1987 Brady Commission. Ready Aim Fire

It took Ronald Reagan less than three weeks after the 87 crash to issue Executive Order 12614 on November 5, 1987 – establishing the Presidential Task Force on Market Mechanisms. Note that they were given a whopping 60 days to figure it out.

Purpose and Functions. (a) The Task Force shall review relevant analyses of the current and long-term financial condition of the Nation's securities markets; identify problems that may threaten the short-term liquidity or long-term solvency of such markets; analyze potential solutions to such problems that will both assure the continued smooth functioning of free, fair, and competitive securities markets and maintain investor confidence in such markets; and provide appropriate recommendations to the President, to the Secretary of the Treasury, and to the Chairman of the Board of Governors of the Federal Reserve System.

> *(b) The Task Force shall submit its recommendations within 60 days from the date hereof.*
>
> http://www.presidency.ucsb.edu/ws/index.php?pid=33653

The Financier 'Who Knows What Is Going On'

By MICHAEL QUINT
Published: Saturday, August 6, 1988

….In only a few months, Mr. Brady organized a group of experts and produced a report that surprised even Wall Street experts with its wealth of detail and cogent explanations of what went wrong.
"In hindsight, the Brady Report was the most definitive of all the studies after October," said Jeffrey B. Lane, president of Shearson Lehman Hutton. "In this business, he is known as one of those people who knows what is going on." …

Read the full story here: http://www.nytimes.com/1988/08/06/ us/the-financier-who-knows-what-is-going-on.html

MAN IN THE NEWS; Blue-Chip Leader for Task Force: Nicholas Frederick Brady

By SUSAN F. RASKY, Special to the New York Times
Published: Friday, October 23, 1987

… He is more widely known as a blue-chip member of the financial establishment, the chairman and managing director of Dillon, Read & Company, the Wall Street investment firm that he joined in 1954. Mr. Brady's family has for years owned a major stake in Dillon, Read, which was purchased last year by the Travelers Corporation.
Mr. Brady, 57 years old, may have a chance to prove the experts wrong again, as he takes on the chairmanship of the three-member task force President Reagan appointed tonight to investigate the stock market gyrations of the last week and what can be done about them. …

http://www.nytimes.com/1987/10/23/business/man-in-the-news-blue-chip-leader-for-task-force-nicholas-frederick-brady.html?scp=16&sq=nicholas brady&st=cse

THE MEN BEHIND THE BIGGEST STORIES ON WALL STREET AND IN WASHINGTON: NICHOLAS F. BRADY, TREASURY DEPARTMENT;
Treasury Secretary Off to a Quiet Start, but Loud Issues, Including Taxes, Lie Ahead

By Peter T. Kilborn
Published: Tuesday, January 3, 1989

Nicholas F. Brady has a machine to read quotes from the markets, and he uses it. He has a facsimile machine hooked up in his Washington apartment. He calls in assistants and deputy assistants to explain Treasury business, and they say he is a rigorous interrogator. ''He scrutinizes you,'' one said.

http://www.nytimes.com/1989/01/03/business/men-behind-biggest-stories-wall-street-washington-nicholas-f-brady-treasury.html?scp=14&sq=nicholas brady&st=cse

Task Force Ties Market Collapse To Big Investors' Program Trades

By NATHANIEL C. NASH, Special to the New York Times
Published: Saturday, January 9, 1988

A handful of the nation's largest money management firms, using two types of computerized trading, were mostly responsible for the October stock market collapse, a Presidential task force said in a report today.
The report, from the Presidential Task Force on Market Mechanisms, blamed the automatic trading programs of the firms for generating huge sell orders that culminated in a 508-point drop in the Dow Jones industrial average on Oct. 19 as more than 600 million shares changed hands.
"Program trading, on auto-pilot, produced an enormous amount of volume during that time," the panel's chairman, Nicholas F. Brady, said at a press briefing at the White House.

…It proposed that one agency, the Federal Reserve Board, be responsible for this regulatory oversight.

http://www.nytimes.com/1988/01/09/business/task-force-ties-market-collapse-to-big-investors-program-trades.html?scp=5&sq=nicholas brady commission&st=cse

A Task Force Plays Beat the Clock

By WILLIAM GLABERSON
Published: Sunday, February 14, 1988

THE first time Robert R. Glauber saw room 1116 at the Federal Reserve building in New York, it depressed him. That day in early November the big room where he would spend the next two months had one chair in it, one desk and one telephone.
President Reagan had just appointed Nicholas F. Brady to investigate the stock market collapse and Mr. Brady had named Mr. Glauber staff director. Mr. Reagan had given the Presidential Task Force on Market Mechanisms 60 days….

The document was the product of an unusual team of 50 people Mr. Glauber pulled together. From Mr. Glauber himself to Mr. Brady and other business leaders who were members of the task force to a group of financial whizes who work at the frontiers of the marketplace, the commission and its staff were a microcosm of the financial community.
It was an extraordinary time for the people who signed on to Mr. Glauber's staff. They worked out the most mundane details of setting up an office while they argued about the future of the nation's financial system.
The members of the task force were Mr. Brady, co-chairman of Dillon Read & Company; James C. Cotting, chairman of the Navistar International Corporation; Robert G. Kirby, chairman of the Capital Guardian Trust Company; John R. Opel, retired chairman of the International Business Machines Corporation; and Howard M. Stein, chairman of the Dreyfus Corporation. Together they interviewed scores of people and set targets for the investigation. But it was the staff that got the tough assignments. "They did the work," Mr. Stein said.

The two Harvard men asked another, James F. Gammill, an associate professor who understood the mysterious world of computer processing, to join them. They also borrowed ex-Harvard teachers Bruce C. Greenwald from Bell Communications Research and E. Philip Jones, Shearson Lehman Brothers Inc. But Harvard Business School dean John H. McArthur asked them to keep the Harvard contacts low profile and they tried to comply. "I think John felt it wouldn't be in the interests of the report that it be perceived as a Harvard Business School report," Mr. Glauber said.

http://www.nytimes.com/1988/02/14/business/a-task-force-plays-beat-the-clock.html?scp=7&sq=nicholas brady commission&st=cse

Greenspan Opposes Brady Plan

By PETER T. KILBORN, Special to the New York Times

Published: Wednesday, February 3, 1988

Alan Greenspan, the chairman of the Federal Reserve Board, today rejected a Presidential task force's proposal that the Fed take over supervision of trading in the securities markets….

Instead, he offered two alternatives: that the regulatory activities of the Securities and Exchange Commission be merged with those of the Commodity Futures Trading Commission, or that the Fed or the Treasury collaborate with the other two regulatory agencies.

Read the full story here: http://www.nytimes.com/1988/02/03/business/greenspan-opposes-brady-plan.html