

Ethan Allen Institute

Newsletter - July 2014 (Printer Edition)

Top Story: 2013-2014 Legislator Roll Call Vote Profiles Are Out

Did your Representative(s) and Senator(s) vote the way you would have on tax increases, spending increases, regulatory increases, land use restrictions, and other issues decided by the legislature during the 2013-2014 legislative biennium? The Ethan Allen Institute has compiled an individual Roll Call Profile for each of Vermont's 180 legislators. Make sure your representatives are representing you.

GO TO: <http://ethanallen.org/roll-call-profile/>

Thank You for Your Efforts on Berlin Pond

Vermont Traditions Coalition, the Friends of Berlin Pond, and allies from throughout the sporting community filed the majority of Written Public Comments in the recent battle over continued recreational access to Berlin Pond. The tally as of the deadline for comments was pro-access comments 166 to 143 anti-access comments. Plus, the overall substance and quality of the pro-access comments was outstanding! This is a great showing from folks from throughout the VTC statewide network and beyond.

I would like to thank those of you who took time out of your busy lives to comment on the ridiculous petition to shut down all recreational usage of Berlin Pond brought forward by the so-called environmentalist organization known as Citizens to Protect Berlin Pond. While they use fear mongering tactics in an effort to protect their drinking water from fishermen and non-motorized recreationists, they have little regard for those downstream from their outdated sewage treatment facility. This time last year they dumped over 400,000 gallons of untreated sewage upon their neighbors who live along the Winooski River and in Lake Champlain Valley. The response by Montpelier was that.... it only made up 4% of the Winooski River flow for that time period. No Big Deal, eh? The City didn't notice this overflow over the long weekend and, according to my research, nothing has been done to ensure it won't happen again. As a matter of fact according to the DEC sewage overflow reports, on average, the city has had raw sewage overflows every few months since 2008. So we have a so-called environmentalist group lobbying hard to keep you and your canoe away from their \$14,000,000 state of the art water treatment facility while they turn a blind eye to their sewage outflow. Apparently, polluting fishermen and kayakers are the problem and the Citizen's to Protect Berlin Pond are the solution.

The fact of the matter is that the Vermont Supreme Court, the Public Trust Doctrine and the law make it clear that municipalities cannot limit access to public

waters. The claims in their petition have no scientific basis. The Town of Berlin made it very clear in the last election that they will provide access and 166 people like you (who can filter through the political nonsense this issue has become) commented during the public comment period that access should remain. The opposition fell short. Now the Use of Public Waters Committee and Montpelier resident Secretary Markowitz will be handing down their decision in the next few weeks. Should they succumb to the local politics, this will set a very bad precedent statewide for the fifty or so other of drinking water supplies which act as recreational resources and tourist destinations.

I have attached VTC's Comments and thank again to those of you who commented.

Frank Stanley
Vermont Traditions Coalition

Commentary: Three Single Payer Healthcare Systems

by John McClaughry

The mounting VA hospital scandals have now moved Sen. Bernie Sanders's cherished "socialized medicine" to center stage. For Vermonters, it's worth understanding clearly how the Veterans Health Administration works, and how it compares with "single payer" Canadian Medicare and Vermont's coming Green Mountain Care.

The VHA has 288,000 employees (two thirds of them unionized) serving 8.3 million veterans in 150 VHA hospitals and 1,400 affiliated centers. VHA is funded almost entirely by Congressional appropriations. The scandals have arisen because at least 42 VHA hospitals (so far) regularly miss waiting time benchmarks for patient appointments, and their staffs are fudging the data base to make it look like the benchmarks were met.

North of the border, all Canadians are entitled to medical services that are "free" at the point of service, with some small co-pay exceptions. The Canadian Medicare system is managed by a government authority, like the VHA, in each province. Most hospitals and doctor practices are not government-owned, but with minor exceptions, the government provides all of their revenues in accordance with the government's "global budget" – hence "single payer". Like the VHA, the Canadian hospitals are heavily unionized.

In Vermont, Gov. Shumlin's dream of "health care as a right" will be realized by the Green Mountain Care Board created by Act 48 of 2011. The GMC plan will most closely resemble not VHA but the Quebec model (although single payer supporters shy away from admitting the essential identity.)

