

Document 0449

[20449001]

Wall Street continued to buckle under the public outcry against computer-driven program trading .

[20449002]

Kidder , Peabody & Co. , a unit of General Electric Co. , announced it would stop doing stock-index arbitrage for its own account , and Merrill Lynch & Co. pulled out of the practice altogether .

[20449003]

At the New York Stock Exchange , which has been buffeted by complaints from angry individual investors and the exchange 's own listed companies , Chairman John J. Phelan Jr. held an emergency meeting with senior partners of some of the Big Board 's 49 stock specialist firms .

[20449004]

The specialists , a trader said , were " livid " about Mr. Phelan 's recent remarks that sophisticated computer-driven trading strategies are " here to stay . "

[20449005]

Many investors blame program trading for wild swings in the stock market , including the 190-point plunge in the Dow Jones Industrial Average on Oct. 13 .

[20449006]

A specialist is an exchange member designated to maintain a fair and orderly market in a specified stock .

[20449007]

Mr. Phelan 's meeting with the floor brokers comes as he prepares to explain the exchange 's position on program trading to key congressional regulators in a closed session tomorrow , according to exchange officials .

[20449008]

A Big Board spokesman would only say , " We 're working the problem and looking at the issue and meeting with a broad number of customers and constituents to get their views and ideas on the issue . "

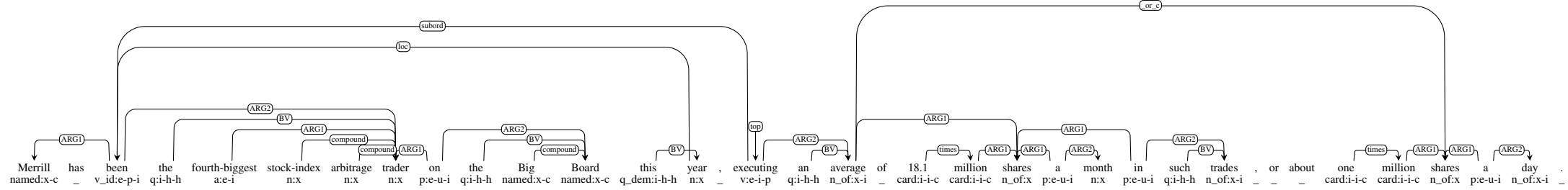
[20449009]

The program-trading outcry was taken to a new level when giant Contel Corp. said it and 20 or more of the Big Board 's listed companies are forming an unprecedented alliance to complain about the exchange 's role in program trading .

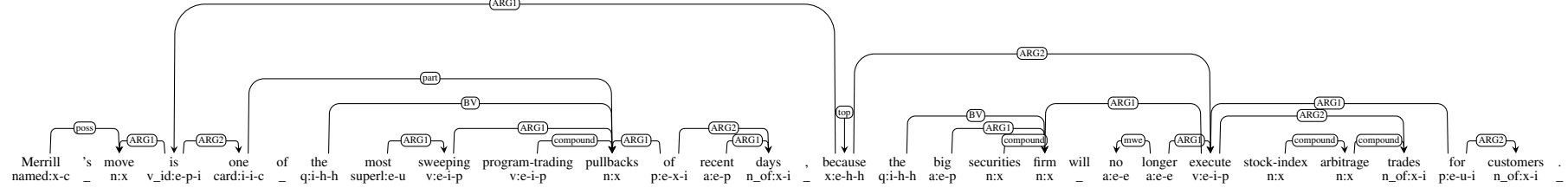
[20449010]

The decision by Merrill , the nation 's largest securities firm , represents the biggest retreat yet from program trading .

