

I agree with you, Mr. Chairman, that these companies might use their organizations for other purposes, to sell life insurance, for example, to sell mutual fund shares, and this kind of thing.

Mr. MOSS. Well, the fund salesmen in my State have to be selling funds.

Mr. KOSTMAYER. I said fund shares and life insurance.

Mr. MOSS. That is what I say. And I think that a meaningful comparison might be to take the number of persons engaged in selling of funds in California and compare their overall average income with a like block in a State that has, we will say, a somewhat comparable, if you can find it, and I do not think you can, volume of sales of fund shares. In view of the fact that we are highest of all in the Nation, why that comparison would be difficult, so we would have to take the one with the second highest volume and see what the average of the sales force, the income there is.

That would be a meaningful, relevant statistic.

Mr. WATKINS. Mr. Chairman, would you yield just a second?

Mr. MOSS. I will yield back to you.

Mr. WATKINS. I am going to check on Pennsylvania.

Mr. MOSS. I think it would be very helpful.

Mr. KEITH. Will you yield just a minute?

Mr. WATKINS. Yes, go ahead. Go right along. I am with you.

Mr. KEITH. I have been here right along.

Mr. WATKINS. I know you have. I thought perhaps you would send me a sick card. I was out for about a week or 10 days and was very sick and you did not send me a card and I am hurt by it. And the chairman too.

(Off the record.)

Mr. KEITH. Is it not true that the average salesman in these plans is not a full time aggressive career salesman? The average salesman is a man who sells stocks and bonds and mutual funds other than contractual plans and for him to call on the weekly wage earner, as contrasted with the man who can buy 100 shares of this, that, or the other thing, he has to have something that the wage earner can buy.

Mr. KOSTMAYER. I think this is correct, Mr. Keith. The typical mutual fund salesman is selling other things. We may be selling face amount certificates, life insurance, over-the-counter securities, listed securities, and contractual plans, and I think the real question is whether the elimination of the contractual plan would deprive a particular market of a valuable service, and not whether or not it would reduce the salesman's income.

Mr. KEITH. It would reduce his income somewhat?

Mr. KOSTMAYER. Certainly.

Mr. KEITH. But it would more, as you say, deny the schoolteacher, the fellow—well, for example, we had a guest in here, a constituent of mine, whose husband runs a gas station.

Mr. WATKINS. Sells insurance?

Mr. KEITH. No; but she bought a mutual fund, and would not ordinarily have been called on by somebody selling stocks and bonds where, in order to make a dollar for the time spent, they would have to sell a lot of stocks and bonds. So you are serving in addition to those who can buy large amounts the retired person or the person who teaches school.