

James H. Lindau
President &
Chief Executive Officer



MINNEAPOLIS GRAIN EXCHANGE

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1998 SEP 21 P 12: 5

OFFICE OF THE SECRETARIAT

September 14, 1998

Certified Mail

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581

Re: Speculative Position Limits

COMMENT

Dear Ms. Webb:

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COMMODITY FUTURES
TRADING COMMISSION
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The Minneapolis Grain Exchange ("MGE" or "Exchange") appreciates the opportunity to comment on the Commodity Futures Trading Commission ("Commission" or "CFTC") rulemaking proposal to amend Federal speculative position limits.

The MGE is particularly pleased the CFTC determined to maintain a parity of limit levels for the major wheat contract at each domestic exchange which trades such. The Exchange also has no objection to the CFTC's proposal to codify exemptions permitting exchanges to substitute position accountability rules for position limits for high volume and liquid markets. Furthermore, the Exchange has no objection to the CFTC's proposal to amend its rule on aggregation. However, the MGE believes flexibility and simplicity should be important considerations when permitting an exchange to set its initial position limits for non-enumerated contracts. Therefore, the Exchange hopes the CFTC will be reasonable in its future enforcement of proposed Commission Regulation 150.5.

Additionally, after reviewing the rulemaking proposal, the Exchange noted the CFTC did not recommend any changes to the limits for the MGE White Wheat futures contract months. While the Exchange is not aware of any curtailment of White Wheat futures trade activity because of the current speculative position limits, the Exchange requests that the CFTC consider at least expanding the deferred White Wheat limits proportionally as was done with the Hard Red Spring Wheat futures contract. Should the various Asian economies improve, White Wheat trade activity may increase dramatically.

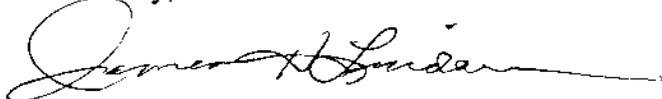
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Pursuant to Section 2(a)(1) of the Commodity Exchange Act, the Commission has authority to set speculative position limits for wheat. Pursuant to this authority, the Commission has codified speculative position limits for Hard Red Spring Wheat and White Wheat in Regulation 150.2. Since initiation of trading in the Durum Wheat contract at the MGE, open interest has surpassed the White Wheat contract. Additionally, Durum is a class of wheat. Therefore, it appears the Commission could codify speculative position limits for the Durum Wheat contract. However, should the Commission choose to exercise such authority, the MGE strongly believes the speculative position limits for Durum should not be less than those established for White Wheat.

If there are any questions regarding these comments, please contact Mark G. Bagan, Vice President, Market Regulation, at (612) 321-7166. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "James H. Lindau". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James H. Lindau

JHL:pp