

Remarks to the CMS Graduating Class
By Jaak E. Rannik
On the Occasion of
The Annual Alumni Reception
Hosted by the United States Ambassador
June 4, 2014

Mr. Foote, Mr. Delman, Mr. Peterson, Mrs. Rodriguez, Mrs. Rojas, Mr.
Ramos, Graduating Seniors, Special Guests, Friends and Family...

Good evening,

I can't tell you how awesome it feels
to be a recipient of this prestigious award...

To judge by the list of previous honorees,
I'm going to be in some very distinguished company.

In return, I'm told it's traditional for the honoree
to address a few remarks to the seniors.

on a more personal note,
before getting into the substance of these remarks,
I need to tell you that I've lived with Parkinson's Disease for a long time...
so, if I were to suddenly knock over the water glass,
or lose my voice
or have trouble pronouncing some 50-cent word,

J. Rannik Remarks to CMS Seniors June 4th 2014

I hope you'll cut me some slack and just ignore it. OK?

I'd like to begin by sending thanks to the Ambassador
for his generous hospitality
in allowing this event to be held in his home tonight
which I hope that Mr. Foote will relay to him along with my best wishes.

I'd also like to recognize the CMS Alumni Association
for the many great initiatives you have undertaken
in behalf of the school (including the organization of this event tonight).

This gathering is an excellent opportunity
to express my respect and admiration
for the job that Jack Delman has done with Carol Morgan.

His leadership, high standards and people skills
have transformed an already good school
into something that really makes me proud to be an alumnus.

This evening, rather than blowing my own horn,
I'd like to offer a few thoughts about the road ahead,
along with what kind of world I believe your generation is likely to live in,
and the sorts of changes you may be forced to make
in your expectations for the future.

Now, forecasting is always a little tricky...
as former NY Yankees catcher Yogi Berra famously said,
“especially if you’re talking about the future.”

Back in the year 2000, when most of you
had just started your education in pre-kinder,
there was no Google Earth, no Wikipedia, no Facebook, no Skype no Twitter,
no InstaGram, no Snapshot, no NetFLix, no You-Tube, no i-Tunes, no I-phone
and no Blackberry and no texting . The internet was slow, and none of
today’s apps would have run on it, which didn’t matter because today’s smart
phones were still years away.

The smart phone is a remarkably innovative development,
combining as it does
a number of technologies such as
the new liquid touch-screens
component miniaturization,
data compression, extended range,
battery life and data storage capacity
that happened to converge at the same time..
all blended in a telephone, television set, computer, digital camera, GPS,
alarm clock, stop-watch, directory, filing cabinet/printer/scanner/copier/fax
and internet device all in one.

The reason I'm stressing this point,
is the fact is that new technology
is arriving on our doorsteps faster than we can digest it,
and that this trend is accelerating.

Regardless whether we choose to use it or not,
technology permeates everything around us...
conditioning every aspect of our lives so we can't escape it.

But beware, for technology isn't everything,

In all human relationships (and isn't that what life is all about?),
What good are Facebook or Twitter if I have nothing to say
nor any friends to follow?

Technology is no substitute for the human touch.

I'm convinced that the human race is on the verge of
some major breakthroughs,
Something akin to the Renaissance after the Dark Ages.
and they all have a technology component
that we cannot afford to ignore.

The easing and eventual reversal of population growth,
The easing of stresses on the environment
increased food production, the conquering of disease,
cleaner energy and the eradication of poverty....
all have the potential to deliver huge improvements
in the overall quality of life for all of earth's inhabitants

but I confess that I don't know how we're going to reap any of those benefits,
because of the formidable obstacles
that mankind will need to surmount in the meantime.

These include wars over water rights, internal strife over the distribution of
these benefits between different groups who feel entitled to a larger share
than their neighbors

Recognizing these obstacles, and many others,
and how each of you reacts to these as you encounter them, will
in great measure determine
whether you are a survivor or not.

But let's look at the positives that lie ahead before talking about the
obstacles that may prevent us from getting there at all.

The biggest trend of all is world population stabilization,
and eventual reversal.

We've all heard it over and over again,
that world population is growing, out of control.

Well, this is one area in which the old paradigm is just plain wrong.

There is an emerging consensus among experts
that world population growth
has already started to level off, is due to peak around 2030-2040
(within about fifteen to twenty-five years from now)
and then begin to decline gradually.

That's right, it's going to decline

It's possible that you may not know that
in the Dominican Republic,
very much like in a majority of emerging economies worldwide,
the birth rate dropped from 4.96 per thousand four decades ago
down to a projected 2.33 this year,
which is already very close to the replacement rate.

Although this number alone doesn't tell the whole story
(as it fails to consider the effects of mortality, immigration and emigration),
the important thing to watch is what the trend is
and it's definitely downward.

