

A Hero for the Times

A Winner in the Economic Reforms

On 1 January 1993 the China Business Times ran a front-page story under the headline “Millionaires on the Mainland.” In it an unnamed government official said, “For some time now China has had not only millionaires, but also large numbers of billionaires. Some of their number would even rank among the rich in the West.”

The report celebrated the fact that “it is no longer a rarity for people to have mansions with luxuriant gardens, lawns, and swimming pools. Only a decade ago these would have been the stuff of Hollywood fantasies. Not so today.”

Few of the megawealthy in China are willing to talk about how they made their money. Here is one real millionaire who was happy to tell his story. He was short and thin, dressed in a well-worn, although meticulously clean, navy blue suit. He looked just like a cautious accountant—at least until he started talking.

Doing business is not as hard as people make out, that is as long as you're on the right wavelength. That, plus some startup capital, and you're set. There's money to be made everywhere you look; as long as you've got the right instincts you can make a pile out of whatever you set your mind to. That's why I can tell you straight, no bullshit, I've been at this game for a good ten years. Sure, I've taken my share of hits, but now I'm sitting pretty. I'm a millionaire. But that's not such a big deal these days.

Now, I'm being honest with you here. Five years ago a million was a million. You were a master of the universe. Everything was yours for the tak-

ing. But now millionaires are as common as dirt, you can buy them secondhand on the street by the pound. If I really thought I was something, wouldn't that make all the dudes with their own Boeing 737s think they were God? But everything has two sides. You can trip yourself up really easily, and every cent counts. I might only be a *renminbi* millionaire, but the people who used to kick me around all the time are sucking up to me and playing buddy-buddy now. Once you have a few bucks, you definitely feel better about things.

Doesn't everyone talk about diving into the sea of commerce these days? Even the bureaucrats in their Mao suits, they're on the make too. Take the police I used to have dealings with—yeah, the guys who reckon they're my buddies now—those guys who used to have it in for me. Well, nowadays they want to invest in my business. But when it comes to dollars and cents, it's no more Mr. Nice Guy. I tell them, "Look, fellas, we go back a long way; I know you." These guys are too slow on the ground; they're just not wired for business. Why make life hard for myself? I say, "Let me give you some advice: don't give up the day job, okay? Stay with the uniform and the government wages. Keep an eye on me from over there where you're standing, and if by some chance I get into serious shit, give me a helping hand, okay?"

Look, I don't want to bullshit these guys, so I'm straight with them. They have a hard enough job just making a living. If they're really hard up for a bit of cash, I'm happy to give them some help, a loan or a gift, whatever. I see it as sort of like taking out extra insurance. Anyway, I know they'd never dare ask for such a big slice of me—no more than ten thousand yuan or so. I wouldn't feel a thing. But if they invested in me and expected returns, that'd be completely different. I'd be at their mercy. If something went wrong, they wouldn't be in any position to help me out. And, let's be frank, I don't need their money.

What a turnaround in ten years, eh? The guy they used to fuck over as a petty criminal is on top now, and the heavy boys are begging to be friends. They dumped the whole proletarian dictatorship thing on me, and, though I wouldn't go so far as to say I'm the one who is doing the dictating these days, it's about the same damned thing. They're still driving around in their shitty old cars. Even their bureau head only has a Santana, and it's not even his own. I've bought my own, and I can go wherever I want in it. It's only right that they'd want to suck up to a God of Wealth like me. I deserve it.

To be honest, when I was an angry young man, my only fault was that I loved a good fight. And, believe me, I was damned good at it. I wouldn't say I could beat all comers, but there was no one in South Beijing who could stand up to me, take my word for it. Back in '82, outside Yongding Men, I had a run-in with a pack of Northeast Tigers,¹ though if you ask me they were a bunch of pussies. Okay, I was a bit heavy-handed, and I put one of them in the hospital for a while. Normally I would never have got done for it, but those were bad days, right around the time of the "strike-hard" campaign.² I had this rep for being a brawler, so the local pigs already had it in for me. Plus the little shit I was teamed up with ratted on me and said I was the one behind it. I ended up being the evil black hand, and so they hauled me in. Remember, back then, it was "try them fast and throw the book at them"? In less than a fortnight I'd been in court and been sentenced to three big ones, and I was lucky to get off so lightly. Thankfully they didn't send me to the boondocks or anything, just a local spot for labor reform on a farm. Because I had a pretty good attitude—fuck, but I had a good attitude!—they made me a prisoner-warden, in charge of the others. After a while the government showed a bit of mercy and reduced my sentence by six months, so I was out in the summer of '84.

