

## To Counter China, We Must Reestablish President Reagan's Socrates Project

To counter China, and not just "kick the can down the road" with military deterrence strategies until we run out of "road," the U.S. must acquire and maintain the *initiative* relative to China and its voluntary and involuntary allies. That is what Reagan's Socrates Project was designed to, and can, do.

***U.S. deterrence strategies*** -- The deterrence strategies the U.S. and her allies have executed and proposed are all based upon the same core premise -- having a competitive advantage over China and its allies. No competitive advantage, no deterrence.

China has been consistently acquiring a competitive advantage over the U.S. and its allies in an ever-increasing number of areas throughout all competitive environments, and based upon what the Socrates Project determined, nothing D.C. is executing or proposing will change this progression. At best, these U.S. actions will only *retard* China's progress.

Competitive environments include what China considers *natural* space: land, seas, air, and outer space, and *social* space: military, politics, economy, culture, and psyche.

***Socrates mission*** – The Socrates Project was a joint Reagan White House/U.S. intelligence community initiative with a two-fold mission. Use all-source intelligence to determine the true underlying *cause* of U.S. economic and military decline, and then develop the *means* to reverse the decline that would ensure U.S. superpower status for generations.

***U.S. decline*** – Socrates determined that the cause of U.S. decline is the transitioning of the U.S. from technology-based planning to finance-based planning beginning at the end of WWII.

In finance-based planning, the foundation of all decision making is optimizing the utilization of funds to accomplish an objective. The measure of success after the fact is how well the funds were optimized to achieve the objective.

In technology-based planning, the foundation of all decision-making is exploiting technology – develop, acquire, utilize – more effectively than the competitor or adversary for a true competitive advantage in the marketplace or on the battlefield. How effectively a country or an organization exploits technology relative to the competitor/adversary fully dictates and optimizes the *amount* of other resources (e.g., funds, manpower, natural resources) required and how a country or organization *deploys* them to generate the required competitive advantage.

Finance-based planning is *incapable* of providing a logical construct of the competitive environment. It *appears to* only because it measures success using the same metric that it

used to make the initial decisions – optimizing the funds. What happens between those two points is a mystery, a black box... the result of a company's "secret sauce."

Technology-based planning *does* provide a logical construct of the competitive environment because it addresses, as the foundation for decision making, the exploitation of the one resource – technology - that *fully dictates* how countries and organizations can exploit all the other resources (e.g., manpower, natural resources, funds) to excel at satisfying the needs of a customer, warfighter, etc., for a **true** competitive advantage in the marketplace or on the battlefield.

It is important to differentiate between a technology strategy that has as its foundation outmaneuvering the competition/adversary in the exploitation of the technology for a competitive advantage and finance-based strategy for technology as Congress has increasingly discussed, proposed, and executed (e.g., the CHIPS Act), which is based upon optimizing funds.

Why did the U.S. transition to finance-based planning after the war? Because after WWII, the U.S. was the only country left with the ability to satisfy the world's needs. So, *if we built it the world bought it*. Since the U.S. no longer had competitors to outmaneuver in the exploitation of the technology to ensure that U.S. products and services excelled at satisfying the customer needs, optimizing use of funds to maximize profits became the foundation for decision making -- finance-based planning.

***China's rise*** -- Xi Jinping openly and correctly states that technology exploitation is the foundation of a country's and its organizations' strength and growth. Technology-based planning is what has enabled China to become a superpower faster than any country in history.

China's national technology strategy is the foundation for decision making throughout China's entire economic and military competitiveness ecosystem, as the ecosystem and its constituent public and private organization compete in the *full range* of what China refers to as the natural (e.g., ground, seas) and the social (e.g., culture, psyche) states.

The impact is two-fold. First, it enables China to consistently *outmaneuver* the U.S. in the exploitation of technology to generate and maintain the required competitive advantage. Second, it enables China to execute all its technology exploitation in a *coherent* manner -- hard to soft technology and high-tech to low tech.

It is important to note that what is often stated as the means China has used to become a superpower (e.g., cheap labor, currency manipulation, tricky trade deals) are the peripheral tools that have supported China's execution of its national technology strategy. But because U.S. thought leaders are fully immersed in finance-based planning, that is all that they can see.

China has learned and executes its technology-based planning as a trial-and-error *art*. As an art, China can only know the connection between an action in the exploitation of technology (e.g., funding R&D for a particular technology) and the resulting competitive advantage in *very vague* terms.

***Socrates System*** -- Socrates determined that technology-based planning makes major evolution leaps -- the Scientific Revolution, the Industrial Revolution -- and the next evolutionary leap is the *Automated Innovation Revolution*. In the Automated Innovation Revolution, the process for exploiting technology -- developing, acquiring, and utilizing - - transforms from a trial-and-error *art* into a concrete *science*. As a science, one knows the connection between an action in the exploitation of technology and the resulting competitive advantage on the battlefield, in the marketplace, in the social domain or on the political world stage in *precise* and *accurate concrete* detail.

The result is that a country or organization can exploit technology with unprecedented speed, efficiency, and agility far beyond what China can achieve by executing technology-based planning as a trial-and-error art, for an unmatched competitive advantage.

The Socrates Project developed the first-generation Automated Innovation System, which was validated on President Reagan's highest priority initiatives including being a key asset the president used in his negotiations with Gorbachev to convince him to dismantle the Soviet Union. As a result, Reagan had an executive order drafted for a new federal agency with the mandate of building the third-generation Automated Innovation System and deploying it as a national asset for use by all public and private organizations in the U.S. economic and military competitiveness ecosystem and to provide similar support to key U.S. allies.

***Conclusion*** -- By deploying the Automated Innovation System as a U.S. national asset, the U.S. competitiveness ecosystem, its constituent organizations, and our key allies will consistently outmaneuver China, its organizations, and its allies in the exploitation of the technology to obtain and maintain the initiative to ensure the required competitive advantage in all competitive environments for the foreseeable future.

If we don't, and we remain committed to finance-based planning and strategies of deterrence, it's not a matter of *if* China will become the sole, highly dominant world superpower, it's just a matter of *when*.