

Working in the world ...



# The Dao of **Strategy**

*Strategic planning is the pivot of survival and destruction. If consideration is not accurate, then judgement is not clear. If the timing is missed, the planning goes awry. Then intention is unreliable, it is empty and lacks substance. Therefore when considering a strategic plan, one needs to solidify intent, and solidification of intent must begin with mental technique.*

Gui Gu Zi<sup>a</sup>

*The Master of Demon Valley*<sup>1</sup>

**By Xiaoyao Xingzhe**

SITTING THERE WITH THE FAT MONK and Shijie in the upper room of her restaurant, I was startled by her outburst.

“My husband! Huh! Don’t talk to me about my husband.” She husked, and frowned. “Keep a low profile, I told him. And yet, here he is: head of the bloody thing. Number one target for take-down.”

a. 寄谋者，存亡之枢机。虑不会，则听不审矣。候之不得，寄谋失矣。则意无所信，虚而无实。故寄谋之虑，务在实意；实意必从心术始。See the endnote about *Gui Gu Zi*.

She sat back and crossed her arms, an anxious look on her face. It came out that Shijie’s husband had found himself leading a movement to deliver a petition, a petition denouncing the chief of the local health authority for corruption. She leaned forward and slapped the table with her palm, rattling the empty dishes and chopsticks.

“Damn it, you can’t go head-to-head with a power like this. Doesn’t he know who he’s up against?” Again she shook her head. It was clear that the anger stemmed from her concern for her husband.

She sighed, and turned to the fat monk. “Shidi, I’m glad you’re here. I’m going to need your help.”

He nodded. “Of course, Shijie, just say the word.”

I heard a strange voice say “Count me in too!”

With a shock, I realised it was mine.

Shijie turned to me with a serious look. “Thank you, but this could be very risky. There is no need for you to be involved.”

“Shijie, Xiaoyao’s a good man to have around.” The fat monk spoke up for me in his deep rumbling voice. “Maybe a



*It is not that free individuals never partake in a group mind, it is just that they do not lose themselves there.*

little excitable and overimaginative, true, but otherwise pretty steady. And not bad gongfu either.” He winked at me.

“Well, he’s your responsibility then. Anyway, we do need all the help we can get.” Shijie raised her eyebrows and sighed again. “We have a lot to plan. The protest is next week. The petition has already collected close to a thousand signatures, all people this guy has hurt personally. The health official is named Hu, and he’s big, well-connected. If he let’s this happen, it’ll be bad for him. Lots of those connections will have second thoughts, he’ll lose influence. He could even be arrested.”

The fat monk turned to me. “Xiaoyao, since you don’t live here, I’d better explain. Corruption is everywhere.” He swept his open hand around, then set it down as a fist on the table. “In fact the Party actually employs it, for two main reasons: incentive for development, and blackmail. Those officials who tend to create the most business opportunities also get the most kickbacks, so it helps spur development.”

He shrugged, then leaned forward, put his elbows on the table, and pointed a finger at me. “On the other hand, if you’re taking kickbacks, the Party can also shut you down any time they want to. The underlying message is that you’d better support those officials higher up the ladder than you, just to prevent that happening.”

“But it’s a different story if you become an embarrassment,” Shijie interjected. “That’s where we are going with this. Hu has caused so much trouble that he has become a liability. We just hope to tip the balance. If only my dear husband had been less enthusiastic! Now we have to save him, and to do that we’ll have to see this through.”

#### Spying out the villainy

*First, extend your vision; second, widen your information; third, stabilise your clarity of mind. When you clearly know what is going on covertly a thousand miles away, this is called spying out all the villainy in the world, and secretly changing it.<sup>b</sup>*

– **Gui Gu Zi**

b. 一曰长目，二曰飞耳，三曰树明。明知千里之外，隐微之中，是谓洞天下奸，莫不谖变更。

Shijie explained that the task did not rest on the three of us alone. She had her own Daoist students, most of them working there at the restaurant: the waitresses, the cooks. Like Shijie, they used their work as meditative focus, in between active developmental instruction from her. There were also a number of loose affiliates who could help in various capacities.

“Information gathering, not the least of it,” she said.

Shijie had discovered that Hu knew all about the planned demonstration to denounce him, and had laid his own plans to derail the process. She called in one of the younger waitresses.

“Tell them what you heard, Xiaojing.”

Xiaojing was tall, with a long thin face and high brow, a type that would normally be excitable, but her Daoist training showed in her serene demeanour.

