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Psychonomic Newsletter, Jan 20, 2008

In short: The steep fall in stock markets since Dec 26, 2007 is caused by diminished fears that new wars might break out and by the failure (at least until now) of the Bush administration to remove obstacles against a war with Iran by exploiting the so called US-Iran speedboat incident.

In an article titled “Unbridled Desire for Change”(Unbändige Lust auf Neues) the Swiss weekly „Sonntagszeitung“ wrote on Jan 6, 2008 that the U.S. citizens seem to be on the point of overcoming the war in Iraq and that this happens because things in Iraq seem to go relatively well. In addition the paper writes chaos does not seem to break out in Pakistan and according to the U.S. secret services Iran is not in a situation immediately before nuclear arming. People therefore feel relieved and are longing for social change. This political constellation however can suddenly change when something terrible happens somewhere in the world.

In the following the article suggests that Obama is the candidate who stands for change and who should profit from peace whereas electors would prefer Clinton when the political constellation would change again towards war.¹

This overcoming of war could in my eyes have caused a change in social mood. So Obama said, when he won the primary in Iowa: „People said this day would never come.” (Tages Anzeiger, Zurich, Jan 5, 2009) Not surprisingly in my perspective this mood change toward peace is correlating with a strong downtrend in the stock market which lasted from Dec 26 until Jan 9 and was interrupted only for 2 days from Jan 9 to 10, exactly when Clinton surprisingly won the New Hampshire contrary to what polls had predicted.



Gocomics.com Jan 9, 2008

As you might recall from my previous newsletters peaceful, rational phases of the political group process have the effect that traumatic feelings among the population of a country are no more acted out in politics and are therefore directed into the economy and cause a downtrend

in stock markets. Vice versa an upswing in stock markets is an indicator for an irrational phase of the political process. And the upswing in stock markets from Jan 9 to 10 signalling an irrational political phase may have been the cause for the surprising success of Clinton in the New Hampshire primary.

The shortterm upswing from Jan 9 to 10 in stock markets was connected with an attempt of the Bush administration to undo the harm to the war politics of the Bush administration caused by the Iran report of the US intelligence services of Dec 8, 2007:

[AFP via Yahoo! News - Dec 03 1:02 PM](#)

[Iran halted nuke arms quest in 2003: US intelligence](#)

The US **intelligence** community said in a new report Monday that **Iran** halted its nuclear weapons program in 2003, and that US charges about Tehran's atomic goals have been overblown for at least two years.

Bush tried to get rid of this obstacle for his war plans and wanted to use the US-Iran speed boat incident for this purpose.ⁱⁱ This incident is said to have happened on Sunday, Jan. 6 and was reported first on Monday, Jan 7:

Yahoo News, Jan 7, 2008



Iranian speedboats swarm US navy vessels in Gulf: Pentagon

Five Iranian speedboats swarmed three US navy **ships** as they transited the strategic Strait of Hormuz over the weekend, radioing a threat to blow them up, a Pentagon official said Monday.

Bush immediately tried to use this incident to strengthen support for his war plans against Iraq and announced that he would ask Arab leaders during his Mideast trip which began Wednesday, Jan 9, to join him against Iran:

Yahoo News, Jan 7, 2008



Iran high on Bush Mideast trip

CAIRO, Egypt - Iran is the one issue where President Bush and Arab leaders have shared concerns. Ahead of the president's Mideast trip, Arab nations are eager to contain growing Iranian power, though they're wary of doing so militarily.

Yahoo News, Jan 13, 2008



Bush says US, allies must confront Iran

ABU DHABI, United Arab Emirates - President Bush said Sunday that Iran is threatening the security of the world, and that the United States and Arab allies must join together to confront the danger "before it's too late."

Bush however didn't seem to be successful in his efforts to find support against Iran. So the Zurich, Switzerland based daily paper Tages-Anzeiger wrote on Jan 14, 2008: "Bush's visit is criticized in unusually harsh words in the regional Arab press. His politics in the Mideast are called a total failure. His trip lacks credibility. It is called another useless trip at the end of his presidency, a Saudi Arabian commentator wrote. And one of his colleagues even wrote, **Bush has proved to be a catastrophe for the United States, the Mideast and the world and whatever he touches turns into dust and ashes....**"

I think when it became clear to people's unconscious personality parts that Bush would not be successful in his efforts to find support for his war plans against Iran a strong feeling of disappointment followed already on Jan 10 which caused the steep fall of the stock markets which has not been interrupted yet.

At some point this fall in stock markets will be interrupted when the political process turns temporarily irrational. During such a turn Bush could overcome his lame duck status and have success with an economic stimulus plan which would favour strongly the rich. One indication that an irrational political trend may have already began is the victory of Clinton, the candidate without fundamental social change, in the Nevada primary. Another indicator is the momentary belligerence of Israel and Hamas:

Yahoo News, Jan 14, 2008



Israel: 'No options' out on Iran nukes

JERUSALEM - Prime Minister Ehud Olmert told a powerful parliamentary panel on Monday that Israel rejects "no options" to block Iran from obtaining nuclear weapons, a meeting participant said.

The statement was the Israeli leader's clearest indication yet that he is willing to use military force. Nevertheless a temporary irrational political mood change can be expected.

Yahoo Jan 18, 2006



Israel closes Gaza crossings

JERUSALEM - Israel's defense minister has ordered the temporary closure of all crossings into Gaza, cutting off supplies into the besieged strip in response to a slew of Palestinian rocket barrages at nearby Israeli towns, defense officials said Friday.

ⁱ I do not think that Clinton would continue the war politics of the Bush administration. But because she insists that she is “ready to lead from day one” she signals that she knows what is to be done. This just may not signal a state of openness which is required for orientation in a situation of uncertainty and in order to bring about fundamental social change, as was the case in the thirties of the last century when the Roosevelt administration adapted Keynesian economics and was able to adapt to a changing social environment by inventing the famous “New Deal” in social relations. During times of war the electors might prefer a politician like Clinton who claims to know in every moment what is to be done or how to lead whereas in times of peace the electors might feel more inclined to fundamentally change society and to be able to admit new rules to be invented and implemented. The adaption of the social rules to today’s social conditions and at least a partial removal of the political splits among the population of our societies is certainly something which the electors fairly can expect or hope for. These new rules necessarily cannot be discussed seriously in advance because they require a mood change, and who can take a mood change for granted and trust for it before it will have happened? What only bothers me in respect of a fundamental social change is the danger that it might be accompanied by major wars which was the case so many times when social change did happen, remember only WWII which paralleled the “New Deal” of Roosevelt or the bloodbath which followed the French Revolution.

ⁱⁱ I think in view of the history of lies of the Bush administration it is fair to take into consideration that this incident might be a pure fabrication of the US military as was the earlier so-called provocation of Tongkin which gave the Johnson Administration a pretext for an escalation of the Vietnam war.