

# Rural Dems

## fight back dividend repeal

A coalition of rural Democratic legislators led by Rep. Al Adams of Kotzebue last week defeated the attempts of a coalition of Republican urban legislators and Gov. Bill Sheffield to repeal the Permanent Fund Dividend plan.

The battle pitched Adams against House Speaker Joe Hayes of Anchorage. And, although both sides predicted victory going in to the battle, when the smoke had cleared the measure was defeated by 18-22.

The lone Republican voting against the bill was Sam Pet-singer of Anchorage.

Those voting for repeal of the dividend program were solidly from the railbelt cities of Anchorage, Wasilla, Palmer, and Eagle River.

Opponents of the bill included Adams of Kotzebue, Bette Cato of Valdez, Mike Davis of Fairbanks, Jim Duncan of Juneau, Jack Fuller of Nome, Ben Grussendorf of Sitka, Adelheid Herrmann of Naknek, Vern Hurlbert of Sleetmute, Nilo Koponen of Fairbanks, Ron Larsen of Palmer, Hugh Malone of Kenai, Jack McBride of Ketchikan, Mike Miller of Juneau, Dick Shultz of Fairbanks, Tony Vaska of Bethel, Ron Wendt of Ketchikan, and Fred Zharoff, Kodiak.

The dividend repeal bill was in the House Rules Committee for at least a month as proponents and opponents struggled for votes.

Dick Randolph, former state representative and Libertarian candidate for governor, predicted the maneuvering isn't over yet.

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# Rural Democrats narrowly save dividend

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"The critical thing is that we won a battle today, but the war's not over," said Randolph, who gathered more than 20,000 petition signatures in support of the dividend program.

Adams said his constituents have had an economic benefit from the dividend checks. The checks, he said, have offset the high cost of living in the Bush.

"We have heard of many plans to spend the permanent fund earnings," Adams said.

"The bright ideas we produce continue to roll along."

Reminding lawmakers of where most state revenues come from, Adams said many "bow down and thank God for the North Slope. It produces \$32,000 per hour."

Rep. Ben Grussendorf, D-Sitka, said he had asked himself what the "saving grace of the permanent fund dividends are."

Rep. Randy Phillips, R-Eagle River, repeated his constituents' poll results that said 62 percent supported repeal of the program.

A father of the permanent fund, Rep. Hugh Malone, D-Kenai, said if the repeal proponents were "really serious, we would have a constitutional amendment before us and not a bill."

"It is not a joking matter," Bettisworth said. "Just two years ago, we had more money than we knew what to do with. Two years later, we're saying we don't know where to get enough money. The permanent fund was established as a rainy day account. It was to be there when we needed it. It's awful hard to take candy away once you put it there."

Bettisworth said state oil revenues will decline. In 1990, he said, the state revenue will be 63 percent of what is being spent currently.

"To maintain what is established today will take money," he said. "Either you take it from the state or from your pocket."

House Minority Leader Mike Miller, D-Juneau, said the repeal proponents were really looking at saving the money today, "so that tomorrow you can start spending it again."

He added, "That's the plan. That's exactly what will happen. If they think (the permanent fund) will be a savings account, a savings account that is growing, that is extremely naive." House Majority Leader Ramona Barnes, R-Anchorage, said passage of the repeal measure didn't mean "we intend to raid the permanent fund."

Barnes said the permanent

fund earnings are needed to "fund all those state employees (Miller) is so fond of."

Rep. Mitch Abood, R-Anchorage, said the permanent fund won't be repealed if the lawmakers are "diligent to stand up and protect it." He said lawmakers should consider state needs over those of in-

dividual constituents.

Without repeal, "tomorrow will be a lot slimmer than it is today," Abood said.

Szymanski, countering Miller's statements about proponents being naive, said, "I'm not naive or ill-informed. I know very well of the coming revenue gap of \$1.5 billion,

\$2 billion . . . funding at 50 percent between now and 1990."

He said if lawmakers don't repeal the dividend program, what would be left is "the legacy of higher taxes, substandard services, and the question, 'What happened to our permanent fund?'"