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COMMENT

May 29, 2001

Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading  
Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0609

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OFFICE OF THE SECRETARY

Att'n: Office of the Secretariat

RE: Narrow-Based Security Indexes/File No. S7-11-01

Dear Sir or Madam:

In the case of foreign security futures, the mantra of "investor protection" must be tempered by the need of smaller economies to attract U.S. investment in order to reach their full potential, improve their citizens' quality of life, and foster democratic institutions. U.S. investment is provided largely by hedge funds and sophisticated institutional investors for which many SEC and CFTC regulations have already been waived.

At a minimum, the CFTC and SEC should allow full participation by U.S. institutions in both narrow-based stock index futures and single-stock futures listed on foreign exchanges outside the joint program being created to protect other investors.

Sincerely,

  
Philip McBride Johnson

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Secretary of the Commission  
Jonathan G. Katz  
May 29, 2001  
Page 2

cc: The Honorable James E. Newsome  
The Honorable Laura S. Unger  
The Honorable David D. Spears  
The Honorable Isaac C. Hunt, Jr.  
The Honorable Barbara Pedersen Holum  
The Honorable Paul R. Carey  
The Honorable Thomas J. Erickson