

Ethan Allen Institute

Newsletter – December 2018 (Printer Edition)

Top Story

Please Renew Your Support for 2019!

First, let me say how grateful we are for all who support of the Ethan Allen Institute and the cause of liberty in Vermont. Without your generous contributions we wouldn't be here, so I hope we can count on your support again as we gear up for what promises to be a challenging year in 2019.

Following November's election, the Vermont legislature shifted Left, to the point where Democrats and Progressives attained veto-proof majorities in both the House and Senate. This means that issues such as the Carbon Tax, a \$15 minimum wage, a new payroll tax to fund a paid family leave program, new taxes for Lake Champlain cleanup, and more will move quickly come January. Ironically, exit polls found that the local issues of most concern to Vermonters were "affordability," high taxes and the high cost of living in this state.

This is where our opportunity lies moving forward. The need to inform the public about these issues and to provide the ammunition necessary to fight back is more critical than ever and will be in higher demand than ever. Whatever happened at the ballot box, when it come to the issues, for the most part, we are winning.

For example, in 2018 we were able to eviscerate the ESSEX Carbon Tax proposal with a detailed report by Dr. Jonathan Lesser, a press conference, multiple pieces in local newspapers, multiple radio commentaries, and a social media campaign highlighted by detailed profiles of real-life Vermonters and how the tax would affect their households. We made the issue so toxic that legislators quickly dropped scheduled plans to take testimony on the bill. In 2019 we will likely have to fight that battle again, as well as make the case against a \$15 minimum wage, a payroll tax, and the government-mandated purchase of health insurance. I am confident we can succeed with your help.

In addition, your contribution will allow the Ethan Allen Institute to continue to provide the information that will help the people of Vermont to hold legislators accountable for their actions with Roll Call Reports and Legislator Profiles, keep Vermonters informed through our Common Sense Radio program on WDEV as well as newspaper commentaries by John McClaughry, David Flemming and myself, and we will keep expanding our reach and our message to more and more Vermonters via social media.

Our state never ceases to provide imaginative obstacles to liberty and prosperity for its people, but I am nevertheless excited for the year that lies ahead. If eternal vigilance is truly the price of freedom, it means we can never stop; never give up. We won't and are confident you won't either.

Thank you for all you have done for our band of patriots, and for your steadfast efforts to promote liberty, property, free markets, and fiscal sanity in the Green Mountain State.

Best wishes for a wonderful holiday season, and a happy and prosperous new year!

Robert Roper
President

PS. The Ethan Allen Institute is a 501c3 educational organization. All donations are tax deductible and anonymous.

Commentary: Legislative Preview for 2019

By John McClaughry

The Vermont Digger headline a day after the elections well captured the enthusiasm of the newly elected legislative majorities: “[Democratic supermajority comes with sky-high expectations](#)”. The final House tally was 102 Democrats and Progressives, 43 Republicans, and five independents. The Senate will be 24-6. Both chambers now have the 2/3 majorities needed to override any veto by Republican Governor Phil Scott.

The Democrats’ will start with passing another \$15 an hour minimum wage bill and a payroll-taxed financed parental leave bill, both of which Scott vetoed last session. But that’s just the unfinished business. With unrestrained legislative power in their hands, all of the issues that excite the liberal imagination will compete for a high rank on the “must pass” list.

Carbon Tax: This measure, first offered in 2014, is now disguised as carbon pricing, pollution fees, decarbonization, cap-and-trade, greenhouse gas initiative, etc. after the initial, straightforward “carbon tax” aroused massive resistance. The recent UN IPCC SR1.5 report, telling Americans that we have only a few years left before it will be too late to rescue the dying climate, will be weaponized to create a huge new tax resource for state government, but produce no detectable effect on climate.

Welfare increases: The \$15 minimum wage will only benefit lower-wage workers who aren’t priced or automated out of their jobs. Much more compulsion will be needed to that assure everyone enjoys a “Livable Wage”. Mandating employers to pay it avoids making taxpayers pay it, but mandating that employers stay in Vermont could prove troublesome.

