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(1874 – 1950)



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Coleman, John S. American's Vital Stake in International Trade. Dallas: Southern Methodist University Press, 1954: Appendix by Sam Acheson, pp27-44.

A newspaper friend, Lynn Landrum of the *Dallas News*, once characterized John E. Owens as “a charmingly pestiferous soul.”

“He is charming because of his personality,” the columnist went on to say. “He is pestiferous because he thinks out loud and demands that other people think, too.”

Throughout his long and full life John E. Owens commanded the respect and affection of an exceedingly diverse group of friends and admirers, many of whom differed with him sharply on political and economic issues. He achieved this distinction fully as much by the strength and sincerity of his thinking as by his innate kindness and generosity of spirit. He was a man of conviction, but one who granted every other man the right to his own opinion. His captivating serenity of soul was crowned by that rarest gift of the gods, a sense of humor.

John E. Owens was born in Galveston on March 31, 1874. Although the nation at the time was in the throes of one of its periodic panics, or depressions, the island city was still booming ahead under the impetus of the great expansion that followed the end of the War Between the States. The port city was then, as for several decades to come, still the metropolis of Texas.

The opening of the interior of Texas to large-scale settlement in the 1870's and 1880's led John E. Owens' father, John Elzy Owens, to join the exodus to the north. He, his wife, and his small son soon found themselves at Wills Point in Van Zandt County, on the eastern edge of the North Texas prairies, where the father engaged in farming and banking. He founded there what is now the First National

Bank. The father died in 1892 when the son was eighteen. To assume control of his heritage it was necessary for John E. Owens to go into court to have his legal disabilities as a minor removed. This was done and he became head of the institution, the youngest bank president up to that time in the history of Texas.

The scarcity of available schools in what was still the pioneer phase of Northeast Texas, plus the necessity of taking over management of his father's business, limited John E. Owens' formal education. It went no farther than three months at the Battle Ground Academy at Franklin, Tennessee. Yet the urge to learn was deep-seated in the young man. A close and omnivorous reader from his youth, he was early recognized as one of the best-read and best-educated men of his time and place.

Throughout the years of his young manhood John E. Owens was a dominant figure in the life of that part of East Texas centering around Wills Point and Van Zandt County. In 1922, at forty-eight, he was drawn to Dallas to serve as vice-president of the Central National Bank, and shortly afterward was named president of the Central Trust & Savings Bank. He spent the remainder of his life in Dallas, although he retained an unbroken interest, financially and otherwise, in the community of his youth.

In the forepart of the 1920's the agricultural picture in America blackened. Particularly hard hit by the growing depression in farming were the cotton growers of Texas and the South. The creation of producers' co-operatives was an early, nongovernmental effort on the part of the growers to better the price for their crops. In Texas the Farm Bureau sponsored a cotton co-operative, later joined by similar groups in the Old South. John E. Owens agreed to serve for a time as special bank representative for this Dallas-based co-operative. His knowledge of and insight into the problems of the cotton grower made him an authority in this field. Later he was elected and served as a director of the Federal Land Bank at Houston.

In 1925 John E. Owens joined the young and vigorously growing Republic National Bank of Dallas. He was to remain one of its officials until the end of his career, a quarter of a century later. One of its first trust officers, he was its senior vice-president at the time of his death on December 17, 1950.

John E. Owens believed that man is essentially a political being. Striving for and holding public office never interested him personally in the slightest. Yet he felt it to be a primary duty of the citizen to take an active, direct part in politics. He believed, however, that principles should always take precedence over personalities.

In political philosophy he considered himself a Democrat of the old school. His adherence to the party of Jefferson, Jackson, and Cleveland was based on the historical differences that ranged the Sage of Monticello against the Hamiltonians, chiefly over the issue of the tariff. John E. Owens' views on the role of government in the life of business and industry actually went back, though, to Adam Smith and other eighteenth-century economists and philosophers who repudiated the then well-entrenched idea that the state should manipulate commerce and industry for its own ends.

From his study of the past and the conclusions he reached as to the proper relationship of the state to society, John E. Owens became convinced that Alexander Hamilton's introduction of the protective tariff system was the greatest mistake in American history. For him the tariff was the one great evil. Out of this belief came his conviction that free trade was essential to the continuing peace and prosperity of both the United States and the rest of the world.

In the midst of World War II John E. Owens looked forward to the time when peace would again prevail. But he warned that it would be an uneasy and uncertain one unless the principle of a freer flow of goods and services as between nations were followed.

