

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

PUERTO RICAN SUGAR EXEMPTION DENIED

The application of the Association of Sugar Producers of Puerto Rico for an exemption from both the wage and hour provisions of the Fair Labor Standards Act was denied today by Administrator Elmer F. Andrews, Wage and Hour Division, U. S. Department of Labor.

When the Association sought to have its members exempted as being within the "area of production" with respect to the processing of raw sugar, sugar syrup, or molasses from sugar cane produced on nearby farms or in transporting, handling or storage in connection with this processing, Mr. Andrews designated Merle D. Vincent, Chief of the Hearings and Exemptions Section of the Wage and Hour Division, to preside at a hearing and make findings and a determination on the application.

Mr. Andrews' decision today was based on the petition of the Association, the entire record of the proceeding including the brief filed, and Mr. Vincent's findings and determination.

Mr. Vincent heard representatives of the Puerto Rican sugar industry, including spokesmen for the Association, for Eastern Sugar Associates, for the Fajardo Sugar Company and Sucession Serrales, Boris Shiskin representing the Puerto Rico Free Federation of Labor and the American Federation of Labor, and Senator Garcia Mendez of the Puerto Rico Legislature, on March 29, and received a brief after the close of the hearing. Although the notice of hearing did not exclude from consideration sugar cane processing in Hawaii, Louisiana and Florida, the evidence related only to Puerto Rico. The determination, however,

applies equally to each of these sugar regions to the extent to which the processing of sugar cane is the same in these regions as in Puerto Rico.

Mr. Andrews concurred in Mr. Vincent's finding that the legislative history of Section 13(a)(10), under which the exemption was sought, "clearly indicates that the phrase 'preparing in their raw or natural state' applies only to operations in which no change is effected in the natural form of the farm product". This, Mr. Vincent held, was not the case when sugar cane was processed into raw sugar. The presiding officer therefore found that the Administrator had no authority to redefine "area of production" in accordance with the application of the Association and this was the position taken by Mr. Andrews in his decision today.

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