

How the Salary Loan Sharks Bleed the Poor.

Case of One Man Who Borrowed \$24 of a New York Company and Had to Pay Over \$600 to Redeem It—Interest Rate at 300 per Cent—Report Issued Saturday Shows Startling Conditions of Business Run Under Cover.

Special Correspondence.

NEW YORK, Nov. 11.—An employee of a large transportation company who had to secure cash because of sickness and family went to a loan broker and agreed to pay \$30 in one month for the \$24 loaned him. When the money was received he found out that it came from a loan office in Providence, R. I., and that the man to whom he had applied in this city was merely an agent. This was on Nov. 1. His salary was received late in the afternoon of Dec. 1, the date the amount was due, which made it impossible to get the money to make it impossible to get the money to the Providence office on the same day. The following morning a man from the collection company called at the office of the borrower and demanded \$30 on the loan, \$1.49 protest fee, \$5 collection fee, and \$1 brokerage, making a total of \$37.49. It was impossible for him to pay this amount from his \$60 wages and still meet his living expenses. The loan company offered to make him a new loan of \$24 if he would pay the \$37.49 difference. This he did, for which he agreed to pay \$30 Jan. 1.

REPETITION OF EXTORTION.

The same treatment was accorded him Jan. 1, that he received Dec. 1, in order to pay the \$37.49 in full on Jan. 1, to insure himself against a repetition of the following month. He secured a loan of \$20 from another agent for which he agreed to pay \$20 on Feb. 1, and \$20 March 1. On Feb. 1 the second agent was paid the first payment of \$20. The manager very kindly offered to give him a new loan of \$20, if he wished to pay the \$20 which was due March 1, and in this way the old debt would be canceled. He accepted the loan and again agreed to pay \$20 a month for two months because, as he put it, "I got \$10 and I needed it."

PAID OUT \$665 FOR \$24.

At the end of 19 months, the next June, he had secured about \$150 in cash and paid out, as nearly as he could calculate, about \$665. He had secured loans from at least 10 different companies. His position was seriously endangered and his family was in such destitute circumstances that an appeal was made to the Charity Organization society for assistance. An investigation made by this society showed that in addition to the large amount paid, the loan companies still claimed about \$100, which it was necessary to pay in order to save the man's position.

An unusual story? It may be, but it is true and only one of a score used to illustrate a report on the salary loan business in this city, made after a careful investigation covering several months and including a complete record of the loans made to 132 different men by the 30 or more loan companies operating here. The report is to be published Saturday in book form by the charity publication committee of this city. The investigation was made by Clarence W. Wassam, acting for the Russell Sage Foundation which was endowed by Mrs. Sage with \$100,000 for just such studies.

SHYLOCK PUT TO SHAME.

What it means to a poor man, or a young married couple, to be in debt, to be in debt, is shown over and over again by such cases as that of the fellow who borrowed \$13.25 and paid back on it \$225 in one week. The principle of the whole business lies in tacking on extra charges if payments are overdue, even for a day. If the victim rebels, he is brought to time by threats of filing on his employer for his wages. What the employer's attitude will be is known to the company. It considers a man a "good risk" if it knows his employer will discharge him if he has borrowed ahead on his wages. Employees know this too, so it is impossible to advertise that the loans will not be made known to employers. One company which advertised in this way, caught a man overdue in his payments and demanded an extra amount of \$5.10 which was interest on the loan at a rate of more than 300 per cent a year. He offered to pay at the rate of 60 per cent, but his employer was notified, and he almost lost his job. Shylock's pound of flesh sounds like simple interest compared with the answer of the owner of a loan company to a man who asked for more time, and said that if his employer was notified he would be discharged and the only course open for him then would be suicide. The proprietor of the company—a woman—is reported in the book to have said that "if he committed suicide they would close the office a day and attend to the funeral, but the employer would be notified unless he paid the next day."

Women are largely employed by the loan companies. They work for lower wages and then, too, there would be constant danger of physical violence "if the borrowers were treated by a man as they often are by the women managers."

HUGE RETURNS ON CAPITAL.

A long series of interviews with men in the loan business, some of whom talked frankly, led Mr. Wassam to conclude that the 30 loan offices of which he knows personally have an average of \$10,000 which brings in yearly an average return of not less than \$40,000. In all, the investment is about \$300,000, with which is done an annual business of about \$1,200,000. There is comparatively little legislation on the subject, but these states which have attempted to regulate it have fixed the maximum interest at from 1½ to 2 per cent a month. The legal rate of interest in New York state is 6 per cent a year. In the few cases which have been taken before a court the loan companies have contended that this rate did not apply to them, that they were not loaning a man money, but were buying his salary in advance just as they might buy a farmer's growing crop. But very few cases are ever taken into court. If the company suspects that a man has even consulted a lawyer, it demands immediate payment with a threat of notifying his employer. Then, too, the men who borrow on salaries are not often the kind given to litigation. They are wage-earners, clearly shown by the fact that 90 per cent of the payments are made weekly and the most frequent amounts are under \$15. It is the workman with the Saturday pay envelope, and most often the employee of a large transportation company or manufacturing establishment, who is the usual customer. In some cases he is even led into the trouble by his superiors. Mr. Wassam has records of foremen, timekeepers and even of a private secretary, who were in the employ of a loan firm and were commissioned on all loans made to the employees of their house.

