



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

December 15, 1992

Mr. Jeffrey S. Sherman  
American Home Products Corporation  
685 Third Avenue  
New York, New York 10017

Re: American Home Products Corporation

Dear Mr. Sherman:

In regard to your letter of October 9, 1992 our response thereto is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in your letter.

Sincerely,

A handwritten signature in cursive script that reads "Meredith B. Cross".

Meredith B. Cross  
Chief Counsel



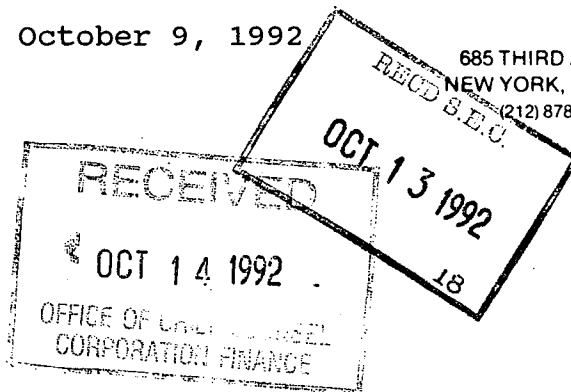
## AMERICAN HOME PRODUCTS CORPORATION

October 9, 1992

LAW DEPARTMENT

685 THIRD AVENUE  
NEW YORK, N.Y. 10017  
(212) 878-5000

Office of the Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549



Dear Sirs:

I am writing to request interpretive advice from the staff of the Division of Corporation Finance (the "Staff") with respect to the applicability of the rules promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as they relate to the dividend equivalent right feature of the Management Incentive Plan of American Home Products Corporation (the "Company"). The matter on which we seek advice involves contingent awards of shares based on the value of cash dividends that would have been paid on contingent award shares held in the accounts of Plan participants who are subject to Section 16. The Plan effectively treats such shares as if they had been outstanding during the year, using the dividends that would have been paid on these shares to purchase additional shares at a year-end market based value. It is the Company's belief that these transactions may be exempted under Rule 16b-2 since all of the Company's shareholders have a similar investment opportunity through participation in a dividend reinvestment plan made available to investors in the Company's Common Stock par value \$.33 $\frac{1}{2}$  per share (the "Common Stock").

The Management Incentive Plan (the "Plan"), which was originally adopted by the Company's shareholders in 1966, is designed to provide current incentive compensation and deferred contingent compensation to a select group of management and key employees of the Company and is administered by the Compensation and Benefits Committee (the "Committee"), the members of which are non-employee members of the Board of Directors of the Company. The Plan provides for awards to individuals each year out of an amount determined to be available for the award fund under the Plan. An aggregate of 12 million shares of Common Stock may be awarded under the Plan, of which 3,495,002 shares remained available as of February 1, 1992.

