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COMMENT
CL-00674

From: Geoff Petras <geoffp@attglobal.net>
Sent: Tuesday, April 13, 2010 3:42 PM
To: Metals Hearing <metalshearing@CFTC.gov>
Subject: PM Position Limits

Dear Sir;

Thank for the opportunity to comment on the issue of position limits for precious metals. Please establish a speculative position limit in COMEX silver of no more than 1500 contracts. Please restrict any hedging exemptions from those limits to legitimate hedgers. Please stop the levels of concentration in COMEX silver futures that have been experienced over the past few years on the short side of the market.

Sincerely,

Geoffrey Petras,

P.S.

The public is growing in its awareness of the Federal Reserve System and the tentacles of the self interested elite. The subject is the key to understanding how we have arrived at this unfortunate juncture. Below is an excerpt from a typical recent article that is begining to infiltrate the mainstream but is more often found on websites such as Kitco. The subject is beginning to be discussed by the common man at the dinner table after years of ignorance. It is a subject that ultimately impacts the blessings of liberty:

After 1971 when gold was no longer anchored the currencies of the West, Western central banks embarked on a campaign to defend their now fiat paper currencies against any rise in the price of gold, oil and other commodities that would expose the declining value of their paper currencies.

Thus began the West's war on gold, a war directed by the West's central banks. In an article written in 2001, Peter Warburton expertly deconstructs and details what to most is still opaque, the reason why the gold market is manipulated by Western ruling elites.

Warburton's article exposes why the US Commodity Futures Trading Commission last month chose to ignore charges that gold and silver markets are manipulated. The central banks (and the CFTC) are well aware of the manipulation; the reason being that central banks are responsible for the manipulation and Warburton explains why:

What we see at present is a battle between the central banks and the collapse of the financial system fought on two fronts. On one front, the

central banks preside over the creation of additional liquidity for the financial system in order to hold back the tide of debt defaults that would otherwise occur. On the other, they incite investment banks and other willing parties to bet against a rise in the prices of gold, oil, base metals, soft commodities or anything else that might be deemed an indicator of inherent value. Their objective is to deprive the independent observer of any reliable benchmark against which to measure the eroding value, not only of the US dollar, but of all fiat currencies. Equally, their actions seek to deny the investor the opportunity to hedge against the fragility of the financial system by switching into a freely traded market for non-financial assets.

It is important to recognize that the central banks have found the battle on the second front much easier to fight than the first. Last November, I estimated the size of the gross stock of global debt instruments at $90 trillion for mid-2000. How much capital would it take to control the combined gold, oil and commodity markets? Probably, no more than $200bn, using derivatives. Moreover, it is not necessary for the central banks to fight the battle themselves, although central bank gold sales and gold leasing have certainly contributed to the cause. Most of the world's large investment banks have over-traded their capital so flagrantly that if the central banks were to lose the fight on the first front, then their stock would be worthless. Because their fate is intertwined with that of the central banks, investment banks are willing participants in the battle against rising gold, oil and commodity prices.