

# Ethan Allen Institute

Newsletter - April 2016 (Printer Edition)

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## Top Story: Carbon Tax Is Coming

Back in 2014, Rep. Tony Klein (D-East Montpelier) said about passing a Carbon Tax in Vermont, "I think it's at least a three-year process." He also said, "It won't be [in 2016], because you don't do that in an election year." So, three years after 2014, and not in election year 2016 means... Next year! 2017. (E&E publishing, 12/3/14)  
<http://www.eenews.net/stories/1060009804>

Not coincidentally, the Carbon Tax legislation advocated for by Energy Independent Vermont, the VPIRG led coalition that is working full time to win passage of a Carbon Tax, calls for implementation in 2018, which would allow for passage of a Carbon Tax law in the 2017 legislative session.

The tax would ultimately mean an additional 88¢ per gallon of gasoline, a \$1.2 per gallon increase in home heating fuel, and similar costs associated with diesel, natural gas, aviation gasoline, kerosene, propane and butane.

Continuing what has so far been a two year process, Klein's Committee on Natural Resources & Energy laid some heavy ground work this week and last, taking testimony and soliciting marketing advice from a conga-line of left-wing business types and activists.

(Here's VIDEO of about six hours of testimony condensed into less than five minutes. It's very enlightening. Don't skip it!)

The clear theme that emerges is that these activists are not going to go away until they get their Carbon Tax. They think it is inevitable, and, in time, they will wear down a weary public into accepting it. Just, after the election....

According to an EAI member who contacted his own legislator to ask how he would vote on a carbon tax, he received a quick response by email, "I'll eat my shoe if there's a Carbon Tax brought to the floor this year!" To which our member replied, "I'm not asking about this year, I'm asking about next year." The answer to that one.... Crickets.

## Join Us for Our 23<sup>rd</sup> Annual Jefferson Day Dinner

"Vermont's Jeffersonian Vision for Local Self Government"

A Dinner Talk by John McClaughry  
Wednesday, April 13, 2016  
at the Windjammer Restaurant  
So. Burlington VT Williston Road, ¼ mile east of I-89 Exit 14  
Social hour at 6 pm, Dinner at 7 pm (\$50 per person)

Come enjoy an evening of good friends, good conversation, and good food!  
CLICK to RSVP, or call 802-695-1448

Since his college days half a century ago, John McClaughry has been a student and acolyte of the career and philosophy of the author of the Declaration of Independence. For the past 22 years, the Ethan Allen Institute, founded on Jeffersonian principles, has sponsored a Jefferson observance during the month of Mr. Jefferson's birthday, April 13, 1743.

For this year's celebration, John will speak on "Vermont's Jeffersonian Vision for Local Self- Government". This topic is particularly relevant, since John has just completed his 50th year as Moderator of Kirby Town meeting. This dinner will be an excellent opportunity for friends of the Institute to learn more about Mr. Jefferson's political philosophy and its meaning for dwellers in the 21st Century, from a well informed and entertaining speaker.

Members, friends, guests and the general public are invited. Entrée choices are Prime Rib, Chicken Normandie, and Broiled Scallops, with unlimited salad bar, dessert and beverage. A cash bar will be available.

Reservations are required and may be made before April 11 by email to [annem@kingcon.com](mailto:annem@kingcon.com) or by phone at 802-695-1448. The ticket price is \$50. Space is limited RSVP quickly!

We look forward to seeing you!

## CEAI Proud/Grateful to Receive Support from Koch Brothers

After 23 years of battling for individual liberty, private property, economic opportunity, low taxes and free enterprise, the Ethan Allen Institute is proud to announce that it has for the first time received generous contributions from the Koch brothers.

"We've had to endure many false accusations about the Kochs funneling us money over the years," said EAI President Rob Roper. "Now at last their false charges have become true."

We are hopeful that the initial contributions from the Koch brothers will grow rapidly into enough money to fully overcome the anti-freedom, anti-property, anti-taxpayer, anti-science, economy wrecking, subsidy sucking policies continually advanced by such left wing groups as VPIRG.

The Institute's Board is pleased to publicly express its appreciation to the Koch brothers for their investment in ideas for Vermont's future: attorney Thomas Koch and doctor William Koch, of Barre, Vermont.

