



WEEKLY UPDATE NOVEMBER 19-25, 2023

THANKSGIVING

“WITH ONE HEART AND ONE VOICE”

Washington DC, October 3, 1863

By the President of the United States of America.

A PROCLAMATION

The year that is drawing towards its close, has been filled with the blessings of fruitful fields and healthful skies. To these bounties, which are so constantly enjoyed that we are prone to forget the source from which they come, others have been added, which are of so extraordinary a nature, that they cannot fail to penetrate and soften even the heart which is habitually insensible to the ever watchful providence of Almighty God.

In the midst of a civil war of unequalled magnitude and severity, which has sometimes seemed to foreign States to invite and to provoke their aggression, peace has been preserved with all nations, order has been maintained, the laws have been respected and obeyed, and harmony has prevailed everywhere except in the theatre of military conflict; while that theatre has been greatly contracted by the advancing armies and navies of the Union.

Needful diversions of wealth and of strength from the fields of peaceful industry to the national defence, have not arrested the plough, the shuttle or the ship; the axe has enlarged the borders of our settlements, and the mines, as well of iron and coal as of the precious metals, have yielded even more abundantly than heretofore. Population has steadily increased, notwithstanding the waste that has been made in the camp, the siege and the battle-field; and the country, rejoicing in the consciousness of augmented strength and vigor, is permitted to expect continuance of years with large increase of freedom.

No human counsel hath devised nor hath any mortal hand worked out these great things. They are the gracious gifts of the Most High God, who, while dealing with us in anger for our sins, hath nevertheless remembered mercy.

It has seemed to me fit and proper that they should be solemnly, reverently and gratefully acknowledged as with *one heart and one voice by the whole American People*. I do therefore invite my fellow citizens in every part of the United States, and also those who are at sea and those who are sojourning in foreign lands, to set apart and observe the last Thursday of November next, as a day of Thanksgiving and Praise to our beneficent Father who dwelleth in the Heavens. And I recommend to them that while offering up the ascriptions justly due to Him for such singular deliverances and blessings, they do also, with humble penitence for our national perverseness and disobedience, commend to His tender care all those who have become widows,

orphans, mourners or sufferers in the lamentable civil strife in which we are unavoidably engaged, and fervently implore the interposition of the Almighty Hand to heal the wounds of the nation and to restore it as soon as may be consistent with the Divine purposes to the full enjoyment of peace, harmony, tranquillity and Union.

In testimony whereof, I have hereunto set my hand and caused the Seal of the United States to be affixed.

Done at the City of Washington, this Third day of October, in the year of our Lord one thousand eight hundred and sixty-three, and of the Independence of the United States the Eighty-eighth.

By the President: Abraham Lincoln



SOME CAME TO ESCAPE THE GLACIER ICE



SOME CAME IN DESPERATION



SOME CAME FOR THE PROMISE



SOME CAME IN BONDAGE





MANY ARE STILL COMING

**SHARE THANKSGIVING
“WITH ONE HEART AND ONE VOICE”**

CCLAB
San Luis Obispo County

**15TH ANNUAL
DINNER &
FUNDRAISER**

What's in store for 2024?

Save the Date

**THURSDAY MARCH 21ST
5:30 PM**

MADONNA INN EXPO CENTER

**THIS WEEK
SEE PAGE 6**

**NO BOARD OF SUPERVISORS MEETING
OTHER AGENCIES DORMANT**

**LAST WEEK
SEE PAGE 6**

SCANDELS ROCK THE COUNTY

**SPECIAL EMERGENCY BOS MEETING ON NOVEMBER 17, 2023
INTERIM COUNTY ADMINISTRATOR TERMINATED FOR REPORTED
HARASSMENT OF FEMALE EMPLOYEES
HE DISPUTES THE CHARGES**

**ALLEGATIONS OF STEALING IN COUNTY IT DEPARTMENT
NO REGULAR BOS MEETING**

**LAFCO CANCELLED
NOT ENOUGH BUSINESS**

**EMERGENT ISSUES
SEE PAGE 19**

**STATE BUDGET GAP EXPANDING - THE
BUDGET HAS INCREASED EXPONENTIALLY
SINCE 2013**

**DO YOU BELIEVE SLO COUNTY SUPERVISOR
PAULDING OR THE SUPREME COURT?**

OPINION BY ANDREA SEASTRAND AND CHUCK BELL

**A WIND FARM AND A MARINE SANCTUARY
WALK INTO A BAR ...**

*A WIND FARM AND A CHUMASH-DESIGNATED NATIONAL MARINE
SANCTUARY COLLIDE AT MORRO BAY*

\$17 A GALLON TO CHARGE AN EV

How much does it cost to charge an electric vehicle, and who picks up the tab?

AFTER MOODY'S WARNING, FEDERAL OFFICIALS CONTINUE TO IGNORE FISCAL REALITY

Interest payments on the national debt will consume over a quarter of federal tax revenue by 2033, up from just 9 percent last year

**COLAB IN DEPTH
SEE PAGE 12**

SILICON VALLEY'S MORAL BANKRUPTCY ON THE PESTILENCE IN NORTHERN CALIFORNIA. BY VICTOR DAVIS HANSON

**THIS WEEK'S HIGHLIGHTS
ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED**

No Board of Supervisors Meeting on Tuesday, November 21, 2023 (Not Scheduled)

The next meeting is set for Tuesday November 28, 2023. That meeting will include consideration of fee increases.

The County will be closed on this Thursday and Friday. Most people will leave early on Wednesday. Monday and Tuesday will involve many departmental and divisional coffee hours and lunches with cookies and other festive foods related to the season.

LAST WEEK'S HIGHLIGHTS

Special Emergency Board Meeting of Friday, November 17, 2023 1:30 PM (Special)

Item 1 - PERSONNEL (Government Code, section 54757(b)). It is the intention of the Board to meet in closed session for the Consideration of Public Employee Discipline/Dismissal/Release. The Board went into closed session that lasted for 2 hours and 43 minutes. When it was over, County Counsel Rita Neal announced that Interim County Administrator John Nilon had been terminated and that Deputy County Administrator Rebecca Campbell had been appointed as Acting County Administrator(CAO). The County Press Release stated in part that

Nilon had committed “improper conduct toward women.” Neither the exact nature of the conduct nor the frequency was specified.

Nilon later publicly denied the accusations via his own news release

Press Release

John Nilon
661 205-2929

Resignation as San Luis Obispo’s CAO.

I would like to thank the employees and residents of San Luis Obispo County for the honor to serve them over the last six months. During this short tenure, we were able to launch a countywide Lean Six Sigma / process improvement program, we were able to launch a well-received employee recognition program, and were able to launch a state of the art better budgeting program, among other initiatives.

In my opinion, my tenure as Interim CAO has reached its time, and as such, I submitted my resignation on November 15, 2023. I have done what I set out to accomplish and look forward to going back to where I came from, retirement.

Today, the Board of Supervisors would like you to believe that I am being terminated for cause. First, it is ridiculous to terminate someone who has already resigned. Second, and most important, this is purely a political stunt, trying to curry favor with those unhappy with the speed at which I have led change. I have never been presented with any written allegations of misconduct by anyone in the County, and as such, any comments by the Board or their representatives are entirely fabricated and have no basis in truth.

Two CAO’s and one Homeless Division Director have resigned within the last six months, perhaps the focus should not be on those who resigned but instead on the Board who caused those resignations.

To this end, Nilon can request a name clearing hearing before the Board of Supervisor to publicly dispute the Board’s secrete findings. By law, the Board must grant the hearing.

The Board should release the report of its investigation to the public to forestall rumors and maintain openness. It could redact the names of nay targets or witnesses to protect the innocent. This was done back in 2010, when a scandal involved a CAO, a Deputy CAO, the President to the Deputy Sheriffs Union, and others who were involved peripherally. At that time Supervisor Gibson wanted the CAO’s head and even tried to insert himself as a dual Supervisor and CAO until the County Counsel pulled him back.

Nilon blames his efforts to improve administration and the budget as causes for complaints against him. Two weeks ago Nilon proposed some evolutionary budget structural and presentation reforms summarized within the table below:

Building a Better Budget

Line of Effort	Description
Phase 1	
Budget savings incentive	Initiate a budget savings incentive program for departmental savings
Build in "known" labor costs in budget	Build in known or estimated labor increases for the year
Build in vacancy rate	Build in a historical average of vacancy rate savings
Status Quo definition	Better define "status quo" budgeting
Overhead/Cost plan review	Full review impact of how the County budgets for overhead costs, including the 10-year rolling average
Phase 2	
Budget enhancements with SAP Replacement	Continue to work with the project team for the replacement of the County's Enterprise Resource Planning (ERP), Financial Management System (SAP), to enhance the County's budget and forecasting capabilities.
Implement real program-based budgeting /performance-based budgeting	Improve ability to budget at program level, including revenue sources for positions

COLAB was pleasantly surprised by these and spoke in favor of them at the meeting. Mike Brown mentioned that the Auditor Controller would have to be involved because changes in the chart of accounts would be required. The Controller, who was sitting in the front row, appeared to glare at the remark. Later on, a number of the budget analysts, when leaving the room, glared at Brown. Perhaps the bureaucracy is opposed to the reforms.

