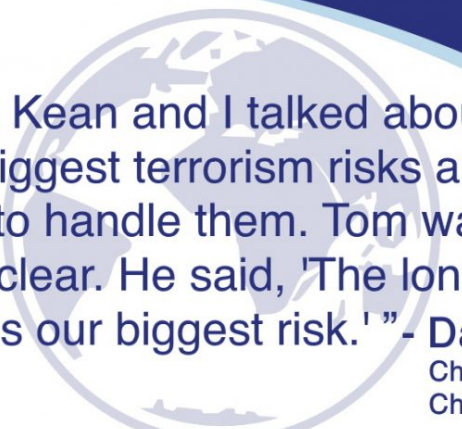






Cumberland Advisors Market Commentary – Inflection Point?

I've known Tom Kean, former governor of New Jersey and co-chair of the 9/11 Commission, for 40 years, and served in several positions in his administration when he was governor. He represents the greatness of the Republican Party, which has produced folks like him and his father Bob Kean and others like Everett Dirksen or Margaret Chase Smith or Jacob Javits or Nelson Rockefeller. Tom's book *The Politics of Inclusion* (<https://www.amazon.com/Politics-Inclusion-Governor-Jersey-Thomas/dp/0029183413>) is a timely reading for today.



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"Tom Kean and I talked about the biggest terrorism risks and how to handle them. Tom was very clear. He said, 'The lone wolf is our biggest risk.'” - **David R. Kotok**
Chairman of the Board &
Chief Investment Officer

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After the 9/11 Commission presented its final report, and over one of our occasional lunches, Tom Kean and I talked about the biggest terrorism risks and how to handle them. Tom was very clear. He said, “The lone wolf is our biggest risk.” He summarized a conclusion and I will paraphrase his words: Our Commission believed the other threats from external forces could be managed even though the cost might be high. But a lone wolf, acting with a distorted or misguided societal view, was the greatest danger. And the potential for that person to

be manipulated by insidious forces in ways that the perpetrator did not comprehend only compounded the danger and made that individual a very dangerous risk to America.

We have just witnessed that threat play out again this weekend.

Authorities have now confirmed that 21-year-old Patrick Crusius, the shooter who opened fire at a Walmart in El Paso, killing 20 and injuring 27, was indeed the author of an anti-immigrant manifesto published online just minutes before the attack. They are now treating the El Paso shooting as an act of domestic terrorism (<https://www.nytimes.com/2019/08/04/us/el-paso-shooting-updates.html>).

In a rhetorical climate marked by intolerance, in which the president of the United States paints perceptions of groups such as non-European immigrants or journalists with a broadly negative and dehumanizing brush, the risks of stochastic terrorism are being realized. (Dictionary.com defines stochastic terrorism as “the public demonization of a person or group resulting in the incitement of a violent act, which is statistically probable but whose specifics cannot be predicted.” See <https://www.dictionary.com/browse/stochastic-terrorism>.)

Tom Kean and his Commission colleagues hit the nail squarely on the head with regard to the dangers of the lone wolf. Washington political forces decided not to listen to them. Now we have the latest news and two more examples to underscore the argument.

As with anything else, there will be an ultimate “inflection point” with domestic terrorism. When that point is reached, things will change. Before that occurs, inertia and special interest politics are the combined obstacles. Only at the “breaking point” do things change, as Malcolm Gladwell has

explored in his writings.

We had years of hijacked airplanes. It took the horrific events that unfolded on 9/11 to change the system with the introduction of TSA. 911 was the breaking point. We haven't had a hijacking since. History is replete with examples of breaking points and the high cost required to alter a landscape once a society has reached an overwhelming consensus to change.

Are we there yet with mass shootings by lone wolves? How many more shootings, killings, and mass murders are needed until a national breaking point is reached and the Congress and the president change the rules? Or the voters throw the incumbents out and replace them with responsible leaders who will change the rules. Time will tell.

Here is a compilation of the buildup toward the breaking point.

2017:

In 2017, the US saw 382 mass shootings, including the deadliest mass shooting in US history, in Las Vegas, as lone shooter Stephen Paddock took 59 lives and injured 422 people, with hundreds more injured in the panic that ensued (<https://time.com/4965022/deadliest-mass-shooting-us-history/>).

2018:

323 mass shootings, with 387 killed and 1274 injured (https://en.wikipedia.org/wiki/List_of_mass_shootings_in_the_United_States_in_2018). Though the year was not unusual in terms of the number of mass shootings, more shootings occurred at schools than ever before: <https://www.vox.com/2018/12/10/18134232/gun-violence-schools-mass-shootings>.

2019:

251 mass shootings to date, with 281 fatalities and 1032

injuries

(https://en.wikipedia.org/wiki/List_of_mass_shootings_in_the_United_States_in_2019). At the Gun Violence Archive (https://en.wikipedia.org/wiki/Gun_Violence_Archive) readers can view a list of 2019 mass shootings so far. That list is 11 pages long already and likely, sadly, to get longer: <https://www.gunviolencearchive.org/reports/mass-shooting>.

Here is a 37-year summary of mass shootings in the US, with a downloadable database: <https://www.motherjones.com/politics/2012/12/mass-shootings-mother-jones-full-data/>.

Inflection point? Are we there yet?

David R. Kotok

Chairman of the Board & Chief Investment Officer

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