

THE QUIGLEY CORPORATION
KELLS BUILDING
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August 29, 2005

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549-601
Attention: Jim B. Rosenberg

Re: The Quigley Corporation ("TQC")
Form 10-K for the fiscal year ended December 31, 2004
File No. 000-21617

Ladies and Gentlemen:

We acknowledge receipt of the letter of comment dated August 4, 2005 from the Securities and Exchange Commission (the "Commission Letter"). We have reviewed the letter with our auditors and the following reflect our responses to the Commission Letter. The section and page number references below refer to our annual report on Form 10-K for the fiscal year ended December 31, 2004 filed with the Securities and Exchange Commission on March 31, 2005. The responses are numbered to coincide with the numbering of the comments in the Commission Letter.

CRITICAL ACCOUNTING POLICIES, PAGE 18

1. WE ACKNOWLEDGE YOUR REVENUE RECOGNITION POLICY AS NOTED HEREIN AND WITHIN YOUR "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" IN THE ACCOMPANYING NOTES TO YOUR CONSOLIDATED FINANCIAL STATEMENTS. WE BELIEVE THAT YOUR DISCLOSURE RELATED TO ESTIMATES OF ITEMS THAT REDUCE YOUR GROSS REVENUE, SUCH AS SALES RETURNS AND ALLOWANCES, COULD BE DEFINED AND IMPROVED. PLEASE PROVIDE US WITH THE FOLLOWING INFORMATION IN A DISCLOSURE-TYPE FORMAT:

a.) THE TYPE AND AMOUNT OF EACH ACCRUAL AT THE BALANCE SHEET DATES AND THE EFFECT THAT COULD RESULT FROM USING OTHER REASONABLY LIKELY ASSUMPTION THAN THOSE UPON WHICH YOU CURRENTLY RELY. FOR EXAMPLE, PLEASE PROVIDE A RANGE OF REASONABLY LIKELY AMOUNTS OR ANOTHER TYPE OF SENSITIVITY ANALYSIS.

TQC RESPONSE

Sales returns and allowances, cash discounts and reductions for cooperative advertising are the types of accruals provided for in the period that the related sales are recorded. Provisions for these reserves are based on historical experience and the monitoring of current occurrences and developments that could affect the expected sales returns or other adjustments within the industry that the products are sold. Specific events, such as the discontinuation of a product, would be added to the normal provisions for any fiscal periods presented.

Using the only other reasonable assumption for a sensitivity analysis, such as the use of average industry standards for such adjustments, instead of the foregoing method to estimate sales returns and allowances and cash discounts (there is no variation for cash discounts in the sensitivity analysis), but excluding reductions for cooperative advertising, related to the sales would increase net sales by approximately \$432,000, \$241,000 and \$572,000 for the fiscal years ended December 31, 2004, 2003 and 2002, respectively, and, accordingly, reduce related balance sheet accruals at December 31, 2004 and 2003, respectively. A 1% increase or decrease variation for cooperative advertising in cold remedy products would thereby change net sales approximately \$279,000, \$241,000 and \$175,000 for the fiscal years ended December 31, 2004, 2003 and 2002, respectively, and, accordingly, change related balance sheet accruals at December 31, 2004 and 2003, respectively.

The Cold Remedy Segment includes a provision to reduce accounts receivable for sales returns and allowances and cash discounts or is included in current liabilities for cooperative advertising at December 31, 2004 and 2003. These provisions were for sales returns and allowances, including the specific provision of \$626,000 related to the discontinuation of the Cold-Eeze(R) Cold Remedy Nasal Spray product in 2004, of \$1,048,000 and \$343,000, respectively; cash discounts of \$92,000 and \$115,000, respectively; and cooperative advertising of \$743,000 and \$1,295,000, respectively.

The Health and Wellness Segment includes a provision to reduce accounts receivable at December 31, 2004 and 2003 for returns and adjustments of \$61,000 and \$61,000, respectively.

