

'The Fixer' in the White House

SFChronicle



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 Clancy 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:

"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 . . .

"I said that we did not want to close down the plant either, and that we had heard, in fact, that the plant would be able to operate without firing anybody.

"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 . . .

★ ★ ★

AT 8:30 p.m., Mr. Glanzie and Mr. Crawford called back and said they have 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 . . . I said I would inform Mr. Kashiwa of this proposed arrangement, and I thereafter called Mr. Kashiwa and briefly summarized the foregoing."

This amazing memo reveals how corporate fatcats are able to fix cases in the backrooms of the White House.