

22 of the States, including Rhode Island, which after attempting for little more than two years to regulate the debt adjusting business, now prohibits it.

Thank you, Mr. Chairman, for permitting me to take this statement, and, unless there are questions, this concludes my testimony.

Mr. KNEIPP. I would like to proceed extemporaneously. Mr. Broyhill has covered the constitutional question so well in his opening statement that I see no reason for repeating it, so I will skip on to page 5 of the prepared statement that I furnished the Committee.

Mr. SISK. If I might interrupt, Mr. Kneipp, you do take the position there is no constitutional question involved in the provisions of the Broyhill bill?

Mr. KNEIPP. That is correct. The Broyhill bill is patterned after the Kansas statute that was considered in the case of *Ferguson v. Skrupa* referred to in my statement, and the constitutionality was affirmed by the Supreme Court in 1963. The Broyhill bill has been modified to a slight extent but it is substantially the same as the Kansas statute.

I would like to say I disqualify myself as an expert on the wage earner provisions of Chapter 13 of the Bankruptcy Act. I understand there is someone in the room who is an expert on that and I defer to him. I see no reason, however, why there should not be inserted in the bill a new section saying nothing in the bill shall be construed as superseding or amending the Bankruptcy Act, so that the two are parallel to the extent necessary. But I would like to ask for an opportunity to study that, if I may, because I am not an expert on Chapter 13 bankruptcy proceedings.

Mr. SISK. I hope we can get to a witness representing the Bar Association.

Mr. WHITENER. It might be helpful for Mr. Kneipp to talk to Mr. Ben Zelenko of the Judiciary Committee, who has studied Chapter 13 a great deal.

Mr. KNEIPP. I will do that.

LICENSING

As Mr. Broyhill has indicated, there is already general statutory authority for the Commissioners to regulate the debt adjustment business. They have not done so because, first, the administrative burden would be considerable; and second, they did not want to give the impression of government approval of a business they felt there was no need for. Licensing debt-adjusters would be tantamount to licensing lions to eat lambs, and the Commissioners have avoided giving any semblance of approval of this business.

Mr. SISK. Title 47 of the District of Columbia Code has to do with general authority to require licensing and regulation of businesses?

Mr. KNEIPP. I think so. I think there is general authority in the Licensing Act.

Mr. SISK. So actually the Commissioners do have authority to regulate at the present time?

Mr. KNEIPP. Yes, under that provision the Commissioners have from time to time licensed about 80 businesses that are not specified in the Licensing Act, and they have licensed under the Licensing Act about 80 more. Debt adjustment could be one of those businesses and this has been within the authority of the Commissioners for some years, but they have indicated they prefer the prohibition of the business.