

Ethan Allen Institute

Newsletter – December 2020 (Printer Edition)

Top Story: Please support EAI in 2021

Because the fight for Liberty in Vermont needs you in it!

The nation and Vermont are at a tipping point. We have to decide if we are going to maintain the Constitutional freedoms set in place by our founders – the ideas and principles that made us the greatest country in the world – or abandon them for a path toward socialism, speech codes, and McCarthyite blacklisting of citizens who express anything other than obedience to a single-party agenda.

The Ethan Allen Institute needs your help to keep fighting for liberty and the Constitution in Vermont. 2021 promises to bring a number of issues forward that have grave implications for Vermonters. **Your contribution of \$1000, \$500, \$250, \$100, \$50 or another amount will have an impact on these critical issues:**

- **The Transportation Climate Initiative (TCI) Carbon Tax.** This multi-state proposal, would create, in effect, a “tax” or surcharge on gasoline and diesel of as much as 17 cents per gallon, or a \$90 million a year total tax on Vermont drivers. This tax would rise each year as “allowances” for how much motor fuel would be permitted to be sold in the state would steadily decrease. Final plans for TCI are set to be unveiled before the end of 2020 and will likely be an issue in the State House in January 2021. The Ethan Allen Institute commissioned a scientific poll on TCI in Vermont and we discovered a plurality of voters are favor of the program – *untill they find out what it does!* Educating Vermonters about this program will be critical over the next six months.
- **Global Warming Solutions Act Implementation.** This past fall the legislature succeeded in overriding the Governor’s veto of the Global Warming Solutions Act (GWSA). Now this law is in the planning phase, determining what measures will be needed to dramatically reduce Vermont’s greenhouse gas emissions. Such measures could include the banning of fossil fuel burning recreational vehicles such as ATVs and snow machines, banning or making prohibitively expensive via fees and fines the installation of new fossil fuel heating systems for homes and businesses. (Burlington has already made such a proposal.) Banning gas-powered lawn maintenance equipment. (Illinois has moved in this direction.) Banning the sale of gas/diesel powered cars and trucks. (California will do this in 2035.) What else? Use your imagination, the new Vermont Climate Council will be using theirs. The Ethan Allen Institute will ensure these deliberations don’t take place in the dark, and that the public knows and understands what is at stake.

- **Property Taxes.** The Covid-19 economic shutdown means we will have severe revenue shortfalls in the Education Fund, which – *if we are not vocal* – will result in drastic property taxes increases. In 2020 the legislature pulled out all the accounting stops to ensure property taxes did not increase by an additional 8 cents/\$100. In 2021, those gimmicks will no longer be available, and, without meaningful reform to how we pay for and deliver pre-k-12 education, we will see property tax increases of more than twice that 8 cent bump.
- **First Amendment Issues.** The First Amendment is under attack. Windsor High School Principal Tiffany Riley was fired by the school board for writing, “I firmly believe that Black Lives Matter, but I DO NOT agree with the coercive measures taken to get this point across; some of which are falsified in an attempt to prove a point. While I want to get behind BLM, I do not think people should be made to feel they have to choose Black race over human race.” This is only one example. Unless somebody stands up for freedom of speech and the value of diverse viewpoints, we are headed for another era of McCarthyite blacklisting, where people live in fear of expressing a politically incorrect thought.

Other issues followed closely by the Ethan Allen Institute include Second Amendment policy, energy, fair labor practices and Right to Work, healthcare, school choice, pension debt and reform, and election integrity.

Your support will also ensure that we are able to continue providing our core services, such as Roll Call Profiles and reports, weekly op-eds in local papers, Common Sense Radio (and now Video), Issue Briefs, and more. So, please be as generous as you can be. Thank you!

Contributions can be made online at:
www.ethanallen.org/donate

Or send checks to:
 Ethan Allen Institute
 P.O. Box 543
 Montpelier, VT 05601

Commentary: Elections Over, Challenges Ahead

By John McClaughry

The 2021 legislature faces major challenges on Fiscal Worries, Revenue Shortfalls, Retirement Fund Deterioration, and Electric Grid Challenges, but the governor surely won’t launch a much needed Performance Review.

