MEYER, Eugene Isaac, American financier and first President of the International Bank for Reconstruction and Development 1946, was born 31 October 1875 in Los Angeles, California, United States and passed away 17 July 1959 in Washington DC. He was the son of Marc Eugene Meyer, financier, and Harriet Newmark. On 12 February 1910 he married Agnes Elizabeth Ernst, journalist, with whom he had four daughters and one son.


Meyer was descended from a long line of rabbis and civic leaders. He grew up in San Francisco and in 1891 began his freshman year at the University of California, Berkeley, where he spent much of his time drinking and gambling. During the summer his parents moved to New York and he worked as a messenger in the international banking firm Lazard Frères, where his father had just become a partner. He was tutored in preparation for the Yale entrance exams and went on to graduate a year early in 1895, ranking 19th in a class of 250. He then spent two years in Europe learning French and German and gaining work experience in banking and international finance. Upon his return to the United States (US) Lazard employed him. Because his duties there were menial compared to what he had done in Europe, over his father’s objections he left the firm in 1901. Starting with 600 dollars that his father had given him as a reward for not smoking, augmented with a 2,000-dollar Christmas bonus from Lazard, Meyer began speculating in the stock market. Betting that a victory for William McKinley on the eve of the 1900 presidential election would inflate stock prices, he purchased options on railroad stocks. Four months after the election he sold the shares and bought a seat on the New York Stock Exchange and used this to make his fortune during panics by acquiring undervalued stocks and reselling them at their true value. In 1903 he founded his own brokerage house, Eugene Meyer Jr. and Company, which specialized in railroad, copper, oil and automobile financing and contributed the idea of systematic financial statistical research. He produced reports that evaluated companies by geographical location, climate, access to natural resources and croplands as well as proximity to transportation and other industries. His methods enabled investors to judge stock values more accurately, while other brokers collectively became wary (Davis 1987: 26). After the 1906 earthquake he went out to San Francisco to provide financial and other assistance to his family and realized that the city had labor and lumber to rebuild, but no nails. He promptly ordered a shipload of nails
from Japan and also added to his fortune by establishing the Allied Chemical and Dye Corporation and aiding in the growth of Fisher Auto Body. In 1910 he married Agnes Ernst, a Barnard College alumnae who completed graduate work at the Sorbonne in Paris. In spite of his wealth their marriage was difficult. Neither had much time for their children or for each other. Meyer was a workaholic and she spent long hours with people in the arts, including Charles Freer, Auguste Rodin, Edward Steichen and Gertrude Stein. However, as a couple they were important figures in the social life of Washington DC and at their estate in Mount Kisco outside New York City.

When the US entered the First World War in 1917, Meyer closed his banking business immediately because of his desire ‘to give time and work for the service of the country’ (Pusey 1974: 136). After finding out that he could not join the armed services due to color blindness, he offered his services to Bernard Baruch who had gone to Washington to run the National Defense Council’s Raw Materials Committee, which was charged with coordinating the military’s raw materials needs with industry. Baruch, also a solo Wall Street practitioner, considered Meyer to be his principal rival and did not answer his letters. Meyer then wrote to his friend Louis Brandeis, associate justice of the US Supreme Court. Brandeis found him a job with the Advisory Council of National Defense’s Committee on Finished Goods (later the War Industries Board) for the nominal salary of one dollar a year. After three days Meyer was fired after accusing the Council director of conflict of interest in choosing a shoe manufacturer to supply the US armed forces. Brandeis then spoke to President Woodrow Wilson about a more relevant position. In late spring 1917 Wilson named Meyer to a commission to go to Russia to establish relations with the regime after the February Revolution, but Meyer ended up not going. His invitation was withdrawn by the Department of State, which could have been due to anti-Semitism in the Russian regime as communicated via the US Ambassador in Moscow (Pusey 1974: 139). Brandeis subsequently got Meyer involved in raising funds for Zionist efforts, although Meyer himself was never a Zionist and never acknowledged membership in Zionist organizations (Davis 1987: 42-43). Meyer organized and introduced the National War Savings program through which citizens with limited means could help finance the war effort and, at the request of US Secretary of War Newton D. Baker, he investigated a costly breakdown in the aircraft production program. In 1918 Wilson named Meyer to head the War Finance Corporation (WFC). After the Treaty of Versailles was signed Meyer was invited to join the Supreme Economic Council in Paris, where in 1919 financial ministers were meeting to set policy that would assist in Europe’s economic recovery from the war. He opposed the heavy war reparations being imposed on Germany and predicted, correctly, that Germany would refuse to pay them. He persuaded Wilson to retain the WFC and was reappointed its head in 1921, with the WFC’s range of involvements being extended to include farmers caught in the postwar depression. He remained head until 1925, through the presidency of Warren Harding and into the term of Calvin Coolidge, who disbanded it in 1925. The success of his work prompted Coolidge to appoint Meyer as Commissioner of the Federal Farm Loan Board, which he administered from 1927 until 1929. Some members of Congress attacked him unfairly for using his position to grant patronage favors. ‘Disillusioned with public service’ (Davis 1987: 48), Meyer went back to the investment business. Named Governor of the Federal Reserve Board by President Herbert Hoover in 1930 Meyer initiated reforms of the banking system. He promoted the idea and drew up the legislation for the Reconstruction Finance Corporation, which attempted to save failing banks, especially non-member banks of the Federal Reserve System, by making loans easier for them to obtain and also sought to relieve distressed business and industrial enterprises by providing government loans. When the program began in 1932, he became its first head. However, the distribution of power within the Federal Reserve System enabled district bank governors to stifle his attempts at an expansionary
policy. Another constraint was his ‘unquestioned commitment to gold’ (Butkiewicz 2008: 273). Because Meyer did not support President Franklin Roosevelt’s New Deal, he resigned his government positions in 1933, two months after Roosevelt took office, and explained that he ‘didn’t believe in monetary manipulation as a method of recovery’ (quoted in Publisher Eugene Meyer 1959: A10).

