

Ethan Allen Institute

Newsletter – June 2020 (Printer Edition)

Top Story:

Senate to Vote Tuesday (6/2) on Election by Mail

VT Town Clerks on Voter Fraud

Rosemary Morse, Berlin Town Clerk – “If we have to just mass mail ballots, instead of directly to those that request, we will be wide open to voter fraud. There will be probably 50% of those mailed ballots in the trash where anyone can do whatever they want with them. And if someone wants to commit voter fraud, they will find a way to use them. I don’t believe Vermont should ever go to universal mailed ballots.” - Vermont Daily

Lynette Deatte, Jay Town Clerk – “Too much room for fraud. One person can fill out many others without knowledge. If that person came forward later to state they never received their ballot, and we show it was filled out and returned, there is no way of knowing where that fraud took place.” - Vermont Daily

Stacy Jewell, St. Johnsbury Town Clerk -- “Not that we would know [if absentee ballot fraud occurs]. Like I said, you’re not gonna know.” - [True North Reports](#)

NAACP Leader Calls for Election Re-Do Over Mail-in-Ballot Fraud, Confusion

"A Paterson NAACP leader said the recent city council vote-by-mail election was allegedly so flawed that the results should be thrown out and a new election ordered.... [M]ore than 20 percent of all ballots were disqualified, some in connection with voter fraud allegations.... 'Keep the faith is not the answer any voter is looking for in particular the 3,200 voters who had their votes thrown out in this past municipal election.... It's one out of every five people, imagine that. If one out of five people showed up at the polls on election day and were turned away, we would have an incredible backlash in this country.'" - [NBC New York](#).

EAI President Responds to Secretary of State

The following letter was submitted to the Caledonian-Record in response to a commentary by Secretary of State, Jim Condos:

To the editor:

Jim Condos just gave us 900 words of avoiding the issue of absentee ballot fraud.

There is a growing concern that Jim Condos' proposal to mail every active voter on the statewide checklist a "live" ballot for the November 2020 election, as scheme backed vociferously by the well-funded, far left lobbying and political action organization the Vermont Public Interest Research Group (VPIRG), will result in rampant "ballot harvesting." Ballot harvesting occurs when canvassers show up at voters doorsteps to collect their ballots, often times "helping" them to fill them out, sometimes taking the ballots and filling them out themselves, and, as was seen in the 2018 North Carolina 9th congressional district, destroying the ballots of voters supporting the "wrong" candidate.

If the Condos/VPIRG plan is put into action, roughly 450,000 "live" ballots will be mailed out. As Condos noted in his [letter of 5/30/20](#), only about 300,000 Vermonters actually vote in an election. That means 150,000 or so live ballots will be just floating around out there for any unscrupulous person or organization to collect, fill out and mail in. It will also create a situation in which a couple hundred thousand voters find themselves in the confusing situation of finding themselves with an absentee ballot they didn't request – ripe for exploitation by some nice political operative showing up on their doorstep offering to "help."

In his 900 plus word, seven point defense of this mess waiting to happen, Condos never addresses what safeguards he plans to put in place, or already exist, to prevent this kind of vote fraud and ballot harvesting from happening. Ballot security isn't, and never has been, of concern to him. In fact he admits up front: "My office has focused on two primary points driving our decision-making re: Vermont's 2020 election process: Preserving every eligible Vermonters right to vote; [and] Protecting the health and safety of our Town Clerks, election workers, and of course Vermont's voters."

How about a third driving point: Preserving the principle of one person/one vote by guaranteeing the security and validity of every ballot cast. This has never been Jim Condos' concern.

In the seven points he raises in his letter, not one addresses or explains safeguards that are in place to prevent absentee ballot fraud in what would be an unprecedented flooding of the state with unclaimed/unwanted/unrequested ballots.

