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U.S. OFFERS TO BUY ALL HOMES IN TOWN TAINTED BY DIOXIN

By ROBERT REINHOLD, SPECIAL TO THE NEW YORK TIMES

The Federal Government offered today to buy out all homeowners and businesses in the Meramec River town of Times Beach, which has been afflicted by both flooding and contamination by dioxin.

The buyout, estimated to cost \$33 million, would be the first under the fund created in 1980 to clean up hazardous waste dump sites. It also represents the first time that the Government has offered to evacuate and buy out an entire town threatened by chemical wastes.

The announcement formed a dramatic climax to the months-long Times Beach story. The town was devastated by floods last December, and then its 2,500 residents learned that their streets were contaminated with highly toxic dioxin. It had been deposited a decade earlier when unpaved streets were sprayed with waste oil.

Mrs. Burford Outlined Plan

The buyout plan was outlined today by a contingent of high-level Federal officials, led by Anne McGill Burford, administrator of the Environmental Protection Agency. The officials held a news conference at the Holiday Inn here, two miles from the town, the wreckage of which is visible from Interstate 44.

The announcement was all the more dramatic coming when the E.P.A. is under intense Congressional scrutiny amid suggestions that it has been sluggish in cleaning up hazardous waste sites. Mrs. Burford's appearance here seemed to underscore the agency's concern about these charges.

The plan was generally greeted with approval by the residents, hundreds of whom gathered spontaneously here and congregated around the motel's enclosed pool while the officials met the press. Businessman 'Absolutely Elated'

"I'm absolutely elated," said Charles F. Stone, owner of two trailer parks that he valued at \$3.5 million. The action also drew praise from representatives of Missouri's two Senators, who had applied intense pressure on the E.P.A. to act quickly. Michael Ryan, on the staff of Senator Thomas F. Eagleton, a Democrat, called the buy-out plan "a step in the right direction." Rob McDonald, who works for Senator John C. Danforth, a Republican, praised the agency for cutting through red tape.

People in the crowd applauded when Mrs. Burford looked at them from inside the pool building and said over a public address system that she was allocating the \$33 million to the Federal Emergency Management Agency to buy their property at what its fair-market value was before the floods. The town had let its Federal flood insurance lapse. In all, 437 permanent homes, 364 mobile homes and 40 or 50 businesses are eligible.

"I am as personally upset as you over the uncertainties we've had to live with," said Mrs. Burford, who was Anne M. Gorsuch until her remarriage Sunday. She later added that nothing could be done until test

results were confirmed.

She said that buy-out plans would be completed within three weeks and that nobody would be forced to accept the offer. Mrs. Burford also said that the town would be placed on the national priority list for cleanup with money from the Federal fund, but that no plans had yet been made.

The E.P.A. considers dioxin, a waste product from the manufacture of herbicides and germicides, the most potent pollutant known, on the basis of animal tests.

Under Federal law, the State of Missouri must contribute 10 percent of the Federal outlay. Robert Griffin, Speaker of the Missouri House, attended the news conference and said this would receive priority in the Legislature.

Lewis Crampton, the new acting chief of the cleanup program, said in Washington today that the law creating the cleanup fund explicitly provided that Federal money could be used to pay for relocating individuals and businesses from areas polluted with toxic waste if that was the best way of protecting public health.

According to Mrs. Burford, the buy-out decision was made only Monday after the national Centers for Disease Control in Atlanta said new post-flood tests showed no diminution in dioxin levels and renewed its warning to residents to leave the town, about 25 miles southwest of St. Louis. Most have left with Federal disaster aid, but about 300 have remained.

The latest tests from 248 samples showed that the floods had little effect on the level or distribution of dioxin, which is not soluble in water, according to Dr. Vernon N. Houk, acting director of the Center for Environmental Health, part of the Atlanta centers. Highest Levels Under Macadam

As before, he said, the highest levels were found under the macadam of the streets, which were sprayed with dioxin-laced oil to control dust in 1971 before they were paved. Samples of this capped soil frequently showed concentrations of more than 100 parts per billion, some as high as 300 parts.

Of 39 samples taken along the shoulders of the roads, 26 disclosed dioxin at more than one part per billion, the level at which the Federal centers advise people to avoid long-term contact with contaminated soil. Seven had more than 100 parts per billion. The rest had less than one part per billion.

Of 35 samples from drainage ditches along the roads, 20 had dioxin at concentrations of greater than one part per billion and four at levels ranging from 20 to 40 parts.

Little if any contamination showed up in residential yards. As for buildings and flood silt, no dioxin at all was found, except for one sample at 3.4 parts per billion, and Dr. Houk said that result may have been an error.

He said the long-range health effects of exposure to dioxin for humans remained uncertain. Only chloracne, a skin condition similar to severe adolescent acne, has been undisputably linked to the chemical.

"This is not to say that none exists," Dr. Houk went on. "We are worried about the overall long-term health effects." Dioxin is suspected of causing kidney and liver malfunction, certain skin lesions and possibly cancer in humans. Serious Problems in Animals

This worry is rooted in animal tests that show unimaginably small quantities of dioxin can cause death

and numerous skin, liver, kidney, bladder and other diseases in laboratory animals.

No human is known to have died from acute exposure, but the concern is that long-term exposure to small amounts might have hidden consequences. The Centers for Disease Control have asked all residents of Times Beach and other affected Missouri sites to participate in an epidemiological study of dioxin.

The Federal officials stressed that today's action did not imply that they had set one part per billion as the standard for cleanup of dioxin. William N. Hedeman, the E.P.A. official who supervises the cleanup program, said that in some cases the possibility of human exposure would be "so remote" that cleanup at that level would be pointless.

"The approach is on a site-by-site basis," he said. Later, in an interview, he added, "There is no standard - no action level." "Unrelated" to E.P.A Dispute

Mrs. Burford said the Times Beach decision was "unrelated" to the dispute over her former assistant administrator, Rita M. Lavelle, who was dismissed earlier this month. Members of Congress have suggested that Miss Lavelle maintained improperly cordial relations with polluters.

Mrs. Burford also said a decision could be expected within three weeks on plans to clean up two other dioxin sites in Missouri, the Minker and Stout sites in Imperial, not far from here.

The dioxin was generated by a plant that manufactured hexachlorophene in Verona, in southwest Missouri, from 1970 to 1972. Much of it was hauled off by a salvage oil dealer, Russell Bliss, who spread it at many horse arenas, farms and roads in eastern Missouri when he mixed it with used oil and sprayed for dust control.

After the news conference, the Times Beach residents remained at the motel talking for two hours. Among them was Carolyn O'Leary, who said she would wait to see what the Government offered for her home. Her neighbor, Rose Elliott, said she and her husband, James, an automobile salesman, would probably accept the buy-out.

"I'm 75 percent pleased," said Mrs. Elliott, whose home was wrecked by the flood and who has moved out of town. One hundred percent pleased was Mr. Stone, the trailer park owner, who said he would take the money and go "someplace where it's high and dry and warm and no dioxin."