

Appendix VII

The Use of *Shi* and *Li* in *Weiqi* and American Politics: Some Notes on a *Forbes* Opinion Article by Mark Spitznagel

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An interesting article, "The Grand Shi Strategy of Ron Paul," appeared in the Op/Ed section of *Forbes* magazine on July 29, 2012 and was also described in the August 28, 2012 AGA e-Journal.¹ Its author, noted business investor and prolific columnist Mark Spitznagel, proposed that libertarian Ron Paul was using *shi* (pronounced like an affirmative "sure") strategies of the Chinese Daoist philosopher Laotzi, attributed author of the *Daodejing* (*The Tao te Ching*), and the "Dark Daoist" Sunzi, attributed author of the *Sunzibingfa* (*The Art of War*).² ("Dark Daoism" refers to the "School" of military strategists who used the binary *yin-yang* thinking of Daoism and flourished c. 500 to c. 250 BC during the Spring and Autumn and Warring States periods of 771 to 221 BC. Their thinking is described below and in my "Speculation" article on the origins of go in this e-Library.)

Spitznagel is not a beginning *weiqi* player as are others who have tried to apply *weiqi* thought onto situations outside of *weiqi*. Included on this list are Scott Boorman and Henry Kissinger whose books I reviewed in Appendix VI of the Speculations article.³ They will be discussed first.

In his well-known *The Protracted Game*, 19-year old Boorman likened the maneuverings of Maozedong (Mao Tze Tung) in the 20th century Chinese civil wars to those utilized in *weiqi* playing, calling it an "analogy." As explained in Appendix VI, however, Boorman unconsciously used Thomas Aquinas' "Theory of The Analogy of Proportions" which can be used to make anything seem "like" anything else. Also, as attested to by his game diagrams, he was just a beginning player and his thesis largely falls apart. (In fact, *weiqi* players who were companions of Mao in that period have told

¹ <http://www.forbes.com/sites/realspin/2012/07/29/the-grand-shi-strategy-of-ron-paul/>
<https://mail.google.com/mail/?shva=1#inbox/1396cb25ad6fc59f>

² See the Wikipedia article on Mark Spitznagel. http://en.wikipedia.org/wiki/Mark_Spitznagel

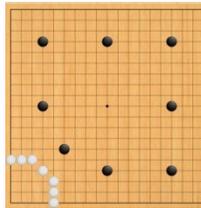
"Laozi" and "Sunzi" are "attributed" because most likely "their" works are compellations of many authors over many years if not centuries sometime between c. 500 BC and c. 300 BC.

³ http://www.usgo.org/files/bh_library/originsapdxVI.pdf

me that any connection between his strategies and *weiqi* are “a myth” and that he relied on folkish sayings based on Dark Daoist thinking).

Kissinger, on the other hand, publically admitted he was not a *weiqi* player and his discussions of *shi* and *li* in his recent book, *On China* display how shallow his knowledge of Chinese strategizing was. And Boorman displayed an even worse grasp by not even mentioning the two concepts.

Shi is complicated and *li* only a little less so, and the combination of the two strains at accurate translation. *Li* as a general term can mean a direct profit-oriented *yang* strategy typical of Western strategists such as Clausewitz, de Jomini and Napoleon. It is one that “gets things done.” In *weiqi*, on the other hand, amassing *shi* is a *yin* strategy that prefers to go for influence at the expense of immediate profits or advantage (*li*), and then build up a situation in which one can eventually dominate and take greater *li* than was lost before.



Spitznagel used this diagram to explain how Black will use the scattered stones to eventually gain more than White’s corner territory just as Ron Paul and his followers are quietly gathering support, not for this coming election where his prospects were nil, but for the future. This much *weiqi* theory Kissinger understood, however he missed the intricate interplay of “orthodox” and “unorthodox” methods that the Chinese use to implement those gains and so this part of his analysis fell flat.⁴

Even worse, neither Boorman nor Kissinger mentioned the Daoist philosophical basis for thinking in terms of *yin-yang* and *shi-li*.⁵

⁴ Kissinger discussed a few Chinese strategies in his book but apparently was ignorant of the whole scheme as evidenced by his lack of understanding of the maneuvering based on the Thirty-six Strategies that was used against him when he and Richard Nixon visited China in 1972. For the Thirty-six Strategies, see <http://wengu.tartarie.com/wg/wengu.php?lang=en&l=36ji> and my upcoming Appendix VII, which will replace what had to be cut for space in the revision of my first book, *Go! More Than a Game* (Tuttle) in 2010/11).

