

## Chicago Begins to Mobilize

There are signs that the sections of the production-based and trade-oriented Chicago industrial grouping are beginning to publicly mobilize against the Wall Street financier network and its policy of destroying world trade and production.

The Chicago grouping has hesitated for the last several months in adopting the International Development Bank as its fighting perspective, a fact which has in large part been caused by the factional in-fighting between various sections of the so-called Chicago directorate. Chicago is split into two principal camps. The Wall Street-influenced Marshall Field-Chicago Sun Times-First National Bank of Chicago axis, has links to the corporatorist Kennedy wing of the Democratic Party, and has supported the Wall Street bankers' debt collection policy. The other faction is composed basically of the agricultural implements sector, led by International Harvester and sometimes joined by Continental Illinois Bank.

It is this latter grouping which now threatens to form the nucleus of a faction which will breakaway from Harriman-Ball-Rockefeller completely and attempt to negotiate its own trade and development deals with the Third World and the East bloc — a move which will of necessity force them towards the IDB. Sources close to Chicago financiers had reported last week that while New York banks and investment houses were denying Italy credit to force a capitulation to austerity, Continental Bank had supplied the Italians with \$150 million in credit since the attack on the lira began. Continental Grain, another major Chicago-based corporation will reportedly establish another company with the Italian State-owned shipping company Finmare. According to Corriere Della Sera "this company would already have a contract for transporting grain to the Soviet Union." High-level Chicago financiers and allied industrialists said that they "could live with a debt moratorium," rather than see the world economy destroyed.

In its January newsletter, the International Trade Club of Chicago, representing the top 200 corporations in the city, issued a Policy Statement on the World Economy which stressed the interdependence of the world economy in terms analogous to those used by pro-development factioneers Andreotti of Italy and Debré of France. The statement stresses that the industrialization of the Third World and the general increase in the global standard of living provides the impetus for expansion in the advanced sector. "World trade must increase in order to meet the growing needs for food, energy, clothing and meaningful employment for men wherever they live," it continues. Transfer of capital, the free flow of knowledge and technology is stressed.

In the significant section which first backs away from and then approximates a call for IDB, the ITC calls for the "strengthening of existing international institutions as well as creating new ones to ensure the implementation of the above principles." The program, which reflects the influence of the pro-development Chicago faction, however still side-steps the debt question.

The same newsletter reports that in an effort to implement those principles, the ITC has established closer liaison with

the Illinois Congressional delegation. This is clearly a move to circumvent the policy paralysis of the Ford Administration and addresses a long-time problem of the Chicago faction — the lack of national political spokesmen.

As part of the growing motion toward an active pro-development policy an official of the World Bank was brought before the ITC in an attempt to demonstrate the result of maintaining the existing monetary structures. Henry J. Costanzo, a pro-debt spokesman for both the World Bank and the IMF was invited as a "foil" to address the International Trade Club on Feb. 10. He did not mince words, telling his audience that the increasing debt servicing requirements of the Third World will necessitate zero or negligible growth in per capita income of the Third World countries. Costanzo told the heavily export-oriented group that import cutbacks would become a fact of life for the Third World in order to maintain the sacred debt payments.

This aggressive pro-development motion has been accompanied by a mobilization against the Wall Street-directed "exposes" of corporate kickbacks and payoffs to foreign governments. This "corporate Watergating" serves the two-fold purpose of destroying potential factional opposition to Wall Street policy, while laying the basis for Mussolini-style corporatist reforms. With the attack already zeroing in on the aerospace sector, Wall Street deployed to Chicago Senators Frank Church (D-Idaho) and William Proxmire (D-Wisc), two of the Congressional ringleaders for the factional attack, along with Washington Post publisher Katherine Graham whose paper has conducted the scandals, to hold Chicago in line by threatening potential opponents that they might be next. While the terror campaign produced a temporary reversal by some Chicago spokesmen on their previous support for an Italian debt moratorium, the deployment has now backfired provoking a stiffening of spine among pro-development layers.

Debate among the Chicago factions on the corporate Watergating broke out in the press this week. The International Harvester faction used the Feb. 16 Chicago Tribune to attack the Watergaters. Harvester's Brooks McCormick warned that the American system might be destroyed by a "rash of hysterical new laws in response to hysterical opinion that all corporations are crooked."

Taking up the other side, a spokesman for Borg-Warner rejoined that corporate housecleaning was necessary. (Borg-Warner represents a grouping which seeks expanded trade but which compromises that position by supporting the Field-First National axis on the corporate "housecleaning.")

Positions on the corporate Watergating, and most probably on the debt moratoria were discussed at a high level meeting of the top 20 corporations in Chicago today. No details are yet available on the discussions.

Independent oil producers or refiners, who might tend to aid Italy during an embargo, such as Getty Oil, Phillips Petroleum and Ashland Oil, are all under one form of attack or another. Virtually the entire aerospace industry, the economic underpinnings of the southwest wing of the Republican Party oriented toward former President Richard

Nixon, is under attack from Sen. Frank Church's multi-national subcommittee and the Securities and Exchange Commission.

Rockefeller henchman Attorney General Edward Levi and his Justice Department is playing a major role in the new offensive against American industries. Weyerhauser Industries, the northwest paper combine which has taken a strong pro-development stand through its company-owned Northwest press, along with 22 other corporations, has just been hit as part of an industry-wide indictment for price-fixing by Levi's Chicago U.S. Attorney Skinner. The Justice Dept., the FBI, and the Internal Revenue Service are meanwhile step-

ping up their investigation of local businesses, Chambers of Commerce and the major grain companies, Continental Grain, Cargill and Cook involved in grain handling. This move is aimed at eventually bringing them under the top-down control of a new federal regulatory agency under the control of Levi's Justice Dept.

The potential link-up of Chicago industrialists with other pro-development or potential pro-development forces around the country, all of whom are under a renewed and more massive wave of Watergating-style attacks from the now-realigned Harriman and Rockefeller forces is key to sustaining the factional motion.