

PHILIP MORRIS, U. S. A.
INTER - OFFICE CORRESPONDENCE
Richmond, Virginia

RECEIVED

DEC 18 1985

FRANK E. RESNIK

To: Mr. R. E. Resnik

Date: December 16, 1985

From: A. J. Kay, Jr.

Subject: Dow Nicorette

GLS
PUI
JR

Last week we received our last shipment of product from Dow Chemical. We pointed out to Dow that the joint American Lung Association "Smoke Out" ad and emotional radio pleas to stop smoking clearly violated our understanding that Nicorette would be marketed strictly on the basis of "if you want or need to quit, we have the product." In addition, all support of purely anti-smoking groups and emotional/propaganda types of advertising were to cease.

Abandoning Dow is not without some risk. They are the only U.S. synthetic glycerine supplier which means they can increase output by simply raising operating rates. Further, Dow is one of only two producers of propylene oxide which is the basic raw material for propylene glycol.

We have adequately sourced our 1986 requirements by securing increased volume from our present suppliers and qualifying two additional suppliers.

If you desire further information, please advise.

cc: W. J. Campbell
M. A. Serrano

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