

# FBI receives 2<sup>nd</sup> extortion letter

By ROBERTA ULRICH

PORTLAND (UPI)—The FBI said Tuesday a second communication had been received from "J. Hawker," the extortionist who has threatened to cut off the power supply to this second largest city in the Northwest if he is not paid \$1 million.

Julius Mattson, agent in charge of the FBI office here, described the letter as "ambiguous and confusing to all parties." He said the contents "will not be released at this time."

The first letter from the extortionist, received last Friday night, was released in full to the news media.

An FBI spokesman said the new letter did not appear to give the FBI any more clues to the identity of the extortionist. The statement from Mattson

released by the FBI said, "A second communication has been received from the individual representing himself as 'J. Hawker.' The letter is ambiguous and confusing to all interested parties. Its contents will not be released at this time."

The FBI spokesman, asked if agents were convinced the second letter was written by the same person as the first said, "He signed the same name."

Meanwhile, armed state troopers began riding shotgun Tuesday in helicopter patrols of the high voltage power lines which the extortionist has threatened to blast. "J. Hawker" claimed responsibility for dynamite damage to 11 towers supporting the power lines in remote areas of Oregon in recent weeks.

Bonneville Power Administration, the federal

agency which operates the lines to distribute power from federal dams in the region, refused to pay the \$1 million, offered a \$100,000 reward for information leading to the extortionist, stepped up its security and began repairing the damage.

John Urich, BPA information officer, said repairs were to be completed Tuesday on all but one of the lines put out of service by the blasts.

BPA was using three helicopters to patrol the power lines in a 40-mile radius around Portland. Some fixed-wing aircraft also were being used and the number of ground patrols was doubled to six.

Dan Schaustenm, assistant to the BPA administrator, said the police were aboard the patrol craft because, "There is nothing our pilots can do if they see a person planting a charge on a tower."

## Middle class faces \$ woes

*Editor's note: Due to an error in editing, this story appeared in Tuesday's paper with only the last third of the text. The Emerald regrets any confusion to readers. The following is the entire text of the story.*

By DIANE AUERBACH

CPS—Remember the '30s: Rudy Vallee, nickel apples, bread lines, the Dust Bowl and the WPA? Those too young to experience that riotous era have another chance: some economists are predicting a return engagement of the Great Depression.

The chorus of doomsday predictions has swollen. "The 1970s will go down as the second great watershed," warns economist Henry Brandon. "The worst crisis since 1931," predicts Alan Day of the London School of Economics. "Nixon left the economy in a shambles and in my book, the country is facing the worst depression since the 1930s," echoes labor leader George Meany.

Even the conservative *Wall Street Journal* has joined the act: "The government may be facing a choice between a depression...or an annual inflation rate of 30 per cent or 40 per cent."

Several important indicators of the US economy have been flashing some very gloomy signals. Wholesale prices leaped a frightening 3.9 per cent in August alone, reports *Newsweek*, the second biggest one-month rise in 28 years. On top of a 3.7 per cent surge in July, it was a sure omen of more explosive inflation in consumer prices.

In the past year, the housing industry has suffered a 38 per cent drop; industrial production is now almost 2 per cent lower than last October, when the Arab embargo started.

President Ford's Board of Economists has predicted that inflation will be running at or above eight per cent through next year, and unemployment will reach 6.5 per cent by next summer.

Still, the government flatly denies the advent of a depression, speaks in hushed tones of a recession, and admits only that "we do have an economic problem."

*So Who Can Figure The Economy?*

Economics is very mysterious. As a matter  
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of fact, it mystifies everyone. "The long standing claim of economists that they know how to control inflation is an empty pretense," says Nobel Prize-winning Harvard economist Wassily Leontief.

Nevertheless, Ford believes galloping inflation can be reined in by everyone pulling together and "exhibiting restraint, self-discipline and sacrifice." To set an example, Associated Press reports, the President will walk the 150 yards from the White House to church rather than ride in the presidential limousine.

