



The Ethan Allen Letter

IDEAS FOR VERMONT'S FUTURE

A Monthly Publication of The Ethan Allen Institute

INSIDE:

- Charity Care Without Taxpayer Funds 3
- Welfare Reform Battle Renewed ... 4
- News & Views ... 5
- Single Payer Payroll Tax 8

The Left's Campaign to Destroy the First Amendment

COMMENTARY

President Obama's remark that he believes that Congress should "seriously consider" a constitutional amendment to overturn the Supreme Court decision in *Citizens United vs. FEC* will doubtless spur ever more fanatic efforts by inaptly named "liberals" to do just that.

First, let's understand the issue.

In 1907 Congress prohibited corporations from contributing to the campaigns of candidates for federal office. But the subject of *Citizens United* was whether a 2002 act of

Congress could declare a nonprofit advocacy corporation's airing of a film critical of a candidate (Hillary Clinton) within 30 days of a primary or 60 days of a general election to be a felony.

The 2002 law, called BCRA, made it a felony for any corporation, labor union, or citizen's association to make independent expenditures to in-

fluence public opinion in the run-up to elections.

A typical independent expenditure is a newspaper ad saying "Congressman Smith's no vote on the widget bill will hurt workers and families". The message cannot be coordinated with Congressman Smith's opponent or any political party, and it cannot say "So let's vote Congressman Smith out of office".

BCRA applied not only to business corporations, but also to nonprofit corporations such as the National Rifle Association, VPIRG, National Right to Life, the Sierra Club, and to labor unions. The act exempted media corporations, thus allowing, for example, the New York Times Corporation to publish with impunity millions of editorials advocating the election of Barack Obama.

Defending the act, the Obama Justice Department argued that to prevent "the appearance of corruption", the government could prohibit and punish not only radio and TV broadcasts, but pamphlets, posters and the internet that corporations and unions might find useful in expressing their views on matters of public concern.

In a 5-4 decision, the Court struck down the offending section of BCRA, holding that Congress may not suppress political speech based on the speaker's corporate identity.

The Left went berserk. Gov. Shumlin raced into print declaring that the sinister ruling "opened the door for corporations to manipulate our elections", ignoring the awkward fact that numerous corporate contributors are listed in his own campaign finance reports (which is legal under Vermont law).

Immediately there began a remarkable campaign of demagoguery by the Sanderista Left. At their instigation, over 70 Vermont towns adopted town meeting resolutions urging Congress to approve a constitutional amendment to override *Citizens United*. Last May the Vermont Legislature adopted JRS 11 to the same end.

Sen. Bernie Sanders has placed himself at the head of a national movement for his "Saving American Democracy Amendment" (SJRes 33). Rep. Peter Welch has co-sponsored three House resolutions toward the same goal. Tellingly, their proposed

See **The Left's Campaign**, Page 5

The Ethan Allen Letter

The Ethan Allen Institute is an independent, non-profit, nonpartisan public policy research and educational organization, incorporated in 1993 under Vermont law.

The Institute sponsors and conducts research on important public policy questions facing the people of Vermont, and makes its findings and recommendations known through various channels to the general public, the news media, and civic leaders at all levels.

BOARD OF DIRECTORS

Catherine Clark, Burlington
John Cueman, Dorset
Connie Houston, Ferrisburg
Anne McClaughry, Kirby
Jack McMullen, Burlington
Frank Mazur, South Burlington
Rob Roper, Stowe
William R. Sayre, Bristol
Wendy Wilton, Rutland

ADVISORY COUNCIL

Mel Boynton MD
Dr. Frank Bryan
Marcia DeRosia
J. Paul Giuliani
David Hale
Robert W. Hardy Jr.
Norman Henry
Sheldon Katz
Dr. Richard Kuklis
Bernier Mayo
John M. Mitchell
Rachel Siegel
Maj. Gen. Russell Todd
Roland Vautour
Stephen Webster
Brad Zuber

MEMBERSHIP

The Ethan Allen Institute relies upon the generous support of its more than 600 members to support its work. Contributions to the Institute, a 501(c)(3) educational organization, are tax deductible to individuals, corporations, and foundations. The Institute neither solicits nor accepts funding from government sources.