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## Commentary: Spending and Taxes Roll On

by John McLaughry

The House of Representatives has completed its work on the FY2017 General Fund appropriations bill, plus the annual tax increases. All in all, it's not pretty.

First, the (limited) good news. The House bill keeps three ironclad commitments: interest on state debt, the Act 60 annual transfer to the Education Fund, and required contributions to the two state-managed retirement funds. Those two funds, however, are \$3.8 billion out of actuarial balance.

A year ago, in the spending bill, the legislators announced a “multiyear process to align State spending and bring revenues and spending into long-term balance.” This year they stayed on that course. The budget is balanced. But that “balance” was achieved by jacking up revenues – taxes and fees – to fill the hole caused by the legislature’s inability to cut spending.

The FY2016 act also promised to “reduce the reliance on one-time funding for base budget needs.” The budgeteers claim that that rule was observed. The rule about basing the budget on less than 100 percent of forecasted revenue was, however, ignored. In fact, the new budget requires \$37.4 million of the \$38.7 million in new General Fund revenues just to balance at 100 percent.

The House-approved budget came in at \$1.541 billion. This is 4.8% increase over the FY 2016 budget. It's also \$11 million higher than the budget that Gov. Shumlin proposed last January.

Anne Galloway of Vermont Digger, which has admirably reported these developments, pointed out that “the growth curve of the General Fund has been more than five percent while state tax receipts have grown about three percent year over year.”

Tom Pelham, finance commissioner under Gov. Dean and tax commissioner under Gov. Douglas, makes the point that “inclusive of the 2017 budget the legislature is about to approve, over the last 6 years the spending of state dollars has grown by \$779 million. If the annual growth rate were a still generous 3 percent, the 2017 spending of state dollars would be \$206 million less. And at an annual growth rate of 2.5%, spending would be \$308 million lower.”

To be sure, the Appropriations Committee shaved some items in the budget. The Low Income Home Energy Assistance Program (LIHEAP) was reduced by \$3.4 million, because heating oil prices this winter have been far below prior years (thank you, global warming!). The State Police will have to use their present cruisers for another year.

On the other hand, the Democratic majority approved \$140,000 for yet another health care study, this one on how to add 120,000 people aged 19-26 to a Medicaid program which is currently paying doctors, dentists and hospitals around half of the cost of their services. (The “Dr. Dynasaur 2.0” advocates had asked for \$400,000).

The companion tax and fee bill increases penalty taxes on employers that provide health insurance for full time workers, but not for employees employed in other states, employees covered by their spouse’s insurance, and employees who only work

part time.

The biggest tax increase is on securities firms that market mutual funds, followed by another increase in the gross receipts tax on fuel oil. Why? Because the state is desperate for money, and thinks it can get away with it. The Governor couldn't, however, sell his 2.35% tax on independent doctors and dentists.

Happily the legislature has – so far - turned its eyes away from the Big Enchilada of new revenue. That would be the carbon tax on gasoline, diesel, natural gas, heating oil and propane. House Natural Resources and Energy chair Rep. Tony Klein held hearings on that revenue-rich but consumer-crushing and economy-wrecking proposal last week.

This measure is promoted by VPIRG and other enviro groups ostensibly to defeat “climate change”, but they have made it clear (to legislators, but not to the public) that the revenues – rising to \$500 million in the tenth year – “could of course be used for other purposes.”

Tom Pelham is quite right: “Our legislators can't seem to embrace cost saving reforms over serving the special interests that roam the state house halls.”

It will take a strong new governor to devise and force debate on “cost saving reforms”, hopefully before any more productive businesses and people head for the exits.

*- John McClaughry is the founder and vice president of the Ethan Allen Institute*

## Commentary: Vermonters Deserve a Taxpayers' Bill of Rights

*by Rob Roper*

The Vermont House Ways & Means committee just passed out a \$48.3 million package of new or increased taxes and fees. The list includes an increase the fuel gross receipts tax that will at two to three cents to every gallon of home heating fuel, a new application of the 9 percent rooms and meals tax to private rentals done through such sharing programs as AirBnB, and a 25 percent hike in the bank franchise tax.

