Century-old gypsum plant shuts down in Southard, Oklahoma, as layoffs mount statewide

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This month, USG Corporation is shutting down its gypsum mine and manufacturing plant in Southard, Oklahoma, ending more than a century of production and throwing roughly 250 to 260 workers out of their jobs. The closure, announced July 16 with a WARN notice filed the same day, is one of the largest in a wave of layoffs and shutdowns that has swept the state over the past year.

In January, Macy's announced the closure of its fulfillment center in Owasso, eliminating 993 jobs by the end of last March. Also in March, oil and gas company Vital Energy filed a closure notice in Tulsa in March and Military contractor CAE USA filed a closure notice covering its operations at Altus Air Force Base. Arvest Bank, Conduent Patient Access Solutions and PepsiCo all filed layoff notices between May and July. Behind each filing are hundreds of families facing lost wages, lost health coverage and the prospect of leaving their communities in search of work.

At PepsiCo's Tulsa facility, 184 jobs were affected where the company scheduled an end to warehouse operations on November 15. Earlier this month, Dayton Parts, a manufacturer and supplier of automotive and heavy-duty truck components, filed a mass layoff notice covering its operations in Durant.

In October, National Standard ended manufacturing operations at its wire plant in Stillwater, eliminating 93 jobs. The company had operated in the city for half a century. In February, Hopkins Manufacturing shut down its automotive accessories plant in Miami, Oklahoma, eliminating more than 100 jobs following the bankruptcy of its parent company, First Brands Group.

The destruction of jobs has been particularly extensive in the retail and logistics sectors. Kroger closed its Oklahoma City fulfillment center at the end of January, affecting nearly 200 workers. Together with the Macy's shutdown in Owasso, the two warehouse closures alone eliminated nearly 1,200 jobs.

The closures are the product of corporate decisions to shift capital wherever it can generate the highest return, regardless of the consequences for workers. Nowhere is this clearer than in Southard.

The community owes its existence to the plant. Blaine County sits atop one of the purest gypsum deposits in the United States. In 1905, George H. Southard opened a mine and mill on the site, and the settlement that grew up around it took his name. United States Gypsum acquired the operation in 1912 and has run it continuously ever since. A 1981 National Register of Historic Places nomination for the plant's original office building described a facility drawing ore from some 4,000 acres, turning out 260 products, shipping 30 rail cars a day and employing about 230 people. The nomination concluded plainly that the Southard plant was the industrial base of Blaine County.

Generations of workers in Northwest Oklahoma, from Okeene, Watonga, Canton and the surrounding farm towns, built their lives around the plant. Its wages sustained local businesses, schools and churches across a sparsely populated region where comparable industrial jobs are almost nonexistent. For the workers losing their jobs, the closure means not only lost income and benefits but the likely uprooting of families who have lived in the area for decades.

USG's official explanation is that mining and

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manufacturing the plant's specialized products had become too complex and costly. In a statement, the company insisted its employees were its "top priority" and said the people of Southard "have been foundational to our success." It offered severance, "career transition resources" and the option of relocating to another USG facility.

Two months before announcing the Southard closure, USG unveiled plans for a new production facility in Orange, Texas, a $1.175 billion investment over the life of the project with an initial outlay of $650 million. The project, announced by Republican Governor Greg Abbott in May, qualifies for the state's Jobs, Energy, Technology and Innovation (JETI) program, created in 2023 to lure capital-intensive projects with tax breaks. It is expected to create fewer than 200 jobs.

USG is no struggling family firm. Since 2019 it has been wholly owned by Germany's Knauf Group, one of the largest building materials conglomerates in the world, which bought the company in a $7 billion deal that allowed Warren Buffett's Berkshire Hathaway to cash out its stake. The decision to close Southard was made not in Blaine County but in boardrooms in Chicago and Iphofen, Germany.

The response of Oklahoma's political establishment has been one of empty statements of sympathy. State Representative Mike Dobrinski, a Republican whose district includes many of the affected workers, called the closure devastating news for the employees, their families and the region. His proposed remedy amounts to directing workers to unemployment offices, CareerTech centers and the Oklahoma Employment Security Commission's "Rapid Response" workshops. No one in either big business party has suggested that USG be compelled to keep the plant open, that the workers be paid full wages until new jobs are found, or that a corporation which spent a century extracting wealth from Southard owes the community anything at all.

The same pattern is unfolding across Oklahoma and the country. Under conditions of economic slowdown, trade war and mounting financial instability, corporations are slashing jobs and consolidating operations to protect profits, while politicians of both parties hand out public money to attract the next investment. Workers are left to compete with one another, state against state and town against town, for the privilege of being exploited.

The workers of Southard, and those at Macy's, PepsiCo, Arvest and every other workplace facing cuts, cannot rely on corporate promises or state officials to defend their livelihoods. What is required is the building of rank-and-file committees, democratically controlled by workers themselves, to demand the opening of the companies' books, oppose closures and layoffs, and link up with workers across industries and borders, including the gypsum and building materials workers employed by Knauf internationally.

The wealth that Southard's workers created over 120 years must be used to meet social need, not to fund the next round of corporate relocation. That requires a fight to reorganize economic life in the interests of human need, under the democratic control of the working class.



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