There may have also been tension over the installation of the Six Sigma analytical and culture change process.

In the end both things could be true:

1. That Nilon hugged or patted women who complained, and it didn't stop.

And/or

2. Reforms that would improve the clarity of the budget process and that would reveal inefficiencies, featherbedding, self- serving decision making, and/or corruption.

The Board gives budgeting and finances a very cursory review and has no ideas idea how the money is actually expended. They are imbued with Gibson's rhetoric about "strategic approaches" and other generalities.

Simple tests are never conducted during the public review of the budget:

1. How much are we spending on new over the road equipment (cars and trucks) this year and which vehicles are being replaced? What is their age and mileage?
2. How much are we spending on travel, conferences, and training?
3. How much are we spending on hand held phones issued to employees (including service charges)? How many employees have both a cell phone on their person and a desk set in the office? Why?
4. What is the lost time rate due to sick, workers comp, and AWOL?
5. How much does lost time contribute to the need for overtime?

6 How many and which employees are still working from home?

7. The County adopted a Climate Action Plan in 2011 and updated it in 2023.

a. How much CO₂ has it reduced from its own operations?

b. How much money has it saved?

c. What were the CO₂ reduction targets in the 2 iterations of the Plans, and how much has actually been reduced? What is the cost to benefit ratio?

Item 2 - Information Technology employee arrested for laundering equipment. Like Pauli in Goodfellas, when he partners with a restaurant owner, the supplies like liquor come in the front door and are sold out the back door. Once the restaurant is broke, they burn it down for the insurance money.

So far, no one has ventured any information about the seriousness of the problem. Is big stuff like servers, computers, and major data com equipment? Or is it medium level stuff like desk tops, lap tops, and cell phones? What about furniture and supplies?

What is the magnitude of the loss in dollars?

How high in the food chain is the suspected perpetrator?

Are there accomplices?

Is there separation of duties between those who request purchase, those who approve a purchase, those who check the stuff when it arrives, those who file the receiving report, and those who approve the invoice and payment? Or are people just ordering this stuff on their County-provided CREDIT CARD in the name of some imaginary “efficiency”?



Goodfellas scene: Pauli, “What do I know about the restaurant business?”

No Board of Supervisors Meeting on Tuesday, November 14, 2023 (Not Scheduled)

Clerk Recorder Assessor - The effort to recall District 2 Supervisor Bruce Gibson was terminated November 15. The County press release stated:

Recall Effort Terminated

Author: Erin Clausen

Date: 11/15/2023 5:37:03 PM

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The effort to recall District 2 Supervisor Bruce Gibson was terminated November 15 County of San Luis Obispo Clerk-Recorder Elaina Cano this afternoon terminated the effort to recall District 2 Supervisor Bruce Gibson. The termination of the recall process was the result of the petitioner missing a deadline per California Elections Code.

On October 31, Supervisor Gibson issued an answer to the recall proponents' filing of an intention to circulate a recall petition. Section 11042 requires the proponents of a recall effort to submit two blank copies of the petition to be circulated, along with proof of publication of intent "at least once in a newspaper of general circulation," within 10 days of that answer.

The deadline for the Clerk-Recorder to receive the blank copies and proof of publication was Monday, November 13, 2023. The petitioner did not attempt to file them until today.

By law, the recall proponents are entitled to initiate a new recall effort should they choose, but they must begin the process again from the start.

There have been 3 or 4 closed sessions listed as performance of the Interim County Administrative Officer since Nilon was appointed last April. After the second one Nylon's contract was extended from 3 months to one year.

During the intervening period it was discovered that Nilon had given a small campaign contribution of \$100 to Supervisor Bruce Gibson. Gibson seems to have discovered Nilon, who had retired to Cambria after a long and successful career culminating as CAO of Kern County back in 2017. It was speculated that Gibson may have co-opted Nilon as his CAO or running dog.

There were rumors of Nilon hugging or otherwise showing affection for female employees back in the summer. Rumors state that the conduct included hugging and pats as opposed to the more typical sexual harassment involving requests for dates, comments about clothing, or touching sensitive areas.

November 13-16, 2023 was the annual California State Association of Counties (CSAC) Meeting in Oakland. Bruce Gibson was sworn in as the Association's next President.



ANNUAL BANQUET/INSTALLATION OF OFFICERS

Join us as we celebrate the installation of our 2024 CSAC Officers and enjoy dinner and networking.

The meeting was held at the Oakland Marriott City Center. It's not known if the Supervisors ventured out after dark.

At least the keynote speaker was great:

Opening Session



Keynote Speaker: The Honourable Willie Brown, Former Mayor & Retired Speaker

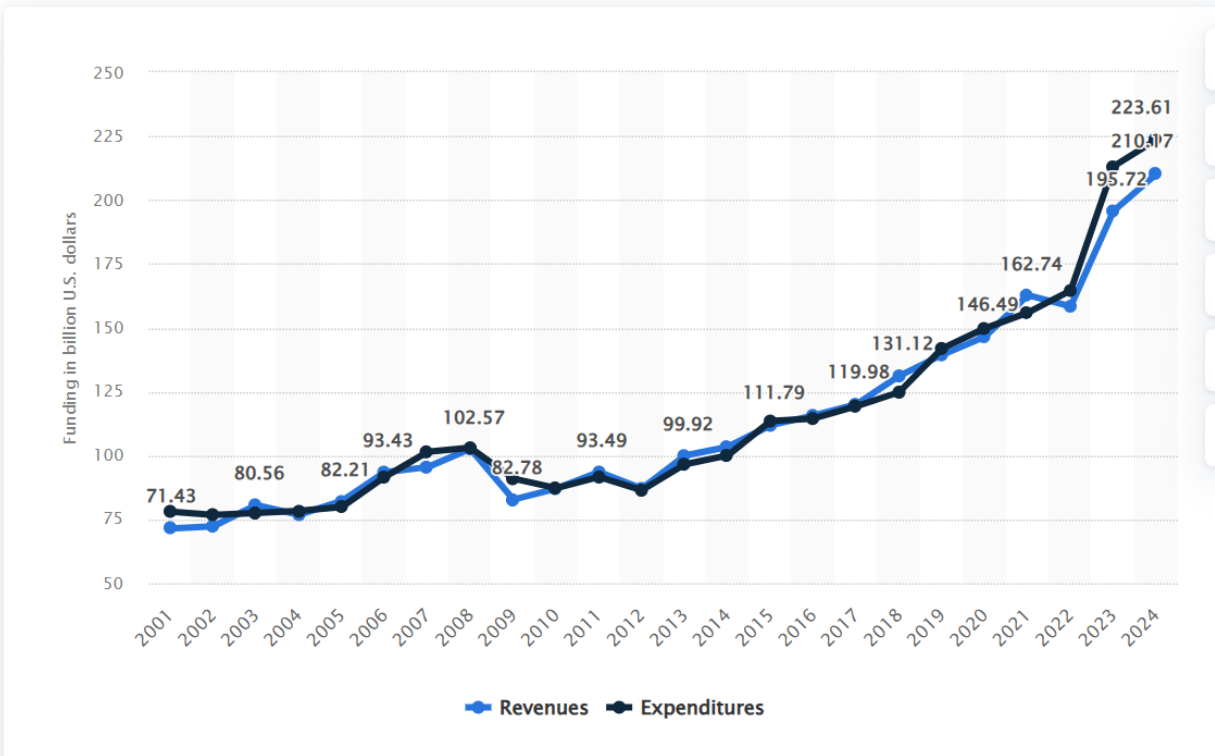
Willie Brown is one of the most recognizable and respected figures in California politics. Brown was elected to the California State Assembly in 1964, and he would remain there to represent San Francisco until 1995. He was the first African American to serve as Speaker of the California State Assembly and longest-serving Speaker in California history.

Brown spent the last eight years of his political career as San Francisco Mayor from 1996 until 2004, overseeing the city's rapid expansion in the "dot-com" era.

Today he leads The Willie L. Brown, Jr. Institute on Politics and Public Service, an independent, non-profit organization providing a forum for non-partisan education, debate and discussion of public policy issues to expand the expertise available to stakeholders from the political, academic, business and scientific communities.

EMERGENT ISSUES

Item 1 - State Budget gap expanding. The Budget has increased exponentially since 2013.



Item 2 - Do you believe SLO County Supervisor Paulding or the Supreme Court?

November 15, 2023



SLO County Supervisor Jimmy Paulding

Opinion by Andrea Seastrand and Chuck Bell

President of the Central Coast Taxpayers Association Andrea Seastrand and Chuck Bell, a board member and local lawyer who represents the Howard Jarvis Taxpayers Association, provided the following response to San Luis Obispo County Supervisor Jimmy Paulding’s claim that the two-thirds vote requirement of Article XIII A of the California Constitution, enacted by voters in the iconic Proposition 13 in 1978, was not an “essential part” of Proposition 13’s taxpayer protections.