On the fee side, the state will rake in an additional \$10.5 million from folks renewing their drivers' licenses and registering their vehicles, etc. at the DMV. The biggest item is a \$20.8 million increase in the fee to sell mutual funds in Vermont. This sets a very bad precedent as a fee is supposed to raise only enough money to cover the costs of regulating the entity paying the fee. It is not supposed to generate revenue for the general fund as this “fee” hike does.

Keep in mind, this \$48 million is on top of last year's \$30 million in general fund tax increases, which included such delights as an \$11 million worth of increases to income taxes, adding the six percent sales tax to some, but not all, sweetened beverages, and the truly creative application of the rooms and meals tax to snacks purchased out of vending machines.

Montpelier has a serious spending problem, and it has demonstrated that it cannot restrain itself.

These large and all too regular tax increases are part of what's been called a “structural deficit” brought about by the state spending money at a faster pace (roughly 5 percent annual increases) than the economy can generate revenues (roughly 2 percent annual increases). Given that Vermont has a very low 3.7 percent unemployment rate

and still can't keep up with Montpelier's appetite for cash, it's obvious that it's the spending side that's got to give.

One solution that would be a tremendous help to overburdened Vermont taxpayers would be the passage of a Taxpayers' Bill of Rights (TABOR).

Colorado passed such a law in 1992 that said, in a nutshell, state spending could increase year over year only by the rate of inflation plus population growth. Any revenue generated over and above that amount had to be – by law – returned to the taxpayers in the form of a rebate. Of course the bureaucratic entities of Colorado's state government howled bloody murder and declared it the end of the world, but...

In 2006, Matthew Ladner, then of the Goldwater Institute, did a study on poverty throughout the country which revealed some interesting results of Colorado's TABOR. First of all, Ladner discovered that, "Colorado's economy has been exceptionally strong. Between 1995 and 2000, Colorado ranked first among all states in gross state product growth and second in personal income growth." What's more, he found that after instituting TABOR, Colorado was able to reduce the number of children living in poverty by a whopping 26.9 percent – the best record in the nation.

How can this be? The best policy to unleash economic growth and broad-based prosperity is to restrain government – and vice versa. Here in Vermont we have the vice versa. The myriad of taxes, large and small, that are continuously raining down from Montpelier onto our citizens and businesses are as demoralizing as they are costly.

Consider the decision to add the sales tax to some sweetened drinks. Seems like a small thing, but it is a nightmare for hundreds of small business owners struggling to comply with unclear definitions applied to scores of products, and facing fines if they mess up.

Consider the 25% rise in the bank franchise tax. Doesn't affect me, so who cares. Right? Well, Chris D'Elia, president of the Vermont Bankers Association, predicted the increase would likely lead to "job cuts, less lending and reduced charitable giving by those banks," according to an interview with Seven Days. Think of that when you can't get a loan or your favorite local charity loses a sponsor for the big, annual fundraising event.

And consider all the taxes that have been discussed and bypassed, but will surely be back on the table when the next hundred million hole appears next year: the bottled water tax, new taxes on satellite television services, expanding the sales tax to services, the two cent per ounce excise tax on sugary beverages, and, of course, the half a billion dollar a year carbon tax. How do you plan for the future when you're constantly worried about what tax is coming next?

This has to stop. And this is why the next governor and the next crop of legislators need to make passing a Taxpayers' Bill of Rights a top priority for January 2017.

*- Rob Roper is president of the Ethan Allen Institute. He lives in Stowe.*

## **Commentary:**

# **This Family's Story Is Why School Choice Must Be A Right**

*By Rob Roper*

Rep. Dave Sharpe (D-Bristol) opened an afternoon of testimony from advocates of Vermont's school choice system by qualifying, "Our responsibility here in the legislature... is the education of all the children in the state, so that puts us in a bit of a bind sometimes when we think about our own children, our own community versus the entire state," a subtle signal to his House Education Committee members to not take what they were about to hear all that seriously, at least insofar as it should not influence their anti-school choice policy decisions.

But, if you can listen to this testimony from parents Matt and Tiffany Young about their family's experience and still oppose school choice, you have no heart. Or a sense of fiscal responsibility for that matter.

The Young's story illustrates how access to independent schools or an alternative public school in another district that is the right fit for a particular child cannot only benefit that child tremendously, but also save taxpayers tens if not hundreds of thousands of dollars.

