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Huntsville's Freedman's Savings and Trust

By
Marjorie Ann Reeves

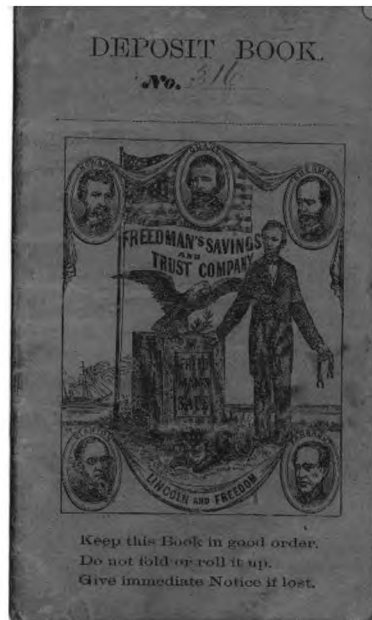
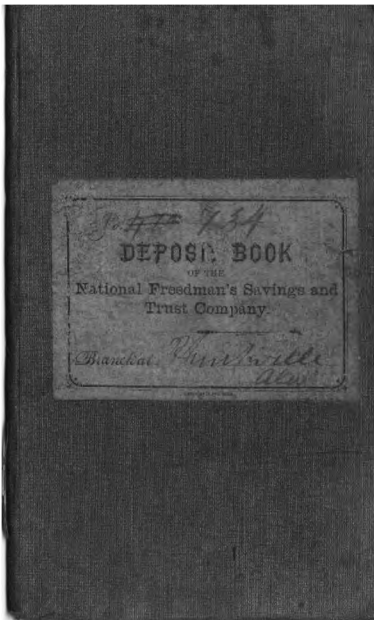
Congress chartered the Freedman's Savings and Trust Company on March 3, 1865 in their efforts to help the freed slaves to build a new life. It was very successful during most its nine years of operation with over 70,000 depositors and \$57 million deposited in 37 branches in 17 states. It was the first multi-state bank institution in the nation. Huntsville Freedman's Savings and Trust was opened in December of 1865 with branches in Montgomery and Mobile.

The Freedman's Savings and Trust Company was housed and operated in the Huntsville Hotel. The bank encouraged Negroes to deposit as little as ten cents. The Huntsville branch was one of the most successful of the Alabama branches with mostly city depositors. Lafayette Robinson was hired as the first cashier and was with the bank until the end being paid fifty dollars a month. His father, John Robinson, was the first depositor with the money he received as compensation from the Federal Government for the Union destruction of his property during the Yankee invasion into Huntsville. John Robinson also served on the bank's Board. Upon Lafayette Robinson's death, the

local newspaper reported “he was an honest upright man in all his dealings.”

The bank took not only individual deposits but organizations, societies, churches, and businesses clients. In the Remarks section of the application, depositors requested the money be passed on to their spouse, children, or relatives on their demise. The bank provides 480,000 names in its records. The questionnaire that the depositor had to fill out is a gem of information for genealogists.

The application included a record for; Name of Master, Name of Mistress, Planation, Height and Complexion, Father or Mother, Name of Children, Regiment and Company, Place of birth, Residence, Occupation, and Remarks



The bank headquarters first opened in New York City then in Washington, D.C., which may have been the problem. The bank system eventually went into debt due to poor management, bad speculative investments, and risky loans. The timing of the 1873 panic also contributed to the bank's inability to pay its debt. Fredrick Douglass took over as president of the bank in 1873 investing his own money to try to save the system but it was too late and he lost a great deal. Mr. Douglass described the bank on its closing as, "the black man's cow but the white man's milk." When the Huntsville branch closed in 1874, the loss to its depositors was \$35,963.00

An article ran in the *Huntsville Gazette, Leading Colored Journal in the South*, on January 3, 1880:

The Freedman's Bank

It has now been over five years since the suspension of the Freedman's Savings and trust Company. Two dividends of twenty percent each have been paid. All the privation and suffering caused by the failure of this bank will never be told. It was a robbery, whatever the means by which it was accomplished - whether incapacity or dishonesty on the part of the managers. We have expressed the wish that the report of Senator Bruce's

committee would settle this question, and still await that paper. The question now is "Shall the Government pay the depositors the balance due them on their deposits in the Bank?" The bank was organized with the best intentions by good and noble men and it was from the removal of the original safeguard that it came to so unfortunate and disastrous an end. That safeguard was the provision of the charter that the deposits be invested solely in Government bonds.

When the Government saw fit to so alter the charter at the solicitation of the officers of the company as to allow other investments, it broke faith with the depositors and opened the door for what followed. The Institution was looked upon as the foster-child of the Government. And under all the circumstances, we think by its action the Government rendered itself morally responsible for the consequences. The result has been the loss by the most needy class of citizens, of hundreds of thousands of dollars. As a simple act of justice, let the Government refund the loss. It will be a graceful deed for the American Government to do and will reflect credit upon the whole country.

Representative O'Conner has introduced in the House a bill for this

purpose. The bill provides that the Government shall take charge of the affairs of the bank, assume the debt and pay the depositors the balance due them. Petitions to Congress for the passage of this measure would now be timely. Let them be sent in from every direction by our people.

We hope that our Representative in Congress, Hon. Wm. M. Lowe, will give the bill his earnest support and thus secure the gratitude of a large class of his constituents. The justice and timeliness of the measure must commend it to all fair-minded men.

Congress developed a program to pay the depositors 62% of their savings back but many did not receive anything. This caused a lack of trust among the Negroes and banking institutions for many years. The Treasury Annex Building in Washington, D.C. was renamed the Freedman Bank Building in January 7, 2016. The Annex stands on the lot where the Freedman Bank was first built in Washington.

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About the Author; Marjorie Ann Reeves is a local historian, a member of the Historical Society, and resident of Madison.