- b.) THE FACTORS THAT YOU CONSIDER IN ESTIMATING EACH ACCRUAL, SUCH AS HISTORICAL PRODUCT RETURNS, LEVELS OF INVENTORY IN YOUR DISTRIBUTION CHANNELS; ESTIMATED REMAINING PRODUCT SHELF LIVES; PRICE CHANGES FROM COMPETITORS AND INTRODUCTIONS OF NEW PRODUCTS.

TQC RESPONSE

The cold remedy product, Cold-Eeze, which is offered in a lozenge, gum and tablet form, has been clinically proven in two double-blind studies to reduce the severity and duration of common cold symptoms. Accordingly, Cold-Eeze offers a significant advantage over many of its competitors in the over-the-counter cold-remedy market. Therefore, additional factors considered in estimating each accrual for this product are as stated in TQC RESPONSE to 1. (a) AND (c) and since Cold-Eeze is a "one-of-a-kind" unique item with very limited inconsequential competitors whereby competitive price reductions, promotions, new items and remaining shelf life, as the product has no expiration date, are not factors that TQC needs to consider when estimating sales allowance provisions. However, TQC does consider inventory levels at major customers and third-party consumption data, such as Information Resources, Inc. ("IRI") and/or Nielsen when estimating sales allowance provisions.

The health and wellness product line factors considered in estimating each accrual for this product are as stated in TQC RESPONSE to 1. (a) AND (c) and the particular methodology of marketing, which is direct selling of proprietary products through independent representatives, adds to the unique nature of such products. Currently, pursuant to this methodology, returns are generally permitted within sixty days of the sale, and other requirements of the agreements with the independent representatives, which leads to provisions that represent actual returns and adjustments that are not subject to variations that could arise with a greater time for sales returns or that are common to other products or industries.

- c.) TO THE EXTENT THAT THE INFORMATION YOU CONSIDER IN B. IS QUANTIFIABLE, DISCUSS BOTH QUANTITATIVE AND QUALITATIVE FACTORS AND THE EXTENT OF AVAILABILITY AND YOUR USE OF INFORMATION FROM EXTERNAL SOURCES; FOR EXAMPLE, END-CUSTOMER DEMAND DATA COMPARED TO INVENTORY LEVELS. IN DISCUSSING YOUR ESTIMATE OF PRODUCT RETURNS, PROVIDE ADDITIONAL INFORMATION, PREFERABLY BY PRODUCT AND IN TABULAR FORMAT, REGARDING

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THE TOTAL AMOUNT OF PRODUCT IN SALES DOLLARS THAT COULD POTENTIALLY BE RETURNED AS THE MOST RECENT BALANCE SHEET DATE, DISAGGREGATED BY EXPIRATION PERIOD.

TQC RESPONSE

The qualitative and quantitative factors considered for any product returns and adjustments are indicated in TQC RESPONSE to 1.a) AND b).

A tabular format delineation by specific product for the Cold Remedy Segment is not provided since Cold-Eeze, which is sold in a lozenge, gum and tablet form is only one product and represents in excess of 99% of products categorized in this segment. A tabular format delineation by specific product for the Health and Wellness Segment is not provided due to the nature of the proprietary products, the limited time for returns and requirements as stated in the agreements with the independent representative of the Health and Wellness Segment along with the inability to delineate the various product returns and or adjustments as returns or adjustments are not quantified or recorded by specific product category.

- d.) IF APPLICABLE, DISCUSS ANY SHIPMENTS MADE AS A RESULT OF INCENTIVES AND/OR IN EXCESS OF YOUR CUSTOMERS' INVENTORY LEVELS IN THE ORDINARY COURSE OF BUSINESS. PLEASE ALSO DISCUSS YOUR REVENUE RECOGNITION POLICY FOR SUCH SHIPMENTS.