Act 250 Expansion: A stacked six-member legislative commission will report in January on how to strengthen Act 250 after fifty years. Likely recommendations: make Act 250 apply to the smaller developments not now covered, make every development satisfy regulators that it will have no net adverse effect on climate change, and mandate that almost all change occur in state-designated growth centers.

Health Care: High on the agenda will be forcing all individual Vermonters to buy state-approved health insurance, or suffer a financial penalty. The legislature will compliantly support moving forward with the UVM Medical Center-dominated “All Payer” mega-system as a way station toward reviving the single payer plan that collapsed in December 2014.

Energy: It’s likely that the legislature will put into state law Gov. Shumlin’s fiat that Vermont must obtain 90% of its total energy needs from renewable sources by 2050. This fiat, once actually enacted, will invite legislators to push through a lengthy list of mandates, prohibitions, regulations and taxes designed to drive up energy prices to benefit the Renewable Industrial Complex and its political friends.

Labor: The legislature may try to find some workaround to avoid complying with the Supreme Court's holding that compelled "agency fees" to labor unions are blatantly unconstitutional.

Education: The legislature will cheerfully advance the centralization of control over public education spurred by Act 46, and try to choke off every path for parents and children to escape to independent (non-unionized) schooling. They'll make universal pre-K programs mandatory, publicly controlled, and unionized, despite no evidence that U-Pre-K actually improves educational outcomes. They'll move onward toward replacing the school homestead property tax with income taxes, with little consideration of the effects of much higher income tax rates on the economy.

Gun Control: Having breached the constitutional barrier in 2018, the gun control advocates will try to ban "assault rifles" and prohibit possession of firearms not just by persons judicially adjudged as "extreme risks" (current law), but also by persons subject to much less demanding "relief of abuse" orders.

The new legislature will be faced with a deepening liability for state employee and teacher pension and health care benefit obligations, now totaling an astounding \$4.5 billion. Failure to at least modestly reverse the trend will result in lowered bond ratings and higher cost of borrowing.

The 2018 legislative leadership recognized this problem and appropriated a one-time extra \$36.2 million, but with supermajorities clamoring for immediate spending on pet programs, it's hard to see how reducing the pension fund inadequacies can compete.

The new legislative majorities will be intoxicated with the declaration put into law in Gov. Shumlin's 2012 budget bill that "Spending and revenue policies will reflect the public policy goals established in State law and recognize every person's need for health, housing, dignified work, education, food, social security, and a healthy environment."

That lofty purpose neglects a few other considerations, like a business friendly, job-creating economy, and most people's need to keep the ever growing Nanny State off of their back and out of their wallets.

- John McClaughry is vice president of the Ethan Allen Institute

Commentary: Refocusing on Vermont After the National Election

By Rob Roper

A recent post-election news story contained this quote from a Middlebury voter that, from what I observed, captures the broad reality of where people's heads have been: "I've been so focused on the federal government, I don't know what's going on in Vermont." ([VT Digger, 11/7/18](#)) Well, here's some of what's been going on. And, yes, Vermonters better refocus their attention to local issues.

Two weeks before the November election, the credit rating agency Moody's downgraded Vermont's bond rating from Aaa to Aa1 due to our aging demographics and high pension fund liabilities. This will make it more difficult and more expensive for the state to borrow money as we now appear to investors less likely to be able to pay it back. This is another way of saying Vermont has no more tax capacity.

Between August and September, the state labor force declined by over 1000, as did the number of Vermonters employed. (vtlmi.info) As UVM economist Art Woolf pointed out, “The latest snapshot from the Vermont Department of Labor showed a decline of 500 jobs in September.... What is concerning is it’s on top of a loss of 700 jobs in August and 1,900 in July.”

