

**From:** James Hanson <jam\_han@msn.com>  
**Sent:** Sunday, April 18, 2010 2:23 PM  
**To:** Metals Hearing <metalshearing@CFTC.gov>  
**Subject:** Open Comments on Position Limits

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To the Commission,

I appreciate the opportunity to comment on my hope for the implementation of position limits for precious metals.

Much appreciation is deserved in the consideration of the commodity position limits issue over the past few months. The right thing to do is not always the easy thing to do. Accordingly, I'm impressed with the recent public hearings the CFTC has courageously accommodated. In my view, speculative position limits in COMEX silver of no more than 1500 contracts should be enacted. Additionally, I feel as many others, hedging exemptions should not be provided as a loophole for large commercial interests. I agree that short positions serve to add liquidity to the market and also serve as a useful function of check-in-balances. Theoretically, short selling helps to police the market, and some voice that leveraged proprietary trading provides badly needed liquidity. On a non-leveraged basis, a short position for a long position makes sense. There is much room for debate over the extent of leverage and concentration that actually exist, but it appears to be rather straightforward that for silver, the levels of leverage are beyond actual silver resources available for delivery.

In my view, selling something you don't have is an unfair system of price discovery although many accept this as normal business practice. This said, if position limits are not enacted soon, the possibility exists that the unleveraged turtles will storm past the leveraged rabbits faster than anyone could imagine, that is, if the rabbits run out of food. If we do not strive to achieve fair price discovery, we soon may be living in Alice in Wonderland.

Please stop the levels of concentration in COMEX silver futures that have been experienced over the past few years on the short side of the market.

Thank you for your consideration.

James D. Hanson  
Irving, TX  
972-904-0296