
Peak View Re-zoning - Extraordinary Popular Delusions

1 message

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I'm only sharing this as I believe it's incredibly important for our community leaders to maintain independence and objectiveness when approaching critical and long-lasting decisions. As similar to the example below, if we run with the herd and only later see our mistakes (slowly and one by one years later), then you pull all of us down with you because some of these changes cannot be reversed. Our beloved town full of wildlife, beauty, and serenity will change forever.

Decisions are hard, but in my own practice I've grown upon a foundation that has served me well. I first make a fiduciary obligation to the client whether that be implied or legal. Next, I identify any and all conflicts of interest, including my own, which are normally tied to \$, beneficiaries, indirect beneficiaries, or relationships. And lastly, I disclose conflicts, commit to research, and provide advice even though the client may not like what they hear. These are just a few of the controls I use to avoid running with the herd and the ensuing delusions associated with such.

Yes, I know, both sides of every issue can take refuge in these thoughts(there is protection in the herd), but it really takes work to assimilate all information and eliminate subjective representations of the topics at hand. With that thought at hand and as I continue my quest to obtain the "Holy Grail" of objectiveness, I only ask that our leaders provide ample information with regards to the "pros (wanting more, a zoning change)" of this particular property as opposed to the "cons (wanting less or maintaining the same)". I already have a copious supply of the cons.

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...

— Charles Mackay, *“Extraordinary Popular Delusions and the Madness of Crowds”*

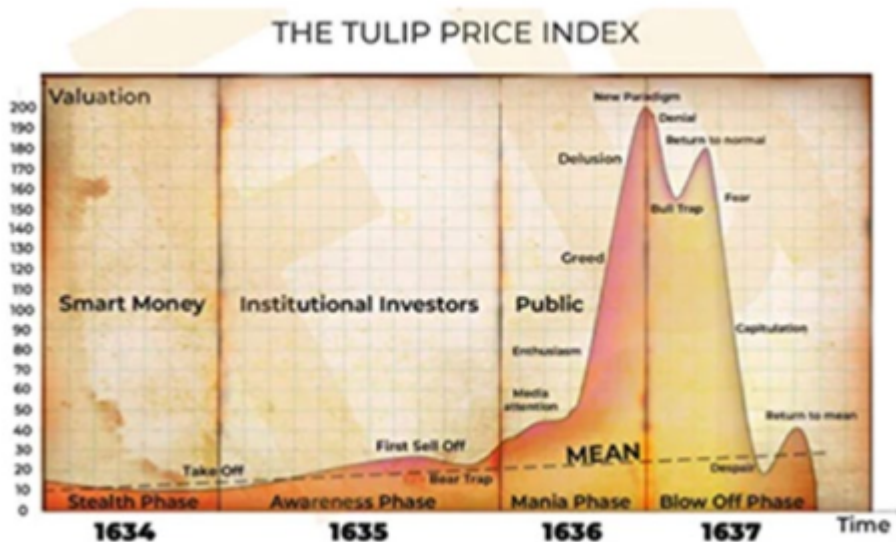
This book centers around "Tulipmania", which is one of the most well-known speculative bubbles in history.

Source: Finance Geek

It started in 1634, when the popularity of the tulip bulbs (a status symbol) and the price of tulips increased 12-fold. According to Mackay, during this bubble, speculators from all walks of life bought and sold tulip bulbs, and even futures contracts. Allegedly, some tulip bulbs briefly became the most expensive objects in the world trading for more than \$750,000 in today's money.

Then the mania ended. In February 1637, prices began to fall and never looked back. The sharp decline was driven by the fact that people initially purchased bulbs on credit, hoping to repay when they sold their bulbs for a profit. However, as prices began to decline, holders were forced to sell their bulbs at any price and to declare bankruptcy in the process. By 1638, tulip bulb prices were back to normal. When all was said and done, Tulipmania was a case of the "greater fool" theory. Bulbs were worth only as much as someone was willing to pay.

But it wasn't just Tulipmania. Mackay describes many other popular delusions *experienced* over many periods. Mackay's tour de force is a guide to human gullibility, irrational expectations and excessive greed, which continues to this day.



Source: Finance Geek

I should also add that the idea of "wanting more" in this sense is \$ but it holds true for almost anything that a group or person hopes to achieve(wanting more). The madness of crowds should always be considered when the herd wants to go one direction(the Town) and some want to go another (the Residents).

Thank you and Happy New Year.

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