The exhausting national election is now over, other than counting misplaced ballots and resolving lawsuits. Now is a good time for Vermonters to let partisan animosities subside, and take a serious look at what the governor and the next legislature are likely to face. Here’s a concise list.

Fiscal Worries: In September a Republican governor and Democratic legislature commendably produced a balanced budget for FY21, with no tax increases. This achievement was made possible by the windfall of \$1.25 billion from the CARES pandemic relief act, and an unexpected \$21 million in personal income tax revenues from boom year 2019. Remarkably, the lawmakers did this without depleting the Budget Stabilization and Rainy Day Reserve Funds (totaling \$112 million).

But with the election year pressure on Congress to spend now in the past, and the national debt growing by a trillion dollars a year, there's no assurance that the 2021 Congress and President will issue more debt to pay for a CARES Act reprise. Nor can anyone confidently predict the fiscal implications of various pandemic scenarios.

The Scott Administration projects a \$180 million General Fund deficit for FY 2022. The \$23 million needed to keep three state colleges in business can't be delivered year after year. Some solution has to be found that makes the system self-supporting or drastically transformed, over stubborn resistance from faculties, staff and legislators committed to preserving the (unstable) status quo.

Revenue Shortfalls: Other than rooms and meals, tax collections have been surprisingly strong over the past six months. However, there is no likely new source of new tax revenue to close this anticipated budget gap. Politicians like former Speaker Shap Smith have lusted after a sales tax on services, but Democrats, in the majority, have historically resisted raising sales tax rates. Their current "progressive" idea – a surtax on incomes of more than \$500,000 – won't come close to covering a \$180 million shortfall, and would likely send current and prospective top bracket taxpayers fleeing to less punishing places.

Broadly taxing fossil fuels, the most yearned for Green enthusiasm of the past decade, has never made it to a vote in the House, despite a virtue-signaling supermajority ready to vote for almost anything that promises, however preposterously, to defeat "climate change".

The pending carbon tax proposal, the Transportation and Climate Initiative (TCI), would put a tax of 5 to 17 cents per gallon on motor fuel, rising annually, but the backers are insistent about spending the revenues on additional subsidies for solar panels, electric cars and room heaters, and home insulation. Those revenues would not be available to cover existing fiscal shortfalls.

Retirement Fund Deterioration: A year ago the state employees' and teachers retirement funds, and their associated post-employment benefits, had an astounding unfunded liability of \$4.5 billion. When the new figures come out on November 10, that liability is likely to increase to more than \$5 billion. Making things worse, the unachieved 7.5% annual yield from the funds will soon be reduced to 7.0%, but in this pandemic year, the funds will be lucky to earn half that.

Even tightening up benefits and adopting a realistic yield rate will not be enough to sustain confidence in our retirement fund management. Without credible progress on reform, the interest costs on state borrowing will start creeping up, and our bond ratings will start creeping down.

This problem has been recognized for three decades. In 1996 Treasurer Jim Douglas reported that with an infusion of \$60 million the teachers fund could be converted to a defined contribution plan, a amount now ludicrously inadequate. I wrote back then, "The \$60 million shortfall - perhaps much more - is part of the price of a legislature and Governor chronically unable to pay for a liberal welfare state with the revenue that beleaguered Vermont taxpayers can produce. That is the tough nut that will

have to be cracked somehow.” Twenty four years have gone by and that tough nut remains uncracked.

Electric Grid Challenges: The “decarbonizing” rush to replace fossil fuels with electricity, whether with heat pumps in homes and businesses, or electric vehicles on the highways, promises to put a serious burden on the state’s already shaky power grid. Vermont’s Meredith Angwin, in her new book *Shorting the Grid*, patiently explains why reliance on diffuse and intermittent renewable power generation and just-in-time fuel deliveries to downcountry natural gas plants is a recipe for rolling brownouts by 2025.

