ROCKY BAILS OUT CHRYSLER, HESITANT TO LET AUTOMAKER FAIL

NEW YORK, N.Y., Dec. 27 (IPS)--In an emergency bail-out operation, top New York banks under the leadership of the Rockefeller-allied Manufacturers Hanover Trust Company opened a three-year, $400 million credit line to the ailing Chrysler Corporation, itself a Rockefeller company.

Although no public disclosure of the conditions attached to this infusion operation were made, less than 24 hours after the arrangement was officially acknowledged, Chrysler announced the termination of cost-of-living benefit payments to its 18,000 non-union white collar employees. Simultaneously, a spokesman for the automaker conceded that its 15,000 "temporarily" furloughed white collar force will not be recalled.

In an exclusive interview with IPS, a spokesman for Chrysler's head investment bank, the First Boston Corporation, revealed the "coincidence" of these two developments. He stressed that Chrysler's "pruning operation" was in direct consideration of "its obligations to its stockholders and creditors."

With Development Stalled, Rocky Hesitant

The precise meaning of the bail-out operation becomes clear in the face of the disrupted plans for the establishment of labor-intensive development projects around the world. Without alternative outlets for profitable investments of this kind, the protection of assets in existing industries such as auto becomes more compelling.

With this stall in Rocky's development plans, he is hesitant to let a large corporation--not even Chrysler whose third quarter balance sheets qualify it as bankrupt--go under and threaten the fictitious value of assets throughout the rest of the economy. The same First Boston Corporation spokesman, intimately involved in the Chrysler financial negotiations, stressed "we cannot tolerate even one corporation of the size of Chrysler to go bankrupt. The consequences are immeasurable." This represents a possible change of policy for the Rockefellers, who only weeks before were prepared to see Chrysler bankrupted and shipped off in crates to Iran.

Second, the changed circumstances require that the large corporations faced with debt obligations which they cannot meet be given the necessary time to introduce straightforward rationalization schemes of production cutbacks, layoffs, and wage reductions. The need for such a commitment becomes especially clear in an effort to compensate for the inflationary consequences of renewed credit expansion.

The top New York banks apparently hope that three years will provide Chrysler the necessary time to accomplish such ends. As the President of Manufacturers Hanover boasted: "The banks have confirmed their support of Chrysler over the three years. It's an expression of faith by the banking industry."

Chrysler already has demonstrated its commitment to carry out this policy. To date, it has closed down five of its six auto plants and furloughed and laid off a combined 45 per cent of its workforce. Plans for speedup have been embraced as stated company policy. As one Chrysler spokesman announced on behalf of the banks this week: "We're going to be leaner, tougher companies" in the period ahead.

But the large Rockefeller banks need not only rely on the faith of Chrysler to see through the intensive austerity measures. For one, the severe contractionary monetary policy introduced by the Federal Reserve and New York banks in late September made it all but impossible for consumers to finance auto purchases and for dealers to finance stocks. Forced to finance the involuntary inventory accumulation as a result of these policies, Chrysler found itself in a position of complete dependence on the banks. Simultaneously, Moody's investor's service this week removed Chrysler's credit rating on company-issued notes, thus cutting it off from sources of funds independent of the banks.

Chrysler: A Rockefeller Appendage

Chrysler is but an appendage of the Rockefeller financial empire, run and controlled by the Rockefeller faction. Since at least the 1950s, the company has been dependent on outside sources to finance its competitive expansion and has been taken over lock, stock, and barrel by the Rockefellers. Among its present Board of Directors are business and financial bigwigs directly connected with the Rockefeller financial web. These include, among others, J. Richardson Dilworth, head of Rockefeller Family and Associates; Gabriel Hague, Chairman of the Board of Manufacturers Hanover and Treasurer of David Rockefeller's Council on Foreign Relations; and Najebe Haleby, former director of L. S. Rockefeller and Associates. In the interests of self-preservation such Rockefeller overseers guarantee that speedup and rationalization are company policy.

USSR MAY CANCEL ARMS AID TO EGYPT

Dec. 27 (IPS)--Egyptian Foreign Minister Ismail Fahmi has been suddenly dispatched to head a high-level delegation to Moscow this week. The hastily conceived pilgrimage follows an urgent letter from Soviet Party Chairman Leonid Brezhnev to Egyptian President