From: John Hursey <wyomingpirate@wyoming.com>
Sent: Friday, April 16, 2010 6:38 PM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: Precious Metals Position Limits

David Stawick, Secretary
Commodity Futures Trading Commission

Dear Sir;

I believe this is the time of the Public Comment period regarding the subject of position limits for precious metals, and I thank you for the chance to comment.

I have come to understand that a small number of very powerful, very rich traders have taken outrageously large short positions in precious metals, particularly silver. I suggest that to prevent manipulation of the price that there be limits to speculative positions, whether long or short, and that this limit per trader be no more than 2000 contracts per trader. Also, we need to restrict hedging exemptions from the 2000 contracts to only those who are legitimate hedgers, such as miners. Please put a stop to the manipulative concentration of precious metals (especially silver) on the COMEX that has been observed over recent years – particularly on the short side.

Although not at the hearing on this matter held in Washington on March 25th, I am aware that the big traders (mostly banks) object to position limits. They claim that position limits would reduce liquidity on the COMEX. I doubt that. They only represent perhaps less than 1% of all the precious metals traders, although their positions are very large. I think position limits would actually **increase** liquidity for the smaller traders and would result in more accurate price discovery and fairness for all.

One last comment. According to a very few, very original, thinkers on this subject, the contrarian idea has come up that maybe there is no point in trading metals and energy on the commodity markets anyhow! Oil & gas are pumped year round and mines work year round and seasonal fluctuations are mostly predictable and already known, so why speculate about them? Let normal supply & demand determine prices instead of the intervention of a 3rd party – the commodity speculative traders. Everything I have read indicates that the high price of $140/ barrel of oil reached in 2007 was not really due to a shortage, but to sheer speculation. But we all paid the price for that speculation at the pump. Now, agricultural commodities are a horse of a different color. Agriculture is affected by real unpredictable factors such as weather, temperatures, drought, price of fuel, international supply/demand, availability of seed & fertilizer, etc. These many factors probably make price discovery much more real & useful than in the case of oil & gold.

Sincerely,
John Hursey
Riverton, Wyoming