Finally, the chances for a long-overdue government performance review remain, alas, zero. Every administration sets out to carve out waste and improve services (Scott’s version is PIVOT). All have achieved some small successes. But the big question – just what can we realistically expect our state government to do, and how much can our taxpayers be made to pay for it? – won’t be asked.

- John McClaughry is vice president of the Ethan Allen Institute

Commentary: TCI Looks DOA

By Rob Roper

The Transportation Climate Initiative (TCI), referring to the organization itself rather than the policy, has put off publication of their final proposal for a multi-state, regional carbon tax on gasoline and diesel fuel for well over half a year. Originally, they promised to release it in the spring of 2020, then hinted at summer, and are currently operating under a promise to do so this fall – a window rapidly closing. Presumably, the delays are part of a strategy to hold off until a politically opportune time. It doesn’t appear such a time will ever transpire. Increasingly, TCI looks dead on arrival.

The latest blow comes from Massachusetts Governor Charlie Baker, who, up until a very short time ago, was TCI’s biggest cheerleader. But now, according to the [Boston Herald](#), “Gov. Charlie Baker said governors are re-evaluating support of a controversial carbon tax designed to limit greenhouse gas emissions....” He further acknowledged that, ““We’re living at a point in time right now that’s dramatically different than the point in time we were living in when people’s expectations about miles traveled and all the rest were a lot different.””

The “dramatically different” time, of course, refers to the Covid economic decline. This is no doubt a large factor in Baker’s and other governors’ thinking. People are driving less regardless of a penalizing carbon tax squeezing us to do so, and trends toward working from home and reduced business travel are projected to continue beyond the pandemic. Imposition of a 17 cent per gallon tax on motor fuels is no longer necessary to affect a reduction in transportation emissions.

Moreover, the costs of the program in the cost/benefit equation – both economic and political – are growing more acute. The prospect of a 17 cent tax/surcharge/fee on gas was never a political winner. The Ethan Allen Institute conducted a [scientific poll of 600 Vermonters](#) in October and found that 54% oppose Vermont joining TCI if it meant paying that much more at the pump, 42% strongly opposed, compared to 38% who support the idea with less than 20% strongly so.

Add to that general distaste, for example, that as restaurants struggle to remain afloat, increasing the cost of produce shipped by truck would be a cruel kick to an industry that's already down. Similarly, when the tourism and hospitality industries are trying to ramp back up, saddling their potential customers with higher transportation costs to reach their destinations is counterproductive. The same can be said in regard to workers as they return to their jobs. After long layoffs and/or decreased earnings, are politicians really going to tell folks that, now that you're employed again, you'll have to pay this penalty for getting to and from work?

Which gets to the regressive and elitist nature of TCI, which is becoming more and more apparent to large swaths of constituents. In broad terms, the people who are least able to telecommute to their jobs – grocery store clerks, nurses, plumbers, electricians, etc. – are who we have come to know over the last nine months as “essential workers.” Many already see this divide between those who can and can't socially distance due to the nature of their jobs as one of inherent unfairness. TCI would essentially be a tax on lower wage essential workers, but one that white collar telecommuters could avoid. Good luck selling that proposition in today's world.

In states with larger minority populations, TCI is even under fire for being racist. From New Jersey, a collection of environmental groups under the banner of Climate Justice Alliance including [Maria Lopez Nuñez of Ironbound Community Corporation testified](#), “TCI to date has been tone deaf at best and racist at worst,” for its lack of outreach to communities of color or consideration of the impact of TCI on those communities. She went on to say, “I think TCI is just taxing poor people so that we can subsidize rich people's cars.”

Assuming TCI follows through and presents its formal plan this fall, the decision about whether or not Vermont should join will be a topic for the new legislature. Some of TCI's leading in-state proponents were rejected by the voters in 2020, such as Senate President Pro Tem Tim Ashe, Speaker of the House Mitzi Johnson, and Progressive Caucus leader Robin Chesnut-Tangerman. The question is, will the new leadership team continue to beat this horse, or put it out of its – and our – misery?

