

Product liability threatens agribusinesses



Senators Richard Snyder, left, from Lancaster and Franklin Kury, Sunbury, flank PennAg's executive secretary Donald Park. The three discussed insurance and tax issues as they pertain to Pennsylvania agribusiness.

LANCASTER - The irony of questionable product liability suits is they tend to stifle development of newer and safer products. Richard Goldberg told the 99th annual PennAg Industries Association convention last week at the Host Corral.

PennAg is a trade association of more than 400 Pennsylvania agri-business firms.

Goldberg, a lawyer and president of the Goldberg Feed & Grain Co., West Fargo, N.D., is a vigorous campaigner for product liability reform.

"If the disaster in product liability is allowed to continue," Goldberg said, "we're going to see jobs disappearing. One company in my state closed its door when their product liability

insurance premiums turned out to be more than their net earnings for last year.

"I know of two other companies that have shut down because they couldn't afford the skyrocketing cost of product liability insurance," he said.

The North Dakotan noted that \$2.6 billion and \$2.5 billion dollars were paid during 1974 and 1975, respectively, as a result of product liability suits. "People are demanding more safety and better products, and the judicial system is providing the climate for suing," Goldberg exclaimed. He faults the judicial branch of government for the run-away problem but charges the other two branches of

government for failing to do anything to stop it.

Goldberg's primary suggestion for curing the problem is for agribusinessmen to get out and talk about the situation.

There are 40 state legislatures across the country considering bills to put limits on product liability suits, including Pennsylvania, Goldberg said.

Pennsylvania Senate Bill 585 was one of the topics discussed by a three-member panel composed of Sens. Franklin Kury, a Democrat from Sunbury; Richard Snyder, Republican from Lancaster, and moderator Donald W. Parke, PennAg's executive vice-president.

Snyder said the product liability situation would not

be in the mess it's in if the Supreme Court hadn't written the doctrine of strict liability. Under that doctrine, manufactures can be held responsible for just about anything that can go wrong at any time after the product was made, whether or not the user is at fault, has altered the product or has ignored instructions for use, he said.

Kury said his impression of Senate Bill 585 is that it deals with a problem that must be solved, but he said there needs to be a balance between the rights of consumers and the rights of manufacturers.

Parke pointed out that the bill would not allow suits to be brought under the doc-

trine of strict liability, would place time limits for bringing suits, it would prohibit punitive damages and it would limit attorney fees, among other provisions.

According to Snyder, the product liability bill has not yet moved through the Senate, and before it does, it will likely be amended in a fashion not liked by industry. He did not elaborate.

In other areas of discussion before the PennAg group, Snyder was critical of the way Pennsylvania's state budget is handled, and added opposition to any proposals for a tax increase. He exclaimed:

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