# FDA Sets Final Rules To Curb Use of PCBs In Food, Related Plants

## Its Regulations Seek to Prevent Excessive Exposure to Chemical That May Be Harmful to Man

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — The Food and Drug Administration issued final regulations restricting polychlorinated biphenyls, or PCBs in feed, food and food-packaging materials.

The limitations, originally proposed last year, are designed to prevent contamination of food with the chemical, which in high concentrations has caused liver damage and other harmful effects in test animals. Government experts say the risk to humans of long-term, low-level exposure isn't known, but restrictions are considered necessary to head off any possible future hazards.

PCBs persist in the environment, so if limitations aren't imposed they could build up larger concentrations, producing more extensive human exposure, FDA aides explained.

"Although it is impossible for the FDA to remove PCBs from the environment, these regulations will assure that consumer exposure from food is kept to a minimum," Sherwin Gardner, acting FDA commissioner, stated.

The requirements will ban industrial use of PCBs in plants that process or make food, feed or food-packaging materials. The substances are generally used as a heat-transfer agent in electrical equipment. They are manufactured in the U.S. by Monsanto Co.

The FDA made some changes from its original proposal in March 1972 in the temporary PCB tolerances, or maximum amounts permitted in various foods, feeds and packaging materials.

The following tolerances were reduced because the higher limits were shown to produce undesirable residues: to 0.2 parts per million from 0.5 ppm for finished animal feed for food-producing animals; to two ppm from five ppm for animal feed components.

The tolerance for PCBs in infant and junior foods was increased to 0.2 ppm from 0.1 ppm because test techniques didn't prove sensitive enough for detection at the lower levels. The tolerance for food packaging material intended for foods for other persons was increased to 10 ppm from 5 ppm because test data showed there wasn't a significant increase in the amount of migration of the chemical from the packaging to the food at the higher tolerance. Tolerances that remain unchanged from the original proposal in 1972 are 2.5 ppm in milk on a fat basis; 2.5 ppm in manufactured dairy products on fat basis; five ppm in poultry on a fat basis; 0.5 ppm in eggs and five ppm in the edible portion of fish and shellfish.

A final change in the proposal allows an exemption from the tolerance for food packaging material if the food was separated from the packaging material by a barrier that keeps the chemical from entering the food.

The regulations take effect in 60 days.

## Turkeys Kept Off Market

WASHINGTON (UPI)—Ralston Purina Co has held 120,000 slaughtered turkeys off the market because some of them may be contaminated with high levels of PCBs, the Agriculture Department said.

The turkeys, found at the company's plant in California, Md., were placed in cold storage and apparently none of them reached the meat counter, the agency said.

The contamination apparently originated in a single feed mill where fat, purchased from an unidentified supplier and mixed with turkey feed, may have been contaminated, a spokesman said.





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# Savings Returns Boosted Rapidly Across Country

## Application of New U.S. Lids, Views on Measure Vary Widely in Bank Industry

## Mortgage Seekers Seen Hurt

*A WALL STREET JOURNAL News Roundup*

Commercial banks and thrift institutions across the nation moved quickly to boost interest rates they pay on consumer savings deposits as authorized last week by federal bank regulators.

An informal survey taken by the Wall Street Journal over the weekend, however, showed some sharp differences among institutions in their rate plans for specific types of accounts. Many banks and savings and loan associations said the new rate ceilings offered so many possible combinations that it would take at least several days to plot their strategies.

Disagreement also surfaced regarding the regulators' prudence in boosting the ceilings. Commercial banks generally applauded the action. But many S&Ls and savings banks thought the higher rates will be ineffective in drawing new savings to the thrift industry and will simply be an added drain on their earnings.

Most bankers agreed on one point: the new ceilings are likely to mean higher interest charges on home mortgages and, in some areas, lessened availability of conventional mortgage loans. The point was underscored by Cleveland Trust Co., which coupled its announced increase in savings rates with a boost to 7½% from 7% in its fee on home loans.

Under the new rules, commercial banks may pay as much as 5% on regular savings accounts, up from the previous 4½%. The ceiling on such accounts for savings banks and S&Ls was raised to 5¼% from 5%. On special accounts where deposits are left for at least 90 days, commercial banks may pay up to 5½%, thrift institutions, up to 5¾%. Previously the limit was 5% for commercial banks and 5¼% for the others.

Among other things, the regulators authorized a new account classification without a rate ceiling. Under this category, a deposit of at least $1,000 must be left for a minimum of four years. (For details on other types of accounts see accompanying table.)

# Most Banks Increase Prime New Boost to Equal 8½% R

*A WALL STREET JOURNAL News Roundup*

Most of the nation's major banks boosted to 8¼% from 8% their prime, or minimum, interest charge on loans to large corporations.

The few holdouts at the 8% rate are expected to join the move shortly. Indeed, many analysts said a further increase to 8½% may be just around the corner.

The move to the 8¼% level was initiated Thursday by Midlantic Banks Inc., a Newark, N.J., holding company, whose lead bank is the $1 billion-asset National Newark & Essex Bank.

More than two dozen of the nation's largest banks followed the move Friday. These included San Francisco's Bank of America, the nation's largest; First National City Bank, New York; Security Pacific National Bank, Los Angeles; Continental Illinois National Bank & Trust Co., Chicago; and Mellon Bank, Pittsburgh.

It was the ninth increase since February when the key lending rate was 6%, and brought the prime rate within ¼ percentage point of the record 8½% set during the 1969-70 credit crunch.

That record technically could be equaled Friday when First National City Bank holds its weekly review of its prime rate which is pegged by a formula to movements in money market rates. Unless things change drastically

types of accounts. On the 2½-year-to-7 year category, for example, the bank said it would pay a 6¾% rate, with compounded interest bringing an actual return of 7.08%.

Some state-chartered institutions said they will wait until the state banking department amends its regulations to conform with the new federal standards. The department over the weekend was busily polling members of the banking board for consent to do so.

SAN FRANCISCO. Golden West Savings & Loan Association, in nearby Oakland, will "probably" increase rates to the permitted ceilings, said Herbert Sandler, president. But Mr. Sandler said Golden West won't offer all of the new kinds of account maturities. "Some are duplicative of accounts we already offer. Others don't benefit the consumer. The 90-day certificate is unnecessary. If you have a passbook account at 5¼%, why would you need this new account?"

Separately, the Federal Home Loan Bank of San Francisco warned member S&Ls against "switching" existing certificate accounts to the higher rates "without invoking penalty provisions for early withdrawal as required by the terms of the certificates."

LOS ANGELES. Union Bank, a subsidiary

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