

September 22, 2011

Dear Mr. Prime Minister,

The purpose of my letter is three fold, first to present an idea that will get the global economy back on a track of strong growth, second to elicit your help in persuading my president that it is viable and effective and that you see the merits and will provide any support that he might need in effecting it's adoption, and third to respectfully request that you look to your commodity markets to ensure that speculation is not impoverishing your people.

I call the idea the RBOB Gambit and have enclosed a copy of a paper outlining the idea.

In the past decade the price of commodities has become completely divorced from the cost to produce these commodities to the detriment of society at large. This has arisen due to the fact that speculators, in the form of indexed commodity funds, etfs and other financial structures, have completely overwhelmed the primary market participant's positions with massive long bets in the futures markets which continually get rolled over causing dramatic price increases that have no connection to the reality of producing and bringing to market these vital commodities.

Proper government regulation excluding fraud, manipulation, hoarding and speculation from commodities markets ensures society a constant supply of vital commodities at the lowest price consistent with adequate profits for the commodity producers and consumers alike.

I believe that the epicenter of this speculation is here in my country, the U.S., while it is true that there are many large and influential commodities markets around the world, the U.S. has the largest grain and energy markets in the world and thereby has oversized influence around the globe in these type of markets. Due to improper oversight by my government speculation in commodities has exploded. Administrative actions that are in conflict to the laws enacted by congress have allowed, even encouraged this speculative activity.

As head of the executive branch of the United States government, the president is primary operating officer of all executive branch departments including the Commodities Futures Trading Commission (CFTC) that is charged by congress to regulate all commodity markets both cash and futures to protect the public from fraud and abuse. The CFTC has failed to execute their duties in office as evidenced by the rapid and unwarranted rise in all commodities in recent years. The president is in charge of regulating the largest commodities markets in the world and as such is in a unique

position to remove excessive speculation from them and by example all commodities markets around the globe thereby return untold billions of dollars to the people of the world.

I am no expert in these matters as I am just a small merchant. I have no training as an economist nor am I an expert in commodities markets, but I took some time to examine the congressional testimony of experts in the field of commodities markets and have sited two whose opinions which I believe represent the overwhelming consensus of experts in this field that do not have a direct financial interest in the status quo. I urge you to speak with these gentlemen and they will confirm that only good will come from eliminating speculation in the commodities markets. I am sure that you have experts in your country, that if asked will also agree and I urge you to speak with them also.

I find myself compelled to act due to the fact that I really do not think that anyone realizes the enormity of the problem and that a simple enforcement of the laws would correct the problem almost immediately. The benefits would be massive for my country and all countries around the globe.

World leaders must not wait until there is another huge spike in the price of oil or there is more rioting because food has been priced out of the reach of hundreds of millions of the world's poor. Commodities are vital to the world at large and must be removed from reach of a few that would impoverish the rest for the sake of a bit more profit. Stopping speculation in these markets is at the very heart of the proper functions of governments. Action by world leaders now would put the global economy back on the road to recovery and provide relief to billions around the world.

It is time to rethink the current playbook that has world leaders continually putting out fires as they crop up. Commodities are pervasive in the world economy and by finally normalizing their selling prices with the cost of producing them our leaders will lift a burden from the shoulders of every citizen of the world. This is not rocket science, a look back to our recent past when proper regulation of commodities markets went hand in hand with economic growth and increasing prosperity for everyone will reveal what needs to be done. I sincerely hope that you and your counterparts around the globe can summon the will to act for the good of everyone.

Thank you for your time and consideration.

Please accept my wishes of the best to you and your family.

Kindest Regards,

martin horzempa

