

Grant Rejected by Local Governments May Go to AFN

JUNEAU— A federal grant which was turned down by Alaska's local governments may end up being put to good use by the Alaska Federation of Natives, Gov. Walter J. Hickel said.

"The economic development of rural Alaska through the efforts of the people who live there is a major goal of this administration," Hickel said. "The AFN application for the

Economic Development Administration grant dovetails precisely with this goal."

Hickel said Joe FitzGerald, chairman of the Federal Field Committee for Development Planning in Alaska, and Clyde Courtneage, Alaska Field Administrator for EDA, are working closely with the state of further the AFN application.

An original EDA plan to form large economic units in the State was approved by officials of the Matanuska-Susitna Borough in the Railbelt area and by Haines, Hoonah, Craig, and Juneau in Southeast.

Borough and city officials elsewhere in Southeast and the Railbelt area feared the new economic unit plan would mean an additional layer of govern-

ment and let plans for the program lapse.

In an effort to divert the EDA funds to the area needing them most, the state attempted to secure a grant for rural Alaska, but the request was turned down by EDA.

"Fortunately," Hickel said, "the state also encouraged the utilization of the EDA funds by the Alaska Federation of Natives. We fully support the AFN program, and we pledge the full cooperation of the state in the efforts of rural Alaskans to guide their own economic development."

The AFN grant application, which totals \$114,509 is being processed by EDA. The AFN would contribute \$26,569 of the \$114,509.