

The Knowledge Economy and a Cross of Gold

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"I come to speak to you in defense of a cause as holy as the cause of liberty – the cause of humanity."

- William Jennings Bryan, 9 July 1896

Winds of change fanned flames of controversy the year Central Mennonite College (the name first used for the present Bluffton College) was founded. Across the country, upheaval caused by geopolitical and economic power realignment left Americans searching for a standard, a basis upon which they could denominate their existence. With the industrial machine drowning out the sound of the plow and scythe, a revolution was brewing – one that would change the landscape of the globe for a century. Productivity, industrial might, and cash now measured wealth, once denominated by property ownership. The idle holders of idle capital vilified by William Jennings Bryan at the Democratic National Convention in 1896 were the educated industrialist elites who, according to him, turned a deaf ear to the working masses. While all acknowledged the need to establish a currency standard, fierce battle lines were drawn on the 11th meridian of the Periodic Table of Elements with impressive skirmishes in the "A" section.

In the face of this tumultuous time, another debate was growing equally rancorous. As the 20th century dawned a movement was afoot to establish the infrastructure to consolidate the movement of wealth throughout the nascent continental country. Financial panic, alleged by many to have been instigated by proponents of a central bank, provided a stimulus to create the Federal Reserve Bank by 1913, the same year Noah Byers promoted the consolidation of Mennonite educational efforts under the banner of United Mennonites to then president Samuel Mosiman. The centralization of the mode of wealth and knowledge transfer, be it tangible or intangible, has long been known to be the path to dominance. After watching the Duke of Wellington defeat Napoleon at Waterloo, Baron Nathan Rothschild was quoted as saying, "I care not what puppet is placed upon the throne of England to rule the Empire on which the sun never sets. The man that controls Britain's money supply controls the British Empire, and I control the British money supply." While observing that, "whoever controls the volume of money in any country is the absolute master of all industry and commerce," President Garfield provided the inspiration for today's

presentation in his words spoken in 1880. “I am an advocate for paper money, but that paper money must represent what it professes on its face. I do not wish to hold in my hands the printed lies of the government.”

One might reasonably ask, at this moment, “How do Bryan, Hirschy, Mosiman, Garfield, Rothschild, and Morgan find themselves visiting Bluffton on this 2nd day of October?” After all, isn’t today the day most of us mourn the 1780 hanging of British Intelligence Officer Major John Andre and celebrate the President Johnson’s swearing in of Supreme Court Justice Thurgood Marshall? An appropriate question may be the most eloquent uttering of the 1992 Vice Presidential Candidate Vice Admiral James Stockdale, “Why am I here?”

Today, we will explore the realities of a crisis of humanity more polarizing than the debate of gold or banking. We will probe the enigma of the knowledge economy that has no standard – a wealth without denomination. We will address the challenge presented by President Garfield 120 years ago and resolve to valiantly seek to address the problems we encounter. What is knowledge, how is it’s quality assessed, and who controls its distribution? Informed by the debates of yesterday, we will seek solutions for the challenges we face today.

Let me begin by making the following observations. At the turn of this century, the International Leadership Forum estimated that the adult global literacy rate was 73%. That means that the written word was meaningless to over 1.3 billion adults. With many countries boasting rates of 95%, many had rates under 50%. An UNESCO report estimates that approximately 250 million children between the ages of 5 and 14 are working and going to school. Fifty percent of this group works full-time. When one considers the numbers of people trained beyond nominal literacy, the numbers are more poignant. Less than 40% of the world’s population, over the course of their lifetime, can enter tertiary educational institutions.¹ Sixty three percent of the world’s literate population lives in economically “developed” countries with African, Central and Southeast Asian countries disproportionately illiterate. These statistics should, in themselves, hold considerable weight.² However, this is not a lecture on education of the masses. No, today, I’m concerned with a far more complex topic that, while impacted by the numbers above, is far more unnerving.

We find ourselves at a point in history where considerable acclaim is cast upon those who have achieved greatness in the pursuit of corporate goals. **Forbes** and **Fortune** herald one after the other multi-millionaire whose fame is built on success in entrepreneurial imperialism of one sort or another. During the last four years of the past

¹ <http://unesco.org>

² <http://unesdoc.org>

decade, more millionaires and billionaires (in economic adjusted terms) were created than in the cumulative running of all of human history. Are we really that much smarter and that much more productive than all civilizations that preceded us? Are our institutions of higher learning producing genius with every diploma? Do we live in Garrison Keillor's mythical town where, "every student is above average?" Or is it possible that we have built a tower of Babel?

Let us examine three elements of the knowledge economy.

First let us ask the question posed by Mr. Bryan. In the knowledge economy, we must ask ourselves the unsettling question of basis. In antiquity, wealth was denominated by raw materials. Those who had the most land, the most gold – in short, the most tangible property – were the wealthiest. In the evolution of economies, these basic elements were replaced by the metrics of the industrial age. In industrial economies, productivity, distribution, and market share served as the more abstract surrogates for the wealth of ages gone by. Now, in the knowledge economy, we find ourselves confronted by an economic reality without basis. Prior to the dot bomb, we were told that value was measured in "eye-balls" and "stickiness". Billions of dollars flowed into the creation of a virtual presence that conveyed virtual information virtually anywhere. Pause; let us consider what virtual means. Our faithful Webster tells us that virtual refers to a hypothetical particle whose existence is inferred; being in essence though not formally recognized. In other words – NOT. When value is ascribed to virtual reality, how is it denominated? More importantly, how is one to know whether it is real or imagined? As the educator and the educated, how can we learn to discern reality from that which is not? Revisiting President Garfield's conundrum – we need to know that face value is based on value or it's a lie. Is "knowledge" the presence or absence of literacy, the letters of degree conferred on an individual, the prestige of institution or commercial affiliation, nationality, race, creed? Or, is knowledge something more than these?

