Exhibit B

APPOINTMENT OF COMMITTEE MEMBERS

(a) Air Quality Committee
Donald L. Eby, Monsanto Company
Thomas F. Champion, NIPRO, Inc.
J. W. Harris, International Minerals & Chemical Corporation
Richard J. Samelson, PPG Industries, Chemical Division

(b) Economic Policy Review Committee
Warren W. Williams, Pfizer Inc.

(c) Industrial Relations Advisory Committee
James J. McHugh, Olin Corporation
Peter W. Bauman, Jr., Mobay Chemical Corporation
Clarence A. Sweets, Monsanto Company

(d) Public Relations Committee
Dayton E. Pryor, Air Products and Chemicals, Inc.

(e) Safety and Fire Protection Committee
✓John M. Pardee, Eastman Kodak Company -- As Chairman*
Jack S. Snyder, Merck & Co., Inc. -- As Vice Chairman*
Ansell I. Raney, Phillips Chemical Company
E. V. Gentile, Ashland Chemical Company

(f) Solid Wastes Management Committee
Donald L. Eby, Monsanto Company
Jerry D. Robertson, Exxon Chemical Company

(g) Transportation and Distribution Committee
Frederic E. Allen, E. I. du Pont de Nemours & Company -- As Chairman*

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* Effective June 15, 1976
** Effective June 1, 1976

Exhibit C

REPORT BY THE DIRECTOR OF GOVERNMENT RELATIONS

WILLIAM M. STOVER

APRIL 13, 1976

NEW FACES IN CONGRESS

A substantial change in the cast of characters on Capitol Hill is assured as the number of announced retirements in both the House and Senate continues to mount. To date, eight Senators have indicated they will not run again. In the House, death or announced retirements account for 21 vacant incumbencies; 18 House Members are running for the Senate or for Governorships. Thus there are presently 39 House seats where a change will take place.

Shifts in key leadership posts are coming also. Retirement of the Senate Majority and Minority Leaders, Senator Mike Mansfield (Mt.) and Senator Hugh Scott (Pa.) will leave these positions open. There is speculation also that House Speaker Carl Albert (D.-Okla.) might retire.

The Senate leadership spot has usually been filled by a moderate who can work with both the liberal and conservative elements and with whom most Senators feel comfortable. The battle has already begun. Majority Whip Senator Robert D. Byrd (D.-W.Va.) has announced he has 33 committed votes in support of his candidacy for that spot. While this may be somewhat exaggerated, he seems far ahead of others in the race at this stage. Senator Edmund S. Muskie of Maine and Senator Ernest F. Hollings of South Carolina are also interested in the post. Some liberal Senators are working to keep the contest open until next year when there will be a new crop of Senators, and they are watching the fate of Senator Hubert H. Humphrey (D.-Minn.) at the Democratic Convention this July.

The battle for the Senate Minority Leadership spot will be between top contenders Senator Robert P. Griffin (Mich.) and Senator John Tower (Tex.), with Griffin holding the edge. He is the current Minority Whip.

Should House Speaker Albert retire, many speculate that the current Majority Leader, Rep. Thomas P. O'Neill, Jr. (Mass.), will gain the Speakership, but the fight promises to be heated. Rep. Philip Burton (Calif.), current Chairman of the House Democratic Caucus, will be in the running. Others expected to make the race are Rep. Richard Bolling (Mo.), Rep. John J. McFall (Calif.), the current Majority Whip, and Rep. John Brademas (Ind.), the present Majority Chief Deputy Whip.

A number of the 75 freshmen House Democrats, frequently referred to as the "Watergate Class", will be vulnerable in November. Forty-four were elected from traditionally Republican strongholds. Many of them have compiled liberal voting records, but are attempting to appease their constituencies by opposing further government bureaucracy, and supporting regulatory reform measures.

Senate retirements will have an impact on committee compositions. Senator Stuart Symington (D.-Mo.) will relinquish his second-ranking positions on the Armed Services and Aeronautical and Space Sciences Committees. Senator Philip A. Hart (D.-Mich.) will vacate his chairmanship of the Commerce Subcommittee on Environment and the Judiciary Subcommittee on Antitrust and Monopoly. Senator John O. Pastore (D.-R.I.) will leave the Chairmanship of the Joint Atomic Energy Committee, Chairmanship of the Commerce Subcommittee on Communications, and as a member of the Appropriations Committee. Senator Paul J. Fannin (R.-Ariz.) departs the Interior and Insular Affairs Committee. Senator Hiram L. Fong (R.-Hawaii) leaves the Post Office and Civil Service Committee, and Senator Roman L. Hruska (R.-Neb.) leaves the Judiciary Committee. All are ranking minority members of these committees.