In my own business career,
I have always had a keen interest
in what can be called development economics.
This is a study of what works and what fails, for example,
how two nations on the same island and with similar beginnings
can end up with such different outcomes.

I found an outlet for this interest
In a quarter-century of service within the private sector,
through volunteer work at the American Chamber of Commerce
and later in the Association of American Chambers of Commerce in
LatinAmerica and the Caribbean (AACLAC).
In each of which I was privileged to serve as president for two terms
Our chosen tool was public policy advocacy,
supported by a squeaky clean reputation
that gave our work credibility and influence.

I don't mean to claim any of the responsibility,
Neither on behalf of the institution nor much less for any of those of us
who were privileged to serve in those interesting times,
but the fact is that a lot of cool things,
that happened to coincide with AMCHAM's positions on
free enterprise, the legitimacy of the private sector,
the benefits of foreign investment and free trade...
took place during that period of time or shortly thereafter.

However, I will claim a tiny little bit of the credit
for the development of the privately owned seaport of Caucedo,
located near an abandoned sugar mill in Boca Chica.

There is symbolism in that, as they exemplify
The difference between the Dominican Republic of a century ago ,
And its growing participation in the dynamic, bustling world of commerce.

This industry, which in its heyday
supported an entire town of 100,000.,
closed down fifteen or twenty years ago,
leaving the residents of the area to face a grim future.

My two partners and I,
Together with our international operator partner,
raised over \$400 million between debt and equity capital
to build a much-needed state-of-the-art container port
that not only benefits the entire economy of the DR,
but supports a payroll of about fifty five million pesos a month,
some 80% of which is estimated to flow through the local community's
households and merchants.

In this instance,
from a community development point of view,
the payoff was the almost 1,000 well-paid jobs created,
plus about two and a half times that number of indirect jobs created.

On the energy front, if I had a dollar for every time
I read or heard people say
that the world is going to run out of crude oil,
very soon,
I'd be a very rich man.

The first time this issue came up on my own personal radar screen
was in the sixth grade in Carol Morgan School
when a respected teacher gave us
a little presentation
in which she stated, categorically,
that at then-current (1958) consumption rates,
the wells would go dry in ten years.

Now, this was a real bummer
because I couldn't wait to be old enough
to buy an old jalopy and start fixing it up
so I would have a car of my own
as soon as I got my driver's license.
It wasn't the habit in the Rannik family to
give us kids a new car.

Except for maybe a half-dozen times, every year since 1958, the year of my disappointment, world reserves of oil in the ground increased, meaning that new discoveries were more than keeping pace with actual production.

The latest news is that improved exploration techniques have opened up huge new proven reserves, which until now it had not been economically feasible to drill on.

In the process, oilmen have been discovering that natural gas is much more abundant than anybody had previously suspected.

North America suddenly finds itself with enough hydrocarbon reserves to last at least 600 years, which is more oil than Saudi Arabia and the whole middle East combined possess.

In places like the Dakotas, (where unemployment is zero) workers are living in their trucks because builders can't put up tract houses fast enough).

Robotics is another transformative technology that's here now.

Did you know that all major car companies already have a production-ready "driverless automobile" that navigates by GPS, accelerates, stops and resumes, changes lanes and parallel parks when it arrives at destination.

And robots never get distracted by texting while they drive, which the US Department of Transportation estimates would save over 30,000 lives a year in that country alone.

Stay tuned.

Airline pilots like to use their automated flight control systems instead of hand-flying the airplane, even on takeoffs and landings.

Also, what do you think about those unpiloted drones?

This will probably remain a human-directed process for some time to come, but let's try to think it through, all the way to the end.

The drone needs an onboard decision-making process, in the event that it gets cut off from communicating with its "pilot" back in a bunker somewhere.

This, my friends is where the lines begin to get blurred as it gets awfully close to artificial intelligence (AI)

Medicine is another area in which technology
has begun to point the way toward amazing results.

Imagine a world in which there is no cancer,
no cardiovascular disease, no diabetes, and no Alzheimers...

Let me tell you from my own personal experience
where I can see this heading.

Seven and a half years ago I was hospitalized in Asheville, N.C
complaining of acute abdominal distress,
ended up in emergency surgery which,
to make a long story short, turned out to be a malignant G.I. tumor,
which never made itself known until that night,
when it perforated and spread.

The oncologist told me
that this particular type of cancer is very rare,
is very aggressive, does not show up in any blood tests,
doesn't respond to any known chemotherapy or radiation
and had almost 100% mortality rates within about nine months.
He did say however that there was a newly approved therapy
that works in a completely different way,
without destroying healthy tissue in order to attack the tumor.