Basic \$50
Supporting \$51-\$99
Sustaining \$100-\$499
Sponsor \$500-\$999
Patron \$1,000-\$4,999
Benefactor \$5,000 and above

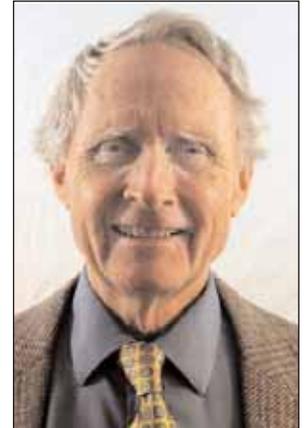
Members receive the monthly Letter, invitations to all Institute events, periodic email news, and (on request) all publications. For a list of available publications or other information, please contact the Institute by phone, fax, mail, e-mail. Most publications can be downloaded from the web site.

ETHAN ALLEN INSTITUTE

4836 Kirby Mountain Road
Concord, VT 05824
Phone: 802-695-1448 Fax: 802-695-1436
E-mail: eai@ethanallen.org
Web page: <http://www.ethanallen.org>

PRESIDENT'S MESSAGE

Illuminating the Issues



One of the Institute's guiding practices since its founding in 1993 has been to illuminate key issues facing Vermonters, so that they can make sound decisions. Here are some of the recent examples of issue illumination.

Energy: Our Energy Education project has done great work in reliably explaining energy issues, especially cutting through the fog emanating from anti-nuclear activists who are better versed in their own peculiar theology than real science. (www.energyeai.org)

Health Care: Since the Shumlin administration doesn't dare to release the cost estimates for Green Mountain Care before an election, our intern Lauren Carl meticulously reviewed the cost estimates that were produced by Rutland Treasurer Wendy Wilton, and denounced by the Shumlin administration as inaccurate. Lauren confirmed that using the best known data about Green Mountain Care, Vermonters will see short-falls of at least two billion dollars over its first 10 years.

Retirement Liabilities: EAI sponsored accountant David Coates in its Sheraton Economic Series and on our Common Sense Radio, helping him publicize his unchallenged conclusion that the unfunded liabilities of Vermont's two state-managed retirement benefit funds are now over an astounding \$3 billion.

Voting Records: Vermonters can review the performance of their legislators on key issues with our *Vermont Voters Report Card*, now available on our website for every session since 1999.

Key Questions: The Institute's "Informed Citizen Questions on the Issues of 2013" pocket card gives citizens 10 incisive – but fair – questions to put to would be legislators.

Your continued and appreciated support of the Institute makes these and other efforts possible.



PRESIDENT

Charity Care Without Taxpayer Funds: Is it possible?

Alieta Eck, MD, describes how volunteer associations can provide large-scale medical care at NO taxpayer cost to Vermonters

Low cost No red tape Respectful

Doctors Alieta and John Eck founded Zarephath Health Center in New Jersey, a free clinic caring for 300-400 patients each month using donated services. Dr. Alieta Eck is currently president of Association of American Physicians and Surgeons.

Dr. Eck is currently working with the New Jersey legislature on model legislation rewarding physicians who provide a substantial amount of charity care with full medical malpractice protection provided by the state.



**Friday, September 21
7:00 - 9:00 pm**

**McCarthy Arts Center
St. Michael's College**

**Sponsors: St. Michael's College Conservative Club; Green Mountain Patriots;
Christian Medical and Dental Association, UVM Chapter; Vermont 912 Group
Vermonters for Economic Health; Ethan Allen Institute**

Welfare Reform Battle Renewed

COMMENTARY

A campaign ad by Republican presidential candidate Mitt Romney has brought the long-dormant issue of welfare-to-work back to the political center stage.

Romney saw an opening when, on July 12, the Obama administration's Department of Health and Human Services (HHS) issued an "information memorandum" to state welfare-plan administrators regarding "waiver and expenditure authority". The memo said the department wanted to give states more flexibility in meeting welfare-to-work requirements in order to "allow states to test alternative and innovative strategies, policies, and procedures that are designed to improve employment outcomes for needy families".

HHS Secretary Kathleen Sebelius contends that she has the legal authority to waive compliance with the work requirements of the landmark 1996 welfare-reform law, known as "Section 407", even though Congress in 2005 declined an appeal from a number of governors (including Jim Douglas) to enact such an authority.