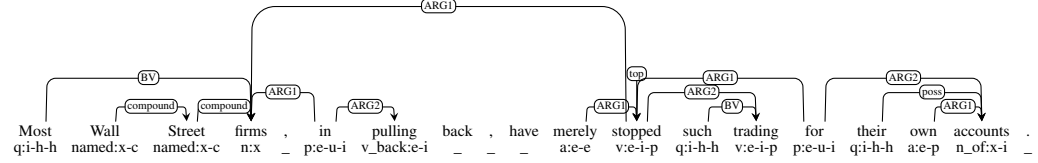
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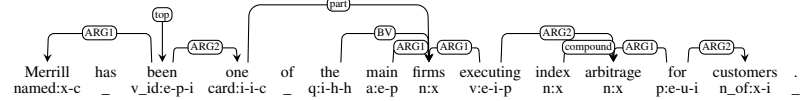
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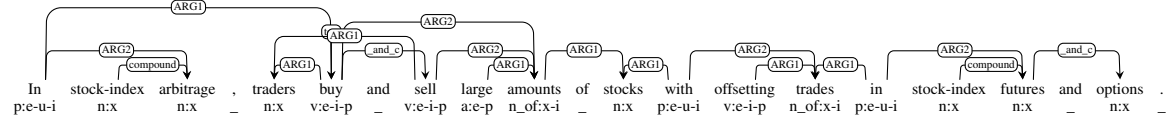
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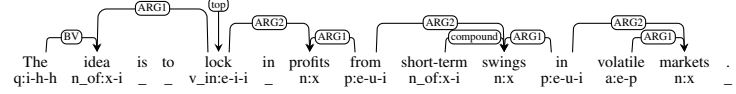
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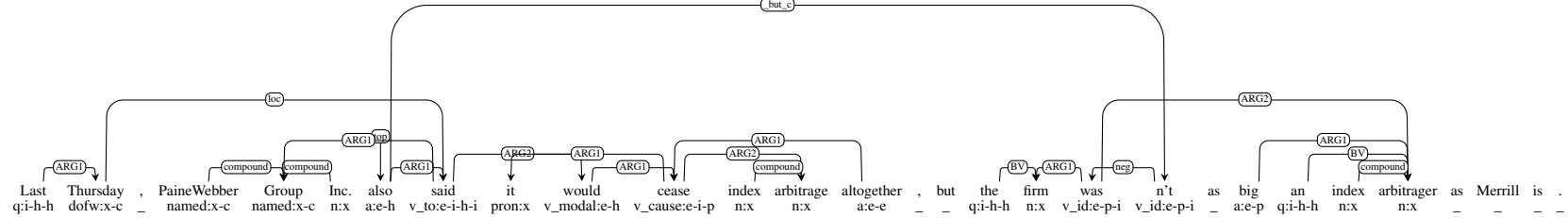
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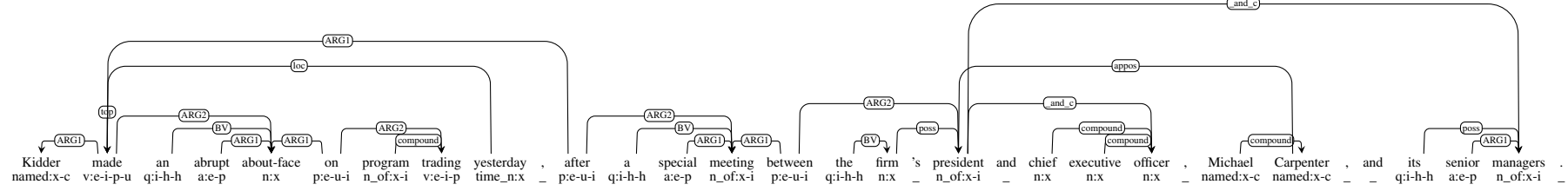