Until Secretary Condos is willing to sit down and explain in detail how his office intends to police and prevent ballot harvesting, and the other types of fraud that often come with this practice, Vermonters should neither trust nor accept this radical and unnecessary proposal. If you don't want to go to the polls on election day, just request an absentee ballot allowed under present law, or swing by the Town Clerk's office during Vermont's 45 day early voting period to avoid a crowd.

-- Rob Roper, president of the Ethan Allen Institute.

Commentary: After Covid-19, How Much Government?

By John McClaughry

A year from now Vermont state government will almost certainly look quite a bit different than it does now. We will hopefully have worked through much of the economic destruction of the COVID- 19 pandemic. State government will have pocketed and

allocated \$1.25 billion in Federal funds to cushion the pandemic's impact, but that pot of gold will not be continually replenished.

Vermont, facing a \$250 million shortfall in General Fund revenues for the fiscal year that starts a month from now, will have to rethink what it is and what it does. To undertake that task intelligently we must bravely launch a thorough-going Performance Review.

A Performance Review is not merely a process for squeezing out waste from the current operations of our \$6 billion state government. Every administration proposes to take aggressive action to improve operational efficiency and squeeze out waste.

The present administration, for example, is carrying on a Program Improvement for Vermont Outcomes Together (PIVOT). It has generated a Program Modernization and Efficiency Plan "to identify and eliminate confusion, waste and duplicability (sic) in operational processes". Under the direction of a very capable Chief Performance Officer, the administration is striving for "results based accountability" based on the answers to three questions: "How much are we doing? How well are we doing it? Is anyone better off?"

Note that this jargon-rich process, like several feeble predecessors (such as the costly failure called "Challenge for Change" and an ephemeral creation named GRORC), assumed that our state government has properly become the Great Caretaker of Us All, charged with maintaining a prosperous economy, healthiness, cleanliness, sustainability, safety, nurture, education, family, caring for children and the disabled, and so on. These felicitous "population-level outcomes" were actually spelled out in the statute books in 2014 (3 VSA 2311).

A Performance Review, by contrast, is not based on a foundation of expansive and expensive government serving as Great Caretaker of Us All. Performance Review is a careful and deliberate study by knowledgeable and disinterested people - not people who labored for decades to constantly create and expand government - of what state government is doing, how it does it, and how what the people want done can be done better and more efficiently. The goal is to balance over the long term the cost of state government's programs and the revenue from taxpayers, without imposing regulations and taxation that would shut down economic growth, affordability, and revenue production.

In a more pointed formulation, a Performance Review asks "what are the core functions of government? How well is state government performing those functions? Are there better ways to achieve the same results, at less cost? What functions can be entrusted to a free people without invoking the governmental powers of regulation, confiscation, coercion, and prohibition? What should our state government just stop doing?" With my pro-liberty bias, I would add, "Are the activities of state government protecting or endangering our constitutional rights and liberties?"

The modern Performance Review idea has strong bipartisan roots. In the 1990s Texas Controllors John Sharp (D) and Carole Keeton (R) fed hundreds of cost-saving recommendations to Governors Ann Richards (D) and George W. Bush (R), saving Texas taxpayers billions. Michigan Gov. John Engler (R) was soundly reelected in 1996 due to the success of his review called PERM, for Privatize, Eliminate, Retain or Modify.

In fact, the Vermont Democratic platform of 2004 pledged that party to conduct a "top-to-bottom 'performance review' of the functions of state government... to find creative, smart new ways to make government run more efficiently on the resources we

have.” Unfortunately the Democratic legislature elected that year seems to have forgotten this promising proposal, but it’s not too late for them to catch up.

It won’t be easy to conduct such a review under the fierce and immediate pressure of a pandemic, huge looming deficits, and the ever –present resistance of special interest groups. But unless it’s done, the state government will from stumble haphazardly on through the recurring cycle of politically-driven program expansion, increased spending, revenue shortfalls, tax increases, and then expanding all over again until the next recession.