- Rob Roper is president of the Ethan Allen Institute.

Events

Thursday, December 17, 9am. The Vermont Legislative Apportionment Board will meet via Zoom. The Board makes recommendations to the Legislature for redrawing legislative voting districts for the Vermont House and Senate for the 2022-30 elections. If you would like to participate virtually in meetings of the Apportionment Board regarding redistricting following the 2020 census, check the [calendar link](#) here for more information. EAI president Rob Roper is serving on the seven member board.

News & Views

[Report: Northeast Must Triple Electricity To Meet CO2 Goals](#)

New England's goal to cut economywide carbon emissions to near zero by 2050 would require electric power supplies to more than triple, as vehicles and building heating switch from fossil fuels to electricity, according to an energy modeling study issued yesterday. The [analysis](#) by Energy and Environmental Economics Inc. (E3) and the Energy Futures Initiative (EFI) contrasts the need for an unprecedented investment in new energy generation with the New England region's tradition of local opposition to power and transmission projects. - Peter Behr, Energy Wire, 17 November

The Left Wing Fatwa Against Conservatives. “I would argue that structurally, the 1989 fatwa against Salman Rushdie was in fact the prototype of the modern cancel campaign. We didn't have that vocabulary at the time. We called it international terrorism, which it kind of was. We called it Islamist extremism, which it also was. If you look at it, what it was actually was an action to cut off an individual from society, make not only that individual but anyone who had anything to do with him toxic.” [Reason, 7-22-20](#)

Another Big Rejection of Affirmative Action. “This year in California — America’s biggest blue state, where only 37 percent of the population is non-Hispanic white — progressive groups thought they had a chance to reverse the trend [of banning affirmative action]. They sponsored an initiative that would have repealed the state’s 1996 ban. And it [lost in a landslide](#): 57 percent to 43 percent, based on the latest vote count. ‘All 14 of California’s majority-Latino counties voted it down,’ The Times’s Michael Powell notes. When forced to choose, most Americans evidently think that the policy is unfair and unlikely to benefit them.” [NYT, 11/18/20](#)

Trump Policies Attracted More Minorities to GOP. Team Trump and Republicans nationwide made unprecedented inroads with black and Hispanic voters. Nationally, preliminary numbers indicated that 26 percent of Trump’s voting share came from nonwhite voters — the highest percentage for a GOP presidential candidate since 1960.... Overall, exit polls indicated that 32 to 35 percent of Latinos voted for the president. And young black men are gravitating to the GOP at a remarkable pace (given the baseline). It turns out that minorities aren’t so infatuated with the brand of unrepentant progressive “woke-ism” now peddled by the Alexandria Ocasio-Cortez wing of the Democratic Party.” – [Josh Hammer, New York Post, 11/4/20](#)

Buckeye Voucher Victory. “The pandemic has been especially tough on low- and middle-income families, but the GOP Legislature in Ohio has given parents in their state something to be grateful for this Thanksgiving by passing a major expansion of private-school vouchers. Legislation approved late last week expands eligibility for the state’s private-school scholarship program to families earning up to 250% of the poverty line from 200%. Students in schools where at least 20% of families are low-income or that fall in the bottom 20% of academic performance for the past two years would also be eligible. The bill awaits Gov. Mike DeWine’s signature.” WSJ 11/24/20.

The Biden Climate Future. “Mr. Biden has pledged to return the U.S. to the Paris climate accord, which would be a boon to China. Under that agreement the People’s Republic doesn’t have to reduce carbon emissions at all until 2030, while the U.S. will have to impose vast new rules to cut emissions. Chinese leaders will be only too happy to

make future promises on climate in return for American acquiescence today to their security priorities of Taiwan, the South China Sea and Huawei. Sending [special envoy John]. Kerry to negotiate with Chinese President Xi Jinping on climate is a recipe for returning home dressed in a barrel. An obsession with climate will turn a U.S. security strength into a vulnerability.” – WSJ editorial 11/24/20.

