

Devastating Blow--

State House Slices Bush Programs

The Alaska State House delivered a devastating blow this

week as they sliced bush programs from the state budget. A trio of Democratic lawmakers charged the GOP House leadership with being anti-bush but laid the chief blame on a Democrat, Dick McVeigh of Anchorage, who deserted earlier this year to join the GOP leadership.

Representatives Chuck Degnan D-Unalakleet, Phillip Guy D-Kwethluk, and Larry Peterson D-Ft. Yukon, contended that the McVeigh-Fink organization clearly demonstrates their continued opposition to small communities by completely eliminating the Rural Development Assistance Agency from the Department of Community and Regional Affairs in state government.

The Rural Development Agency, a division of the Community and Regional Affairs Office headed by Byron Mallot, has for a period of 14 years administered public works grants throughout the state to small communities with no other

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source of funding.

The new House budget proposes to cut RDA funds from the present \$650,000 to a little over \$400,000, wiping out the administrative portion of the budget and eliminating travel funds to the various, scattered villages which are recipients of the programs.

A spokesman for the Agency said the programs cannot be effectively administered under the new budget and that there are no other programs, either state or federal to replace them.

In the 14 years of its existence, RDA has grown steadily to meet the urgent bush needs for communities with populat-

tions less than 2000 and in most cases, closer to 500 people. It has administered over 1000 grants to more than 200 such communities, as well as administering \$2 million of federal funds in the Neighborhood Youth Corps and Operation Mainstream.

"RDA appears to be going," said Degnan. "Although some say that only the administration sections have been wiped out. In essence, that wipes out the department because if you don't have anyone to administer a program, you don't have a program."

Other programs which the McVeigh Republicans labeled as

rural oriented were also slashed. Examples of this are the National Guard reenlistment bonus, which was drastically cut, recruiting and retention were completely cut, and the food stamp program which was cut by \$488,500 from the governor's request of \$963,800.

"Rural schools were slashed by over a million dollars compared to the on-base State Operated Schools who were increased \$364,400 from the governor's request," Representative Peterson said.

"Although it appears that rural Alaska will take the bulk of the cuts, all of Alaska will suffer. A lower quality of education for rural Alaskans will have a detrimental impact on the cities which will receive these people in later years," Degnan pointed out.

A direct impact on the economy of the state will be the loss of 13 million dollars of food stamp buying power. With over a 50 per cent of the total food stamp program, the state will be forced to give up the programs.

"This will have a chain reaction throughout the state - less food stamp sales, workers laid off, etc. Think it over, McVeigh. Let the 'little fellow' eat, let his papa work, provide a real equal opportunity," said Degnan.

Of vital importance to the consumer is the Department of

Laws, Consumer Protection Division which was cut over \$100,000. This agency is already

limited and needs expansion instead, said the Democratic objectors.

"I object to the practice of cutting out people assisting programs first," Degnan stated. "Other examples of this irresponsible budget are the almost complete elimination of funding for the Office of the Commissioner for Economic Development and the Promotion of Economic Enterprises," Rep. Guy charged.

"Even with my limited knowledge of economics," said Guy, "it appears to me that it takes state dollars to stimulate the economy where private enterprise is afraid to take a risk."

"Without money being spent, private enterprise cannot make a profit, people go out of business and end up on welfare. Let's give people the opportunity to work," declared lawmaker Degnan.

The Native Arts and Crafts Program which saw birth under

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BUSH . . .

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According to a Juneau observer, "The only chance of saving the budgets for these important programs, both in RDA and the Department of Economic Development, appears to lie now in the Senate."

If passed by the House, the budget will be examined by the Senate Finance Committee, headed by Senator John Sackett of Galena who is expected to lead a fight to restore bush funds for rural development.