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Summary: The identification with the aggressor seems to be working again after the Republican candidate Brown won the Senate election in Massachusetts. The systemic crises might sharpen at the same time to such an extent that a change of behavior of the investors is possible.

Obama congratulates GOP winner in Mass.

AP – Tue Jan 19, 10:59 pm ET

WASHINGTON - President Barack Obama congratulated Republican Scott **Brown** on winning a Massachusetts election Tuesday that will deprive the president of a filibuster-proof majority in the Senate.

Now with this confirmation of the persistence of irrationality in political systems the condition of the economic and environmental systems could resume their path of deterioration which seemed to be interrupted after the U.S. population had elected a rational politician, Barrack Obama for president. Our alter egos should feel relieved by this:

Enthusiasm gap in Massachusetts

Jonathan Martin Jonathan Martin Sat Jan 16, 7:51 pm ET

HYANNIS, Mass. – As the two candidates running in the special Senate election here barnstormed across the state Saturday, **the enthusiasm gap between the two parties was on vivid display.**

Democrat Martha Coakley, Massachusetts' attorney general, kicked off a series of stops with a morning speech at a Boston union hall, receiving a **response more polite than enthusiastic.**

Coakley and **Vicki Kennedy**, the widow of the late senator, both addressed a crowd of about 100 electrical workers but it fell to a state representative from nearby Dorchester to deliver the closing remarks aimed at firing up the Democrats.

"I see there is some excitement in this room but there is not enough excitement in this room," Martin Walsh said, as the heavily male, Carhartt-and-jeans crowd stood with hands in pockets.

There was no need for such an exhortation on Cape Cod as state Sen. Scott Brown, the Republican nominee, was enveloped by a couple hundred, sign-waving supporters as he attempted to walk into a local pub where another hundred voters waited for an afternoon rally..



Matt Paturzo, a supporter of Massachusetts State Senator Scott Brown, R-Wrentham, rides a high-wheeler in Wrentham, Mass., Tuesday, Jan. 19, 2010. Brown is running against Democrat Martha Coakley in a special election to fill the U.S. Senate seat left empty by the death of Sen. Edward M. Kennedy, D-Mass.

Especially the members of older psychoclasses should feel enthusiastic about Brown's success. These feelings are the reverse of the feelings of uneasiness which the rational aims of the Democrats in Washington are causing within people because by supporting this they are deprived of cleansing themselves of traumatic feelings by the defence mechanism of unconscious identification with the powerful abusing aggressor in economy and politics. **So the identification with the powerful abusing aggressor seems to be working again.** This identification makes us feel strong and invincible because it enables us to transfer the overwhelming power we attributed to the adult abuser in our early life times to our social systems as for example the economy. Therefore we feel strong and our risk preference is rising and stocks should rise too or at least not fall.

We have to wait some time and see how rational political forces will handle this irrational blow. Finally we have to assess whether our societies in a fundamental sense are able to provide our political and economic systems with a minimal stability. Because our social systems are already weakened after 30 years of neoliberalism and neoconservatism and after the devastating economic crisis which began in 2007 and while in addition global peace is seriously endangered by conflicts with the Arab world it may be simply so that humanity can not afford to go on courting our alter egos like before.

So although there might be a upward potential for stock prices because of the dynamics of the group process which seems to turn irrational again, the investors might get aware that the danger for a collapse of the social systems might be rising to a point that a short term breakdown is possible. The condition of our social systems seem to deteriorate in a point of time where the opposite development would be urgently necessary. In such a situation investors might remain reluctant even during a situation where the group process would allow for some hit and run business with stocks. Therefore I wonder whether phases of rising stock prices in the future could show only moderate gains while phases of falling stock prices might show sharp losses. In other words our systemic crisis might have advanced to the point where we cannot go on with our perverted mechanisms to love destruction and hate construction. In such a situation of utter systemic crisis investors usually stay liquid and do not invest in stocks. Also this might be the time to become rational again.