The Young's story explodes the myths that Vermont's independent schools, which can only exist within Vermont's unique and special tuitioning system (now under attack by Act 46 proponents), are elitist and "cherry pick" only the best students. They explode the myth that public schools must take all students, regardless of needs.

Matt Young testified, "Our son is smart, quirky, gifted, and learns differently. Our son was struggling in [the local public] school, in tears often, not doing his work, his grades weren't the best, he was losing weight, he was full of anxiety, he tried to run away from school more than once. He developed a facial tic, and it was heartbreaking."

"Almost every day we would get a call from the school: We need another meeting, we need another specialist, we need a different diagnosis, we need another label.... They made him wear a weighted vest and squeeze a bright colored ball. Everything they did made him feel different, and increased his anxiety and his fight or flight response."

The Youngs went on to detail their painful experiences with the school and the school district, which threatened to (and finally did) expel their son if the family refused to put the child on medications that the boy's doctor said would be detrimental to his health and well being.

The boy's doctor and therapist as well as his parents agreed that moving him to an independent school was the best option for the child, but the school board refused due to politics and the desire to keep the \$12,000 dollars necessary for such placement in the public school system – *even though this cost was significantly less than keeping him in the public school as a "special needs" student.*

The Youngs took matters into their own hands and enrolled their son in the Thaddeus Stephens School. Long story short (please watch the whole video!), after three years at Thaddeus Stephens:

"Our son is thriving, he takes no medication, his grades are fantastic, he's had no major issues with discipline, and certainly no physical restraints. He developed a great sense of humor, he just had a major part in a school play, played a solo on the trumpet in the school concert, he's on the Math Counts team, he just won the DAR writing contest for the entire state at his grade level. He was the leading scorer on his hockey team, and his facial tic is all but gone."

This is not an attack on the public school system. As the Youngs point out, many children thrive in their local public school and there are many excellent teachers. But, that school was not the right fit for their child. Denying their child – any child – the right to find a school that meets his or her particular needs and gives them the opportunity to thrive is unjust to the child, the family -- and to the taxpayers.

The Young's son was not a "special needs" student as labeled by the public school system. He just needed a different school. How many other square pegs are being hammered into round holes by our school system, at great damage to the child and great cost to the taxpayers?

Proponents of Act 46 are doing their best to snuff out the tuitioning (school choice) towns in Vermont that allow for schools like Thaddeus Stephens to exist, and to deny children and families like the Youngs the power to do what's right. This, despite assurances before the law passed, that tuitioning towns would be protected under the law.

Please contact your legislators today and tell them to fix Act 46 to protect school choice towns – as they promised to do – this year.

Find you legislators [HERE](#).

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## Events

**April 2.** Republican Liberty Caucus Summit & Dinner. 7-9 pm in Burlington. DC political commentator and comedian Julie Borowski keynotes this event along with speakers Reps. Paul Dame, Tom Burditt, and Jansen Willhoit. Learn about some of the opportunities we have for Liberty-minded Vermonters coming up and how you can help make a difference in the Green Mountain State. [CLICK HERE](#) to make your reservation.

**April 7.** The School Choice Caucus will be holding a forum on Act 46 and School Choice from 4-6 pm in Room 11 of the State House in Montpelier. Citizens are encouraged to attend and to testify! Tell your school choice story or experience with Act 46 mergers. A press conference will take place at 1:00 pm in the Cedar Creek Room demanding a fix to Act 46 this year. If you would like to participate in either event or both, contact Rep. Vicki Strong (<mailto:victoriastrong@juno.com>) .

**April 13.** EAI Jefferson Day Dinner at the Windjammer in South Burlington. Social hour at 6 pm, dinner at 7pm. Come out and enjoy good company, good food, and the chance to catch up with like-minded Vermonters. \$50 per person. Space is limited, so please reserve your seat quickly by emailing [annem@kingcon.com](mailto:annem@kingcon.com) or calling 802-695-1448.)

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## Roll Call Reports

**House Passes Record High \$24 Million in Fee Hikes, 98-46.**

**House Votes for \$5.77 Billion FY17 Budget, 94-40.**

**House Blocks Attempt To Remove Politics from Pension Fund Decisions** (Tate Amendment), 54-79.

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## News & Views

**A Victory for the Good Guys!** The push to divest Vermont pension funds of fossil fuel stocks is dead. This was a signature initiative of Governor Shumlin, announced in his State of the State address. Happily this won't happen thanks to the efforts of several coalition members, including the Ethan Allen Institute, speaking out publicly against divestment in the press and in the State House. Thanks to all for your good work.