Jimmy Paulding is flat wrong to deny that the two-thirds vote requirement in Proposition 13 was not an “essential feature” of the measure. Paulding used his false assertion to reject the claim that he was not supporting the county’s Jan. 2023 legislative position in favor of Proposition 13 when the progressive board majority, on a 3-2 vote with Paulding’s support, reversed its previous support of Proposition 13 at its Sept. 12 meeting.

Here’s what the California Supreme Court held in 1978:

Proposition 13 had four distinct elements, two of which were two-thirds majority vote requirements applicable to measures that seek to increase state taxes and local ad valorem property taxes.

Here’s exactly the Supreme Court’s words:

“In 1978, California voters adopted an amendment to their Constitution making comprehensive changes to state and local taxation via Proposition 13—an “interlocking package” of tax reforms. (*Amador Valley Joint Union High Sch. Dist. v. State Bd. of Equalization* (1978) 22 Cal.3d 208, 231 (“Amador Valley”).) These comprehensive reforms included four distinct elements,—establishing 1) a permanent property tax rate cap of 1% and a permanent cap of 2% on the annual increase of assessed value of such property; 2) a rollback and restriction on assessed real property values (retroactive to 1975 levels resulting in a substantial reduction of property tax revenue); 3) a supermajority requirement for the Legislature to adopt state taxes; and 4) a supermajority voter approval requirement for local special taxes.”

You can take it from the State Supreme Court or from Jimmy Paulding.

Item 3 - A wind farm and a marine sanctuary walk into a bar...

By WES VENTEICHER and ANNIE SNIDER

With help from Blanca Begert and Alex

Nieves



A wind farm and a Chumash-designated national marine sanctuary collide at Morro Bay. | Mario Tama/Getty Images

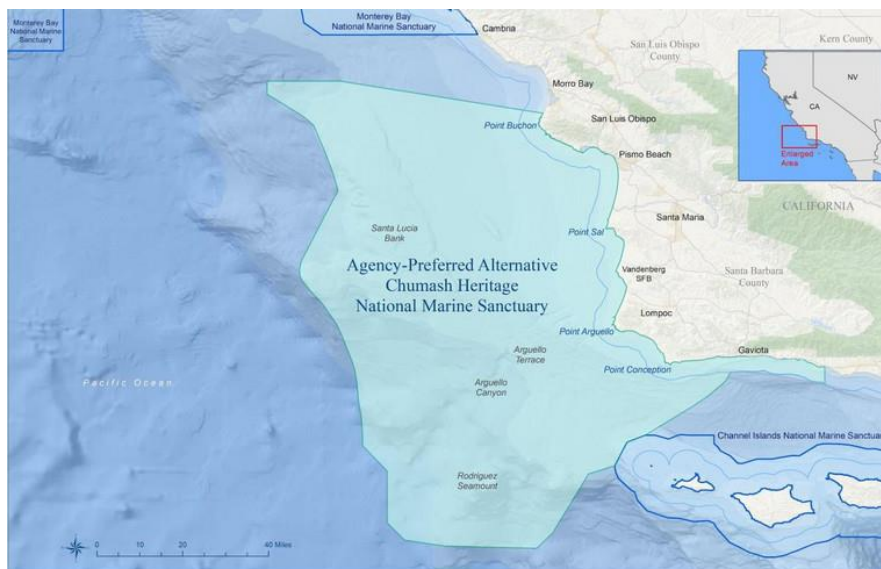
EVERYTHING CALIFORNIA ALL AT ONCE: It'll be years before a wind farm rises in the deep waters off California's Central Coast, but conflicts over the project are already here.

The California coast is playing host to three of the Biden administration's policy priorities: clean energy, environmental conservation and tribal relations.

Those objectives are colliding with one another in a proposal to create a new marine sanctuary between Morro Bay and the Channel Islands.

The Morro Bay area is important to both wind developers and the tribes. It's one of only two places where wind developers can connect to transmission lines big enough to accommodate all the power they're planning to bring in. The developers want the sanctuary to exclude Morro Bay, at least for now, so they can lay cables along the seafloor and potentially locate substations there.

The National Oceanic and Atmospheric Administration acknowledged those concerns in an August proposal and carved out a 58-mile pathway for the cables.



A NOAA proposal to carve out a section of the proposed Chumash Heritage National Marine Sanctuary to accommodate offshore wind cables is facing pushback from Indigenous tribes. An offshore wind farm is planned near the proposed sanctuary's northwestern corner. | NOAA At least five tribes don't like that. To them, the bay, with its prominent round rock, is one of the most sacred sites in the area and links them to their ancestors. They don't want a carve-out there and have told NOAA as much.

“NOAA is leaving our ocean relatives unprotected and unaccounted for in one of the most important places for all our tribes in the region,” said two Salinan groups, two Chumash groups and a band of Mission Indians in a letter to the agency last month.

Wind developers say the gap at Morro Bay needs to extend even farther south, to Diablo Canyon nuclear power plant, so they can also connect to transmission lines there. And they need more certainty they'll be able to lay cables through the sanctuary, they told NOAA. Otherwise financing for the projects could be at risk, they said in the letter.

Molly Croll, who represents the developers as American Clean Power’s Pacific offshore wind director, said the proposal as is presents a “significant risk” for the project.

Croll and others involved in the project are optimistic about another option: keep the carve-out for now and then expand the sanctuary later, as was done with the Flower Garden Banks National Marine Sanctuary off the Texas coast in the Gulf of Mexico.

NOAA is analyzing filings from the developers, the tribes and thousands of other people to decide whether it will make any changes, said **Paul Michel**, the West Coast regional policy coordinator for NOAA’s Office of National Marine Sanctuaries, to whom many of the comment letters are addressed.

Time is of the essence: The agency is working to finalize the sanctuary before the presidential election in 2024, when its prospects could change. — **WV**

This article first appeared in the Politico of November 15, 2023. Wes Venteicher is a reporter at POLITICO. Annie Snider covers water issues for POLITICO Pro, including battles over the scope of the Clean Water Act, drought, water pollution and efforts to restore large ecosystems.

**Item 4 - \$17 A GALLON TO CHARGE AN EV
POSTED ON NOVEMBER 15, 2023 BY JOHN HINDERAKER**

How much does it cost to charge an electric vehicle, and who picks up the tab? Steve Moore’s Committee to Unleash Prosperity has this:

Uncle Sam pays the automakers billions of dollars to produce EVs. Then they write a check for \$7,500 to consumers who buy an EV and many states kick in up to another \$5,000. Now, the government is paying to charge the batteries for the rich people who buy EVs.

So what does it all cost?

CTUP economist EJ Antoni had this alert:

Including the charging equipment, subsidies from governments and utilities and other frequently excluded expenses, the true cost of charging an EV is equivalent to \$17.33-per-gallon gasoline — but the EV owner pays less than 7% of that.

Over 10 years, almost \$12,000 of costs per EV are transferred to utility ratepayers and taxpayers, effectively socializing the price of recharging an EV while keeping the benefits private.

This is socialism for the rich: a transfer of costs from higher net-worth individuals to middle- and lower-income taxpayers.

Of course, to be fair, a lot of socialism is socialism for the rich. But go back to those numbers: when you charge up an electric vehicle, the electricity has a cost **equivalent to \$17.33 per gallon** of gasoline. If gasoline got that expensive, there would be riots in the street and our

government would likely fall. Yet this is the profligacy that liberals are trying to force on all of us.

There is an obvious difference, of course—the regular car driver pays for his own car and his own gasoline. The EV driver doesn't pay for his own charge. In fact, he pays a shockingly low portion of the cost of operating his vehicle: less than 7%. ~~Suckers~~ ratepayers and taxpayers pony up the rest.

Some things are just too dumb to happen, no matter how much graft may lie behind them. I think EVs will prove to be in that category.

Item 5 - After Moody's Warning, Federal Officials Continue To Ignore Fiscal Reality

Moody's calculates that interest payments on the national debt will consume over a quarter of federal tax revenue by 2033, up from just 9 percent last year.

ERIC BOEHM



(Photo by Ussama Azam on Unsplash)

Two weeks ago, Treasury Secretary Janet Yellen caused some eyebrows to tilt when she told reporters that rising bond yields were "an important reflection of the stronger economy."

That's contrary to the, let's say, traditional view of how government-issued bonds work.

A bond's yield—that is, the return an investor expects to be paid at the end of the bond's term—is the result of buyers pricing their risk into the purchase. Treasury bonds have historically been some of the most reliable investments out there and, as a result, have typically carried low yields. In other words: Because you can be very confident that the U.S. government will pay you back at the end of the term, you know that your investment is safe, but you also don't stand to make much on the risk.

And while U.S. Treasury bonds remain very safe investments, the traditional view would say that the recent uptick in yields means investors are pricing just a bit more risk into those purchases. For example, the yield on 10-year Treasury bonds—a key benchmark that helps determine the rates of mortgages, student loans, and more—hit a 16-year-high of 5 percent late in October, though it has fallen a bit since then.

