

**REMARKS OF SEC CHAIRMAN  
RAY GARRET, JR.  
AT THE  
SECURITIES AND EXCHANGE COMMISSION  
40th ANNIVERSARY DINNER**

October 24, 1974

AS SOON AS ALL ARE SEATED

Fellow employees, alumni, and spouses — Greetings!

In lieu of an invocation, but before the eating begins, and all of the wine is gone, Irv Pollack has graciously consented to give a toast.

Irv —

WHEN DESSERT HAS BEEN SERVED

Ladies and gentlemen; dear friends —

It is not correct to say that in 40 years the SEC has learned-nothing. We have learned something about anniversary celebrations. At the first really organized bash, the 25th in 1959, at which I served as master of ceremonies, we certainly learned something. In introducing the head table, I learned to get straight who was on my right and who was on my left. And, we all learned that this group's tolerance for oratory in such circumstances is not without limits.

We had too many speeches, as some of you will remember. I kept watching people politely excuse themselves to step out to the biffy — but they never came back. As the evening went on, we were talking to fewer and fewer people, and hubbub from the bar got louder and louder.

At the 30th, in 1964, we had learned where your hearts were. It was all bar and no dinner, and even one speech turned out to be too many. That not only exhausted our welcome at the State Department, it led to a sort of old lady reaction. "If all you want to do is get drunk on our anniversary, you can darn well do it at home!" So there was no 35th.

With our courage revived, and all of these exciting younger people who have joined our ranks — and with the hope that we older goats are somewhat more tired and under control — it was determined to try for the 40th, with a modified compromise. We sat you down to eat. Now that you have, we will not keep you long. I should warn you, however, that drinks hereafter are on you, or on whoever you can get to pop. They are not on the committee.

I hope you have all had a chance to look at the various memorabilia displayed in the reception area. When your history lies mostly in the minds and memories of men or in somber legal documents, we lack the ready means for displaying what we have done. But it is something to see some of the paper evidence of where we have been. It would be far more satisfying if we could have with us some of the wonderful people that have built this agency and on

whose legacy we thrive. For many of us, that is what we are really remembering and dreaming of. But we must do the best we can. And the best we can is to honor their memory and keep alive the strong tradition of honor, professional excellence, and devotion to the public interest that is our heritage. All of the old boys that I remember would also want us to enjoy the evening, and I think that is part of it.

In thinking about our 40th anniversary, in addition to collecting some interesting papers, we have gathered up some curious data. Since 1934, 9,700 persons have been on the staff at one time or another. Since the total staff has varied from 696 in 1934, to 1,683 in 1941, to 666 in 1955, to its present high of about 2,000, the turnover has been fairly high. For another purpose, we figured out the average stay of a lawyer on the staff. It is 3 years and 11 months. The average stay of Commissioners has been 3 years and 8 months; of Chairmen, 2 years and 4 months. That sounds like we have reshuffled the deck every few years,

But it's like saying the average woman has one and five-eighths husbands. There are a lot that stick around, which is an important key to our survival.

I have spent some time studying the standards for one-upmanship in the veterans game among those stationed at headquarters. Obviously, top honors over the years have gone to anyone who had been on the staff of the Federal • Trade Commission in 1933, and came over to the SEC with Baldy Bane and

the others. If we have any of those, or their spouses, please stand up. [Orval DuBois may be the only one.]

Failing this unparalleled claim to veteranness, the best is to remember the Commission's first offices at 18<sup>th</sup> and Pennsylvania. All those who can honestly remember those offices, or were with a regional office during those days, or their spouses, please stand.

Next comes the Philadelphia captivity, from 1942 to 1948. How many here were there, or were in regional offices in those days?

Finally, comes the tar paper shack on Second Street. How many of those?

Now, I would like all of those who were, or have been, on the staff for at least 25 years to stand.

So, it's not quite so evanescent a group as the statistics would suggest. If it were, we could scarcely have maintained the institutional continuity that has been so much of our strength.

For those of you alumni who are not familiar with the staff today on a current basis, I can assure you that they are a group to be proud of. Some of you are no doubt wondering how such young squirts can handle such important matters. If so, you must have experienced a little comeuppance at

some of the photographs on display — and some of the illustrations in Mr. Justice Douglas's autobiography.

Youth has never been a crime around the SEC. When I look at those pictures, it seems like the whole business was begun by kids. Even wonderful old Judge Healy looked pretty young in 1934. I can assure you old timers that the seeming children that are so important a part of the present staff are probably no younger than you were when you were here, and certainly no less able and hard working and devoted to the success of the Federal program of securities' regulation. It is truly a great bunch, and I hope you are all having a chance to get acquainted.

This is not the time for somber words about the future of our capital markets or of the Commission. The more pressing problems of today are somewhat different from what they have been in the past. At least the focus of major attention has varied. But we are in good shape and good spirit to tackle the present problems. We think the Commission today is living up to its long tradition. We hope all of you alumni, in returning for this affair, are enjoying renewing old friendships, but also that you will go home convinced that this remains an agency that you are proud and happy to have been a part of.