She smiled, put her long arms behind her, and said in a pleasing but rather reedy voice:

“My sister was at the hairdresser yesterday when Hu’s wife was there. She bragged to everyone that Hu was going to have the whole demonstration arrested. Someone said that the demonstration was going to be completely peaceful, and so there would be no reason to arrest anybody. But Hu’s wife laughed and said ‘Not when my husband’s boys get through!’”

“What did she mean?” the fat monk asked.

Xiaojing looked at Shijie, who nodded.

“Hu is going to hire thugs who will appear to join the protest, and will march along with all the other protesters,” Xiaojing continued.

“But at a certain point they will begin to make trouble, causing fights, breaking shop windows, even looting, all trying to stir the crowd into a mob. Then the authorities can crack down and arrest the ringleaders!”

“Which means us.” Shijie frowned.

“That’s bad,” the fat monk said, looking down. “We can’t fight them, that just creates the disturbance they want to create.”

He looked up and around at us.

“Yes, and the disturbance will spread,” Shijie said. “If it becomes a riot, or even a mob, we have lost.”

## Stopping gaps

*When things are perilous, sages know it, and preserve themselves in solitude. They explain things according to developments, and thoroughly master strategy, whereby they discern the subtle. Starting from the slightest beginnings, they work against tremendous odds. What they provide to the outside world, strategies for nipping problems in the bud, all depend on stopping gaps. Stopping gaps is an application of the arts of the Way.<sup>c</sup>*

– **Gui Gu Zi**

“What’s the difference between the two, a mob and a riot?” I asked.

Shijie said, “In our Daoist lineage we have made a special study of groups and group behaviour. It is natural for people to form groups, but if the people making up the group are not true individuals – I mean if they haven’t found a secure centre within themselves from which they make decisions and act – then they will tend to lose their centre into a group, and follow what the group does. When the individuals within a group lose their centres and act from their most primitive impulses, the individuals cease to be individuals and the group becomes a mob. A riot occurs when a mob becomes violent.”

I noticed Xiaojing listening intently.

“We can feel ahead of time when the conditions are set for a riot.” Shijie looked at me. “Anyone can. The community here has been simmering for a while, the tensions building up. All it takes is a spark, and I’m afraid my husband has provided that spark. Now we have to get him out of it, and disperse these burning embers before a conflagration begins.”

“But how can you do that?”

“Individuals merge into a group mind, but the group mind can also disperse back into individual minds again.” She paused, then looked at the young waitress. “Xiaojing, you explain.”

Xiaojing, on the spot, looked distinctly uncomfortable, but took two deep breaths,

then stood straighter. She looked at me and said:

“Well ... you know when you’re at the movies, and you suddenly pull back from the film, and you look around at the crowd? All the people there are still involved in the film, and their moods and feelings are totally moved by it, and they don’t know or feel anything else. But you have pulled out of that group mind, and can see yourself and them and the movie, all separate ... that’s the difference between being *in* the group mind and *out* of it.”

Shijie nodded, Xiaojing smiled slightly.

The fat monk chimed in. “It is not that free individuals never partake in a group mind, it is just that they do not lose themselves there. They are aware of what motivates their behaviour, constantly. It is hard to find your own way, to make your own decisions, but that is what being a free individual is all about.”

“I suppose it is easier if you live in a free country,” I mused.

Xiaojing looked shocked, Shijie knotted her eyebrows, and the fat monk gave me a scathing look, and turned around on his chair to face away from me. There was a moment of uncomfortable silence during which my cheeks grew hotter. Shijie took pity on me.

“We are *not* talking about political freedom,” she said. “People in many of the so-called ‘free’ countries are more tightly bound than those in countries whose chains are visible. I am talking about an inner freedom. Our teacher, even at the worst of the communist repression, was a free man. He simply paid for this freedom by conforming to outward restrictions. The assumptions and dogma that shaped the actions of the social leaders of that time were quite visible to him, and so he moved through them like a fish through familiar currents.”

“Well,” I said, trying to redeem myself, “everyone wants to be free, naturally.”

She shook her head. “Wrong again. Despite the rhetoric, most people do not want this at all. Most people want very much to be told what to do and will give up an almost unbelievable degree of autonomy to follow someone or some group that can offer them that. Freedom takes constant



■ Xiaoyao maintains a strategic position.

<sup>c</sup> 抵戏第四

事之危也，圣人知之，独保其身；因化说事，通达计谋，以识细微。经起秋毫之末，挥之于太山之本。其施外兆萌芽槃之谋，皆由抵巇。抵巇之隙为道术用。



*It is always necessary to discern what is concealed by way of what is visible.*

work, something that for once is true both spiritually and politically. I don't care, really, about politics, but in both areas chains are constantly being forged that will bind and tie you, usually with your own delighted compliance."

