ENCLOSURE 3

FRAUDULENT ADVERTISING

It shall be unlawful in the District of Columbia for any person, firm, association, corporation, or advertising agency, either directly or indirectly, to display or exhibit to the public in any manner whatever, whether by handbill, placard, poster, picture, film, or otherwise; or to insert or cause to be inserted in any newspaper, magazine, or other publication printed in the District of Columbia; or to issue, exhibit, or in any way distribute or disseminate to the public; or to deliver, exhibit, mail, or send to any person, firm, association, or corporation any false, untrue, or misleading statement, representation, or advertisement with intent to sell, barter, or exchange any goods, wares, or merchandise or anything of value or to deceive, mislead, or induce any person, firm, association or corporation to purchase, discount, or in any way invest in or accept as collateral security any bonds, bill, share of stock, note, warehouse receipt, or any security; or with the purpose to deceive, mislead, or induce any person, firm, association, or corporation to purchase, make any loan upon or invest in any property of any kind; or use any of the aforesaid methods with the intent or purpose to deceive, mislead, or induce any other person, firm or corporation for a valuable consideration to employ the services of any person, firm, association or corporation so advertising such services.

(May 29, 1916, 39 Stat. 165, ch. 130 #1.)

Mr. SISK. Do we have a representative from the Metropolitan Washington Board of Trade? The witness will state his name for the benefit of the reporter.

STATEMENT OF RALPH E. BECKER, GENERAL COUNSEL, METROPOLITAN WASHINGTON BOARD OF TRADE, PRESENTED BY CHARLES C. COON, ASSISTANT EXECUTIVE VICE PRESIDENT

Mr. COON. Thank you, Mr. Chairman.

My name is Charles Coon, Mr. Chairman, and I am the Assistant Executive Vice President of the Metropolitan Washington Board of Trade.

Mr. SISK. If there is anyone you would like to bring to the witness table with you, you may do so.

Mr. COON. We have a problem here this morning Mr. Chairman. The gentleman who was to present the testimony for the Board of Trade was the general counsel of our organization, Mr. Ralph E. Becker. Mr. Becker at the last moment found himself unable to be here this morning. If I have the Chairman's permission, I would like to read the statement that he would make.

Mr. SISK. All right.

Mr. COON. Thank you.

My brief statement supporting passage of H.R. 9806, a bill to prohibit the business of debt adjusting in the District of Columbia except as an incident to the lawful practice of law or as an activity engaged in by a nonprofit corporation or association, is in accordance with the policy of the Board of Directors of the Board of Trade.

Committees of the Board of Trade have studied and reviewed the matter of "budget planners" and "debt adjusting services" on several occasions during the last ten or twelve years. Policy to prohibit the operation of these services was first adopted in 1958 despite, as might be expected, the general basic attitude of business people in opposition to outlawing businesses of any kind.

Inasmuch as Miriam Ottenberg of the Washington Star earlier this year wrote a series of comprehensive articles on the operations of debt