GW Lays Off 185 Employees In Nebraska

DENVER, Colo. (T-HNS) — The Great Western Sugar Co. announced today that all agricultural maintenance and factory maintenance personnel at 11 factories in Colorado, Kansas, Nebraska and Wyoming will start vacations or unpaid leave of absence on Monday, February 14, 1977, or as soon as factory lay-by is completed.

Four hundred eighty employees at the Loveland, Greeley, Fort Morgan, Sterling, Ovid, Goodland, Scottsbluff, Gering, Bayard, Mitchell and Lovell factories are affected. Breakdowns by state show 215 Colorado, 185 Nebraska, 40 Kansas and 40 Wyoming employees will be laid off.

Each employee has the option of taking earned vacation or going on unpaid leave of absence with full fringe benefit coverage except long-term disability insurance.

Sugar distribution terminals will continue to operate and the company will meet its obligation to supply sugar, pulp or other by-products to customers. Additional activities at field locations, such as watchman services, handling of necessary supplies, quality assurance, office services and other absolutely necessary duties will be maintained.

"The company regrets this drastic action, but current sugar prices and the uncertainty of beet supplies for the next campaign make it necessary," Jack B. Powell, president of GWS said.

He explained that for the past several months, the company has been losing money on every bag of beet sugar sold. In addition, Powell said, the serious uncertainty concerning the amount of beet acreage that may be contracted make it "foolhardy for the company to spend maintenance dollars which it does not now have to maintain facilities which might well have to be mothballed for a year."

He noted that under better economic conditions, this action could have been delayed even in the face of uncertainty concerning beet acreage.

This action does not affect Billings, Mont., where grower associations have approved contracts with the company for 1977-78. Fremont and Findlay, Ohio factories, the Agricultural Research Center and the Johnstown MSG Plant in Colorado are not affected, nor does the action relate to the permanent shutdown of the Brighton and Longmont, Colo., factories and the Johnstown Molasses plant.

In making the announcement, Powell said he regretted the "hardship and inconvenience that this action will place on many of our loyal and competent employees. Hopefully, a successful resolution will be forthcoming within a few weeks and we can go on to the business that so many of us have been dedicated to for so many years."

Exxon Asks Investigation

LINCOLN, Neb. (AP) — Gov. J. J. Exxon wants a state Justice Department investigation of the Great Western Sugar Co. decision to close four Panhandle refineries to determine if there were violations of Nebraska's antitrust laws.

In a letter to Atty. Gen. Paul Douglas, Exxon indicated that he believed the plant closing decision was improper.

"The announcement can certainly be construed, among other things, as an attempt on the part of Great Western to gain an unfair bargaining advantage to force our sugar beet growers to accept the contract for this year's production offered by Great Western," Exxon said.
Douglas indicated he is contacting the Anti-Trust Division of the Justice Department and the Colorado attorney general on the matter, as well as making a separate investigation.

If the plant closing decision is aimed at the contract negotiations, Exxon indicated, state anti-trust laws may have been violated.

To aid growers and plant employees in the Panhandle, Exxon said, legal action may be necessary. Such action could include seeking an injunction against the proposed closings, Exxon indicated.

LINCOLN — Nebraska Atty. Gen. Paul Douglas reports no new developments in his investigation of possible conflicts of the state's antitrust laws and Great Western Sugar Co.'s (GWS) plans to shut down four refineries in western Nebraska.

The company announced Friday afternoon that it is placing “maintenance employees on temporary leave” at 11 factories including those at Scottsbluff, Gering, Mitchell and Bayard.

Gov. J.J. Exxon told the Star-Herald Monday that he has asked Douglas to investigate GWS's decision to lay off 185 Nebraska workers for possible antitrust violations.

Exxon said he has asked Douglas to join him in attempting to remedy the problems of the sugar beet growers and refinery employees by exercising his power of authority under the state's antitrust laws.

The governor instructed Douglas to take whatever action is warranted immediately including possible injunctive action by the courts.

Nebraska's antitrust laws are tied closely with federal regulations and the attorney general's assignment will include verification of federal violations in the matter.

Exxon said there can be no question that GWS's decision will have a disastrous affect on sugar beet growers, plant employees and the agriculture economy.

"This announcement can be construed, among other things, as an attempt on the part of GWS to gain an unfair bargaining advantage to force our sugar beet growers to accept a contract for this year's crop," he said.

"If the closing is accomplished for the purpose of placing the beet growers and plant employees in this dilemma, then it would appear that GWS may have violated antitrust laws including the Nebraska Consumer Protection Act," Exxon said.

He said that last year (in April) at the "eleventh hour" of contract negotiations between the growers and GWS, he and Gov. Richard Lamm of Colorado, intervened in the deliberations and the negotiations were brought to a successful conclusion.

"This year the beet growers have been put into a difficult bargaining position as early as Feb. 11 by the action of GWS closing their refineries and laying off employees as an additional bargaining tool."