Asked about rumors that the U. S. might consider a third devaluation of the dollar, Volcker said: "No--the answer to that is very simple." He said it is the feeling that the dollar is now undervalued, and "I see a turnaround coming around. It's implicit in those exchange rates getting out of line." However, he declined to speculate as to when the turnaround might occur.

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CHEMICALS: FDA ORDERS LIMITS PLACED ON WIDELY-USED GROUP OF INDUSTRIAL CHEMICALS TO KEEP THEM OUT OF FOOD

The Food and Drug Administration today ordered limits placed on a widely used group of industrial chemicals to help keep them out of the nation's food supply.

The chemicals are called polychlorinated biphenyls (PCB's) and have been used in everything from food packages to paint since they were first developed in 1929. They came under criticism during the last few years because they were showing up in increasing concentrations in food and animal feed.

Some of the chemicals were involved in an industrial accident in Japan in 1968 which resulted in some birth defects, such as skin discoloration and reduced growth rate.

FDA's action would prevent potential long-term exposure to consumers by:

1. Prohibiting industrial use of PCB in plants engaged in manufacturing, handling and storing animal feeds, foods, and food packaging materials.

2. Establishing temporary safe tolerances for PCB in animal feeds and in certain foods as a result of unavoidable environmental contamination.

3. Establishing a temporary tolerance for PCB in paper food packaging. Packaging separated from the food by a barrier which prevents PCB migration is exempt from the temporary tolerance.

PCB have been produced since 1929 and have had a wide range of uses. The substances have been used as heat exchange liquids, as dielectrics, in lubricants and hydraulic fluids, and as ingredients in paints, plastics, resins, inks, waxes, adhesives, rubber, asphalt, and various building materials.

This widespread usage, combined with the highly stable and persistent qualities of substances, has resulted in the occasional appearance of PCB in the food supply--either from industrial accidents, or because of their ubiquitous presence in the environment, FDA said.

"Although it is impossible for FDA to remove PCB from the environment, these regulations will assure that consumer exposure from food is kept to a minimum," said Sherwin Gardner, Acting Commissioner of Food and Drug.

FDA originally proposed its PCB action on March 18, 1972. A draft environmental impact statement as required by the National Environmental Policy Act, was published on May 11, 1972. Subsequently, FDA published a final environmental impact statement on December 18, 1972, and a supplement to that final statement on July 2, 1973. Final regulations on PCB are in the Federal Register of July 6.

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