



FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

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The Law of the Jungle

I just finished watching the three-episode documentary [Trainwreck: Woodstock '99](#) on Netflix, and recommend it. It's a fascinating (and somewhat terrifying) deep dive into crowd psychology and human nature.

The guy who organized the original Woodstock in 1969 also organized this one. His idealism seemed like mere naïveté to me. For example, he didn't want police or armed security guards, so he had a "peace patrol" composed of (way too few) completely untrained young guys who were armed with yellow T-shirts.

Even this idyllic utopian vale suffered from the Tragedy of the Commons, because nearly everyone just threw their trash on the ground like it was Somalia. The massive amount of trash that covered the ground reminded me of the signal that graffiti sends: "chaos reigns here." It didn't take long for the 400,000 young people who showed up to figure out that there were no laws and they could pretty much get away with anything.

Ironically, inside the fence of an old Air Force base, a festival that was supposed to be about "peace, love and music" descended into a Hobbesian state of nature—where life is "poor, nasty, brutish and short"—within three days.

There were plenty of warning signs; a number of interviewees (one of whom looked remarkably like Beavis of Beavis & Butt-Head) talked about the latent mood of the crowd and how they thought it could turn at any moment. Once the crowd realized that it could get away with anything, it just needed a few people to model that behavior, which is one of Antifa's specialties (they break the store windows, which sends a signal that it's now OK to loot the store).

It didn't help that most of the attendees were high/drunk, exhausted, dirty, dehydrated, suffering from heat injuries, lacking adequate shelter, being price-gouged or that others were egging them on (the biggest bands) or getting their hopes up (the promoters).



But these are exactly the conditions that will prevail during a severe crisis, which is why it's crucial for you to get a glimpse of what true human nature looks like once the thin veneer of civilization is stripped away. Because you don't want to be psychologically unprepared for that, like the media and Woodstock production crew were.

On the second night, the crowd began to climb and dismantle the sound tower. It was fascinating to hear it described as like a horde of zombies scaling a castle wall—it looked just like that.

For me, one of the most interesting parts of this story was how quickly everything went south—what's known as a *phase transition* in physics (and finance). On Sunday evening, the promoters held what they expected to be their final press conference, and mostly congratulated themselves for organizing a festival that was fairly successful.

They then proceeded to hand out 100,000 candles, with the intention that they be used for a candlelight vigil against “gun violence” (the Columbine shooting had recently been in the news). And then The Red Hot Chili Peppers covered the Jimi Hendrix song “Fire.”

Naturally, everyone then linked arms and gently swayed to a Joan Baez folk song before leaving the concert fulfilled and at peace with the world and their fellow man. At least, that's what would have happened in Utopia, which has never existed and never will.

Instead, *many* thousands of people proceeded to burn, rape, plunder and destroy. Many of them raged against profits and capitalism. Apparently, a music festival organized by the State or some other entity with no capital or skin in the game would have been far superior. But the system worked exactly as it was meant to. As a result of organizational incompetence and price gouging, the Woodstock brand is permanently tarnished and few customers will ever want to do business with the promoters again.



Once the crowd had burned everything they could, they descended on the vendor tents. As the Beavis interviewee noted, everyone else was looting, so he wasn't going to miss out on that. For some reason, none of them stuck around in the following days where everything had become “free” and they could do whatever they wanted. Instead, all of them returned to places where laws against violence and theft were enforced and property was definitely not free. Hmm.

Gustave Le Bon noted in [The Crowd: A Study of the Popular Mind](#) that crowds don't think, they act. Charles Mackay wrote in the 1841 book [Extraordinary Popular Delusions and the Madness of Crowds](#): “Men, it has been well said, think in herds; it will be seen that they go mad in herds, while they only recover their senses slowly, and one by one.” Thoreau seemed to concur, writing eight years later in [Civil Disobedience](#), “There is but little virtue in the action of masses of men.”

I have said before that both life and civilization are a struggle against entropy, but it is far easier (faster, cheaper, etc.) to destroy, so there is a strong bias towards destruction in human affairs. I predict that in the months ahead, we will see destruction that will far surpass that of 2020.

So watch this documentary, which is not about a music festival, but human nature. See what it looks like when a horde of zombies start coming over the castle walls (and the police have been replaced by social workers in yellow T-shirts). Learn how quickly a situation can go from fairly positive to resembling the fall of Saigon. Get a sense of what it feels like when a phase transition occurs. Discover what your fellow human beings are capable of when their basic needs are not being met. Realize that civilization and the Rule of Law is a rare exception to the Law of the Jungle that prevailed for millennia.



Then prepare accordingly.

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