Under Green Mountain Care, scheduled to launch in 2017 if federal waivers and funding can be obtained, hospitals will remain nonprofit and self-governing. Doctors will either be employed by hospitals or remain independent – but all of their GMC revenue will come from that one "single payer". The GMC Board will define "essential benefits", adopt the global budget, and inform the legislature how much it must raise in taxes to pay for it.

Health insurance will be extinguished, except possibly for wraparound policies and coverage for Vermonters traveling out of state. The \$170 million Vermont Health Connect will be shut down after three failure-plagued years.

Since there is little likelihood that US Medicare beneficiaries, Federal employees, and self-insured companies can be forced into Green Mountain Care, the Shumlin plan won't be true Quebec-style "single payer". That means that the enormous single payer "savings" (\$580 million in the first year, according to consultant Dr. William Hsaio of Harvard) simply cannot be achieved. In fact, the Shumlin administration has long since buried Dr. Hsaio's 2011 report and now promises only that any GMC cost containment "savings" will come from a lower rate of increase in health spending.

The major problem with both the VHA and Canadian single payer is that the government-assigned "global budget" requires hospitals and doctors to ration care, most obviously through denying certain services to patients as "inappropriate" and stalling service delivery to patients to reduce provider billings. There is no reason to believe that Vermont's GMC will operate any differently.

Defenders of socialized medicine continually claim that any rationing, delaying, or quality shortcomings are a result of just one thing: stingy taxpayers who won't pay enough for the system to work properly. Given the ever-rising costs of health care and an aging population, demand will always grow faster than the supply taxpayers can afford to pay for.

Every government-run health system modelled after the Veterans Health Administration, Quebec Medicare and Green Mountain Care will suffer from the same inescapable defects. Medical providers will be forced to work at the direction of the bureaucrats and politicians who control all revenues. The politicians know that they won't stay long in office if they vote for the taxes actually required to "make the system work". So they will tell the bureaucrats to decide who gets "appropriate care at the appropriate time in the appropriate setting" (Act 48) from the limited number of dollars flowing in.

Under the VHA, the government unions can't bargain over wages. Under Quebec Medicare, labor unions have extensive control over work rules and management. Under GMC, "provider bargaining groups" can bargain with the GMC Board over anything relevant to their working conditions, including compensation. Since the just-adjourned legislature authorized labor unions to bargain with state government over subsidies payable to providers of home health care and day care, it's pretty clear that the GMC system is likely to be even more driven by collectively bargained rules and benefits than VHA and Quebec Medicare. Goodbye, "cost containment".

Whatever their differences, VHA and Quebec Medicare both show how government-run health care systems like GMC will inevitably lead to rationing, waiting lines, maddening bureaucracies, inefficient work rules, demoralized doctors and nurses, shabby facilities, obsolete technology, declining quality of care, and of course much higher taxation.

Alas, Bernie Sanders, Peter Shumlin and their GMC supporters will never concede any of this, at least not until they find themselves standing sadly amid the wreckage.

- John McClaughry is vice president of the Ethan Allen Institute

Commentary: Is Vermont Making the Most of Our Assets?

By Rob Roper

Much focus lately, both from our politicians and our media, has been on IBM, the potential sale of its Essex facility and the question of what will happen to its 4000 employees. The Greater Burlington Industrial Corporation (GBIC) has proposed, among other measures, making a \$4.5 million cash payment – the entire newly formed Enterprise Investment Fund – to either IBM or the plant’s buyer to keep jobs here in Vermont.

Eyebrows also raised when we learned Kurig Green Mountain decided to open its new cold-pod factory in Atlanta, Georgia – home of new partner (and large and growing shareholder) Coca Cola – and not in Vermont despite years of encouragement and investment by the state through the Vermont Employment Growth Incentive Program to expand here.

These are certainly important developments deserving of attention, but another story that got less press and deserves more consideration is the decision of Burlington’s Benway’s Taxi to close its doors after 30 years, laying off approximately 70 employees after the July 4th weekend. The company’s owner, Wanda Robar, blamed new healthcare laws, burdensome regulations and the generally high cost of doing business in Vermont as the reasons for shutting down.