This is a targeted therapy
which goes directly to the damaged gene in the cell nucleus
that permitted this to occur in the first place
and sends it a chemical message telling it to stop dividing, that is,
producing the cancer cells.

In my case this was possible
because medical science had been able to
identify the gene whose mutation causes this cancer
and to understand the mechanism by which
they can turn the gene on or off.
I've been cancer free-for almost eight years,

The significance of this
for the ongoing fight against all other cancers is that,
as new discoveries are made about
what genes are involved in what cancers,
other targeted therapies such as mine will become commonplace

The Human Brain/Silicon Interface

The race to put more computing capacity
on a silicon chip
requires miniaturization almost on a molecular scale,
but the silicon molecule is too small to accommodate all the features
that the market demands,

J. Rannik Remarks to CMS Seniors June 4th 2014

and this is one reason the wiring of the human brain
is the object of intense interest at major research universities,
as well as in private research labs
in places like Silicon Valley, California.

I wonder what it might feel like to
download a complete understanding of the
Mandarin Chinese language and culture into your brain
24 hours before setting off on a business trip to Shanghai?
At the rate at which technology advances arrive, I submit that
none of this is beyond the pale, sooner rather than later.

300 years ago, Thomas Robert Malthus argued in his famous work
that hunger resulting from overpopulation would lead to
world disorder on a grand scale.

What Malthus never counted on were
the tremendous contributions of the
scientific community and corporate investment
in the development of new hybrid seeds
that produce higher crop yields using a lot less pesticides and herbicides.

My friends in the environmental movement will complain about
corporate greed and the ills of genetically modified foods,
and to them I say that there are over half-a billion people in India,
the second most populous country in the world, who are alive today
because their parents got enough to eat during their reproductive years.

If you are able to shop at Whole Foods... that's a great idea.
But let's not forget that the ability to feed its own people
is India's real success story.

Childhood dehydration, the flu and common colds, STD's and in fact,
almost all kinds of infectious diseases,
are going to be around for a long time to come,
but will take far fewer lives in the future,
as sanitation, education and the outreach of rural hospitalization,
continue to reduce greatly their impact.

I agree with a recent United Nations report that says that the elimination
of poverty is now a practical goal for this generation, and within reach
of every nation willing to make the policy decisions that will permit it.

* * * * *

So what are we looking, at 25 to 50 years out?

On the one hand, by 2064, I foresee a brighter future for the entire planet
(if only we could put aside our differences).

On the other hand, if this transition is not handled intelligently
by the world's leading powers.

it could lead to tremendous political and economic dislocations,
The largest challenge in handling that transition would be doing all
of this without sacrificing the freedoms we enjoy as a
democratic, market- based, capitalist economy.

Leaving climate change aside,
I believe that among the worst forms of pollution
is poverty born of ignorance,
This is a vicious cycle that has to be broken.

In the United States,
it took an entire two generations (or more)
of educational programs, (starting with pre-schoolers,)
to begin to break old habits...

But I respectfully submit that in our efforts,
we should bear in mind
that the human being is also a part
of this incredibly complex, self-adjusting ecosystem
we like to call Planet Earth.

That said, I'd like to offer some parting thoughts

- Education is what 's left after you have forgotten all the facts.
- Never stop learning... some of your most valuable insights will come at times in your life when you are best able to connect the dots.
- Trust your instincts... somebody once said "*if it don't feel right, it probably ain't right.*"
- Don't expend too much of your time and energy on small projects...
- Find good partners and treat them the way you like to be treated.
- Always act with the utmost integrity.

- Under-promise and over-perform.
- Lead by example.
- Hire the best... they're worth their weight in gold
- Remember that data is not the same thing as information, information is not knowledge and knowledge is not necessarily understanding
- Be skeptical of draconian fixes to poorly-defined problems, imposed by zealots.
- Keep an open mind... Question the conventional wisdom. .
- Nothing is certain anymore, so expect the unexpected
- Don't be afraid to be a little bit contrarian
- Don't forget to give back to the society that made it possible for you to be here tonight
- When opportunity knocks, you still have to get up off your duff and open the door

Don't forget, it's all about people not robots.
The people you surround yourself with are key
to your success and happiness,
while the inverse is also true .
Who you hang out with, who you date,
where you go to college (or not go), who you marry,
where you work, who you hire, and who you fire
are all choices that have consequences,
and I would recommend that you make those choices
with your eyes wide open,
Choose for yourself.

Class of 2014:

I congratulate you on your achievement and wish you great
accomplishments in life, because any one of you could be up here
receiving this award 15 or 20 years down the road, telling another
class of seniors how things are working out.

SO, LET'S HEAR IT FOR CAROL MORGAN SCHOOL
AND THE CLASS OF TWENTY-FOURTEEN.

Thank you and may God bless you.