In short: Buyers will demand higher yields in order to make riskier investments. That's why the 10-year U.S. Treasury bond yield peaked at 5 percent, while a 10-year Russian bond comes

with a yield north of 12 percent. (As an aside, there's something cool and quite libertarian about all this: Governments must answer to the market. It costs the Russian government more to borrow funds simply because investors are less confident that Russia won't stiff them a decade from now.)

So what could be causing investors to price higher risk into U.S. Treasury bonds right now? Yellen says it is the result of a strong economy and the sense that interest rates will remain higher for a longer-than-expected period of time. But that seems to ignore the 300-pound gorilla in the room—or, rather, the \$33 trillion mountain of IOUs threatening to bury the Treasury building and the U.S. economy.

It seems more likely that investors are looking at the trajectory of federal budget deficits and the national debt and that they are now hedging their bets, ever so slightly, to account for the possibility of a first-ever federal default.

Moody's, one of the world's "big three" credit rating services, added a significant data point in favor of that conclusion on Friday, when it lowered the federal government's credit outlook from "stable" to "negative."

The change reflects Moody's belief that "downside risks to the nation's fiscal strength have increased 'and may no longer be fully offset by the sovereign's unique credit strengths,'" *The Wall Street Journal* reported. Moody's calculates that interest payments on the national debt will consume over a quarter of federal tax revenue by 2033, up from just 9 percent last year.

The announcement from Moody's comes just three months after another of the major credit rating services downgraded the federal government's rating from "AAA" to "AA+" in August. The change made Friday by Moody's is not a rating downgrade but signals that one could be coming soon.

Moody's could hardly be more clear in saying how America's mix of political dysfunction and its increasingly unwieldy pile of debt could trigger that future downgrade. "Without effective fiscal policy measures to reduce government spending or increase revenues, Moody's expects that the US's fiscal deficits will remain very large, significantly weakening debt affordability," Moody's said in Friday's announcement. "Continued political polarization within U.S. Congress raises the risk that successive governments will not be able to reach consensus on a fiscal plan to slow the decline in debt affordability."

Yet, in Washington, that announcement was greeted by a chorus of federal officials (and their mouthpieces) denying reality yet again.

White House Press Secretary Karine Jean-Pierre said in a statement that the outlook change from Moody's was "yet another consequence of congressional Republican extremism and dysfunction."

Yellen, on Monday, said she "disagrees" with Moody's decision and claimed the Biden administration is "completely committed to a credible and sustainable fiscal path."

That's despite the fact that the federal budget deficit doubled over the past year. That's despite the White House's request for more spending—which would require more borrowing—in ongoing budget negotiations. And that's despite President Joe Biden's utter unwillingness to engage with

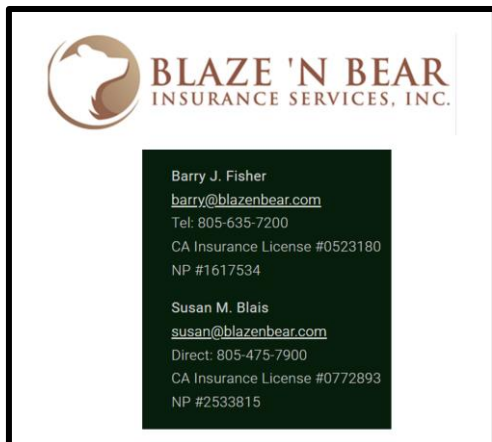
the problems facing America's entitlement programs, which are driving much of the unsustainable future deficits.

In Yellen's view, then, increased bond yields do not reflect increasing concern from investors about the fiscal state of the federal government, and growing federal budget deficits are a "sustainable fiscal path." **Neither claim makes much sense.**

She may turn out to be right, but this comes off as a lot of politically motivated gaslighting. Americans would be wise to keep in mind that the sky is still blue and gravity still pulls you toward the center of the Earth, no matter how many federal officials might claim otherwise.

ERIC BOEHM is a reporter at Reason. This article first appeared in Reason on November 16, 2023.

Sponsors



COLAB IN DEPTH
IN FIGHTING THE TROUBLESOME LOCAL DAY-TO-DAY ASSAULTS
ON OUR FREEDOM AND PROPERTY, IT IS ALSO IMPORTANT TO
KEEP IN MIND THE LARGER UNDERLYING IDEOLOGICAL,
POLITICAL, AND ECONOMIC CAUSES

NOTE

**THIS ARTICLE IS A LITTLE LONGER THAN SOME BUT IT IS A
FUNDAMENTAL EXPLANATION OF THE CURRENT CALIFORNIA
MESS AND ITS SPREAD TO THE NATION**

SILICON VALLEY'S MORAL BANKRUPTCY *ON THE PESTILENCE IN NORTHERN CALIFORNIA.* BY VICTOR DAVIS HANSON

Summary: The state of California is unrecognizable now from how it appeared in the era of Governors Ronald Reagan and Pete Wilson, when it was a model of conservative governance, had an expanding population, and was the site of visionary infrastructure developments. Much of the state's decline has been driven by the metamorphosis of its Democratic Party into a political organization focused on favoring the richest citizens, massive global corporations, and elite, prestigious universities. This strange left-wing concoction of politics, influence, and wealth is centered in the corridor of Silicon Valley, Stanford University, and San Francisco. And it is now driving the national Democratic Party, and with it the nation, steadily leftward. How, then, does it operate?

By any classical definition, these companies operate as near monopolies.

Four of America's ten largest corporations are headquartered in Silicon Valley. Three of these are in the top five, including the world's wealthiest company, Apple (number one, with \$2.5 trillion in market capitalization), along with Alphabet (number three, with \$2 trillion) and Meta (number five, with \$1 trillion). By any classical definition, these companies operate as near monopolies. Alphabet, for example, controls about 84 percent of all global daily internet searches. Apple sells about half of America's cell phones, and accounts for almost a quarter of the world's purchases of mobile devices. Facebook has captured 65 percent of the world's social-media market. Nvidia (number eight, with \$550 billion) currently dominates 80 percent of the graphics-processing-unit market. Never has so much money been concentrated in such a small place so quickly.

Tech companies forged these dominant market positions in the usual way: by squeezing out and bankrupting smaller companies or, more commonly, by buying them out. Over a decade ago, the former Google ceo Eric Schmidt, in slightly exaggerated fashion, joked that Google, now known as Alphabet, bought one company a day. The company still owns well over two hundred major internet concerns, the vast majority of which were once start-ups or rivals. Apple has absorbed over forty large corporations. Meta (formerly Facebook) has swallowed over ninety companies.

The modern world of technology certainly has the means of effecting monopolies well beyond those of even the nineteenth century's deregulated industrial cartels. They have created their own online stores that are the sole vendors for the applications that are often essential for consumers to access social-media sites and email servers. Consumers also need their platforms to buy services and products. It only takes a few of these gatekeeper corporations to strangle any online company they choose.

Big Tech's monopolistic ethos is insidious. Entrepreneurs intentionally seek to found new tech companies for the sole purpose of selling out for billions of dollars to Apple, Meta, Alphabet, or Microsoft. Often they assume that their product will be eliminated simply for the purpose of removing competition.

The result is that in a matter of hours a few tech companies can demolish any targeted business or ideological competitor. An upstart like Parler, a conservative free-speech alternative to Twitter, was on a trajectory in early January 2020 to sign up twenty million new users. Yet it was virtually strangled in a single weekend by the coordination of Amazon, Apple, and Alphabet. They colluded, operating with the shared idea that the tiny Twitter rival did not appropriately censor user content in the post-January 6 climate. The tweets did not suit the tastes of the left-wing Big Tech industry.

Parler went in hours from a rising conservative answer to Big Tech's social-media monopoly to a nonentity.

Accordingly, Alphabet kicked Parler off its Google Play Store. That exclusion made it impossible for millions of mobile-phone users to download access to the application. Apple banned Parler from its Apple App Store, even though it was already ranking as the number-one free application. Amazon cut Parler off entirely from its Amazon Web Services. As a result, Parler went in hours from a rising conservative answer to Big Tech's social-media monopoly to a nonentity.

Silicon Valley has so far been able to avoid antitrust legislation by its now-well-known political two-step. When conservatives and Republicans are in power and considering antitrust enforcement, Big Tech boasts of its all-American, free-market success. It brags that, if given free rein, it will easily outpace our foreign competitors. It poses as the best modern capitalist representative of the tradition of can-do Yankee entrepreneurialism.

Yet when Democrats and leftists achieve control of the White House or Congress, tech lords use a different tactic for achieving exemption. With a wink and a nod, Silicon Valley reminds the kindred Left that its monopoly-driven riches are inordinately put in service of Democratic candidates and their left-wing causes. And indeed they are.

Some fifteen Silicon Valley rich people sent more than \$120 million to left-wing candidates between 2018 and 2020 alone.