Senate Democratic committee chairmen up for re-election:

Frank E. Moss (Utah)	Aeronautical and Space Sciences
John C. Stennis (Miss.)	Armed Services
William Proxmire (Wisc.)	Banking, Housing and Urban Affairs

Edmund S. Muskie (Me.)	Budget
Harrison A. Williams, Jr. (N.J.)	Labor and Public Welfare
Gale W. McGee (Wyo.)	Post Office and Civil Service
Howard W. Cannon (Nev.)	Rules and Administration
Vance Hartke (Ind.)	Veterans Affairs

At the time of this report, Hartke appears to be the only highly vulnerable member of this group.

In the House, three committee chairmen will not run for re-election: Rep. Robert E. Jones (D.-Ala.) of Public Works and Transportation, Rep. David N. Henderson (D.-N.C.) of the Post Office and Civil Service, and Rep. Thomas E. Morgan (D.-Pa.) of International Relations. Three ranking minority Republicans have announced retirement: Rep. Gilbert Gude (Md.) of the District of Columbia Committee, Rep. Herman T. Schneebeli (Pa.) of the Ways and Means Committee, and Rep. Charles A. Mosher (Ohio) of the Science and Technology Committee.

The next Democrat in line for the Public Works and Transportation Committee chairmanship is James C. Wright of Texas, provided he is re-elected and sanctioned by the Democratic Caucus next January. Rep. Barber B. Conable, Jr. of New York would become ranking minority member on the Ways and Means Committee.

OCTOBER ADJOURNMENT?

The 94th Congress is intent on an October 2 sine die adjournment. Assuming Congressional passage of the final Budget Resolution on September 25, it is likely the October 2 date will hold. Barring some unforeseen foreign or domestic crisis, it is unlikely there will be a Lame Duck session following the Presidential election. The last such session after a Presidential election was in 1948.

Congress seldom sets records for accomplishment in Presidential election years, and 1976 seems unlikely to be an exception. May and June are the only remaining full months in which the House and Senate expect to be in session. The schedule looks like this:

Recess	House	Senate
Memorial Day	May 28 - 31	May 28 - June 2
Democratic Convention	July 5 - 10	July 2 - 19
Republican Convention	August 12 - 20	August 11 - 23
Labor Day	September 3 - 7	September 1 - 7
Jewish New Year	September 24	

SENATE TAX HEARINGS CONCLUDE

The Senate Finance Committee is winding up month-long hearings on tax revision and tax reduction today. The Committee heard from a variety of witnesses, including Secretary of the Treasury William Simon who presented the Administration position, Senator Edward Kennedy who called for an end to "tax favoritism" for U. S. corporations operating overseas, and a sizable number of representatives of business and industry.

Secretary Simon recommended changes in the tax laws "designed to remove some of the disincentives to saving and investment which are inherent in our existing tax structure." Specifically, he recommended a reduction in the corporate income tax rate from 48% to 46%, a permanent 10% investment tax credit, elimination of the double tax on corporate dividends, revisions in the taxation of capital gains and tax incentives to broaden stock ownership. In the foreign income area, Secretary Simon generally favored the status quo, and specifically recommended retention of the present DISC provisions.

Senator Kennedy recommended the repeal of DISC, ending tax deferral on income earned by foreign subsidiaries of U. S. multinational corporations, and the repeal of the asset depreciation range (ADR) system.

Mr. F. Perry Wilson, Chairman of the Board of Union Carbide Corporation, testified on behalf of MCA on March 26. Mr. Wilson urged adoption of policies which will assist business to generate sufficient funds to meet capital requirements. He recommended that the 10% investment tax credit be made permanent and that larger capital cost allowances be provided. He also recommended that the Committee consider reducing the corporate income tax rate, eliminating the double taxation of dividends and changing the present method of taxing capital gains. In the foreign income area, Mr. Wilson recommended that the existing provisions of the tax law be retained with respect to the foreign tax credit and the timing of taxation of the earnings of controlled foreign subsidiaries. He also urged that the DISC provisions be continued in their present form.