"So what can be done?"

"The Chan Buddhists describe it well: letting go. You 'let go' as a moment-to-moment way of life, let go of obsessions, let go of self-image, let go of all those things that tend to carry you away from your centre. And then, at the right time, you let go of your centre. In Daoism we call it the great way of empty nothingness (*xu wu da dao*)<sup>d</sup>. Do not understand, let go of your 'knowing'; questions are more important than answers."

The fat monk turned around again, but still refused to look at me. "Enough theory," he said. "What are we going to do?"

#### Dividing the opponent's power

*Dividing power is a matter of being enveloped in the spirit: therefore quiet your mind and stabilise your will so that the spirit returns to its abode, then you will be fully enveloped in power.*

*When you are fully enveloped in power, then you are inwardly solid and stable. When you are inwardly solid and stable, then no one can stand up to you. When no one can stand up to you, then you can divide people's power and divert their momentum, as if you were their god.*

– **Gui Gu Zi**<sup>e</sup>

**R**IOT POLICE STOOD READY as the crowd rolled past. The mood was festive, but I could feel the bubbling intensity that all too easily might erupt into brutality. Looking around as we jostled forward, I caught sight of the fat monk and Shijie as they moved alertly through the crowd. Shijie made subtle hand signals now and then to some of her girls who were scattered

among the people.

We had marched from the park where we had gathered, several blocks behind us, and were on our way to the place where the petition would be delivered. My mind wandered back to that night the previous week. The fat monk had been irritated with me about my "free country" remark. "Look," he said later, when we were alone, "If you are going to act like an idiot all the time I can't be introducing you to anyone substantial." I had agreed to stay more alert and try to be in tune with the flow of meaning when we talked. In practice, it took effort to remain aware and not wander off in my thoughts, but I found it gradually became easier.

Cheers from the jostling crowd brought me back to the present. Walking next to me was Shijie's husband, waving his rather pudgy arms and smiling. He had delivered a rousing speech at the park and was still basking in his glory, but Hu the accused official had been spreading rumours and the crowd was unsure of its allegiances. My instructions were clear.

"Stay close to him," Shijie had told me, "and, except for the prepared speeches, keep him silent."

"But why?" I asked. "Shouldn't he ..."

"You don't need to know," she snapped. "Just be there, be invisible, and keep him silent when the time comes. This is absolutely crucial. Can you do it?"

I nodded.

Her husband knew the plan, and knew the danger, but was determined to see this through. Three long blocks to go before we reached the small square, where a podium had been set up. As we passed one intersection, I saw waiting on the side-street a hulking black armoured police truck with mounted water-cannon, and more police with shields and batons.

A disturbance just ahead and off to the right sent ripples through the moving crowd like a rock thrown into a stream. It immediately subsided as I saw three of Shijie's girls isolate the agitator and ease him out of the current, into an alley. He looked as if he'd wet himself, and was rather sheepish. I realised that one of the girls had artfully spilled a drink down the front of his trousers. The last thing I saw as I was swept

d. 虚无大道。

e. 分威法伏熊

分威者，神之覆也。故静意固志，神归其舍，则威覆盛矣。威覆盛，则内实坚；内实坚，则莫当；莫当，则能以分人之威而动其势，如其天。



past was another girl earnestly wiping him down, and I smiled, recalling that Shijie said a number of the local prostitutes had volunteered to assist her plan.

Back at the park, the working girls had concentrated on the hired thugs. They certainly knew how to distract men, and the ranks of Hu's trouble-makers had thinned considerably even before the march had begun. "How do they know which ones are Hu's men?" I asked.

Xiaojing, standing next to me, said, "It is not hard at all, if you don't get caught up in the excitement of the crowd. Look at that one, over there: see how he is looking around with a superior smile on his face, but is still anxious to make eye contact with his mates, and has this restless energy that is different to everyone else around him?" She laughed. "Of course, the ones who brought clubs and sticks were the easiest to pick. We took care of them first."