**VT Economic Numbers Revised Downward.** "Vermont's economy in 2015 was weaker than we originally thought. Every March, the Vermont Department of Labor revises its job and unemployment rate estimates for the previous two years. They originally thought Vermont added about 4,000 jobs during 2015; now the estimate is only 2,600. That may not sound like much of a difference, but it lowers our job growth rate to 0.9 percent, less than half the nation's rate and slightly below Vermont's experience in 2014." – Art Woolf

**Spendaholics at Work.** "With the increase of \$28.4 million of state dollar spending in the 2016 budget adjustment, the total year over year (2016 over 2015) spending increase is \$114.67 million or 5.05 percent. At this growth rate, the spending of state dollars in 2016 is in line with the six year trend of 5.2 percent since 2010." (Campaign for Vermont, 2/12/16)

**A Good Point!** "With full employment [3.4%], this state should be awash in tax revenue... but its not. The state is perpetually short of money, why? If this state cannot function in a full employment economy without continually implementing new taxes, then there is something fundamentally wrong with management in Montpelier." – Peter Yankowski

**How A Bank Fee Increase Hurts Local Charities.** Chris D'Elia, president of the Vermont Bankers Association, said the 26 percent increase in the bank franchise tax hits the five largest banks in the state and "seems to foster the mentality that big is bad." He predicted the increase would likely lead to job cuts, less lending and reduced charitable giving by those banks. ([Seven Days](#))

**GMO Label Backfire!** An article in the Huffington Post (Yes, that Huffington Post) titled, [Vermont's GMO Labels: A Boon to Big Business](#), illustrates once again the sad fact that big government does not help the little guy. "Pleasing self-righteous activists might be just part of the game plan here. Most small food companies simply can't afford to comply with the law (labeling GMOs isn't as easy or cheap as you think) and the penalties for mislabeling - up to a \$1,000 per day - are way out of their budget. So there's a good chance they'll exit Vermont and the Big Food companies will have the state all to

themselves (Bernie Sanders would shudder.)” But, he didn’t shudder. He egged it on.

**Vermont’s Next Great Experiment.** “Vermont is the only state experimenting with its entire health care system by putting it under one giant Accountable Care Organization monopoly with a limited global budget, where the ACO can make money by rationing care, and go bankrupt if they don't.” – Kathy Callaghan, (VHCF 3/14/16).

**Court: If You’re Liberal, It’s Legal.** [Vermont Watchdog reports](#), “Last week, the Vermont Supreme Court ruled that Burlington former chief administrative officer Jonathan Leopold is not liable for money secretly borrowed in violation of the city charter and conditions set forth in the utility’s certificate of public good. Chief Justice Paul Reiber, writing for the court, opined, ‘Leopold is not personally liable for the \$16.9 million in cost overruns. In reaching this conclusion, we adopt the standard identified by the court in its pretrial ruling and hold that any claim against Leopold must include an element of bad faith. That critical element is lacking here.’ on the basis that he used the money for expanding the network, not lining his own pockets. “The result of this decision is that if a public official intentionally disobeys a spending prohibition, there’s no consequence,’ Norman Williams, attorney for the the plaintiffs, told Vermont Watchdog.” So a city official reallocating taxpayer funds to, say, deporting illegal aliens despite Burlington’s sanctuary city ordinances would be found similarly not guilty? Not likely.

**Suing Fraudulent Green Energy.** A group defending ridgelines against wind energy development has filed a complaint with the Vermont Attorney General’s office and the Federal Trade Commission accusing local wind power producers of making false green marketing claims. In a complaint filed March 15, the Irasburg Ridgeline Alliance alleges that Renewable Energy Vermont, Georgia Mountain Community Wind and the Burlington Electric Department engaged in consumer deception in their descriptions and marketing of wind-generated electricity. ([Watchdog VT](#))

