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All About Silver - ... *the buck stops here* ...

<http://About.Ag>
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Commodities Futures Trading Commission
Attn: Office of the Secretariat
Three Lafayette Center
1155 21st Street, N.W.
Washington, DC 20581

Dear CFTC,

First, thank you for holding a meeting on position limits for metals.


I represent a website for silver investors, <http://About.Ag>. The site represents some of the millions of smaller silver investors, who typically purchase anywhere from 1 to 1,000 ounces of silver at a time. Their input is relevant to metals position limits, as the price of the silver they buy and sell is based on the spot price of silver plus or minus a premium. The spot price is usually based on the COMEX futures pricing. In other words, if the spot price goes up \$.50, the price they pay (or get) for an ounce of silver goes up \$.50. Therefore, accurate price discovery on the COMEX is very important to them.

We believe that CFTC-enforced position limits on metals would be beneficial to the public. *The 1,500 contract limit that others have suggested seems appropriate to us*, as does exemptions for bona fide hedgers. 1,500 contracts is large enough to meet the needs of most or all legitimate traders, while small enough to help ensure that speculation helps the price discovery process, not hinder it.

We also firmly believe that exemptions for short positions should only be allowed if it can be proved that true physical metal backs the positions (such as with bar weights and serial numbers). Specifically, *certificates for metal in unallocated accounts should not be allowed to back short positions*. Unallocated metal in London is backed by the 'general stock' of a bullion dealer, with no guarantee requiring (and nothing suggesting) that all the metal actually exist. If there are otherwise bona fide hedgers with unallocated metal, it is a simple procedure to convert the metal to allocated accounts.

With all the concerns that various interested parties have about the COMEX and price discovery -- from speculators causing high copper prices to speculators causing volatility in silver and gold prices -- these measures will help ensure that the futures markets operate smoothly. Such measures can help ensure that the United States has the premier futures market in the world. If there are indeed any shady transactions out there, and they move to the OTC markets or vanish, the American public will not be disappointed.

Sincerely,


Robert Perry
About.Ag