of producing competent and convincing evidence of the alleged slowdown because the relevant facts were peculiarly within the employer's knowledge and control.

KEY QUOTATIONS

"The company has been compelled to take this action because of the general slowdown in production which has been taking place making it impossible to operate economically." (676)

"Under the proofs which were submitted to it, the appeal board properly found that employer had failed to establish a slowdown, and we cannot say that this finding was contrary to the great weight of the evidence." (679)

FACTUAL BACKGROUND

Michigan Tool Company closed its plant on July 16, 1953, asserting that a general production slowdown made economical operation impossible. The company and the union had been negotiating wages and other grievances, while the company accused employees of a slowdown and the union accused the company of a speed-up. The company and union reached a new contract approximately two weeks later, and the employees returned to work. The company offered shipment-value figures for two weeks but did not introduce the available daily production records or otherwise establish that a substantial slowdown caused the plant closure.

PROCEDURAL HISTORY

The Employment Security Commission initially denied benefits. A hearing referee reversed and awarded benefits, and the appeal board affirmed. The Ingham County Circuit Court reversed those administrative decisions and found the claimants disqualified. The claimants appealed to the Michigan Supreme Court, which reversed and remanded for reinstatement of the appeal board's order.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Reinstate the order of the employment-security appeal board awarding benefits to the claimants.

CASES CITED

- Brown Shoe Co. v. Gordon, 405 Ill. 384, 91 N.E.2d 381
- Sandoval v. Industrial Commission, 110 Colo. 108, 130 P.2d 930
- In re North River Logging Co., 15 Wash. 2d 204, 130 P.2d 64
- Copper Range Co. v. Unemployment Compensation Commission, 320 Mich. 460
- Cassar v. Employment Security Commission, 343 Mich. 380
- Federal Trade Commission v. Morton Salt Co., 334 U.S. 37, 44-45 (1948)

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