From the Still-Unresolved NY-22 Congressional Race.... “The state’s absentee ballot request portal was “unsecured” during the registration window. Anyone who knew the name and date of birth of someone who lives in the county could request a ballot. They were also able to edit the address of record for the voter and have the ballot mailed literally almost anywhere. There would be no way for election officials to know if someone sent in such a fraudulent request and submitted a ballot unless the actual voter showed up in person to vote and their mail-in ballot was then invalidated. Do you think that couldn’t happen? Guess again. In Madison County they recorded 54 people who showed up to vote on election day who already had mail-in ballots recorded in their names.” [Hotair, 11/24/20](#). And, if someone didn’t vote at all but another mailed in their ballot, that fraud will never be detected by the system.

Mixed News for Small Biz Owners. “The US Treasury Department and the Internal Revenue Service (IRS) issued tax guidance further clarifying that expenses paid with forgiven Paycheck Protection Program (PPP) loans do not qualify for a business expense tax deduction... loans that have been forgiven or are expected to be forgiven shall be excluded from gross income tax.” (Vermont Business Magazine, 11/20/20)
<https://vermontbiz.com/news/2020/november/20/irs-issues-tax-guidance-ppp-loan-forgiveness-expenses-and-income>

Slavery Reparations. Burlington Mayor Miro Weinberger called the first meeting of the Reparations Task Force. “I am proud that Burlington is the first City in the country to examine and account for the role it has played in the foundational injustice of chattel slavery and the responsibility of repairing its harm,” said Mayor Weinberger. “A shameful chapter of the long, terrible history of slavery and its aftermath is that for over 30 years, congress has refused to even study the possibility of reparations, despite annual resolutions calling for that examination” (Vermont Business Magazine, 11/11/20).
<https://www.vermontbiz.com/news/2020/november/11/burlington-reparations-task-force-hold-first-meeting>

News We’d Rather Not Hear. The federal budget deficit [was](#) \$3.1 trillion in the fiscal year that ended Sept. 30, by far the biggest one-year gap in U.S. history. .. When Trump took office, the debt was \$14.4 trillion. It now [stands](#) at \$21.1 trillion. (Washington Post 11/24/20)

VT First in Safety. Vermont ranks as the #1 “Safest State to Spend Thanksgiving in the Country.” 10 factors with varying weights were considered. The 5 factors which were most heavily weighted: COVID-19 Death Rate in the Past Week, COVID-19 Hospitalization Rate in the Past Week, COVID-19 Positive Testing Rate in the Past Week, DUI-Related Fatalities in Motor Vehicle Crashes Around Thanksgiving per Capita, and Crime Rate. Despite recent upticks in Covid-19, Vermont still had the lowest hospitalization rate in the country. (Wallethub 11/18/20)

<https://wallethub.com/edu/states-thanksgiving/80082>

Our Captive News Industry. “People may have forgotten that advertising prescription drugs on TV used to be illegal, but once the media partnered with the pharmaceutical industry to lobby to legalize these ads you see on TV and the media all the time, we were beholden to the tune of billions of dollars to this industry. And they were able to successfully stop reporting and pull strings in a way I had never seen before.” – Five-time Emmy Award winning investigative journalist Sharyl Attkisson, author of “[Slanted: How the News Media Taught Us to Love Censorship and Hate Journalism](#).” (Daily Signal interview 11/24/20)

Book of the Month: Race & Culture

A World View

By Thomas Sowell

Harper Collins, 2019

288 pages

Thomas Sowell’s *Race & Culture: A Worldview* was published all the way back in 1994, but there are few books published in the past three decades which can begin to approach its scholarship and scope, that come under 260 pages.

Sowell’s immediately introduces the reader to the problem he is hoping to address: “When an analysis is confined to one society... it can be difficult to establish which patterns are the results of the way particular groups were treated in American society and which are the results of their own internal cultural patterns...”

