take advantage of an individual who has financial problems. I would tend to agree with the gentleman from Virginia.

Mr. SISK. Does the gentleman from New Mexico have any question?

Mr. WALKER. No questions.

Mr. SISK. The gentleman from Maryland.

Mr. GUDE. Thank you, Mr. Chairman. I would like to commend my colleague from Virginia for his interest in this matter. I also would like to commend Miss Ottenberg, who has written these excellent articles on the subject. The State of Maryland does not have a statute on the books dealing with debt-adjusters, but the City of Baltimore has outlawed debt-adjusters, and certainly the conditions in Baltimore have a great similarity to those in the District of Columbia. This debt-adjuster operation seems to be a part of the fiber of the poverty problem and where we have low economic conditions we seem to have the so-called debt-adjuster. So I hope these hearings are fruitful.

Mr. SISK. I thank the gentleman from Maryland and we thank our colleague from Virginia, Mr. Broyhill, for his testimony this morning. Prior to the time these gentlemen came in we had placed a complete statement of the gentleman from Virginia in the record.

Mr. WHITENER. Mr. Chairman, before the gentleman from Virginia goes I might point out to him also, and to the other members of the Subcommittee, that pending in Subcommittee No. 4 of the Judiciary Committee is a bill which was introduced by Mr. Poff of Virginia which would have the effect of creating a compulsory Chapter 13 proceeding giving the Federal Courts authority to require that a wage earner debtor go into a proceeding whereby he parcels out his salary to his creditors. That has not come out of the Committee yet, but if it comes out you will have a proceeding in a compulsory way. I have serious reservations about that bill. Mr. Poff thinks it is a good one, but if you get that you may really have some debt adjustment going on.

Mr. BROYHILL. Mr. Chairman, may I include in the record certain debt-adjuster advertisements that have appeared in our Washington newspapers.

Mr. SISK. Yes, without objection they will be made a part of the record.

(Another news item and the advertisements referred to follow:)

[From the Washington (D.C.) Post, July 2, 1966]

7 BUSINESSMEN CONVICTED IN MAIL FRAUD SCHEME

Seven local businessmen were convicted in District Court yesterday on charges of luring financially troubled persons into a phony scheme for paying off their debts.

The six-week trial before Judge Howard F. Corcoran was against the officers and managers of two now defunct "debt consolidation services," called *National Budget Services, Inc.* and *General Budget Corporation.*

The firms were headquartered in Washington and Baltimore and had branch offices throughout the central and south Atlantic states.

Justice Department prosecutors Thomas A. Kennelly and John R. Risher Jr. charged that they schemed by mail to attract customers to "consolidate" their debts by paying them off through the firms in installments tailored to their income.

Witnesses testified they were charged "initiation" and "service" fees, which subsequently were increased without their consent. Also, they said, they were