

Preview

Tower Talk carries articles about health and wealth. Three articles discuss the creation and distribution of wealth. There are two COVID-19-related articles by Peter Hertzmann, one that unravels the mysteries of “95% effective,” and another suggests appraising not only the medical advice itself but also its source. There is also a polemic advocating recall of the San Francisco School Board for its misplaced efforts at renaming 44 schools and failing to operate the schools it has. Of course, there is a predictable argument between Austin and Van Ness.

Throw the Bastards Out

James W. Guthrie

In an early draft of *A Connecticut Yankee in King Arthur’s Court*, Mark Twain wrote, “First, God made school board members for practice, then he made monkeys.” The San Francisco Unified School District Board of Education and high-level central office administrators provide added evidence of Twain’s derisive observation.

It is likely that our city’s school board and central administration represent one of the most irresponsible government agencies in San Francisco’s modern history. Even the City’s left-leaning Mayor has said that the school board is acting in an unproductive manner and has filed a lawsuit against the board for not re-opening the public schools. An interview with the school board President published in *The New Yorker* displayed how empty a vessel she is, engaging in double-speak and criticizing Lincoln and other historic notables for their flaws rather than proclaiming their heroic accomplishments.

While the school board wastes time and money on personal political agenda items, such as sponsoring reparations for Native Americans, covering up or destroying world-class historic art, and thinking of new names for historically labeled schools, they are defaulting on their principal responsibility: providing a good education to students.



San Francisco School Board President, Gabriella Lopez

Few northern cities serve such a small percent of the school age eligible students as does SFUSD. Middle-class parents rely on private and other non-public schools to a greater degree in San Francisco than any other major American city outside of former Confederate states.

While SFUSD enrollments have been shrinking, school district spending and hiring have been on the upswing. Over the last two decades, enrollments have plummeted by a third, but the district has added one-third more employees. If the added employees were classroom teachers, there might be some justification. However, they are not. It is non-teaching staff, mostly administrators and central office personnel, that have been added.

Money cannot be claimed as an issue. Per pupil expenditures are approaching \$20,000 annually. That is nearly twice as much as the U.S. public school average.

Teacher salaries have not been the beneficiaries of the school district’s profligate spending. The highest possible salary for a classroom teacher is less than the median household income for San Francisco residents.

For the kind of student to personnel ratios and per pupil spending that are taking place in our city, we should have world-class schools. Instead, with our school board and central office personnel, we appear to have world-class fools.

One proposed solution is to subordinate the school board to the County Board of Supervisors and empower that body to appoint school board members. Research fails to reveal differences between appointed and elected school boards. Thus, more to the point, a recall election is in order. If you have an opportunity to sign a recall petition, please do so.

Wealth and Its Problems

James Guthrie

The United States is the World's wealthiest nation. Our annual Gross Domestic Product of \$33 trillion exceeds all other nations, including China, by a wide margin. (On a per capita basis, Switzerland, Ireland, and Norway have higher GDPs than the U.S.) However, U.S. wealth is not distributed equally, either by geography or by household, and as a nation, we are deeply in debt.

A seismic social and economic shift began in the 1990's. The U.S. economic and technical centers of gravity began moving rapidly west. New York remains a major center for finance, and Washington DC is the nation's government hub. Conventional manufacturing, energy, and agricultural production dominate the Midwest and South. However, here is the change.

A massive geopolitical migration of high-tech knowhow, personal and corporate wealth, and potential political influence has congregated within a 25-mile-wide coastal corporate corridor beginning with Microsoft, Amazon, Starbucks, Boeing, and Costco in Seattle and stretching a thousand miles south through Apple, Netflix, Google, and Cisco, in Silicon Valley and continuing downward to the defense businesses of Los Angeles and San Diego. This is the largest concentration of privately controlled economic

capacity on the face of the earth and has no comparison in modern human history.

Genghis Kahn's empire would be a rival. Spain at the height of its accumulation of Latin American treasure or Victorian England with its colonial hegemony might have been equals, but those were nations, not a collection of private individuals and corporations.