Apart from never having enough to eat, labor reform is pretty much just what you'd expect. Freedom and human rights are all relative, wouldn't you agree? I was twenty-three when they let me out. Yeah, I was born in April 1962. Two and a half years inside, and I'd had three birthdays. Before they locked me up, all I had was a part-time job at our local vegetable market—nothing regular—and that was gone. When I got out, I knew I'd have to start thinking seriously about the future. By then all the guys my age were married, and I had absolutely nothing. The police weren't all bastards, though. That's how come we could be friends later on. Quite a few of them

1. Northeast Tigers (*dongbei hu*) is the wary term Beijing people use for rowdies from northeastern China, who are reputed to be fearless and vicious. Yongding Men was once the southernmost gateway to Beijing; it is now a suburb, with a multilane overpass marking the former entrance to the imperial capital. A new Yongding Gate has been built to replace the original, razed in 1957.

2. "Strike-hard" campaign (*yanda*) refers to a period of coordinated, draconian police and judicial repression of social disorder, corruption, and crime during which arrests, trials, and executions are commonplace. Such campaigns have occurred with increasing frequency from the early 1980s in China, and, to an extent, have replaced the Maoist-style mass movements that were common in the past.

said I wasn't like the usual crop of thieves and crooks. "You're just a bit too handy with your fists, otherwise you're an okay guy." That really touched me. Just goes to show that when they wipe the floor with you, you're happy for any small kindness. So, all right, I was a fighter, but I had a good heart. I was okay.

Can't tell you how hard it was to find a job when I got out. In those days state-run enterprises still meant something. None of them would have anything to do with me. My parents were really anxious, too, because they thought it'd only be a matter of time before I landed myself in trouble again. They used every connection they could think of and even sweet-talked the local police into keeping an eye on me. Finally I got a license to run my own stall. But to get that you need startup capital, and my dad was just a fucking coolie. We scrounged and borrowed and finally managed to get 1,400 yuan together. There was nobody with money you could approach; no one had real cash in those days. If you had ten thousand yuan, people thought you were really somebody important. Anyway, getting money out of people was real hard labor.

I started out mostly trading in clothing. You can make more profit on clothes, and you don't need any particular expertise. It all depends on how good a talker you are. If you're into something else, like watches, you really need to know how to fix the damned things. If you fuck up a person's watch, you have to pay for it. I didn't know any of that stuff, so I followed the crowd and set up in the garment business. Another thing was, my license was only temporary, so I couldn't trade in anything but clothes and small everyday articles.

Clothing was hard enough, since you had to go racing between Guangzhou and Beijing. You had to bring in the stuff from Guangzhou yourself; if you stayed in Beijing and depended on middlemen to bring the goods from Guangzhou, you'd be ripped off. Who knows how many people you'd end up paying off? If you didn't get your own supply you'd only make a few yuan, if that. It was really hard in those days; you couldn't afford to take a break. After a day in the market you'd set up a night stall and just keep going. Never got home till the middle of the night, and you'd be at it again at daybreak. And those trips to Guangzhou and back were sheer hell. I had limited capital, so I could only bring back a few hundred kilos or so at a time, as much as I could lug onto the train myself. I wouldn't waste money on a sleeper—couldn't get a ticket anyway—so I'd end up sitting or standing or crouching near the train door for the whole trip back to Beijing. By

the time I got off a few days later, my legs would be swollen as big as loaves of bread. If you pressed the flesh, your finger would leave this big dent. But as the old saying goes, “Only when you suffer in the extreme can you become a superior being.” With everything I’ve been through, I could write my own *Pioneering History*.³