With the urging of his wife, who became one of the first female journalists to work for the New York Morning Sun, in June 1933 Meyer bought the troubled Washington Post at a public auction after it had gone into receivership. Although his inexperience in the world of journalism led to a number of major errors early on, he eventually turned the Post into an important national newspaper. The goal was not to make money off the paper. Instead, as his wife explained, his buying of the Post was the ‘most effective means for continuing his public service’ (Meyer 1953: 190). Although he worked hard to maintain objectivity, particularly to ensure that the paper was not seen a tool for him to press his long-standing Republican Party views, the paper’s editorials often criticized President Roosevelt, especially his 1934 devaluation of the dollar and his unsuccessful 1937 attempt to pack the Supreme Court. It has been suggested that Meyer as editor and publisher of the Post ‘achieved his greatest degree of influence upon the events of the day’ (Eugene Meyer Dies 1959: 15). He is credited with including Gallup polls in the Post and was the source of one of the Post’s major scoops, namely breaking the story that British King Edward VIII intended to marry the American Wallis Simpson, a marriage that would require him to abdicate the throne. Anticipating that the US was going to enter the Second World War, Meyer went to President Roosevelt in January 1941 and offered to take any assignment that Roosevelt thought might be useful. He was unhappy about being appointed as a member of the National Defense Mediation Board, which was responsible for mediating major disputes referred by the US Department of Labor. He felt he lacked the necessary skill set, whereas he could be much more helpful to the country in other roles. The first dilemma awaiting the Board after his appointment was the strike that had kept the Allis-Chalmers plant in Milwaukee idle for three months, thereby cutting off production of power-making machinery and essential destroyer parts for the US Navy and the United Kingdom (UK). He managed to end the strike, began to work on making better utilization of the wartime labor force and also took an interest in the psychological problems of service members and veterans. Accordingly, he served as president of the National Commission for Mental Hygiene (1944-1946) and agreed to help the Committee for Economic Development if they added a focus on employment of veterans.

In early June 1946 Meyer was surprised by US Secretary of State James F. Byrnes that he should be the first President of the International Bank for Reconstruction and Development (IBRD), arguing that Meyer could use the position to do something about the problems of postwar European economic recovery. Byrnes made clear that he was sure that President Harry S Truman would take Byrnes’ recommendation and assured Meyer that he could handle the assignment without giving up his position at the Post, because Byrnes was only asking him to launch the Bank (Pusey 1974: 347). Although Meyer was still undecided when the President called him to follow up on Byrnes’ recommendation, Meyer agreed shortly thereafter and on 4 June 1946, upon Truman’s nomination, he was unanimously elected to the Presidency of the newly formed IBRD. Meyer was not Truman’s first choice, as he had also considered Lewis W. Douglas, President of the Mutual Life Insurance Company of New York (Mason and Asher 1973: 40-41), William L. Clayton, Assistant Secretary of State (Crider 1946: 12) and Fred M. Vinson, US Secretary of the Treasury (Kraske 1997: 7). How Truman came to select Meyer is not entirely clear, but it is ‘not unreasonable to assume’ that his highly visible campaign to help the hungry in Europe in the aftermath of Congress’ cut of 550 million dollars from the funds destined for the United Nations Relief and Rehabilitation Administration ‘had something to do with the president’s
turning to the experienced financier and public servant to take on the job’ (Kraske 1996: 21-22). Furthermore, Meyer would have the confidence of government and financial leaders at home and abroad and had the right attitude toward the functions and limitations of credit. Meyer took office on 25 June, turning the leadership of the Post over to his son-in-law, Philip S. Graham. At no point did Meyer share Byrnes’ illusion that he could hold both jobs at the same time. While running the Bank, he set up the Emergency Famine Committee, with input from Herbert Hoover who had ‘excommunicated’ him because he had not supported the 1936 re-election campaign (Reminiscences 1975: 769).

