

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

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**Legislative Document**

**No. 195**

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H. P. 140

House of Representatives, January 14, 1971

Referred to Committee on State Government. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Collins of Caribou.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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JOINT RESOLUTION PROPOSING ABOLITION OF FUTURES  
TRADING OF POTATOES ON THE NEW YORK MERCANTILE  
EXCHANGE BY THE CONGRESS OF THE UNITED STATES.

WE, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Fifth Legislative Session assembled, most respectfully present and petition your Honorable Body as follows:

WHEREAS, The Constitution of the United States provides that the Congress may regulate commerce among the several states; and

WHEREAS, Irish potatoes grown in Maine are now traded in futures contracts on the New York Mercantile Exchange, 6 Harrison Street, New York City, N. Y.; and

WHEREAS, the essential ingredients of a successful potato marketing program include orderly and continuous marketing, minimum short-term price fluctuation and incentives for quality produce; and

WHEREAS, futures trading of Maine potatoes on the New York Mercantile Exchange represents the antithesis of a satisfactory marketing scheme by encouraging consolidation of sales within the months of March, April and May; maximizing short-term price fluctuation and failing to recognize other than minimal quality; and

WHEREAS, Maine potato producers, through self-imposed commodity taxes, have for years attempted to improve the handling and quality of the product reaching consumers and such efforts have been diluted largely by the effects of futures trading of Maine potatoes; and

WHEREAS, the price at which future contracts are bought and sold has a direct and immediate effect on cash prices received by producers for potatoes in Maine and all other areas producing potatoes for market; and

WHEREAS, experience has proven that futures trading can be carried on without detrimental and depressing effect on price only in the case of those commodities which can be stored for extensive periods of time either within the areas of production or the areas of marketing and distribution; and

WHEREAS, Irish potatoes are a perishable commodity that do not lend themselves to extended periods of storage, especially following preparation for market; and

WHEREAS, Irish potatoes historically are one of the most volatile commodities in terms of price range and in degree of sensitivity to myriad market factors, including rumors, speculation, available supply both in storage and in the market places, as well as many others; and

WHEREAS, many production areas of other states have vehemently registered their opposition to the continued trading of Irish potatoes futures, and producers in Maine, by mail ballot, have continuously voted overwhelmingly in favor of abolishing futures trading in Maine potatoes; and

WHEREAS, the Congress of the United States has already established a precedent for the action to be proposed by this resolution in the instance of another perishable commodity, namely onions; now, therefore, be it

RESOLVED: That we, your Memorialists, recommend that the Congress enact legislation abolishing futures trading in Maine potatoes upon the New York Mercantile Exchange or upon any Commodity Exchange; and be it further

RESOLVED: That the Secretary of State be directed to transmit duly attested copies of this Resolution to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives, to the Chairmen of the Senate and House Committees on Agriculture, to the Secretary of Agriculture, and to the Members of Congress from the State of Maine.