It was when I was working in clothing that a real opportunity finally presented itself. There was a time when the authorities allowed people to import secondhand clothing. To people outside China it was just rubbish, but we started buying loads of clothing, mostly square-meter boxloads, at ten dollars or less a load. You couldn’t really say it was imported; mostly it had been smuggled in—through Guangdong and Fujian at first, though later Tianjin and people along the Shandong coast got involved as well. Once they had this stuff on their hands they couldn’t offload it locally, so they had to sell it on. Getting secondhand clothes into Beijing wasn’t so easy, though. In the first place, they wouldn’t let you ship them on the trains—unless you were willing to rent a whole freight car, that is. Guys who had the money to do that wouldn’t be seen dead trading in secondhand clothes. So your only choice was to rent a truck yourself to haul the stuff all the way from the south. I’d made some buddies while working on my stall, and one of them cleared the way for the trip all the way from Fujian to Beijing without getting anyone else involved. It was cheaper than from Guangdong, and he’d even arranged the truck. The only problem was that he was stuck with a driver he wasn’t all that sure about. It was a long way to travel with no real security, so he needed someone to go along with him for backup. And here I was, known to be handy with my fists—infamous in fact—and a trader in clothing as well. So he asked me to go along as his bodyguard.

To think at the time I was nearly stupid enough to let this opportunity pass me by! I told him that if there was money up front I could find a reliable guy who knew how to handle himself to make the trip. But he was in a bind because he didn’t have any cash in hand. In other words, he couldn’t afford to front the money. That’s how I ended up offering my services, like we decided to work together. I got a few sacks of old clothes as payment. All in all, the trip went pretty smoothly. Whenever we ran into a blockade, you could usually get by with a bribe. It was fairly peaceful on the roads. We

3. *Chuangye shi*, a 1960s novel by Liu Qing about the pioneers of socialism in the countryside.

came back with a few trucks full of stuff. When we divided the cargo up, I didn't have time to open up my sacks to see just what I was getting—just brought it straight back home. That's when I discovered, fuck me dead, most of it was 70, 80 percent new, and the type of thing that was in fashion at the time! The only damned problem was it was all filthy, and it stank to high heaven. I separated out the stuff that was too dirty to keep—things with oil stains or bloodstains or whatever—and sent it off to the recycling station. Then I mobilized my whole family to work with me to wash and iron the rest. We ended up with a fairly impressive wardrobe of clothes. Because there was so much, we left a lot of the second-grade stuff unwashed and sold it as was. And boy, was it a profitable deal for me! I sold the better things for a few hundred yuan each; one or two items like that, and I'd covered my costs. The rest of them—and we're talking a few hundred garments here—were pure profit. Your average piece of clothing would fetch twenty to thirty yuan a pop. Night markets were particularly good, since no one could see what they were really getting. Back then people were completely fixated with new stuff from overseas, and there wasn't much of it around. I was in a good position because I was selling bona fide foreign clothing, just what amateur overseas Chinese and tarded-up girls around town were looking for.⁴

I decided to strike again while the iron was hot. This time I went to Fujian by myself to bring back a couple of loads of clothing. I thought I'd wholesale the stuff back in Beijing, so that's why I bought so much; it made better business sense, too. Nowadays people are impressed if you can make a 50 percent profit on a deal; back then I wouldn't think anything of 500 percent. We were so hot we were just burning the place up.

You could never get away with a beautiful setup like that for long, and soon the government banned the trade in secondhand clothing. They incinerated all the clothes they confiscated. They were perfectly within their rights; anyway, the clothes really were incredibly dirty, and no one knew if they were carrying some infectious disease. I might have made a killing selling secondhand clothes, but believe me, I never wore them. Never mind the filth; it made me sick to think I'd be wearing the things some fucking foreigner had thrown away. Anyway, I'd been working on the premise that

4. "Amateur overseas Chinese" (*yeyu huaqiao*) is a term of deprecation for young men and women who want to look like wealthy Chinese from overseas returning to visit their down-at-heel Motherland.

they'd ban the stuff sooner or later, so when the government finally took action, I was pretty much in the clear. I didn't have much left on my hands—the good stuff had all been sold, and what was left was just stuff people had sifted through and discarded—and I was more than happy to hand it over to the authorities for burning.

It was the individual stall owners, the private entrepreneurs on the streets, who were hit hardest by the bans. By the time the clothes reached them through all the middlemen, they were already fairly pricey. They were just managing to make back a few dollars when the bans took effect. I felt sorry for them. Some of them didn't want to give in, so they kept selling the clothes on the sly. They ended up being fined or having their licenses taken away. But they were stupid to try and dick around with the authorities. You always lose when you take on the government head-on. If you want to play games, you have to learn where the loopholes are and catch them unawares, before they've woken up to your scam. If you have any sense, you'll be long gone by the time they're ready to strike.