TQC RESPONSE

In both the Cold Remedy and Health and Wellness Segments, shipments are not made as a result of incentives in the ordinary course of business. Occasionally, a new customer in the Cold Remedy Segment will be given an extended term of payment to 60 days from 31 days for only the initial stocking order. Additionally, as the Cold Remedy Segment is seasonal with the majority of revenues occurring in the fourth quarter, customers will start to build inventories, based on their prior experiences, modified by published data on the timing and quantities of expected incidence of colds by specific locations, which is also reviewed as part of the normal procedures in order fulfillment by the Company. As the foregoing is not consequential or material, it is not specifically considered for sales returns and allowances provisions.

- e.) A ROLL-FORWARD OF THE LIABILITY FOR EACH ESTIMATE FOR THE PERIODS PRESENTED, SHOWING THE FOLLOWING:
- o BEGINNING BALANCE;
 - o CURRENT PROVISION RELATED TO SALES MADE IN CURRENT PERIOD;
 - o CURRENT PROVISION RELATED TO SALES MADE IN PRIOR PERIODS;
 - o ACTUAL RETURNS OR CREDITS IN CURRENT PERIOD RELATED TO SALES MADE IN CURRENT PERIOD;
 - o ACTUAL RETURNS OR CREDITS IN CURRENT PERIOD RELATED TO SALES MADE IN PRIOR PERIODS; AND
 - o ENDING BALANCE.

TQC RESPONSE

ACCOUNT - SALES RETURNS & ALLOWANCES	2004	2003
Beginning balance	\$403,850	\$426,557
Current provision related to sales made in current period*	1,414,796	937,738
Current provision related to discontinuation of Cold-Eeze nasal spray	625,756	
Current provision related to sales made in prior periods*		
Actual returns-credits in current period related to sales made in current period*	(1,335,231)	(960,445)
Actual returns-credits in current period related to sales made in prior period*		
Ending balance	\$1,109,171	\$403,850

* AMOUNTS FOR EACH LINE CATEGORY ARE NOT SPECIFICALLY AVAILABLE

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ACCOUNT - CASH DISCOUNTS	2004	2003
Beginning balance	\$114,580	\$96,961
Current provision related to sales made in current period*	541,290	471,781
Current provision related to sales made in prior periods*		
Actual returns-credits in current period related to sales made in current period*	(563,413)	(454,162)
Actual returns-credits in current period related to sales made in prior period*		
Ending balance	\$92,457	\$114,580

* AMOUNTS FOR EACH LINE CATEGORY ARE NOT SPECIFICALLY AVAILABLE

ACCOUNT - COOPERATIVE ADVERTISING	2004	2003
Beginning balance	\$1,294,927	\$754,813
Current provision related to sales made in current period*	2,203,179	2,642,128
Current provision related to sales made in prior periods*		
Actual returns-credits in current period related to sales made in current period*	(2,754,724)	(2,102,014)
Actual returns-credits in current period related to sales made in prior period*		
Ending balance	\$743,382	\$1,294,927

* AMOUNTS FOR EACH LINE CATEGORY ARE NOT SPECIFICALLY AVAILABLE

- f.) FINALLY, INCLUDE INFORMATION REGARDING THE AMOUNT OF AND REASON FOR FLUCTUATIONS WITH RESPECT TO EACH ITEM/ESTIMATE THAT REDUCED GROSS REVENUE. PLEASE ADDRESS THE EFFECT THAT CHANGES IN YOUR ESTIMATES WITH RESPECT TO EACH ITEM HAD ON YOUR REVENUES AND OPERATIONS FOR THE APPLICABLE PERIODS.

TQC RESPONSE

There have been no significant fluctuations to estimates when comparing such items as a relative percentage of that years sales with respect to each item that reduced gross revenues in the past except for the results for the fiscal year ended December 31, 2004, which include a returns provision of approximately \$626,000 in the event of future product returns following the discontinuation of the Cold-Eeze(R) Cold Remedy Nasal Spray product in September 2004.