Meyer’s time at the Bank proved to be difficult. He took charge of an institution ‘still in need of definition without having strong ideas about the direction it should take and without receiving clear guidance from President Truman as to what he hoped the Bank’s first president would accomplish’ (Kraske 1996: 10). On the other hand, members of the Bank’s Executive Board, led by the ambitious US executive director Emilio Collado, ‘who seemed to think the World Bank should function as an adjunct of the State Department’ (Pusey 1974: 351), and support staff in the US government who were charged with Bank oversight had distinct ideas about what the IBRD should become and believed that intergovernmental organizations should answer to their member states. Between June and December 1946 Meyer had sharp disagreements with the Bank’s executive directors, in terms of personality and also substance, especially procedures. Meyer’s biggest problems were with Collado, who he believed wanted to be IBRD President himself and who seemed disappointed when Meyer made clear that the presidency was a full-time position. Meyer was bothered by Collado’s long-windedness at Board meetings, but also saw him as a ‘mischief maker’ who had a proclivity for leaking information to the press that was only partially true and very much slanted (Reminiscences 1975: 788, 802-803). He was also frustrated by British Executive Director Sir James Griff, who spent a lot of his time at the Library of Congress working on his biography of Winston Churchill, and Dutch Executive Director Johan Beyen, who he asked to speak for him in Canada and then found him to have made false statements while there (Reminiscences 1975: 801-802). In terms of procedure, Meyer’s first appointment (of Harold Smith as Vice President) was made without prior consultation with the executive directors, ‘most of whom had expected to be consulted on a matter of such potential importance’ (Mason and Asher 1973: 42). More fundamentally the debate revolved around the authority of the president with respect to that of the executive directors in setting Bank policy and the role of the US and the UK in the Bank, the two governments who had dominated developments since the 1944 Bretton Woods conference. This tension was evident when, on 19 July, Collado submitted a memorandum arguing that an ad hoc committee of the board of directors should consider loans to France and Czechoslovakia, whereas Meyer had determined that no loans should be made until he could submit recommendations to the Board on the basis of a thorough investigation by his staff. Similarly, Meyer rejected Collado’s call for a loan to Chile, insisting that the Bank was not a relief agency (Pusey 1974: 351-352). In spite of these tensions Meyer successfully started the task of institution building. He began the work of defining policies toward loan proposals and the essential task of building confidence on Wall Street, a process that helped the IBRD define the terms for raising funds in the security markets, at a time when other sources of revenue did not exist. He also established a research department and recruited senior staff, many of whom remained with the Bank for a long time, as well as staff capable of analyzing loan proposals. Perhaps the most important of his appointments was the general counsel Chester A. McLain, who provided ‘advice, judgment, and toughness’ (Kraske 1996: 24), whom he turned to after being unsuccessful in recruiting John J. McCloy for the position (Mason and Asher 1973: 42-43). By the time Meyer resigned in December 1946, and McCloy succeeded him as President, the staff had grown to 150.
In early December 1946 the IBRD’s executive directors’ ad hoc committee on organization issued a broad statement recommending that Bank policy be determined by, and in important respects be administered through, several high-level executive director committees. An administrative committee would make recommendations about personnel, salaries and benefits, an information committee would have responsibility for research operations and public affairs and other committees would monitor the Bank’s relations with other organizations including the United Nations (UN). They proposed this even though Meyer had taken care to distance the Bank from the UN, ‘which he thought seemed anxious to make the Bank an instrument of U.N. policies’ (Kraske 1996: 11), since he feared that being a UN specialized agency might alienate Wall Street. Finally, a major policy committee would draw up procedures for loans and a financial policy committee would monitor the Bank’s activities in the financial markets. On 4 December 1946, within days of receiving the ad hoc committee’s report, Meyer suddenly resigned. He ‘steadfastly maintained that President Truman had only asked him to launch the Bank and that he had always seen his assignment as short term’ (Kraske 1996: 31) and claimed that when he found himself thinking about what the IBRD should be doing in the future he realized it made no sense for him to continue at the Bank because he was already 71. At the same time, the principal frustration of the Bank’s first president was his ‘feeling of having responsibility without authority, of having to battle the U.S.-led executive directors for stewardship of the institution’ (Mason and Asher 1973: 46). Meyer confided to his secretary: ‘I could stay and fight these bastards, and probably win in the end, but I’m too old for that’ (quoted in Kraske 1996: 31). In interviews conducted in 1953 he said that he could have gone to President Truman and the Chancellor of the Exchequer to complain and gotten them to remove anyone he wished, but he chose not to do that. He recounted that when he told the President that he was resigning, Truman said ‘he was very sorry that I wanted to get out. He seemed rather to mean it. I think he liked me, although I was never a Democrat in any way’ (Reminiscences 1975: 806). By resigning as he did, Meyer created a situation that allowed those who remained, especially McLain, ‘to ensure that the power of the next president was sufficient to build an effective organization’ (Kraske 1996: 31). After he got out, Meyer gave his successor McCloy recommendations about how to work more effectively with the Board and worked to be sure that his successor could express his views with the Bank’s Advisory Committee before final action was taken on his appointment (Reminiscences 1975: 807-810). But until that could happen the IBRD was ‘rudderless’ (Mason and Asher 1973: 61) because Vice President Smith resigned the day that Meyer’s resignation became effective.

