

# SAMBO'S SAVINGS.

## HOW LOYAL RADICAL THIEVES MANAGED TO STEAL THE EARNINGS OF THE FREEDMEN.

## HOW THE FREEDMEN'S SAVINGS BANK WAS MANAGED.

The chairman of the select committee to investigate the causes of the failure of the Freedmen's savings bank and trust company has submitted to the house of representatives a majority report, in which it is asserted that if the bank was not originally conceived in fraud it certainly degenerated into a monstrous swindle, and its career justified the suspicion that it was almost from the start merely a scheme of selfishness under the guise of philanthropy, and an incorporate body of false pretenses. The original conception was announced to be "for the benefit of persons lately held in slavery," but, as the sequel proved, for their spoliation and robbery, and the freedmen's bureau, so redolent of evil under a specious guise and adept in the ways and means of squandering public moneys, readily supplied the personal agencies requisite for the undertaking. One John W. Alvord, attache of the bureau, got up the charter, with a singular array of high and eminent names for corporators.

The charter contains the singular provision that of the fifty trustees nine should constitute a quorum, and is so utterly destitute of safeguards or protection to depositors that it is hard to believe its author did not thoroughly understand how to organize cunning against simplicity, and make it pay for the pleasure of being cheated. As a consequence the whole management of the bank speedily devolved, as was manifestly the intention it should, upon a cabal in Washington, consisting of a small minority of the acting trustees, who played the confidence game called "The Freedmen's Saving and Trust Company."

There is nothing in the charter authorizing branches of the bank in all parts of the country, and if there had been such authorization, grave constitutional objections could have been interposed; but such branches were established in several localities, and thenceforth the bank became as "a whited sepulchre, fair on the outside, but within full of dead men's bones"—rottenness and corruption. The committee of examination and the board of trustees proved utterly faithless to the trust reposed in them. Everything was left to the actuary and the finance committee.

The next fatal step was the act of congress of May 6, 1870, amending the charter so as to allow one-half the deposits, not held as an available fund, to be invested in loans secured on real estate. This amendment was secured through the active agency of W. S. Huntington, then cashier of H. D. Cooke's bank. Under it the District "real estate ring pool" advanced upon the bank and took it by storm. This "pool" was represented in the bank by five of its high officers, viz: H. D. Cooke, George W. Balloch, W. S. Huntington, D. L. Eaton and Z. B. Richards, all of whom were concerned in speculations more or less dependent for successful issue on sustaining contractors under the board of public works, and a free use of the funds of the Freedmen's bank.

Under such auspices there can be no wonder that the tollsome savings of the poor negroes, hoarded and laid by for a rainy day melted away, vanished into thin air in the form of millions of so-called assets, on which, by no possible contingencies can fifty cents on the dollar be ever realized to the unfortunate victims of heartless duplicity and misplaced confidence. The wolves literally became the pastors of the flock, and without compunction or remorse devoured the younglings committed to their care.

It is proved that the books of the bank are mutilated and defaced—leaves cut in some places and firmly pasted together in others—abounding in false entries and false balances, and altogether exhibiting a labyrinth of winding and never-ending perplexities and contradictions that defy the scrutiny of the sharpest experts.

The Washington cabal consisted of D. L. Eaton, president of the bank; H. D. Cooke, chairman of the finance committee; W. G. Huntington, General O. O. Howard, Lewis Clephane and four others, a majority of whom held high carnival over the freedmen's savings, and who at their pleasure violated any or all of the charter provisions.

The report then gives a complete history of the Seneca sandstone swindle, by which the bank lost \$62,000, and recommends that H. D. Cooke, Lewis Clephane, Hallet Kilbourn and John O. Evans, the surviving partners in that swindle, be tried and punished to the full extent of the law. George W. Stickney, assistant actuary in the bank, is also said to have been privy to the transaction, and to have converted the bank's funds to his own use, and should, therefore, receive punishment.

The report concludes with an instruction that the committee will hereafter report upon the action of the commissioners appointed to wind up the affairs of the bank.