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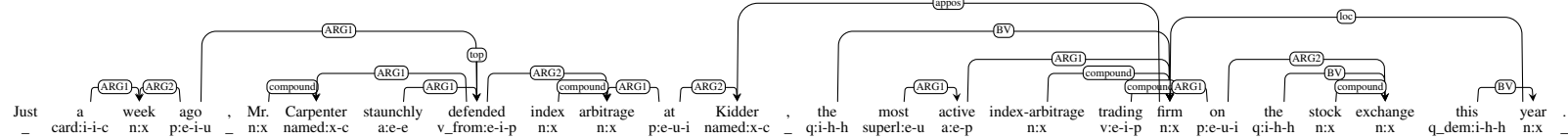
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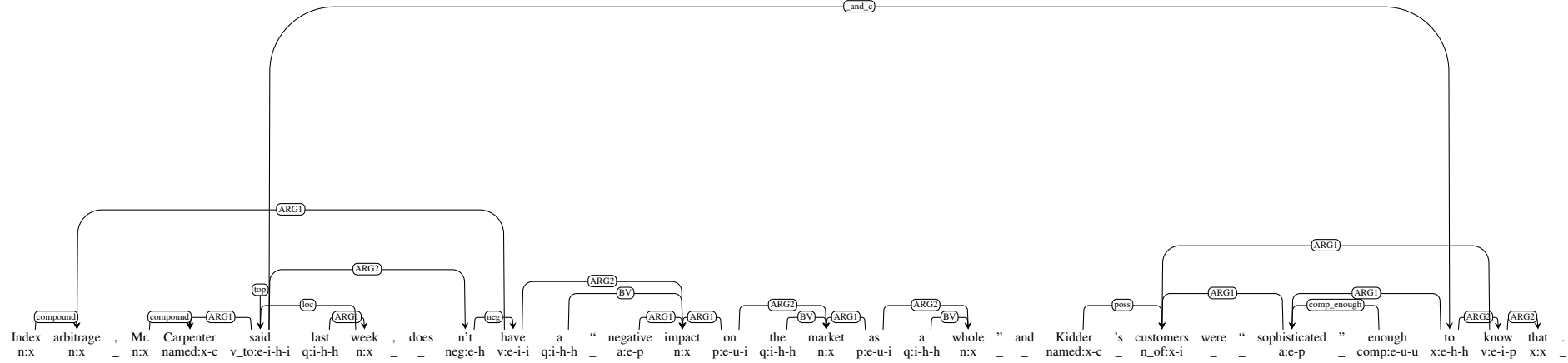
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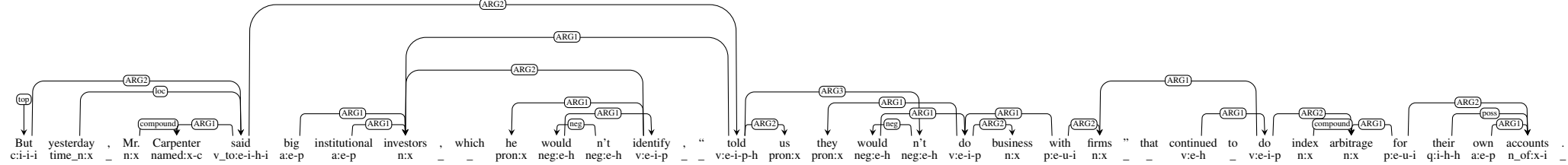
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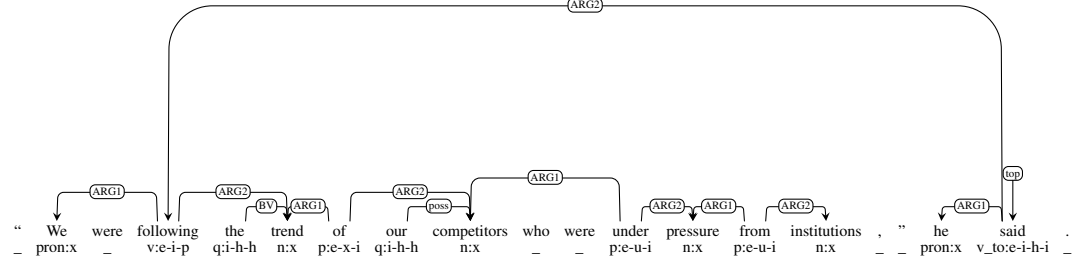
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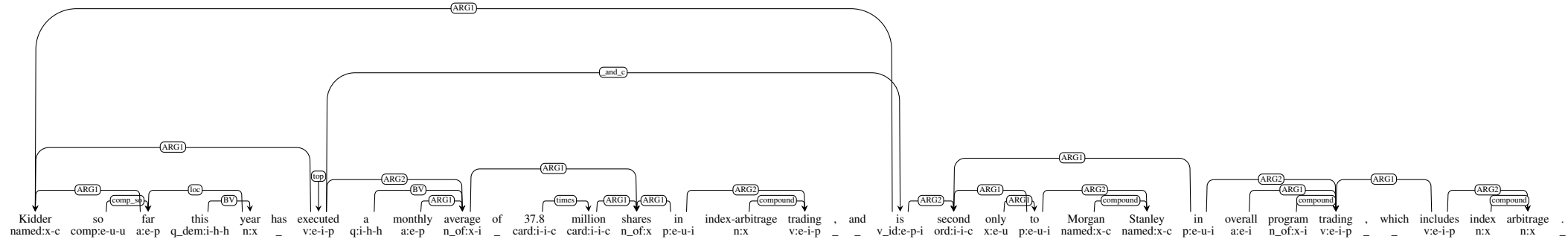