And, just last week, a report from the president's Council of Economic Advisers listed Vermont dead last in the nation for job growth with a 0.9 percent drop in employment, the only state out of all fifty with a negative number. This was not long after Kuerig Dr. Pepper, adding an anecdote to the statistic, announced on October 26th it was laying off 120 Vermont workers, about ten percent of its local work force.

This is in sharp contrast to the nation as a whole, which mostly has been enjoying an economic boom. Over the last year, for example, while Vermont’s median income fell by 2.4 percent, the national median income increased by 2.5 percent.

We are clearly doing something wrong.

The rest of the nation is demonstrating that tax cuts and the removal of costly regulations lead to economic growth and prosperity. Wages are rising organically as demand for labor increases. Good paying manufacturing jobs, once proclaimed gone for good, are coming back.

Vermont, however, is proving that high taxes and onerous regulations lead to economic stagnation, outmigration, and increased poverty. Will our legislators recognize this fact and change course? Sadly, it doesn’t appear so.

The incoming legislature is signaling that its priorities will be increasing the cost of doing businesses (employing workers) with a \$15 minimum wage and a new payroll tax to pay for a government-run paid leave insurance program that, were it not mandatory, nobody would buy.

Vermont Conservation Voters (VCV), an environmental group that spent considerably on Vermont elections, is boasting that 20 (out of 30) of the state senators and 93 (out of 150) state representatives that they endorsed won their elections, and that VCV’s efforts gave Democrats and Progressives their new supermajorities. What does VCV want in return? Among other climate change-oriented policies, a Carbon Tax on Vermonters’ vehicle and home heating fuel. This is a household budget killer that will wreak havoc on the overall economy. (Of note, they are currently rioting in France because of a similar tax.)

Over the past two years, Governor Scott either vetoed or threatened to veto these policies because they make Vermont a less affordable place to live and work, and he and the House Republicans were largely successful in holding the line on no new taxes and fees. But now there are no longer enough Republicans in the House (just 43 out of 150) or Senate (6 out of 30) to sustain such vetoes.

I expect the Democrats and Progressives will argue that the failure to pass the Carbon Tax, the \$15 minimum wage, paid family leave, etc. is more responsible for the poor economic situation we are facing, and not that merely holding the line on taxes and fees was just too little a step in the right direction. Now that the elections are over, I guess we’ll find out who’s right. Are Vermonters paying attention?

- *Rob Roper is president of the Ethan Allen Institute.*

Events

December 11. Rob Roper will appear on the Sound Off Show with Linda Kirker, 7-8 pm, Chanel 15, St. Albans.

News & Views

Vermont Dead Last in Job Growth. A report from the president's Council of Economic Advisers listed Vermont as dead last in the nation for job growth with a 0.9 percent drop in employment, the only state out of all fifty with a negative number.

Long Gone from Vermont: A recent news report was headlined “America’s Tenth Largest Private Company is C&S Wholesalers (\$27 billion).” C&S was headquartered in Brattleboro until April 2002. Its CEO, Rick Cohen, had finally had taken enough jerking around from Act 250-imposed conditions and Act-250 empowered objectors to expanding its Brattleboro HQ and warehousing facility, and decided to move C&S management to no-income-tax, no-permit-extortion Keene NH, 25 miles away. Vermont was lucky to keep the truck drivers and warehouse workers.

Going from Vermont. Keurig Dr. Pepper announced on October 26th it will be laying off 120 Vermont workers, about ten percent of its local work force, as of the new year. The company laid off 35 others in May/June 2018.

Something Must Have Gone Wrong. Gov. Peter Shumlin told us (news conference on Vermont Yankee closure 8/27/13) “Decommissioning is a job creator!” Employment at Yankee as of shutdown (December 2014): 550. Employment as of 11/1/18: “Entergy reduces workforce to 24 at Vermont Yankee (*Vermont Digger* 11/1/18).

