

From: Pierre Blume
Proposal: 1479 (RIN 7100-AE10) Regulation: Physical Commodities-FHCs (ANPR)
Subject: Physical Commodities-FHCs

Comments:

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Proposal: Regulation: Complementary Activities, Merchant Banking Activities, and Other Activities of Financial Holding Companies related to Physical Commodities [R-1479]

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Your comment: In the era of high unemployment, I urge the Federal Reserve to act more forcefully, and quickly, to limit banks' involvement in the commodities business, which has been blamed for inflating prices on everyday items like electricity and food.

The investment bank's (like Goldman Sachs and Morgan Stanley) huge commodities holdings plus the ability to simultaneously trade them, pose a critical risk to the entire financial system. Businesses and consumer groups have also expressed concern that the banks' financial heft gives them an unfair advantage over other competitors as well as the ability to manipulate prices for essentials like energy, cotton and food.

Respectfully Submitted,

Pierre Blume, Chief Engineer USMS (Retired)