

Florian Galler
Psychonomic Newsletter, Jul 17, 2011¹
May 1 - Jul 15

Dow Jones Industrial Average (DJIA), Jul 17 2009 to Jul 15 2011



Dow Jones Industrial Average (DJIA), Apr 18 2006 to Jul 15 2011²



In short: Ruthless media investor Rupert Murdoch lost his grip on the government of Great Britain. Murdoch's delegitimation means a loss of power of an important agent of our alter egos and they therefore became terrified. The possibility that the delegitimation process could extend first to the U.S. and Murdoch's Fox TV and then to the Tea Party is an even worse prospect for our alter egos. A political backlash was the immediate consequence of this which was responsible for the retreat of stock prices. But it should be clear that despite of the current deterioration general social conditions seem to improve in a fundamental way.

Theoretical considerations on political goals, group process and stock prices

First I want to deliver some theoretical remarks on political goals, stock prices and group process.

¹ This is a slightly revised version of the original newsletter. The main difference consists in a quotation from the article "The GOP's hardliner: How Eric Cantor thwarted the Obama-Boehner debt deal" which I added on p. 5.

² Charts downloaded from YAHOO NEWS.

In the following table you see the correlation of political goals with the preferences of our personality parts. The major political goals are listed in the first column. In the second and third columns you see how these goals are valued by our personality parts. In the current historical situation our alter egos like imperial politics and contempt for the international law. They like spending for unjust wars which do harm to international peace, as well as spending for police, secret services and prisons as long as these institutions do harm mainly to the lower and middle classes and not to rich conservatives abusing their power. Our reasonable personality parts have opposite preferences. It has to be added that I do not regard the correlation shown in the table as valid in every historical period. But I am confident that the correlation in the table is correct for the current historical situation after more than 30 years of neoliberal and neoconservative dominance.

Political goals and group process		
Political goals	Reasonable personality parts	Alter ego
Social stability <ul style="list-style-type: none"> • reversal of tax relief for the rich • Strengthening of social market economy 	Welcome Relief, encouragement	Not welcome Rage, anxiety, despair
Economic growth		
European Integration		
World peace <ul style="list-style-type: none"> • democratisation of the Islamic nations (Arab Spring) • respect for the international law, also by Israel 		

Now to the question of how the group process is correlated with stock prices. First I have to admit that my considerations are restricted to the time period since the beginning of the presidency of G.W. Bush. Since then we had two different correlations between group process and stock prices. Until Jan 19, 2010 stock prices rose when the group process was dominated by our alter egos and fell when the group process was dominated by our reasonable personality parts. Since Jan 20, 2010 this correlation reversed.

Correlation of group process and stock prices				
Group process	Dominance by reasonable personality parts = constructive phase		Dominance by alter egos = destructive phase	
	"Until" Jan 2010	After Jan 2010	"Until" Jan 2010	After Jan 2010
Stock prices	Decrease	Increase	Increase	Decrease

The reversal in Jan 2010 happened after the Republican Scott Brown won in a special Senate election the seat held for almost half a century by Edward Kennedy. This republican victory was a signal that neoliberal and neoconservative forces were on the rise again and this in a situation when social and economic stability reserves were used up by politics which referred to these ideologies. Because of this investors had to face total loss of their capital if those

ideologies would become dominant again. I think this was the reason for a change of the correlation between group process and stock prices.

Group process since May 1, 2011

Group process and stock prices since May 2011 were strongly influenced by 2 developments, namely the Bin Laden-Raid on May 1 and the possible decline of the Murdoch empire.

Osama Bin Laden Dead: Obama Speech Video And Transcript (VIDEO)

On Sunday night, President Barack Obama announced in a live address to the nation that Osama **bin Laden** is **dead**. Video and the transcript of his remarks are below.

The Huffington Post - May 01 10:48pm

News of the World hacked murdered girl's phone: lawyer

A private detective working for Britain's News of the World tabloid hacked into voicemail messages left on the mobile phone of a murdered schoolgirl while police were searching for her, a lawyer for the girl's family says.

ABC via Yahoo!7 News - Jul 04 04:05pm

Britain shocked by hacking into slain girl's phone



Britain's voracious tabloids may have hit a new low: The News of the World was facing claims Tuesday that it hacked into a missing 13-year-old's phone messages, possibly hampering a police inquiry into her disappearance.

AP via Yahoo! News - Jul 05 02:52pm

Amid scandal, Murdoch kills off News of the World

The Murdoch media empire unexpectedly jettisoned **the News of the World** Thursday after a public backlash over the illegal guerrilla tactics it used to expose the rich, the famous and the royal and remain Britain's best-selling Sunday newspaper.

Boston Globe - Jul 07 10:08am

U.S. lawmakers urge feds to investigate Murdoch media company

July 13, 2011|By the CNN Wire Staff



Sen. Frank Lautenberg is calling for an investigation into whether News Corp. violated U.S. laws.

The phone-hacking scandal engulfing Rupert Murdoch's media empire intensified in the United States on Wednesday as three senators and a congressman urged federal authorities to investigate whether one of Murdoch's U.S.-based companies may have violated anti-bribery and other laws.

A fourth senator told CNN he was considering launching his own investigation into the scandal.

Sens. Frank Lautenberg, D-New Jersey, and Barbara Boxer, D-California, sent letters to Attorney General Eric Holder asking Holder to look into concerns that News Corp. -- the parent company of Fox News -- violated the Foreign Corrupt Practices Act, known as the FCPA. The law, enacted in 1977, makes it illegal for a U.S. person or company to pay foreign officials to obtain or retain business.