If the Democratic majority in Montpelier needs inspiration, they need look no further than their leader, Barack Obama. In naming his director of the Office of Management and Budget on November 25, 2008, the President-elect said: “We cannot sustain a system that bleeds billions of taxpayer dollars on programs that have outlived their usefulness, or exist solely because of the power of politicians, lobbyists, or interest groups. We simply cannot afford it. This isn’t about big government or small government. It’s about building a smarter government that focuses on what works.”

- John McClaughry is vice president of the Ethan Allen Institute

Commentary:

Vermont Better Become Business Friendly ASAP

By Rob Roper

Due to the COVID-19 shutdown, Vermont has gone from one of the lowest unemployment rates in the country to one of the highest. According to the Vermont Commissioner on Labor, 90,000 Vermonters have applied for unemployment insurance. That’s out of a total workforce of about 340,000. As we come out the other side of this, putting policies into place that encourage rapid employment, capital investment in new and old businesses, and entrepreneurial creativity must be our number one priority. Policies that present obstacles to this must be set aside or removed.

Even before COVID when the nation’s economy was booming, Vermont was struggling under the burden of high taxes and complicated regulation. So much so that in January the British financial magazine *The Economist* noted in an article titled, [As wages grow across America, one state is left behind](#), that, “In the past decade Vermont’s gdp has grown at two-thirds the rate of America’s. Critics point to a mountain of red tape and regulation.” Because of that red tape and regulation, Vermont never really recovered from the last recession. This was bad enough then; it is unacceptable now.

Current estimates show Vermont facing as much as a \$430 budget shortfall for the 2021 budget year. We are looking at a potential 25 percent property tax increase to cover the prek-12 education budget. Potential tax increases discussed to fill the hole include increasing the 6 percent sales tax by a penny or two, expanding the sales tax to services, adding or increasing “sin” taxes to candy, sugary drinks, and tobacco products, taxing clothing over \$150, and taxing “cloud” based services.

Respectfully speaking, this is not the way to go. Thinking of my barber, who has had to close her shop and forgo income for two months, is the legislature really going to tell her that as she tries to open back up she’s going to have to shoulder a massive property tax increase on her small Main Street shop and start collecting, tracking and

remitting a new sales tax for which she will have to increase prices on her also financially strapped customers? This is not how to re-open an economy.

Additionally, the Vermont legislature has been hostile to people working as or employing independent contractors, even when both sides are desirous of the arrangement. This has to stop. The sad reality is that many businesses will not be able to reopen even when allowed. We are going to need new businesses cropping up in their place. People are going to have to be creative in finding employment for themselves and others, and the state is going to have to take steps to make it easier, not harder, for them to do so.

And, lastly, we need to reform our tax structure in such a way as to attract large amounts of private investment capital, which means allowing for competitive returns on investment. High up-front regulatory costs coupled with confiscatory tax rates – our current policy -- is the opposite of how to do this. Vermont legislators have preferred an economic growth model of picking winners and losers, subsidizing with tax money the endeavors of the favored, and crushing with taxes and red tape the unwanted (at least according to them). This approach was failing before the economic crisis, and it is an impossible formula now.

It is, therefore, disheartening to see the Vermont Senate taking up bills like the Global Warming Solutions Act, as this bill's purpose is to quash economic activity that results in greenhouse gas emissions – which is nearly all economic activity. If ever there was a wrong place and time for a piece of legislation, this is it.

Vermont has a reputation for being unfriendly to job creation. All the rankings put out by financial publications, tax watchdog groups, etc. place our state at or near the bottom. We must move quickly to reverse both the reality and the perception of this or we're going to be in real trouble for a long time.

Moving forward, helping people get back to work and rebuilding their financial security has to be the number one objective of every state policy, whether it is returning to an old job that's coming back on-line, moving into a new job that didn't exist before, or creating a job for one's self where no other job is available. Every policy should be examined through that lens.

If we continue down the policy path that choked off Vermont's ability to recover from the last recession, we will never, ever recover from this one.

- Rob Roper is president of the Ethan Allen Institute.