SALARY LOANS A NECESSITY.

The salary loan, Mr. Wassam points out, is a necessity in a large city to the man on a small salary. If his wages just about equal the cost of living for himself and his family, he must borrow somewhere in case of sickness and childbirth, to meet insurance premiums, and in many family emergencies. Salary loans are not intrinsically bad, but at present the business methods in vogue are frequently open to severe criticism. This is especially true where the loan is made from outside the state, as in the story which opens this article. A company in Providence, R. I., loans all the money. The

overdue payments lead often to the making of a new loan to repay an old one, thus enmeshing the borrower in an endless chain of debt.

The chapter on "Proposed Remedies" has for its keynote this sentence: "The salary loan business thrives upon secrecy and any effort which tends to destroy this secrecy will aid in regulating the business." A woman who manages a loan office told Mr. Wassam that "the salary loan business depended upon their ability to keep the general public uninformed as to their methods."

Another manager said that if a campaign of publicity commenced, some time ago by the New York Herald had been continued, it would have been necessary for him to close his two offices.

Mr. Wassam's suggestions are: Complete publicity; co-operation by employers in guarding their men against extortion; consulting the wife and family; legislation covering rates, conditions, regulation of deceptive adver-

tising and prohibiting the use of the mails to misrepresentative circulars; and possibly the establishment of a loan association to be run like the one connected with St. Bartholomew's church. This is a "business philanthropy," paying fair returns on the small capital which the church could furnish, but run in the interest of borrowers. It has been conspicuously successful, and in nine years' operation its losses have been less than five-eighths of 1 per cent.

Foley's Honey and Tar clears the air passages, stops the irritation in the throat, soothes the inflamed membranes, and the most obstinate cough disappears. Sore and inflamed lungs are healed and strengthened, and the cold is expelled from the system. Refuse any but the genuine in the yellow package—F. J. Hill Drug Co., "The Never Substitutors."

Millionaires in Congress.

IN THE SENATE.

Simon Guggenheim, Colo.	\$60,000,000
Isaac Stinson, Wis.	30,000,000
Stephen D. Eldins, W. Va.	25,000,000
Nelson W. Aldrich, R. I.	12,000,000
John Kean, N. J.	10,000,000
Redfield Proctor, Vt.	8,000,000
Henry A. Du Pont, Del.	7,000,000
Jonathan Bourne Jr., Or.	7,000,000
Francis G. Newlands, Nev.	6,000,000
Chauncey M. Depew, N. Y.	5,000,000
Geo. F. Wetmore, R. I.	5,000,000
Morgan W. Bulkeley, Conn.	5,000,000
Levi A. Wentworth, Wash.	5,000,000
George S. Nixon, Nev.	5,000,000
W. Murray Crane, Mass.	5,000,000
Eugene Hale, Maine	3,000,000
George C. Perkins, Cal.	2,000,000
Francis E. Warren, Wyo.	2,000,000
Nathan B. Scott, W. Va.	2,000,000

Phillander C. Knox, Penn.	2,000,000
Joseph J. Foraker, O.	2,000,000
Henry Labor Lodge, Mass.	1,500,000
Thomas C. Platt, N. Y.	1,500,000
Joseph W. Bailey, Texas	1,000,000
Albert J. Hopkins, Ill.	1,000,000
Thomas S. Martin, Va.	1,000,000
Harry A. Richardson, Del.	1,000,000
William Alden Smith, Mich.	1,000,000
Frank Obadiah Briggs, N. J.	1,000,000
Robert L. Owen, Okla.	1,000,000
Boise Penrose, Penn.	1,000,000

\$209,500,000

IN THE HOUSE.

John E. Andrus, N. Y.	\$35,000,000
William B. McKinley, Ill.	15,000,000
George F. Hunt, Penn.	10,000,000
Frank O. Lowden, Ill.	6,000,000
Everett A. Hayes, Cal.	5,000,000
Daniel F. Lafean, Penn.	5,000,000
Joseph G. Cannon, Ill.	2,000,000
W. Bourke Cockran, N. Y.	2,000,000
Marlin E. Olmstead, Penn.	1,500,000

Llewellyn Powers, Maine	1,500,000
Wm. W. Foulkred, Penn.	1,000,000
Martin B. Madden, Ill.	1,000,000
Francis E. Harrison, N. Y.	1,000,000
John W. Weeks, Mass.	1,000,000

\$88,000,000

Winter blasts, causing pneumonia, pleurisy and consumption will soon be here. Cure your cough now, and strengthen your lungs with Foley's Honey and Tar. Do not risk starting the winter with weak lungs, when Foley's Honey and Tar will cure the most obstinate coughs and colds, and prevent serious results. F. J. Hill Drug Co., "The Never Substitutors."

Dress Suits for rent. Daniels, the Tailor, 57 W. 2nd St.

