

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 26, 1982

CONTACT: WALT RIKER
(202) 224-6521

CONCERNED DOLE SAYS FARMERS MUST BE PROTECTED IN
ANY NEW GRAIN ELEVATOR BANKRUPTCY LEGISLATION

WASHINGTON -- Senator Robert Dole (R.-Kan.) today urged House Judiciary Committee members, currently working on a grain elevator bankruptcy bill, to retain provisions that would give farmers protection as secured creditors in the event their grain becomes locked-up in protracted bankruptcy cases.

Dole, who introduced the Senate grain elevator bankruptcy bill, expressed disappointment that House members have not expressed support for the farmer safeguards. Under Dole's proposal, farmers who have not yet received payment for grain sold to an elevator before an elevator files for bankruptcy, would have, in effect, a lien on grain still in the elevator. Therefore, those uncompensated farmers would receive necessary protection as secured creditors in resulting elevator bankruptcy proceedings.

"The relationship between a farmer and a grain elevator is a unique one, and as such, deserves special protection. It seems to me that any representative from a farm state would recognize the legitimate concerns of farmers who pour their very livelihood into grain elevators," Dole said. "For the farmer, the stakes are high. If he has not received payment for grain, and the elevator goes under, that farmer shouldn't have to go under, too."

Dole disagreed with Kansas Congressman Dan Glickman, a member of the House Judiciary Committee, who claims that granting farmers preferred status in the distribution of the assets of bankrupt grain elevators is "...a troublesome provision" in the face of traditional bankruptcy law.

"Congress has already decided that certain individuals are particularly vulnerable in bankruptcy proceedings. Existing bankruptcy law grants special treatment to employees of bankrupt companies who have outstanding claims for wages or pension plan payments. The law also protects individuals who have made down-payments for the purchase of property from the bankrupt concern prior to the filing of petition," Dole said. "Given these bankruptcy facts, it concerns me that House Committee members might not realize that farmers need the same type of special consideration that is already given to employees and consumer creditors."

"I would be surprised if Congressmen from rural areas on the Judiciary Committee do not push hard to retain the sections of my bill that grant farmers preferred status in elevator bankruptcies," Dole said. "This bill is important to the people of Kansas, and I hope the final version that comes out of the House Committee does not ignore the legitimate needs of Kansas grain producers," Dole concluded.