In the San Francisco Bay Area alone, the aggregate market value of Apple, Facebook, Alphabet, Netflix, Oracle, Uber, Tesla, and Cisco Systems exceeds the annual gross domestic product of modern-day Great Britain, and equals 40% of the GDP Germany, Europe's wealthiest nation.

It is not simply financial capital that is shifting. Demographers have documented the flow of advanced and scientific degree holders from the East coast and Midwest to the western tech corridor.

Wealth of this magnitude portends of disproportionate political influence. All of us living in San Francisco Towers marvel at and derive investor and consumer benefits from the brilliant efforts of our neighborhood's technological experts.

Nevertheless, one must acknowledge that these ambitious, brilliant entrepreneurs possess the possibility of unduly influencing the political landscape. Apple's Tim Cook is routinely discussed as a national political candidate. Facebook's founder, Mark Zuckerberg, the fourth wealthiest American after only Microsoft's Bill Gates, Tesla's Elon Musk, and Amazon's Jeffrey Bezos, is said to harbor presidential or senatorial aspirations.

Not only do Tech Titans and their corporations have unmatched wealth and visibility that could be converted to political capital, but they also have an additional asset never before previously

Program Note

On Fridays at 11:30AM turn to Channel 998 and watch *Your San Francisco* hosted by James Guthrie and Megan Sullivan.

March guests will be:

March 5: Peter Spencer – Social Security and San Francisco.

March 12: Peter Hertzmann – San Francisco and food.

March 19: Adrienne Jonas – her unusual path to SF and her interesting business career.

March 26: Paul Sedway – San Francisco City Planning Issues.

possessed. Tech companies have unquantifiable reams of information about each of us: our assets, our aspirations, our consumer tastes, and our preferences.

Modern America is characterized by seldom seen wealth concentration. Today's Tech Titans and their peers comprise less than 1% of the total U.S. population. They control almost 40% of the nation's wealth. The situation is every bit as pregnant with the prospect of evil as was possessed by Gilded Age Titans of a century ago. Key ingredients then were oil, steel, brute labor, and guile. It is now silicon, technical genius, and hubris.

Gilded Age tycoons were conservative. They used their partisan political power to protect their interests. Some of today's Tech Titans follow. For example, the Koch brothers, Charles Munger, and Peter Thiel lean right. However, judging by their contributions to electoral campaigns, a majority of tech billionaires are liberal in their outlook and are capable of using their wealth and foundations to further their political views.

Solutions to wealth concentration and disproportionate political influence are hard to come by. Breaking up huge companies risks ceding markets to competitors in China and Korea. The issue of potentially inappropriate political influence is complicated by recent a Supreme Court ruling sustaining the right of corporations to be political actors. Thus, for the moment, there is little to be done but to be alert to corporate misdoing.

Where Wealth Begins: Economic Engines in Our Back Yard

James W. Guthrie

Wealth formation relies upon land, labor, and capital. It is in the domain of intellectual capital that the San Francisco Bay Area excels. The Bay Area benefits from the presence of two world-class universities: University of California at Berkeley ("Cal") and Stanford. The 2020 Forbes University rankings proclaims Stanford as the best university in the United States and Cal as number seven.

The two institutions maintain a friendly rivalry and each probably benefits from the competition. Both are academically distinguished, and sometimes they also have good athletic teams. This is particularly true of Stanford which for several recent years has had more successful athletic teams than any other university in the nation. On the academic side, when combined, the two institutions have more living Nobel Laureates (35) than any nation, except the United States.

These schools have contributed powerfully to the Bay Area's, California's, and the nation's economies. It is no accident that the electronics and emerging biotech revolutions owe their birth in large measure to the scientific R&D activities of these two schools. Cal and Stanford together are estimated to contribute \$200 billion annually to California's \$3.14 trillion Gross State Product, the fifth largest economy in the World after, the U.S., China, Japan, and Germany.

The University of California, founded in 1868, is the older and by far the larger of the two institutions. It now enrolls approximately 42,000 undergraduate and graduate students. Stanford was founded in 1885 as a private university by California's former governor and railroad magnate Leland Stanford and his wife Jane. The university is actually named for their son, Leland Stanford Junior, who died prematurely. It enrolls approximately 19,000 undergraduate and graduate students.