A story that got little if any attention was the closing of the iconic West Danville General Store after over 100 years of operation. Weybridge General Store owner, Dough Tschorn of Arlington, stated that he might be next after Vermont’s increase in the minimum wage goes into effect. Tschorn explained, “We’re a small family business. We’ve had the store for 30 years, and it was so much easier to operate in the past than it is today because of the pressures from the state.” (Vermont Watchdog, 4/3/14)

While a number of companies have made headlines recently because they are moving out Vermont, such as Kennametal, Huber & Suhner, Energizer, Plasan Composites, these are companies with a national or international footprint. Their decisions are based on global as well as local factors. Benway’s, general stores, and other similar small businesses, however, are Vermont grown, Vermont based, and state policy has a great deal to do with their fate. While 70 employees doesn’t sound like much next to 4000, there are a lot more Benway-like companies in Vermont than IBMs.

A recent report by the Small Business Association noted that 59% of Vermonters are employed by small businesses as compared to 49% nationally. That’s 156,750 of our friends, neighbors and relatives, a number nearly 40 times the size of IBM in Essex. There are over 60,000 sole proprietorships in Vermont. So, if our economic environment is showing signs of failure for the mom & pop operations of Vermont, we really ought to take note and take action. They are the real backbone of our economy, not to mention the true Vermont brand. When you think “Vermont” do you think IBM, or do you think local Maple Syrup purchased at a small general store?

CNBC just released its latest ratings for the Best States for Business, and Vermont scored an overall 42nd, a ten state drop from our 32nd place ranking in 2013. Many organizations publish such ratings, and Vermont is regularly found in the bottom ten, but CNBC’s ranking formula is pretty sophisticated, and it is one Vermont has done

comparatively well on over the past five years (ranking mostly in the 30's rather than the 40's).

CNBC tabulates their rankings based on 56 input measures within ten weighted categories: Cost of Doing Business (VT-41), Economy (VT-23), Infrastructure & Transportation (VT-49), Workforce (VT-50), Quality of Life (VT-2), Technology & Innovation (VT-37), Business Friendliness (VT-31), Education (VT-2), Cost of Living (VT-40), and Access to Capital (VT-31).

Vermont's most positive attributes appeal to individuals and families – a stellar lifestyle, and good schools for kids. Our most negative characteristics -- poor infrastructure and inadequate workforce – are deal breakers for large multi-national corporations, and there's not a lot we can do in the short term about either on the scale an IBM is looking for. In light of this, policies dumping millions on large multinational corporations while punishing small mom & pop operations with higher minimum wage requirements, higher property taxes, and threats of things like mandatory paid leave, and a as a very high (18%) payroll tax to pay for single payer healthcare appear backwards.

Vermont's priority should be to enact policies that will help keep the small scale businesses we have here growing and thriving. Second, we should be putting policies in place that will attract 4000 good paying jobs spread across hundreds of small businesses rather than a few big ones. Boston, New York and Montreal are filled with high-paying, low-environmental-impact, small-scale firms in finance, software, law, communications, design, entertainment, etc. Let's start asking what we have to do to get them here.

- Rob Roper is president of the Ethan Allen Institute

Commentary: Carbon Dioxide and the Upper Valley

by Meredith Angwin

A few days ago, the Environmental Protection Agency (EPA) issued a proposed plan for greenhouse gas mitigation: the electricity sector must cut greenhouse gas emissions by 30% by 2030. The rules are set on a state-by-state basis. I am in favor of cutting back on carbon emissions, but the recent EPA plan is arbitrary, ineffective, and political. The EPA abatement standards are plain backwards: states that already have a clean energy mix have to do a higher percent of abatement than states that burn large amounts of coal.

Per kWh of electricity produced, burning coal produces twice the carbon dioxide as burning natural gas. Logically, the EPA would require greater cutbacks in coal-burning states. That did not happen. For example, West Virginia generates 90% of its electricity from coal: West Virginia must cut its carbon dioxide emissions by 19%. In contrast, New York State has a pretty clean energy mix and gets less than 10% of its electricity from burning coal: it must cut its carbon emissions by 44%. With this type of regulation, it is no surprise that New Hampshire, which gets than 10% of its electricity from coal, must cut carbon emissions by 46%.

