



The Ethan Allen Letter

IDEAS FOR VERMONT'S FUTURE

A Monthly Publication of The Ethan Allen Institute

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The Mother of All “Global Warming” Scams

COMMENTARY

One of the first acts of the new Obama administration was to jump start a regulatory process that, if carried through as urged by Vermont’s Attorney General, will put a crushing new burden on America’s beleaguered auto industry and impose enormous regulatory costs on Vermonters.

Since 1967 the Clean Air Act has regulated air pollution from motor vehicles: nitrogen oxides, particulates, ozone, and other products of petroleum combustion that have harmful effects on human health.

The Act reasonably provides that individual states can’t create a patchwork of regulations that would impose much higher costs on automakers, and therefore higher prices to consumers.

But the act authorized California, with its Los Angeles smog problem, to seek a waiver to cope with its extraordinary conditions.

In 1975 Congress adopted nationwide corporate average fuel efficiency standards (CAFE) for motor vehicles, and significantly stiffened them in 2007 (to 35 mpg in 2020.) That act specifically forbids states from imposing fuel economy standards of their own.

In the 1990s Al Gore and the enviro groups invented a powerful new political tool for seizing control of global energy production and consumption, and thus of the world economy. That was the Menace of Global Warming: the urgent conjecture – backed only by computer projections – that human combustion of carbon is cooking the planet.

To battle this supposed menace, California enviros got their legislature to pass a bill in 2002 authorizing state regulation of carbon dioxide emissions from motor vehicles. Years of

improved engine efficiencies have reduced emissions per ton-mile, but now the only practical way to further reduce CO2 emissions is to push motorists into ever smaller vehicles that use less fuel per mile, or expensive hybrids and other exotic vehicles powered by fuel cells, compressed air, or batteries.

In 2005 California applied for an EPA waiver to impose its emissions regulations. Hypergreen Vermont rushed to get in on the California action. The Douglas administration approved a California-type emission regulation. The automakers sued to enjoin its application, even though California still hadn’t won its EPA waiver. In 2007 Federal Judge William Sessions ruled that if EPA gives California a waiver, the California regulations can be applied in Vermont. (The case is on appeal.)

In 2008 Congressman Peter Welch, with a California colleague, introduced a bill to force the despised (by

See **Mother of All**, Page 7

The Ethan Allen Institute renews its search for a new President and CEO. See President’s Message on Page 2 and job specs on Page 6.



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.

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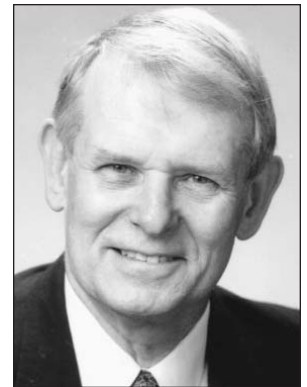
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Members receive the monthly Letter, invitations to all Institute events, periodic email news, and (on request) all publications. For a list of available publications or other information, please contact the Institute by phone, fax, mail, e-mail. Most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

ETHAN ALLEN INSTITUTE

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PRESIDENT'S MESSAGE



A New Search Begins

In the newsletter of November 2007, the Institute's Board announced that a search was underway for a new President/CEO to replace me. In the December 2007 renewal mailing, we asked members to increase their annual contribution to help us support a new leader, while I continued as a Fellow. You may be wondering what happened.

Our search at the national level produced only one credible candidate (with the weakness that he was too much like me). We were, however, able to find a very qualified candidate from within Vermont who could have done a terrific job.

We waited for 15 months while that individual tried to get into a position to be able to accept our offer. Unfortunately circumstances ultimately made that impossible. So now we are back in search mode. The position announcement is reprinted on pages 5-6.

Members and other readers: please think urgently about someone you know who might be interested in this position, and put that person in touch with me. We are flexible about starting date.

The recent series of enormous Federal bailouts foreshadows the emergence of a never-before-imagined (except by Bernie Sanders) mega-state. The new President and his majority in Congress are on the record for ever more intrusive forays into our rights and liberties.

If there was ever a time when Vermonters and Americans needed to reaffirm their commitment to the fundamental principles of a free society, it is now, when these principles are under constant attack.

The Ethan Allen Institute will continue to educate Vermonters in the vital importance of those principles, and raise the alarm at every invasion of our precious liberty. Your continued support is deeply appreciated.

