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COMMODITY FUTURES TRADING COMMISSION
2033 K Street, N. W., Washington, DC 20581

Mary L. Schapiro
Chairman

(202) 254-6970

April 18, 1995

Mr. David E. King, Chief Executive
London Metal Exchange Limited
56 Leadenhall St.
London, England EC3A2BJ

Dear Mr. King:

Thank you for your letter of March 30, 1995 regarding the London Metal Exchange's ("LME") addition of United States delivery facilities on its copper contract. We appreciate your keeping us informed of your plans. We also greatly appreciate your recognition of our joint regulatory obligation to ensure market integrity and to protect customers.

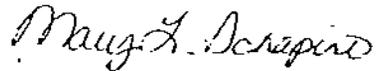
I understand that the LME, as a result of staff discussions, has undertaken to provide the Commission, on a bi-weekly basis, with information regarding movements of stock certified for LME delivery. This information should be faxed to: Mr. Howard G. Bodenhamer, Branch Director for Market Surveillance, New York Regional Office, Commodity Futures Trading Commission, at: (212) 466-5723. Commission staff may contact the LME for additional information regarding the LME's U.S. warehouses, including information relating to their capacity and storage practices.

Finally, I appreciate your agreement to explore further issues raised by differences in approaches with regard to customer protection and market integrity and concerns raised by the collapse of Barings PLC. I hope to continue the past cooperative relationship between the Commission and the LME in addressing the needs and appropriate protection of U.S.

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customers, and look forward to discussing these issues both bilaterally, and more generally, as appropriate. Toward this end, I have directed my staff to continue these discussions and to arrange for a convenient opportunity to meet.

Sincerely,



Mary L. Schapiro

cc: Andrew Winckler
Securities Investments Board