Vermont, on the other hand, is a poster child as a low-carbon state. Vermont and the District of Columbia use very little fossil fuel to make electricity, and so they are the only two states (well, state and District) that don't have to submit a plan for carbon

abatement in the electricity sector. However, more than 70% of the electricity generated within Vermont comes from Vermont Yankee, a very low-carbon electricity supplier. When Vermont Yankee shuts down at the end of the year, Vermont will be importing energy from states with more carbon-heavy profiles. Will Vermont cease to be a shining example of a low-carbon state?

No, according to the EPA, Vermont will still be a low-carbon state---as long as we don't generate high-carbon electricity in-state. If other states are burning more fossil fuels in order to supply Vermont, the carbon mitigation rules will be their problems, not Vermont's problem. Vermont will have exported any possible compliance problems.

Unless... what if the Vermont's export doesn't work so well? That brings us to New Hampshire, which has to cut back 46% of its carbon emissions. With more than half of its electricity coming from nuclear and less than 10% from coal, cutting back by 46% may be hard for New Hampshire. However, New Hampshire is in the Regional Greenhouse Gas Initiative (RGGI) with Vermont and other states. New Hampshire regulators have said they hope that meeting the requirements of RGGI will be enough to meet the EPA requirements also.

However New Hampshire meets its requirements, it won't have to do so very quickly. Starting now, there's a one-year period for public comment on the EPA plan, followed by another year (or more) for the states to design their mitigation plans. State plans are due by June 2017 and multi-state plans are due by 2018. It sounds as if New Hampshire may choose to be in a multi-state plan. In a multi-state plan, New Hampshire's choices may also affect Vermont's status. Maybe.

The whole thing is unreasonably complicated. It is no wonder that many commentators expect a raft of lawsuits. You can think "satire": The Onion describes the situation as: New EPA Regulations Would Force Power Plants to Find 30% More Loopholes by 2030. Or you can think "confusing": a Bloomberg New Energy Finance White Paper is titled: EPA's Clean Power Plan: 50 Chefs Stir the Pot. Or you can think "political." The EPA clearly made major concessions to the coal states in the state-by-state requirements. At any rate, rules that require a state that doesn't produce much carbon to cut its production drastically while allowing comparatively minor cutbacks to a state that produces a lot of carbon--it's hard to justify this policy as "carbon mitigation."

In the early part of my career, I worked on finding abatement methods for nitrogen oxide pollution: reducing these emissions was required under the Clean Air Act. If an area had particularly dirty air, it was a "non-attainment area" and had to do more drastic cut-backs on pollution. Comparing these new carbon rules to my experience with nitrogen oxide pollution, I have to admit that I have a hard time wrapping my mind around the idea that an area that produces lots of carbon dioxide has to do less abatement than areas that produce little carbon dioxide.

I do not mean to imply that in those good old days, back when I worked on nitrogen oxide pollution, nothing was political. Of course things were political. States and utilities sued each other and they sued the EPA, and so forth and so on. However, the nitrogen regulations did not start as political: they started out as general rules, and then various interest groups attempted to get changes made. In contrast, the recently- issued carbon rules are strongly political at the start. In my overview of the EPA plan, I sadly admit that I think The Onion is right: there will be 30% more loopholes by 2030.

- *Meredith Angwin leads the Energy Education Project, sponsored by EAI.*

Events

July 24. Rob Roper will present Triumph of Liberty to the Randolph Rotary Club. Noon – 1:30 pm. If you would like to schedule and EAI presentation with your organization, contact Rob Roper at rob@ethanallen.org or 802-999-8145.

Summer Golf at Country Club of Vermont!

Thanks to the generosity of our friend George Rieger, anyone who donates \$100 or more to EAI this summer (June 1-August 31) can claim a free round of golf (18 holes) at the Country Club of Vermont in Waterbury.

The Waterbury course, according to the club website, “was designed and built by Graham Cooke & Associates, Inc. (GCA) of Montreal and Vancouver, Canada and Turin, Italy. Architect Graham Cooke calls the location “enormously powerful” and took an active role in developing the course. With lovely views in all directions, it truly is a remarkable setting for a remarkably executed course.... Golfers and non-golfers alike have described the site as a magnificent setting for a golf course.”