The other part of Kissinger’s *weiqi* thoughts was an overdependence on a simplified concept of “encirclement” as being at the basis, or at least as a way of explaining, Chinese overall thought and their geopolitical fears of it.

⁵ Most Western treatments of Daoism misconstrue it, beginning with the early accounts from missionaries in China who were misled, purposely or not, by *literati* attached to the rival concepts of Confucianism. Confucianism was for those one trusted, while Dark Daoism has been the praxeology or “philosophy of action” used by the Chinese to deal with people they didn’t “trust” in politics, business, war, love and *weiqi*.

From Appendix VI:

The way Daoist strategical thinking works is that those astute in its ways develop an attitude to try to perceive in a situation the imbalances of yin and yang and then act accordingly. That is, to cite Sunzi's military example, they had learned how to take into consideration what is strong and impervious and cannot be changed (yang), and what is weak and vulnerable and can be changed (yin). Their concerns included, to name a few, the conditions of the terrain, the weather, the spirit, formations and traits of the leadership of the enemy troops, and, most important, the information brought in by spies and observation. All this was balanced by a need to know one's own strengths and weakness i.e. self-knowledge was as important as knowledge of the opponent. Then, by successfully planning combinations of the "orthodox" ("standard" or "fixed" positions and strategies) and the "unorthodox" ("surprising" and "unexpected" methods), shi (shih) or "overwhelming" strategic, psychological and positional advantage" could be built up. . . .

However, Kissinger's description of shi cannot escape being a single-minded, simplistic Western interpretation because the fluidity of Chinese strategic thinking is not conveyed—for example, Sunzi strongly emphasized that the orthodox and the unorthodox are ever-changing into each other as if they were joined together in a ring. Each situation is different and ever-evolving so that thinking in these terms is only advice to try to determine which is which at the appropriate time. This is why acquiring shi reflects a person's general attitude towards the world and is not something that advises to "do this" or "do that."⁶

On the other hand, Spitznagel is an experienced though currently not competitive go player who is studying with Yilung Yang. He wrote:

Shi has been traced back as far as Laozi and the Daodejing, the fourth century BC political treatise attributed to him, with its counterintuitive processual and indirect approach to conflict. Over the centuries that followed, it gained more military-specific development starting with Sunzi.

The quintessential metaphor for shi is water, flowing ever downward in the most naturally powerful and effective way, ultimately overcoming everything in its path. Paradoxically, it is one of the softest and yet strongest forces in nature.⁷

Shi's antithesis, li, is the strategy of decisive victory in each present battle, typically a more natural, comfortable, and coherent approach than the greater

⁶ My view is that yin-yang correlative theories developed uniquely in China because, among many other factors in their language, they had no abstract nouns to use in their thought and so never developed a Greco-Arabic-Indian-Judeo-Christian paradigm of a "two-tiered world," where the source of order in the world is separate from the world itself, and the world of reality is separate from the world of change. This will be explored in the upcoming appendix.

⁷ To extend this metaphor, I suppose one can also think of how, when one slaps on water, it is hard but, when you are gentle it is soft. For this phenomena in plastics see <http://www.explainthatstuff.com/energy-absorbing-materials.html>

subtleties of the shi approach. While li is seen as a very western world view, it is that forward-looking strategic-advantage orientation of shi that has been the basis of the advancement of western civilization itself—from capital investment and production to the ceaseless pursuit of innovation and, as in Paul’s case, freedom. Rarely have these advantages been realized immediately, while their costs typically have.

As seen through this account, Ron Paul’s strategy is clear. However, as it was difficult to cover such a deep concept as *shi* in a forum such as *Forbes*, much was left out in his account.

