

LEON FRASER

I. IDENTITY IN BANKING COMMUNITY

Management Positions in Banks

First National Bank of the City of New York - President since 1937
Federal Reserve Bank of New York - Director
Bank for International Settlements - Vice President and Director,
1930-33; President and Chairman of the Board, 1933-35.

II. IDENTITY IN INDUSTRIAL CIRCLES

Mutual Life Insurance Company of New York - Trustee
General Electric Company - Member Executive Committee and Director
International General Electric - Director
New York Central Railroad - Member of Executive Committee and Director
since April, 1943
Cleveland, Cincinnati, Chicago & St. Louis Railway - Director (Elected
October 1943)
United States Steel Corporation - Member of Finance Committee and
Director (since 1936)

III. FRASER DOES NOT CHOOSE TO SPEAK ABOUT HIS INTERNATIONAL ASSOCIATIONS

Conducts B.I.S. Business in U.S. (1933)

According to the Press Fraser refused to be quoted on nature
of B.I.S. business in the United States. (New York Times, March 26, 1933)

Presides at German Foreign Debt Conference at Reichsbank (1934)

Fraser was invited to preside at the German Foreign Debt Conference
held at the Reichsbank. He was elected chairman on the promise that the
Dawes-Young Plans would be eliminated from the discussion. No significant
statement as to the progress of the conference was released. (April 24, 1934)

Meeting with German Bankers (1934)

An informal meeting followed the 1934 German Foreign Debt Conference
and was held near Basel on German territory. It was attended by Mr. Schacht,
Montagu Norman, Ernst Hulse (a former director of the Reichsbank and
assistant general manager of the B.I.S.), and Leon Fraser. It was reported
from that meeting that no light could be obtained on the attitude of the
Reichsbank toward the Dawes-Young Plans. (New York Times, June 10, 1934)

Meeting with Hitler and Schacht (1935)

Stopping in Basel for a few hours on his return from Berlin, where
he had conferred with Hitler and Dr. Schacht, and received a personal gift
from the German Government, Fraser declined to speak of his Berlin talks

other than to insist that the Germans showed great interest in stabilization prospects. However, more than five years later Fraser commented on his impression of this meeting with Hitler: "To my own surprise I was in some strange way favorably impressed although I was at the same time unmistakably repelled." (New Yorker, February 27, 1942)

"Just as secretive as Montagu Norman, but less spectacular." (1933)

In 1933 Fraser was thus compared to his British banker friend in the B.I.S., whose efforts on behalf of Germany are well known. (Literary Digest, August 12, 1933)

IV. AXIS GOVERNMENTS PRESENT FRASER WITH SPECIAL GIFTS ON RETIREMENT FROM B.I.S. (1935)

When Fraser retired as president of the B.I.S., in May, 1935, the directorate presented him with a gold bar hollowed out to serve as a cigarette case. Although there are 26 participating central banks, members of the B.I.S., only the following found it necessary to present individual national gifts (New York Times, May 13, 1935):

1. The German directors gave him a large antique German silver plate.

Less than a week later Fraser visited Berlin for a talk with Hitler at the invitation of Dr. Schacht, then Economic Minister and President of the Reichsbank. The German Government on that occasion gave him another parting gift, a ceramic table top made by the State Ceramic Works and representing a map of Europe with all the central banks on it and the World Bank in the center. (New York Times, May 19, 1935)

2. The Japanese directors gave him some Japanese paintings.
3. The Italian directors gave him a beautiful old Roman silver cup.

V. HAS INVESTMENTS IN GERMANY

The following confidential information was given to the Treasury in TFR-500 reports:

\$10,000 in German securities representing holdings in the Dresdner Bank, Siemens & Halske, and Deutsche Erdol. He also has \$360 in German Government bonds and a cash deposit of \$600. He has indicated that these assets were acquired over 15 years ago which would date them approximately from the time the B.I.S. was established and he became its first vice president

VI. WORLD RECOVERY CAN BE ACHIEVED THROUGH NATIONALISM (1934)

Reviewing the past year at the May 1934 annual assembly of the B.I.S., which was ordinarily convened before the annual meeting of the B.I.S., Fraser asserted that the year of 1933 was marked by an "ominous nationalism" through which some progress toward recovery was achieved in certain nations (presumably Germany and Italy) at the expense of neighboring nations. Fraser was willing to admit that the nationalistic method "may well turn out to be the shortest though the hardest route to world recovery."

VII. JUSTIFIES ITALIAN DEFIANCE OF LEAGUE OF NATIONS AND AGGRESSION IN ETHIOPIA (1936)

Fraser said that Italy had persistently tried other solutions to her acute unemployment problem before taking the action that made her an outlaw among nations. He added, "Italy defied the League because she believed the League to be standing 'on the false promise of maintaining the status quo among nations rather than recognizing the need for progressive action whenever conditions critically altered the internal affairs of these nations.'" Moreover, he asserted, "Britain's persistent opposition to Italy's expansion has developed in Italy a tremendous and increasing antipathy toward Britain which 'will poison international relations including our own.'" He concluded, "If we are to have an international community of nations we must have an organ more supple than the League in times of peace." (Speech before students and faculty of Union College)

VIII. PERSISTS IN ASSOCIATION WITH B.I.S.

Reported to Have Visited Bank in 1939

In June 1939 he sailed for Europe for the first time since his resignation from the B.I.S., and it was reported that he intended to visit the Bank at Basel.

Continued Close Association With Schacht Until 1941

Fraser's personal association with individual foreign members of the bank's directorate is not recorded, although he has indicated that he had warm and personal relations with Schacht and that they had corresponded until 1941.

Maintains Close Association with McKittrick, President of B.I.S.

When McKittrick, president of the B.I.S., visited the United States in 1942, official business communications from the B.I.S. were addressed to him in care of Fraser, First National Bank of New York. Their friendship extends to the very beginnings of the operations of the B.I.S. when McKittrick was appointed by the B.I.S. to the Arbitration Committee.

IX. FEARS U. S. GOVERNMENT REGULATION BEGINNING OF TOTALITARIANISM

In 1936, addressing an alumni meeting at Columbia University, Fraser remarked that the country's economic position would be steadily improved during the coming years. He said, however, that he was apprehensive of several trends, including "governmental spending, currency tinkering and bureaucratic centralization." He disapproved of the "light hearted and gay way that public money is being spent by the city, state, and nation."

In the tendency toward centralization and bureaucratic control of all the elements of people's lives, Fraser observed the beginnings of the totalitarian state.