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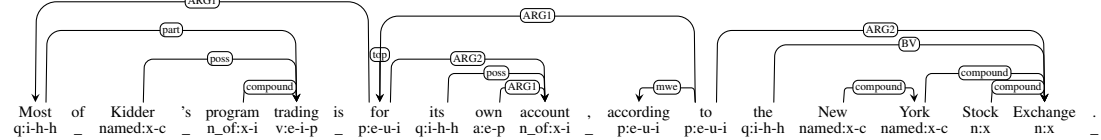
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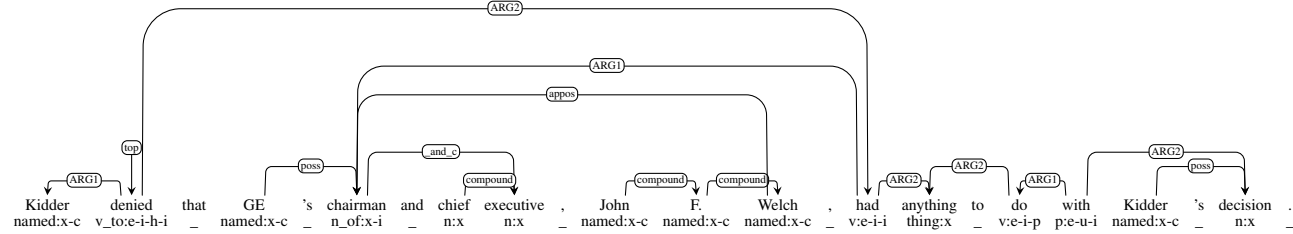
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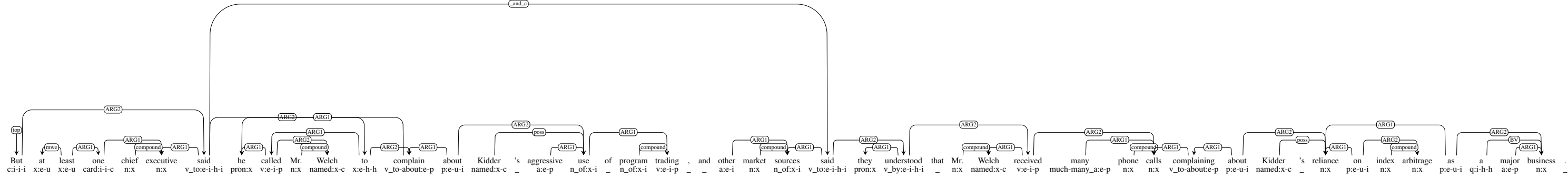
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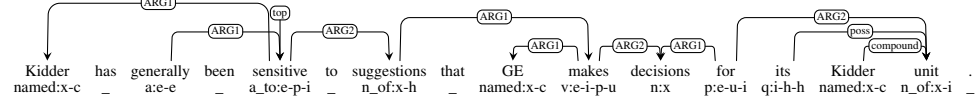
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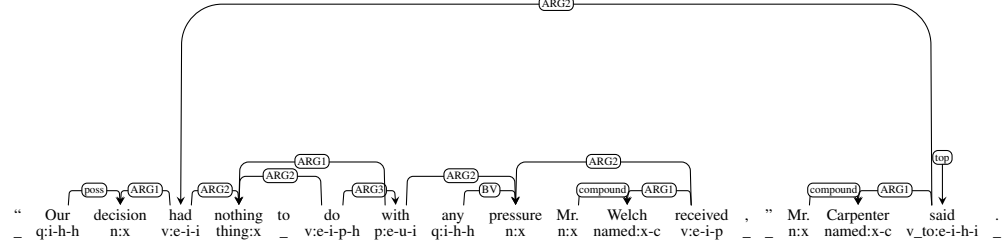