For example, of those seventeen U.S. tech companies claiming a value of \$100 billion, 98 percent of their aggregate donations are directed to Democrats. Dustin Moskovitz, a cofounder of Facebook and worth a reported \$11 billion, gave Hillary Clinton \$20 million in 2016 and Joe Biden \$24 million in 2020. Karla Jurvetson, the former spouse of the tech mogul Steve Jurvetson (SpaceX, Tesla), sent some \$27 million to Elizabeth Warren, Barack Obama, Hillary Clinton, and Joe Biden. Reid Hoffman (LinkedIn) pledged nearly \$5 million to stop Donald Trump in 2020. Some fifteen Silicon Valley rich people sent more than \$120 million to left-wing candidates between 2018 and 2020 alone.

Yet Silicon Valley, along with Big Tech in general, does not just monopolize the market and pour hundreds of millions of dollars into the Democratic Party. Its monopolistic control over social media also allows it to use shadow banning and account cancellation to prune away the online expression of millions of conservatives deemed unhelpful to the progressive project.

Once Facebook and Twitter kicked Donald Trump and many of his supporters off their social-media platforms (but not the Taliban or the Iranian theocracy), there was a stampede of other social-media entities such as Snapchat and TikTok to do likewise.

Recently, Microsoft's advertising subsidiary Xandr, under pressure, finally promised that it would cease blocking sites deemed conservative from earning their advertising revenues. Xandr had used a third-party leftist "disinformation" service, the "Global Disinformation Index"—a United Kingdom-based organization affiliated with two other U.S. nonprofit groups—to bankrupt conservative websites, in efforts to censor their supposedly improper expression.

Often social media's partisan suppression of First Amendment rights serves at the beck and call of government agencies that are otherwise barred from violating the Bill of Rights.

Recently, among the so-called Twitter Files, a trove of internal corporate communications released by Twitter's new owner, Elon Musk, the fbi popped up as having hired Twitter for a sum of over \$3 million to suppress unwanted sites and individuals supposedly spreading "disinformation."

Of course those rules don't apply when political enemies are the target.

The fbi has served as a sort of social-media doorkeeper for additional censorious government agencies such as the Department of Defense, the Centers for Disease Control, and the cia. They all wished to pass through to Twitter their respective enemies lists—those deemed worthy of censorship or banning. Even congressman Adam Schiff (D-CA) sought to use Twitter to silence his media critics. In the case of the cia, it disguised its improper role by adopting the euphemism oga ("Other Government Agency") in its dealings with Twitter. It is illegal for the agency to surveil domestically, much less suppress the expression of U.S. citizens, but of course those rules don't apply when political enemies are the target.

The operative progressive vocabulary was not "censorship" and "suppression" but rather fighting "disinformation." Translated, that meant accusing political opponents of either engaging with "the Russians" or simply peddling "conspiracy theories" in their ignorance. Take, for example, the recently revealed project known as Hamilton 68, whose board of advisors includes Stanford professors and fellows as well as Bill Kristol, John Podesta, and an array of former government officials. Hamilton 68 sought to smother 644 accounts purportedly tied "to Russian influence activities online." Yet even that ruse proved too much for Twitter's notorious auditors. In the words of Twitter's former chief censor, Yoel Roth, the Hamilton 68 list was "bullshit." In this incestuous relationship, the Washington bipartisan establishment, at best, goes easy on Silicon Valley, and, at worst, hires it out as a third-party contractor to suppress individual citizens' First Amendment rights.

Indeed, Silicon Valley has devolved into a revolving-door landing pad for former government officials.

The state actors also develop expectations that lucrative sinecures await them after government service. Indeed, Silicon Valley has devolved into a revolving-door landing pad for former government officials seeking a profitable retirement or breathing space between government appointments. Some twelve high-ranking fbi officials who worked closely with Twitter employees to supply the names and accounts of perceived political enemies of the Biden administration eventually found high-paying jobs with the social-media concern. The

former fbi general counsel James Baker is now facing a storm of criticism and congressional inquiries about his agency's role in seeding the mythical Steele dossier to the media and within government. In 2018, he simply retired and rotated into a role as head legal counsel at Twitter. Once there, he garnered a reported \$8 million a year in total compensation. That was likely fifty times what he earned per annum at the fbi.

The array of liberal luminaries ending up in Silicon Valley is quite astonishing. Big Tech invests in them either on the surety that they will again be useful when they return to the administrative state, or as compensation for their past ideological service, or simply for their celebrity left-wing *bona fides*. Indeed, Silicon Valley does for Democratic grandees what General Dynamics, Lockheed Martin, Northrop Grumman, Raytheon, and other defense contractors do for retiring three- and four-star generals and admirals who join their lobbying teams or become board members, on the premise that their contacts in the Pentagon will help win lucrative arms contracts.

Ryan Metcalf, a former senior analyst in the Obama White House, on leaving government gravitated immediately to PayPal. Nick Shapiro, the deputy chief of staff at the cia, landed at Airbnb in "crisis communications." The top Obama advisor David Plouffe went to Uber. Lisa Jackson, the Environmental Protection Agency head, found her way to Apple. Attorney General Eric Holder also ended up working for Airbnb. The Facebook executive Sheryl Sandberg was the former chief of staff to Treasury Secretary Larry Summers. Michelle and Barack Obama in their last year in the White House negotiated a deal reportedly worth \$100 million to work as "content creators" for the Los Gatos-based Netflix.

Yet the left-wing-tech fusion involves more than just freedom from regulation, huge political donations to Democratic candidates, and cushy sinecures. More disturbing are the gargantuan cash infusions from Silicon Valley into "nonprofits" and legal firms that seek to alter the way Americans vote. In a now-notorious 2021 essay in *Time*, Molly Ball boasted of the way in which Silicon Valley had sought to brand its efforts to alter the 2020 balloting process as being in the service of "election integrity." In truth, Silicon Valley's money and expertise ensured that nearly 70 percent of the balloting in many states did not occur on Election Day. Yet the ensuing flood of early and mail-in ballots somehow resulted in a *reduction* of the usual rejection rate for improper, incomplete, or illegal ballots.

Ball praised the effort as a salutary "cabal" and "conspiracy." Indeed, she bragged that her essay was "the inside story of the conspiracy to save the 2020 election." This noble complot was "unfolding behind the scenes" and "touched every aspect of the election." It "got states to change voting systems and laws and helped secure hundreds of millions in public and private funding."

Ball turned giddy when detailing how Democratic operatives "successfully pressured social media companies to take a harder line against disinformation and used data-driven strategies to fight viral smears." Again, note that "disinformation" and "smears" are the usual euphemisms for incorrect expression deemed worthy of censorship.

Ball noted that one Laura Quinn, a progressive founder of something called Catalist and former deputy chief of staff for Al Gore, organized a "secret project," which "she has never before publicly discussed." It tracked disinformation online and tried to figure out how to combat it. One component was tracking dangerous lies that might otherwise spread unnoticed. Researchers then provided information to campaigners or the media to track down the sources and expose them. Ball gleefully details how leftist-funded groups smeared social-

media expression as “disinformation” so as to curtail narratives they found unhelpful to their electoral agendas.

For that end, Ball notes that activists like Quinn agreed that the “solution was to pressure platforms to enforce their rules, both by removing content or accounts that spread disinformation and by more aggressively policing it in the first place.”

And it worked. Silicon Valley indeed took a “harder line,” although one asymmetrically focused on conservatives. After a meeting of activists with Facebook’s Mark Zuckerberg and

Twitter’s Jack Dorsey, one participant said it

took pushing, urging, conversations, brainstorming, all of that to get to a place where we ended up with more rigorous rules and enforcement. . . . It was a struggle, but we got to the point where they understood the problem. Was it enough? Probably not. Was it later than we wanted? Yes. But it was really important, given the level of official disinformation, that they had those rules in place and were tagging things and taking them down.

The most famous result of their “struggle” was to censor the truth about Hunter Biden’s laptop, on grounds that it was “Russian disinformation.” One poll taken after the election suggested such suppression may have swayed 2020 presidential voters. The New Jersey–based Technometrica Institute of Policy and Politics reported that nearly 80 percent of Americans who knew of the Hunter Biden laptop scandal prior to the 2020 presidential election believe that “truthful” coverage would have changed the outcome of the election. As part of this effort to alter pre-election expression and the traditional way Americans vote, Zuckerberg injected over \$400 million into key voting precincts in 2020. Ostensibly, his nonprofit recipients “just wanted to help” overworked registrars. In fact, they often coordinated their own work with left-wing poll workers paid for by groups that had received his enormous donations.

Silicon Valley has been successful in using its clout and money to mask its interference in American elections, its fusion with governmental agencies, and its suppression of First Amendment rights by adopting its own Orwellian vocabulary of “protecting election integrity,” combating “voter suppression,” and fighting “hate speech,” “misinformation,” and “disinformation.” These efforts seem more redolent of 1920s Chicago politics than the hipster image of techie Silicon Valley.