Questions, please contact Rob Roper at rob@ethanallen.org or 802-999-8145.

Please make checks payable to
Ethan Allen Institute P.O. Box 543, Montpelier, VT 05601
and write "GOLF" in the memo line.

News & Views

Reanimating Detroit is the caption for John McClaughry’s www.reason.com review of a new book about the prospects for America’s most ghastly urban disaster area. You can read it at <http://reason.com/archives/2014/06/27/reanimating-detroit1>.

Report Shows Vermont Economy Sputtering. The Office of Advocacy for the U.S. Small Business Administration released the following statistics: Vermont’s GSP grew at 1.2% in 2012, less than have the national average of 2.5%. Private sector employment grew at 0.7% in 2013, one third of the national average of 2.1%. Approximately 157,000 (59%) of Vermont workers are employed by small businesses compared to 49% nationally. See Vermont’s Small Business Profile [HERE](#).

[http://www.sba.gov/sites/default/files/files/Vermont13\(1\).pdf](http://www.sba.gov/sites/default/files/files/Vermont13(1).pdf)

CNBC Rates Best States for Business – Vermont #42. Georgia was #1, Rhode Island was #50. Vermont, as we’ve come to expect, was in the bottom 10 at #42. CNBC bases its rankings <http://www.cnbc.com/id/101723185> on 56 measures of input distilled into ten categories, weighted in order of importance (with VT’s respective ranking in parenthesis): Cost of Doing Business (41), Economy (23), Infrastructure & Transportation (49), Workforce (50), Quality of Life (2), Technology & Innovation (37), Business Friendliness (31), Education (2), Cost of Living (40), and Access to Capital

(31). <http://www.cnbc.com/id/101758236>

State Revenues Down in May. According to the Agency of Administration, May revenue to the General Fund totaled \$70.31 million, falling \$5.47 million (7.22%) short of its projected goal. This follows April's missed revenue target, short \$4.86 million (2.3%). Both drops were due primarily to decreases in personal income tax collections. <http://finance.vermont.gov/sites/finance/files/May%202014%20Press%20Release.pdf>

Healthcare Laws, Regulation Behind Burlington Taxi Closing. Watchdog VT reports that Benway's Taxi, "A company with a 30-year history as Burlington's largest taxi provider will close its doors for good July 4 weekend. The owner said Obamacare and the high cost of doing business in Vermont contributed to the closing." (June 19, 2014 <http://watchdog.org/155300/obamacare-shutters-taxi-company/>)

School Choice Increases Home Prices. We often hear of folks shopping for a house in a district with a really good public school. Turns out homes in Vermont are more valuable in districts with no schools at all. A recent study led by a former University of Vermont professor found that in equivalent homes in Vermont's unique tuitioning towns, where kids get vouchers to attend public or independent schools of their choice, are an average of \$8,450 (or 5.9%) higher than the values homes in non-tuitioning districts. So, if you want to add 6% to the value of your home without going to Home Depot, close you local public school and become one of Vermont's (currently) 93 school choice "tuition towns." <http://mediad.publicbroadcasting.net/p/vpr/files/201406/vpr-school-vouchers-home-prices.pdf>

Judge: Teacher Tenure A Violation of Students' Civil Rights. The case Vergara v. California featured a group of students who sued their public schools on the basis that state teacher tenure laws, which essentially guarantee teachers employment for life after just two years on the job, deprived kids of a decent education by leaving bad teachers in place. Judge Rolf M. Treu of Los Angeles Superior Court agreed, ruling, "Substantial evidence presented makes it clear to this court that the challenged statutes disproportionately affect poor and/or minority students. The evidence is compelling. Indeed, it shocks the conscience." Treu invalidated five laws that teachers unions had fought hard to preserve. "The laws require administrators to decide whether to grant teachers tenure after just 16 months in the classroom; establish a lengthy and costly process for dismissing poor performing teachers and require administrators to cut the least experienced teachers first during layoffs, even if they outperform veteran educators." (Politico 6//10/14) Now, if trapping kids in a failing classroom is a violation of civil rights, what about trapping kids in a failing school? More school choice, please!