After he departed the IBRD, Meyer returned to the Washington Post as chairman of the Board, but left the office of publisher to Graham. In addition, beginning in 1947, he began serving on the Citizen’s Food Committee. After the June 1948 celebration of the Post’s fifteen years under Meyer’s leadership, he transferred the voting stock of the Washington Post Company to Graham and his wife. For a time the Meyers continued to hold the nonvoting stock, but much of it was soon transferred to the Eugene and Agnes Meyer Foundation, set up in December 1944 to provide funds for community service and development to the arts and humanities and to projects concerned with health, including mental health, and education. The Post subsequently acquired several television stations, something that Meyer opposed. While the Post had not endorsed any Presidential candidates in its Meyer years, Meyer was supportive of the Post’s precedent-setting endorsement of Dwight D. Eisenhower in the 1952 presidential election, where Eisenhower’s Republican opponent, Senator Robert Taft, had isolationist foreign policy views, totally at odds with everything that Meyer and the Post had stood for. The political situation got more complicated for Meyer when the Democrats nominated Adlai Stevenson and Eisenhower chose not to speak out against rabid anti-Communist Senator Joe McCarthy, but Meyer and
the Post’s editorial page remained steadfast in the Eisenhower camp. The Post was steadily gaining in circulation and advertising lineage. In 1953 Eisenhower, the seventh US President to enlist Meyer’s services, appointed Meyer a member of the Committee on Purchases of Blind-made Products, a position he held until 1956. In March 1954 Meyer purchased the Post’s fierce and unrelenting rival, the Time-Herald, something he had tried to do since 1937. In June 1955 he and his wife gave a half million dollars’ worth of nonvoting stock in the Washington Post Company to its 711 employees and circulation contractors. Meyer had always been generous with his money and as he aged he multiplied his gifts. In addition to the funds distributed by his foundation, he made generous contributions to Yale, Harvard Law School, Barnard, the University of California, the National Gallery of Art, the Jewish Community Center Children’s Hospital and the Washington School of Psychiatry. In 1958 he donated money to Mount Kisco to acquire Byram Lake from New York City, which had used the lake as part of the city’s municipal water system. The Lake was now to be used only for the local water supply, conservation of natural beauty and park purposes. Much of his time in the last years of his life was given to unpaid activities. He was honorary chair of the Washington Criminal Justice Association, a trustee of the Boys Club of Washington, a member of the National Industrial Conference Board, the American Society of Newspaper Editors and the Advertising Council. As his health deteriorated, he spent more time in Nassau and Saratoga Springs as well as at Mount Kisco. Tensions with his wife re-emerged and he became concerned about the health of his much loved and revered son-in-law Phil Graham. The worst of Graham’s health problems were kept from Meyer who died in July 1959 at George Washington University Hospital, where he was under treatment for a heart ailment and cancer, four years before Graham committed suicide. US Chief Justice of the Supreme Court Earl Warren delivered the eulogy for Meyer calling him a ‘morally and intellectually brave man’ who ‘plowed new ground in every field he entered’ (Chief Justice 1959: 1).

ARCHIVES: Meyer’s papers are housed in the Manuscript Division of the Library of Congress in Washington DC: a finding guide to the papers is available at http://findingaids.loc.gov/db/search/xq/searchMfer02.xq?id=loc.mss.eadms. ms013146&faSection=overview&faSubsection=did&dmdid=d16619e6; the Library’s holdings also includes a copy of the materials relating to Meyer from Columbia University’s World Bank Oral History project (1953), also available at Columbia University in New York City and on microfiche (see The Reminiscences of Eugene Meyer, 1975); additional archival materials in The Carter Glass Papers, 1858-1946, Accession Number 2913, in the Special Collections Department of the University of Virginia Library in Charlottesville, in the Papers of Edwin Thomas Meredith, 1898-1949, in the Special Collections Department, University of Iowa Libraries, Iowa City, and in the Montgomery family papers, 1771-1974, in the Library of Congress Manuscript Reading Room in Washington DC.

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**Version 9 February 2015**

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