2. WE NOTE THAT YOUR ACCOUNTING POLICY WITH RESPECT TO COMMISSION EXPENSE PAID TO DISTRIBUTORS/BROKERS OF YOUR PRODUCTS VARIES DEPENDING ON THE NATURE OF THE UNDERLYING AGREEMENT; THAT IS, YOU CLASSIFY CERTAIN COMMISSIONS PAID AS A COST OF SALES VERSUS ADMINISTRATIVE EXPENSE. PLEASE PROVIDE US, IN A DISCLOSURE-TYPE FORMAT, MORE ABOUT THE NATURE OF THE UNDERLYING AGREEMENT THAT DETERMINES YOUR COMMISSION CLASSIFICATION. IN ADDITION, PLEASE TELL US WHY YOU BELIEVE THAT YOUR CLASSIFICATIONS ARE APPROPRIATE UNDER U.S. GAAP, REFERENCING THE AUTHORITATIVE LITERATURE THAT SUPPORTS YOUR TREATMENT.

TQC RESPONSE

The following discussion and citations of U.S. GAAP use correlations to relate meaningful costs that would be comparative to other industries and that are relative to sales or relative to other operating expenses for the two operating segments of TQC that use different methodologies for the marketing of its products. FAS89, paragraph 17 states "The current cost of inventory owned by an enterprise is the CURRENT COST OF PURCHASING THE GOODS CONCERNED OR THE CURRENT COST OF THE RESOURCES REQUIRED TO PRODUCE THE GOODS CONCERNED (including an allowance for the current overhead costs according to the allocation bases used under generally accepted accounting principles), whichever would be applicable in the circumstance of the enterprise.

ARB43, paragraph 12-4, statement 3 states "the primary basis of accounting for inventories is cost, which has been identified generally as the price paid or consideration given to acquire an asset. As applied to inventories, COST MEANS IN PRINCIPLE THE SUM OF ALL APPLICABLE EXPENDITURES AND CHARGES DIRECTLY OR INDIRECTLY incurred in bringing an article to its existing condition and location."

In following these principles, including Regulation S-X, Regulation Section 210.5-03(b) 2, the Company includes royalties and founders' commissions incurred, which are for the right to sell the product in the Cold Remedy segment, and commissions of independent representatives incurred, which primarily relate to the sales to, and/or purchases by, other independent representatives and the product purchases of new independent representatives related to expand the cycle for these products in the Health and Wellness segment as cost of sales as the nature of these agreements or specific industry are that these are current direct applicable costs of the resources required to produce or acquire the goods concerned that are ultimately sold and are in order to arrive at meaningful financial statements when comparing TQC with other companies in the same industries.

CON6, paragraphs 80 and 81 indicate that the CHARACTERISTICS OF EXPENSES MAY BE OF VARIOUS KINDS, such as, "units of product delivered or produced, employees services used," and "expenses themselves are in many forms and are called by various names—for example, cost of goods sold, cost of services provided, depreciation, interest, rent, and salaries and wages—depending on the kinds of operations involved and the way expenses are recognized."

In following this principle, including Regulation S-X, Regulation Section 210.5-03(b) 2, the Company includes payments for the exclusive sale of the product formulations, consulting, confidentiality and non-compete agreements with such expense being expensed as incurred for the Health and Wellness segment in administration expense. Also, following these principles, sales commission expense related to independent brokers associated with the cold remedy and contract manufacturing segments are included in administrative selling expenses as the nature of these expenses relate to the direct selling efforts of the sales brokerage firms that market these products to retailers and are not for the acquisition of the goods concerned that are ultimately sold and are different from the other aforementioned commissions.

3. WE NOTE THAT YOU ACCOUNT FOR COOPERATIVE ADVERTISING EXPENSE AS A DEDUCTION FROM SALES, AS OPPOSED TO "BONUS PRODUCT," WHICH YOU ACCOUNT FOR AS COST OF SALES. PLEASE TELL US WHY YOU BELIEVE YOUR ACCOUNTING TREATMENT FOR EACH FORM OF ADVERTISING COMPLIES WITH U.S. GAAP INCLUDING EITF 01-9, PARTICULARLY PARAGRAPH 9.

