PCBs in Hudson Nearing City

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By Stuart Diamond
Newsday Environment Writer

The U.S. Environmental Protection Agency has found high concentrations of the toxic pollutant PCB in Hudson River sediments as far south as the Tappan Zee Bridge, 140 miles farther south than previously proven.

Robert McManus, a spokesman for the State Environmental Conservation Department, said yesterday that the disclosure means that almost all of the river might have to be dredged to remove the material, which persists almost indefinitely. The cost of cleaning up the river was estimated last spring to be as much as $30 million.

A spokesman for the EPA, James Marshall, said it appeared that the river's sediments have carried the chemical south from the Troy-Fort Edward area—where the General Electric Co. has discharged it for 35 years — to Westchester County. The situation downstream in many cases is as severe as the situation upstream," he said.

Federal sediment tests in 1976 showed high concentrations in the sediments for 45 miles south of Fort Edward, where GE operates two plants that use the chemical. The most recent sediment tests, conducted last month, were aimed at discovering the extent of the pollution, Marshall said. Federal officials orally informed state officials of the findings this week. The EPA, while terming the PCB concentrations "high," did not disclose any exact figures.

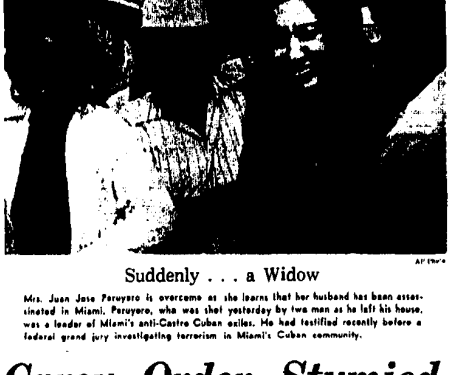
PCBs—polychlorinated biphenyls—are used as insulating fluid in electric transformers, in carbonless copy paper and in special adhesives. They have been shown to cause liver cancer in research animals, and, in an instance of human contamination in Japan 10 years ago, were linked to increases in the number of stillborn babies, boils and joint deformities and neurological disorders.

The Hudson contains an estimated 458,000 pounds of PCBs, most of it discharged by GE. In February, the state banned almost all fishing in the waterway because of the chemical.

State officials believe the river may have to be dredged to remove the PCBs so that normal fishing can resume. In early 1976, the EPA found PCB concentrations in fish caught in the Albany area that were six times the federal limit. Dredging, however, might stir PCB-containing sediment into the water, where fish could absorb it, officials said. "It's a very, very difficult and complicated situation to which there is no easy solution," said State Sen. Bernard C. Smith (R-Northport), chairman of the Senate Committee on Conservation, Recreation and the Environment.

The presence of PCBs in the sediments is more serious than in fish, because the sediment deposits have a longer-lasting problem, McManus said.

The state has only $6 million to remove the chemical: $3 million from GE in a settlement last fall, and a matching amount from the state. McManus said it would cost millions of dollars more to dredge the entire Hudson.



AP Photo

Suddenly . . . a Widow

Mrs. Juan Jose Peruyero is overcome as she learns that her husband has been assassinated in Miami. Peruyero, who was shot yesterday by two men as he left his house, was a leader of Miami's anti-Castro Cuban exiles. He had testified recently before a federal grand jury investigating terrorism in Miami's Cuban community.

Study Seen Of Confusing Deposit Laws

By Brian Donovan

The chairman of the State Board of Public Disclosure said yesterday that his agency may soon urge a study of seemingly contradictory laws on whether banks should pay interest on deposits of state money.

The agency's chairman, Charles Desmond, said the recommendation is under consideration as a result of Newsday's disclosure last month that State Motor Vehicles Commissioner James P. Melton was instrumental in shifting three no-interest motor vehicles accounts into a Long Island bank with which he has financial ties.

