**Grower sues sugar company**

DENVER (AP)—A Kansas sugarbeet grower has filed a $246 million class action suit in U.S. District Court in Denver against Great Western United Corp. and its major subsidiary Great Western Sugar Co.

The action was filed Friday by William A. Davis and his three sons who own Davis Cattle Co of Goodland, Kan. The suit was brought by Davis on behalf of himself and 4,000 other growers who sell beets to the company. The Davis family has about 361 acres planted in sugarbeets.

The suit centers on the initial payment by the company to the growers for the 4.5 million ton 1974 crop. The harvesting of the 1974 crop began in October and will take about four months to process. Sugar from the 1974 crop will be sold until about next September.

Common practice is for the growers to receive several payments from the company each year as the sugar is processed and sold. The money received by the growers depends on the price the company gets for the sugar.

The suit contends an official of Great Western Sugar told growers at a Nov. 4 meeting that the initial payment under the 1974 sugarbeet contract would be $26.25 per ton, excluding a $2.33 per ton federal subsidy. The suit says that is an average net return of about $17 per 100 pounds of sugar to the company.

But the lawsuit says on Nov. 13, the company sent a letter to stockholders saying it expected the average price for refined sugar to be $53 per 100 pounds during the next 12 months and that the company was using $40 per 100 pounds for internal projections.

The letter told stockholders that the sugar company’s profits would be $113 million, based on the $33 per hundredweight figure, or $54 per share. Using the $40 figure, the company would earn $65 million, or $36 per share.

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**GWU's 6-Month Earnings Put at $17.44 Per Share**

Great Western United Corp. said Friday its "estimated earnings" for the six months ended Nov. 30 were $17.44 per share of common stock.

Earnings for the corresponding period last year were 51 cents per share.

A tender offer for 810,000 shares of GWU common is scheduled to expire Monday. Brothers Herbert and Bunker Hunt of Dallas, Tex., are offering $27.50 a share for the stock.

GWU common closed Friday at $27.38 on the New York Stock Exchange.

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**COMPETING FOR ACREAGE**

**Shift in Sugar-Beet Centers Forecast**

WASHINGTON — (AP) — Agriculture Secretary Earl L. Butz' intuition as an agricultural economist tells him that this year's better sugar market for beet farmers will shift the growing areas into the northern Midwest over a 20-year period.

He said in an interview here that he thinks sugar beets will become a major competitor for farm acreage in the Red River Valley of the Dakotas, in Minnesota, perhaps eastern Montana and maybe even western Nebraska.

Even though raw sugar prices have fallen markedly the last two weeks, the production incentives will be there in terms of price, he said.

"We've forgotten what the price of sugar was," at an historical level of about 11 or 12 cents, he noted, before peaking last month at 66 cents a pound.

The "abnormal" sugar prices "will not persist," Butz said, foreseeing stabilization in a year or two. Many industry experts are predicting a level of between 30 and 40 cents a pound when the market stabilizes.

High wheat and corn prices won't last either, Butz said, when a good season weatherwise brings the supply benefits of "the steady support of full agricultural production ... so from now on every crop must compete with every other crop for every acre."

Sugarbeets' main competitors — with the end of the Sugar Act this month erasing quotas, federally established wages and planting subsidies — will be corn, alfalfa and cotton, for which demand continues strong, he said.

"This thing's going to break next year," he said of the current hyperactive sugar market, but sugar beets nonetheless "will bid high enough for the acreage."

The availability of other sweeteners "amounts to a ceiling on the price of sugar," he added.

In the Red River areas, he said, corn has some competitive disadvantages, just as beets are being hurt competitively in traditional sugar beet states like Utah and Idaho by potatoes and other crops and in California by cotton.

Butz cited as evidence of the drift of sugar growing — about which he said he knew little of the technical aspects — a new mill being constructed by cooperatives in the Dakotas-Minnesota area.

"That's a substantial capital investment" of $50 million to $60 million, he noted, and represents business judgments, "They're betting on this drift."