Tom and Ethan Together – for the First Time

Thomas Jefferson – the cultured, intellectual Virginia plantation master, a finely dressed diplomat fluent in Latin, Greek and French, a lawyer-politician with no military experience, diffident in public forums but skilled in political maneuver, founder of a great university, venerated by a nation upon his death.

Ethan Allen – the rough-hewn frontier ranger, tavern brawler, defender of the Hampshire Grants homesteads against the Yorker lawyers, fearless colonel of militia, prisoner of war, land speculator, blasphemous scourge of divines, self-taught philosopher, dying on a frozen lake after a drinking bout with old soldiers.

What did these apparently dissimilar early Americans have in common? Tom and Ethan shared a vision of an America of independent property owning farmers governing themselves in a free republic.

Learn more about Tom and Ethan’s dream for America at the Ethan Allen Institute’s **16th Annual Jefferson Day Dinner, Tuesday, April 14**, at the Windjammer Restaurant in South Burlington.

This year’s speaker is a nationally distinguished

scholar with deep Vermont roots. Dr. H. Nicholas Muller (Ph.D. Rochester 1968) has been professor of history and associate dean at UVM, Vice President of the Vermont Historical Society, Treasurer of the Ethan Allen Homestead Trust, and President of Colby-Sawyer College.

He has written extensively on early Vermont in *Vermont History*, *Encyclopedia of Vermont* and *Vermont Life*. Few persons are more conversant with the colorful and turbulent events of Ethan’s day, during which Tom authored the Declaration of Independence.

“In all my years as an amateur student of both Tom and Ethan, I have never seen or heard a side-by-side comparison of their lives and philosophies by a knowledgeable historian like Nick Muller,” said EAI President John McClaughry. “This promises to be an informative and very enjoyable evening – don’t miss it.”

Members, friends, guests and the general public are invited. Reservations are required and may be made by April 12 by email at eai@ethanallen.org or by phone at 802-695-1448. The ticket price is \$35.

Joe Blanchette Joins Institute Board of Directors

In January the Institute welcomed Joe Blanchette of Charlotte to its Board of Directors. Joe is currently Vice President of Dallas-based National Health Administrators and has extensive experience in the health and long-term care insurance fields.

Born and raised in Lawrence, MA, Joe came to Vermont in 1967 to attend St. Michael’s College and has stayed here ever since. He has been a teacher and long-time union representative, and for 10 years co-managed a large statewide insurance pool. He has been married to his wife Peg for 37 years and they have two sons, one in Connecticut and the other in China.

“I considered myself a liberal for the first 20 years of my adult life,” Joe says, “but my experiences during that period opened my eyes to the difference between good intentions and good outcomes. Compassion for others doesn’t necessarily help less fortunate people improve their lot. Good public policy must provide incentives for individual initiative, personal responsibility and productivity, not perpetuate dependency.

“Government policies too often ignore the unseen majority that pay for or may be harmed by them. The Founding Fathers were right in their belief that individual freedom, property rights and opportunity are the keys not only to personal fulfillment and prosperity, but also the good of the whole. The Ethan Allen Institute has been a strong voice for this concept. That’s why I’m pleased to join its Board.”

Joe takes the seat of Jeff Chapple of Burlington and more recently of Florida, a director for the past seven years. Welcome aboard!



The Curse of Diocletian

COMMENTARY

It's been around for 1,700 years, and it afflicts us yet today. It's not a natural calamity, like herpes, but a man-made calamity. It's transmitted by ignorant or venal politicians eager to curry favor with certain constituencies. It's called the Curse of Diocletian.

The Emperor Diocletian ruled Rome from 284 to 305 A.D. Like many of his predecessors, Diocletian needed money to pay the army and to finance his grandiose public works spending.

Previous emperors had debased the value of the silver currency to the point that no one would accept it. Diocletian started over. He scrapped that coinage and introduced a new copper coin that quickly became worth essentially nothing. Prices of goods and services shot upwards.

So Diocletian decided to issue an edict declaring the value of practically every traded product or service in terms of his worthless coinage, and prohibit anyone from making his own decision about how much to pay for wool, wheat, drovers, and lawyers.

