

## Robert Latham **OWEN**

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**A**mong the key figures in the creation of the Federal Reserve was a senator from one of the seven states that later became part of the Tenth Federal Reserve District.

Oklahoma Sen. Robert L. Owen was Senate sponsor of the Federal Reserve Act, co-sponsoring the bill with Virginia Congressman Carter Glass. Together, they steered the legislation to final approval and President Woodrow Wilson's signature in 1913.

### **From East to West**

Although Owen made his career in Oklahoma, he was born in Lynchburg, Va. on Feb. 2, 1856, to Robert Owen, president of the

Virginia and Tennessee Railway, and Narcissa Clark Chisholm, a woman of Native American, Scottish and English ancestry. Reflecting her own heritage, Narcissa gave her newborn son two names. In addition to Robert, the child was also given the Cherokee name Oconostota—the same name as her great-great-grandfather, who was the tribe's principal chief during the Revolutionary War.

Owen was also related to another important historical figure from the same time period. One of his grandmothers was a grandniece of George Washington—a connection that clearly meant much to Owen, who, as an adult, regularly carried a locket containing a clipping of the first president's hair. It was one of several

Washington relics that he owned.

As a 10-year-old, Owen attended school near Baltimore and later graduated from Lexington's Washington and Lee University with honors and a master's degree in 1877.

While Owen was away, his father—after losing his railroad job in a restructuring and starting a brief political career that included an election to the state senate—died abruptly for unknown reasons. The family's fortune was lost to unexplained circumstances, possibly related to the Civil War and Reconstruction. The loss resulted in Owen and his mother moving to Indian Territory, where they were entitled to tribal property.

While living in what later became Oklahoma, Owen briefly taught school at the Cherokee Orphan Asylum before studying law and gaining admittance to the Bar in 1880. In 1885, he was appointed head of the United States Union Agency for the Five Civilized Tribes.

Owen handled a series of cases involving a number of tribes. Among his more notable victories was a \$4 million U.S. Supreme Court ruling against the government related to the Cherokee's forced removal to Indian Territory, an event that became known as the Trail of Tears. He spent seven years on the case.

Owen fought other injustices he saw within the Cherokee Nation.

"These activities also won for him a reputation for integrity which later on was of incalculable value in his political career," historian Wyatt W. Belcher wrote in a paper published in the winter 1953 edition of *The Chronicles of Oklahoma*.

Owen was also involved in real estate and he owned and edited a newspaper in Vinita. He got into banking in 1890 by establishing the First National Bank of Muskogee, where he served as president until 1900.

Owen wrote about his banking experience, and how that related to his later legislative efforts, in his 1919 book, "The Federal Reserve Act: Its Origin and Principles, A Reminiscence."

"In 1890 I had established the First National Bank of Muskogee and in 1893 witnessed the

panic that took place at that time," Owen wrote. "This bank, like many other banks, lost 50 percent of its deposits within as many days because of the panic, which frightened people and caused them to withdraw their funds for hoarding throughout the United States."

The panic, Owen wrote, "demonstrated the complete instability of the financial system of America and the hazards which businessmen had to meet under a grossly defective banking system."

In 1896, Owen started working on banking reform measures designed to prevent panics like the one he had witnessed.

## The Senate

When Oklahoma was granted statehood in 1907, voters did not yet have the ability to directly elect senators. Oklahoma residents, however, were given the opportunity to vote in what was known as a preferential primary. Owen was the top vote-getter in a field of seven and, as a result, was appointed to the post by the Oklahoma legislature. With the selection, Owen was not only one of the state's first two senators, but also one of the nation's first two

**Robert L. Owen**  
United States Senator  
from Oklahoma and  
Master-Builder of the  
Federal Reserve Act  
has written

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senators of Native American descent, joining Kansan Charles Curtis, a former congressman who also became a senator in 1907.

Owen, who *The Los Angeles Times* described as “a young man of striking oratorical gifts and great popularity,” had many notable Senate accomplishments including the creation of the Senate Banking Committee, which he served as its first chairman. He was a leader in the direct election of senators and the Child Labor Act, among other issues.

The highlight of Owen’s Senate career, however, was arguably his involvement with the Federal Reserve Act.

In his 1919 book, Owen offers insight into the process, which, he writes, was subject to more than 800 amendments, many related to “language and punctuation, the changing of words back and forth, and matters of that character, which were unimportant.”

The history of the legislation dated back to the banking crisis of 1907, which prompted

give (him) a permanent place in the history of our country.”