Events

April 21 POSTPONED. EAI's 27th annual Jefferson Day dinner will feature popular Vermont economist Dr. Art Woolf speaking on "Settling Mr. Jefferson's Republic, and Resettling Ours" has been postponed until we are able to determine a safe time to reschedule the event. If you have any questions, please contact us at eai@ethanallen.org or call 802-695-1448.

For information about putting on EAI events, please email rob@ethanallen.org.

News & Views

The Cost of the COVID Shutdown. “The seasonally-adjusted Vermont data for April show the Vermont civilian labor force increased by 9,154 from the prior month’s revised estimate. The number of employed persons decreased by 34,813 and the number of unemployed persons increased by 43,967. The changes to the labor force, the number of unemployed persons, the unemployment rate and the number of employed persons were statistically significant in the seasonally-adjusted series. The April unemployment rates for Vermont’s 17 labor market areas ranged from 13.1 percent in White River Junction to 24.1 percent in Derby and Morristown-Waterbury (note: local labor market area unemployment rates are not seasonally-adjusted). For comparison, the April unadjusted unemployment rate for Vermont was 16.8 percent, which was an increase of thirteen and four-tenths percentage points from the revised unadjusted March level and an increase of fourteen and three-tenths percentage points from a year ago.” -- [VBM, 5/22/20](#)

Vermont’s Restaurant Industry Dying of COVID. A recent [VPR piece](#) predicted that 30 percent of Vermont’s restaurants won’t survive the COVID lockdown. “Few businesses in Vermont have been more directly affected by COVID-19 than restaurants. The federal aid programs that were supposed to help struggling companies, however, have been of little help to the restaurant industry. Restaurant owners say the Paycheck Protection Program doesn’t work for companies that aren’t allowed to re-start business operations.” The restrictions for re-opening are impossible to operate under – 25% capacity maximum, reservations only, keeping a log of everyone who comes in to eat. :Eric Warnstedt, who owns four restaurants in Burlington, Waterbury and Stowe, said he and his colleagues are nearing the brink.” This is a big part of our economy and our culture that we are allowing to die.

Vermont Hospitals Will Need Fiscal Surgery. “Stopping elective surgeries and other services due to Covid-19 preparation has contributed to an expected \$152 million loss for Vermont’s largest health care network. “Since the crisis began, the network has canceled elective procedures, created temporary testing sites, boosted telehealth services and suspended collections — all of which cost “upward of \$20 million” through the end of April, according to the press release. The network also saw a \$44 million loss in revenue in March alone. The network is now taking several austerity measures to right the ship. Department directors will take a 5 percent base-pay cut, and vice presidents and other executives will lose 10 percent of their base pay; they will also no longer receive an employer contribution to their retirement benefits. These workers make up 300 of the network’s 14,000 employees, the system said in its statement.” [Seven Days, 5/1/20](#)

Perfect Storm Hitting UVM. University of Vermont President Suresh Garimella recently warned that “national surveys have shown that colleges and universities can expect up to a 20% drop in enrollment.” The facts that almost three-quarters of UVM’s undergraduate student body is from out-of-state, “and additional studies have shown more students are less likely to cross a state-border for school and there are not enough in-state students to make up the difference,” and “increasing tuition is not an option

because UVM already has the 4th highest rate of out-of-state tuition among public universities in the country,” UVM is in deep trouble. (Source: [AP, 5/12/20](#))

Got Milk, but No Money. According to the [Colchester Sun \(5/18/20\)](#) Dairy Farmers expect to lose \$14 million per month farmers are being asked to produce less and accept lower costs per unit. “That adds up to big losses. ‘That \$14 million is what circulates in our communities,’ St. Pierre said, noting that each dollar dairy brings into the state circulates seven to eight times. ‘That dollar goes to the local store and people who live off that income.’ Or, as VDPA Chair Bill Rowell put it, ‘If the farmer doesn’t have enough to keep the lights on, then they can’t pay the vendors.’”