“War is bringing many things to a focus,” he said in 1942, in a paper delivered before the Critic Club of Dallas:

If we want hemispheric solidarity, we must be prepared to give as well as to receive . . . we cannot continue to receive without being willing to give. Free trade will enable each country in the world to raise those products best adapted to its soil. . . . The object of the tariff is to raise the price of goods, and what the world needs is an abundance of cheap goods and a situation in which all men of industry might participate in the prosperity of, and become the owners of, the profits of both production and consumption.

John E. Owens never resented being called old-fashioned because of his old-fashioned respect for the economic law of supply and demand. It was, he felt, economically speaking “the Perfect Law of Liberty.” The infamy of the protective tariff, in his eyes, was its effect of voiding the free operation of that same law:

The Law of Supply and Demand cannot, nor never will operate in a country artificially surrounded by barriers that prevent the flow of human effort. . . . We have talked so much about the law of supply and demand that it has become absurd. The natural law of supply and demand has never been allowed to operate in this country.

The principle set forth in the Declaration of Independence of equal rights for all and special privileges to none was destroyed when our tariff system set its ugly foot across the prosperity of this country and on the rights of man. It gave special privilege where the Declaration of Independence had denied it.

Whenever any small group of men in any country decide to corner all of prosperity, then we are headed for revolution. We cannot be free politically and slaves economically.

There is one ineluctable law on which we can postulate all our thought on national finance and that is after a certain high percentage of wealth has gone into a small percentage of people, then we are going to have a change of government. This may occur in a democratic voting fashion, or it may come about in bloody revolution.

To the Dallas banker such a change, “in a democratic voting fashion,” came about in 1932 in the election of Franklin D. Roosevelt as President. Its true import was

signaled, he felt, in the Rooseveltian New Deal. As for the Rooseveltian policies and measures put forth to counter the worst effects of the great depression of the 1930’s, John E. Owens accepted them far more wholeheartedly than did most of his brother bankers. He remained faithful to the New Deal long after it had lost caste with most of his business associates. This led to considerable ribbing, and even heckling, of the man of finance, all of which he took in good humor.

At heart, though, John E. Owens considered the intrusion of government agencies and actions as an expedient, or, at best, a necessary evil. The regimentation of both domestic and foreign trade aspects of the American economy was a backward step, away from the principles of economic freedom of Adam Smith, Thomas Jefferson, and other economic liberals, or libertarians. As such, the whole drift of the country under the guidance of the federal government was the negation of progress. Price fixing, crop limitations, wage and hour laws, and other outcomes of the New Deal were “vexing” in John E. Owens’ considered judgment, and all could be “cured” if only the old law of supply and demand were allowed to operate freely. And that, of course, meant that the great obstacle to the free play of the law – the protective tariff – must be destroyed:

If there had been no high protective tariff, there would have been no New Deal. If there had been no protective tariff, there would have been no AAA. If there had been no protective tariff, we would not have strong, powerful labor groups in America today. If there had been no protective tariff, there would have been no vicious monopolies sapping the life blood of the people. If there had been no protective tariff, there would not likely have been a world war that engulfs the world today.

The simple expression of the God-given rule of supply and demand would fix wages, prices, destroy monopolies, make great profit creating trusts impossible. . . . Protective tariff is in the end an unsound principle. . . .

In the Good Book, James says: “Whoso looketh unto the Perfect Law of Liberty and continueth therein,

A forgetful hearer, but a doer of the word,
This man shall be blessed in his deed."

According to my mind, the Perfect Law of Liberty means, from an economic standpoint, the general processes we know as the Law of Supply and Demand.

Persistent as John E. Owens' advocacy of free trade may have seemed, it was not the whole of his concern for his country and his countrymen. Old-time virtues such as thrift, hard work, and home ownership occupied key places in his philosophy for both the individual and the nation. In the heyday of the Great Boom of the 1920's, he was one of the few prophets to denounce the mania of speculation then engulfing the country.

The rise of the building and loan association as a source of capital for home building caught his attention, as it did that of most of the nation's other bankers. It is sometimes forgotten that many commercial bankers at first opposed this new source of investment capital. On May 23, 1928, the United States League of Local Building and Loan Associations held its thirty-sixth annual convention in Dallas. John E. Owens, speaking before that assembly, gave what he called "A Banker's View of Building & Loan Associations." His speech brought the cheering delegates to their feet in an ovation as he concluded, for it was a resounding endorsement of such organizations:

Surely the production of credit is one of the very greatest accomplishments of civilization. Credit *is* civilization, and if world's peace is absolutely an unimpeded flow of commerce between every port, when credit shall intelligently and freely pass through national boundaries, ever creating new wealth for the loaners and borrowers; ever widening the horizon of the good things of life; ever raising the standard of living. I have no patience with the narrow, selfish view of that man who criticizes the development [of such agencies of credit as] Building and Loan Associations. . . .