#### Figuring out psychological conditions

*When psychological conditions change within, physical manifestations appear outwardly. Therefore it is always necessary to discern what is concealed by way of what is visible. This is what is called fathoming the depths and figuring out psychological conditions.<sup>f</sup>*

– **Gui Gu Zi**

We were getting close to our goal, the small square where the petition would be announced and delivered. Shijie and the fat monk had become separated, and I saw her heading forward on my left to check out the podium. She did not glance our way. This was the crucial time. If Hu was going to disrupt the proceedings and bring down the wrath of the police it would have to be now. So far each attempt had been neutralised. "Shijie learned Ba Gua from our teacher," the fat monk had whispered to me once. "She's pretty tough." Just as she neared the stage a large man stepped out from behind it and walked towards her to block her way, towering over Shijie as she approached. In some way, I did not see

exactly how, he appeared to slip, and I saw him fall heavily to the ground. Shijie bent over him, helped him up, and then turned towards the stage; the man then came at her from behind. Again he slipped, more awkwardly and heavily than before, and this time lay still. Shijie looked concerned, bent over him once more, and spoke to him as she helped him up, although I could not hear her words. She brushed him off, then held his forearms for a moment as she said something else, looking directly into his eyes. To my surprise, he nodded, then turned and limped away.

Shijie watched him go, then checked the stage, lifting the cloth that covered it and looking under. After that she climbed up and checked around the podium. Only then did she turn to us and nod. Her husband moved forward as she climbed down and stood, carefully watching the crowd.

There was a stirring among the people as he climbed the stage and approached the podium. I followed closely behind, standing at the back, and tried to practise the art of effacement as the fat monk had instructed me. "Just think 'invisible' and you will be, for all practical purposes," he said. All eyes were on the man at the front, anyway.

Shijie's husband cleared his throat, then spoke out over the crowd, holding up the petition. "We are here today to denounce a corrupt public official, someone who has abused his power and the trust given him by the people and by the Party. This official ..."

Just then a loud voice called out: "Who is paying you to spread these lies?" It came from somewhere near the front of the crowd, but even as I searched the faces it came again. "We know all about you and your ambitions, your plans to falsely denounce a good man, to cause harm all in your own interest ..." There! It was a man off to the right, well-dressed, respectable-looking; no wonder Shijie's girls had not spotted him. He was perfectly matched for this role, except perhaps for the slightly whining quality of his voice. "How can you have the face to stand there and foster these falsehoods ..."

The people in the crowd were looking at each other. Hu's men had been very effective in spreading these very rumours, and the



<sup>f</sup> 揣篇第七...

夫情變於內者，形見於外，故常必以其見者而知其隱者，此所謂測深揣情。

doubt in the air was palpable. If Hu could discredit Shijie's husband, the crowd might even turn on him. It could get ugly.

He moved to speak, to respond. I laid my hand on his arm. He glanced down at it, hesitated, and remained silent.

His opponent's voice swelled, grew in confidence as his victim seemed to waver. "Tear up that petition and confess that all of your schemes are fakes and frauds ..."

Suddenly another voice chimed in, off to the left this time. Shijie's husband stiffened. Even the original heckler seemed surprised. I craned my neck to try for a glimpse, but could not quite make out the second agitator. The voice was rougher and louder, but there was something about it...

"My friend is right! You are nothing but lying cheating scum! Even your father was no good – if he was your father! Admit it: did your mother know? And here you are trying to attack a good man like Mr Hu, friend to me and many like me. You are the most despicable kind of parasite. Your mother should have dumped you out and suckled the placenta! We should not have to stand here and ..."

As the abuse and vituperation grew ever more virulent and extreme, the original heckler looked rather panicky. I could feel growing sympathy in the crowd for Shijie's husband, standing silent but dignified on the stage, being unjustly attacked by this pair of ruffians. He was the image of the fearless campaigner. The crowd began to murmur its disapproval.

Meanwhile I looked over towards the second agitator, the rough vituperative one, just in time to see the crowd pull away from him, trying to distance themselves. He was big, fat ... hell's bells, it was my friend the fat monk! He gestured and ranted, until it looked as if he would himself be attacked by the crowd, now firmly and irrevocably behind Shijie's husband. The first heckler was nowhere to be seen.

Just at this point I saw Xiaojing rush up to Shijie and hand her a note. Shijie glanced at it, and looked up, triumphant. She came around the back of the stage, and handed the note up. I gave it to her husband. He read it, then stepped up to the podium once more, and gestured for silence. "Friends," he said. "Mr Hu has been arrested. He was

trying to leave town with a large quantity of embezzled cash. We ..."

A large cheer rang out, and the crowd rushed the stage. He had no chance to say more, as he was bundled onto a set of shoulders and carried off, the people swelling and churning around him.

*All strategy has a Way, which demands that you find the bases to discover the conditions. Having carefully examined and apprehended conditions, then you set up three categories: higher, middling, and lower. These three having been established, you use them to produce unexpected strategies, which will not know any obstacle. This begins with following the perennial.<sup>5</sup>*

– Gui Gu Zi

Shijie, Xiaojing and I watched the crowd swirl away, down the street we had all marched up only a short while before.

