

**From:** Gordon Burkett <gordonb@gtwin.com>  
**Sent:** Tuesday, April 13, 2010 10:57 PM  
**To:** Metals Hearing <metalshearing@CFTC.gov>  
**Cc:** gb.gb <gordonb@gtwin.com>  
**Subject:**

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Dear Sir;

Thank you for the opportunity to comment on the issue of position limits for precious metals. I am writing to urge you to establish a meaningful speculative position limit in COMEX silver.

As a computer programmer, I am not familiar with the complexities of the financial markets, so my investments are modest and simple. But the past two years have demonstrated that the speculations of the well-connected few can have dramatic negative effects on the general population - folks like me.

So I strongly urge you to exercise your regulatory powers to resolve a precarious situation that has been building for a long time.

## **CONTEXT**

In its own words, the New York Mercantile Exchange (which owns the COMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals. As such, the NYMEX/COMEX is a financial institution whose stability is important to the interests of our nation.

The most careful regulatory attention should be placed on anything which threatens that stability.

According to the Commitment of Traders Report, which is regularly published by the CFTC, there has been a large and growing concentration on the short side of silver. I understand that this has reached the point where one entity has sold obligations to supply an immense quantity of silver, a proportion of annual production that is unprecedented in any other commodity.

Such a huge short position risks the possibility of default. And if that single dominant entity defaults, the chaotic market reaction could be as unprecedented as the size of its position.

## **RESOLUTION**

Please stop the unprecedented levels of short-side concentration in COMEX silver futures.

This may require a phase-in period for the huge number of open short contracts to settle without creating chaos. This is not about preventing sharply higher silver prices. (Once the downward pressure of these huge shorts is removed, such a price rise is inevitable.) Rather it is about defusing a potentially explosive situation, which demands deliberate haste.

Please move promptly and decisively to resolve this situation.

Sincerely,

Gordon Burkett  
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