The conclusion which I would draw from all this, and my comment in conclusion is that on behalf of IDS, we would urge the committee not displace a system which we believe is working well and is working effectively, with a new and an untried system, having unknown and unforeseeable consequences.

Mr. Chairman, this would conclude the remarks which I had on the points which I particularly wanted to stress in my oral comments. I shall be pleased to answer, or to attempt to answer, any questions which the committee might have.

Mr. WATKINS. Mr. Chairman, I have a question.

Mr. MOSS. The Chair will recognize the gentleman from Pennsylvania.

Mr. WATKINS. Thank you, Mr. Chairman. I just wonder what your opinion would be. Let's suppose now, let's take for granted that this bill is passed, what effect would it have upon you in employing salesmen? Could you employ salesmen on this basis of 5 percent?

Mr. LOEFFLER. No, sir; I don't believe that we could. We would have to go to some kind of a part-time salesman system, I think.

Mr. WATKINS. You would have to do away with your regular trained salesmen and go to part-time salesmen.

Mr. LOEFFLER. We would have some who undoubtedly could continue under that, some, but we could not maintain the distribution system that we now have in the manner in which we operate on that scale; no, sir.

Mr. WATKINS. In other words, I could be working for a grocery store and selling insurance at night.

Mr. LOEFFLER. Yes, sir. I think we would almost have to go to that kind of a system.

Mr. WATKINS. Would you be left in a position where you would say that that person would not be trained properly to consummate sales?

Mr. LOEFFLER. I don't think we could train them the way we do today; no, sir.

Mr. WATKINS. You don't?

Mr. LOEFFLER. If I might elaborate one moment. We figure that it costs IDS approximately $15,000 before we have a sales representative trained, validated, and on a permanent basis. We subsidize the salesman during his first year and in his training period. Our training material—one set of it would stack to here [indicating]—is extensive because our endeavor is to get men who remain full-time career sales representatives. We simply couldn't do it and the kind of men we want couldn't earn their living.

Mr. WATKINS. I wouldn't think so, not from your figures which you give us on one of these pages, 12 or 13, where you say that $7,233 is the salary, the complete salary for a man for a year. You would be reducing that salary.

Mr. LOEFFLER. That would be reduced to $5,200 a year under the 5-percent proposal.

Mr. WATKINS. From $7,233 to $5,200?

Mr. LOEFFLER. No, sir; I take it back. The reduction to $5,200 would be from the 1966 figure of $8,100. From the 1967 figure it would be much less.

Mr. WATKINS. In other words, it would injure your business. Now would you go as far as to say you would get out of the business if this