Ford's economic package emphasizes tight money and budget balancing. Yet to offset the rise in joblessness that is sure to result from a determined campaign against inflation, Ford recommends a massive increase—perhaps four billion dollars—in federal spending to hire the unemployed for public service posts. It's the WPA all over again.

Unless the Ford administration abandons its drive to balance the budget, notes *Time* magazine, an ambitious employment program would eventually require either higher taxes or extra-deep cuts in other federal spending.

Traditionally, the American government seeks a tradeoff between unemployment and inflation. Economist Paul Samuelson explains the conflict: "If credit is easy and employment at a high level, there will be inflation; if credit is tight and there is considerable unemployment, inflation will decline or even cease."

Put crudely, by tolerating a 'mild inflation' of say three per cent, the government could ensure an increase in gross national product of about four per cent. The net result is considered fine for economic growth, but very bad for people on fixed incomes—the pensioners, the swelling ranks of old people on social security and the unemployed.

Many economists see our monetary woes as the unhappy outcome of a series of

historical accidents caused by a glut of European dollars, the greed of oil-rich Arab sheiks, the costs of the Vietnam War, the mercilessness of bad weather ravaging food ravaging food crops, and the machinations of overmighty multinational corporations.

A few economists also believe our corporations.

A few economists also believe our economy is haunted by a ghostly cycle of booms and recessions, that our present crisis is only a particular phase in a recurrent phenomenon which has its parallels in the past.

This cycle shows a regular series of rises and falls. It rises, for example, from 1789 to 1814, from 1848 to 1873, and from 1896 to 1920; and falls in between. Cycle watchers warn that we are now only at the beginning of the lean years—our comparative place in the cycle today is 1924—and that we must suppose that things will get worse before they get better.

So the inflation-unemployment spiral continues and no one can agree on how to stop it. Labor leaders call for heavier taxes on the rich and lighter ones on the poor; businessmen stress the needs for a cut in federal spending (unless it's to help bail them out—as in the case of the floundering Pan American) and farmers say it's a vile slander to blame ballooning food prices for inflation.

*Who Survives The New Depression*

A collapse in the economy would devastate the middle class. The Great American Dream would slip through their fingers as mortgages foreclosed, pensions dried up and food became scarce.

Certainly, the middle class is already feeling the crunch of an economic burden. The depression in the housing industry means that many people who want to buy a house now find that it is beyond their means. *Time* magazine reports that the median price of new houses in the US has

jumped to \$35,000 and mortgage rates hover near 10 per cent.

Those who have jobs are hanging onto them. Not many want to risk a career transfer and the resulting loss in seniority. Those who are not so lucky find jobs hard to come by. When 100 jobs opened recently for firemen in Los Angeles, for instance, 1,000 applicants showed up.

The worse off, of course, are the poor. Unemployment for blacks—as usual much higher than whites—is 9.8 per cent as compared with 9.2 per cent a year ago. Food prices, which take a comparatively larger bite from the welfare mother's pocketbook than from the suburban matron, are skyrocketing: rice is up 90 per cent, sugar 132 per cent, bread 27 per cent and milk 20 per cent from a year ago.

Yet there are winners in depression times. Entertainment thrives as people try to forget their troubles. Movie receipts are up nearly 28 per cent this year with only 8 per cent coming from higher ticket prices.

Coin dealers are profiting from people who have lost their confidence in paper currency and are buying up silver and gold; pawnbrokers and doing a brisk trade. Bicycle sales soar as gasoline glutted cars are left behind in driveways. Sewing machines and jeans are big sellers: corporate earnings of Levi Strauss have doubled (to \$650 billion) in four years.

*New Times* magazine envisions the national growth of a back-to-earth, ecology conscious life style: "What a vindication it would be for the *Whole Earth Catalog!*"

Painting a cozy scene of economic crisis, *New Times* rejoices: "The depression as World War II revisited—it just might work. Think of it: our drug-crazed boys are coming home! Nympho daughters talking of marriage and learning how to type! Whole families plucking berries while Mom washes out the canning jars! President Ford reading "Blondie" to us on prime-time TV!

Ah, the happy days of the New Depression.

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