ORAL HISTORY 2011-21-03
PT. 3

RECORDED INTERVIEW

OF

SENATOR MIKE GRAVEL

CONDUCTED BY

KAREN BREWSTER and MARY ANNE HAMBLEN

IN BURLINGAME, CALIFORNIA

May 26, 2011

Part 3 of 3

UAF ORAL HISTORY PROGRAM

SENATOR TED STEVENS PROJECT

Transcribed by:

CAROL A. McCUE, RMR

INTERVIEW OF SENATOR MIKE GRAVEL

(Beginning of Part 3 of 3 of recorded interview.)

SENATOR MIKE GRAVEL: The -- during -- and this is an issue that Ted, to my knowledge, didn't get involved on, he may have made a few comments to the press, but there was a question in Alaska, why is Mike Gravel so involved in the Panama Canal treaty and sea-level canal?

How it all happened was, as Chairman of the Water Resources Committee for the Senate, I had occasion to go down to Mara del Plata for a water conference in Argentina. On my way back, I felt, well, since the Panama Canal issue is going to be coming to the Senate, I should stop in Panama and get a briefing and learn about what was going on.

So I stopped in Panama. I didn't get to meet Torrijos at the time, but I got a briefing from the Americans that ran the canal. And I'm sitting there and listening to them brief me, and they are telling me that the throughput at the time at the Panama Canal, 80 percent of what went through the canal was Alaskan oil. Now, didn't you -- wouldn't you believe that that was a revelation to me, that this was the tail end of the Alaska pipeline.

KAREN BREWSTER: So what year was this?

SENATOR MIKE GRAVEL: This was 1977, '78, '79, that period.

And so this was my revelation that, my God. And now, here's the polluting -- the environmental question here, again, my environmental credentials step forward, you come down from the Prince William Sound in a supertanker, that supertanker has to dock at sea off Panama, off-load the oil into a smaller tanker so that the tanker can go through the Panama Canal and into the Gulf Coast and the East Coast. Now, that break in cargo is a very serious polluting problem.

Now, this is so significant, there's a group of entrepreneurs from Long Island that were importing -- wanted to import Alaskan oil, so they went to Panama and offered the Panamanian government a deal. They said, "Let us build a small pipeline" -- I think it was in inches -- "across the Panama so that we can trans-ship oil." So they were to unload oil from the Pacific side, transport it by pipeline across the Panama, load it into another tanker that then went into the East Coast and Gulf Coast.

Well, they cut a deal that Panama, look at, you let us build this pipeline and let us operate it and make profits for two years, and then you can have it. Can you imagine how profitable that was?

So what -- I got immediately involved with the people and the two ambassadors that were Linowitz and Bunker,

I had met Bunker in Vietnam when he was ambassador to Vietnam, and Linowitz I got to meet, and Linowitz was very accommodating.

And so I, with some studies, developed a whole concept of what we need to do to let Alaska tankers go through without off-loading and minimizing the environmental problem impact was to build a sea-level canal, is to dig the Panama Canal right down to sea level, and only have two gates.

So you understand, the Panama Canal is a water bridge over Panama. You have locks that bring you up into the Charges River, and then you go across Panama, and then you go down into the locks into the Atlantic, or vice versa.

So by drilling -- by drilling the Panama Canal right down to sea level, you now can widen it and you can have tankers that would go straight from Prince William Sound down to the -- up through the Panama Canal.

Now, this meant about $3 a barrel of revenue to the State of Alaska because the -- the way the formula was where you deducted the transportation cost from the wellhead cost. And so my work in this area was, quote, to improve the benefit to the State of Alaska in its transportation of oil.

Now, as a result of that, I was able to get a change in a treaty, and because of the change in the treaty, I developed a close relationship with the person who was ruling Panama, which was General Omar Torrijos, and he bought into

this idea of a sea-level canal. First he wanted to get the canal.

Now, what I sold to them was the fact that they are getting the Panama Canal, but it's an obsolete device. And it was really the Republican conservative community was, boy, we can't trust these Panamanians to operate the canal. They've done a better job than we ever thought of doing. And now -- and I was able to get a treaty where I got Japan, Panama, the United States together in a treaty where the Japanese would pay for the building of the sea-level canal.

Most people didn't realize that Japan was the largest maritime nation in the world at the time. Today, it's China. The country that exports the most is the largest maritime nation in the world. So now it's China, Japan, and Germany. And -- but we control the canal, and we had influence in this conference.

And so I got this treaty. And lo and behold, unfortunately, I learned a lesson. Setting up a commission does not mean it's going to happen. And it hasn't. The commission met one year in Japan, one year in Panama, one year in the United States, and the bureaucrats had no vision to bring it about.

However, at this point, the Panamanians have realized that they've got to expand their canal and they are doing that. They are not bringing about a sea-level canal,

but they are doing some expansion and dredging that would have brought -- that will bring oil to market a lot easier from Alaska. But by this time, our oil has now diminished coming out of the pipeline.

Before I finish on the -- on that issue, I would like to talk about the -- the amendments that I had at the time.

When we secured the vote on getting authorization to build the Alaska Pipeline, I had two other amendments. I don't recall if Ted was spon -- was co-sponsor with me on these amendments. He may not have been because of his jumping -- his concerns with Jackson.

