

Cumberland Advisors Market Commentary – Governors and the States

“Governor Gavin Newsom said that he would use the bulk purchasing power of California ‘as a nation-state’ to acquire the hospital supplies that the federal government has failed to provide. If all goes according to plan, Newsom said, California might even ‘export some of those supplies to states in need.’

“‘Nation-state.’ ‘Export.’

“Newsom is accomplishing a few things here, with what can only be a deliberate lack of subtlety.”

(“Gavin Newsom Declares California a ‘Nation-State’,” Bloomberg, April 9, 2020, <https://www.bloomberg.com/opinion/articles/2020-04-09/california-declares-independence-from-trump-s-coronavirus-plans?sref=q88SDHkB>)



Readers are advised to consider the power of the states in our system. And please remember American history. When a federal leader abrogates the national role and cedes it to the states based on whatever political motivation, the door is opened to dramatic change. Note that California is the fifth-largest economy in the world, when measured on a standalone basis. Also note that the “big four” states of CA, NY, TX, and FL bring to bear huge political force. Governors Newsom, Cuomo, Abbott, DeSantis, and their 46 colleagues have vast collective power when circumstances put them in a position to use it. Please consider that a rejection of the Trump administration by voters who perceive the failure to prepare and to govern in

the COVID-19 crisis could lead to a massive wave of restructuring of American politics. COVID-19 might be the catalyst for such a change, or it could end up expanding the present power base and embedding a Trump-Pence dynasty. In April of 2020 we cannot predict the outcome in November.

We can, however, begin to examine the elements of the state-versus-federal fight, which is intensifying daily. We see it in the news, as the schism in American politics produces distorted opinions from most American mass media. In our daily work we now watch a dozen different news outlets. We sometimes wonder if they (specifically Fox or CNN) have originated the opinion commentary in the same country. Local news and social media are growing influences at a level we haven't seen in previous times of crisis.

Some readers have asked how the states compare as their various governors have acted or reacted to events. Americans are realizing how heavily the outcomes in their states rely on their governors making wise, timely decisions.

Below is a link sourced outside the US. It is an inventory from Al Jazeera. We offer it for two reasons: (1) Millions of folks outside the US see Al Jazeera as their primary TV news source. (2) We believe this inventory from Al Jazeera is compiled from the English language version and that cohort of journalists has tried to maintain a pretty neutral political viewpoint. The report is not an in-depth dive for every state, but rather an Al Jazeera overview of what various American states are doing. Take a look and judge for yourself: <https://www.aljazeera.com/news/2020/03/emergencies-closures-states-handling-coronavirus-200317213356419.html>.

Americans themselves – almost 32,000 of them – have weighed in, rating their own states' COVID-19 response in a survey conducted by *US News and World Report*: "Residents Rate State Response to Coronavirus Favorably," <https://www.usnews.com/news/best-states/slideshows>

[/10-states-where-residents-rate-coronavirus-response-favorably](#). Those survey results are interesting, too, and suggest citizen support for states that have taken decisive action early.

Peter Aitkin of Fox News offers his own review of the states he judges to have the most extreme lockdown measures. His look at states' COVID-19 responses through the lens of personal liberty demonstrates the tension between America's love of personal liberties and the kinds of policies that protect public health during a pandemic caused by a highly transmissible virus. See "Most extreme measures during coronavirus lockdown, state by state," <https://www.foxnews.com/us/coronavirus-most-extreme-lockdown-measures>. For Aitkin, some of the state responses rated best in public health terms are judged to be the worst as seen through the personal liberty lens.

I am reminded of an exhortation from one of our founding fathers: "Give me liberty or give me death!" These uncompromising words from Patrick Henry, delivered in a speech to the Second Virginia Convention on March 23, 1775, helped to swing the balance toward mobilization for the American Revolutionary War. (See https://en.wikipedia.org/wiki/Give_me_liberty,_or_give_me_death!)

But what would Patrick Henry say today? Surely not "Give me liberty so that I and others might more readily and foolishly die."

In the past I've asserted that those who sacrifice liberty for safety end up with neither. COVID-19, however, demands that we recognize a different truth for a time, dictated by a virus: Those who sacrifice public safety for individual liberty may end up with neither, too. Just for now, just for COVID-19, Liberty and Death link arms to attend funerals and birthday parties together; to ride shoulder-to-shoulder on

mass transit; to party together on beaches; and to slip unseen into sanctuaries with worshippers gathered to pray.

But back to the states. Bill Scher, writing for Politico, offers a far different assessment of what constitutes good and bad leadership in “Coronavirus vs. Governors: Ranking the Best and Worst State Leaders,” <https://www.politico.com/news/magazine/2020/04/01/coronavirus-state-governors-best-worst-covid-19-159945>.

