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OFFICE OF THE
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March 14, 2011

Honorable Gary Gensler, Chairman
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

COMMENT

Dear Chairman Gensler:

With oil inventories and supplies currently at very high levels, many people are questioning why the price of oil and its refined products including heating oil and gasoline are at or near record levels as well, in apparent refutation of the basic relationship of supply and demand.

I believe that one very short and accurate answer about why oil is so high is that financial speculation is also at record high levels and driving oil prices up. Statistics released by the CFTC on commitments of traders have never been higher. Aggravated by ETFs as well, a situation exists where the action of financial speculators of all kinds, including hedge funds and your previous employer Goldman Sachs, are helping to make life and existence miserable for billions of people worldwide and are contributing to the chaos and political unrest and instability shaking the world.

I urge you to declare force majeure and significantly raise margin requirements on oil trading to 50%, the same level as equities. Both the Federal Reserve and Treasury are creating and placing extreme amounts of low-cost capital into the hands of professional traders who are driving prices higher at the expense of ordinary people.

Raising margin requirements offers you personally and the CFTC an opportunity to do something heroic and socially important and would be an act of courage and leadership. A higher margin requirement and larger commitment of capital would be an important discipline for traders – yes it would require greater investment to create profits – and send a message to the world that the Obama administration is interested in its citizens in addition to the interests of the financial industry.

Thank you for your attention.

Sincerely yours,



Peter R. Mack

cc: President Barack Obama