

Nixon Aide Pulled Strings for Armco

By Jack Anderson

Buried in Justice Department files is evidence that its spokesman didn't tell the truth about White House intervention in a landmark anti-pollution case.

The case was brought last year against Armco Steel Company, which was ordered by a federal judge to stop dumping toxic wastes into the Houston, Tex., ship channel. After the company appealed to President Nixon, the Justice Department abruptly negotiated a settlement more favorable to Armco.

The backstage wirepulling was handled by White House aide Peter "The Fixer" Flanigan.

But the Justice Department claimed it had received no direct pressure from the White House. This was the testimony of then-Assistant Attorney General Shiro Kashiwa, who recently was appointed to the Court of Claims.

His testimony is disputed, however, by a memo we have obtained from the department's files. Two days after Armco's appeal to the White House, the memo indicates Flanigan's office was in touch with Kashiwa. He, in turn, directed a section chief, Martin Green, to work out the settlement terms with White House aides John Glancy and George Crawford in Flanigan's office.

Green dictated a memo to the files, dated Sept. 30, 1971,

describing his contacts with the White House. Some of the names, typed up phonetically, are misspelled. Here, however, are excerpts from Green's incriminating memo:

Revealing Memo

"A little after 7 p.m. last night," he began, "in accordance with a phone call received from Mr. Kashiwa, I called Mr. Glanzie (sic) and George Crawford at the White House to answer their questions about the Armco case.

"They told me they had received a call from Mr. Verity (William Verity), the president of the Armco Steel Company, who told them that he would have to close down the plant in light of the judge's decision in the Armco case. Mr. Glanzie and Mr. Crawford said that the President does not want plants closed down and more unemployment created, and they asked why we had brought the suit to close down the plant.

"I said we did not want to close down the plant either, and that we heard, in fact, that the plant would be able to operate without firing anybody. I further said that with Armco, as with our other defendants in Refuse Act cases, we had tried to negotiate a phased schedule of pollution abatement in order not to suddenly disrupt their operation.

"I pointed out that Armco had chosen not to negotiate, because it thought it would

win the case in court, and that now that it had lost, it was faced with the direction of the judge to stop discharging immediately. Mr. Glanzie and Mr. Crawford said that something would have to be worked out whereby we join with Armco in requesting the judge to stay the execution of his judgment. They said that they would call me back.

"At 8:30 p.m., Mr. Glanzie and Mr. Crawford called back and said they had been in discussion with Mr. Verity and Mr. Flannagan (sic), and had decided that if this would meet with the approval of EPA, the government should go before the judge and join with Armco in a request for a 60-day stay of the judge's decision. During this time, Armco would attempt to secure from the appropriate local agency a permit which would authorize it to construct an incineration system and make from that system the necessary discharges into the air . . . I said I would inform Mr. Kashiwa of this proposed arrangement, and I thereafter called Mr. Kashiwa foregoing."

This amazing memo not only reveals how corporate fatcats are able to fix cases in the back rooms of the White House; it also proves that Kashiwa misled congressmen when he testified about the case on Capitol Hill. At the hearing, Rep. Henry Reuss (D-Wis.), who knew of Flani-

gan's intervention at EPA, confronted Kashiwa.

"When the president of Armco," snapped Reuss, "comes around to Peter Flanigan or John Doe in the White House with regard to a piece of pending litigation, he should be thrown out on his ear, no matter how much he has contributed in campaign funds. . . . This is akin to a 'fix'."

"Well, nobody fixed anything in my office," retorted Kashiwa. Contrary to the evidence in the memo, he emphasized that the Justice Department dealt only with EPA, not the White House.

Stay Never Requested, Justice Aide Asserts

A Justice Department spokesman said that no stay of the judge's decision was ever requested. "In fact," he said, "the court order was used by department attorneys as a bargaining weapon, which led to a consent decree which achieved all of the goals the department had sought and allowed the plant to remain open."

He noted also that in the consent decree Armco forfeited its right to appeal the court decision. An appeal, he said, might have allowed the pollution to continue for at least two more years.