Yet nearby Stanford University helps to offer Big Tech a patina of academic credibility for their election meddling.

Yet nearby Stanford University helps to offer Big Tech a patina of academic credibility for their election meddling. It often does so with joint projects bearing utopian titles such as the “Stanford Internet Observatory” (directed by the former Facebook security head Alex Stamos), which is joined to the “Election Integrity Partnership,” supposedly to bring together “misinformation researchers.” And thus we come to the second leg of the powerful troika of Silicon Valley, Stanford, and San Francisco Democratic Party politics.

Stanford University often reminds the nation that it birthed Silicon Valley’s high-tech miracle. Such boasts are certainly credible. The legacy of combining cutting-edge university research with risk-taking entrepreneurship was the idea of the Stanford engineering professor, dean, and provost Frederick Terman (1900–82). His visions fueled the landmark careers of two notable students, William Hewlett and David Packard, and birthed university-

sponsored and spin-off tech enterprises such as the Stanford Research Institute, the Stanford Office of Technology Licensing, and the Stanford Industrial Park.

That partnership continues today. Stanford graduates have established more start-up companies, raised more Silicon Valley capital investment, and led more tech companies than any other university's graduates in the United States over the past fourteen years. A recent study of one hundred and fifty of Silicon Valley's largest publicly traded corporations found that a fifth of all the chairmen of their boards of directors were Stanford alumni.

Until recently, Stanford contented itself with offering a steady stream of engineering and computer-science graduates and future financiers and corporate managers to the adjoining high-tech companies. The public face of this campus–corporate merger is not just the legions of current Stanford professors and administrators who enjoy a number of lucrative Silicon Valley board memberships. Grandees from neighboring tech companies, venture-capital firms, and investment companies also serve on Stanford's own array of university boards and advisory committees.

Yet lately Stanford's role has expanded from jump-starting and fueling the growth of Silicon Valley to adding a prestigious intellectual gilding to the raw money, power, and excess of a tech world that has grown to a market capitalization worth some \$9 trillion. Within just a fifteen-mile radius of the campus hub are the spokes of major tech headquarters in Palo Alto, Menlo Park, Mountain View, Cupertino, and Sunnyvale.

The left-wing campus culture that then permeates the tech companies masks the greatest concentration of wealth in the history of civilization.

The university's complex and layered associations with Silicon Valley also goad the companies into promoting university-prompted commitments to woke social priorities. The left-wing campus culture that then permeates the tech companies masks the greatest concentration of wealth in the history of civilization. The osmosis, now characteristic of the Democratic Party in general, can appear bizarre. Tech billionaires in faded jeans, tie-dye T-shirts, and flip-flops stroll on University Avenue. They are surrounded by the Audis, bmws, Mercedes's, Lexuses, and Teslas—a few with blm stickers—that crowd Stanford's student parking lots.

Yet in the last decade, the Stanford pipeline to Silicon Valley has been turning malodorous. In part, the unease is due the precipitous decline of the reputation of the university after a series of scandals. Stanford's long-serving president Marc Tessier-Lavigne—an accomplished neuroscientist, multimillionaire, and former executive vice president of the San Francisco–based bioengineering firm Genentech and cofounder of Denali Therapeutics, also of San Francisco—is currently reportedly under investigation for prior scholarly misconduct.

The accusations involve a group of papers that Tessier-Lavigne coauthored that were accompanied by supposedly enhanced and misleading illustrations. Or, as the left-wing *Stanford Daily* put it:

The European Molecular Biology Organization (embo) Journal was reviewing a paper co-authored by Tessier-Lavigne for alleged scientific misconduct. Science misconduct

investigator Elisabeth Bik and other experts also identified “serious problems” in three other papers, including two where the president was the lead author.

Like the former Stanford president John L. Hennessy, who now serves as chairman of the board of Alphabet, Tessier-Lavigne is active in corporate governance, currently serving on the boards of Denali Therapeutics, Regeneron Pharmaceuticals, and Agios Pharmaceuticals. Before his presidential tenure, he was on the Pfizer board.

Stanford’s undergraduate admissions also continue to be a source of controversy after the 2019 scandal in which it was revealed that several wealthy families had paid millions of dollars in attempting to gain their children’s acceptance by being recruited as “athletes” through the university’s sailing program. Stanford’s current website boasts that, with its reparatory admissions policy, its incoming freshman class of 2026 has only 22 percent American whites (who account for some 67–70 percent of the U.S. population). The makeup is 29 percent Asian American, 17 percent Hispanic, 7 percent black, 10 percent “multiracial” (likely Asian-white), and 13 percent “International.” The black admission rate of 7 percent is identical to that of Harvard, Yale, and Princeton, suggesting a consensus among these schools. Stanford’s Asian and Hispanic admission rates are roughly twice that of the schools in the Ivy League, probably reflecting the demographic differences between the two coasts.

Meanwhile, Stanford’s graduate engineering program, perhaps the best in the country, has the following demographic mix: 28.5 percent American white, 17.2 percent Asian American, 1.8 percent black, 7.8 percent Hispanic, 6.5 percent multiracial, and a whopping 38.2 percent international. The engineering graduate school supplies Silicon Valley with its talent on demand. And, so far, Stanford has not applied much of its woke diversity, equity, and inclusion quota formulas to its graduate programs in Silicon Valley–related fields. Tech moguls still rely on the university to supply them with qualified Ph.D.s, and, in turn, they want to send their kids to Stanford’s undergraduate school.

Yet Stanford strangely is less reticent in boasting that it now rejects 96 percent of all applicants.

So Stanford, along with other schools, recently made the sat and act optional for undergraduate admissions, giving the admissions office complete freedom to use its own subjective criteria—a freedom that it had not enjoyed since the 1950s. The university will not disclose how many of those who were accepted chose not to take the now-optional standardized tests as part of the application process. Yet Stanford strangely is less reticent in boasting that it now rejects 96 percent of all applicants. In the past it has publicized that it has rejected 60 to 70 percent of the 1 percent of sat takers who received a perfect score and applied to Stanford.

A cynic might conclude that the university has good reason not to disclose how many admitted applicants who were willing to take and submit the sat scored poorly. And it now attempts to square the circle of lax admittance standards and high rejection rates by bragging that even a perfect test score usually won’t get one into Stanford—at least for some students.

As a result, members of the white working classes, who may be superbly qualified but without such connections or money, are de facto barred from admission.

The basic truth is that Stanford uses the prestige of its research graduate schools to “monetize” its undergraduate program into a way to reward its powerful friends in corporate America, especially Silicon Valley, and politics, especially Democratic Party politics.

Stanford's engineering graduate school sends its product to Silicon Valley, Silicon Valley sends money to Democratic politicians who protect Stanford and Silicon Valley, and Stanford admits the children of tech moguls and politicians to their undergraduate school. And as a result, members of the white working classes, who may be superbly qualified but without such connections or money, are de facto barred from admission.

Silicon Valley's trillions of dollars in capitalization may help explain Stanford's huge endowment of \$37 billion, the third-largest in the country (after Harvard and Yale). Yet such staggering sums in such a small radius have also contributed to an epidemic of financial and moral corruption that has brought disrepute to the university and its liaison with Silicon Valley.

Elizabeth Holmes—the charismatic and savvy founder and ceo of the now-bankrupt and disbanded Theranos—was recently sentenced to eleven years in prison for defrauding investors of hundreds of millions of dollars. Holmes applied for her first patent as a Stanford sophomore. And while she soon dropped out to found Theranos, Holmes remained a frequent visitor to campus.

For a time, that association helped fuel media puff pieces about the then-youngest female billionaire in the world. The twentysomething Holmes usually appeared on campus in a Steve Jobs-esque all-black getup, courting Stanford-affiliated luminaries. In the end, she successfully charmed the campus-corporate nexus into steering billions of dollars of investment into her mobile, miniaturized blood-testing device, the “Edison.” Holmes kept insisting, without any proof, that the Edison would revolutionize blood testing by using automatized and miniaturized kits requiring only microscopic volumes of blood.

Holmes proved no Wizard of Palo Alto.

But Holmes proved no Wizard of Palo Alto. Instead, she and her co-conspirator and paramour, the Theranos coo Sunny Balwani, at an early date realized that their Edison was a bust and a fraud. Yet for years the two still engineered a complex con by altering data, suppressing incriminating internal reviews, and misleading investors. Before its utter collapse, Theranos had reached nearly \$9 billion in capitalization and lured in some of the great investing families in the nation—the Waltons, the DeVoses, and the Murdochs. They ended up losing hundreds of millions of dollars. Balwani, like Holmes, is appealing an impending long prison sentence.

How did the medically ignorant Holmes and Balwani pull off such a brazen scheme among the supposedly savviest investors on the planet? It surely helped that Holmes charmed her Stanford community, especially the renowned George Schultz of the Hoover Institution. The lauded statesman and economist brought to her board an all-star cast of Stanford and Hoover luminaries. None of them, however, had much experience in medicine or technology, and few had any in corporate governance. But it was likely this façade of Stanford legitimacy that explains why so much money was poured into such a patently suspect idea.

