

# WEEKLY NEWS LETTER

FROM

## CALIFORNIA STATE FEDERATION OF LABOR

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SAN FRANCISCO,  
CALIFORNIA

June 16, 1948

### UNEMPLOYMENT INSURANCE APPEALS BOARD IGNORES HARDSHIP AND GOOD CONSCIENCE IN ORDERING RECOVERY OF MONEY PAID TO 62-YEAR OLD CLAIMANT

(CFLNL)SAN FRANCISCO.--Accepting the fact that there was "no fraud, misrepresentation, wilful non-disclosure, or fault" on the part of a 62-year old woman who was overpaid on a claim because of a mistake of the Department of Employment, the Unemployment Insurance Appeals Board nevertheless demands restitution of the overpayment, although the claimant in this case is not financially able to do so.

This startling and unconscionable interpretation of the Act by the Appeals Board came about as a result of the following facts:

A 62-year old woman filed a claim for benefits in the Huntington Park office of the Department of Employment on October 15, 1945, and it was determined that she was entitled to maximum benefits, in the amount of \$160, payable at the rate of \$10 per week. The petitioner was paid these benefits. Later, however, it was found that the Department had made a mistake in computing the benefits due her.

The Department thereupon made and issued a redetermination, which held that the petitioner had insufficient earnings in her base period to qualify for the benefits, and the petitioner was notified that she was liable for the repayment of the \$160 in benefits she had received.

On appeal, the Referee held that the petitioner was liable under Section 64 of the Act. She then filed a further appeal to the Appeals Board, contending that she should not be required to repay this amount, since it had been accepted and spent by her in good faith, and further,

that she was financially unable to repay the amount as she was 62 years of age, was not employed, and had not been employed for a period of two years.

Section 64 of the Unemployment Insurance Act reads as follows:

"Any person who is overpaid any amount as benefits under this act to which he is not entitled shall become liable for such amount; provided that in the absence of fraud, misrepresentation or wilful non-disclosure, such person shall not be liable for an amount of overpayment received without fault on his part where the recovery thereof would be against equity and good conscience."

The Appeals Board recognizes that there was no fraud or misrepresentation, and, considering all the circumstances in the case, there is no question but what the overpayment was received without fault on the claimant's part and in good conscience, as provided in the section quoted above. Nevertheless, the Appeals Board insists that the petitioner be forced to repay the \$160 which she received in benefits.

The rationalization used by the Appeals Board -- that whether recovery is against equity and good conscience is to be determined by the facts surrounding the overpayment itself, and not from "after the fact" consideration of sympathy or the individual's financial ability to make repayment -- is a piece of inexcusable sophistry. Such a tendency manifested by the Appeals Board is not only out of line with considerations of elementary human factors, but does not remotely square with the intent of the Act dealing with "good conscience."

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#### INTERNATIONAL LABOR ORGANIZATION CONFERENCE OPENS JUNE 17

(CFLNL)SAN FRANCISCO.--Tripartite delegations representing government, labor and employers from 56 nations assemble in the San Francisco War Memorial Opera House at 11 o'clock on June 17, 1948, for the 51st Conference of the International Labor Organization. Opening addresses will be made by San Francisco's Mayor Elmer Robinson and by

Luis Alvarado of Peru, chairman of the Governing Body of the ILO.

The Governing Body of the ILO met on June 12 and 14 to prepare for the Conference. At its Saturday session it elected United States Under-Secretary of Labor David A. Morse to the permanent full-time position of Director-General.

At its Monday session, the Governing Body considered the relationship to the ILO of the non-governmental consultative organizations, with particular emphasis on the WFTU. The WFTU has been asking that the ILO worker delegates coordinate their policies with that of the WFTU. In yesterday's session, Frank Fenton, AFL representative, with the support of J. D. Zellerbach, U. S. employers' representative, and others, sought by various means to limit the WFTU to consultation rights similar to those extended to other non-governmental agencies. The Governing Body adjourned Monday without reaching a final settlement on the matter.