Independent School Economics: "Our independent school is operating on far less than \$2 million dollars. We're operating on about \$1.8 million now,' [North Bennington Village school principal] Tom Martin told Vermont Watchdog.]Prior to switching from public to private last year, the K-6 school operated on an annual budget of \$2.1 million. Today, the school runs the same robust educational program as one year ago, but without the high cost of belonging to a highly bureaucratic system. We don't have supervisory union administrative involvement, curriculum, resources, assessment or technology — all

those services a supervisory union provides for districts, assesses them for, and in essence bills them for,' Martin said.” (Vermont Watchdog, 5/27/14)

Misguided Teachers: “Good teachers in government schools support their unions’ efforts to stop school competition. They fail to grasp the opportunity cost to them from the lack of competition. In a competitive education market, good teachers would be in strong demand and would be paid more. Public school unions protect mediocre and poor teachers.” – *John Allison* (Cato Policy Report, June 2014).

The Truth About Income Inequality – Blue State Cultivate it. Stephen Moore and Richard Vetter have put together a report on income inequality – the cause de jour of the statist Left. Ironically, the report concludes that states with the most liberal policies tend to have the greatest incidence of income inequality. “Do the 19 states with minimum wages above the \$7.25 federal minimum have lower income inequality? Sorry, no. States with a super minimum wage like Connecticut (\$8.70), California (\$8), New York (\$8) and Vermont (\$8.73) have significantly wider gaps between rich and poor than those states that don’t. What about welfare benefits? A Cato Institute report, “The Work Versus Welfare Trade-Off: 2013,” measured the value of all welfare benefits by state in 2012. In general, the higher the benefit package, the higher the [inequality].” (The Blue State Path to Inequality, 6/4/14) <http://online.wsj.com/articles/stephen-moore-and-richard-vedder-liberal-blue-states-have-greater-income-inequality-than-conservative-red-states-1401923793>

Activists Lie About Gun Violence Stats/Media Doesn’t Question. Perhaps you saw the rash of news stories heralding the notion that there have been 74 school shootings since Newtown in December 2012. President Obama heard it, and stated in at least one speech that these things are occurring at a rate of once a week. Turns out, though, the “factoid” was totally fabricated by the anti-Second Amendment organization Everytown for Gun Safety. One of the first news outlets to jump on the 74 shootings story without checking the facts was CNN. You can read their retraction here <http://edition.cnn.com/2014/06/11/us/school-shootings-cnn-number/index.html>

A Common Sense (And Scientific!) Review of Climate Change. “According to the IPCC, natural factors hardly play any role in today's climate so we would expect a rather flat and boring climate history. Far from it: real, hard data from ice cores, dripstones, tree rings and ocean or lake sediment cores reveal significant temperature changes of more than 1°C, with warm and cold phases alternating in a 1,000-year cycle. These include the Minoan Warm Period 3,000 years ago and the Roman Warm Period 2,000 years ago. During the Medieval Warm Phase around 1,000 years ago, Greenland was colonised and grapes for wine grew in England. The Little Ice Age lasted from the 15th to the 19th century. All these fluctuations occurred before man-made CO₂. Based on climate reconstructions from North Atlantic deep-sea sediment cores, Professor Gerard Bond discovered that the millennial-scale climate cycles ran largely parallel to solar cycles, including the Eddy Cycle which is – guess what – 1,000 years long. So it is really the Sun that shaped the temperature roller-coaster of the past 10,000 years.” - *Fritz Vahrenholt, one of Germany's earliest green energy investors.*

Let’s Move Quickly! “Based on the EPA's own carbon accounting, shutting down every

coal-fired power plant tomorrow and replacing them with zero-carbon sources would reduce the Earth's temperature by about one-twentieth of a degree Fahrenheit in a hundred years.” (WSJ 6/2/14)

Larry Elder on Obamacare “Promises”. “To the pile of broken Obamacare promises, we now add another. It is not true if you like you doctor you can keep your doctor. It is not true that if you like your plan you can keep your plan. It will not save the average household \$2,500. It will not bend the cost curve down. And now we know that Obamacare cannot promise, as advertised, to shrink the deficit.” (June 12, 2014)
http://www.realclearpolitics.com/articles/2014/06/12/obamacare_and_the_cbo_-_no_longer_giddy_122956.html#ixzz34TiycoF8

Benjamin Franklin on Causes & Cures for Poverty: "I am for doing good to the poor, but I differ in opinion of the means. I think the best way of doing good to the poor, is not making them easy in poverty, but leading or driving them out of it. In my youth I traveled much, and I observed in different countries, that the more public provisions were made for the poor, the less they provided for themselves, and of course became poorer. And, on the contrary, the less was done for them, the more they did for themselves, and became richer." – *Benjamin Franklin, Relating to prices and the poor, 1766*

Book of the Month

Your Teacher Said What?

