# Meltdown on Wall St.




A timeline of the meltdown of the global financial industry that led to a proposed 700-billion-dollar US government bailout:

- **March 16**: Struggling Wall Street investment bank Bear Stearns is sold cheap at US$236 million to JP Morgan Chase, in a deal engineered by the Federal Reserve.

- **September 7**: The US Treasury takes over shareholder-owned mortgage finance giants Freddie Mac and Fannie Mae and guarantees US$100 billion of debt for each institution.

- **September 15**: Venerable Wall Street investment bank Lehman Brothers files for bankruptcy protection after the US government refuses to bail it out. Rival Merrill Lynch hastily arranges to be swallowed up by Bank of America for US$50 billion.

  The Federal Reserve pumps US$70 billion into the markets.The Dow Jones Industrial Average plunges 4.42%. London's FTSE 100 index slumped 3.92%, the CAC 40 in Paris drops 3.78% and Frankfurt's DAX sheds 2.74%.

- **September 16**: The US government rescues AIG with a US$85 billion loan, giving the US government a 79.9% stake in the company. The Fed injects another US$50 billion into the markets.

- **September 17**: Stocks plunge again amid the economic uncertainty: the Dow slides 4.06%. The Securities and Exchange Commission (SEC) bans some short selling of financial shares.

- **September 18**: The Fed and global central banks pump US$300 billion into credit markets. Stocks rally on news of a broader US government bailout; the Dow jumps 3.86%. After US markets close, US Treasury Secretary Henry Paulson asks lawmakers for authority to buy the toxic mortgage-related assets of financial institutions.

- **September 19**: US government announces a broad-based, US$700 billion financial rescue plan. The Fed pumps another US$20 billion into the credit markets. Stocks soar, with the Dow up 3.35% and Paris and London indexes surging 9.275% and 8.84%, respectively.



## Rocky road for Thai politics

Thailand's governing People's Power Party names Somchai Wongsawat, brother-in-law of the controversial former PM, Thaksin Shinawatra, as its new candidate for prime minister. Within hours of the announcement a powerful faction within the ruling party said it would not support him. Correspondents say the PPP has two days to reach consensus or risk renewed political instability. A state of emergency was lifted in Bangkok on Sunday, 12 days after it was imposed amid violent clashes between government supporters and opponents, which left one person dead.

## Anti-Islam rally spark protests in Germany



Thousands of left-wing demonstrators gather on September 20 to protest against an extreme right-wing rally, clashing with police in the German city of Cologne. Violence erupted after the protesters tried to halt an "anti-Islamification" rally, which police eventually banned. The extreme-right Pro-Koeln group had sought to hold a protest against plans to build one of Europe's biggest mosques. The police said the decision to ban the rally was a matter of public safety.

PHOTOS: AFP

Sources: BBC News, AFP