The only appearance of *shi* (勢) in the *Laozi* is in Chapter 51. It is important because, along with Chapter 14, it discusses the mysterious creation from the *Dao* of things in the world. However there is no water metaphor and the closest apparent resemblance to water is in the James Legge translation where *shi* is the “outflowing operation.”

(The operation (of the Dao) in nourishing things)

*All things are produced by the Dao, and nourished by its outflowing operation. They receive their forms according to the nature of each, and are completed according to the circumstances of their condition. Therefore all things without exception honour the Dao, and exalt its outflowing operation.*⁸

However, a more rigorous rendering is by Rudolf G. Wagner, who noted the AB parallelism typical of Classical Chinese writing about correlative space-time (which can’t be separated). He translates *shi* as “situations.”

The Way generates [things].

What they get is that it nourishes them.

As entities it (the Way) lets them assume form

As situations [shi] it has them fully develop

Once they are created they are nourished, they assume form.

Once they have assumed form, they fully develop. . . .

*It is because it [The Way] only causes [situations] to fully develop, [but does not do the developing itself] that there is no entity that does not fully develop.*⁹

Still another look at *shi* is offered by Sunbin, Sunzi’s fellow military writer:

Thus, animals not equipped with natural "weapons" have to fashion them for themselves. Such were the contributions of the sages Yi created the bow and crossbow and derived the notion of strategic advantage [shi] from them

⁸ *The Tão Teh King (Tão Te Ching) of Lâu Dze (Lao Tzu); Vol. XXXIX; F. Max Muller (Ed.); Oxford Univ. Press; 1891; p. 93. The second occurrence is a variant character.*

⁹ *Rudolph G. Wagner; A Chinese reading of the Daodejing: Wang Bi’s Commentary on the Laozi with Critical Text and Translation; State Univ. of New York Press; 2003; pp. 292, 478-9*

How do we know that the notion of strategic advantage is derived from the bow and crossbow? An archer shoots from between shoulder and chest and kills a soldier over a hundred paces away who does not even know where the bolt came from. Hence it can be said: the bow and crossbow exemplify strategic advantage [shi].¹⁰

In any case, water became a standard metaphor for the weak overcoming the strong even as *shi* changed meaning. John Fairbairn in an email kindly gave a brief etymology:

The basic nuance is always strength but there is a derivation strength > strong posture > posture > situation > position, and all these meanings are always available, though the context always make things clear. For go the main Sunzi meaning (strong posture) is usually intended. The important thing is that strong posture must not be taken in the aggressive western military sense of something to shock and awe. The Chinese nuance is awe and shock (i.e. more passive so as to avoid fighting, claws remaining sheathed).¹¹

There are scattered references to Sunzi throughout the late Spring and Autumn and Warring states periods and what emerges is indeed a metaphor using water, but it is not Spitznagel's ". . . water, flowing ever downward in the most naturally powerful and effective way, ultimately overcoming everything in its path."

According to Sunzi, instead of being like water flowing downhill, the process of building *shi* and exploiting it had many elements and led to the rather rough conclusion mentioned above but on a larger scale. Mark Lewis in *Sanctioned Violence in Ancient China* wrote about what it took to develop *shi*:

The ability to manipulate shi had several elements. First, the commander had to assess the season, the terrain, and the foe. These were originally part of the calculation and manipulation that preceded or ideally supplanted the actual battle, but once in the field the commander's mental ability manifested itself through his powers of "expedient assessment" (quan). This word etymologically signified a horizontal balance and had the verbal meaning of "to weigh" or "to judge." Perhaps through extension it also came to mean that which was expedient to the moment as opposed to unchanging principle. In the military treatises it carried both these meanings and signified the commander's capacity to judge or assess the balance of forces and the dynamic tendencies in a given

¹⁰ Roger T. Ames; *Sun Tzu The Art of Warfare: The First English Translation incorporating the Recently Discovered Yin-ch'ueh-shan Texts*; Ballantine Books; 1993; p. 74 translated from Yin-ch'ueh-shan Han-mu chu-chien cheng-li hsiao-tsu; *Sun Pin: The Art of War (Yin-ch'ueh-shan Han-mu chu-chien Collection 1)*; 1985; pp. 62-3

