

[DOCUMENT NO. XI.]

**BOARD OF
ASSISTANT ALDERMEN,**

DECEMBER 30, 1831.

Report of the Committee on Police, Watch and Prisons, relative to the operations of Pawnbrokers upon the Moral Character of the City, and the establishment of a Lombard to relieve the necessities of the Poor, laid on the table and directed to be printed.

B. CRANE, CLERK.

THE Committee on Police, Watch and Prisons, to whom it was referred to inquire into and report upon the effect which the operations of Pawnbrokers shops have had upon the Moral Character of this city, and how far the occasional necessities of the poor may be relieved by a Lombard establishment under the control and direction of the Common Council of this city,

RESPECTFULLY REPORT,

That in all ages of the world, the occasional necessities of men have driven them to pledge or pawn their property for relief. Personal property has been the peculiar subject of pledge or pawn. In large and populous cities, the system of pawning has been so extensively carried on, as to mag-

nify it into a profitable business, and in many instances, individuals with a small capital, have by exacting usury, risen rapidly to independence and immense wealth. In all cities both in Europe and in this country, Pawnbrokers shops have been established. In early times, they conducted the business without license, and probably in their commencement, confined their operations to the advance of money upon the goods of the honest poor. They from time to time have been called fripers or friperers, tally-men, pawn-takers and pawnbrokers. Their business was not confined solely to the loaning of money on goods, but they bought and sold second-hand articles. Their unbridled rapacity rendered them early objects of legislative attention. The robber and the thief sought them as fit places to dispose of their plunder, and the immense profits of the traffic appears at all times to have been a sufficient indemnity for the risk of detection. Laws were early passed in England to compel them to take out licenses, and give security for their good conduct, and serious penalties were imposed for a violation of their regulations. Lombard-street, in London, was the principal place of their residence and business. Three golden balls their sign. Their rates of interest have always been exorbitant and exceedingly oppressive. It has from time to time been regulated by law, and its sanctions have (as is usual upon most occasions where oppression has been legalized) been made to fall most heavily upon the poor. It is a singular fact, that the smallest sums advanced have always been chargeable with the largest rate of interest. The less the risk, the greater the premium.

The power of the Common Council to regulate these establishments, is derived from an Act of the Legislature, passed 9th April, 1813, 2 vol. Revised Laws, p. 444. This Act authorises the Common Council "from time to time to make laws for the regulation of Pawnbrokers and of dealers in second-hand furniture, metals or clothes, in this city, which laws shall require that every person carrying on either of the said callings, trades or dealings, shall have license

for the same from the Mayor, under the direction of the Common Council, and that every such Pawnbroker or dealer, shall pay for such license, a sum not exceeding fifty dollars, to be applied towards the support of the poor."

They were also authorised to fix the rate of interest "for any loan not exceeding twenty-five dollars, at any sum between seven and twenty-six per cent. per annum." By this law, the broker and dealer were bound to enter into recognizances, with one or more sureties, in a sum not exceeding one thousand dollars, conditioned for the observance of such laws and ordinances as the Common Council might make in the premises. Under this law the Common Council passed ordinances for their regulation, and under it both branches of business was pursued under one license, until the year 1823, when an ordinance was passed requiring them to take out a license to conduct each branch of the business. Under this ordinance, the business was made separate and distinct. The present ordinance requires fifty dollars for a license to the Pawnbroker, and twenty-five dollars from the dealer in second-hand articles; and forbids that one person shall at same time hold licenses to carry on both of the said trades. In 1823, there were eight licensed to conduct both branches of the business; in 1824, eleven; in 1825, sixteen; in 1826, forty-four, and in 1827, thirty-nine. In 1828, the business became separated, and from that time to the present period, the following table exhibits their number:

1828, Pawnbrokers,	9.	Second-hand Dealers,	35.
1829, - -	12.	- - -	33.
1830, - -	12.	- - -	19.
1831, - -	12.	- - -	25.

One individual has the present year obtained licenses to conduct both branches of the business, which he does at one place. The rate of interest established by law is twenty-five per cent. per annum on all sums not exceeding twenty-

five dollars. The bond now required by law is in the sum of five hundred dollars, with two sureties. They are required to make, at or before noon of every Monday, a return in writing, to the Special Justices of this city, of each and every article and thing pawned, or pledged or purchased, under the penalty of one hundred dollars for each omission to make a return, with a further penalty of one hundred dollars for every article omitted in the return. The goods must be kept on hand by the Pawnbroker one year, and then if not redeemed after twelve days notice of the time and place of sale, in the public newspaper denominated the National Advocate, may be sold at public auction. This paper is still in existence, although under a different name; but whether they continue to advertise in it as formerly, your Committee are not aware.