Sure, people still trade in secondhand clothing today. They've adapted to the environment. They know the government can't keep an eye on them all the time, so they wait until things have calmed down, and they go back into business. When the market booms and the government puts out another ban, everyone lies low. After the ban slacks off, they start up again.

I made tens of thousands of yuan out of that first deal. Amazing how much you could score with just a few thousand in startup capital. Within about half a year, or more precisely about three to four months, I had nearly a hundred thousand yuan. Back then that was real money. I was crazy, man, I went out and bought an electric cart, you know, the kind disabled people use. The top speed might have only been thirty kilometers or so an hour, but I felt like I was on top of the world. Later on I couldn't get a license for the damned thing, so I was always being stopped by the police. Since I wasn't disabled, they said I shouldn't be driving it. I took the hint, and I knew a bit about cars anyway, so I got myself a real one. We were so clueless back then; like we thought the best car in the world was a Toyota Crown I didn't have that much cash, so I got a joint-venture Fiat. It was this dirt-gray color, with the engine in the back. It was small and cramped, and if you put four people in it you couldn't shut the doors. I might have thought it was a shit bucket, but other people treated me differently. I was the first in my neighborhood to have my own car. It had only cost me about

ten thousand on the black market—not bad, considering that the retail price was around nine grand.

As for the rest of my capital, that's a classic case of easy come, easy go. I wasn't careful enough and lost it all in a bad investment.

I really have to blame the guy who first lent me the money to start up my stall. He was my dad's old friend, and he had retired from his job in a woolen mill. He was bored, so he decided to get some money together and start up his own factory with some farmers and local worthies in the country around Changping outside Beijing. The peasants provided the space and labor, while he came up with the technical know-how and some of the capital. They went into the knitted woolen shirt business, mostly producing for export. Knitwear was pretty hot at the time, and even if you couldn't get a toehold in exports, the local market was hot, too. You couldn't expect great returns, but I figured it was a safe enough investment. Anyway, I was wary of reselling because you never dealt with anything solid. But a factory that actually made things seemed real to me. So psychologically I was in tune with the project and I was easily convinced to invest, thirty thousand at first. He put together a package of three hundred thousand yuan, so I was in for 10 percent. They also made me a manager. After six months they went into production, and that's when the problems started—and everything was a problem. The biggest headache was marketing. I don't know how many sales managers we went through. Anyway, none of them could hack it for very long; there were always disagreements and fights over every fucking thing.

I could see quite plainly where the problem was: the reason they couldn't move stock was that the product was inferior. But all these bumpkins knew about was planting corn; they didn't have a clue about manufacturing. Only a complete idiot would have been taken in by our goods. And since all the raw materials were obtained at a premium on the black market, there was no way we could cut our prices. Even though our labor costs were lower than in most factories, the finished product was many times more expensive than the competition. I could tell there was no future in it, so I decided to withdraw my money and head for home. But they were too fast for me. Before I'd even got my act together, they decided to increase capital investment to keep the factory from going under. That way I couldn't get my money back and was forced to go along for the ride in the hope that I wouldn't be completely wiped out. I should just have let it go under—that's where I made a tactical error. But I wanted to salvage my thirty thousand.

I believed them when they told me they were about to strike an exporting deal and they needed money fast. I was stupid enough to think I could protect my original investment by throwing in another thirty thousand. That was everything I'd made from trading in secondhand clothing. But guess what happened? Of course the big deal fell through. After the buyer had approved our sample, the first batch was made up and they discovered that the quality of the finished product was nothing like the sample they'd seen. They produced another batch, but that was rejected too. Not only did the contract fall through, but we ended up having to pay damages as well. That's when my dad's buddy let us in on his little secret: he was so desperate to save the factory he'd given the buyer a sample made by another factory!

So that's how the factory went under. The machinery was stripped to pay off bank debts; we couldn't cover it all, so the bank just had to cope. We were left absolutely penniless, and lucky not to have been dragged into court. I had absolutely nothing to show for my sixty thousand yuan. Some price to pay to be fucked over like that. Had no choice but to accept the mess. I couldn't very well carve myself out a chunk of sorghum fields from the old peasants and take it back to Beijing as payment for my share, now could I?

