

lot of people on welfare if we pass this bill. In other words, they will get from welfare just about as much money as they would make.

Mr. MOSS. Let me say to the gentleman from Pennsylvania I am not quite as apprehensive as he is. I haven't the pessimism as to the capability of these people to go out and produce. I have worked around salesmen a long time. I have found that they are an amazingly resilient group, and the really able ones are going to make a living come hell or high water.

Mr. LOEFFLER. We just hope they will be able to continue——

Mr. MOSS. Even the SEC is not going to stop them.

Mr. LOEFFLER. We just hope they will be able to do it for us.

Mr. MOSS. I think they can.

Mr. WATKINS. I don't want to question the distinguished chairman, but how in the world can you say a man is making a living taking care of a family with \$5,200?

Mr. MOSS. Mr. Watkins, the Chair is attempting——

Mr. WATKINS. California is much better than down my way. You can't do it.

Mr. MOSS (continuing). The Chair is just attempting to point out the fact that the figure of \$5,200 for the purposes of this committee or for the purposes of any objective analysis of the impact of this legislation is a meaningless figure. That it is more charitably described as an exercise in statistics, and that is all it is.

Mr. WATKINS. In other words, there is another way of making money.

Mr. MOSS. It represents no other value judgments, no element of experience, nor anything else as a basis for projecting the \$5,200.

Mr. LOEFFLER. I don't think it was that cold a statistic, sir.

Mr. MOSS. You just take a number of sales in 1966, and if we were to pay at a lower rate of commission just on those sales to the same sales force, that the same general incentive and the same type of direction, that this is what it would produce.

Mr. LOEFFLER. It was the judgment of those in our sales department, sir, that a reduction would not have had an offsetting increase in volume of sales.

Mr. MOSS. But that isn't always necessarily true.

Mr. LOEFFLER. This is the judgment factor. I realize that, sir.

Mr. MOSS. We can go to many of our regulated industries, where we have heard the direst of predictions of the pattern of earnings in the event of certain reductions, and amazingly we have witnessed a spurt in growth and earnings following the reductions. Now, I don't say that this is normal in selling, but I say that you cannot safely make these assumptions you have made without going beyond just the figures of 1966 and the impact of a new standard on 1967 or 1968.

Mr. LOEFFLER. We are subject necessarily to what happens in the general economy.

Mr. MOSS. Well, you are also subject to what happens in competition, you are also subject to what happens in motivation of the salesman and the quality of salesmen.

Mr. LOEFFLER. Yes, sir; we would not disagree with that.

Mr. MOSS. What is the rate of turnover of your sales force?

Mr. LOEFFLER. The turnover of our salesmen in the initial year, that is those who have just been validated and are in their first year, after