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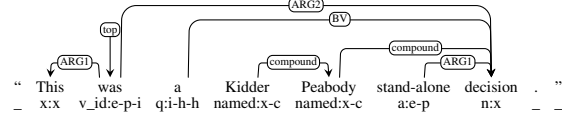
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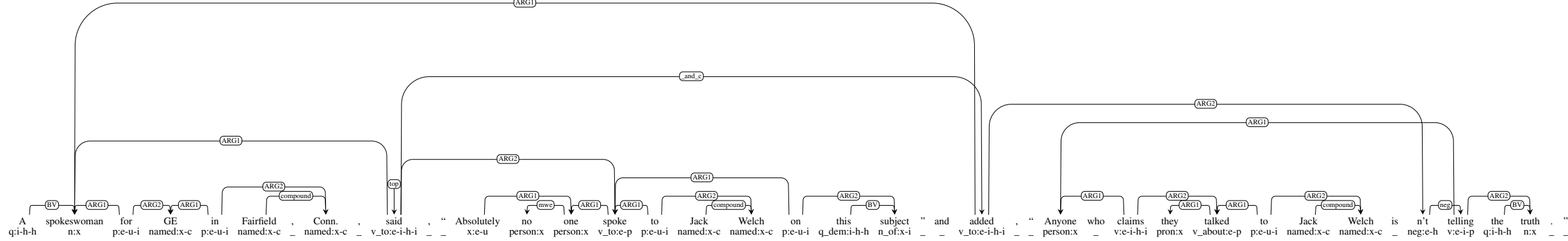
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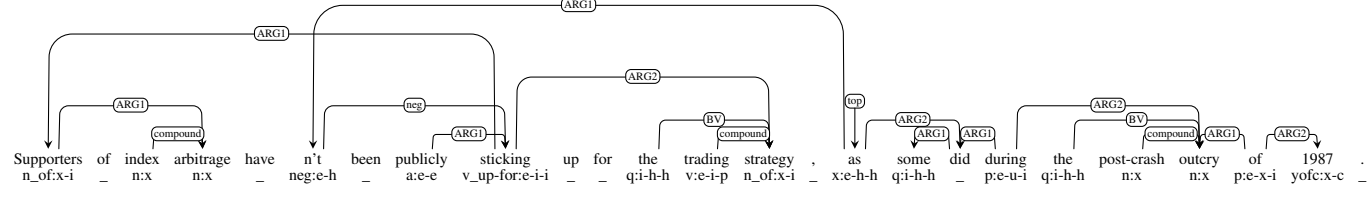
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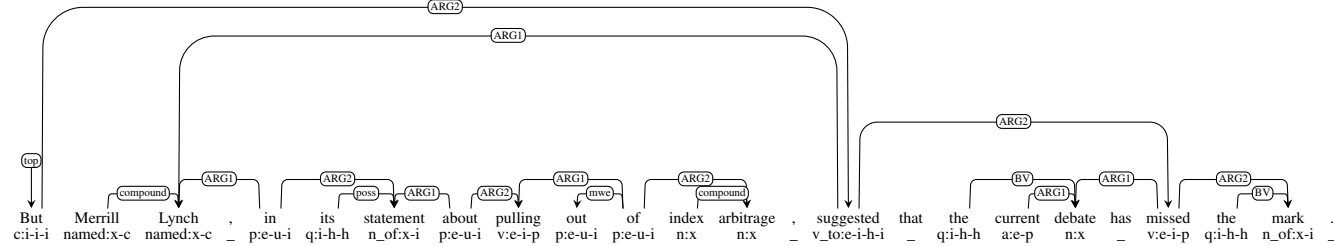
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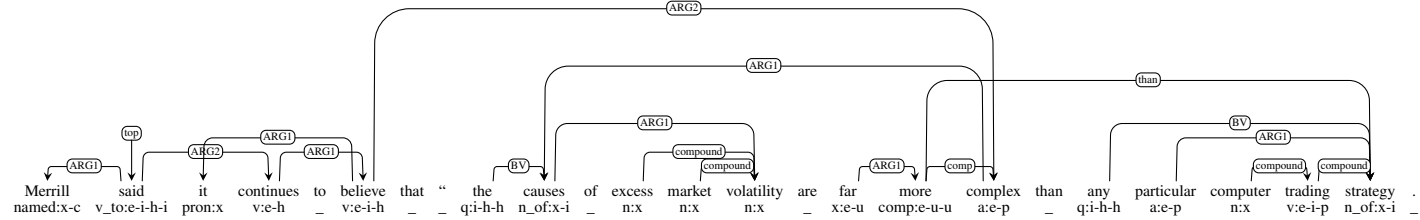
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