

ments remaining, it would depend on the structure of his debt to determine the amount of time it would take. Certainly it depends upon his earnings.

You first must set up a budget to allow him to meet his household expenses. Then, after subtracting the cash that he needs to run his household, then you come to a figure that is the available cash for retirement of debt. When you relate that to his debt composition, then you can determine how many months it would take.

Mr. JACOBS. Does your fee to the client vary with the amount of security that client has against his debt?

Mr. HOLLAND. No, there is no variance in our fee. It is, as I told you, 12.5 per cent of the gross debt.

Mr. JACOBS. Another question with regard to the intelligence of your clients. There were some comments made about that. I am just wondering if a fellow really is as bright as you say, why isn't he bright enough to write his own creditors? If he owes eight people a total of \$2,000, why doesn't he take a slide rule out and determine their proportionate shares and pay it himself?

Mr. HOLLAND. There is a two part answer to your question. To begin with, I think you will recall when Sears Roebuck had a catalog that shows good, better, best. When I was a young man we weren't exactly wealthy and we knew we couldn't afford the best and the better was a little bit above our ability, so we would normally try to get what was called good. Sometimes we didn't have such great luck, but that fact I am trying to point out that advertising nowadays—Sears Roebuck doesn't advertise good, better, best any more. They advertise their best. Advertising is on a basis of "best foot forward." We sit in our living rooms and we are televised into believing that the average housewife should really be a movie star instead of a housewife and that all of the appliances that she has are the best, that they drive the best automobile—I don't want to use an unfortunate word like "brainwashing" but it does after a while sink in.

That is one of the reasons. You do find they are advertised into believing they can afford it.

Secondly, once they are in this posture, why can't they help themselves out of debt?

I think if I could relate it to the employment agency a generation ago, where people would say, "Why should I pay you to get a job for me when I can go directly to the plant and get a job myself?" It was a matter of learning. The employer and the employee. And in dealing with the employee you might have a person go directly to the employer and request a job and he might end up earning \$1.50 an hour, where actually he should have earned \$2.25. The fact of having someone to deal for him, someone who can bring more leverage to bear to equalize the position, he would be able to get a fairer shake.

Let's relate this to debt management. I might say a generation ago there was quite a bit of legislation that was going to outlaw employment agencies. We don't hear that any longer. We accept them and we see that they do perform a needed function.

There is the same leverage between a creditor and a debtor. In the collection department, creditors feel that they have a right to do almost whatever must be done to collect and when a debtor comes to one particular creditor, if his composition is let's say a dozen creditors, and he