Here's how "welfare" – now known as Temporary Assistance to Needy Families (TANF) – works. Each state submits to HHS a plan spelling out how it proposes to meet the requirements set forth in the 1996 act. HHS approves the plan, and makes payments to the state to finance it.

HHS has statutory authority to waive a long list of provisions of the 1996 act if the state's plan proposes

alternative ways of achieving the overall goals of welfare reform. But at the time, Democratic President Bill Clinton was waging war against the "heartless" work requirements insisted upon by the Republican House. In fact, Clinton twice vetoed work-based welfare reform bills before reluctantly signing the 1996 act – over howling liberal opposition.

Knowing all this, Congress put the work requirements into a separate section of the act – Section 407 – specifically designed to protect them from being waived by any future liberal administration. It also provided that states that put more than 30 percent of their TANF participants into something other than actual work ("getting ready for work") would lose some federal funding.

The Vermont ReachUp (TANF) plan says that all participating adults, unless granted a deferral, shall be required to fulfill the work requirement spelled out in their Family Development Plans when they are work-ready. If the participant refuses to work when work-ready, the department shall reduce or terminate his or her payments.

Obviously "work-ready" offers some exit ramps. Participants who are too sick to work, or who have dependent children and no available day care, are deferred from working. So are participants engaged in a list of activities related, sometimes tenuously, to work (such as job-seeking, completing high school, and on-the-job training/work experience). Gov. Douglas in 2003 opted Vermont out of a community service work requirement where regular jobs are not available.

Romney and other Republicans hammered the HHS memo, charging that Obama "with a very careful executive action, removed the requirement of work from welfare". A Rom-

ney campaign ad declared "You wouldn't have to work and wouldn't have to train for a job. They just send you your welfare check."

Chimed in Newt Gingrich, who was Speaker when the welfare-to-work bill passed in 1996, "Why would any everyday American believe that [HHS Secretary Sebelius], if she makes it optional, is going to enforce a work requirement?" An indignant Obama campaign spokeswoman offered a denial from former President Clinton, though other Democratic figures might be more widely renowned for truth telling.

What are citizens to make of all this? Romney and the Republicans are right to be suspicious at any attempt by liberal officials, serving a president who as a state senator denounced the 1996 act, to offer the states "flexibility" on enforcing the act's work requirements. They are also right that there is no authority in that act for an HHS Secretary to exercise waiver authority over the stiff work requirements of Section 407.

On the other hand, no state has yet applied for a waiver, and Sebelius has forcefully stated that "we will not accept any changes that undercut employment-focused welfare reforms that were signed into law fifteen years ago". So it's a bit early to sell the claim that Obama wants to "create a nation of government dependency".

What is troubling about the episode, aside from the campaign exaggerations, is Obama's declared position that he will do anything and everything he can by executive action, and Congress be damned. In that context, his offer to the states to waive the demanding work requirements of Section 407 looks like one more example of a president trying to get what he wants without action by Congress.

Coming Event: *Wall Street Journal* deputy international editor Bret Stephens will speak at UVM's Davis Center at 7 p.m. on Sept. 23, on "Israel and the New Middle East". Admission is \$15. For tickets: 233-0556 or 863-5354.

Don't Miss This: Vermonters for Health Care Freedom has a terrific new TV spot pointing out how the Green Mountain Care Board will come between doctors and patients. View it at <http://vthehealthcarefreedom.org/bureaucrats-tv-commercial>.

Congratulations to EAI's Meredith Angwin, whose blog www.yesvy.blogspot.com just passed 200,000 viewer hits.

New Book on Thorium Power: Dr. Bob Hargraves, a science educator at Dartmouth and friend of EEP, is out with a new book entitled *Thorium: Energy Cheaper Than Coal* (available through Amazon). In addition to making the case for Liquid Fluoride Thorium Reactors (LFTRs), the book contains a sweeping survey of modern energy facts and policy issues (but you

NEWS & VIEWS

don't have to believe his incautious statement that "unchecked global warming will end life as we know it").

Vermont's Resident Genius: "Shumlin is convinced that Vermont can design its own unique health care system based on the experience of dozens of countries that utilize a single payer approach. 'We might not all like all of their systems but they're spending two to three hundred percent less on health care than we are and they have better outcomes', said Shumlin." (VPR 6/27/12)

If a country is paying 100 percent less than we are on health care, they aren't spending anything at all. And this is the genius who's going to "out-smart the feds"?

