

**DON M GASKELL
18 OCTOBER HILL
OAK RIDGE, N J 07438
973-697-2134**

RECEIVED
CFTC

2011 MAR 15 AM 10:05

OFFICE OF THE
SECRETARIAT

2/15/11

GARY GENSLER, CHAIRMAN
CFT COMMISSION
1155 21ST STREET N W
WASHINGTON, D C 20581

COMMENT

DEAR MR GENSLER,

RE: HOME FUEL OIL

TO THE PERSON OPENING THIS LETTER, PLEASE GIVE IT TO MR
GENSLER.

TODAY, THE WALL STREET JOURNAL REPORTED THAT GASOLINE
INVENTORIES HAVE HIT THEIR HIGHEST POINT IN MORE THAN
20 YEARS (SEE ATTACHED WSJ ARTICLE).

CONTRARY TO THE CONCEPT OF SUPPLY AND DEMAND DICTATING
THE PRICE OF GASOLINE, EXXON'S PUMP PRICE WENT UP \$.04 TODAY
IN N.J.

THERE IS PURE MANIPULATION OF THE MARKET BY THE OIL
COMPANIES, THE REFINERS, INVESTORS AND THE HEDGE FUNDS.

THIS GOUGING IS CLEARLY EVIDENCED BY EXXON'S 53 % INCREASE
IN PROFITS FOR THE LAST QUARTER OF 2010. IS EXXON BIGGER
THAN THE U S GOVERNMENT.

WE KNOW THAT CORPORATE AMERICA HAS NO CONSCIENENCE, BUT
WHY **WILL NOT** MEMBERS OF CONGRESS AND OUR GOVERNMENT
AGENCIES STAND UP TO OBVIOUS MONOPOLISTIC AND MANIPULATIVE
ACTS THAT ARE DETRIMENTAL TO AND CREATES FINANCIAL
HARDSHIP FOR LOWER MIDDLE CLASS CITIZENS.

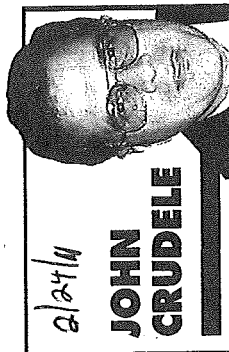
DO WE NEED RALLIES AND PROTESTS TO CAUSE GOVERNMENT TO
ACT ?

VERY TRULY YOURS,


DON M GASKELL



I've had my fill of speculators pumping prices



2/24/11

JOHN CRUDELE

DRIVERS will be paying another 15 cents a gallon for gasoline over the next week and a total of half a buck more by Memorial Day.

That's pretty much guaranteed. It could be even worse if there's trouble in Saudi Arabia, the world's largest oil producer.

Oil and gas prices would have risen no matter what because of the Middle East tensions so well documented in the press.

But the cost of fuel would have started rising from a much lower level if Washington hadn't shirked its responsibility by allowing greedy investors and speculators to put commodities markets — especially oil — in a stranglehold.

There is so much gasoline and oil waiting to be used that you and I have been paying ridiculously high prices for the stuff for over a year. The supply and demand equations learned in Economics 101 were completely out of whack even be-

fore the Middle East blew up. Indeed, inflation across the board would be a lot tamer without the actions of Wall Street and without the Federal Reserve's tin ear to the needs of Americans. (Fed boss Ben Bernanke recently said he wanted more inflation; well, now he's got it — along with global instability.)

Today we are all paying the price for our elected officials' indifference/laziness/corruption/stupidity. Tomorrow the price will be even higher.

Here's part of a conversation I had this week with Peter Beutels, president of Cameron Hanover, which independently analyzes the oil markets without the conflicts of interest prevalent among energy experts at financial firms. (Remember, Wall Street firms are often betting on oil prices going higher.)

Me: How much trouble is the US in because of the Middle East?

Peter: Well, the polite way to say it is we are over a barrel.

Me: Why? For 32 years, since '79, we've had a series of warnings that something like this could happen. Look at the Iran hostage crisis, the Iran/Iraq war and the 1990 invasion of Kuwait by Iraq.

And of course we went to \$147 (for a barrel of oil) a couple of years ago. We've had plenty of warnings. One, the world is run-

ning out of oil. Two, the US has either got to find more oil in safer places or move onto other forms of energy — or both.

Me: But right now we are lucky because the amount of oil we have in tanks and tankers is pretty large, right?

Peter: Yeah, but it's not something that we could withstand a regime change in Saudi Arabia, particularly if all of a sudden they were anti-American. Or if all of a sudden Iran and Saudi Arabia got together and said, let's embargo the US because we don't like its stand on pick-a-topic.

Me: Unlike the early '70s, when we had a crisis in the Middle East, and in the '80s, we now have technology that we could adopt, although we haven't.

Peter: We've got more oil in the Rocky Mountains in the US and in Canada than Saudi Arabia does. That's what I have been led to believe from reports I've read. Now, needless to say, we have no infrastructure at all in place there. We have not a single pipeline that runs laterally or east/west.

So there is a lot of stuff that needs to be done. But if I had \$700 billion to spend, I think I'd be spending it on trying to develop something that is going to help our national security and avoiding a situation where our

foreign policy suddenly becomes dictated by what's going on (in the Middle East) and we have no control over it.

Me: What's the stockpile of gasoline in this country right now? Are we awash in gasoline?

Peter: Right now we have 9 million barrels, or 3.9 percent more than a year ago, 10.25 percent more than two years ago. It is the most in a number of years. But I wouldn't call us "awash" in it. That's misleading because we use 9 million barrels a day. So that's one day more than a year ago.

Me: What about crude oil?

Peter: We have a bunch in the government's Strategic Petroleum Reserve but that's if everything goes crazy and Saudi Arabia is no longer exporting oil. Crude — we have 11.4 million barrels more than a year ago — but 4.7 million less than two years ago.

Me: So we are in pretty good shape as far as that's concerned?

Peter: We're in reasonably good shape. We are not in bad shape. **Me:** One of the bigger problems you and I have discussed before is that oil started at such a high level because of trading by speculators.

Peter: Because of investment

Me: Investment you want to call it?

Peter: Yes, speculation is not a bad thing when it's just your normal speculators who buy and sell oil. Because a normal speculator is going to get short this market (betting on falling prices) as much as he's going to get long. It's the investors who buy and hold it and basically give us these fraternity brother-type moves.

It's like drink, drink, drink, drink — the equivalent of buy, buy, buy — until you get to \$147 and then it's regurgitate for a week. And you end up at thirty-three bucks.

Me: So people are playing games, essentially.

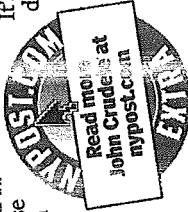
That's what you are saying?

Peter: What they are doing is, for three years they are buying oil and for six months they are selling. Who that does any good for, I don't know.

Me: Essentially we are starting out at such a high plateau because of these — quote — investors. And now a crisis in the Middle East puts us into a much higher orbit.

Peter: Yeah, I would say so.

Me: Thanks.



johncrudele@nypost.com