Desmond, a retired chief judge of the State Court of Appeals, said in an interview that various sections of the law appeared to contradict each other on the question of whether no-interest accounts are legal. "There are two or more statutes that are not so easy to reconcile," he said. "I think perhaps we should ask for an examination of this."

The disclosure board, set up by Gov. Hugh Carey to prevent conflicts of interest by state officials, was asked by Carey to look into the Melton case after Newsday reported that Melton had recommended shifting the accounts from another bank to the Bank of Babylon. Melton has received several loans and real estate mortgages from the Bank of Babylon, owns stock in its parent company and is a partner of one of the bank's directors, Francis Garvey, in several large real estate ventures.

The board's executive secretary, William Cahill, has completed what Desmond described as "a very elaborate, thorough report" on the Melton situation. Although that report has not been made public, Desmond said it devoted considerable space to apparent conflicts in state laws over whether state accounts should be interest-bearing.

The board is scheduled to take up the Melton matter at its next meeting on Jan. 19, but whether it will be able to take any official action depends on the outcome of a court battle Tuesday. a State Supreme Court justice in Albany struck down Carey's executive order on disclosure, under which the board operates. The state is expected to appeal that decision.

State bank deposits are handled by the controller's office under the State Finance Law, which authorizes the controller to invest money that is not immediately needed in a variety of ways, including interest-bearing, certificate-of-deposit accounts. However, that law does not require all state bank accounts to pay interest.

The Vehicle and Traffic Law says that all motor vehicles fees must be deposited in interest-bearing accounts in Albany banks. That law does not explain, however, why only Albany banks are specified or how a motor vehicles office hundreds of miles from Albany would get its money there. Under current practice, the state uses no-interest checking accounts at banks near local motor vehicles offices and transfers the money periodically to the state treasury.

The Public Officers Law adds another complication, saying that "interest shall be required to be paid . . . on all deposits of public moneys amounting to $1,000 or more," unless other state or federal requirements specifically prohibit such payments.

Spokesmen for the controller's office, the banking department and the attorney general said yesterday that they were confident that any study recommended by the disclosure board would find that current state banking practices are legal.

Carey Order Stymied

By Joel Kremer
Newsday Albany Bureau Chief

Albany—A State Supreme Court justice has ruled that Gov. Hugh Carey exceeded his authority when he ordered certain state employees to file financial disclosure statements and to avoid conflicts of interest.

State Supreme Court Justice Harold J. Hughes declared Carey's Executive Order 10.1 unconstitutional in a decision released yesterday and ordered the Public Disclosure Board not to enforce it. The executive director of the board, William Cahill, said the state will "surely appeal."

Hughes wrote that a decision by the state's highest court, the Court of Appeals, upholding a previous version of the order, called Executive Order 10, did not prevent him from finding that Carey had exceeded his authority with Executive Order 10.1.

In the earlier case, the court had ruled only that the substance of the order was constitutional, Hughes said, but it had not addressed the question of whether the governor—as opposed to the Legislature—had the right to promulgate it.

Hughes wrote that the governor's order exempting the state's Public Officers Law rather than enforcing it and that it was thus "an unwarranted exercise of legislative power."

Carey proclaimed the earlier version Executive Order 10, in May, 1975. It required financial disclosure statements from state employees making $30,000 or more annually in a state agency headed by a gubernatorial appointee affecting some 2,000 employees, Cahin said. It prohibited those employees from holding political posts, engaging in activity deemed by the board to be in conflict with their duties, or holding outside jobs without favored approval. The suit was filed by a group of the involved employees.

Executive Order 10.1, which superseded the earlier version in October, affected the same 2,000 employees and about 10,000 more who were considered managerial or confidential under the civil service law or who were members or managerial employees of authorities and other state entities not previously covered. The prohibitions were the same, Cahin said. It did not affect secretaries and clerical employees.

Cahin said he was "surprised, but not discouraged" by the ruling. He pointed out that in the previous case, the state had lost at the Supreme Court level, too, but had won in both the Appellate Division and the Court of Appeals.

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