Whence the Tax Power: Two years ago we predicted the government would start thinking about a tax on Body Mass Index to win the "war on obesity". Following the ACA deci-

sion, ex-lobbyist Jack Abramoff wrote: "Lobbyists sapient enough to understand the consequences of the Roberts decision are already conferring with clients that desire to use the federal government as a competition-stifler and market-protector."

"You don't have to be a Nos-tradamus to predict taxes for those not installing certain kinds of solar panels on their roofs, particular security software on their computers or specific GPS devices in their cars. How high will be the tax for not enrolling in Acme Diversity Training seminars? How about federal tax on those loafers not installing the favored low-flow shower head? The possibilities are endless. And when government possibilities are endless, the lobbyists swarm." (TTP 7/5/12)

Cost of GMC: When Wendy Wilton published her estimate of the cost to Vermont taxpayers of Green Mountain Care, GMC advocates objected to her use of 7.5 percent med-

Continued on Page 6

The Left's Campaign to Destroy the First Amendment

Continued from Page 1

amendments denounce the baneful influence of non-human "corporations", but their actual text exempts favored nonprofit corporations, political action committees, labor unions, and media corporations. This calls into question whether their indignation is directed toward corporations as such, or just toward for-profit corporations that might object to the Left's penchant for more taxes, deficit spending, and regulations.

One liberal organization has, to its credit, placed fidelity to the First Amendment ahead of the interests of the liberal groups with which it is often allied. In a March 2012 position paper, the American Civil Liberties Union stated:

"Some argue that campaign finance laws can be surgically drafted to pro-

tect legitimate political speech while restricting speech that leads to undue influence by wealthy special interests. Experience over the last 40 years has taught us that money always finds an outlet, and the endless search for loopholes simply creates the next target for new regulation. ...

"Any rule that requires the government to determine what political speech is legitimate and how much political speech is appropriate is difficult to reconcile with the First Amendment. Our system of free expression is built on the premise that the people get to decide what speech they want to hear; it is not the role of the government to make that decision for them.

"The ACLU does not support campaign finance regulation premised on

the notion that the answer to money in politics is *to ban political speech* ... Unfortunately, legitimate concern over the influence of 'big money' in politics has led some to propose a constitutional amendment to reverse the [*Citizens United*] decision. The ACLU will firmly oppose any constitutional amendment that would limit the free speech clause of the First Amendment."

Kudos to the ACLU! Today's misnamed "liberals" are all too often willing to invoke government power to suppress speech that threatens their political interests. The First Amendment, fortunately, still stands in their way, at least until a "liberal" president succeeds in appointing a "liberal" majority on the Court.

Continued From Page 5

NEWS & VIEWS

ical inflation. So she ran the analysis again using 3.5 percent medical inflation, for the period 2014-18. Now we'll only have to find only \$1.57 billion in new tax dollars. What a relief!

The Arrogance of Power is a fine commentary by Robert Maynard on the violation of the property rights of neighbors of David Blittersdorf's wind project in Georgia. Read it at <http://truenorthreports.com/the-arrogance-of-power>.

More Renewable Hokum: "Germany provided 50 percent of its power through solar." – Gabrielle Stebbins, executive director of Renewable Energy Vermont, *Vermont Business Magazine*, August 2012.

German solar panels actually produced 21 TWh of electricity in 2011.

Germany's total power production was about 600 TWh. That means the PV solar contribution is about 3 percent. (H/t to Willem Post).

Public Schools Worst Place to Educate Children: A new Gallup poll asked respondents: "please indicate – based on what you know or have read and heard – how good an education each provides children – excellent, good, only fair, or poor. How about: public schools, parochial or church-related schools, independent private schools, charter schools, or home-schooling?"