Cal is a public institution, deriving its charter from the state legislature and governed by a gubernatorially appointed Board of Regents, members of which serve extended terms. Stanford has a self-perpetuating Board of Directors. Each of these oversight bodies is comprised of highly visible business and political luminaries who are expected to make substantial financial contributions.

Cal's annual operating budget is \$3 billion. Stanford's annual operating budget is twice as large, but that includes Stanford Hospital. Even though it is a public institution, Cal derives only a small percent of its annual revenues

(about 15 percent) from the state. It, like privately chartered Stanford, depends heavily on charitable and alumni donations, contract research funding, endowment income, and student tuition.

Institutional leadership and governance provide an interesting contrast. Stanford has risen to greatness, primarily as a consequence of having brilliant and dynamic Presidents, seemingly blessed decade after decade with creative and forceful CEOs.

Cal certainly has had highly visible and dynamic Chancellors. However, Cal's academic prominence, far more than Stanford's, is due to the comprehensive role in governance played by the faculty. Faculty appointments and promotions, student academic requirements, and oversight are provided at Cal by faculty committees. Stanford's faculty is active, but it is far more advisory and less operational than is Cal's.

The two institutions together and their multifaceted R&D efforts have spawned literally thousands of Bay Area and worldwide companies and contribute billions to the economy. Boston has Harvard and MIT, Los Angeles has UCLA and Cal Tech, but no other U.S. city can boast of two powerhouse universities.

One worrisome trend, particularly if it accelerates, is the hundreds (Hoover Institute claims thousands) of corporations abandoning California over high taxes and crazy politics. So far, these firms include large employers such as Oracle, Tesla, and Schwab.

Glaring Problems: Debt and Distribution

James W. Guthrie

The United States Federal Government has not had a balanced budget in a quarter-of-a-century. The national debt is \$23 trillion and growing. Per capita debt share approximates \$80,000. (A family of 4 owes \$320,000) That means we have borrowed \$80,000 per person from future generations, an amount unlikely to be repaid in our lifetime. It matters because our children and grandchildren will pay interest on that

debt, probably, forever. We have borrowed this money from future generations. This effects the economy because there is less money for each person to spend on day to day living.

Most of the debt is held publicly by U.S. corporations and agencies. Japan and China are the largest foreign holders of treasury bonds. This house of cards will collapse if the United States can no longer pay interest on this debt and sacred treasuries are devalued. And that will include treasuries in which the Social Security Trust Fund is invested. We are currently lulled into complacency because interest rates are at such a low level that the payments are tolerable. This will not continue.

