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In short: A growth panic emerging from the successful implementation of a progressive political agenda impairs the chances of reasonable politicians in the upcoming midterm elections. At the same time the rational political position seems to be solid and the irrational politicians do not know where to go. The growth panic therefore might impair the chances of reasonable politicians to a certain extent but the current rational development should hardly be reversed. In order to preserve the chances of rational politicians a brake on controversial legislative projects could be applied. This in turn could weigh on stock prices. As a compensation for the resulting economic damage a limited stimulation package could be planned.

Paul Krugman wrote in his yesterday's NYT column titled "Curbing your Enthusiasm" the following: "Mr. Obama rode into office on a **vast wave of progressive enthusiasm**. This enthusiasm was bound to be followed by disappointment, and not just because the president was always more centrist and conventional than his fervent supporters imagined. Given the facts of politics, and above all the difficulty of getting anything done in the face of lock step Republican opposition, he wasn't going to be the transformational figure some envisioned."

Krugman seems still occupied with the "enthusiasm gap" he deplored in his Jul 15 column: Can Mr. Obama do anything in the time that remains? Midterm elections, where turnout is crucial, aren't quite like presidential elections, where the economy is all. Mr. Obama's best hope at this point is to **close the "enthusiasm gap"** by taking strong stands that motivate Democrats to come out and vote. But I don't expect to see that happen.

Krugman in his current column blames Obama for avoiding confrontation: "The point is that Mr. Obama's attempts to **avoid confrontation** have been **counterproductive**. His opponents remain filled with a passionate intensity, while his supporters, having received no respect, lack all conviction. And in a midterm election, where turnout is crucial, the 'enthusiasm gap' between Republicans and Democrats could spell catastrophe for the Obama agenda".

I agree with Krugman on the importance of a progressive change after 30 years of neoliberalism and neoconservatism. I doubt that avoiding confrontation was counterproductive in regard for the implementation of progressive objectives. Only think to the health bill issue which went through congress after the bipartisan health care summit was held on Feb 7 2010. I suppose the enthusiasm gap which sometimes shows up between tea partiers and rational supporters of the Obama administration is caused by the successful implementation of progressive objectives by this administration (health care bill, strategic nuclear disarmament treaty between US and Russia, Nuclear Summit, depart from unconditional support for Israel's settlement policies in the wake of Biden's visit to Israel in March 2010, Financial Overhaul).

This is possible because people consist of different aspects of their personalities which can be unconscious and even dissociated. One of these aspects is the conscious reasonable main personality which is connected with the speech center in the brain and which can express itself explicitly verbally. The other is an immature personality which is unconscious and

which I call alter ego. Since it is not connected with the speech center in the brain, it cannot express itself explicitly, verbally, but only implicitly.

After eight years of irrationality in politics under the Bush administration it was possible that people were able to stay firm in their conscious personalities and a "**vast wave of progressive enthusiasm**" could build up. But the same people later might succumb to a growth panic. Their alter ego makes them feel uneasy when things in the world go better and they feel safer and soothe their rigid super egos when giving support to punishing tea partiers.

So they become sheep electing their own butchers as the Germans did when they gave an election victory to the Free Democratic Party (FDP) in the 2009 national election. The FDP until then was a radical neoliberal party focussed on lowering taxes. Since then the FDP forms a coalition with Chancellor Angela Merkel's CDU/CSU bloc. But it turned out that the neoliberal FDP was not able to stick to its neoliberal goals and instead had to abandon them. This is because the neoliberals and the neoconservatives indeed are agents of our alter egos but these agents do not know where to go anymore. Having used up the resources of the societies there isn't anything left they can destroy with their irrational politics.

So the rational political position seems fundamentally solid. This could be seen in the US on several occasions. In the first moment the tea party slogans look popular because they represent the wishes of our alter egos. When the political system, the media and people focus on them the irrational politicians have to back pedal. I have showed this in my last newsletter for the 2 cases Barton and Steele.

I suppose Democrats know about the connection between progressive politics and voter anger. In order to preserve rational and Democratic interests in the midterm elections they might cut back legislation until then (without stopping to work on the progressive agenda underground). This temporary legislative halt in turn could do harm to a limited extent to stock market prices. If necessary a limited stimulus package designed to compensate for a temporary halt in rational legislation could be appropriate.