

THE FREEDMAN'S SAVINGS BANK.

Nearly a year since under the seventh section of the Act of Congress approved June 20th 1874, amending the charter of the Freedman's Savings and Trust Company, three commissioners, representing gentlemen well known for sterling integrity and probity, were appointed to close up the affairs of said company and alleviate by careful management, if possible, the severe losses of the depositors. Beginning their labors immediately on filing bond and qualification for their duties, the commissioners, Messrs ex-Post Master General John A. J. Cresswell, R. H. T. Leipold, and Robert Purvis speedily discovered that so lamentably wretched had been the management of the company, its assets were so insecure, if not valueless, and liabilities so large that it was doubtful if the necessary relief to the thousands of humble, trustful depositors throughout the country could be given. Confident expectations and the general idea of the excellent business ability in the management of the bank contributed to the impression, at first quite general on the announced insolvency of the company, that the loss, if any, to depositors would ensue only in the delay of liquidation; the assets being large, well secured, and solvent. Investigation disproved all these hopeful ideas.

The commissioners now find matters to be even worse than feared. In a report to Congress in December last, in the interests of depositors and other creditors and for their own protection, they asked that Congress should supplement section seven of the act appointing them, first to authorize and require periodical reports; second, to give express authority to compound and compromise debts due to, and liabilities of the company, subject to the approval of the Secretary of the Treasury; third, to give express authority to buy in any property exposed to sale at auction, in enforcing the collection of loans due the company, and to sell at public or private sale all property, whether real or personal, owned by the company, and all property now vested or that may hereafter become vested in said company or its representatives, and to make a good and sufficient conveyance to the purchaser or the purchasers thereof, in whatever State, district or Territory the same may be; fourth, to transfer to the Treasury Department the payment of dividends, and fifth, to provide for a specific form of assignment of depositors' accounts.

None of these suggestions were acted upon. Congress adjourned, and the commissioners announcing the hopelessness of their labors under present provisions, addressed Secretary of the Treasury Bristow asking leave to resign; unwilling to further assume what they believe thus to be an impossible task, the closing of the affairs of the Freedman's Savings and Trust Company on any basis wherein depositors or creditors will gather other than a very small part of the amount their dues. It is probable the commissioners will not be permitted to resign; the law officers of the government holding that their resignation cannot be accepted until they have wound up the affairs of the bank. The chances are that not more than ten, or at most fifteen per cent will be realized from the assets of the bank for the benefit of depositors.