It was a lesson I wasn't going to forget in a hurry, though. No matter who spoke to me about how much money you could make by setting up a business, I simply wasn't interested. Sure, running your own enterprise sounds more serious than being a profiteer, but fuck me dead if you don't actually have to produce things and then get entangled in all of the shit that goes with production, and all the people who have to get a piece of the action. No matter how careful you are, you can never be sure things won't go wrong somewhere down the line. If your main aim is to make money, my advice is to concentrate on profiteering, or what the authorities call "the circulation of commodities." Stick with circulation, stay out of production. The setup in China at the moment is ideal for traders; just keep clear of trying to make a name for yourself as an industrialist. Now, if anyone wants to get you into that, I'd say they're out to get you, or rip you off. Don't fall into their trap.

The problem here is that in recent years things just haven't been in the producer's favor. You need a stable and reliable setup and the right environment so that in eight to ten years' time you can make your money back. But, fuck, eight to ten! Who can wait that long? People these days are unsettled; everyone wants, you know, whaddaya call it?—damn, I talk

about it all the time and I can't remember the word—that's it, immediate returns. Or, more precisely, exorbitant profits.

These days people love the idea of killing the chicken to get at the eggs. All they're interested in is instant gratification.

Anyway, where were we? I'd got up to about 1985–86, hadn't I? After that disaster I only had ten thousand or so yuan left in the kitty, not much to do anything real with. The rag trade had leveled out as well. Sure, you could make a living out of it, but you couldn't get rich quick any more. The prices for genuine imports coming in through places like Guangdong had gone through the roof. Then there were the "clothing towns" around Beijing where itinerant workers from the south had settled and were churning out cheap rip-offs. They had all the right labels, but their product was incredibly shoddy; it looked like clothing, but that's all you could say for it. The places that were still doing well were the local markets like Silk Street, which are mainly for cheating whitey, getting the best of the devils and trading in foreign currency.⁵ It was real hard to get your foot in the door at places like that, and even if you did you probably wouldn't make much. All those stalls give the impression that it's a simple, rustic environment, but, believe me, the competition is fierce, and everyone's crooked.

That stint of labor reform really taught me a few things. The government gave me a crucial life lesson: avoid confrontation, and don't buck the odds. I knew there was no future in operating a clothing stall, so I changed tack. That's not to say I abandoned the stall; I kept that going and made over a thousand yuan a month out of it. It only cost me a little over a hundred to hire a peasant woman to run it. If she sold a lot, I gave her a little more. I used my remaining capital to get a loan and went back into profiteering. This time it was beer. The loan was easy. Everyone thought I was this rich guy and they were happy to throw a few million in my direction. Anyway, they knew I wouldn't be running off anywhere soon.

At that time the government hadn't freed up retail prices, so beer, like the stuff produced by the Beijing Brewery, was sold locally at the price fixed by the municipal commerce bureau. It was good quality and cheap booze. Beer made in other provinces, though, could be sold here at market prices—so it cost twice as much. But that same stuff was sold in its own local area at a price fixed by the commerce bureau there, and outside beer was much

5. Silk Street (Xiushuijie) is next to the Qijia Yuan diplomatic compound in Jianguo Menwai.

more expensive. Quality-wise, I have to say, the piss they produced at small local breweries could hardly be called beer. If you drank a shitload of Beijing beer and pissed into a bottle it'd still be a hell of a lot better than their stuff.

But you see what I'm getting at? There was an opening for me here. If I got hold of all the Beijing beer and sold it out of town and introduced out-of-town beer to Beijing, I'd be able to make a killing at both ends. Of course, you had to go the whole hog and make sure there was no Beijing beer being sold in Beijing at all, otherwise the scam wouldn't work—who'd want an inferior product that cost more than twice as much if they could still get Beijing piss? A few of us came up with this idea at the same time, so we joined forces, or at least we made sure we didn't tread on each other's toes. United, we were able to wipe Beijing beer from the local market. There was only beer from other places—we got it from all over the place—even Guangxi. About the only place we didn't import beer from was Tibet. The consumer had no choice; if you don't like the stuff or reckon it's too expensive, then fuck off! As for the rest of the country, it was just the opposite—Beijing beer was all over the shop. The trick was that we'd shipped it so far from the capital that no one could afford to bring it back. Don't forget that outside Beijing it was an expensive, imported beer. You'd have to be a dumb fuck to try buying it all up at those high prices and trucking it back to Beijing, where you'd have to resell it at the low prices fixed by the Beijing Bureau of Commerce. A dumb fuck who'd probably be nabbed by the authorities for illegal profiteering!

