

# ***King of the Hill and the Master Appropriator***

## **How Ted Stevens Strikes It Rich**

**By JEFFREY ST. CLAIR**

**T**ed Stevens is now the longest-serving Republican in Congress. From his eyrie in the US senate, the Alaska Republican exerts his power over a vast terrain of legislation and budgeting, from the logging of the Tongass National Forest to the development of the Star Wars missile defense scheme.

He became the chair of the Senate Appropriations Committee in 1997, and his power duly multiplied. Through his machinations, federal spending in Alaska has nearly doubled in the past eight years. On a per capita basis, Alaska now leads the nation in the receipt of federal money, at nearly \$12,000 for each resident and twice the national average.

Alaska also now occupies the top spot for so-called earmarked appropriations, special pet-projects in home states of senators and representatives on the Appropriations committees. Under Stevens' sway, Alaska now gets more than \$611 in federal funds for each Alaskan for these special earmarks. The national average for earmarked pork projects is \$19 per capita.

Of course, this money doesn't go directly into the pockets of all Alaskans, but is channeled into projects benefiting the senator's political patrons and in some cases into projects in which the senator and his family own a financial stake.

Among the special earmarks engineered by Stevens: a \$2 million project to monitor Alaska's skies for volcanic ash, a provision that ended up as a segment on the TV show "West Wing"; \$1 million for an airport on remote St. Georges Island; \$2.5 million to train Russian workers for jobs in Alaska's offshore and Arctic oil fields; \$15 million to the University of Alaska to study the aurora borealis.

Ted Stevens is a leading foe of the Endangered Species Act. He has tried to demolish the nation's premier wildlife law by cutting funding to enforce its provisions and by intimidating Fish and Wildlife Service personnel.

Even so, the senator has shoveled federal money into wildlife projects that benefit friends and backers in Alaska. In 2003,

he inserted line items in the mammoth federal spending bill that gave \$4 million to study how to aid beached sea lions and \$100,000 for a census of Pacific walrus populations. He has redirected millions in federal funding away from the study of salmon stocks in Oregon, Washington and northern California, where the fish are endangered, up to salmon projects in Alaska, where fish populations are relatively stable.

Stevens also used his power to direct a \$22 million gift disguised as emergency relief to four Southeast Alaska towns. The money was supposed to soften the blow from decreased logging on the Tongass National Forest, American's largest temperate rain-

---

### ***The Stevens' diet: Alaskan "salmon jerky" as a part of the basic ration kit for troops in Afghanistan, South Korea and Iraq.***

---

forest, caused by the closure of two pulp mills. Thanks to Stevens' intervention, the logging on the Tongass has continued unabated, despite pleas from scientists and wildlife biologists who charge that the cutting is endangering hundreds of species of wildlife. Still the supposedly timber-dependent communities of Sitka and Ketchikan are happy to get the money, since when the mills were operating they saw little flow their way. "We owe Senator Stevens a lot," says Stan Fuller, mayor of Sitka. "For years, we didn't get anything. Flat nothing. It was like we weren't even here."

\* \* \*

Stevens, who portrays himself as a gritty

pioneer from Girdwood, Alaska, is actually a Hoosier. He was born in Indianapolis in 1923 and moved to Huntington Beach, California, as a teen. During World War II, Stevens served under General Clair Chenault as a pilot in the quasi-private Air Force known as the Flying Tigers, an enterprise that would over the course of a few decades evolve into the CIA's Air America. In China, Stevens ferried Chiang Kai-Shek's KMT fighters over the Himalayas to camps in Burma and Nepal. At the time and for decades to come, the KMT financed their war against the Japanese and Mao's Red Army through the opium trade.

After the war, Stevens returned to southern California, where he got a degree at UCLA. Then he was off to law school at Harvard. From Harvard, Stevens embarked for Alaska to strike it rich. But his private practice soon fizzled in the thinly populated territory. In 1953, he was rescued from these professional doldrums by his friend Fred Seaton, who secured Stevens a position as US District Attorney for Fairbanks. Seaton soon became Eisenhower's Interior Secretary, and he brought Stevens with him to D.C. to serve as his chief counsel.

The young lawyer divided his time over the next six years between two consuming tasks: securing statehood for Alaska and opening up as much land as possible in the new state to plunder by timber, mining and oil companies. As a reward for his services, Ike elevated Stevens to the position of solicitor for the Interior Department, a position he held for a year until Kennedy gave him the boot.

With his resume fattened up, Stevens returned to Alaska, setting up shop as an oil-industry lawyer in Anchorage, where he laid the groundwork for opening the North Slope to the oil cartels. But his time in Washington had fired Stevens' political ambitions. Billing himself as the man who won Alaska's statehood, Stevens was elected to Alaska's House of Representatives, where he quickly rose to the position of Speaker.