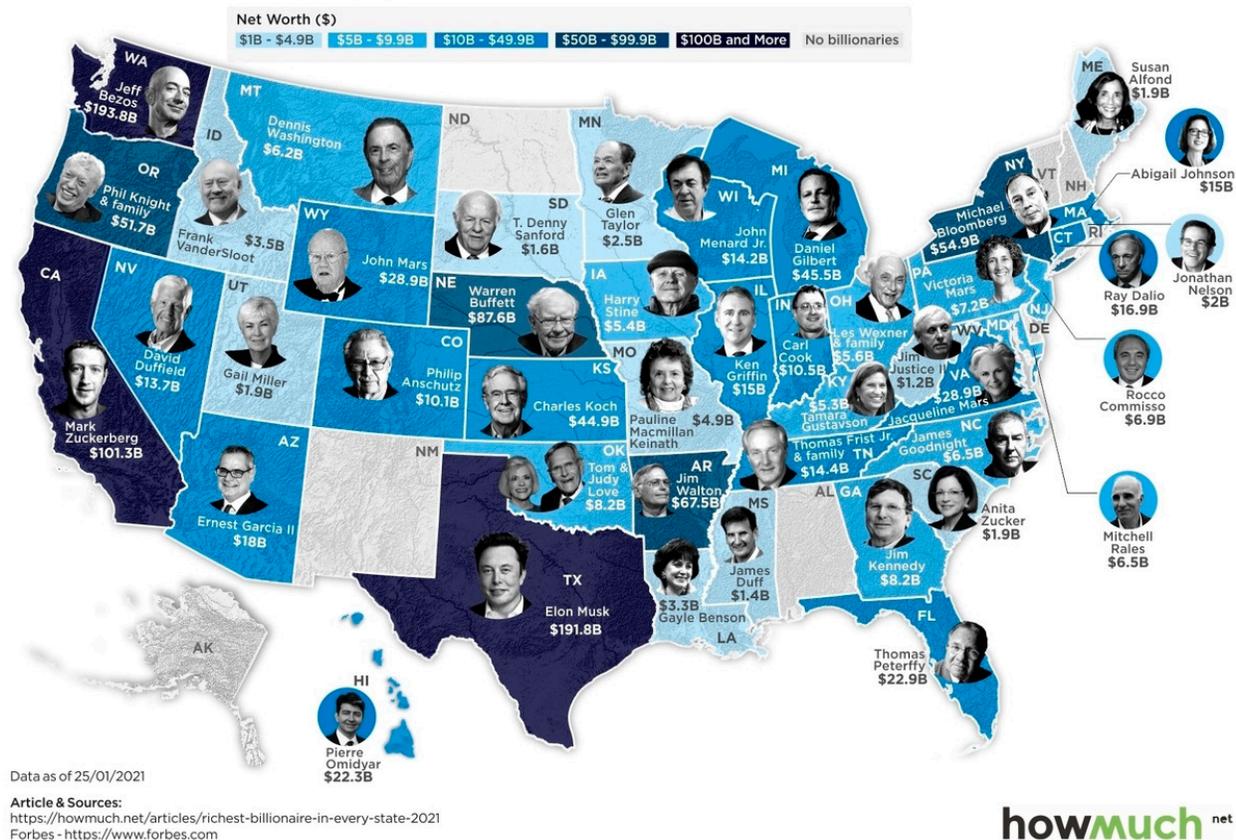
The billionaire map on the next page, brazenly expropriated from Money Magazine, is evidence of the increasing household income disparity in America. We are now matching and en route to exceeding the excesses of the Gilded Age, more than a century ago. These were the "malefactors of great wealth" against whom Teddy Roosevelt railed and eventually tamed.

At the end of the 19th century and into the early years of the 20th century, the U.S. economy was controlled by a relative few oligarchs. Rockefeller, Carnegie, JP Morgan, and Vanderbilt were household names, much as Bezos and Gates are today. While touting the virtues of capitalism and competition, Gilded-Age Barons relied on cartels, monopolies, stock scams, and illegal contracts to control more than half the nation's economic assets and exercised vastly disproportionate political influence. At the time of his death, in 1877, Cornelius J. Vanderbilt controlled 15 percent of the U.S. economy. In today's dollars, Vanderbilt's wealth would equal approximately \$210 billion, more than Jeff Bezos.

While not quite as wealthy or powerful as their counterparts from yesteryear, today's billionaires are adding to their wealth at alarming rates. Together, Jeff Bezos, Elon Musk, Mark Zuckerberg, Bill Gates, and Warren Buffet (the five top-ranked American billionaires) experienced a collective 85% increase in their wealth since the pandemic began. This equates to an added \$303 billion in

Richest Billionaire in Every State in 2021

Estimated Net Worth (\$)



wealth in a year. In contrast, the median wealth of American households is about \$121,700, and due to COVID-19, there has been a rising inability to cover monthly bills and a risk of losing one's home.

Another way to view the enormous concentration of wealth among America's billionaires is to realize that the top five, listed above, have more combined wealth than the total of public-school annual expenditures for all fifty states. Five persons have more wealth than is spent annually on the schooling of more than 50 million U.S. school children.

Something must be done about wealth inequality. If it continues at the current pace, the less fortunate among us, perhaps having lost hope, will withdraw their fealty to the social contract, and further imperil democracy.

Simple and outmoded solutions are discussed everywhere. Vastly increased taxes on the super-rich never fully succeeds. They find dozens of ways to shield their wealth. They can, as a last

resort, always purchase their own island and establish their own nation.

