

For Release in Morning Papers  
Tuesday, December 13, 1938

U. S. DEPARTMENT OF LABOR  
WAGE AND HOUR DIVISION  
WASHINGTON

PECAN SHELLING LEARNERS HEARING, DECEMBER 19, IN SAN ANTONIO

A hearing on petitions of employers and employees in the pecan shelling industry in Texas for an exemption for learners under the Fair Labor Standards Act has been set for 10 A.M., Monday, December 19, by Administrator Elmer F. Andrews of the Wage and Hour Division of the U. S. Department of Labor, it was announced today. The hearing which has arisen out of a proposed semi-mechanization of certain formerly hand-operated plants within the industry, will be held in Bexar County Courthouse, San Antonio, Texas, in the heart of the area affected, and Merle D. Vincent, Chief of the Hearings and Exemptions Section of the Division, will preside.

Employees in this work prior to October 24, 1938, had been receiving as low as 5 cents an hour. Employers in the San Antonio area protested that they could not pay more under the old hand shelling system. Earnings were from \$2.50 to \$5.00 per week, so low and irregular that they were not considered a bar to relief. The United Cannery, Agricultural, Packing and Allied Workers of America, C.I.O. affiliate, which has a contract with J. Seligmann, managing partner of the Southern Pecan Shelling Company, supported his application for an exemption under Section 14 of the Act for a learning period during which workers might familiarize themselves with the machine methods to be used in the work.

The use of machines and a moving-belt process for the cleaning, picking, shelling, grading and packing of the pecans will make it possible, Mr. Seligman stated, to pay the minimum of 25¢ per hour.

The Company offers to pay 15 cents an hour for a learning period of three months. The union, through Donald Henderson, its general president, asked that the Administrator fix the beginner rate and a sliding wage scale upwards after the first month.

Mr. Seligmann's petition, which states that he is acting not only in behalf of his own company but also for those other employers similarly situated, says that his firm will spend \$100,000 for machinery to switch from the hand-picking process to a semi-mechanized method. The transition is expected to be completed within a year. About 5,000 to 7,000 persons, mostly living in the vicinity of San Antonio, have been reported unemployed because the employers claimed they could not pay the 25-cent-an-hour minimum. Mr. Seligmann stated that his firm would employ between 2,500 and 3,000 workers at at least the minimum rate after he has introduced the new method of processing the pecans.

The Company had, at first, sought a complete exemption from the Act by protesting that it was engaged in an agricultural process and Mr. Seligmann, in his present petition, does not waive this point. The union, however, still contends that the minimum wage and maximum hour regulations of the law apply and must be complied with as soon as possible.

In dealing with the situation confronting employers in the Texas pecan shelling industry, Mr. Seligmann pointed out that the workers available in that area are not experienced in the use of the machine method. The fact that there is no space between the nut meat and the shell in the Texas seedling pecan has prevented the earlier introduction of machines for shelling and cleaning the nut meats there, he stated, and this makes necessary the training of beginners. The installation of the new machinery will be completed in one year, Mr. Seligmann stated, and he asks for a ruling permitting

him to continue to apply for learners exemptions during that time as additional workers are trained in the use of the new machines.

Everett L. Looney, Chairman of the Texas Industrial Commission, spent several days in Washington last week conferring with Wage and Hour Division and other Government officials on the problem of the pecan shellers.

#####