

Dear Commissioner Pham,

Congratulations on your recent appointment to the Commodity Futures Trading Commission. My purpose in writing is to alert you to a highly unusual circumstance that exists in one of the regulated markets – silver. Over the past twenty years, the Commission has received more public complaints and comments about a COMEX silver price manipulation than for all other markets combined. If anything, the public is more convinced of a silver price manipulation than ever before. A Reddit site devoted to silver and its price manipulation has gained close to 200,000 new members recently.

A year ago, the Commission wrote to me that it had shared my concerns about the excessive concentrated short position of the four largest traders in COMEX silver futures with both the Commission's Divisions for Enforcement and Market Oversight. The concentrated short position of the 4 and 8 largest traders in COMEX silver futures represents the largest concentrated short position of any commodity traded, in terms of real-world production and consumption. The concentrated short position in COMEX silver futures is the main reason silver is artificially suppressed and manipulated in price.

Based upon data provided by the Commission in its weekly Commitments of Traders (COT) reports, it can be documented that the commercials, as a group, have never collectively bought on silver price rallies, only on price declines and conversely, these same commercials have always collectively sold and sold short on silver price rallies and not on silver price declines. Unless anyone chooses to conclude that the COMEX commercial silver traders (almost exclusively banks and not mining companies) are infallible and have some special gift preventing them from ever making a wrong move, the most plausible explanation for their flawless trading is that they are colluding among themselves.

This collusion along with the large, concentrated silver short position of the 4 and 8 largest traders on the COMEX, has resulted in silver being controlled and suppressed in price for decades. With world silver industrial and investment demand at record levels and supply stagnant, the most plausible explanation for why prices haven't risen is the artificial and manipulative price suppression on the COMEX.

While this circumstance is deeply unfortunate and against commodity law, at the same time it provides a compelling challenge and opportunity for you and the other newly appointed commissioners. Rooting out price manipulation is the Commission's number one mission. The public must have confidence and trust that our markets and financial regulations are above reproach. Currently, that's not the case in COMEX silver futures.

Respectfully yours,

Ted Butler