On the other hand, catering to the low-income side of the ledger, financial giveaways, such as guaranteed annual incomes, create government dependency, encourage individual sloth and criminality, and dash personal dignity. Similarly, elevating the minimum wage serves principally to eliminate entry level jobs.

New, or at least renewed, approaches are needed. A multi-pronged approach is in order. Billionaires need added incentives to give their money away or direct it toward good causes. (Bill and Melinda Gates are model citizens in this regard.) At the lower end of the wealth spectrum, we need financial help and renewed lifetime hope for individual workers, poverty impacted families, and small businesses. We need bold ideas, not old political rhetoric. It is time for a modern-day equivalent of The New Deal or The Great Society.

Previously, innovations such as Social Security, Medicare, space exploration, Obamacare, federal aid to education, environmental protect, and ingenious infrastructure projects such as the Interstate Highway System have resulted from Presidential Task Forces. It is time to try this mechanism again.

Joe Biden should convene a Presidential Task Force focused on “Post-COVID America.” Its charge should be a practical plan for a revitalized economy, debt retirement, and more equitable society. It must be perceived as being and indeed operate in a nonpartisan manner. It should be co-chaired by Vice President Harris and Stanford University’s Condoleezza Rice. It should be provided with expert and bipartisan staff and required to report by November of 2021. It should scour the nation for ideas, hold widespread public hearings and public forums, distill ideas, and issue an understandable report intended to mobilize Congress and state governments and give Americans confidence that hopeful and peaceful days lie ahead.

COVID-19 Vaccination: The Significance of Two Little Words

Peter Hertzmann

A two-dose regimen of BNT162b2 conferred 95% protection against Covid-19 in persons 16 years of age or older. Safety over a median of 2 months was similar to that of other viral vaccines.

This is the conclusion stated in the abstract to a paper published in the *New England Journal of Medicine* on December 31, 2020. BNT162b2 is the technical name for the Pfizer vaccine most of us received. Later in the paper, “95% protection” is replaced by “95% effective.” What does “95% effective” mean?

It does not mean that you have a one-in-twenty chance of contracting COVID-19 after two doses of the vaccine, even though this was written in one of the unsigned emails from Covia Headquarters in Walnut Creek. It simply is the ratio of the number (8) of study subjects who tested positive on a PCR test for COVID-19 after

two doses of the vaccine compared to the number (162) of study subjects who tested positive on a PCR test for COVID-19 after two doses of the placebo. The median follow-up time was two months. The ratio assumes that the number of subjects in each study group was equal, which it essentially was.

This method of determining effectivity is one of convention and is typically used in drug trials. The difference in this trial is that the placebo is not expected to have a positive effect.

A statistician would state the results differently: Of the 21,720 subjects who received two doses of the vaccine, 8 subjects tested positive on a PCR test for COVID-19 in a median period of two months following injection. This translates to less than 0.04% of the subjects who were vaccinated later contracted tested positive for COVID-19.

In lay terms, the vaccine administered in the SFT Lounge is probably much more effective than 95%. But what about the word “contagious”? We are hearing news as to how the South African variant of COVID-19 is twice as contagious as the initial (?) variant. What does this mean? How contagious was the first variant?

From a technical viewpoint, a contagious disease is a category of transmittable diseases where the disease is transferred by physical contact with a sufferer or by casual contact with their secretions.

Contagiousness is calculated from an entire population model, not a sample. Thus, much of the current publicity is inaccurate. The measure of contagiousness is R_0 . If R_0 is less than 1, the outbreak will become extinct. If R_0 is greater than 1, the outbreak will become an epidemic. The value of R_0 represents the number of secondary infections caused by one infected individual.

There is disagreement in the infectious disease profession as to how accurate a predictor R_0 is since it is only looking at individual transmission instead of the population as a whole. Another way of stating this is that a non-random small sample of the population may not correctly predict how the entire population may react.

The CDC estimated value of R_0 as of last September for the original variant of COVID-19 is 2.0 to 2.5, or one infected person will cause 2 to 2.5 secondary infections. With the South African variant estimated to be twice as contagious, its R_0 would be between 4 and 5.