Dainty Pastry With Your Lunch. Always Fresh at The Royal Cafe.



OUR ANNUAL LINEN EVENT

The Thanksgiving Sale of Damasks, Pattern Cloths, Napkins, Fancy Linens, Doylies, Squares, etc. of Greatest Interest to the Housekeepers of Salt Lake City and Vicinity.

The most important underpriced distribution of good linens this city has ever known. A linen sale of unequalled saving opportunities with assortments larger and better than in any previous sale in our History. Replenish your linen now while you have such splendid stocks to select from.

Damask and Napkins.	Patterns Cloths & Napkins	Fancy Linens, Doylies & Squares Etc.	ART LINENS, WHITE GOODS, TOWELS ETC.
50c White table damask, mercerized, 29c	50 Pattern Cloths, spot patterns, \$2.25	Drawn work linens, 18 inches square, worth \$1.25 to \$1.50, as long as they last 59c	75c Sheer Belfast linen cambric, 45c
60 inches wide, 50c	50 Patterns cloths, spot design, \$3.00	Japanese drawn linen 18 and 24 inches, worth from \$2.00 to \$3.00, as long as they last 95c	86 inches wide, 85c
75c Bleached Irish Linen damask, 60 inches wide, 65c	50 Pattern cloths, spot design, \$3.95	Japanese drawn linen 18 and 24 inches, worth from \$2.00 to \$3.00, as long as they last 19c	4-4 wide, 1.50 Sheer Belfast linen Batiste, one yard wide, 1.05
1.00 Bleached Irish table Linen, 65c	50 Pattern cloths, spot design, \$4.95	Japanese drawn linen 18 and 24 inches, worth from \$2.00 to \$3.00, as long as they last 1.25	4-4 wide, 1.00 Sheer Belfast linen Batiste, one yard wide, .60c
60 inches wide, 90c	50 Pattern cloths, spot design, \$5.95	Japanese drawn linen 18 and 24 inches, worth from \$2.00 to \$3.00, as long as they last 2.40	60c 1.00 45 inch Art Linens, soft finish, 60c
72 inches wide, 1.25	50 Pattern cloths, spot design, \$6.20	Japanese drawn linen 18 and 24 inches, worth from \$2.00 to \$3.00, as long as they last 3.40	Job lot of fine linen huck towels ranging in value up to 45c. We will clear out this lot in Thanksgiving sale at 22c
72 inches wide, 1.33	50 Pattern cloths, spot design, \$7.40	Japanese drawn linen 18 and 24 inches, worth from \$2.00 to \$3.00, as long as they last 1.20	Job lot of fine towels, Fine Irish Damask towels drawn work, braided fringe, worth up to \$1.50, 65c
72 inches wide, 1.65	50 Pattern cloths, spot design, \$7.45	Japanese drawn linen 18 and 24 inches, worth from \$2.00 to \$3.00, as long as they last 85c	Job lot of fine towels, Fine Irish Damask towels drawn work borders, heavy braided fringe, worth from \$2.00 to \$3.00 each. Choose at this sale at 95c
72 inches wide, 1.00	50 Pattern cloths, spot design, \$7.45		
72 inches wide, 1.35			
72 inches wide, 1.85			
72 inches wide, 2.25			

A Great Sensational Sale of Dress Goods.

\$20,000 Worth of High Class New and Desirable Wool Dress Fabrics to be Sacrificed THIS WEEK AT TREMENDOUS REDUCTIONS.

25%, 33 1/3% & 50% Reductions Throughout The Entire Stock

Every woman in Salt Lake and Vicinity who has a dress goods want should not fail to take advantage of this unusual offer, which includes every yard of dress goods in our entire magnificent stock, Salt Lake shoppers are familiar with the high character and complete varieties of wool dress goods always shown in this department and this season's collection of fine imported and domestic fabrics has exceeded all previous offerings.

What an unusual offering this is, can therefore be readily understood at a glance when the above tremendous reductions are applied to so complete and perfect a stock but don't take our word for it see for yourself, a visit will surely repay you only not for immediate use but for the future dress goods needs of the entire family.

The Following are Just a Few of the Hundreds of Great BARGAINS This Sale Presents to Our Patrons.

All 65c fabrics, Serges, Panamas and other desirable fabrics 49c	All 50c wool and worsted waists 25c	All \$1.50 and \$1.75 fabrics, including Broadcloths and 50 inch fancies in mixtures, staples, voiles and dozens of desirable new fabrics \$1.12 1/2
All \$1.00 fabrics, Panamas, serges, wool taffetas, Batistes, mixtures, etc. 75c	All 85c wool waists in this sale 42c	\$2.50 to \$3.00 fabrics about 50 pieces of strictly high grade imported all wool novelties and plain fabrics in this sale \$1.50
All \$1.25 and \$1.35 fabrics, including Broadcloths, striped novelties and fancy foreign mixtures big variety of cloths to select from, at 95c	All 60c fabrics such as Batistes, Albatross, Mixtures, etc. 45c	
	All 75c fabrics, Henriettas, French Serges, plaids, etc. 50c	