**More Act 46 Chaos.** "Act 46 has gotten all screwed up. Bennington School District has threatened to secede from the supervisory union and go off on their own. MAU has threatened or voted to leave Mount Anthony Union.... Shaftsbury is poking around for different partners, Arlington and stuff like that. The purpose of Act 46 was to bring all the school districts together to form a bigger supervisory union. What's happened in the past few weeks in southern Vermont, they're using unexpected consequences of Act 46 to re-shuffle the deck and do other things. So at the moment, and this is Jim O'Connor's opinion, I would call it a little bit chaotic. Instead of coming together we're breaking up.” ([Bennington Banner](#))

**Too Bad About Your Job.** Rep. David McKinley (R-WV) at a Congressional hearing: “If [the Obama Clean Power Plan] doesn’t have an impact on climate change around the world, why are we subjecting our hard working taxpayers and men and women in the coal fields to something that has no benefit?” Obama EPA Administrator Gina McCarthy: “We see it as having had enormous benefit in showing sort of domestic leadership as well as garnering support around the country for the agreement we reached in Paris.” (Daily Caller, 3/23/16) The same questions can – *and should* – be asked of Vermont legislators regarding Vermont’s Comprehensive Energy Plan.

**Renewable Energy Siting Bill Does Not Go Far Enough.** “Sorry, Senator. Your bill leaves the responsibility for meeting our energy goals in the hands of developers. Your bill requires towns defend their interests by entering into an expensive, abusive process that favors wealthy developers. Your bill gives the governor the ability to dismiss regional plans and gives regional planners no recourse. Your bill allows the quasi-legalistic Public Service Board to use the undefined notion of “public good” to override municipal and regional plans which may or may not receive the poorly-defined “substantial deference.” Your bill includes no operational standards or enforcement mechanisms. Your bill includes no relief for the families that are suffering at the hands of wind developers. Your bill doesn’t solve our real problems.” – Mark Whitworth, Executive Director of Energize Vermont

**The Blue State Model.** When most conservatives think of cities run by liberals, Detroit and Baltimore come to mind. But, the Left likes to point to Boston as a model. [Thomas Frank, writing in the Huffington Post](#) (liking the HuffPo this week!) has an interesting perspective here: “This is the city that virtually invented the blue-state economic model, in which prosperity arises from higher education and the knowledge-based industries that surround it [specifically health care]. . . . To think about it slightly more critically, Boston is the headquarters for two industries that are steadily bankrupting middle America: big learning and big medicine, both of them imposing costs that everyone else is basically required to pay and which increase at a far more rapid pace than wages or inflation. A thousand dollars a pill, 30 grand a semester: the debts that are gradually choking the life out of people where you live are what has made this city so very rich.” Way to go, Blue State Model!

**Shall We Ration Gasoline?** VtDigger commenter (3/23/16) Stewart Clark opposes a carbon tax because of its burden on the working poor. Here’s his better (?) idea: “Better that we ration gasoline. Everyone gets a coded card (like a debit card) which stores the ration coupons for your vehicle. The gas-ration card will be swiped at the pump. When you are out of “ration coupons”; no more gas until next month. Ration credits will be issued based on your home-distance from a given population center. Vehicles registered in “cities” get fewer credits. Vehicles with out-of-state registration will be authorized to purchase ration cards.” The Soviet vision for Vermont marches on. . . .

**Are You Buying This? (You’re Certainly Paying for It.)** Says Peter Shumlin: “But the fact that we have delivered on an energy vision that I came into office with and campaigned on, and actually made it happen, is really good for Vermont.” He specifically cited his support for the shutdown of the Vermont Yankee nuclear power plant in Vernon, and replacing it with solar, wind and other renewables. “I said, ‘It will create jobs, it will lower rates, and it will serve us well.’” (Addison Independent, 3/16/16) Uh huh.

**Molten Salt Reactors:** “The Liquid Fluoride Thorium Reactor would almost certainly produce electricity cheaper than coal, because of lower capital and fuel costs; use a fuel that is in almost inexhaustible supply, both in the U.S. and elsewhere; operate continuously, in baseload or peaking mode, for up to 30 years; be factory-built and deployed in compact 100-megawatt modules close to the end use of the power; contribute

nothing to air or water pollution and need no water for operation; safely consume long-lived transuranic waste products from current nuclear fission reactors; produce high-temperature process heat that can make hydrogen fuel for vehicles; and be walkaway safe.” – John McClaughry, EAI commentary 7/23/13. “The U.S. Department of Energy has awarded a \$40 million grant to Southern Co., which co-owns and operates six nuclear reactor facilities in Alabama and Georgia, to develop Molten Salt Reactors (MSRs).” (CCW, 3/4/16)

**Science Badly Outnumbered.** “By the end of 2010, 467 unique organizations had been identified [by Oxford University Press] as part of the national climate change movement...The Climate Action Network, with its 900 global member groups, formed the largest coalition”. – Ron Arnold (E&C News, March 2016).

