

LEONARD P. AYRES

I. IDENTITY IN BANKING COMMUNITY

Management Position with Bank

Cleveland Trust Company - Vice President and Economist

Affiliation with Banking Associations

American Bankers Association - Member of Advisory Committee on Special Activities; Chairman of Economic Policy Commission

II. IDENTITY IN INDUSTRIAL CIRCLES

Alleghany Corporation - Vice President; Member of Executive Committee and Director
Chesapeake & Ohio Railway - Director

III. FEDERAL GOVERNMENT AFFILIATIONS

War Industries Board, Division of Statistics - Director during last war
Dawes Plan Commission - Economic Adviser - 1924
U. S. Army - Brigadier General - (at present)

IV. CRITICIZED FEDERAL RESERVE BOARD (1929)

In February, 1929, he severely criticized the Federal Reserve Board. It is alleged that he stated that the Federal Reserve Board must win in its move to curb speculation; and indicated that the various gestures by the Board during the past year to check speculation have proved futile. He stated that the Federal Reserve Board "has now firmly declared a policy of credit restriction for speculation, and it has thereby placed itself in the difficult necessity of either making that policy effective or suffering a humiliating loss of prestige." (Commercial and Financial Chronicle)

V. CRITICIZED FEDERAL SECURITIES ACT (1934)

In 1934 he blamed the Federal Securities Act "as an important factor in contributing to the stoppage" of "the flow of new capital into enterprise".

VI. CRITICIZED GOVERNMENT FINANCIAL ASSISTANCE TO SMALL BUSINESS

He stated, in a speech before the Graduate School of Banking in August, 1939, that "the voting public is becoming increasingly aware that public spending has got entirely out of control, and this new set of plans for guaranteed lending is a most ingenious political device designed to circumvent public opposition to spending. . . . There appear to be three chief unfavorable economic implications that are inherent in the projects for insuring loans made to small businesses. The first is that these loans are far more hazardous than insured loans secured by new building construction. The second consideration is that insured loans will not be very helpful as a recovery measure because they will not bring much aid to the heavy industries where unemployment is most serious. The third unfavorable

economic consideration is that insured loans for business ventures that cannot now secure bank credit really constitute a form of Government subsidy which will create serious new competition for small businesses now in successful operation."