Senator HATFIELD. So, there is no real objective criteria that is unrelated to the individual physician's own background, influence, experience, exposures and pressures?

Mr. SQUIBB. No. I do not think you could ever have a physician arrive at a position of prominence without having some kind of a background in which he has been subjected to varying degrees of what you are talking about.

Senator HATFIELD. On this matter of prices which you said might become one of the most important of all criteria, what is the differential between the percentages of profit that the industry makes between your three major groups to whom you distribute, the hospitals, the retail trade, and the wholesale trade? You say here that the overwhelming percentage of profit of the industry comes from the retail trade. What is that overwhelming percentage in relation to these two other major distribution groups?

Mr. SQUIBB. I am deducing that from background rather than from any specific figure, because still the private prescription is the major source of outgo of the industry's products. Most of these prescriptions still go through the retail pharmacy, so they are at the high price levels. Therefore, just from deduction most of the profit comes from there.

Senator HATFIELD. 70 percent, 60 percent?

Mr. SQUIBB. Oh, I would say 70 percent.

Senator HATFIELD. 70 percent, or 80 percent?

Mr. SQUIBB. It varies for certain products. There are some products that are hospital products, of course, but I would say basically it is 75 percent.

Senator HATFIELD. How does it divide as between wholesale and hospitals?

Mr. SQUIBB. Well, I am putting the wholesaler into the retailer activity, because the wholesaler is merely a middleman with a commission in the same rigid market.

Senator HATFIELD. But, can you divide that for me between the retailer and wholesaler?

Mr. SQUIBB. Well, it depends on the company. Some companies do not have any wholesaler business at all. Others have nothing but wholesale.

Senator HATFIELD. How about Squibb?

Mr. SQUIBB. Squibb has some wholesale business. Squibb splits, say, around 30 percent wholesale business.

Senator HATFIELD. So, you could then take a ratio of that 30 percent within the 70? And in the 30 percent of the total overall volume of profit will be from hospitals.

Mr. SQUIBB. From hospitals, although some of the wholesale business, if you have wholesale business, goes to hospitals, although most hospitals prefer to buy direct.

Senator HATFIELD. Most do?

Mr. SQUIBB. Most do. They prefer it, if they can.

Senator HATFIELD. So, the overwhelming percentage of profit then would be wholesaler and retailer combined and would be about 70 percent total profit?

Mr. SQUIBB. I would think so, or more.

Senator HATFIELD. Or more?