**Trenchant Insight from Mr. Jefferson.** "I think we have more machinery of government than is necessary, too many parasites living on the labor of the industrious." – Thomas Jefferson to William Ludlow, 1824. (Don't miss EAI's 23rd Jefferson Day dinner on April 13!)

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## Book of the Month

### Lights Out

*A Cyberattack, A Nation Unprepared, Surviving the Aftermath*

Ted Koppel

Crown Publishing, 2015 (pp 249)

<http://www.amazon.com/Lights-Out-Cyberattack-Unprepared-Surviving/dp/055341996X>

There are millions of people in this world who are eager to bring America to its knees. Some of them control governments like North Korea and Iran. Some are international terrorist organizations like Al Qaeda and ISIS. Others are shadowy groups like those featured in James Bond movies – seeking their own power and enrichment from the destruction of governments like ours.

In this age of globalization, communication satellites, and the internet, it no longer requires a massive nuclear war to destroy America. Indeed, any nation state launching one would be destroyed for doing so. The easier way is to launch a cyber-attack (or a high altitude electromagnetic pulse) to knock out America's three electric power grid systems. This would leave hundreds of millions of people uninjured – but freezing, starving, and desperate. A special advantage of such an attack is that we likely won't know exactly who did it.

Until his retirement after 42 years, Ted Koppel was the leading producer and anchor for ABC News. In this book he delves into the threats to America's vital electric power system, the predictable consequences of an attack, and the almost pathetic state of unreadiness among the U.S. government agencies charged with confronting such an unthinkable disaster.

The scenario is brutally imaginable. When the grid goes down, the lights go out.

The water supply goes out, taking the sewage system with it. The gas lines stop delivering gas. The oil furnace shuts down. Internet access ends along with the phone system/The refrigerator and freezer warm to room temperature. Without power, gas stations can't pump gas, and hospitals close. Within a week the stores are empty.

Unless you inhabit a defensible energy-independent homestead with a generous supply of food, medicine, and firewood – and a means to defend it from starving people - you may not have long to live.

Koppel explains how the three electric grids operate, emphasizing how dependent they are on gigantic Large Power Transformers (LPT). These vastly expensive 200-400 ton machines, essential to electricity transmission, are rarely backed up, take more than a year to construct on order, and are difficult to transport by rail or special highway carriers.

Even more worrisome is the state of the U.S. government's defenses and response capabilities. A welter of federal agencies, ranging from FEMA to the military to law enforcement agencies, are not now prepared to do much more than cope with a geographically confined natural disaster, like Hurricane Hurricane and Tropical Storm Sandy.

Koppel detours into interesting interviews with "preppers" outfitted to survive a national disaster. An especially interesting chapter deals with the Church of the Latter Day Saints, undoubtedly the best prepared and most self-reliant group of Americans.

He also explores the need to find a new balance between the right of privacy and the need for national survival "In the age of the Internet, privacy is at risk no matter what we do. What's at issue is whether we are prepared to surrender some of our privacy to our own intelligence agencies in order to protect against even greater intrusions from a growing array of external enemies.."

This book is an important albeit distressing read. One clear conclusion (mine): the U.S. government ought to collect all the billions it spends to defeat the largely hypothetical menace of "climate change", and apply that and much more to giving the American people their best chance of survival in the face of a technically imaginable and devastating megathreat.

*- Review by John McClaughry, founder and vice president of the Ethan Allen Institute*

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## **The Final Word**

### **April Survey**

Should the Vermont legislature pass a Carbon Tax in 2017, after the November election?

Make your voice heard. Take the survey [HERE!](#)

## March Survey Results

Should the Vermont Legislature legalize marijuana per S.241 (which provides for a 25% sales tax rate, restricts licenses for growers/distributors to a handful of people, and disallows home growing)?

You said....

Yes. 10.26%  
No. 87.18%  
Don't know. 2.56%