That kept me busy for just on six months. My supply line was mostly to the northeast. At first I moved the goods by truck, but when things really took off, all I had to do was deal with consignment forms; my outlets took care of the actual shipping. For an illegal trader, I reckon I had a conscience. Most of our beer was Snowflake brand from Shenyang. It was much better than the crap produced by township breweries. It sold for a few *mao* in Shenyang, but in the summer heat in Beijing we could easily sell it for over two yuan.⁶ At the time, the local beer was supposed to sell for a little over eight *mao*. But you never saw it in the marketplace because we'd shipped it all out to the provinces. And there was no way you could buy Snowflake in Shenyang for a few *mao*. If you wanted a beer you had to drink stuff from out of town, and that was two yuan a pop.

I'm not bullshitting you, but by the time the government caught on to

6. One *mao* equals ten *fēn*, or one-tenth of a yuan.

what was happening and closed the trade down, I'd dealt myself out and was sitting on three hundred thousand yuan. Trading beer is a seasonal thing, after all. Who wants to drink that shit in the middle of winter? But it just goes to show how slow on the uptake the authorities can be. The first snows had fallen, and they still hadn't figured out our scam. All they knew was what they read in the newspapers, all those articles like "Oh where, oh where has all our local beer gone?" Absolutely useless. I reckon I'd actually done a good deed. They might accuse me of illegal profiteering, but I could defend myself by claiming that I was acting in support of the Central Committee, and through my business practices I was striking at the evils of local protectionism.

Of course I'd used local protectionism to my advantage. But there should be a level playing field, right? All local governments can think of is keeping their own beer prices down. Well, if it's that cheap, then I'm entitled to buy up as much of it as I want. And if I buy it all, that's your lookout. I haven't cheated you. If you're that full of local pride, then why not just establish a People's Republic of Beijing, set up a customs zone, and tax all the beer you export?

If you know where to look, there are chances to make money everywhere in our society.

With that capital under my belt, I started trading in fresh fish. Once you've got yourself a big fishery, you can really go for the money. The thing you have to be good at is weathering the storms of the marketplace. If you're only going to trade small-time, then you might as well not even bother. I've also dealt in scrap metals—copper and steel. Once I even bought myself an abandoned transformer substation and sold the whole thing to these people down south. They repaired it and put it back into service. If they'd wanted to, they could have hired people to strip it for copper wire that still could earn them a fair bit. I've also traded in complete construction projects. In some cases you need big bucks; other times, like in motor vehicle or construction projects, you can get away without any financial backing at all. You just play the middleman, and you can strip a layer of skin off everyone involved.

Frankly speaking, I'll try anything if there's a buck in it. I keep on the move, and it doesn't matter how much I score; as long as I score, I reckon I'm ahead of the game. These days I'm a bit more careful, though. There are some deals that might yield a big profit, but the risks are too great. In the old days, I would have been into it without a second thought; now I know

how to let go. Take going to Russia, for example. Everyone knows you can make a pile out of just about anything there, and lots of mates of mine have done very well out of the mess in Russia. But I've kept out of it. It's just not safe. They tell me that those Russkis carry out raids on people with sub-machine guns. No way am I going there! Money is one thing, but you have stay alive. More to the point, I've got a family to think of.

Commerce has been pretty lively these past couple of years, with everyone getting involved in the market economy. I'd be stupid if I was still a petty fishmonger trading in stinking prawns and rotting fish. Lately I've been trading in company names. I'm filling a market niche, really. You see, you've got these shithole companies, ones that are so run down that they have absolutely no capital apart from the general manager's one decent suit. They can't think of anything better than linking up with a bigger industry or state firm or contracting a subsidiary company of a larger operation. As for the state organizations, like ministries or commissions, or the army, they have companies under them that could really do well, but they've got bogged down through lack of managerial expertise, and all that's left is a shell. So what you've got is a situation in which two parties need to be brought together, but they don't know how to go about it. I come along and do my magic, and I satisfy both sides.

Take, for example, the National Defense Science Commission. Let's say they have a corporation called the Eastern Group—now, I'm just using this as an example, right? They don't really have such a corporation. Under the Eastern Group there's an electronics development company that has been bleeding money like there's no tomorrow. They're thinking of closing the operation down altogether. At the other end there is this pathetic electrical company run by a few hicks in Tong County outside Beijing, produces lightbulbs that burn out within a couple of days. They can't give the things away. Then I come along and introduce both sides to each other, and they're back in business. Just think about it; the company under the National Defense Science Commission can make lightbulbs that people will actually want to buy, and they'll be products of a quality that people want. So the hicks will strike it rich. As for the commission, they only have to put their seal on the documents and sign their company over to the bumpkins under contract, and pay five hundred thousand yuan a year on the contract.