A Rising Tide. “High demand for workers will boost Vermont wages and make the \$15 minimum wage unnecessary, the chief economist for the State of Vermont predicted today. ‘The effective wage will exceed the [proposed \$15] minimum wage due to market conditions,’ Tom Kavet told a large crowd of lawmakers gathered in the Well of the Vermont State House for the annual [Legislative Briefing](#). Competition for dwindling numbers of workers will ‘bid up wages faster than anything that would happen with mandated minimums.’” Guy Page, Statehouse Headliners, 11/28/18

Medicare for Nobody. Bernie Sanders’ is promoting “Medicare for All”. He asks you to believe that the present Medicare program for seniors will open its doors to everybody. In fact, Bernie’s proposal is better titled “Medicare for Nobody”. What we know as Medicare will disappear, all private insurance for covered benefits will disappear, and BernieCare will take its place for all Americans. The price tag for this will be \$32 trillion dollars over the first ten years. Here’s a key provision in Bernie’s Medicare for All bill: Section 107:...”it shall be unlawful for (1) a private health insurer to sell health insurance coverage that duplicates the benefits provided under this Act; or (2) an employer to provide benefits for an employee, former employee, or the dependents of an employee or former employee that duplicate the benefits provided under this Act.” There it is – a enormous single payer system for all Americans – Medicare for Nobody.

VCV Makes Its Demands. Vermont Conservation Voters, fresh from endorsing 93 winning House members and 20 Senators in the election, is fired up to push through a carbon tax in 2019. “We must explore and advance policies like carbon pricing to help Vermonters invest in solutions and transition away from fossil fuels,” states the VCV website. Despite many arguments to the contrary, VCV claims that putting a tax on fossil fuels and providing a rebate on some Vermonters’ electricity bills [the ESSEX Plan] would ‘grow Vermont’s economy, protect the most vulnerable, and drive down our climate pollution.’” (True North Reports 11/24/18)

French Riot Over Carbon Tax. Over 250,000 thousand angry French citizens took to the streets to protest that country’s Carbon Tax on vehicle fuels amounting to 3.9 euro cents per liter on the former and 7.7 on the latter. Another increase of 2.9 cents 6.5 cents respectively is set for January 1, 2019 with the promise of more to come. French President Macron “insisted that the fuel tax rises are a necessary pain to reduce France’s dependence on fossil fuels and fund renewable energy investments, which is a cornerstone of his reforms of the nation.” ([BBC, 11/25/18](#)) It appears his constituents don’t share the French Presidents priorities.

News from Down Under: “After Australia’s Labor Party implemented a \$23 per ton carbon tax in 2012, conservatives rode to power on a campaign of repeal as electricity and gasoline prices soared.” (WSJ editorial 10/16/18)

Liberal Washington State Rejects Carbon Tax.... Again. Washingtonians defeated another referendum on a proposed Carbon Tax by a landslide 56-44 margin. Two years ago a carbon tax failed 59-41. At that time some key environmental group didn’t support the proposal because it was “revenue neutral” (meaning no bag of money for their pet projects. This year’s proposal was not revenue neutral. Which just goes to show this idea is a loser any way you slice it.

“Like We Said: “A carbon pollution tax – necessary to combat climate change – would reduce gasoline and diesel consumption further. Therefore imposition of such a tax must be part of a comprehensive overhaul of revenues to support the Transportation Fund.” – Public Assets Institute “Framework for Progress” (2018). Finally the Left acknowledges that putting a carbon tax on gasoline and diesel fuel will shrink revenues needed for transportation system maintenance. Their solution: “A comprehensive overhaul”, drawing needed revenues from the Tooth Fairy. Better solution: forget quixotic battles against “climate change” and devote motor fuel revenues to maintain the highways.

Maine Gov. Moving to Florida Because of High Taxes. “Asked where he would maintain his legal residency, [Maine Gov. Paul] LePage replied Florida. ‘I’ll tell you very, very simply: I have a house in Florida. I will pay no income tax and the house in Florida’s property taxes are \$2,000 less than we were paying in Boothbay,’ LePage said. ‘At my age, why wouldn’t you conserve your resources and spend it on family (rather) than spend it on taxes?’” ([Press Herald, 11/5/18](#)). Indeed. But don’t worry. Such stories about Vermonters doing the same are just anecdotal.

