

**THE "FAKE"
INSTALMENT
BUSINESS, PP. 1-45**

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The "fake" Instalment Business, pp. 1-45 by Henry R. Mussey

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HENRY R. MUSSEY

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The
“Fake” Instalment Business

Being an outline of its development, an account of the revival of imprisonment for debt and of the other outrages practiced by dealers under cover of the law, together with suggestions for the destruction of the “fake” trade.

By **Henry K. Mussey**

“Where law is made the slave of wrong”



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FOR THE NATIONAL ASSOCIATION OF

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P R E F A C E .

For some years a number of East Side instalment dealers have perpetrated the grossest frauds and almost inhuman legal brutalities upon the more ignorant portion of the immigrant population of the district—especially upon the Italians. During the early months of 1902 these abuses reached a climax. The Legal Aid Society, which has an office in the Settlement Building, fought with all its energy for the rights of the victims of the “fake” dealers, but although these efforts were attended with temporary success the conditions were so severe that a thorough investigation of the “fake” business and its consequent evils seemed absolutely necessary. The council of the University Settlement decided that such an investigation fell within the province of the Settlement’s duty to the neighborhood, and appointed the below subscribed committee to arrange for a thorough inquiry. Henry R. Mussey, a graduate student of Columbia University, undertook the investigation. This investigation was undertaken, of course, with the intention that its results should serve as a basis for formulating a bill directed against this pernicious business. At the time this is written such a bill is being considered by the State Legislature.

The results of the investigation, in the committee’s opinion, have been very startling. Feeling that the public will be interested to learn of the methods of this corrupt business, the committee now puts this report in print to show something of the injustice which is being practiced upon our new fellow-countrymen.

W. KIRKPATRICK BRICE.
SAMUEL THORNE, JR.
HENRY W. TAFT, *Chairman.*

INTRODUCTION.

The facts hereinafter detailed have been collected by means of personal conversation with business men, instalment dealers of every sort, from the best to the worst, employes of the dealers, their customers, city marshals and their assistants, jail and court officials, attorneys and representatives of legal organizations having intimate acquaintance with the abuses of the instalment business, charity workers—in short, all classes of persons who would presumably throw any light on the subject. Jail and court records have been examined, in many cases in the greatest detail; court proceedings have been followed with care. All sorts of documents and papers used by the dealers have been examined. Matters of price and value of goods sold have been the subject of study. The object has been to make as careful and comprehensive an investigation as possible, showing in a general way the scope of the instalment business, and describing more carefully the remarkable abuses that have grown up in connection with it, endeavoring to trace them to their causes and suggest, if possible, the most direct and practical means of doing away with them. For the opinions and conclusions suggested, I am solely responsible, though I am happy to find myself in substantial agreement on most points with nearly all who have made a careful study of the question. My special effort has been to avoid indiscriminate condemnation of all instalment business, to point out what distinguishes the legitimate business from the illegitimate, and to find, if possible, the practical way of attacking the latter without interfering with the former.

I am indebted to a large number of instalment dealers for their kindness in giving me the information at their disposal, and especially to some of the larger instalment houses. In some cases they have gone so far as to give me access to their books. Also Mr. Moen, the Under-Sheriff of New York County, has put me much in his debt by placing the jail records at my disposal, and the clerks of the municipal courts have kindly given me all facilities for examining their records. For a large part of these favors I am indebted to the interest and intervention of Miss Rosalie Loew, Head Attorney of the Legal Aid Society, who has co-operated with me in every way possible, even doing much

actual work of investigation and placing the results at my disposal. I desire to say, however, that Miss Loew is in no way responsible for any of the views expressed in this report. My hearty thanks are due to her for her ever-ready assistance and suggestion, and to Mr. R. C. Ringwalt, of the same Society, whose advice and suggestion were of especial value in beginning the work. Too much cannot be said in praise of the work of the Legal Aid Society for its fight against the abuses existing in the instalment business.