Now, let me turn to this distinguished array of ladies and gentlemen at the table with me. But, before introducing them, I want to recognize, and have you recognize, three of our number who have worked especially hard

and well in arranging this grand affair. The names of the full committee have appeared on our letters to you, and all, but me, dutifully attended meetings and gave their counsel. But there are three who deserve special recognition for their outstanding efforts — Betty Lear, Bill Becker, and Larry Friend. Please stand and be recognized.

Now, here at the head table, let me first introduce those who have not been invited to say a few words, and then I will introduce those who have.

Starting at my far left, a man who is accused of keeping bad company because he was willing to leave his practice in Cleveland and accompany me to the Commission —

COMMISSIONER AL SOMMER

To Al's right, a man who preceded me on the staff by a few months in the 1950's, but who has stayed on, and is beloved and admired by us all —

COMMISSIONER PHIL LOOMIS

To Phil's right, a lady whose charm and stability are even equal to the task of keeping up with, and keeping track of, her extremely mobile husband —

MRS. AL SOMMER

To Starr's right, and skipping one, a gracious lady and the devoted mother of four young children, who must get to read the newspaper at breakfast because her husband is already at the office by 7 each morning —

MRS. JOHN EVANS

To Gail's right, and skipping one, a warm and lovely lady, whose skills as a Latin teacher used to intimidate me —

MRS. MANUEL COHEN

To Pauline's right, and skipping one, a lady who welcomed Virginia and me to Washington many years ago and who remains a warm friend —

MRS. RALPH DEMMLER

And to Kay's right, and skipping one, an able lawyer whom we gladly accept as part of the SEC family —

MRS. WILLIAM O. DOUGLAS

Now, turning to my far right, the senior man in SEC service, although the Junior Commissioner, and one whose long experience adds so much wisdom to our council —

COMMISSIONER IRV POLLACK

To Irv's left, a lady who has always been a charming and delightful addition to our gatherings —

MRS. BRAD COOK

To Laura's left, the only present Commissioner without a law degree and with the good sense that goes without it —

COMMISSIONER JOHN EVANS

To John's left, a lady known and loved these many years by all the SEC family —

MRS. IRVING POLLACK

To Shirley's left, and skipping one, the charming wife of my former boss at the Commission —

MRS. J. SINCLAIR ARMSTRONG

To her left, and skipping one, the lovely lady who has stayed in town but whom we don't see enough of any more —

MRS. WILLIAM J. CASEY

To Sophia's left, and skipping one, a lady of whom I am particularly fond and who usually seems fond of me —

MY WIFE, GINGER

Now we turn to those skipped over. Although I have previously referred to this particular group's low threshold of pain the presence of postprandial prolixity, propriety prescribes that my predecessors also have an opportunity to give you greetings. And we would not have it otherwise.

Let me first introduce the man who was Chairman from 1955 to 1957, and my boss during most of my time on the staff —

J. SINCLAIR ARMSTRONG

The next Chairman, in alphabetical order, is well remembered by most of the present staff, former Congressman and Judge —

HAMER H. BUDGE

The Chairman from 1961 to 1964, before and after which he was, and is, an esteemed Professor of Law —

WILLIAM L. GARY

The Chairman from 1971 to 1973, now Chairman of the Export-Import Bank —

WILLIAM J. CASEY

The man who served longest as Chairman, after a long career on the staff —  
Chairman from 1964 to 1969 —

MANUEL F. COHEN

The youngest man ever, to become Chairman and, before that, I suspect the youngest man to serve as General Counsel —

G. BRADFORD COOK

The man who offered me the opportunity to come with the staff, ever afterwards my good friend, Chairman from 1953 to 1955 —

RALPH H. DEMMLER

And now the man who served as the third Chairman of the SEC, from 1937 to 1939, after serving a year as a Commissioner and before that as head of the important committee on protective committees, who left the

Commission to join the United States Supreme Court, and who has remained a hero to so many of us and has shed his glory upon us and our endeavors —

MR. JUSTICE WILLIAM O. DOUGLAS

Mr. Justice Douglas, we are honored and grateful that you and Mrs. Douglas could be with us tonight. Despite your advice to President Roosevelt that we be abolished when merely ten years old, we hope you are, on the whole, proud of what we have been up to on our borrowed time. As far as we can tell, the country is going to need us every bit as much during the next 40 years as it has for the first 40. We hope that you will continue to grace us with your presence at our future birthday parties.

Any of you SPEBSQSA members will know what I mean when I say it is time for some woodshedding and the afterglow. For you people from Corp Fin, it's time for the post-effective amendment. For you people from IMR, it's time for a little competition in the secondary market. For you people from Market Reg, get ready to unfix your commissions. For you people from Enforcement, it's time for a degree of consent. For you people from Corp. Reg, there is no bar on competitive bidding. For you people from the regional offices, fraternization with headquarters personnel is permitted but, remember, there is a tomorrow. For the rest of the staff, *e pluribus unum*. And for all you alumni, welcome back and good luck.

I hereby declare the formal proceedings at the 40th Anniversary celebration of the SEC officially adjourned.