"What did you say to that thug by the stage, the one that seemed to keep falling over," I asked Shijie, "that made him leave after that?"

"When I helped him up the second time, I told him that he was better than that, better than the job he was hired to do, and he should no longer demean himself for money." She spread her hands. "I don't know how I knew it, but at the time I said it, I knew that it was the absolute truth, he was better than that. He knew it too, and something turned around for him inside, I suppose, because he just left."

Just then, the fat monk joined us. He was dusting himself off.

"Well, that was touch and go there for a moment," he said in his deep voice.

"Yes, good thing you chimed in with your ranting when you did," Shijie replied.

"No, I mean *after* the announcement of Hu's arrest. Some of your husband's supporters wanted to discuss my position." He laughed, shaking all over. "I had to hold them off until they decided they were missing all the fun and ran to catch the others."

g 谋篇第十

凡谋有道，必得其所因，以求其情；审得其情，乃立三仪。三仪者，曰上、曰中、曰下，参以立焉，以生奇；奇不知其所壅；始于古之所从。

Ante Babic's  
**Tips for running  
a successful clinic ...**



Auntie Matija told me that heaven helps us when we give things away, but that help is blocked up when we hold on to things.

Shijie turned to me. “Now you understand why you could not know our full plan. Your reaction to the violent verbal attack could not be faked, and would be visible to the whole crowd. It was crucial that you be as shocked as was my poor husband. We didn’t tell him the whole plan either.”

“Well, we weren’t sure we’d have to use it,” the fat monk said. “Luckily, Shijie, you had foreseen some assault along those lines.”

“It was still pretty tricky,” Xiaojing said in her reedy voice, tinged with residual excitement. “Even with the other girls circulating the edges of the crowd and keeping the police calm, there were moments when it could have just blown up.”

We turned and headed back in the direction of Shijie’s restaurant. I was thinking that with the crowd-control sophistication these people had just demonstrated, they would be a formidable force on anybody’s team. If the wrong people’...

“That is exactly why we stay hidden.”

I looked at Shijie in surprise. Had she read my mind?

“Oh, it was perfectly obvious what you were thinking,” she said, “just from the look on your face. But we do not pursue our studies in order to develop skills like this, they arise more as a side-effect than anything else. If one is not continually distracted by irrelevancies, one naturally becomes more effective.”

“Surely, though, people must want to study with you just to learn how to make others do what they want.”

“And we take great care to weed those people out beforehand, often by deflecting them, convincing them we are useless to them. In any case, in these studies it is the teacher who chooses the student, not the other way about.”

My puzzlement showed on my face. Shijie signalled Xiaojing, who was walking on my other side and listening, to explain. But before she could, the fat monk interjected.

“We have talked about this already,” he said. “At our first meeting, right there in the library up at the monastery, I mentioned that we are all watched for signs of understanding, and given numerous chances to move forward. Sometimes these hints and prods are from the subtle realm,

sometimes we will be faced with an actual embodied teacher.”

“But we don’t always realise it.” It was Xiaojing, who seemed to have grown in confidence over the events of the past few days. “In my case, it was three years before my head accepted what my heart already knew.” She smiled at Shijie.

“Our teacher used to say,” Shijie said, looking at the fat monk, “the only reason a teacher has to appear in human form at all is because we are too stupid to see the teaching that exists all around us, all the time.”

The fat monk chuckled, rippling his shoulders.

She paused as we arrived at a fork in the road and looked at each of us, suddenly formal. “Thank you. We managed to operate as an effective unit, in harmony with each other, the wider community, and the Dao itself. Such an operation will have beneficial ramifications beyond simply saving my husband.” She smiled ruefully, and looked around. “Speaking of whom, I’d better go collect him before he gets himself into more trouble.”

We laughed and, saying our goodbyes, dispersed.



*The only reason a teacher has to appear in human form at all is because we are too stupid to see the teaching that exists all around us.*

#### Endnotes

1. *Gui Gu Zi*, the “master of Demon Valley”, lived during the Spring and Autumn period in China, in a place called the Valley of the Demons (Gui Gu) in Henan. The translations here are based on Thomas Cleary’s *The Master of Demon Valley*, Boston, Shambhala, 1993. The text is written in an obscure style, and considered to be primarily concerned with politics. Yet two commentaries were written on his work by physicians: one by Huangfu Mi, which is lost; the other by Tao Hong-Jing, which is extant. The first is the author of the *Zhenjiu Jiayi Jing*, the other the author of the *Shennong Bencao Jing Jizhu*, among other texts. Both were Daoists.