There has always been a certain critical attitude on the part of many banks to the building and loan associations, because there has always been a drift from 4% savings [in banks] to the more profitable contracts offered by your profession, but it has always seemed to me that

your line of procedure covers an absolutely different field of credit operation. No bank wants an amortized note running over a long period of time, and again it occurs to me that this is the way that 90% of the homes must be built.

The Federal Land Bank System has seized on this principle of amortized debt, and this is the outstanding governmental contribution to farm relief, making the latent credit value of a piece of land marketable in the large money markets of the world through the sale of bonds sold by the Federal Land Banks, and now with farms, as with city homes, under the amortization principle the debt declines instead of increasing.

This same address to the building and loan associations is typical in one special respect of the scores upon scores of talks which John E. Owens was called upon to make during his long career. That is the fresh wit and homely philosophy with which he joined his more serious propositions. He continued:

It has been said that the American public has ceased to buy anything, and is sold everything. If you gentlemen should cease selling your stock to the public and sit behind your desks in dignified seclusion, the savings accounts of the nation would wane. . . .

Life is a continuous propaganda – a perpetual advertising scheme. Let the churches quit advertising the value of a good life – the advantage of Heaven – the inconvenience of Hell – and religion would drift like the shadow of a cloud.

You gentlemen are the creators of national wealth, and you commence at the *bottom* instead of the top. It is not necessary to go to a rich man and advise him to hedge against the rainy day, but the average man of the street needs the sermon. . . .

I sometimes think that life insurance should be called death insurance, and that building and loan should be called life insurance, because a man doesn't have to die to win. I had rather have a nice little home worked out by building and loan here on earth, than to have a claim to mansions in the skies – not that I do not aspire to mansions in the skies, but the little home here looks like a cinch and the mansion in the sky seems a trifle speculative.

I know of no better insurance policy to leave the wife and baby than the home, and I think if you gentlemen will investigate, you will find Hell full of apartment houses and hotels.

Some poetical fellow has said that home is where the heart is, but I have always had the sentiment that a man would fight for his hearthstone, who would not shed gore for a hotel radiator.

In concluding his talk the Dallas banker commended the building and loan plan for its promotion of systematic saving on the part of the individual:

It means that the builder of a home, or the investor, must so calculate his income and expenses that he may make a regular monthly set up of savings, and by the time the stock has been finally liquidated, or the home paid for, that family has acquired a lesson of thrift that becomes a habit – a way of life. . . .

One of the proverbs says, "Wealth gotten by vanity shall be diminished; but he that gathereth by *labor* shall increase." I believe that the building and loan deposit is frugality: a regular, systematic, saving virtue, that means individual prosperity and national wealth. . . .

A nation is never made great by the speculative acumen of its people, but by the careful and deliberate economy that makes a little and spends a little less: that toils and transmutes a part of that labor into a permanent investment.

"The fault of the age is a mad endeavor
To leap to the heights that were made to climb. . .
Better the old, slow way of striving,
And counting small gains when the year is done;
Than to waste our forces all in contriving,
And to grasp for pleasures we have not won."

John E. Owens responded to many other interests than those limited to the supposed range of the purely economic man. He was long treasurer of the Civic Federation of Dallas, acclaimed in its hey-day as the nation's outstanding example of a privately supported institution in the field of adult education. He was active in the establishment of the Dallas Historical Society and served as a trustee and treasurer of this organization domiciled, with its historical museum, in the Hall of State. He was a member of the Philosophical Society of Texas. Another group in which he took keen pleasure and to which he contributed much in intellectual discussion was the Critic Club of Dallas.

In his home life John E. Owens was blessed beyond the ordinary measure. He was married to Miss Jewell Montague of St. Louis, by whom he was survived. Their one daughter, Mrs. E. Bruce Street, lives in Graham, Texas. There are two grandchildren.

The establishment of the John E. Owens Memorial Foundation by his widow was a source of deep satisfaction to the great host of his friends and admirers, all of whom remember his keen insight, his integrity, and his heart-warming leadership in so many matters for the welfare of his fellow-men.

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This pamphlet is published by the John E. Owens Memorial Foundation. The John E. Owens Memorial Foundation was established in 1953 by Mrs. Owens in memory of her husband, a prominent Texas Banker. During his lifetime, Mr. Owens was intensely interested in international economics and it was his wish to establish a foundation that would memorialize his lifelong interest in international relations. The broad objective of the John E. Owens Memorial Lectureship Series is to enlarge public understanding of international economic forces in the philosophical context of free trade.