TQC RESPONSE

EITF 01-9, particularly paragraphs 9 and 11, presumes that cash consideration given by a vendor to a customer to be a reduction of the selling prices of the vendors products. The Cold Remedy Segment's customers are offered an allowance for such items as a percentage on all direct purchases during the fiscal calendar year. The customers then deducts from their payments to the Company mutually agreed upon charges for advertisements, displays, temporary price

reductions, slotting fees, and other merchandising activities dedicated to enhance the sale of products. The Company records such costs as a reduction to gross sales predicated on historical spending for customer merchandising support since the Company is unable to determine the identifiable benefit received or to be received or could not have entered into an exchange transaction with any other party other than a purchaser of its products in exchange for the consideration.

Paragraph 10 of EITF 01-9 requires cooperative advertising in the form of free product "BOGO" or Buy-One-Get-One" or bonus product program to be treated as an expense, particularly as cost of sales. The Company records such costs as cost

of sales, predicated on historical experience for this particular customer merchandising support.

Generally, the Health and Wellness and Contract Manufacturing segments do not offer any cooperative advertising incentives.

CONSOLIDATED FINANCIAL STATEMENTS, PAGE 23

CONSOLIDATED STATEMENTS OF CASH FLOWS, PAGE F-4

4. PLEASE PROVIDE US WITH ADDITIONAL INFORMATION, IN A DISCLOSURE-TYPE FORMAT, REGARDING THE ADJUSTMENT TO YOUR NET INCOME FROM OPERATIONS OF \$497,048 RELATED TO YOUR ALLOWANCE FOR DOUBTFUL ACCOUNTS EXPENSE FOR THE YEAR ENDED DECEMBER 31, 2004. TELL US THE AMOUNT OF YOUR BAD DEBT EXPENSE IN 2004 AND SEPARATELY THE AMOUNT OF ANY REDUCTION IN YOUR ALLOWANCE THAT YOU RECORDED TO THE STATEMENT OF OPERATIONS WITH FULL EXPLANATION. PROVIDE US, IN DISCLOSURE-TYPE FORMAT, THE EFFECT THAT THESE AMOUNTS HAD ON YOUR OPERATIONS IN 2004. ALSO, PROVIDE US SCHEDULE II AS PRESCRIBED BY RULE 5-04 OF REGULATION S-X AND TELL US WHY YOU HAVE NOT INCLUDED THIS SCHEDULE IN YOUR FILING.

TQC RESPONSE

The adjustment to net income from operations in the consolidated statements of cash flows of \$497,048 reflects the net change in the allowance for doubtful accounts from December 31, 2004 of \$311,764 as compared to December 31, 2003 of \$808,812. This net change for 2004 includes a current provision of \$25,000, the actual bad debt expense, which flowed through the statement of operations in 2004 and a reduction for the actual write-offs during 2004 totaling \$522,000.

In accordance Regulation S-X, Regulation Sections 210.4-02 and 210.12-09, footnote 1, schedule II is permitted to be excluded from the filing since such amounts are not individually significant, immaterial or are stated in other disclosures within the filing. These additional disclosures are contained in the balance sheet for allowance for doubtful accounts, page F-1, critical accounting policies, page 18, for significant returns and allowances for the discontinuation of the Cold-Eeze(R) Cold Remedy Nasal Spray product in September 2004 and, notes to financial statements, page F-19 for income tax valuation allowances.

