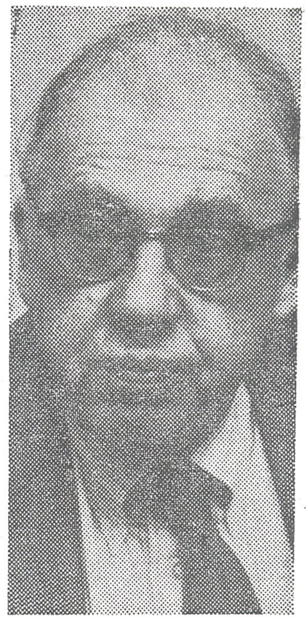
Garrett Leaving S.E.C.; Casey Quits the Eximbank

The New York Times
Ray Garrett Jr.



Associated Press
William J. Casey

NYTimes SEP 20 1975

By EILEEN SHANAHAN
Special to The New York Times

WASHINGTON, Sept. 19—The resignation of Ray Garrett Jr., the chairman of Securities and Exchange Commission, and of William J. Casey, a former chairman of the S.E.C. who is now the head of the Export-Import Bank, were announced today by the White House.

The fact that both announcements were made on the same day appeared to be only a coincidence.

Mr. Casey, according to associates, was bored at the Export-Import Bonk, and disappointed that it had not proved to be a stepping stone to the more important government jobs for which he once hoped, including the post of Secretary of the Army or Director of Central Intelligence.

In his letter of resignation to President Ford, Mr. Casey said he was leaving because he needed to "give some attention at this time to business and financial interests which I have been away from for almost five years."

Mr. Garrett, who had told associates some time ago that he wante to leave the commission before the end of this year, informed the President that he felt the commission had reached a point where his leaving would be "less disruptive to the commission's work" than it might have been at some other time.

The possibility that the Garrett and Casey resignations might be, in some way, connected caused a brief stir in Governmental and financial

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circles when they were first announced.

The assumption, for which no evidence has been found, was that some old or new scandal involving the S.E.C. might have been the cause of the resignations.

Mr. Garrett was recently accused by Forbes magazine of having blocked an S.E.C. investigation of the Chicago, Milwaukee Corporation, for which he formerly did legal work. A staff investigation of the matter was made, which exonerated Mr. Garrett, and which has apparently been accepted by some members of Congress as exonerating him.

Mr. Garrett became commission chairman, in an attempt to revive the commission's good name, in the wake of scandals involving allegedly improper treatment, by the agency, of individuals and businesses who had found favor with the Nixon Administration.

News ticker accounts of the Casey and Garrett resignations were brought into a meeting of the full Securities and Exchange Commission this morning by the S.E.C.'s public information officer and were read aloud by Mr. Garrett. According to someone who was present, Mr. Garrett was as surprised as anyone else by the announcement of Mr. Casey's resignation.

Mr. Garrett had informed his fellow commissioners earlier this week that he had formally submitted his resignation to the President and that it would be announced at the convenience of the White House.

Mr. Garrett leaves behind him at the commission a record of having brought several major regulatory and legislative matters to a conclusion.

Under his chairmanship, the two-centuries-old practice of price-fixing the sales commissions on stock transactions on the New York Stock Exchange was finally brought to an end.

Also during his term, legislation was finally passed requiring the creation of what is called a "central marketplace" for securities, so that investors could find out who was offering the best price for their stock on the different stock exchanges or even over-the-counter.

Among the major issues of regulation of the securities markets that will remain for Mr. Garrett's successor is whether the commission should stop the New York Stock Exchange from changing the structure of its board to restore exchange insiders to a majority position.

Under Mr. Garrett, the commission expressed some strong doubts about the wisdom of this proposal, but stopped short of saying that it would veto the change, which the S.E.C. has the authority to do.

Another major pending issue is the extent to which the New York Stock Exchange should be required to soften its Rule 394, which restricts trading off the exchange floor of stocks that are listed on the exchange.

The commissioner will also have to decide in the near future what it should do about requiring more disclosures by corporations of such matters as payoffs to officials of foreign governments; what standards should be established for forecasts of company earnings and other key indicators of the health of aa company whose stock is publicly owner; and the rules it should impose on municipal bond trading.