One of the amendments was to require the double bottoms in any vessel that came into Alaskan waters to transport the oil. That amendment was defeated, and like I say, I don't recall if Ted was with me on that amendment.

The other amendment I had, which was to require that vessels within Prince William Sound had to be controlled by radar on land, not from the bridge. Now, had either one of those amendments passed, we would not have had the Valdez spill in Prince William Sound. And here at the oil companies, and in one case, the -- the Coast Guard opposed my amendments in that regard.

So here again, it was to build the Alaska Pipeline, but to make sure that we protected the environment with

double bottoms and radar.

Now, I always viewed that the Alaska Pipeline was the environmental position. Very simple. If we're going to bring this oil to market, and of course, the preservationists don't want to do that at all, that means you're still going to bring oil to market, but it's going to come from other parts of the world, and it's going to come in Liberian tankers, Panamanian tankers that don't have the necessary environmental regulations that we have. It's going to be coming into the East Coast, West Coast, and Gulf Coast, and polluting.

And so it made more sense to me to build a pipeline that is environmentally sound, and then build a transportation system on the sea that is environmentally sound. That's the environmental position that we should have taken, and we did take partially.

So I will not let the legacy stand that, well, the building the Alaska Pipeline was anti-environmental, it was the environmental position.

Thank you for that. I thought of that, get that in there.

MARY ANNE HAMBLEN: Is there anything else you wanted to add?

SENATOR MIKE GRAVEL: Oh, God. No, I think we covered it.

KAREN BREWSTER: Any other stories about Senator Stevens that you remember, sort of anecdotes? Things we haven't asked about?

SENATOR MIKE GRAVEL: Well, I recall that I was not very much of a drinker, wine, and of course, I was fortunate that at 40 years old I developed a metabolism change that I couldn't handle alcohol at all, so all I could do is drink wine. But I recall when Ted and I were friends and he was just an attorney in Anchorage, that we had a party at Tom Bichsel's House, and I'll tell you, we got snockered drunk. You know. So, I mean, we were breaking liquids and -- all over the floor, skating across the tile floor. It was hilarious.

So that's -- so if I were to remember anything of a personal vignette, well, I saw Ted Stevens drunk as a skunk, but so was I.

So there were other times -- when we weren't fighting, we were very friendly with each other. We -- we didn't socialize a lot together, and that was my fault, and I think that was a mistake on my part because had I got to know Ted better, and he me, we might not have quarreled. But we would have, I was very adamant on substantive issues, and so we would have kept quarreling, but -- but that's the nature of it. But I -- I have great respect for him. And I still do, regardless of his litigation hell. That's by

the boards.

KAREN BREWSTER: Well, he was known as, you know, this master of the legislative process and dealmaking. And did a lot of that happen in the backrooms and in the clubs and --

SENATOR MIKE GRAVEL: Well, that's how I got the Alaska Pipeline. But -- now, Ted, as he gained seniority, then he was able to take care of a lot of people and a lot of problems. And so you called backrooms. You know, a person, you go to Ted, well, Ted, I've got this military base that they are going to close in my district, can you help me keep it open. Ted would help -- help them.

So that's where his popularity stemmed, he was there with the honey bucket passing out the honey to people who wanted it. And so that made him popular.

But he was popular in his own right. He was popular even before he had this great seniority and this high level. You know, he was President Pro Tem of the Senate at one point, which is third in line --

KAREN BREWSTER: Right.

SENATOR MIKE GRAVEL: -- for the Presidency.

KAREN BREWSTER: You just wonder how much of that happens on the Floor of the Senate and in the offices versus --

SENATOR MIKE GRAVEL: A lot. A lot.

KAREN BREWSTER: -- dinner and --

SENATOR MIKE GRAVEL: You should not see how legislation is made. You should not see how to make hot dogs, but the legislation, it -- it's a lot. It's a personal relationship that makes it work.

I had that to a degree, but I had something more difficult, which was I was prepared to fight in the filibuster, and so that many times overarched personal relationships.

KAREN BREWSTER: Okay. If there's anything else we haven't asked about?

SENATOR MIKE GRAVEL: Excuse me, I've got to yawn. No, I can't think of anything. I just really would like our legacy, Ted and mine together, to be that I respected him, I liked him, I felt he was effective. I quarreled with him because I disagreed on many of the issues that he felt deeply about. And so I don't question his motivation or his loyalty or his patriotism or his love of Alaska. We both shared the same goals in that regard.

KAREN BREWSTER: Well, and as you say, quarrel, disagreement, and different sides of an issue can sometimes help move things along in different directions.

SENATOR MIKE GRAVEL: Always. And of course, Alaska did not have the benefit of that after I left office. It was just one way. And -- and Alaska lost

because -- Alaska won because we engaged the issues, we discussed it, and developed knowledge about it, which might not have been the case.

It's like the environmentalists opposing the Alaska Pipeline. That helped make the proper pipeline. Had they not done that, it would have been a colossal mistake due to the arctic environment. And that's the fear I have with respect to the Arctic Ocean today.

KAREN BREWSTER: Okay. Well, thank you so much for your time.

SENATOR MIKE GRAVEL: You too.

KAREN BREWSTER: Very much appreciate your participation.

SENATOR MIKE GRAVEL: Thank you both.

(End of part 3 of 3, end of recorded interview.)