In my personal opinion, Georgia Governor Kemp, a Republican, deserves the prize as our nation’s worst-performing governor in this crisis. His press conference where he admitted learning very late that COVID-19 is infectious without symptoms is just appalling. Here’s the link, in case you missed it: “Georgia Governor Brian Kemp admits he just learned asymptomatic people can spread coronavirus,” <https://www.nbcnews.com/politics/politics-news/georgia-gov-brian-kemp-admits-he-just-learned-asymptomatic-people-n1174976>.

Though Kemp issued stay-at-home orders in the wake of his discovery and closed schools through the end of the academic year, Georgia’s beaches and state parks remain open, a policy that has provoked fierce opposition from beach communities and small towns in the mountains of North Georgia: “North Georgia residents want state parks shut down, governor says no, but crowds will be monitored,” <https://www.fox5atlanta.com/news/north-georgia-residents-want-state-parks-shut-down-governor-says-no-but-crowds-will-be-monitored>.

Ohio’s Republican governor, Mike DeWine, is, on the other hand, widely lauded for his leadership in that state’s pandemic response: “Did Ohio get it right? Early intervention, preparation for pandemic may pay off,” <https://www.washingtonpost.com/national/health-science/did-ohio-get-it-right-early-intervention-preparation-for->

[pandemic-may-pay-off/2020/04/09/7570bfea-7a4f-11ea-9bee-c5bf9d2e3288_story.html](https://www.cnet.com/news/how-kentucky-became-a-surprising-leader-in-flattening-the-curve-on-covid-19/)).

Among Democratic governors, Andy Beshear of Kentucky has won support for early, decisive action from both sides of the aisle: “How Kentucky Became a Surprising Leader in Flattening the Curve on COVID-19,” <https://www.cnet.com/news/how-kentucky-became-a-surprising-leader-in-flattening-the-curve-on-covid-19/>.

On the other hand, Hawaii’s Democratic governor, David Ige, was slow to implement statewide social distancing, ignoring calls for early, decisive action from his own Lieutenant Governor, Josh Green, an emergency room doctor: “Governor Ige faces criticism, mixed reviews over COVID-19 response,” <https://stateofreform.com/news/hawaii/2020/04/gov-ige-faces-criticism-mixed-reviews-over-covid-19-response/>.

One tough decision that governors have had to make is whether to allow churches to hold services, especially in states where any impingement on religious liberty seems a line not to be crossed. In some states, congregations can continue to gather for worship, while in other states religious gatherings, like all other gatherings, are not allowed. Two weeks from now, following Easter Sunday services, Americans will learn how fateful their decisions regarding places of worship have turned out to be. (“Churches allowed to stay open in states where millions are particularly vulnerable to coronavirus,” <https://www.cnbc.com/2020/04/02/coronavirus-churches-can-stay-open-in-states-with-especially-vulnerable-populations.html>)

Another crucial issue that governors are contending with is whether to accede to Trump administration pressure for a quick return to business as usual. On Saturday, April 11, Texas Governor Greg Abbott stated that he plans to allow businesses to reopen by means of an executive order to lift the COVID-19 lockdown “in a safe way.” As *Newsweek* notes, “The medical community and many Democrats have argued for extended closures

to reduce infection rates. The business community and many Republicans want to end the deepest recession since the Great Depression before it does lasting economic damage.” See “Texas to Ease Coronavirus Lockdown Under Executive Order to ‘Restore Livelihoods,’ Governor Says,” <https://www.newsweek.com/texas-ease-coronavirus-lockdown-under-executive-order-restore-livelihoods-governor-says-1497371>.

Meanwhile, as the White House and the CDC have pushed states to take greater responsibility for their own COVID-19 pandemic responses, states and health experts have taken the lead. As the *Washington Post* reports,

“A collection of governors, former government officials, disease specialists and nonprofits are pursuing a strategy that relies on the three pillars of disease control: Ramp up testing to identify people who are infected. Find everyone they interact with by deploying contact tracing on a scale America has never attempted before. And focus restrictions more narrowly on the infected and their contacts so the rest of society doesn’t have to stay in permanent lockdown.”

See “A plan to defeat coronavirus finally emerges, but it’s not from the White House,” <https://www.washingtonpost.com/health/2020/04/10/contact-tracing-coronavirus-strategy/>. Expect more leadership from governors and from states.

We hope readers find food for thought in these articles and draw their own conclusions. In our view, America faces a profound crisis and a monumental governance challenge. No one can reliably forecast how this plays out.

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