Of course, people were not inclined to accept a handful of worthless copper disks for a wagonload of wheat. The buyers and sellers struck their own private deals in the marketplace. To put a stop to this illegal freelancing, Diocletian declared that anyone caught cheating on his price fixing

system would be put to death. Withholding goods and services also became a capital offense. Mission accomplished!

Not surprisingly, the result was marketplace riots, killing of traders, hoarding, unemployment, hunger, and in spite of the death penalty threat, a rapidly growing black market. Four years after the edict was issued it collapsed, and Diocletian was forced to abdicate.

But the Curse of Diocletian erupts again last week in the form of a bill (S.89) to impose retail price controls on milk. This nitwit scheme, cosponsored by 16 Democrats, is the handiwork of Senate President Peter Shumlin and especially Sen. Bobby Starr (Essex-Orleans), surely the most determined advocate of dairy price fixing in modern Vermont history.

Intoned Shumlin, "The disparity between what our farmers receive for a gallon of milk and what Vermont consumers pay is unconscionable. We want to take the money that is lost in the middle (sic) and put it back in Vermonters' pockets." That refers to Starr's "surplus profit margin" theory, historically associated with the writings of Karl Marx.

The store price of fluid milk has been dropping for months, and it would be hard to find a consumer who views the current price as being suspiciously out of line. So why the sudden passion for milk price controls?

Last year Shumlin and Starr revived and expanded the Vermont Milk Commission, and directed it to find a way to jack up prices received by dairy farmers. But the

Commission couldn't find a way to do it that didn't end up gouging mothers buying milk for their children.

To get around that problem, some on the commission (Starr) came up with Diocletian's idea of slapping price controls on the grocers. That way the grocers couldn't pass on to their customers the cost that a new milk tax – labeled an 'assessment' – would force the distributors to charge. The retailers would have to absorb it out of their alleged "surplus profit margin".

But Starr didn't have the votes, the Farm Bureau and the dairy coops backed away, and this whole pernicious proposal fell apart. The Commission threw up its collective hands and called it quits.

Foiled by the Commission's refusal to do their dirty work, Shumlin and Starr now appear to want to punish the grocers who led the resistance to the Commission's milk tax proposal. What is not yet clear is how slapping price controls on grocers ends up advancing Starr's perpetual goal of transferring somebody else's money to dairy farmers.

Democratic Senator Dick Mazza is the owner of a family grocery in Colchester. Perhaps his Italian heritage includes some faint ancestral memory of Diocletian's price control folly. When asked about the Shumlin-Starr price fixing bill, he replied, "That's totally ridiculous. That is the dumbest idea I've ever heard." From a man who has served in the Senate since 1985, that is a pretty severe judgment.



The Ethan Allen Institute

“ IDEAS FOR VERMONT’S FUTURE ”

Position Available: President and CEO

WANTED: An individual willing and eager to work to reverse an erosion of individual liberty caused by decades of laws, regulations, and a culture that looks to the state to solve all problems – real or imagined; a man or woman who will take on the task of helping people understand that market-based solutions can work better while simultaneously advancing individual liberty.

Being the CEO of a free-market think tank in what may be the bluest and/or greenest state in the nation is a challenge. If you are up to it, read on.

The Board of the Ethan Allen Institute (EAI), Vermont’s independent free market policy organization, seeks an intelligent, energetic, and outgoing individual to serve as President and CEO.

Founded in 1993 by its current President and CEO, the Institute’s mission is to educate Vermonters in the fundamentals of a free society. For more information about the Institute and its activities please go to: <http://www.ethanallen.org/home.html>.

The Institute’s new CEO will have the following responsibilities:

1. Work with the Board of Directors to develop the strategy and tactics necessary to increase the impact of market-oriented ideas on public policy. This includes but is not limited to

- Constructing a nucleus of legislators who will develop and advance a strong program of free market initiatives, making use of the Institute’s research and policy analysis.
- Organizing influential civic leaders and business and trade organizations to support sound policy initiatives.
- Making use of Web 2.0 techniques to reach and recruit like-minded Vermonters.
- Aggressively develop funding sources that can allow the Institute to expand the scope of its activities and influence

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2. Formulate and oversee the Institute's program of issues research and policy analysis. The Institute's current president will continue to be a resource to the new CEO through 2009, and throughout the transition will provide background on policy issues and introductions to Vermont supporters and opinion leaders.

