

News from Senator

BOB DOLE



(R - Kansas)

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DOLE ANNOUNCES LEGISLATIVE INITIATIVES,
HEARINGS ON BANKRUPTCY AND GRAIN ELEVATOR INSOLVENCY PROBLEMS

WASHINGTON -- Senator Bob Dole (R.-Kan), chairman of the Senate Judiciary

Committee's subcommittee on courts, today announced that he will convene his subcommittee during the first week of April to hear testimony focusing on substantive issues concerning the new Bankruptcy Code.

The hearings will also address problems faced by farmers when grain elevator companies holding their crops in storage file bankruptcy proceedings due to insolvency brought on by mismanagement or fraud.

Dole also indicated that he intends to introduce, later this month, a package of legislative proposals designed to alleviate the hardships created for farmers by sudden failure of the storage elevators.

"These hearings are, in part, prompted by the recent controversy surrounding the bankruptcy of the Ristine elevator in New Madrid, Mo.," Dole said. "What concerns me is that, in many cases, the farmer who has consigned his crop to a failing elevator ends up bearing the brunt of the loss when the elevator goes under, since the crops constitute the major asset of the elevator. Yet the farmer frequently has to fall in line behind other creditors in a bankruptcy. Thus, his principal source of income is tied up in the bankruptcy court, leaving him short of operating cash. My proposals will deal with this situation, as well as that created when an unscrupulous operator simply defrauds the farmer out of his crop."

Dole said that a list of witnesses to be called would be released at a later date, after the finishing touches are put on the legislative proposals being prepared. Dole affirmed that he would make every effort to move the legislation quickly through the Senate once it is introduced.