¹¹ Ames (*ibid.* p. 73) translates *shi* as combining into one idea: 1. aspect, situation, circumstances, conditions 2. disposition, configuration, outward shape 3. force, influence, momentum, authority 4. strategic advantage, purchase.

situation at a given moment and to select the appropriate action. Because of its root sense as a horizontal balance, quan often had the narrower meaning of an assessment or judgment based on the weighing of two opposed factors, such as "fear and shame" or "many and few," that would affect the conduct of battle. The sense of "expedient" or "answering to the needs of the moment" is shown in various passages which associate quan with "change" (bian) or with the "extraordinary" (qi).

The situation examined through "expedient assessment" was to be analyzed into various polarities such as normative and extraordinary, empty and full, hard and yielding, far and near, many and few, or orderly and chaotic. The key to tactical success lay in the matching of opposites or complementaries one against the other.

The concentrated overcomes the dispersed; the full overcomes the empty; those on the quickest path overcome those who follow the main road; the many overcome the few and the rested the weary.

The commander ascertained which of these "poles" characterized his opponent and then matched him with its correlate: concentrated where the foe was dispersed, taking short cuts where he followed the main roads, and sending fresh troops against weary ones.

This reading of polarities and the matching of correlates was "expedient assessment," and its use distinguished the true commander from the incompetent in the new tactical doctrine. The Sima fa flatly proclaimed, "All war is expedient assessment." The Sun Bin bingfa said, "The Way of military action has four [aspects]: formations, power of circumstances, changes, and expedient assessment. The Wei Liaozi devoted separate sections to the expedient assessment of attack, those of defense, and those of warfare. . . .

The calculations were performed within the temple [before the battle] and determined whether a war would be won or lost. This "internal" calculation then had to be assisted by an "outer" performance that manipulated the circumstances over the course of the campaign and on the field of battle. . . . The central act that translated assessment into successful maneuver was the identification of the "pivots" (ji). This word concretely signified the firing mechanism of the crossbow, but it had the more abstract meaning of a moment of change, or more precisely the moment just before a new development or a shift in direction became visible. These "pivots," which are also translated as "seeds" when applied to processes where an organic metaphor seems more suitable, constituted the nodal points of a situation in flux, and it was a characteristic of the "sage" or "superior man" to recognize them before they became manifest. Thus the "Da zhuan" of the Yijing [The Book of Changes] says:

The Master said, "To know the pivots, that is divine (shen) indeed The pivots are the first, imperceptible beginning of movement, the first trace of good or bad fortune that shows itself. The superior man perceives the pivot and immediately acts. He does not wait for even a day." ¹²

¹² Mark Lewis; op. cit.; pp. 118-9.

It is what follows the “tipping of the balance” that is missing in Spitznagel’s unfortunately almost excellent account. To summarize Sunzi’s analysis, since it is a little different from Sunbin’s: If one was poised with built-up *shi* it was like having one’s finger on the hair-trigger of a loaded crossbow. When it was tripped, Sunzi metaphorically suggested that the power that was released was like “raging water” so that huge boulders and logs that were immobile on a flat surface could be made to roll down a mountainside as an unstoppable force.

From the chapter on *shi* which Lionel Giles translated as “Energy.”

Energy [Shi]: The onset of troops is like the rush of a torrent which will even roll stones along in its course. The quality of decision is like the well-timed swoop of a falcon which enables it to strike and destroy its victim. Therefore the good fighter will be terrible in his onset, and prompt in his decision. Energy may be likened to the bending of a crossbow; decision, to the releasing of a trigger.