The first item on the agenda when the Conference begins its work on June 17, is a discussion of the Director-General's report on the interrelations of wages, prices and productivity. Another important point is consideration of a convention dealing with freedom of association and the right to organize. A fair wages clause in public contracts, night work, vocational guidance employment services and other matters will also be considered.

Sessions of the Conference are open to the public without charge. Tickets and other information may be obtained from the ILO information office at the Furniture Mart, 1355 Market Street, or by calling Klondike 2-0286.

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#### EMPLOYMENT IN CALIFORNIA

(CFLNL)SAN FRANCISCO.--Factory employment in California manufacturing decreased by approximately 2,700 production workers between April and May, according to a statement released by the Director of

Industrial Relations for the State of California. The report attributes the loss primarily to labor disputes, continued reductions in shipbuilding and apparel, and material shortages. Preliminary tabulations indicate that the number of production workers declined to 456,000 in May, from 458,700 the previous month. The decrease is even more substantial when the current level is compared with that of a year ago: in May 1947, factory employment totalled 467,800.

In nondurable goods industries, a slight increase was registered in May, reflecting seasonal gains in fish canning and beet sugar. Termination of the work stoppage in the meat packing industry also contributed to the April-May increase. There were 198,400 wage earners in the nondurable goods industries in May, compared with 197,200 in April. In this division employment is almost 8,000 above the year-ago level of 190,500.

Employment in apparel plants dropped to 30,600 production workers in May, almost 7,000 below the February 1948 peak of 37,400.

In the durable goods division every industry group lost production workers in May, with the exception of a seasonal rise in the lumber industry. The sharpest contractions were registered in shipbuilding, automobiles, iron and steel, and aircraft.

Durable goods industries as a whole employed 257,600 factory workers in May, compared with 261,500 in April. In May a year ago, 277,300 wage earners were at work. The drop is practically 20,000.

This fluctuation in employment, with its persistent downward trend, should be carefully watched.

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#### SCHOLARLY STUDY SHOWS BENEFITS OF UNION ORGANIZATION

(CFLNL)SAN FRANCISCO. "Real earnings in the highly organized industries have increased to a greater extent than have those in the less organized industries" is the principal conclusion of an impartial, scholarly and carefully documented analysis of wage and trade union

membership trends by Arthur M. Ross of the University of California Institute of Industrial Relations. His article, "The Influence of Unionism upon Earnings," appeared in the February 1948 issue of the "Quarterly Journal of Economics" and is available in reprint form from the University of California.

In a summary table, Dr. Ross shows that in the broad industrial group where average hourly earnings in 1933 ranged from \$.50 to \$.65, those industries which were almost completely organized (80 to 100 percent under agreement) experienced a 50.6 percent increase in real average hourly earnings, while only a 28.9 percent increase occurred in the unorganized industries (0 to 40 percent under agreement).

After careful examination of other factors, such as proportion of skilled workers and women, degree of urbanization and monopoly, and sensitivity of cyclical influences, Dr. Ross finds that these factors have had a negligible or at most a slight influence on the more rapid increase in earnings in the unionized industries, and that the primary reason for the relatively greater increase has been union action.

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OLDTIME UNION MAN, DEPUTY LABOR COMMISSIONER  
WILLIAM H. URMY, PASSES AWAY

(CFLNL)SAN FRANCISCO.--William H. Urmey, 66 years old, passed away on June 14, after suffering illness for some time.

A member of the Electrical Workers Union Local No. 6, San Francisco, Brother Urmey was employed for the past 20 years as Deputy Labor Commissioner in the Oakland office. In spite of his ill health, he continued to work and perform the functions of his office in the most efficient and effective manner.

William H. Urmey leaves behind a host of friends in the labor movement and in the community as a whole, where he was well known, respected and deeply appreciated. He is survived by his widow, in whose bereavement the Federation, as well as his many other friends, joins in sympathy.

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