The Finance Committee was expected to begin marking up a tax reform bill shortly after Congress returns from its Easter Recess. However, recent statements by Committee Chairman Russell Long (D.-La.) have raised questions about the timetable. Nor has it been decided whether to report an omnibus bill, or separate measures dealing with tax reform, extension of tax reduction provisions and energy tax matters.

The members of the Finance Committee attending most of the hearings have appeared to be moderately sympathetic to the Administration and the business community in the area of tax reform. It appears unlikely, therefore, that any tax reform measure reported by the Finance Committee will contain provisions particularly damaging to industry. On the other hand, when such a measure reaches the Senate floor, Senate tax reformers can be expected to introduce proposals which will repeal, limit or restrict tax provisions which are presently advantageous to industry. These include the asset depreciation range (ADR) system, the foreign tax credit, deferral of taxation of foreign source income and DISC.

MCA ENERGY CONSERVATION REPORT FILED

MCA's second comprehensive energy conservation report was submitted to Secretary of Commerce Richardson and Federal Energy Administrator Zarb March 29, with 107 companies participating. The report showed a 4.0% energy saving per unit of output for calendar year 1975 as compared with 1972 as a base. The energy cost of OSHA and environmental regulations in effect in 1975 but not in 1972 was 0.9%, so that -- but for these regulations -- the energy saving would have been 4.9%. The corresponding figures for the first comprehensive report, submitted in August, 1975, were 5.0% and 5.7%. Thus, it appears that a little ground has been lost. The reason, of course, is that the chemical industry was operating well below capacity in 1975 (74.2% as compared with 84.5% in 1974) and most chemical processes are less energy-efficient at lower operating rates.

PROGRESS IN ENERGY LEGISLATION

Deregulation of Natural Gas -- The deadlock between opponents and proponents of natural gas deregulation continues. However, for the opponents, Senator Hollings is now seeking to bring about a Senate-House conference on S. 2310 and H.R. 9464. For their part, the proponents are seeking some way to break the deadlock in their interest.

Conversion to Coal -- A new draft of S. 1777, the Natural Gas and Petroleum Conservation Act of 1976, has been prepared by the staff of the Senate Committee on Public Works. The bill provides for a phased conversion of gas and oil-fired boilers to coal. Hearings will be held on it shortly, and then a markup session is planned. It must be noted, however, that the Clean Air Act Amendments already reported out by the Committee would increase environmental restrictions on burning coal.

Electric Utility Rate Reform -- Hearings have begun but have temporarily been suspended on H.R. 12461, the Electrical Utility Rate Reform and Regulatory Improvement Act of 1976. This legislation would restructure electricity rates to the disadvantage of industrial users.

Energy Information -- Hearings have been concluded on S. 1864, the Energy Information Act, which seeks to set up a new agency to gather a wide range of information from energy producers and consumers. The bill is now ready for markup. Both energy-producing and energy-consuming industries vigorously oppose it, and it is hoped that the bill will not be voted out.

OSHA ON-SITE CONSULTATION MEASURE MOVING SLOWLY

The House last year approved H.R. 8618, an on-site OSHA consultation bill which authorizes on-site consultative services within the U. S. Department of Labor, and keeps them completely separated from enforcement activities. Priority for these services would go, upon request, to small businesses and hazardous workplaces. However, there is no arbitrary "number-of-employees" cutoff limit which would preclude larger employers from using the services.

Under the bill, consultants could not issue citations or propose fines, and the consultant's report could not be used against the employer unless he specifically permits such use. The consultant's advice would not be binding upon enforcement personnel in the case of subsequent enforcement inspection. However, the consultant's report, if permitted by the employer, may be used as evidence of the employer's good faith in the determination of any penalties. Consultants discovering a serious hazard shall immediately notify the employer and permit a reasonable time for its abatement. The consultant would not notify enforcement personnel except in a case where the employer refused to abate the serious hazard.

The business community is not altogether happy with the House bill, particularly its provisions making the consultant's advice not binding on enforcement personnel and involving such personnel in "serious hazard" situations. However, it has been concluded that this is the most that can be achieved for the present in the way of OSHA reform. Business is therefore backing an identical Senate bill, S. 3182, sponsored by Senator Taft, and pushing for enactment of a new law.

Hearings conducted by Senator Durkin of the Senate Labor and Public Welfare Committee are taking place April 12 and 13 in Washington. But the prospects for the bill are unclear. Chairman Williams would apparently like to take the hearings on tour, with the result of postponing or forestalling action. Senator Taft is likely to press for more immediate action, and might offer his bill as a floor amendment to some appropriate pending legislation.