Total of "good" plus "excellent": independent private schools 78 percent;

church schools 69 percent; public schools 37 percent (lowest). (Gallup 8/30/12)

Greenland Ice Mass

Loss: "(In 2006) NASA used satellite gravity measurements to estimate annual net ice loss in Greenland from 2003 to 2005. The researchers estimated ... an annual loss of 2,700 cubic miles per century. ... The Greenland Ice Sheet holds 706,000 cubic miles of ice. So at the 2003-05 ice loss rate, Greenland will lose less than 4/10th of 1 percent of its ice mass in the 21st century." Marlo Lewis (CEI 7/27/12)

Canadian GMC: "[Single payer] group payment is intended to force physicians out of independent practice and into positions of employment

Continued on Page 7

Ideologies of the Left

What socialism, fascism, and other ideologies of the Left have in common is an assumption that some very wise people – like themselves – need to take decisions out of the hands of lesser people, i.e., the rest of us, and impose those decisions by government fiat.

The vision of those of the Left is not only a vision of the world, but also a vision of themselves as superior beings pursuing superior ends. In the United States, however, this vision conflicts with a Constitution that begins, "We, the People ..."

The self-flattery of the vision of the Left also gives its

true believers a huge ego stake in that vision, which means that mere facts are unlikely to make them reconsider – regardless of what evidence piles up against the vision of the Left, and regardless of its disastrous consequences.

Only our own awareness of the huge stakes involved can save us from the rampaging presumptions of our betters, whether they are called socialists or fascists. So long as we buy their heady rhetoric, we are selling our birthright of freedom.

–Thomas Sowell (NRO, 6/12/12)

EAI Energy Education YouTube Channel

The Energy Education Project has a YouTube channel. The main EEP project web site is <http://www.energyeai.org/> and the YouTube channel has almost the same name: <http://www.youtube.com/user/EnergyEAI/>.

To find the channel, click on YouTube on your browser screen, and then enter Energyeai in the YouTube search box. Once at the energyeai channel, click on the Video tab to see a list of the videos.

The channel has excellent material mounted, such as the February 2011 UVM Janus Forum debate between

Meredith Angwin, director of the Energy Education Project, and anti-nuclear activist Arnie Gundersen.

The material is entered either as the whole video (for watching straight through) and as short "cuts" of the video which can be used in blogs, websites and PowerPoint presentations.

If you have some relevant videos that you would like to see added, please contact Meredith Angwin at meredith@ethanallen.org. We also want to thank Cavan Stone, former Dartmouth grad student in physics and EEP intern, for setting up the channel. – MJA

Continued From Page 6

NEWS & VIEWS

within hospitals and health systems. The ultimate goal is to be able to dictate exactly how they practice, what tests are done, and which medications and procedures they are allowed to use.” – Canadian physician Doug Perednia, who believes the effect and intent of global payment schemes is government control of medical practice itself. (*Heartlander* 5/24/12)

Economic Strength: Policom Corporation ranks metropolitan statistical areas on “economic strength”. In its 2012 rankings, Greater Burlington came in 82nd of 366. This was a significant improvement over 2011 (110th), but far down from the 2006 ranking of 32nd.

Manchester-Nashua, NH ranked 40th. The nation’s big winner? It’s our Big Government town, Washington DC.

Still Working On It: Asked whether his administration would present a [single payer] financing plan before the end of the 2013 legislative session, Shumlin said, “I don’t know yet. The first challenge is to define a system that makes sense. The minute we think we’ve got that figured out, we can easily figure out how to pay for it.” (RH 6/29/12)

Seems like 15 months ago, Hsaio Report in hand (and \$300,000 out of

our pockets), Shumlin’s single payer wizards had all the answers. Now they’re trying to “define a system that makes sense.” Lots of luck with that.

The Mask Slips: “Higher taxes for top earners is [sic] necessary for the nation to begin to raise the revenue it needs. And until the rich pay more, there will never be a national consensus for *tax increases on middle-income Americans, which will eventually be needed* to further curb long-term deficits.” – *New York Times* editorial (BOTW 8/30/12)

Appropriate Golden Oldie: “It was patently apparent during the legislative debate that the backers of single payer – now relabeled ‘universal and unified health system’ – have little grasp of the complexities involved in completely disassembling and repackaging Vermont’s \$5 billion health care sector to satisfy the red-shirted Sanderistas shouting that ‘health care is a human right’”. – *EA Letter*, June 2011.