The “Energy” chapter ends with:

Energy: The clever combatant looks to the effect of combined energy, and does not require too much from individuals. Hence his ability to pick out the right men and utilize combined energy. When he utilizes combined energy, his fighting men become as it were like unto rolling logs or stones. For it is the nature of a log or stone to remain motionless on level ground, and to move when on a slope; if four-cornered, to come to a standstill, but if round-shaped, to go rolling down. Thus the energy developed by good fighting men is as the momentum of a round stone rolled down a mountain thousands of feet in height. So much on the subject of energy.¹³

In other words, that is how the ultimate *li* is taken with “awe and then shock,” a process which can be construed as emanating from “Laozi’s” general emphasis on the “soft overcoming the hard” which may have stemmed from a formula that “the weak can overcome the strong.” According to some theories, the original writer(s) may have lived in one of the weaker states as about 148 or more kingdoms and fiefdoms were reduced in 550 years of fighting to one. Thus, part of “Laozi’s” advice was something like “Step aside and let the strong get stronger on the chance that they will eventually destroy themselves through hubris.” This is, in fact, what happened to the winner, the state of Qin. Due to internal contradictions, it took only 14 years for this first “dynasty” to fall apart.¹⁴

As for Ron Paul, he seems to be imitating the *shi* strategies employed by the young right-wing and evangelical supporters of Barry Goldwater who began

Li, generally meaning “profit” or “advantage,” occurs many times in the *Yijing (The Book of Changes)*.

¹³ Lionel Giles; *Sun Tzu on The Art of War*; Taylor & Francis Ltd; 2005; pp. 20-1

<http://ctext.org/art-of-war/energy>

¹⁴ This element of fearfulness is absent in Laozi’s successor, Zhuangzi (369-286 BC).

earnestly laying the literal and figurative ground work of door-to-door and community organizing after John Kennedy’s presidential triumph in 1961. By 1964 they were strong enough to take over the Republican convention but apparently they collected their *li* too quickly since their candidate lost by 434 electoral votes and 45 states. But perhaps it enabled the start of a new *shi-li* cycle—in the landslide, older Republicans were thrown out of office and this enabled a new generation of right-wing Republicans to take over and elect Ronald Reagan in 1981.

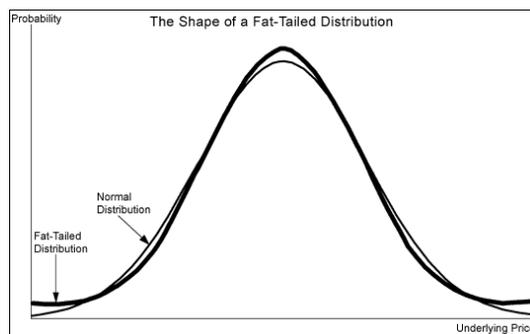
On the other hand, Spitznagel seems to have known how to close out a *yin*-like, *shi*-style economic campaign, which he explains as his "central *shi* strategy" in his upcoming investment book, *The Dao of Capital*.¹⁵ Instead of using the common *li* or steady-profit-oriented *yang* approach which tries, at great risk, to predict winning or losing stocks, he went up against the common human psychological trait of wanting rewards immediately by buying certain cheap stock options and betting that, at some point, stocks would fall precipitately. After enduring many small losses, that moment finally came in 2008 when Spitznagel fired his crossbows, rolled his logs, flew his falcons and made a fortune when he collected his hard-earned *li*.¹⁶

Many called this a rare "Black Swan" moment, deeming that "What is a black swan moment for the turkey is not a black swan moment for the butcher." However, there is an entire species of black swans so they are not so rare. Although Spitznagel was a colleague of Nassim Taleb who wrote the best selling book *The Black Swan* (Penguin 2007 3,000,000 copies sold), he rebuffs the concept in a recent white paper for his \$6,000,000,000 hedge fund and says,

*The impending U.S. stock market plunge like pretty much all that came before in the past century—will certainly not be a Black Swan, nor even a fat tail event. It is quite predictable.*¹⁷



A black swan *Cygnus atratus*



Fat-tailed distribution of probability

http://en.wikipedia.org/wiki/Black_swan_theory and www.fattails.ca/distribution

¹⁵ http://www.amazon.com/gp/product/111834703X/ref=ox_sc_act_title_1?ie=UTF8&smid=ATVPDKIKX0DER

¹⁶ For a famous *New Yorker* article about the two of them working in 2002 and bucking the normal trends of investing, see http://www.gladwell.com/2002/2002_04_29_a_blowingup

¹⁷ http://universa.net/UniversaSpitznagel_research_201205.pdf