Sam Bankman-Fried easily outdid Holmes. He is the architect of likely the greatest financial scandal in U.S. history. His net worth peaked at \$26 billion, before the collapse of his house-of-cards ftx cryptocurrency scam. Bankman-Fried grew up on the Stanford campus, the son of two noted Stanford Law professors, Joseph Bankman and Barbara Fried. Caroline Ellison—Bankman-Fried's erstwhile partner, occasional girlfriend, and the ceo of ftx's sister

investment company Alameda—was a Stanford math major. She was also the scion of two professor parents, both at mit, where Bankman-Fried did his undergraduate work. Ellison has now pleaded guilty to various counts of fraud. And in exchange for a lighter sentence, she is working with federal prosecutors as they build their case against Bankman-Fried. He is currently confined to his parents' home on the Stanford campus, while on bail awaiting trial. Bankman-Fried purportedly stayed out of jail by posting a \$250 million bond. But, in fact, he and his family and friends put up very little money, although they were helped by two Stanfordites, the former law school dean Larry Kramer and Andreas Paepcke, a Stanford senior research scientist who signed a \$500,000 guarantee. Somehow that was enough to satisfy the government's quarter-billion-dollar bond.

Stanford Law School itself has recently suffered a series of public-relations embarrassments. In early 2023, an ethics complaint was filed against Professor Michele Dauber for posting a series of ad hominem attacks on Camille Vasquez, the recent attorney of Johnny Depp. The Stanford law professor tweeted that Vasquez was a "Pick Me Girl" for defending the actor against sexual-assault allegations. The ethics complaint further alleged that Dauber posted death threats against Depp by fantasizing about the actor's murder and hoping that his corpse would be devoured by rats.

Another Stanford law professor, Pamela Karlan, in testimony before the House Judiciary Committee's hearing on the second impeachment of President Trump, out of the blue gratuitously attacked the president's thirteen-year-old son, Barron Trump: "The Constitution says there can be no titles of nobility, so while the president can name his son Barron, he can't make him a baron." In 2021, a graduating Stanford law student sent the entire law school student body a fake invitation, appearing as if it were sent from the school's small conservative Federalist Society. It read in part:

The Stanford Federalist Society presents: The Originalist Case for Inciting Insurrection. . . . Riot information will be emailed the morning of the event. . . . Violent insurrection, also known as doing a coup, is a classical system of installing a government. . . . Although widely believed to conflict in every way with the rule of law, violent insurrection can be an effective approach to upholding the principle of limited government.

In mid-March, the Federalist Society invited Fifth Circuit Court of Appeals judge Kyle Duncan to speak at the law school (as discussed in "Notes & Comments" in *The New Criterion* of April 2023). The judge was not allowed to finish his lecture. Law-school students drowned him out. They flashed obscene placards in his face. Some gave their pseudo-radical game away when the self-important protestors mocked Duncan for being without the supposed qualifications to be admitted to their own Stanford Law School. And then, mission accomplished, they smugly stomped out.

When an exasperated Duncan had called out for a university administrator to restore calm, the judge's podium was instead arrogated by the associate dean for diversity, equity, and inclusion, Tirien Steinbach. She then gave her own pre-planned and scripted lecture, expressing empathy with the scheduled disrupters. Steinbach asked the startled judge whether it was even worth supporting his free-speech rights, given he and his views were deemed abhorrent by the new absolutist Stanford community. Stranger still, one Stanford administrator urged any hurt Federalist Society member to contact Dean Steinbach for consolation. And when Dean Jenny S. Martinez finally offered Justice Duncan an apology, her class was disrupted by her own furious law students. Martinez wrote several apologies for the debacle, claiming it was inconsistent with the law school's commitment to freedom of

speech. But never once did she suggest that any of the rowdy heckling students would face consequences.

Despite these contretemps, the Stanford brand continues to work for those privileged enough to bear it. It did for Bankman-Fried and Ellison what it had done for the similarly young Holmes. It helped to lure investors into handing over millions of dollars to a near adolescent who had allegedly mastered the esoteric world of cryptocurrency but otherwise simply shuffled money around investor accounts, always desperate to draw in more new investment capital from the naive than what was being withdrawn by the increasingly skeptical. Bankman-Fried's togs differed from those of Holmes. His look was more affected Stanford slob—cut-off jeans, flip-flop sandals, baggy T-shirt, and wild hair—and was intended to lend an air of Einsteinian mad genius to his otherwise age-old shell game. sbf, as he is sometimes known, currently faces a possible one hundred years in prison for multiple counts of campaign-finance violations, money laundering, and wire and commodities fraud.

How did Bankman-Fried, like Holmes, for so long elude scrutiny?

How did Bankman-Fried, like Holmes, for so long elude scrutiny? He too hit all the right Stanford, tech, and political buttons. Holmes hosted a Hillary Clinton fundraiser, while sbf lavishly donated millions of dollars to Democratic candidates—and, more importantly, promised hundreds more millions to come while touting his left-wing credentials and Stanford-parents pedigree.

His mother, Barbara Fried, is a dark-money bundler of Silicon Valley millions and the founder of “Mind the Gap.” That effort promised the Silicon Valley rich both anonymity and an approved list of needy progressive candidates and causes. Her husband Joseph Bankman is a well-known progressive tax-law expert and a frequent consultant to Democratic lawmakers like Elizabeth Warren. In the end both Stanford professors are facing federal investigations concerning purchases of property in the Bahamas, specifically their joint ownership of a \$16.4 million home that was apparently transferred to their names by their son or his company or both.

Trillions of dollars and hundreds of tech companies have long drawn Chinese-government-affiliated companies to Silicon Valley, and thus inevitably also to Stanford. In July 2020, a Stanford visiting neurology researcher named Chen Song was arrested for not disclosing that she had been an agent of China's People's Liberation Army. Song had managed to become a temporary faculty member at Stanford, tasked with engaging in military espionage. As far back as 2014, Stanford had come under pressure to shut down its Confucius Institute, funded indirectly by the Chinese Communist Party and allegedly monitoring Chinese student activities on campus.

Nonetheless, such laxity in campus security made little impression on the university faculty, given that in September 2021 some 177 professors and researchers signed a petition to the Department of Justice demanding it stop investigating potential Chinese spies at U.S. universities. A year earlier, Stanford had been investigated by the Department of Education for some \$64 million in alleged Chinese-affiliated donations over a decade, all from previously unidentified and anonymous Chinese donors, most of them believed to be government-associated. Song eventually had all charges dropped, was reissued a passport, and silently returned to China.

Sometimes, however, the campus's left-wing politics go too far, even for Stanford, causing as much scandal as those infusions of Chinese money did. Recently, the university quietly took down from a school-affiliated website the embarrassing "Elimination of Harmful Language Initiative" list of taboo vocabulary "compiled by a group of administrators working over some eighteen months." In Orwellian fashion, they boasted of an effort to excise "harmful" words from campus usage:

The goal of the Elimination of Harmful Language Initiative is to eliminate many forms of harmful language, including racist, violent, and biased (e.g., disability bias, ethnic bias, ethnic slurs, gender bias, implicit bias, sexual bias) language in Stanford websites and code.

The list included words such as "immigrant," "citizen," and "American." Yet Stanford acted to disassociate itself from the list only after *The Wall Street Journal* mocked the campus thought police. The embarrassing wsj exposé ended with a Parthian shot by implying such nonsense was the logical result of a bloated staff full of idle woke administrators:

We can't imagine what's next, except that it will surely involve more make-work for more administrators, whose proliferation has driven much of the rise in college tuition and student debt. For 16,937 students, Stanford lists 2,288 faculty and 15,750 administrative staff. As a footnote to the vocabulary embarrassment, the Elimination of Harmful Language Initiative also included ways to offer Stanford snitches "financial rewards for finding/reporting" any who violated the provisions of the list. The language policing was known in Stanfordspeak as "The Protected Identity Harm (pih) Reporting" system.

The most egregious faculty and administrative embarrassment, however, involved Stanford's response to the high-profile commentaries of three of its most renowned immunologists, epidemiologists, and public-health experts, Drs. Scott Atlas, Jay Bhattacharya, and John Ioannidis. Very early in the covid epidemic—whose onset resulted in government lockdowns, mandates, and quarantines—all three questioned the wisdom of policies by local officials and President Trump. They kept that criticism up when the administration changed but America's covid policies stayed much the same.

The three experts cited various scientific data that suggested the quarantines would not stop the pandemic. They argued that natural immunity was as effective as or superior to acquired protection via vaccination and that those under eighteen were at little risk of serious infection, but that young men under forty might be inordinately at risk for side effects from the mRNA vaccinations. Therefore, they argued that medical therapies and isolation protocols should be focused primarily on the most vulnerable, those over sixty years old. They wrote that the vaccinations would not prove to offer absolute defense against either infection or infectiousness. And most importantly and controversially, the three were not shy in insisting that the government-shutdown reaction to covid would do far more damage and eventually might kill far more people than the covid-19 virus itself—through increased suicides, spousal and familial violence, drug and alcohol abuse, economic recession, and the deprivation of the nation's youth of two critical years of schooling.

