

# Hickel, Randolph disagree on state revenue, Permanent Fund

Two Republican gubernatorial candidates, Walter Hickel and Dick Randolph, disagreed sharply in recent statements addressing state revenue shortfalls caused by dramatic declines in oil prices.

"Calls for a special session of the Legislature to deal with the drop in oil prices are too little too late," Hickel said earlier this month.

"You can never cut the budget deep enough to offset an absence of income," he said in a prepared press release. "For four years our government officials have had one hand in their pocket and the other hand out."

The candidate said the only way to resolve the current economic crisis is to encourage new industries, diversify the state's economy, create new jobs and develop new sources of income.

"Of course, that kind of action takes leadership and the ability to make tough decisions. I know. I've been there," said Hickel, a former governor. "As governor, I said I was go-

ing to open up the Arctic. We did it, and today we have Prudhoe Bay."

Randolph, however, challenged Hickel's statements, calling them "irresponsible."

"The facts are that the state is spending \$2-\$3 million each day it doesn't have," Randolph said. "Unless we begin cutting the budget immediately, we'll run out of money early next year."

Randolph said Alaska's lawmakers must deal with the shortfall immediately to avoid the "worst financial crisis to face us since statehood."

He also claimed it is not true that no budget can be cut deeply enough to offset loss of income due to rapidly dwindling oil dollars.

"A prompt special session could begin to reduce spending for this fiscal year, which only began three weeks ago. Then, the next session of the Legislature could begin to address the long-range solutions: developing our resources, getting a private, sustainable economy going that will provide real jobs.

"But not dealing with the crisis now is not only irresponsible, but also unconstitutional."

He also said that budget cutting alone will not be enough to bring the budget into balance immediately.

"Reluctantly, the Legislature also will have to consider tapping undistributed income to balance the budget, including earnings from the Permanent Fund and the new budget reserve."