

James Barch

Dear Mr. Lukken:

I want to thank you and your commission very much for deciding not to raise the market limits that hedge funds and index funds are allowed to speculate and invest in commodities.

The market limits that hedge funds and index funds have been held to traditionally should provide them with adequate space to play and prosper. Only excessive greed would demand the release from previous restraints.

We all have seen (and suffered) what happens all-too-frequently when highly-leveraged, huge-money, special-interests move in for a brief while, make their selfish "killing", and then abandon the field precipitously with no concern or responsibility for what harm they've done or for what ruin they leave behind.

The Savings & Loan catastrophe of the late 1980s; the Longterm Capital collapse and bailout; the Enron-Tyco-World Com collapses and scandals; the sub-prime mortgage scandal and disaster; and the global credit derivatives crisis and freeze-up are just a few of the major examples of how excessive greed by a few selfish speculators has harmed and ruined things for the greater majority of citizens who play by the rules.

My parents are very small long-term investors in commodities, but I think I speak for them and millions of other small investors when I say that they would rather see a pool without sharks, in which the rate of return is less, in exchange for less volatility and less risk of the "boom and bust" that big-money, in-and-out speculators always seem to cause.

I am also very concerned that the very heart and soul of the commodities industry (the farmers and the grain elevator owners) not be distressed or destroyed by the recent discrepancy between future contracts' prices and the final cash price for their crops. It may be uncertain, for now, what has caused this change and loss of congruity, but it is a fact that it did not commonly occur before huge amounts of money from hedge funds and index funds moved into commodities. I request that your U.S. Commission and the Chicago and New York commodities exchanges (and perhaps universities) investigate what has caused this ruinous dis-connect...and, if possible, develop correctives that will make futures contract prices and final crop cash prices match up more closely and more reliably.

In short, the farmers and grain-elevator operators are far more essential to the well-being of our nation and our world (in a time of food price crises and increasing world hunger!) than are the "extra" profits being sought by big-money speculators. Until it can be proven that big-money presence is not causing problems (and will not cause problems) for everyone else, hedge funds and index funds should be kept on a very short leash. As you know as a regulator, the free market must have limits to freedom, so that it doesn't become a manipulated or crashed market.

In conclusion, thank you very much for deciding not to raise the limits on hedge funds' and index funds' share of the commodities markets. And please know that I (and the majority of

Americans, I am sure) support your work to enforce fair, balanced, and healthy commodities markets that benefits the farmers, the elevator operators, the many small long-term investors, and the American and world consumer. If this greater common good requires limits on profits by the huge money, in-and-out, leveraged players, then they must learn to be satisfied with healthy (but not excessive) profits. I want sustainable growth -- not boom and bust.

Thank you very much for considering my views.