I would suggest the *sine qua non* of knowledge economy is the need for a gold standard. Copyright law of the United States established that facts have neither owner nor value. The organization and presentation of facts in various expressions have value. Our society is filled with data; our challenge is to transform that into usable information leading to wise deployment creating value. Yes, here's where I appeal to the student populous movement – educational assessment should not be based on the recitation of facts established by U.S. law as valueless – now here comes the part where I shamelessly pander to the faculty – but in the useful synthesis and application of the same. Knowledge built on rout memorization is valueless, knowledge built on application and problem solving has value.

Second, we explore the problem of ownership. There was a time when ownership was rather unambiguous. Possession was 9/10ths of the law. Land, buildings, shipping lines and trade names were clearly defined by title. In the knowledge economy, we are confronted with the timeless problem of counterfeit. When he realized that conventional warfare was not swinging in his favor, Hitler, in an effort to decimate the United States and Great Britain economies began the process of printing counterfeit dollars and pounds. The French tried the same technique in Vietnam and the U.S. introduced 20 Peso notes in Cuba for the infamous Bay of Pigs invasion. Why is it that from Duke Sforz of Venice in 1470, to Napoleon, to Hitler, to Kennedy counterfeiting has been an integral part of war? Because savvy tacticians know that economic chaos is one of the world's most effective weapons. Introducing counterfeit undermines all economic systems as confidence is lost in the representation of legal tender.

So too, in the knowledge economy, counterfeits are an untold tactical weapon. In a recent study made of United States patents, our company found that over 35% of all current patents are intellectual forgeries. This means that the patent claims rights already secured by another party or already existent in the public domain. One cannot help being overwhelmed in Malaysia with copies of Microsoft Office being sold for \$2 in the shopping malls of Jabor Bahru. Passing off as proprietary that which is not is an unmitigated disaster looming over our current economic system. For the knowledge economy to have any viability, forgery detection must be implemented.

Last Spring, the University of Virginia gained national attention when one of its faculty implemented a computer system to determine whether term papers submitted by students were plagiarized or authentic. In certain sections, as many as 25% of the papers were copied, in part or in whole from other sources – often the papers of classmates. Is it any wonder that we go on in life to copy the works of others in business, education, and other walks of life when, in high school and college, we get away with intellectual theft? I think not. However, I believe that educators and students alike must realize that these patterned behaviors establish foundations that lead to ruin.

Finally, let us consider trade. When Central Mennonite College was founded a century ago, Noah Hirschy advanced the premise that education needed to be relevant to the society and times in which students found themselves. Established to provide exceptional higher education in the context of the church as opposed to establishing an overtly sectarian curricular propagator, this college embraced social and political dialogue deemed heretical to many in the establishment. Knowledge, according to Bluffton's founders, was for the benefit of society – a mission without boundaries.

Many have proposed that with the ubiquitous nature of the internet, we are becoming a boundary-less world. Traditional geopolitical barriers are eroding. People are interacting with one another irrespective of time zone, language, tradition, or status. In real time, I collaborate with business partners overlooking Tiananmen Square, Big Ben and Tierra del Fuego. However, in these times of heady multinationalism, we must consider the often-overlooked dependency that is being created in this unrestricted World Wide Web. Knowledge must be transferred and shared for it to achieve its greatest impact. However, as we see the expansion of telecommunications-facilitated trade, we see an equally expanding malignancy of inadvertent isolationism. Geiger & Diller closes its doors while we shop on-line. Balmer's purchases are now made at Talbots.com. All the while, we lose the priceless, informal interactions with our neighbors telling us of places, people and events that once were intrinsic to the broadening of our minds and perspectives. We miss the touch of the hand, the warmth of a smile and the sharing of a friend's tear – in our wealth, we gain poverty of soul and mind. In the midst of this efficiency, what has the knowledge economy lost? Is the local ISP the Rothschild of the knowledge economy?

We have sacrificed human interaction. In our global economic conquests we have lost the innovative impact of observation. Rather than go to places, we visit them virtually (remember, that means we DON'T). I would like to suggest that one of the greatest threats of the knowledge economy is that we will actually see a reduction in global understanding. We will see, hear and trade with only those who are wired into the web. Rather than learning from the wisdom of the cultures that have passed before us, we will see only that which the content providers deem appropriate and, in so doing, we will see a contraction, not an expansion of knowledge. In short, we will choke the inventory of innovation and inquiry in the morass of irrelevancy. We must resist the centralization of information and knowledge. Efforts must be made to learn from the richness of indigenous knowledge that may never find its way to a web browser. We must develop multiple venues and vehicles for the exchange of knowledge so that the trade routes are not the monopolistic empire of the few.

So today, we must heed the warnings of history and listen to the voices of the past so that we build a legacy of renaissance, not repression. We need to encourage one another to add value, not volume, to the knowledge of the ages. We must commit ourselves to respect and value the uniqueness of the intellectual property of each member of the human race and decry piracy of the same. And finally, we must vigorously resist the temptation of sloth and in its

place actively participate with the global community. We must resolve to move forward the democratization of knowledge and be relentless in our efforts to bear the standard of substance in the face of maelstrom of virtual value.

Let now ring true the statement made by Mr. Bryan on that hot July day in 1896, “The humblest citizen in all the land, when clad in the armor of a righteous cause, is stronger than all the hosts of error.”