See what I'm saying here? There are openings to make a buck wherever you look if you put your mind to it.

How many company shells have I traded my way through? A good

twenty by now, I guess. I'm one myself, I suppose, though I've never set up my own company. Some of the shells I've traded in have actually tried to get me on board as a consultant or that kind of shit; you know, honorary CEO. You must be kidding! I'm a profiteer, plain and simple, and what I trade in is companies like yours, and now here you are wanting me to be a managing director—what, so I profit from myself? I don't think so. Anyway, none of those companies will last; if I stuck around, sooner or later I'd end up back in labor reform. My relationship with them is simple: you hand me my fee, I'll close the deal. Being in business is like being one of those outlaw knights: one day you're fighting on the same side, and the next day you make like you don't recognize each other in the street.⁷

I might not have a black belt in profiteering yet, but I'm pretty damned close. I don't even bother with the business-card thing. I don't have a shop front either. Why bother? It's just a waste of assets. Anyway, you can't take it with you; it limits your freedom of movement. More to the point, when the shit hits the fan, who wants to be tied down? I still have a stall-owner's business license. I don't do clothing now, though; I'm in handicrafts these days. I've got two Sichuan girls looking after that side of business. They've both been to school and can speak a few words to the foreign devils. They're doing fine, so I can look after the big picture. I let them make most of the day-to-day decisions, like pricing and so on. Don't ask me for advice if you can decide yourself, that's what I tell them.

I've been in handicrafts for quite a few years now. It's more stable than clothing, and more profitable too. In the rag trade a street stall can't sell a T-shirt for three hundred U.S.; people would think you're joking. Some dumb-fuck foreigner comes along, and sure, it's your duty to try and rip them off, but you'll scare them off if you ask prices even higher than Yaohan Department Store prices. It's different with handicrafts, though. Take a small embroidered shoe for a bound foot, for example. You can say it was your great-great-grandmother's back in the Qing dynasty,⁸ when women all had bound feet. You say you can get three hundred yuan a shoe, easy. But, since it's you, my friend, I'll let you have the pair for three hundred. How about that? You blind them with crap and they leave happy, “Sankeyou waidai ni machi.”⁹ They've not really lost out, either. Okay, so they've lost

7. Outlaw knights or knights-errant (*xiake*) were itinerant warriors with a particular code of honor.

8. The Manchu-Qing dynasty ruled from 1644 to 1911.

the equivalent of a couple of a days' pay, but they've bought themselves a Chinese antique that they can show off back home. In fact the wholesale price of those little shoes isn't much more than your average T-shirt. They're all made by peasant women, hicks out there in the villages. Genuine Qing dynasty my ass. Rip the soles open and you'll find that they're lined with old copies of the *People's Daily*.

Cheating in business is commonplace. If you don't do them, they'll do you—and if they're willing to be done, then it serves them right. The crucial thing is that you have to be legal. Doesn't matter if you make the occasional mistake; just don't break the law. Keep well clear of drugs, arms, and trading in girls; most of all, don't go near politics. Touch politics and they'll fuck you over every time. So I pay my taxes on time; I pay any fees on time; I pay my insurance on time. Anything the government asks for, I hand over—whether or not they give me a receipt. I make donations to the disabled and disaster relief, and even pitched in money when the students were demonstrating in 1989. I'll give money to any cause that seems reasonable. And that's why the government doesn't regard me as dangerous. To them I'm just an insignificant guy with a bit of money. In reality, I'm a master of my trade—and being an insignificant guy with a bit of money takes real talent, believe me.

In this society of ours you have to be able to play the game. You know full well that you're screwing them senseless, but you have to let them feel they're in charge, that they're doing you over. Once you've perfected the art, you're home free.

Making your first million is both easier and harder than it seems. But no rich person in China was born to be rich, except maybe the chairman of the Communist Party. All the Mercs you see driving around Beijing today are the product of people learning the tricks of the trade and working hard these last few years. It's just a matter of knowing how to do it.

9. A Chinese phonetic rendition of "thank you very much."