Their voices often resonated in the conservative and libertarian communities. President Trump eventually brought in Dr. Atlas to offer independent assessments of the lockdowns. He was often at odds with those in the White House task force headed by Drs. Anthony Fauci and Deborah Birx, who insisted on closing the schools and shutting down much of the economy, all while pushing mandatory vaccinations on the entire population.

Rather than being honored that the nation's three most prominent researchers of the quarantines were Stanford-based, the university attacked them. A faculty senate resolution and a petition from ninety-eight members of the medical school faculty impugned the integrity of Atlas, most likely because he had become a presidential health advisor to Trump. Indeed, Stanford's faculty senate went on record condemning Atlas for various tweets blasting state and federal lockdowns and the damage those restrictions incurred without measurably stopping the spread or lethality of the virus.

University President Tessier-Lavigne, along with the provost and the dean of the medical school, criticized Atlas's skepticism of then federal policies. Indeed, the medical-faculty petition alleged that Atlas has promoted "falsehoods and misrepresentations of science." And the signatories accused Atlas of seeking to "undermine public health authorities and the credible science that guides effective public health policy."

The government's response to the pandemic indeed did more damage—just as Atlas had warned—than the virus itself.

Only when Atlas threatened to sue the university faculty for character defamation did the petitions and faculty senate resolutions cease. In retrospect, the consensus of the now "credible science" has found that the government's response to the pandemic indeed did more damage—just as Atlas had warned—than the virus itself. As the three Stanford doctors had stated repeatedly, natural immunity did prove as or more effective in warding off serious covid illness and general infectiousness than the vaccinations. And they were presciently aware that the national shutdown of schools and businesses would do historic damage that will resonate for decades well beyond the toll of covid.

The final leg of California's model triangle of power is political. More specifically, Bay Area progressive politicians both protect and benefit from the money, influence, and prestige of the Silicon Valley tech industry and its veneer of university high culture. And their resulting emergence over the last three decades ended southern California's former hold on the state's politics, in the eras of conservative governors Ronald Reagan, George Deukmejian, and Pete Wilson, all from the Los Angeles area.

More astonishingly, by the end of 2022, no single American city had produced more recent powerful and influential leaders than San Francisco. All were fueled by the rise of the Bay Area–Silicon Valley tech and financial corridor, and in turn drove the hard-left trajectory of the national Democratic Party.

San Francisco left-wing paragons include the recent Speaker of the House Nancy Pelosi (D-CA) and Vice President Kamala Harris. The San Francisco–based Dianne Feinstein is the third-longest-serving senator and a former chairwoman of the Senate intelligence and judiciary committees. Gavin Newsom, the former San Francisco mayor and current California governor, is a likely 2024 Democratic presidential candidate. The former Bay Area resident Barbara Boxer was a U.S. senator and congressional representative for thirty-four years. Jerry Brown, a four-term California governor, was also a four-time Democratic presidential candidate. The San Franciscan Willie Brown, the mentor of Vice President Harris, was a thirty-year veteran and former speaker of the California assembly and a two-term mayor of San Francisco.

In other words, the Bay Area has birthed the second- and third-most-powerful officials in the U.S. government in Harris and Pelosi, and both of California's senators during the last thirty years. If Newsom runs for president, he will be the third recent Bay Area politician to do so. These nationally known politicians have collectively served six gubernatorial terms, and Willie Brown, Dianne Feinstein, Gavin Newsom, and Jerry Brown spent an aggregate thirty-three years as recent mayors of San Francisco or Oakland. Many have Stanford ties. Feinstein is a Stanford graduate. Harris's father was a longtime Stanford professor. Newsom's father graduated from Stanford Law School, and Jerry Brown's sister Kathleen was a Stanford undergraduate.

Yet their prominence offers a paradox of sorts, when one considers that annually three hundred thousand residents are fleeing from their California. Meanwhile, San Francisco has become synonymous with the ongoing national epidemic of blue-city crime, homelessness, vagrancy, health concerns, vacant downtown office space, high taxes, and declining population.

Indeed, in the last half century, Bay Area politicians brought to the national scene their hard-left California politics on an array of issues such as climate change, immigration laws, identity politics, environmental regulation, restrictive zoning, the prosecution of violent crimes, bail laws, gun control, border security, gay marriage, abortion, and transgenderism. As such, they marked the dividing line between a former California of centrist and conservative governors and senators, and a now-permanent left-wing state that claims itself as the Democratic model for a new American nation.

The marriage of San Francisco politics, corporate culture, and wokeness—the “Green New Deal,” dei (diversity, equity, and inclusion), and esg (environmental, social, and governance)—is perhaps best typified in the recent collapse of Silicon Valley Bank, the second-largest bank meltdown in American history. At its height, the bank invested billions of dollars in Silicon Valley technology and green-energy start-ups. All were eager to capture easy contracts from budget-busting massive “infrastructure” bills during the Obama and Biden administrations. Bank executives boasted of their diversity profiles, their green investments, and their contributions to left-wing groups and Democratic candidates and pacs—all meant to mask the reality that they were issuing subprime business loans to risky start-ups, ignoring the reality that their locked-in, long-term government bonds paid little interest in a period of 6–8 percent annual inflation. That time bomb went off when edgy depositors demanded higher returns and clients grew fewer and were increasingly buffeted by stagflationary layoffs. A March run on the bank by depositors drained the institution of cash, while a massive sell-off of newly low-yield government bonds incurred huge losses and further fueled the panic.

The old network of liberal San Francisco politicians and Silicon Valley moguls immediately lobbied the Biden administration to cover their huge losses, given 96 percent of all svb depositor accounts vastly exceeded the Federal Deposit Insurance Corporation's \$250,000 insurance limit. Governor Newsom badgered the Biden administration the hardest, saying that a massive multibillion-dollar bailout for the depositors was necessary. He omitted the fact that the bank had given \$100,000 to his wife Jennifer Siebel Newsom's California Partners Project. He did not disclose that the Newsoms had numerous personal accounts with the bank, and that his three wineries—cade, Odette, and PlumpJack—were clients of svb.

Like Newsom, most of these progressive politicians are multimillionaires, having raised enormous amounts of money from Silicon Valley sources, having spousal or personal ties to lucrative California businesses, and having profited from Chinese investments.

California leads all states in Chinese investments.

Indeed, California leads all states in Chinese investments, totaling well over \$5 billion in the last twenty years. So it is no wonder that the former senator Boxer had been a registered agent-lobbyist for a number of Chinese-government-controlled companies. Senator Feinstein was clueless that her chauffeur of some twenty years was a spy for the Chinese communist government, all while she served as chairman of the Senate intelligence committee. The Bay Area congressman Eric Swalwell was romantically involved with a Chinese spy called “Fang” (Christine Fang), either before or during his tenure on the House Intelligence Committee.

Nancy Pelosi’s son has sizeable investments in Chinese-government-related companies. Gavin Newsom greenlit a \$1.4 billion contract to a Chinese consortium to provide the state with protective KN-95 masks during the covid lockdowns. That Chinese group included byd, a company that has lavished money on Sacramento politicians, including \$40,000 to Newsom’s own gubernatorial campaign. The former governor Jerry Brown in 2019 launched a joint Chinese/American climate-change think tank at the University of California, Berkeley—in partnership with China’s top climate official, Xie Zhenhua.

All of these politicians have treated China as a friendly partner to California and kept mum about vast Chinese Communist Party espionage operations in Silicon Valley. Nancy Pelosi may now talk grandly in declaring that “the era of self-regulation is over,” but she proved the chief impediment to bipartisan legislation that, *inter alia*, would have banned tech companies from giving preference to their own products and companies in search results and monopolizing markets.

The signature policies of the California Democratic Party establishment helped to welcome in millions of impoverished people from south of the border, to ensure trillions of dollars in Big Tech market capitalization and thousands of new tech employees using H-1B visas in Silicon Valley, and, over the last forty years, to drive out over ten million largely middle-class and conservative Californians who could no longer afford the high taxes and onerous regulations that paradoxically seemed to guarantee dismal schools, ossified infrastructure, high crime, and soaring home prices. That demographic trifecta—welcoming in the foreign poor, courting the rich, and ousting the middle class—explains in large part current-day California and the direction of the national Democratic Party itself.

The Democratic Party has adopted a hard-left progressive agenda, one far more radical than at any time in its history. It is now a party dominated by bicoastal globalized wealth. It is deeply embedded within and compromised by Chinese investment. It has become both the protector and beneficiary of monopolistic Big Tech. Much of its woke politics were inherited from pet elite universities.

It owes a great deal of this metamorphosis to the current politics of California that were birthed in San Francisco and Silicon Valley, all burnished with the sheen of Stanford University. The Democrats now seek to make California politics the operating principles and ethos of the United States.

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