Coming Around to Nuclear? “In [a new report](#), the Union of Concerned Scientists is joining a growing number of environmental leaders to back existing nuclear power

because of climate reasons, despite continued concerns about the technology's safety and radioactive waste. The increased support could help keep open some power plants. "We're in a place right now from a climate perspective we have to make some hard choices. We need every low-carbon source of power we can get." (Steve Clemmer, UCS energy director, Axios 11/8/18)

Next Step in Gun Control, "Conditioning gun rights on Twitter civility? That's the future New York Democratic lawmakers want. Last week, Brooklyn Borough President Eric Adams and state Sen. Kevin Palmer announced draft legislation that would require a review of three years of social-media history and one year of internet search history for anyone seeking to legally own a gun. "A three-year review of a social media profile would give an easy profile of a person who is not suitable to hold and possess a fire arm," Adams [says](#). (Reason roundup 11/5/18)

Truth. "Liberals embrace multiculturalism, claiming all cultures are at least morally and practically equivalent, while they also denigrate Western culture as intrinsically tied to a history of slavery and colonialism. College campuses are filled with students and professors arguing that America is the greatest threat to world peace and development. Yet despite the West's imperfections, modern liberal democracy still offers the best governing system on earth to promote freedom and human dignity. Few women would willingly trade its equality for the female genital mutilations, child marriage, sex-selective abortions and other gender-based injustices found in other societies. Even a Churchillian acknowledgment from the left that American culture is the least-bad choice would be progress. " – Former Louisiana Governor Bobby Jindal, WSJ, 11/26/18

Book of the Month

Them

Why We Hate Each Other – And How to Heal

By Ben Sasse

St. Martin's Press (2018)

Ben Sasse is a very thoughtful, well educated (professor of history and college president), and nice freshman Senator from America's epicenter of niceness, the Midwest (Nebraska). He is alarmed at the polarization, distrust, despair, and anger seemingly so evident in the country today, as transmitted to us by mass media and social media.

His point of analytical departure is the phenomenon of loneliness. He cites research showing how loneliness affects the brains and bodies of millions of people. Especially affected are men over 45, who tell pollsters that loneliness is a major source of unhappiness in their lives, and consequently a gateway to destructive alcohol and drug use.

Being connected to others – family, friends, fellow workers, and community members – builds the rootedness, trust, and mutual helpfulness that is the antidote to loneliness.

Sasse then goes on about the uncertainties of one's work life, the sharp polarization of our politics, the perils of addictive social media, and numerous other current afflictions. He reminds of us of the sterling models of George Washington and James Madison. (We still haven't gotten to THEM, at least as I read it.)

Perhaps the crux of his message is this: "The alternative [to collapsing community] is restoring community for our new moment, recognizing that the old modes are obsolete, and that we need to figure out a way to realize a sense of home in a world that looks very different than anything we've seen before... Ultimately it will require habits of heart and mind that introduce neighborliness into a new, more rootless age. It will require us to build new institutions of community that can bring together increasingly mobile people."

But it's not enough merely to lament our too often savage political divisions, try to incorporate THEM into relationships of greater respect, and stand up for niceness, tolerance, neighborliness, and love. Senator, give us some inspiring examples and an action plan that can help us, and America, to overcome our challenges. Hopefully that will be the next book.