Last month, it was reported that the South African variant was believed to have an R_0 value of 3. This would indicate that either it is not twice as contagious or that the R_0 value of the original variant was only 1.5.

Further inquiry discloses a wide range R_0 values of all the virus variants. The South African variant may be twice as contagious as the original variant, but what does that mean it is twice as contagious for us as individuals?

We are willing to accept that the effectiveness of a vaccine in a sample population is a predictor of how effective the vaccine will be in the entire population. Scientists seem to be less likely to accept contagiousness on the same level.

And Your Source Is?

Peter Hertzmann

In 1978, I was awakened by a phone call instructing me to rush to El Camino Hospital to witness ear surgery. My boss was scheduled to observe the procedure, but luckily for me, he felt faint upon entering the operating room. I was called to take his place. That morning was the start of my future career developing new surgical devices. It was also the first of many mornings where I would learn about the practice of surgery from the many surgeons I worked with in the U.S., Europe, and Japan.

One concept that I learned early in career that I later taught other non-doctors who came to me for training was that there are different kinds of doctors and each treats human maladies from a different approach. Initially, there were just physicians and surgeons. Although there are some differences dating back to guild-produced doctors versus university-produced doctors in the late middle ages, the primary difference is how each approaches illness. Physicians tend

to use a chemical-based approach and surgeons tend to use an extraction-based approach. Each looks at illness differently. By the time I was entering that operating room, there were three other common types of doctors: psychiatrists, pathologists, and radiologists.

The field of gynecology has become a crossover profession in that gynecologists are surgeons by training, yet they also tend to be primary care physicians for premenopausal, adult women. Other crossover doctor-types include groups like interventional cardiologists. Cardiologists, by training are physicians, but an interventional cardiologist is trained to perform limited surgery.

Why does this matter? For the past year, we have been listening to advice and counsel from different doctors and public health officials regarding COVID-19. Sometimes their counsel are provided in their introduction and sometimes not. The most common group counsel epidemiologists, but there's also virologists, immunologists, biostatisticians, evolutionary biologists, and persons with the three letters MPH after their name. Some of the experts are just identified as holding an endowed chair or as being the administrator of a department in a university or hospital. One expert commonly seen on MSNBC giving advice has both a Master of Public Administration and a Master of Science degree in addition to his medical degree. My issue with all these experts with alphabet overload is that each looks at the same problem through different types of training.

Another basic facet of medicine I learned is that for most doctors, the principles of practice have not changed in one aspect since doctoring was learned by apprenticing: do what you were taught. On many occasions when I was talking to surgeons about changes to a procedure I was proposing, I was told that they do what they learned in medical school and residency and there was no reason to change. I learned that to introduce new procedures it was often necessary to find ways of putting market pressure on the surgeons before they would consider a change.

The most common title given seems to be epidemiologist. How many viewers or readers know anything about the field of epidemiology? Wikipedia provides this definition:

“Epidemiology is the study and analysis of the distribution (who, when, and where), patterns and determinants of health and disease conditions in defined populations.” By definition, epidemiology is a data-driven science that relies heavily on statistics. Unfortunately, the advice given by epidemiologists is based on little real data or little accurate data, and more likely to be predictions based on opinion. It’s not uncommon for modern epidemiological studies, prior to the pandemic, to be controversial and often discredited. Epidemiologists have learned how to coax precise conclusions by selectively applying statistics to carefully massaged data. (I learned this from a biostatistician I worked with at Stanford.) Advice from epidemiologists has to always be investigated further.

Virology “focuses on the following dimensions of viruses: their structure, classification and evolution, their ways to infect and exploit host cells for reproduction, their interaction with host organism physiology and immunity, the diseases they cause, the techniques to isolate and culture them, and their use in research and therapy.” Virology is a subfield of microbiology. Virologists have masters or doctorates in the field, and a few have also studied medicine. I have found that the virologists I have heard interviewed on television

to be some of the most credible people discussing COVID-19. They tend to be fact based and stay away from both advice and predictions. Their answers are the least sensational and therefore least likely to be found on news programs.