SCHEDULE II

ACCOUNT - ALLOWANCE FOR DOUBTFUL ACCOUNTS	2004	2003
-----	-----	-----
Balance beginning of period	\$808,812	\$737,782
Charged to costs and expense	25,289	71,030
Charged to other accounts		
Deductions	(522,337)	
	-----	-----
Balance end of period	\$311,764	\$808,812
	=====	=====

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ACCOUNT - SALES RETURNS AND ALLOWANCES	2004	2003
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Balance beginning of period	\$403,850	\$426,557
Charged to costs and expense		
Charged to other accounts - (reduction of sales) includes \$625,756 related to discontinuation of Cold-Eeze nasal spray in 2004	2,040,552	937,738
Deductions	(1,335,231)	(960,445)
	-----	-----
Ending balance	\$1,109,171	\$403,850
	=====	=====

ACCOUNT - DEFERRED TAX VALUATION ALLOWANCE	2004	2003
-----	-----	-----
Balance beginning of period	\$6,027,480	\$5,180,098
Charged to costs and expense	(480,720)	847,382
Charged to other accounts		
Deductions		
	-----	-----
Ending balance	\$5,546,760	\$6,027,480
	=====	=====

NOTES TO CONSOLIDATE FINANCIAL STATEMENTS, PAGE F-5

NOTE2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, PAGE F-7

5. WE NOTE THAT YOU RECORD EXPENSE RELATED TO OPTIONS GRANTED TO NON-EMPLOYEES BASED ON EITHER "THE FAIR VALUES AGREED UPON WITH THE GRANTEES" OR FAIR VALUE AS DETERMINED BY THE BLACK-SCHOLES PRICING MODEL. PLEASE TELL US HOW YOUR POLICY CORRELATES TO THE ACCOUNTING TREATMENT PRESCRIBED BY SFAS NO.

TQC RESPONSE

SFAS No. 123, particularly paragraphs 8 and 9, allow for "the fair value of goods or services received from suppliers other than employees frequently is reliably measurable and therefore indicates fair value of the equity instruments issued."

The statement in NOTE2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, PAGE F-7 "Expense relating to options granted to non-employees has been appropriately recorded in the periods presented based on either fair values agreed upon with the grantees or fair values as determined by the Black-Scholes pricing model dependent upon the circumstances relating to the specific grants" should not have included the phrase, "fair values agreed upon with the grantees or" as costs for options (warrants) issued in 2002 and 2003 to non-employees were determined by the Black-Scholes pricing model as the fair value for the services to be provided could not be reasonably ascertained by other methods as specified in SFAS No. 123, which was due to the circumstances relating to the performance of services for the specific grants.

IN CONNECTION WITH RESPONDING TO OUR COMMENTS, PLEASE PROVIDE, IN YOUR LETTER, A STATEMENT FROM THE COMPANY ACKNOWLEDGING THAT:

- o THE COMPANY IS RESPONSIBLE FOR THE ADEQUACY AND ACCURACY OF THE DISCLOSURE IN THE FILING:

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- o STAFF COMMENTS OR CHANGES TO DISCLOSURES IN RESPONSE TO STAFF COMMENTS DO NOT FORECLOSE THE COMMISSION FROM TAKING ANY ACTION WITH RESPECT TO THE FILING; AND
- o THE COMPANY MAY NOT ASSERT STAFF COMMENTS AS A DEFENSE IN ANY PROCEEDING INITIATED BY THE COMMISSION OR ANY PERSON UNDER THE FEDERAL SECURITIES LAWS OF THE UNITED STATES.

TQC RESPONSE

As stated in the Responsibility for Financial Statements on page F-24, "the management of The Quigley Corporation is responsible for the information and representations contained in this report. Management believes that the financial statements have been prepared in conformity with generally accepted accounting principles and that the other information in this annual report is consistent with those statements. In preparing the financial statements, management is required to include amounts based on estimates and judgments, which it believes are reasonable under the circumstances."

Additionally, the Company acknowledges that staff comments or changes to disclosures in response to staff comments do not foreclose the Commission from taking any action with respect to the filing and the Company will not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Sincerely,

/s/ George J. Longo

George J. Longo
Vice President and Chief Financial Officer

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