In 1931, Owen presented the state of Oklahoma with a copy of the Act that he received from Wilson during the 1913 signing ceremony. In correspondence to then-Oklahoma Gov. William H. Murray, Owen called the document, which was printed on vellum, “the most valued relic” of his political life.

## Father of the Federal Reserve

While establishing the Federal Reserve may have been Owen’s greatest accomplishment, Belcher and others have said it was also the cause of Owen’s greatest disappointment because most of the credit went to co-sponsor Carter Glass. Glass, who had a far longer political career that included a later stint as Treasury secretary and a Senate seat, is sometimes referred to as the “father of the Federal Reserve.”

## “ The whole country owes you a debt of gratitude and admiration. ”

Congress to establish the National Monetary Commission. The Federal Reserve Act’s approval came after numerous disputes and hours of testimony on both sides of the issue.

After he signed the bill, President Woodrow Wilson praised Owen’s work in a letter to the Oklahoma senator.

“Now that the fight has come to a successful issue, may I not extend to you my most sincere and heartfelt congratulations and also tell you how sincerely I admire the way in which you have conducted a very difficult and trying piece of business?” the president wrote. “The whole country owes you a debt of gratitude and admiration. It has been a pleasure to be associated with you in so great a piece of constructive legislation.”

Treasury Secretary William G. McAdoo wrote that Owen displayed “qualities of leadership and statemanship which will forever link (Owen) with this immortal measure and

In later years, “Glass and Owen squabbled with each other very bitterly” about who was the principal author of the Federal Reserve Act, says Dr. Kenny L. Brown, chair of the Department of History and Geography at the University of Central Oklahoma and a leading expert on Owen.

Glass was especially outraged by Owen’s 1919 book about Owen’s experiences in banking and crafting the Federal Reserve Act.

Owen, meanwhile, likely was angered by a ceremony held to mark the 25th anniversary of the Federal Reserve that focused almost exclusively on Glass. The Dec. 23, 1938 event at the Federal Reserve Board of Governors building in Washington, D.C., included the unveiling of a bronze bas-relief of Glass, with his likeness appearing under the words “Defender of the Federal Reserve System.” The relief was placed on a wall opposite a similar portrait of President Wilson.

The unveiling moved Glass to tears, leaving him nearly speechless as he told attendees “my heart is too full for words.”

Accounts of the event in the nation’s major daily newspapers made no mention of Owen’s role in establishing the central bank. However, a few days later, a syndicated columnist named Ray Tucker mentioned the dedication and the ongoing feud between the two men.

According to Tucker, Owen was invited to attend the event, but “when Owen learned that Glass was to be given credit for framing and passing the law, he returned his invitation and expressed regret that he could not attend.”

Tucker’s column suggests that then-Federal Reserve Chairman Marriner Eccles, who was hoping to win the support of then-Senator Glass, had determined Glass to be the true father of the Federal Reserve.

Brown, the Oklahoma historian, says that determining who was most responsible for the act is difficult.

“Glass probably is more responsible, but not a whole lot more,” Brown says.

According to Brown, Owen and Glass finally resolved their differences after Owen penned a letter to Glass saying that it was time for the dispute to end and noting that both men were raised only a few blocks apart in the same childhood hometown of Lynchburg, Va. Both men are buried in Lynchburg’s Spring Hill Cemetery.

Owen also was recognized later by the Federal Reserve. An area near one of the Federal Reserve buildings in Washington, D.C., is known as Robert Latham Owen Park.

After retiring from the Senate in 1925, Owen practiced law in Washington, D.C. His primary interest, however, was in promoting the idea of an international alphabet based on phonetics that he hoped would make English more easily understood worldwide. He spent \$25,000 of his own money in developing an alphabet utilizing 41 symbols that the then-blind Owen described to an assistant who drew them.

“It is a means by which we can teach the English language to all the world at high speed



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**SEN. ROBERT OWEN, center, at the unveiling of his portrait in Washington, D.C., on May 9, 1942.**

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and negligible cost,” Owen told an Associated Press reporter for a July 1943 article. “It will pay its own way.”

Owen told the reporter that the effort was inspired by the Cherokee Chief Sequoia, who developed an 85-character alphabet in 1823 that enabled his tribesmen to learn to write their own language within a few weeks.

Although unsuccessful, Owen’s effort generated significant media attention.

After the death of his wife, Daisy Hester, in 1946, Owen lived the final months of his life alone as a near-invalid in an apartment near Washington’s Meridian Hill Park. After being hospitalized for several weeks with an illness and undergoing an operation, he died on July 19, 1947. He was 91.

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**BY TIM TODD, EDITOR**