When an article is pledged, an accurate account and description of the goods, article or thing pledged, and the amount loaned thereon, and the time of pledging the same, the rate of interest to be paid, and the name and residence of the pledgor, must be entered in a book to be kept by the Pawnbroker, and at the same time a ticket containing the substance of such entry, must be signed by the broker, and delivered to the person making the pledge, for which ticket no charge is to be made. The mode of conducting the business cannot be accurately described by your Committee. From the last information your Committee have been enabled to procure, there are annually made among the twelve brokers now licensed, about 132,990 loans on pledges consisting of several different articles. The sums loaned on these amount to the sum of \$213,244; the annual interest of which sum is \$53,311. It is said, however, by the brokers, that about one-third of the articles daily pledged are repledged, and from this cause: the repledging taking place sometimes once a week, and sometimes once a month, it is impossible for your Committee to arrive at any certain or accurate result as to what amount of interest is annually paid.

Your Committee have taken one week in January and one in July, and ascertained from an inspection of their books, the number of pledges in each week, with the amount loaned, and from this basis have made a general average, and have also ascertained as near as they can, the amount of sales; all which is set forth in the schedule attached to this Report. Of the whole number of pledges, very few exceed twenty-five dollars. On an average they do not amount to two dollars on each pledge. It is a fact worthy of serious consideration, that by far the greater number of loans effected at these establishments are less than one dollar, and of the whole, twelve-fifteenths are in sums less than one dollar and fifty cents. Out of nine hundred and eighty-four pledges effected in January, only fifty four were over five dollars, and eleven over ten dollars, and in July, out of eleven hundred and seventy five pledges, only forty-nine were over five dollars, and five over ten dollars. The general range of loans is from six to seventy-five cents. That any real good can arise to the pawnor from these small loans, your Committee exceedingly doubt, and that it is the means of much and serious evil, your Committee can readily believe. And in view of this branch of the subject, as loans effected by individuals who come honestly in possession of the articles, your Committee are seriously impressed with the belief that they are caused by the desire to gratify the misery of that intemperance in drink, which has desolated the land, and led to bloodshed and death. The facility of procuring from six to seventy-five cents upon small articles, is in the judgment and belief of your Committee as powerful an auxiliary to intemperance as it has. The philanthropist deprecates the cause, while pious charity kindly looking on, ignorantly furnishes the *means*, and both alike weep over the effect.

Your Committee have been informed, and they believe it to be true, that upon a recent occasion in a neighbouring city, a poor family, strangers in our land, were desirous of returning to their native country. The spirit which alike

does honor to the head and hearts of our fair country-women, soon drew around the little circle, a supply of articles both of comfort and convenience. The passage money was paid, and all the participants in the good work were pleased with the idea of having done their duty. In a few days it was discovered that the family had not gone, and upon inquiry, the whole stock of generosity was discovered in a Pawnbroker's shop—pawned for less than one quarter their value, and the head of the family found stupified in all the luxury of strong drink. The interior of a Pawnbroker's shop is truly a heart-rending scene. There piles of clothing for men, women and children, household furniture, jewellery and trinkets of every description, together with the effects of religious zeal—the Bible—in one great mass, exhibit the wretchedness of poverty, intemperance, crime and unanticipated misfortune. Your Committee cannot say that the establishments, as at present organized, are the recipients of stolen property, knowingly—that they may be imposed upon it is easy to believe, and the fact is no doubt so. The risk of detection is great, and the consequence frequently is, that the broker is deprived of the ill gotten article and loses his advance. If the thief is caught, he generally has the ticket which furnishes the evidence of his guilt. The loss to the broker is not much, because his advances are generally small. It is due to many of the individuals engaged in this business at present, to say that your Committee are satisfied that their business is conducted as fairly as it can be under the existing regulations—while at the same time, your Committee cannot refrain from noticing one establishment, in which the father is a Pawnbroker at one counter, and at another in the same store, the son is a dealer in second-hand articles. At this establishment, your Committee have been informed that a loan will be effected at one counter, and the ticket sold at the other, frequently before the individual leaves the shop. It is an evil to which every class of men are exposed, that among them the virtuous and the vicious will be found. That these establishments have in times past been powerful auxiliaries to crime, lending aid

and countenance to the profligate and abandoned, affording facilities to dispose of stolen property, and assisting to conceal the offender, your Committee have no doubt. To the crime of intemperance, which is the foundation upon which immorality generally builds—the soil which affords nourishment to vice—these receptacles have in a good measure assisted.

To these establishments collectively, we may look as well for the increase of pauperism as of vice. In thus speaking of these shops, your Committee wish to be understood as having their general tendency in view.

