

From: Richard Bawden <rbawden@netspace.net.au>
Sent: Saturday, April 3, 2010 11:58 PM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: metals position limits

Dear Sir,

Thank you for the opportunity to comment on the comex metal exchange in particular as relates to silver.

I have followed silver and gold as a lay person for a number of years and have only recently started to understand the workings of the exchange.

My information has come from the internet as I was never in a position to learn this material before. The first light bulb moment came when I discovered that futures could be settled with dollars which took quite a while for me to discover. It appears to me that the driving force for the setting of the price for silver and gold is based on futures prices which are based on cash not on the actual metal. Let me say that I am opposed to this practice as I think a metals exchange should be to exchange metals and not have it as a betting establishment which usually deals in cash.

Having got that one out of the way if the cash settlement system is to continue then I think it is imperative that no single entity or associated group should be able to control the flow of funds to the exchange, ie there needs to be position limits to control this.

The Hunt brothers were the classic example, but my reading of the current situation is that a few of the larger banks are now doing a similar thing.

All the best with this enquiry. I think that this current state of affairs needs to be rectified and let a free market with sensible rules do its thing.

Yours faithfully
Richard Bawden
3 Nirvana Court
Frankston
Vic 3199
Australia