Immunology is another branch of biology, and it covers the immune systems in all organisms. There is a subset of immunology that study diseases caused by disorders of the human immune system. Every once in a while, when I see an immunologist being quoted or interviewed. It often feels like the expert has been sought by the reporter to say what the reporter wanted, rather than provide new information.

The last type of expert we hear from, the one that touches each of us most personally, is the public health official with the letters MPH behind their name. The letters mean the person has a master’s degree in public health. (In my career I worked with many people with the title. They tended to also have the initials JD behind their name and work as regulatory lawyers.) A public-health masters is a non-thesis degree with a heavy emphasis on regulations and public policy. Most public health workers spend their time enforcing codes written by others.

As we are pummeled with information about the pandemic each day, it is important understand the source of the information and how the training and background of the person providing the information may color it.

My wife is blaming me for ruining her birthday. That’s ridiculous. I didn’t even know it was her birthday.

Entrez Nous

Austin and Van Ness reside in SFT 1501. They are bickering again. We can listen.

Aus: London Breed said some nasty things about the school board; she is even suing them. That seems out of line.

Van: As Mayor she can use the bully pulpit on matters important to constituents.

Aus: But why pick on the school board? What have they done that justifies a Mayor unloading on them?

Van: Perhaps the question ought to be framed differently. Has the school board done anything NOT deserving of criticism?

Aus: You and I went to school in San Francisco. We did all right.

Van: When we were in public schools, the school board did not busy itself with irrelevant issues like recommending Native American reparations, destroying world famous Victor Arnautoff murals at Washington High School, or renaming 44 schools, including your beloved "Lowell."

Aus: What is wrong with renaming schools? Who cares?

Van: One group that cares are alumnae. It takes away a part of their personal history. You went to Cal. What if the name were changed to Ché Guevara U?

Aus: Might it not be good to have schools named after modern heroes rather than those whose relevance has faded?

Van: Who might those modern heroes be?

Aus: Let students decide.

Van: Hip Hop HS, Justin Bieber Nursery School, Snoop Dog Technical High?

Aus: If that is what students want, let them have it. After all, they attend, we do not.

Van: With what frequency should a school's name change, every year? Should high school seniors decide what to name the school for the year they

graduate? What if by prank, seniors adopt Adolf Hitler High?

Aus: Perhaps there could be a contest for a school's name?

Van: Good thinking. Schools could sell naming rights just like stadiums. Jeff Bezos could offer some pocket change and change Lowell to "Amazon Prime" or Zuckerberg could pay for the naming rights for Lincoln and call it, "Face Lift High school." How would that suit you?

Aus: That would be wrong. Private individuals can name their own buildings however they like. Salesforce Tower and the Transamerica Pyramid are effectively advertising for big business. Lowell is a public institution.

Van: Oh! So names do matter. Maybe they should carry names important historically. Washington contributed to the founding of the nation. Jefferson wrote the Declaration of Independence. Lincoln freed slaves and kept the Union intact. Those seem to me to be significant accomplishments and of continuing relevance.

Aus: I think you are missing the School Board's point. All of these white men had flaws. Washington owned slaves, Jefferson exploited a slave as his mistress, and Lincoln is said to have held Indians in low regard.

Van: FDR cheated on his wife, Clinton exploited a youthful intern, Martin Luther King was a philanderer. No human, save possibly Mother Teresa, is without blemishes. I think we had better select heroes for their preponderance of good lest we never have any heroes whatsoever.

Aus: Covia could change SFT to "Kevin Gerber Senior Self-Fulfillment Center."

Tower Talk is published by SFT resident James W. Guthrie. It is known to but neither seeks nor possesses COVIA approval. The publisher is assisted in typesetting by Peter Hertzmann, proofreading by Jennifer Hamilton, and archiving by John Darby. On occasion, other authors contribute substantive articles. *Tower Talk* is distributed electronically. Recipients should write to sugarcaenoo@gmail.com if they wish to be removed from the distribution list. Recipients wishing an enlarged print copy should make a request and it will be supplied.