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Stocks fall as hopes for deal fades

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NEW YORK — Stocks closed lower Monday on concern that U.S. lawmakers will run out of time to reach a budget deal before year-end.

The Dow Jones industrial average lost 52 points to close at 13,139 in a shortened holiday trading session.

The Standard & Poor's 500 index fell three points to 1,427. The Nasdaq composite dropped 8 points to close at 3,013.

Sen. Joe Lieberman said that it is now "more likely we'll go over the cliff than not," following the failure of a plan by House Speaker John Boehner's to allow tax rates to rise on wealthier Americans.

Failure to agree on a budget plan by Jan. 1 would lead to government spending cuts and tax hikes that could push the economy into recession.