Defending Our Kids from the Liberal Assault on Capitalism

By Joe Kernen & Blake Kernen

256 pages

Sentinel HC (May 12, 2011)

Joe Kernen, the co-host of CNBC’s financial show, “Squawk Box,” makes a spirited defense of free market capitalism from an interesting perspective – through the eyes of his (at the time of the writing) ten-year-old daughter, Blake, who is listed as a co-author of the book.

Kernen wrote *Your Teacher Said What: Defending Our Kids from the Liberal Assault on Capitalism* because he believed his fifth grader was receiving a distorted view of economics and business and the politics surrounding them from popular culture indirectly and, as the title implies, from the educational system directly. The lesson that he wanted her to learn was, “...free market capitalism is not only the most powerful engine for human prosperity ever but also history’s strongest force for freedom and human advancement... Productive work, freely exchanged, is a virtue....”

While the book does offer a number of examples of how capitalism works and works brilliantly, Kernen also spends considerable time shredding the Progressive alternatives. “The desire to regulate economic life might be the defining characteristic of Progressive philosophy,” he writes. “It combines mistrust of the free market in allocating resources; an appeal to a vague and indefinable virtue (“fairness”); a desire to achieve perfection in economic outcomes; a deference to experts over the judgment of ordinary folks; and, best of all, a chance to tell other people what to do.”

Kernen has a special contempt for Hollywood and spends an entire chapter Wall-Economics pointing out both the anti-capitalist propaganda bombarding our children (movies from *Hoot* to *Avatar* to *Ratatouille* and more) and the hypocrisy of the people getting very wealthy producing it. “A survey of more than one hundred prime-time programs over the course of two seasons revealed, for example, that businesspeople commit four times as many crimes as gang members and five times as many as terrorists.”

Your Teacher Said What is a great and fun refresher on the principles of capitalism for adults, and a much needed reminder that our kids are being bombarded every day by messages that profoundly undermine these values. One of the stylistic trademarks of the book, Kernen asking Blake questions and recounting their backs and forths on the subjects, provide a good roadmap for how to approach these topics with your own kids or grandkids.

http://www.amazon.com/Teacher-Defending-Liberal-Assault-Capitalism/dp/1595230777/ref=tmm_hrd_title_0

– Review by Rob Roper, president of the Ethan Allen Institute

Final Thought

Great to See EAI Providing a Positive Experience for Young People!

My name is Evan Twarog, and last summer I had the chance to work for the Institute's Energy Education Project, prior to the news of Vermont Yankee's closing being announced. My EAI internship had two main parts. In one part, I kept the database for contact with Vermont Yankee supporters. In the second part, I worked with a senior engineer, Richard Schmidt, who is an Energy Education Project supporter. We built and tested a first-order model of the electrical grid as intermittent renewables were added. This internship exposed me to the caliber of those involved with the energy industry and made me realize just how passionate I am about energy policy. The opportunity to work alongside people like Meredith Angwin and Richard Schmidt was something that very few high schoolers have the chance to do.

A lot has happened in the year since interning with the EAI, and I recently was awarded a \$60,000 scholarship to Rensselaer Polytechnic Institute. To say that I was surprised would be putting things lightly. As a rising senior, I am just starting the process of applying to engineering schools and figuring out how it is I want to serve in the military. The plan at this point is to study civil engineering wherever I end up, and I hope to attend either the US Naval or Coast Guard Academy. For me, these past couple of years have taught me the value of "service above self", and I hope to make that into a career. My internship with the EAI was life-changing and I would like to thank everyone for extending the opportunity to me.

Thanks again!

Respectfully, Evan