3. Represent the Institute and its mission by lobbying and speaking in the media, in public at events, and before organizations across Vermont.

4. Supervise the Institute's publications, membership records, budget, financial record-keeping, donor relationships, grant management, and tax reporting. The current administrative assistant will perform many of these duties throughout 2009.

Candidates for this position must share the Institute's pro-liberty philosophy. Employment experience with a free market think tank or other similar organization is desirable.

Competitive candidates will have personal integrity, strong interpersonal skills, sound analytic and writing abilities, familiarity

with national policy and funding organizations, fund raising experience, and a desire to challenge the prevailing leftist culture of present-day Vermont. A good sense of humor is essential in this latter task.

To apply for consideration, please address a cover letter, a resume, and samples of published or in-house policy analyses, to Ethan Allen Institute, 4836 Kirby Mountain Road, Concord, VT 05824, or send these materials via e-mail to eai@ethanallen.org.

Qualified candidates will be interviewed in Vermont and in Washington DC. The position is available in May 2009 (a later starting date can be negotiated). Salary and benefits are negotiable.

The Ethan Allen Institute is one of some 56 similar but independent state-level, free-market-oriented public policy organizations around the country that exchange ideas and information through the State Policy Network (www.spn.org)

The Ethan Allen Institute is an equal opportunity employer. It neither solicits nor accepts funds from governments or taxpayer-funded organizations.

The Mission of the Institute is to influence public policy in Vermont by helping its people to better understand and put into practice the fundamentals of a free society: individual liberty, private property, competitive free enterprise, limited and frugal government, strong local communities, personal responsibility, and expanded opportunity for human endeavor.

IHS Summer Seminars for college-age students will be held this summer on various college campuses. This is a great opportunity for young people to learn classical liberal ideas (and have a good time). For info: www.TheIHS.org/thinkmore.

Coming Event: March 5-8, New Hampshire Liberty Forum, Crowne Plaza Nashua. Info: www.freestate-project.org/libertyforum.

Here's Good News! "A national gun control organization gives Vermont just 9 out of 100 points for gun

NEWS & VIEWS

control laws." (WCAX, 2/6/09.) It didn't mention our rate of gun crimes.

What More Can We Ask?: "In the past few months reports have been released by the Mercer Company, Well-Point, CIGNA, the Blue Cross Blue Shield Association, United Healthcare, Aon Consulting, and even the chronically skeptical EBRI, all showing that people in Consumer Driven Health Plans pay more attention, seek

out information, participate in wellness and prevention programs, choose lower-cost treatments, and save substantial amounts of money for themselves and their employers." (Scandlen Report, 2/3/09.)

It Also Causes the Heartbreak of Psoriasis: "Britain may be in the grip of the coldest winter for 30 years and grappling with up to a foot of snow in some places, but the extreme weather is entirely consistent with global warming, claim scientists." (*Telegraph*, 2/8/09.)

The Mother of All "Global Warming" Scams

Continued from Page 1

them) Bush EPA to issue the California waiver. When that failed, California Gov. Arnold Schwarzenegger and Attorney General Jerry "Moonbeam" Brown went back to court to try to force EPA to act. Attorney General William Sorrell quickly joined the parade.

Now Bush is gone, and President Obama has directed his EPA to reconsider the Bush EPA's waiver rejection. Governor Jim Douglas issued a statement praising Obama for his "action on his pledge to address climate change."

Let's assume the Obama EPA gives Schwarzenegger, Brown, Sorrell, Douglas, and Welch their heart's desire. What will it mean for Vermonters?

It will mean that about six years from now many Vermonters registering a new car will have to pay more – probably a lot more – for an exotic upscale hybrid, or cram themselves into a smaller and less crashworthy car, van or truck.

Will that solve Vermont's air pollution problem? No, because sparsely populated Vermont doesn't have an air pollution problem caused by tailpipe emissions.

Will that defeat the Menace of Global Warming? No, because for eight years the planet has been steadily cooling, and the complete disappearance of sunspots predicts a couple of cold decades ahead. In any case, human-caused emissions of carbon dioxide have no detectable effect on climate change.

But the cost, inconvenience and utter folly of implementing this motor vehicle emission scam is far from the whole story. An Obama administration determination that EPA must regulate CO2 as a "pollutant" will almost certainly cause a regulatory cascade.