Fiscal Fact: In 2018, the latest year for which we have information, 13,200 [Vermont] taxpayers made over \$200,000. That’s only 4.1% of all the taxpayers in Vermont. Those people paid \$342 million in Vermont income taxes, nearly half of all the income taxes paid. So a very small slice of Vermonters pays a very large share of income taxes, and income taxes are more than half the general fund” which faces a projected \$250 million shortfall in FY 21. – Art Woolf (VtDigger 5/27/20)

Turns Out “Not Who We Are” Is Who We Are. “Still, asking non-resident homeowners to supply their name, address and phone number “so that we can be aware of your presence in the community” seems at odds with the spirit of the town’s recently adopted “welcoming” ordinance. What if the town asked undocumented immigrants for their contact information, when they arrived in Hartford and from where? No doubt the coronavirus pandemic is unprecedented, but collecting this type of personal information without strict controls on its use and how it’s kept sets a dangerous precedent.” – Jim Kenyon, Valley News, 5/5/20

Vote Fraud (Which Doesn’t Happen) Happened in Philly. “A former judge of elections and Democratic committeeperson from South Philadelphia pleaded guilty to accepting \$2,500 in bribes to inflate the vote totals for three Democratic candidates for Common Pleas Court judge between 2014 and 2016... DeMuro’s fraudulent votes accounted for over 22% of the total voting in that division in 2014. In 2015, his fraud accounted for over 15% of the votes in the division; in 2016, his fraud accounted for over 17% of the votes.” ([Philadelphia Inquirer, 5/21/20](#)) Proving that just one bad actor can have a massive impact on election results.

Walke Throws Some Cold Water on GWSA. Testifying before the Senate Natural Resources and Energy Committee, Commissioner Peter Walke of the Scott Administration said of the Global Warming Solutions Act, “The task that you are setting state government on, solving climate change, is a massive undertaking and one that we are not currently resourced to do. And, as we think about this moment in time, with where the budget is going, I want us all to be walking into this with eyes wide open. We are going to be facing significant budget shortfalls as you all know, and some of the things that we view as existing priorities are going to be difficult for us to accomplish, let alone a significant new body of work.” An optimistic translation of this diplomatic phrasing could be, “Not happening.” Let’s hope so. ([Video: 5/27/20](#))

Much Pain for No Gain: “For all the economic havoc wrought by the Green New Deal, it would have an unmeasurable effect on future temperatures. The Environmental Protection Agency has estimated even if the United States were to completely eliminate carbon dioxide emissions it would avert less than 0.2 degrees Celsius of global temperature rise by the end of the century, too little to measure accurately, and perhaps prevent three sheets of paper, or less than a millimeter, of sea-level rise. That’s a lot of pain for no gain.”- Sterling Burnett (Heartland 5/15/20).

Green Energy Truths: “Planet of the Humans’ was too kind to renewable energy. It is an ugly business. Greed and political power combine with renewable energy to destroy the environment and the lives of people who live nearby.”- Annette Smith, Executive Director, Vermonters for a Clean Environment, 5/19/20). Her oped piece chronicles the disgraceful acts committed in Vermont in the name of renewable energy, by people trying to get rich off the “climate change” mania (which they are ardently promoting) .

McKibben’s Latest Falsehood: “In an Earth Day opinion piece (Los Angeles Times 4/21/20) Vermont climate activist Bill McKibben claims, “In the last 10 years, engineers have driven the price of sun and wind power down below coal.” This is a falsehood that climate activists frequently tell, but here is the truth. What McKibben doesn’t disclose is that he’s only counting the price of wind and solar on days when they are operating at peak capacity, while ignoring their capital costs. Also, he is calculating the costs of operating traditional electric power plants when they are operating at less than peak efficiency, due to their need to regulate wind and solar’s ever-fluctuating power supply. – Dr. Sterling Burnet (Heartland 4/27/20)

Book of the Month: How Innovation Works

And Why It Flourishes in Freedom

By Matt Ridley

Harper (May 19, 2020)

416 pages

Matt Ridley’s How Innovation Works is a fascinating, entertaining work that is particularly important for Vermonters to read and learn from as we try to get our economy moving again. The book is really a series of stories about how major innovations in technology (everything from the complex internet and powered flight to the simple but society changing U-trap for plumbing and corrugated sheet metal) really come about, and the common themes and lessons that they share.