Sen. Robert Menendez, D-New Jersey, also wrote to Holder, asking him to examine whether journalists working for Murdoch may have tapped into the phones of the victims of the September 11, 2001, terrorist attacks.

Rep. Peter T. King, R-New York, asked FBI Director Robert Mueller to investigate that possibility.

Their concerns appear to be traceable to a story published Wednesday by the Mirror, a British tabloid that includes a section it describes as "gossip gone toxic."

The newspaper cited "a source" who referred to a former police officer who now works as a private investigator. "The investigator is used by a lot of journalists in America and he recently told me that he was asked to hack into the 9/11 victims' private phone data," the investigator reportedly told the newspaper...

The successful Bin Laden-raid on May 1 and the announcement on Jul 7 that the Murdoch media empire gave up News of the World were both major achievements for our reasonable personality parts with possibly far reaching consequences. The revealing of "Unconsciously Abusive Communities" (UAC's)³ in the Arab world has along with the so-called Arab Spring the potential to overcome Islamic fundamentalism and induce economic prosperity in the Arab countries and contribute to peace in the world. I think the media mogul Rupert Murdoch is or was an important pillar of neoliberalism and our alter egos felt soothed by his ruthlessness and the influence he had on British and U.S. politics.

If the Murdoch scandals would spread to the U.S. and Fox TV, then the rising awareness on this UAC could finally endanger also the Tea Party movement. Therefore one should have expected an ongoing constructive phase of the group process to prolong. Actually the contrary happened. This happened because the feeling of security for our alter egos stemming from the power of Murdoch and the grip of the Tea Party movement on U.S. politics were endangered. Imagine what would become of famous billionaires who are sponsoring the Tea Party movement like the Koch brothers without Murdoch's Fox TV?

Our alter egos became so frightened that a political backlash was unleashed by these events. As a consequence U.S. bipartisan debt talks came to a standstill and have been dominated by Republican hardliners, namely Eric Cantor:

The GOP's hardliner: How Eric Cantor thwarted the Obama-Boehner debt deal

Time.com – Tue, Jul 12, 2011

At his press conference on Monday, President Obama made clear that his frustration with House Republicans' intransigence in negotiations to raise the federal borrowing limit did not extend to their leader. "I think Speaker Boehner has been very sincere about trying to do something big," Obama said, one of several compliments in an extended embrace of his negotiating partner. "The politics that swept him into the speakership were good for a midterm election; they're tough for governing."

Tough indeed. And a death hug from a polarizing Democratic President doesn't make the task easier for Boehner. From the start of his speakership, Boehner has been forced to contend not just with a fractious band of freshmen who would rather risk economic catastrophe than give ideological ground, but also with a top lieutenant positioning himself as Boehner's purist foil. While Obama may respect Boehner's forthrightness, recent twists in the plot of debt ceiling negotiations suggest that if he wants to convince hard-line House conservatives not to jeopardize the nation's economy, he may have been negotiating with the wrong Republican.

During the high-stakes summit at the White House on Sunday evening, Eric Cantor was the primary voice speaking on behalf of Republicans interests, according to several accounts of the meeting. A senior Democratic aide briefed on Monday's talks told TIME that Cantor again "dominated" much of the negotiations on the Republican side, while Boehner "hardly spoke."

Cantor's stated resistance to a grand bargain freighted with revenue increases - and the perception that his position reflected the pulse of the GOP conference - likely influenced Boehner's decision to scuttle his pursuit of a "big deal" with Obama. Weeks earlier, Cantor's abandonment of the Biden-led negotiations were the death knell for those talks.

...

³ I introduced the term UAC in my Psychonomic Newsletter of Jul 6, 2011, p. 1. I had always regarded neoliberalism and neoconservatism as masspsychological phenomena unconsciously designed to promote suffering and meaninglessness in the world. I proposed to call people being part in such self-destructive group processes as "Unconsciously Abusive Communities" (in German language: "unbewusste Taeteregemeinschaften").

The backlash is a masspsychological phenomenon and therefore was not restricted to the U.S. So in Europe hatred against the European integration and nationalistic tendencies among the EU governments (most prominently in Germany) and speculation against the Euro rose again.

Since the outbreak of the financial crisis in 2008 a number of major UAC's have been decisively weakened and therefore the fundamental conditions for a more reasonable future have been prepared. This is connected with the following events of the past: **2006** victory of the Democratic Party in the 2006 Congressional elections, **2008** Barack Obama's presidential election victory, since **2008** impairment of the Swiss bank secrecy, **2009** presumable defeat of Ahmadinejad in the Iranian presidential elections, **2011** Arab Spring, successful Bin Laden-raid, possible beginning of the end for Murdoch's media empire and Berlusconi's grip on Italy's politics. So in the medium term chances for a reasonable social development look good. But some question marks remain. Will the agents of our alter egos be able or willing to cause the United States to default on its Treasury debt before the grip of an extremist Tea Party movement on the U.S. politics will be seriously impaired by the delegitimation of neoliberal UAC's, most prominently of the Murdoch media empire? If the republican hardliners would not become reasonable or overcome by a heightened public awarness an U.S. default on public debt could be a serious blow to the Social Market Economies, to social progress and economic growth.

English Proofreading by Rudy Weiler (www.rweiler.ch)