

**From:** Richard White <drw1920@yahoo.com>  
**Sent:** Wednesday, March 31, 2010 12:44 PM  
**To:** Metals Hearing <metalshearing@CFTC.gov>  
**Subject:** Comments on Hearing for Position Limits

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First,

I would like to thank the Commission for the informative public hearings held last week. I occasionally trade in the precious metals markets (though not in futures contracts) so this issue is of importance to those of us who do trade in it.

I would like to write and encourage the Commission to adopt reasonable position limits based on all the testimony I heard at the hearings. It appears that at this time there is a large concentrated short position that exists in the silver market and to a lesser extent in the gold market as I understood the testimony.

I have worked in the oil industry and the companies I have worked for do hedging short sales on a portion of our oil production from time to time so I do understand the need for this type of legitimate hedging.

However, when short positions become so large that they amount to more product than the hedger can actually produce if called upon to do so, I question how that is legitimate hedging activity. On the flip side, if a long were that large I would question whether it could use that to influence the markets upwards.

My impression from the hearings is that a few large banks may be going beyond legitimate hedging and taking on positions that are unhealthy in view of the total size of the markets they are participating in. The testimony that these short positions are hedges against paper long positions elsewhere is not comforting.

Futures are meant to be based on the underlying physical product. If contract positions held by one or a few parties dwarf the physical product, they make a farce out of the legitimate purpose for futures contracts in my opinion.

I would hope the CFTC would take actions to prevent that type of market behavior.

In addition, I heard testimony presented that accusations have been made that there has been actual manipulation done to influence silver prices in a direction favorable to a large bank holding large short positions based on evidence provided by an actual London metals trader.

I would also encourage the Commission to fully investigate these allegations to determine if they have supporting evidence. If so, I would encourage the Commission to take appropriate enforcement actions to prevent manipulative trading.

If that really is happening and is allowed to continue, how can we who want to trade in these markets have confidence we are playing on a fair and level field?

Once that confidence is lost, why should I trust our markets and stay engaged in them?

I know you understand the importance of markets being as free and fair as possible and hope you will take action in cases where manipulation takes place.

**Thank you for your time,**

**Richard White  
Plano, Texas**