In 1968, Alaska's senator Bob Bartlett died suddenly, and the state's governor, Wally Hickel, soon to become Nixon's In-

terior Secretary, tapped Stevens to fill the empty senate seat. A year later, Stevens held onto the seat in a special election and since then he has never faced a serious challenge.

A party loyalist, Stevens stuck with his patron Nixon even as the president crashed in the wreckage of Watergate. The party rewarded Stevens for his unflinching fidelity. He was handed plum posts in the senate not normally reserved for a senator from a remote and sparsely populated state. He moved from assistant Republican whip to chair or ranking member of the powerful Government Affairs and Commerce committees, as well as the Defense Appropriations subcommittee. And finally he landed the most desired position in Congress, the chair of the Senate Appropriations Committee. By 1985, Ted Stevens was king of the Hill.

It was around this time that Stevens began to gripe publicly about the great financial sacrifice he had made by devoting his professional career to the political stewardship of Alaska. These periodic outbursts, often at town meetings in places such as Seward and Ketchikan, may have been ignited by the rise of his fellow Republican from Alaska, Frank Murkowski. Murkowski, a relative newcomer to the state, had made millions as an investment banker before moving to Anchorage and running for the senate.

But Stevens had also suffered a severe financial reversal in 1986, when a crab-fishing venture into which he'd sunk more than a million dollars went bust. Stevens was mired in debt and chafing about his meager senate salary of \$130,000 a year.

Soon thereafter Stevens began to use his position as overlord for \$800 billion in annual federal spending to steer government contracts and subsidies to enterprises owned by friends, family members, and business associates. Within a few years, Stevens was a millionaire like Murkowski. So too were his wife, his son, and his brother-in-law.

Ted Stevens was perfectly positioned to profiteer from these kinds of giveaways devised in the inner chambers of his senate offices and buried in the subtext of spending bills that are hundreds of pages thick. Not only did Stevens control the purse strings of the government, but for years he also chaired the Senate Ethics Committee, which wrote and enforced the rules on conflicts of interest involving senators and family members — rules that proved very lax indeed.

\*\*\*

Like the sons of Trent Lott and Harry Reid, Ted Stevens' son Ben works as a top lobbyist in D.C., pulling in big fees by trading on his father's unrivaled position in the senate. For example, in 2000 Senator Stevens earmarked \$30 million in disaster relief funds to the Southwest Alaska Municipal Agency. The agency promptly hired Ben Stevens to advise the group on how those funds should be spent.

Dozens of other Alaska companies have sought the services of the senator's son. From 2001 to 2004, Ben Stevens' financial disclosure forms show that he has been paid more than \$750,000 in lobbying and consulting fees. Stevens notes that he considers his lobbying business only "part-time" work. That's because his full-time job for most of that time was to head up the Alaska Special Olympics, which his father financed with a \$10 million federal appropriation. Ben Stevens was paid \$715,000 as director of the organization.

During that time, Ben was also working for VECO, a large oil services company, that had built pipelines in Alaska and in southwest Asia. Ben Stevens was paid more than \$210,000 by VECO from the late 1990s through 2002. In 1999, VECO had built a \$70 million pipeline in Pakistan. When the Pakistan government was slow to pay up, VECO complained to Senator Stevens. Stevens told the Pakistanis that he would hold up a big trade deal with the country until they ponied up the money to VECO. The Pakistanis complied, and the trade pact was approved.

Ben Stevens' stunning success as lobbyist is remarkable considering the fact that until 1998 he had no experience at all as either a lobbyist or a consultant. Indeed, he had spent the previous 15 years working on a commercial fishing boat in the Bering Sea. But this experience on the icy ocean has also come in handy in Washington.

The senator claims that he rarely speaks to his son about legislative matters, except when they involve commercial fishing. "Ben's an expert on fishing," Stevens told the *Anchorage Daily News*.

Indeed, Ben Stevens gets paid \$170,000 from the Alaskan fishing industry to guard their interests in Washington. He soon proved his value. In 2003, as the invasion of Iraq was in high gear, the Bush administration sent an

emergency request to Congress for \$80 billion to fund the war. Senator Stevens saw this as a fail-safe way to spread a little cheer to his son and his clients. Deep inside the war spending bill, Stevens embedded a provision, long-sought by the Alaska fishing industry, forcing the Department of Agriculture to classify wild salmon caught in Alaskan waters as an "organic" food. The designation would allow the fishing industry to significantly mark up the price of such certified fish.

Stevens also used the Pentagon funding bill as cover for two more fishing measures: a \$45 million subsidy to Alaskan fisheries and a provision requiring the military to purchase only American fish, 80 per cent of which comes from Alaska.

Later, Stevens promised that his next move on their behalf was a scheme to compel the military to include "salmon jerky" as a part of the basic ration kit for troops in Afghanistan and Iraq.