Ridley quickly calls attention to the difference between “invention” and “innovation.” Although invention and inventors (discovering a new idea or fact about the world) are certainly important, it is the innovators – those who take those ideas and turn them into practical, desirable, affordable products – who are the real benefactors to society. Innovation takes hard work. It also requires the freedom to experiment and the acceptance of failure.

One key objective Ridley has is to bust the myth of the lone genius and the “eureka” moment. Ridley frequently refers to Thomas Edison’s quote about genius being 1% inspiration and 99% perspiration, and the example of Edison’s methodical attempt to find a filament that would make the electric lightbulb work, testing over 6000 different options. More importantly, Ridley points out that Edison was not the only person working on a lightbulb, in fact many were, nor did the concept of generating an electric light in a bulb belong to Edison. He was just the first one, standing on the shoulders of those who tried and failed before him, to figure out how to make it practical.

Perhaps my favorite story features the parallel attempts to create powered flight by Samuel Langley, who was heavily subsidized by the federal government to do so, and a couple of poor, unheralded, un-funded bicycle shop owners named Orville and Wilbur Wright. Of course, we know the Wright brothers succeeded and Langley failed – spectacularly. But Ridley delves deeper into the story, showing how the Wrights reached out to others who were experimenting flight, collaborated, studied their failures and learned from their successes as they tinkered over years before getting it right, and the improving on their own designs in the years that followed. Langley, on the other hand, was secretive, insulated, and driven by an external challenge to ego more than a genuine passion to solve the problem.

Ridley also notes the sad reality that, despite how much innovation benefits society, there is often a great deal of resistance to it (including an interesting tale about how cell phone technology was available after WWII and was blocked by special interests for four decades). This is mostly a case of businesses interests working in league, crony fashion, with government to eliminate competition.

As Ridley wraps up, he explains, “The main ingredient in the secret sauce that leads to innovation is freedom. Freedom to exchange, experiment, imagine, invest, and fail. Freedom from expropriation or restriction by chiefs, priests, and thieves. Freedom on the part of consumers to reward the innovations they like and reject the ones they do not... Innovation is the child of freedom because it is a free, creative attempt to satisfy freely expressed human desires. Innovative societies are free societies where people are free to express their wishes, and seek the satisfaction of those wishes, and where creative minds are free to experiment to find ways to supply those requests, so long as the do not harm others.”

Reflect on this quote in light of the fact that Vermont, according to the Canadian Fraser Institute, is the 47th LEAST free state in the union. Perhaps this is why our economy is stagnant, our schools don’t innovate to provide cheaper, better educations, ditto our healthcare systems. When COVID hit our state we learned that the technology our Department of Labor is using was forty years old. That doesn’t indicate a culture of innovation.

<https://www.amazon.com/How-Innovation-Works-Flourishes-Freedom/dp/0062916599>

- Review by Rob Roper, president of the Ethan Allen Institute.

June Survey: Legislative Priorities Post COVID

What should the VT legislature's priority be in the wake of the COVID-19 shutdown?

- Get our economy up and running again.
- Ensure that Vermont reduces its greenhouse gas emissions.
- Prevent another possible COVID resurgence.

<https://www.surveymonkey.com/r/VTPostCOVID>

May Survey Results: Vote by Mail

Can Vermonters trust the results of elections run entirely (or mostly) through the mail?

- Yes, voting by mail will be reliable and accurate. 5.31% (6)
- No, voting by mail is not secure from fraud and error. 90.27% (102)
- Maybe, if new security measures are implemented. 4.42% (5)



"Hey, whatever it takes to put an electric vehicle charging station on every corner in Chittenden County."