

A bonanza for speculators

Editorial Board
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The Chrysler-Daimler merger provides its richest rewards to billionaire Kirk Kerkorian and other stock market speculators. Kerkorian, who began buying Chrysler stock in 1990 and attempted an unsuccessful takeover in 1995, saw the value of his stockholding jump \$660 million on May 6 alone, when Chrysler's stock soared \$7 a share on word of the impending merger.

Kerkorian bought nearly 100 million shares of Chrysler stock at an average price of \$13.82 a share, and will be able to exchange these for shares in the new DaimlerChrysler worth an estimated \$60 apiece. His total profit on his investment in Chrysler stock will approach \$5 billion.

Others who will profit enormously include The Capital Group, which owns 5.9 percent of Chrysler's stock, Deutsche Bank, which holds a 24.4 percent interest in Daimler-Benz, and the Emir of Kuwait, who controls 12.9 percent of the German automaker.

Chrysler's executives also have a huge personal incentive in the deal. Because of "golden parachute" clauses which provide especially generous stock options in the event of a takeover or merger of the company, Chrysler CEO Robert Eaton stands to net \$62.9 million personally, while Vice Chairman Robert A. Lutz will make \$24.2 million.

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