

FOOLS ON HILL PUT BULLET IN THE HEARTBEAT OF AMERICA; WORLD MARKETS TANK

✖ The last 7-10 days have given us multiple Congressional hearings, press conferences, statements by belligerent bloviating blowhards, outrage, fear and uncertainty in the public over the precarious state of the American auto industry. Last night it all culminated in a shameless show by Senate Republicans who decided to crater the world economy instead of agreeing to provide what, at least by current Washington standards, is a nominal loan to American automakers. Today the reality of their action, actually lack thereof, has already set in. From The Guardian:

Stockmarkets tumbled around the world after a \$14bn (£10bn) bail-out package for the struggling US car industry collapsed last night.

The London market followed Asian shares into the red. The FTSE 100 index fell nearly 180 points in early trading, a drop of 4%, and later traded down 140 points at 4248.

Dow Jones futures were down more than 250 points, pointing to a fall on Wall Street when it opens later today. There could be more bad news for the US economy when official figures are released this afternoon, which are expected to show a sharp fall in retail sales in November.

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The news triggered a sharp fall in share prices in Asia, with Japan's Nikkei closing down 5.6% at 8235.87 while Hong

Kong's Hang Seng tumbled 5.5% to 14,758.39. Also hurting Asian markets were new figures showing Japanese consumer confidence falling to a record low, while India's industrial output posted its first annual drop since 1995.

The only ray of hope in this morass of stupid was pointed out by Ian Welsh last night, namely the Bush White House may now have to lend the auto companies the money through TARP. Ian noted this from CNN Money:

Bush officials warned wavering GOP senators that if they didn't support the legislation, the White House will likely be forced to tap the Wall Street bailout to lend them money, two Republican congressional officials told CNN earlier...

...One of the sources said the a White House official made clear to a GOP Senator that would be the worst option, because the loan could go to the auto companies with few or no requirements along with it.

That would certainly be the smart thing for Bush to do because it is not just General Motors, heretofore the Heartbeat of America, that is being killed, it may well be the worldwide auto industry. From Bloomberg:

GM plunged 28 percent in Germany, while Honda Motor Co. and Daimler AG sank more than 6 percent. The dollar fell to a 13-year low against the yen, while the cost of protecting corporate bonds against default soared. Metals and crude oil slumped.

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Standard & Poor's 500 Index futures sank 3.9 percent, indicating the benchmark for U.S. equities will extend yesterday's 2.9 percent drop. Europe's

Dow Jones Stoxx 600 Index lost 3.3 percent, while the MSCI Asia Pacific Index fell 3.9 percent.

"It's over with," Senate Majority Leader Harry Reid said on the Senate floor in Washington last night. "I dread looking at Wall Street tomorrow. It's not going to be a pleasant sight."

No kidding Harry. Maybe you could have worked a little harder on getting your Democratic Senators, that didn't bother to show up and vote, down to the floor. Oh, and for the biggest bloated fools of all on the hill, the Republican bus full of Bozos driven by Richard Shelby, Jim DeMint and Bob Corker, how do you like your handiwork now that your precious foreign manufacturers are tanking too? Just wait until the demise of parts suppliers really hammers them. Morons.