It will bring into play Prevention of Significant Deterioration regulations, not just on vehicles but on stationary businesses, buildings, road construction and farms (with over 25 cows) that emit 250 tons of CO2 per year. That will force hundreds of Vermonters to obtain EPA permits requiring the installation of Best Available Control Technology.

It will probably trigger new National Ambient Air Quality Standards governing carbon dioxide "pollution", requiring that the present atmospheric concentration of CO2 actually be reduced. And it would surely drag thousands of Vermonters into a complex,

costly, drawn-out and maddening permit process.

In short, this regulatory madness will hammer the already desperate auto industry and impose severe burdens on any significant CO2-producing activity. It will, as intended, depress petroleum consumption, but it will contribute nothing toward combating the illusory Menace of Global Warming.

"This is a big victory for clean air," Congressman Welch said of the Obama action. He should – and probably does – know better. EPA regulation of CO2 emissions would have nothing whatever to do with cleaning up air pollution. It would have everything to do with strangling the reeling U.S. economy with complex and costly regulations, and bestowing a political victory upon bad science, big government, partisan politics, and unscrupulous enviro groups and their political allies.

The remaining question now is whether the Obama administration, which now owns this problem, will have the backbone to say no to all the enviros and kindred politicians now playing out their final act of pounding lumps on the departed George W. Bush. It's not out of the question that it will. Let's hope so.



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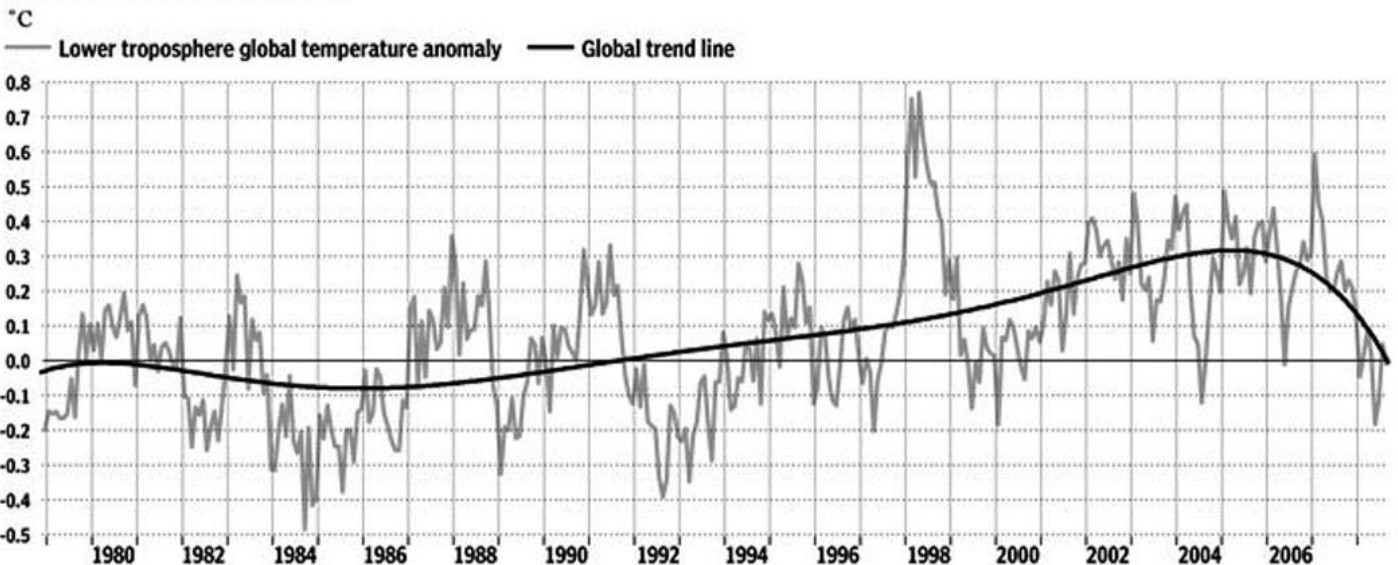
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LOWER TROPOSPHERE GLOBAL TEMPERATURE: 1979-2008

Since 2005, global temperatures have given back most of the warming that had occurred since 1980.

CHANGE IN TEMPERATURE



SOURCE: THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

ANDREW BARR / NATIONAL POST