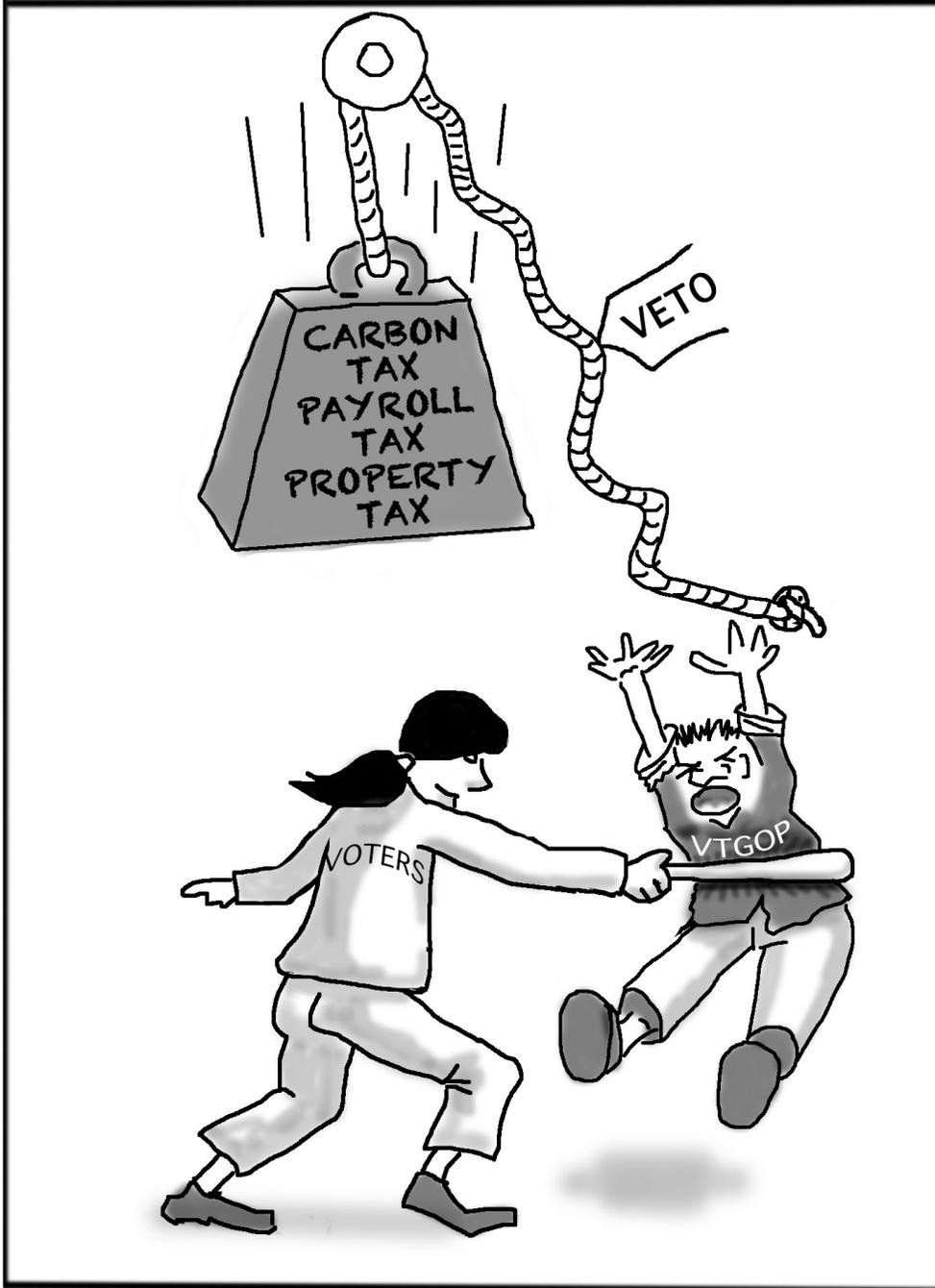
- *Reviewed by John McClaughry, vice-president of the Ethan Allen Institute.*

The Final Word

December Survey: EAI Customer Service Survey

As we prepare for the 2019 legislative session, the Ethan Allen Institute wants to find out how we can better serve your needs as informed, active citizens. Please take a few minutes to fill out the following twelve question survey. Let us know what we're doing right, what we're doing wrong, what issues we should focus on, and anything we should be doing but we aren't! Thank you!

[CLICK HERE](#) to make your voice heard



“That’ll teach ya!”