\*\*\*

In 2000, Stevens engineered and pushed through a measure that amended the Defense Appropriations Act to allow tiny Alaskan Native Corporations to receive no-bid contracts from the Pentagon (and, later, the Department of Homeland Security) worth hundreds of

## SUBSCRIPTION INFO

### Enter/Renew Subscription here:

One year \$40 Two yrs \$70  
(\$35 email only / \$45 email/print)  
One year institution/supporters \$100  
One year student/low income, \$30  
T-shirts, \$17  
Please send back issue(s)  
\_\_\_\_\_ (\$5/issue)

Name \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Payment must accompany order, or dial 1-800-840-3683 and renew by credit card. Add \$12.50 for Canadian and \$17.50 for foreign subscriptions. If you want Counter-Punch emailed to you please supply your email address. Make checks payable to: **CounterPunch Business Office**  
PO Box 228, Petrolia, CA 95558

(Stevens *continued from page 5*)

millions of dollars. The tribal entities were under no obligation to actually perform the work. Instead, they could simply subcontract it out to big defense contractors, such as SAIC and Bechtel, at a handsome profit. In essence, the tribal corporations act as cutouts for big companies that don't enjoy the same loopholes in federal contracting provisions.

One of those tribal companies pays \$6 million a year to lease an office building owned by Senator Stephens and his business partners. Stephens sees no conflict of interest in the deal. "I'm a passive investor," Stephens told the *Los Angeles Times*. "I don't make the business decisions." Not from the corporate side maybe, but as the overseer of \$800 billion federal discretionary spending he makes sure that those businesses enjoy a generous supply of federal funding.

While Stevens is willing to exploit the tribes as cutouts to steer millions to favored projects and businesses, he shows open disdain for the aspirations of the tribes themselves. In the fall of 2003, Stevens took to the airwaves to publicly lambaste the tribes for wanting to assert control over their own lands, tribal members and tribal enterprises. Stevens vowed to use his power to block any federal funding for tribal courts in native villages and accused the tribes of trying to destroy the state.

"The road they are on now is the destruction of Alaska," Stevens warned in a racist diatribe carried on Alaskan Public Radio. "The native population is increasing at a much, much greater rate. I don't

know if you know that. And they want total jurisdiction over what happens in a tribal village, without regard to state law and without regard to federal law. If all the villages in Alaska are tribes, more than half the tribes in the United States are in Alaska, and if each one is entitled to a court...uh, you see, it's not going to happen."

Stevens' outburst enraged Alaskan tribal leaders and civil rights advocates. "As an Alaskan native person, I take very strong offense to the statements made by the senator," says Heather Kendall-Miller, an attorney with the Native American Rights Fund. "He talks about it as if it were 'us' versus 'them.' I haven't heard that kind of talk since I don't know when. It's assault on tribalism."

Stevens has been accused of running a kind of legislative protection racket. In 2001, Stevens intervened to save a \$450 million military housing contract in Alaska that the Pentagon wanted to cancel. The contract was held by an Anchorage firm run by a longtime friend of the senator. This friend had made Stevens a partner in several lucrative real estate deals. Since 1998, Stevens' initial \$50,000 investment in the firm had yielded the senator more than \$750,000 in profits.

It's not all about making money. It's also about self-glorification. In 2001, Stevens implanted \$2.2 million in federal money to underwrite the expansion of the Anchorage airport. And what is this new facility called? Ted Stevens International Airport, an honor usually reserved for the dead, or at least the retired. CP

(Big Picture *continued from page 3*)

Alperovitz is not completely silent on one other area, but he is quite glib, almost to the point of being dismissive. In the last couple of pages, he belatedly mentions "global issues and international relations," writing that efforts to reign in the U.S. "are both essential and laudable." But ultimately, he believes, change in the way the U.S. relates to the wider world will only come with change at home. This misses entirely the dynamics between changes at home and struggles abroad. Consider the way the pressure of the cold war (i.e., fears that newly decolonized nations would 'go red') aided the civil rights movement, or the way the Vietnamese struggle for independence helped trigger the New Left.

Isn't the question of how the U.S. (or various sub-national groupings) might virtuously relate to the rest of the world relevant? Shouldn't democratization of wealth strategies have a global component (the corporations, after all, are already quite multinational)? In light of the likely difficulties of achieving a just foreign economic policy at the national level, might municipalities or universities initiate efforts to further "pluralist commonwealth" strategies in sister institutions worldwide?

These sorts of questions should not obscure Alperovitz's achievement. He has synthesized a number of theoretical and practical developments to produce a convincing portrait of a decentralized and pluralistic form of socialism. Such a vision, if embraced and refined by progressives, could provide far higher-grade fuel than simply improving our "framing" skills. CP

**CounterPunch**  
**PO Box 228**  
**Petrolia, CA 95558**