It is certain that petty thieves must find some places of deposit for their plunder, and it has been asserted that they more commonly resort to dealers in second-hand articles, than to the Pawnbrokers. This is probably so; and if the dealer has any knowledge or intimation that the property is stolen, instead of exposing it to sale here, he may send it to other places to be disposed of. These establishments have obtained so firm a footing, that their utility, perhaps, ought not at this day to be questioned. Whether they ought to be suppressed, or fostered and encouraged, under more judicious regulations, is a question to which the serious attention of this body is earnestly requested. The pressure of immediate want and the pride of poverty, are set forth as the great incentives which drive men to the Pawnbroker's shop. The temporary relief afforded by the loan of a few shillings, secured by their little all, is the excuse for their encouragement. By this operation, the necessities of the first are increased, and the pride of the latter more deeply wounded. A few short weeks deprives both of all their means, and both must alike seek the aid of public or private charity, or seek the sinks of corruption and folly. When personal friends are no longer to be found, it is difficult to substitute Pawnbroker's shops, or dealers in second-hand articles in their stead.

Your Committee are not acquainted with any facts of impropriety on the part of the present brokers generally, except such as arise out of the present regulations. They require an utter and entire change; and as the law of the Legislature now stands, they cannot offer any amendment of the law, which in their judgment, would be calculated to affect the particular evils which at present exist.

Your Committee have also had under consideration, the presentment of the Grand Jury, and have endeavored to ascertain the particular transactions which called forth that presentment. Whether they have arrived at them or not, they cannot say with certainty; but in one of the instances which they have been informed afforded the ground of their complaint, they have reason to believe that the Pawnbroker could not well be charged with knowing the property to have been stolen, but was careful to ensure the highest rate of interest by a separation of the article, and making several loans upon it. While on this branch of the subject, without intending to dictate, they would submit for the consideration of future Grand Juries, that while they are legally organized, their power so far exceeds any other known to the law, that an examination can be conducted by them, and abuses inquired into, with a facility and certainty secured to no other body, and that too without their object being frustrated. Whether it would not be well to embody the facts which may come to their knowledge, and present them in such a way that they may be rendered useful to any Committee to whom the Common Council, in the performance of their duties, may think proper to refer them. The question how far a Lombard Institution, under the direction of the Common Council, may tend to relieve the occasional necessities of the poor, your Committee beg leave to make the subject of another Report, in connection with the petition of D. M. Frye and others, on the same subject.

From the want of sufficient power over the subject matter referred to, they offer the following resolution:

Resolved, That it be referred to the Counsel of the Board, to prepare a law giving to the Mayor, Aldermen and Commonalty of the City of New-York, full and ample power to regulate and control Pawnbrokers and dealers in second-hand articles, in the exercise of their trade or business, provided they do not require a sum exceeding five hundred dollars for a license, or require them to give surety in a sum exceeding ten thousand dollars, and impose no greater penalties upon them than two hundred and fifty dollars; and also to fix and establish the rate of interest that shall be taken upon any sum.

J. R. WHITING,
WM. VAN WYCK,
N. J. BOYD.

WHOLE AMOUNT OF SALES
NOTATION RELATIVE TO THE REGULATION
OF THE BUSINESS OF PAWNBROKERS AND DEALERS IN SECOND-HAND ARTICLES

* One of the individuals has two houses and one of the other has as yet done but little or no business.
The Mayor, Aldermen and Commonalty of the City of New-York, in pursuance of the act of the Legislature, passed on the 15th of March, 1854, relating to the regulation of the business of pawnbrokers and dealers in second-hand articles, have the honor to acknowledge the receipt of the following statement of the sales of the property of the said individuals, as reported to the Board of Supervisors, on the 15th of March, 1854.

RESPECTFULLY REPORT:

The Board of Supervisors, in pursuance of the act of the Legislature, passed on the 15th of March, 1854, relating to the regulation of the business of pawnbrokers and dealers in second-hand articles, have the honor to acknowledge the receipt of the following statement of the sales of the property of the said individuals, as reported to the Board of Supervisors, on the 15th of March, 1854.

1854	1,175	1,175	1,175
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1624	1,175	1,175	1,175
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1622	1,175	1,175	1,175
1621	1,		

SCHEDULE

REFERRED TO IN THE ANNEXED REPORT.

	No. P Jan'y. 1 Week.	No. P. 1 Week July.	Genl. Av. per Year.	Sum loan- ed per Year.
1	984	1,175	56,134	97,138
2	478	689	30,342	31,304
3	65	62	3,302	9,744
4	58	58	3,016	6,552
5	16	16	832	3,608
6	18	47	1,690	4,940
7	549	374	23,998	40,000
8	181	208	10,114	15,782
9	37	36	1,898	3,120
10	29	35	1,664	2,056*
	2,415	2,700	132,990	214,244

WHOLE AMOUNT OF SALES.

As near as can be ascertained in the aggregate, \$24,015.

* One of the individuals has two licenses, and one of the brokers has as yet done but little or no business.