News from New Hampshire: “[Democratic] Governor John Lynch this morning signed legislation blocking implementation of a health insurance exchange in New Hampshire. ... Lynch has supported setting up a New

Hampshire exchange, including the proposal in his State of the State address in February. Opponents argued that a state-run exchange

would put New Hampshire taxpayers on the hook for the costs of administering much of the federal health care law, while giving the state little flexibility from federal mandates.” (AP 6/20/12)

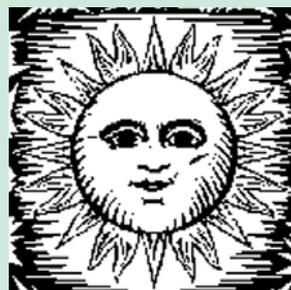
Watch Out for This One: Act 170 of 2012 (Energy Act) contains this section 13(b): “The commissioner of public service shall convene an interagency and stakeholder working group to study and report to the general assembly on policies and funding mechanisms that would be designed to achieve the goal described in subsection (a) of this section [90 percent renewable energy by 2050] and the goals of 10 V.S.A. § 578(a) (greenhouse gas emissions) in an integrated and comprehensive manner.”

The Left’s Loathing of Individuals: “[Obama’s remark] ‘You didn’t build that’ is a perfect expression of progressivism’s loathing for the individual. There are no individual property rights, because individuals do not exist as such. They are merely derivative parts which owe their lives, their preservation, and the fruit of their labor to the whole, to society – in practice, to the state.” – Daren Jonescu (*American Thinker*, 8/30/12)

Vermont Voters’ Report Card Published

The Institute has published its biennial voters’ report card, as it has done in every even-numbered year since 2000. The booklet reports nine House and nine Senate roll call votes in the most recent biennium that we felt offered the clearest picture of the behavior of legislators on the issues the Institute is concerned with.

We usually do not include votes that are 28-2 or 135-9, since they indicate broad consensus among legislators of all parties. As an educational organization, EAI is precluded from indicating “good” and



“bad” votes and ranking legislators’ performance.

Readers who want copies to distribute should contact President Bruce Shields (bruce@ethanallen.org). We do not think the report card is suitable to hand out on street corners or door to door. For an effective hand-out to the general public, readers are welcome to extract the votes of interest and make up their own custom hand-outs. The report card can be downloaded in PDF format from www.ethanallen.org and reproduced as needed.



The Ethan Allen Letter

ETHAN ALLEN INSTITUTE
4836 Kirby Mountain Road
Concord, VT 05824

Nonprofit Org.
U.S. Postage
PRSR STD
St. Johnsbury, VT
05819
Permit No. 11

Single Payer Payroll Tax “Off the Table”; What’s On? Everything!

In the same *Rutland Herald* story (7/15 /12) in which Secretary Spaulding deferred legislative action on single payer financing for a year and a half, Spaulding indicated that a significant payroll tax was not under consideration. “If there’s a payroll tax involved, it better be pretty small so we don’t put our businesses at a competitive disadvantage.” So what is on the table?

Going back to May there have been a series of messages from House Speaker Shap Smith and others that comprehensive tax reform and single payer financing should be considered together. These signals have reached their most ominous form in the instructions to the University of Massachusetts contractors who are charged with developing the financing plan, including an “analysis of the interaction of new provisions with

Vermont’s current revenue structure, including income, property and sales tax, and recommend possible complementary reforms to the overall tax code.”

Smith and others have often referenced the Blue Ribbon Tax Structure Commission report delivered to the legislature in January 2011. The commission examined ways to make Vermont’s overall taxing system “more simple, sustainable, equitable, and economically competitive.” They were not charged with finding additional revenues, but rather shifting our tax burdens to accomplish their goals. **Now it appears the administration is mining the commission’s report for billions in new revenues to support Green Mountain Care.**

– Jeff Wennberg, Vermonters for Health Care Freedom, 7/20/12

Canadian Health Care’s Problem

“The irresistible force of demand for ‘free’ services is running headlong into the immovable object of unavoidably limited health budgets. To date, the pressure has been relieved by crumbling health infrastructure, loss of access to the latest medical innovations, declining numbers of medical professionals and lengthening queues.

“By and large, people have access to ordinary, rela-

tively low-cost services like GP office visits, but find it increasingly difficult to get vital services such as sophisticated diagnostics, or many types of surgery and cancer care, where the waits can be measured in months if not years. This is the exact reverse of what a rational person would want.”

– Brian L. Crowley, Atlantic Institute for Maritime Studies (Nova Scotia), 12/11/02