



THE PHILIP MORRIS COMPANIES INC. POLITICAL ACTION COMMITTEE
120 Park Avenue
New York, NY 10017

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Dec 30 12 12 PM '96

Democracy is not a Spectator Sport

December 26, 1996

Mr. Richard Ng
Reports Analyst
Reports Analysis Division
Federal Elections Commission
999 E Street, NW
Washington, DC 20463

Re: Philip Morris Companies Inc. Political Action Committee
FEC Identification No. C00089136

Dear Sir:

This letter responds to your letter dated December 11, 1996, inquiring into certain items contained in the September Monthly Report (8/1/96 - 8/31/96) of the Philip Morris Companies Inc. Political Action Committee ("PHIL-PAC"). As you requested via telephone on December 23, 1996, an explanation of the items in question is provided below.

Item: Payment by PHIL-PAC on 8/27/96 of \$3,844.00 to Philip Morris Management Corp. ("PMMC") for "in-kind contribution to Effective Government Committee," as reported on Schedule B

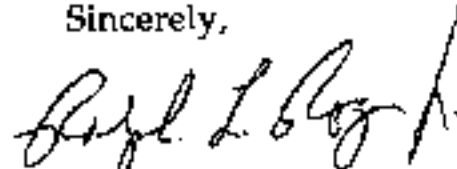
Explanation: PHIL-PAC made this payment to PPMC to cover the cost of certain corporate resources expended in connection with a planned 9/16/96 fundraising event sponsored by PHIL-PAC on behalf of the Effective Government Committee. The event did not, in fact, occur.

PMMC did not make any contribution, in-kind or otherwise, to the Effective Government Committee or to any candidate for federal office or political committee supporting a candidate for federal office. The term "in-kind contribution" as it appears in the Report refers solely to the contribution from PHIL-PAC to the Effective Government Committee.

Mr. Richard Ng
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If you have any additional questions, or need further clarification, please contact me at (212) 878-2206.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ralph L. Rogers, Jr.", written in dark ink.

Ralph L. Rogers, Jr.
Assistant Treasurer,
PHIL-PAC

Federal Election Commission
**ENVELOPE REPLACEMENT PAGE
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

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J.A.Q.
PREPARER

12/31/96
DATE PREPARED