I had never really thought about that issue quite like that. After all, when discussing problems facing “white America” or “black America” it is often easy to say that discrimination from other racial groups is the problem, or that the problem comes from within the black community. Sowell continues “...but where the analysis is international in scope, then the group patterns which recur in country after country can more readily be distinguished in the group’s experience from one country to another.”

This statement made me stop in my tracks, and realize that perhaps, my personal view of culture and race has been extremely limited indeed. It felt good to have a guide along the way, who is more well-read, well-traveled and who has lived with a different racial background than my own.

Sowell defines ‘culture’ as the “specific skills, general work habits, saving propensities and attitudes toward education and entrepreneurship – in short, what economists call “human capital.” He continues, “the term *race* will be used here in the broad social sense... to designate ethnic groups of various sorts- by race, religion or nationality... a more scientific definition of race is not attempted... defining racial or ethnic groups primarily in social rather than biological terms... race is a biological concept but a social reality”

In the acknowledgements, Sowell thanks those who helped him take 4(!) international trips around the world to gather stories and data for understanding the commonalities in culture. This information lends a certain credibility to the book: the author doesn’t disengage himself from society in a room for two years to write his manuscript.

He actively seeks out the very individuals who were part of societies and culture he was studying, and couples those engaging stories with the hard and fast data necessary to publish an engaging read.

The entire rest of the book can be drawn from Sowell’s stated intention and his definitions of race and culture. The chapters are straightforward, naturally moving from one topic

to the next: Migration and Culture, Conquest and Culture, Race and Economics, Race and Politics, Race and Intelligence, Race and Slavery, culminating in Race and History. The first 4 chapters were dense yet engaging, chock full of stories from countries across the globe. The Intelligence and Slavery chapters were the slowest going, through no fault of the author: the topics carry so much emotional baggage that the reader is forced to consider many of the unpleasant aspects of human history. There is a no socially polite way to bring up the connections between race and intelligence- we saw what happened to Charles Murray at Middlebury College when he tried to speak on that issue.

Here are a few thought-provoking quotations: “Neither the morality of slavery nor the treatment of slaves was an issue of much magnitude in non-Western societies.” ... “The political mobilization of envy has led to legal restrictions on productive groups, preferential policies for those unable to compete with them, confiscations and mob violence.” ... “The same approach which treats sins common to the human race as peculiarities of “our society” often makes the fatal error of confusing victimhood with virtue, by lining up on the side of the victim, instead of lining up on the side of the moral principle.”

Picking up “Race and Culture” should not be done lightly, for the time and energy necessary to digest the material is more considerable than many popular social science books. But the rewards of newfound knowledge that Sowell offers are large indeed, and are sure to be remembered long after many of those armchair books are forgotten. And in this coming long, lonely winter, I can think of few better uses of time than to tackle such a rich book, that is sure to leave the reader a more contemplative person.

David Flemming is a policy analyst at the Ethan Allen Institute.

- Review by David Flemming, policy analyst for the Ethan Allen Institute.

The Final Word

December Survey: New Social Media Platforms

Many people are finding Facebook and Twitter frustrating due to censored conservative content. EAI is considering joining alternative social media platforms and would appreciate your input.

Do you participate on social media at all?

Are you on Parler?

Are you on MeWe

November Survey Results: More Mail in Voting?

(A). Yes, it worked well for 2020, let's do it for every statewide election! 4.61%

(10)

B). Maybe, ask me in a few weeks. if I don't hear stories about fraud, lost ballots etc., and we get additional safeguards (like signature matching), I'd tentatively support it. 0.92%

(2)

(C). No, we should only consider mailing applications for a ballot to eligible addresses. I've heard too many stories about fraud and lost ballots. Let's not repeat that mistake.

6.45% (14)

- (D). No, you should only be able to vote by mail if you request a ballot weeks ahead of time, without the government prompting you to do so. 81.57% (177)
- (E). Other (explain below). 6.45% (14)



This is what we're up against.